Project: Mission SURE

(SAP Upgrade, Rejuvenation & Expansion)

Procurement to Payment (P2P)

Document No: TRF-SURE-EU TRG Manual (TRF/P2P/1.5) – 009 Rev. 00

End User Training Manual

for

SAP MM – Material Management

Process Name: Invoice verification Processing

Process No: TRF/P2P/1.5

Control Copy No: TRF/P2P/1.5/01

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**Document Change Control**

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Enterprise Procurement to pay process in TRF has the following business processes.

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For each of the above processes, there are separate End User Training Manuals are available.

This document covers sl. No.9 of the above list, that is Invoice Verification processing

This End User Training manual on Invoice Verification processing consists of the following sequence of sub-processes as listed in the Table of contents (next page)
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Invoice verification:
- Matches the vendor's invoice to the purchase order and the goods received (3rd part of 3-way match).
- Matches price, and quantity.
- Updates the purchase order and its history.
- Updates accounting information.
Invoice Verification Environment

Invoice verification accesses data from purchasing, inventory management, material master, and vendor master files.

Posting an invoice in the R/3 System updates purchasing and accounting data.
Project: Mission SURE

Goods Issue

From Consignment Stores

Consumption

Issue

Cost Centre

Asset

Sales

Sample

Scrap

From Warehouse

Transfer Posting

Company Code

Company Code

XYZ1

XYZ1

Plant 1

Plant 2

Stor. Loc. MAIN

Stor. Loc. HIRA

Stock Transfers

Product 123

Product 769

Quality Inspection

Unrestricted Use

Consignment Store

Transfer Postings
Physical inventory process

Create physical inventory document

Manually

Batch Input Session

Physical inventory document

Posting physical inventory difference

Material Document

Accounting Document

Updates Inventory Data

Updates Stock Accounts
Logistics Invoice Verification (MM-IV-TCODE-MIRO)

Purpose

Logistics Invoice Verification is a part of Materials Management (MM). It is situated at the end of the logistics supply chain that includes Purchasing, Inventory Management, and Invoice Verification. It is in Logistics Invoice Verification that incoming invoices are verified in terms of their content, prices and arithmetic. When the invoice is posted, the invoice data is saved in the system. The system updates the data saved in the invoice documents in Materials Management and Financial Accounting.

Integration

Logistics Invoice Verification is closely integrated with the components Financial Accounting (FI) and Controlling (CO). It passes on the relevant information about payments or invoice analyses to these components.

Features

In Materials Management, Logistics Invoice Verification has the following features:

- It completes the material procurement process, which started with the purchase requisition and resulted in a goods receipt.
- It allows invoices that do not originate in materials procurement (such as services, expenses, course costs) to be processed.
- It allows credit memos to be processed, either as invoice reversals or return deliveries.

An invoice can be processed in Logistics Invoice Verification in various ways:

- Invoice Verification Online

You receive an invoice and enter the information contained in it in the system, comparing the data (such as quantities and values) suggested by the system with that in the invoice and making any necessary corrections. You then post the invoice. In the SAP R/3 System, a distinction is made between the following types of invoices:

- Invoices with purchase order reference
All the items in a purchase order can be settled. With purchase-order-based Invoice Verification, all the items of a purchase order can be settled together, regardless of whether an item has been received in several partial deliveries.

- Invoices with goods receipt reference
Each goods receipt is settled separately.

- Invoices without purchase order reference
Invoices can be posted directly to G/L accounts or material accounts.

- **Document Parking**
You receive an invoice, enter the data in the system, and save the invoice document. The system does not make any postings. You can change this parked document. When you have finished changing the document, you can post the parked document.

- **Invoice Verification in the Background**
You receive an invoice, only enter the total amount of the invoice and match the invoice up with another system document. The system then checks the invoice in the background. If no errors occur, the system also posts the invoice in the background. If errors do occur, the system saves the invoice and you then have to process it in a separate step.

- **Automatic Settlement**

  - Evaluated Receipt Settlement (ERS)
Here, you do not receive any invoices from your vendors, but post them yourself based on information contained in purchase orders and goods receipts.

  - Consignment and Pipeline Settlement
You are not expecting a vendor invoice, instead you settle posted withdrawals yourself and send the vendor a statement of the settlement.

  - Invoicing plan
You do not wait for the vendor invoice for goods supplied or services performed every time. Instead you create invoices based on the dates scheduled in the purchase order and these trigger the payment to the vendor.

  - Revaluation
You determine difference values based on retroactively valid price changes and create the associated settlement documents. You send these documents to the vendor.

