Oracle Fusion Inventory and Purchasing Configuration

What is Inventory Management and Purchasing Configuration?

Who will Configure the setups for Inventory and Purchasing Application?

How to Configure Basic Inventory and Purchasing setups?

How to create invoice in the Accounts Payable Application based on

- Purchase Order?
- Purchase Order and Receipt Information?
- Purchase Order, Receipt Information and Inspection Report?

How to create Approval Rules at Purchase Requisition level and Purchase Order Level?

Inventory management:
A cloud-based system that manages the flow of goods, tracks stock, and organizes inventory. It can help with restocking plans, order fill rates, and visibility into inventory levels.

Purchasing for inventory:
The company might manage an inventory or stock-based operation, which includes:

- Retail items for sale to customers.
- Items for internal consumption.
- Manufactured items.
- Repair and maintenance items.

You must use purchasing for inventory method to purchase goods for a stock-based environment. This method enables full integration between the JD Edwards EnterpriseOne Procurement system and the JD Edwards EnterpriseOne Inventory Management system.

Purchasing configuration:
Includes options such as:

- Price change tolerance: A value that determines if a price change on a purchase order line is within tolerance.
- Ship-to location: A specified location to ship to when the purchase order cannot derive a ship-to location.
- Cancel backing requisitions: An option to control whether a backing requisition is cancelled when a purchase order is cancelled.

The Procurement Application Administrator in Oracle Fusion can configure requisition business functions for a business unit. This includes setting up default values and behaviours for the Application when users create requisitions and purchase orders.

Configuring Basic Inventory and Purchasing setups:
To configure basic Inventory and Purchasing Application setups, we need to add additional offering to our Project. To add Offering to the Project, the offering should be in enabled mode to assign it to our Project.

Enable the Offering:

Navigation:

Login to the Instance with the user credentials >>> Click on User Name >>> Click on Setup and Maintenance >>> Click on Actions >>> Click on Go to Offerings >>> Click on Procurement >>> Ensure that the Status: Enabled.

In the same way ensure that Product Management and Material Management and Logistics is in Enabled Status

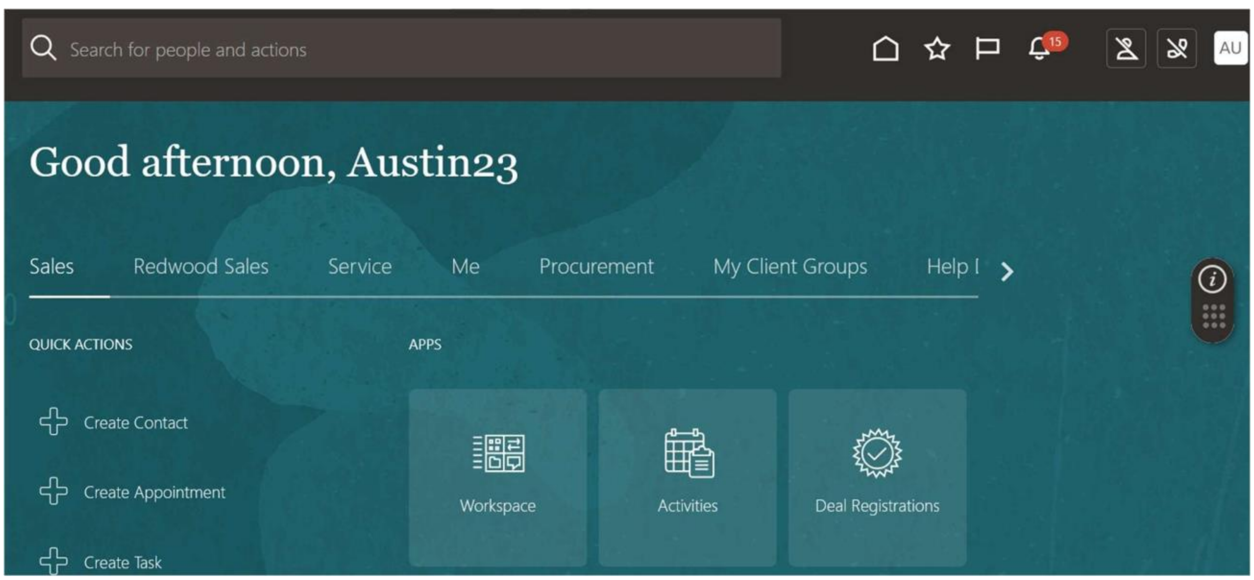
Assign Offering to the Project:

