Disbursement Process Overview

Accounts Payable Overview

Accounts Payable is the functional area that is responsible for the oversight of all payments issued through MMARS. Payment Requests, Advances, Recurring and Ready payments all can occur as a result of an Encumbrance. Payment Request documents established in the system initiate the payment process, authorize the disbursements of funds through documents and typically reference an Encumbrance.

Disbursement Process Overview

The disbursement process takes the payment data and transforms it into a disbursement instrument. Disbursements liquidate the payable and generate payments to the vendor.

The Payment Request documents go into a disbursement queue, where the overnight batch process creates disbursement transactions and generates a warrant file that is sent to the Treasurer. The Treasurer generates payments and sends them to the vendor, then sends a file with the payment information back to MMARS.

Disbursement documents include the Electronic Funds (EFT) and Automated Disbursements (AD) documents. The Treasurer oversees disbursing all payments. Both the EFT and AD disbursement documents are created in a nightly batch cycle of logical groups of payment documents to a single vendor and transmitted to Treasury in a disbursement file. The EFT documents generate EFTs and the AD documents create checks.

The EFT and AD documents combine as a payment file that is sent to Treasury via interface, called the disbursement file, which is sent on a daily basis. After the Treasurer generates and sends payments, they send back a file called the Warrant Return (WR) on the next business day.

The Payment Request documents in MMARS allow multiple Vendors, Commodities and/or Accounting lines to be established within a single document. The structure provides flexibility to:

- Perform batching function

- Support department budget coding

- Allow multi-partial payment scheduling.

Disbursement Document Structure

Each night Disbursement documents, EFT and AD, are generated based on the Scheduled Payment Date of each specific Accounting line. The Payment Request document may have several EFT and/or AD documents chain back to them.

Disbursement Process

Once Payment Request documents are entered and submitted to Final in MMARS, they go into a disbursement queue, where the overnight batch process creates disbursement transactions and generates a warrant file that is sent to the Treasurer. The Treasurer generates payments and sends them to the vendor. On a one-business day lag, the Treasurer then returns the payment information in the Warrant Return (WR) file back to MMARS, as illustrated below.

Schedule Payment Date

The Schedule Payment Date is the date that the system will use to process a payment to the vendor for goods or services rendered. The Scheduled Payment Date is calculated based on several payment date factors and is typically within 30 days of receiving the invoice from the vendor. If the Scheduled Payment Date is entered, a contract due date for example, then the Scheduled Payment Date must be equal or greater than the current day.

The Scheduled Payment Date determines when the Payment Request document will enter into the disbursement process. All Payment Request documents that are in the "Final" phase and have a Scheduled Payment Date of today (current day) or earlier will enter into the disbursement process.

If the Scheduled Payment Date is left blank, it will be calculated by the application. There are several factors that are involved in the calculation of Scheduled Payment Date:

- The application will determine if the Scheduled Payment Date is calculated based on the discount terms defined. The number of discount days is added to the latter of the "Service to Date" or "Vendor Invoice Date" (date received by the Commonwealth). If this date is greater than or equal to today's date, it will be used as the Scheduled Payment Date.

- If discount terms are not defined or are no longer eligible, the system will use the payment lag associated with the object code used on the payment. The object lag is added to the latter of the "Service To Date" or "Vendor Invoice Date" to determine the Scheduled Payment Date.

Managing Disbursements

In the Disbursement process, the Disbursement Request Table (DISRQ) and Disbursement Management table (DISBM) are used to manage pending payments that are to be disbursed. You can not only view pending payments, but also update payment information in the system. For example, the Commonwealth allows a Handling Code to be entered on all Payment Request documents, which determines how the payment will be handled. You can make changes to the Handling Code, Scheduled Payment Date, disbursement category and other functions on the Disbursement Request Table (DISRQ). If you needed to pull the payment, you could change the Handling Code on the DISRQ Table. These changes can be made since the payment has not yet been disbursed. For additional information about the DISRQ and/or DISBM, refer to the "Accounts Payable Overview" module.

Once the payments have been disbursed, you can find the related disbursement information on the Disbursement Query (DISBQ) and Disbursement Detail Query (DISBDQ) tables. The DISBQ displays summary information from the EFT and AD documents and the Check Reconciliation table for Disbursement documents. The DISBDQ displays detailed information from the EFT and AD documents and the Check Reconciliation table for Disbursement documents. Additionally, you can find and link to the associated Payment Request documents from the Disbursement document on the DISBDQ.