



# **CO500C SCEIS YEAR-END PROCESS - PROCUREMENT/INVENTORY MANAGEMENT WORKSHOP FOR AGENCIES**

End User Training  
Columbia, SC  
Spring 2011



# Welcome and Introductions

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- 🌀 Welcome
- 🌀 Introductions
- 🌀 Sign-in sheet
- 🌀 Restrooms
- 🌀 Breaks
- 🌀 Parking lot
- 🌀 Complete Workshop evaluation

# Classroom Logistics

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- 🌀 Classroom etiquette
  - Cell phones off/silence
  - No side conversations
- 🌀 Feel free to ask questions
- 🌀 No email or internet usage during class except at breaks

# Workshop Agenda

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- 🌀 Topic 1: Year-End Processes
- 🌀 Topic 2: Carry forward Process
- 🌀 Topic 3: Managing Purchasing Processes
- 🌀 Topic 4: Managing Inventory Processes
- 🌀 Topic 5: Managing Sales and Distribution Processes

# Workshop Learning Objectives

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- Upon completion of this workshop, you should be able to:
  - Understand the state's year-end closing process
  - Understand the process for carrying forward purchase order documents
  - Understand the procedures and processes to prepare purchasing documents for year-end closing.



# TOPIC 1: YEAR-END PROCESS

# Topic 1 Learning Objectives

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- 🌀 Upon completion of this topic, you should be able to:
  - Define key terms and concepts.
  - Understand the State's year-end closing process.
  - Understand the SCEIS year-end closing process.

# Key Terms and Concepts – Fiscal Year (FY) in SCEIS

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- In SCEIS, Fiscal Year is still July 1 through June 30 but FY is accounted for in periods.
- Periods are just like Fiscal Months. July is period 1.
- Period 12 in SCEIS corresponds to the 12<sup>th</sup> fiscal month, or June.
- **“Extended” Period 12 is like Fiscal Month 13.** It is the period in July allowed for processing SCEIS transactions for the prior fiscal year.
- During the month of July, SCEIS transactions for extended Period 12 of the old fiscal year **and** Period 1 of the new year are both being processed.



# South Carolina Year-End Closing Process

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- State fiscal year ends **June 30**.
- State allows several days in July for Agencies to pay bills and make corrections before closing the year.
- The last day of fiscal year 2010 for Agency processing is Friday, **July 15<sup>th</sup>**.
- No more transactions can be posted to STARS or SCEIS after July 15<sup>th</sup> by an Agency.
- These dates are the same for SCEIS and non-SCEIS Agencies.

# Topic 1 Summary

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- 🌀 You should now be able to:
  - Define key terms and concepts.
  - Understand the State's year-end closing process.
  - Understand the SCEIS year-end closing process.



South Carolina Enterprise Information System

## Topic 2: CARRYFORWARD PROCESS

STATE INFORMATION  
TECHNOLOGY



SC BUDGET AND CONTROL BOARD

# Topic 2 Learning Objectives

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- Upon completion of this topic, you should be able to:
  - Understand what documents related to procurement and inventory can be carried forward to the new year.
  - Be aware of the transaction code used to carry forward and who will be able to use it.

# Carryforward Documents

- ④ ZFMJ2 can be used to carry forward several types of documents.
- ④ These are denoted by “Value Types” (VT) in SCEIS.
- ④ The following value types will be allowed to be carried forward by agencies for MM related documents:
  - VT 51 - Purchase Orders
  - VT 50 - Purchase Requisitions (inventory only)
  - VT 54 – Invoicing (goods receipt for inventory only)
  - VT81 – Funds Reservations

# Carryforward Documents

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- Only a few persons in each agency will be given authorization for this transaction code for a limited amount of time.
- You will only be able to access your agency's data.

# Purchase Orders

- How do you determine if a PO (including inventory) should be carried forward or closed?

Received Goods/ Services	Received Invoice	Decision
Before or on 06/30	By CG closing date	Pay in current year, mark <b>'final invoice,'</b> Mark <b>'deliv. compl'</b> if inventory PO
Before or on 06/30	After CG closing date	Carryforward
After 06/30	Before or after CG closing date	Carryforward
Not going to receive	N/A	Close with final invoice or delivery complete if inventory

# ZFMJ2 Transaction cont.

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If you erroneously carryforward a document:

- 🌀 **You will not be able to carry it back!**
  - You do not have the authorization for the transaction code.
- 🌀 **DO NOT DELETE it after Carry Forward!**
  - If you delete it after carrying it forward, you will have reporting issues with your budget reports as **these documents will not be picked up in the totals on BUDGET reports!**



# Topic 2 Summary

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- Upon completion of this Topic, you should:
  - Understand what documents related to procurement and inventory can be carried forward to the new year.
  - Be aware of the transaction code used to carry forward and who will be able to use it.



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# TOPIC 3: MANAGING PURCHASING PROCESSES

STATE INFORMATION  
TECHNOLOGY



SC BUDGET AND CONTROL BOARD

# Topic 3 Learning Objectives

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- Upon completion of this Topic, you should be able to:
  - Understand the importance of completing all goods receipts by June 30<sup>th</sup> and invoice receipts by July 15<sup>th</sup>
  - Generate a list of open purchase orders (POs).
  - Close purchase orders and corresponding requisitions (if applicable) in the current fiscal year.

# Key Transactions

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- 🌀 BW – Open Encumbrance Report
- 🌀 ME2N – List Display by Purchase Order Number
- 🌀 ME23N – Change Purchase Order



# Purchasing at Year-end

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- ④ It is important to post all required Goods Receipts and invoices prior to year-end.
- ④ If a PO requires Goods Receipts, payments cannot be processed until the GR is posted.
- ④ Invoices for goods and services received by June 30 should be paid in the current year.
  - Otherwise you will be paying for this year's goods and services with next year's funds, thus causing potential budget shortfalls in the new fiscal year

# Purchasing at Year-end cont.

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- ☛ It is important to manage your open purchase orders (POs) to free-up budget necessary to complete payments.
- ☛ Because purchase orders encumber budget, it is important to modify those purchase orders which are not required or will not be paid in the current fiscal year.
- ☛ This action will ensure your agency will have sufficient budget in State funds to make payments.

# Purchasing at Year-end cont.

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- ④ A list of Open Purchase Orders can be useful in identifying
  - PO's that are no longer necessary,
  - PO's that may need to be modified in order to un-encumber funds.
- ④ Use **BW Open Encumbrance Report** to generate a list of Open POs
- ④ Use transaction code **ME23N** to modify and release encumbrances of Purchase Orders as necessary.

# Open Encumbrance Report

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

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



# Open PO Options

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## Options for Open Purchase Orders

1. Do Nothing
2. Final Invoice/Block PO
3. Delete PO
4. Carryforward PO into next fiscal year

# Reviewing Open POs

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- If PO will be received and paid in the current fiscal year, make no revisions to the PO, follow standard process.
- You may find items that need to be modified for various reasons:
  - PO that has items that will not be delivered
  - PO that has items that cannot be delivered prior to year end
  - PO that has items that need price reductions
- Remember, POs encumber budget. In order to free up budget for payments at year-end, it is important that only PO's that will be paid in the current fiscal year remain open.

