Invoice Processing

Summary

Invoice processing involves scanning, uploading, and mapping invoices to ensure accurate data capture. The process includes verifying invoice details, mapping them with relevant purchase orders or goods/services received, and addressing any discrepancies. Approved invoices are then recorded, and File name are often used for tracking. Once all checks are completed, payments are initiated, ensuring compliance with organizational and regulatory requirements.

Objective

The objectives of automated invoice processing are to streamline and accelerate invoice management, reduce manual errors, and enhance data accuracy. It aims to improve efficiency by automating repetitive tasks like data entry and verification, ensuring compliance with regulatory and organizational standards. Automated systems facilitate real-time tracking, faster approvals, and seamless integration with accounting or ERP systems, ultimately reducing processing costs and improving supplier relationships.

To Create Purchase Requisition

User Stories:

Quality Check (QC) User:

As a QC user, I want to scan, upload, and map invoices with file name to initiate payment for the procuring of goods or services.

Pre-condition:

1. The user is logged in to the application.

2. The QC user is authorized to access features such as scanning, uploading, and mapping invoices.

Assumptions: The user roles and their relevant mapping details are defined and accurate.

Navigation: In the Menu Bar - Home page – Create QC (displayed at the left Top of the screen).

Post-condition:

1. Once the QC user scans, uploads and verifies the Invoices and clicks "Submit," the invoice should be routed to the FSS user workflow screen.

2. If the FSS Team requires any clarifications or a rescan, the queries must be routed to the QC user's workflow screen
3. Once the QC user provides the required clarification, the invoice should be routed back to the FSS team for processing.
4. Once the FSS Team requires any clarifications, the Division can reject the invoice, address the discrepancies and send it to FSS workflow with a different file name.

Note:

1. Users from the Division (including plant and depo) who have access to scanning and uploading are classified as QC users.
2. An automatic email for pending invoices should be triggered daily at 9:00 AM, excluding Sundays.
3. While processing the invoice, if the system detects the same Invoice Number, Invoice Date, and Vendor Name, a pop-up message should appear for the QC user stating, "We have already worked on the mentioned xxxxx file name."
4. Access Restrictions for the QC users are as below
    - Report
    - QC
    - View Rescan
    - Upload
    - Clarification

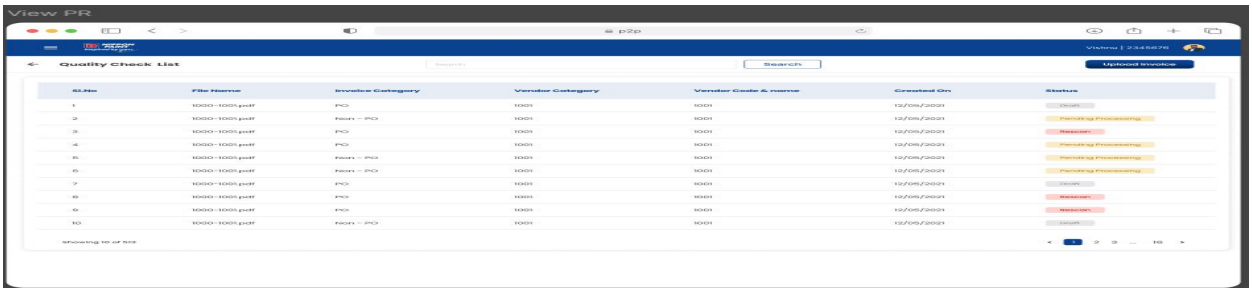
Invoice Capture - Incoming invoices in various formats (paper or electronic invoicing) are scanned or digitally captured and converted into electronic documents, eliminating the need for manual entry when creating digital invoices.

The QC user will log in to the system.

When a QC user logs into the portal, they use the scanner assigned to their division to scan the invoice, convert it into a PDF file, and save it to their drive.

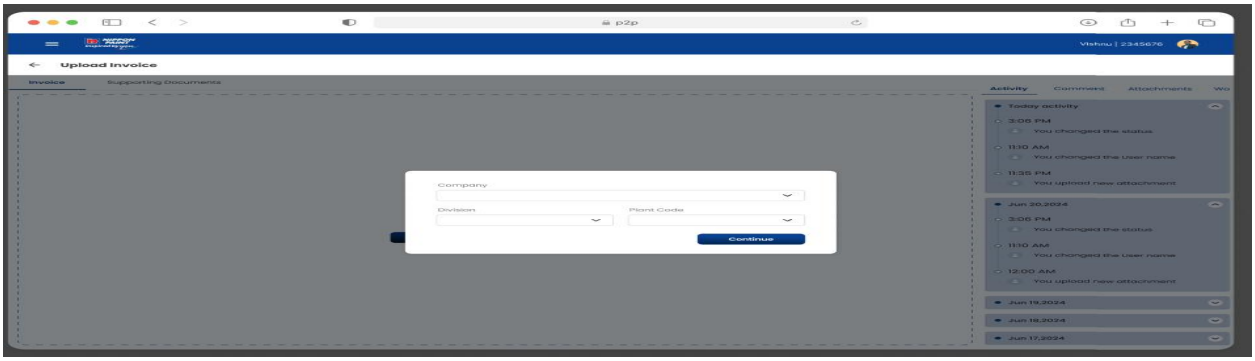
After scanning, the QC user must upload the invoice by clicking on the **Quality Check List** option, which will navigate them to the QC List screen.

On the screen, the user must click on the **Upload Invoice** button.



The system navigates to the screen below, where a dialog box pops up.

The QC user must enter their Company, Division, and Plant Code in the dialog box and then click **Continue**.



The system navigates to the **Upload Invoice** screen, where the QC user can upload the invoice in PDF format by clicking the **Browse File** button.

Note: The invoice is initially scanned using the scanning machine assigned to the division. During the upload process, the QC user selects the scanned file through the **Browse File** button.

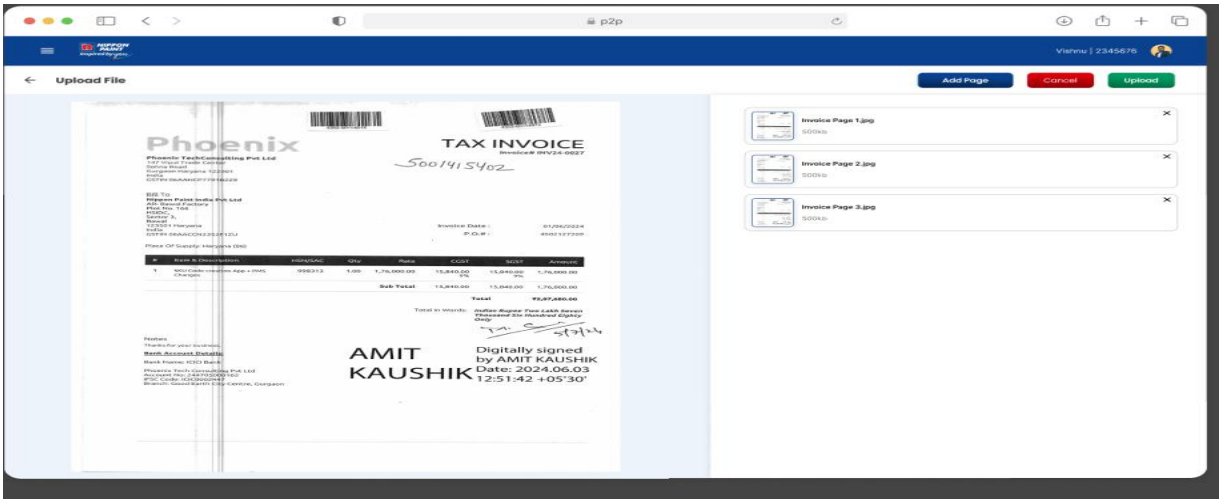
OR

The QC user can take a photo of the invoice using their mobile and upload the picture by clicking on the **Take Picture** button.

