Financial Management Modernization Initiative (FMMI)

FMMI 208 –FMMI Accounts Payable Overview

Transforming Financials at the People's Department

Version 2.00

Course Outline

- **Introduction Module**
- Module 1 – Accounts Payable Process Overview
- Module 2 – Bank Master Data
- Module 3 – Invoicing
- Module 4 – Payment Execution
- Module 5 – Accounts Payable ECC and BI Reports
- Course Summary
- Course Evaluation

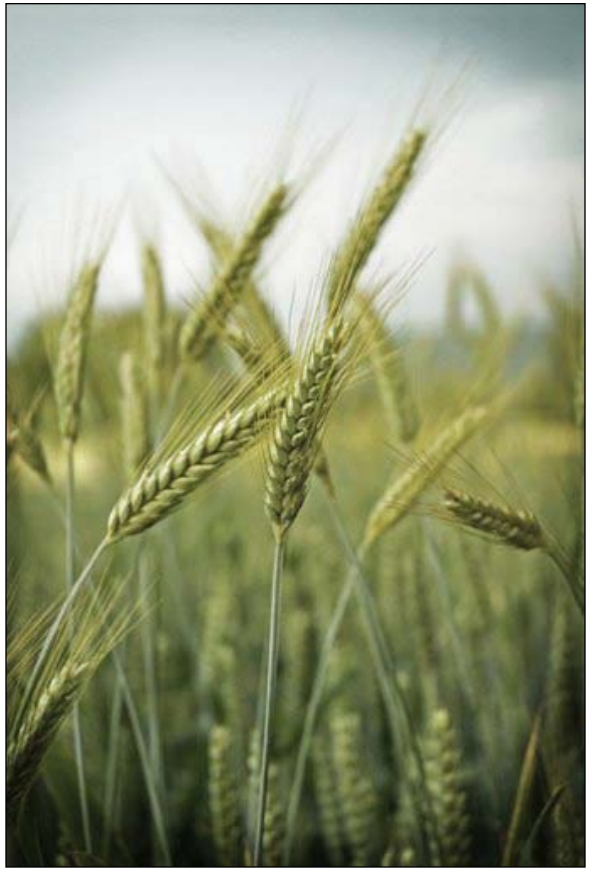
Welcome to FMMI Accounts Payable Overview

- The Accounts Payable overview course will provide you an introduction to the process, coordination, and information needed to understand the Accounts Payable process in FMMI. The course introduces you to:
  - End-to-End Accounts Payable process
  - Key Terminology
  - FMMI User Roles and their responsibilities
  - Accounts Payable touchpoints with other business process areas

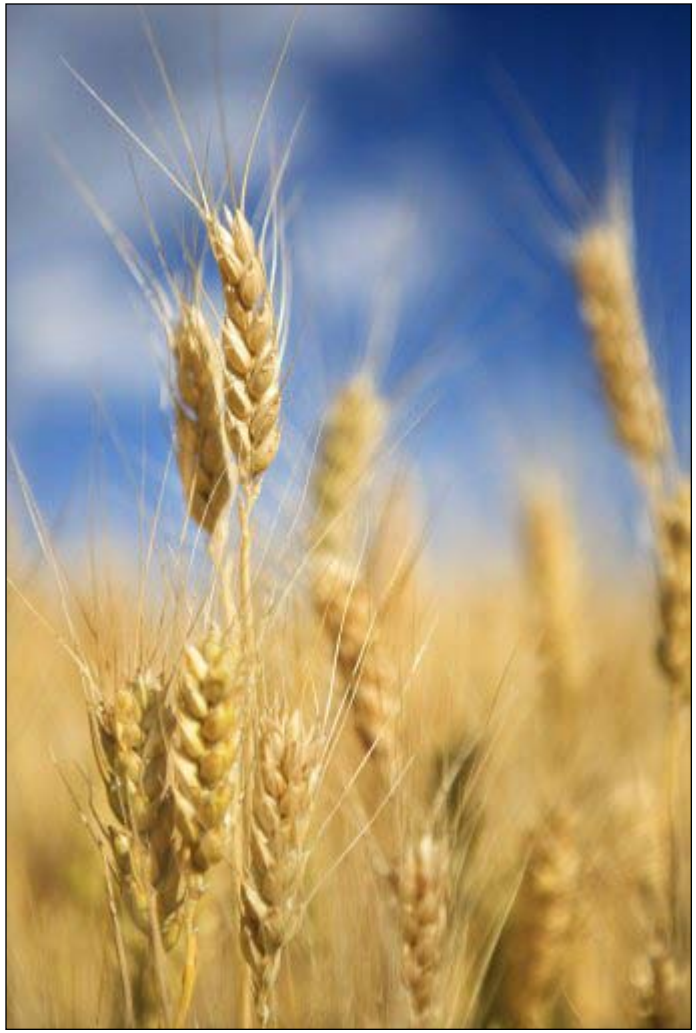
Course Objectives

After completing this course, you will be able to:

- Explain key Accounts Payable terminology and business concepts
- Explain the high-level Accounts Payable process and sub-processes
- Explain the FMMI roles required to perform the Accounts Payable process
  - Bank Master Data sub-process
  - Invoicing sub-process
  - Payment Execution sub-process
- Explain how other business areas interact with the Accounts Payable process
- Provide examples of the FMMI standard reports



Introduction Module Overview



Before you get started with the course modules, review the next slides. The next slides include:

- Business Process Flow Reference Guide
- Review of the content covered in FMMI 101 – Introduction to FMMI
- Review of the FMMI Curriculum

Introduction to FMMI (100 Level) Review

As a prerequisite to the 200 Level courses, you participated in the FMMI 101 - Introduction to FMMI course. FMMI 101 provided a high-level overview of the FMMI project, changes and impacts of the implementation, and benefits of the new system.

After completing the 100 Level course, you learned to:

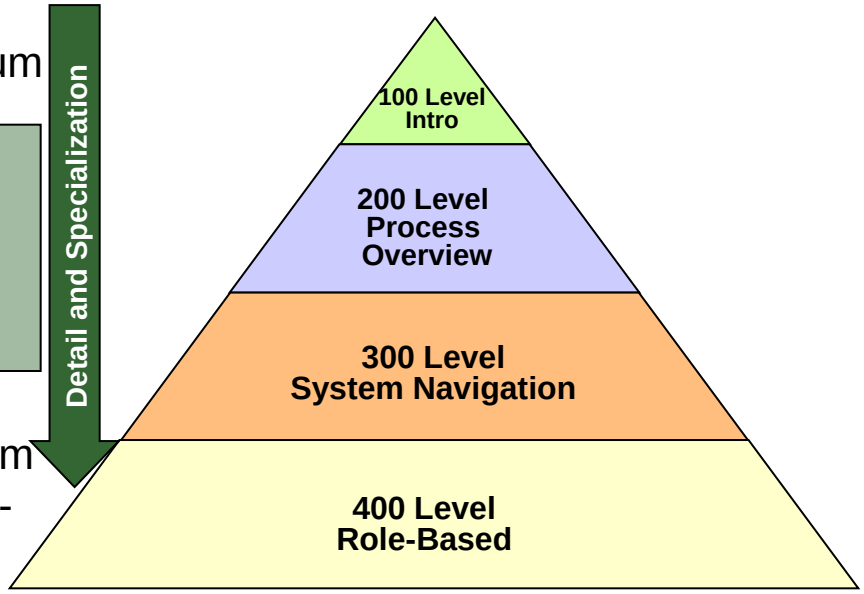
- Summarize the FMMI program objectives
- Explain the benefits and advantages FMMI provides
- Describe an Enterprise Resource Planning (ERP) solution
- Explain new business processes and concepts
- Explain the key implementation timeline and milestones
- Explain what organizations are impacted by each release of FMMI

The 200 Level Process Overview courses takes a step further and provides you a high-level overview of FMMI's new terminology and business processes.

Your Curriculum

The FMMI Training curriculum outlines the training required for FMMI User Roles. The training courses provide an understanding of the FMMI program and application(s) and the USDA financial processes.

- **Introduction to FMMI** (100 Level)
  - Overview of the FMMI project
  - Instructor-led course, delivered in an auditorium or via teleconference
- **Process Overview (200 Level)**
  - High-level view of USDA's core financial business processes
  - Web-based course, delivered via AgLearn Learning Management System
- **System Navigation** (300 Level)
  - Hands-on practice navigating the FMMI system
  - Instructor-led course, delivered in a computer-based classroom
- **Role-Based** (400 Level)
  - Hands-on training and detailed introductions on how to process transactions in the FMMI system
  - Instructor-led course, delivered in a computer-based classroom



Introduction Module Summary

Congratulations! You have completed the Introduction module. The next few modules will provide you an overview of the Accounts Payable process in FMMI.

Select the **Exit** button to leave this module and return to the course menu.

Course Outline

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- **Module 1 – Accounts Payable Process Overview**
- Module 2 – Bank Master Data
- Module 3 – Invoicing
- Module 4 – Payment Execution
- Module 5 – Accounts Payable ECC and BI Reports
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Welcome to Module 1: Accounts Payable Overview

