PeopleSoft Training Document

Financials 9.2

Create a Purchase Order

Functional Area	Purchasing
Process Area	Buyer
Processes covered in this document	1.1.1 Create a Purchase Order – Quantity and Value 1.1.2 Split GL Codes 1.1.3 Add Project Information 1.1.4 On Hold Purchase Orders 1.1.5 Copy a Purchase Order
Process Map Reference	Unitec Processes 9.2

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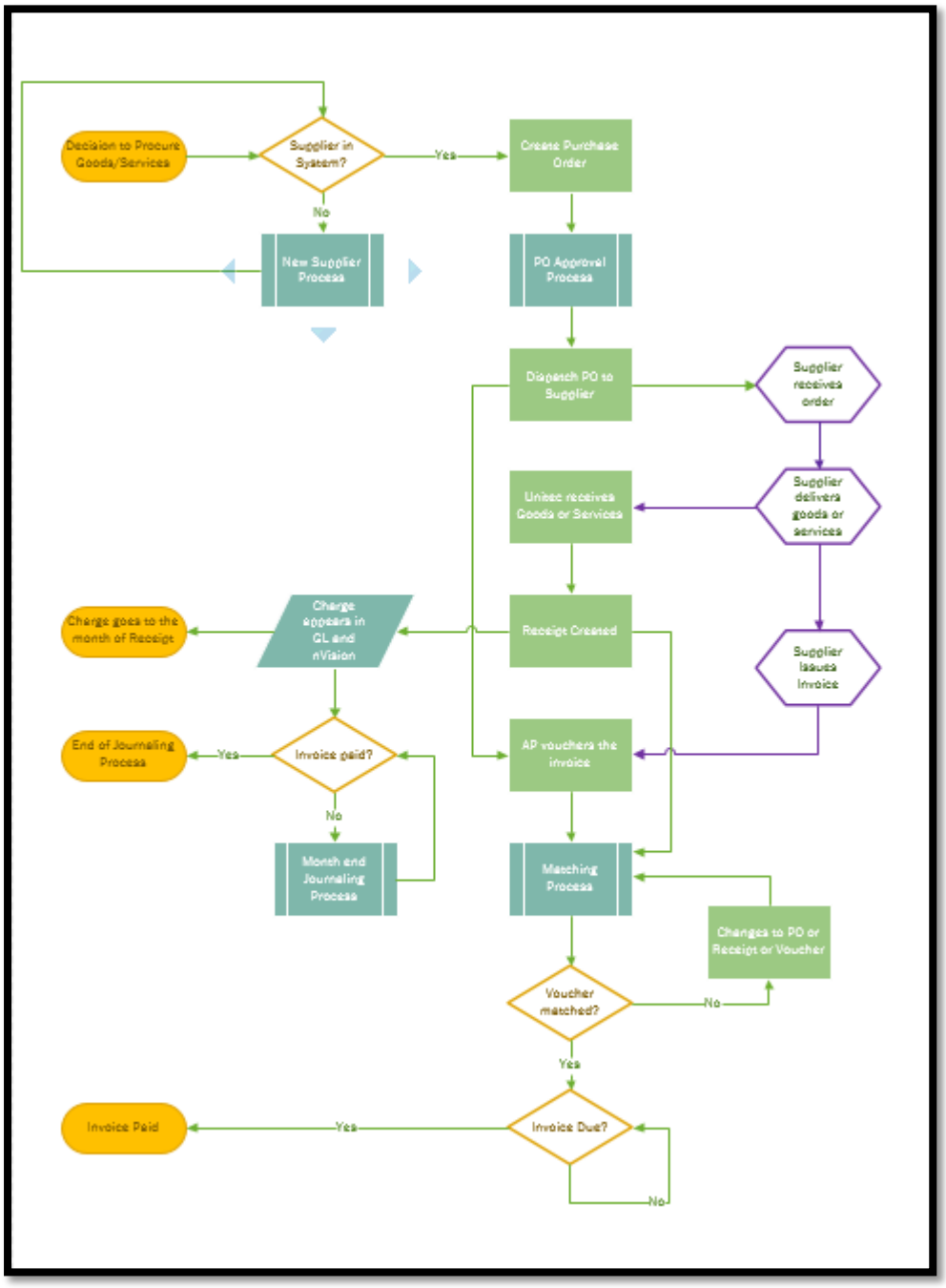
Create a Purchase Order

This section defines how to raise a purchase order (PO) for the following scenarios:

1. Create a PO for items ordered by quantity
2. Create a PO for items order by amount only
3. Create a PO for multiple departments
4. Copy a PO

Purchasing Process Diagram



An Approved PO must exist in PeopleSoft before an order can be placed with a supplier.

	▪ All purchase orders are to be raised using the PeopleSoft Express PO functionality ▪ **NZ Purchase Order** When raising the PO, the buyer uses amounts exclusive of NZ GST. The system will calculate the appropriate GST based on the supplier setting. ▪ **Off Shore** Overseas GST or VAT amounts must be included in the Purchase Order amounts. Overseas suppliers are configured so the system does not calculate GST ▪ The routing of a purchase order for approval is determined as follows: o If single department on PO, routing is by department code and delegated financial authority (DFA) o If multiple departments on PO, routing is by the buyers reporting line and associated DFA. o The workflow is fixed and the buyer is not able to change it. If routing is incorrect, or an individual PO is to be sent to a different approver, please contact the procurement team.

Create a Quantity PO for Goods

	When creating a Purchase Order for goods best practice is to order by quantity not by value (‘amount only’). If ordering 5 items, then 5 should be entered in the quantity field, with the price for a single item entered in the price field. This then allows for receipting of short delivered goods, and also to transfer the items into the asset register where this is required. Quantity PO is also to be used for “hourly rate” Purchase Orders.

Objective

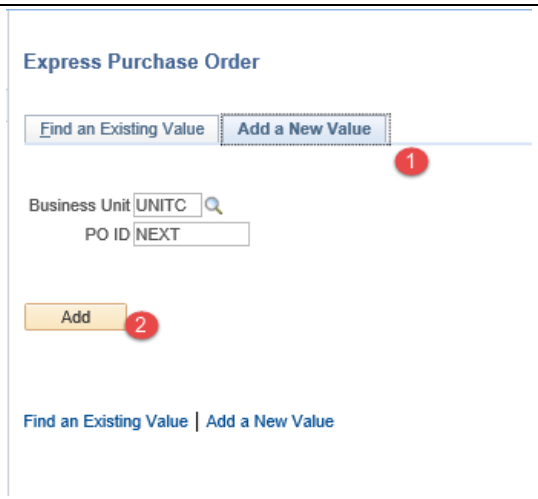
Create an express PO for ordering goods from a supplier.

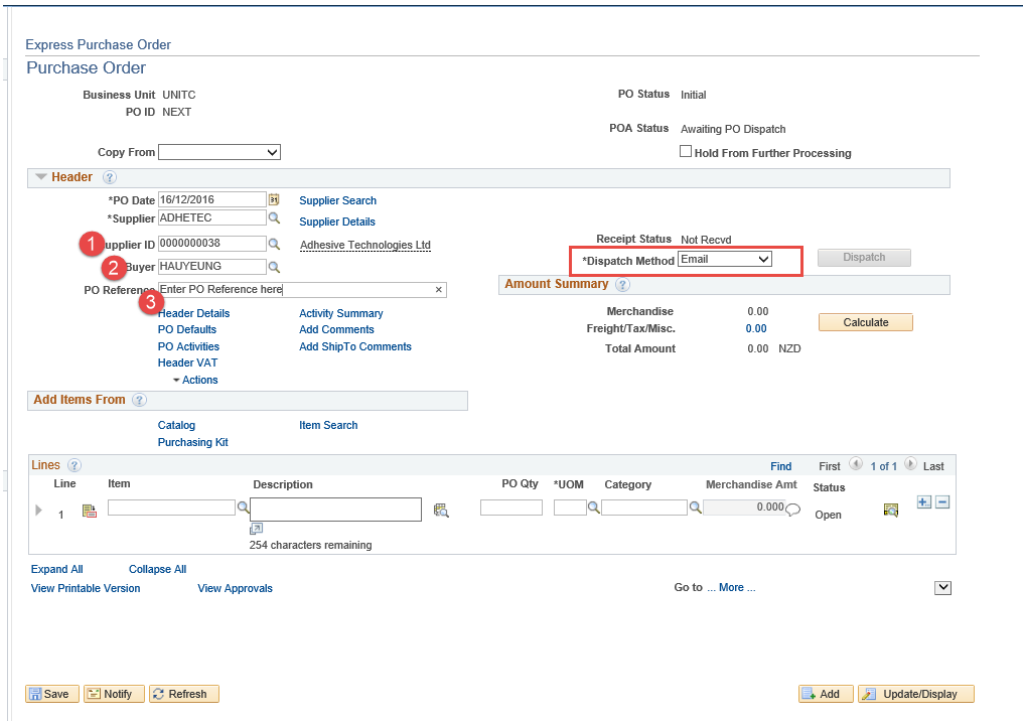
Things you need before starting to enter your Purchase Order:

- Supplier
- Item/s to be purchased
  - Item prices
  - Item quantity
- Item Category, General Ledger Codes and Cost Centre Code
- Project Code or CEA number where applicable

If you have been requested to raise a PO, then make sure that you have been provided all the relevant information from the requester.

	A CEA (Capital Expenditure Authority) needs to be entered for Capital Expenditure and Assets. It is obtained by submitting a CEA request form which is saved on SharePoint. Contact Decision Support Team for access. A project Code is issued by the Decision Support Team in Finance.

STEP	START A NEW PURCHASE ORDER
Path	Purchasing WorkCentre > Add/Update Express POs
1. On the **Add a New Value** tab 2. Click **Add**	

STEP	ADD PURCHASE ORDER HEADER INFORMATION
1. Enter or select the Supplier 2. Enter or select the Buyer 3. Optional – enter PO Reference If a CEA is required, it goes in the PO reference field. The Dispatch Method defaults from the Supplier setup. If it defaults to "print" **do not change** to email, as it means we have no email on record.	

Please note...	Selecting a **supplier** will default the following details ▪ GST Applicability (15% or none) ▪ Dispatch method of the PO (Print or Email) ▪ Payment Terms (20 next, 20 this month or pay now) ▪ Payment Method (Check / EFT) Adding a **reference** will aid when searching for a particular Purchase Order, if you can't remember the PO Number

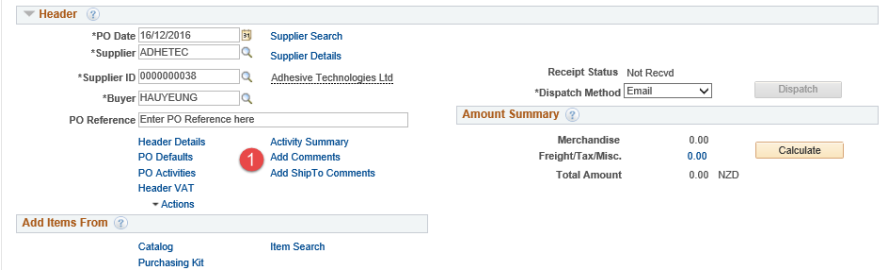
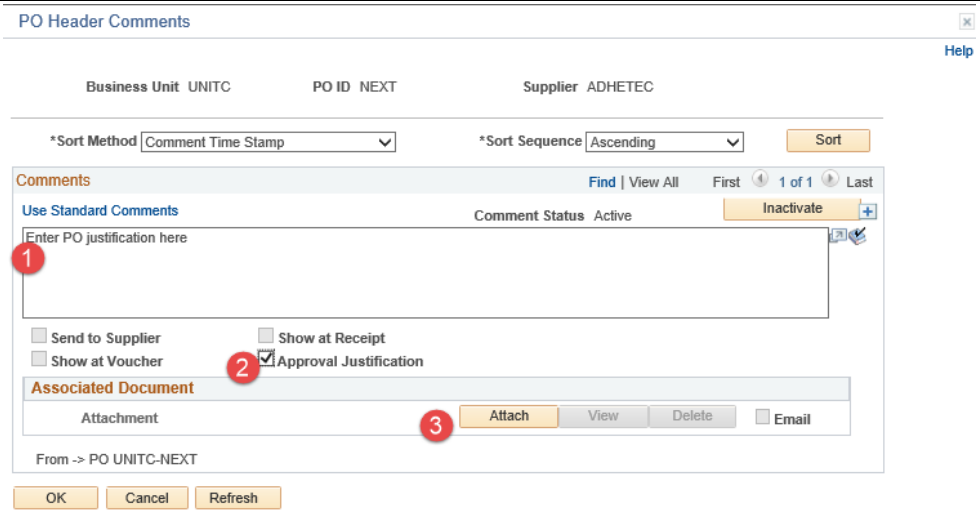
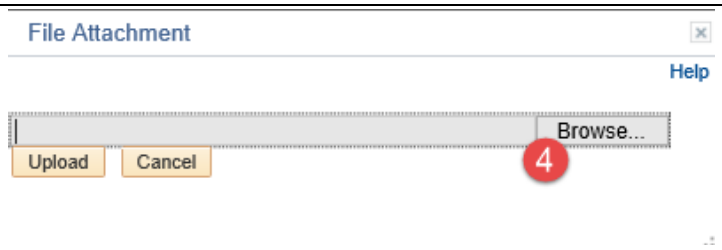
The person entering the order is restricted to creating orders with their own name as the buyer. Some users may be authorised to create orders for specific other buyers. This is administered by IMS.

