Standard operating procedure

Title: Handling invoice payment within deadline of 30 days (rapporteur and inspector payments)		
Status: **PUBLIC**		Document no.: SOP/EMA/0134
Lead author	Approver	Effective date: 01-JUL-2014
Name: Claus Christiansen	Name: Michael Lenihan	Review date: 01-JUL-2017
Signature: “on file”	Signature: “on file”	Supersedes: SOP/EMA/0134 of 28-APR-14 (TW 4132)
Date:	Date:	TrackWise record no.: 4165

1. Purpose

The general Financial Regulation and its Rules of Application 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. Article 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 can be achieved.

DG Budget clarified that payments to national competent authorities are considered equivalent to member state payments, hence Article 77(5) of the EMA Implementing Rules to the Financial Regulation applies and no interest is payable to NCAs.

2. Scope

In accordance with Art.92 of GFR the time allowed for making payments shall be understood to include 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**
Rapporteur payments inspector payments	As per Executive Director decision on ‘Due dates for fees payable to the European Medicines Agency (EMA/260372 /2012 last updated 17 April 2012)’	30 calendar days

This SOP does not describe the detailed internal procedures at each step of the payment process. It also does not describe any processes taking place prior to the transfer into SAP of the data required for payment processing.

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 agree to process all payment transactions within the deadline set for their stage of the process.

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

4. Changes since last revision

SOP has been updated to refer to the new financial regulation and implementing rules.

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 ZFI_PAYMENTS_IA

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://intracomm.ec.testa.eu/budg/leg/frandir/_doc/_pdf/rap-c-2012-7507-final_en.pdf

Financial Regulation of the European Medicines Agency:

http://emeaplus/EMEAPlus_Documents/Planning_and_reporting/Budget/Legislation%20and%20related%20documents/FinancialRegulation01Jan2014.pdf

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

http://emeaplus/EMEAPlus_Documents/Planning_and_reporting/Budget/Legislation%20and%20related%20documents/ImplementingRules1Jan2014.pdf

Memo on 30 days payment deadline: doc. ref. EMA/711873/2012, 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, doc. ref. EMA/620417/2012, https://docs.eudra.org/webtop/drl/objectId/090142b281e925c7

SAP manuals on changing baseline dates:

http://emeaplus/EMEAPlus_Documents/Planning_and_reporting/Budget/SAP/Financial%20matters%20-%20SAP/SAPmanualchangeofbaselinedateinFMinvoices.doc http://emeaplus/EMEAPlus_Documents/Planning_and_reporting/Budget/SAP/Financial%20matters%20-%20SAP/SAPmanualchangeofbaselinedateinMMinvoices.doc

http://emeaplus/EMEAPlus_Documents/Planning_and_reporting/Budget/SAP/Financial%20matters%20-%20SAP/SAPmanualchangeofbaselinedateinMMinvoicesforEP4updatedwithadollarsign.doc
Memo: due dates for fees payable to the European Medicines Agency, doc. ref.: EMA/260372/2012

7. Definitions

AO: authorising officer, staff member with budget responsibility

AP: accounts payable, part of A-FI-ACC where payments are processed.

IA: initiating agent, responsible for the preparation of payment transactions

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

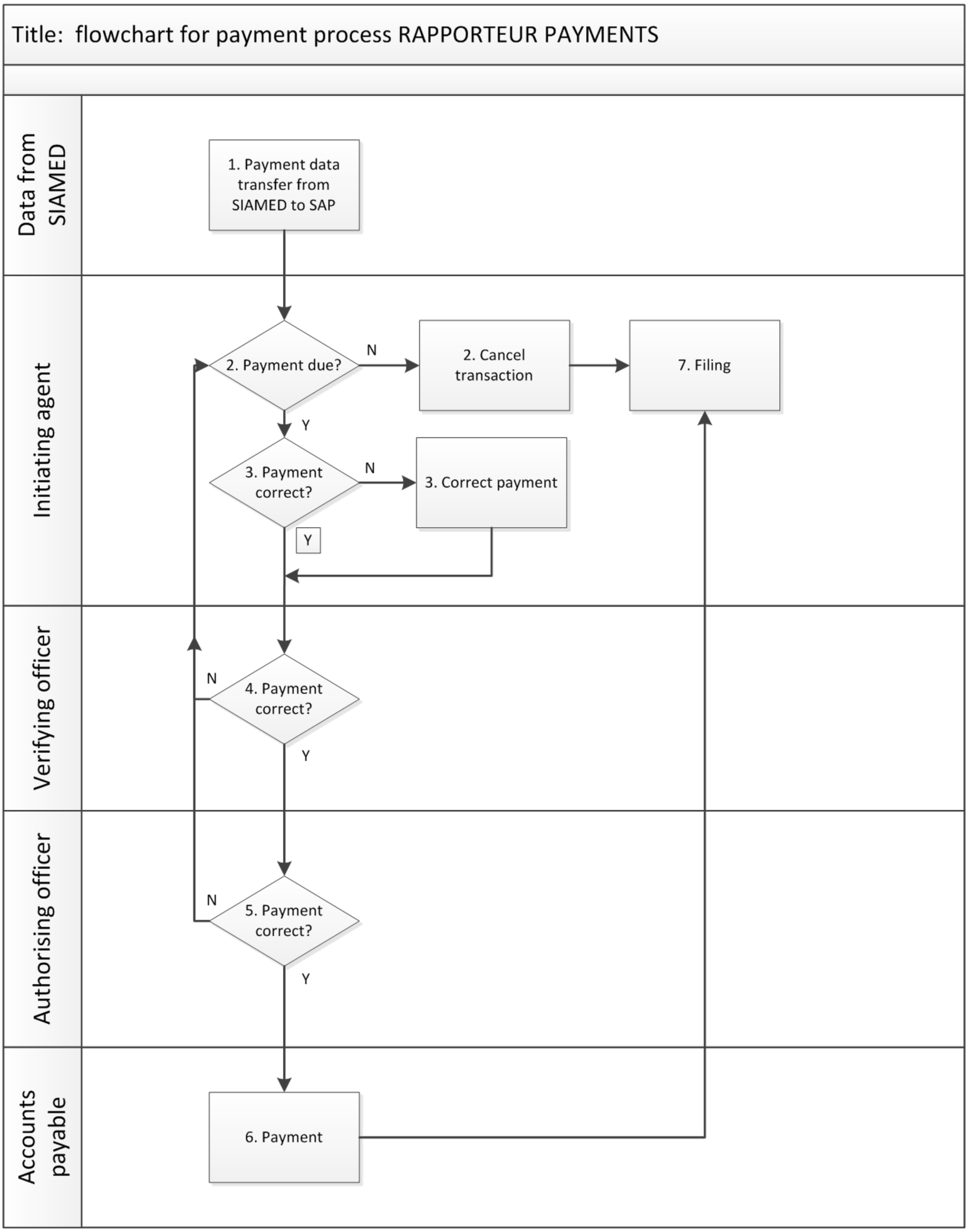
GFR: General Financial Regulation

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.

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

PAYMENT TIMELINE – WORKING DAYS

Day 0	Day 2	Day 4	Day 6	As per payment calendar
1. Transfer of payment details to SAP	2. Invoice check, if incorrect return to vendor If correct, create transaction in SAP, sign and transmit to VO	4. Payment check, return or sign, transmit to AO	5. Payment check, return or sign, transmit to AP	6. Prepare bank payment, carry out payment run


Title: flowchart for payment process RAPPORTEUR PAYMENTS
Data from SIAMED
Initiating agent
Verifying officer
Authorising officer
Accounts payable
1. Payment data transfer from SIAMED to SAP
2. Payment due?
N
2. Cancel transaction
7. Filing
Y
3. Payment correct?
N
3. Correct payment
Y
N
4. Payment correct?
Y
N
5. Payment correct?
Y
6. Payment

9. Procedure

Step	Action	Responsibility
1.	• transfer from SIAMED to SAP of payment related information DEADLINE: within 2 days of payment trigger	IA
2.	• check payment • if payment is undue, cancel transaction • go to **STEP 7** • if payment is due • go to **STEP 3** • DEADLINE: within 2 days of transfer to SAP	IA
3.	• if payment is incorrect, make correction(s) • if payment is correct, sign on paper and in SAP • transmit to VO • DEADLINE: within 2 days of transfer to SAP	IA
4.	• check payment • if payment is incorrect, return to IA • go to **STEP 2** • if payment passes all checks, sign on paper and in SAP • transmit to AO • DEADLINE: within 2 days of receipt	VO
5.	• check payment • if payment is incorrect, return to IA • go to **STEP 2** • if payment passes all checks, sign on paper and in SAP • transmit to AP • DEADLINE: within 2 days of receipt	AO
6.	• prepare bank payment • carry out payment run • DEADLINE: in accordance with AP's payment calendar	AP
7.	• file documents	IA

10. Records

Paper records should be kept in accordance with the rules for archiving and disposal of financial records, cf. Article 31 of the Implementing Rules to the Financial Regulation.