SCEIS

South Carolina Enterprise Information System

LESSON 3: MANAGING PURCHASING 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:
  - Understand the importance of completing all goods receipts by June 30th and invoice receipts by July 15th
  - Generate a list of open purchase orders (POs).
  - Close purchase orders and corresponding requisitions (if applicable) in the current fiscal year.

Key Transactions

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

Purchasing at Year-end

- It is important to post all required Goods Receipts and invoices prior to year-end.
- If a PO requires Goods Receipts, payments cannot be processed until the GR is posted.
- 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.

- 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.

- 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.
- Use **BW** Open Encumbrance Report to generate a list of Open POs
- Use transaction code **ME23N** to modify and release encumbrances of Purchase Orders as necessary.

Open Encumbrance Report

- 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.

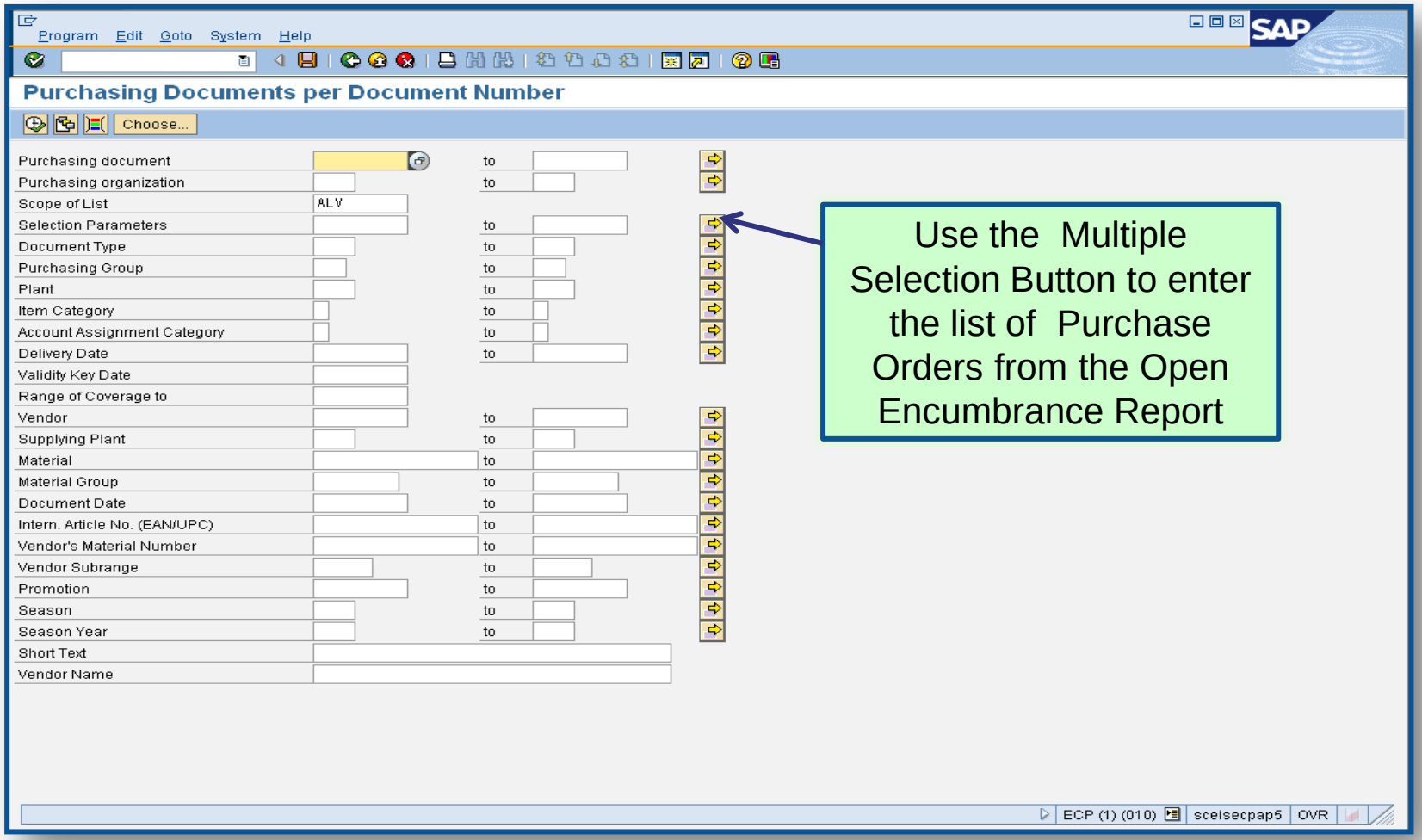
Open PO Options

- 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

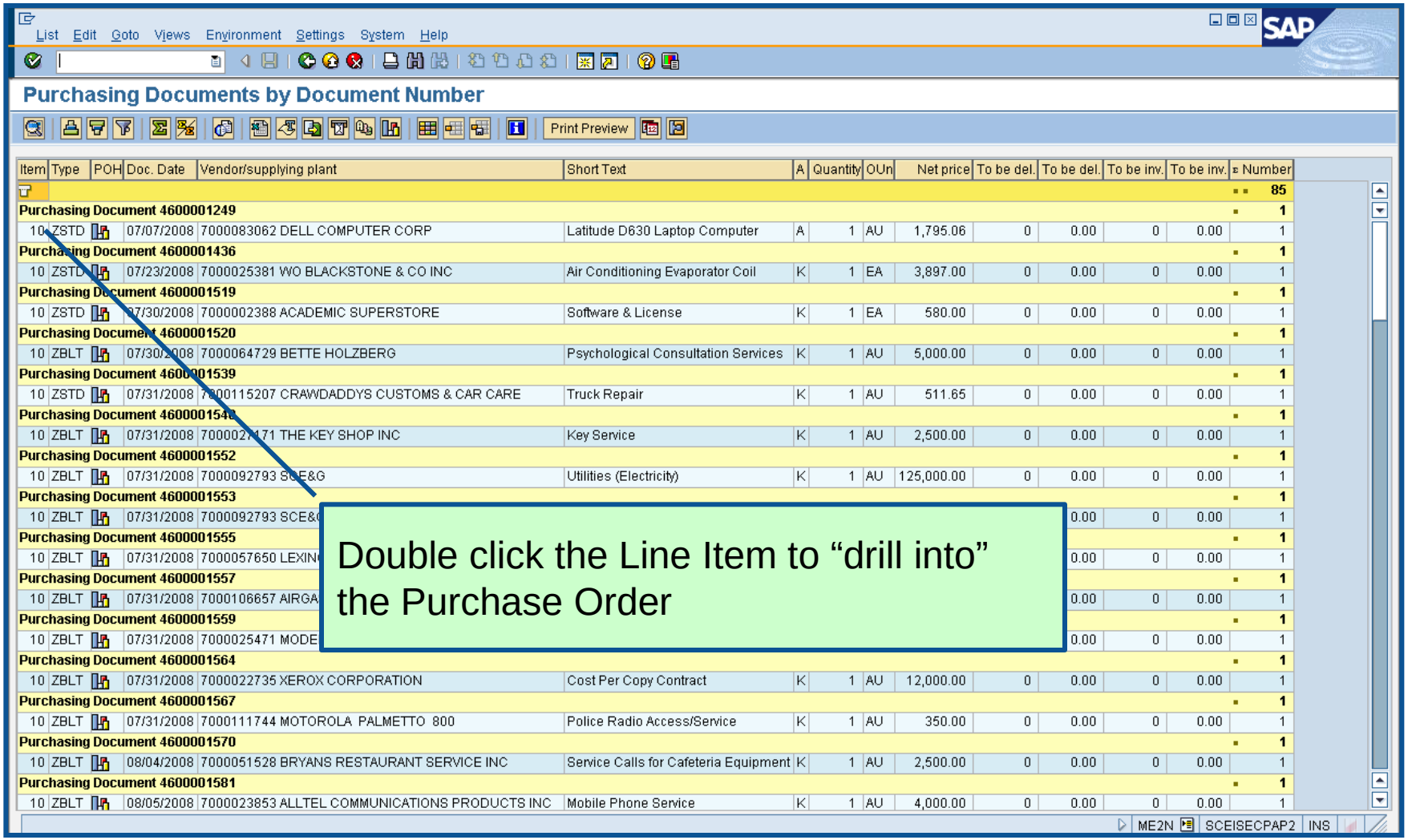
- If PO will be received and paid in the current fiscal year, make no revisions to the PO, follow standard process.
- You may find items that need to be modified for various reasons:
  - PO that has items that will not be delivered
  - PO that has items that cannot be delivered prior to year end
  - 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