# ME2N – List Display by Purchase Order

Program Edit Goto System Help

**Purchasing Documents per Document Number**

Choose...

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

ECP (1) (010) sceisecpap5 OVR

Use the Multiple Selection Button to enter the list of Purchase Orders from the Open Encumbrance Report



# Display PO

Purchase Order Edit Goto Environment System Help

Blanket PO 4600001997 Created by Charles Abbott

Document Overview On Document Overview Off Hold Cancel Print Preview Messages Personal Setting

ZBLT Blanket PO 4600001997 Vendor 7000085009 SHEPPARDS GLAS... Doc. date 10/15/2008

Header

S...	Item	A	I	Material	Short Text	PO Quantity	O...	C	Deliv. Date	Net Price	Curr...	Per	O...	Matl Group	Plant	Stor. Location
	10	K			Glass Repair		1	AU	10/15/2008	2,000.00	USD	1	AU	Window Gla...	Wil Lou Gray Oppo...	Wil Lou Gray O...

Add Planning

Item 1 [10] Glass Repair

Material Data Quantities/Weights Delivery Schedule Delivery Invoice Conditions Account Assignment Purchase Order History Texts Delivery ...

S...	MvT	Material Do...	Item	Posting Date	Quantity	Delivery cost quantity	OUn	Amount in LC	L. cur	Qty in OPUn	DelCostQty (OPUn)	Or...
RE-L		5700002240	1	01/06/2009	1	0	AU	258.73	USD	1	0	AU
RE-L		5700001906	1	12/15/2008	1	0	AU	172.06	USD	1	0	AU
RE-L		5700001514	1	11/25/2008	1	0	AU	172.06	USD	1	0	AU
RE-L		5700001210	1	11/06/2008	1	0	AU	240.57	USD	1	0	AU
RE-L		5700001035	1	10/21/2008	1	0	AU	199.92	USD	1	0	AU
Tr./Ev. Invoice receipt					5		AU	1,043.34	USD	5		AU

Purchase Order History Detail

ME23N SCEISECAP2 INS



# Final Invoice a PO Line Item

- ➊ After final-invoicing a PO line item:
  - The encumbrances on that PO line item are released.
- ➋ If a PO has a Goods Receipt or an Invoice, it **should not** be deleted. To release any encumbrances assigned to the PO, click “Final Invoice” under the Invoice tab.

Material Data	Quantities/Weights	Delivery Schedule	Delivery	Invoice
<input checked="" type="checkbox"/> Inv. Receipt	Invoicing Plan		Tax Code	I1
<input checked="" type="checkbox"/> Final Invoice			Jurisd. Code	410

# Blocking a PO Line Item

- After Blocking a PO line item no further activity (goods receipts and invoice payments) can be made against that PO line item.

		S...	Itm	A	I	Material	Short Text	PO Quantity	O...
			10	K			SNAPOutreach	384,844	EA

# Final Invoice and Block Line Items

- Final Invoice and Blocking the Line Item should always be used together.
- Reasons for using these indicators should be included in the PO line item text field.
- The Final Invoice Indicator must be set before Blocking the line item.
- You should not set the Final Invoice indicator without Blocking the Line Item.
- The line item can be unblocked if necessary to allow further processing (goods receipt, invoice)



# Final Invoice and Block Line Items

Purchase Order Edit Goto Environment System Help

**Blanket PO 4600000583 Created by Linda Campbell**

Document Overview On Document Overview Off Hold Cancel Print Preview Messages Personal Setting

ZBLT Blanket PO 4600000583 Vendor 7000053898 XEROX CORPORAT... Doc. date 2008/04/15

Delivery/Invoice Conditions Texts Address Communication Partners Additional Data Org. Data Status

This is a PO that has history. There are remaining encumbered funds that need to be released.

S...	Itm	A	I	Material	Short Text	PO Quantity	O...	C	Deliv. Date	Net Price	Curr...	Per	O...	Matl Group	Pint	Stor. Location	B
	10	K			Blanket Encumbrance		1	AU	D 2008/04/15	3,934.60	USD	1	AU	Copy Machi...	Arts Commission	Arts Comm	

Add Planning

Item 1 [10] Blanket Encumbrance

Material Data Quantities/Weights Delivery Schedule Delivery Invoice Conditions Account Assignment Purchase Order History Texts Delivery ...

S...	MVT	Material Do...	Item	Posting Date	Quantity	Delivery cost quantity	OU...	Amount in LC	L.cur	Qty in OPUn	DelCostQty (OPUn)	Or...
RE-L		5105600687	1	2008/04/25	1	0	AU	351.70	USD	1	0	AU
Tr./Ev. Invoice receipt					1		AU	351.70	USD	1		AU

To see the Purchase Order History select the "Purchase Order History" tab.

ECQ (1) (010) sceisecap1 INS

# Final Invoice and Block Line Items

Purchase Order Edit Goto Environment System Help

**Blanket PO 460000583 Created by Linda Campbell**

Document Overview On Document Overview Off Hold Cancel Print Preview Messages Personal Setting

ZBLT Blanket PO 460000583 Vendor 7000053898 XEROX CORPORAT... Doc. date 2008/04/15

Delivery/Invoice Conditions Texts Address Communication Partners Additional Data Org. Data Status

Active Ordered 1 AU 3,934.00 USD  
Sent Delivered 0 AU 0.00 USD  
Not Delivered Still to deliv. 0 AU 0.00 USD  
Fully Invoiced Invoiced 1 AU 351.70 USD  
Down paymts 0.00 USD

S...	Item	A	I	Material	Short Text	PO Quantity	O...	C	Deliv. Date	Net Price	Curr...	Per	O...	Matl Group	Plant	Stor. Location
	10	K			Blanket Encumbrance		1	AU	2008/04/15	3,934.00	USD	1	AU	Copy Machi...	Arts Commission	Arts Comm
											USD					
											USD					
											USD					
											USD					
											USD					
											USD					
											USD					

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

Default Values Add Planning

Item 1 [ 10 ] Blanket Encumbrance

Material Data Quantities Weights Delivery Schedule Delivery Invoice Conditions Account Assignment Purchase Order History Texts Delivery ...



