Invoicing & Payments SOP (PP05)

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<th>Issue Date</th>
<th>Review Date</th>
<th>Version</th>
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<tr>
<td>15th November 2018</td>
<td>15th November 2021</td>
<td>V2</td>
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**Purpose**
To identify the key activities for invoicing and payments for goods and services throughout the Trust.

**Who should read this document?**
All those who are involved in the ordering of goods and services within the Trust, including end users and Purchasing functions.

**Key Messages**
SOPs aim to achieve efficiency, quality output and uniformity of performance, while reducing miscommunication and failure to comply to industry or Trust regulations.

**Core accountabilities**

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<th>Production</th>
<th>Head of Supply Chain &amp; E-Procurement</th>
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<td>Procurement SMT Meeting</td>
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<td>Ratification</td>
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**Links to other policies and procedures**
Supply Chain Inventory Management Policy SC010 v.1
Product ordering SC03 v.1
Product receipting SC05 v.1

**Version History**

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<th>Date</th>
<th>Description</th>
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<td>1</td>
<td>14th September 2017</td>
<td>Ratified by Head of Supply Chain &amp; e-Procurement on behalf of Chief Procurement Officer and published Trust-wide</td>
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<td>2</td>
<td>November 2018</td>
<td>Ratified by Chief Procurement Officer and Approved by Procurement SMT Meeting</td>
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The Trust is committed to creating a fully inclusive and accessible service. Making equality and diversity an integral part of the business will enable us to enhance the services we deliver and better meet the needs of patients and staff. We will treat people with dignity and respect, promote equality and diversity and eliminate all forms of discrimination, regardless of (but not limited to) age, disability, gender reassignment, race, religion or belief, sex, sexual orientation, marriage/civil partnership and pregnancy/maternity.

An electronic version of this document is available on Trust Documents. Larger text, Braille and Audio versions can be made available upon request.
Standard Operating Procedures are designed to promote consistency in delivery, to the required quality standards, across the Trust. They should be regarded as a key element of the training provision for staff to help them to deliver their roles and responsibilities.

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Invoicing & Payments SOP (PP05 v.1)

1 Purpose and Scope

This SOP is intended for staff who are involved in processing invoices and payments received from suppliers for goods and services within the Trust.

2 Definitions

- **SOP** – Standard Operating Procedure
- **CPO** – Chief Procurement Officer
- **DoF** – Director of Finance
- **HSCEP** – Head of Supply Chain & E-Procurement
- **PO** – Purchase Order
- **PST** – Purchasing Systems Team
- **PSTL** – Purchasing Systems Team Leader
- **KPI** – Key Performance Indicator
- **DDOF** – Deputy Director of Finance
- **SBS** – Shared Business Services
- **PEPPOL** – Pan European Public Procurement On-Line
- **INV** – Invoice
- **POD** – Proof of Delivery

3 Regulatory Background

The [Department of Health’s eProcurement strategy](http://example.com) mandates the use of GS1 standards in every NHS Acute Trust to increase efficiencies and significantly improve the quality and safety of care. Adherence to the Trust’s Standard Financial Instructions.

4 Key Duties

- Head of Supply Chain & e-Procurement – Accountability for Supply Chain, logistics, Purchase to pay electronic systems ensuring products are available to order and are delivered in a timely manner to support patient care.
- Lead Data Analyst – Responsible for master data, ensuring product catalogues are appropriate and up-to-date including accurate pricing and product information
- Purchasing Systems Team/ Buyer support all enquiries relating to requisitioning of goods and services including the resolution of purchase order (PO) invoice queries.
- Supplier is responsible for sending an invoice stating the correct product pricing, quantity, contract information and valid PO number
- SBS receive invoices via two methods. Firstly by post, which is scanned, matched to a PO, where a PO has been placed. If a non-PO is raised, workflow will determine who the invoice is sent to; secondly through the use of PEPPOL electronic invoices are received via the trust PEPPOL access point, forwarded to the SBS PEPPOL access point and matched to a PO or workflow to valid user.
- Requester - to place requisitions for goods and services as required to support business delivery to facilitate patient care.
Procedure to Follow

Navigate to SBS Oracle and logon using your Oracle username and password.

