BISAN SYSTEMS

$ Jimwe Tiljok im Mol $

Public Financial Management – Ministry of Finance

FMIS

3.1 Payment Request Voucher Expenditure Addition

VERSION 1.0 OCTOBER 2022

Table of Contents

1. Objective

The objective of this module is to describe the procedure for adding Payment Request Vouchers (PRV) into the BISAN system and preparing for actual payment. This procedure assumes procurement is finished and goods and services are received.

It is specific to the GRMI financial accounting policies and procedures. As with all other sections in this procedure's manual, it starts with a schematic overview of the process then discusses each step in the process in detail.

2. Scope

This procedure is of interest to:

- Accounting Department
- Line Ministries

3. Workflow/Process Flowchart

Workflow Summary	**Responsible Section**
Finalized & Authorized Purchase Order (PO) for advanced payment, Or Purchase Invoice (PI), Or Budget Request voucher (BRV), Or Travel Mission (TM) Sent to initiate the payment process	Procurement Department Accounting Department
↓	↓
Payment Request Voucher (PRV) Created in Preparation for Payment	Accounting Department

4. Detailed Process Procedures

Background

This process is initiated based on the source of document that creates the Payment Request Voucher (PRV) to start the Payment process.

Source Documents for creating the PRV

- Purchase order (PO): Advance payment on a PO
- Purchase Invoice (PI): Closing A/P of a purchase invoice
- Store Receipt Vouchers for direct payment of Open PO multiple invoices
- Budget Request Voucher (BRV): closing a BRV Expense or closing A/P
- Travel Mission (TM): advances or closing a TM

PRVs are automatically created from the related Source document reserved in Bisan before procurement began. This is the normal option for creating PRVs since the policy of the GRMI is not to enter into any obligations or start the purchasing process until a reservation has been taken in Bisan (see Module 2 for documents).

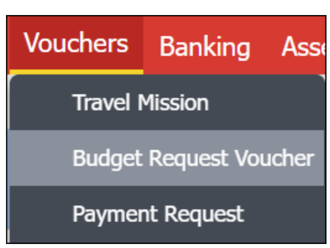
4.1 Creating & Finalizing a Payment Request Voucher (PRV): Linking to the BRV (First Option)

When it becomes time to make a payment against an encumbrance, advance payment, or closing accounts payable, Bisan makes the process very simple by allowing you to create a PRV directly from the source document and populate all the relevant fields in the PRV with the same information contained in the source document, making the process quick and less prone to data entry errors.

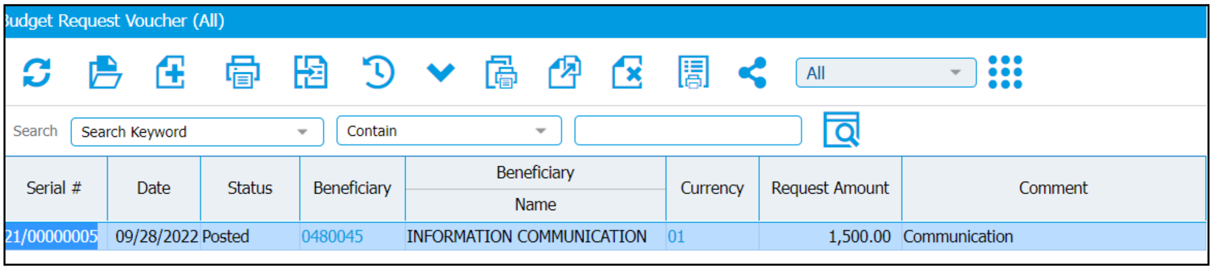
It is also in the PRV where deductions against the payments are managed, such as income tax, retentions or any other deduction type.

4.1.1 Creating the PRV from Budget Request Voucher

Step 1: Open the **Budget Request Voucher** listing by navigating as follows and clicking Budget Request Voucher then select the allocated group:



And the following screen appears:

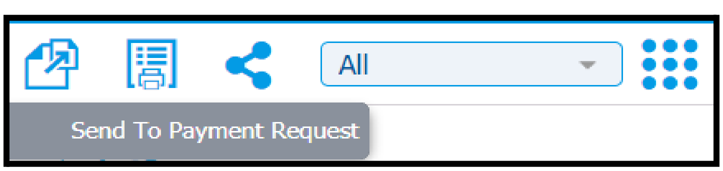


Step 2: Search for the Budget Request Voucher for which you want to create a payment against. The Budget Request Voucher number you are searching for should be referenced on the manual invoice you are paying. You have two choices for locating the Budget Request Voucher (BRV). You can either manually search through the list to find the correct Budget Request Voucher (BRV) that has been posted/allocated OR you can use the search function. It is recommended to use the search function. It is located in the header of the listing:

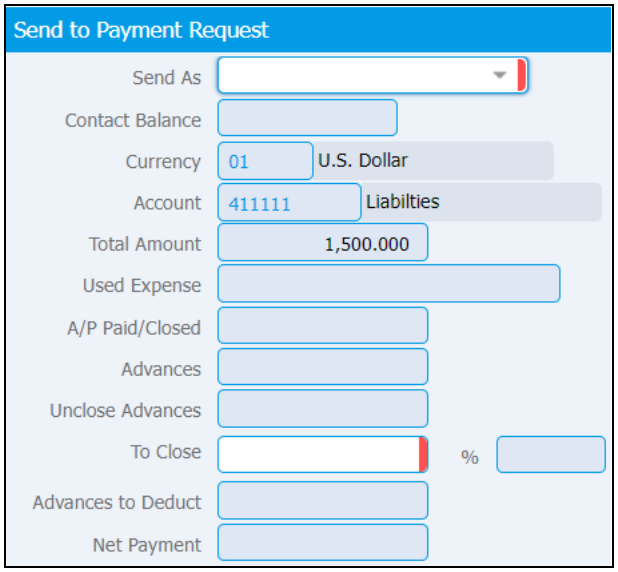
Ensure the first box is indicating "Serial #". If it is not, click on the drop-down arrow and choose this option. Next step is to type in the serial number in the blank search box and click the search button . The listing will be filtered and only the voucher you are searching for will show.

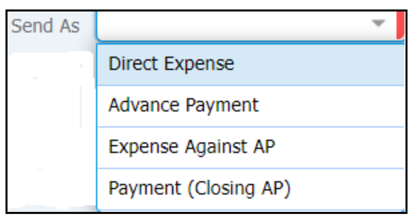
Now, double click on the voucher to open.

Step 3: In the header bar of the voucher, choose the  button and this will drop down a small window that asks if you want to choose a Payment Request. Click on **Send To Payment Request** and Bisan will then create a new Payment Request Voucher (PRV) based on the data that was earlier entered in the Budget Request Voucher (BRV) and the payment type selected.



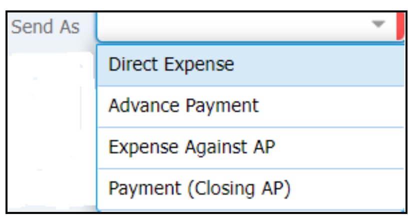
When the “send to payment request” is clicked, the following window will be shown. Below the screenshot of the window is an explanation of each field.



