# AOSD FLASH #281: POTENTIAL IMPACT OF VOUCHER DELETION/REUSE ON UNDERLYING PURCHASE ORDERS

## Background

When processing vouchers, departments may run into various situations that prevent posting and payment (erroneous invoice, non-approval, etc.). To expedite payment, departments sometimes process a replacement voucher and either delete the original voucher, or reuse or delete individual lines on the original voucher.

### Issue

Vouchers liquidate their underlying purchase order encumbrance during the *Budget Check* process. Further, budget-checked vouchers (and their individual lines) that are deleted or reused will automatically create an entry to reverse the original liquidation.

If a replacement voucher is budget-checked **before** the original voucher or lines are deleted/reused, the system will only liquidate up to the remaining balance on the purchase order. Because the original voucher has already liquidated its encumbrance, the remaining PO balance may not have a sufficient balance for the replacement voucher's full liquidation amount. In this case, the liquidation entry will be less than the true amount (see Appendix A – Voucher Deletion Error).

However, when the original voucher is deleted/reused, the system will reverse the entire original liquidation amount, thus overstating the true encumbrance balance.

This applies to all cases in which a voucher line is budget checked against a purchase order. Specifically:

- Entire vouchers that are budget checked, then deleted;
- Individual lines that are budget checked, then deleted or;
- Entire vouchers and individual lines that are budget checked, then reused for a different, unrelated purchase order/invoice

### **Recommendations**

It is important that departments review all their vouchers to ensure the voucher entries are properly liquidating their underlying purchase orders.

- (1) Do not create replacement vouchers until **after** the original, outstanding voucher is deleted or reused.
  - By first deleting the original voucher or reusing the original voucher lines, the system can properly reverse any existing liquidation entries and restore the PO balance. Once the encumbrance is returned to the purchase order, the replacement voucher can generate the correct liquidation entries.

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- (2) Departments should **not** change supplier invoice numbers to bypass the system duplication check (e.g. change "Invoice 123" to "Invoice 123A").
  - The system will check for duplicate invoice numbers issued by the same supplier. If a user encounters the error, it is possible that a voucher already exists for the subject payment. If so, the user should review to ensure all vouchers (and underlying liquidations) have been processed correctly.

# **APPENDIX A**

## **Example – Voucher Deletion Error**

(1) Department XYZ has a \$61.00 single line purchase order for goods.

Maintain Purchase Order		
Purchase Order		
Business Unit SFGOV PO ID 0000161355	PO Status Dispatched 🛆 \overline 🗶 Budget Status Valid	
Copy From 🔹	Hold From Further Processing	
▼ Header @		
*PO Date 03/13/2018 Supplier Search	Doc Tol Status Valid	
*Supplier PRECISIONP-001 Supplier Details	Backorder Status Not Backordered Create BackOrder	
*Supplier ID 0000012935 PRECISION PAY	IONES Receipt Status Not Recvd Dispatch	
*Buyer 168114 Chavez,Nicholas A	*Dispatch Method	
PO Reference February 2018 Services	Purchasing Authority PROPQ-NO BID Q PROP Q AUTHORITY NOT BID	
	roject Team Amount Summary ?	
PO Defaults Edit Comments PO Activities Add ShipTo Comments Requisitions Document Status	Merchandise     61.00       Freight/Tax/Misc.     0.00       Total Amount     61.00       Encumbrance Balance     61.00	
Add Items From ②	Select Lines To Display 👔	
Catalog Item Search Purchasing Kit	Search for Line Q To Retrieve	
Lines 👔	Personalize   Find   View All   💷   🧱 First	🖲 1 of 1 🕑 Last
Details         Ship To/Due Date         Statuses         Item Information         Attribute	tes <u>R</u> FQ <u>Contract</u> <u>Receiving</u>	
Line Item Description	PO Qty VUOM Category Supplier ID Supplier Name Price Merchandise Amount	
Service charge for public p phone at JJC lobby area. Payment for February 2018 Invoice.	, ∰ 1.0000 EA 91577 Q 61.00000 61.00 Approved ♦	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1

(2) After receipt, the department receives an invoice for \$61.00 and creates a voucher ("Voucher A") for payment. Voucher A completes budget check, but is not fully approved/posted because of an issue with the supplier.