- This module will provide you an overview of Accounts Payable
- Proceed to each new page by clicking the **Next** button when you have finished reading the content on a page
- To view a full list of the topics covered in this module, click the **Menu** button on the top right corner of the course
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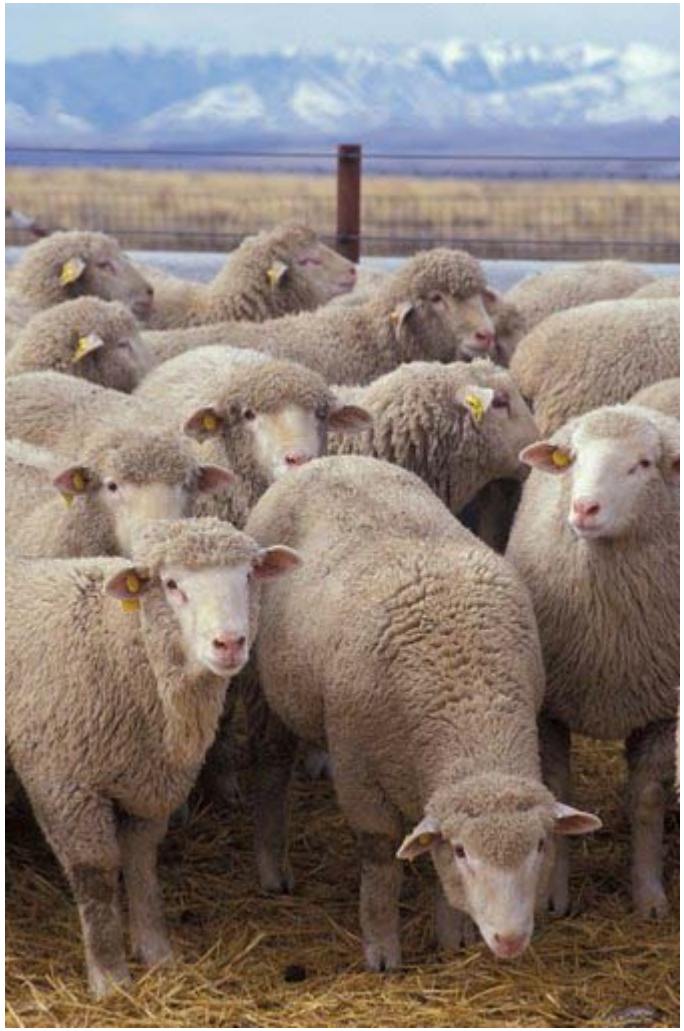
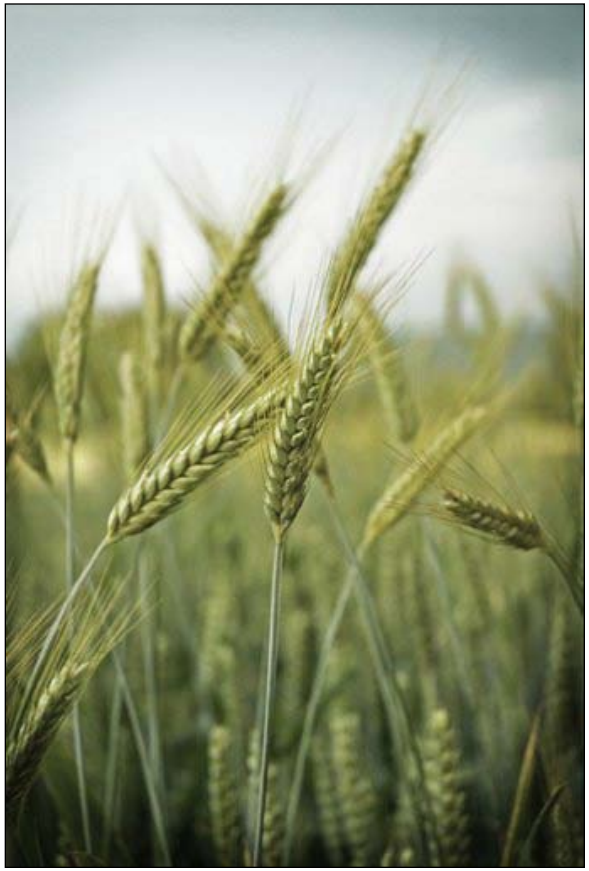


Objectives

After completing this module, you will be able to:

- Explain the process flow of Accounts Payable sub-process
- Explain the key Accounts Payable terminology and business concepts
- Describe the FMMI roles associated with the Accounts Payable process
- Explain the interactions between the Accounts Payable process and other business areas within FMMI



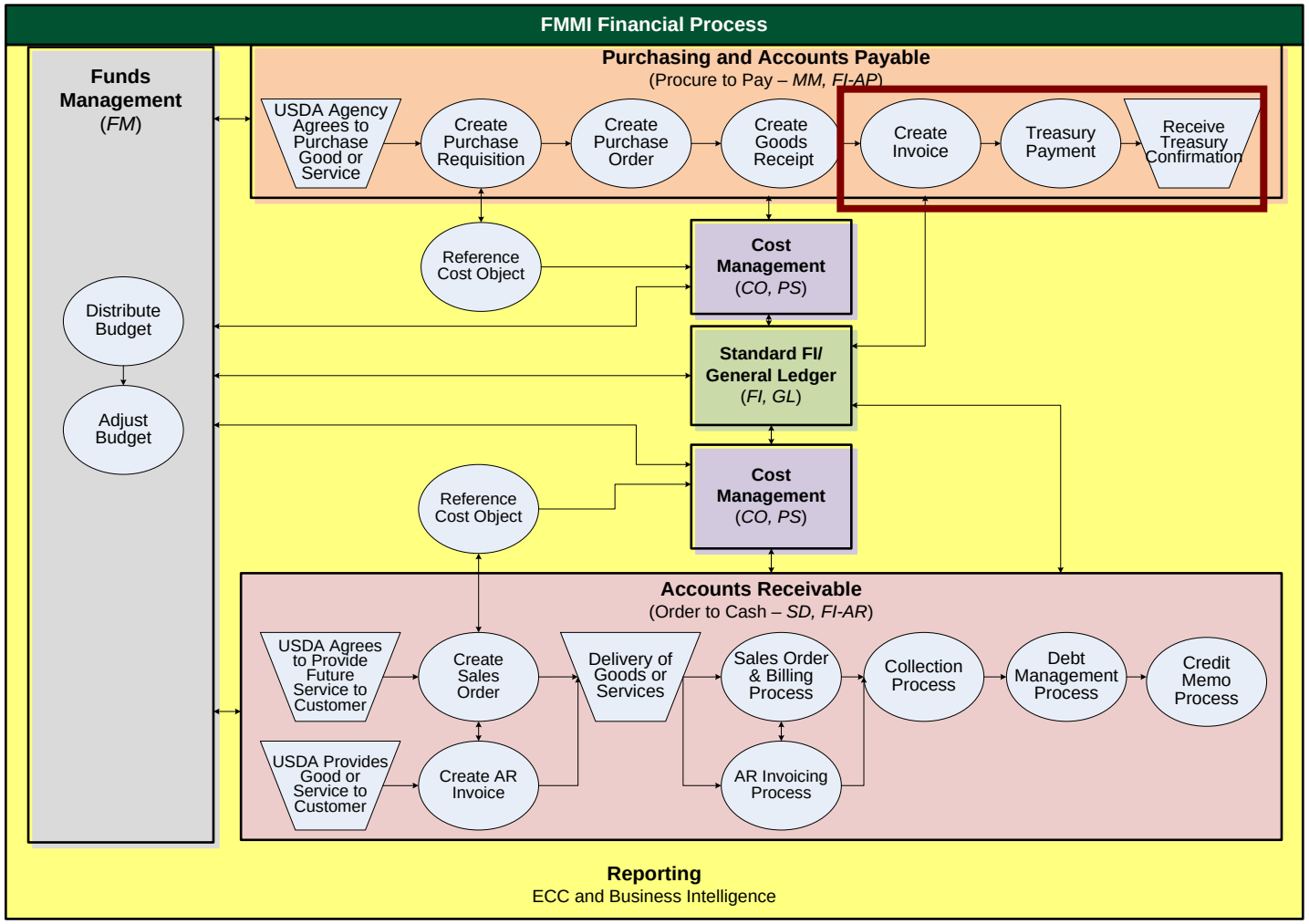
Key Terminology

Review the following terms and definitions before beginning the Accounts Payable module:

- **Goods Receipt:** A document showing the quantities of goods received on a USDA order
- **Invoice:** A legally binding document from the vendor that serves as a request for payment for products or services rendered
- **Purchase Order:** A request to a vendor to supply goods or services at a specified price by a specific date that results in an obligation of funds
- **Purchase Requisition:** A recorded internal request for the purchase of goods and/or services that results in a commitment of funds
- **Vendor:** A person or organization that provides goods or services to USDA
- **Vendor Master Data:** Information about the vendor pertaining to their address, bank account information, taxpayer ID, etc.

FMMI Financial Process Flow

This process flow illustrates the FMMI Financial end to end process. The highlighted area illustrates where Accounts Payable fits in the entire process.

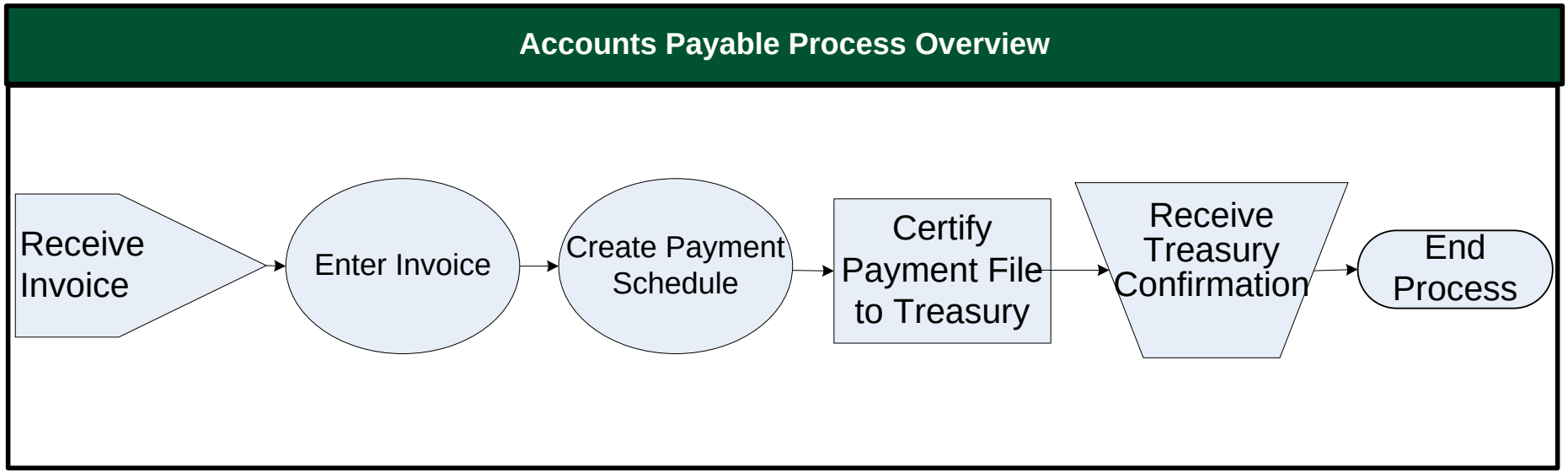


FMMI User Roles

- Role Alignment is the process of defining FMMI User Roles required to obtain system access to perform the FMMI business processes
- Once roles are the defined, FMMI users are aligned to the them
- Proper role definition and alignment:
  - Ensures users have access to perform the tasks as needed to achieve FMMI transactions
  - Ensures proper segregation of duties
  - Ensures FMMI users receive proper training
- An individual user may be assigned one or more FMMI roles based on his or her responsibilities
- Upcoming modules further explain FMMI user roles

Business Process Flow

This process flow outlines the key activities related to the end-to-end Accounts Payable process:



