



PROCURE-TO-PAY

GLOSSARY OF FREQUENTLY USED TERMS

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This document will be updated periodically. For questions or request to add a definition, please contact Faye McCullough at Faye.Mcullof@ucsd.edu.

Term	Definition
ACH	Acronym for the automated clearing house electronic network for financial transactions in the US. The ACH processes large volumes of credit and debit transactions in batches; for UC ACH is the electronic file that is transferred to our partner bank, by the individual campuses for processing; ACH have for a large part replaced the issuance of checks along with the virtual card program.
AP Card	A procurement card issued to AP personnel to settle invoices on a case by case basis. An AP card differs from traditional procurement card as it is used to settle invoices rather than to make a point of sale purchase.
Cash (early pay) Discount	<p>A cash discount (deduction in amount remitted) is referred to as being earned as it is performance based. Earned by UC when paying an invoice on an expedited basis on/or before the discount date or within the discount grace period (early pay, dynamic), e.g., a cash discount usually refers to a 2% discount offered off the discountable portion of an invoice if paid in the first 10 days (2 % 10 net 30).</p> <p>An alternate form of a cash <u>Dynamic Discount</u> gives purchasers flexibility to choose how and when to pay suppliers in exchange for a discount; 'dynamic' factor refers to the option to provide discounts based on the dates of payment to supplier. <i>P2P will be assessing the opportunity for dynamic discounting.</i></p>
Check	A negotiable instrument that orders our bank to pay a specific amount from a campus account to the payee in whose name the check has been issued. When a campus issues a check the funds are typically drawn from a Controlled Disbursements Account. Front-end and back-end processing including blank check stock security, printing, signing, reconciliation, and unclaimed and uncashed check maintenance are managed by the campus.
CSV	An acronym for comma separated values is a simple file format used to store tabular data, such as a spreadsheet or database. Files in the CSV format can be imported to and exported from programs that store data in tables, such as Microsoft Excel or OpenOffice Calc.
cXML	cXML commerce eXtensible Markup Language protocol for communication of business documents between procurement applications, e-commerce hubs, and suppliers; provides formal XML schemas for standard business transactions, allowing programs to modify and validate documents without prior knowledge of their form; many supplier portals such as Jaggaer and third party data partners dealing with e-invoicing use cXML as the standard language.
EDI	Acronym for Electronic Data Exchange; process used to transfer data from one computer system to another by standardized message formatting; tends to be proprietary and with transaction fees/costs, is also used for many types of transactions including some fund transfers using a specific transaction data set.

e-invoice (electronic invoice)	e-invoice also referred to as invoice automation; an e-invoice is structured data presented typically in cXML format; can be transmitted using web portals in a number of formats including EDI, PO flips and CSV files. For the P2P Matrix, e-invoicing refers to any non-paper and non-PDF format. Electronic invoicing allows for faster invoice processing, shorter payment terms and eliminates the dependency of paper invoice management.
e-payment (electronic payment)	Broad term for payment by other than a check, might utilize virtual payment cards, push payments, straight through payments (STP), buyer initiated payments (BIP), supplier, single-use accounts and electronic invoice presentment and payment (EIPP). Each provider has a proprietary name for its particular solution; functionality and processes vary.
Ghost Card	A procurement card number that's specific to a supplier by a campus. Suppliers use the card number to settle purchases. Purchases made on ghost cards are charged back to the campus under which the card was issued by the issuing bank.
Invoicing, Terms, and Settlement Matrix	P2P Matrix standardizes receipt of invoices and payment terms to encourage and guide suppliers in adopting UC approved methods; matrix offers flexible options for suppliers and incentives for using them, in turn, UC can realize process efficiencies and generate revenue. Matrix is for suppliers. In practice, the goal is to set the tone and awareness for improved terms and options.
Payment Terms	Payment rules traditionally imposed by suppliers. P2P Matrix shifts this paradigm so the UC drives the terms e.g., '2% 10 Net 45' means the UC pays within 10 days, supplier gives a 2% discount off the discountable amount if the campus cannot pay within 10 days, payment is made within 45 days. With the matrix, there's flexibility to change terms to drive the greatest benefit to the UC; difference between 2% 10 Net 30 and Net 45 is the opportunity to capture the early payment discount; not without risk in that we pay the vendor faster <i>even if we fail to capture the discount</i> (this is driven by the individual campus).
Paymode-X	Paymode-X is a B2B electronic payment network (ACH network), processing over \$200 billion per year to more than 365,000 member organizations. Payers and suppliers leverage the power of this innovative, cloud-based solution to simplify the migration to electronic payments. <u><i>P2P Proof of Concept – Fall 2017.</i></u>
Paper Invoice	Invoice mailed (USPS, FedEx, et al) by the supplier; includes an invoice that is received by mail, OCR, PDF, FAX, excel (or other) flat file including attachments to email messages not directed to a specific invoice imaging application.
Payment Plus	Payment Plus (P+) a preferred payment method; virtual pcard that provides accelerated payments to suppliers, as well as fraud protection and earns the UC incentives. <u>P+ is the US Bank's name for their vcard program.</u> See <i>Virtual Card</i> .
Pcard Incentive	Pcard Incentive payment made by the card issuer based on contract with UC;

	various components and performance thresholds drive the calculation of the revenue shared with each campus.
Straight-thru Processing (STP)	General term for invoices/payments received/remitted by UC as data not requiring manual input and pass thru an automated workflow.
Supplier	Industry-wide term used to connote conventional suppliers (suppliers not excluded by category such as small business, foreign and commodity); for the P2P Matrix, this simply means all suppliers for which the UC does not need to consider special handling and/or otherwise have negotiated specific terms and options.
Structured Data	<p>Characteristically structured data refers to information with a high degree of organization, such that inclusion in a relational database is seamless and readily searchable by simple, straightforward search engine algorithms or other search operations; whereas unstructured data is essentially the opposite. For the P2P Matrix, structured data is the Invoicing Method for Option 1.</p> <p><i>Unstructured data (or unstructured information) refers to information that either does not have a pre-defined data model or is not organized in a pre-defined manner such as attachments to an email message.</i></p>
Transcepta	Several UC locations have partnered with a third party provider, Transcepta, for electronic invoicing. Electronic invoicing benefits our clients by allowing them various ways of submitting their invoices. Registration with Transcepta is cost-free for suppliers and they can chose to submit their invoices through EDI, XML, PDF email, virtual printer or web portal.
Virtual Card (vcard)	Virtual Card is a preferred settlement option; provides accelerated payments to suppliers, as well as fraud protection and earns the UC incentives. Vcard allows for secure delivery of automated pcard payments to suppliers. By accepting vcard, our clients will see accelerated payments, a streamlined accounts receivable process, and real-time notifications for each card payment. Suppliers can chose to receive payments directly into their merchant account, or they can process the transaction at their payment terminal. The increase automation reduces fraud, increases efficiencies, and offers greater control.