Note: While taking a photo on the mobile, both scanning and uploading occur simultaneously.

Once the invoice is uploaded, the system will navigate to the screen below, where the QC user can **Align** the invoice.

The QC user can click **Add Page** to add invoice and then click **Upload** to complete the upload process.



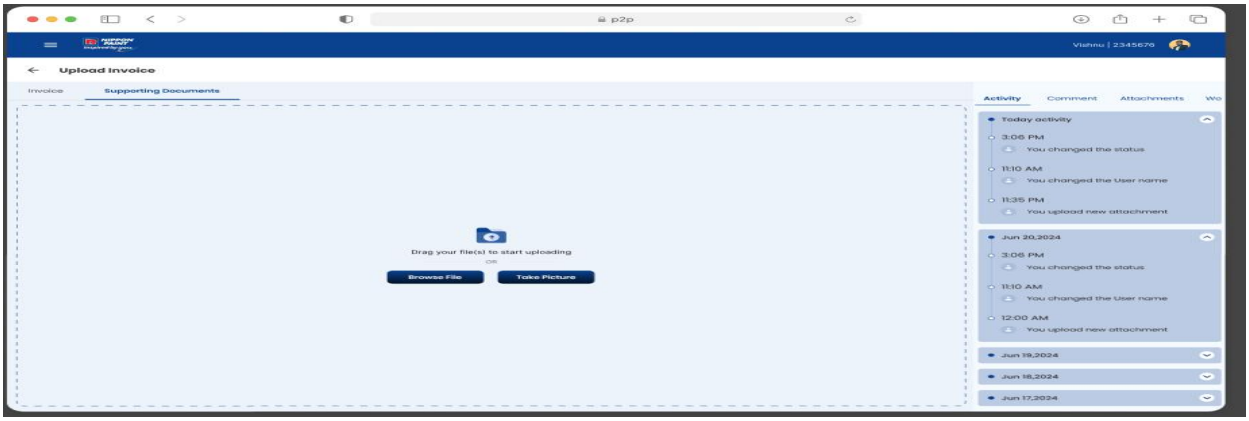
The system navigates to the **Upload supporting Documents** screen, where the QC user can upload supporting documents in PDF format by using the **Browse File** button.

Note: While the uploading occurs through the **Browse File** button, the scanning is done initially using the scanning machine assigned to the division.

OR

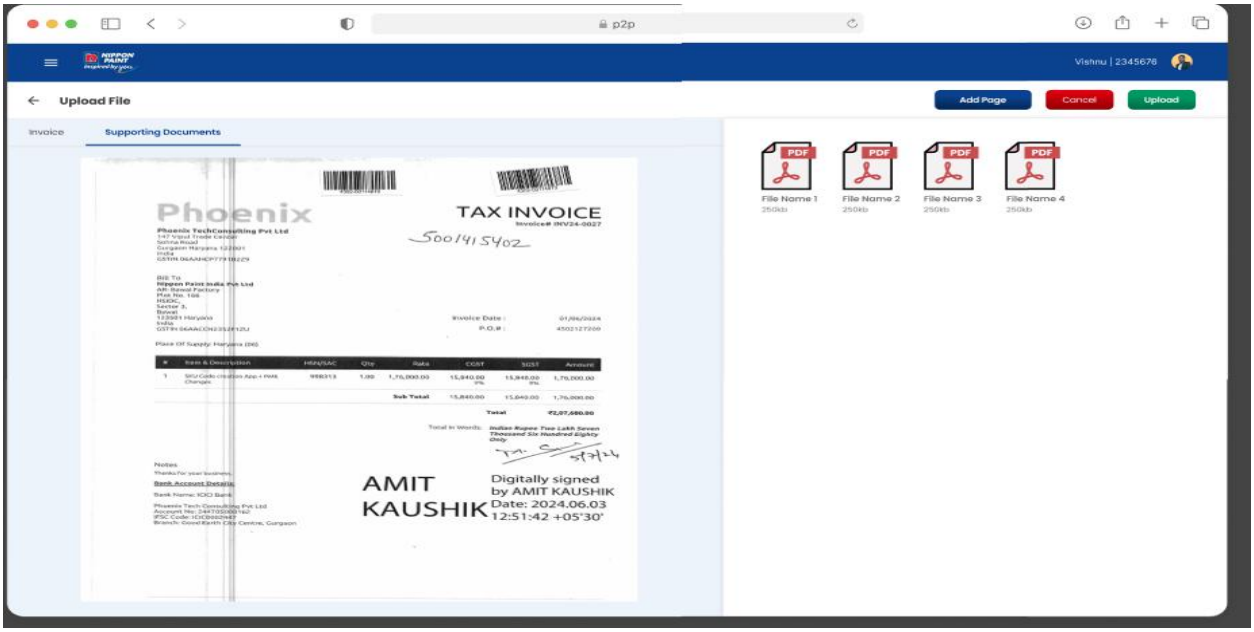
The QC user can take a photo of the supporting documents using their mobile and upload the picture by clicking on the **Take Picture** button.

Note: While taking a photo on the mobile, both scanning and uploading occur simultaneously.



Once the supporting documents are uploaded, the system will navigate to the screen below, where the QC user can view the supporting documents.

The QC user can click **Add Page** to add additional supporting documents and then click **Upload** to upload them.



Data Extraction - Relevant information such as vendor details, invoice number, date and line-item details are extracted from the invoice.

Once the documents are uploaded, OCR (Optical Character Recognition) needs to be performed to extract text and data from the scanned or photographed documents.

Optical Character Recognition (OCR) is the process that converts an image of text into a machine-readable text format.

Once OCR is performed, the readable format will be displayed on the right side, while the uploaded invoice will be reflected on the left side.

The fields, such as the Company name, Division, and Plant Code, need to be retrieved from the previous screen where the QC user entered this information.

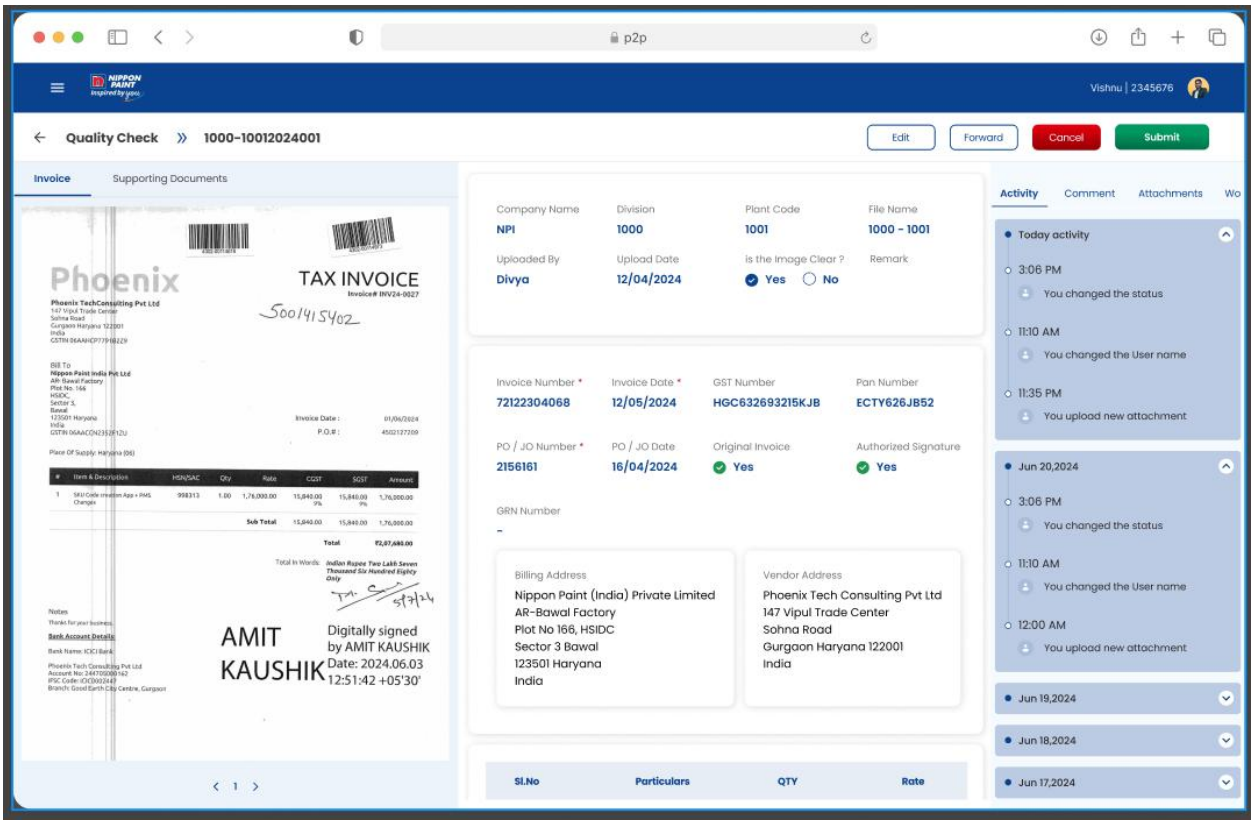
File name - The file name should be generated using a consecutive number, created by combining the Company, Division, and Plant Code.

