



## Standard operating procedure

Title: Handling invoice payment within deadline of 30 days (Standard Payments)		
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### 1. Purpose

The general Financial Regulation and its Rules of Application, both applicable as of 1 January 2013 require payments to be made within 90 days for complex payments subject to report approval, 60 days for standard payments subject to report approval and 30 days for all other payments, cf. Art. 92.

Article 77 of EMA's Financial Regulation refers to the general Financial Regulation and, as such, the agency is required to respect the same deadline.

The purpose of this SOP is to set targets for the processing of payments at each of the steps of the process, in order that the deadline of 30 calendar days, counting from the SAP baseline date, be achievable and the amount of default interest payment reduced to a minimum.

### 2. Scope

In accordance with Art. 92 of the general Financial Regulation, the time allowed for making payments shall be understood as including validation, authorisation and payment of expenditure. **It shall begin to run from the date on which a payment request is received.**

Type of payment	Baseline date in SAP (= date of receipt)	Payment terms
Invoice	Date of registration by A-FI-ACC or the department of the Authorising Officer (= creation date)	30 calendar days
Reimbursement to staff members, e.g. missions	Date of receipt of admissible expense claim	30 calendar days



Type of payment	Baseline date in SAP (= date of receipt)	Payment terms
Reimbursement to delegates	Date of receipt of admissible expense claim	30 calendar days

The payment terms are not applicable to staff payments made within the salary payment system.

This SOP does not describe the detailed internal procedures at each step of the payment process.

### 3. Responsibilities

All actors involved in the payment process must comply with this SOP.

In order to ensure that late payments are reduced to a minimum, all actors must aim to process all payment transactions within the deadline set for their stage of the process.

All actors must ensure that back-up is in place during absence in order to assure continuous processing of invoices and payments.

IAs must inform vendors of the functional e-mail address to which invoices, in pdf format only, must be sent: [ema.vendorinvoices@ema.europa.eu](mailto:ema.vendorinvoices@ema.europa.eu).

IAs must ensure that any additional information is provided in pdf format only, and attached to the relevant SAP transaction.

### 4. Changes since last revision

The SOP was updated to reflect the new workflow which provide for 'electronic' invoices, i.e. pdf documents received by e-mail.

### 5. Documents needed for this SOP

All documents needed for this SOP are standard documents already in use for the payment process.

A report is available in SAP which allows IAs and other financial actors to monitor invoices and payment deadlines, cf. transaction code MIR5 (parked invoices) and ZFI\_PAYMENTS\_IA (processing times)

### 6. Related documents

Regulation (EU, Euratom) No. 966/2012 on the financial rules applicable to the general budget of the Union:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:298:0001:0096:EN:PDF>

Commission Delegated Regulation on the rules of application on the financial rules applicable to the general budget of the Union:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:362:FULL:EN:PDF#page=3>

Financial Regulation of the European Medicines Agency:

[http://emeapplus/EMEAPlus\\_Documents/Planning\\_and\\_reporting/Budget/Financial%20regulation%20and%20related%20documents/FinancialRegulation01Jan2014.pdf](http://emeapplus/EMEAPlus_Documents/Planning_and_reporting/Budget/Financial%20regulation%20and%20related%20documents/FinancialRegulation01Jan2014.pdf)

Rules for the implementation of the Financial Regulation applicable to the budget of the European Medicines Agency:

[http://www.ema.europa.eu/docs/en\\_GB/document\\_library/Other/2010/10/WC500097683.pdf](http://www.ema.europa.eu/docs/en_GB/document_library/Other/2010/10/WC500097683.pdf)

Memo on 30 days payment deadline: doc. ref.: EMA/718014/2012

<https://docs.eudra.org/webtop/drl/objectId/090142b281f1c74c>

Monthly reports from A-FI-ACC on late payments

Summary of the Executive Director's decision to delegate powers of budget implementation, link:

[http://emeaplus/EMEAPlus\\_WebsiteNew/Financial\\_Matters/FinanceAndBudget/FinancialRegulationandrelateddocuments.htm](http://emeaplus/EMEAPlus_WebsiteNew/Financial_Matters/FinanceAndBudget/FinancialRegulationandrelateddocuments.htm)

SAP manuals on changing baseline dates:

- [FM invoices](#)
- [MM invoices](#)
- [NCA invoices](#)

Memo 'Introduction of pdf invoice receipt process', doc. ref.: EMA/550520/2013

## 7. Definitions

AO: authorising officer, staff member with budget responsibility and in the context of the payment process responsible for authorising the expenditure and thereby instructing the accounting officer to pay the item of expenditure

AP: accounts payable, part of A-FI-ACC where invoices are received and registered

OIA: operational initiating agent (= 'desk officer'), signs the invoice 'approved for payment' to indicate that services or goods have been delivered as per the invoice

FIA: financial initiating agent, responsible for the preparation of payment transactions

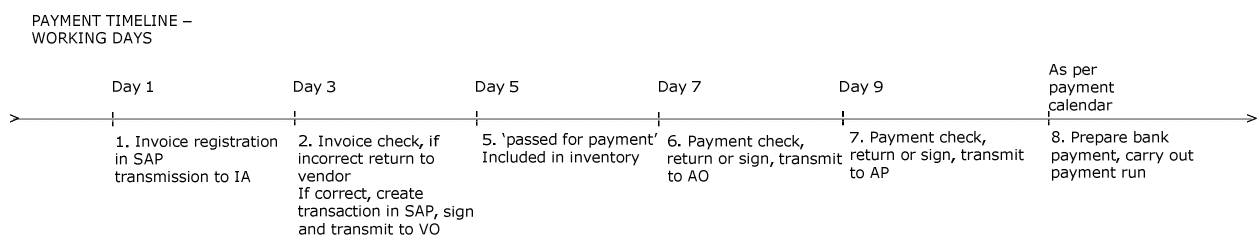
VO: verifying officer, responsible for conducting *ex-ante* verification of all financial transactions

Payment deadline: 30 calendar days, from receipt of invoice until the payment clears the agency's bank account. This translates into 20-22 working days in a standard calendar month without bank holidays.

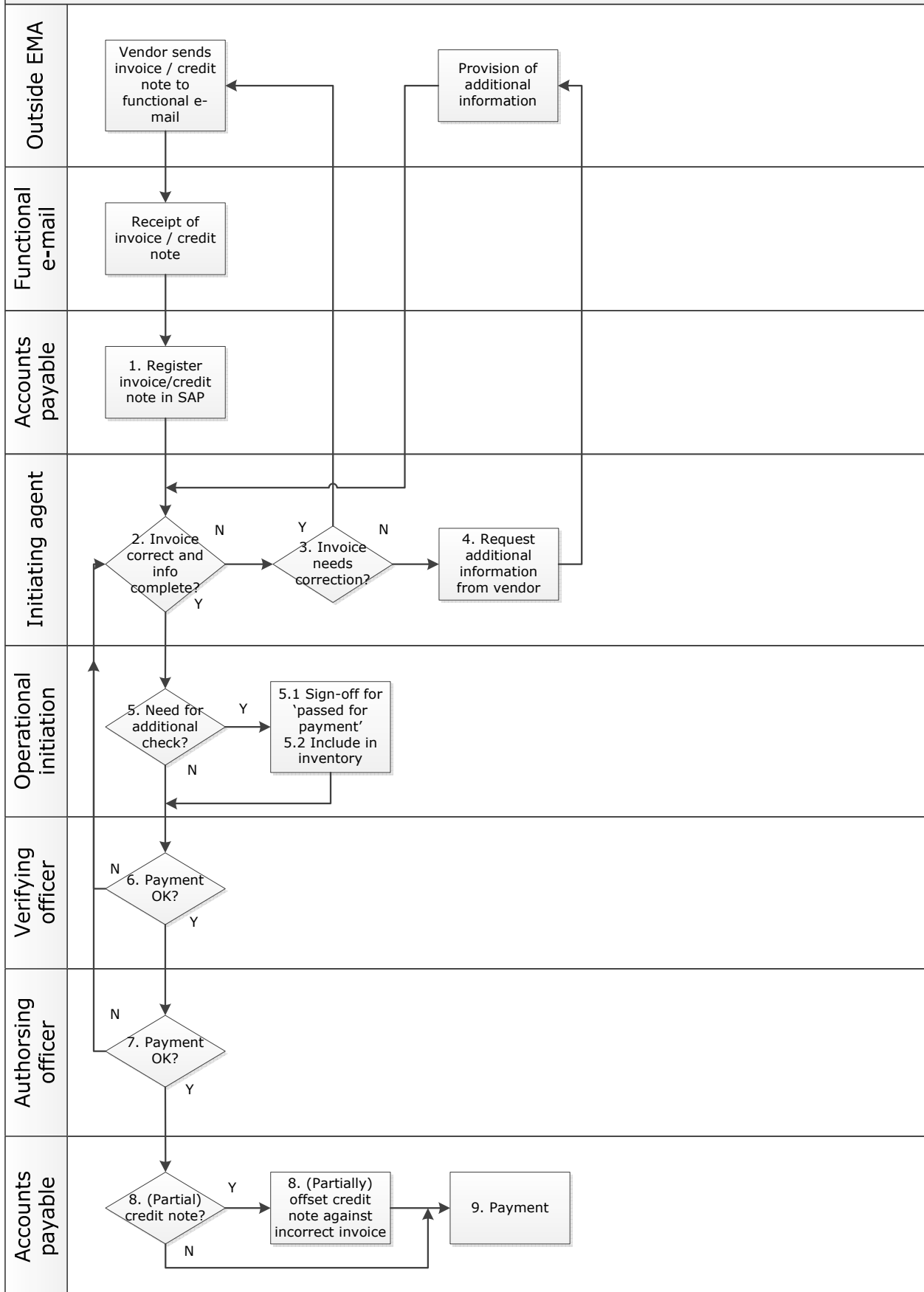
Standard payments: as defined in the table with types of payment, cf. point 2. Scope above.

## 8. Process map(s)/ flow chart(s)

Please note that the steps 'outside EMA' are not part of the workflow, but merely included in the flowchart for illustration purposes.



Title: flowchart for payment process STANDARD PAYMENTS



## 9. Procedure

Step	Action	Responsibility
1.	1.1 register invoice/credit note in SAP DEADLINE: within 2 days of receipt	AP
2.	2.1 check invoice and other documentation 2.2 if all is correct, prepare payment and sign in SAP 2.3 transmit to VO 2.4 go to <b>STEP 6</b> DEADLINE: within 2 days of receipt	FIA
3.	3.1 if payment is inadmissible due to incorrect invoice, contact vendor to request correct invoice / credit note 3.2 place the payment on hold awaiting correct invoice / credit note 3.3 if correction by full credit note: when received, attach it to the invoice and send to AP with request in writing for deletion of the invoice from SAP, go to <b>STEP 1</b> 3.4 if correction by partial credit note, go to <b>STEP 1</b> 3.5 when partial credit note received, go to <b>STEP 2</b>	FIA
4.	4.1 if payment is inadmissible due to need for clarification and/or additional information, contact vendor to request information 4.2 place the payment on hold awaiting new information 4.3 receive new/additional information, change baseline date in SAP, sign on paper and in SAP 4.4 transmit to OIA or direct to VO DEADLINE: within 2 days of receipt	FIA
5.	5.1 if applicable ensure that invoice is checked and signed 'passed for payment' by the right person 5.2 if applicable ensure that inventory is updated with new assets 5.3 transmit to VO DEADLINE: within 2 days of receipt	OIA
6.	6.1 check payment 6.2 if payment is incorrect, return to IA 6.3 go to <b>STEP 2</b> 6.4 if payment passes all checks, sign in SAP 6.5 transmit to AO DEADLINE: within 2 days of receipt	VO
7.	7.1 check payment 7.2 if payment is incorrect, return to IA 7.3 go to <b>STEP 2</b> 7.4 if payment passes all checks, sign in SAP 7.5 transmit to AP DEADLINE: within 2 days of receipt	AO
8.	8.1 (partially) offset any credit note against the invoice	AP
9.	9.1 prepare bank payment 9.2 carry out payment run	AP

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<b>Step</b>	<b>Action</b>	<b>Responsibility</b>
	DEADLINE: according to AP's payment calendar	

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## **10. Records**

Electronic records are kept in SAP, with back-ups in Documentum. Records should be kept in accordance with the rules for archiving and disposal of financial records, cf. Art. 31 of the Implementing Rules to the Financial Regulation.