



# Management Directive

## Commonwealth of Pennsylvania

### Governor's Office

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## Management Directive 310.33 Amended – Processing Electronic Invoices in SAP

Date: February 1, 2022

By Direction of: *Greg Thall*  
Greg Thall, Secretary of the Budget

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**This directive establishes policy, responsibilities, and procedures for the receipt and processing of Electronic Invoices in a Commonwealth-approved format from vendors in the SAP enterprise resource planning system (hereinafter referred to as "SAP"). This amendment replaces specific formats for Electronic Invoices with Commonwealth-approved formats, updates policy, combines the Responsibilities for Purchase Order (PO) Related Invoices and Non-Purchase Order Related Invoices into one set, and updates the location for the procedure manuals.**

### 1. PURPOSE.

To establish policy, responsibilities, and procedures to allow the receipt and processing of Electronic Invoices in a Commonwealth-approved format from vendors in SAP.

### 2. SCOPE.

This directive applies to all departments, offices, boards, commissions, and councils (hereinafter referred to as "agencies") under the Governor's jurisdiction. It is recommended that agencies not under the Governor's jurisdiction adopt and implement similar policies and procedures.

### 3. OBJECTIVES.

- a. To promote the use of Electronic Invoices by vendors.
- b. To ensure proper protocols and procedures are established to process Electronic Invoices timely and accurately in SAP.

#### **4. DEFINITIONS.**

- a. Electronic Invoice.** Vendor billing information submitted to the Commonwealth in an approved electronic format, posted to SAP and sent to the Treasury Department for payment.
- b. Three-Way Match.** An internal control within SAP that requires an invoice, purchase order, and receiving report to match prior to releasing the invoice for payment.

#### **5. POLICY.**

- a.** Vendors utilizing Electronic Invoices must submit those invoices in a Commonwealth-approved format.
- b.** Protocols and procedures must be established to ensure accurate SAP accounting codes and other billing information can be processed.
- c.** Authorization to pay Electronic Invoices not associated with a purchase order is granted when the agency being invoiced provides the necessary SAP accounting code to which the invoiced costs will be charged.
- d.** Electronic Invoices posted against a purchase order will be released for payment subject to the Three-Way Match requirements within SAP.
- e.** Vendors not yet using Electronic Invoices shall be encouraged to utilize them in a Commonwealth-approved format.

#### **6. RESPONSIBILITIES.**

- a. The Department of General Services (DGS) shall:**
  - (1)** Incorporate language encouraging Electronic Invoicing into bids, contracts, and purchase orders.
  - (2)** Establish protocols and procedures to ensure accurate account information is received and processed correctly by agencies.
  - (3)** Provide the Commonwealth-approved format to vendors interested in submitting Electronic Invoices.
  - (4)** Coordinate testing of the electronic invoicing process with vendors, the Office of Administration, Information Technology, Integrated Enterprise System Office (IES), and BPS.
  - (5)** Work with vendors, BPS, and IES to resolve issues with Electronic Invoicing.

- b. Agencies shall:**
- (1) Enter goods receipts in SAP in accordance with *Management Directive 310.31 Amended, Purchase Order Receiving, Invoice Processing, and Invoice Reconciliation Processes*, to ensure the Three-Way Match is met and Electronic Invoices are processed timely for payment.
  - (2) Provide a valid SAP accounting code to which costs submitted on Electronic Invoices should be charged.
  - (3) Notify BPS when an agency account with a vendor is closed and no further payments should be made.
  - (4) Review posted payment invoices in SAP and dispute any erroneous charges in accordance with established procedures.
  - (5) Encourage vendors to utilize Electronic Invoices in a Commonwealth-approved format.
- c. IES shall:**
- (1) Develop and maintain programs to accept Electronic Invoices and post invoices to SAP.
  - (2) Provide technical specifications for Commonwealth-approved formats.
  - (3) Coordinate testing of the Electronic Invoicing process with vendors and DGS.
  - (4) Work with vendors, BPS, and DGS to resolve issues with Electronic Invoicing.
- d. Office of the Budget, Office of Comptroller Operations, Bureau of Quality Assurance shall review and correct errors created when an invalid SAP accounting code causes the interface posting of Electronic Invoices to fail in SAP.**
- e. BPS shall:**
- (1) Maintain the SAP table used to code incoming Electronic Invoices.
  - (2) Monitor blocked Electronic Invoices and process workflow items, in accordance with *Management Directive 310.31 Amended, Purchase Order Receiving, Invoice Processing, and Invoice Reconciliation Processes*.
  - (3) Monitor Electronic Invoices in SAP for posting and approval in accordance with BPS standard procedures.
  - (4) Work with vendors, IES, and DGS to resolve issues with electronic invoicing.
  - (5) Encourage vendors to utilize Electronic Invoices.

**7. PROCEDURES.**

The following manuals provide procedural information related to Electronic Invoices and are incorporated by reference:

- a.** BPS shall utilize the PO Invoice Processing manual.
- b.** Agencies shall refer to the [BPS Customer Service Portal](#) for the Agency Non-PO Invoice Processing Procedures manual.

**This directive replaces, in its entirety, *Management Directive 310.33*, dated August 21, 2009.**