Payment Request

Document Overview:

The Payment Request document (PREQ) is a payment document that is used to initiate vendor payments made against established Purchase Orders (PO). PREQ documents are submitted once an invoice is received by Accounts Payable (A/P) from the vendor for goods and services rendered to the University.

PREQ documents are comprised of multiple line items and can be either quantity or no quantity based. The PREQ documents are set up based on the structure of the PO and the line items will be created by default based on the line items in the related PO. Each line item is unique to the order and can be allocated to multiple accounts and object codes using a percentage allocation.

All payments entered will unencumber funds on the encumbrance that was established with the PO. It is common for additional charges to be entered that were not included on the PO, such as freight, sales tax, and retainage. These items are entered as additional charges (below the line items) and do not adjust encumbrances when paid. If the PREQ documents do not expend the full amount on the PO, then the PO will need to be closed by Procurement to relieve any remaining encumbrances. Contact the Procurement office to request any PO to be closed or cancelled.

PREQ documents can be created one of two ways; electronic invoicing or manual processing.

CSU currently has 6 vendors that utilize electronic invoicing. For these vendors the PREQ document is created automatically once the invoice has been validated by the system. If the invoice cannot be validated the document is rejected and must be entered manually by Accounts Payable. For all PREQ documents created automatically using this process an XML invoice is attached as backup.

For all vendors that are not set up for electronic invoicing the PREQ documents are created and submitted manually by the Accounts Payable team. A copy of the invoice is also manually attached in pdf format by A/P for backup.

Once the document is submitted, either electronically or manually by A/P, the PREQ routes to the account fiscal officer for approval. Authorized Business Function approval (hospitality) is also needed for any document that uses object code 6649. No other routed approvals are needed because all division and organization approvals are done on the requisition document that is used to create the PO. However, in some cases a receiving document (LIR) is required before the PREQ document is moved to final status and payment is released to the vendor.

How to Complete the Document:

Electronic Invoicing – All vendors set up for e-invoicing send an invoice file that is uploaded into Kuali every morning at 5:00 AM Kuali process all e-invoices received from vendors. Kuali analyzes the file that is uploaded and then validates the invoiced amounts to ensure the invoiced amounts match the PO and PREQ values. If the match is successful a PREQ is created automatically and routes to the Fiscal Officer for approval. If the match cannot be verified, then a reject file is created and A/P is that the payment needs to be reviewed and processed manually.

Manual Submission- Accounts Payable users with Kuali role 22 are the only individuals that can prepare and submit PREQ documents.

Once an invoice is received from a vendor the Payment Request can be prepared. The first thing that needs to be done is to identify the Kuali PO that the invoice is associated with. After the PO has been identified the PREQ can be initiated.

On the Main Menu under Transactions and Purchasing/Accounts Payable there is a link to the Payment Request. Clicking this link will open a new PREQ document. Once in the new document the user will be prompted to enter the following required information; Kuali Purchase Order #, Invoice Number, Invoice Date, and Vendor Invoice Amount. These values should be entered and then the user will click "continue" at the bottom of the document.

The information entered on the initial PREQ screen will now pre-populate on the document. When the document opens the default address should be verified and should match what is on the invoice. No additional information is required to be input in the Vendor tab and the payment terms should not be adjusted.

On the Invoice Info tab, the information should be reviewed and verified, the Pay Date should calculate automatically based on vendor payment terms and should not be altered. The immediate pay box should only be checked if a check needs to be printed or payment needs to be issued outside of the standard Tuesday/Thursday check runs. The Bank code should always default to bank 02 and should not be changed.

The Process Items tab is where the accounting information is entered, including accounts, sub-accounts and object codes. If the PO was quantity based, then the PREQ document will require a quantity invoiced to be entered for each quantity line item. The account and object code will default based on the information in the requisition and PO. The line items can be split funded into multiple accounts but can only be distributed by percentage up to two decimal points. Due to rounding it may not be possible to allocate specific dollar amounts to each line when split funding is utilized.

If there are any charges on the invoice that were not set up as line items on the PO, such as freight, retainage, or miscellaneous charges these charges should be entered in the Additional Charges section "below the lines".

Before submitting the document, a pdf copy of the invoice should be added to the notes and attachments tab in the PREQ. Once this has been added the document can be submitted for routing.

Document Routing:

This document routes directly to the fiscal officer(s) of the account(s) that were input on the PREQ. This is typically the only approval needed. If object code 6626, 6627, 6649, 6650, 6651, or 6749 are used on the PREQ accounting lines then the document will also route for Hospitality approval. The Fiscal Officer should verify the payment amounts before approving and the Hospitality approver should approve the official function expenses listed.

One additional step, the receiving document (LIR), needs to be completed as part of the approval process for some PREQ documents to become final.

The receiving document needs to be completed for all PREQ documents that are quantity based and the PO exceeds $5,000. In addition to these payments the department also can require receiving for any PO when the requisition is submitted. If receiving is designated as required on the requisition the LIR document is required regardless of the dollar amount of the PO. If the LIR document is not completed the PREQ will not move to final status and will not issue payment to the vendor.

Document Exceptions/Restrictions:

Below are the parameters that are disallowed on the PREQ document.

