

# *Match Exceptions, Goods Lines, Service Lines, Check Outsourcing*

PB: ADELINE COE

• 6 MARCH 2024



*Fiscal Administrators Meeting*

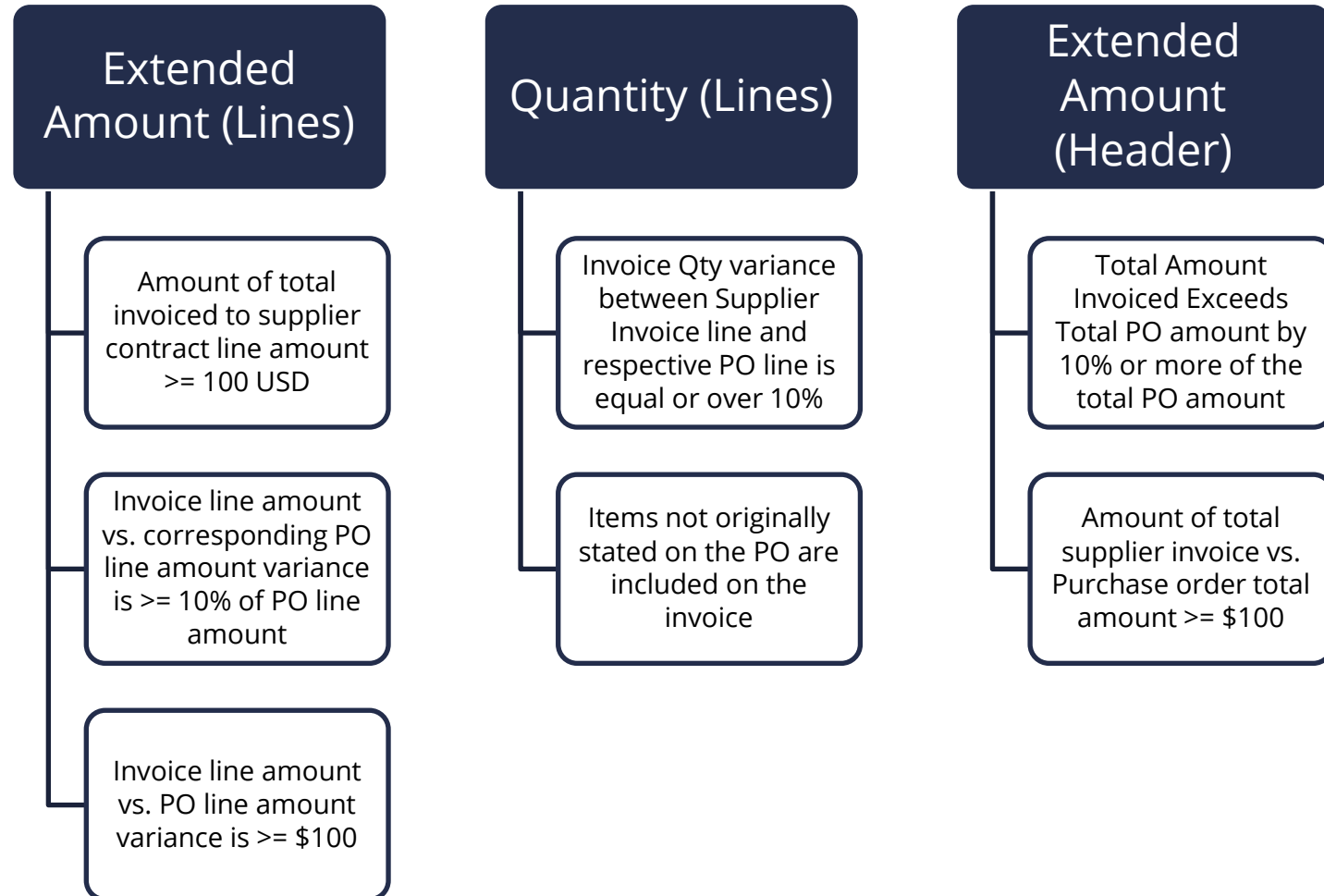
# *Overview*

# Match Exceptions | What causes a match exception?

A **match exception** is an invoice status that occurs when there is a discrepancy between what is on the purchase order and what is on the invoice being matched against the purchase order.

