Exception Handling with ⅔ Way Match

Overview of Exception Handling enablement and workflows.

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⅔ Way Exception Handling

Vroozi provides an exception handling workflow for invoice discrepancies to be reviewed, resolved and approved for payment.

Invoice processing settings can be set to a **2** or **3-way** match review:

2-Way Match: The PO and Invoice must match within any set tolerances.

3-Way Match: The PO, Invoice, and Goods Receipt must match within any set tolerances.

= sign: indicates exact match required *unless* tolerances are set.
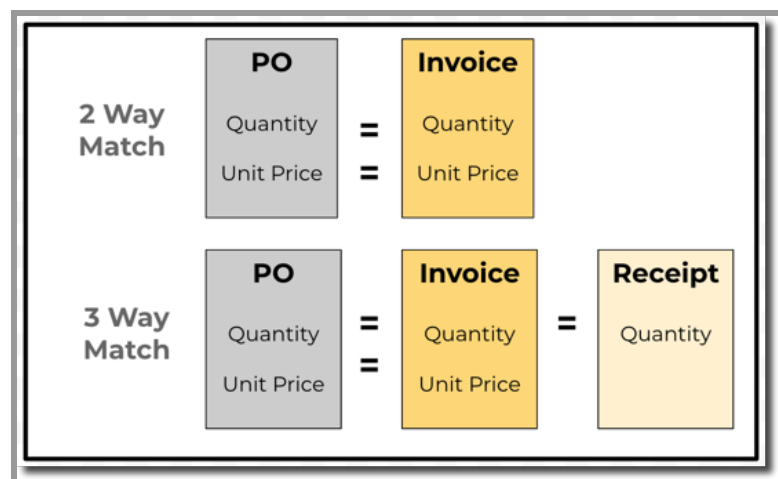
Set Goods Receipt Requirements

Document > Settings > Goods Receipts

Goods receipt requirements as set by the Administrator (below):

Goods receipt requirements set on the supplier record (below)

- Will override the Administrator settings if Goods Receipts (GR) are set to 'on'. If GR's are set to 'off', then the Supplier GR setting will not override the global GR setting.
- Threshold will designate the purchase order dollar value in which a Goods Receipt is required. Purchase orders under this value will be an assumed receipt.

TOLERANCES

Accounts Payable > Settings > Exceptions

Tolerances can be set in which only invoices that breach these defined thresholds are subject to Exception Handling.
- For example; defining the price delta between PO and Invoice which would be subject to Exception Handling
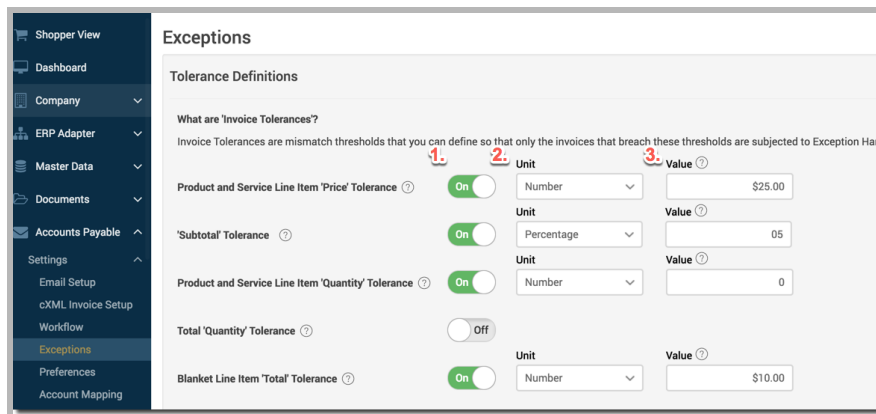
You can enable (or disable) the following **6** Tolerance types:
1. Product & Service Price - Line item & Subtotal
2. Product & Service Quantity - Line item & Total
3. Blanket Line item "Total" Tolerance
4. Additional Line Item and Total
5. Shipping - Line item and Total
6. Tax - Line item and Total Tax

> **Note:** Tolerance configuration is based on over quantity amounts **only**. Underbilled invoices will **not** be flagged.

