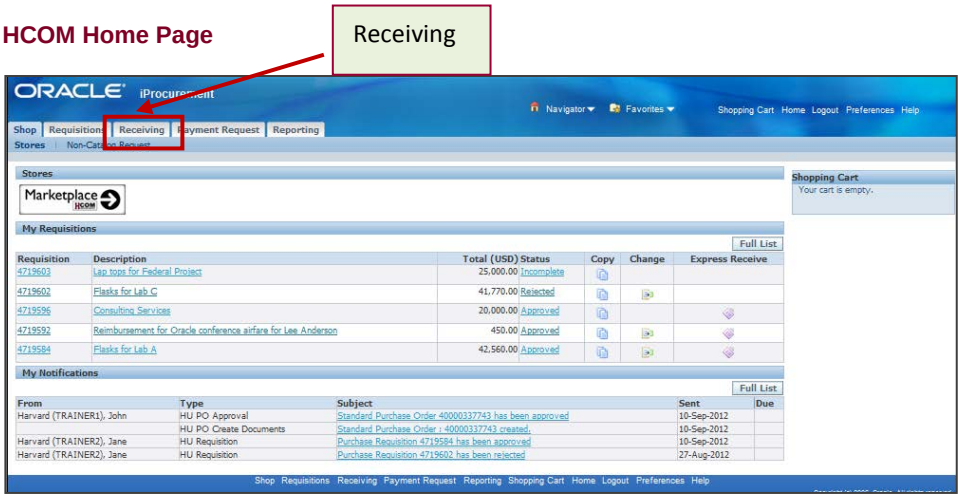
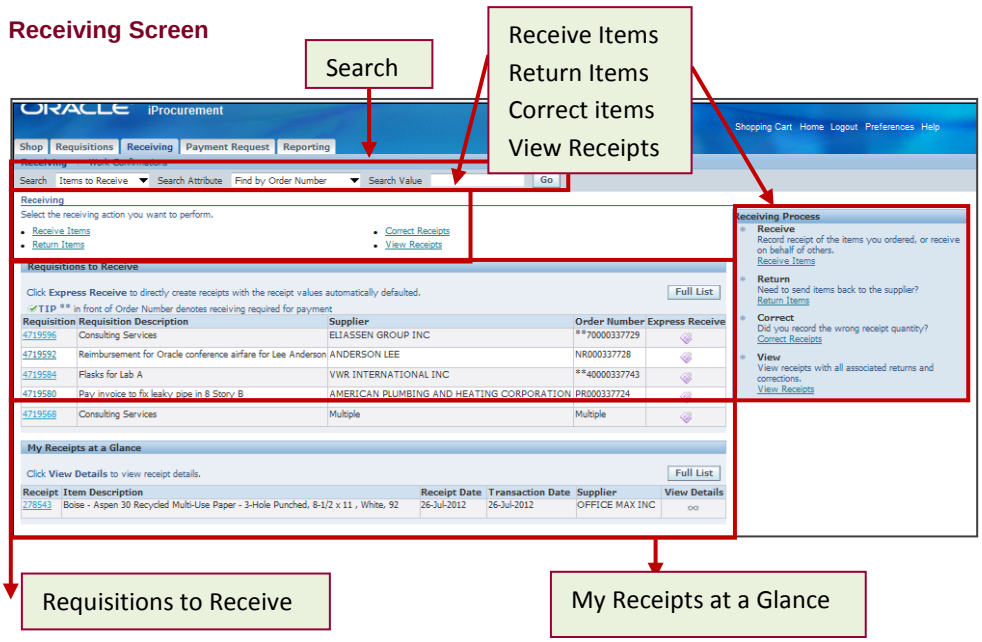
Holds, Receiving and Returns Quick Reference

Overview

HCOM Home Page



Receiving Screen



Log into HCOM at:
http://vpf-web.harvard.edu/applications

1. Click Personal Homepage
2. Click Oracle Login via PIN
3. Login with HUID & PIN
4. Click HRVD^IPROCUREMENT

The Receiving tab :

HCOM provides a way to electronically acknowledge receipt of goods and services in the system by using the **Receive Items** link. Within the Receiving tab you can also **Return Items, Correct Items** and **View Receipts**. The actions possible in the Receiving tab allow users to:

- Provide payment control by ensuring vendor payments are issued only after the department has physically received the item.
- Provide an audit trail of the receipts entered in HCOM.
- Improve the process of receiving credit for items that need to be returned to Suppliers.
- Store complete records on all your purchases within a single location.

