OFFICE OF FINANCIAL SERVICES

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Tips and Traps

MACQUARIE
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Coding Miscellaneous and Other Charges

There will be instances where the invoice that you receive will not match to the purchase order because the supplier has charged freight or cartage which has not been included on the Purchase Order.
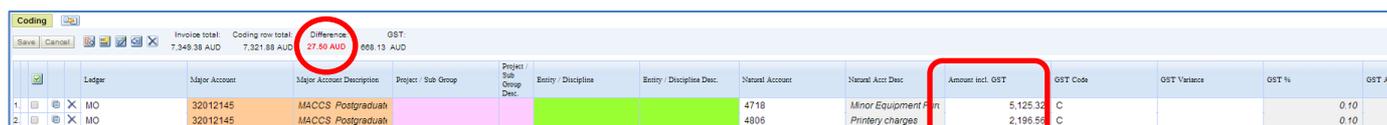
In this instance if the charge is legitimate the user will need to code the freight as stated below.

There are essentially two ways of adding this information to the coding line.

Method 1: Increase Amount Including GST

If the additional charge is less than $100 including GST, and if it should be allocated to the same account as the PO line or lines that were matched, the user can simply add the freight amount to the "Amount incl GST" and Save the Coding Grid.

The screen shot below reflects the coding line as it appears after the Purchase Order has been matched using matching. As can be seen there are two lines of code which were created after a single Purchase Order line with multiple dissection was matched. We have assumed that the freight charge will be allocated equally against each coding line.
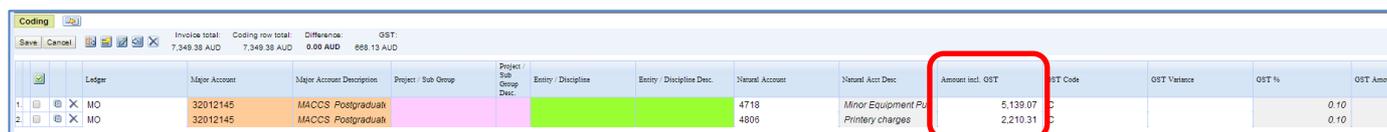

Coding grid showing the difference relating to freight or delivery charges

The difference of $27.50 which represents a Freight charge of $25.00 + GST is being reflected in red as a variance.

We will allocate $13.75 to each of the coding lines by increasing the "Amount incl GST".

Coding grid after amendment to 'Amount incl GST'

This results in a Purchase Price Variance of $13.75 being reflected against each coding line.

Coding grid with 'PO variance' against each line in the coding grid

This will enable a reviewer who otherwise does not have delegation to approve the invoice.

Method 2: Adding a Line in the Coding Grid

It is feasible that the Account Number could be different to the accounts that appear on the coding grid for the freight charges in which case the user will need to add a line to the coding grid.

This is an equally valid way of correcting an invoice that cannot be fully matched against a Purchase order because an additional charge such as freight was not included on the approved Purchase Order. Assuming that the charge is valid the user would add another line to the coding grid as follows:

Add a new coding line & Code the Line

Coding grid with and additional line for freight charges

Note that in this instance there is no PO Variance and the Invoice has been fully allocated.

The only issue when processing the adjustments this way is that if you as the reviewer don't have the necessary delegation to cover the whole invoice value it will need to be sent to an approver for final approval even though the change might be relatively small.