LESSON 3: PURCHASING DOCUMENTS AND THE PROCUREMENT PROCESSES

STATE INFORMATION TECHNOLOGY

B&CB

SC BUDGET AND CONTROL BOARD

Lesson 3 Learning Objectives

- Upon completion of this lesson, you should be able to:

  – Generate a list of open purchase orders (POs).

  – Close purchase orders and corresponding requisitions (if applicable) in the current fiscal year.

  – Understand the importance of completing all goods receipts by June 30th and invoice receipts by July 16th.

  – Create Shopping Carts for FY11

Key Transactions

- ME2N – List Display by Purchase Order Number

- ME22N – Change Purchase Order

- BW – Open Encumbrance Report

Purchasing at Year-end

- Near the end of the year, <u>funding begins to tighten</u>, especially <u>using encumbrances</u>.

- It is important to <u>manage your purchase orders (PO's)</u> to free up budget necessary to complete payments.

- Because purchase orders encumber budget, it is <u>important to delete or reduce those documents which will not be paid in the current year</u>, so you will have sufficient budget and cash in State funds.
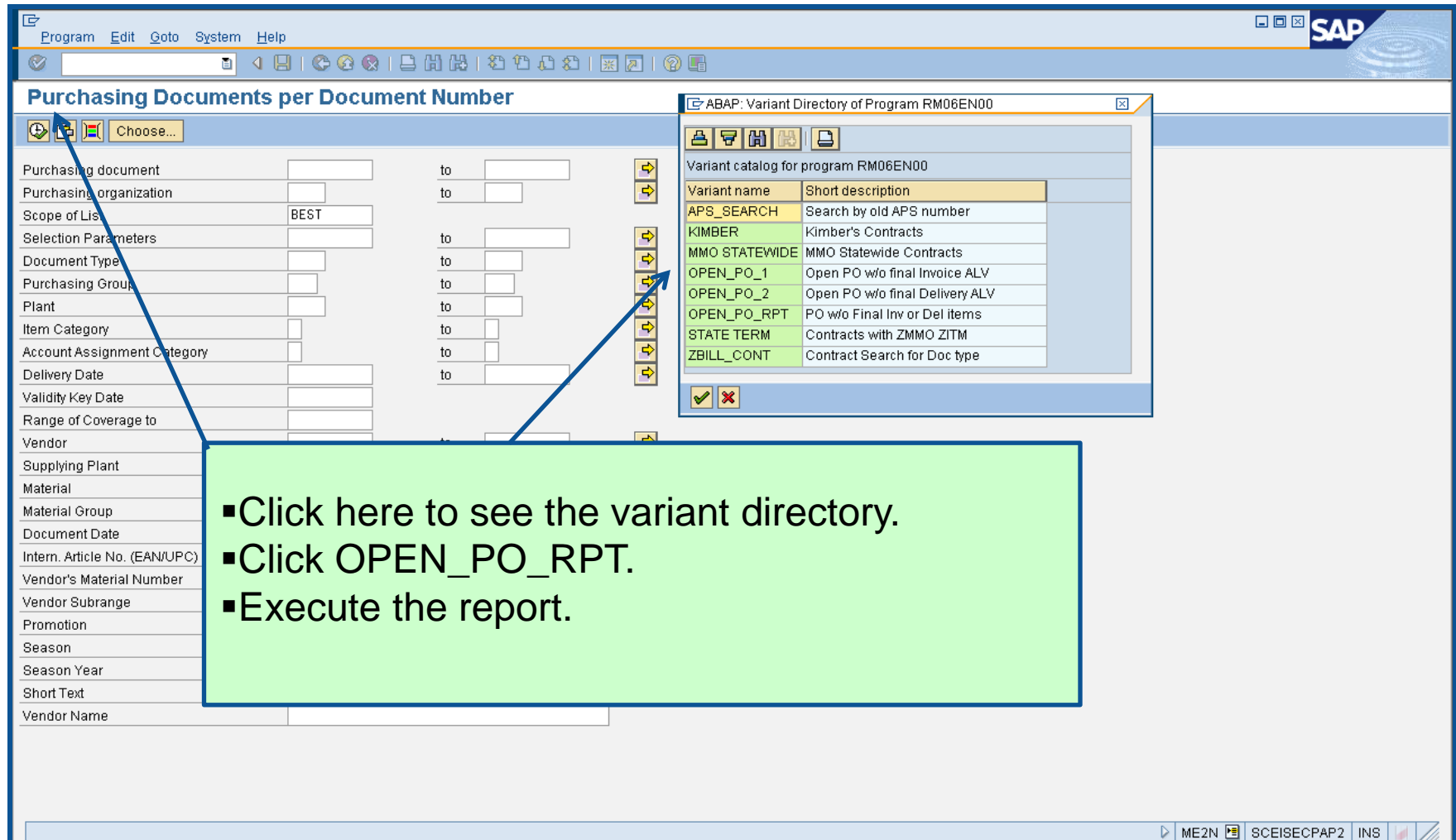
Purchasing at Year-end, cont.

- A list of open Purchase Orders can be useful in identifying
    - PO's that are no longer appropriate or necessary, and
    - PO's that may need to be reduced in quantity or price.

- Use transaction code **ME2N** for a list of POs.

- Review these lists regularly during the months of June and July to aid in releasing budget for spending at year-end.

- Use transaction code **ME22N** to delete PO's and also "final invoice" Blanket Purchase Orders.

ME2N – Open Purchase Orders

- You can also use transaction code ME2N to view a variant report with open purchase orders; this report **will pick all line items where "still to be delivered qty" or "still to be invoiced qty" is not equal to 0**.

- ME2N does not show any Purchase Order that has the Final Invoice selected or delivery completed indicator set.

ME2N with Variant

Purchasing Documents per Document Number

Purchasing document
Purchasing organization
Scope of List: BEST
Selection Parameters
Document Type
Purchasing Group
Plant
Item Category
Account Assignment Category
Delivery Date
Validity Key Date
Range of Coverage to
Vendor
Supplying Plant
Material
Material Group
Document Date
Intern. Article No. (EAN/UPC)
Vendor's Material Number
Vendor Subrange
Promotion
Season
Season Year
Short Text
Vendor Name

ABAP: Variant Directory of Program RM06EN00

Variant catalog for program RM06EN00

Variant name	Short description
APS_SEARCH	Search by old APS number
KIMBER	Kimber's Contracts
MMO STATEWIDE	MMO Statewide Contracts
OPEN_PO_1	Open PO w/o final Invoice ALV
OPEN_PO_2	Open PO w/o final Delivery ALV
OPEN_PO_RPT	PO w/o Final Inv or Del items
STATE TERM	Contracts with ZMMO ZITM
ZBILL_CONT	Contract Search for Doc type

▪Click here to see the variant directory.
▪Click OPEN_PO_RPT.
▪Execute the report.

ME2N SCEISECPAP2 INS

ME2N with Variant cont.

ME2N with Variant cont.

Purchase Order History Detail

ME2N – Open Purchase Orders cont.

- You will be able to see if a PO is completed by comparing two fields:

  – Still to be delivered

  – Still to be Invoiced

- Zero in both field means it has been completed.

- Zero in "Still to be Delivered" means it has been received and there are no items to be delivered.

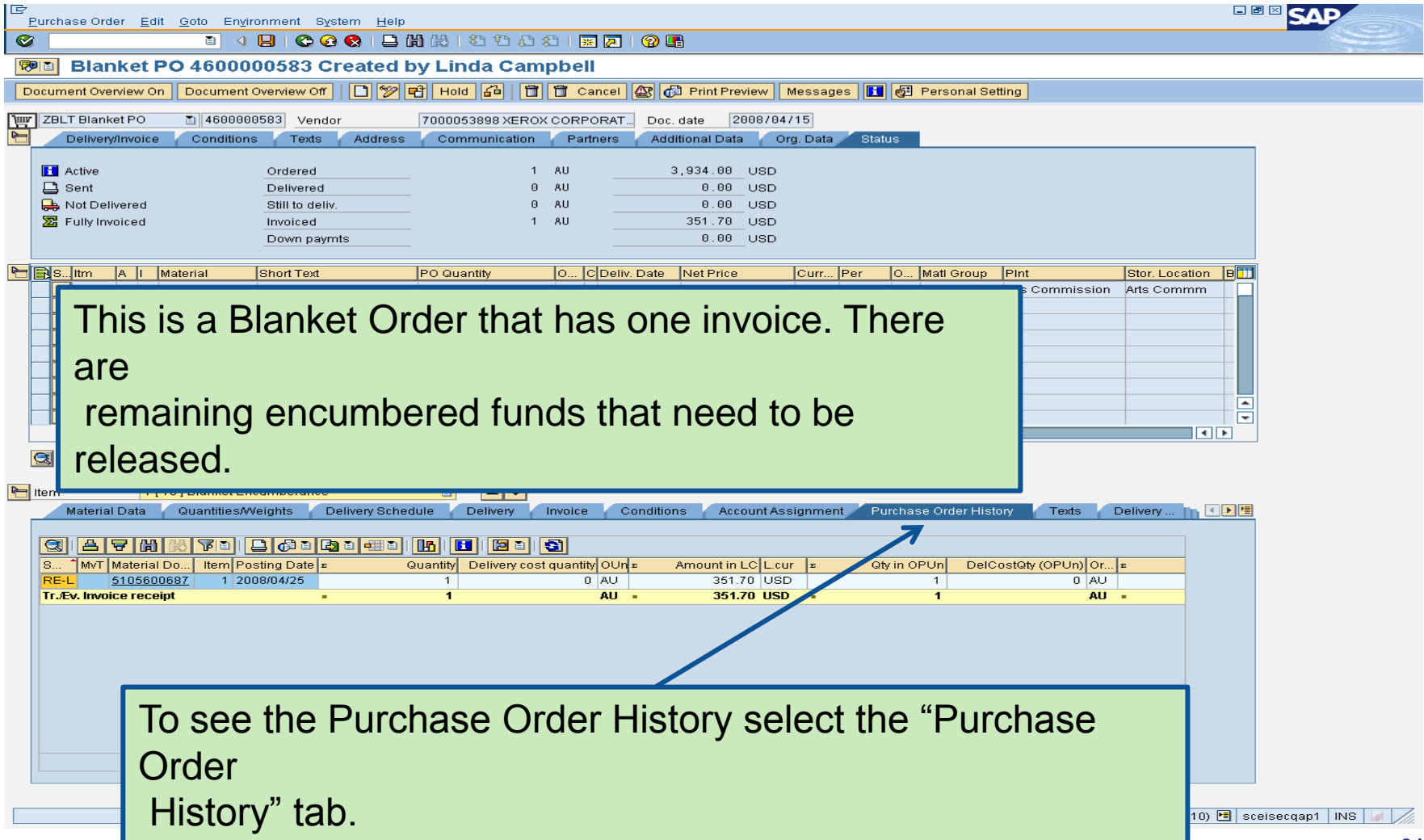- Zero in "Still to be Invoiced" means <u>all</u> items have been invoiced.

Closing Open POs

- Once you have reviewed your listings of open POs, you may find items that need to be deleted for various reasons:

  - PO that will not be delivered or needs to be cancelled

  - PO that has items that cannot be delivered

  - PO that has items that need to be reduced

- Remember, POs encumber budget. It is important to have only those POs open that should be open at this point to free up budget for payments.

- Do not close an open PO that has a goods receipt. An invoice should be pending, which will require the PO.

Select Final Invoice

- If you have already received or invoiced a Purchase Order but there is still encumbered funds you can release the funds by selecting "Final Invoice."

- Use transaction **ME22N** to select "Final Invoice" and close a PO.

Closing a PO - ME22N

This is a Blanket Order that has one invoice. There are
 remaining encumbered funds that need to be released.

To see the Purchase Order History select the "Purchase Order
 History" tab.
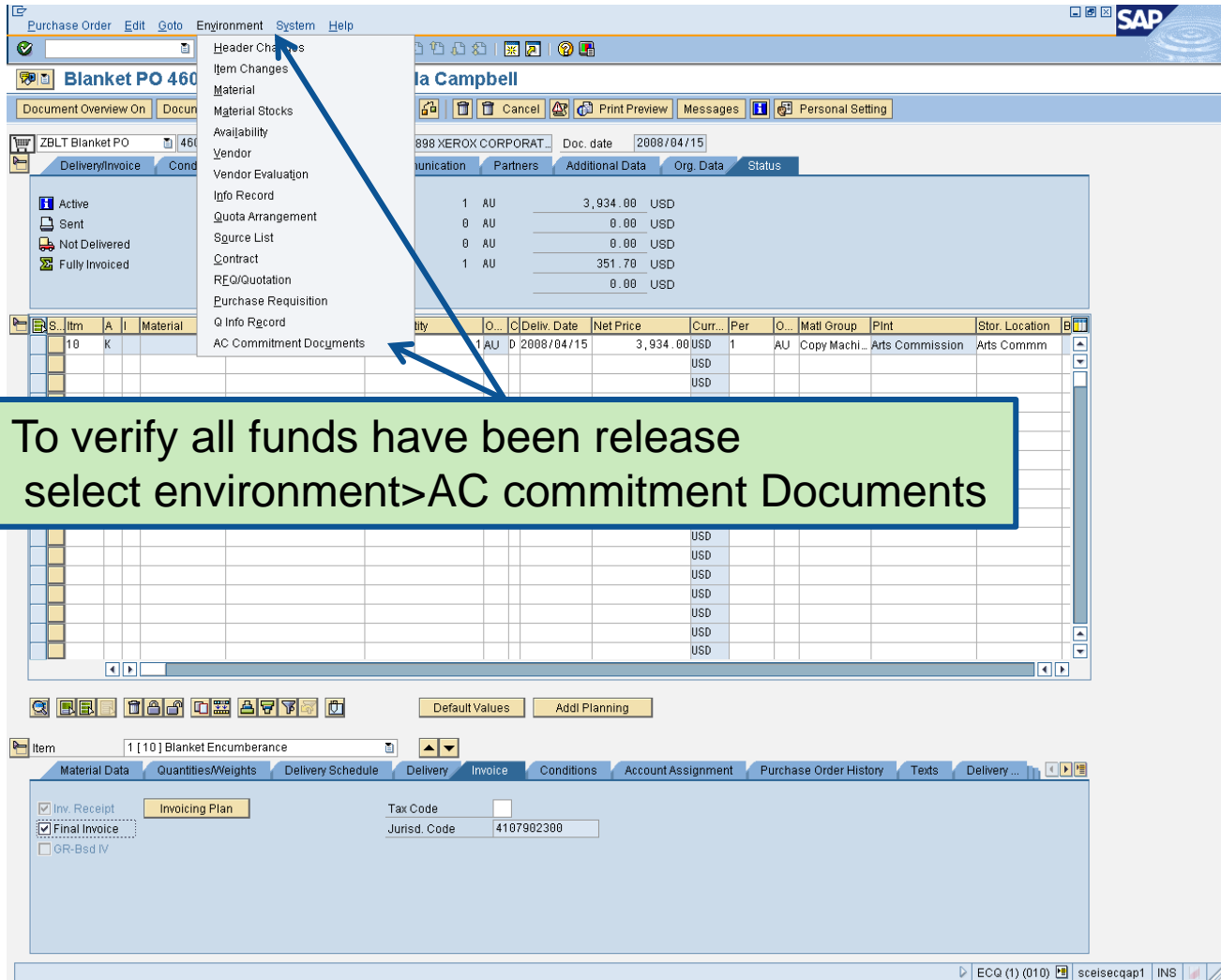
Closing a PO - ME22N cont.

To release any remaining funds you need to select the "Invoice" tab, then select the "Final Invoice" check box.

Closing a PO - ME22N cont.

To verify all funds have been release
select environment>AC commitment Documents

Closing a PO - ME22N, cont.

Closing a PO - ME22N cont.

You can see by this screen that all funds have been released from this Purchase Order.

Note: Since we are completing this PO through the invoice and not deleting it, the funds are not returned to the PR; therefore, you do not have to delete the PR using this method.

Open Encumbrance Report

- **The Business Warehouse Open Encumbrance Report shows ALL open Encumbrances including:**
  - Open Purchase Orders
  - Open Requisitions
  - Parked FI documents
  - Funds Block is being added

  *Business Warehouse (BW) training is posted on the SCEIS Website in uPeform.

Completing Goods Receipts and Invoices

- Besides freeing up budget for unnecessary POs, it is important to <u>post all goods receipts and invoices</u> prior to year-end.

- Goods receipts posting allow invoices to be paid. If <u>goods receipts are not posted</u>, <u>payments cannot be processed.</u>

- Invoices for goods and services <u>received by June 30</u> should be paid in the current year; otherwise, <u>new year funds will be used for prior year expenditures</u> and prior year funds will lapse which may cause budget shortfall in the new year.

Creating Shopping Carts for FY 11

- End users can begin creating shopping carts NOW for FY 11.

- If Account Assignment is known, Shopping Carts can be created and placed on hold for future release by checking "Future Fiscal Year Shopping Cart"

Step 3: Complete and Order

To make it easier to find the shopping cart later, enter a name for the shopping cart.
In the approval preview, you can see who is responsible for approval of the shopping cart. Yo

Name of Shopping Cart   FY10 Office Supplies

Future Fiscal Year Shopping Ca ☑

Notes for Approval

Approval Preview | Budget

Order Hold Check

Lesson 3 Summary

- You should now be able to:

  - Generate a list of open purchase orders (POs).

  - Close purchase orders in the current fiscal year.

  - Understand the importance of completing all goods receipts by June 30th and invoice receipts by July 16th.

  - Create Shopping Carts for FY 11.