UNIVERSITY OF CENTRAL FLORIDA

# kNEXT & Finance Business Center Payment Manual

---

*This manual is to serve as a guide for what to review and how to process supplier invoices.*

---

June 30, 2022• FINANCIAL AFFAIRS

# Table of Contents

Purpose ..... 4

Receipt of Invoices ..... 4

  Supplier Invoices for Subcontracts ..... 4

Reviewing Supplier Invoices ..... 4

Creating a Supplier Invoice ..... 4

  Invoice from a Purchase Order ..... 4

  Invoice from a Supplier Contract ..... 5

  Non-P.O. Invoice ..... 5

  Supplier Status ..... 5

  Required Information ..... 5

  Additional Information ..... 6

    Remit to Connection ..... 6

    Invoice Received Date ..... 6

    Control Amount ..... 6

    Freight Amount ..... 6

    Other Charges ..... 6

    Tax-Only ..... 6

    Override Payment Type ..... 6

    Default Tax Option ..... 7

    Default Tax Code ..... 7

    Default Withholding Tax Code ..... 7

    Handling Code ..... 7

    Statutory Invoice Type ..... 7

    Memo ..... 7

    Prepaid ..... 8

Payment Types ..... 8

    ACH ..... 8

    Check ..... 8

    Check Outsource Printing ..... 8

    ePayables (Virtual Card) ..... 8

    Wire thru XML ..... 8

Payments to Non-Resident Aliens (NRA) ..... 8

Match Exceptions ..... 9

- Additional Invoice Line not on Purchase Order ........ 9
- Freight Variance ........ 9
- Missing Receipt ........ 9
- Price Variance ........ 9
- Total Invoice Quantity Exceeds Total Received Quantity ........ 9

Supplier Invoices from Punchout ........ 9

Refund Requests ........ 9

Supplier’s Invoice Number ........ 9

- Invoice with a Purchase Order ........ 10
- Subsequent Invoices with a Purchase Order ........ 10
- Invoices covering more than one Purchase Order ........ 10
- Invoices with a Contract ........ 10
- Invoices with Duplicate Invoice Numbers ........ 10
- Utilities, Phones ........ 10
  - Invoice includes service dates ........ 10
  - Invoice includes only service month ........ 10
- Supplier Invoice Adjustments ........ 10

Credit Memos ........ 11

Wire Transfers ........ 11

Assets ........ 11

Procurement Card Purchases ........ 11

Recurring Contracts ........ 11

Payments to Non-Resident Aliens ........ 11

Changing Supplier Contact Information ........ 12

Bankruptcy Notice ........ 12

IRS Levy ........ 12

Appendix ........ 13

- Create a Supplier Invoice Job Aid ........ 13
- Create a Prepaid Supplier Invoice Video ........ 13
- Create a Supplier Invoice for an NRA Supplier ........ 13
- Create a Supplier Invoice for NRA Taxes from an Expense Card ........ 13
- Supplier Invoice with Self Assessed Tax ........ 13
- Manage Supplier Invoices Job Aid ........ 13
- Supplier Invoice Adjustments Job Aid ........ 13
- Create a Supplier Invoice Request Job Aid ........ 13

Create a Supplier Invoice Request Video .......... 13
Review and Approve Supplier Invoice Request .......... 13
Manage Ad Hoc Payments .......... 13

# Purpose

The purpose of this manual is to establish uniform procedures for reviewing and submitting supplier invoices for payment. The procedures should be followed by individuals processing invoices in the College/Division Finance Centers and kNEXT.

# Receipt of Invoices

Invoices should be sent by the supplier via email or mail to the appropriate College/Division Finance Business Center. Historically, invoices have been sent to Vendor@ucf.edu and processed by Vendors Payable within Financial Affairs. Invoices that are sent to Vendor@ucf.edu will be forwarded to the appropriate Finance Business Center for processing.

## Supplier Invoices for Subcontracts

Subcontracts that are part of an award or grant that are in place prior to July 1, 2022, may have Vendor@ucf.edu listed as the email address to submit invoices to for payment. Invoices received at this email for subcontracts will be sent to the Contracts & Grants Office to be sent to the appropriate Finance Business Center. The Travel/Procurement Coordinator at the respective Finance Business Center will create a supplier invoice for the subcontract.