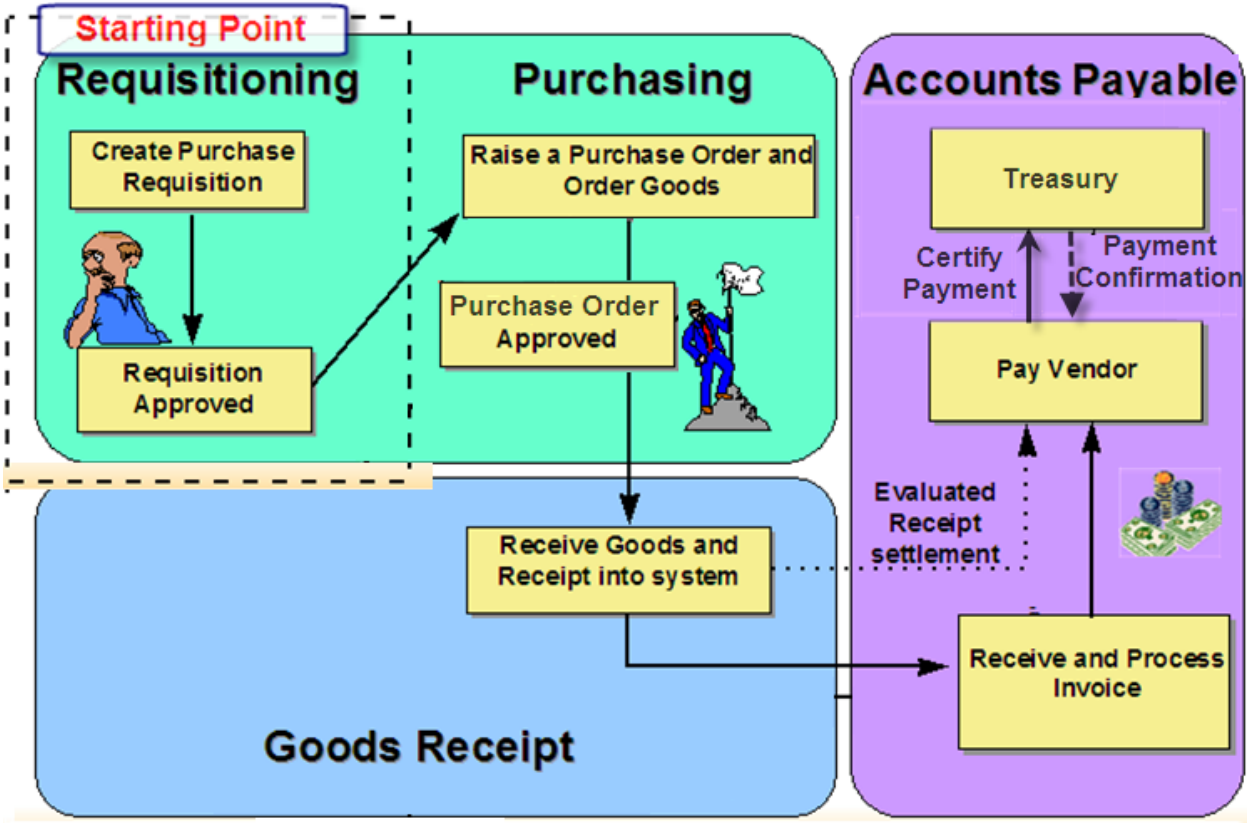
Key Business Concepts

The following business concepts pertain to the Accounts Payable process:

- The Accounts Payable process is initiated once the invoice is received
- Invoices can be manually or automatically entered into FMMI
- Payments are scheduled once the invoice is received, recorded, and matched
- Upon receipt of the payment file, Treasury disburses the payments to the vendors

Key Business Concepts

The Accounts Payable process begins with the purchase of a good and/or service. The diagram below depicts how the Accounts Payable process is initiated.



Accounts Payable Overview

Accounts Payable addresses the payments to vendors for goods or services provided to USDA.

- The Accounts Payable process consists of two sub-processes
  - Validating and entering vendor invoices
  - Submitting payments to vendors
- The General Ledger (GL) is automatically updated based on transactions performed within these two sub-processes

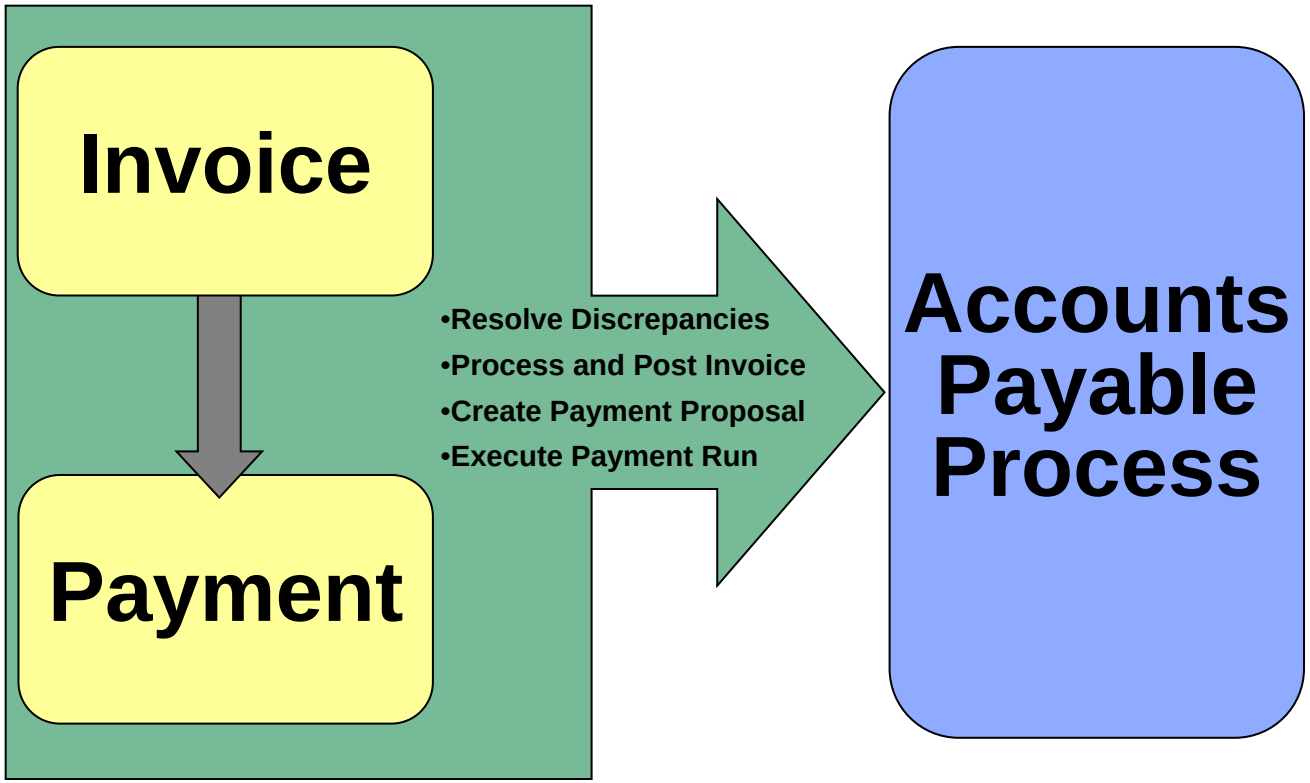
Benefits of FMMI Accounts Payable

The Accounts Payable process within FMMI provides four main advantages over the legacy systems:

- Real time data posting and processing
- Centralized collection, consolidation, and reporting of data
- Up-to-date current vendor balances
- Document chain report which links all related transactions and presents them in one view

Components of Accounts Payable

Accounts Payable is comprised of various inputs and outputs. The diagram below displays the main components of FMMI Accounts Payable: Invoices and Payments.



Invoices vs. Payments

There is a direct connection between the invoice and payment sub-processes; an invoice must be processed before a payment can be administered.

- An invoice is a commercial document issued by a vendor to USDA indicating the products, quantities and agreed upon prices for products or services with which the vendor has already provided
- Once the vendor issues an invoice, the invoice must be checked and matched against corresponding documents (i.e. purchase orders, good receipts, etc.)
- Once the invoice has been validated, a payment is issued to the vendor

Payments and invoices will be cover in more detail within the proceeding modules.

Touchpoints

- Touchpoints are those instances where one process, sub-process or activity interacts with another process, sub-process or activity
- Accounts Payable interacts with the following processes:
  - Purchasing
  - Funds Management
  - Cost Management
  - General Ledger
  - Periodic Process

Learning Checkpoint Question and Answer (Q&A)

- The questions on the following pages will test your understanding of key concepts in this module
- While there is no minimum passing score, ensure you have a strong understanding of each concept before continuing
- If you answer the questions incorrectly, please be sure to reference the course if you need more explanation about key concepts
- At anytime you can review information from this module by clicking **Menu** and selecting a page from the **Menu** pop-up

Learning Checkpoint Question and Answer (Q&A)

1. **True/False:** The Accounts Payable has two main processes: Invoicing and Payments

2. **Multiple Choice:** Which of the following is not related to Accounts Payable?
   a. Outgoing Payments
   b. Establishing Budgets
   c. Purchase Orders
   d. Invoice Verification
   e. Purchase Requisitions

Learning Checkpoint Question and Answer (Q&A)

3. **Multiple Choice:** Which of the following is not an advantage of Accounts Payable in FMMI over the legacy system?
   a. Real time data posting and processing
   b. Centralized collection, consolidation, and reporting of data
   c. Up-to-date current vendor balances
   d. Document chain report which link all related transactions and presents them in one view
   e. Access to view other agencies Accounts Payable transactions

4. **True/False:** A payment schedule is created after a invoice is entered (True)

Module Summary

In this module, you have learned to:

- Explain the process flow of Accounts Payable sub-process
- Explain the key Accounts Payable terminology and business concepts
- Describe the FMMI roles associated with the Accounts Payable process
- Explain the interactions between the Accounts Payable process and other business areas within FMMI

Accounts Payable Process Overview Module Completion

Congratulations! You have completed Module 1 – Accounts Payable Process Overview. The next module will provide you an overview of the Bank Master Data.

Select the **Exit** button to leave this module and return to the course menu.

Course Outline

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- **Module 2 – Bank Master Data**
- Module 3 - Invoicing
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Welcome to Module 2: Bank Master Data

- This module will provide you an overview of Bank Master Data
- Proceed to each new page by clicking the **Next** button when you have finished reading the content on a page
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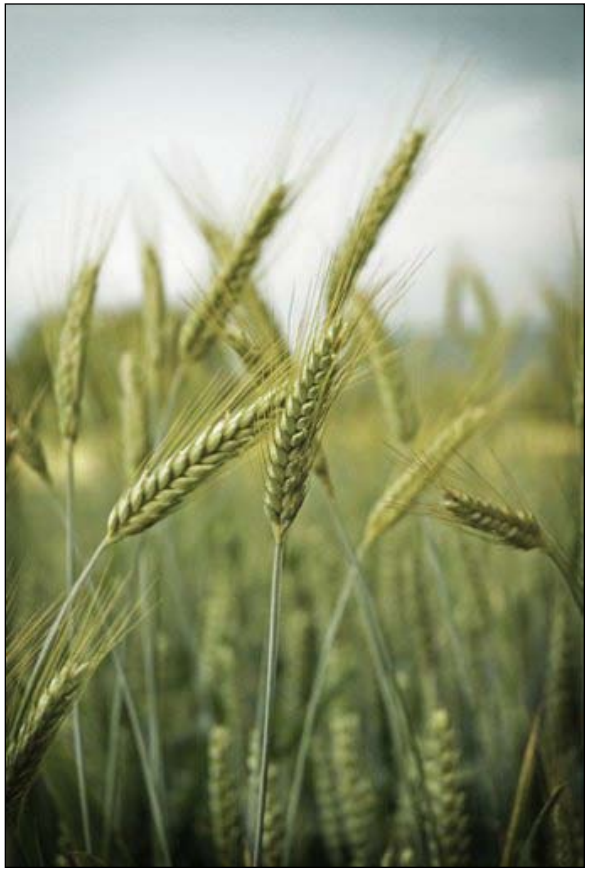
- When you are finished with the Module, click **Exit** to mark the module complete and return to AgLearn