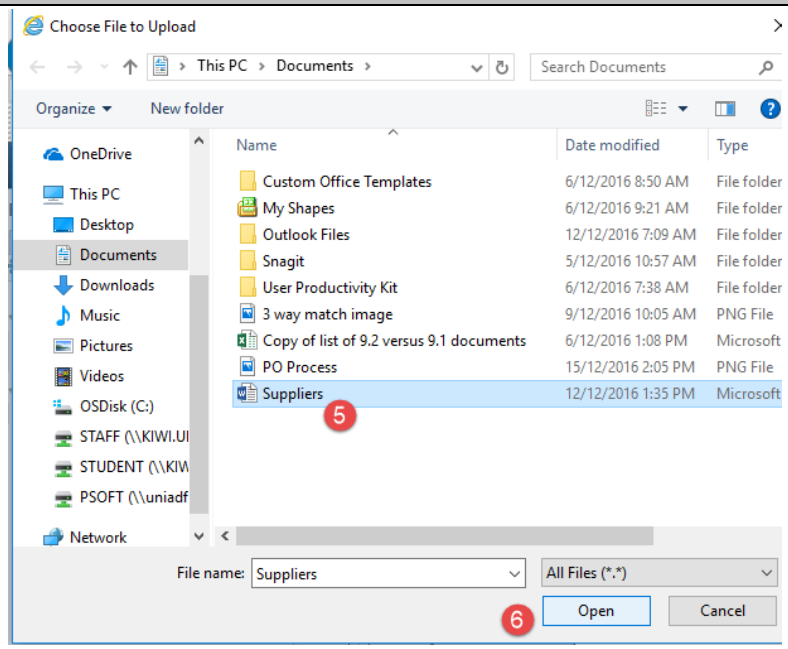
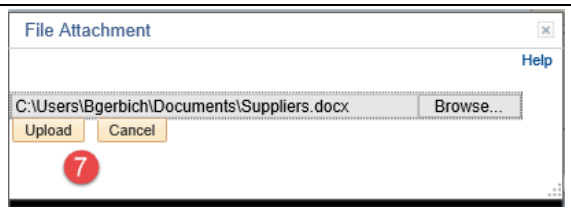
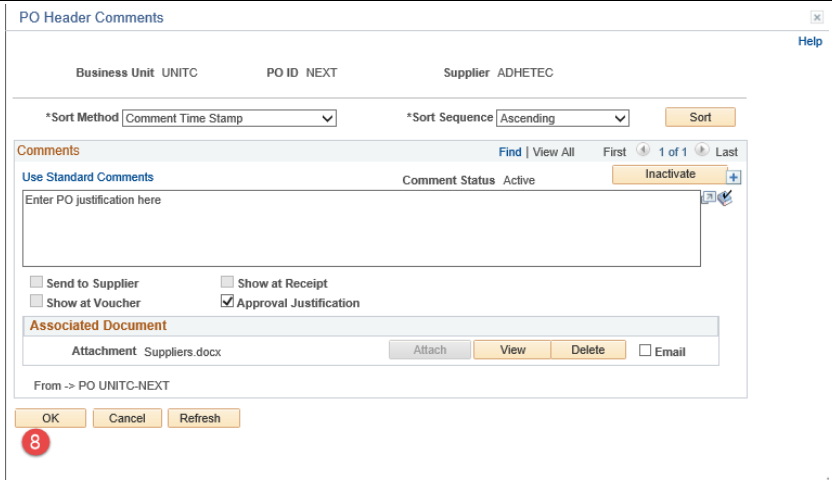
Please note...	Selecting a buyer will default the following details • Department • Ship To Location • Location • Buyer's Phone / Fax details (please contact IMS if these details are not correct)

Adding Justification for Approval and Attachments

It is important that you add some notes to your purchase order so the approver knows why they should be approving.

You can also add an attachment if appropriate – this could be a copy of a quote that has been received.

STEP	ADD JUSTIFICATION AND ATTACHMENTS
In the Header area 1. Click Add Comments	
1. Enter your justification comments into the text box 2. Click the options for the comments – **Approval Justification** Attach a document if required 3. Click Attach	
4. Click Browse	

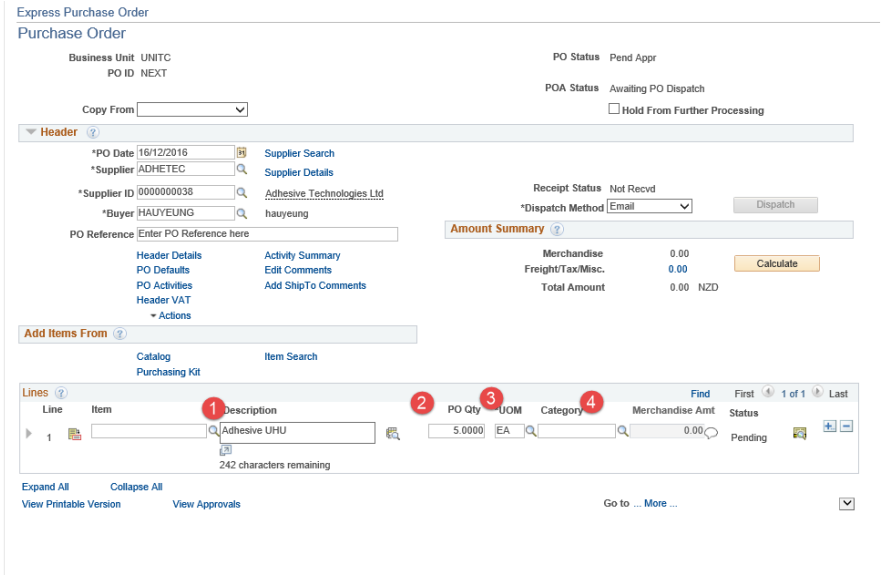
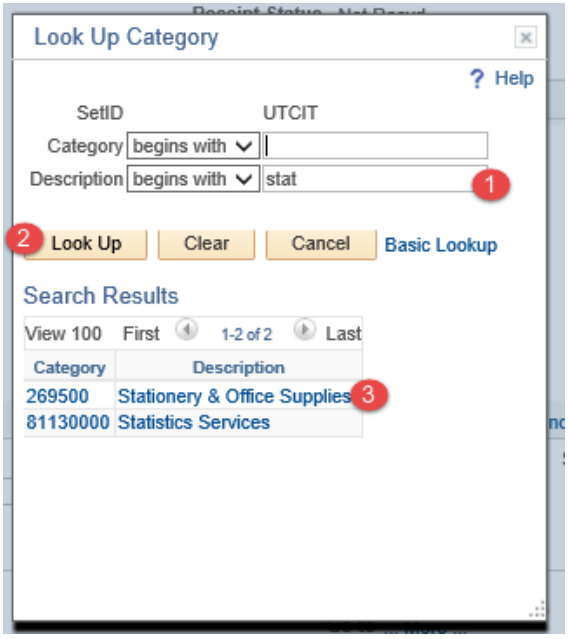
STEP	ADD JUSTIFICATION AND ATTACHMENTS
5. Navigate to and select the document to be attached 6. Click Open	
7. Click Upload	
8. Click OK	

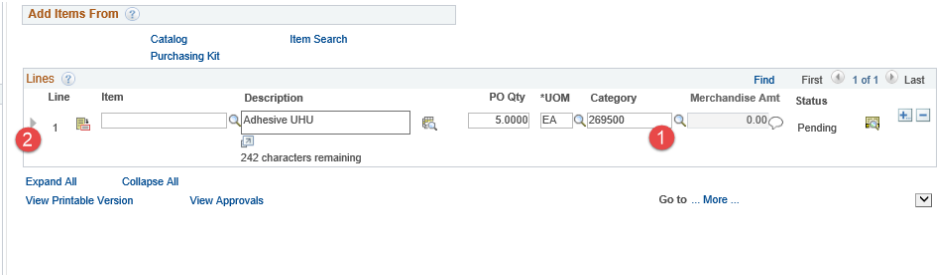
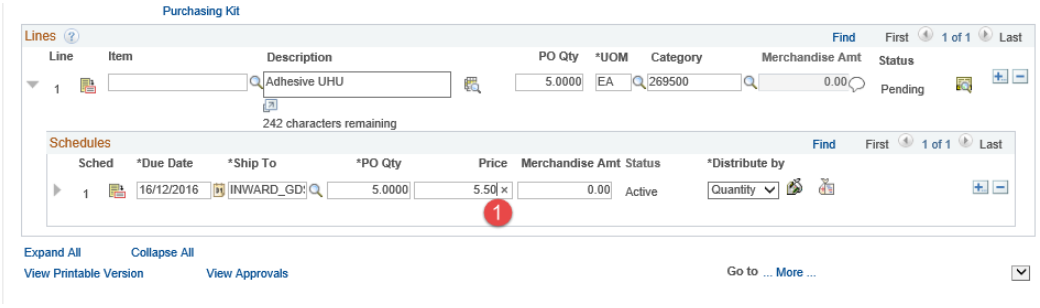
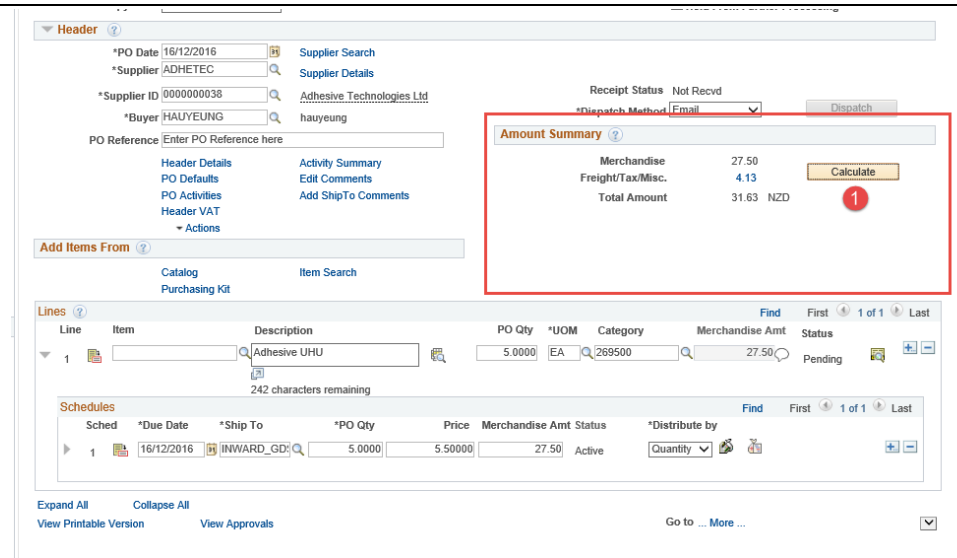
	Each comment can only have one (1) attachment. There can only be one active approval justification. If you need to attach more than one document, scan all documents into one file, then attach.

	You can add other comments and attachments, for example a comment and attachment to be sent to the supplier with the purchase order when it is dispatched. The process is similar to what is described above.

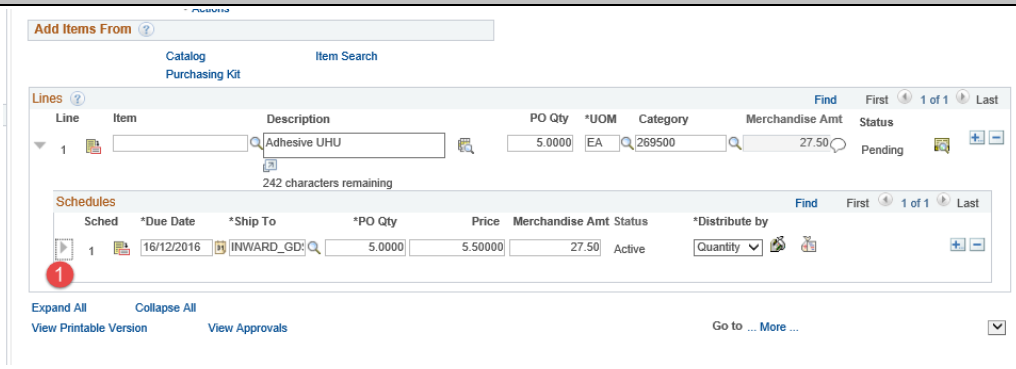
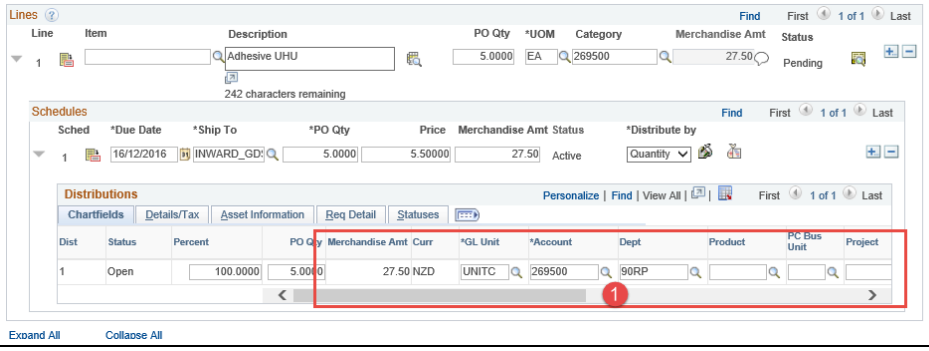
Add Line Details

	Please ensure that the description is meaningful. It must state what goods or services are being ordered. Do **NOT** enter 'as per contract' – the correct description would be "Teaching Services for Computing from 01/02/17 to xy date" or something similar.

STEP	ADD ORDER DETAILS
Enter 1. Description 2. Quantity 3. Unit of Measure (UOM) 4. Lookup Category	
Look Up Category 1. Enter Description 2. Click Look up 3. Select Category	

STEP	ADD ORDER DETAILS
1. The category code is populated in the category field. This defaults the GL code **To enter the price on a Quantity PO** 2. Expand the line	
The Line Schedules area is displayed 1. Enter the unit price into Price field	
1. Click Calculate button The pricing is now populated in the Amount summary area	

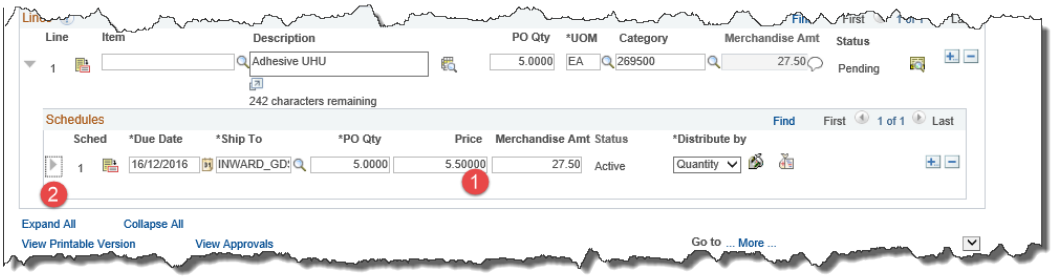
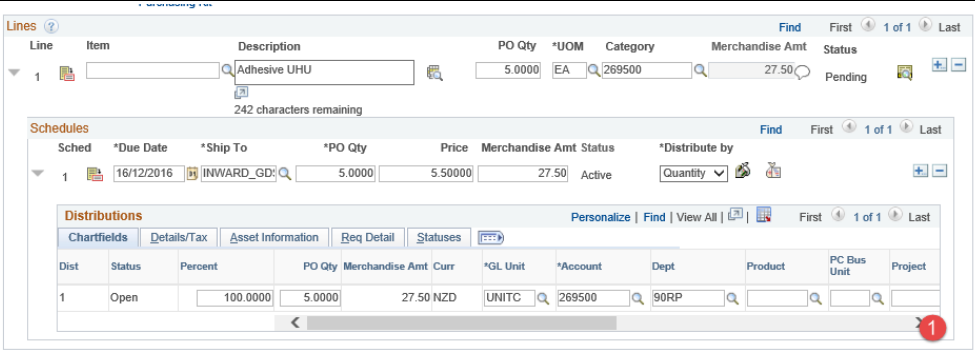
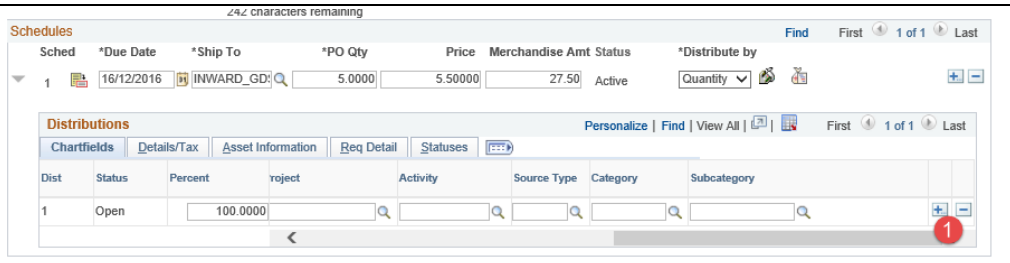
Checking/Changing the Cost Centre