# Reviewing Supplier Invoices

Each invoice received from a supplier should be reviewed for the following information:

- Vendor name next to the remit to address
    - Verify that the correct remit to address is selected on the supplier invoice in Workday
- Current amount due
- Purchase Order (P.O.) number
- Invoice number
    - If the invoice does not contain an invoice number, refer to the Supplier's Invoice Number section below.
- Invoice date
- Accuracy of description, dollar amount, and quantity
- Verify that the correct payment method is used in the Default Payment Type field. If this is incorrect, update the payment method using the Override Payment Type field.
- If credit card is accepted, payment should be made by a Procurement Cardholder in the Finance Business Center or kNEXT.
- If an invoice contains ACH information that is not already in Workday, this information should be provided to kNEXT so that banking information may be added to the supplier record in Workday. This information can be provided using the supplier change Qualtrics survey.

Supplier invoices should include a description of the goods or services provided. Descriptions such as stipend or consulting services are not sufficient. Specific information regarding what the stipend was paid for or what consulting services were provided, along with a statement of work, should be provided.

# Creating a Supplier Invoice

## Invoice from a Purchase Order

If an invoice received from a supplier relates to a purchase order, the supplier invoice should be created off the purchase order in Workday. This can be done from the Supplier Invoice Workbench or off the related actions on the Purchase Order. This is the primary way that invoices should be created.

If a supplier invoice is created off a P.O. and receiving has not happened, you will receive a match exception when you submit the supplier invoice. To correct the match exception, a receipt will need to be created off the P.O. To reduce errors when creating the invoice, a receipt should be created prior to creating the supplier invoice.

## Invoice from a Supplier Contract

If an invoice received from a supplier relates to a supplier contract, the supplier invoice should be created off the supplier contract in Workday. This is done from the Supplier Invoice Workbench.

## Non-P.O. Invoice

Invoices that do not relate to Purchase Order or Supplier Contract are referred to as non-P.O. invoices. Non-P.O. invoices are created using either the Create Supplier Invoice task or Supplier Invoice Request task in Workday. If the invoice is created by a Travel/Procurement Coordinator at a Finance Business Center or a Travel/Procurement Specialist in kNEXT the Create Supplier Invoice task should be used.

If the invoice is being submitted by someone other than a Travel/Procurement Coordinator or Travel/Procurement Specialist, the Supplier Invoice Request task should be used. Supplier Invoice Request should only be used for invoices that do not require a P.O. or supplier contract. Submitting invoices for payment via the Supplier Invoice Request task is uncommon. Invoices submitted through Supplier Invoice Request will route through the regular approval workflow.

## Supplier Status

When creating a supplier invoice, verify that the supplier is in active status. If the supplier has (Hold) after their name that means they are in “Hold” status. Supplier Invoices should not be created for supplier in hold status. If you are trying to pay a supplier in hold status, reach out to kNEXT to determine why the supplier is in hold and what needs to be done to lift the hold. If a supplier’s status is inactive in Workday you will not be able to locate the supplier’s name on the supplier invoice. You will be able to locate the supplier on the Find Suppliers report in Workday. The supplier’s status will show as inactive. If you need to pay an inactive supplier, you should reach out to kNEXT to determine why the supplier is inactive and what is needed for the supplier to be moved to active status.

## Required Information

When creating a supplier invoice in Workday the following information is required to process the invoice.

- Company
- Supplier
- Currency
- Invoice Date
- Payment Terms
- Supplier’s Invoice Number
- Item Description
- Spend Category
- Quantity & Unit Cost (Goods)
- Extended Amount (Services)

- Division
- Cost Center
- Fund
- Additional Worktags

## Additional Information

### Remit to Connection

The remit to connection field is used to identify the remit to address and payment type by location. If a supplier has multiple remit-to-connections associated with the remit-to-address on the invoice should be selected. Otherwise, payment will be made using the default payment terms and the default remit to address.

### Invoice Received Date

This is the date that the invoice was received from the supplier. While it is not required to process the invoice, you will receive an alert if it is left blank.

### Control Amount

It is recommended that the total amount due printed on the supplier invoice be included in the Control Amount field. Workday will check that the amount in the control amount field equals the total included on all invoice lines, the freight, and other charges fields. If the total invoice amount does not equal the control total amount you will receive an error. This field is particularly when creating supplier invoice with freight, other charges, or multiple lines as the system checks that the amount being paid matches the total on the invoice (the control total amount).

### Freight Amount

Any freight or shipping charges included on the invoice should be entered in the freight field. Freight charges will be proportionately allocated across all funding sources on the invoice that include a goods spend category.

