

IES Purchasing: DDP Payment Authorization

# **IES Purchasing: DDP Payment Authorization**

## Purpose

The purpose of this Document is to explain DDP Payment Authorization.

# Summary of Order Types

CP = Central Purchasing ASO = Automated Stock Orders DDP = Delegated Direct Purchasing MOD = Manufacture On Demand

## Introduction

DDP Orders are almost exclusively managed and authorized electronically, i.e. paperless as far as is practical (paper can be produced on demand, of course). As such, when a Supplier Invoice is received, the Payables / Creditors function will request a Payment Authorization on-line, by using "Facilitated Event Processing". Each such request will be queued for a specified Authorizer, who will authorize the Invoice Item(s) for Payment. Depending on the profile of the Authorizer, and also his / her choice, the approval may "actualize" the Invoice automatically, i.e. process it, or the approval may be lodged only, and be ready for the Payables / Creditors Clerk to process the Invoice based on the Payment Authorization. In the latter case, the Creditors Clerk may use the "auto queue search" function in "Facilitated Event Processing" to find Invoices that have been approved and can be processed.

Hint: When an Invoice is processed (or "actualized") on a Purchase Order, this puts the Invoice Amount as a "payable" on the Supplier Account. Actual Payment is another step, and part of the AP / Creditors function.

#### Where to Process

DDP Payment Authorization is part of what is referred to as Purchase Order Events, and the Purchase Order Events are all processed from "Order Event Processing".



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From the main Purchasing options, choose "Order Event Processing" and then choose "DDP Payment Authorizations".

nent Authorisations	
DDP Payment Authorisations may be Created and Deleted only by the Authoriser, or an DDP Super User. Other Users may only Display Authorisation Detail.	
CREATE may be used with an Item that has been Received / GRV DELETE may be used with an Authorisation not yet applied	
Invoicing may only be done on Exact matching of Authorised Amount and Quantity.	
Next	
	ment Authorisations   DDP Payment Authorisations may be Created and Deleted only by   the Authoriser, or an DDP Super User. Other Users may only   Display Authorisation Detail.   CREATE may be used with an Item that has been Received / GRV   DELETE may be used with an Authorisation not yet applied   Invoicing may only be done on Exact matching of Authorised   Amount and Quantity.

The system opens with standard but essential rules of DDP Payment Authorizations (above).

DDP Payment Authorisations					
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	es may be dealt with via the Price V ified for the Authoriser of Payments OR pplement to record the Price Variand Iditional Charge to the Initial Cost. thod for Price Variances is useful to arly in the Audit Trails for charge Ac Direct Method				

The Facilitated Method (above) is used to let the system find Authorization Requests awaiting your attention, and this method will offer these requests one by one so you can decide what to do with them in each case.

As	a DDP SuperUser, you your own Queue, or (	nay process Invoice Approvals fro In Behalf of another Authoriser.	n
		_	r
0.000000000	My Own	Process on Behalf of	







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The Facilitated Method also allows you to select your own queue, or the queue of someone else who has delegated to you the power to authorize and deal with his / her Payment Requests.

As the requests are found by the system, they are offered as shown below. On this screen, you can drill into an Order Item by dbl-clicking it, you can use the internal Mailbox to communicate with the Sender, you can look at current Authorizations on this Order, Query the Order, Skip this Request for the moment, re-assign it to another Authorizer, Decline it or Approve it.

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That was the facilitated method. The Direct Method is used to approve Items for Payment before being asked to do so, i.e. by creating pre-approvals.

as Originator raised in the any of these Def	; with Wildcards for Supplier, and for e last 90 Days. Please note that you m fault settings before activating the Lo	Proformas ay modify okup Selection.
know the Number	I need to use the Lookup	I know the DDP Order N
Quit		

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In this case, you select the appropriate Order  $1^{st}$ , either from the Proforma Number or the Order number itself, and if you are the registered Authorizer for the Order, the system opens the following options: -

ayment Authorisations		
	Proforma # : 163	
	Purchase Order # : DDP10	
Quit Authorisations	Select Another Proforma	Show Open Authorisations
Quit Authorisations	Select Another Proforma Show All Authorisations	Show Open Authorisations

Once again, you can view existing Authorizations on the Order, view the Order, and create or delete pre-approval Items. Pre-approval Items can only be created on Items that have already been RECEIVED.

Re	ceived Items	
L	1398752100C	Nestle Condensed Milk 300ml
2	1398752077	Blue Mountain Cafe 500g

From Items already received, you simply select an Item to create pre-approval of payment authorization, and then the system creates the necessary record, as shown below. To pre-approve payment for the Item, just choose "Authorize Payment Now".







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yment Authoris	ation [2] (Save / Update :	Active(ENG))	
-	DDP Paym	n Exit	
£9.			
	Date Created	25/05/2006	
	Time Created	17:57:50	
	Quantity	5.00	
	Base Value	20.00	
	Authorised Payment	20	
	Item	1398752100C	
	Description	Nestle Condensed Milk 300ml	
			Authorise Payment Now

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