- Select the **NHS_RK9_PURCHASING_BUYER** responsibility
- Select “Purchase Order Summary”
- Enter PO number and press “Find”

Below is an example of a PO that has been already been placed:

- Press “Open”
- Select the “Shipments” button
- Go to the “Status” tab

This screen shows that the quantity ordered matches the quantity invoiced (billed):
• Shut down “Shipments” screen
• Shut down “Purchase Order Summary” screen
• Select “View Purchase Orders”

• Enter PO number and press “Find”
• Select “Inquire” from the top menu bar
• Select “View Invoice”
This will enable the user to view the PO details and invoices attached to the PO:

- Go to the “Orders” tab

This screen allows the user to view invoice detail such as value and status:

To view the invoice allocated by order lines:

- Select the “View” link from “Attachments”

- Click on URL invoice link under “Title” column header to see the scanned image of an invoice
A template of an electronic invoice will open in a separate browser window. This invoice has been received from the supplier through the GHX exchange PEPPOL Access Point.

Three way matching process
SBS will automatically process the PO if the invoice matches within tolerance and approves the payment on the due date e.g. the quantity ordered matches the quantity receipted and the quantity billed. If this is not the case a notification is generated and sent to the requester.

A number of queries can occur.
QUANTITY RECEIVED QUERY

If the invoice receipting details do not match the PO, SBS will send a QUANTITY RECEIVED notification to the requester informing them that an invoice has been received and that a receipt needs to be processed.

Invoice notification showing a quantity received hold example:

The requester can “Receipt Invoice” to the quantity invoiced.

If the goods have not been physically received the requester contacts the eProc helpdesk who will contact the supplier and seek proof of delivery (POD). If POD is provided the order will be receipted, if there is no POD replacement goods are requested and the order receipted, following delivery.

If a credit note is raised by the supplier to cover undelivered goods, the requester/eProc helpdesk will complete the “Response” section with additional information and selects “Return to SBS”
PRICE QUERY
If there is a **PRICE QUERY** the payment is held.

If the invoice pricing details do not match the PO, SBS will generate a price variation notification to the Purchasing Systems Team or Buyer who will investigate the price discrepancy.

If the price variation is correct the Buyer will select “approve all price variation” and update supplier catalogue for future transactions.

If the supplier has incorrectly billed the Trust a credit note is requested and details returned to SBS via a notification response form.
QUANTITY ORDERED, QUANTITY RECEIVED, MAX SHIP AMOUNT QUERY
If there is a QUANTITY ORDERED, QUANTITY RECEIVED, MAX SHIP AMOUNT the payment is held.

A notification is generated and the eProc helpdesk/Buyer investigates the over-billed quantity and either amends the order or requests a credit note from the supplier.

INCORRECT PO OR SUPPLIER DETAILS QUERY
The payment is held when a PO matching exception is created in the instance of an INCORRECT PO or SUPPLIER DETAILS QUERY.

An INCORRECT PO or SUPPLIER DETAILS QUERY notification is sent to the Purchasing Systems Team (specifically the Time-out Manager) for resolution. This is done by selecting the correct PO details or amending supplier details.
6  **Document Ratification Process**

The design and process of review and revision of this procedural document will comply with The Development and Management of Trust Wide Documents. The review period for this document is set every three years from the date it was last ratified, or earlier if developments within or external to the Trust indicate the need for a significant revision to the procedures described. This document will be approved and ratified by the CPO. Non-significant amendments to this document may be made, under delegated authority from the CPO, by the nominated author. Significant reviews and revisions to this document will include a consultation with named groups, or grades across the Trust. For non-significant amendments, informal consultation will be restricted to named groups, or grades who are directly affected by the proposed changes.

7  **Dissemination and implementation**

Following approval and ratification, this procedural document will be published in the Trust’s formal documents library and all staff will be notified through the Trust’s normal notification process, currently the ‘Vital Signs’ electronic newsletter. Document control arrangements will be in accordance with The Development and Management of Trust Wide Documents. The document author(s) will be responsible for agreeing the training requirements associated with the newly ratified document with the CPO and for working with the Trust’s training function, if required, to arrange for the required training to be delivered.

8  **Monitoring and assurance**

- Accountability for adherence to this procedure will be monitored by the Head of Supply Chain and e-Procurement (HSCEP)
- Heads of Clinical and Non-Clinical Procurement will be responsible for ensuring this procedure is followed operationally.
- Adherence to the identified procedure will be monitored through regular reviews with HSCEP, Heads of Clinical and Non-Clinical Procurement and e-Proc helpdesk Team Leader
- Key Performance Indicators (KPIs) will be performed by the Purchasing Systems Team (PST) for service variances. For non-compliant KPIs findings need to be reported to Heads of Clinical and Non-Clinical Procurement through the specified monthly KPI review.

9  **Reference Material**

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