Objectives

After completing this module, you will be able to:

- Explain the process flow of Bank Master Data sub-process
- Explain the key Bank Master Data terminology and business concepts
- Describe the FMMI roles associated with the Bank Master Data sub-process
- Explain the interactions between the Bank Master Data sub-process and other business areas within FMMI



Key Terminology

Review the following terms and definitions before beginning the Bank Master Data module:

- **<u>Bank Directory</u>**: Contains the master data for all the banks that are involved in payment transactions between USDA and their vendors

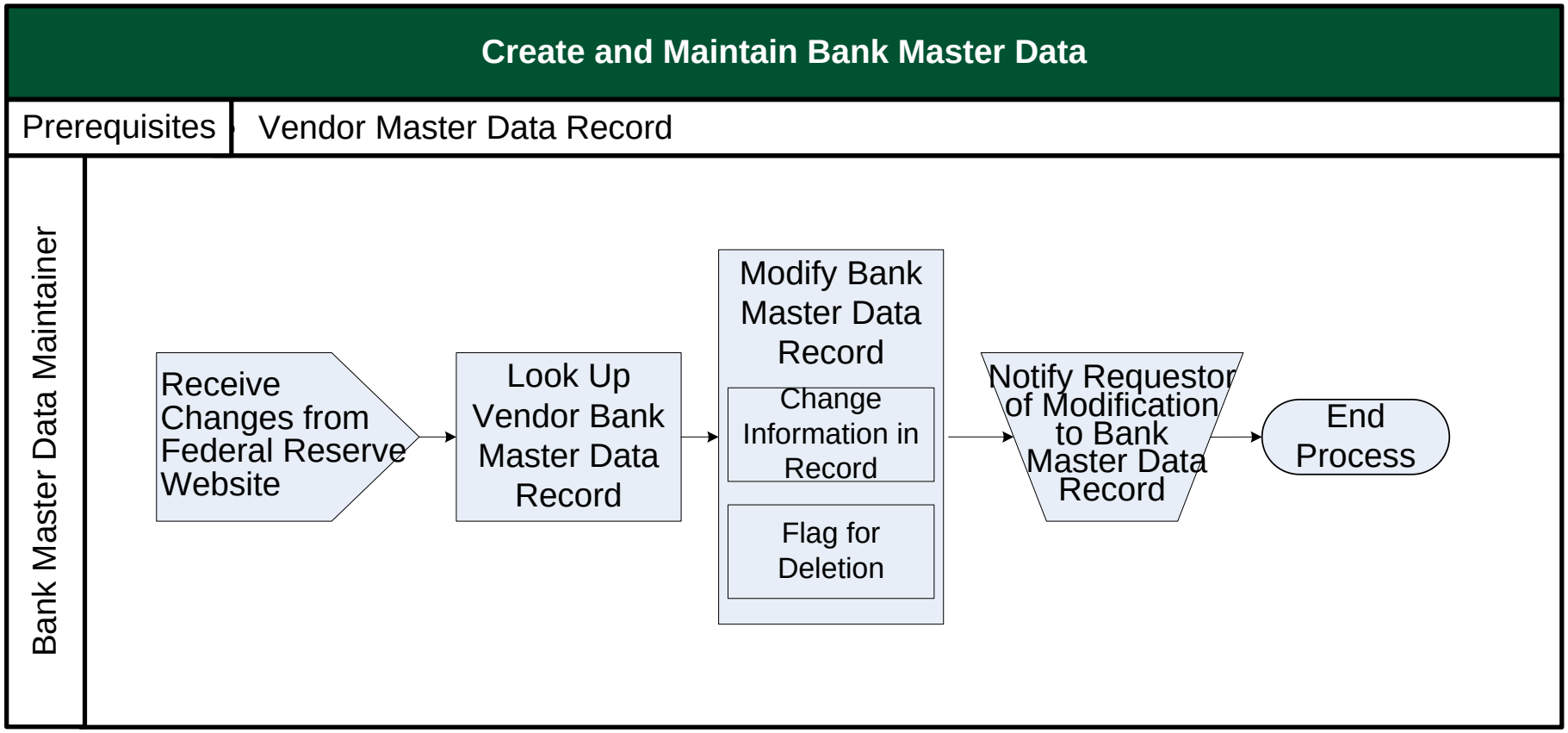
FMMI User Roles

The FMMI Bank Master Data sub-process includes the following role:

Role Name	Definition
Bank Master Data Maintainer	Creates, manages, modifies and flags for deletion the bank master data

Business Process Flow

This process flow outlines the key activities related to Bank Master Data sub-process:



Key Business Concepts

The following business concepts pertain to the Bank Master Data sub-process:

- A vendors bank must exist on the Bank Master File before the vendor's banking information can be added
- Updates to the Bank Master Data is received from the Federal Reserve website
- The Bank Master Data Maintainer is responsible for maintaining the Bank Master Data

Bank Master Data

- Federal regulations require vendors to be paid electronically instead of via a paper check. There are very few exceptions to this rule.
- Vendors must provide their banking information to include in their FMMI Vendor Master file
- The banking information consists of the bank address and Routing Transit Number (RTN). This number identifies the bank, allowing Treasury to correctly route payments to the vendor.
- To ensure that electronic payments are processed successfully, FMMI system verifies all vendors' RTNs against an official list provided by the Federal Reserve
  - This list is housed in a separate FMMI table called the Bank Master File. The Bank Master File is maintained solely by the Bank Master Data Maintainer (Table Maintenance Group in the Controllers Operation Division)
- FMMI users cannot update this table

Touchpoints

The following table outlines the key touchpoints between the Bank Master Data sub-process and other business areas within FMMI.

Process	Touchpoint
Purchasing – Vendor Master Data	▪ The Vendor Master Data Maintainer may refer to the Bank Master Data Maintainer if he or she has questions regarding adding a vendor's banking information or has change request

Learning Checkpoint Question and Answer (Q&A)

- The questions on the following pages will test your understanding of key concepts in this module
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Learning Checkpoint Question and Answer (Q&A)

1. **True/False:** Bank Master Data records can be created by any FMMI user (False)

2. **True/False:** Updates to the Bank Master Data is received from the Federal Reserve website (True)

3. **Multiple Choice:** What does RTN stand for?
   a. ***Routing Transit Number***
   b. Route Transfer Number
   c. Remainder Transit Number
   d. Receiving Transport Name

4. **True/False:** The Bank Master File is maintained by the Vendor Master Data Maintainer (False)

Module Summary

In this module, you have learned to:

- Explain the process flow of Bank Master Data sub-process
- Explain the key Bank Master Data terminology and business concepts
- Describe the FMMI roles associated with the Bank Master Data sub-process
- Explain the interactions between the Bank Master Data sub-process and other business areas within FMMI

Bank Master Data Module Completion

Congratulations! You have completed Module 2 – Bank Master Data. The next module will provide you an overview of the Invoicing.

Select the **Exit** button to leave this module and return to the course menu.

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Welcome to Module 3: Invoicing

- This module will provide you an overview of Invoicing
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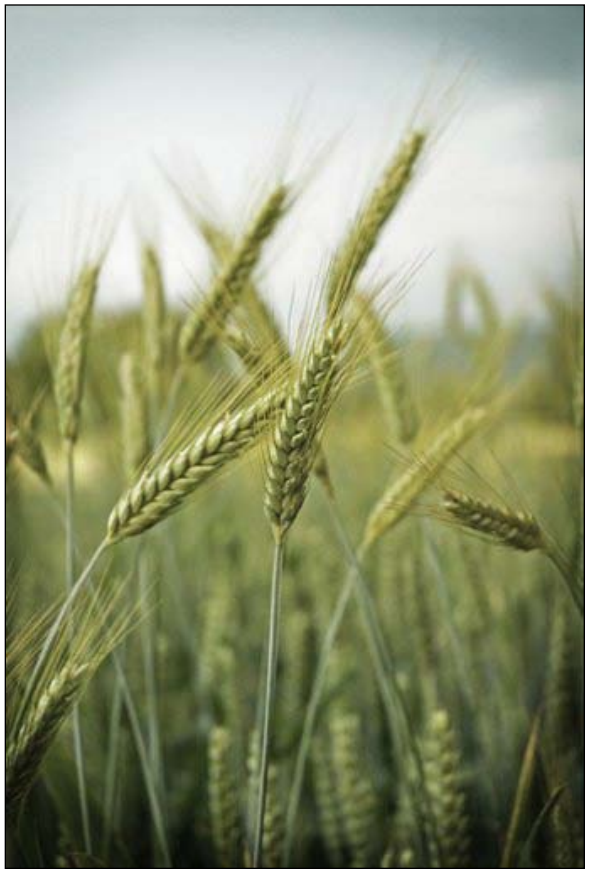
Objectives

After completing this module, you will be able to:

- Explain the process flow of Invoicing sub-process
- Explain the key Invoicing terminology and business concepts
- Describe the FMMI roles associated with the Invoicing sub-process
- Explain the interactions between the Invoicing sub-process and other business areas within FMMI



Key Terminology

Review the following terms and definitions before beginning the Invoicing module:

- **Blocked Invoice:** Any parked or posted invoice that cannot be scheduled for payment
- **Invoice:** A request for payment from a vendor for goods or services rendered. Invoices derived from a USDA purchase order is called a Logistics Invoice Verification (LIV) invoice. An invoice that does not require a purchase order is a Finance (FI) invoice.
- **Invoice Matching:** The process of validating an invoice against the purchase orders and goods receipt (3-way) or against the purchase order only (2-way)

Key Terminology Continued

- **Parked Invoice:** A non-posted invoice that is either incomplete, needs further processing/investigation or complete, entered and requiring action by the Invoice Approver
- **Posted Invoice:** An approved invoice that has posted to the General Ledger