Parameter Name	Parameter Description	Parameter Value	Parameter Constraint Code
OBJECT_CONSOLIDATIONS	Object Consolidation(s) restricted from ...	CMPN;FBAL;IDEX;TREX;TRRV	D
OBJECT_LEVELS	Object Level(s) restricted from use on a...	ADVS;CASH;COAB;DFOF;FBAL;IDCE;IDCR;SATH;...	D
OBJECT_SUB_TYPES	Object Sub-Type(s) restricted from use o...	BU;FR;SL;CP	D
OBJECT_TYPES	Object Type(s) restricted from use on a ...	TE;TI	D
SUB_FUND_GROUPS	Sub-Fund Group(s) restricted from use on...	PRESEN;BANK;ENDOW;WORKST;COSFA;FEDSFA;DI...	D

Below is the explanation of these restrictions:

This document disallows the use of object codes that roll up to the following Consolidation Codes:
- CMPN-Compensation. Object codes between 5000 – 5999 are related to CMPN and cannot be used on the PREQ document.
- FBAL-Fund Balance. Object Codes 3000-Fund Balance and 3100-Adjust/Accrual Voucher Generated Offset are the only object codes that report to this code and are disallowed.
- IDEX-Indirect Cost Recovery Expense. These expenses are offsets that are generated automatically and are not entered directly on the PREQ document.
- TREX and TRRV-Transfer of funds Revenue and Expense. Object codes 9904, 9905, and other object codes associated with the transfer of funds cannot be used on the PREQ document.

The PREQ document does not allow the following Object Levels to be used on the document:
- ADVS-Advances. Object codes 2601, 2602, and 2610.
- CASH-Cash. Cash is typically an offset entry and not used for direct entry. The following object codes cannot be used when preparing a PREQ document: 1100, 1102, 1103, 1104, 1105, 1106, 1110, 1111, 1112, 1130, 1131, 1135, and 1176.
- CLER-Clearing. Object codes in this level are used for clearing accounts and cannot be entered on the PREQ, object codes that are restricted are: 1600, 1620, 1621, 1625, 1626, 1627, 1630, 1631, 1633, 1635, 1640, 1645, 1660, 1661, 1662, 1663, 1664, 1665, 1666, 1667, 1668, 1669, 1670, and 1671.
- COAB-Compensated Absences. Compensated Absences are part of the CMPN consolidation code and cannot be used on the PREQ document. The following is a list of COAB object codes that are not allowed on PREQ documents: 5901, 5902, 5903, 5904, 5905, 5906, 5907, 5908, 5909, 5911, 5912, 5913, 5914, 5915, 5916, 5917, 5918, and 5919.
- COMR-Commercial Receivable. Object codes with the object level COMR are used for University receivables are not valid for PREQ use. The object codes for this level are: 1404, 1413, 1415, 1416, 1417, 1423, 1424, 1425, 1426, 1427, 1429, 1431, 1437, 1438, 1439, 1440, 1441, 1442, 1443, 1444, 1445, 1447, and 1449.
- DFOF-Due From Other Funds. The DFOF object codes that cannot be used on PREQ documents are: 1905, 1910, 1920, and 1925.
- EQUP-Capital Equipment. Object codes under this object level are used by the Property department and for Recharge accounts. The following codes cannot be entered on a PREQ document: 1820, 1821, 1822, 1824, 1825, 1826, 1827, 1830, 1831, 1832, 1833, 1838, 1841, 1842, 1844, 1882, 1883, 1892, 1893, and 1894.

- FBAL-Fund Balance. Object Codes 3000-Fund Balance and 3100-Adjust/Accrual Voucher Generated Offset are the only object codes that report to this code and are disallowed.
- IDCE-Indirect Cost Expense. Object codes for IDCE are indirect cost expenses that post to the GL through either offset entries or prorates. Object codes in the IDCE level that cannot be used on the PREQ document are: 9000, 9500, 9545, 9547, 9549, 9550, 9551, 9552, and 9912.
- IDCR-Indirect Cost Recovery. Object codes for IDCR are indirect cost expenses that post to the GL through either offset entries or prorates. Object codes in the IDCE level that cannot be used on the PREQ document are: 9600, 9645, 9647, 9649, 9650, 9651, 9652, and 9911.
- NOTR-NOTR doesn't exist in Kuali so I don't know what else to say, just don't use it.
- SATH-SATH also doesn't exist in Kuali so I don't know what else to say, just don't use this one either.
- STRC-Student Receivable. The object codes in this level are used by Accounts Receivable and cannot be entered directly on a PREQ document: 1400, 1401, 1402, 1403, 1410, 1411, 1412, and 1430.

The PREQ also disallows the use of object codes that report to the Object Sub-Type Codes:
- BU-Budget Only Object Codes
- FR-Fringe
- SL-Salary
- CP-Capital Assets

The following sub funds are not allowed on PREQ documents and accounts in any of the following sub funds are not allowed on PREQ documents:
- 1COSFA
- 1DIRLN
- 1FEDSF
- 1LOANS
- 1PRESE
- 1WORKS
- BANK
- COSFA
- DIRLN
- ENDOW
- FEDSFA
- LOANS
- OPEB
- PRESEN
- WORKST