Field to be Completed	Discussion on How to Complete
Send as	Depending on the nature of the transaction being recorded, the following selections are available  **Direct Expense**: with this option, the Expense is recorded directly against Cash/Bank, (No advances or A/P accounts), this option is also used to close an advance made on the invoice. **Advance Payment:** To record an advance payment to the vendor. **Expense against AP**: This is used to record the transaction expense against the vendor accounts payable. **Payment (Closing AP):** is used for closing the “expense against AP” option above, this will record the transaction close the A/P against bank/ cash
Contact Balance	The outstanding amount on the vendor/ subledger if any

Currency & Account	Shows which currency is used on the BRV account.
Total Amount	Is the BRV total value.
Used Expense	The amount of the BRV that has already been closed as an expense (value of the encumbrance liquidated as an expense) since the BRV could be processed on multiple invoices or payments.
A/P Paid/Closed	The amount of the BRV paid for the Vendor (if the value was closed as **Expense against A/P).**
Advances	The vendor total advance amount paid.
Unclosed Advances	The vendor outstanding advance balance not closed
To Close	The amount to close from the BRV total to expense (liquidate encumbrance as an expense). This could be entered as an amount or as a % of total amount
Advances to Deduct	The amount of the expense liquidation to be used for closing an advance
Net payment	The actual net amount to be paid as an advance or closing an A/P.

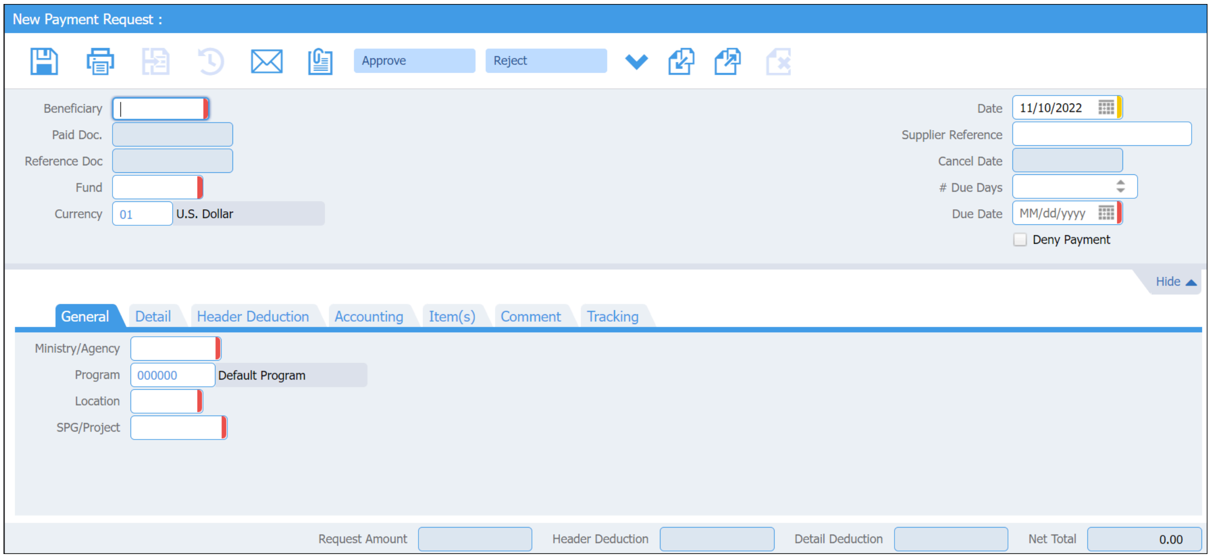
When you click on Payment Request as discussed above, you will be presented with another window to select which type of Payment Request you want to create. The choices are as follows:



This selection determines the accounts loaded to the PRV.

Before explaining the different scenarios of payment types, we will explain the different fields in the PRV.

<u>Payment Request Voucher (PRV) fields explained</u>



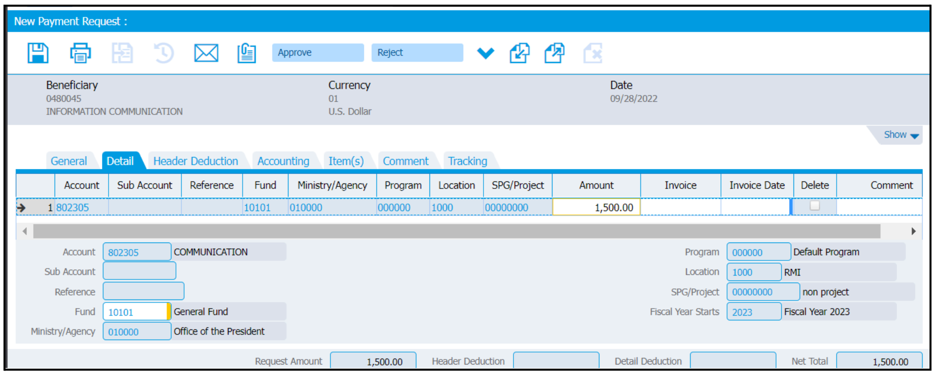
<u>General Tab and Header</u>

Field	Discussion
Beneficiary	Is the vendor code and it will be populated automatically from the BRV if entered. If the BRV does not have a vendor code, double-click on the field or activate and press F2 and choose the vendor to whom you want to make the payment. If they are not shown, you will need to create a new vendor (See module 4.1 for discussion of creation of Vendors).
Paid Doc.	When the next Process is complete and the PRV sent to Payment, this field will show the Payment number
Reference Doc	Is the source of the PRV, the document created this PRV.
Currency	This is the currency of the payment
Date	The PRV creation date
Supplier Reference	The invoice number of the supplier
Cancel Date	If the PRV is canceled, this field will indicate the cancellation date.
# Due Days	This field allows you to input the number of days from the date this PRV has been saved in the system and is due to be paid. Please note that this field also accepts negative days to record the fact that at the time of payment this invoice could already be past due. You will note that when you put a number in this field, the next field, Due Date, automatically changes. If this field is left blank, the following field maintains the PRV date.
Due Date	Another and easier way to arrive at the number of Due Days is to input the due date, either before or after the PRV date, and this will automatically populate the **# Due Days** field.

Deny Payment	If for any reason the PRV is to be put on hold and not paid, this field is checked and the PRV will be stopped from being sent to a payment voucher.

<u>Detail Tab</u>

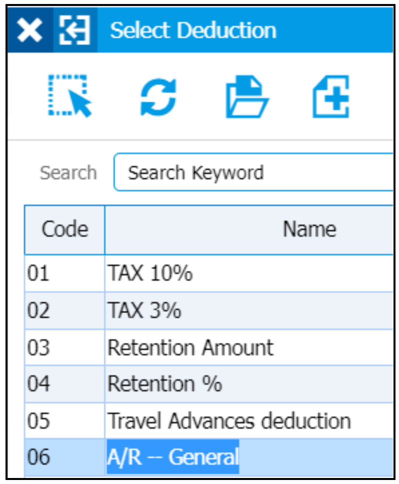
The ONLY fields that can be changed here are the, comment, invoice and invoice date fields. The reason for this is that when the PRV is generated from the BRV, the PRV is automatically populated with the amount selected on the dialog for closing. The reality is that one BRV may require multiple payments over a period of time to fully pay the obligation. The practical result of changing the Amount field is as follows:



<u>Header Deduction Tab</u>

The header deduction tab is used to make deductions from the total invoice payment being processed, should there be any deductions on the payment such as taxes, retentions, or closing advance payment.