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

ME2N – List Display by Purchase Order



List Edit Goto Views Environment Settings System Help

Purchasing Documents by Document Number

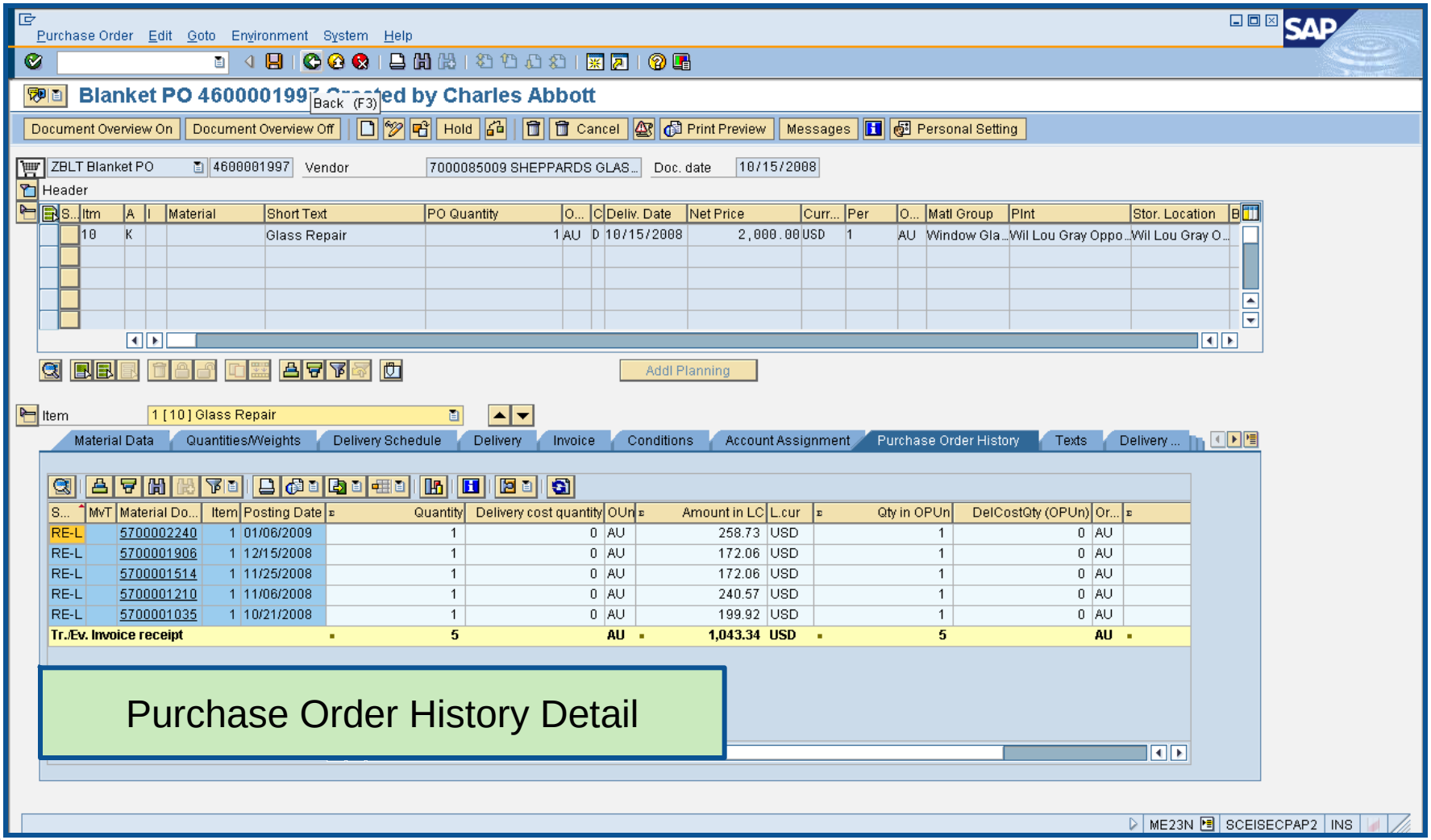
Print Preview

Item	Type	POH	Doc. Date	Vendor/supplying plant	Short Text	A	Quantity	OUn	Net price	To be del.	To be del.	To be inv.	To be inv.	Number
														85
Purchasing Document 4600001249														1
10	ZSTD		07/07/2008	7000083062 DELL COMPUTER CORP	Latitude D630 Laptop Computer	A	1	AU	1,795.06	0	0.00	0	0.00	1
Purchasing Document 4600001436														1
10	ZSTD		07/23/2008	7000025381 WO BLACKSTONE & CO INC	Air Conditioning Evaporator Coil	K	1	EA	3,897.00	0	0.00	0	0.00	1
Purchasing Document 4600001519														1
10	ZSTD		07/30/2008	7000002388 ACADEMIC SUPERSTORE	Software & License	K	1	EA	580.00	0	0.00	0	0.00	1
Purchasing Document 4600001520														1
10	ZBLT		07/30/2008	7000064729 BETTE HOLZBERG	Psychological Consultation Services	K	1	AU	5,000.00	0	0.00	0	0.00	1
Purchasing Document 4600001539														1
10	ZSTD		07/31/2008	7000115207 CRAWDADDYS CUSTOMS & CAR CARE	Truck Repair	K	1	AU	511.65	0	0.00	0	0.00	1
Purchasing Document 4600001540														1
10	ZBLT		07/31/2008	7000027171 THE KEY SHOP INC	Key Service	K	1	AU	2,500.00	0	0.00	0	0.00	1
Purchasing Document 4600001552														1
10	ZBLT		07/31/2008	7000092793 SCE&G	Utilities (Electricity)	K	1	AU	125,000.00	0	0.00	0	0.00	1
Purchasing Document 4600001553														1
10	ZBLT		07/31/2008	7000092793 SCE&G							0.00	0	0.00	1
Purchasing Document 4600001555														1
10	ZBLT		07/31/2008	7000057650 LEXING							0.00	0	0.00	1
Purchasing Document 4600001557														1
10	ZBLT		07/31/2008	7000106657 AIRGA							0.00	0	0.00	1
Purchasing Document 4600001559														1
10	ZBLT		07/31/2008	7000025471 MODE							0.00	0	0.00	1
Purchasing Document 4600001564														1
10	ZBLT		07/31/2008	7000022735 XEROX CORPORATION	Cost Per Copy Contract	K	1	AU	12,000.00	0	0.00	0	0.00	1
Purchasing Document 4600001567														1
10	ZBLT		07/31/2008	7000111744 MOTOROLA PALMETTO 800	Police Radio Access/Service	K	1	AU	350.00	0	0.00	0	0.00	1
Purchasing Document 4600001570														1
10	ZBLT		08/04/2008	7000051528 BRYANS RESTAURANT SERVICE INC	Service Calls for Cafeteria Equipment	K	1	AU	2,500.00	0	0.00	0	0.00	1
Purchasing Document 4600001581														1
10	ZBLT		08/05/2008	7000023853 ALLTEL COMMUNICATIONS PRODUCTS INC	Mobile Phone Service	K	1	AU	4,000.00	0	0.00	0	0.00	1