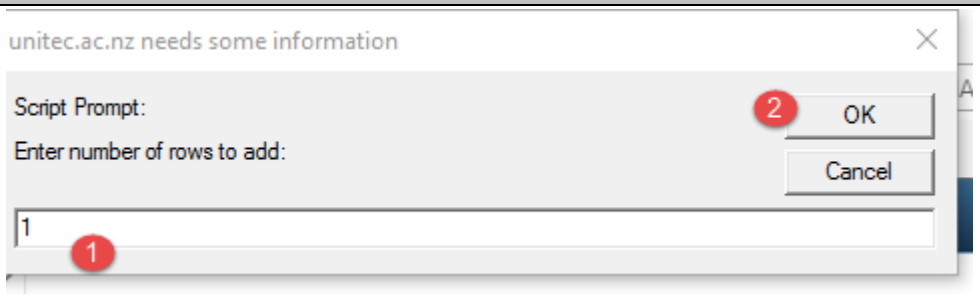
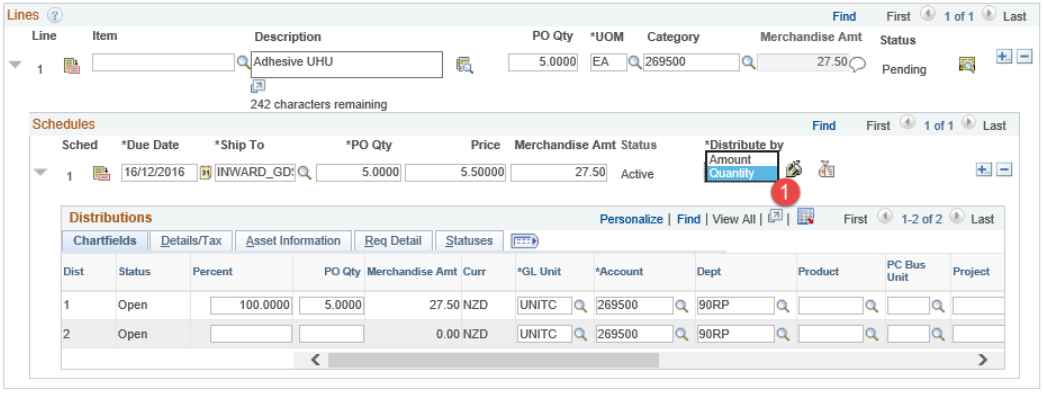
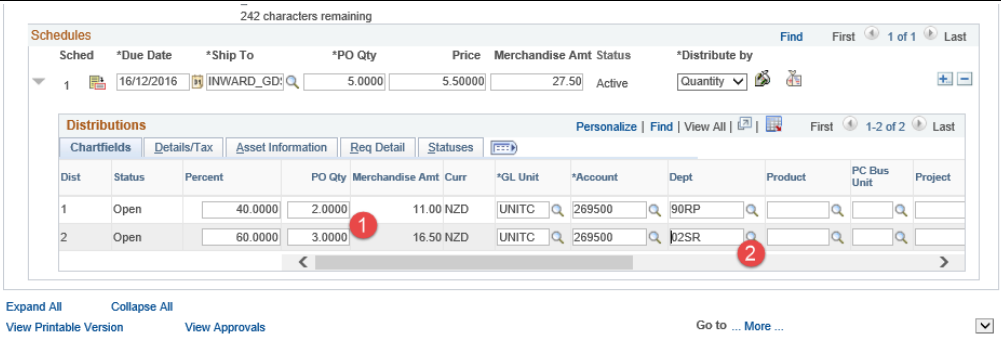
STEP	CHECKING/CHANGING THE COST CENTRE
Check the Cost Centre 1. Expand the **Schedules** line	
1. Check and edit the cost centre information if needed. Enter Project Information here. Refer	

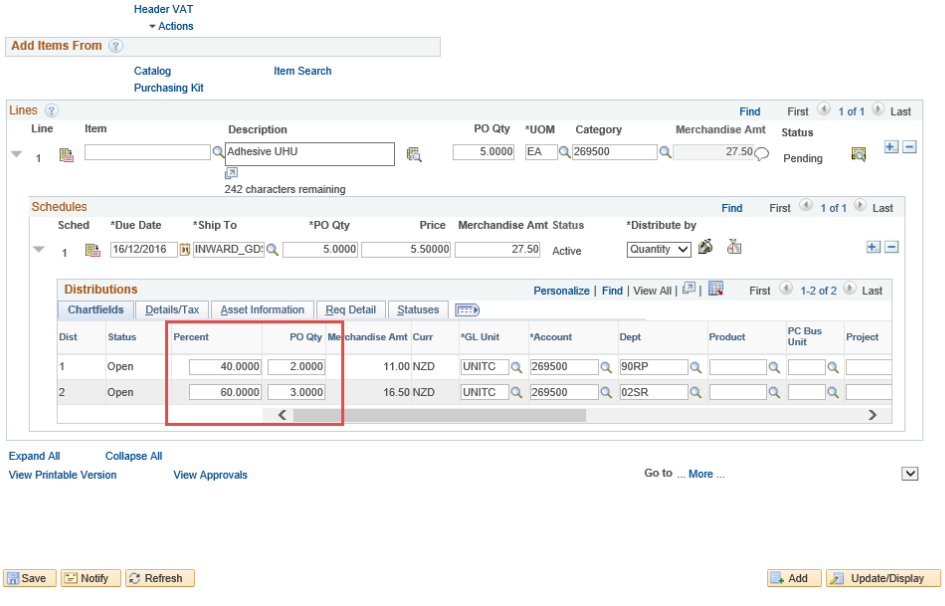
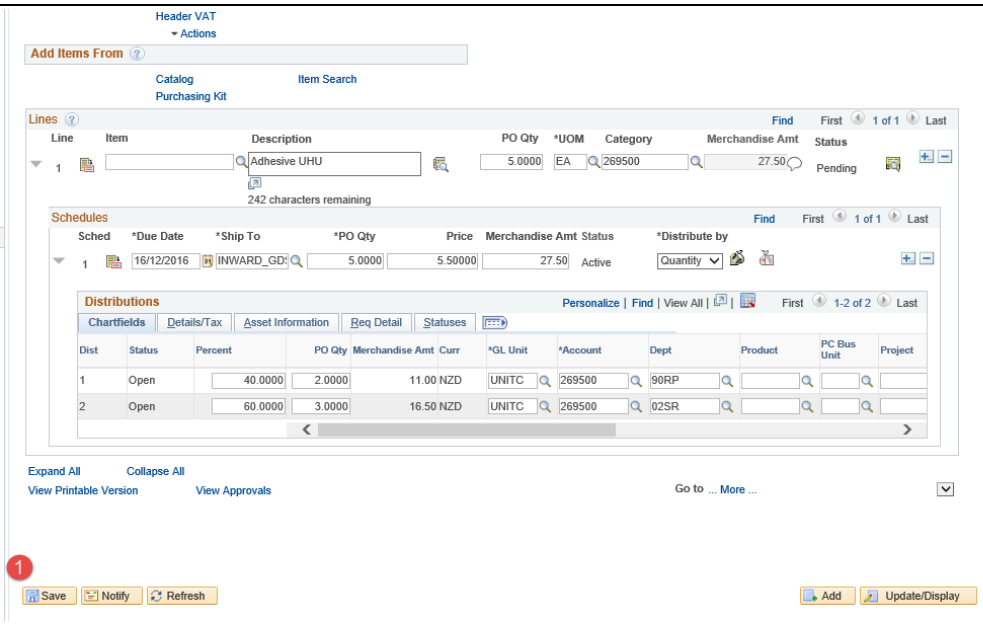
Splitting PO Line between GL Codes or Cost Centres

At times the costs of a Purchase Order will be split between two or more GL codes. This needs to be set up at the PO creation stage.

	There are two options for doing this: If we expect only one invoice and the distribution is fixed, we do this by adding distribution lines to the PO line. This makes voucher creation easier and faster for AP. This is the process described here. We will not be able to change the allocation during receipting. If we are expecting multiple invoices, and the ratio by which the cost needs to be split can vary from invoice to invoice (standing order), then we need to create separate PO lines per cost centre, GL code or project so we can control the allocation during receipting. In this case we use the "Add another PO Line" functionality.

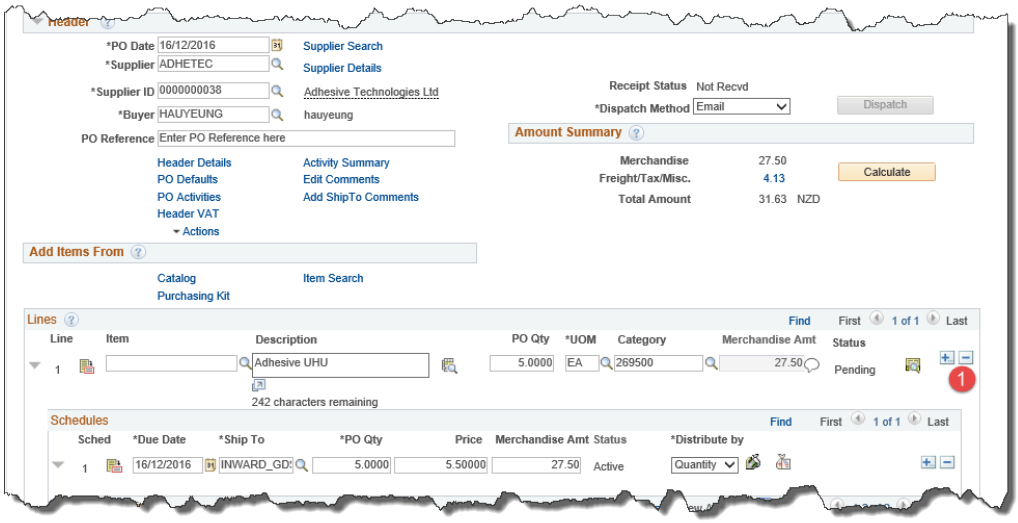
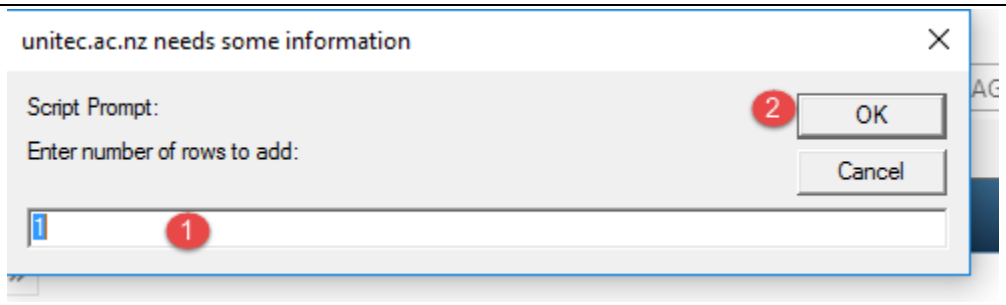
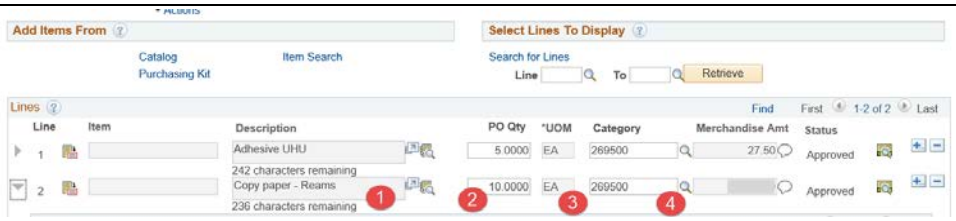
STEP	SPLITTING PO LINE BETWEEN GL CODES
	If the PO line is to be split between multiple GL codes you need to add a new line to the Distributions area
1. The total value of the goods is in the price field 2. Expand Schedules line to edit GL codes	
1. Scroll to the right	
1. Click + To add a new distribution line	

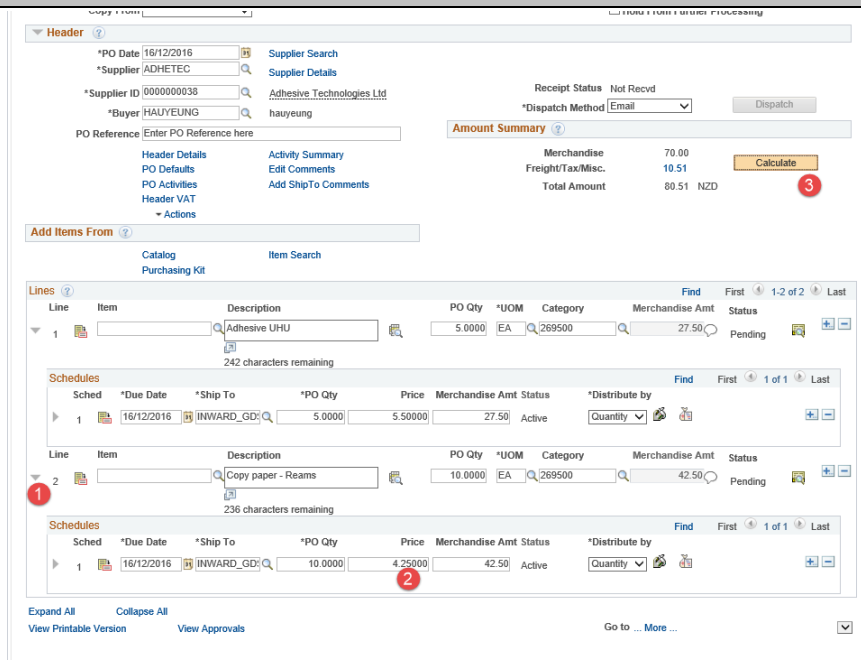
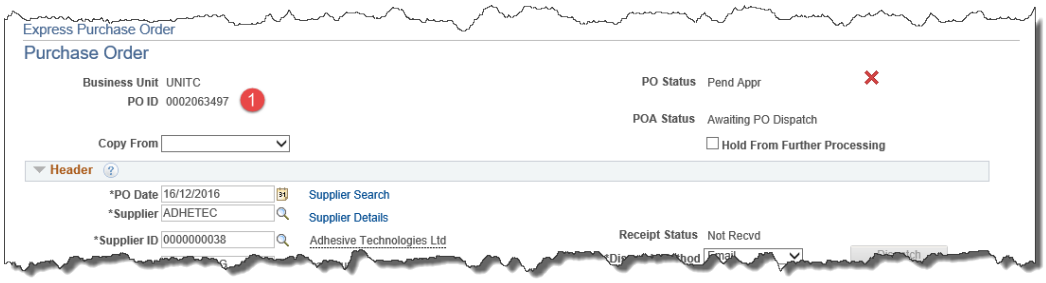
STEP	SPLITTING PO LINE BETWEEN GL CODES
1. Confirm the number of lines to add 2. Click OK	
	Depending on the type of Purchase Order you are creating, you can distribute by amount, or quantity. If you have selected the PO to be Amount Only – as in for a service – then you can only distribute by amount.
Quantity, distribute by Quantity Amount distribute by $ value	
1. Enter quantities for each distribution code 2. Look up Dept Code	