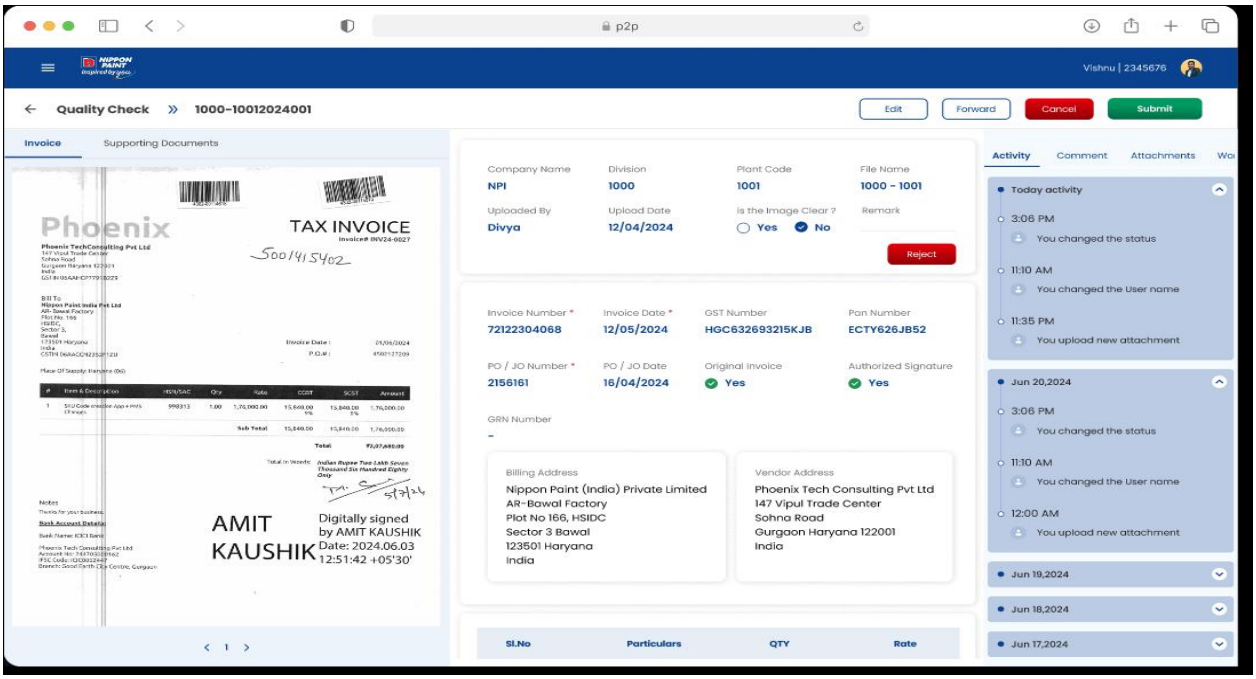
Uploaded by – The name of the QC user who uploaded the file should also be included in the file name for identification.

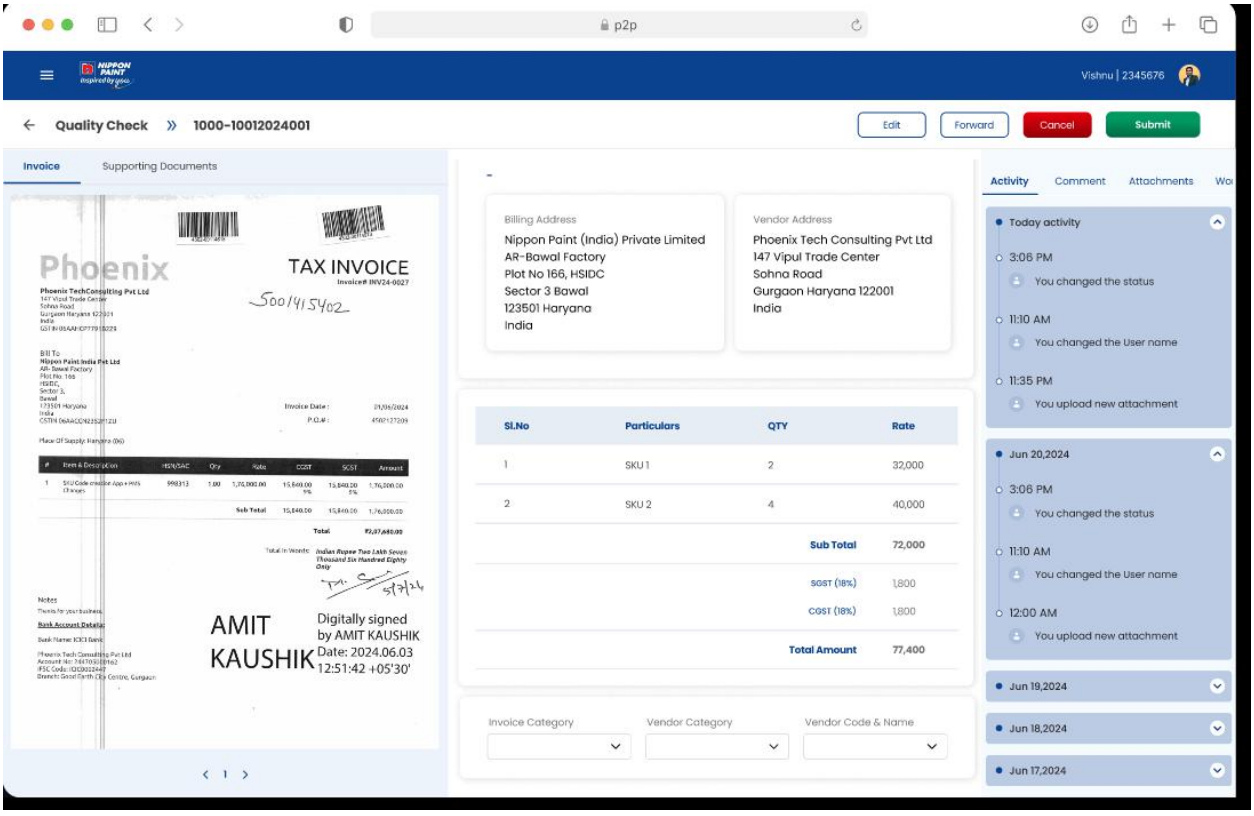
Uploaded by – The date when the file was uploaded should also be included in the file name for proper tracking and identification.

Is the Image is Clear – The system will be default to "Yes," and the following fields will be displayed for the QC user to perform mapping.

If the Image is not clear - The QC user needs to click "No," which will trigger a pop-up with a remarks field. The QC user must provide the rejection reason in the remarks field, and the invoice will return to the QC queue. The QC user must then re-upload the invoice using the same file name.

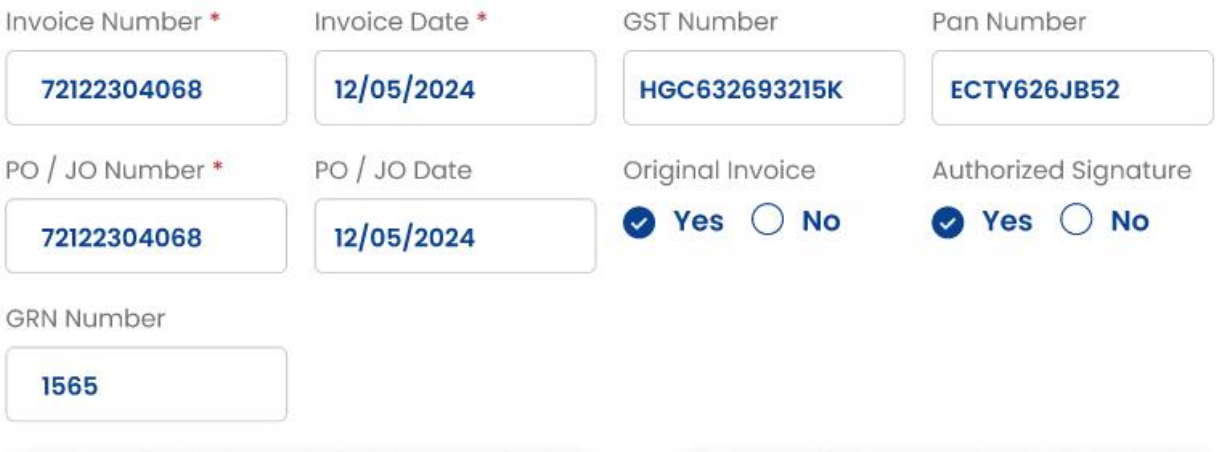



p2p
Vishnu | 2345676
Quality Check » 1000-10012024001
Edit
Forward
Cancel
Submit
Invoice
Supporting Documents
Phoenix
TAX INVOICE
Invoice# INV24-0027
AMIT KAUSHIK
Digitally signed by AMIT KAUSHIK
Date: 2024.06.03 12:51:42 +05'30'
Company Name
NPI
Division
1000
Plant Code
1001
File Name
1000 - 1001
Uploaded By
Divya
Upload Date
12/04/2024
Is the Image Clear ?
Yes
No
Remark
Reject
Invoice Number *
72122304068
Invoice Date *
12/05/2024
GST Number
HGC632693215KJB
Pan Number
ECTY626JB52
PO / JO Number *
2156161
PO / JO Date
16/04/2024
Original Invoice
Yes
Authorized Signature
Yes
GRN Number
-
Billing Address
Nippon Paint (India) Private Limited
AR-Bawal Factory
Plot No 166, HSIDC
Sector 3 Bawal
123501 Haryana
India
Vendor Address
Phoenix Tech Consulting Pvt Ltd
147 Vipul Trade Center
Sohna Road
Gurgaon Haryana 122001
India
Sl.No
Particulars
QTY
Rate
Activity
Comment
Attachments
Today activity
3:06 PM
You changed the status
1:10 AM
You changed the User name
1:35 PM
You upload new attachment
Jun 20,2024
3:06 PM
You changed the status
1:10 AM
You changed the User name
12:00 AM
You upload new attachment
Jun 19,2024
Jun 18,2024
Jun 17,2024


p2p
Vishnu | 2345676
Quality Check » 1000-10012024001
Edit
Forward
Cancel
Submit
Invoice
Supporting Documents
Phoenix
TAX INVOICE
Invoice# INV24-0027
AMIT KAUSHIK
Digitally signed by AMIT KAUSHIK
Date: 2024.06.03 12:51:42 +05'30'
Billing Address
Nippon Paint (India) Private Limited
AR-Bawal Factory
Plot No 166, HSIDC
Sector 3 Bawal
123501 Haryana
India
Vendor Address
Phoenix Tech Consulting Pvt Ltd
147 Vipul Trade Center
Sohna Road
Gurgaon Haryana 122001
India
Sl.No
Particulars
QTY
Rate
1
SKU 1
2
32,000
2
SKU 2
4
40,000
Sub Total
72,000
SGST (18%)
1,800
CGST (18%)
1,800
Total Amount
77,400
Invoice Category
Vendor Category
Vendor Code & Name
Activity
Comment
Attachments
Today activity
3:06 PM
You changed the status
1:10 AM
You changed the User name
1:35 PM
You upload new attachment
Jun 20,2024
3:06 PM
You changed the status
1:10 AM
You changed the User name
12:00 AM
You upload new attachment
Jun 19,2024
Jun 18,2024
Jun 17,2024

If the invoice is not readable by OCR, the following mandatory fields, marked with an asterisk (*), must be updated by the QC user.

- Invoice Number
- Invoice Date
- PO/ JO Number



The following fields should be automatically retrieved from the OCR (Optical Character Recognition) process:

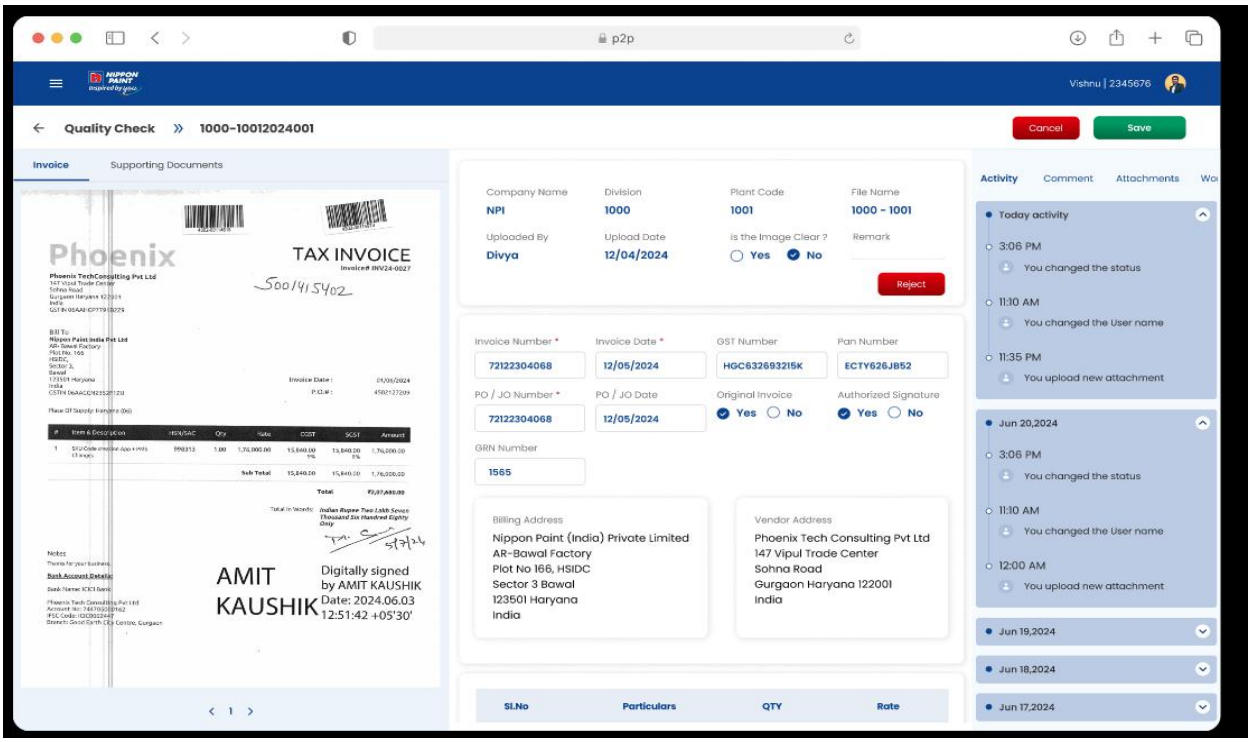
- Invoice Number
- Invoice Date
- GST Number
- PAN Number
- PO/JO Number
- PO/JO Date
- GRN Number

Authorized Signature: The OCR system must check for the presence of a handwritten signature on the invoice. If a digital signature is detected, no further action is needed, as it is considered valid. However, if no signature is found, the QC user must click "Edit," which will trigger the "No" button to pop up. The user must then select "No," and the QC user must contact the vendor to request an invoice with an authorized signature.

Original Invoice: The OCR needs to determine whether the invoice is original or a scanned copy by analyzing the title of the Invoice Number. If the title includes "Tax Invoice," it should be considered original. However, if the top of the invoice contains terms such as "Duplicate Invoice" or "Scanned Invoice," it should not be considered original.

If the invoice is identified as original, the QC user can proceed with processing the invoice.

If the invoice is identified as not original, the user needs to click "Edit," which will trigger the "No" button to pop up. The QC user must then click the "No" button and contact the vendor to request the original invoice.



Billing Address: The address details from the invoice should be automatically retrieved by the OCR, including the billing address, shipping address, or any other relevant address information present on the document..

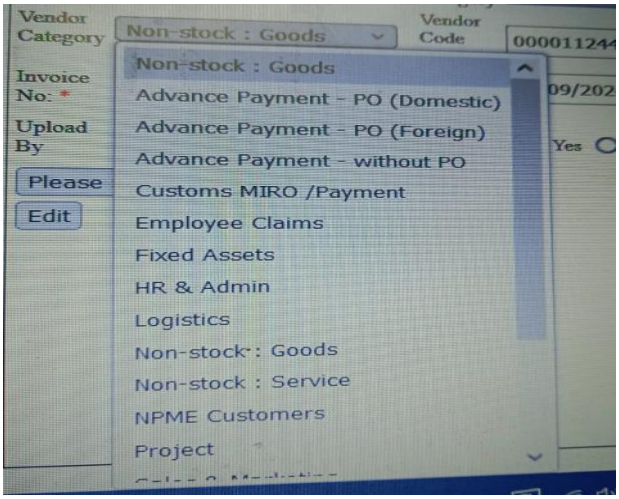
Vendor Address: The **Vendor Address** should be automatically retrieved by OCR from the invoice, extracting details such as the vendor's street address, city, state, and postal code..

The OCR should automatically retrieve the **Line Items** from the invoice, including details such as item description, quantity, unit price, total price, and any applicable taxes.Tax details and Total Amount needs to be retrieved from OCR.

QC user needs to Input the below mentioned fields.

Invoice Category – The QC user must select whether the invoice is associated with a **PO (Purchase Order)** or is a **Non-PO** invoice.

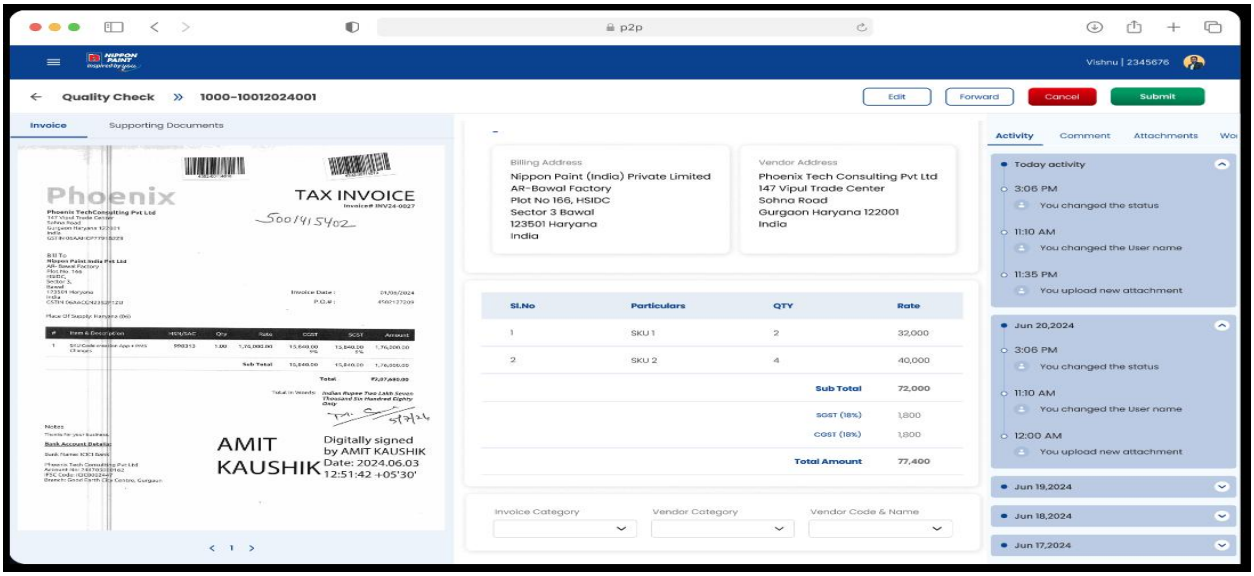
Vendor Category – QC user must select the below vendor Category.



Vendor Code & Name – The QC user must select the Vendor Code and Vendor Name. These details will be automatically retrieved through the GST and PAN-linked Vendor Code.

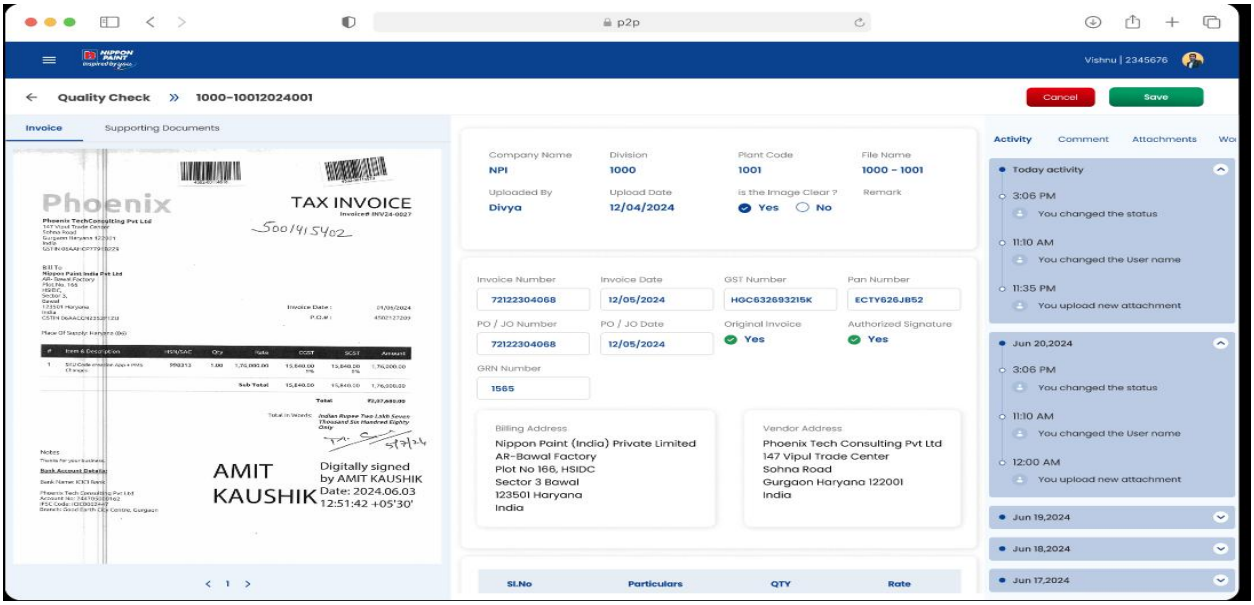
After selecting the **Vendor Code** and **Vendor Name**, the QC user must click the **Submit** button to proceed.

On this page, the user can also **edit the fields** if necessary and **forward** the information to the relevant parties as needed.



If the QC user clicks "Edit," the editable fields will be displayed, allowing the user to make modifications.

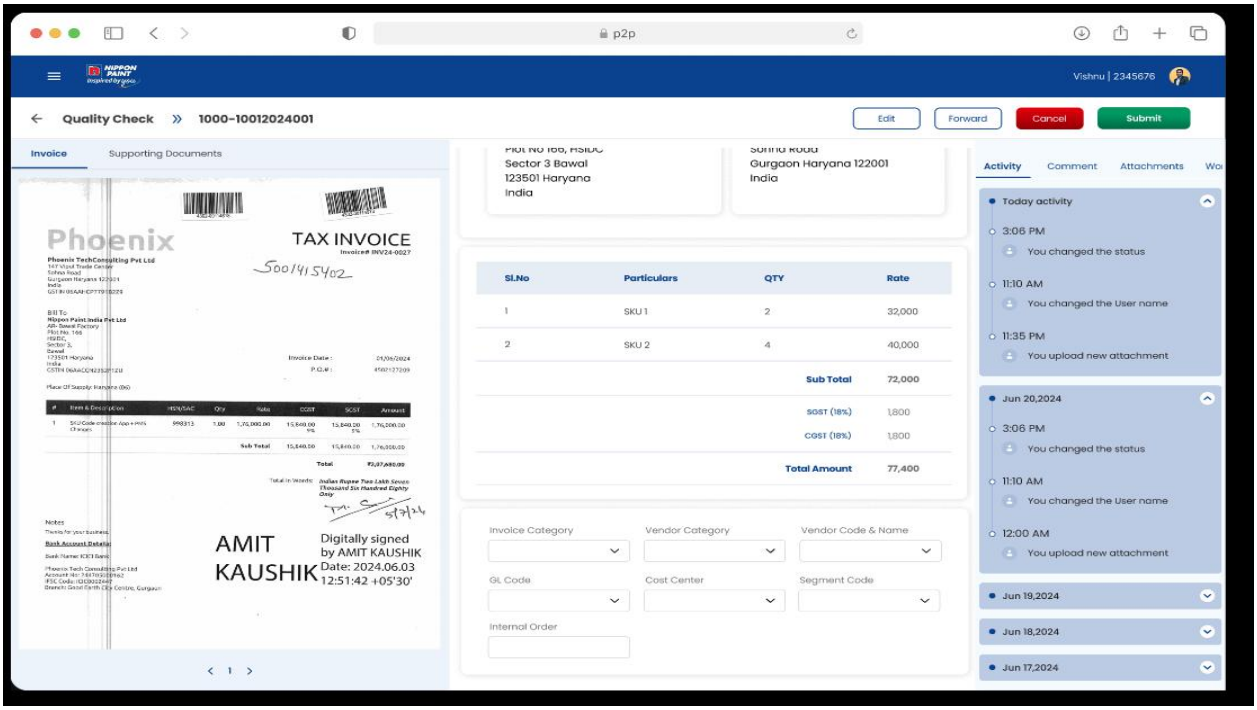
If the QC user wishes to modify any fields, they can make the necessary changes and click the "Save" button.



If the invoice category is "Non-PO," the QC user must select the "Non-PO" category. Additional mandatory fields, as mentioned below, will then be displayed for the user to fill in.

1. GL Code
2. Cost Centre
3. Segment Code
4. Internal Order

After entering the details, QC user will Click Submit button. Then the Invoice will be routed to FSS Workflow screen



FSS Screen:

Invoice processing begins with the receipt of invoices, either via email, scanned paper copies, or digital uploads. The next step is to verify invoice details against purchase orders, delivery receipts, and agreement terms. Key information such as invoice number, vendor details, item descriptions, quantities, and amounts is then extracted. For barcoded invoices, mapping ensures proper tracking and matching. The invoice is routed through an approval workflow based on organizational policies. Once approved, it is posted to the accounting system for payment processing. Finally, all invoices and related documents are stored securely for future audits and compliance. Automation tools like OCR and AI can significantly improve the efficiency and accuracy of this process.

User Stories:

Financed Shared Services (FSS) User:

As an FSS user, you want to process invoices with File Name in order to initiate payments for the procurement of goods or services.

Pre-condition:

1. The FSS user is logged in to the application.

2. The FSS user has permission to access the **Processing of the Invoice**.

Navigation: In the Menu Bar - Home page – FSS – FSS List

(displayed at the left Top of the screen).

Assumptions: The user roles and their relevant mapping details are defined and accurate.

Note:

1. When the FSS user asks for clarification for the particular Invoice and the Division will ask the FSS user to reject the invoice. Then the Division will work on the Invoice for the discrepancies and will rescan the invoice with the different file name.
2. FSS users are Users working in the Financial Shared Services department at the Corporate Office.
3. An automatic email for the Aging Report should be triggered daily at 9:00 AM, excluding Sundays.
4. Restrict FSS user to copy the text and Label Fields.
5. Access Restrictions for the FSS users are as below
    - Report
    - Invoice Processing
    - Invoice Reprocessing
    - Verification
    - Parking
    - After Clarification

Post-condition:

1. When an FSS user opens an invoice, it should be locked for other users to prevent simultaneous access and ensure data integrity.

When an FSS user opens an invoice, an error message should pop up stating, "FSS user [username] is currently working on the invoice."

Access should be provided to FSS supervisors to unlock the invoice, allowing them to override the lock if necessary.

2. Unlock the opened Invoices (Based on access).

Validation and matching - Invoice automation systems compare the extracted data with purchase orders and receipts to ensure compliance and accuracy. Any discrepancies or exceptions requiring manual intervention will be flagged in this step.

FSS user will login into the system.

When the FSS user logs into the portal, they need to click on the **"FSS List"**, which will direct them to the FSS List screen.

The FSS user needs to filter the fields mentioned below and then click **"Find"** to retrieve the relevant information.

- Company
- Division
- Plant Code
- Invoice Type : PO or Non PO
- Category – The Vendor Category mentioned above.

On the screen below, the FSS user needs to select one of the available options from the list provided.

Processing – When the QC user maps the invoice, the new invoices, both PO and non-PO, will then fall under the processing queue for further handling and action.

Re scan – When the invoice scanning is unclear, the FSS user will move the invoice to the **Rescan Queue**. The division will verify the details and then send the invoice to the **Pending for Processing** queue, maintaining the same previous unique number.

Re processing – **For Non PO Invoices** - When the Posting team identifies any errors in the FSS processing, they will send the invoice to the **Reprocessing Queue** for correction to the respective user who processed the invoice.

Sent for Clarification – When an invoice requires clarification, the FSS user will send it to the **"Sent for Clarification"** queue.