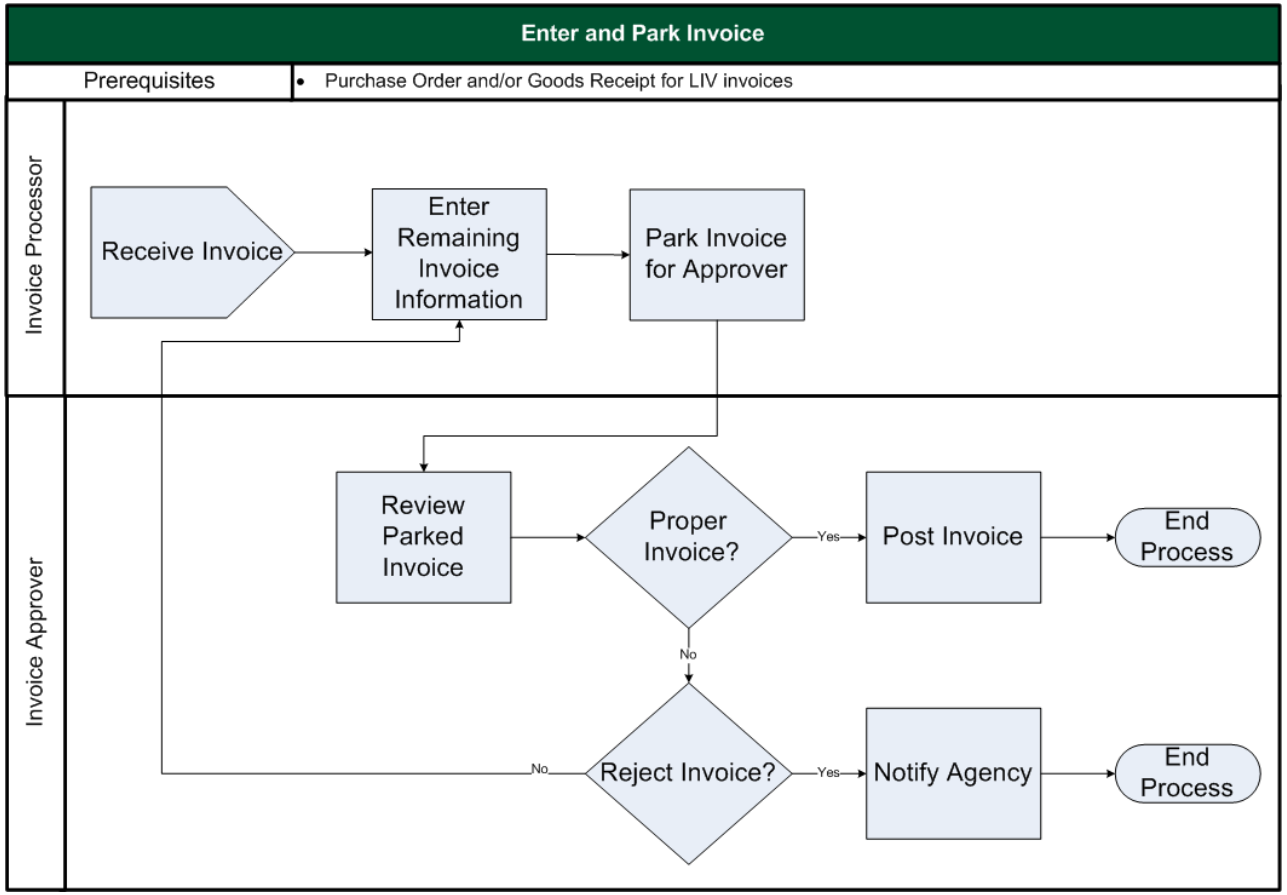
FMMI User Roles

The FMMI Invoicing sub-process includes the following roles:

Role Name	Definition
Invoice Processor	Responsible for entering and parking Accounts Payable documents. If a discrepancy exists, the vendor invoice can be blocked for payment until the Invoice Processor resolves the discrepancy.
Invoice Approver	Responsible for reviewing and approving invoices

Business Process Flow

This process flow outlines the key activities related to the Invoicing sub-process:



Key Business Concepts

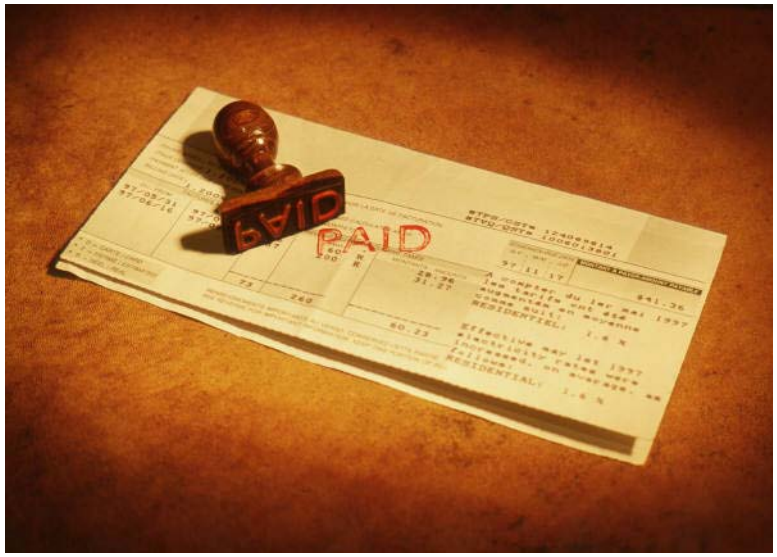
The following business concepts pertain to the Invoicing sub-process:

- An invoice is a commercial document issued by the vendor to USDA
- An invoice indicates the products, quantities and agreed upon prices for products or services the vendor has already provided
- USDA must validate and match all invoices up against supporting documents prior to processing the payment to the vendors
- The invoice verification and matching process determines if the invoice should be blocked, parked, or posted

Receipt of Invoice

Invoices are received by one of two ways:

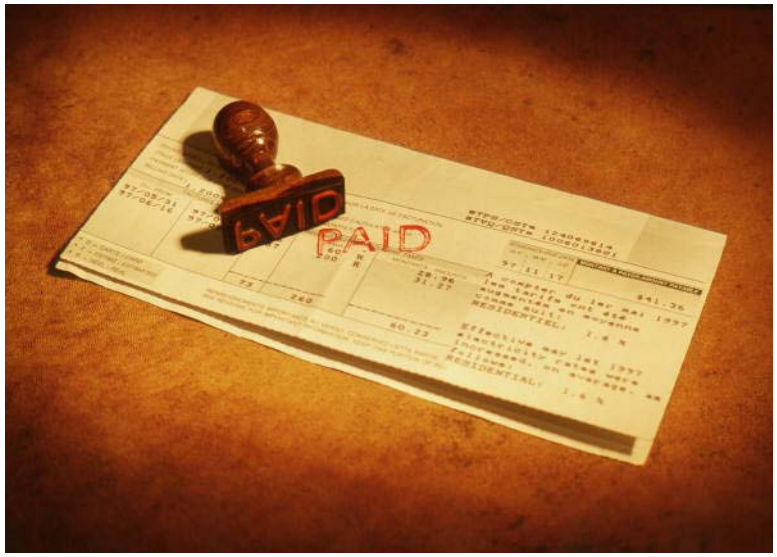
1. Automatically entered into FMMI through corresponding system interfaces
   - IAS (Integrated Acquisition System)
   - TRVL (Travel Relocation)
   - GovTrip (eTravel for Government)
   - SmartPay2 (Purchase Cards)
   - GOALS (IPAC)
2. Manually entered into FMMI by the Invoice Processor



Receipt of Invoice

Invoices can be categorized as one of the following:

- FI Invoices - invoices without purchase orders
- Logistic Invoice Verification (LIV) - invoices with purchase orders



Invoices without Purchase Orders

- An invoice that does not have a corresponding purchase order is referred to as an FI Invoice
- FI invoices can reference an obligation of funds that has been set up with the a Funds Commitment document
- Invoices that do not contain purchase orders can be received through outside system interfaces or submitted as hard copies via U.S. mail delivery
- The Invoice Processor performs the necessary verification steps to ensure the charges are bonafide

Invoices with Purchase Orders

- An invoice received in fulfillment of a USDA purchase order is referred to as a Logistic Invoice Verification (LIV) invoice
- LIV Invoices can be received through outside system interfaces or manually created through FMMI
- LIV invoices that fail to meet the matching requirements are automatically blocked for payment
  - Matching is discussed in the next slide

Invoice Verification

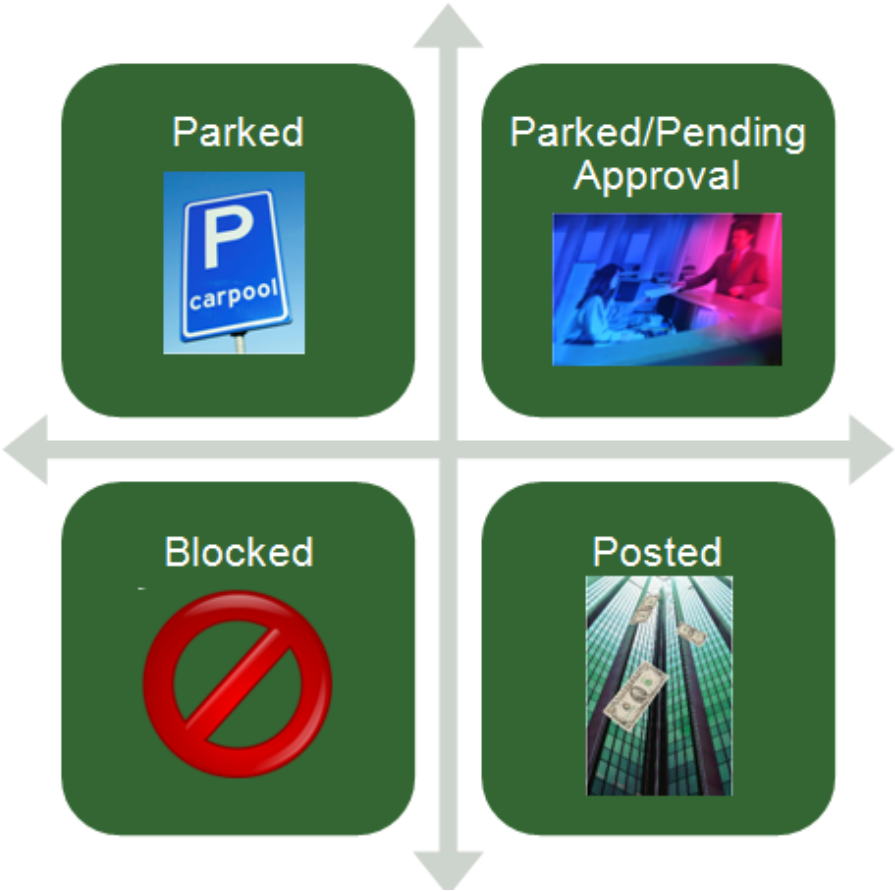
Upon receiving the LIV invoice, FMMI automatically performs the matching process. There are two type types of matches invoice matches:

1. 2-Way Match: Matches invoices against the purchase order
   - In instances where the purchase order is issued for a service performed, the invoice is valid if it matches the price, quality, and agreement with the terms of the order

2. 3-Way Match: Matches invoice against a purchase order and goods receipt
   - A goods receipt document is issued if the purchase order is for tangible goods. The quantities between the goods receipt, purchase order, and invoice must be in sync.

