



## **Payroll Processes Guide**

Updated August 30, 2007

About the User Guide .....	3
Conventions and Symbols .....	3
Managing Purchasing .....	<b>Error! Bookmark not defined.</b>
Purchase Ordering: .....	6
New Supplier/Vendor Requests: .....	8
Managing Purchase Order Processes: .....	6
Purchases on a Credit Card: .....	10
Sharing and Controlling Vendor Contact information: .....	10
Sending an Approved Purchase Order to a Supplier: .....	12
Online Purchasing or Over the Phone Orders: .....	13
Monitoring Approval Bottlenecks: .....	13
Receiving of Goods and Services .....	14
Using the Process Control Portal to receive goods and services against the Purchase Order. ....	15
Adding Items into Inventory .....	15
Adding Fixed Assets to the Fixed Asset Management System: .....	15
Accounts Payable Workflow: .....	16
Receiving and Processing Mail: .....	16
Processing Company Credit Cards: .....	18
Paying Bills using QC Docs: .....	19
QC Docs Cheque Signing: .....	19
Scanning cleared cheques using Fujitsu Scansnap. ....	19
Bank Reconciliations using QC Docs .....	19

## About the User Guide

Welcome to QCDocs Desktop Purchasing Management Guide. QCDocs has the flexibility to manage simple bookkeeping processes right through to multi-location full cycle purchase order management, receiving, vendor invoice matching, remote dual cheque signing, and inventory and fixed asset management. The following guide provides a walkthrough of the QCDocs Desktop accounts payable workflow and suggestions on how to optimize QCDocs for you organization and accounting software.

## Conventions and Symbols

This guide uses several basic conventions, formatting changes and symbols to highlight information and illustrate processes with QCDocs Desktop.

### Notes



Notes are used to highlight information or point the reader to other resources.

### Shortcuts



Shortcuts offer ways to save time by speeding up regular processes.

### Best Practices



Best Practices highlight proven methodologies for regular tasks.

### Menus Entries, Buttons and Interface Elements

Menus, buttons and other Interface Elements are bolded. For example:

Click the **File** menu, then select **Save**.

## Payroll Overview

QC Docs provides a simple and effective way of tracking time, vacation, sick days, benefits and other payroll related activities using a system of payroll related forms. QC Docs is also designed to work with your existing payroll systems or service provider as a conduit for the receipt and distribution of paystubs, annual tax forms and records of employment.

The **Optimized Controls** are designed to maximize the number of preventative controls that would possibly be available within an internal control system. The Poor Controls are examples of detective controls (ie. They occur after the transaction has taken place and therefore minimize operational risks (ie. Unauthorized purchasing) or minimize the risk of error.

**COSO Control Framework:** The Committee of Sponsoring Organization provides a framework for evaluating internal controls. The controls within QC Docs Purchasing embed controls that cover this spectrum of COSO guidance and are optimized to both ensure compliance but also minimize time requirements for managing mundane requirements such as automating the matching of key documents. Instead QC Docs is loaded with control logic which alerts users to potential control issues through visual alerts and reportings.

COSO Element	QC Docs Control Feature
<b>Risk Assessment:</b>	QCSOX- Risk Assessment Profiling, Fraud Risk Assessment
<b>Control Activities</b>	Purchase Orders, Auto Vouching, Control Logic Notifications, Accounting Application Vouching
<b>Information and</b>	Corporate Communications Portal- Web Policy Documents and

<b>Communications:</b>	Integrated Control Alerts
<b>Control Environment:</b>	Integrated Policy Documents and System for managing controls, Defined Approvals and Processes
<b>Monitoring:</b>	Approval Backlogs, System Reporting of Control Compliance, Complete Transparency through Corporate Portal

## Organizing Your Payroll Processes:

Human Resources and Payroll are highly confidential areas and as such need extra care in ensuring that processes maintain this confidentiality. Minimizing the number of personnel who manage payroll is ideal while ensuring that there is sufficient controls that would prevent fraud as payroll is generally the easiest area to commit fraud in an organization.