There are pre-defined deduction types in the system and the user can select the deduction type that applies to the invoice being processed.
The deductions could be a % of the total invoice amount or an amount entered by the user depending on the type of deduction. Following is a screenshot showing the deduction types defined in the current setup.



.

<u>Accounting Tab</u>

When configured, this tab will ask you from which bank you want to pay and once it is chosen, the GL Account will automatically be populated because when the bank was created in Bisan, it was associated with a particular GL Account. This is effectively the credit side of the accounting entry.

<u>Comment Tab</u>

A text field to type any comments related to the invoice or payment.

Now that the tabs are complete, the data entry person will save the PRV by clicking Save and this closes the voucher and sends it to the finalization stage.

4.1.1.1 BRV sent to PRV - Direct Expense

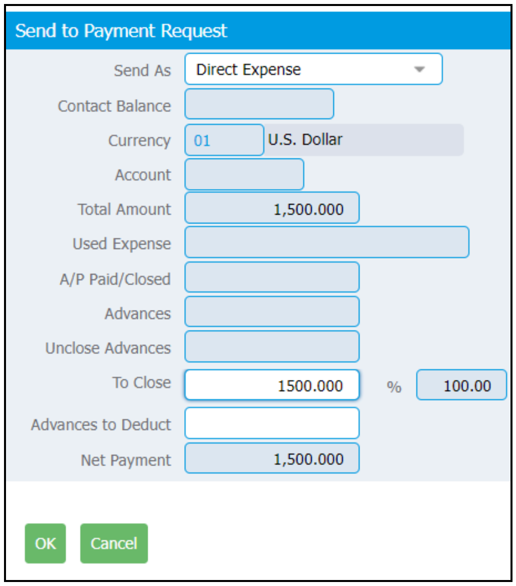
Direct Expense: with this option, the encumbered Expense is recorded directly against Cash/Bank, (No advances or A/P accounts). This option is also used to close the advances if an advance was made on the encumbrance.

Dr. Expense

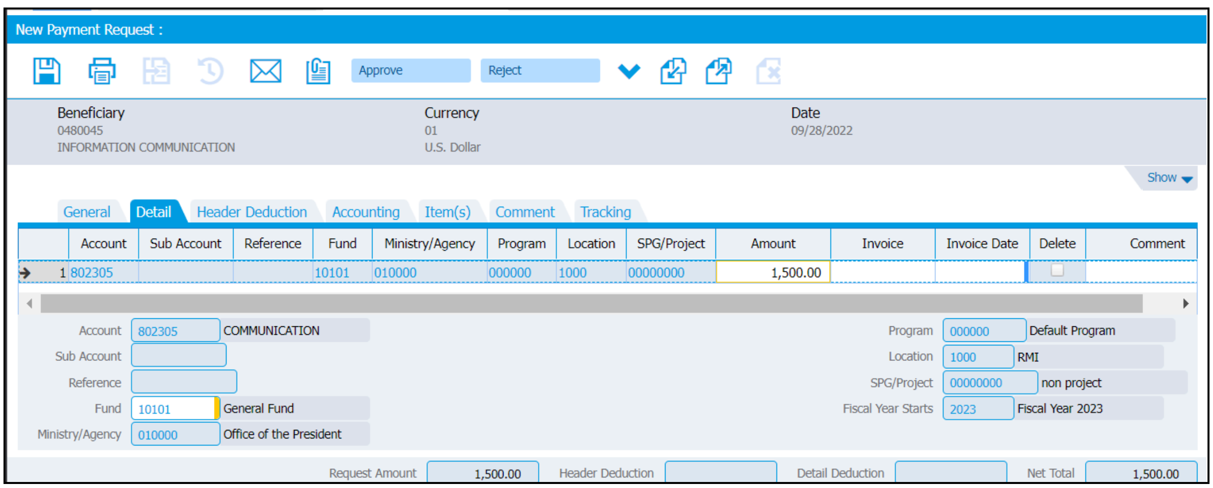
Cr. Bank/Cash

In the example below, the invoice submitted for payment was $1,500 (Total encumbrance amount on BRV).

Repeat same steps as in section 4.1.1 step 3 send to payment request direct expense option is selected and amount to be paid (closed) is the total amount of $1,500.



Click OK, and the following PRV will be created with all the details loaded from the BRV



Completing the PRV details:

__Top section of the PRV__

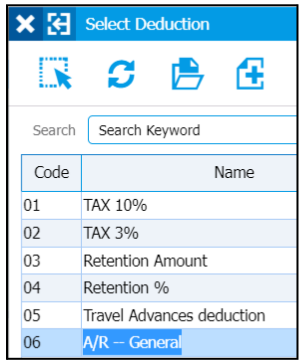
Complete the Supplier reference, Date & Due date

__Detail Tab__

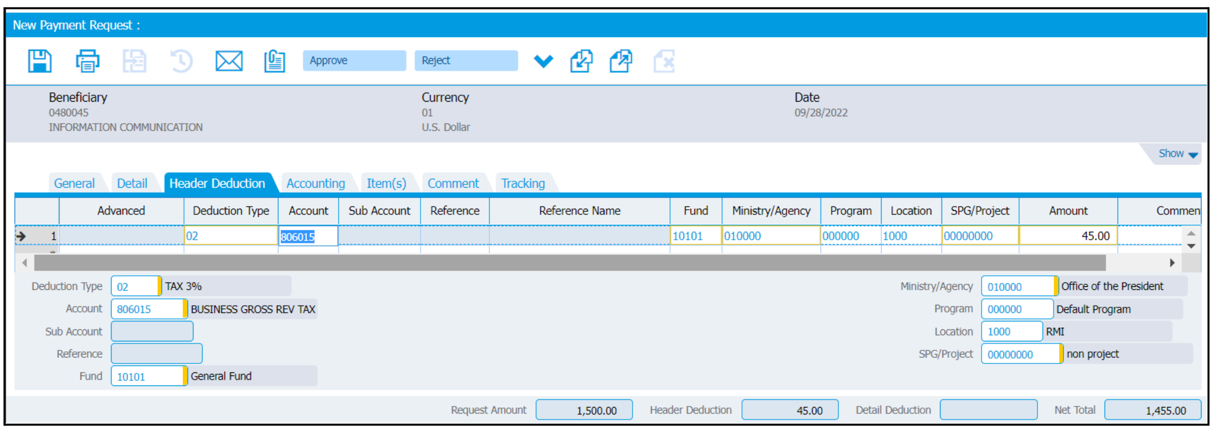
Complete the supplier invoice number, invoice date, and add any comments **Note: The Invoice number & the comment will be printed on the hard copy of the Payment voucher.**

__Header Deduction Tab__

Select any deduction type applicable to the payment. If for example an income tax of 3% is applicable on the vendor, in the deduction type field double click and select the Tax 3% from the list