Invoice Processing

After the validation process, the invoice can fall into one of the following categories:



Parked Invoices

In order to “park” a document, the user needs to enter the minimum required information by FMMI standards. Once parked, the invoice can fall under two types of status:

1. Parked
   - The invoice is incomplete, needs further processing/investigation
   - For example, the user is unsure if the amount of the invoice is correct

2. Parked/Pending Approval
   - Complete, entered, and requiring action by a user with Invoice Approver authority

- Parked documents do not post to the General Ledger

Blocked Invoices

Blocking prevents payment on a parked invoice

- The system will automatically block an invoice if:
  - An invoice requiring a 3-way match is posted but does not have a corresponding goods receipt
  - The vendor is blocked
- Placing a block on a invoice prior to its scheduled payment excludes the invoice from future payment runs
- Once the discrepancy is resolved, the block on the invoice is removed and the payment is processed.
  - Posting of a goods receipt on a blocked 3-way invoice will automatically unblock the invoice

Posted Invoices

- Once the Invoice Processor places the document in parked/pending approval status, the Invoice Approver is responsible for reviewing and either approving or rejecting the invoice
- Approved invoices post to the General Ledger
- Rejected invoices stay in parked status until the Invoice Processor corrects or reverses the invoice

Duplicate Invoices

Within the verification process, FMMI automatically validates all invoices entered into the system and checks for duplicates. If a duplicate invoice is entered, a system generated error message will display stating that the information entered is invalid and lists the suspected duplicate document.

Invoice Cancellation

In general, invoice verification checks against external discrepancies. However, there may be instances in which the invoice data is incorrect, requiring an invoice cancellation.

- The following situations require an invoice cancellation:
  - The incorrect vendor selected
  - The wrong payment amount entered
  - The wrong BOC (material group) account used
- An invoice can only be reversed if it is still in open status (i.e. payment has not been disbursed)

Disbursed for Payment

The invoice is ready to be processed for payment once it successfully completes the invoice verification process. The next module will cover the payment execution process.

Touchpoints

The following table outlines the key touchpoints between the Invoicing sub-process and other business areas within FMMI.

Process	Touchpoint
Purchasing – Goods Receipt	▪ The Invoice Processor or the Invoice Approver may need to refer to the Goods Receipt Processor if the invoice amount does not match the goods receipt
Purchasing – Purchase Orders	▪ The Invoice Processor or the Invoice Approver may need to refer to the Purchase Order Approver if an invoice is referencing a purchase order
General Ledger – Manage General Ledger Postings	▪ Approved invoices immediately posts to the General Ledger ▪ The Payment Processor may need to interact with the General Ledger Master Data Maintainer if the proper GL accounts are not created
Funds Management – Budget Distribution	▪ Budget needs to be available in order for an invoice to be created successfully

Touchpoints (continued)

Process	Touchpoint
Funds Management – Funds Reservations	▪ The Invoice Processor or the Invoice Approver may need to refer to the Funds Reservation Processor if the invoice is referencing a funds reservation
Funds Management – Funds Commitments	▪ The Invoice Processor or the Invoice Approver may need to refer to the Funds Commitment Processor if the invoice is referencing a funds commitment
Cost Management – Cost Centers	▪ The Invoice Processor or the Invoice Approver may need to refer to the Cost Management Master Data Maintainer if an invoice is referencing a Cost Center
Cost Management – WBS Elements	▪ The Invoice Processor or the Invoice Approver may need to refer to the Agency Cost Management Master Data Maintainer if an invoice is referencing a WBS

Learning Checkpoint Question and Answer (Q&A)

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Learning Checkpoint Question and Answer (Q&A)

1. **True/False:** The Invoice Approver is authorized to unblock a blocked invoice (True)

2. **True/False:** Parked documents are posted to the General Ledger (False)

3. **True/False:** A reversal can be performed only if the invoice is still in open status (True)

4. **True/False:** Blocking prevents payment activity from occurring on a parked invoice (True)

Module Summary

In this module, you have learned to:

- Explain the Invoicing sub-process
- Explain the key terminology associated with the Invoicing sub-process
- Describe the process flow, business activities, and roles within the Invoicing sub-process
- Describe key business concepts and changes related to Invoicing
- Explain the Invoicing touchpoints with other areas

Invoicing Module Completion

Congratulations! You have completed Module 3 – Invoicing. The next module will provide you an overview of the Payment Execution.

Select the **Exit** button to leave this module and return to the course menu.

Course Outline

- Course Introduction
- Module 1 – Accounts Payable Process Overview
- Module 2 – Bank Master Data
- Module 3 - Invoicing
- **Module 4 – Payment Execution**
- Module 5 – Accounts Payable ECC and BI Reports
- Course Summary
- Course Evaluation

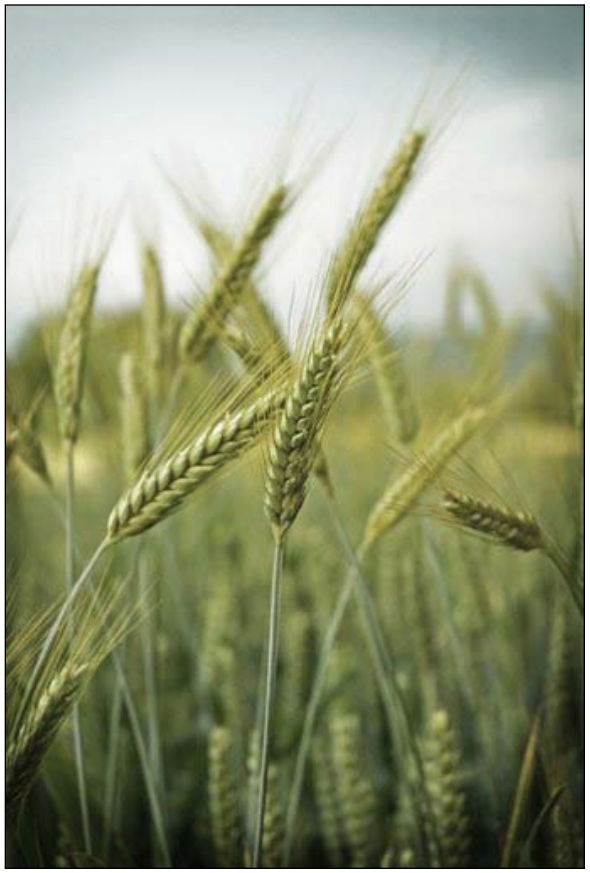
Welcome to Module 4: Payment Execution

- This module will provide you an overview of Payment Execution
- Proceed to each new page by clicking the **Next** button when you have finished reading the content on a page
- To view a full list of the topics covered in this module, click the **Menu** button on the top right corner of the course
- When you are finished with the Module, click **Exit** to mark the module complete and return to AgLearn

Objectives

After completing this module, you will be able to:

- Explain the process flow of Payment Execution sub-process
- Explain the key Payment Execution terminology and business concepts
- Describe the FMMI roles associated with the Payment Execution sub-process
- Explain the interactions between the Payment Execution sub-process and other business areas within FMMI



Key Terminology

Review the following terms and definitions before beginning the Payment Execution module:

- **Block Payment:** The suspension of a payment within a payment run. A block occurs automatically by the system, or manually by users with appropriate authority. Payment is not issued until the variance is resolved.
- **Payment Program:** A program that generates payments identified during the payment proposal
- **Payment Proposal:** A display of documents associated with the proposed payments defined within the Payment Program (based on the payment parameters)
- **Payment Run:** Includes all payments that were certified for payment. Payments blocked by the Certifier will not be included in the payment run.
- **Treasury Confirmation:** The process by which the Treasury confirms the disbursement of payments to vendors on behalf of USDA for goods/services received

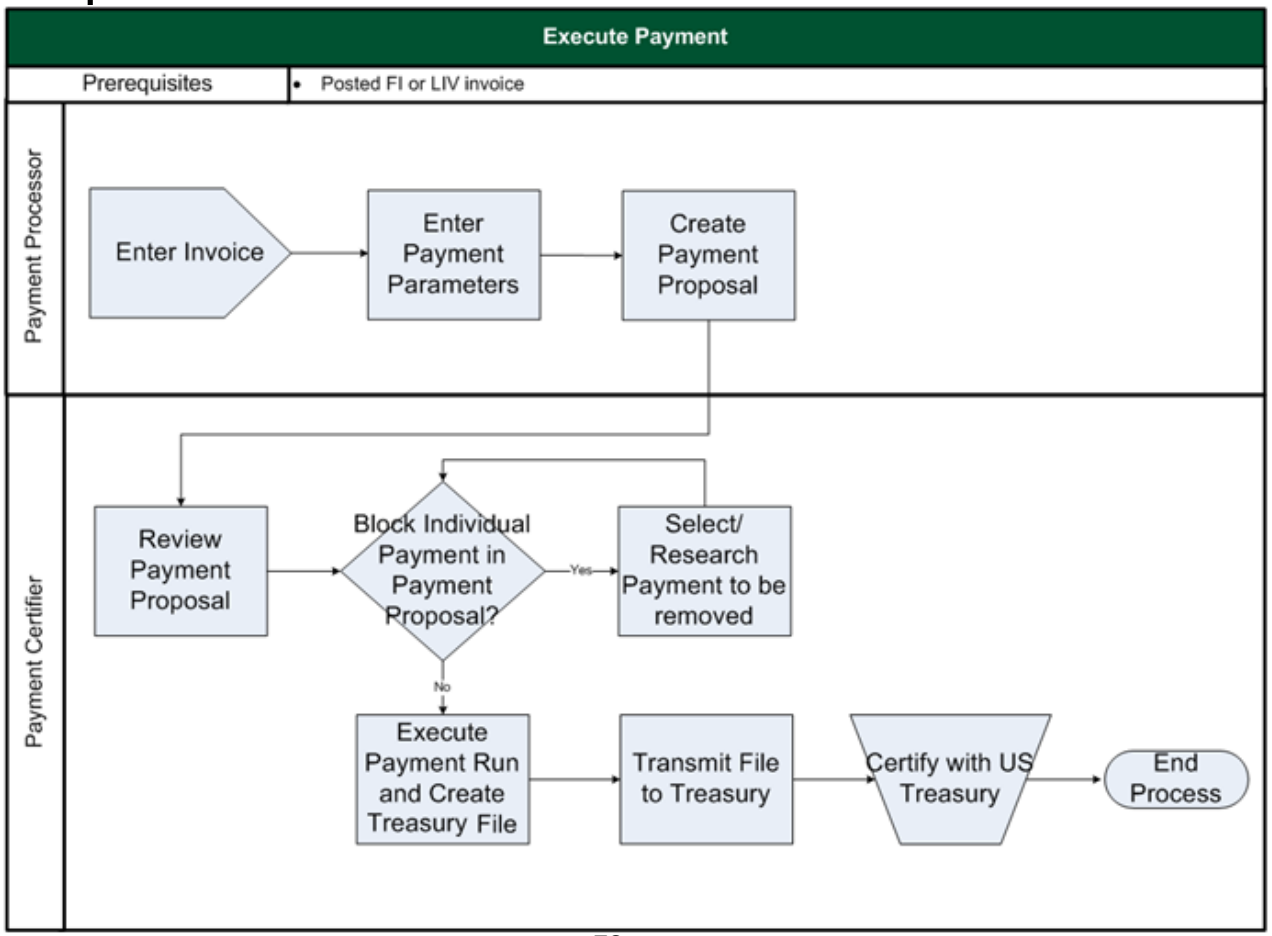
FMMI User Roles

The FMMI Payment Execution sub-process includes the following roles:

Role Name	Definition
Payment Processor	Initiates the selection of payment parameters, resolves errors in payment processing, as well as creates payment proposals
Payment Certifier	Verifies, accepts and/or rejects payment proposals prepared by the Payment Processor. He/She is the final authority and completes the payment run.
Treasury Disbursement Processor	Executes the Treasury confirmation program, records payment registry, and runs GOALS Imports
Payment Reversal Processor	Reverses payment and resets the reason code on the originating invoice. Also has access to unblock the invoice once the issue has been resolved.