STEP	SPLITTING PO LINE BETWEEN GL CODES
Notice the Percentage distribution for each line has been calculated by the system. You could have entered figures in these fields, instead of PO Qty.	
If your Purchase Order is complete 1. Click Otherwise continue as below	

Add Another PO Line

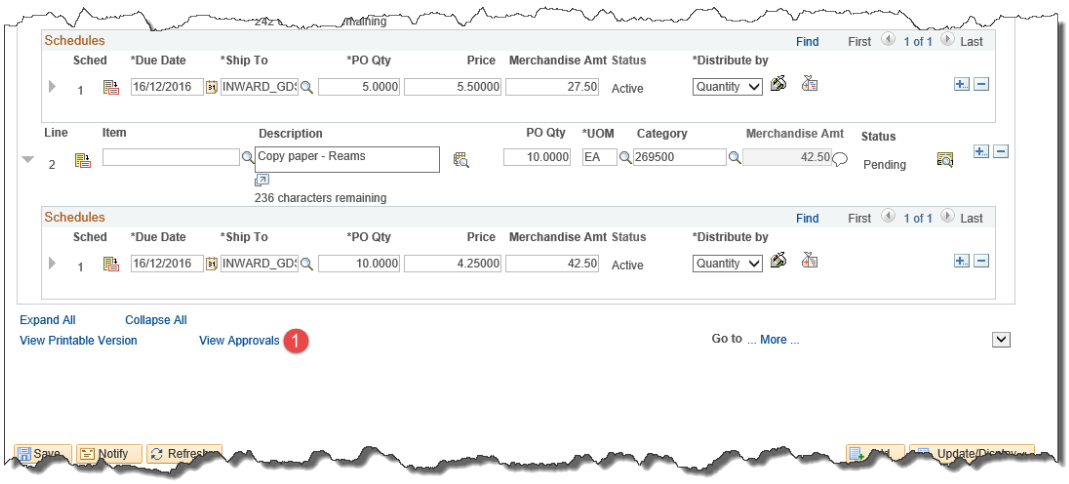
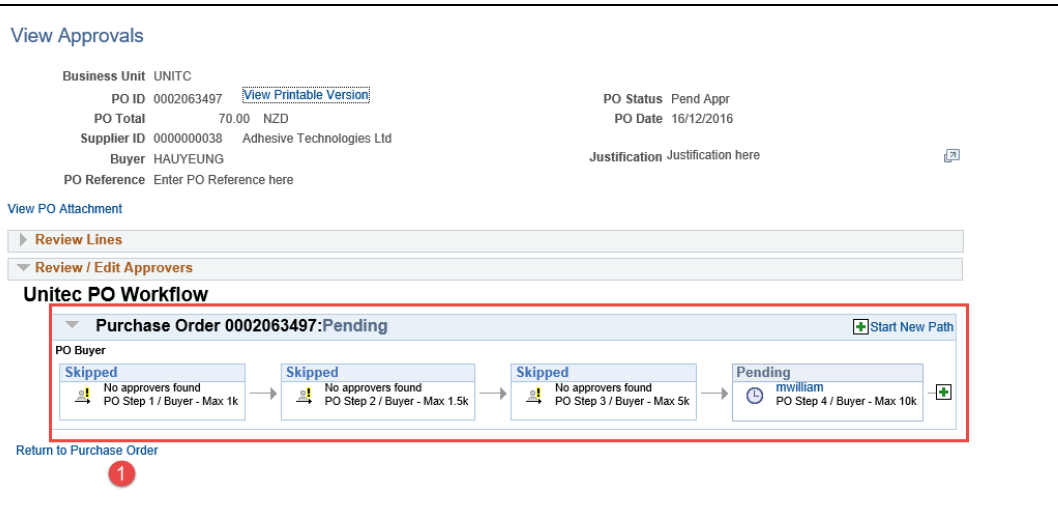
To order multiple items from the same supplier on the same PO, add more rows.

STEP	ADD ANOTHER PO LINE
Make sure you use the + symbol at the line level 1. Click **+** at line level	
2. Confirm the number of rows to add 3. Click OK	
Enter 1. Description 2. Quantity 3. UOM 4. Category Note – start typing the category code, and select from the list	

STEP	ADD ANOTHER PO LINE
1. Expand the row 2. Enter item price 3. Click Calculate	
Continue to add rows as required, and when completed Click Save	When the Purchase Order is saved it is sent to the appropriate person with Delegated Financial Authority (DFA) for approval.
1. A PO ID is generated	

Viewing Approvals

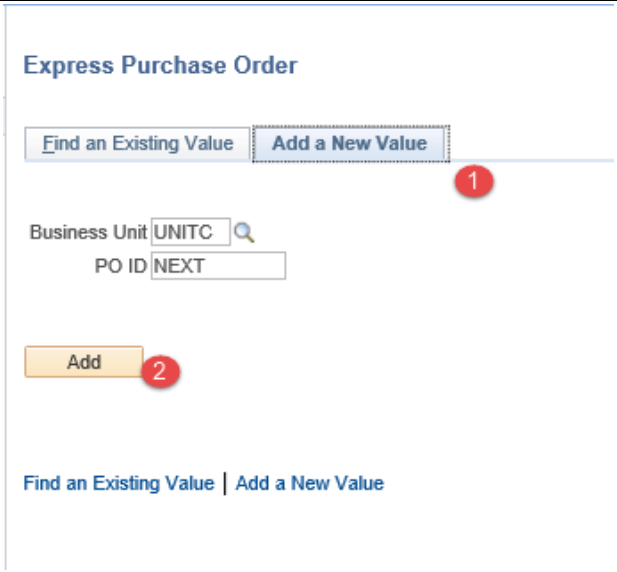
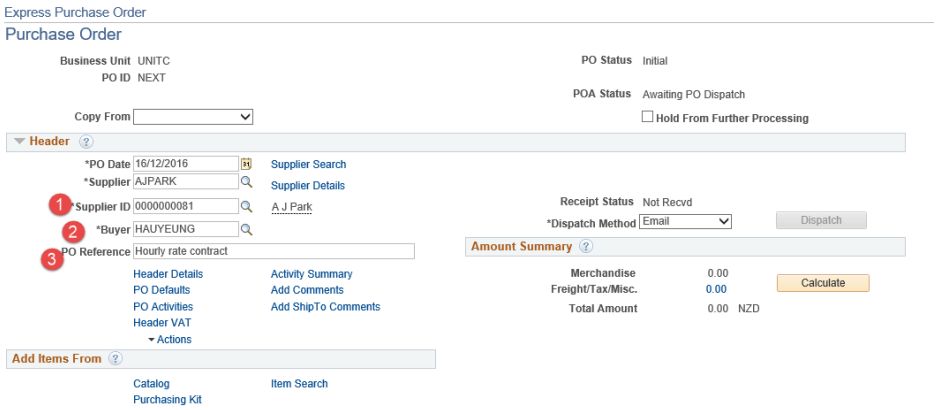
	Depending on the total value of the PO there may be several approvers. Please note that few cost centres have approvers at each step. Where there is no approver for a step, the Approval routing will show “skipped”.

STEP	VIEWING APPROVALS
1. Click **View Approvals** to see who is approving your Purchase Order	
The workflow for the Purchase Order is displayed 1. Click Return to Purchase Order	

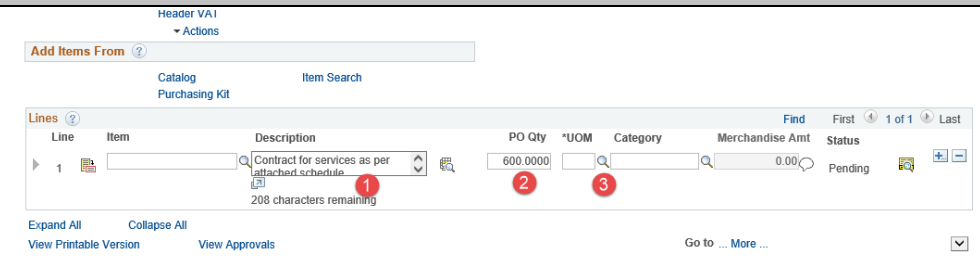
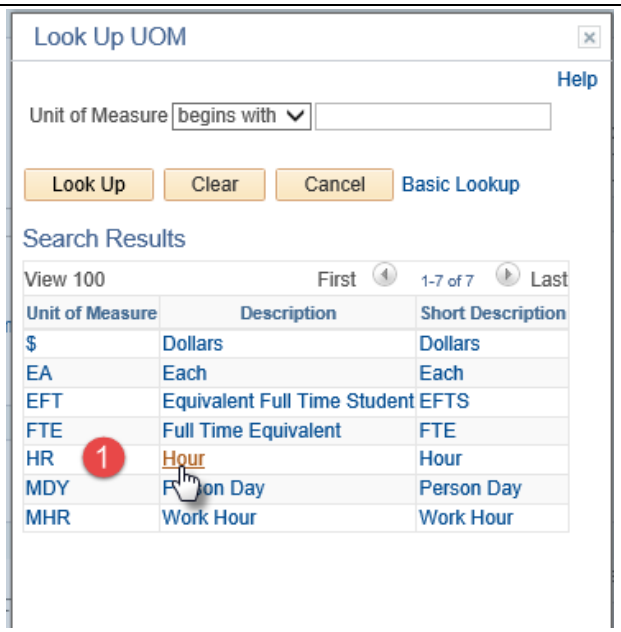
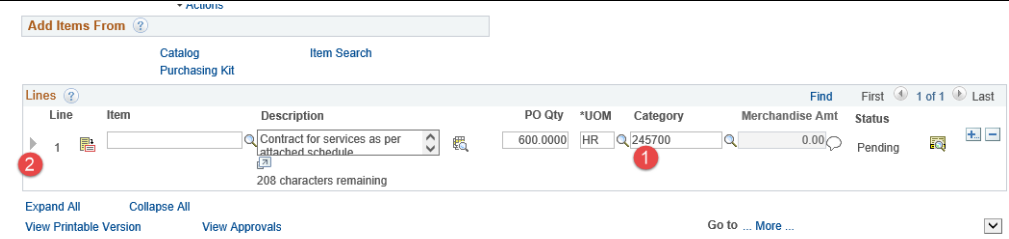
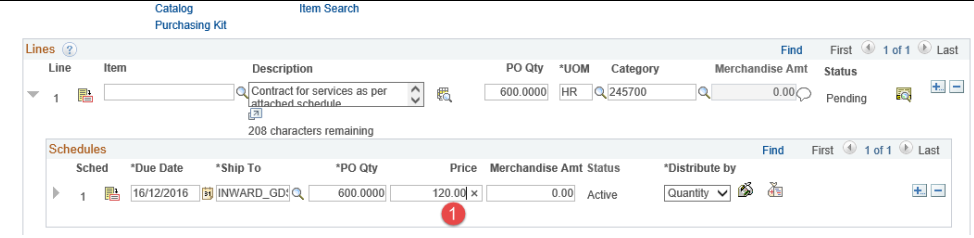
Hourly Rate Purchase Order

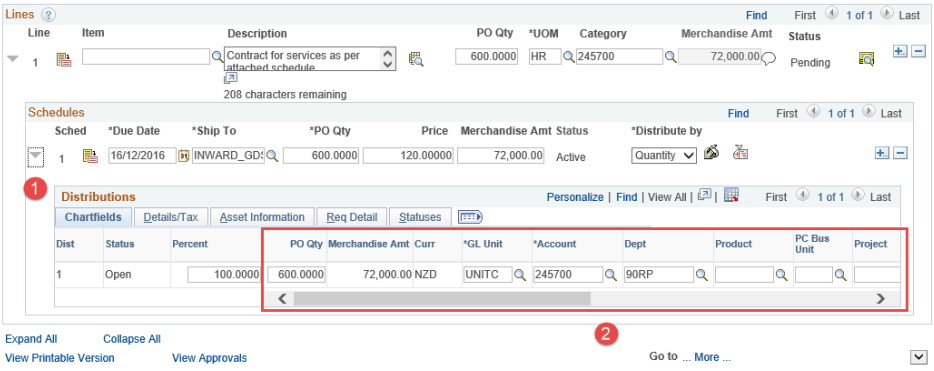
Objective

A contract has been awarded for a given number of hours over a period of time – maybe a couple of weeks, or several months. The PO is raised as a Quantity, but the Unit of Measure (UOM) is hours

STEP	HOURLY RATE PURCHASE ORDER
Path	Purchasing WorkCentre > Add/Update Express POs
1. On the **Add a New Value** tab 2. Click **Add**	
1. Enter or select the Supplier 2. Enter or select the Buyer 3. Optional – enter PO Reference The Dispatch Method defaults from the Supplier setup. If it defaults to "print" **do not change** to email, as it means we have no email on record.	

STEP	HOURLY RATE PURCHASE ORDER
	Add Justification for Approval – refer Page 7 for more on this.