### Other Charges

Any other charges that are included on the invoice (not including freight, warranties, installation services) should be added in the other charges field. Other charges will be proportionately allocated across spend categories and funding sources included on each invoice line. Hazmat fees are an example of other charges that may be recorded in this field.

### Tax-Only

The tax-only checkbox should be selected for tax-only invoices. The supplier does not receive payment on a tax-only invoice. Instead, the tax is computed and recorded for remittance to the proper taxing authority. An example of when a tax-only invoice should be used is when a non-resident alien is paid via a Procurement or Expense Card and the payment is subject to taxation. Rather than withholding tax from the payment, the department opts to gross-up the payment an absorb the tax cost. The tax is calculated using a tax-only supplier invoice.

### Override Payment Type

Every supplier is set up with a default payment type in Workday. This information will populate in the Default Payment Type field. If the invoice should be paid via means other than the Default Payment

Type listed, select the appropriate payment type in the Override Payment Type field. If the payment type needed is not included in this field, reach out the kNEXT to have additional payment types added to the supplier.

## Default Tax Option

The default tax option is used when tax is used when calculating self-assessed tax. This option is used when we must self-assess tax that is not remitted to or withheld from the supplier. An example is when calculating excise tax on foreign insurance premiums.

## Default Tax Code

The default tax code is used when an invoice includes an NRA tax gross up. This is used when NRA tax is not withheld from the payment made to the supplier, instead the funding source is assuming the tax responsibility. This information can be added at the line level if it is not added at the header level.

## Default Withholding Tax Code

The default withholding tax code is used when a supplier is subject to tax withholding. The appropriate NRA withholding rate should be selected for payments to non-resident aliens. If a US supplier is subject to backup withholding, the US withholding rate should be selected. This information can be added at the line level if it is not added at the header level.

## Handling Code

Handling codes on a supplier invoice provide information about how the payment should be sent. If special handling instructions are not needed, this field may be left blank. Handling codes that may be used on a supplier invoice include:

### *Enclosures*

The enclosures handling code is used if there are attachments that need to be included with the check. The enclosures handling code may only be used with the payment type Check. Any attachments that must be sent with the check must be attached to the supplier invoice in Workday and clearly labeled as Enclosures in the description.

### *Pickup*

The handling code Pickup should be used for checks that need to be held for pickup at Financial Affairs. If a check is being picked up by someone other than the person whose name appears on the check, additional approval is required.

### *Rush*

If a payment needs to be sent via FedEx, the payment type Rush should be selected. This handling code should only be used for if the payment type Check is selected.

## Statutory Invoice Type

A statutory invoice type should be selected when creating a non-P.O. supplier invoice. This field identifies the reason for creating a supplier invoice without a purchase order.

## Memo

Any information included on the memo field in the header of a Supplier Invoice will be included on checks that are printed in house, payment type Check. Memos will not be printed on checks with a payment type of Check Outsource Printing.

### Prepaid

If a supplier invoice is a prepayment, the prepaid checkbox should be selected for the line(s) that are being prepaid. Examples of prepayments include deposits we are required to pay or subscription is for an entire year but is paid in full up front.

## Payment Types

### ACH

ACH is a U.S. financial network used for electronic payments. ACH payments are a way to transfer money between bank accounts without using paper checks or credit cards. This is the payment method used when making a payment directly to a supplier's bank account.

### Check

The Workday payment type check means checks that are printed in house.

### Check Outsource Printing

The payment type Check Outsource Printing are checks that are printed by the bank. The following entities utilize Check Outsource Printing in Workday. Check Outsource Printing should be the primary check option when making a payment to a supplier via check for any of these entities.

- The University of Central Florida Board of Trustees
- Limbitless Solutions, Inc.
- University of Central Florida Research Foundation, Inc.
- UCF Convocation Corporation
- UCF Finance Corporation
- UCF Stadium Corporation
- UCF Athletics Association, Inc.

### ePayables (Virtual Card)

ePayables act as an electronic payment alternative to paper checks, where each supplier is a assigned a card. An electronic file is sent to the bank, once the invoice has been approved and settled, notifying the bank how much money should be added to the supplier's card. This payment option is only available for suppliers who have opted into the program.

### Wire thru XML

A wire transfer is a method of transmitting money electronically between entities. Unlike ACH, wire transfers can be used to send money internationally.

## Payments to Non-Resident Aliens (NRA)

Payments to foreign nationals, also referred to as Non-Resident Aliens or NRAs, may require tax to be withheld on the payment. Foreign suppliers are created using the Create Supplier Request feature in Workday. The Travel/Procurement Coordinator should work with UCF Global and the supplier to ensure that Form C and Form W8-BEN are completed and attached to the supplier request along with any other applicable paperwork regarding the types of goods and services that will be acquired from the supplier.