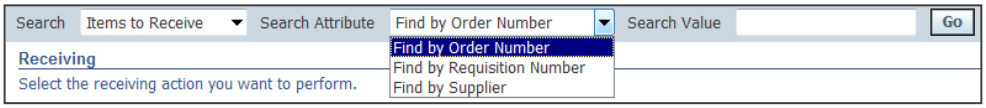
Logout of HCOM after working on Requisitions, click **Logout** link.

- **Help Contacts:**
  - For technical issues, contact the HU IT Help Desk: dls@harvard.edu or x6-2001
  - For customer service issues, contact University Financial Services-AP Customer Service: ap_customerservice@harvard.edu or x5-8500, option 1

Receiving Screen Overview

The **Receiving** screen is divided up into multiple sections:

- **Search** provides users the opportunity to search by **Items to Receive, Items to Return, Receipts to Correct,** or **Receipts to View** coupled with the **Find by** drop down menu to locate a particular **Supplier, Order** or **Requisition Number.**



- **Receiving** from this screen users can find links to **Receive Items, Return Items, Correct Receipts** and / or **View Receipts**.
- **Requisitions to Receive** the five most recently approved requisitions display in this field. Click on the Full List button to display all of your requisitions that are eligible to be received.
- **My Receipts at a Glance** the five most recently generated receipts display in this field. This area populates each time you receive in a requisition. Click on the Full List button to display all of your receipts.

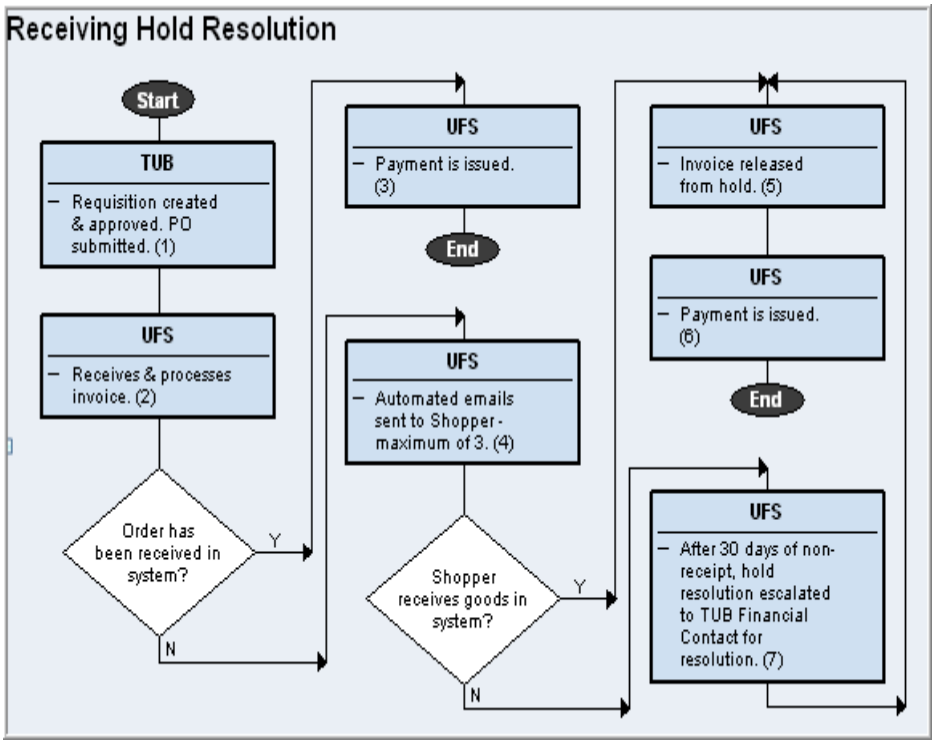
Holds in HCOM

Holds Overview

- An advantage of HCOM is the ability to ensure that vendors are charging the correct quantities and pricing according to the Purchase Order agreement, and that billed items have been received by the department before vendor payment is issued.
- When University Financial Services Accounts Payable (AP) receives an invoice from a vendor billing for items in excess of the established quantity or pricing, or if these items have not been received by the department, the invoice will be placed on hold. AP then works with the department to ensure proper payment is made.
- The three primary invoice holds are due to **overages on price, quantity, receiving, or a combination of the three**.

Receiving Holds

When a vendor bills for items **requiring receipt**, but the items have **not been formally received in HCOM**, the invoice will be placed on **Receiving Hold**. This applies regardless if items were not delivered by the vendor, or if items were delivered but the department did not complete receiving within HCOM.



Create a Receipt in HCOM when:

- "The Tub / Department require receipt.
- Require Receiving" checkbox was selected on the associated requisition
- The requisition has a total value of $2,499.99 or more.
- The requisition uses any sponsored account funds (fund range 100000 – 299999)

Invoices related to purchase orders requiring receiving will not be paid until the receipts have been entered into HCOM.