STEP	LINE DETAIL
1. Enter description 2. Enter Quantity of Hours 3. Lookup up UOM	
1. Select **Hour** from the list	
1. Look up and enter Category Code 2. Expand the Line	
1. Enter the Hourly rate in the Price field	

STEP	LINE DETAIL
1. Expand the Schedule and Distribution section 2. Check GL and Cost Centre	
	If needed split the distribution between GL codes. Refer Page 12 Splitting PO Line between GL Codes - for more on this
Click	

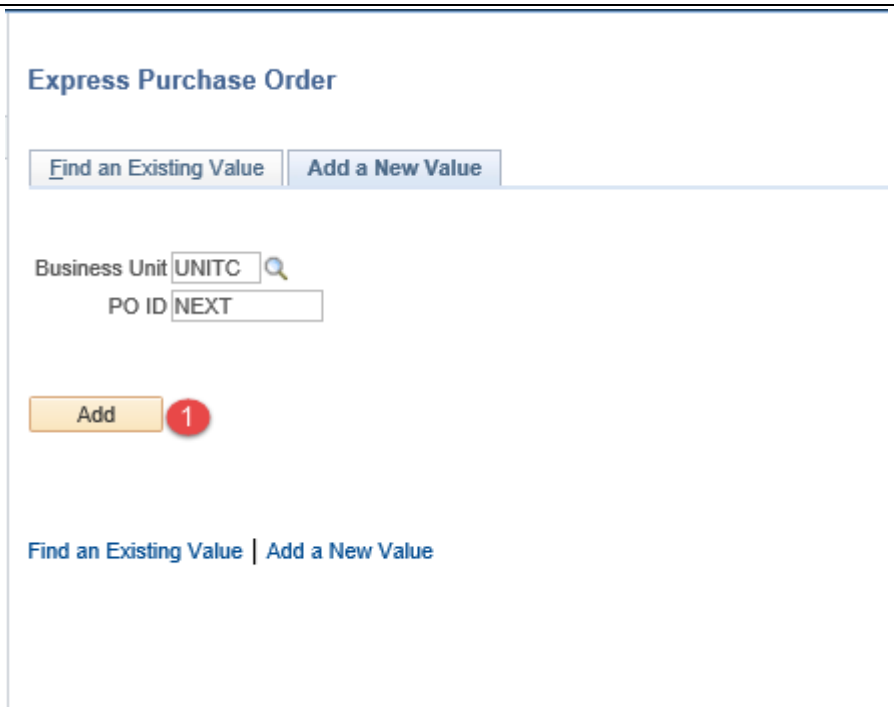
Create a Purchase Order for a Value

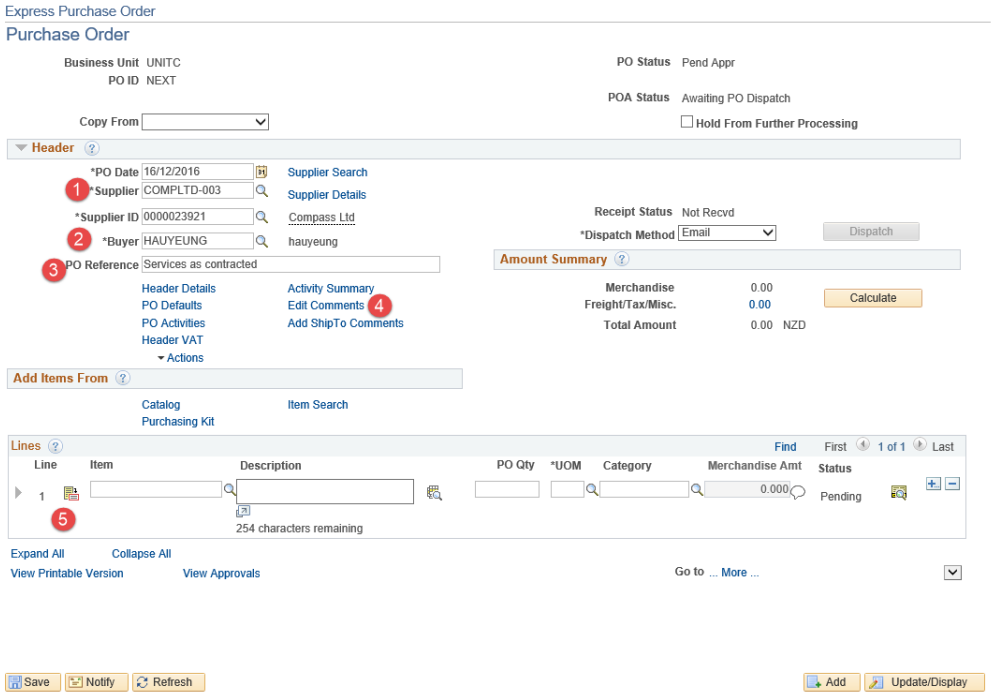
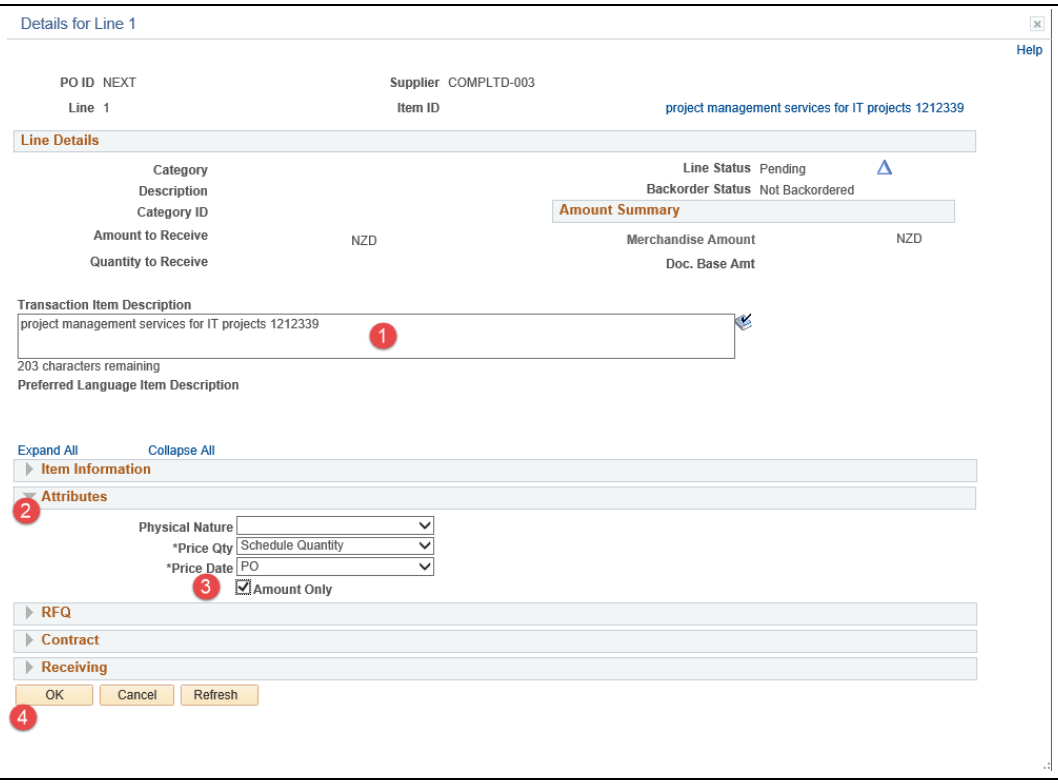
	When creating a Purchase Order for services or a given dollar amount, best practice is to order by value of the complete contract, with a quantity of 1. As the service is invoiced monthly, the receipt is entered for the value of the invoice, thus gradually reducing the amount left on the PO.

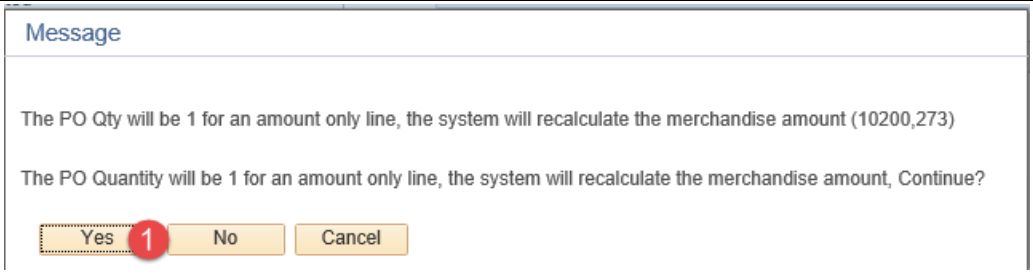
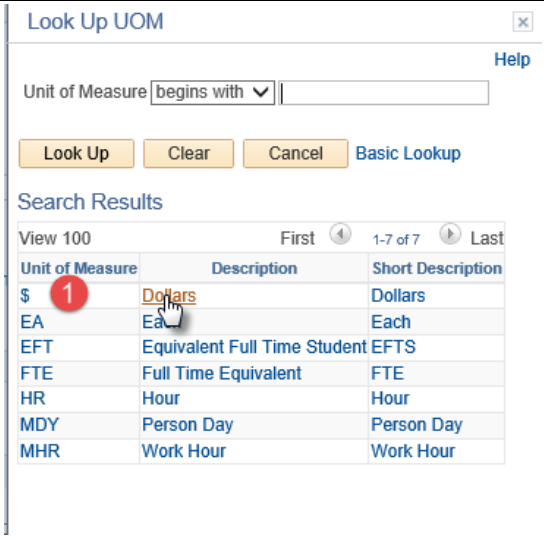
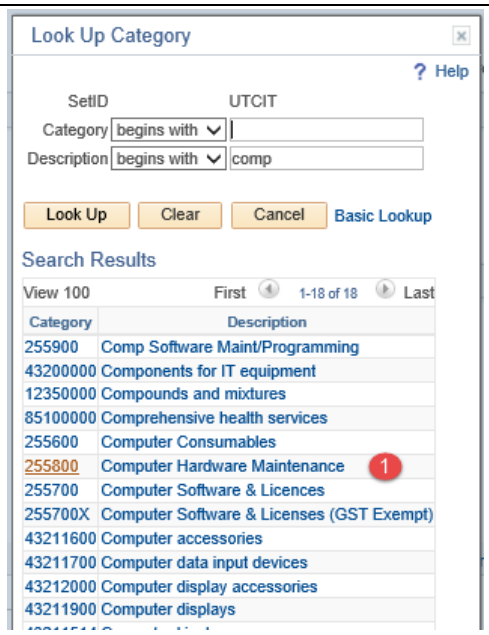
Objective

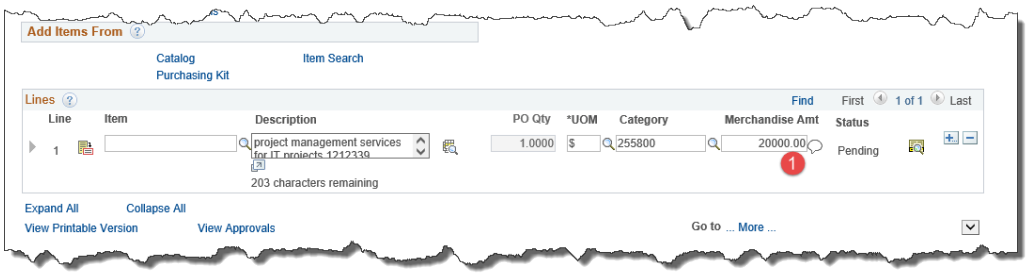
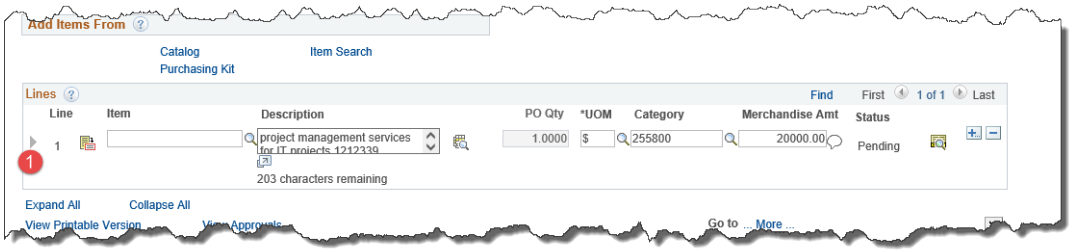
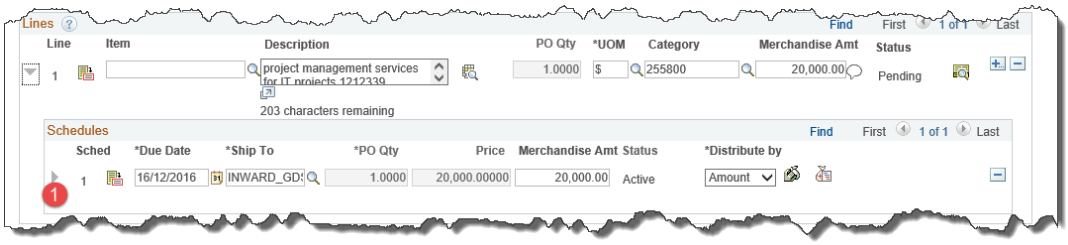
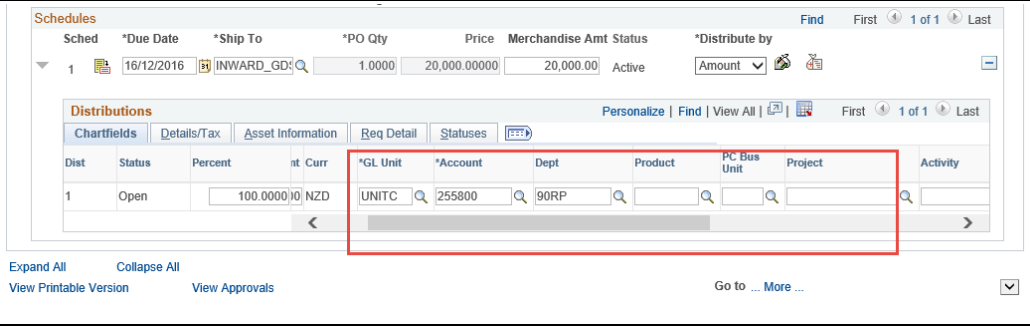
Use this type of PO for ordering services with a dollar value attached.

Scenario – consultant providing services to the value of $20,000, over several months, but will invoice and be paid monthly. They are going to be paid based on work completed, rather than an hourly rate.