This will allow UCF Global to provide guidance regarding the default withholding tax rate to be added to the supplier. Supplier requests for foreign suppliers will route to UCF Global for review and approval in Workday. Once the supplier has been approved, a requisition and PO may be created.

When creating a supplier invoice in Workday for services provided by a foreign supplier, reach out to UCF Global to determine the appropriate withholding tax rate to use, if a default tax withholding rate is not already on the supplier record. Payments to foreign suppliers that are set up with the tax form type of 1042-S in Workday will route to UCF Global for approval. Global will have the ability to make changes to tax withholding on supplier invoices in Workday, if necessary.

## Match Exceptions

Match exceptions occur on supplier invoices created off a purchase order in the following instances:

### Additional Invoice Line not on Purchase Order

- The supplier invoice contains an additional invoice line that was not on the P.O.

### Freight Variance

- The freight on the supplier invoice exceeds the freight on the P.O. by more than $1,000 or it is 20% or more than the invoice.

### Missing Receipt

- Missing Receipt: This exception will occur if a supplier invoice line is created off a P.O. and a receipt has not been created.

### Price Variance

- The invoice total exceeds the P.O. total by more than $1,000 or more than 20%.

### Total Invoice Quantity Exceeds Total Received Quantity

- Total invoiced quantity invoice is greater than the total quantity received.

Match exceptions will be routed to the appropriate individual(s) to correct based on the reason for the exception.

## Supplier Invoices from Punchout

Except for Airgas, invoices from punch out suppliers will come into Workday via an integration and will not need to be manually entered in the system. Approvals are only needed on the invoice if there is a match exception. Airgas invoices will be emailed to vendor@ucf.edu and will need to be manually entered in Workday following the process for creating supplier invoices from a purchase order.

## Refund Requests

Refund requests in Workday are processed as ad hoc payments. Refund requests to customers and patients should not be processed via supplier invoices.

## Supplier’s Invoice Number

The Supplier’s Invoice Number field on a Supplier Invoice in Workday is where the invoice number printed on the invoice received from the supplier is entered. If the invoice received from the supplier does not include an invoice number, the following invoice numbering convention should be used.

## Invoice with a Purchase Order

PO-XXX-00000000001, where PO-XXX-0000000000 is the purchase order number and 1 is the number used to identify the invoice.

## Subsequent Invoices with a Purchase Order

PO-XXX-00000000002+, where PO-XXX-0000000000 is the purchase order number and 2+ are the numbers used to identify subsequent invoices

## Invoices covering more than one Purchase Order

Supplier invoices that are for multiple P.O.s should be entered in Workday using the Supplier Invoice Workbench. The supplier invoice lines should be added from purchase orders in the Supplier Invoice Workbench. In the Purchase Orders Selected field you will select the P.O.s that apply the to the invoice that was received. After searching for the invoices, you will select the invoice lines that apply to the P.O. received from the supplier. In the Supplier's Invoice Number field on the Supplier Invoice in Workday you will enter the invoice number printed on the invoice received from the supplier.

## Invoices with a Contract

SCON-XXX-00000000001, where SCON-XXX-0000000000 is the supplier contract number and 1 is the number used to identify the invoice.

## Invoices with Duplicate Invoice Numbers

If a supplier provides invoices with duplicate invoice numbers, you will receive an error message in Workday when submitting a supplier invoice where the Supplier's Invoice Number was previously used. You must review the previous supplier invoice in Workday to ensure that it is not a duplicate invoice. This can be done using the Find Supplier Invoices report and looking at the invoice with the same invoice number in the Supplier's Invoice Number column. If the invoice is a duplicate, contact the supplier. If the invoice is a unique invoice, the following invoice numbering convention should be used.

Actual Supplier's Invoice Number #1
Example: 78987984#1

## Utilities, Phones

Use the account number followed by the service period, with a space between the account number and service dates.

### Invoice includes service dates

99999999 05/01/22-05/31/22

### Invoice includes only service month

99999999 05/22

## Supplier Invoice Adjustments

When creating a supplier invoice adjustment, you will be required to enter the Supplier's Invoice Number. The invoice number for supplier invoice adjustments should be in the following format: ADJ-xxxxxxx. Where xxxxxxx is the supplier's original supplier invoice number. If the supplier provided a new invoice, with a unique invoice number, with the adjustment then use the new invoice number from the supplier.