The invoice information enters the SAP R/3 System via electronic data interchange and the system tries to post the invoice automatically. If errors occur, you have to process the invoice manually.

When you post an incoming invoice, the system displays invoice document numbers generated in Materials Management, and the document number of the accounting document in Financial Accounting, and also the number of the invoice reduction document.

This screen below is only for readable purpose

Choosing the Transaction (document type) in MIRO SCREEN

Transaction type
Here you choose the transaction for the invoice that you want to enter:

- **Invoice**
  
  You have received a vendor invoice. The vendor invoices you for the goods that you have ordered from that company.

- **Credit memo**
  
  The vendor has invoiced you too much for the last delivery, for example, less than the agreed quantity was delivered and that at the agreed total price, or you have returned part of a delivery to the vendor due to quality problems.

- **Subsequent debit**
  
  You have already received an invoice from your vendor for all the goods received. Subsequently, freight costs are to be taken into account; however, the invoice quantity remains the same.

- **Subsequent credit**
  
  You have already received a credit memo from your vendor for all the goods received. Subsequently, freight costs are to be credited to your company; however, the credit memo quantity remains the same.
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**Entering Document Header Data-MIR0**

Use

When you enter a vendor invoice, you must enter the following document header data:

- Document date
- Posting date
Gross invoice amount

You can overwrite terms of payment when you enter an invoice. The following logic applies to
determination of terms of payment, the payment block, and the payment method when you enter an
invoice:

Entering Terms of Payment for PO Reference

- For invoices with purchase order reference, the terms of payment are first proposed from the
  first purchase order, and can be changed.
- If you change the proposed terms of payment key, all attributes of the new terms of payment
  key are copied over.
- If you change attributes of a proposed terms of payment key, for example Days 1, and do not
  change the key, then the other attributes, such as payment block and baseline date for payment,
  are kept.
- If you enter a new purchase order reference, for example, because you have made a typing
  mistake, then the system uses the terms of payment key from the purchase order you entered.
- If you have changed the terms of payment in the header and have entered a payment block,
  and have then entered a reference to a purchase order, then the system does not use the terms
  of payment key from the newly-entered purchase order. However, if you do not enter the
  purchase order again or change the purchase order, then the system uses the terms of payment
  key from the new purchase order.

Entering Terms of Payment without PO Reference

- You enter an invoice without purchase order reference by adding a G/L account or material
  line as the first item. If the terms of payment key do not contain a value, then the value is
  copied from the accounting view of the vendor master record.
- This behaviour does not apply when you enter credit memos. In this case, the system uses the
  terms of payment or the payment block from the relevant invoice (Payment tab page, Invoice
  Reference field).
- If the terms of payment key are automatically copied from the vendor master record, the
  system issues a warning message in the standard system. You can switch off this message in
  Customizing.
- If you have already entered items and then change the vendor, the terms of payment are kept.
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**Entering Terms of Payment With and Without PO Reference**

Depending on whether you first enter a purchase order with PO reference or an item without PO reference, the terms of payment are determined either from the purchase order or from the vendor master record, according to the logic described above.

**Procedure**

Choose Logistics ® Materials Management ® Logistics Invoice Verification ® Document Entry ® Enter Invoice. The Enter Invoice screen appears.
Enter the required document header data on the tab pages listed below:

- **Basic data**

  On this tab page, you enter information such as the document date, the posting date, the gross invoice amount, and the tax information.

- **Payment**

  On this tab page, you enter information such as the baseline date for payment, the terms of payment, and the bank details.

- **Details**
On this tab page, you enter information such as unplanned delivery costs and a different invoicing party.

- **Tax**

  On this tab page, you enter information such as the tax amounts and the tax code or you select *Calculate tax*. If you select *Calculate tax*, the system calculates the tax amount based on the tax codes in the invoice items.

- **Contacts**

  After you have allocated the invoice, the system determines the processors of the business transactions that have taken place so far.

- **Note**

  On this tab page, you can enter a memo that could be useful for further processing of the invoice.

- **Amount split**

  You can divide up the final amount of an invoice or credit memo here, for example, according to different payment methods or terms of payment. If you have entered a payment method here, this entry takes priority over the

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**Create Incoming Invoices with Purchase Order Reference in SAP - MIRO**

The *Enter Invoice* screen appears.
1. Enter the header data from the vendor invoice as required.
2. Allocate the invoice. Choose from:
   - Purchase order/scheduling agreement
   - Delivery note
   - Bill of lading
   - Service entry sheet
   - Vendor
   - Transportation service agent
3. Enter the document number in the next field or if you allocate the invoice to a vendor or a transportation service provider, enter the vendor number.
Allocating the invoice
4. Choose more allocation criteria.