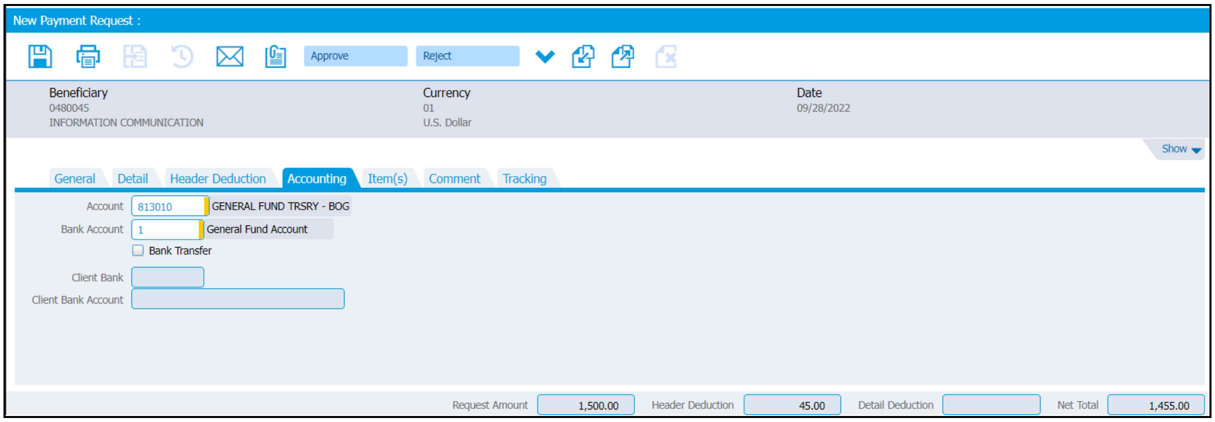
The system will calculate the 3% tax and complete the line details.



Accounting Tab

In the account select the bank and the bank account to make the payment from if the payment to be made by issuing a check. The PRV is now complete.

If the payment is to be made by a bank transfer, select the bank transfer check box and the system will ask for the client Bank and the client bank account to be field. If the client bank details were set up in the funder/client table, these bank and bank account field will automatically populate based on the funder/client table.



At this stage, the PRV is complete and ready to be saved and to move through the authorization levels set in the system.

4.1.1.2 BRV sent to PRV - Advance Payment & Closing Advance Payment

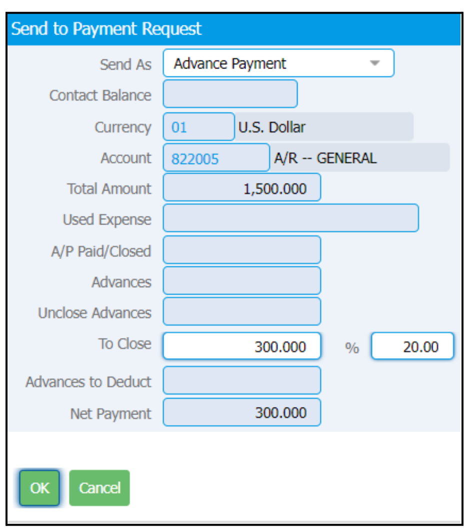
A- Advance Payment: with this option, the encumbered Expense is not posted in the GL, however the payment will be recorded as Receivables (advances) against Cash/Bank, (No Expense or A/P accounts are effected).

Dr. A/R (Advances)

Cr. Bank/Cash

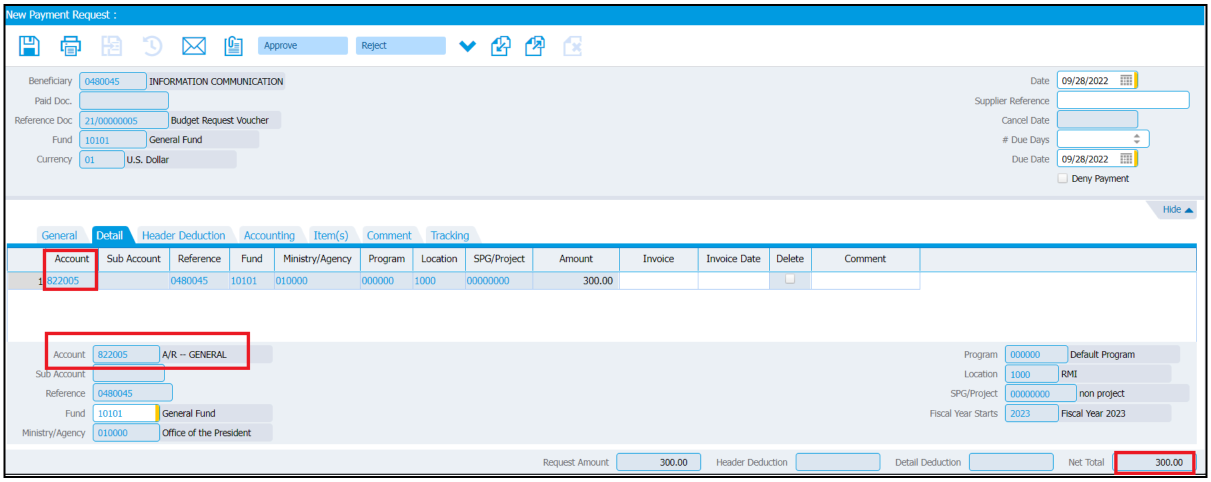
In the example below, the encumbrance is $1,500, and an Advance is to be made for 20% of the total value before receiving the goods and services or the supplier invoice.

Repeat same steps as in section 4.1.1 step 3 send to payment request, choose Advances option and amount to be paid (closed) is $300 which is 20% of the total value.



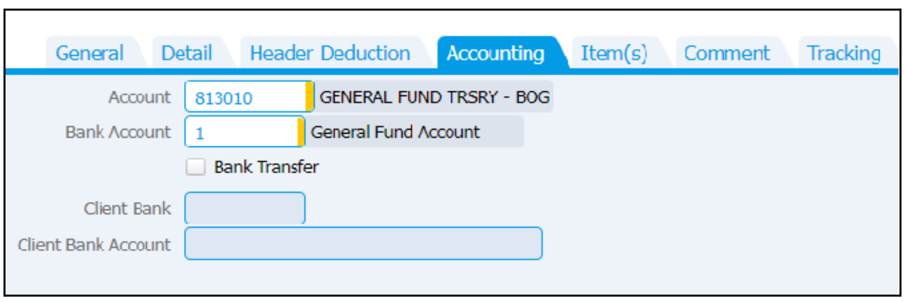
Click OK

And the following PRV will be created with all the details loaded from the BRV



Complete all tabs as applicable following the same steps in 4.1.1.1 above.

And completing the accounting tab by selecting the bank to issue the check from or to where the wire transfer is to be sent.



At this stage the PRV is complete and ready to be saved and to move through the authorization levels set in the system.

