

## SPEND PLANS

Spend plans can be created for recurring expenses (weekly, monthly, quarterly, or other frequency) that are unset, variable amounts, but vary with some predictability. An example is utility bills. Other times, a budget is approved for a project and there is some predictability as to the suppliers and the overall expensed amount, but the specific amounts of individual invoices are not known ahead of time.

Spend plans are created and managed by a plan manager. Plan managers are professional users who are granted rights that allow creating new plans and managing existing ones. The plan manager creates spend plans for the invoices that are recognized as recurring. A unique plan is created for each invoicing reason, for example, rental invoices have plans of their own and cleaning invoices have plans of their own. The plans are organization specific and supplier specific.

**Note:** Spend plans do not actually pay the invoice. That is still handled by your ERP system.

### Spend Plan Types

**Self-Billing Plans:** They are used when it has been agreed that the supplier does not send invoices to the buyer, but instead the buyer pays the supplier according to a predefined payment schedule and agreement.

- Example**
- A monthly payment is made internally from one business unit to another. No invoice is sent for these payments.
  - The office lease is due on the first day of the month.

**Budget-Based Plans:** They are used when the supplier sends invoices for various reasons at an irregular interval.

- Example**
- A project that involves various purchases and services and has a certain budget for the total spend.
  - Blanket purchase order with a supplier.

**Scheduled-Based Plans:** This plan is used when the supplier sends an invoice for a specific reason with the same content at a regular interval.

- Example**
- A subscription invoice sent once a month with the same amount.
  - A monthly utility bill with small changes in the amount each billing period.