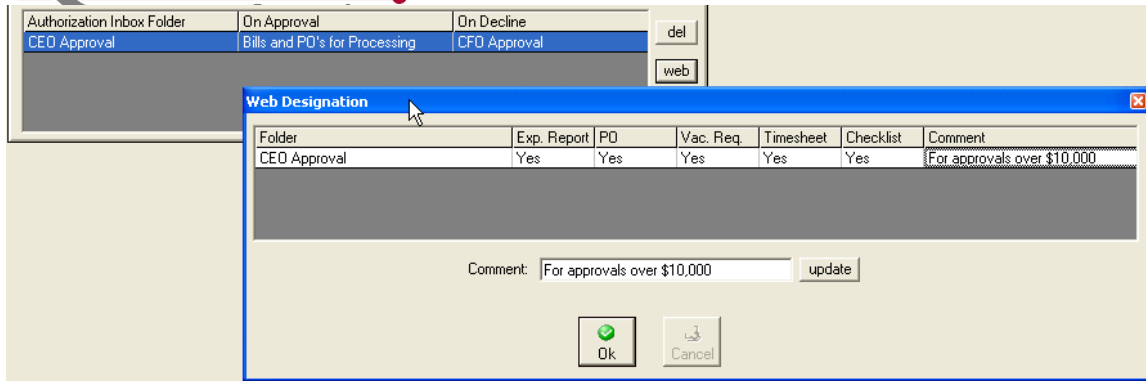
You specify these rules in advance giving consideration to the general guidelines above and roll out your processes within your organization.

The screenshot displays the QCDocs Portal interface for 'ABC Technology Company'. The top navigation bar includes 'My Tasks', 'Accounting Forms', 'Company', 'Resource Management', and 'Dashboard'. Below this, a secondary navigation bar shows 'Purchase Order (Goods)', 'Instructions', 'Policy', and 'Inventory'. The 'Policy' tab is active. The form includes a 'Vendor' dropdown menu set to '125 Max' with an 'Add Vendor' link. The 'Details' section contains input fields for 'Quantity', 'Part Number', and 'Price', and a large text area for 'Description'. At the bottom, there are 'Add Item' and 'Keep Description' options. On the right side, a 'Selected Tags' panel shows a tree view with 'Projects' (NRC Project Phase 1) and 'Accounts' (Research and Devel).

The Portal has quick links embedded into the Purchase Order forms so users can get to your customized purchasing policies. The System has several embedded features that help ensure consistency with company policies.

## Setting Authorization Rules

You setup User Authorization Rules within the Desktop under **Governance/User Management/Authorizations**. Simply select the approval directory for the respective approver and where files will be moved if approved or declined. Once setup, you can control the availability of that user's approval rules within the Portal by selecting which documents that person will be responsible for approving. Once that is setup you can add comments that will provide users of the system on when to submit Purchase Orders to that particular approver. See the Desktop User Guide for a detailed overview of User Authorization Setup.



## Setting up Purchasing Policy Notifications

The rules that alert approvers to the company policy for approvals is setup in **Governance/Internal Policies**. These Guidelines do not force compliance but are designed to alert the first approver when a second approver should be used in accordance with policy. The System does report on situations where documents are not approved in accordance with Policy.

Corporate Routing Policies				
Doc Type	Formula	Amount	Rule	
Purchase Order	greater	5000.00	double	
Bill	greater	2500.00	double	
Time Off Request	greater	3.00	double	
Expenses Report	greater	1000.00	double	

## Loading Your Purchasing Policy

Once you've customized your QCDocs Purchasing Policy in word format which may include adding a logo or modifying the layout of the document you can print the Policy

Document into QCDocs using the QCDocs Print Driver. This will optimize the document for highspeed upload through the portal as an image file. You then set the document ID in the Web Forms Help menu in **Governance/Corporate Management**.

## Purchase Ordering:

QC Docs Portal is designed to allow **any user** of the system to initiate a purchase using the Accounting Forms Purchase Order Forms for either Goods or Services. These Purchase Order forms are designed to ensure a clear authorization trail for purchases and to ensure that Vendors/Suppliers receive accurate purchase requests. Depending on how you've established your purchasing processes as outlined above, users will submit forms to appropriate approvers/purchasers based on the guidance outlined in your policy documents and through your orientation and training sessions.



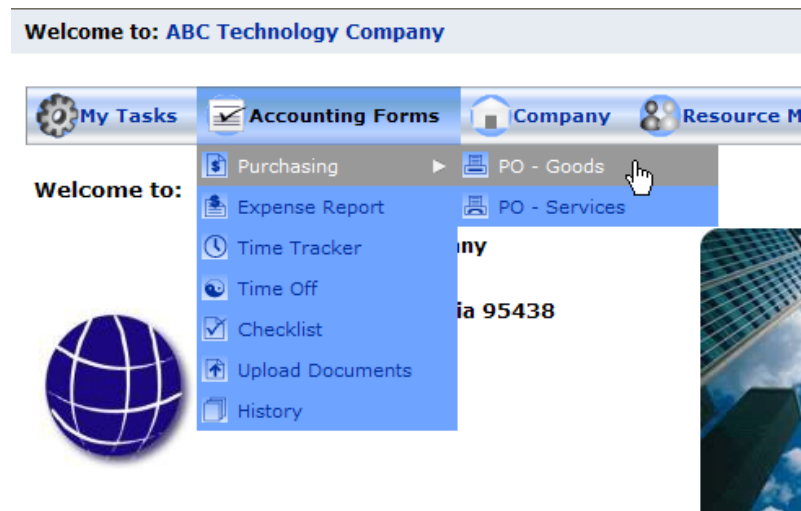
### When to use a QC Docs PO's:

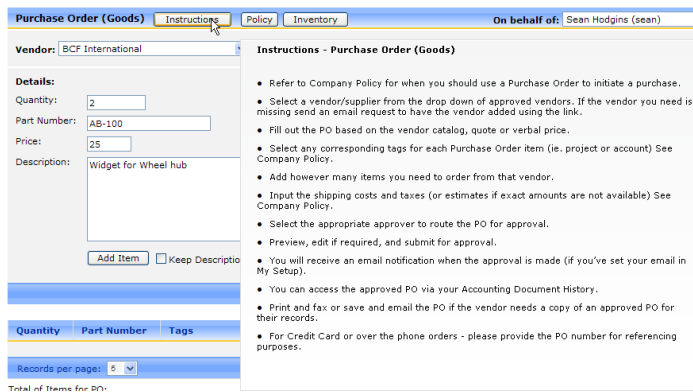
- Vendor purchases that require a written/faxed/emailed PO
- Vendor purchases over the phone or online that will bill the Company and therefore need a Purchase Order for accounting referencing.
- Credit Card purchases over \$500 for internal documentation purposes.

## Completing a Purchase Order:

The Purchase Order forms are completed through the QC Docs Process Control Portal. The Instructions for completing a Purchase Order are embedded into the application under [Instructions](#).

For a detailed walkthrough of how to complete the Purchase Orders see the *Process Control Portal User Guide*.





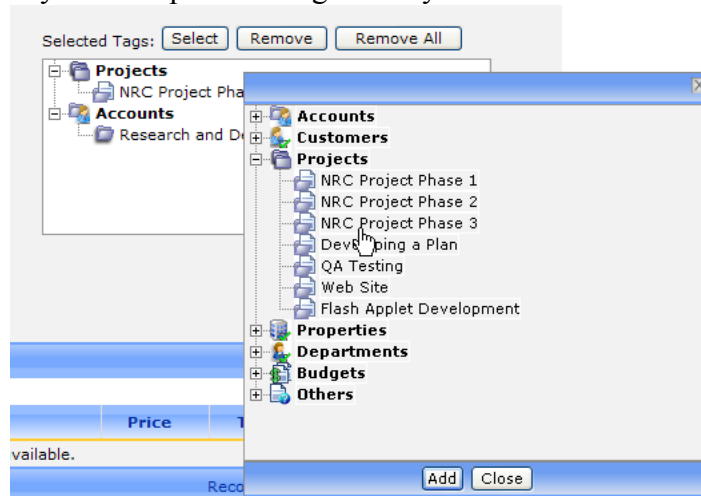
Simply follow the instructions on how to use the application and refer to the customized purchasing **Policy** to understand what your organizations rules are over purchasing various types of goods and services.

## Inventory and Fixed Asset Management Interface

For those organizations using the Fixed Assets or Inventory Management Functions, adding these items directly into those systems are streamlined in QC Docs by using the **Inventory** functionality embedded in the Purchase Order form. Using this tool you can look up previously ordered items and add them to your purchase order form. Alternatively you can quickly link to those processes and add them into your system so that they can be easily added when the items are physically received.

## Tagging Purchases to Projects, Departments, Customers, Accounts, etc.

QC Docs also comes with a unique system for pre-defining where you want to allocate purchase order items that we call Tagging. Tags allow the bookkeeping and accounts payable staff to get an understanding of where the costs associated with the purchases should be allocated.



## ***New Supplier/Vendor Requests:***

New Vendor requests are handled through an automatic email initiation through the Portal based on the settings for new vendor approval made in Governance/Corporate Setup. It is important to note that based on the purchasing urgency the person who looks after those activities must ensure supplier approval and add the approval to the accounting system or QCDocs Names Management in a timely manner in order for the person to complete the Purchase Order. This system ensures appropriate controls over issuance of purchase orders using the system but may require good communications to ensure timely completion of the forms.

