

PeopleSoft Training Document Financials 9.2 Create a Purchase Order

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

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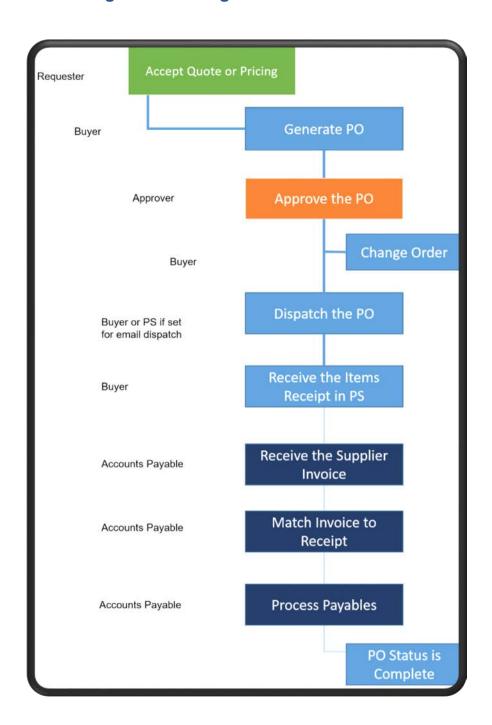
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Create a Purchase Order

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:
 - If single department on PO, routing is by department code and delegated financial authority (DFA)
 - If multiple departments on PO, routing is by the buyers reporting line and associated DFA.
 - 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:

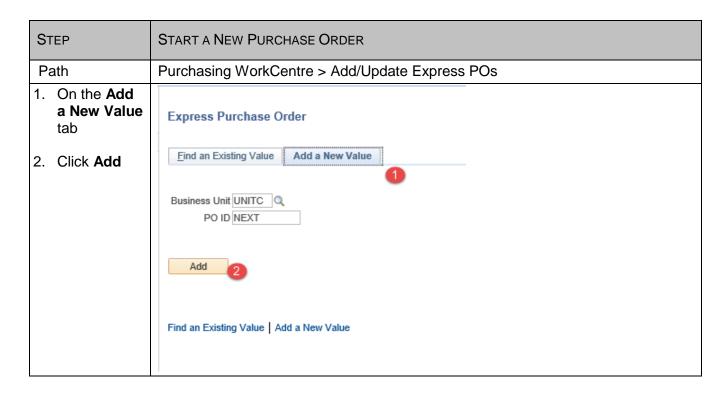
- Supplier
- Item/s to be purchased
 - o Item prices
 - Item quantity
- Item Category, General Ledger Codes and Cost Centre Code
- Project Code or CEA number where applicable

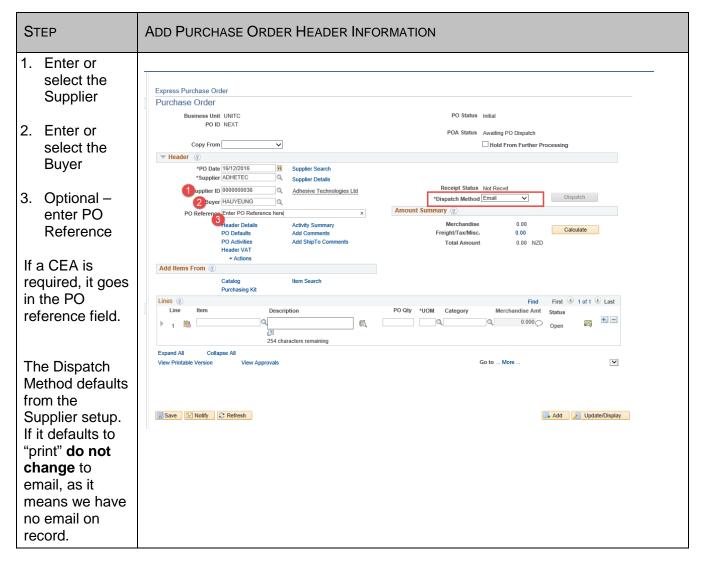
If you have been requested to raise a PO, then make sure that you have been provided all the relevant information from the requester.