PO Accounting Entries after Voucher A is budget checked

	nting Entrie	00										
	Busi	ness Unit SF	GOV									
		From PO 000	00161355						To PO	0000161355		
	P	PO Status										
	From Fi	iscal Year							To Fiscal Year			
Accor	unting Line Vie	w Option Sta	andard						Ledger Group	CC_DETAIL		
Accounting E	Intries							Personaliz	ze   Find   View All   🔄	First	④ 1-2 of 2	E Last
	artFields	•										
Details Ch	Status	Supplier ID	Change Order	Trans Type	Unpost Seq	Line	Sched	Dist	Account	GL Unit	Monetary Amount	Base
			Change Order	Trans Type PO_POENC	Unpost Seq	Line	Sched	Dist	Account 1 532410	GL Unit		Bas Cun
Details Ch Purchase Order	Status	Supplier ID	Change Order		Unpost Seq	0.002	Sched	Dist 1			Amount	Basicum

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- (3) Once the issue with the supplier is resolved, the department creates a new voucher ("Voucher B") to issue payment for the \$61.00. They intend to delete Voucher A once Voucher B is processed.
- (4) Voucher B completes budget check. Because Voucher A is already budget checked and has liquidated its encumbrance amount, the purchase order no longer has a balance for Voucher B to liquidate. As a result, the system creates a single \$0 liquidation entry (see below).

		Business Unit	SEGOV										
											To PO 00001	101055	
		From PO	00001613	355							10 PO 0000	101355	
		PO Status											
	Fro	m Fiscal Year								To Fi	scal Year		
Ac	counting Lin	e View Option	Standard							Ledg	er Group CC_D	ETAIL	
Accountin	g Entries							P	ersonali	ize   Find   View	All   💷   🔜	First 🕚 1-3	3 of 3 🛞 Last
Details	<u>C</u> hartFields	)											
Purchase Order	Status	Supplier ID	Change Order	Trans Type	Unpost Seq	Line	Sched	D	ist	Account	GL Unit	Monetary Amount	Base Currency
0000161355	D	0000012935		PO_POENC		D	1	1	1	532410	SFGOV	61.00	USD
0000161355	D	0000012935		REVERSAL		D	1	1	1	532410	SFGOV	0.00	USD
0000161355	D	0000012935		REVERSAL		0	1	1	1	532410	SFGOV	-61.00	USD
											4		

PO Accounting Entries after Voucher B is budget checked

(5) Voucher B is fully processed. Now that the invoice has been paid, the department requests that Voucher A be deleted since it is no longer needed.

Delete Voucher I Voucher Details		
Business Unit SFGOV Voucher 00278054		
Supplier		
Supplier 0000012935 PRECISION PAY PHONES Short Name PRECISIONP-001		
Voucher Information		
Invoice VOUCHER A Date 03/14/2018	Origin ONL Group	Header Budget Status Valid Non-Prorated Budget Status Valid
Gross Amount 61.00 USD Related Voucher		Message
Delete		Budget transactions related to this voucher have been deleted. (7030,473)
Return to Search Votify		Please review your budget account balance and activity.
Delete Voucher   Voucher Details		OK Cancel

(6) When Voucher A is deleted, the system automatically reverses the liquidation entry from Step 2.