- If the items have been delivered but not formally received, the invoice will be placed on hold. UFS Accounts Payable will contact the Shopper via email. The Shopper should then enter the receipt into HCOM.
- If the items have not been delivered but the vendor has invoiced for the items, the invoice will be placed on hold and the Shopper will be notified and should then contact the vendor directly.

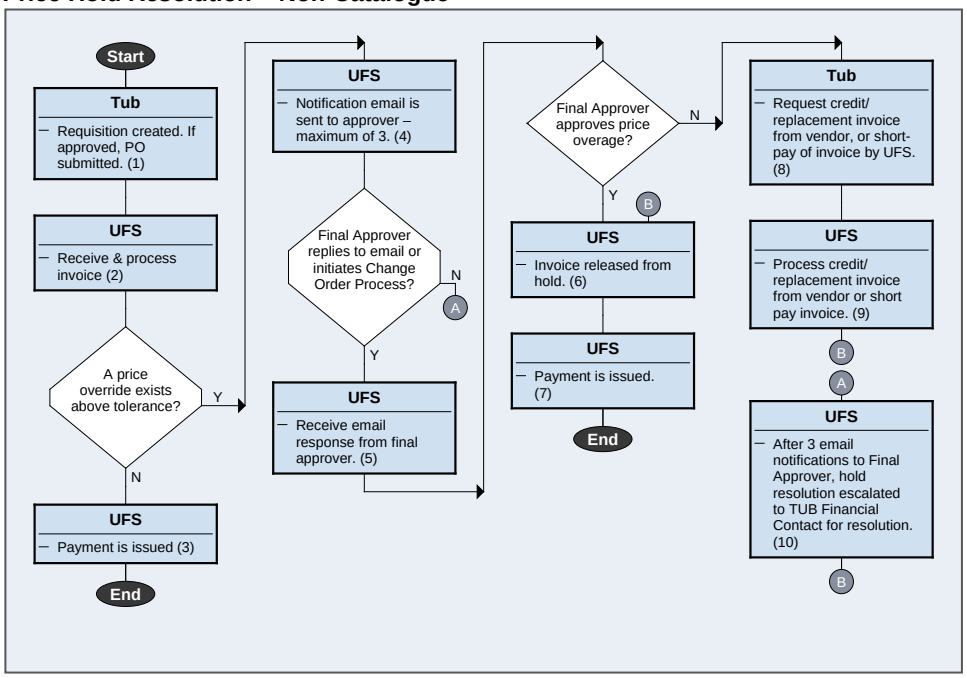
Receiving Notification Schedule

Notifications will be emailed to Shoppers for Invoices that have been received by Accounts Payable (AP) and placed on hold due to incomplete receiving in HCOM.

- 1st Notification – 2 calendar days after invoice process date.
- 2nd Notification – 5 calendar days after invoice process date.
- 3rd Notification – 8 calendar days after invoice process date.
- After 30 days, if the receiving hold is still on hold AP escalates the matter to the TUB Financial Contact.

Note: If an item is returned, the item will remain on hold until a replacement receipt or credit memo is received.