Navigation:

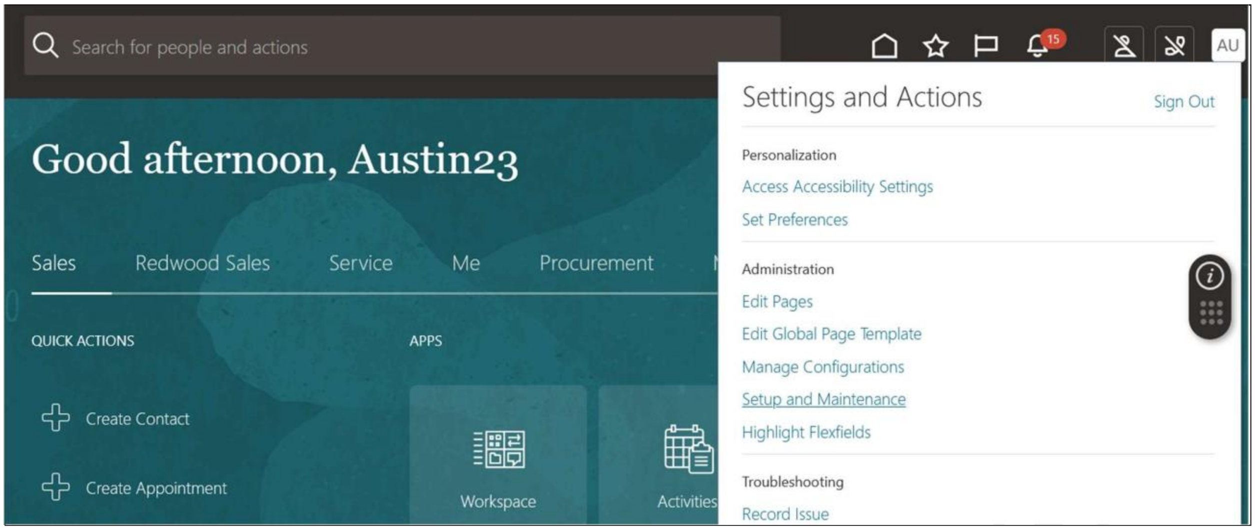
Login to the Instance with the user credentials >>> Click on User Name >>> Click on Setup and Maintenance >>> Click on Tasks list >>> Click on Manage Implementation Projects >>> Search your Project and Click on the same (if you have multiple projects) or Click on Overview (if you have only one Project) >>> Select you Project >>> Click on + to select and add Offerings >>> Search for the Offerings as Procurement >>> Click on Procurement, select it and click on Apply and Done.

In the same way add Product Management and Material Management and Logistics to our Project.