Invoicing Plan Tax Code Jurisd. Code 4107902300

☒ Inv. Receipt  
☒ Final Invoice  
☐ GR-Bsd IV

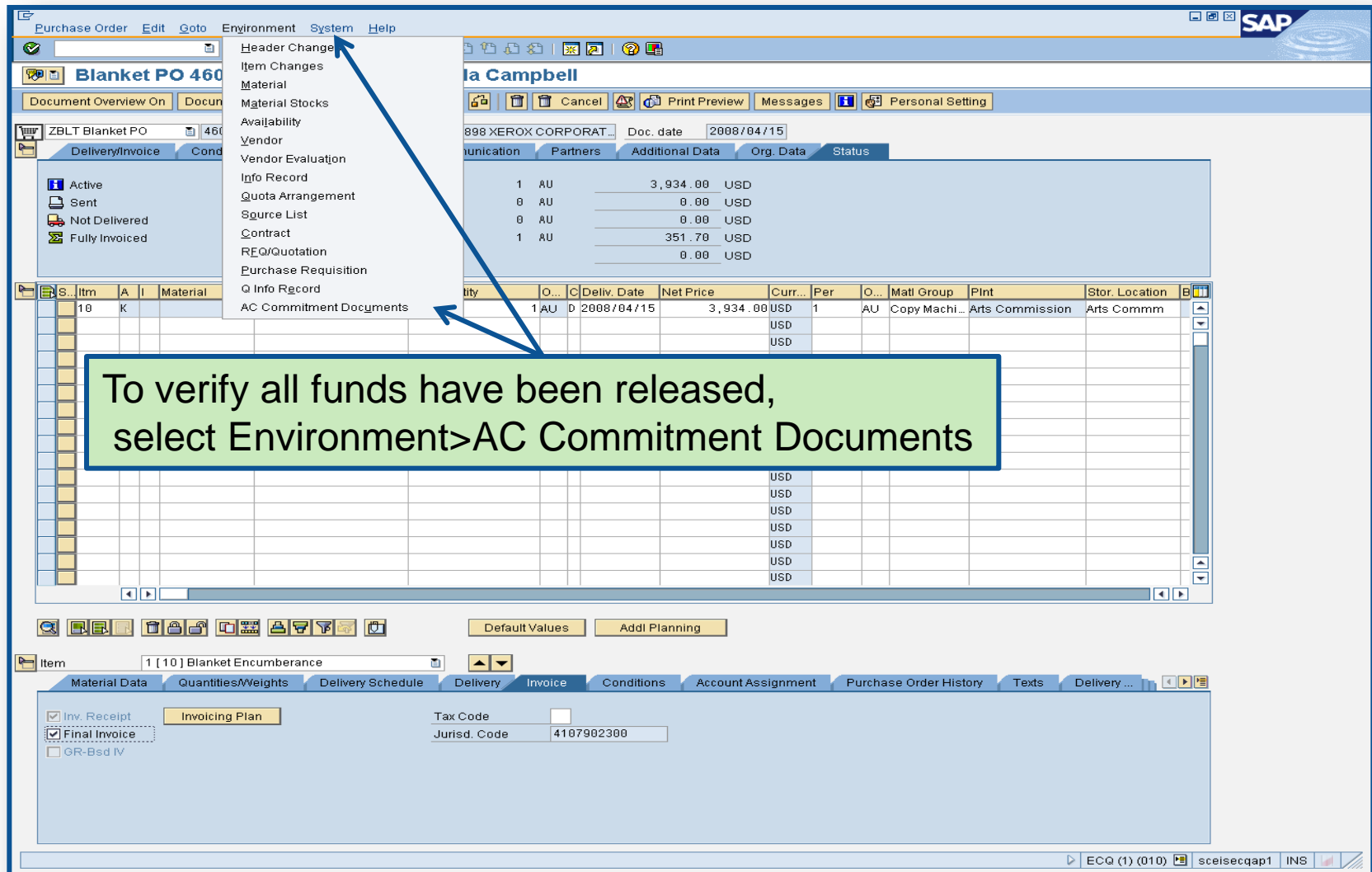
ECQ (1) (010) sceisecap1 INS

# Deleting a Purchase Order Line Item

- After deleting a PO line item:
  - All encumbrances are released
  - The corresponding Shopping Cart's Requirement **re-appears** in Carry Out Sourcing.
  - A new PO can be created from SRM.

	S...itm	A	I	Material	Short Text
	10	K			Printer Supplies Part# 00...

# Verification of Encumbered Funds



The screenshot shows the SAP 'Purchase Order' environment. The 'Environment' menu is open, displaying a list of options. A blue arrow points from the 'AC Commitment Documents' option to a green callout box. The callout box contains the text: 'To verify all funds have been released, select Environment>AC Commitment Documents'. The background shows a purchase order for 'Blanket PO 460' with a table of line items. The bottom of the screen shows the 'Item' tab with '1 [ 10 ] Blanket Encumbrance' and various checkboxes and fields.

**Environment Menu Options:**

- Header Change
- Item Changes
- Material
- Material Stocks
- Availability
- Vendor
- Vendor Evaluation
- Info Record
- Quota Arrangement
- Source List
- Contract
- REQ/Quotation
- Purchase Requisition
- Q Info Record
- AC Commitment Documents

**Callout Box:**

To verify all funds have been released,  
select Environment>AC Commitment Documents

**Table 1: Line Items**

Qty	O...	C	Deliv. Date	Net Price	Curr...	Per	O...	Matl Group	Plant	Stor. Location
1	AU	D	2008/04/15	3,934.00	USD	1	AU	Copy Machi...	Arts Commission	Arts Commm

**Table 2: Item Details**

Item	Material Data	Quantities/Weights	Delivery Schedule	Delivery	Invoice	Conditions	Account Assignment	Purchase Order History	Texts	Delivery ...
1 [ 10 ] Blanket Encumbrance	<input checked="" type="checkbox"/> Inv. Receipt <input checked="" type="checkbox"/> Final Invoice <input type="checkbox"/> GR-Bsd IV	Invoicing Plan	Tax Code	Jurisd. Code	4107902300					

# Verification of Encumbered Funds

The screenshot shows the SAP interface for a Blanket Purchase Order (PO) 460000583. The title bar indicates it was created by Linda Campbell. The main window displays a list of documents in accounting, with a callout box highlighting the 'Funds Management doc' entry. A blue arrow points from the callout box to the 'Funds Management doc' entry in the list. Below the list, there is a table showing PO items with columns for PO Quantity, O..., C, Deliv. Date, Net Price, Curr..., Per, O..., Matl Group, PInt, Stor. Location, and B... The table contains one row with a quantity of 1, a net price of 3,934.00 USD, and a material group of Copy Machi... Arts Commission. The bottom of the screen shows the 'Item' tab with a list of items, including '1 [10] Blanket Encumbrance'. The 'Invoicing Plan' is set to 'Inv. Receipt', and the 'Tax Code' is '4107902300'. The status bar at the bottom right shows 'ECQ (1) (010)' and 'sceisecqap1 INS'.

**Documents in Accounting**

Doc. Num...	Object type text	Ld
460000583	Funds Management doc	
460000583	CO Commitments	

**Double Click on Funds Management doc**

PO Quantity	O...	C	Deliv. Date	Net Price	Curr...	Per	O...	Matl Group	PInt	Stor. Location	B...
1	AU		2008/04/15	3,934.00 USD	USD	1	AU	Copy Machi...	Arts Commission	Arts Comm	

Item: 1 [10] Blanket Encumbrance

**Invoicing Plan**

Inv. Receipt ☒ Final Invoice ☒ GR-Bsd IV ☐

Tax Code: 4107902300

Jurisd. Code: 4107902300

ECQ (1) (010) sceisecqap1 INS

# Verification of Encumbered Funds

Document Journal

FM Area SC01  
Year Commitment Item 2008  
Commitment Item  
Funds Center  
Fund  
Layout  
User ESTRUBE  
Date/Time 2008/06/05 08:12:29

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

RefDocNo	* Item	VT	Val.type text	* Amt.type	Prd	FM pstg d.	Pymt Bdgt	Commt Item	Funds Center	Fund	G/L Account	Funded Program	FM Doc.No.
4600000583	10	51	Purchase Orders	0500	12	2008/06/05	3,582.30	5040020000	H910A00013	10010000	5040020000	0100.000000.000	
		51		0200	10	2008/04/25	351.70	5040020000	H910A00013	10010000	5040020000	0100.000000.000	
		51		0100	10	2008/04/15	3,934.00	5040020000	H910A00013	10010000	5040020000	0100.000000.000	

# Carry Forward Purchase Orders

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- PO's that need to be carried forward to FY 2012 should not be Final Invoiced, Blocked, or Deleted
- The list of purchase orders that need to be carried forward will be given to the designated person at your agency to run the ZFMJ2 transaction.

# Final Verification

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- It is a good practice to run the BW Open Encumbrance Report again after PO clean-up to ensure no encumbrances remain.
- BW is updated overnight. PO's updated today will appear on the BW report the following business day.



# Topic 3 Summary

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- 🌀 You should now be able to:
  - Understand the importance of completing all goods receipts by June 30<sup>th</sup> and invoice receipts by July 15<sup>th</sup>.
  - Generate a list of open purchase orders (POs).
  - Close purchase orders in the current fiscal year.



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## Topic 4: Managing Inventory Processes

STATE INFORMATION  
TECHNOLOGY



SC BUDGET AND CONTROL BOARD

# Topic 4 Learning Objectives

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- Upon completion of this topic, you should be able to:
  - Identify Key Terms and Concepts of Inventory
  - Understand impact of Open Purchase Requisitions (PRs) and POs.
  - Understand other year-end considerations for managing inventory.
  - Understand what reports to review at year-end to assist in managing the replenishment of inventory .

# Inventory Key Terms and Concepts

ECC	<b>Purchase Requisitions / MRP</b>
	*Inventory Replenishment
SRM	<b>Shopping Cart</b>
	*Inventory Consumption *Non-Inventory Procurement

- Inventory replenishment in SAP is done via a Purchase Requisition.
- Material Reservations for inventory are initiated via SRM Internal Goods/Services Shopping Cart or manually in ECC.

# Consuming Inventory

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- Users create a Shopping Cart for Internal Goods/Services in SRM when requesting inventory for consumption.
- Upon approval of the Shopping Cart, a Material Reservation is generated in ECC
  - Funds are NOT encumbered at this time
  - Funds are consumed at the time of Goods Issue from the account assignment entered on the Shopping Cart

# Material Reservations

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- If a Material Reservation crosses fiscal years and the goods issue is completed in the new fiscal year, the funds will be consumed from the original account assignment but in the new year budget.
- If the account assignment changes from one year to the next, the Material Reservation will need to be deleted and recreated with the new account assignment.

# Material Reservations cont.

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Close or Delete all Material Reservations that you will not fulfill

☛ Mark **Final Issue** indicator on the Material Reservation

OR

☛ Mark the **Final Issue** indicator in the Goods Issue transaction if you do not want to leave items on backorder




OR

☛ Mark the **Deletion** indicator on the Material Reservation if you have not issued or will not issue any quantity against this Material Reservation

# Material Reservation – Final Issue

## MB22 – Change Reservation

**Change Reservation 0000004648 : Collective Processing**

   Details from Item

**Movement Type**  GI for cost center

**Cost Center**

**Fund**

**Functional Area**


**Funds Center**

**Earmarked Funds**   ☐ Done

**Goods recipient**

**Grant**

**Commitment Item**

 More

**Final Issue Indicator**

**Items**

Itm	Material	Quantity in	UnE	Plnt	SLoc	Batch	M	FIs	D
1	104141	20	PAA	DC03			<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



# Material Reservation – Final Issue

## MIGO – Goods Issue

Material    Quantity    Where    Reservation    Account Assignment

Reservation    4648    1    Created by    ANGELA BELCHER

Reqmt Date    03/28/2011

Reqmt Qty    20    PAA

Withdrawal Qty

Qty.f.avail.chk




☐ Final Issue

**Final Issue Indicator**

# Material Reservation - Deletion

## MB22 – Change Reservation

**Change Reservation 0000004648 : Collective Processing**

   Details from Item

**Movement Type**  GI for cost center

**Cost Center**

**Fund**

**Functional Area**

**Funds Center**

**Earmarked Funds**  ☐ Done

**Goods recipient**

**Grant**

**Commitment Item**

**Deletion Indicator**

**Items**

Itm	Material	Quantity in	UnE	Plnt	SLoc	Batch	M	F1	D
1	104141	20	PAA	DC03			<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

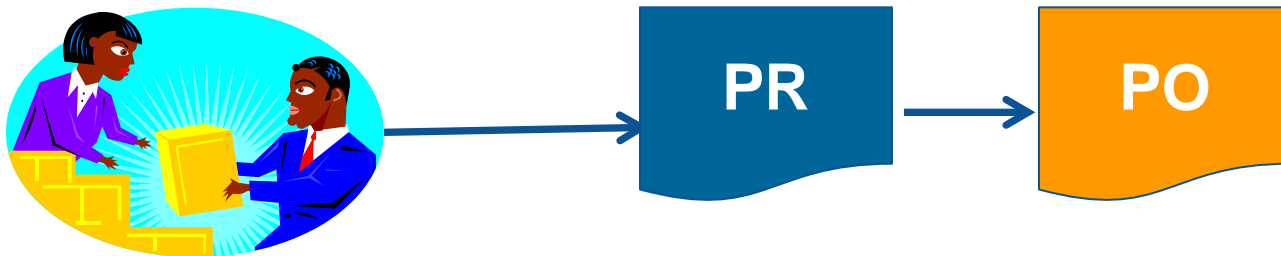
# Managing Material Reservations

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- ④ Deleting or Changing Material Reservations can only be completed by someone with Inventory Management roles for Managing Reservations or Goods Issues.
- ④ Only Inventory Management personnel should close a Material Reservation.

# Replenishing Inventory

- Inventory replenishment is done via ECC (not SRM) by using a Purchase Requisition (PR) and Purchase Order (PO) process.



# Inventory Purchasing Documents

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- Funds are encumbered when a Purchase Requisition is created.
- Buyers convert Purchase Requisitions into Purchase Orders in ECC.
- When the Purchase Requisition is converted to a Purchase Order, the encumbrance transfers from the Purchase Requisition to the Purchase Order.

# Inventory PR & PO cont.

	PR	\$100	
Create PO	PR	(\$100)	PO \$100
Result	PR	\$-0-	PO \$100

- If the Purchase Order is deleted, the encumbrance transfers from the Purchase Order **back to** the Purchase Requisition.

	PR	\$-0-	PO \$100
Delete PO	PR	\$100	PO (\$100)
Result	PR	\$100	PO \$-0-

# Inventory PR & PO cont.

- If the quantity on a Purchase Requisition is not fully converted to a Purchase Order, the balance of the encumbrance remains on the Purchase Requisition

Task	Quantity/Value	Encumbrance on PR	Encumbrance on PO
Create Purchase Requisition	100 ea @ \$5.00	\$500 (quantity 100 ea)	\$0
Create PO	10 ea @ \$5.00	\$450 (90 @ \$5.00)	\$50

# Beware of Unit of Measure

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- Quantity on the Purchase Order must equal the quantity on the Purchase Requisition or you will leave an encumbrance balance on the Purchase Requisition
- Purchasing units of measure can be established by the Agency Material Master Liaison to assist buyers with conversion between base unit of measure and the purchasing unit of measure



# WRONG METHOD!

Task	Quantity/Value	Encumbrance on PR	Encumbrance on PO
Create Purchase Requisition	100 ea @ \$5.00	\$500 (quantity 100 ea)	\$0
Create PO	10 ea @ \$50.00	\$450 (90 @ \$5.00)	\$500

In this example, the buyer ordered 10 ea meaning to order boxes from the vendor. With no purchasing unit of measure in place, the system does not recognize this purchase as anything other than ea and assumes there are 90 ea more that still need to be ordered.

# CORRECT METHOD!

Task	Quantity/Value	Encumbrance on PR	Encumbrance on PO
Create Purchase Requisition	100 ea @ \$5.00	\$500 (quantity 100 ea)	\$0
Create PO	10 bx @ \$50.00 (Purchasing UoM = bx )	\$0	\$500

In this example, the buyer ordered 10 bx where the purchasing unit of measure has been implemented. In this purchasing unit of measure, 10 ea = 1 bx. The system understands that all requested units (100 ea) have now been ordered (100 ea = 10 bx ).

# Deleting a Line on a PO

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- If you delete a line on an Inventory Purchase Order, encumbrance transfers back to the Purchase Requisition
- The corresponding line on the Purchase Requisition must also be deleted in order to free the encumbrance
- **BEST PRACTICE:** Close Inventory Purchase Orders rather than delete them

# Inventory PR & PO cont.

- In order to liquidate funds encumbrance on Inventory Purchase Orders, set the **Delivery Complete** indicator ONLY
  - Delivery complete is the indicator that releases encumbrance on inventory PO's, **not** the Final Invoice indicator
- Buyers have the ability to set Delivery Complete indicator on inventory PO's

# Setting Delivery Complete

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- ④ Setting Delivery Complete can be accomplished by agency procurement staff with transaction ME22N

OR

- ④ By Inventory Management personnel during Goods Receipt when no further materials are expected from the vendor

# Delivery Complete Indicator

## ME22N Change Purchase Order

The screenshot displays the 'ME22N Change Purchase Order' interface. At the top, the 'Item' field is populated with '1 [10] 137766, JUMPER,FIBER OPTIC,2 FIBE...'. Below this, a series of tabs are visible: 'Delivery Schedule', 'Delivery', 'Invoice', 'Conditions', 'Account Assignment', 'Purchase Order History', and 'Te...'. The 'Delivery' tab is currently selected. Within this tab, there are several input fields and checkboxes. On the left, 'Overdeliv. Tol.' and 'Underdel. Tol.' are followed by percentage signs and an 'Unlimited' checkbox. Below these is a 'Shipping Instr.' field. On the right, there are fields for '1st Rem./Exped.', '2nd Rem./Exped.', '3rd Rem./Exped.', and 'No. Exped.' (set to 0). To the right of these fields are three checkboxes: 'Goods Receipt' (checked), 'GR Non-Valuated' (unchecked), and 'Deliv. Compl.' (checked). The 'Deliv. Compl.' checkbox is highlighted with a red rectangular border.

- 🌀 Delivery Complete can be found on the Delivery tab in the Item Detail section of the Purchase Order

# Delivery Complete Indicator

## MIGO Goods Receipt

The screenshot displays the MIGO Goods Receipt interface. At the top, there are four tabs: Material, Quantity, Where, and Purchase Order Data. Below these tabs, the 'Purchase Order' field contains the value 4500014932, and the 'Quantity' field contains 10. A small icon is visible next to the quantity field. Below the 'Purchase Order' field, the 'Del. Completed' indicator is set to '1 Set automatic'. A dropdown menu is open for the 'Requisitioner' field, showing three options: '1 Set automatically', '2 Set', and '3 Do not set'. A blue arrow points from a green callout box to the '2 Set' option. The callout box contains the text 'Choose "Set" from the dropdown box'.

Material	Quantity	Where	Purchase Order Data
Purchase Order	4500014932	10	
"Del. Completed" Ind.	1 Set automatic		
Requisitioner	1 Set automatically		
	2 Set		
	3 Do not set		

# Closing Inventory Purchase Orders

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- ④ Setting Delivery Complete releases funds encumbrance on the Purchase Order
- ④ No further action is required on the Purchase Requisition as long as the full quantity of the Purchase Requisition was converted to the Purchase Order



# Carrying Forward Inventory POs

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- 🔄 If you have any Inventory Purchase Orders with open quantities that you intend to receive in the new fiscal year, you must carry forward that purchase order
- 🔄 If an Inventory Purchase Order must be carried over to the new fiscal year, use transaction ZFMJ2.

# Reports to manage Open P.O.s and P.R.s

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- 🔄 ME5A – Open Purchase Requisitions
  - Helps identify purchase requisitions that were not fully converted to purchase orders
  - Helps identify which purchase requisitions have had encumbrance transferred back from the purchase order
- 🔄 ME2N – Open Purchase Orders
- 🔄 Open Encumbrance Report (BW)

# Managing Inventory Payments

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- ④ Always insure that invoices associated with an inventory PO's are posted against the inventory purchase order and correct goods receipt document.
- ④ Do not direct pay any inventory POs.
- ④ Do not use the P-card to make any inventory purchases.

# Physical Inventory (per CG's office)

- ☉ Take a physical count of inventories on hand at the end of the fiscal year.
- ☉ Do this on some date between April 1 and June 30 but choose a date as close to June 30 as possible.
- ☉ The date should not vary significantly from year to year.
- ☉ Notify the State Auditor's Office at least two weeks in advance of the date of the physical count. They may wish to send someone to observe the count.

# Physical Inventory Reconciliation

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- ☉ Pay attention to unit of measure when entering your count. The default is the base unit of measure.
- ☉ Physical inventory documents must have differences **POSTED** no later than June 30, 2011.
- ☉ Don't wait until June 30 to get started.

# Helpful Transactions

- **MIDO: Display Physical Inventory Documents**
  - Items not yet counted
  - Documents not yet posted.

*Display Phys. Inv. Overview: Stock Mgmt Units - w/o Ph. Inv.*

Filter | Print | Copy | Paste | Choose | Save | Attach | Edit | Calc | Phys. Inventory Doc. for Material | PH

Company Code	SC01	Evaluation for	2011
Current Fiscal Year	2011	Current Period	10
Created on	04/29/2011	by	SYOUNG

Plant	DC23	SCDC Livesay B Camp Warehouse Stock
Storage Location	0001	Livesay B Camp

Material	Batch	S	Assignment	Unr.	Qual	Blck	Val.	SL
101490								
101491								
101501								
101502								
101503								

Example: materials not yet counted in this fiscal year

# Helpful Transactions

## MI22: Display Physical Inventory Documents by Material

- Shows all physical inventory documents
- Active documents must be POSTED or DELETED by June 30, 2011.

105691		COOKIES, ICED OATMEAL, 50Z		DC23 0001	
100004357	217	2010.12	06/29/2010	06/29/2010	1
100007975	24	2011.07	01/20/2011	01/20/2011	1
					Doc. Active

Example: document not yet  
POSTED

# Other Year End Considerations

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## Inventory scrapping

- Review any inventory that may be considered obsolete or damaged
- Excess inventory - Can another section/department in your agency use the inventory?
- Surplus inventory – comply with your agency's guidance and 19-445.2150

## Ensure that Goods Receipts for the current fiscal year are posted



# Topic 4 Summary

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- You should now be able to:
  - Understand integration of Materials Reservations with Funds Reservations and the Budget.
  - Understand impact of open PRs and POs.
  - Understand other year-end considerations for managing inventory.
  - Understand what reports to review at year-end to manage inventory.



# Topic 5: Managing Sales and Distribution (SD) Processes

# Topic 5 Learning Objectives

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- Upon completion of this Topic, you should be able to:
  - Understand how to review and prepare sales documents for year end.
  - Recognize the transactions used to review sales documents.
  - Understand the importance of shipping and billing in the same fiscal year.
  - Understand what reports are available to view open orders, picks, issues and billing.

# SD - Open Orders

## Sales Orders

- Review all Open Sales Orders (VA05). Choose **Open Sales Orders** in the Selection Criteria.



The screenshot displays the SAP VA05 'List of Sales Orders' interface. At the top, there is a menu bar with 'List', 'Edit', 'Goto', 'Settings', 'Environment', 'System', and 'Help'. Below the menu is a toolbar with various icons. The main title 'List of Sales Orders' is centered. Underneath, there are four tabs: 'Disp.variants', 'Further sel.criteria', 'Organizational data', and 'Partner function...'. The 'Further sel.criteria' tab is currently active. Below the tabs, there are input fields for 'Sold-to party', 'Material', and 'Purchase order no.'. Further down, the 'Sales order data' section includes 'Document Date' and 'To' (05/10/2011). At the bottom, the 'Selection criteria' section is highlighted with a red box. It contains three radio button options: 'Open sales orders' (which is selected), 'My orders', and 'All orders'.

# SD - Open Orders cont.

- 🌀 The List of **OPEN** Sales Orders can be by creator or by agency.

## Open sales orders

Doc. date 00/00/0000 To 05/11/2011

SD Doc.	Item	SLNo	S	Description	SaTy	Doc. Date	ConfirmQty	PO Number	PO number	Batch	Valid from
25091	10	1		PHONE,DIGITAL,7405D01B,BLACK,REFURB	ZOR	03/22/2011	6	TEST ZPRS1	TEST ZPRS1		
25083	10	1		ADAPTER,HEADSET,ONE TOUCH,500A,REFURB	ZOR	03/14/2011	2	dfs	dfs		
25071	10	1		ADAPTER,HEADSET,ONE TOUCH,500A,REFURB	ZOR	02/14/2011	3	adfad	adfad		
25043	10			LABOR,PHONE,COLA	ZOR	02/04/2011	1.0	asas	asas		
25024	20	1		ADAPTER,HEADSET,ONE TOUCH,500A,REFURB	ZOR	11/16/2010	2	segwer	segwer		
25022	10			LABOR,PHONE,CHAS	ZOR	11/09/2010	10.0	titritritri	titritritri		
24880	10			LABOR,PHONE,CHAS	ZOR	10/06/2010	3.5	15777-1	15777-1		
24876	10			LABOR,PHONE,CHAS	ZOR	10/06/2010	2.0	15749-1 thru 3	15749-1 thru 3		
24872	10			LABOR,PHONE,COLA	ZOR	10/06/2010	1.0	15830	15830		
24871	10			LABOR,PHONE,COLA	ZOR	10/06/2010	1.0	15819	15819		
24870	10			LABOR,PHONE,CHAS	ZOR	10/06/2010	1.5	15568-1,2	15568-1,2		
24869	10			LABOR,PHONE,COLA	ZOR	10/06/2010	1.0	15816	15816		

# SD – Open Orders cont.

- 🔄 To close an open sales order, you must do a "Reason for Rejection" in the sales order and save **OR** change the quantity in the sales order to the quantity shipped to the customer.

**Change SCEIS Standard Order 20710: Overview**

SCEIS Standard Or... 20710 Net value 1,360.00 USD

Sold-To Party 3402000 RICHLAND SCHOOL DISTRICT 2 / 6831 BROOKFIELD ROAD / ...

Ship-To Party 3402000 RICHLAND SCHOOL DISTRICT 2 / 6831 BROOKFIELD ROAD / ...

PO Number 11001920 PO date 08/02/2010

Sales Item overview Item detail Ordering party Procurement Shipping Reason for rejection

Order reason 103 Quantity discrepancy

All items

Item	Material	Reason for rejection	Net value	Description	Plnt	POitem
	10133743	02 Poor quality	1,360.00	CHAIR,DIPLOMAT,NO CASTERS,MAHOGANY	PI07	

# SD – Incomplete Sales Orders

- Review **Incomplete Sales Orders** in V.02 by agency or created by to determine reason order is incomplete and update or delete.

## Incomplete SD Documents

**Incompleteness**

☒ General  
☒ Delivery  
☒ Billing document  
☒ Price determination  
☒ No assignment

Status group  to

**Organizational data**

Sales organization  to   
Distribution channel  to   
Division  to   
Sales office  to   
Sales group  to


**Document Information**






Created by  to   
SD transaction  to





# SD – Incomplete Sales Orders cont.


- ❶ Incomplete SD Documents are shown and by clicking into the document the system details the reason the document is incomplete

# Incomplete SD Documents

 Edit incompletion



 Choose



 Selections

## Incomplete SD Documents

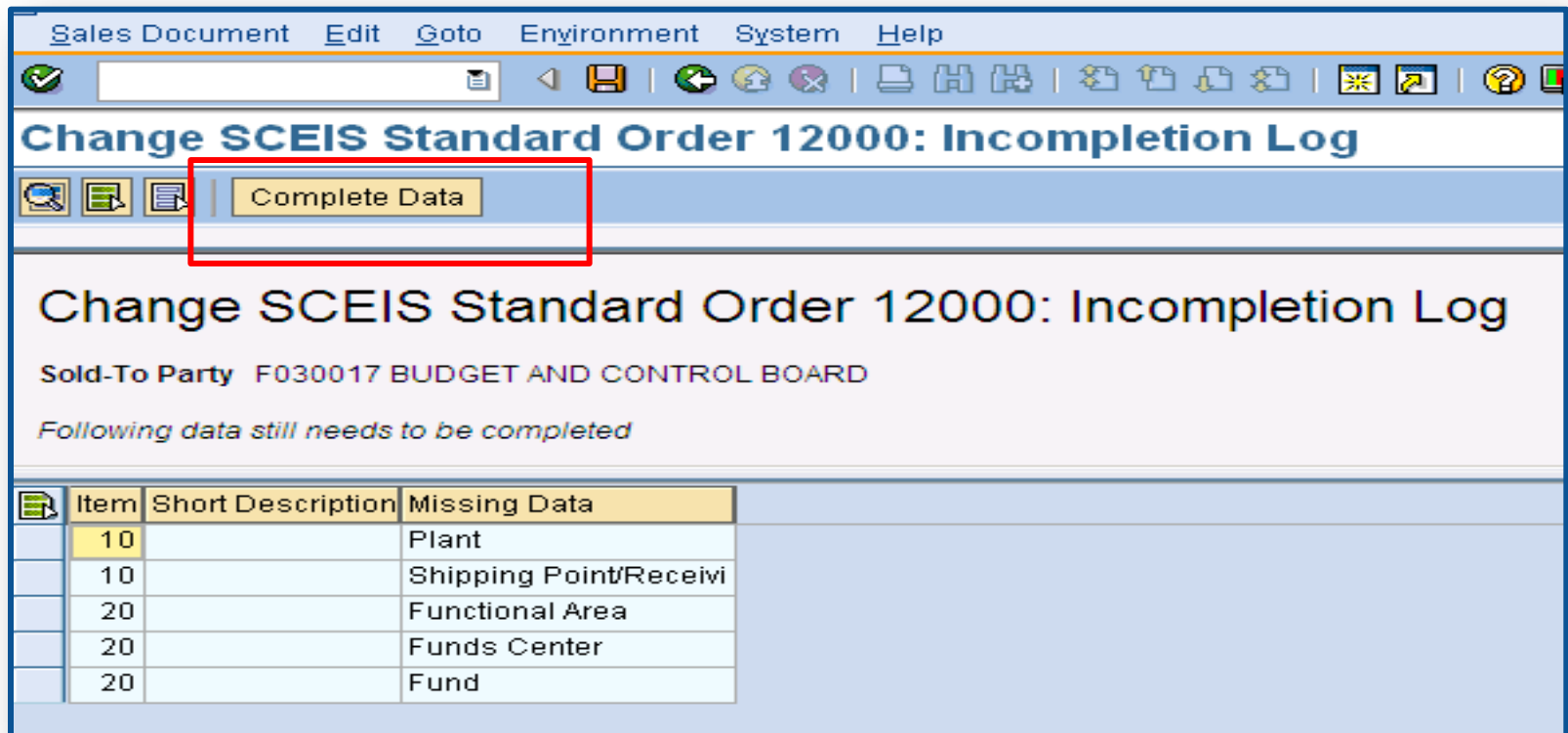
Basic list

	Sales Document Type	Created by	Created on	...	...	...	...	Number
	<u>Order 12000</u>	TER40455	05/12/2010	X	X	X		005



# SD – Incomplete Sales Orders

- Next click on “Complete Data” to complete the missing data.



Sales Document Edit Goto Environment System Help

Change SCEIS Standard Order 12000: Incompletion Log

Complete Data

Change SCEIS Standard Order 12000: Incompletion Log

Sold-To Party F030017 BUDGET AND CONTROL BOARD


Following data still needs to be completed

Item	Short Description	Missing Data
10		Plant
10		Shipping Point/Receivi
20		Functional Area
20		Funds Center
20		Fund

# SD – Picking and Issuing

- VL06O - Review all open pick requests and open issues. Complete or delete.

## Outbound Delivery Monitor

 **Display Variants** **Only inbound deliveries** **Only outbound deliveries** **All deliveries**

### Outbound Deliveries

Selection Type

For Checking

For Distribution

For Picking

For Confirmation

For Loading

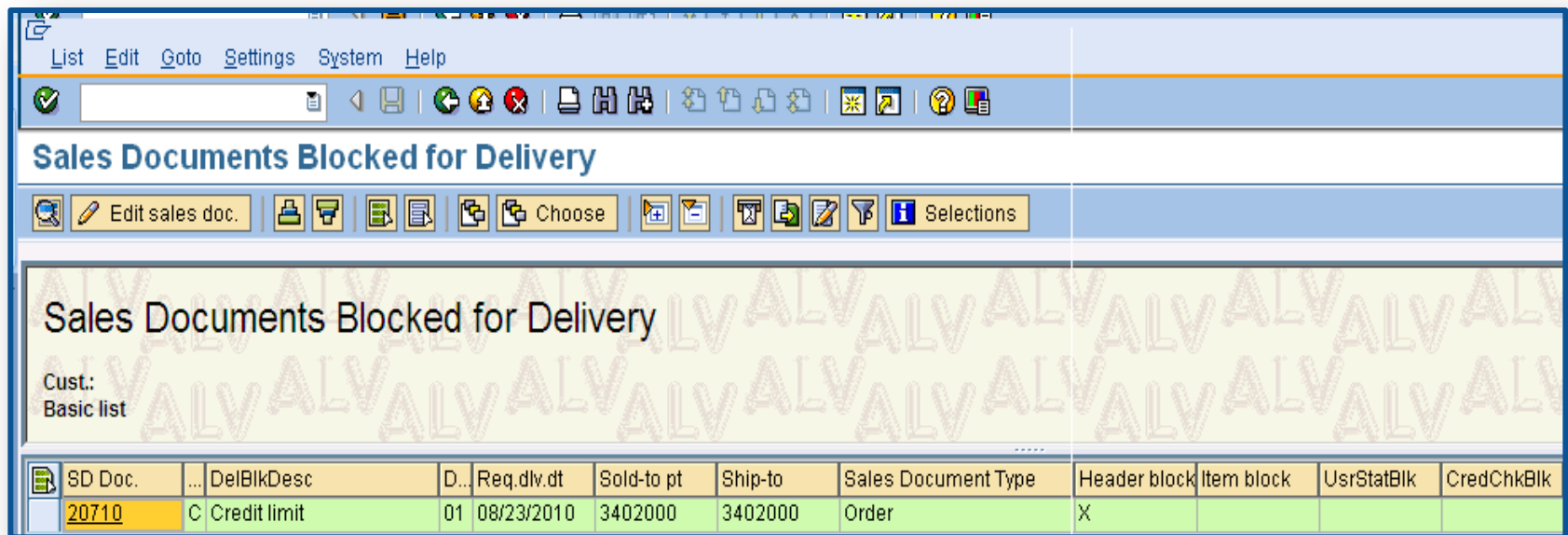
For Goods Issue

For Transport. Planning

List Outbound Deliveries

# SD – Blocked for Delivery

- 🌀 Sales Orders blocked for **Delivery – VA14L**. This can be edited by double clicking on the sales order or the line item can be deleted in VA02.



The screenshot shows the SAP 'Sales Documents Blocked for Delivery' screen. The title bar includes 'List Edit Goto Settings System Help'. The main area has a toolbar with icons for 'Edit sales doc.', 'Choose', and 'Selections'. Below the toolbar, the text 'Sales Documents Blocked for Delivery' is displayed, followed by 'Cust.: Basic list'. A table at the bottom lists sales documents with columns: SD Doc., DelBlkDesc, D..., Req.dlv.dt, Sold-to pt, Ship-to, Sales Document Type, Header block, Item block, UstrStatBlk, and CredChkBlk. The first row shows document 20710 with a credit limit block.

SD Doc.	DelBlkDesc	D...	Req.dlv.dt	Sold-to pt	Ship-to	Sales Document Type	Header block	Item block	UstrStatBlk	CredChkBlk
20710	C Credit limit	01	08/23/2010	3402000	3402000	Order	X			

# SD – Sales Contracts

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- 🌀 VA45- Review all **Open** Sales Contracts
- 🌀 V.06- Review all **Incomplete** Sales Contracts.  
Are they still valid?

# SD – Billing – VF04

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- VF04 - Review all open Billing Documents related to Sales Orders. Be certain there are no billing documents awaiting release to accounting. All shipments made by June 30<sup>th</sup> must be billed by that date.

# SD – Billing – VFX3


- 🌀 VFX3- Release Billing Documents for Accounting This allows you to view billing documents that are due to be released to accounting.

List Edit Goto Settings System Help											
Release Billing Documents for Accounting											
SOrg.	Payer	BI Cat	Billing Date	BI LT	Created by	Created on	Sold-to pt	Bill.Doc.	Ps...	S	Char
ZD...	1040040	L	06/28/2010	F2	RAM43430	10/05/2010	1040040	90024829	N	X	Delivery-related billing document
ZDOC	J040044	L	07/27/2010	F2	RAM43430	10/05/2010	J040044	90024856	N		Delivery-related billing document
ZDOC	3402000	L	10/05/2010	F2	TER40455	10/07/2010	3402000	90025007			Delivery-related billing document
ZDOC	N040026	L	08/12/2010	F2	RFERGUSON	01/26/2011	N040026	90025084	N		Delivery-related billing document
ZDOC	N040026	L	08/30/2010	F2	RFERGUSON	03/08/2011	N040026	90025163			Delivery-related billing document
ZDOC	N040026	L	08/30/2010	F2	RFERGUSON	03/08/2011	N040026	90025164			Delivery-related billing document
ZDOC	H630029	L	09/01/2010	F2	RFERGUSON	03/08/2011	H630029	90025165			Delivery-related billing document
ZDOC	H630029	L	09/01/2010	F2	RFERGUSON	03/08/2011	H630029	90025166			Delivery-related billing document
ZDOC	H630029	L	09/01/2010	F2	RFERGUSON	03/08/2011	H630029	90025167			Delivery-related billing document
ZDOC	H630029	L	09/01/2010	F2	RFERGUSON	03/08/2011	H630029	90025168			Delivery-related billing document

# SD – Billing – VF05 and V23

- VF05 – Review All Pending and Open Billing Documents
- V23 -Review All SD Documents Blocked for Billing by clicking on Edit Sales Doc

SD Doc.	BillBikDes	On	Sold-to pt	Created	Name	BB	Delivery status
12000	C PI Billing Block	05/12/2010	F030017	TER40455	BUDGET AND CONTROL BOARD	Z4	Not delivered
12852	C	05/21/2010	1038032	LIN42812	ORANGEBURG COUNTY		Not relev for deliv
14383	C PI Billing Block	06/09/2010	U120027	ANI39667	SC DEPT OF TRANSPORTATION	Z4	Not relev for deliv
15617	C PI Billing Block	06/22/2010	4005696	RAM43430	SHAW INDUSTRIES GROUP INC	Z4	Not relev for deliv
16364	C PI Billing Block	06/30/2010	N200001	GEN39065	SC CRIMINAL JUSTICE ACADEMY	Z4	Not relev for deliv
18697	C PI Billing Block	07/29/2010	N200001	FRE41541	SC CRIMINAL JUSTICE ACADEMY	Z4	Not relev for deliv
18948	C PI Billing Block	08/02/2010	N200001	FRE41541	SC CRIMINAL JUSTICE ACADEMY	Z4	Not relev for deliv
19085	C PI Billing Block	08/03/2010	N200001	GEN39065	SC CRIMINAL JUSTICE ACADEMY	Z4	Not relev for deliv
19146	C PI Billing Block	08/03/2010	N200001	LIN42812	SC CRIMINAL JUSTICE ACADEMY	Z4	Not relev for deliv
19149	C PI Billing Block	08/03/2010	N040026	LIN42812	SCDC COMMI	Z4	Not delivered
19882	C	08/12/2010	H270050	ANI39667	UNIV OF SOUTH CAROLINA		Fully delivered

 **If the sales order was shipped in the current fiscal year, the billing must be completed in the current fiscal year**



# SD - Transaction Codes to Remember



- 🔄 VA05 - Review all **OPEN** Sales Orders
- 🔄 V.02 - Review **INCOMPLETE** Sales Orders
- 🔄 VL06O - Review all **Open** Picking & Goods Issue Requests.
- 🔄 VA14L- Review any SD Documents **Blocked for Delivery**
- 🔄 VA45 - Review All **OPEN** Order Sales Contracts
- 🔄 V.06 - Review All **INCOMPLETE** Sales Contracts

# SD – Billing Transaction Codes

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- VF04 – Review All **OPEN** Billing Documents related to Sales Orders
- VFX3 - **Release Open Billing Documents** for Accounting
- VF05 - Review **All Pending and Open Billing Documents**
- V23 - Review All SD Documents **Blocked for Billing**

# SD Sales Orders Carryforward

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 **A Sales Order can roll forward to the new year by using ZFMJ2**

# Topic 5 Summary

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- 🌀 You should now be able to:
  - Close a partially delivered Sales Order
  - Understand that open Sales Orders that will be delivered in the next fiscal year can be rolled over to the new year.
  - Understand that any Sales Orders shipped in the old year must be billed in that year.
  - Understand what reports are available to view open orders, picks, issues and billing.

# Any Questions?

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# Next Steps

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- Additional Support and Reference Materials
  - You can access additional support and print step-by-step procedures on the SCEIS uPerform website.

Go to the SCEIS website at <http://www.sceis.sc.gov> and click **Training**, and then click **SCEIS uPerform**

***Please complete the online Workshop evaluation that will be emailed to you after the workshop.***

Your input will help to shape future enhancements to the  
SCEIS End User Training Program

# Contact Information

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- 🌀 Training@sceis.sc.gov
- 🌀 Contact the SCEIS Service Desk by phone or email. Service Desk staff will create a help ticket and work to resolve your issue. Service Desk contact information:
  - a. Phone: (803) 896-0001  
(Select option 1 for SCEIS Help)
  - b. Email: [SCEISHelpDesk@sceis.sc.gov](mailto:SCEISHelpDesk@sceis.sc.gov)
- 🌀 SCEIS Website at [www.sceis.sc.gov](http://www.sceis.sc.gov)