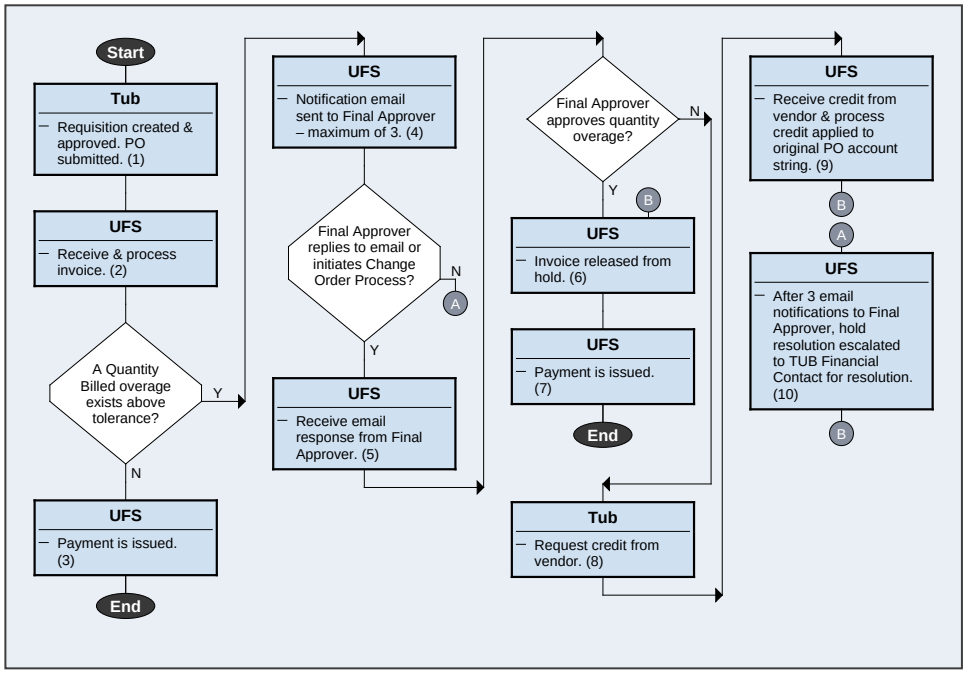
Price Hold Resolution – Non-Catalogue



Price Holds

- The Office of the Controller has established a set pricing tolerance which enables automatic payment of line-item charges in excess of the P O pricing, but within the tolerance threshold (currently $9.99). When a vendor **bills for items above the tolerance threshold**, the invoice will be placed on **Price Hold**.
- For invoice price holds on Marketplace orders, which consist of defined Harvard pricing, Accounts Payable will automatically deduct the price overage from the invoice total. Payment is then released based on the Purchase Order pricing.
- For invoice price holds on non-Marketplace orders, which are often based on quote pricing, Accounts Payable will contact the Final Approver via email, asking the Final Approver to advise on correct payment.
- If the pricing difference is more than $9.99, use the Change feature to resolve price overages and release price holds for non-marketplace orders.

Quantity Billed Hold Resolution



Quantity Holds

- When a **vendor bills for additional units** of an item **exceeding the approved Purchase Order quantity**, the invoice will be placed on **Quantity Hold**.
- For all invoice quantity holds, Accounts Payable will contact the Final Approver via email, asking the Final Approver to assist in the resolution of the Quantity Hold. In situations when an invoice charge is disputed by a department, the Final Approver may request that the overbilled amount be deducted from the invoice (debit memo) by Accounts Payable prior to payment. When the department chooses to process a debit memo in this way, any vendor inquiries into the payment will be directed to the department for resolution.
- Use the Change feature to resolve quantity disputes and release quantity holds.

***Note**: When a vendor overbills in error, the Shopper/Final Approver will often contact the vendor and request that the vendor issue a credit memo for the overage.*

Approvers can run a report that lists price holds, receiving holds, and quantity holds. Refer to the **HCOM Audit Reports Quick Reference**. For more information on using the Change feature, refer to the **Change Non-Catalogue Order or Payment Request After Approval Quick Reference**. Both documents are on http://eureka.harvard.edu.

Price / Quantity Notification Schedule

Notifications will be **emailed to Final Approvers** for Invoices processed by AP and placed on hold due to **Price** or **Quantity Holds**.

- 1st Notification – 2 calendar days after invoice process date.
- 2nd Notification – 5 calendar days after invoice process date.
- 3rd Notification – 8 calendar days after invoice process date.

After 30 days, if the receiving hold is still on hold AP escalates the matter to the TUB Financial Contact.

Receiving in HCOM

The HCOM **Receiving** process enables Shoppers to receive items, capture waybill and packing slip information, and add comments for the vendor or Approver.

- HCOM enables you to manage payment for full or partial receipt of requisition items. You can also enter receipts as items are delivered.
- Complete the Receipt acknowledgement in HCOM no later than 2 business days after you receive the good or service. This ensures that the payment is made in a timely manner and the University can take advantage of early payment discounts.
- HCOM displays **"**"** to indicate when an order number requires receiving for one or more items.
- Receiving is required for:
  - All purchases >$2,499.99
  - All sponsored purchases regardless of dollar amount.
  - All purchases if you check the "**Receiving Required**" check box in your HCOM user **Preferences**
- If you are a Shopper/Approver with Self-approval privileges, Self-approval is not allowed for purchases over $2,499.99 or sponsored purchases regardless of the amount
- The decision to require electronic receipts is made on a school-by-school basis. Most schools do require an electronic receipt.
- If your school does not require electronic receipt, you still need to receive:
  - Goods over $2,499.99
  - Goods purchased from a sponsored fund regardless of the dollar amount

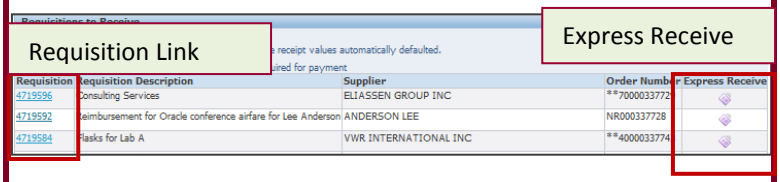
Rules of Thumb

- If all the goods you ordered are delivered, receive all the goods
- If only a portion of the goods are delivered, receive only what was delivered
- If all the goods are delivered and you need to return one or more items, receive all the items and process the returns

Receiving Process

1. Login to HCOM and access the HCOM home page.
2. Click Receiving.

3. To begin the receiving process, you can either **Open a Requisition** by selecting the Requisition link 4719584 or by using the Search functionality.