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.







Selecting a supplier will default the following details

- VAT 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.

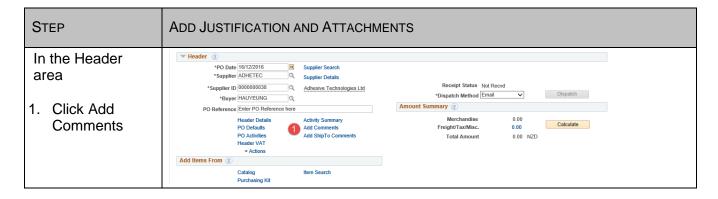
Selecting a buyer will default the following details

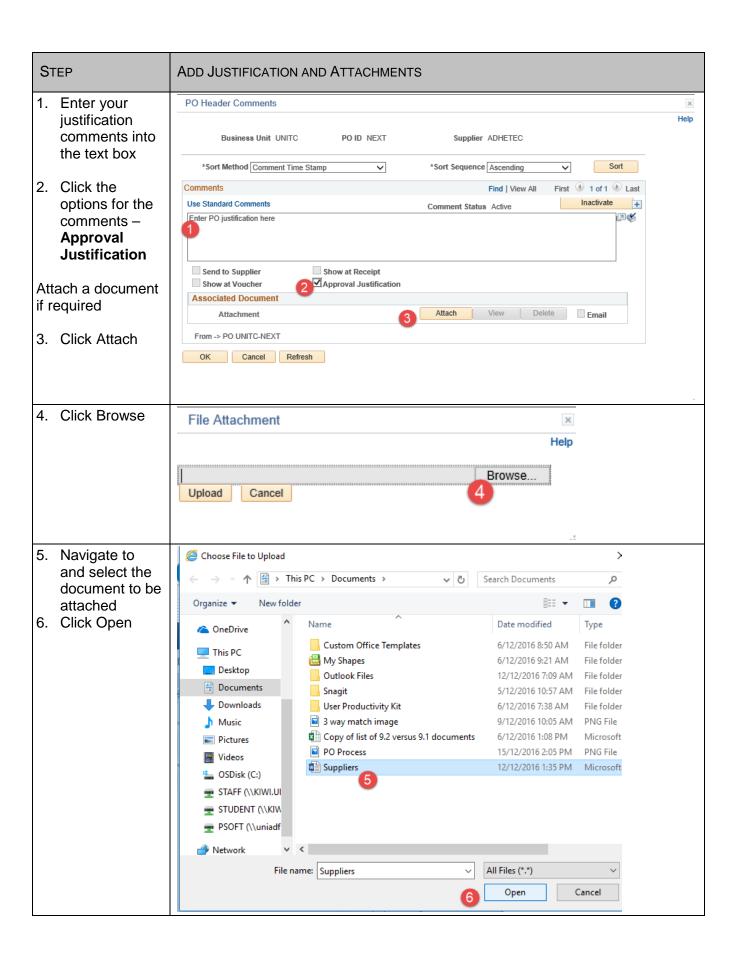
- Department
- Ship To Location
- Location
- Buyer's Phone / Fax details (please contact IMS if these details are not correct)

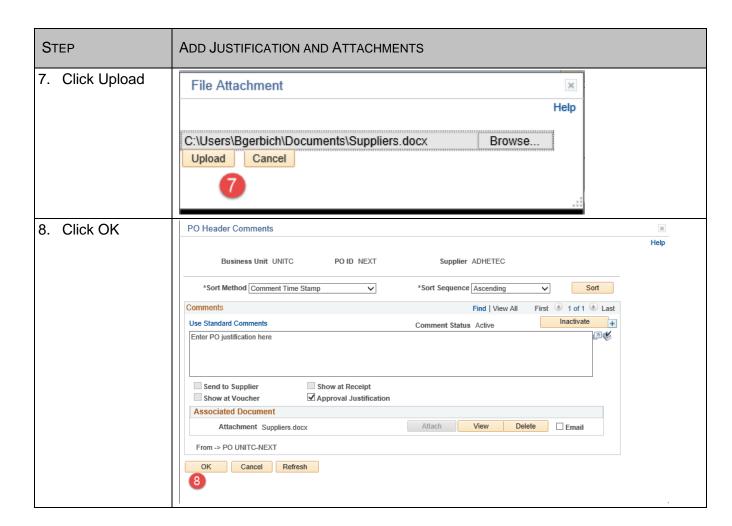
Adding Justification for Approval and Attachments

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.









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.

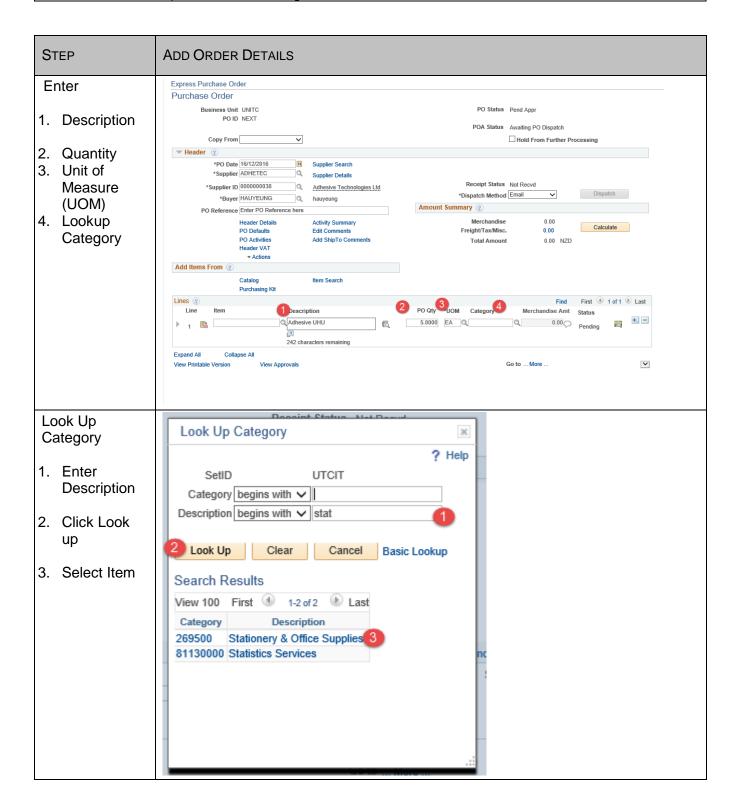


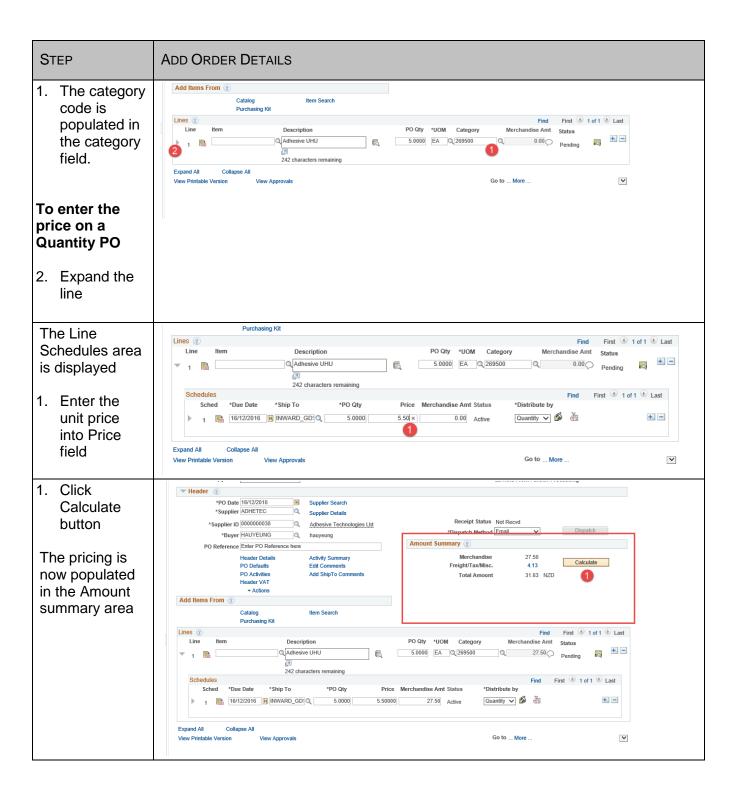
You can add other comments and attachments, for example a comment and attachment to be sent to the supplier with the purchase order when it is dispatched. The process is similar to what is described above.

Add Line Details

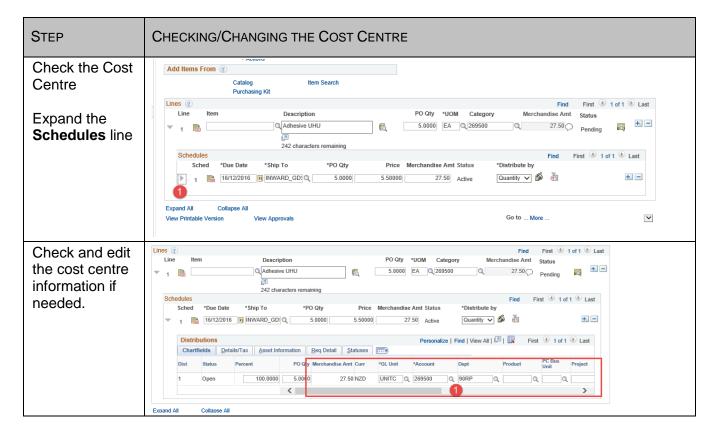


Please ensure that the description is meaningful. It must state what goods or services are being ordered. Do **NOT** enter 'as per contract' – the correct description would be "Teaching Services for Computing from 01/02/17 to xy date" or something similar.





Checking/Changing the Cost Centre



Splitting PO 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.



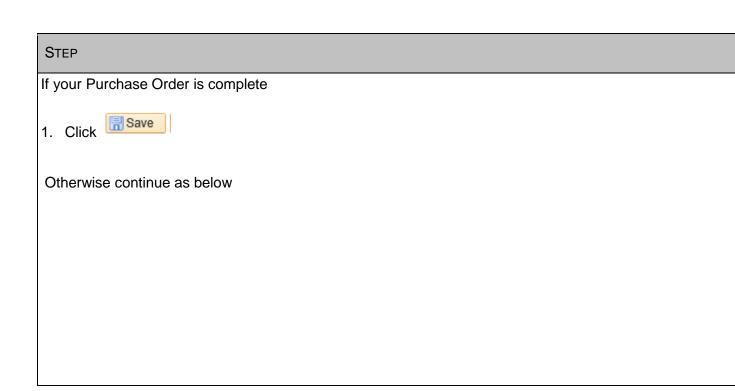
There are two options for doing this:

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.

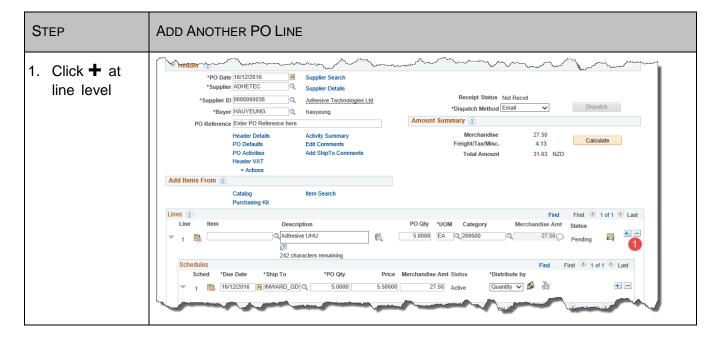
Sī	EP	
1.	The total value of the goods is in the price field	
2.	Expand Schedules line to edit GL codes	
4	Carall to the wight	
١.	Scroll to the right	
1	1. Click +	
	To add a new distribution line	
1.	Confirm the number of lines to add	
	Cliek OK	
2.	Click	

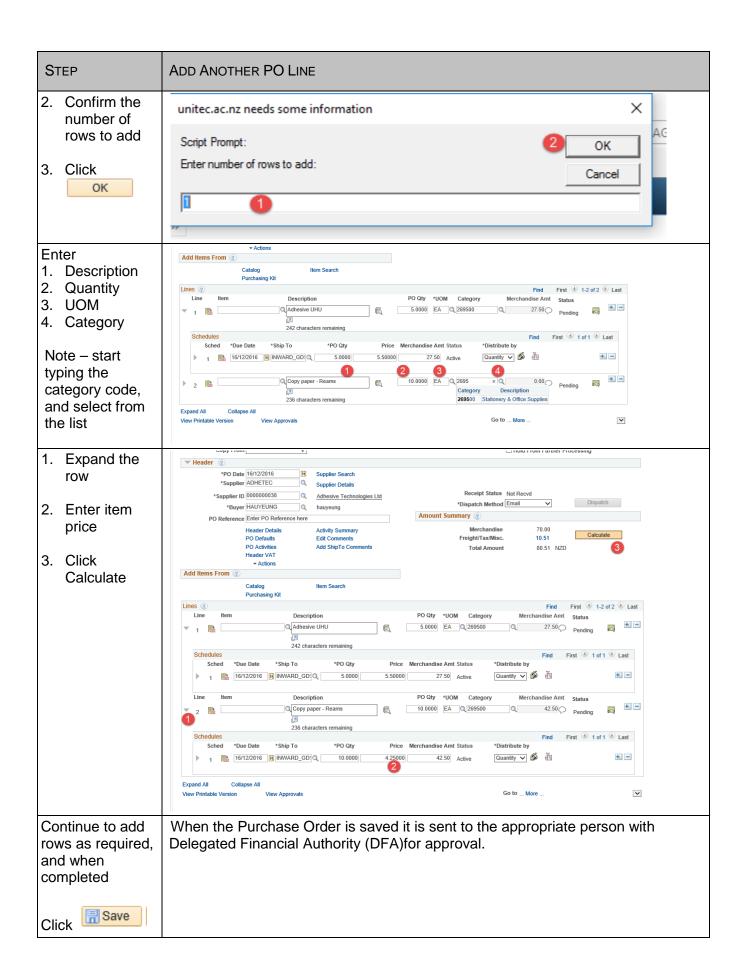
STEP
Quantity, distribute by Quantity
Amount distribute by \$ value
Enter quantities for each distribution code
2. Look up Dept Code
Notice the Percentage distribution for each line has been calculated by the system.
You could have entered figures in these fields, instead of PO Qty.

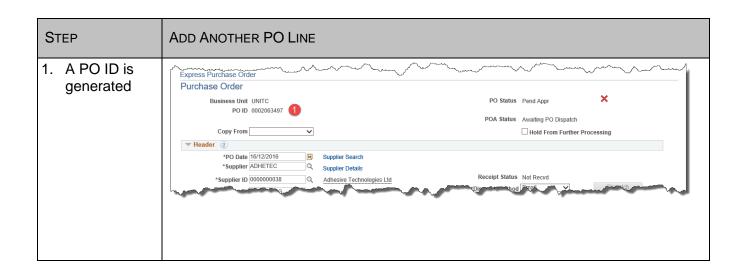


Add Another PO Line

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









A Purchase Order **MUST** have an approval justification – add this in the Comments link in the header.

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 chow "skipped".

01			
1.	Click View Approvals to see who is approving your Purchase Order		
Th	a wantifactifactifactifaction of Order in displayed		
Ine	e 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

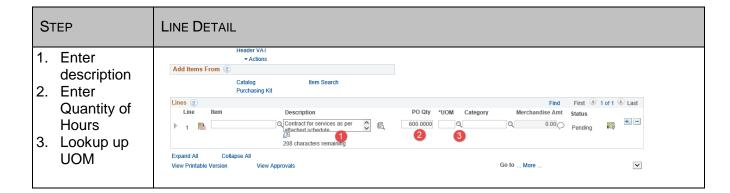
STEP

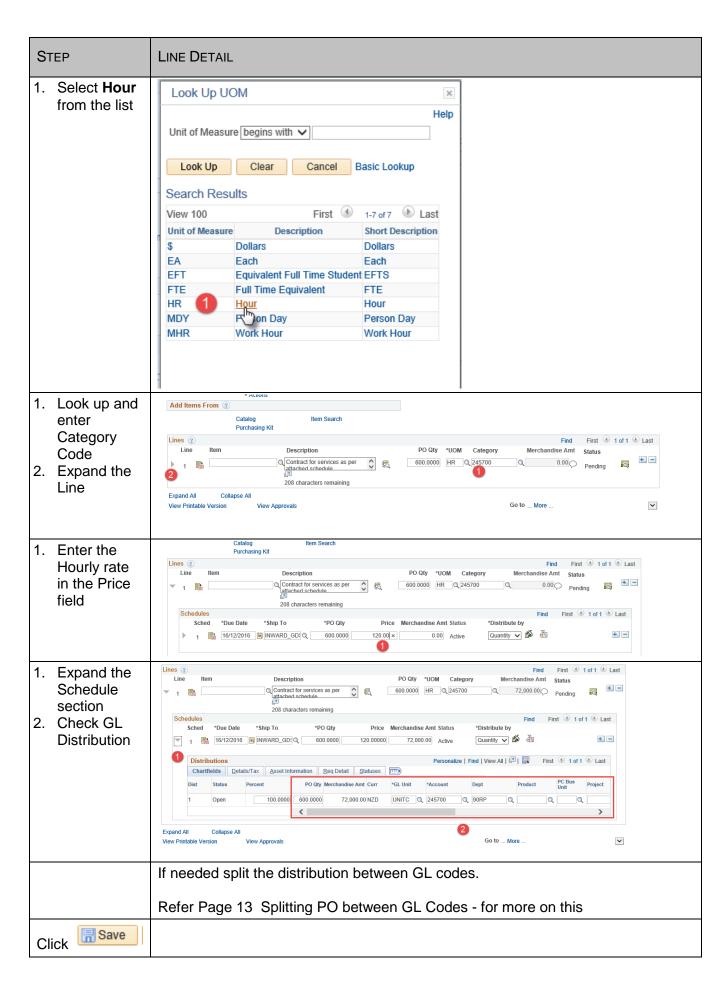
Path

- 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





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

STEP

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

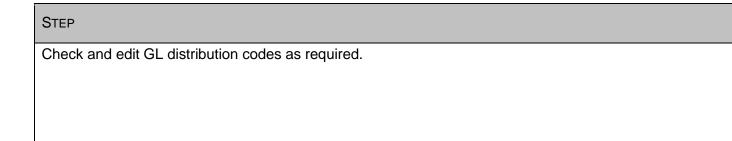
Scenario – consultant providing services to the value of \$20,000, over several months, but will invoice and be paid monthly. They are going to be paid based on work completed, rather than an hourly rate.

Path		
On the Add a New Value tab		
1. Click Add		

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

Sī	STEP		
	Click Yes		
	PO quantity is populated as 1 Look up UOM		
1.	UOM = \$		

ST	EP
1.	Lookup Category
1.	Enter the value of the contract into the Merchandise Amt Field
1.	Expand the Line details
1.	Expand Schedule



Splitting PO between GL Codes for a Dollar Amount Purchase Order

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 or the distribution ratio 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

- 1. The total value of the service is in the price field
- 2. Expand the Schedules line to edit GL codes

STEP
1. Scroll to the far right on the distribution section
Click + in the Distribution Section
To add a new distribution line
2. Confirm the number of lines to add
3. Click OK
Distribute by = Amount
Enter Dollar Value split
2. Look up and enter GL Codes
Repeat this for each distribution line

S	TEP
1.	Click Calculate
1.	GST has been calculated
1.	Click
	Purchase Orders for multiple cost centres will be routed according to the buyers
1	reporting lines rather than by the cost centres which could have conflicting

Please note...

routings.

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

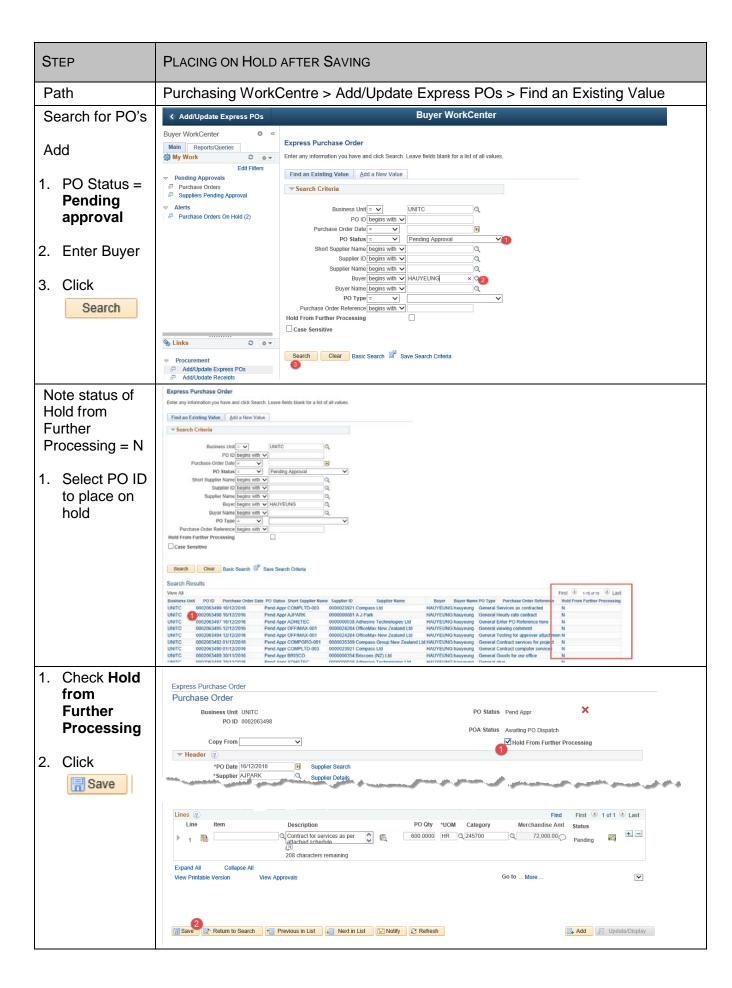
Placing on Hold before Saving

Part way through creating your PO, you can select **Hold From Further Purchasing**, 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.

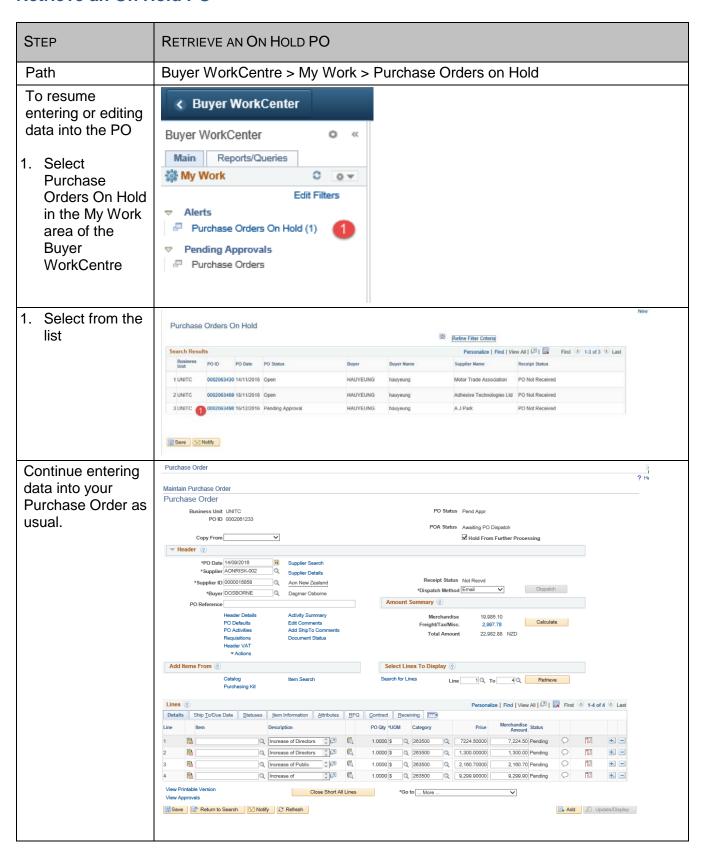
1. Tick Hold From Further Processing 2. Click

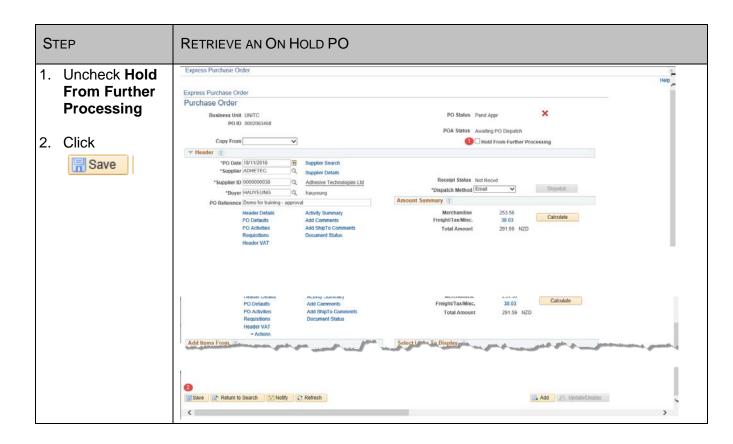
Placing on Hold after Saving

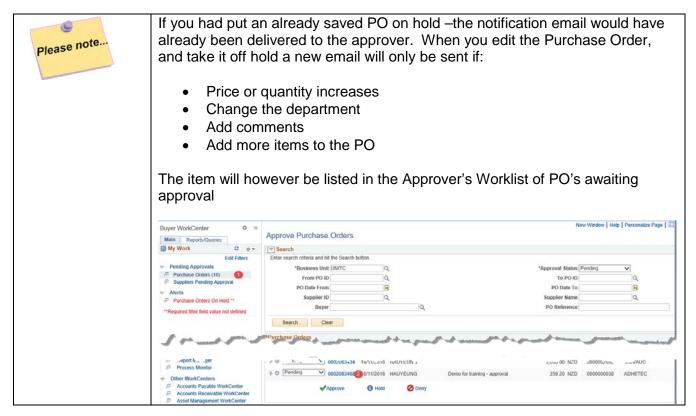
You can select **Hold From Further Purchasing**, even after having saved the Purchase Order. The notification email will have been sent to the approver, however because the PO is on hold, the PO will not appear in their worklist awaiting approval.



Retrieve an On Hold PO







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 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 are may make to a Copied Purchase Order are:

Justification
Comments
Attachments
Line Description
Quantity
Price
GL Distribution
Project Information

-

STEP				
1.	Enter your search criteria			
2. 3. 4.	Note- This can be PO ID, Supplier Buyer Click Search Click OK			
4	Click OK			
1.	Click Edit Comments			

S	STEP
1.	Enter a new comment
2.	Review and delete the attachment if required.
	Add a new attachment if necessary
3.	Click OK
F	or each line:
2.	Edit the Description as required Edit quantity Expand the line
1. 2.	Edit the pricing as required Click Calculate

STEP
To edit the distribution lines - 1. Expand the schedules line 2. Edit the Account, Dept and Product fields as required
To remove a line
Click the — at the end of the row
Click OK
When you have finished editing the Purchase Order
Click

Viewing Who Has Approved Your Purchase Order

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

ST	STEP				
	Path				
1.	Select Find an Existing Value tab				
2.	Enter search Criteria				
3.	Click				

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