After Clarification – When the FSS user sends the invoice to the **"Sent for Clarification"** queue, the division will review the clarification reason. After verification, the division will send the invoice to the **"After Clarification"** queue.

Parking –

For Non PO Invoices - While processing, when the FSS user parks a Non-PO invoice in FB60, it will move to the Parking Queue for further action.

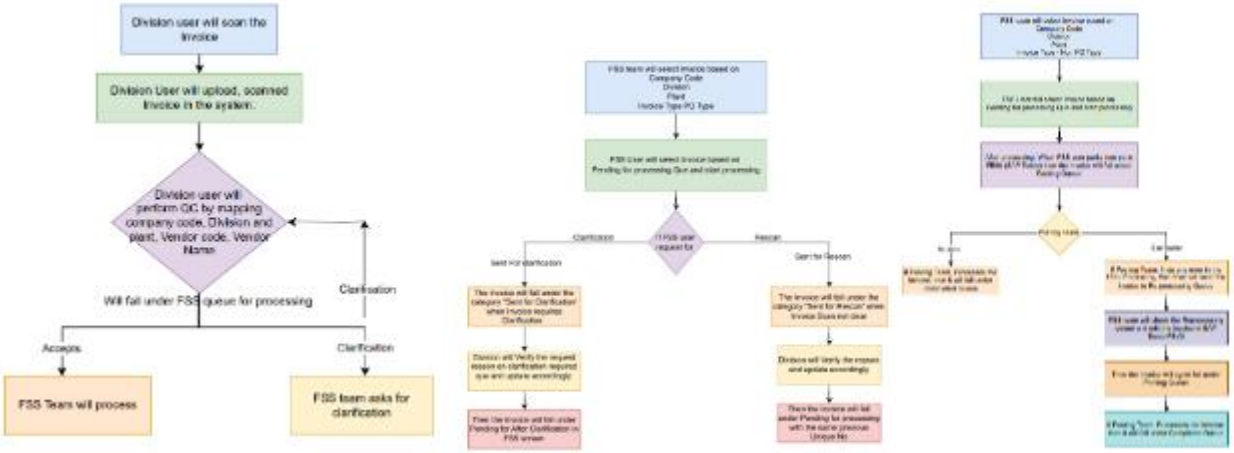
When the Posting team identifies any errors in the FSS processing, they will send the invoice to the Reprocessing Queue for correction.

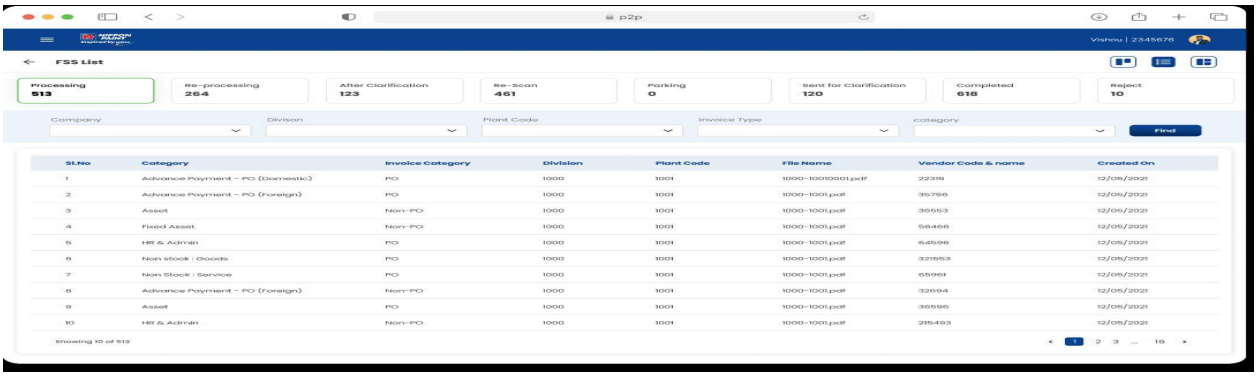
The FSS team will check the Reprocessing Queue, and once the necessary actions are taken, the invoice will move to the Parking Queue.

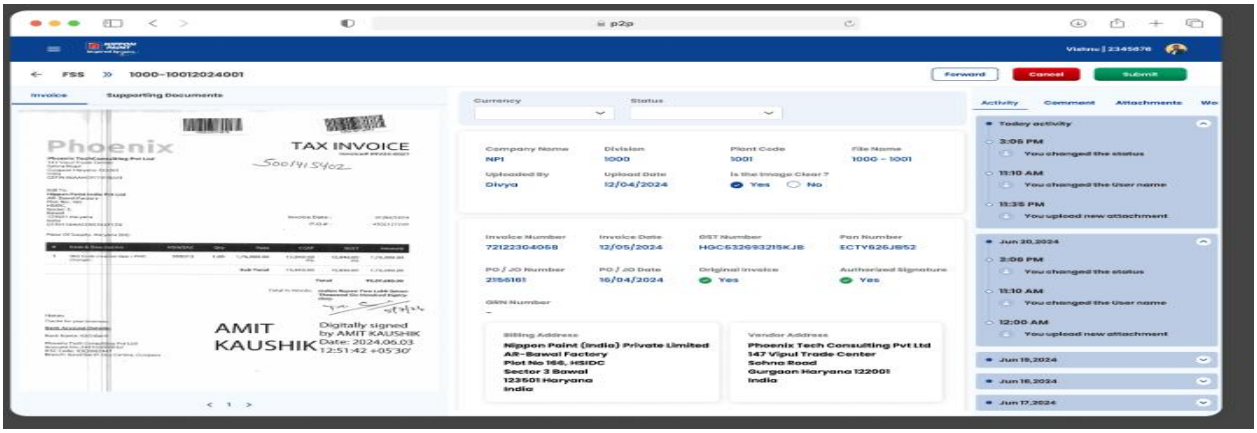
Completed – **For PO Invoices** - When the FSS team processes the invoice, it will be moved to the **Completed Queue** for final review and closure.

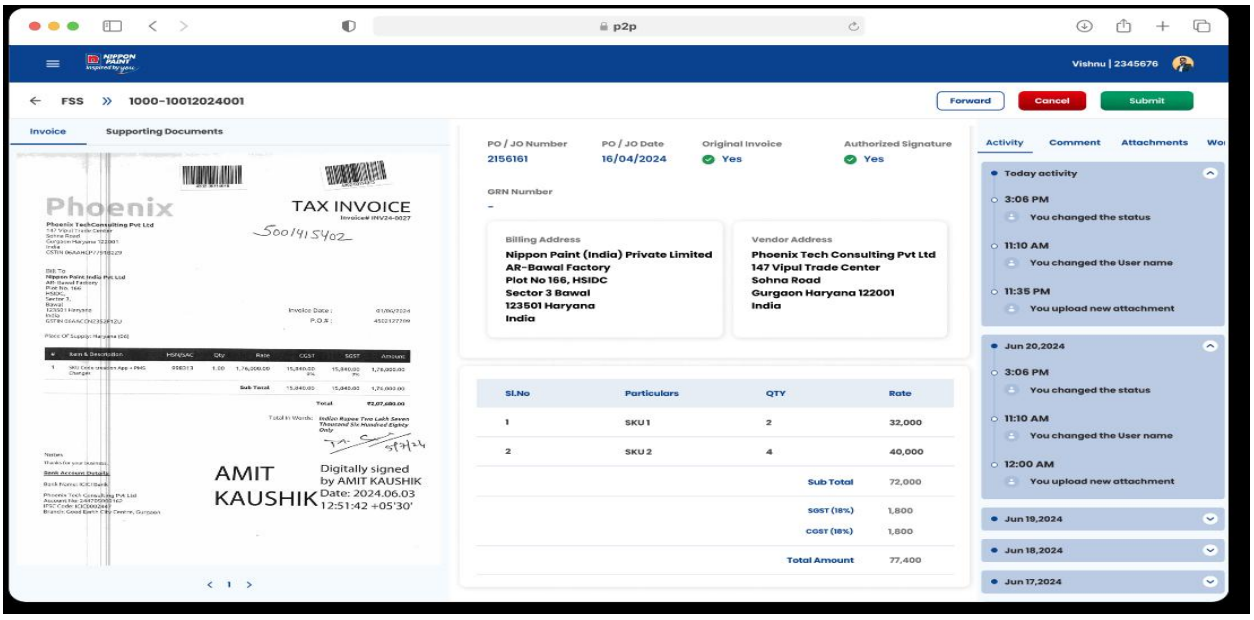
For Non PO Invoices - When the Posting team processes the invoice, it will move to the **Completed Queue** for finalization and record-keeping.