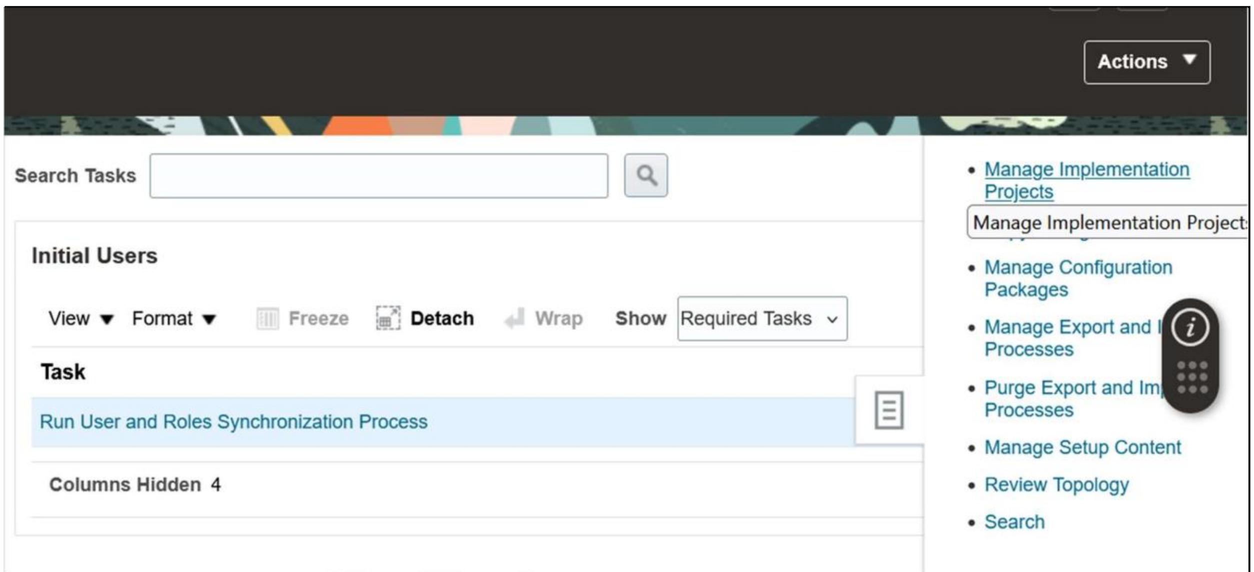
Procurement Offering helps in Configuring the Purchasing Setups.
Product Management Offering helps in Configuring the Inventory Setups.
Materials Management and Logistics Offering helps in Configuring the Sub-Inventory related Setups.



Click on User Name.

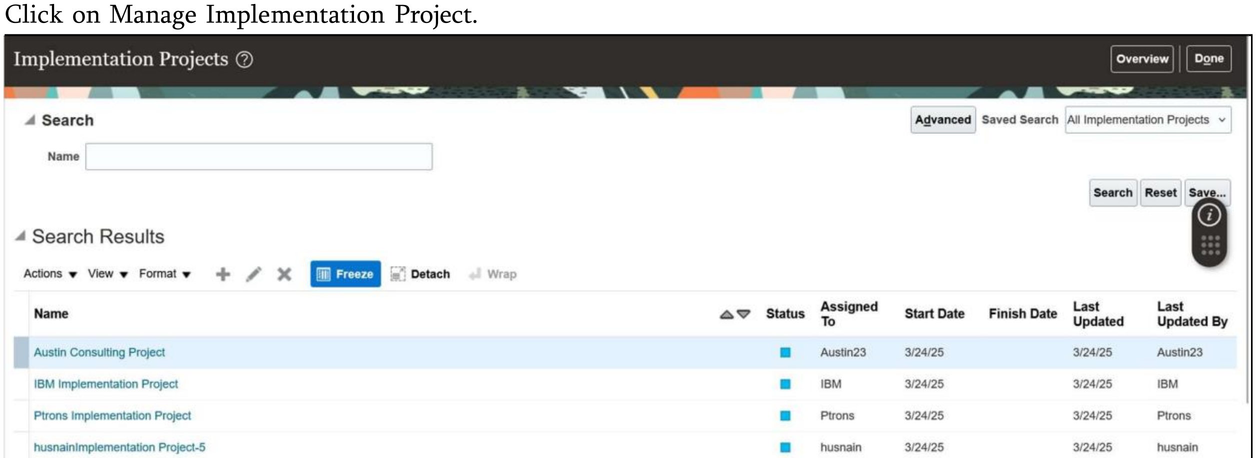


Click on Setup and Maintenance.

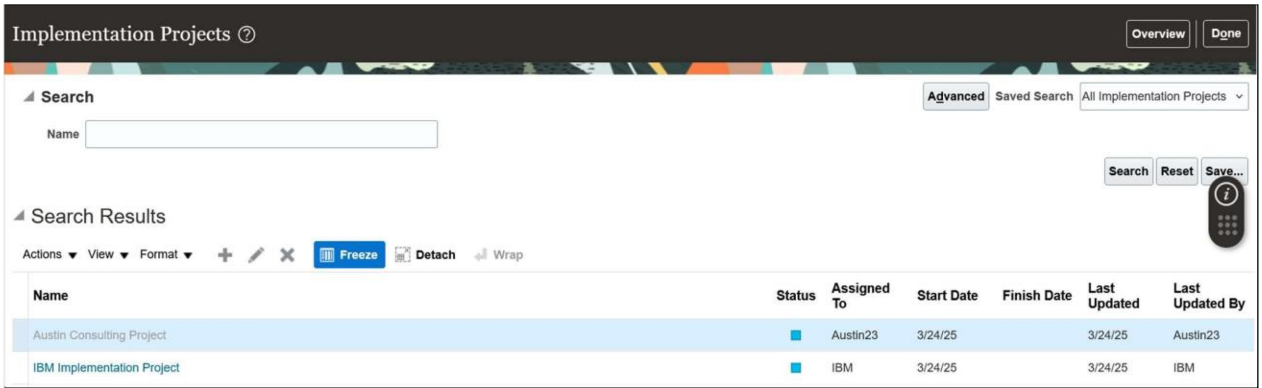


Click on Task List.

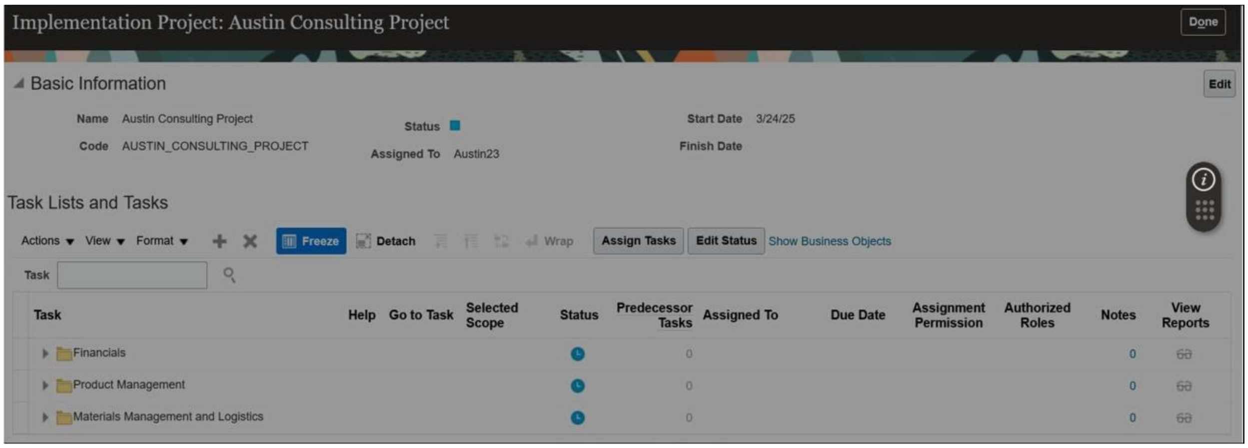
Click on Manage Implementation Project.



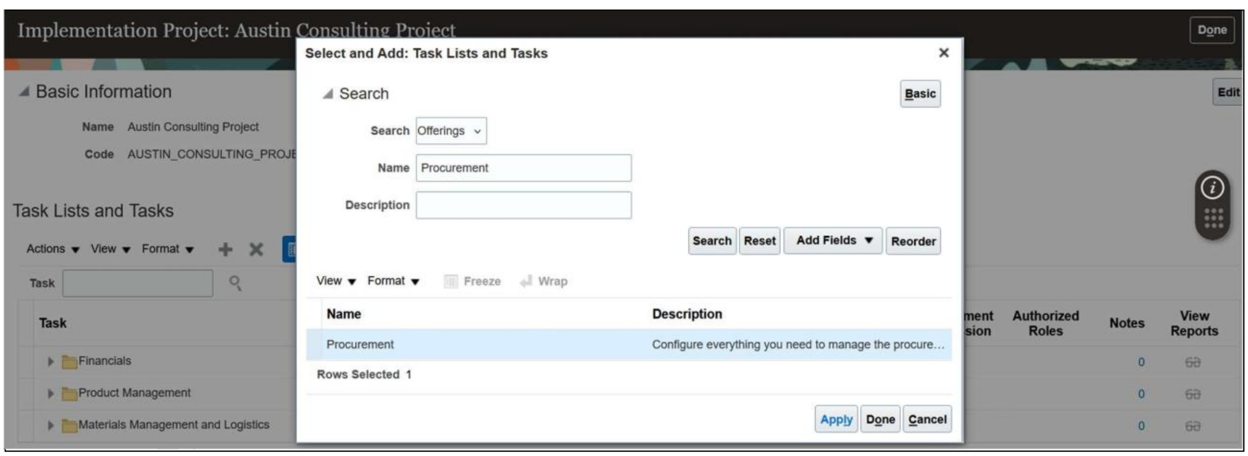
Click on Overview (If you have only one Project)



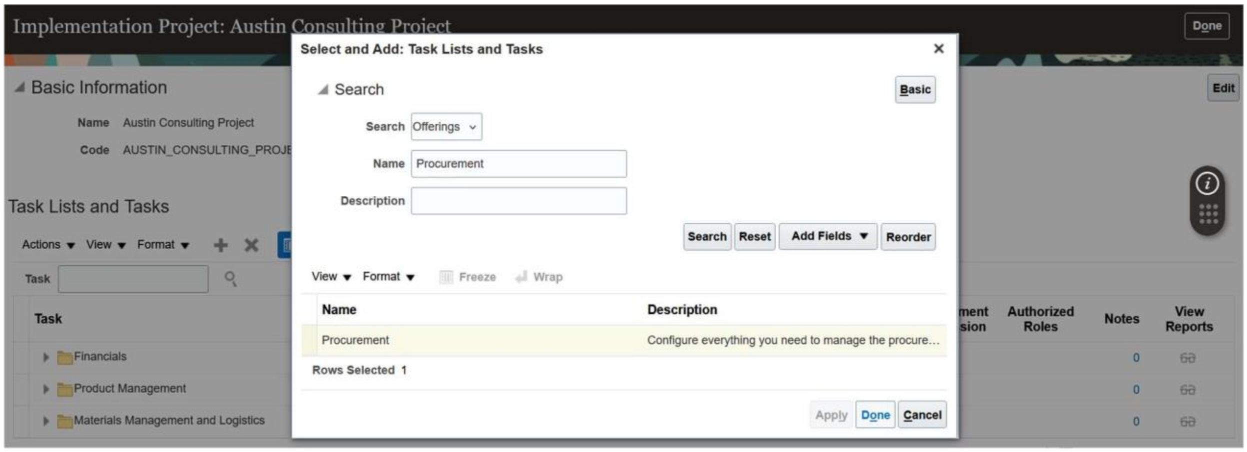
Click on Your Project



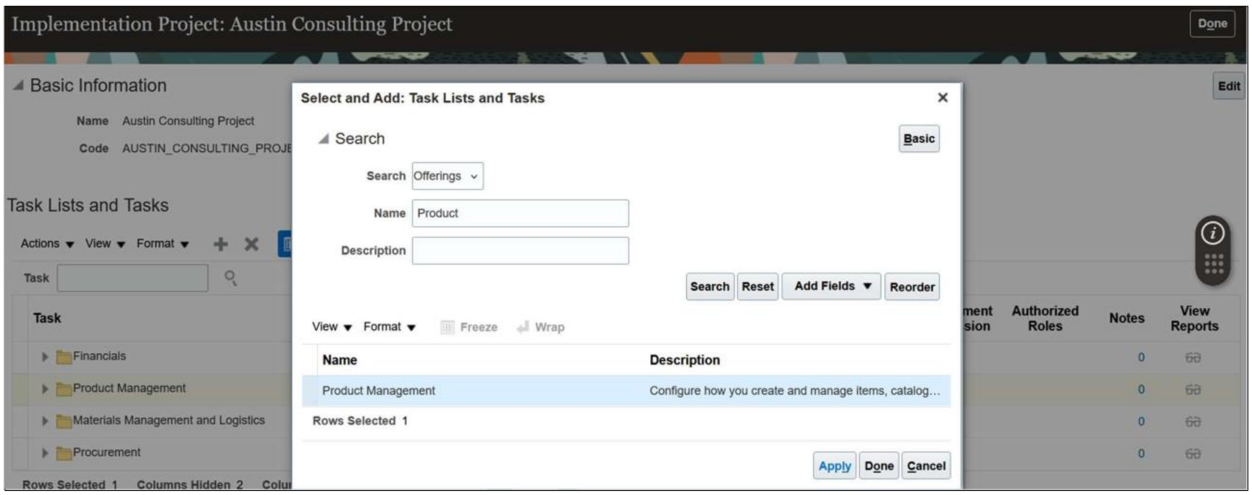
Click on + to Add Offerings to your Project



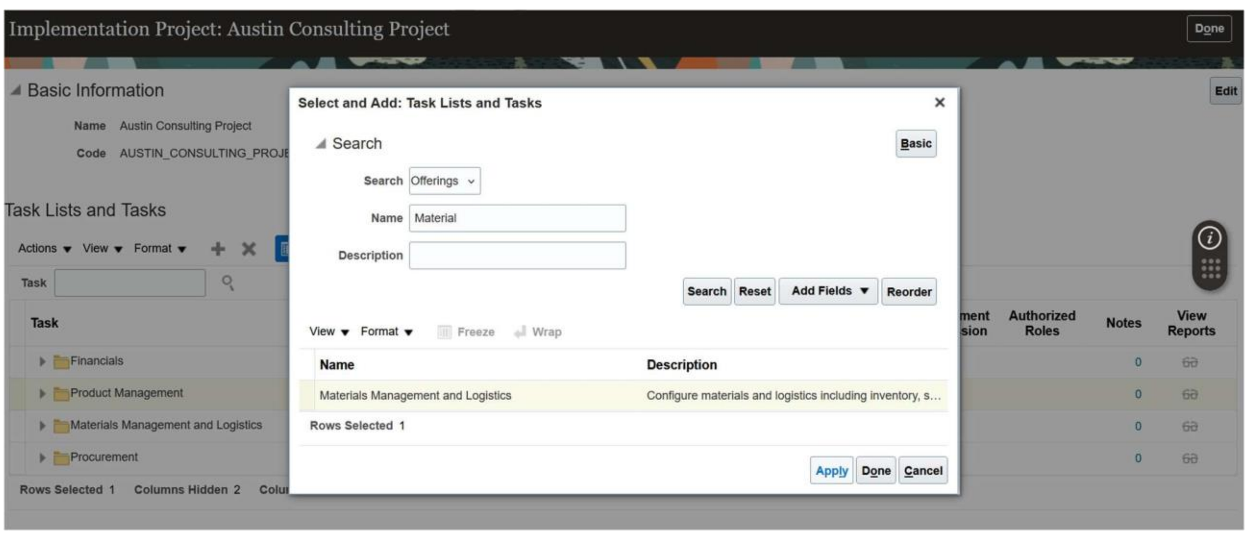
Search for the Offerings with Name as Procurement, Select the Procurement Offering.



click on Apply and Done



Select Product Management and click on Apply and click on Done



Search for Materials Management and Logistics, select it and click on Apply and Done