PO Accounting Entries and Encumbrance Balance after Voucher A Deletion	
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PO Accou	unting Ent	tries										
	B	usiness Unit	SFGOV									
		From PO	00001613	55						To PO 0000	161355	
		PO Status										
	From	n Fiscal Year							To Fi	iscal Year		
Acc	counting Line	View Option	Standard						Ledg	ger Group CC_E	DETAIL	
								Derson	alize   Find   View	AU 1 7 1 1	First (A) 4.0	of 2 🕑 Last
Accounting	g Entries							Persona	size   Find   view	All 📟 🖽	First III 1-2	of 2 🐨 Last
								Persona	inze   Find   view	All [ 🗠 ] 🎟	First W 1-2	or 2 🐨 Last
Details	<u>C</u> hartFields	Supplier ID	Change Order	Trans Type	Unpost Seq	Line	Sched	Dist	Account	GL Unit	Monetary Amount	Base Currency
Details 9	ChartFields Status		Change Order	Trans Type PO_POENC							Monetary	Base
Details 9 Purchase Order	ChartFields Status	Supplier ID	Change Order		Seq	) 1	,	Dist	Account	GL Unit	Monetary Amount	Base Currency
Details 9 Purchase Order 0000161355	ChartFields Status	Supplier ID 0000012935	Change Order	PO_POENC	Seq	) 1	,	Dist	Account 1 532410	GL Unit SFGOV	Monetary Amount 61.00	Base Currency USD

**Summary**: Although expenditure and payment was recorded by Voucher B, the purchase order will show an incorrect remaining encumbrance balance of \$61.00, the reversed liquidation amount of deleted Voucher A.

## **Example – Voucher Line Deletion Error**

(1) Department XYZ has a multiple line purchase order for goods. The purchase order contains Line 1 for \$22.22, Line 2 for \$42.33, and an additional \$3.60 for sales tax applied to Line 2.

	_																		
Purch	ase	Order																	
	Bu	isiness Un							Dispatched	Δ	×								
		POI	D 0000161234				Bu	dget Status	Valid										
		Copy From	n	Ŧ					Hold From Fur	ther Proc	essing								
The He	ader	(2)																	
		*PO Dat	03/13/2018	B Supplier Search			Do	c Tol Status	Valid										
			CARDINALHE-002				Backo	rder Status	Not Backordered		Create B	BackOrder							
				Supplier Details CARDINALHEALTH MED		ICTR & RUCR	Re	ceipt Status	Not Recyd										
		Supplier II	0000003356 39441	Aguallo, Daisy M	GALPRODU	JC15 & 54C5		atch Method			Dis	patch							
	00	Reference		rigitano, crasy in			Purchasi	ng Authority		Q									
	PO	Referenc	Header Details	Activity Summary Project	Team	Amount 5	Summary	2											
			PO Defaults	Add Comments				Merchandise	64.5										
			PO Activities Requisitions	Add ShipTo Comments Document Status				ght/Tax/Misc			Ca	alculate							
			<ul> <li>Actions</li> </ul>	Document Status				Total Amoun		USD									
							Encumbr	ance Balanc	e 68.1	USD									
Add Ite	ms F	From 👔				Select Line	es To Dis	play 👔											
			Catalog	Item Search		Search for L	ines	Line	C To	Q	Re	etrieve							
			Purchasing Kit																
Lines	0												Perropalita	Find View All	21	First	1-2 of 2	(k) 1.4	
Details		Ship <u>T</u> o/Du	e Date Statuses	Item Information Attributes	BFQ C	ontract Rec	eiving [						1 droomane.co			THE	- TEVIE	0 60	
Line		Item		Description		PO Qty	*UOM	Category	Supplier IC			Supplier Name	Price	Merchandise Amount	Status				
1		H8100042		SOLUTION RESPIRATORY AIRLI STERILE WATER FLEX BAG	FE 👸	12.0000	EA	26940			Q		1.85200	22.22	Approved	0	10	•	a
· ·	-	1010004		NONSTERILE DISPOSABLE 1000		12.0000		20040			~		1.00200	4-4-4-4	- pprotect	~	1 421		_
2	ð	H7602710	)	CHAMBER HUMIDIFICATION FIS PAYKEL AUTO FEED	HER 🖏	4.0000	EA	34584			Q		10.58300	42.33	Approved	$\diamond$	10	+	

(2) After receipt, the department receives an invoice for the entire \$68.15. The department creates a voucher ("Voucher Y") for full payment Line 1 (\$22.22), Line 2 (\$42.33), and sales tax (\$3.60). Voucher Y completes budget check, but is not fully approved/posted because of an issue with the supplier.

