Rejecting/Cancelling Invoices

This document outlines when you should and should not reject/cancel an invoice and the procedure for those situations.

Invoices should be rejected or cancelled for the following reasons:

- Mispaired Invoice – an invoice has been associated with the wrong purchase order (PO)
- Incorrect Supplier Invoice – invoice lists the wrong services, quantities, or items
- Duplicate Invoice – an identical invoice has been submitted twice

Accounts Payable and the supplier are NOT notified of an invoice rejection or cancellation. Follow the steps outlined in each section and notify parties when appropriate.

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Invoice Paired to the Wrong Purchase Order

During Digital Mailroom (DMR)'s invoice review process, an invoice may be paired with the wrong purchase order (PO). Log a comment on the invoice notifying AP staff of the mispair, then reject/cancel the invoice.

Select Add Comment from the Document Actions drop-down menu.

Next, add fmsaphlp@indiana.edu as an email recipient by clicking add email recipient... In the text box, state that the invoice was mispaired and needs to be reprocessed. If the invoice image contains the correct PO number, or you know to which PO the invoice belongs, enter this information in your comment. Click Add Comment to save your comment.
Next, select **Reject/Cancel** from the **Document Action** drop-down.

Input the reason for the Reject/Cancel in text box. Click **Reject/Cancel** to reject the invoice.
Incorrect Supplier Invoice

If the supplier invoice is truly incorrect, meaning it contains the wrong services or items, select **Reject/Cancel** from the **Document Actions** drop-down list.

When prompted, explain the reasoning for the Reject/Cancel and click **Reject/Cancel**.

**Add Note**

Reject Reason

Supplier has invoiced us for the wrong item and has been asked to submit a new correct invoice.

905 characters remaining
Maximum allowed characters are 1000
Characters beyond the limit are not saved, i.e., the note is truncated. Once the note is attached, it is accessible from the History tab of the document.

Suppliers are not notified when an invoice is rejected/cancelled.
You must contact the supplier directly and request a corrected invoice be submitted.
Duplicate Invoice

Verify that an invoice represents a duplicate payment by reviewing invoice activity on the PO. Navigate to the PO from the invoice by selecting View Related Documents and then View next to the PO number.

Once the PO is open, navigate to the Invoices section in the left-hand menu. This section of the PO contains a listing of all invoices paired with the PO. Verify that the invoice is a duplicate by reviewing information in the Invoice Summary section, or click on an Invoice Number to see additional details, such as the invoice image.
Once you have verified that the invoice is a duplicate, return to the duplicate invoice and select **Reject/Cancel** from the **Document Actions** drop-down menu.

A text box appears. Explain the reason for rejecting the invoice. Once complete, click **Reject/Cancel**.

No communication with AP is necessary since no action is needed.
When not to Reject/Cancel

The situations outlined below do not warrant the rejection of an invoice.

Invoice information keyed incorrectly

BUY.IU does not accept unit prices exceeding two decimals. Invoices received containing decimal quantities are converted to a quantity of one and a total dollar amount. Example: 200 screws are invoiced at $.2675 each for a total cost of $53.50. BUY.IU will convert the quantity to one at $53.50. More information can be found in this BUY.IU Newsletter article.

Other discrepancies between the supplier invoice and BUY.IU invoice can sometimes be corrected by AP staff. Notify AP by selecting Add a Comment from the Document Actions drop-down menu.

Next, add fmsaphlp@indiana.edu as an email recipient by clicking add email recipient... In the text box, explain what information was entered incorrectly. Click Add Comment to save your comment.
AP staff will review your request and edit the BUY.IU invoice if possible. In some situations, they may instruct you to reject/cancel the invoice so it may be reprocessed.

**Items not yet Received**

May suppliers invoice IU automatically when an item ships. Do not reject/cancel an invoice for goods not yet received. Instead, wait for the items to arrive. If the items do not arrive when expected, contact the supplier to check the status of the order or request a credit.

**Goods are Damaged**

IU’s priority is paying the supplier. If items purchased arrive damaged, the associated invoice should be approved for payment and the supplier contacted to request a credit or replacement items.

**Incorrect Remit Address on BUY.IU Invoice**

It is the responsibility of the supplier to ensure the payment information in their profile is correct. If the BUY.IU invoice lists an incorrect remit address, notify the supplier so they can update their supplier profile.

If payment has already been generated and has not been received by the supplier, refer to the Stop Payment/Reissue procedure.

**Invoice Contains Sales Tax**

Generally, DMR removes sales tax appropriately when processing invoices. If sales tax is mistakenly charged but the invoice is otherwise correct, approve the invoice and contact the supplier to request a credit for the sales tax amount. The supplier may request a sales tax exemption form. Click here to access the Indiana sales tax exemption form, or here to review a listing of out-of-state sales tax exemptions.

**Invoice Paid by Wrong Account**

Timely payment to suppliers is always the priority. Supplier payments should not be delayed due to an internal accounting issue. If an invoice will be paid by the wrong account do not reject/cancel the invoice. Instead, complete a General Accounting Adjustment (GEC) after the payment has been made and move the charges to the correct account.