Set Exception Tolerances

1. Enable Tolerances (if desired)
2. Set Unit (Number or Percentage) for each enabled tolerance
3. Enter Value
   - Value set at 0 when toggled "On" designates no tolerance. Meaning that the invoice has to exactly match the PO.
   - System automatically approves any value under set tolerance
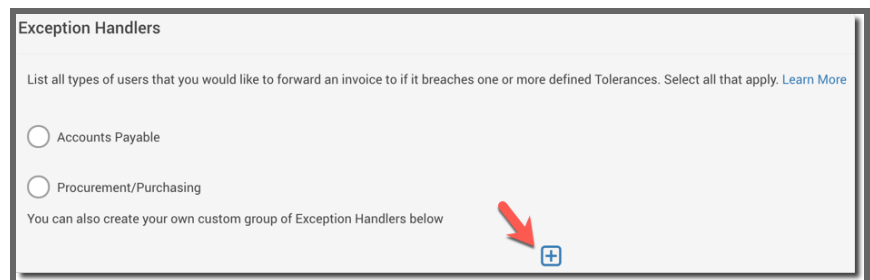   - Note: Value excludes taxes and shipping

Set Exception Handlers

Accounts Payable > Settings > Exceptions

1. Select Role Types (Accounts Payable or Procurement/Purchasing)
   - Select multiple or single users within that type.
   - Set Forward Invoices to:
   - *And/or*
2. Create custom group (Click the plus sign shown above)
   - Enter the name of the exception handling group.

Members:

List the users belonging to the group who would be responsible for handing invoice exceptions.

- Exception groups selected and/or created will be listed for the user to select from when they attempt to submit an invoice for Exception Handling — Requester/Buyer and Central Receivers are listed by default.

Forward Invoices to:

- Select 'All users in the group' option to forward invoices with exceptions to all users within the group.
- Select 'Specific user in the group" option to forward invoices with exceptions to a specific user within the group.

> **RECOMMENDED**: Select 'All users' or 'specific user in group' to either forward an invoice with exceptions to all users or a specific user within the group.

Changes to an Existing Group

- To *edit*, select the pen icon from the right.
- To *delete,* select the trash button

APPROVAL WORKFLOW

Accounts Payable -> Settings -> Preferences

Set Auto-approval rules post exception handling.

Automatic Approval of Invoices (Returning from Exception Handling)

These settings indicate whether PO based invoices returning from Exception Handling should be automatically approved by the system or not. Learn More

Approve invoices containing no exceptions or errors ⑦   Off

Approve invoices with exception resolutions ⑦   Off

EXCEPTION HANDLING TEST CASES

MisMatch Exception

1. AP processes the invoice, and checks the PO against a 2 or 3-way match depending on the goods receipt setting. The system will alert the user of any exceptions.

2. Invoice will be subject to Exception Handling based on the tolerances set by the Administrator.
   - Invoice will be in 'Draft' status until submitted to an Exception Handler for review in which invoice status becomes 'Exception'.

3. Exception Handling is assigned to a specific user or group within that type. (As configured by the Administrator)
   - Comments can be submitted with the exception

4. The assigned exception handler will review the invoice, and submit a resolution back to the AP user. The following resolutions can be submitted.
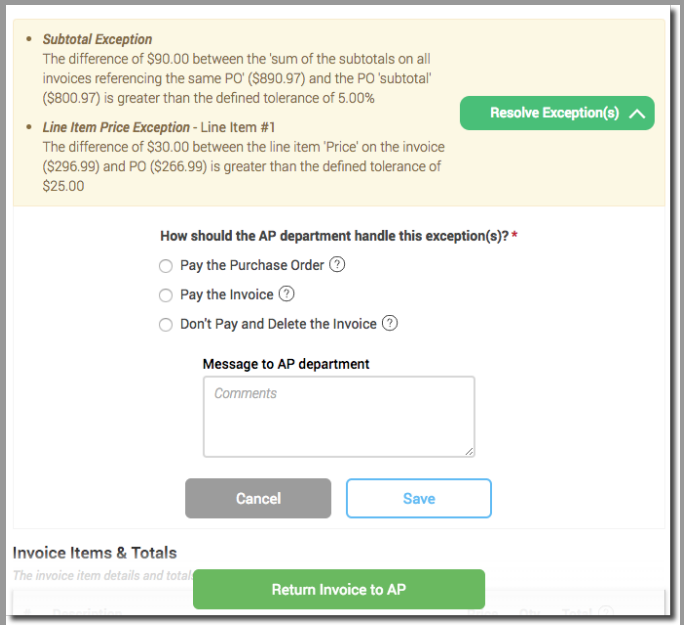
Comments can be added via 'Message to AP department' (picture on next page)