Business Process Flow

This process flow outlines the key activities related to the payment execution sub-process:



Key Business Concepts

The following business concepts pertain to the payment execution sub-process:

- Once the invoice is received, recorded, and matched, payments are scheduled and disbursed to the vendor
- FMMI releases payments according to the payment terms of the purchase orders and regulatory requirements pursuant to the Prompt Pay Act
- The Payment Run will create a disbursement file that will automatically transmit to Treasury
- Payments will be disbursed to the vendor by Treasury

Payments

This module will address the process for executing payments. For the most part, payments are processed automatically and users generally are not involved in the process. However, it is important to understand the process.

- Once the invoice has been validated and recorded, it is ready to be included in the payment run
- The payment run process is composed of:
  - Setting Payment Parameters
  - Creating and Editing Payment Proposals
  - Scheduling Payment Runs

The next few pages will cover each of the payment execution sub-processes.

Set Payment Parameters

The first step of the payment run sub-process is to set the payment parameters.

- Payment parameters define which invoices to include within the payment run
- The payment parameters are generally based on the invoice due date/payment terms
- The payment parameters run in a nightly batch job. The batch runs automatically; requiring little to no intervention from the Payment Processor

Create Payment Proposal

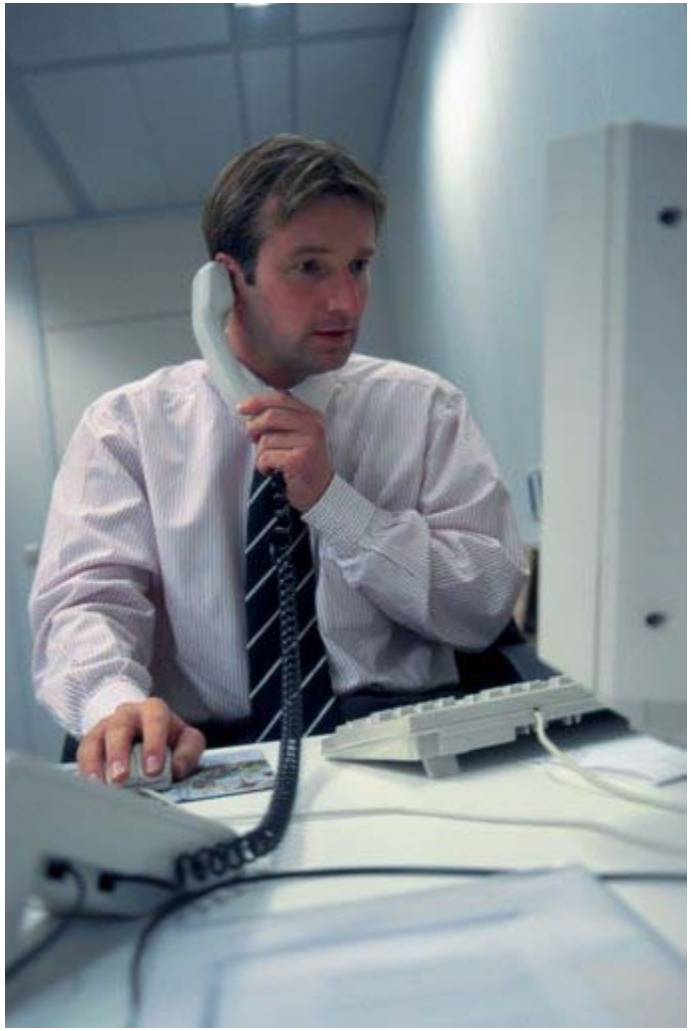
Once the specifications for the payment parameters have been entered and saved, the next step is the payment proposal

- The payment proposal is a system-generated list displaying the individual proposed vendor payments based on the defined payment parameters
- FMMI checks and validates the request against the payment parameters (recording any exceptions from the proposal log) once the payment proposal has been created
  - Neither blocked nor parked invoices are included in the payment proposal
  - Blocks can be applied at the vendor level and accordingly posted invoices otherwise eligible are not included in the payment run
- The payment proposal is then reviewed and validated by the Payment Certifier

Execute Payment Run

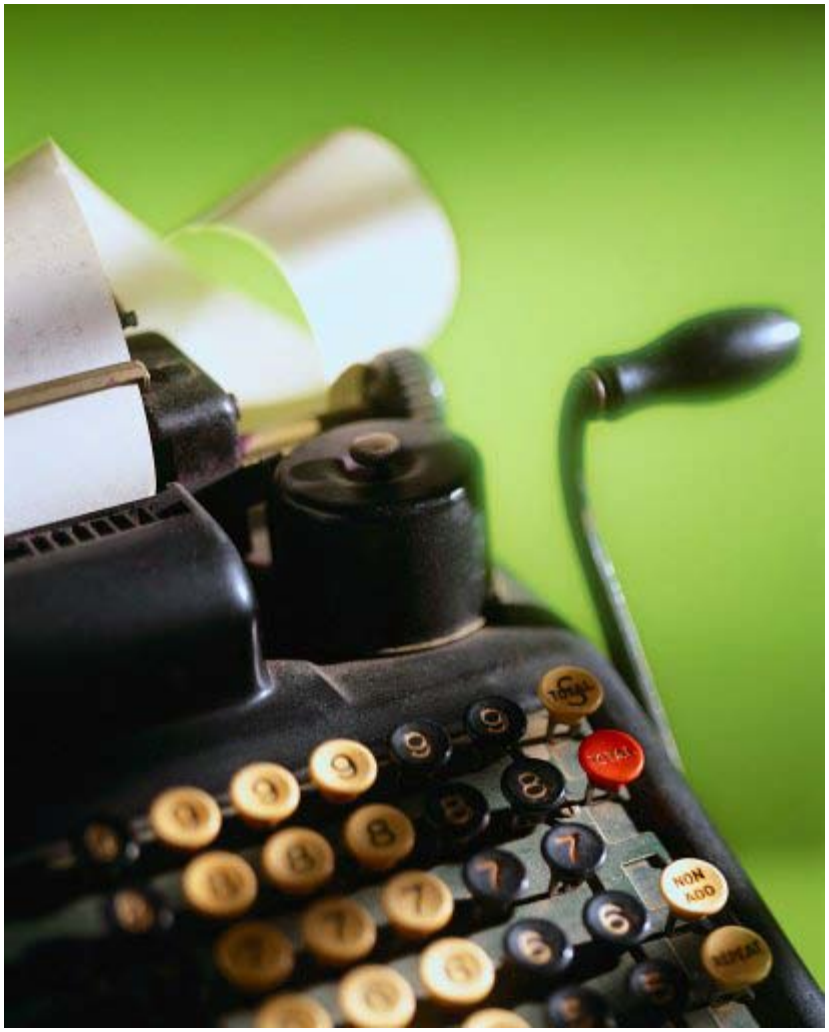
The Payment Certifier is responsible for accepting/declining the payment proposal

- If the Payment Certifier approves, all invoices that were certified for payment within the proposal are included in the payment run
- The payment run is executed on a nightly basis, capturing all of the payments to be posted for that payment cycle
- At the conclusion of the payment run, a system generated Treasury File is created. This file is transmitted to Treasury as it is done today.
- A “disbursements in transit” entry is recorded in the General Ledger



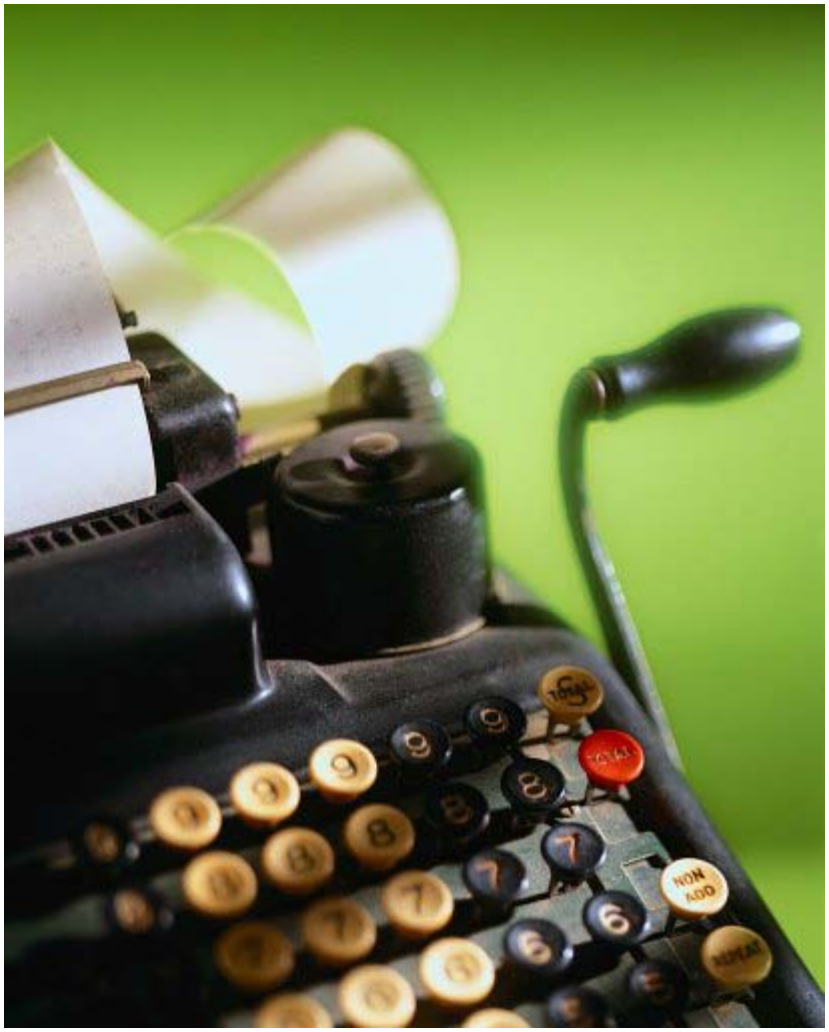
Payment Confirmation

- Treasury provides notification of the payments made with corresponding reference numbers
- After confirmation of the amounts from Treasury, FMMI posts entries lowering (crediting) cash with the offset to “disbursements in transit”
- FMMI also links Treasury payment information to the payment document



Returned Check / Payment Reversal

- Treasury provides notification of returned checks with corresponding schedule numbers
- Payment Reversal Processor manually enters Reverse Treasury Confirmation posting
- Reversal posting entries increase (debit) cash, reverses "disbursements in transit" and re-opens invoice for future re-payment



Blocking Payments

Most AP-related errors are detected in the Invoice Verification process; However, occasionally an error is discovered during the payment execution process.