ME2N SCEISECPAP2 INS

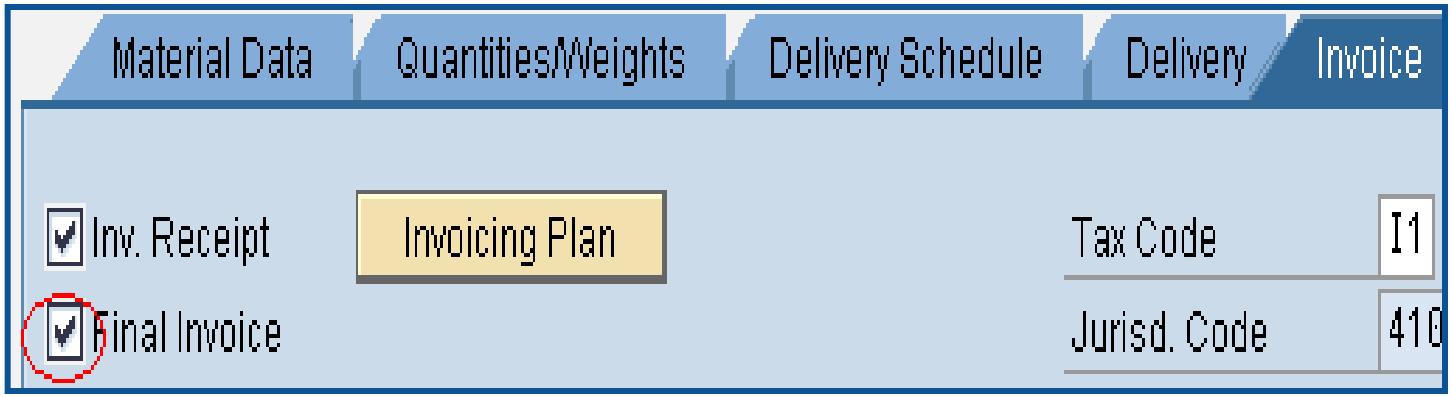
Double click the Line Item to “drill into” the Purchase Order

Display PO


Purchase Order Edit Goto Environment System Help
SAP
Blanket PO 4600001997 Created by Charles Abbott
Back (F3)
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... Itm A I Material Short Text PO Quantity O... C Deliv. Date Net Price Curr... Per O... Matl Group Plnt Stor. Location B
10 K Glass Repair 1 AU D 10/15/2008 2,000.00 USD 1 AU Window Gla... Wil Lou Gray Oppo... Wil Lou Gray O...
Addl 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
SCEISECPAP2
INS

Final Invoice a PO Line Item

- After final-invoicing a PO line item:
  - The encumbrances on that PO line item are released.
- 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.



Blocking a PO Line Item

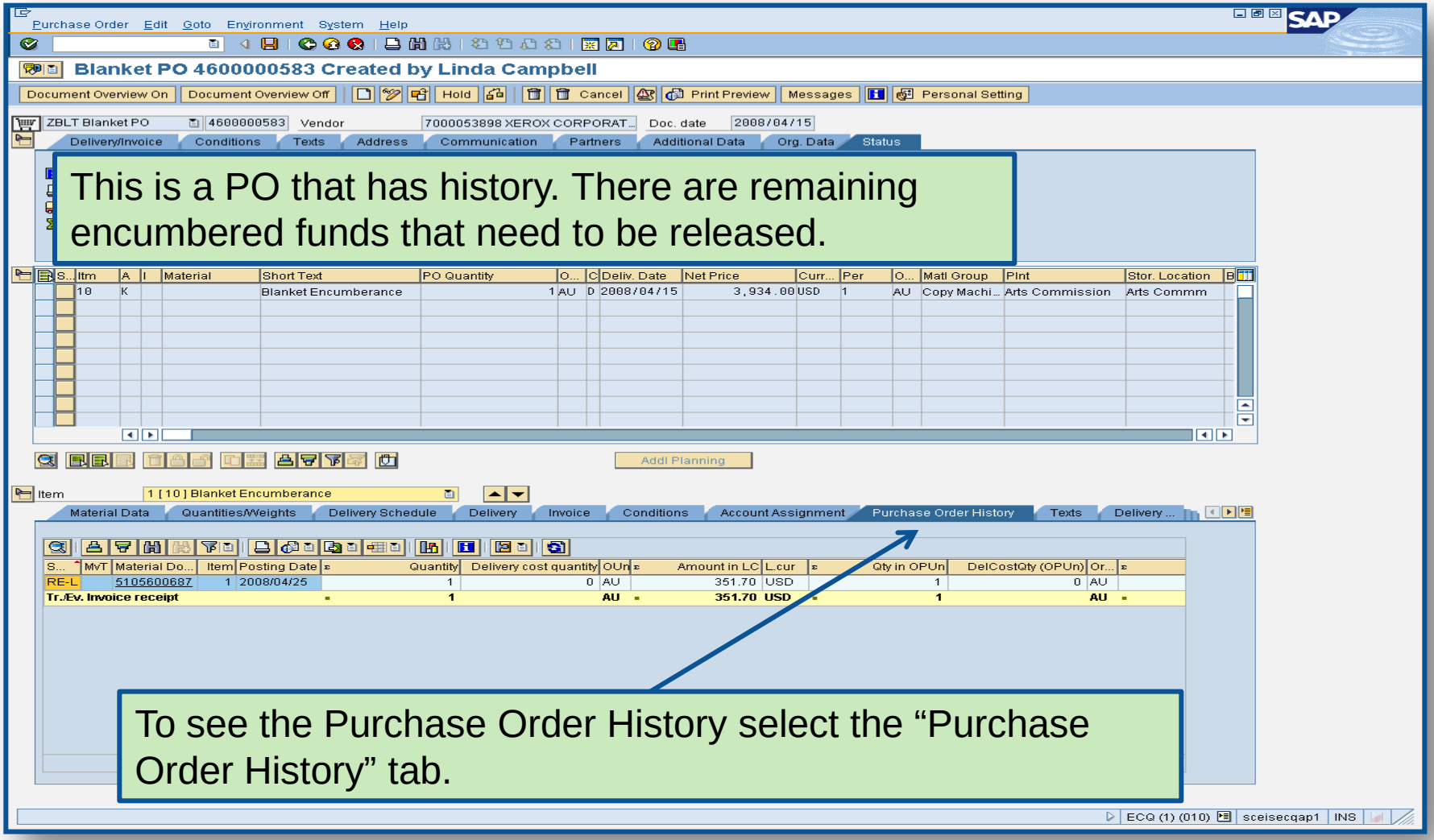
- After Blocking a PO line item <u>no further activity</u> (goods receipts and invoice payments) can be made against that PO line item.