B-Closing Advance Payment: with this option, the Encumbered Expense is closed and the Advance payment is closed, the payment will have the following GL accounts

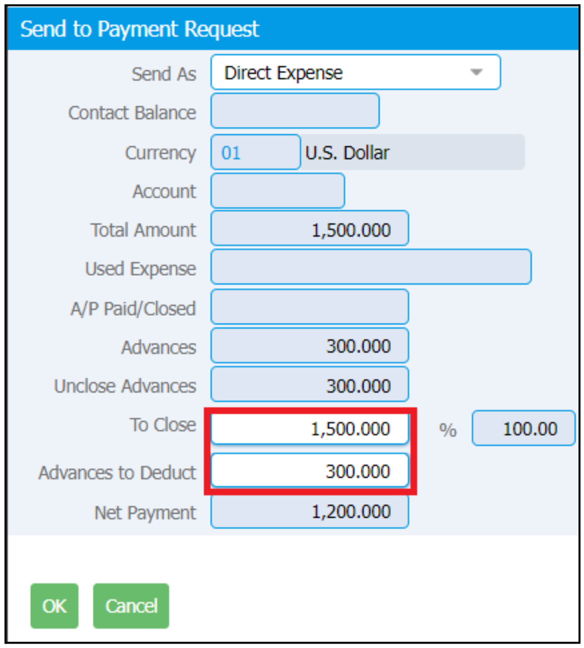
Dr. Expense

Cr. A/R General (advance)

Cr. Bank/Cash

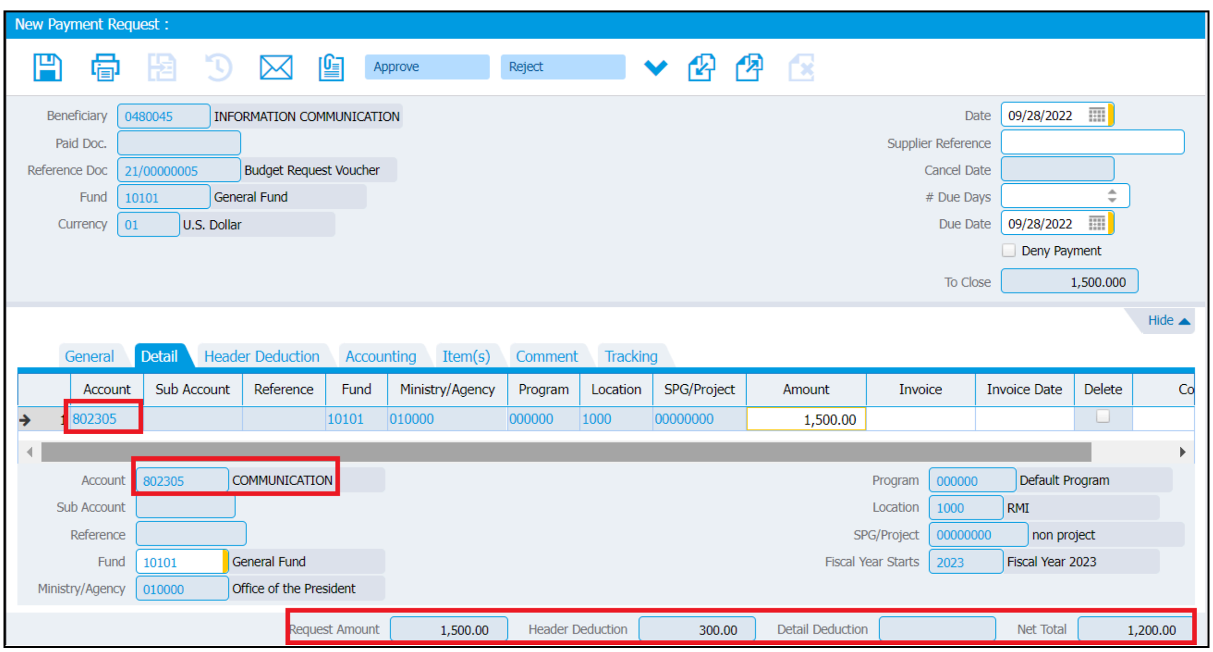
In the example below, the encumbrance is $1,500, and an Advance payment was made with $300 (20% of the total value). Later, the goods/ services are received and the supplier invoice is ready to be paid.

Repeat same steps as in section 4.1.1 step 3, send to payment request, choose direct expense option, and amount to be closed which is the total amount of $1,500. Since we have already made an advance payment you can see that the total unclosed advances is $300, to close the advance fill the $300 in the “Advances to Deduct” and the amount to be paid will be $1,200 (Total invoice value $1,500 – Advance $300)

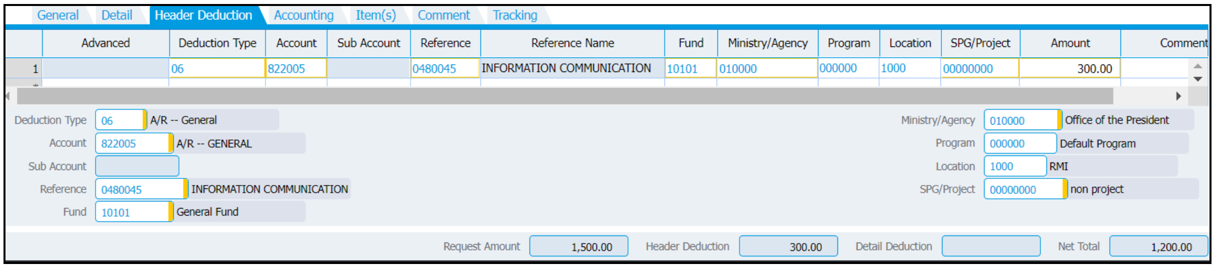


Click OK

And the following PRV will be created with all the details loaded from the BRV with the total expense account

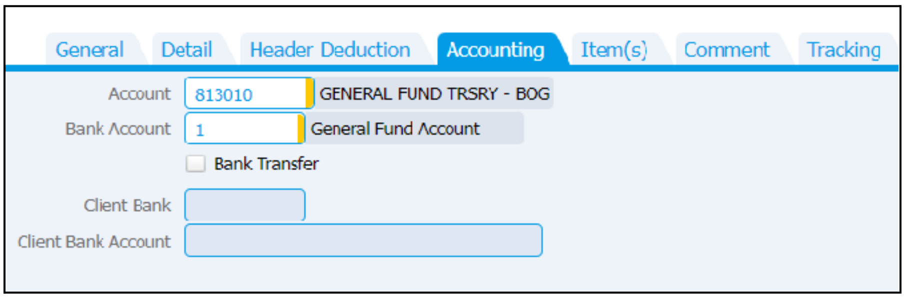


The header deductions is automatically completed to close the advance



Complete all tabs as applicable following the same steps in 4.1.1.1 above.

And completing the accounting tab by selecting the bank to issue the check from or click the bank transfer box to complete the detail for electronic transfer.



At this stage the PRV is complete and ready to be saved and to move through the authorization levels set in the system.

4.1.1.3 BRV sent to PRV - Expense against AP

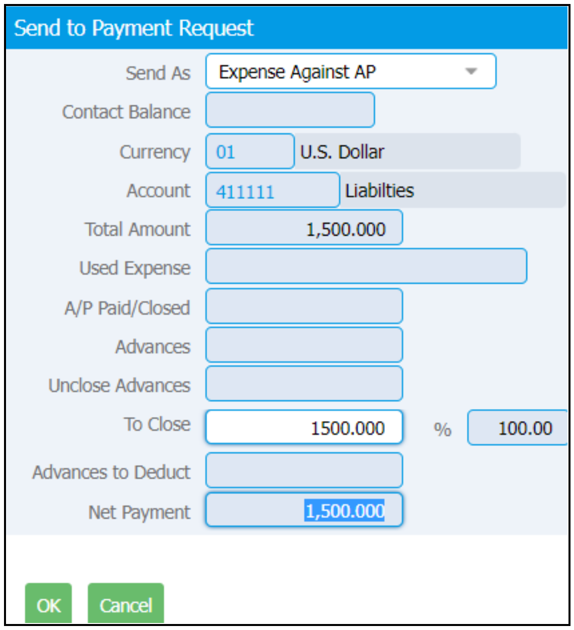
Expense against AP: with this option, the encumbered Expense is recorded directly against suppliers Accounts Payable, (No Advances or Bank/Cash accounts).