Reject – If the FSS team identifies discrepancies in the invoice, they will request clarification from the division. If the division instructs them to reject the invoice, the FSS team will proceed with the rejection. Once the division verifies the details and provides clarification, they will rescan the invoice, assigning it a different unique number.







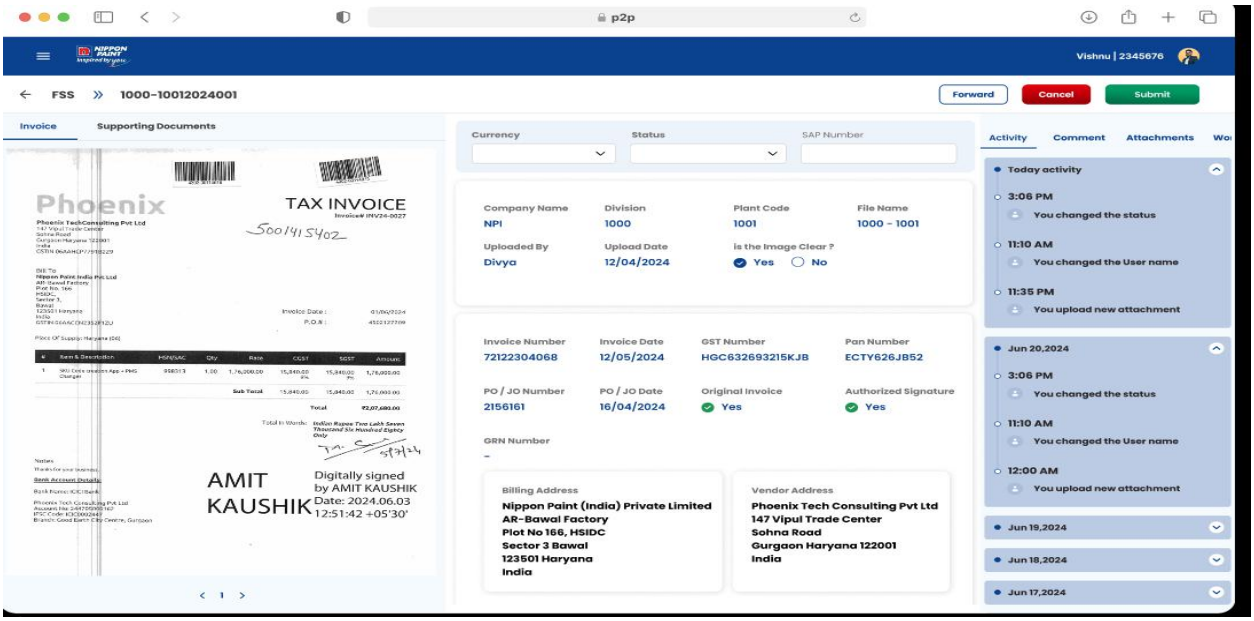


Authorized Signature: The OCR must verify whether a handwritten signature is present on the invoice. If there is a digital signature, no action is required, as it is considered valid. If the signature is missing, the QC user needs to click "No" and **FSS user will not receive the Invoice.**

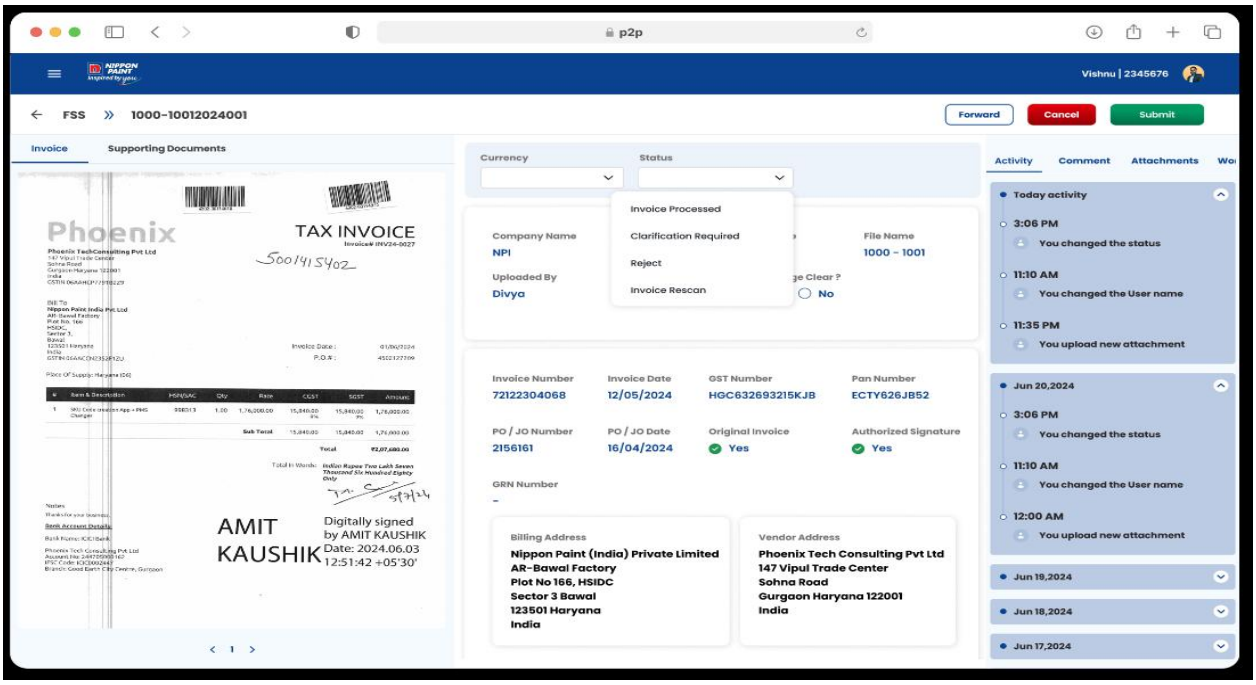
Original Invoice: The OCR needs to determine whether the invoice is original or a scanned copy by analyzing the title of the Invoice Number. If the title includes "Tax Invoice," it should be considered original. However, if the top of the invoice contains terms such as "Duplicate Invoice" or "Scanned Invoice," it should not be considered original. Then the QC user needs to click "No" and **FSS user will not receive the Invoice.**

In the screen shown below, the FSS user needs to select the currency and specify the status of the invoice.

If the FSS user selects the Status as Invoiced processed, then the SAP Number needs to be entered and he need to click Submit Button. Then the processing with be completed and fall under Completed Queue.



If the FSS user selects a status reason such as Clarification Required, Reject, or Invoice Rescan, the Remarks tab will pop up. The FSS user must then update the remarks for pending actions, and the invoice will fall under the appropriate queue for further processing.



Once the FSS user updates the remarks and clicks the Submit button, the invoice will move to the QC user workflow screen. The QC user will then address the queries and move the invoice to the appropriate queue for further processing.

If the FSS user wants to forward the invoice, he can click Forward button.