STEP	PO FOR A VALUE
Path	Buyer WorkCentre > Add/Update Express POs
On the **Add a New Value** tab 1. Click **Add**	

STEP	PO FOR A VALUE
Enter 1. Supplier 2. Buyer 3. PO Reference 4. Comments for justification 5. Click Line Details icon	
1. Enter a description of the service being provided 2. Expand Attributes section 3. Check **Amount Only** 4. Click OK	

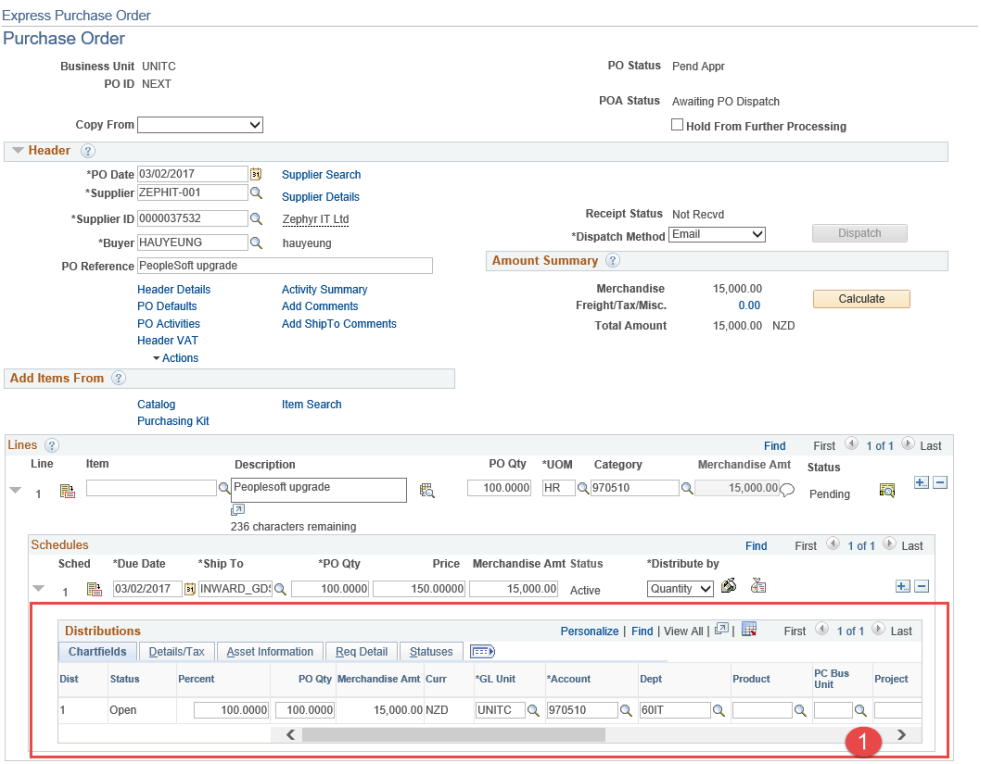
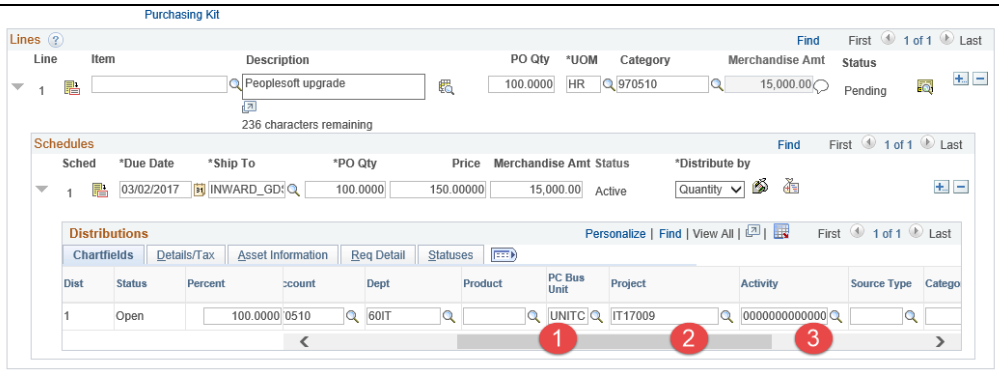
STEP	PO FOR A VALUE
1. Click Yes	
1. PO quantity is populated as 1 2. Look up UOM	
1. UOM = $	
1. Lookup Category	

STEP	PO FOR A VALUE
1. Enter the value of the contract into the Merchandise Amt Field	
1. Expand the Line details	
1. Expand Schedule	
Check and edit GL distribution codes as required.	

Add Project Information to a PO

When a Purchase Order is raised for a project, or for a certain GL code/Cost centre combinations Project Details must be entered into the Purchase Order.at the distribution line level.

You will receive error messages if you have not provided this information if the system requires it.

STEP	ACTION
Path	Purchasing WorkCentre > Add/Update Express POs
Enter Purchase Order as normal, and expand to Distribution Line level 1. Scroll to the right	
1. Enter PC Bus Unit – Always UNITC 2. Enter Project Code 3. Enter Activity Code	

	The Project Codes you can select from are governed by the combo-edit rules depends on combination of GL code and cost centre. Contact Decision Support for clarification if required.

Purchase Order on Hold

You can save a PO midway through and resume entering data at a later time. This places the order on hold, and it will not proceed through to approval.

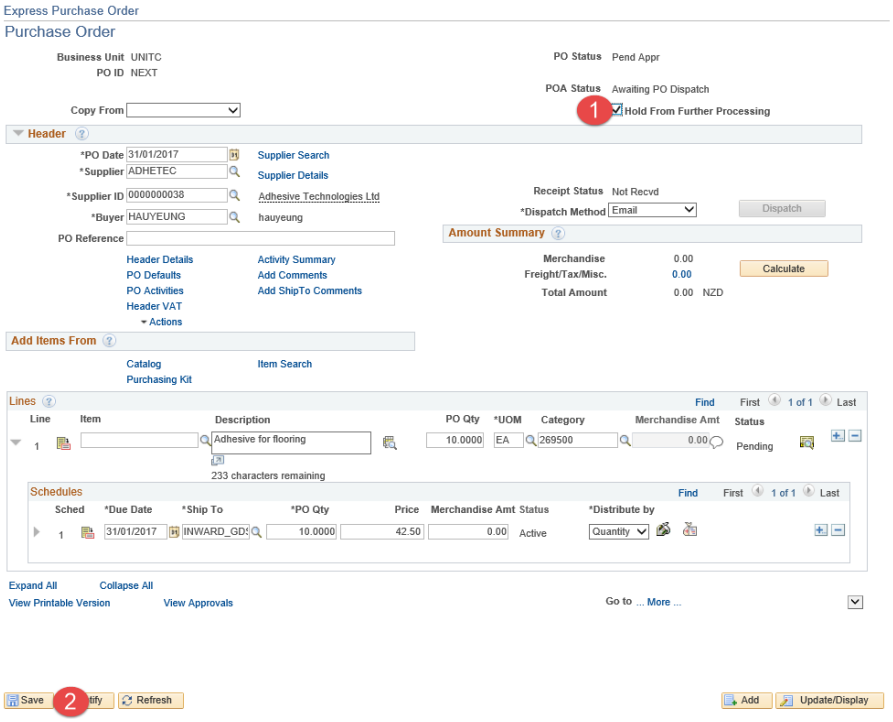
Or

After submitting a PO, you can select to hold from further processing.
The notification email has already been sent to the approver, however, it will not appear on their worklist if on hold so you have the opportunity to make amendments before it gets approved.

	If you haven't already done so, you need to set up filters to view On-Hold Purchase Orders. See separate document 1 – Buyer Set Up

Placing on Hold before Saving

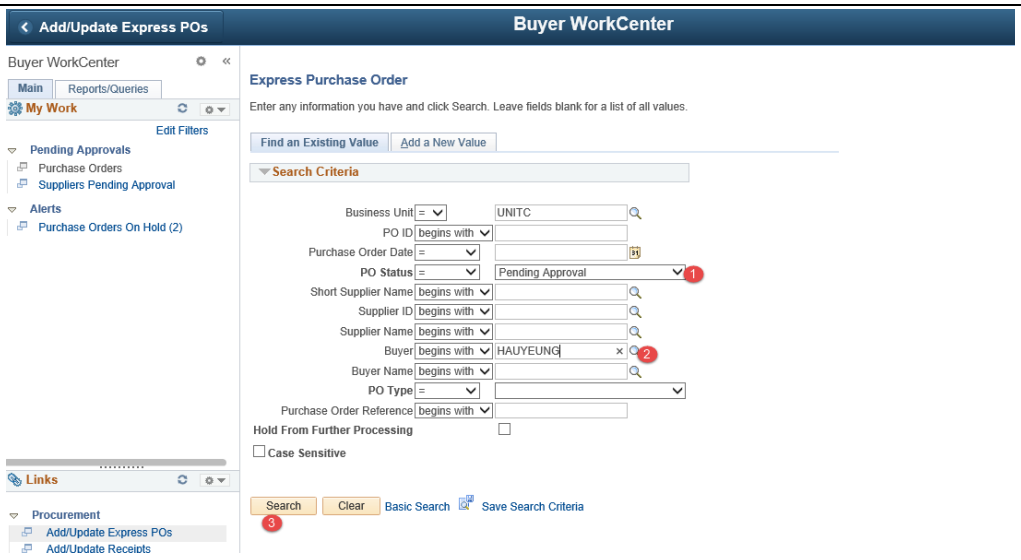
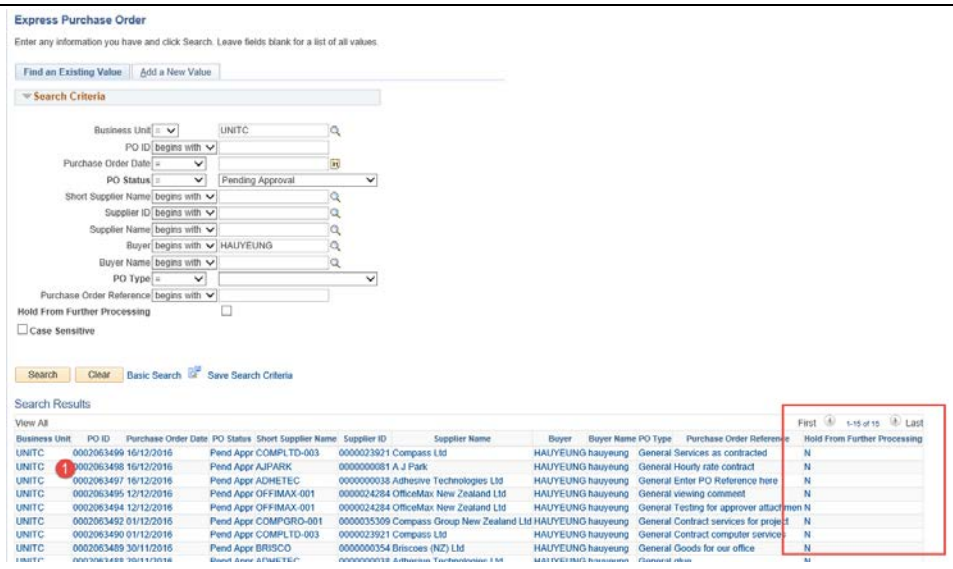
Part way through creating your PO, you can select **Hold From Further Purchasing,** before saving. This effectively saves the incomplete purchase order for you to complete at a later time. You can retrieve this from the link in "**My Work**" in the Buyer WorkCenter.

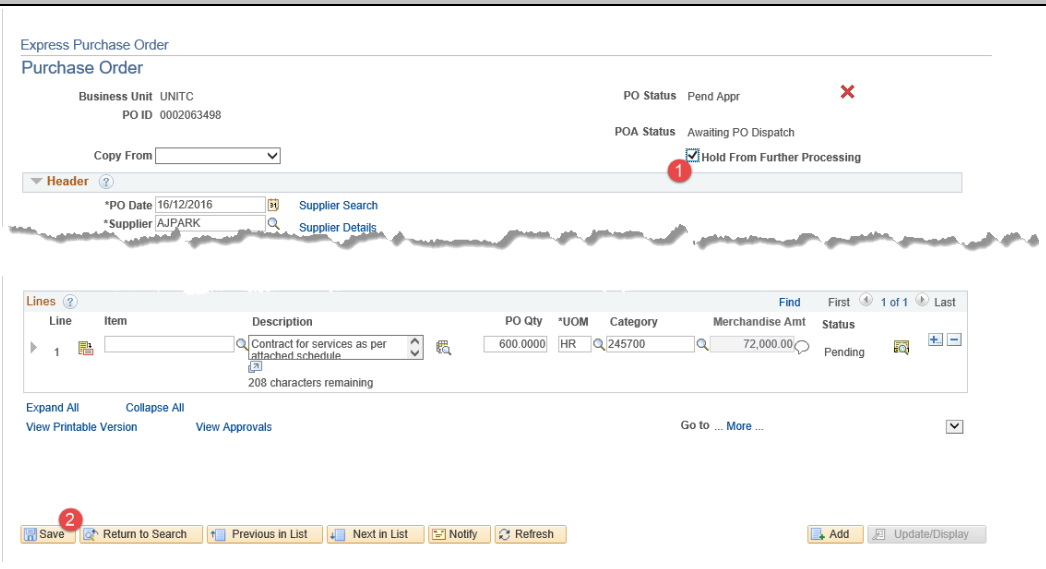
STEP	PLACING ON HOLD BEFORE SAVING
1. Tick **Hold From Further Processing** 2. Click	

	Putting a Purchase Order on hold means it will not be sent for approval

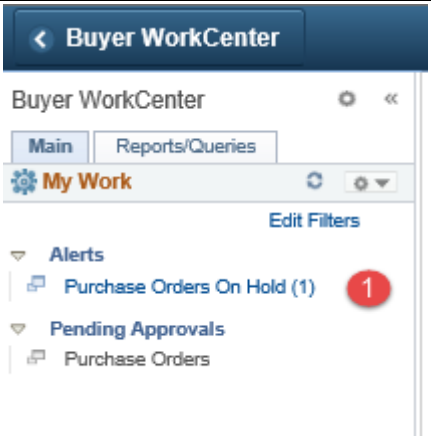
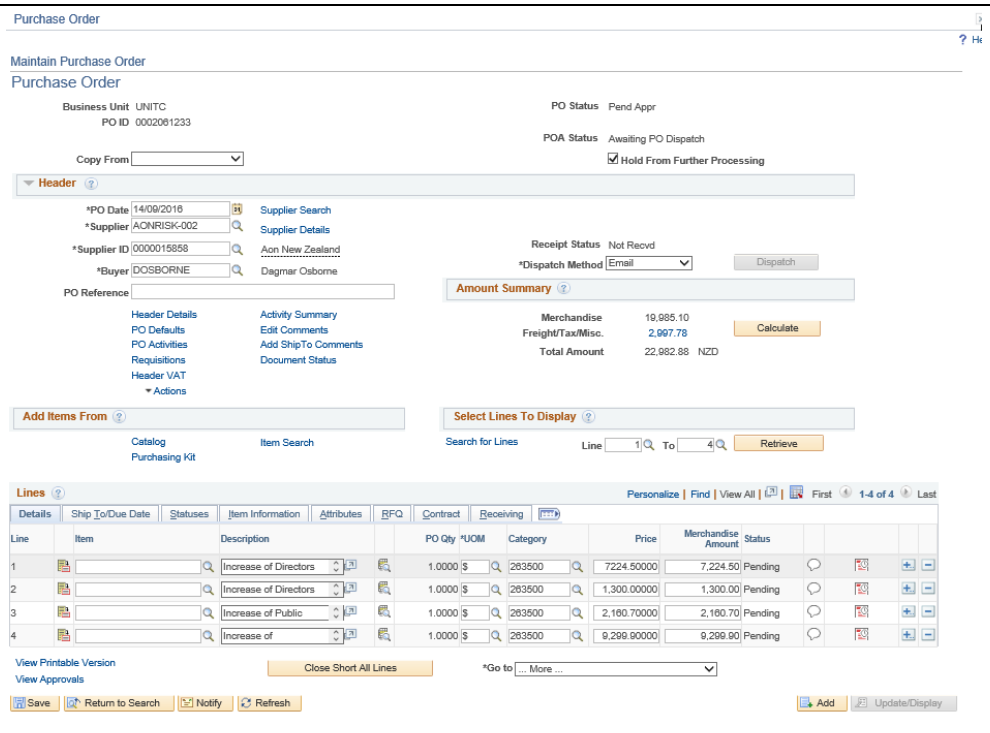
Placing on Hold after Saving

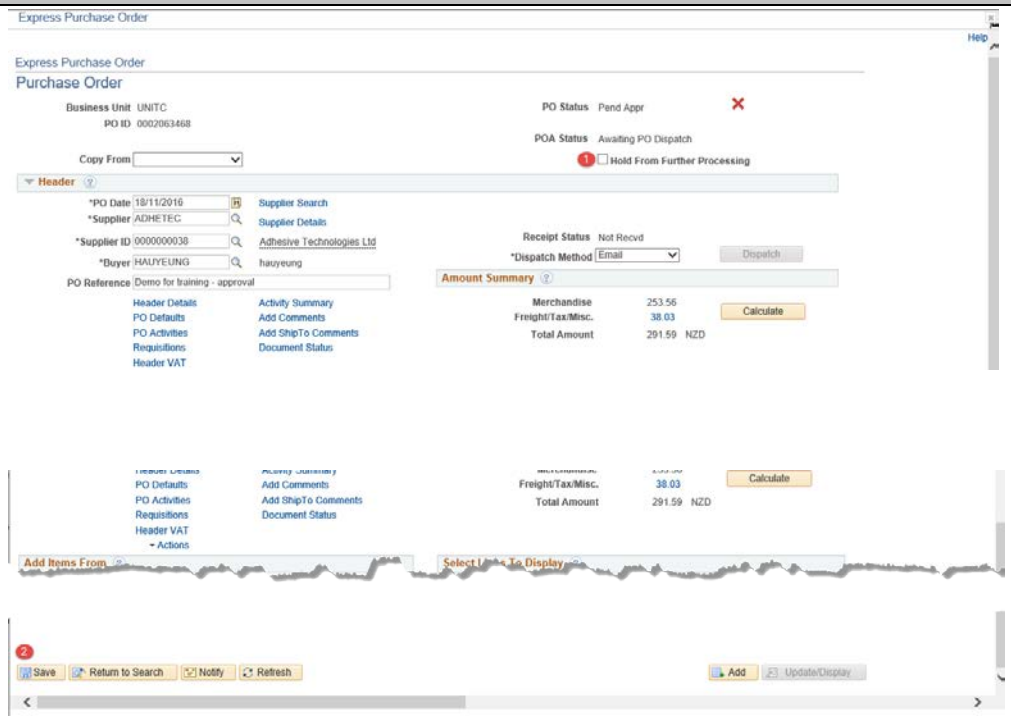
You can select **Hold From Further Processing**, even after having saved the Purchase Order. The notification email will have been sent to the approver, however because the PO is now on hold, the PO will not appear in their worklist and they will not be able to approve it. The email link will no longer work. .

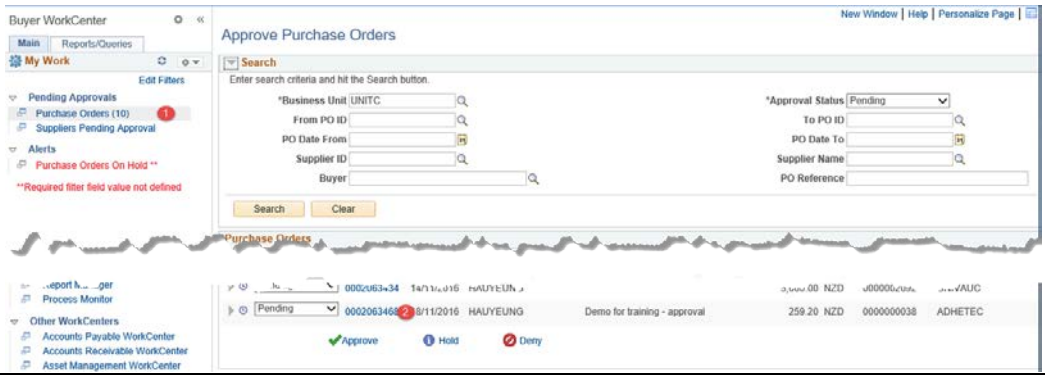
STEP	PLACING ON HOLD AFTER SAVING
Path	Purchasing WorkCentre > Add/Update Express POs > Find an Existing Value
Search for PO's Add 1. PO Status = **Pending approval** 2. Enter Buyer 3. Click Search	
Note status of Hold from Further Processing = N 1. Select PO ID to place on hold	

STEP	PLACING ON HOLD AFTER SAVING
1. Check **Hold from Further Processing** 2. Click	

Retrieve an On Hold PO

STEP	RETRIEVE AN ON HOLD PO
Path	Buyer WorkCentre > My Work > Purchase Orders on Hold
To resume entering or editing data into the PO 1. Select Purchase Orders On Hold in the My Work area of the Buyer WorkCentre	
1. Select from the list	
Continue entering data into your Purchase Order as usual.	

STEP	RETRIEVE AN ON HOLD PO
1. Uncheck **Hold From Further Processing** 2. Click Save	

	If you had put an already saved PO on hold –the notification email would have already been delivered to the approver. When you edit the Purchase Order, and take it off hold a new email will only be sent if: • Price or quantity increases • Change the department • Add comments • Add more items to the PO The item will however be listed in the Approver's Worklist of PO's awaiting approval 

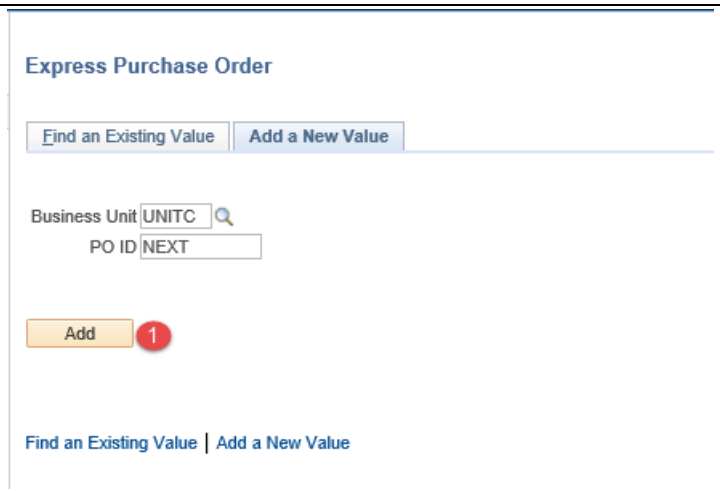
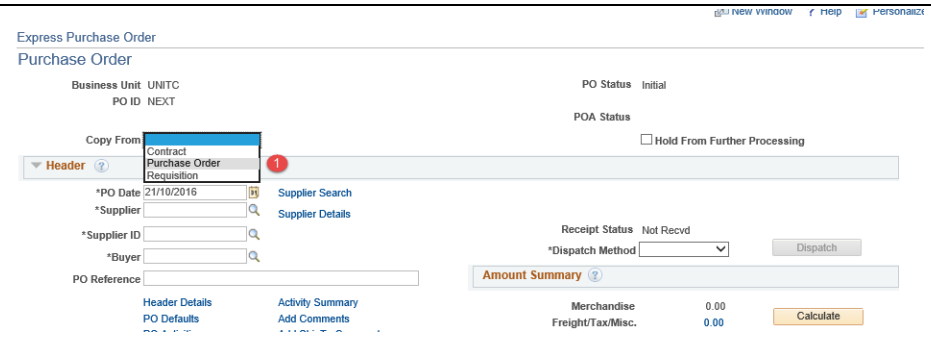
Copy a PO

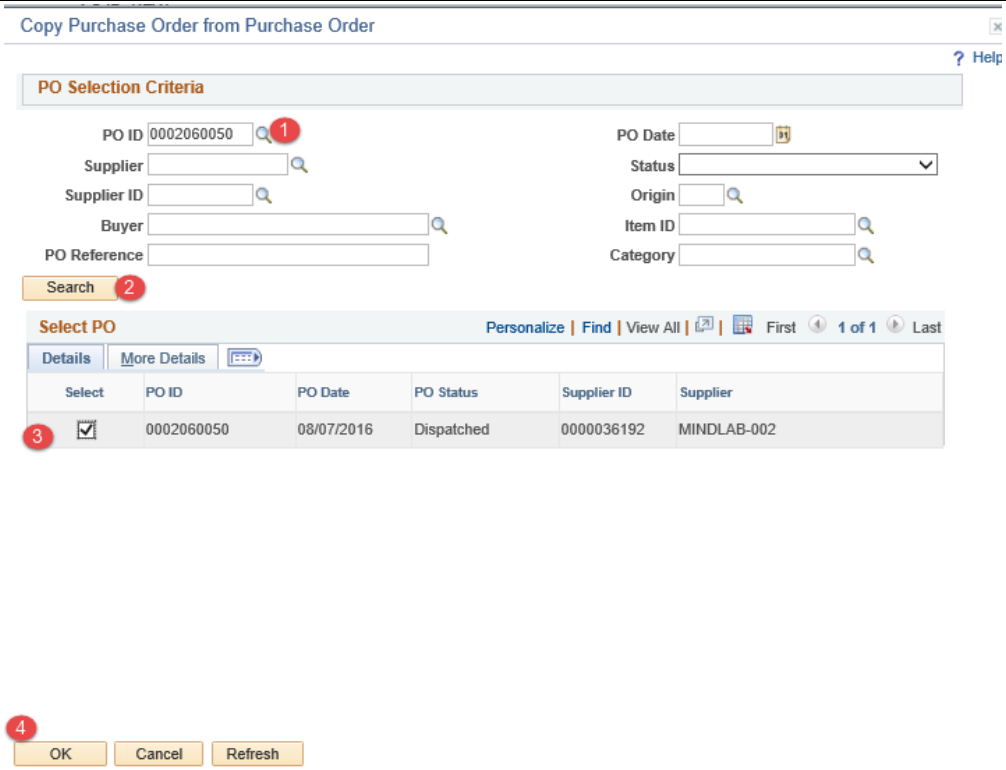
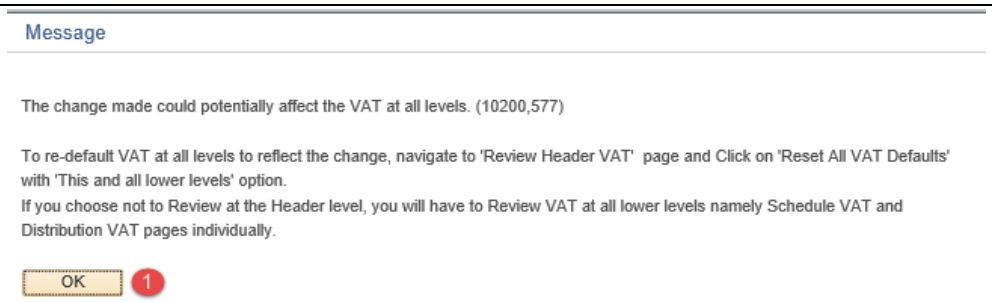
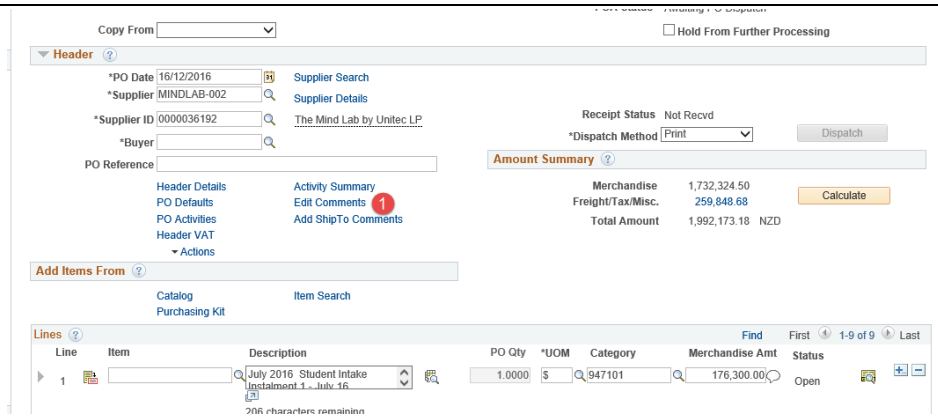
If a particularly long and complicated purchase order is being created, it can be more efficient to copy from a similar PO, with the same supplier, that already exists, and edit where required.

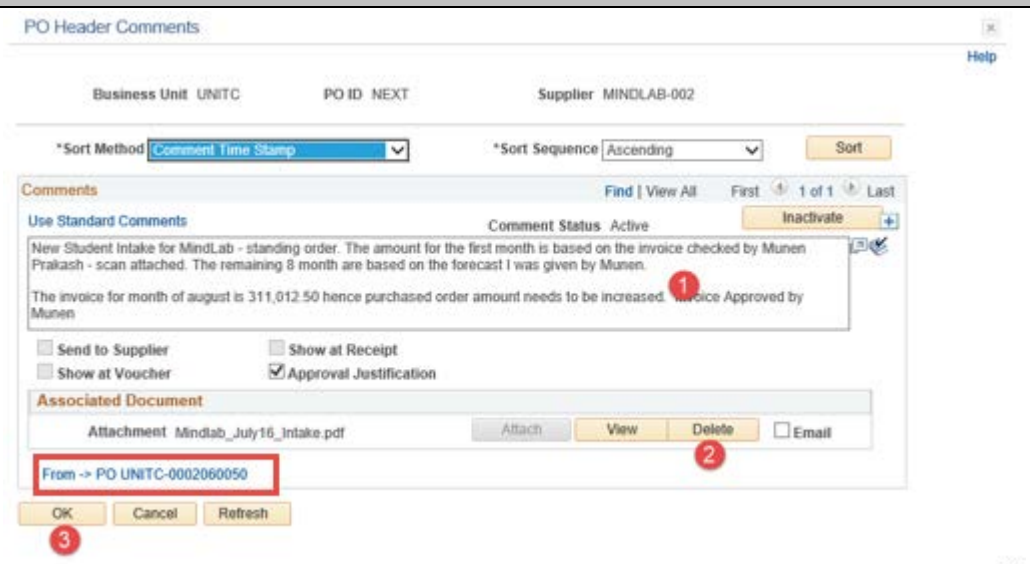
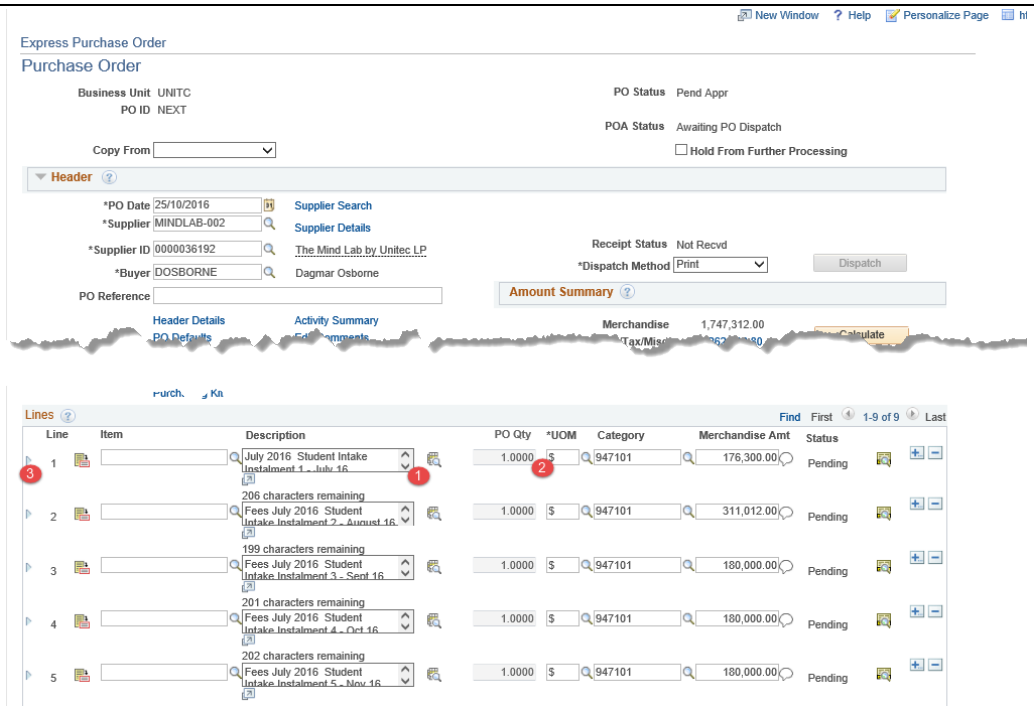
Objective