Dr. Expense

Cr. Accounts Payable (AP)

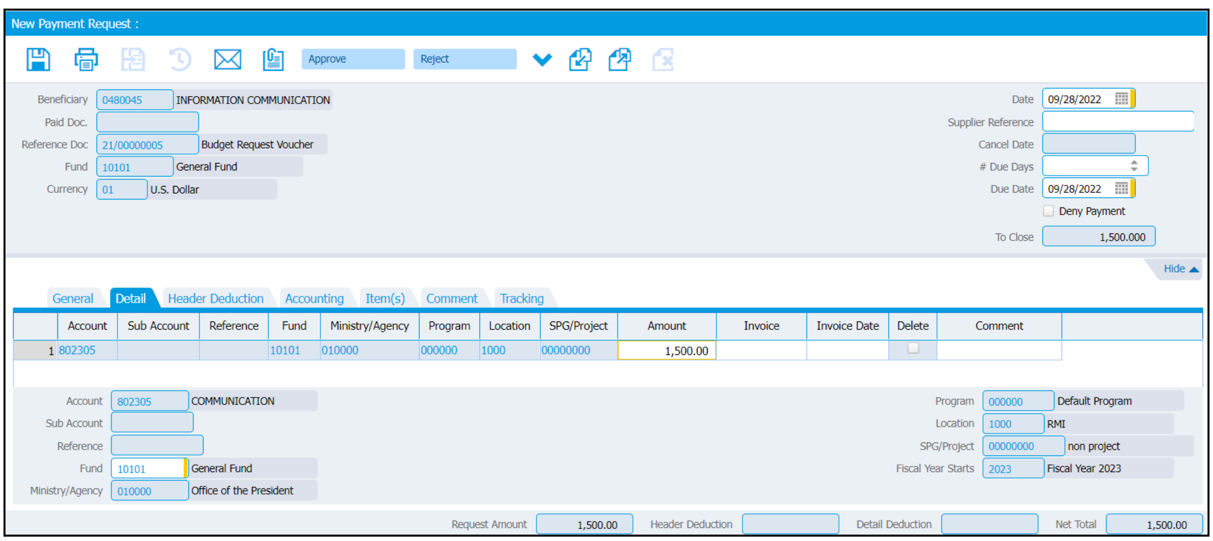
In the example below, goods/services were received, and the invoice submitted by the supplier is for $1,500 (Total encumbrance amount on BRV) and the decision was made to record the expense but to delay the actual payment.

Repeat same steps as in section 4.1.1 step 3, send to “Expense against AP” option is selected and amount to be paid (closed) is the total amount of $1,500.



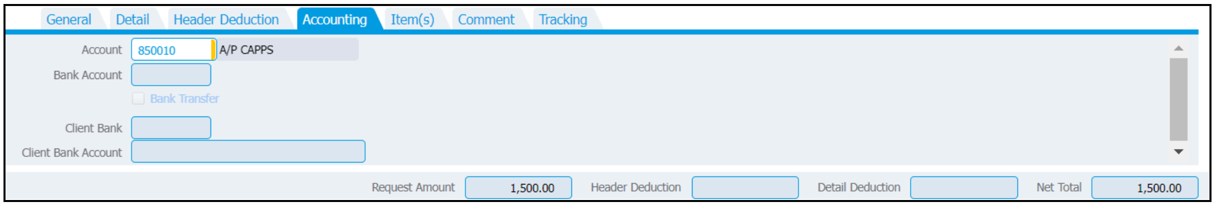
Click OK

And the following PRV will be created with all the details loaded from the BRV with the total for the expense account.



Complete all tabs as applicable following the same steps in 4.1.1.1 above.

For completing the accounting tab, please ensure we are recording against Accounts Payable, not Bank/Cash. Double click on the account field and select the AP account.



At this stage the PRV is complete and ready to be saved and to move through the authorization levels set in the system. **Please note**, since the result of this transaction does not involve a payment, sending the PRV to accounting will create a journal vouchers.

4.1.1.4 BRV sent to PRV - Payment (Closing AP)

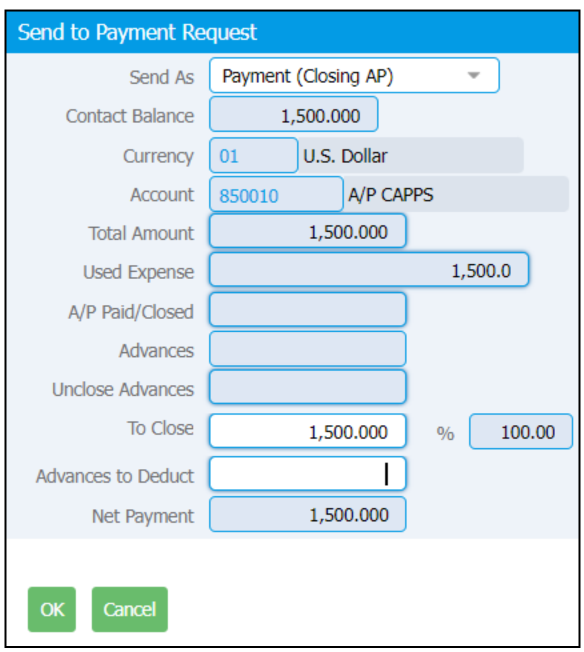
Payment Closing AP, the encumbered Expense has already been recorded against the suppliers Accounts Payable, and with this option we are closing the AP against Bank/Cash.

Dr. Accounts Payable (AP)

Cr. Bank/Cash

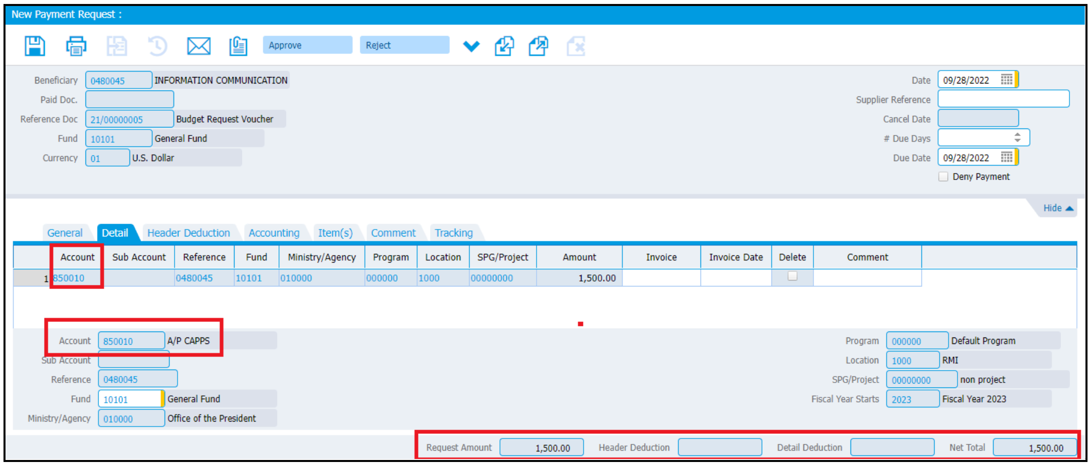
In the example below, the invoice submitted by the supplier for $1,500 (Total encumbrance amount on BRV) was recorded as an expense against AP, and now we are processing the payment to close the supplier AP.