PO Accounting Entries after Voucher Y is budget checked

PO Acco	unting Er	ntries										
	I	Business Unit	SFGOV									
		From PO	00001612	34					To PC	00001612	34	
		PO Status										
	Fro	m Fiscal Year							To Fiscal Year	r		
Ac	counting Lin	e View Option	Standard						Ledger Group	CC_DETA	IL	
Accounting	g Entries						Pe	rsonalize	Find   View 3   🔄	📑 Fi	rst 🕚 1-9 of 9	🕑 Last
Details	<u>C</u> hartFields											
Purchase Order	Status	Supplier ID	Change Order	Trans Type	Unpost Seq	Line	Sched	Dist	Account	GL Unit	Monetary Amount	Base Currer
0000161234	D	000003356		PO_POENC	0	1	1	1	544610	SFGOV	22.22	USD
0000161234	D	000003356		PO_POENC	C	2	1	1	545990	SFGOV	42.33	USD
0000161234	D	000003356		REVERSAL	C	1	1	1	544610	SFGOV	<u>-22.22</u>	USD
0000161234	D	000003356		REVERSAL	C	2	1	1	545990	SFGOV	-42.33	USD
0000161234	D	000003356		REVERSAL	C	2	1	1	552115	SFGOV	-3.60	USD
0000161234	D	000003356		PO_POENCNP	C	2	1	1	535210	SFGOV	0.00	USD
0000161234	D	000003356		PO_POENCNP	C	2	1	1	535990	SFGOV	0.00	USD
0000161234	D	000003356		PO_POENCNP	C	2	1	1	552115	SFGOV	3.60	USD
0000161234	D	000003356		PO_POENCNP	C	2	1	1	552115	SFGOV	0.00	USD
										4		- F

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(3) The department works with the supplier and receives approval to pay Line 2. The department creates a new voucher ("Voucher Z") to issue payment for the \$42.33 and \$3.60 in sales tax. They intend to delete the portion for Line 2 on Voucher Y once Voucher Z is processed.

Summary Related Documents Invoice Inform Business Unit SFGOV Voucher ID 00278058 Voucher Style Regular Voucher Invoice Date 03/14/2018	Anation Payments Voucher Attributes Error St Invoice No VOUCHER B Accounting Date 03/14/2018 'Pay Terms 030 Q P Basis Date Type Acct Date	N30	Line Total	42.33 Non USD C Sess Corr	s/Use Tax Sum Merchandise S sion Defaults iments(0)	
Invoice Received EXARDINAL HEALTH ME Supplier ID 0000003356 Q ShortName CARDINAL HE-002 Q Location MAIN Q *Address 5 Q	Tax Exempt		Use Tax Total	3.60 Tem 0.00 Adva Sup 45.93 Cust	chments (0) plate List anced Supplier olier Hierarchy tom Fields olier 360	Search
Save Copy From Source Document Invoice Lines 2	View Source PO/Receiver Information Unit SFGOV Voucher 00278058 PO Number	Line 2 *Line Ma	atch Option Full Match	1.1001	×	1 🕑 Last
Line 2 Copy Down *Distribute by Quantity ▼ Item H7602710 Q Quantity 4.0000 UOM EA Unit Price 10.58300 Line Amount 42.33 Calculate	PO Unit PO No. PO Line PO Sche SFGOV 0000161234 2 1 PO/Receipt Comments OK Cancel Refresh	dule Receipt Unit Receipt	Number Line Schedule		e Asset Use Tax	ŧ
▼ Distribution Lines           GL Chart         Exchange Rate         Statistics	Assets FFFF		Personalize   Find   View All	i   🔄   🔣 Fir	st 🚯 1 of 1	🕑 Last
Copy Down         Line         PO Percent         Percent           +         -         -         1         100.0000         1			Dept Agency Use 251651 Q	Authority	PC Bus Unit	Project

(4) Voucher Z completes budget check. Because Voucher Y is already budget checked and still exists in the system, the system does not detect an encumbrance to liquidate for Voucher Z. Instead, it creates two \$0 liquidation entries for Line 2 and its sales tax (see below).