People requesting the addition of a new vendor need to specify all the contact information and address for payments when they make requests to add a new vendor so ensure that your company policy provides these guidelines or just use the QCDocs Template Purchase Policies. Depending on availability of the Accounting Application and your time, you can load QCDocs with the new vendor information as follows:

- Entering Vendor Details into QCDocs (Temporary but fast)



If you are in a real hurry, all you need to enable basic purchasing within the system is to load the Vendor Name so that people can complete the purchase order.

- Entering Vendor Details into Accounting Application and Importing (Permanent but requires access to Accounting Application and you must import the vendor information into QCDocs when you are done.)



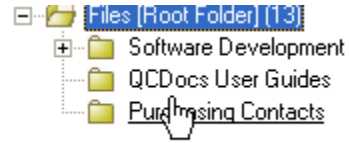
If you use the Temporary Naming System enabled in QCDocs you will want to later remove the duplicate vendor name created when you later import the vendor name from QuickBooks.

## ***Sharing and Controlling Vendor Contact information:***

Now that the System has the respective Vendor details setup in the Purchase Order Form, you may still need to access other contact information associated with that Vendor such as phone numbers, specific sales rep contact information, websites and user access and passwords, etc. There are several ways to use QCDocs to manage these types of contact information for vendors:

1. The ideal method requires you to ensure your accounting application vendor contact information is complete and accurate. When this occurs the contact

- information for the vendor appears when you preview PO's for that vendor. *Sometimes not all the information required is specified within the Accounting Application in which case you should proceed to suggestion #3.*
2. Alternatively you can have someone with access to the accounting application perform the purchasing as the master vendor contact information is generally maintained in the Accounting Application.
  3. Share an excel spreadsheet or export from the accounting application or otherwise in a secure distributed file directory in QCDocs.



To setup a secure shared directory you need to have access to QCDocs Desktop- **Go to Tools/Files in Progress** and add a New Directory by right clicking where you want the directory and selecting **Add-** ex "Purchasing Contacts" then right click and set access restrictions. Then you can upload an excel spreadsheet and share that excel spreadsheet with users with security rights and User access to the Portal Distributed File System or the Desktop Files in Progress.

### ***Purchases on a Credit Card:***

Credit Card purchasing is becoming more and more popular with Corporate Purchasing as it saves a lot of processing time for both suppliers and for the Company itself as it reduces the number of individual bills that you need to process and pay. Nevertheless, obtaining credit with your vendors is a very good way to manage your working capital and ensure control over payments for inaccurate, incomplete or damaged supplies.

Often it is easier to have an executive sponsor the credit card if the Company does not have a credit history necessary to obtain a credit card without securing the credit line with cash. Two things to consider here are the time required to segregate personal versus corporate charges and second the need to monitor cash balances to pay off the personal credit card so that the individual is never exposed him or herself to the companies liabilities.



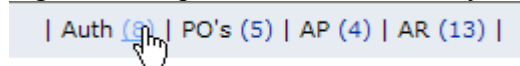
Getting a separate Corporate Credit Card (even if granted through an executive's credit) is ideal for accelerating processing of such charges using QuickBooks or Simply Accountings online credit card processing capabilities. To find out more about optimizing these types of processes in QB's or Simply, inquire with our process consulting services.

Credit card information can be added to the Other Information Section of the Purchase Order form however it is always best to provide credit card information over the phone to minimize the risk of unauthorized access to that information.

*See Online Purchasing and Over the Phone Purchasing below.*

### **Purchase Order Approvals- Portal**

Emailed authorization requests include a link back to the QC Docs Portal which when you log on has a quick reference link to your current documents for approval:



You simply view the respective PO and when you select process you can add notes to the PO for accounting and reference purposes within QC Docs and either Approve the PO or Decline the Document

### **Purchase Order Approvals- Desktop**

For personnel using the Desktop approvals the process simply involves identifying which document you need to approve and on the attributes section select Yes or No. The Desktop controls also allow you to edit previously approved documents, delete documents, etc. and as such the Desktop has been purposely designed to be restricted to limited personnel including accounting and HR personnel only. The System tracks all changes to such documents and can restrict who can delete documents; nevertheless, the Desktop allows accounting a tremendous amount of flexibility to deal with any eventuality.

A screenshot of a web form titled 'Attributes' and 'Links'. The form contains several input fields: 'Doc type' (Purchase Order), 'Approval' (N/A), 'Vendor' (GenoLogics), 'PO Number' (762), 'Date' (6 /29/2007), 'Amount' (\$198,114.00), and 'Invoice #' (empty). There is also a dropdown menu for 'Approval' with options 'N/A', 'Yes', and 'No'. A mouse cursor is hovering over the 'Yes' option. At the bottom right, there are 'update' and 'close' buttons.