- ***Pay the Purchase Order*** - Select this option if you want Accounts Payable to pay the price and the quantity specified on the PO. This resolution will be applied to all line-items containing exceptions.
- ***Pay the Invoice*** - Select this option if you want Accounts Payable to pay the price and the quantity specified on the invoice. This resolution will only be applied to the line-items containing exceptions.

- ***Don't Pay and Delete the Invoice*** - Select this option if you do **NOT** want Accounts Payable to pay the invoice. Instead you would like AP to wait for a *new* corrected invoice.

5. If the invoice is clear of any other exceptions the invoice will automatically move to the next stage of processing. (Approval or Posting). If further exceptions appear the user will need to either complete the remaining exceptions, or Return to AP who can re-assign remaining exceptions to another user.

6. If auto-approval post exception handling is enabled the invoice will bypass manual approval by the AP Processor. If auto-approval is disabled, the invoice will be forwarded for approval by the AP Processor, who can retrieve the invoice from the 'Tasks' field in the Vroozi Hopper.

Missing Goods Receipt

1. Once a PO is linked to the Invoice, the system will automatically search for the Goods Receipt. If a Goods Receipt required for the PO and one is not present the Missing Goods Receipt Exception will appear.

2. AP processor should continue to manually index the invoice (completing all required fields and if needed update the Invoice draft to match the Supplier Invoice.

   - Invoice will be in 'Draft' status until submitted to an Exception Handler for review in which invoice status becomes 'Exception'.

3. Exception Handling is then assigned to a specific user or group. (below)

   - Comments can be submitted with the exception

4. The assigned exception handler (typically the original Requester) will review the invoice, and create a goods receipt for the associated purchase order. Once completed, the invoice will be returned to AP for approval. (next page)

5. If the invoice is clear of any other exceptions the invoice will automatically move to the next stage of processing. (Approval or Posting). If further exceptions appear the user will need to either complete the remaining exceptions, or Return to AP who can re-assign remaining exceptions to another user.
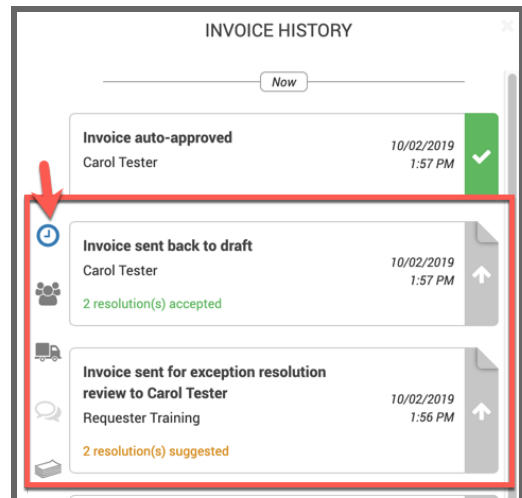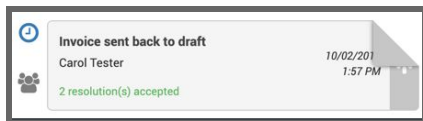
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EXCEPTION HANDLING HISTORY

Note: Upon returning from exception handling, the AP user can review the audit trail in the Invoice History to track the entire exception handling process. (shown to right)

Click a tile to learn more.

View details: