



Appendix A - Direct Purchase Order Process Manual



Introduction

Direct Purchase Orders (DPO's) enable individual departments and units to purchase goods and services directly with a value of \$2,000 or less without prior approval or processing through Procurement Services Department. The purpose of this policy is to provide faster procurement services to the departments and units for low-value goods and services and will utilize the Procurement Services Department for more value-added and strategic procurement functions. Goods and services procured through a DPO are for AUC business use only not for personal use.

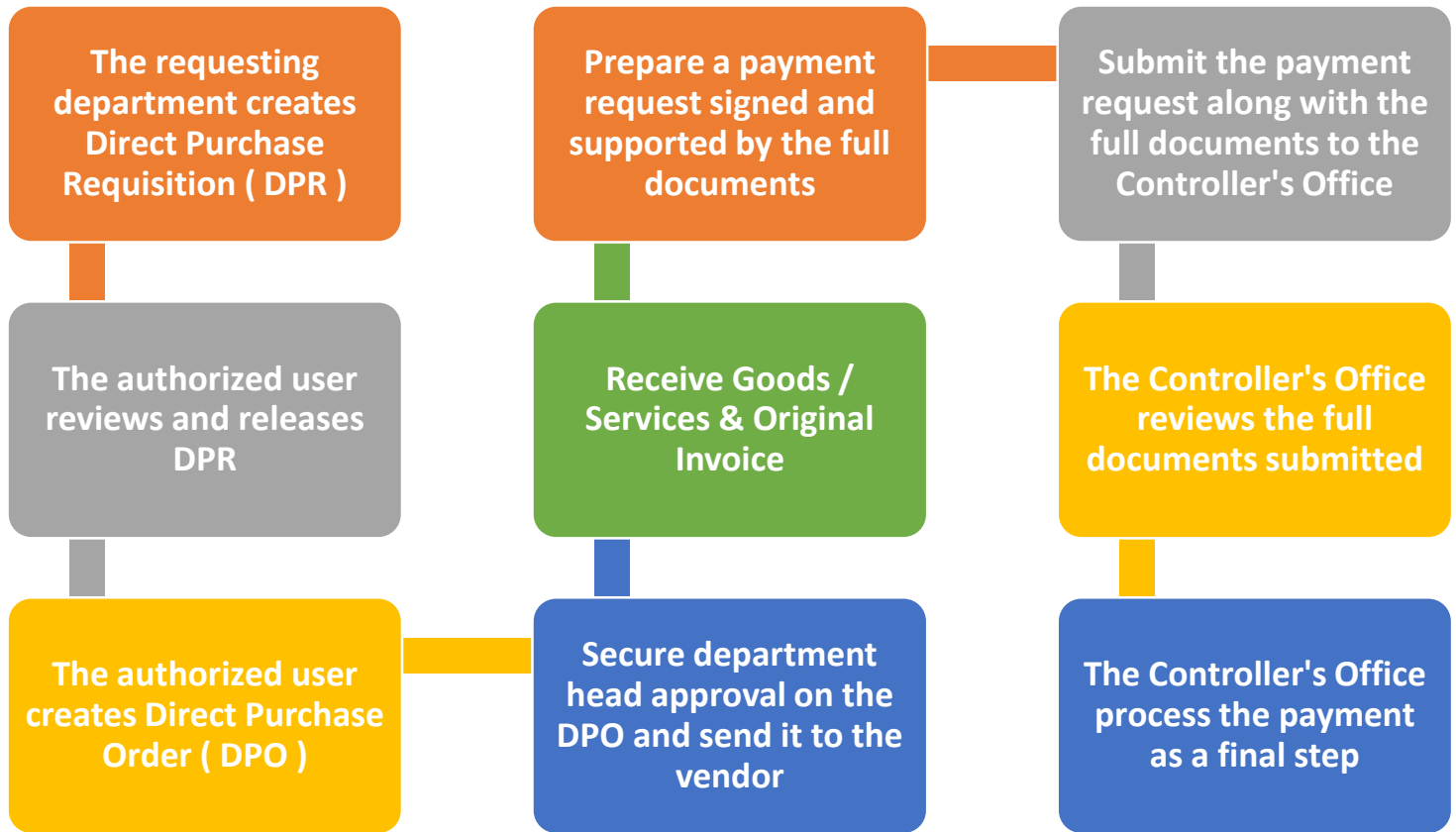
- Direct Purchase Orders (DPO) for goods and services with a value from \$501 to \$2000 per order.
- Direct Purchase Orders (DPOs) are required to purchase goods and services that fall under the control of the respective department/unit unless approves the exception. [Examples of exceptions are:](#)
 - IT hardware and software requests are processed through the IT department.
 - Construction goods and materials requests are processed through the Construction department.
 - Printed items are processed through AUC printing services.

Goods and services excluded from DPO are:

- Imported non-educational items, as well as hazardous/restricted items that need prior government approval (e.g. NTRA, Pharmaceutical authority, National security, Laser Institute).
- Stamps
- Stock items available at AUC main stores unless the stock item quantity is not sufficient and there is no Purchase Requisition (PR) in place for re-ordering.
- Fixed asset equipment and furniture

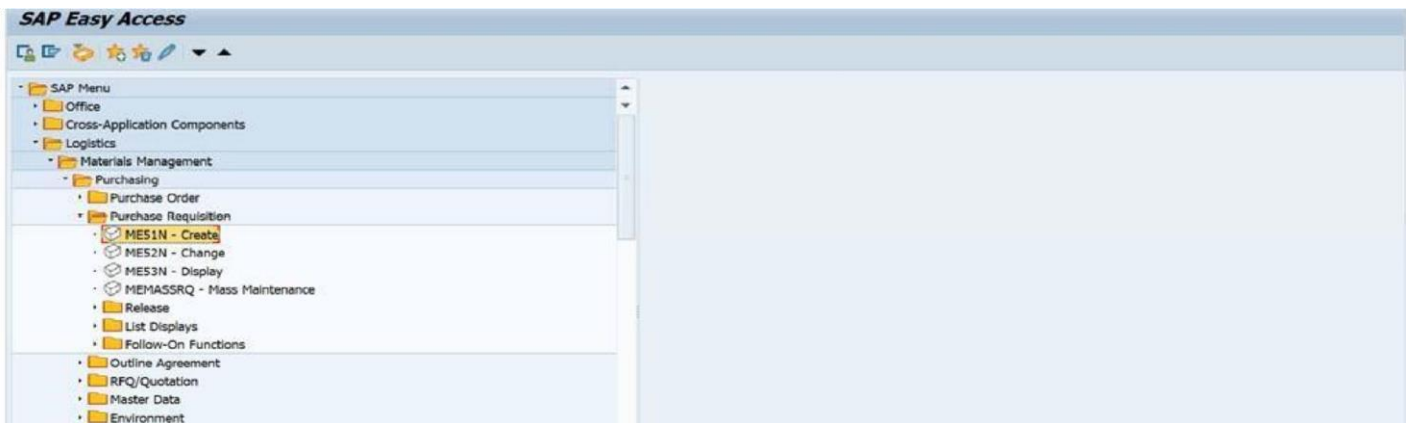
- Used equipment or trade-in items
- Contracted Services
- Governmental Goods and services (Electricity, gas, Water, Work permits, Licenses renewals.....etc.)

DPO Process Flow

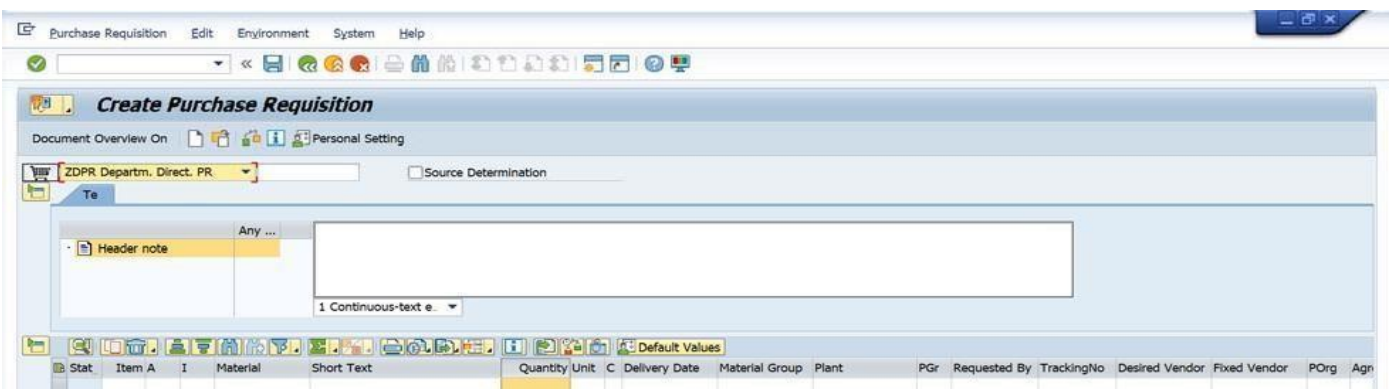


➤ **Purchase Requisition –Transaction Code ME51N**

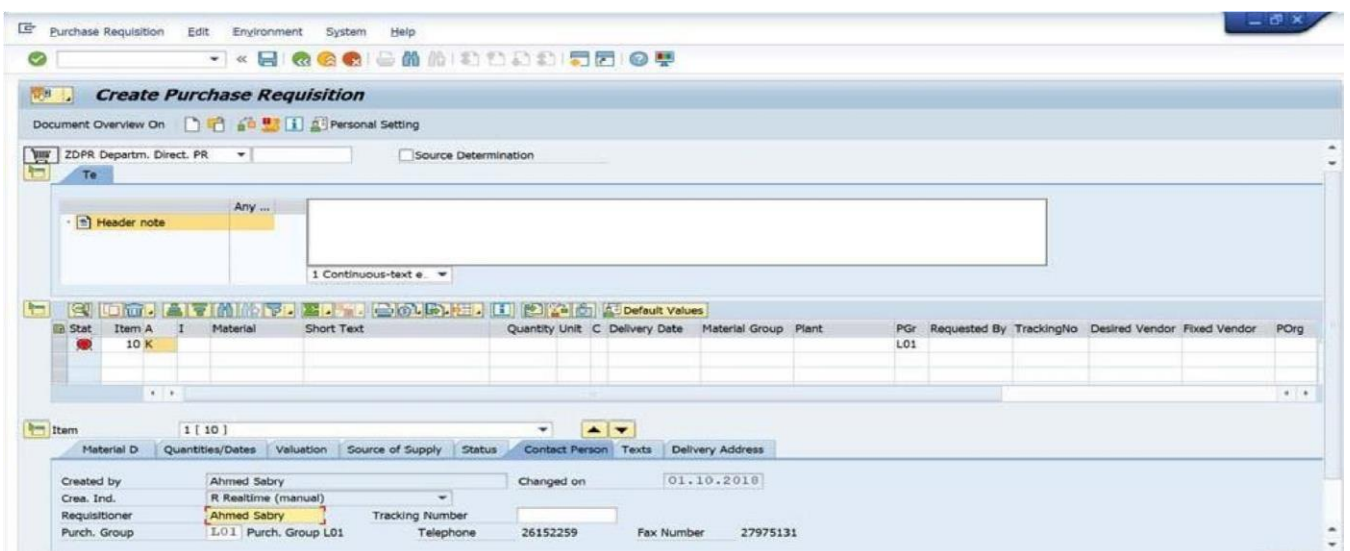
1- The requesting department will create a new DPR.



2- Select the document type ZDPR Department Direct PR.



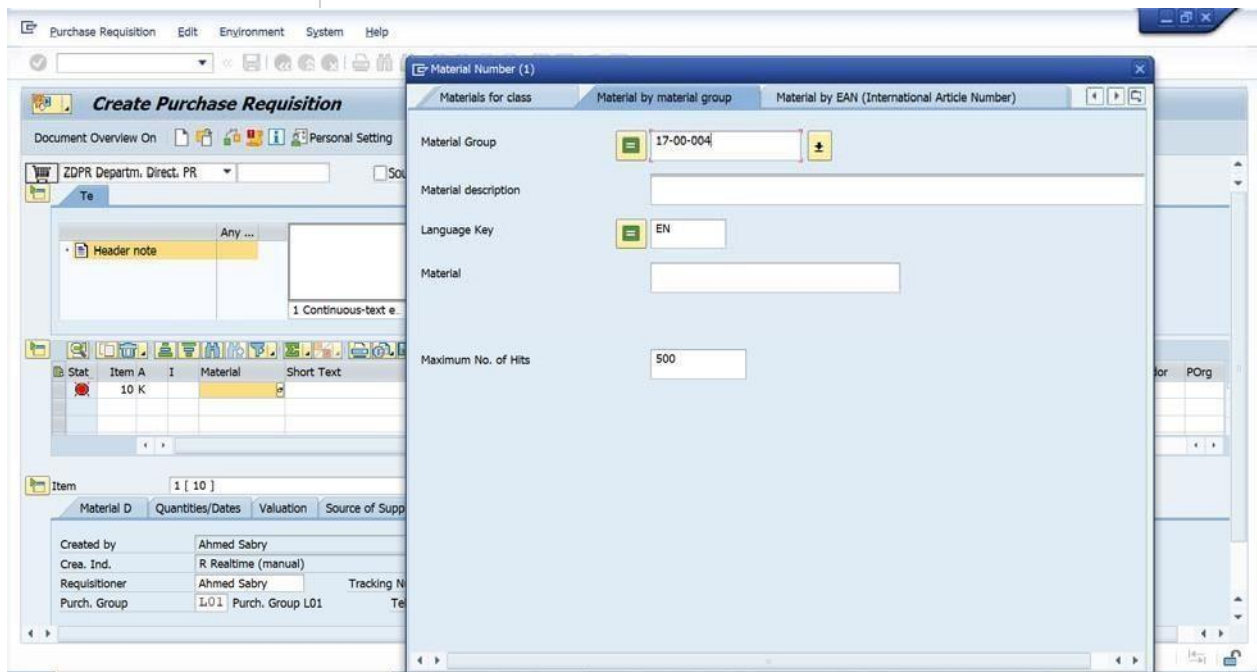
3- Just entered the Account Assignment Category "K", 'P' Cost Center and project, then the system will ask about the requester.



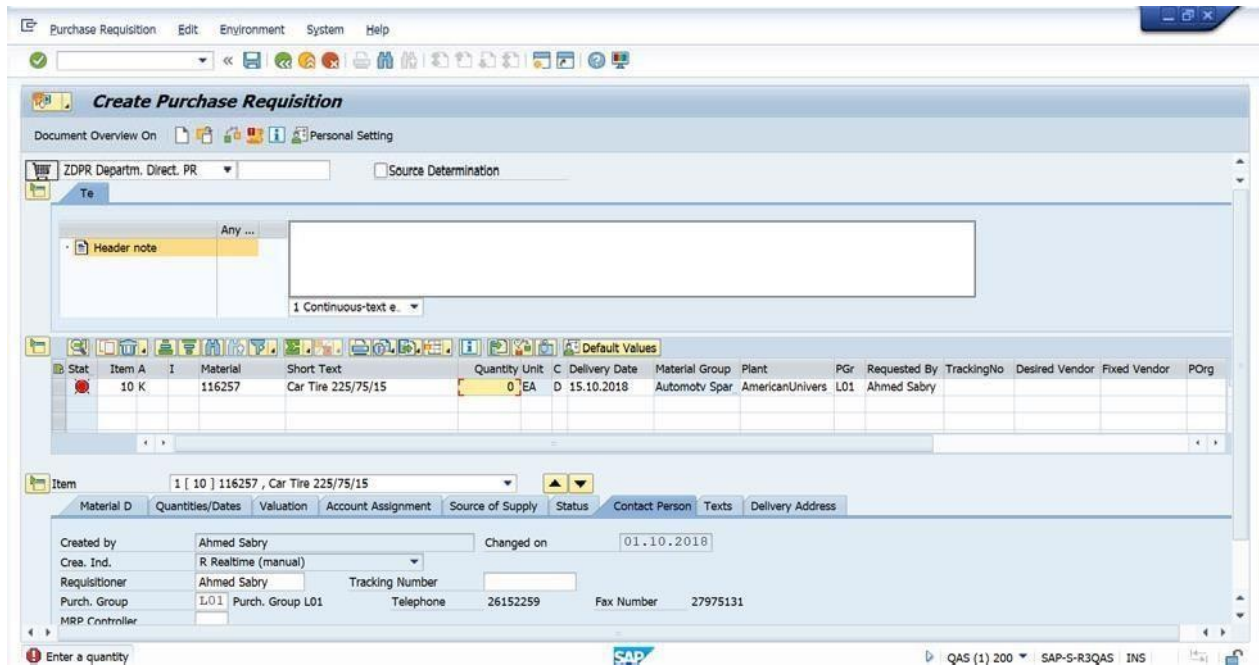
4- Select any material, (let us select from the materials under the Material Group 17-00-004, with the Cluster Owner Transportation.

This material is non stock item. So, the system will not check the availability of this item in the AUC main stores.

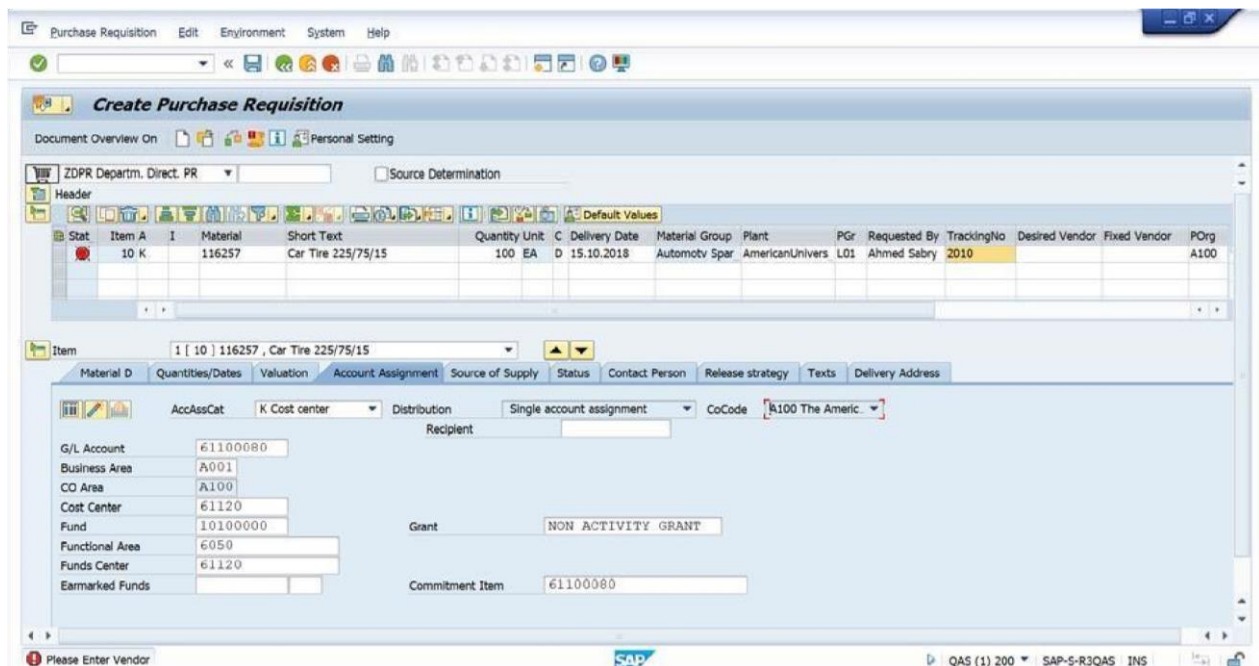
Matl Group	Matl Group Description	Direct PO applicability	Cluster Owner	Applied Condition
17-00-004	Automotv Spare Parts	Y	Transportation	Applicable if stock item count is zero. as well as no Stock / blanket PO is already in place covering those stock items
17-00-011	Carpool batteries	Y	Transportation	
17-00-012	Carpool Tires	Y	Transportation	
17-00-013	Carts batteries	Y	Transportation	
17-00-014	Carts Tires	Y	Transportation	
64-00-006	Automtv Maint&Repair	Y	Transportation	Any non-contracted service that are currently under SCM scope with value less than \$2K. Direct PO policy will be applied. Services that are currently processed directly through Controller's office, regardless of value, will remain as is.



5- Enter Quantity, Cost Center, Purchasing Org, then the item Value, then the system will ask you about the Vendor Code.



6- Enter the Vendor Code in the required field or you can search for the vendor in the AUC vendors list.



7- Fill out any required data in the Account Assignment as appeared in the below screen such as the GL Account, Business Area, Cost Center, etc...

The screenshot displays the SAP 'Create Purchase Requisition' interface. The main window title is 'Purchase Requisition' with a menu bar containing 'Edit', 'Environment', 'System', and 'Help'. Below the title bar, there are navigation icons and a 'Personal Setting' button. The document overview shows 'ZDPR Departm. Direct. PR' and 'Source Determination' is unchecked. The 'Header' section contains a table with the following data:

Stat	Item	Quantity	Unit	C	Delivery Date	Material Group	Plant	PGR	Requested By	TrackingNo	Desired Vendor	Fixed Vendor	POrg	Agreement	Item Info Record	MPN Material
	10	100	EA	D	15.10.2018	Automotv Spar	AmericanUnivers	L01	Ahmed Sabry	2010		1100219	A100			

The 'Item' section shows '1 [10] 116257 , Car Tire 225/75/15'. The 'Account Assignment' tab is active, showing the following fields:

- AccAssCat: K Cost center
- Distribution: Single account assignment
- CoCode: A100 The Americ.
- Recipient: (empty)
- G/L Account: 61100080
- Business Area: A001
- CO Area: A100
- Cost Center: 61120
- Fund: 10100000
- Functional Area: 6050
- Funds Center: 61120
- Earmarked Funds: (empty)
- Grant: NON ACTIVITY GRANT
- Commitment Item: 61100080

The SAP logo is visible at the bottom center, and the status bar at the bottom right shows 'QAS (1) 200' and 'SAP-S-R3QAS INS'.

Note 1

In case of the DPR value exceeds the permitted limit of \$ 2000, the below text message will appear as it is not permitted to create a DPR with a value more than \$ 2000 according to the DPO policies and procedures.

The screenshot displays the SAP 'Create Purchase Requisition' (ZPR) interface. The main window title is 'Purchase Requisition' with a menu bar including 'Edit', 'Environment', 'System', and 'Help'. The document overview shows 'ZDPR Departm. Direct. PR' and 'Source Determination' is unchecked. The header table contains the following data:

Stat	Item	Quantity	Unit	C	Delivery Date	Material Group	Plant	PGr	Requested By	TrackingNo	Desired Vendor	Fixed Vendor	PORG	Agreement	Item Info Record	MPN Material
	10	100	EA	D	16.10.2018	Automotv Sper	AmericanUnivers	L01	Ahmed Sabry	2010		1100219	A100		700000062	

An 'Item' section is visible below the header, with a 'Messages' dialog box overlaid. The dialog box contains the following message:

Typ	Message text	Typ
DocHeader	You Cant't Make PR With Ore Than 2000 USD	E

The dialog box also includes an 'Edit' button, a 'Technical Information' icon, and a 'Current display variant' dropdown. The main interface shows various fields for 'G/L Account', 'Business Area', 'CO Area', 'Cost Center', 'Fund', 'Functional Area', 'Funds Center' (61120), and 'Earmarked Funds'. The 'Commitment Item' field is set to 61100080. The SAP logo and status bar (QAS (1) 200 | SAP-S-R3QAS | INS) are visible at the bottom.

Note 2

IF we changed the quantity to be 5 instead of 100 to have a PR with a total value less than 2K USD, and check again you will get a message, No message issued during the Check.

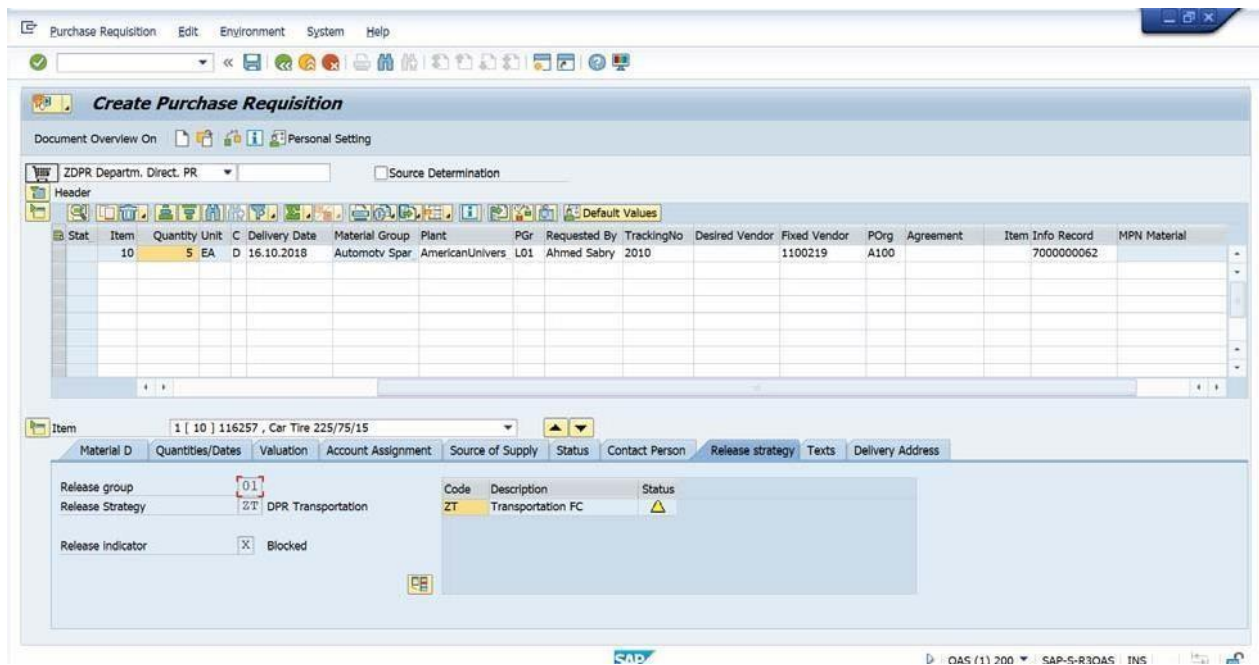
The screenshot shows the SAP 'Create Purchase Requisition' interface. At the top, there is a menu bar with 'Purchase Requisition', 'Edit', 'Environment', 'System', and 'Help'. Below the menu is a toolbar with various icons. The main title is 'Create Purchase Requisition'. Underneath, there are options for 'Document Overview On' and 'Personal Setting'. A dropdown menu shows 'ZDPR Departm. Direct. PR' and a checkbox for 'Source Determination'. The 'Header' section contains a table with the following data:

Stat	Item	Quantity	Unit	C	Delivery Date	Material Group	Plant	PGr	Requested By	TrackingNo	Desired Vendor	Fixed Vendor	POrg	Agreement	Item Info Record	MPN Material
	10	5	EA	D	16.10.2018	Automotv Spar	AmericanUnivers	L01	Ahmed Sabry	2010		1100219	A100		7000000062	

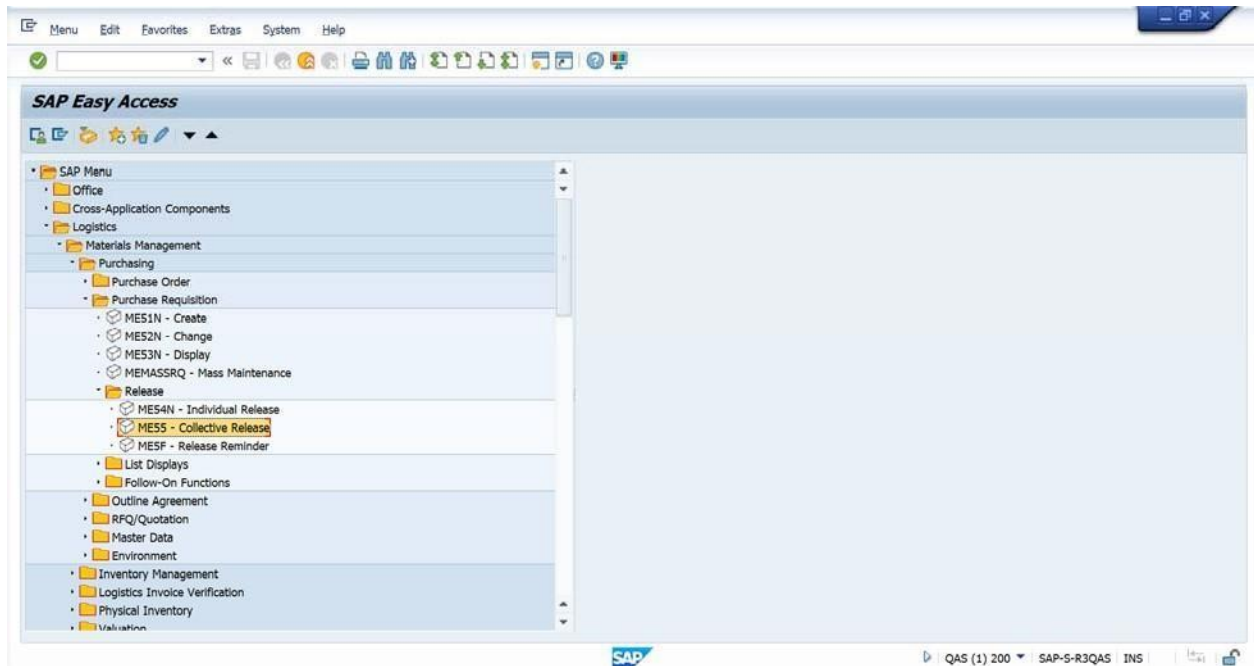
Below the table, the 'Item' section is expanded to show details for item '1 [10] 116257, Car Tire 225/75/15'. The 'Valuation' tab is active, showing a valuation price of 700.00 EGP, a unit of 1 EA, and a total value of 3,500.00 EGP. There are checkboxes for 'Goods Receipt', 'Inv. Receipt' (checked), and 'GR Non-Val.'. At the bottom, a status bar indicates 'No messages issued during check' and the SAP logo is visible.

➤ **PR Collective Release –Transaction Code ME55**

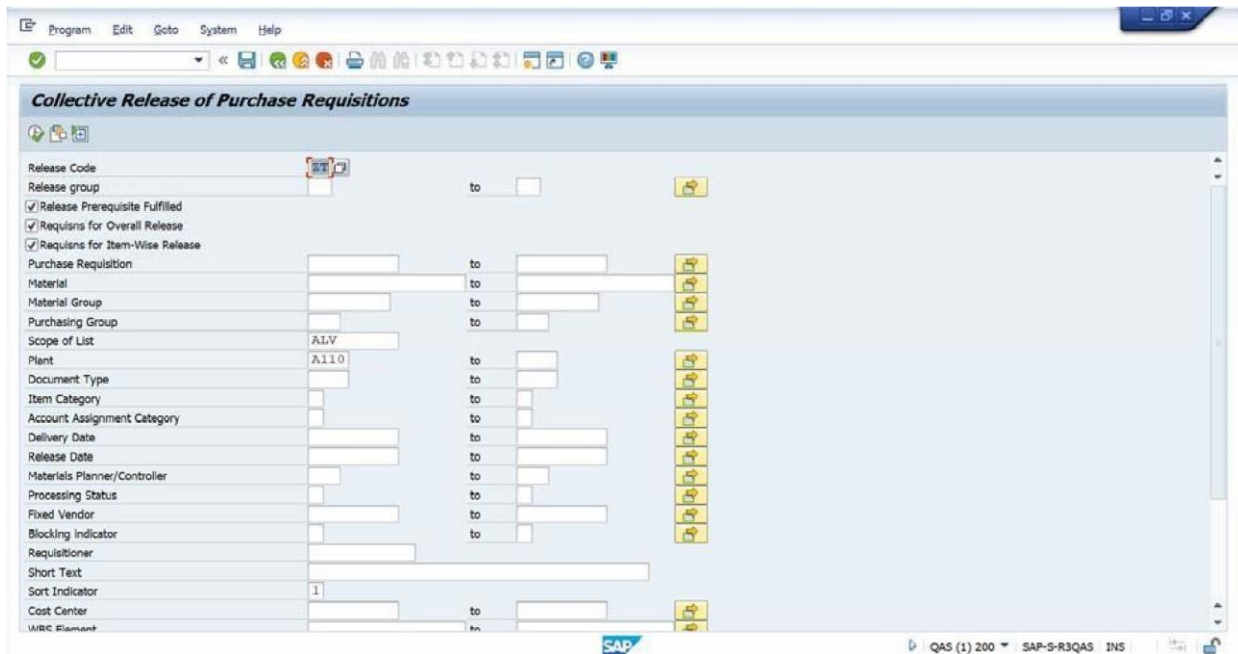
- The PR will have a release Strategy applied as this material related to material group under the transportation cluster owner.



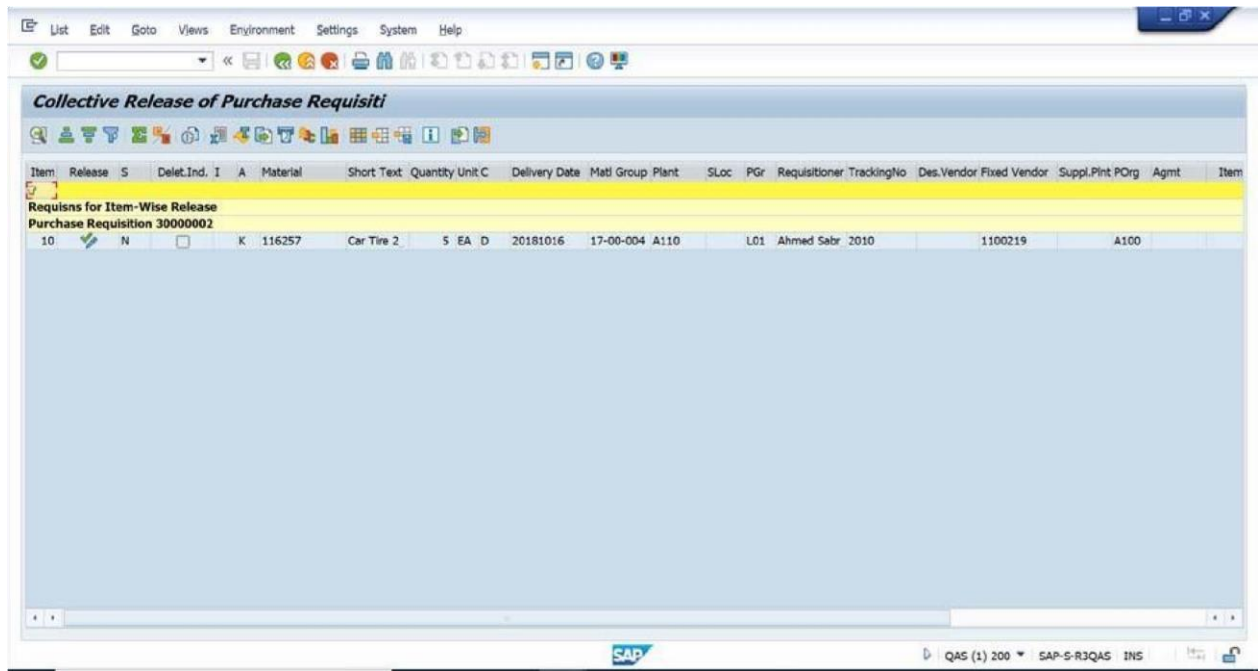
- The cluster owner will run a transaction with all the pending PRs.
- Now is the role for cluster owner to review and approve the PR.



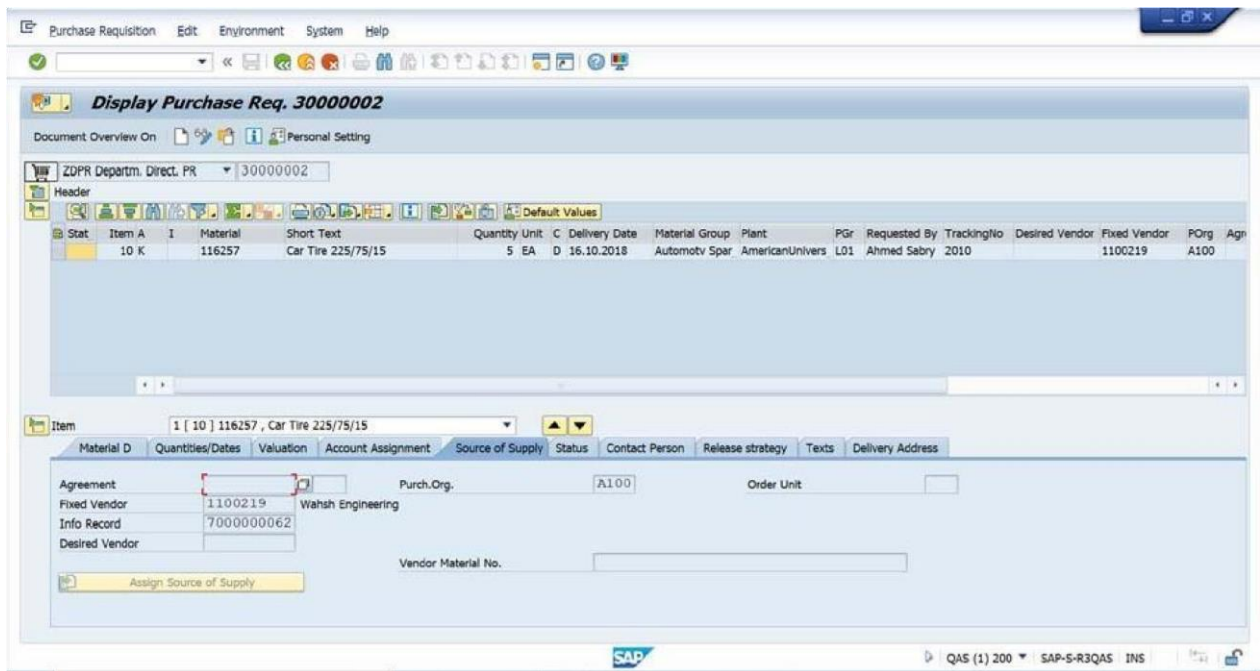
- Cluster Owner should enter his own release code, for transportation in our case here it will be ZT



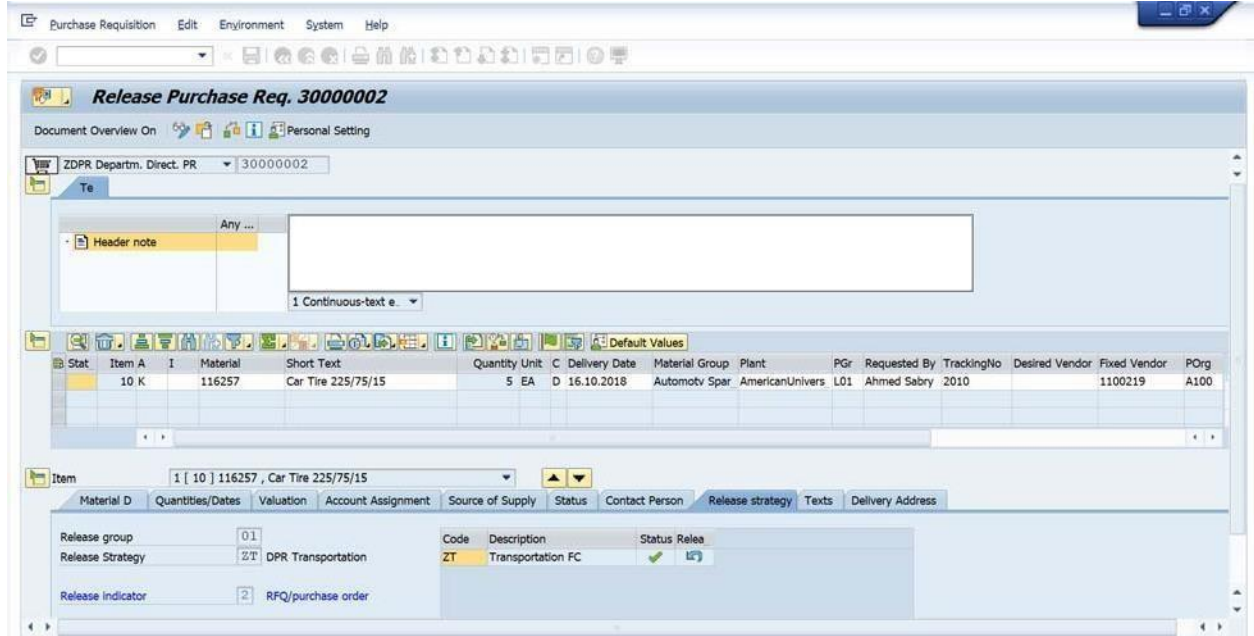
- Then press on Execute Icon and the system will provide you a list with all the pending PR's that need approval from the cluster owner.



- Cluster owner can double click on the PR line item to open the main PR to review before releasing .

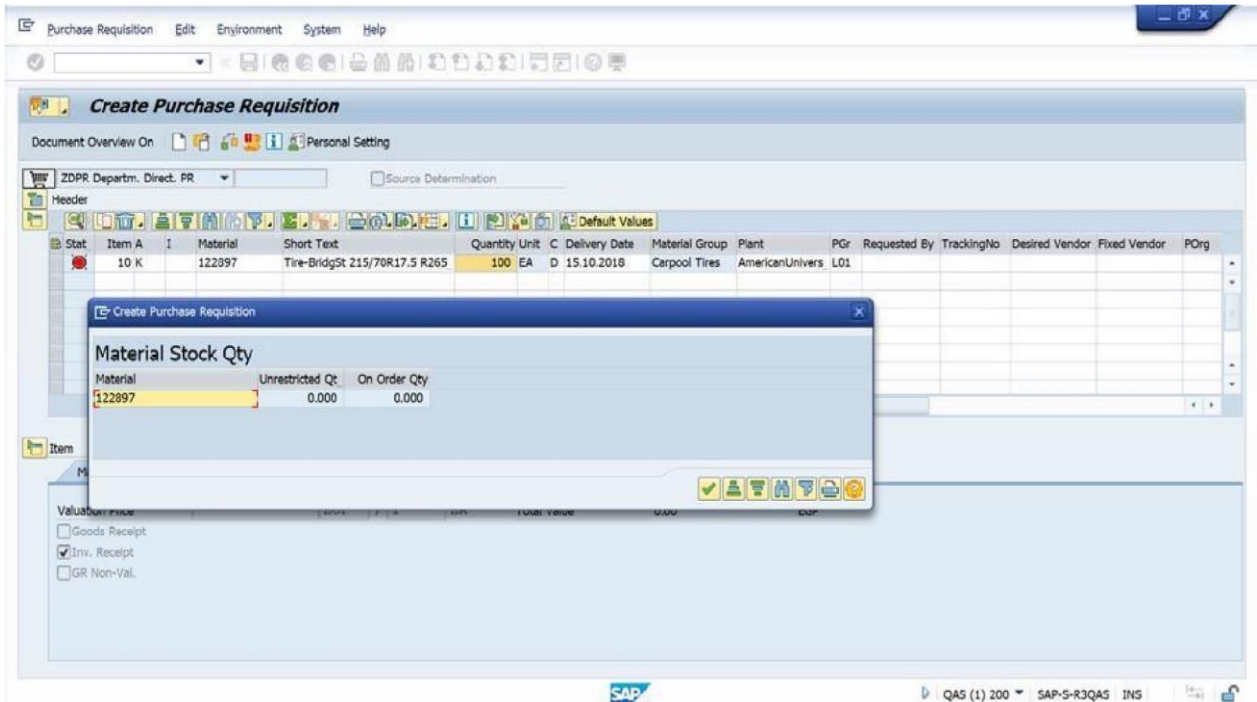


- Then the cluster owner in the requesting department will release the PR after reviewing by using transaction code ME54N. After that, press on the release strategy icon and click on the status to release the PR. Now the PR is released successfully.



Note

In case of the material number entered in the PR is related to a stock item in AUC main stores, the system will check the availability of this item in the stock quantities as appeared below because you are not allowed to purchase any goods available in AUC main stores according to the DPO policy. If this item is not available in AUC main stores, you can purchase it after checking the availability.

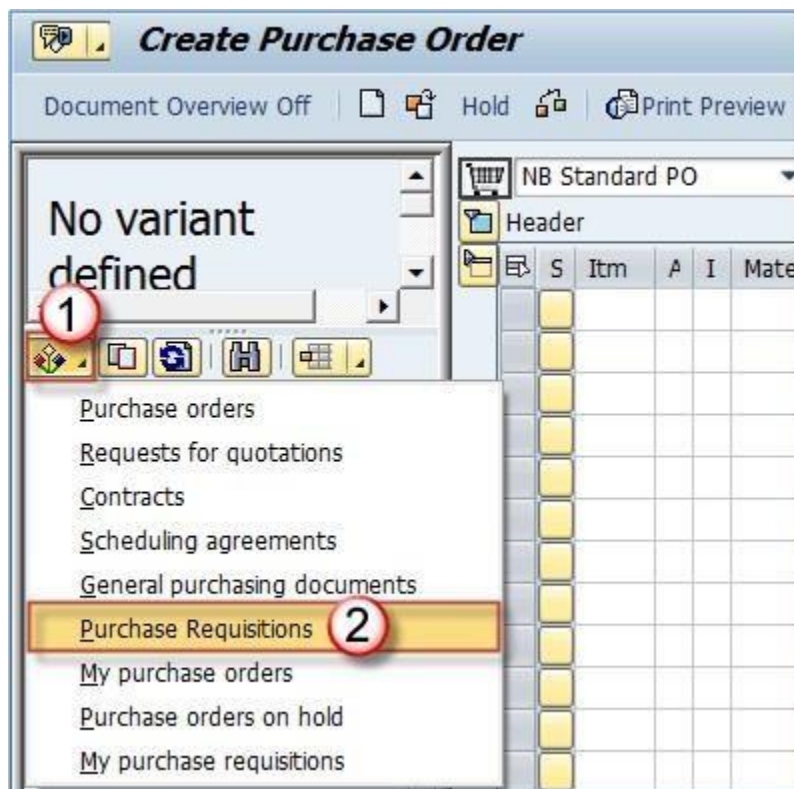


➤ Create Purchase Order – Transaction Code ME21N

- Purchase orders are used to purchase goods and services with an estimated price not to exceed \$ 2000.A purchase order is a legal document governed by commercial law. It is available to any authorized person and its use is mandatory.
- The purchase order constitutes the final and entire agreement between the vendor and the university.
- Purchase order gives the vendor authority to deliver and invoice the ordered goods and becomes the university's commitment for the amount and value of those goods.

Now is the role for Financial Manger to create the purchase order with reference to purchase requisition.

- Enter Transaction Code - ME21N
- Select Document Type – ZDPO Department Direct PO ➤ Choose the Selection Variant button.



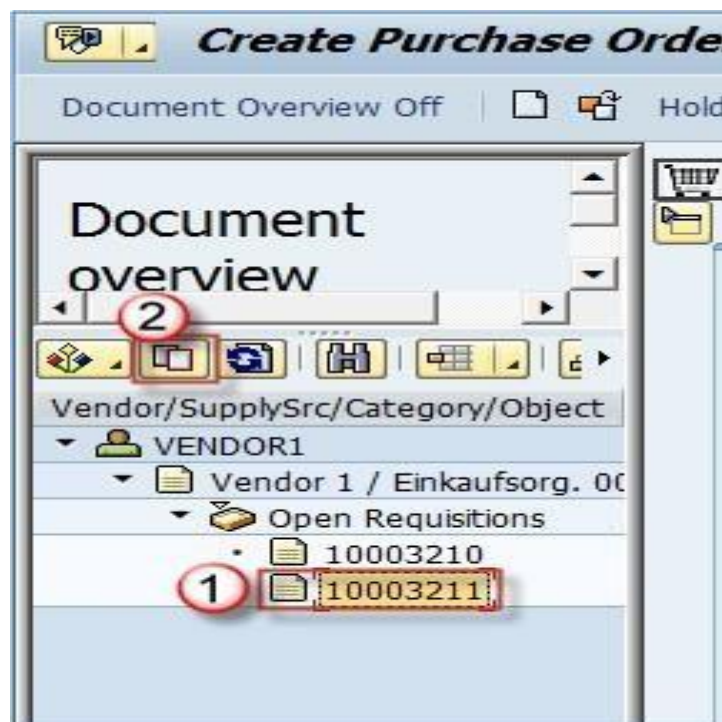
- As appeared on the SAP screen, press on icon number 1 and choose purchase requisitions (Number 2).

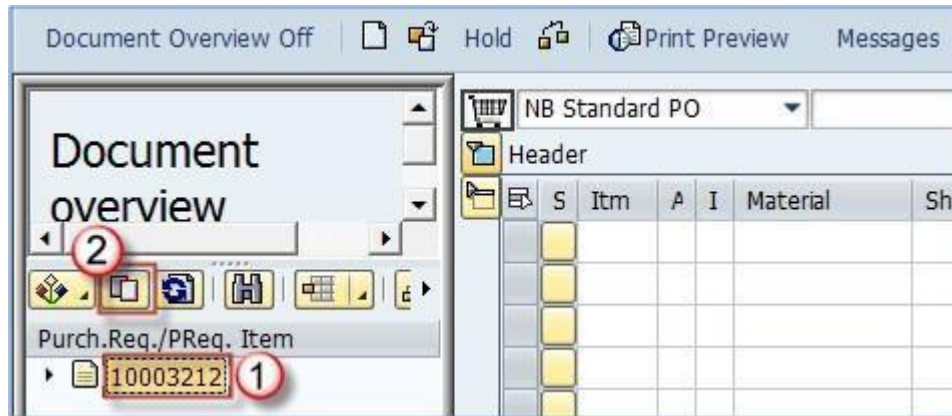
- Enter the purchase requisition number that you want to use in the DPO. Then, press on execute icon and drag the PR and drop it into the DPO shopping cart icon and the PR will be reflected automatically in the DPO.

The screenshot shows a SAP selection screen with two main sections: 'General selections' and 'Program selections'. In the 'General selections' section, 'Max. no. of hits' is set to 5000, and three checkboxes for 'Open only', 'Released only', and 'Assigned, open, and released' are present. The 'Program selections' section contains a table of search criteria with 'Purchase Requisition Number' set to 10003212 and 'Purchasing Organization' set to A100. Each row in the table has a 'to' field and a right-pointing arrow icon.

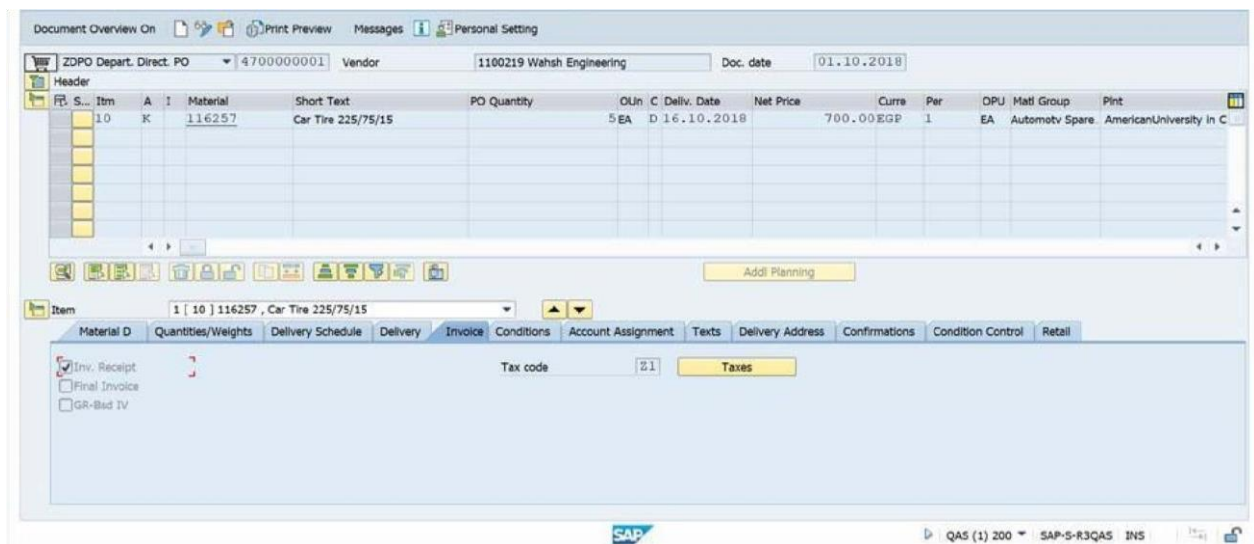
General selections	
Max. no. of hits	5000
<input type="checkbox"/> Open only	
<input type="checkbox"/> Released only	
<input type="checkbox"/> Assigned, open, and released	

Program selections			
Name of Requisitioner/Reques		to	
Requisition (Request) Date		to	
Purchase Requisition Number	10003212	to	
Requirement Tracking Number		to	
Item Number		to	
Document Type		to	
Purchasing Group		to	
Purchasing Organization	A100	to	
MPN Material		to	





- You can see that our PR number has been transferred to new purchase order. You can save it and the system will assign a document number as a reference for this DPO.



- Now you have created the DPO successfully and you can save your DPO or make any additional changes.
- The DPO is created without GR Based as requested. So that we can proceed with the payment to the vendor directly without creating the GR document.
- Finally, you can press on print preview icon to display the entire DPO after creating. Then, you have to print out the DPO and secure the signature of the head of department.

Print Preview of local Page 00001 of 00004



The American University in Cairo

Supply Chain Management (SCM)

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Vendor Data	Order Information
Wabsh Engineering 3 De Ryan El Masr Street 12211 Oiza Phone: 33702232 Fax: 33707734	P.O Date: 01.10.2018 Contact Person: NADA SULTAN Email: nada.sultan@auc.egypt.edu Phone: 0020112229 Fax no: 27970331
Vendor Code: 1100219	Your Ref: Currency: EGP Inco Terms: AUC Prem. Payment Terms: 100% After Delivery / Acceptance Fiscal Year: 2019
Delivered To: The American University in Cairo AUC - New Cairo AUC Avenue, New Cairo 11835 Egypt	Delivery Date: 16.10.2018

Item	Material	Description	Price per unit	Net value
Order qty.	Unit			
00010	116237	Car Tire 225/75/15		
	5	each,		
	Gross Price	700.00	EGP 1 EA	3,500.00
Net value incl. disc.				3,500.00
VAT				350.00
Net value incl. applicable tax				3,850.00



Thank You

