Vendor invoice automation
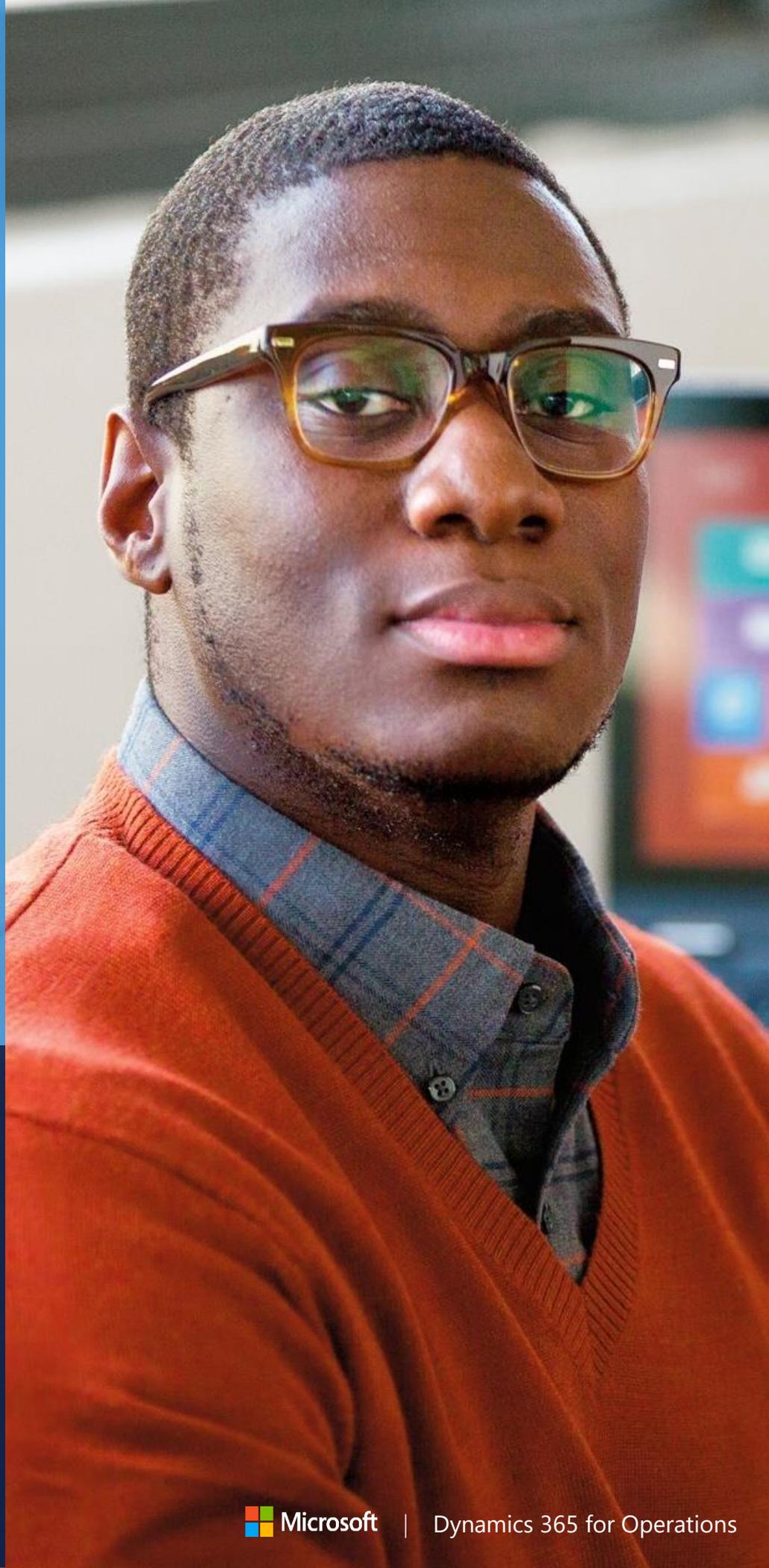
This topic explains the features for vendor invoice automation that are available in Microsoft Dynamics 365 for Operations.
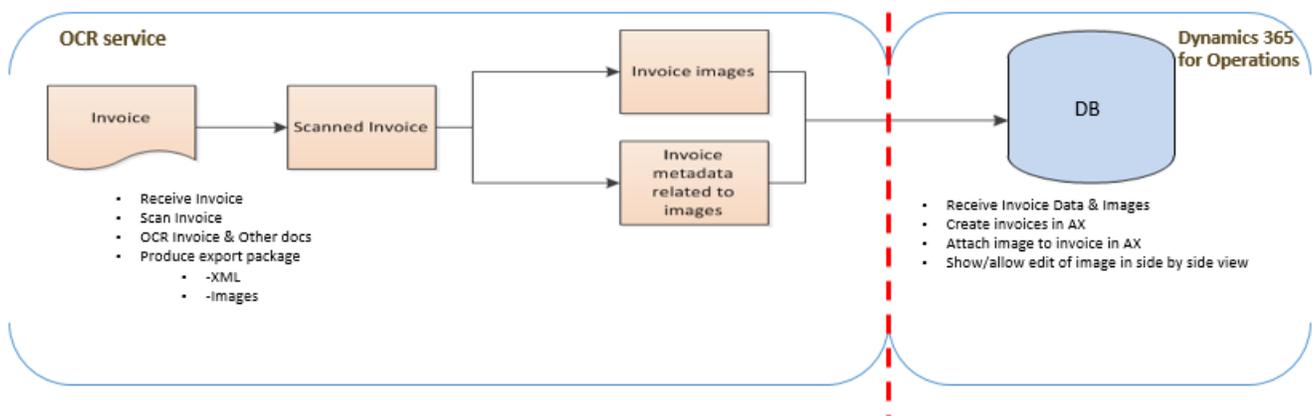
Microsoft | Dynamics 365 for Operations

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Vendor invoice automation

Organizations that want to streamline their Accounts payable (AP) processes often identify invoice processing as one of the top process areas that should be more efficient. In many cases, these organizations offload the processing of paper invoices to a third-party optical character recognition (OCR) service provider. They then receive machine-readable invoice metadata together with a scanned image of each invoice. To help with automation, a "last mile" solution is then built to enable consumption of these artifacts in the invoicing system. Microsoft Dynamics 365 for Operations now enables this "last mile" automation out of the box.

Solution context

The invoice automation solution in Dynamics 365 for Operations enables a standard interface that can accept both invoice metadata for the invoice header and invoice lines, and the attachments that are applicable to the invoice. Any external system that can generate artifacts that comply with the Dynamics 365 for Operations interface will be able to send the feed into Dynamics 365 for Operations for automatic processing of invoices and attachments.

The following illustration shows a sample integration scenario where Contoso has partnered with an OCR service provider for vendor invoice processing. Contoso's vendors send invoices to the service provider by email. Through OCR processing, the service provider generates invoice metadata (header and/or lines) and a scanned image of the invoice. An integration layer then transforms these artifacts so that Dynamics 365 for Operations can consume them. The red dotted line in the illustration represents this integration layer. Typically, this integration layer does the required transformation and invokes Dynamics 365 for Operations to feed it the artifacts.

Several variations of the preceding scenario are possible where invoice integration is required. Data migration is another use case where this interface can be used to create invoices in Dynamics 365 for Operations, together with attachments.

Solution components

The solution footprint consists of the following components in Dynamics 365 for Operations:

- Data entities for the invoice header, invoice lines, and invoice attachments

- A side-by-side attachment viewer on the **Pending vendor invoices** and **Invoice journal** inquiry pages

Data entities

A data package is the unit of work that must be sent to Dynamics 365 for Operations to create invoice headers, invoice lines, and invoice attachments. The following data entities are used for the artifacts that make up the data package:

- Vendor invoice header

- Vendor invoice line

- Vendor invoice document attachment

Vendor invoice document attachment is a new data entity that is introduced in Dynamics 365 for Operations as part of this feature. The Vendor invoice header entity has been modified so that it supports attachments. The Vendor invoice line entity hasn't been modified for this feature.

This topic doesn't give a detailed definition of a data package. It also doesn't explain how to create data packages. For this information, see Data entities and packages framework.

To quickly generate test data that includes invoices and attachments, follow these steps.

1. Sign in to your Dynamics 365 for Operations instance.

2. Go to **Accounts payables** > **Invoices** > **Pending vendor invoices**.

3. Create invoices that have lines and attachments.
   Note: The attachments must be header attachments. Currently, the Vendor invoice document attachment entity doesn't support line attachments.

4. Open the **Data management** workspace.

5. Create an export job that includes the Vendor invoice header, Vendor invoice line, and Vendor invoice document attachment entities.

6. Export the data.

7. Download the exported data as a package. You can now use the package to import data into target instances for testing purposes.

To import vendor invoices together with attachments, you can run the standard Data management recurring integration job for integration scenarios on the data package.

Side-by-side attachment viewer

To help you easily view the attachments for vendor invoices, Dynamics 365 for Operations now provides an attachment viewer on the following pages that are used in the invoicing process:

- **Pending vendor invoices** (also available in the invoice review process)
- **Invoice journal** inquiry (for posted invoices)
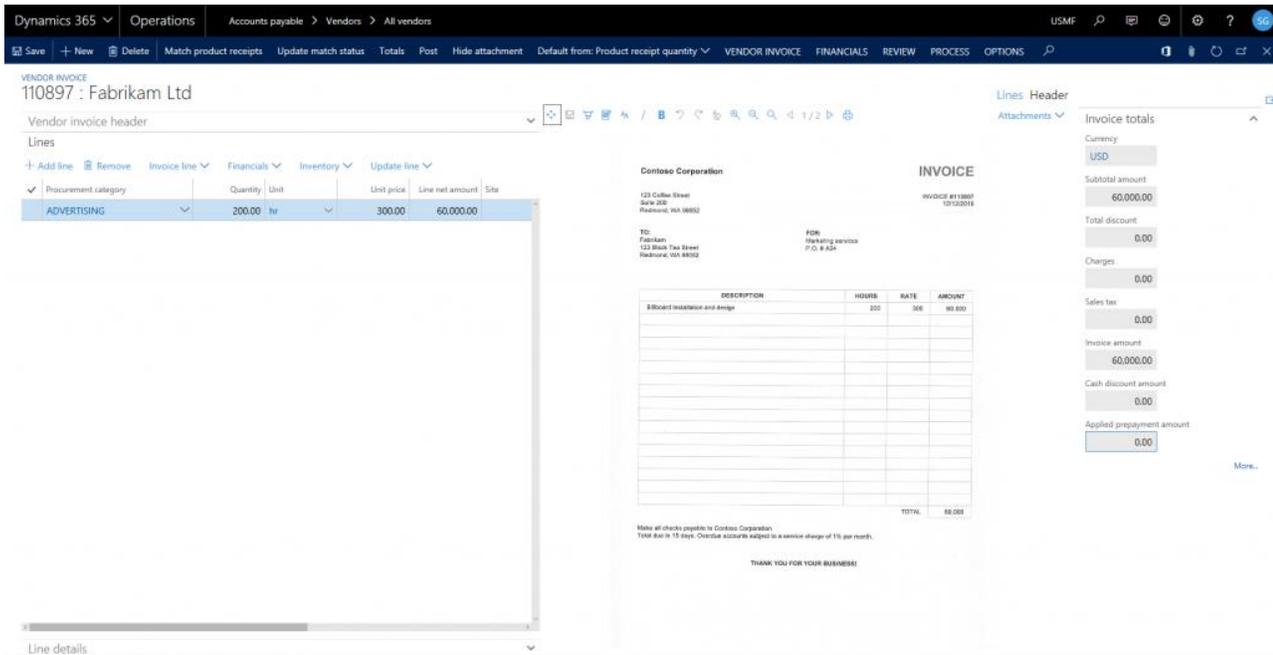
Here is the main functionality that the attachment viewer provides:

- View all attachment types that Document management supports (files, images, URLs, and notes).
- View multi-page TIFF files.
- Perform the following actions on image files:
  - Highlight parts of the image.
  - Block parts of the image.
  - Add annotations to the image.
  - Zoom in and out on the image.
  - Pan the image.
  - Undo and redo actions.
  - Fit the image to size.

Note: Changes that you make to an image by using these actions are saved to the image file. Currently, the attachment viewer doesn't include versioning or audit capabilities.

Default attachment

If a vendor invoice has more than one attachment, you can set one of the documents as the default attachment on the **Attachments** page. The **Is default attachment** option is a new option that was added as part of this feature.

This option is also exposed in the Vendor invoice document attachment data entity. Therefore, the default attachment can be set through integrations.

Only one document can be set as the default attachment. After you set a document as the default attachment, it's automatically shown in the attachment viewer when the invoice is opened. If you don't set any document as the default attachment, the viewer doesn't automatically show any attachment when the invoice is opened.

OTHER INFORMATION

Is default attachment

Yes

Show/hide invoice attachments

A new button that is available on the **Exception processing**, **Pending invoice**, and **Invoice journal** inquiry pages lets you show or hide the attachment viewer.

Security

The following actions in the attachment viewer are controlled via role-based security in Dynamics 365 for Operations:

- Highlighting

- Block

- Annotation

Pending vendor invoices page

The following privileges provide ready-only access or read/write access to the attachment viewer for the highlighting, block, and annotation actions:

- **Maintain vendor invoice image** – This privilege provides read/write access.

- **View vendor invoice image** – This privilege provides read-only access.

The following duties provide read-only access or read/write access to the attachment viewer for those actions:

- **Maintain vendor invoices** – The Maintain vendor invoice image privilege is assigned to this duty.

- **Inquire into vendor invoice status** – The View vendor invoice image privilege is assigned to this duty.

The following roles provide read-only access or read/write access to the attachment viewer for those actions:

- **Accounts payable clerk** and **Accounts payable manager** – The Maintain vendor invoices duty is assigned to these roles.

- **Accounts payable clerk**, **Accounts payable manager**, **Accounts payable centralized payments clerk**, and **Accounts payable payments clerk** – The Inquire into vendor invoice status duty is assigned to these roles.

Invoice journal inquiry page

The invoices on the **Invoice journal** inquiry page are posted invoices. Therefore, the highlighting, block, and annotation actions aren't available for invoice images that you view in the attachment viewer on this page.

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