Match exceptions can be simplified into three statements:

- Any extended amount discrepancy on the line or header level equal to or exceeding **10%** or **\$100**, **whichever is lower**, will go into match exception.
- Any quantity discrepancy on the line level equal to or over **10%** will go into match exception.
- Any invoice item without a corresponding PO line to match to will go into match exception



# Match Exceptions | What causes a match exception?

Match Exceptions can occur for many reasons, some of which can be avoided:

## Price / Quantity Flip (aka Blanket Orders)

The Price/Quantity flip is an outdated practice from our Oracle System, carried into initial Workday use. It involves reversing price and quantity on purchase order lines to allow multiple invoices to match against a single line. However, suppliers typically don't invoice this way, leading to manual intervention to avoid match exceptions.

**Utilize Service Lines  
in Workday (for  
services)**

## Unknown Costs / Change in Scope

Sometimes, unexpected costs or increases to scope happen. Once you are aware that new costs are likely coming for your order, ask for a proforma invoice from the supplier and use that to update or add these new costs to the purchase order.

**Proactive PO Updates**

## Quote / PO Mismatch

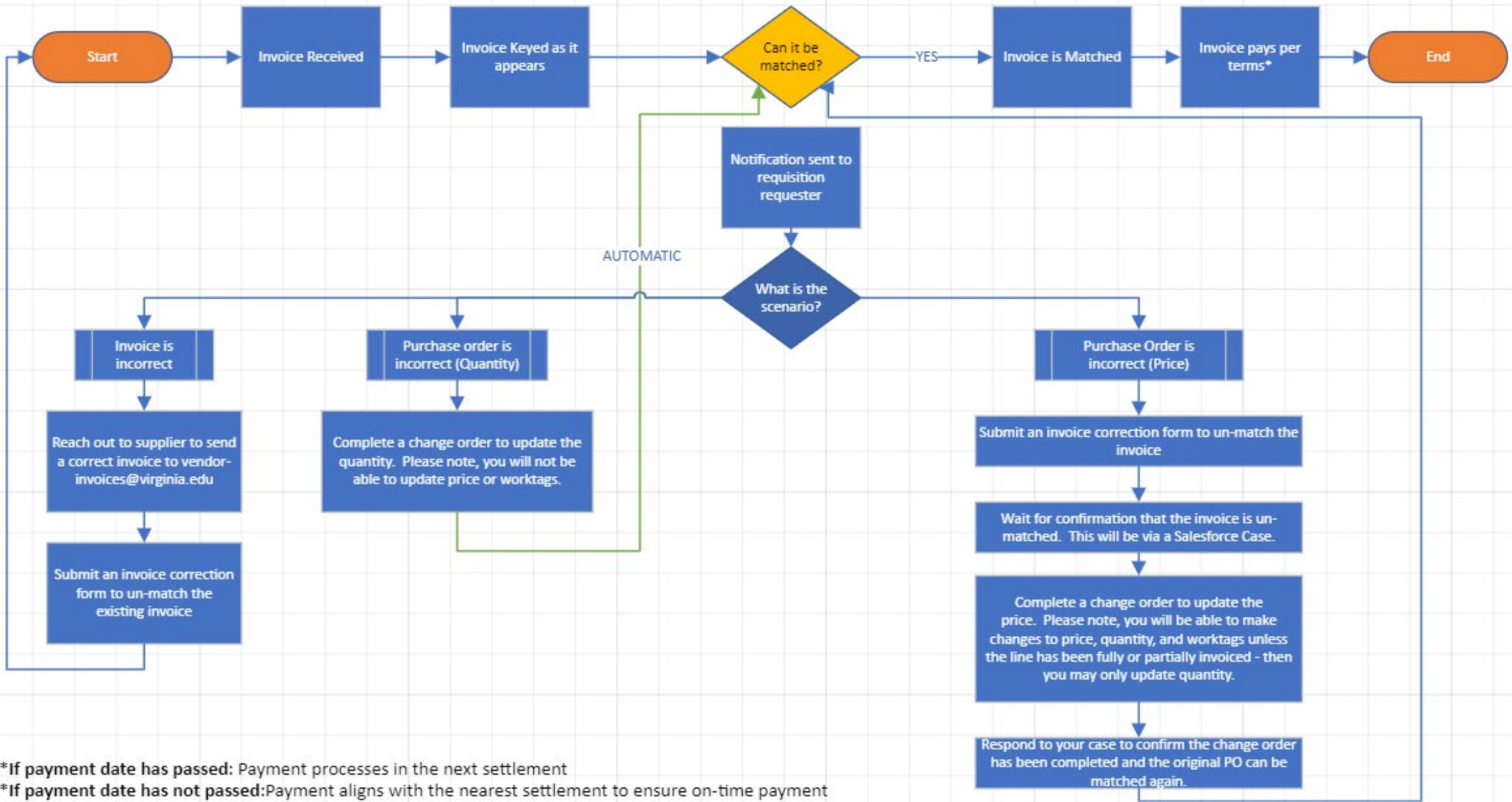
When you receive a quote from the supplier, try to enter the PO lines in a way that matches the quote exactly. Their invoice will likely match their quotation exactly.