Repeat same steps as in section 4.1.1 step 3, and send to "Payment closing AP" option is selected, with amount To Close (amount to be paid) is the total amount of $1,500.



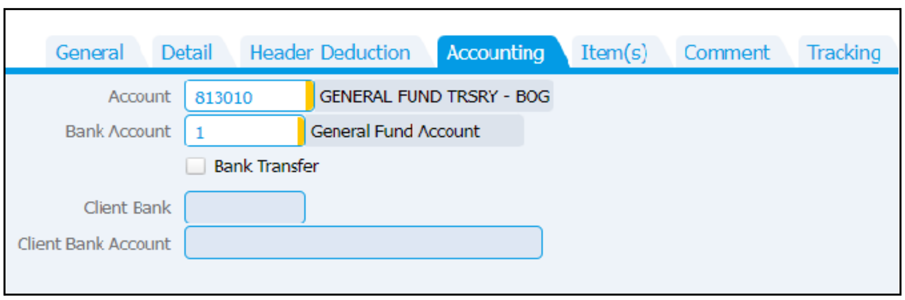
Click OK

And the following PRV will be created with all the details loaded from the BRV



Complete all tabs as applicable following the same steps in 4.1.1.1 above.

And completing the accounting tab by selecting the bank to issue the check from or click Bank Transfer box and complete the details for electronic transfer.



At this stage the PRV is complete and ready to be saved and to move through the authorization levels set in the system.

4.1.2 Creating a PRV from Travel Mission

Please refer to Module 2.3 Travel Mission, sections 5.4 Creation of Payment Request Voucher, and section 5.6, Travel Advance Acquittal (Settlement) for the detailed process.

4.1.3 Creating a PRV from PO Advance Payment

Please Refer to Module 2.2 Procurement Module, section 5.3.3.3 Create a Payment Request Voucher (PRV) From Purchase Order (PO) Advance Payment

4.1.4 Creating a PRV from Purchase invoice (PI) Closing AP

Please Refer to Module 2.2 Procurement Module, section 5.3.5.2 Create Payment Request Voucher (PRV) From Purchase Invoice (PI) Closing AP.

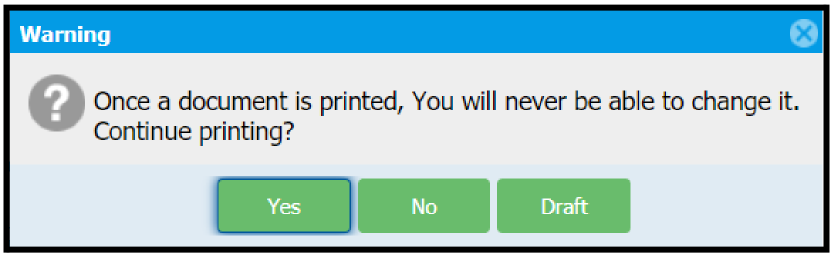
4.1.5 Creating a PRV from Store receipt (SR) for Open PO’s

Please Refer to Module 2.2 Procurement Module, section 5.3.5.3 Create a Payment Request Voucher (PRV) From Store Receipt (SR) for Open PO’s.

4.2 Finalizing the PRV – Approving/Posting/Allocating

Select the outstanding items and double click one at a time to open and perform the review and approval process. Click **Approve** 

button in the header of the PRV when satisfied that the PRV has been entered properly and click Print  button, which then brings up the following window:



The Payment Request Voucher is now ready for the next step of the work flow to send to a Payment or a Journal Voucher based on the account selected in the accounting tab details.

4.2.1 Making Payment to Vendor

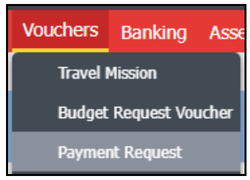
The final step in the process is to make actual payment. Please see Module 3.2 for discussion of making payments.

4.3 Creating & Finalizing a PRV without Linking to Budget Request Voucher BRV (Secondary Option)

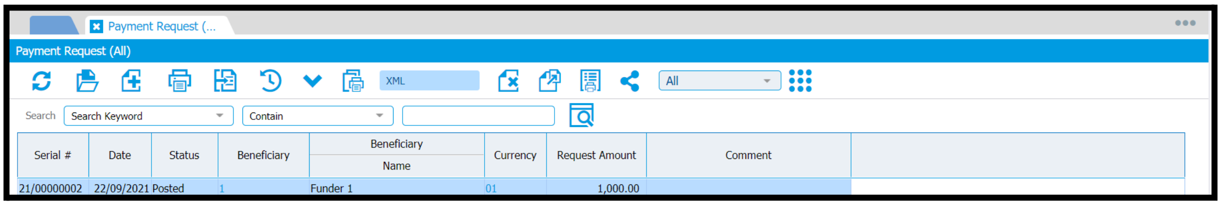
Some payments like the original issuance of Working Funds (Petty Cash) are made without first creating a BRV like all other payments, and this can be done by going directly to the PRV and completing all required fields. Please note in 4.1 above, the majority of fields were auto-completed based on information in the BRV or other source documents, but now this information will be entered directly to the PRV.

4.3.1 Adding the PRV

Step 1: Creating a PRV directly starts with the payment officer having the supporting documents, and the payments officer navigates as follows to open a new PRV:

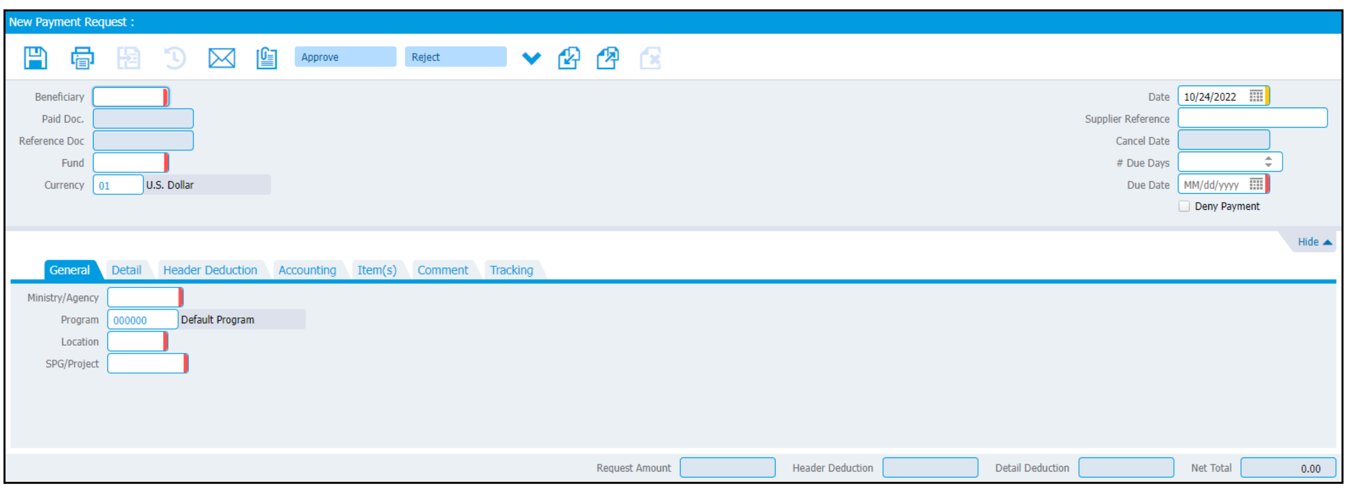


Upon clicking on Payment Request, a listing of issued PRVs is displayed



To add a new PRV, click the Add icon  and a blank PRV will be displayed, ready for completion.