PO Accounting Entries after Voucher Z is budget checked

O Acco	unting Er	itries										
		Business Unit	SFGOV									
		From PO	0000161	234					Т	<b>PO</b> 00001612	34	
		PO Status										
	Fro	m Fiscal Year							To Fiscal	Year		
Ac	counting Lin	e View Option	Standard						Ledger G	roup CC_DETA	IL	
Accounting	g Entries						P	ersonalize	Find   View 3   🔄	🛛   🔣 🛛 First	④ 1-11 of 11	🕑 Last
Details	ChartFields											
Purchase Order	Status	Supplier ID	Change Order	Trans Type▲	Unpost Seq	Line	Sched	Dist	Account	GL Unit	Monetary Amount	Base Curren
0000161234	D	000003356		PO_POENC		0	2	1	1 545990	SFGOV	42.33	USD
0000161234	D	000003356		PO_POENC		0	1	1	1 544610	SFGOV	22.22	USD
0000161234	D	000003356		PO_POENCNP		0	2	1	1 552115	SFGOV	3.60	USD
0000161234	D	000003356		PO_POENCNP		0	2	1	1 552115	SFGOV	0.00	USD
0000161234	D	000003356		PO_POENCNP		0	2	1	1 535990	SFGOV	0.00	USD
0000161234	D	000003356		PO_POENCNP		0	2	1	1 535210	SFGOV	0.00	USD
0000161234	D	000003356		REVERSAL		0	2	1	1 545990	SFGOV	0.00	USD
0000161234	D	000003356		REVERSAL		0	2	1	1 552115	SFGOV	0.00	USD
0000161234	D	000003356		REVERSAL		0	2	1	1 545990	SFGOV	-42.33	USD
0000161234	D	000003356		REVERSAL		0	2	1	1 552115	SFGOV	-3.60	USD
0000161234	D	000003356		REVERSAL		0	1	1	1 544610	SFGOV	-22.22	USD
										4		► F

(5) Voucher Z is fully processed. Now that Line 2 has been paid through Voucher Z, the department returns to Voucher Y to delete its Line 2. When Line 2 from Voucher Y is deleted, the system automatically reverses the \$42.33 liquidation entry from Step 2.

	t	Business Unit	SFGOV									
		From PO	00001612	34					To Po	D 00001612	34	
		PO Status										
	Fro	m Fiscal Year							To Fiscal Yea	Ir		
Ac	counting Line	e View Option	Standard						Ledger Grou	p CC_DETA	IL	
Accounting	g Entries						Per	sonalize	Find   View 3   🔄	First	④ 1-10 of 10	🕑 Last
Details	ChartFields											
Purchase Order	Status	Supplier ID	Change Order	Trans Type▲	Unpost Seq	Line	Sched	Dist	Account	GL Unit	Monetary Amount	Base Curren
0000161234	D	000003356		PO_POENC	(	0 2	2	1	1 545990	SFGOV	42.33	US
0000161234	D	000003356		PO_POENC	(	D .	1	1	1 544610	SFGOV	22.22	USD
0000161234	D	000003356		PO_POENCNP	(	0 3	2	1	1 552115	SFGOV	3.60	USD
0000161234	D	000003356		PO_POENCNP	(	0 2	2	1	1 535210	SFGOV	0.00	USD
0000161234	D	000003356		PO_POENCNP	(	0 2	2	1	1 535990	SFGOV	0.00	USD
0000161234	D	000003356		PO_POENCNP	(	0 2	2	1	1 552115	SFGOV	0.00	USD
0000161234	D	000003356		REVERSAL	(	o :	2	1	1 552115	SFGOV	0.00	USD
0000161234	D	000003356		REVERSAL	(	0 2	2	1	1 545990	SFGOV	0.00	USD
0000161234	D	000003356		REVERSAL	(	D :	2	1	1 552115	SFGOV	-3.60	USD
	D	000003356		REVERSAL	(	0	1	1	1 544610	SFGOV	-22.22	USD
0000161234												

**Summary**: Voucher Y will fully pay Line 1. Voucher Z will fully pay Line 2. However, the purchase order will still show an incorrect remaining encumbrance balance of \$42.33, the reversed liquidation amount of deleted Line 2.