- Examples that may result in blocking a payment:
  - The incorrect vendor selected
  - The incorrect vendor banking information
  - The wrong payment amount entered
- Payments can be blocked for:
  - A single check or EFT within a payment proposal
  - Any payments to a vendor (by a block on the Vendor Master file)
  - An entire payment proposal (rare – due to operational issues)
- Whenever a payment is blocked:
  - The invoice remains open and is picked up in the next payment run

Touchpoints

The following table outlines the key touchpoints between the Payment Execution sub-process and other business areas within FMMI.

Process	Touchpoint
General Ledger – Manage General Ledger Postings	▪ The Payment Processor may need to interact with the General Ledger Master Data Maintainer if the proper GL accounts are not created
Purchasing – Purchase Orders	▪ The Payment Processor may need to refer to the Invoice Processor if incorrect information is entered on the invoice

Learning Checkpoint Question and Answer (Q&A)

- The questions on the following pages will test your understanding of key concepts in this module
- While there is no minimum passing score, ensure you have a strong understanding of each concept before continuing
- If you answer the questions incorrectly, please be sure to reference the course if you need more explanation about key concepts
- At anytime you can review information from this module by clicking **Menu** and selecting a page from the **Menu** pop-up.

Learning Checkpoint Question and Answer (Q&A)

1. **True/False:** The Certifying Officer is responsible for accepting/declining payment proposals. (False)

2. **Drag and Drop:** Place the steps below in the order in which they are performed within the payment execution process (Currently listed in the correct order)
   a. Set Parameters
   b. Create Payment Proposal
   c. Execute Payment Run
   d. Create and Transmit Treasury File to Treasury Department
   e. Disburse Payment

Learning Checkpoint Question and Answer (Q&A)

3. **True/False:** The Payment Certifier is responsible for accepting/declining payment proposals (True)

4. **True/False:** Parked invoices are included in the payment proposal (False)

Module Summary

In this module, you have learned to:

- Explain the process flow of Payment Execution sub-process
- Explain the key Payment Execution terminology and business concepts
- Describe the FMMI roles associated with the Payment Execution sub-process
- Explain the interactions between the Payment Execution sub-process and other business areas within FMMI

Payment Execution Module Completion

Congratulations! You have completed Module 4 – Payment Execution. The next module will provide you an overview of the Accounts Payable ECC and BI Reports.

Select the **Exit** button to leave this module and return to the course menu.

Course Outline

- Course Introduction
- Module 1 – Accounts Payable Process Overview
- Module 2 – Bank Master Data
- Module 3 - Invoicing
- Module 4 – Payment Execution
- **Module 5 – Accounts Payable ECC and BI Reports**
- Course Summary
- Course Evaluation

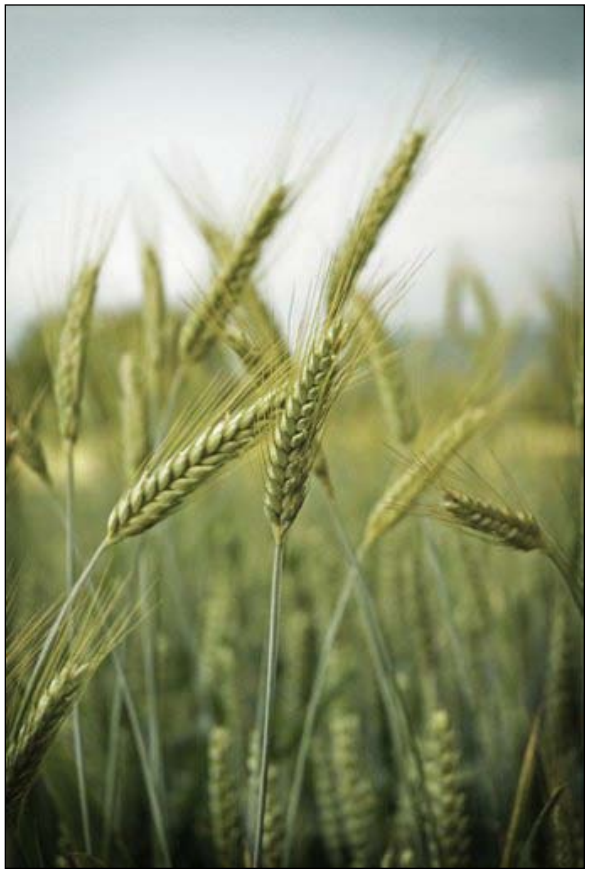
Welcome to Module 5: Accounts Payable ECC and BI Reports

- This module will provide you an overview of Invoicing
- Proceed to each new page by clicking the **Next** button when you have finished reading the content on a page
- To view a full list of the topics covered in this module, click the **Menu** button on the top right corner of the course
- When you are finished with the Module, click **Exit** to mark the module complete and return to AgLearn

Objectives

After completing this module, you will be able to:

- Identify the Accounts Payable ECC and BI reports key terminology
- Describe the roles and responsibilities for executing the Accounts Payable ECC and BI reports
- Explain the purpose of the Accounts Payable ECC and BI reports within the FMMI system



Key Terminology

Review the following terms and definitions before beginning the Accounts Payable ECC and BI Reports module:

- **Document Number:** The unique identification value assigned to a transaction as it is processed in FMMI; the system automatically creates and assigns document numbers as each document is parked and/or posted
- **Document Type:** Key identifying the group of documents to which a document is assigned. Documents of the same type contain common information that is relevant to posting and updating the value fields in the database.

FMMI User Roles

The FMMI Accounts Payable ECC and BI Reports includes the following roles:

Role Name	Definition
Accounts Payable Reporter	▪ Executes AP related reports based on a set of parameters in FMMI
Accounts Payable BI Reporter	▪ Executes all AP related non-payroll and non-reconciliation BI reports in FMMI

FMMI Accounts Payable Reports

This section outlines the reports in the Accounts Payable process area:

- **Accounts Payable Aging Detail (BI):** Lists the document line item detail for each vendor with outstanding line items due. Includes any amounts that are past due as well as amounts that may have been cleared after the key due date.
- **Accounts Payable Aging Summary (BI):** Lists the outstanding amounts per vendor. Includes any amounts that are past due as well as the amounts that might have been cleared after the key due date.
- **Accounts Payable Aging Report:** Breaks down vendor invoices into categories of Current, > 30 Days, > 60 Days, > 90 Days, >180 Days, based on the invoice due date.
- **Check Register Report:** Details the check numbers generated within a particular time frame. The report shows the check number, payment document, and payment amount.

FMMI Accounts Payable Reports

- **Display Changes to Vendor Report:** Displays changes to the Vendor Master based on a date timeframe. Changes displayed can include any fields being used with the Vendor Master.
- **Display Line Item Reports:** Displays vendor open and closed line items. Open items are invoices to be paid, while closed items are the paid invoices along with their associated clearing document.
- **Display List of Invoice Documents:** Displays a list of LIV invoices based on set parameters.
- **Document Chain Report:** Displays all predecessor and successor documents of a particular invoicing document.
- **Down Payment List Report:** Displays down payments that have been made and are still open for a particular vendor.
- **Due Date Analysis for Open Items Report:** Contains all open items, which are due for the selected vendor(s).
- **Due Date Forecast for Open Items Report:** Forecasts open items based on the date the payment is due.

FMMI Accounts Payable Reports

- **Electronic Funds Transfer (EFT) Payment Query Report:** Details EFT payments made based on a specific date.
- **List of Vendor Line Items Report:** Allows the user to see all transactions entered for a vendor, including documents that have been parked.
- **Number Ranges for Checks Report:** Displays a basic list of the Check Lots.
- **Payment Settlement List:** Displays a list of payments that have been executed in FMMI, when they are executed, and vendors to whom the payments are to be paid. These payments have yet to be confirmed by Treasury.
- **Vendor List Report:** Provides vendor details based on criteria set on the execution screen.
- **Vendor PO Change Report:** Lists LIV invoices where the purchase order vendor is different than the LIV invoice vendor.

Learning Checkpoint Question and Answer (Q&A)

- The questions on the following pages will test your understanding of key concepts in this module
- While there is no minimum passing score, ensure you have a strong understanding of each concept before continuing
- If you answer the questions incorrectly, please be sure to reference the course if you need more explanation about key concepts
- At anytime you can review information from this module by clicking **Menu** and selecting a page from the **Menu** pop-up.

Learning Checkpoint Question and Answer (Q&A)

1. **True/False:** The Display Changes to Vendor Report displays changes to the Vendor Master based on a date timeframe. Changes displayed can include any fields being used with the Vendor Master. (True)

2. **True/False**: The Document Chain Report only displays predecessor documents of a particular invoice. (False)

3. **True/False**: Open items are invoices to be paid, while closed items are the paid invoices. (True)

Learning Checkpoint Question and Answer (Q&A)

4. **Multiple Choice**: Which report only displays LIV invoices?
   4. Check Register Report
   5. Down Payment List Report
   6. List of Vendor Line Items Report
   7. Payment Settlement List Report
   8. ***Display List of Invoice Documents***

Module Summary

In this module, you have learned to:

- Identify the Accounts Payable ECC and BI reports key terminology
- Describe the roles and responsibilities for executing the Accounts Payable ECC and BI reports
- Explain the purpose of the Accounts Payable ECC and BI reports within the FMMI system

Accounts Payable ECC and BI Reports Module Completion

Congratulations! You have completed Module 5 – Accounts Payable ECC and BI Reports. The next module provides you a course summary.

Select the **Exit** button to leave this module and return to the course menu.

Course Outline

- Course Introduction
- Module 1 – Accounts Payable Process Overview
- Module 2 – Bank Master Data
- Module 3 - Invoicing
- Module 4 – Payment Execution
- Module 5 – Accounts Payable ECC and BI Reports
- **Course Summary**
- Course Evaluation

Course Summary

In this course, you have learned to:

- Explain key Accounts Payable terminology and business concepts
- Explain the high-level Accounts Payable process and sub-processes
- Explain the FMMI roles required to perform the Accounts Payable process
  - Bank Master Data sub-process
  - Invoicing sub-process
  - Payment Execution sub-process
- Explain how other business areas interact with the Accounts Payable process
- Provide examples of the FMMI standard reports

Course Outline

- Course Introduction
- Module 1 – Accounts Payable Process Overview
- Module 2 – Bank Master Data
- Module 3 - Invoicing
- Module 4 – Payment Execution
- Module 5 – Accounts Payable Reporting
- Course Summary
- **Course Evaluation**

Course Evaluation

- In our efforts to continuously improve FMMI Training, please complete the course evaluation
- The FMMI team uses the results of evaluations to determine the overall effectiveness of the training program and to identity improvements for future sessions
  - Your answers will remain confidential but you may also provide your name if desired
- The evaluation can be accessed at the following link:

Course Survey