**Enter the PO so that it  
matches the supplier  
quote exactly**

## Mistakes

Mistakes happen – both on our side and the supplier's side. If you find that a supplier continues to make the same mistakes, even after a discussion, escalating this to AskFinance attn: Invoice Processors is the next step.

# *Releasing Match Exceptions*



\*If payment date has passed: Payment processes in the next settlement

\*If payment date has not passed: Payment aligns with the nearest settlement to ensure on-time payment

# Match Exceptions | Procedure

The business process has been designed to notify the requisition requester that a match exception has occurred and prompt them to act accordingly. However, the following action depends on the requisitioner understanding the nature of the exception.

Is the Invoice Incorrect?	Is the PO Incorrect? (Quantity)	Is the PO Incorrect (Extended Amount)
<ul style="list-style-type: none"><li>• Reach out to the supplier</li><li>• Request a new Invoice</li><li>• Submit an Invoice Correction Form to remove the already matched invoice</li></ul>	<ul style="list-style-type: none"><li>• Initiate a Change Order in Workday</li><li>• Submit the change Order</li><li>• The match rules will run again and, if the change order is accurate, release the match exception</li></ul>	<ul style="list-style-type: none"><li>• Submit an invoice correct form asking to un-match the invoice from the purchase order</li><li>• Initiate and submit a change order</li><li>• Respond back to your salesforce case asking to rematch the invoice</li></ul>

**Central Finance does not override match exceptions.**

Addressing match exceptions is the responsibility of the department and requisitioner. We are always happy to help navigate any necessary changes but cannot make decisions on behalf of the requisitioner.

# Match Exceptions | Current State & Looking Forward

## Available Reports

### Match Exceptions on Supplier Invoices

Company

Supplier

Supplier Category

Supplier Groups

Cost Center Hierarchies

Cost Center

Invoice Due Date On or After

Invoice Due Date On or Before

Manage Filters
Save

0 Saved Filters

Cancel
OK

### Match Exceptions on Supplier Invoices

If Supplier Invoice has requisition, the match exception notification goes to the Person in the Requested by column else it goes to the P2P approver.

294 Items

Supplier Invoice	Is Adjustment?	Invoice Number	Company	Invoice Due Date	Discount Due Date	Total Invoice Amount	Currency	Supplier	Supplier Category	Supplier Groups	Invoice Aging Days	Header in Exception	Lines in Exception	Invoice
Q		SI-0000276355	The Rector & Visitors of the University of Virginia	05/20/2023		391.30	USD	New England Biolabs	Corporation - S-Corp, C-Corp	Contract	341	Yes	1	
Q		SI-0000276357	The Rector & Visitors of the University of Virginia	06/26/2023		100.43	USD	New England Biolabs	Corporation - S-Corp, C-Corp	Contract	304	Yes	1	
Q		SI-0000302070	The Rector & Visitors of the University of Virginia	07/07/2023		836.19	USD	Bio-Rad Laboratories, Inc.	Corporation - S-Corp, C-Corp	Contract	293	Yes	2	
Q		SI-0000358747	The Rector & Visitors of the University of Virginia	07/11/2023		606.38	USD	Abbott Laboratories Inc	Corporation - S-Corp, C-Corp		289	Yes	1	



# *Strategies for Avoiding Match Exceptions*

*Goods Lines vs Service Lines*

# Match Exceptions | Goods Lines vs. Service Lines

## What are “Goods”

Goods are tangible items that are typically manufactured or produced. This can range from raw materials all the way to products such as office supplies or equipment. Goods are something that you could keep inventory on. Goods can be counted.

## What are “Services”

Unlike goods, services are intangible and involve the performance of work or the provision of expertise by one party for another. Services can include professional advice, maintenance, consulting, or other types of work where the outcome is not a physical product. When purchasing services, there will typically be terms, conditions, schedules, timelines, scope of work, deliverables, and performance standards. Services are usually not counted.