## Credit Memos

Credit memos are processed using the Create Supplier Invoice Adjustment task in Workday. If the credit memo will not be used before the end of the fiscal year, a refund should be requested from the supplier. When a refund is requested, a credit memo should be created using the Create Supplier Invoice Adjustment Task in Workday. When the refund is received from the supplier, it should be recorded to Unapplied Supplier Refunds Revenue Category via a cash sale in Workday. Once the refund has been deposited, the Record Supplier Refund task should be completed to apply the refund to the supplier invoice adjustment.

## Wire Transfers

When processing a supplier invoice that is paid via wire transfer, the Workday payment type Wire thru XML must be selected on the Supplier Invoice. If Wire thru XML is not an available option, contact the Supplier Administrator in kNEXT to have the payment type added. The supplier record in Workday will also require banking information for the payment type Wire thru XML to be set up. Wire Payment requests may be submitted via the supplier change Qualtrics survey for existing suppliers. New supplier may select wire as an accepted payment method on the Prospective Supplier Portal.

When the payment type Wire thru XML is selected on a supplier invoice in Workday, an integration between Workday and the bank will run as part of the settlement process to initiate the wire transfer.

## Assets

Supplier Invoices that use Spend Categories that are set up as trackable in Workday will automatically route to the Business Asset Tracking Specialist in Workday to review the trackable invoice lines. It will also route to the Business Asset Accountant to assign asset accounting information from the invoice. The Business Asset Accountant will also review the accounting on any supplier invoice adjustments that include a trackable spend category.

## Procurement Card Purchases

If a supplier accepts credit cards, payment may be made online or over the phone using a Procurement Card. Do not create a supplier invoice in Workday for payments made via a Procurement Card. Instead, the payment should be processed in Workday using the Verify Procurement Card Transactions task.

## Recurring Contracts

Recurring contracts in Workday are created by someone with a Workday Security role of Supplier Contract Specialist. This security role is held by Travel/Procurement Specialists in kNEXT. Recurring contracts are used for payments made to the same supplier, in the same amount, from the same funding source for a set period. Examples include rent or lease payments and fixed fee consulting agreements.

## Payments to Non-Resident Aliens

Payments to Non-Resident Aliens, also referred to as NRAs or Foreign Nationals, may require tax withholding. When foreign suppliers are created, the Travel/Procurement Coordinator at the Finance Business Center should work with UCF Global to ensure the required tax documents are received and provide UCF Global with information regarding the goods or services the supplier will provide. This will allow UCF Global to provide guidance regarding the withholding tax rate to be used. Supplier invoices are routed to UCF Global for approval in Workday. UCF Global will review the invoice to ensure the appropriate tax withholding rate was used on the transaction.

## Changing Supplier Contact Information

Changes to supplier contact information can be created by Travel/Procurement Specialists in Workday. The changes are approved by the Supplier Administrator. If an invoice contains a remit to address that is not in Workday, it should be added to the supplier using the Change Supplier Contact Information task off the related actions on the supplier. The invoice with the new remittance address or a letter on company letter head, containing the new address should be attached in the attachments tab.

## Bankruptcy Notice

Any bankruptcy notices that are received should be scanned and emailed to kNEXT@ucf.edu

## IRS Levy

Any IRS liens or levies that are received should be sent to Tax Office. Do not email tax documents with highly restricted information, such as social security numbers.

# Appendix

## Create a Supplier Invoice Job Aid

Create a Supplier Invoice.pdf

## Create a Prepaid Supplier Invoice Video

Create a Prepaid Supplier Invoice.mp4

## Create a Supplier Invoice for an NRA Supplier

Create Supplier Invoice for NRA Supplier.mp4

## Create a Supplier Invoice for NRA Taxes from an Expense Card

NRA Supplier Paid Expense Card.mp4

## Supplier Invoice with Self Assessed Tax

Supplier Invoice with Self Assessed Tax.mp4

## Manage Supplier Invoices Job Aid

Manage Supplier Invoices.pdf

## Supplier Invoice Adjustments Job Aid

Supplier Invoice Adjustment.pdf

## Create a Supplier Invoice Request Job Aid

Create Supplier Invoice Request.pdf

## Create a Supplier Invoice Request Video

Create Supplier Invoice Request.mp4

## Review and Approve Supplier Invoice Request

Review Approve Supplier Invoice Request.mp4

## Manage Ad Hoc Payments

Manage Ad Hoc Payments.pdf