The automatic messaging function that occurs within the Portal when documents are approved or declined **does not occur** when a desktop user approves a document. As such you need to right click on the approved document and send a message back verifying approval or decline or to bring attention to a noted change, etc. This will automatically send an email to the person if their email is setup in the User Management section of the Desktop.

## ***Sending an Approved Purchase Order to a Supplier:***

When you receive your email notification back that your purchase order has been approved you can then access the form through your accounting forms history or if you have Purchase Order Responsibility Access rights through the Open Purchase Orders. From either place you can open and print the purchase order form. If Accounting personnel is handling the process they can print directly from the Desktop application by right clicking on the relevant PO and selecting Print. Alternatively, through the Portal the document can be saved to your harddrive and emailed to the Supplier or using the Desktop the document can be exported and emailed to the Supplier.

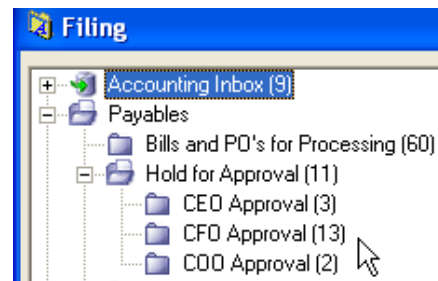
## ***Online Purchasing or Over the Phone Orders:***

Online and phone orders should still use the QCDocs Purchase Order to document a Purchase so that Accounting can properly manage the credit card payment or

An important control is the sequential ordering of Purchase Order #'s so that the system of vouching (matching of details for accuracy) the vendor's bills can be easily coordinated. Using the QCDocs PO system for these types of purchases, even though a PO is not sent to the vendor, allows your organization to see what has been ordered and therefore manage production based on expected delivery dates on those orders.

## ***Monitoring Approval Bottlenecks:***

Although the system alerts users when approval requests happen, the system currently does not support reminder emails. As such the Bookkeepers/Accounts Payable processing personnel and other accountants with access to the desktop can easily monitor these types of authorization bottlenecks and quickly send reminder messages by right clicking and sending out a message reminding of outstanding approvals.





## Monitoring Open Purchase Orders

| Auth (8) | PO's (5) | AP (4) | AR (13) |

## **Receiving of Goods and Services**

QCDocs has been designed to handle the receipt of ordered goods and services in two ways- both indicative of good internal control. In both circumstances the personnel receiving the goods or services should retain the Packing or service slip and note that what was received was in good order or consistent with what was documented on the slip.



Often packing slips get confused with Courier delivery slips

Ideally one of the following procedures will occur:

1. You can Scanning Receiving Documents (Packing slips and Service records):
2. Documenting receipt directly on the Purchase Order through the PO Responsibilities section.

***Using the Process Control Portal to receive goods and services against the Purchase Order.***

***Adding Items into Inventory***

***Adding Fixed Assets to the Fixed Asset Management System:***



### **Accounts Payable Workflow:**

#### ***Receiving and Processing Mail:***

Scanning Vendor Invoices (“Bills”)

#### **Budget Codes- Managing Recurring Expenses**

(ie. Leases, Consultants and other non-PO based purchasing)

Linking of Contracts – Use a non-sequential PO or Budget Code System

#### **Using Notes and QC Docs Approvals**

#### **Managing Bills in Process using QC Docs Work Flow Management:**

PO’s on hold:

Invoices without contract, PO or Pre-authorization (ie Budget Code)

Bills waiting to be entered into Accounting Application

Accounts Payable

Bills earmarked for partial payments, or payments over time:

Entering Bills into Accounting Application and Importing to QC Docs

#### **Using Control/ Vouch Bills:**



# QC Docs Payroll Management



## QC Docs Payroll Management

### **Processing Company Credit Cards:**

Online Processing

Scanned Statements or uploaded CSV/Excel Format Statements:

Matching Receipts to Credit Card Statements

*QuickBooks Best Practices:*

*Simply Best Practices:*



### **Paying Bills using QCDocs:**

Using the Portal to initiate bill payment

**Manual Cheque Signing with QCDocs supporting documents:**

#### ***QCDocs Cheque Signing:***

See configuring cheque page alignment and signature alignment

Filing QCDocs Cheques

***Scanning cleared cheques using Fujitsu Scansnap.***

***Bank Reconciliations using QCDocs***