Sometimes, **services** can be counted if they are billed in measured quantities, such as “hours”.

### Examples of Goods

- Office supplies
- Computer Hardware
- Machinery
- Raw Materials
- Manufactured Parts

### Examples of Services

- Consulting
- Maintenance Contracts
- Software Support
- Training Sessions
- Legal or Financial Advisory Services

# Match Exceptions | Goods Lines vs. Service Lines

What is the difference between a goods line and a service line?

Quantity	*Unit of Measure	Unit Cost	Extended Amount	Due Date	Lead Time	Delivery Type	Retention	Prepaid	Deliver-To	*Ship-To Address	Ship-To Contact
0		0.00	0.00	MM/DD/YYYY			<input type="checkbox"/>	<input type="checkbox"/>		1001 Emmet Street N. Charlottesville, VA 22903 United States of America	

**Goods lines include fields where you must put both a quantity and a unit price. Invoices matched against goods lines will look at both of these fields to determine if the PO has sufficient funds to satisfy the invoice.**

# Match Exceptions | Goods Lines vs. Service Lines

What is the difference between a goods line and a service line?

Goods Lines **Service Lines** Project-Based Service Lines Tax Retention Terms Prepaid Details Attachments

Service Lines 1 item

Amount	Due Date	Start Date	End Date	Retention	Prepaid	Deliver-To	*Ship-To Address	Ship-To Contact	Memo	Location
0.00	MM/DD/YYYY	MM/DD/YYYY	MM/DD/YYYY	<input type="checkbox"/>	<input type="checkbox"/>		1001 Emmet Street N. Charlottesville, VA 22903 United States of America			

Service lines only have an amount field. This is where you will enter the total amount of money you intend to spend. You may have more than one service line if needed.

When an invoice is matched against a service line, Workday will only look at the total amount remaining on that service line and match it against the invoice. If the service line has enough money, the invoice will pay.

Service lines will never trigger QTY match exceptions.

# Match Exceptions | Goods Lines vs. Service Lines

## When to use a goods line

The item can be counted and inventoried – it is physical

The item can be shipped – it is physical

The item is a purchase that has no obligation for ongoing maintenance by the seller

IE// Software provided as a one-time download that is installed directly on your computer (MS Office)

## When to use a service line

The “item” cannot be counted or inventoried – it is not physical

The “item” cannot be shipped – it is not physical

The “item” is a purchase that has an ongoing obligation for maintenance by the seller

IE// Cloud-based software

## Flexibility

We understand that some flexibility is required when creating purchase orders. There will be no compliance checks to ensure goods lines and service lines are being used exclusively as described above. Please note that the way your PO is set up will affect invoicing by influencing how match exceptions are applied and how receiving is triggered.

*Check Outsourcing*

# Check Outsourcing | Overview

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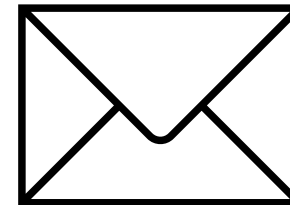
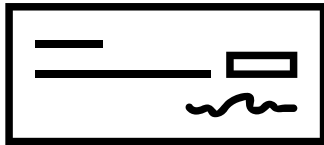
**WHAT:** UVA Accounts Payable will outsource check printing to Bank of America.

**WHEN:** Target date: By the end of May, 2024

**WHY:**

- 41% of our supplier disbursement activity is paid by check and 35% of our overall spend is paid by check.
- Checks are the least secure, least efficient, and most expensive payment method.
- Enhance security against risk and fraud
- Utilize efficiencies gained by outsourcing to have payments staff focus on more value added activities

**IMPACT ON SUPPLIERS:** No major impact to suppliers. They will receive checks in the mail, but the postmarked location will be North Carolina instead of Virginia.



# Check Outsourcing | Impact on Departments

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## Hold For Pick-Up Checks

- Approximately 400 HFP checks are requested every month
- HFP checks or other special use cases will not be printed onsite. They will now be available two to three business days after the settlement run.
- We are currently working with Bank of America to solidify the timeline
- We are currently looking at our internal processes for HFP checks to locate any opportunities to streamline so we can provide guarantees to our customers across grounds

## Onsite Check Printing

- Checks will no longer be printed onsite except in rare emergencies
- A new request process for emergency checks is in development

**Questions?**