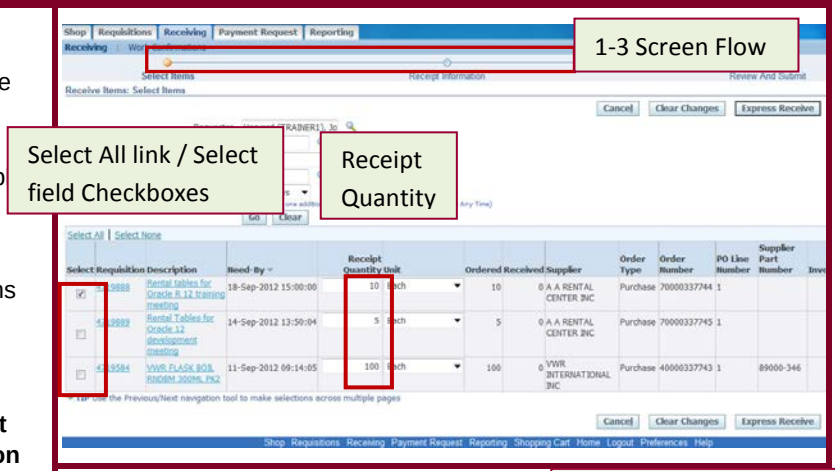
*Note: Although not recommended, it is possible to receive all items in a requisition by clicking on the **Express Receive** icon. When using the Express Receive icon, HCOM bypasses the screens where the Waybill or Packing Slip information is gathered. By using the Express Receive option, **the system will automatically receive the total quantity for the line item, rather than allowing you to indicate the actual amount received**. HCOM does however generate a Receipt Number and Receipt Date.*

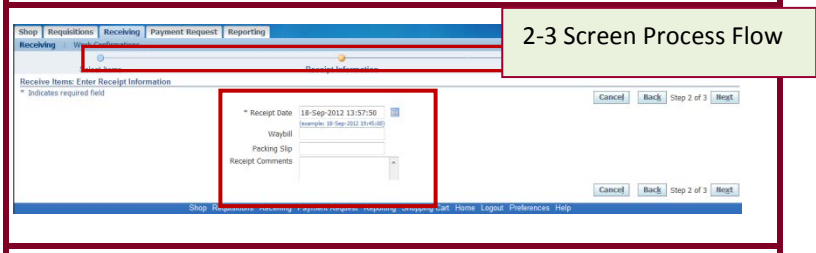
4. The requisition will open and you will have the option to Change Receive. Click Receive.

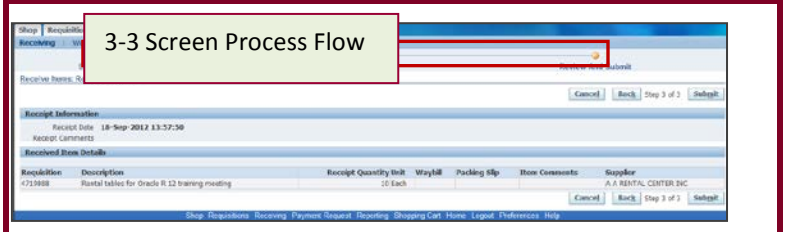
Receiving Process (cont.)

1. Follow the flow chart at the top of each screen through the three steps of the receiving process.
2. To select an item from the **Receive Items: Select Items** screen, click the ☑ in the **Select** column next to the applicable line item. Click Select All to receive all items from the requisition.
3. Use the **Receipt Quantity** field to specify the quantity of items received from the vendor. Receipt should be based on the actual quantity of items received.
4. Click the Next button.
5. Enter **Receipt Date, Waybill, Packing Slip**, and / or **Receipt Comments** in the **Receive Items: Enter Receipt Information** screen if applicable.
   *Note: Although changeable, the **Receipt Date** field automatically populates with the **Need By Date** indicated in the original requisition. Click on the calendar to the right of the field to edit the date.*
6. Click Next.
7. Utilize the **Receive items: Review and Submit** screen to review the information you've entered.
8. Click Submit.
   *Note: click the **Back** button to change information.*
9. You'll receive a **Confirmation Receipt** number.

Click on the **Return to Receiving** link**.**





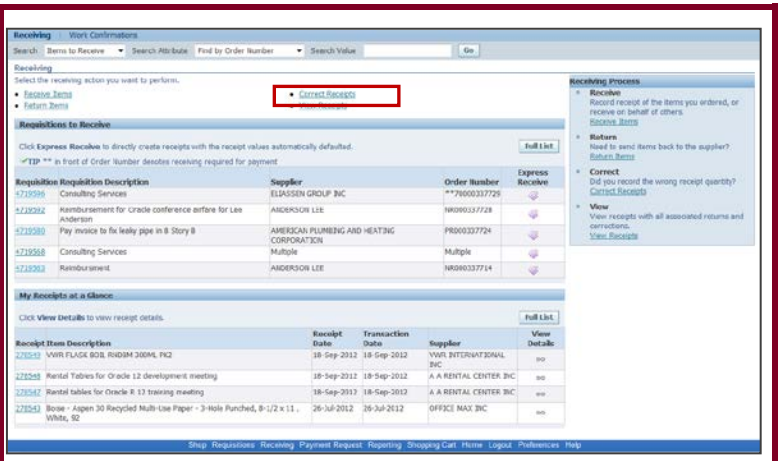


Correcting a Receipt

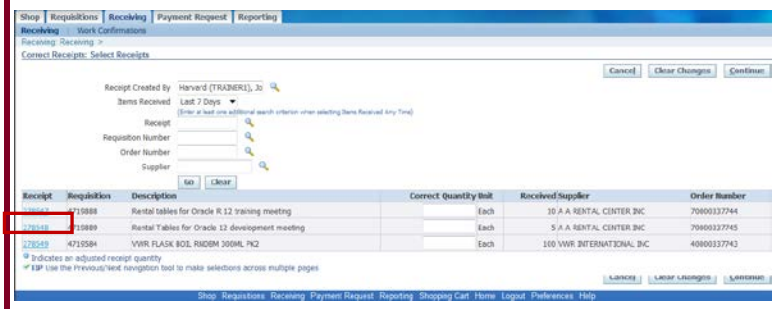
If you received the wrong amount in HCOM, it may be necessary to perform a receipt correction. Failure to correct a receipt may result in the vendor being overpaid.

Note: Receipt corrections are generally performed after of a data entry error has been made.

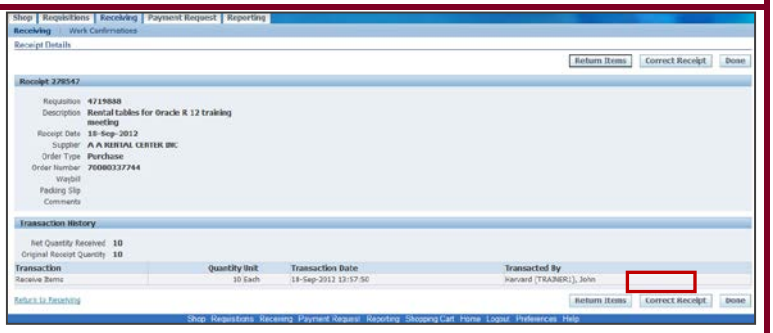
1. On the receiving screen, click Correct Receipts.