Step 2: Completing the blank PRV from step 1



The process is the same as discussed in 4.1.1 above, except that there are now more fields to complete in the Header, General and Detail tabs. The following is a discussion of the fields not discussed in 4.1.1 above and any special considerations.

__General Tab and Header__

Field	Discussion
Beneficiary	Double-click on the field or activate and press F2 and choose the vendor to whom you want to make the payment. If the vendor is not shown, you

Field	Discussion
	will need to create a new vendor (See module 4.1 for discussion of creation of Vendors).
Fund	Select the Fund to record the transaction against. Press F2 or double click and select the applicable fund.
Currency	This is the currency of the payment. It is automatically populated with USD.
# Due Days	Same as in 4.1.1 above
Due Date	Same as in 4.1.1 above

General Tab

Ministry/ Agency	Select the relevant Ministry Division by double clicking or pressing F2 and selecting
Location	This is the place in which the expense occurs or benefits. Highlight the field, click F2 and choose your location that best fits.
Program	Select the Program that you want to reserve funds, press F2 and select the Program. It is always populated with 000000 now, meaning no program is defined at the current time. Later when GRMI introduces program budgeting, this will be defined and used.
SPG/Project	Select the relevant SPG/Project by double clicking or pressing F2 and selecting

Detail Tab

Field	Discussion
Account	Double-click on the field or activate and press F2 and select the relevant account
Fund	Will be autocomplete based on completion of this field in the header
Ministry/Agency	Will be autocomplete based on completion of this field in the general tab
Location	Will be autocomplete based on completion of this field in the general tab
Program	Will be autocomplete based on completion of this field in the general tab
Amount	Enter PRV amount to be paid
Invoice	Enter the supplier invoice number (This will be printed on the hard copy Payment voucher in the upper part)
Invoice Date	Enter Invoice date
Comment	Include any specific comments you might want to remember with respect to this line for later reference or for the reviewer.

	(This will be printed on the hard copy Payment voucher in the upper part)

Accounting and Comment Tabs

Same as discussed as in 4.1.1 above.

Now that the tabs are complete, the data entry person will save the PRV by clicking Save  and this closes the voucher and sends it to the finalization stage.

4.3.2 Finalizing the PRV – Approving/Posting/Allocating

See section 4.2 above as the process is identical.

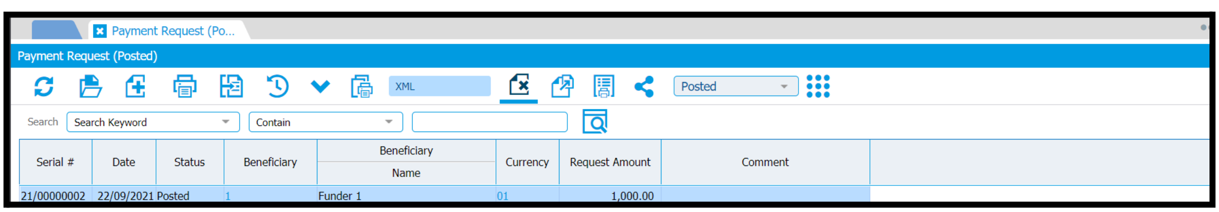
4.3.3 Making Payment to Vendor

The final step in the process is to make actual payment. Please see Module 3.2 for discussion of making payments.

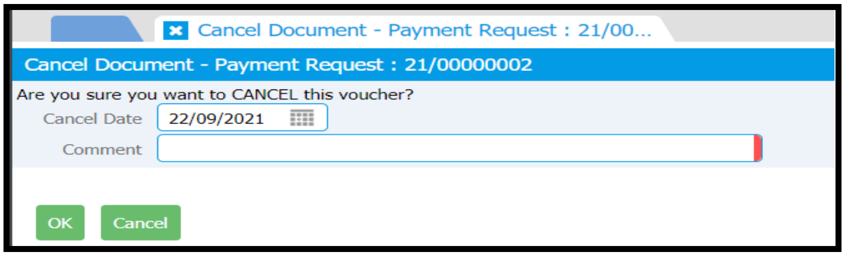
4.4 Deleting/Cancelling Payment Request Vouchers

Deleting or cancelling PRVs generally arise when it is noted that it is incorrectly entered and has not already been paid, the PRV has been entered with the incorrect Fund or other account chosen or when a check or payment order has been voided and must be replaced.

To cancel a voucher, find the voucher you wish to Cancel, highlight it by clicking on it



and select the Cancel icon  . You will be asked if you want to **CANCEL** and to provide a comment to the Payment Request Voucher.



After including the reason for cancelling the PRV in the comment field (highly recommended), press **OK** and the transaction is cancelled. Based on the stage of the PRV in the process, the following happens:

- IF the PRV has not been posted and it was created from a source document, then cancelling the PRV will return the full reservation amount to the Source document. The reservation in the system is the same, it is just reclassified on the budget. Please see the budget report.
- If the PRV has been posted and entries have been made in the general ledger, then cancelling the PRV will release the reservation back to budget and the BRV will be reinstated with this value.

5. Accounting Entries in BISAN

Saving, Authorizing, Posting & Allocating – Entry of Payment Request Voucher

At this stage, there is **NO** general ledger (GL) entry, although there is coding entered and the Tracking tab will show a "posted" entry. This does not mean posted in the GL but posted in the Budget Ledger, which sits parallel to the GL and is used as a control mechanism to allow GL entries.

The practical consequence of this is that a budget reservation has been made and therefore when the payment is eventually made, and the actual GL entry made, there is sufficient budget to allow the transaction to be processed.

Appendix A – Payment Request

Government of the Republic of the Marshall Islands
P.O. Box D, Majuro, Marshall Islands MH 96960

Payment Request 22/00000003

10/07/2022

Beneficiary 9526619	
AECOM TECHNICAL SERVICES 4840 COX ROAD, GLEN ALLEN VA, 23060	

Fund	10101 General Fund
Currency	01 U.S. Dollar
Location	1000 RMI
SPG/Project	00000000 non project
Due Date	10/07/2022

Account		Sub Account	Ministry/Agency Name	Program	SPG/Project Name	Amount (USD)	Invoice	Delete
Code	Name							
802415	Food Stuff		Office of the President	000000	non project	199.00	1900011	
802415	Food Stuff		Office of the President	000000	non project	150.00	5000011	

Account	813010 General Fund Trsry - Bog
Banks & Branches List	01:001 Bank of Guam - MAJURO BRANCH
IBAN/Account#	0105D038060

Net Total	349.00

User	Date	Reject	Action	To	Comment	Documents
ADMIN	10/14/2022 01:49:22	No	Allocated	DONE		No
ADMIN	10/14/2022 01:49:10	No	Posted	PRVFINALIZE		No
ADMIN	10/14/2022 01:49:08	No	Send To Group	PRVFINALIZE	Done Data Entry	No
ADMIN	10/14/2022 01:48:55	No	Send To Group	PRVFINALIZE	Done Data Entry	No
ADMIN	10/14/2022 01:48:51	No	Entry	PRVCREATION	Entered.	No