5. Enter data as required.

6. Choose .

7. The system displays the invoice items and vendor data that match the allocation.
System displays all PO'S select the required PO and click copy, next screen appears a
Now press enter \[\text{ Enter }\], next screen appears as
Before posting, this is useful to simulate the document, make sure no errors and save the document, next screen appears as
Finally Record the message at the bottom of the screen:
Display Invoice Document – MIR4

This exercise demonstrates how to display invoice document. To display invoice document, follow the menu path given below from the initial SAP Easy Access screen, double clicking on the last item:
Logistics → Materials Management → Logistics Invoice Verification → Further Processing → Display Invoice Document

1. Enter the invoice document created in the first exercise.

2. Record the invoice date and the reference:
3. Record the invoice amount:
_________________________________________________________________

4. Record the Purchase Order number:
_________________________________________________________________

5. Click on the Payment tab.

6. What is the Payment Term:
_________________________________________________________________

7. Click on the Contacts tab.

8. Who is the Buyer created the reference PO:
_________________________________________________________________

Display List of Invoice Documents – MIR5

This exercise demonstrates how to display a list of invoice documents.
To display invoice document, follow the menu path given below from the initial SAP Easy Access screen, double clicking on the last item:
Logistics → Materials Management → Logistics Invoice Verification → Further Processing → Display List of Invoice Documents

1. Enter 2008 in the Fiscal Year field.

2. Click on the Execute button or press F8.
3. Click on the invoice document no. in the first row.

4. Record the invoice date and the reference:

____________________________________________________________________

5. Record the invoice amount:

____________________________________________________________________

6. Record the Purchase Order number:

____________________________________________________________________

7. Click on the Details tab.

8. What is the invoice Currency:

____________________________________________________________________

9. What is the invoice Exchange Rate: _______________________________
Release Blocked Invoices – MRBR

This exercise demonstrates how to release blocked invoice. The value and currency from the Vendor’s Invoice are entered during Invoice processing and the system gives message for any differences between the value from Vendor’s Invoice and the Purchase order values and the quantity in the Goods Receipt. The invoice will not be posted until the difference is zero between the debits/credits (or within the allowed tolerances). In the latter scenario the saved invoice becomes blocked until the variation is resolved either by correcting the PO, GR, the Service Entry Sheet or the LIV Document itself.

After clearance the blocked invoice can be released using transaction MRBR. To release blocked invoices, follow the menu path given below from the initial SAP Easy Access screen, double clicking on the last item:

Logistics → Materials Management → Logistics Invoice Verification → Further Processing → Release blocked Invoices

1. Enter XXXX in the Company Code field.
2. Enter the invoice document no. created in the first exercise.
3. Enter 2008 in the Fiscal Year field.
4. Ensure that the Release Manually radio button is selected.

Note: When you release invoices manually, a list of the blocked invoices that match your criteria appears in the list, Blocking reasons that no longer apply are highlighted in colour, and you can delete individual blocking reason or select invoices to be released.

Note: When you release invoices automatically, the system deletes all blocking reasons that no longer apply.

When all blocking reasons are deleted the system automatically releases the invoice.
4. Click on the Execute button or press F8.
6. Select the **invoice document no.** created in the first exercise.

7. Click on the Details button.

Record the blocking reason(s) (scroll down till the list bottom).

9. Click on the Close Window button.

10. Select the **invoice document no.** created in the first exercise.

11. Click on the Release button.

12. Click on the **Save** button or press **CTRL-S**.

13. Record the message at the bottom of the screen:
Cancel Invoice Document – MR8M

This exercise demonstrates how to cancel invoice document. To cancel invoice document, follow the menu path given below from the initial SAP Easy Access screen, double clicking on the last item:
Logistics → Materials Management → Logistics Invoice Verification → Further Processing → Cancel Invoice Document

1. Enter the invoice document no. created in the first exercise.
2. Enter 2008 in the Fiscal Year field.
3. Click in the Reversal Reason Field.
4. Click on the Reversal Reason Match code button or press F4.
5. Select Reversal in closed period from the list.
6. Enter today’s date in the posting date field.

7. Click on the Display document button.
8. Click on the Follow-on Documents … button.

10. Ensure that this is the invoice required for reversal.

11. Click on the Back button or press F3.

12. Click on the Cancel button.

13. Click on the Back button or press F3.

14. Click on the Save button or press CTRL-S.
15. Record the message at the bottom of the screen: