

Purchase Order Processing & Purchase Invoice Matching

# Five Ways to Enhance Your Finance Function



Unit4 Financials Purchase Order Processing (**POP**) and Purchase Invoice Matching (**PIM**) enable you to better understand, control and manage costs.

The modules provide improved invoice matching, budgetary control and cash flow forecasting across five areas:

## 1 Approve Costs **Before Incurring Them**

When approval occurs during receipt of the purchase invoice, you lose control of spending and are forced to account for what has already taken place. Not only is this inefficient, it creates bottlenecks in the Accounts Payable department.

The primary benefit of purchase ordering is the ability to approve expenses or purchases before they are incurred. This allows you to manage budgets, understand costs and run projects more efficiently. It places approval where it should be - at the start of the purchasing process.

## Enhance **Internal Controls**

POP & PIM provide you with two critical points of control:

**Receiving items or a service against what was ordered:** This simple process enables Unit4 Financials to automate cost accruals by identifying unmatched goods received notes (GRN) and posting the itemised accrual to the finance module.

**Pricing:** Unit4 Financials can maintain historical item costs against individual suppliers so buyers can make more informed judgments. There is also a Request for Quotation module within the application, along with the functionality to link supplier documents with sequential control numbers that limit abuse.

## 2

## 3 Improve Project Profitability with **Committed Costs**

A common mistake when managing project profitability is only considering incurred costs (actual invoices received), which only provides you with a partial picture. To understand the true profit of a project, committed costs must be included.

Committed project costs are those costs committed but not incurred – PO issued but goods not received. With POP & PIM, commitment accounting is possible and these costs can be controlled within a unique balance code.

## Consolidate Your Costs

Suppliers are more likely to provide negotiated prices or volume discounts when a buyer can illustrate a history of purchasing significant volumes. In manual or semi-automated environments, this information is nearly impossible to assemble and is exceptionally difficult to accomplish when buying is fragmented.

POP & PIM provide complete visibility for all buying activity, arming buyers with the information to assist in supplier negotiations. Managers can analyse buying activities by item, category, supplier, location, department, time of year - along with other user-defined criteria.

4

## 5 Make Better Decisions Through Improved Reporting

Unit4 Financials has a unique single database covering the financial, invoice matching and purchasing modules. This enables the production of complex reports crossing all three modules, including:

<p><b>Purchase Invoice Reports</b></p> <p>Provide an audit trail of the invoice - identifying the original purchase order, goods received note and payable document.</p>	<p><b>Invoice Price Variance Report</b></p> <p>Identify the differences between the Invoice and PO price.</p>	<p><b>Accrual Reconciliation Report</b></p> <p>Reconcile GRNI to accrual account in Unit4 Financials.</p>	<p><b>Supplier Purchase Summary Report</b></p> <p>Identify number and value of PO's placed with suppliers and the associated items and account codes.</p>
<p><b>PO Commitments by Period</b></p> <p>Manage and monitor the monetary value of POs raised but not received by period/month.</p>	<p><b>Overdue Supplier Shipment Report</b></p> <p>Manage and monitor overdue POs by delivery date, supplier and responsible buyer.</p>	<p><b>Item Purchase Report</b></p> <p>List items purchased annually in descending order of value, with associated accounts, departments and buyers.</p>	



## Why Millennium Consulting?

**With more than 25 years' experience, we are the experts at working with Unit4 Financials.**

We are a premier partner of Unit4 and a leading reseller around the world. We have the knowledge and expertise to help you augment and enhance your Unit4 Financials system. At **Millennium Consulting**, we help you create the configuration that is best for your business.

### Enhance Your Unit4 Financials System

Discover how our modules and add-ons can improve performance and drive efficiency in your accounting process. Get in touch with our Unit4 Financials experts at [assist@millenniumconsulting.com](mailto:assist@millenniumconsulting.com) to begin the transformation of your finance function.