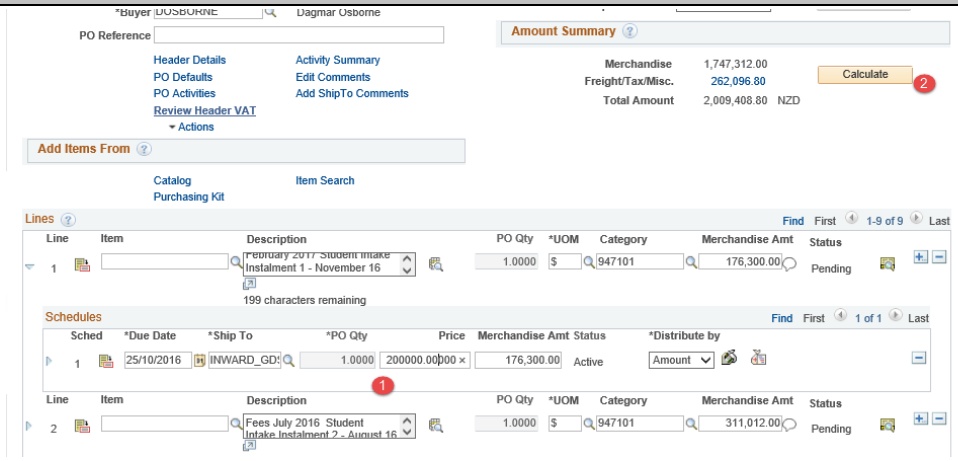
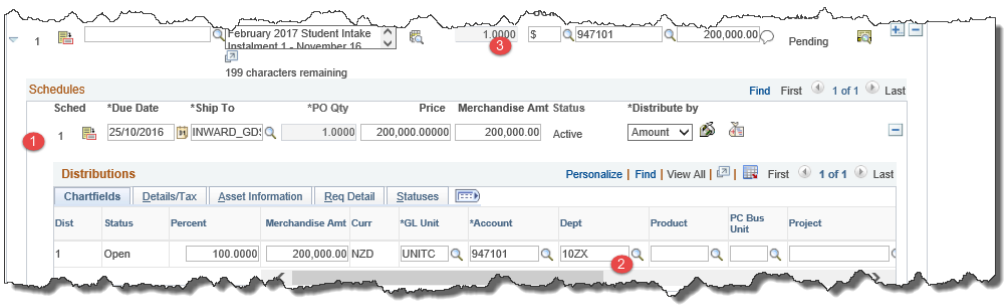
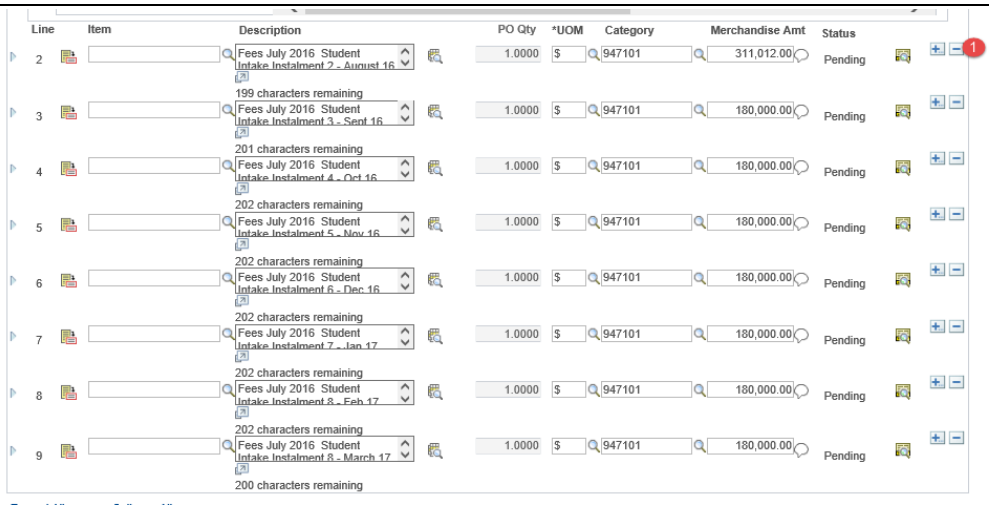
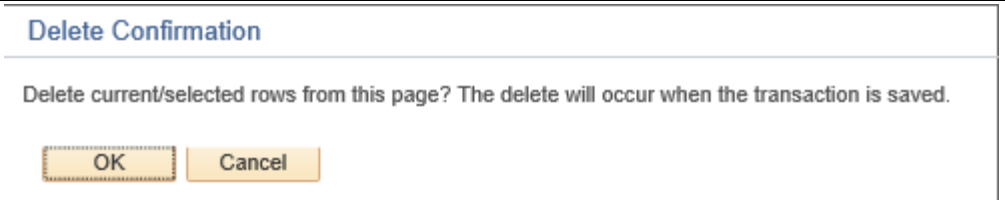
To understand when to use the Copy PO, and how to create a Purchase Order using this function.

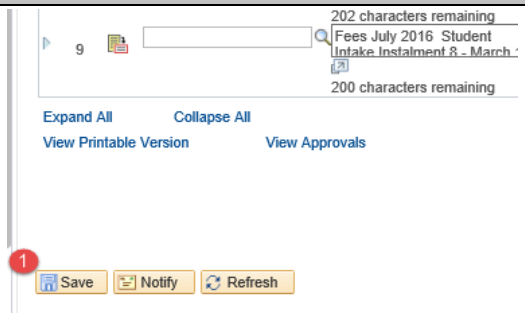
	The types of changes you may make to a Copied Purchase Order are: Justification Comments Attachments Line Description Quantity Price GL Distribution Project Information

STEP	COPY A PURCHASE ORDER
Path	Buyer WorkCentre > Add/Update Express POs
On the **Add a New Value** tab 1. Click **Add**	
1. Select **Copy From –** Purchase Order	

STEP	COPY A PURCHASE ORDER
1. Enter your search criteria Note- This can be • PO ID, • Supplier • Buyer 2. Click Search 3. Tick required PO to copy 4. Click OK	
1. Click OK	
1. Click Edit Comments	

STEP	COPY A PURCHASE ORDER
1. Enter a new comment 2. Review and delete the attachment if required. Add a new attachment if necessary **Note** the line showing this PO has been copied from another PO 3. Click OK	
For each line: 1. Edit the Description as required 2. Edit quantity 3. Expand the line	

STEP	COPY A PURCHASE ORDER
1. Edit the pricing as required 2. Click Calculate	
To edit the distribution lines - 1. Expand the schedules line 2. Edit the Account, Dept and Product fields as required	
	Continue this process for each line that is to be included in this Purchase Order
To remove a line Click the − at the end of the row	
Click OK	

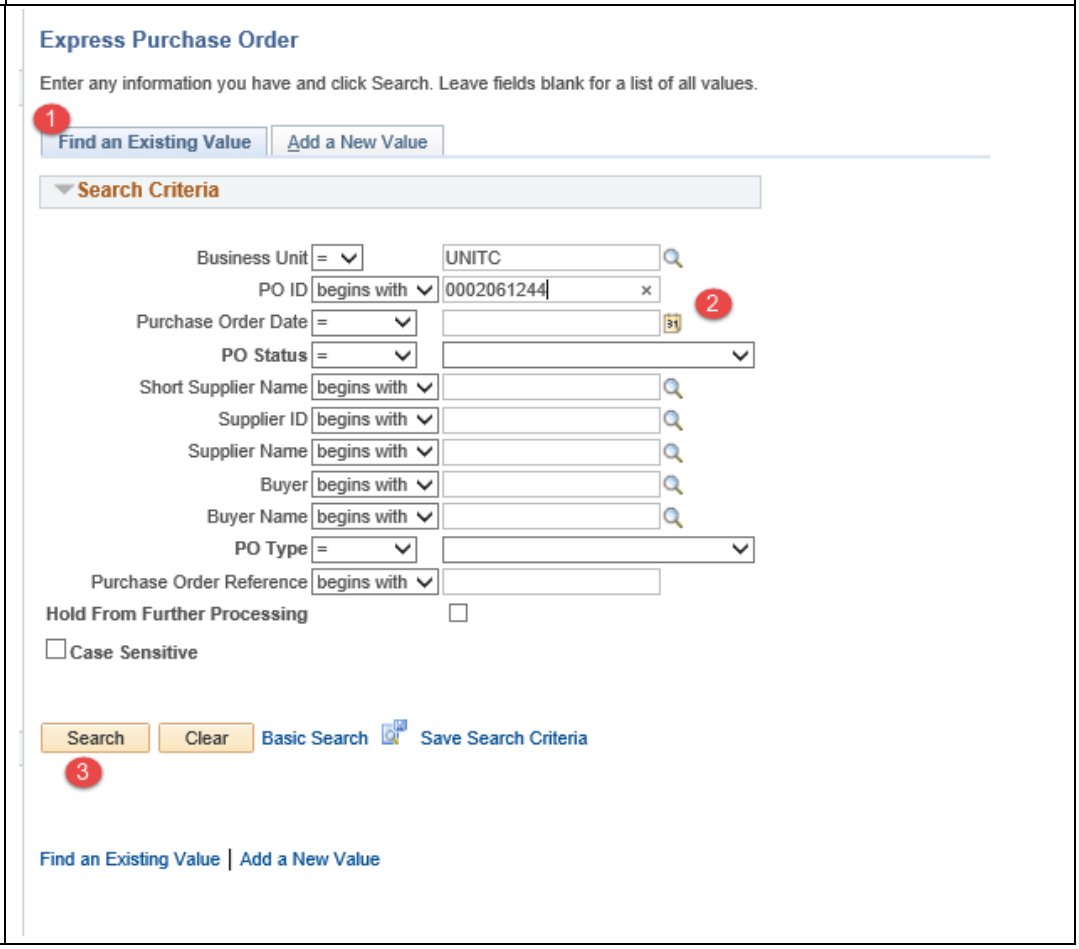
STEP	COPY A PURCHASE ORDER
When you have finished editing the Purchase Order Click Save	

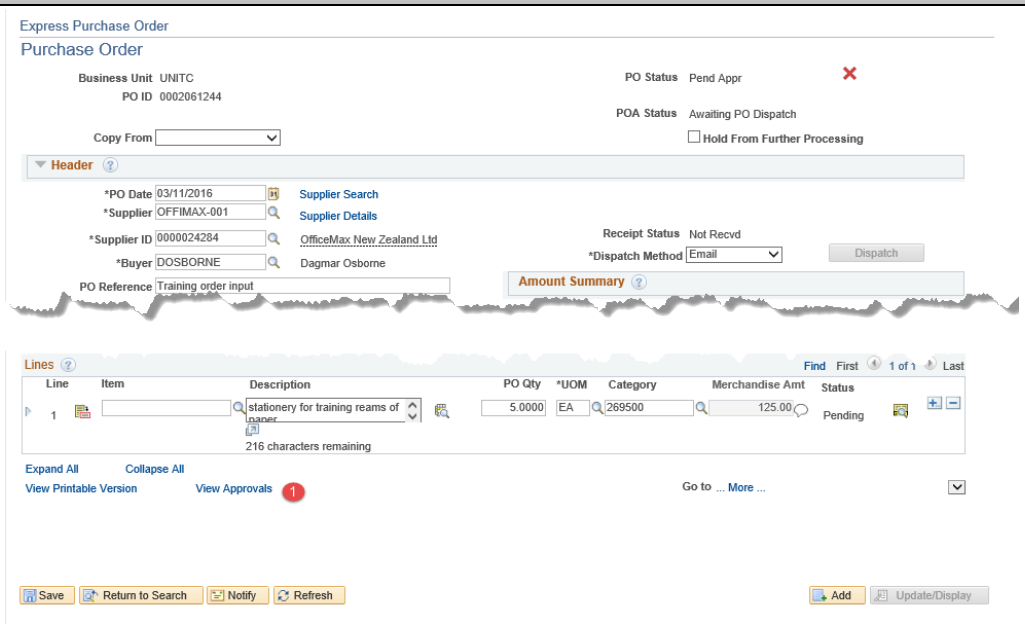
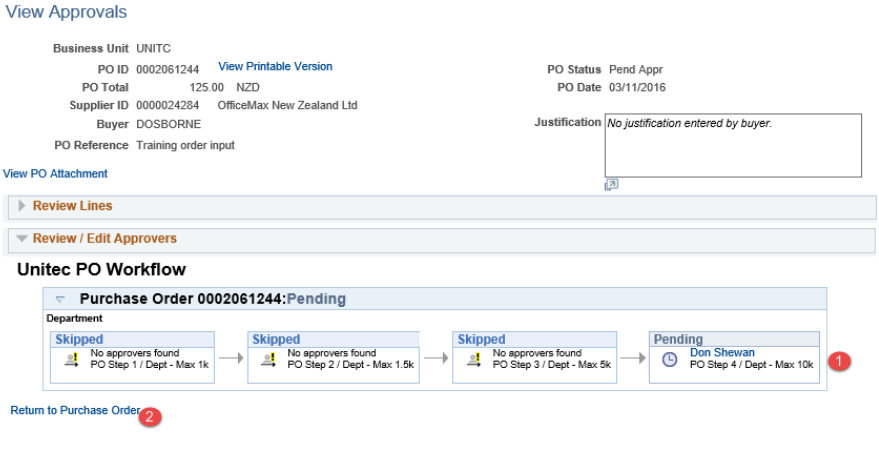
Viewing PO Approval Workflow

If the PO is of such a value that it needs to be approved by multiple approvers, you can check to see who it is sitting with awaiting approval.

Objective

Know how to search for and view who has approved, and who is still to approve a Purchase Order

STEP	ACTION
Path	Buyer WorkCenter > Add/Update Express PO's
1. Select Find an Existing Value tab 2. Enter search Criteria 3. Click Search	

STEP	ACTION
1. Click **View Approvals**	
1. View approval list 2. Click Return to Purchase Order