2. Click the number link for the receipt you want to correct.

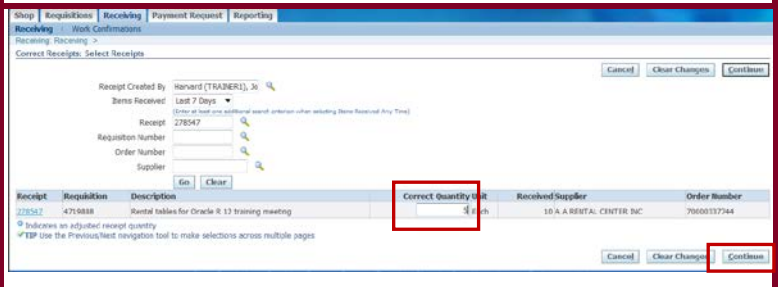


3. Click Correct Receipt in the bottom right corner.

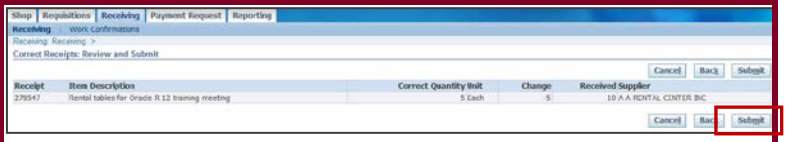


4. Complete the **Correct Quantity** field.

5. Click Continue.



6. The corrected receipt appears. Click Submit. You will receive a confirmation that the correction has been submitted.



Returning Received Items

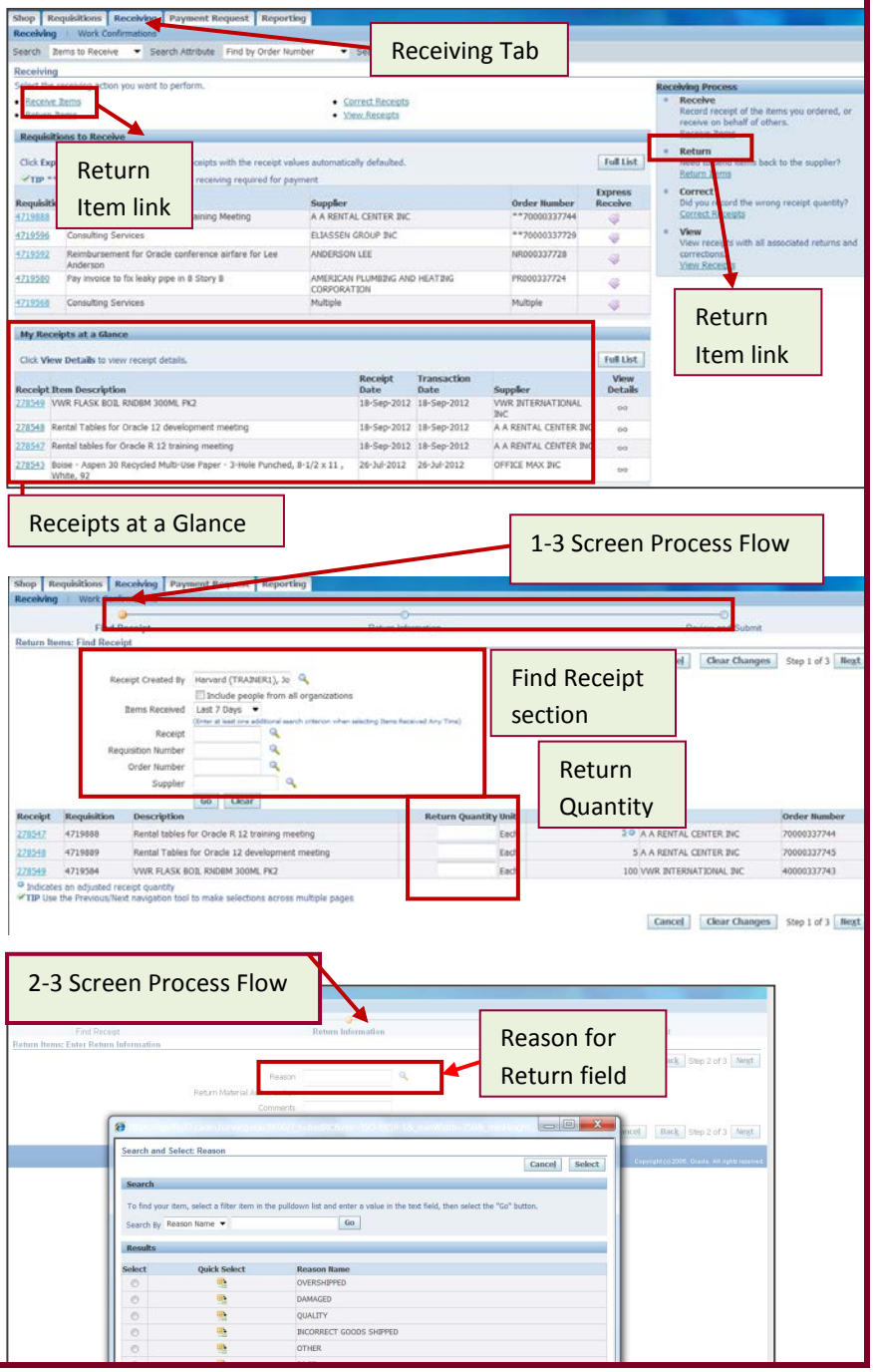
On occasion, you will need to return items that you have purchased. HCOM can help manage the process of returning items **once** they have already been formally received into the system.

Note: When a Shopper inspects goods, even if the shipment is not accurate, the Shopper should still complete receiving in the system. Electronic receipt will be needed to properly return an item and apply credit or reshipment.

- When an item is **returned** to the Vendor **without expecting a replacement**, submit a request with ap_customerservice@harvard.edu for the PO line to be closed. Otherwise, the system expects a replacement item to be received and the Shopper will continue to be sent receiving notification emails.
- When an item is **returned** to the Vendor and the Vendor agrees to **give a credit for the return**, the Shopper should make a request to the Vendor **directly (including Marketplace vendors)** to submit a credit memo to the Central Accounts Payable HCOM PO Box.
- Prior to returning a received item, you should notify the Vendor **directly (including Marketplace vendors)** of the problem and get a **Return Material Authorization (RMA)** number.
- You cannot substitute a different item for a returned item. You should complete the return and create a new PO if you want a different item from what was ordered on your original PO.