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



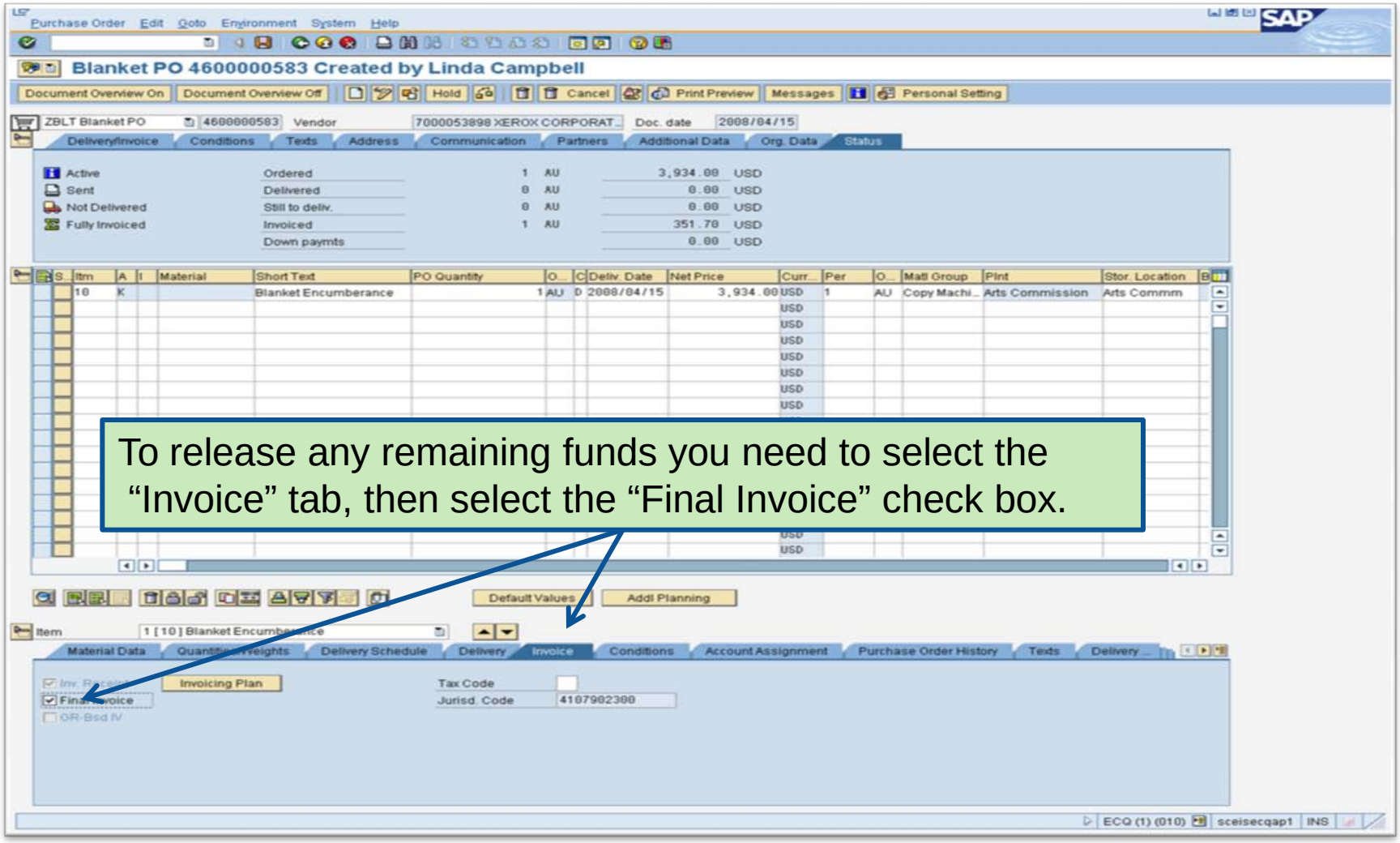
S...	Itm	A	I	Material	Short Text	PO Quantity	O...	C	Deliv. Date	Net Price	Curr...	Per	O...	Matl Group	Plnt	Stor. Location	B
	10	K			Blanket Encumberance	1	AU	D	2008/04/15	3,934.00	USD	1	AU	Copy Machi...	Arts Commission	Arts Commm	

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		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

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

To see the Purchase Order History select the “Purchase Order History” tab.

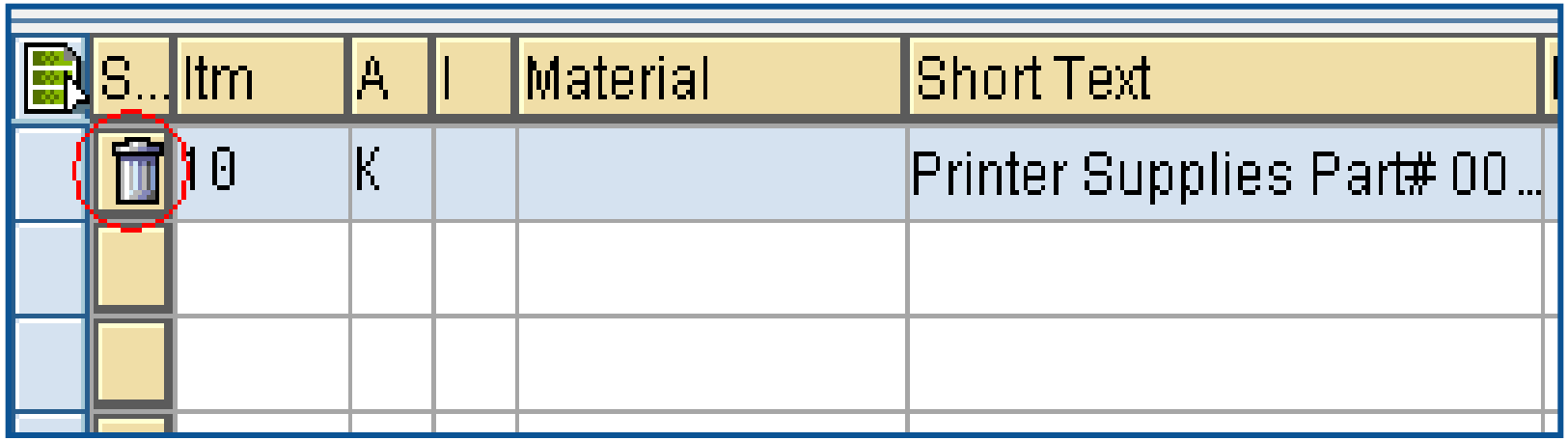
Final Invoice and Block Line Items



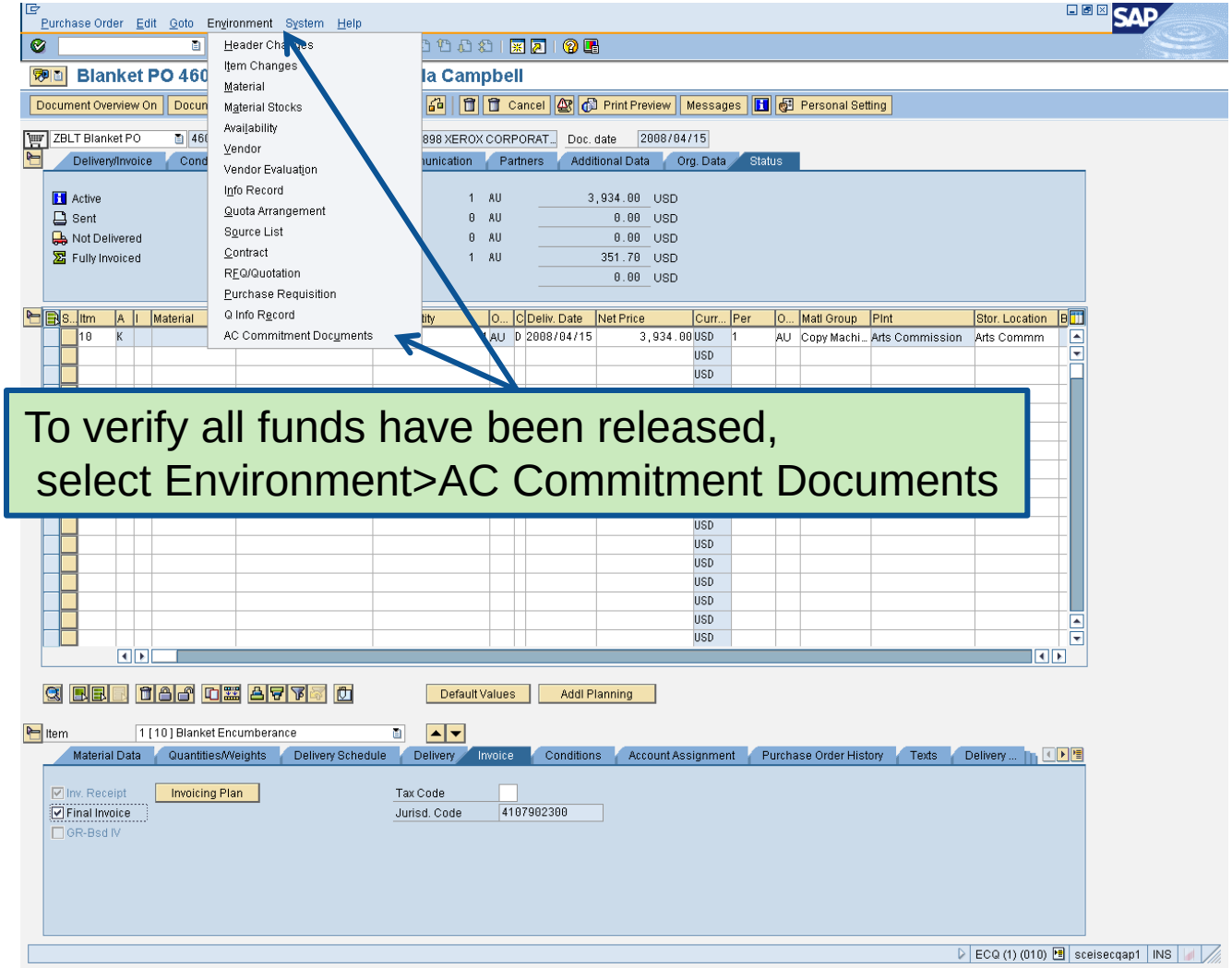
To release any remaining funds you need to select the "Invoice" tab, then select the "Final Invoice" check box.

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.

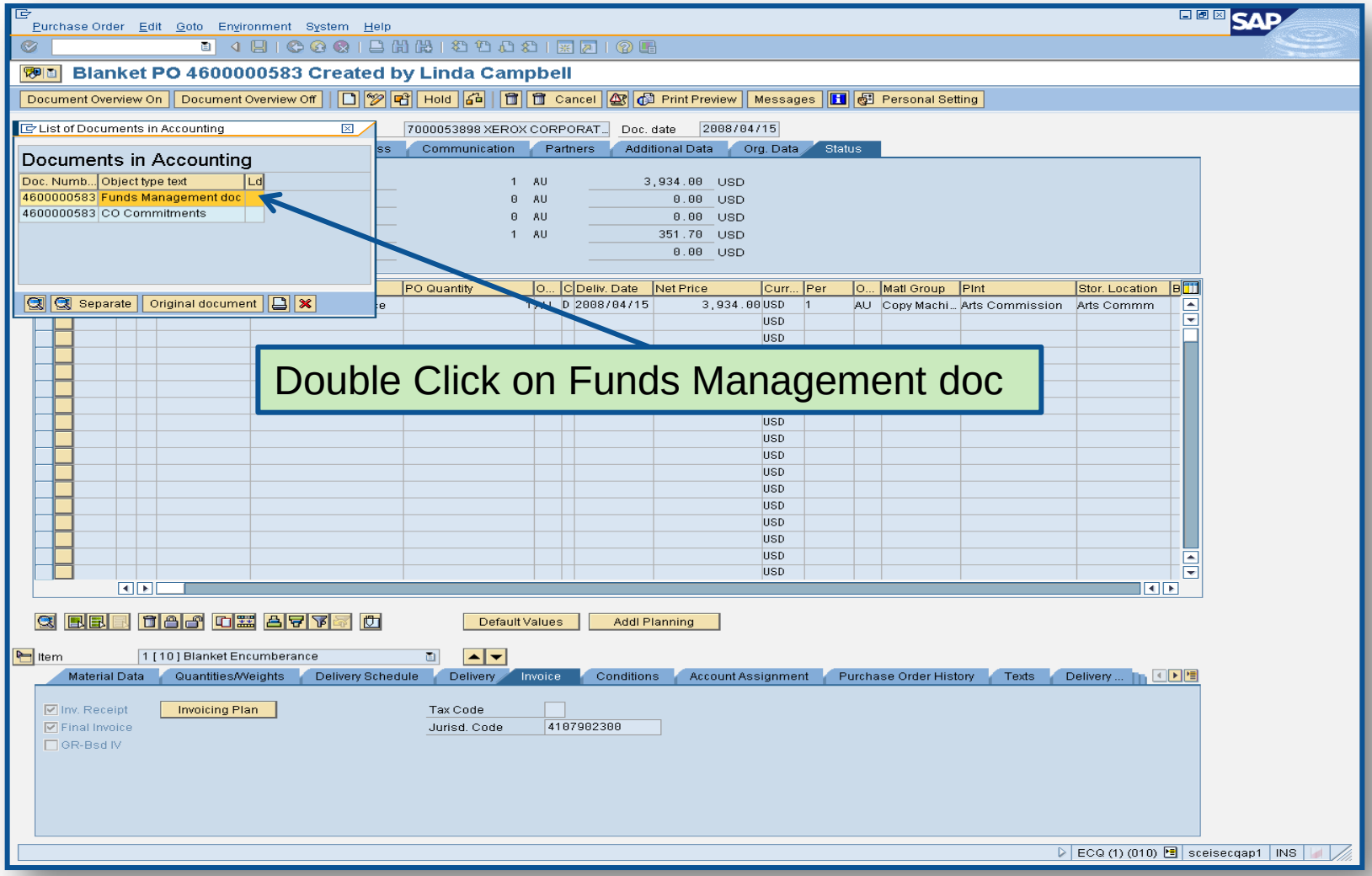


Verification of Encumbered Funds

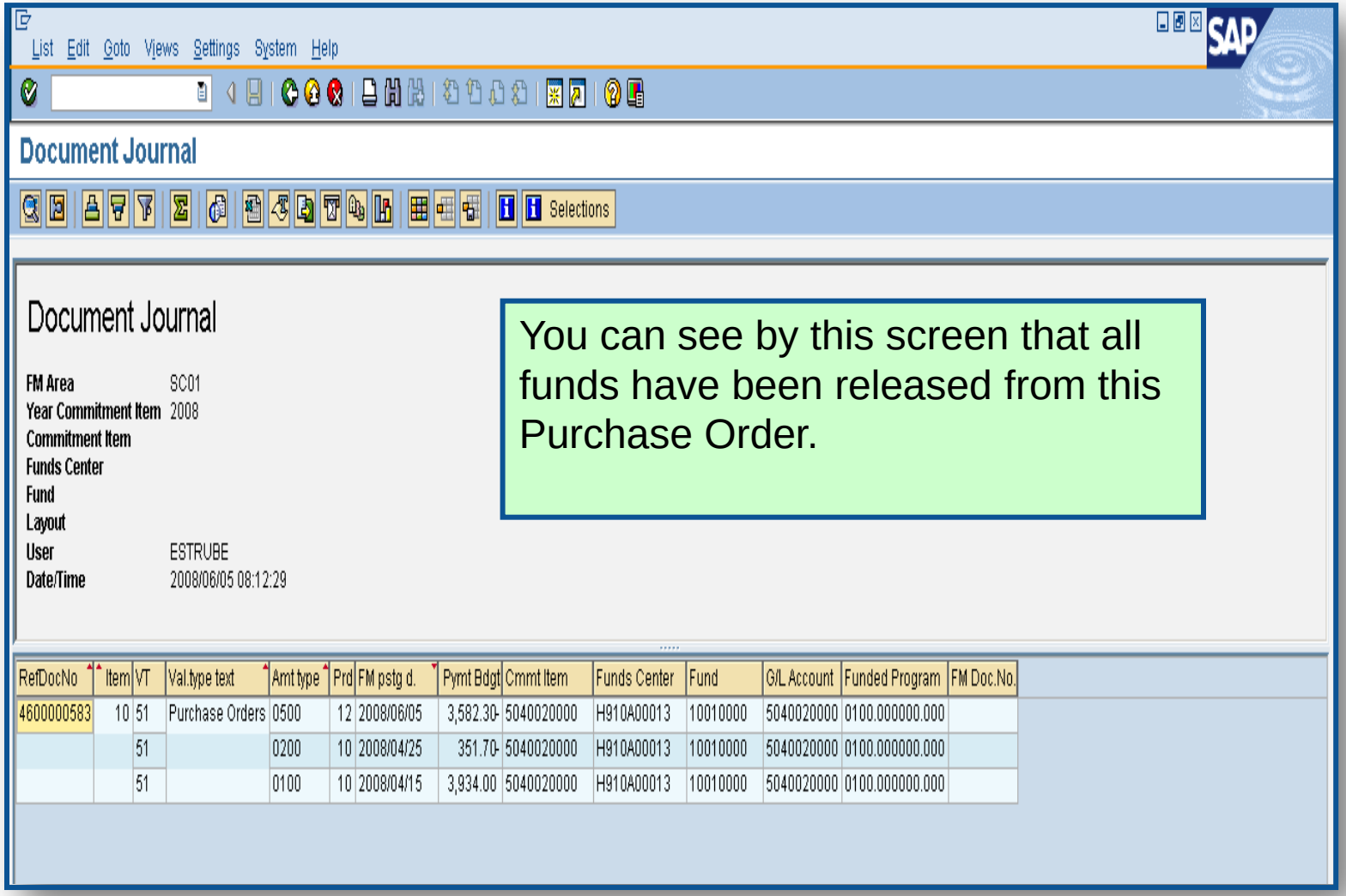


To verify all funds have been released, select Environment>AC Commitment Documents

Verification of Encumbered Funds



Verification of Encumbered Funds



RefDocNo	Item	VT	Val.type text	Amt type	Prd	FM pstg d.	Pymt Bdgt	Cmmt 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	

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

Carry Forward Purchase Orders

- 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

- 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.

Lesson 3 Summary

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