Returning Process

1. Obtain a **Return Material Authorization (RMA)** number from the vendor, if available.
2. Login to HCOM and access the HCOM page.
3. Click the Receiving tab.
4. Identify if the item you wish to return is located within the **Receipts at a Glance** section of the Receiving Screen.
5. Click the **Receipt Number** 278547 to begin the return process
6. The **Return Items: Find Receipt** screens opens.
7. Follow the flow chart at the top of each screen through the three steps of the Returning process.
8. Enter the quantity of the return within the appropriate line item **Return Quantity** field.
9. Click Next.
10. Click the icon to access the HCOM pre-defined list of reasons for return. Then click Go and select a reason for the return.
11. The selected reason populates the **Reason** field on the **Return Items: Return Information** screen.
12. Enter the **Return Material Authorization** number and any **Comments** in the fields provided.
13. Click Next.
14. Use the **Return Items: Review and Submit Return** screen to review the information you've entered.
15. Click Submit.
    *Note: click the **Back** button to change information.*
16. The **Return Items: Confirmation Details** screen opens.
17. You'll receive a **Confirmation Receipt** number.
18. Click the **Return to Receiving** link.
19. The item you returned is now in the **My Receipts at a Glance** and **Requisitions to Receive** sections of the page in anticipation of a replacement.



Closing a Purchase Order

Use PO Close when you wish to close a purchase order or a line on a purchase order where the rest of the lines have been received or in the case where no additional invoices are expected.

Closing a PO (or a PO line) is done when you no longer expect further activity on a PO. Scenarios that might trigger a close:

- You've initiated a return with the vendor and do not expect a replacement
- PO was created based on an estimate, invoice has been paid and there is a balance still appearing on the committed funds report
- Recurring goods/services no longer needed

Follow these steps to close a PO or PO line(s):

1. Complete the **Receiving** process in HCOM when the vendor delivers the items.

2. If you are **Returning Items**, inform the vendor and obtain an RMA # (Return Material Authorization) number and complete the return process in HCOM.

3. If the vendor is giving a **credit for the return**, please ask the vendor to send the credit memo to the Central Accounts Payable Department.

4. Please make sure the credit memo is processed before requesting to close the PO (Step 5). You can verify this by querying the PO in HCOM.

5. **Send email to:** ap_customerservice@harvard.edu

   Subject line: HCOM - Please Close PO (or PO Lines)

   Text of email to Close PO: Please provide detailed explanation why you are requesting to close the PO (or specific PO lines) and if applicable the RMA#.

   e.g. Please close PO#XYZ because I have returned all the items to the vendor and do not expect any replacement.

   e.g. Please close line 4 of PO#XYZ because I have received services in full and no longer expect to process payments against this PO line.

Cancelling a Purchase Order

Use Cancel PO when you have created a purchase order in error and/or have not ever received anything against that order. When an order is canceled, all requisition history for that order is lost. If you have a purchase order that has receipts against it, use PO close.

Cancelling a PO – should only be used when there is no activity (invoicing, receiving) against the purchase order. This action is irrevocable and no invoices may be processed against it. Cancelling a PO is generally done when you realize you made an error and do not expect the order to be fulfilled. Scenarios that might trigger a cancel:

- PO was created in error
- Selected wrong vendor or vendor site
- Vendor cannot fulfill the order and you need a PO for a different supplier

After placing an order with a vendor, if you realize that the purchase order was created in error and you do not need the items, follow these steps to cancel the order:

1. Contact the vendor and make sure the vendor cancels PO#XYZ (or PO lines) and get e-mail confirmation for the cancellation.

   Note: It is important to receive an order cancelation confirmation from the vendor to verify that goods will or have not been shipped.

2. **Send email to:** ap_customerservice@harvard.edu

   Subject line: HCOM - Please Cancel PO#XYZ (or PO lines)

   Text of email to Cancel PO: Please provide a detail explanation of why you are requesting the PO (or PO lines) to be cancelled with cancellation confirmation number / email.

   e.g. Please cancel PO#XYZ because I selected the wrong vendor.

   e.g. Please cancel PO Line 7 of PO#XYZ because vendor does not have goods in stock and I have sent a separate PO to another vendor

   Note: Once the PO is cancelled, it cannot be undone.

If a PO has been closed or cancelled:

- It will no longer appear on the Committed Funds report.
- It will no longer appear on your "Requisitions to Receive" list.
- If a PO (or PO line) has been cancelled you will see the quantity cancelled indicated on the PO line and distribution details report.