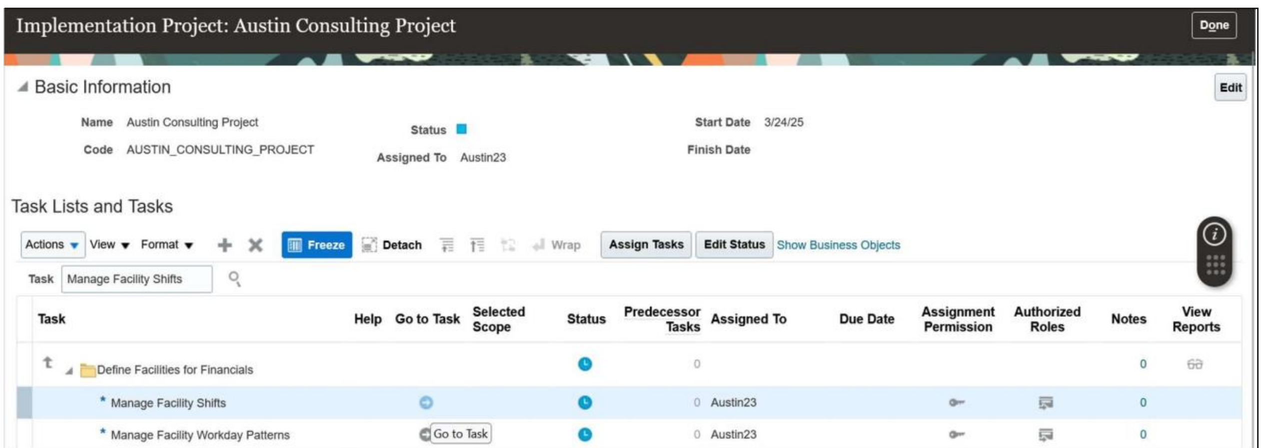
Define Facilities for Procurement (Workday Calendar):

Define inventory, item, and cost organizations. Inventory organizations represent facilities that manufacture or store items. The item master organization holds a single definition of items that can be shared across many inventory organizations. Cost organizations group inventory organizations within a legal entity to establish the cost accounting policies.

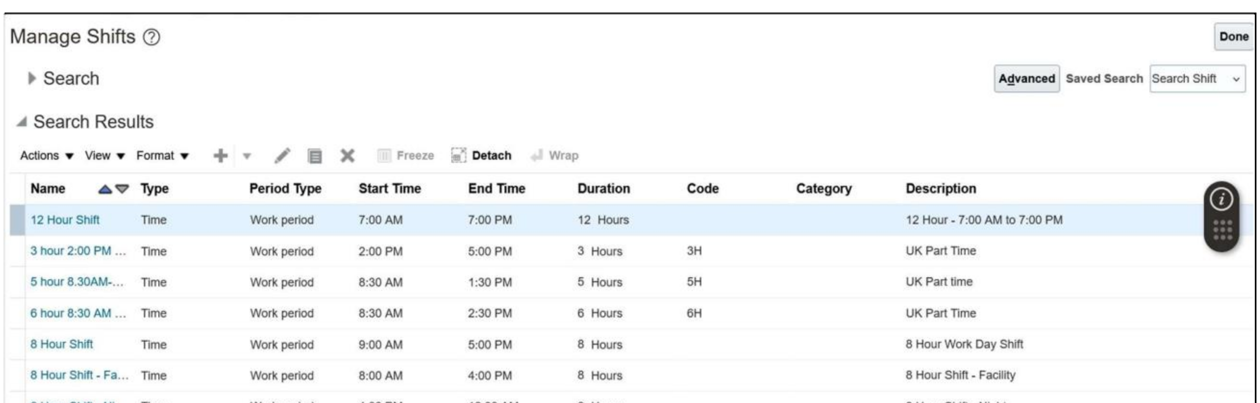
- Create Facility Shift:

  Navigation:
  Login to the Instance with the user credentials >>> Click on User Name >>> Click on Setup and Maintenance >>> Click on Tasks list >>> Click on Manage Implementation Projects >>> Search your Project and Click on the same (if you have multiple projects) or Click on Overview (if you have only one Project) >>> Select you Project >>> Search for the Task "Manage Facility Shifts", click on it >>> Select the task and click on Go to Task icon >>> click on + to create >>> Create Time Shift >>> Provide the details as per the Business Requirement >>> click on save and close >>> click on Done.

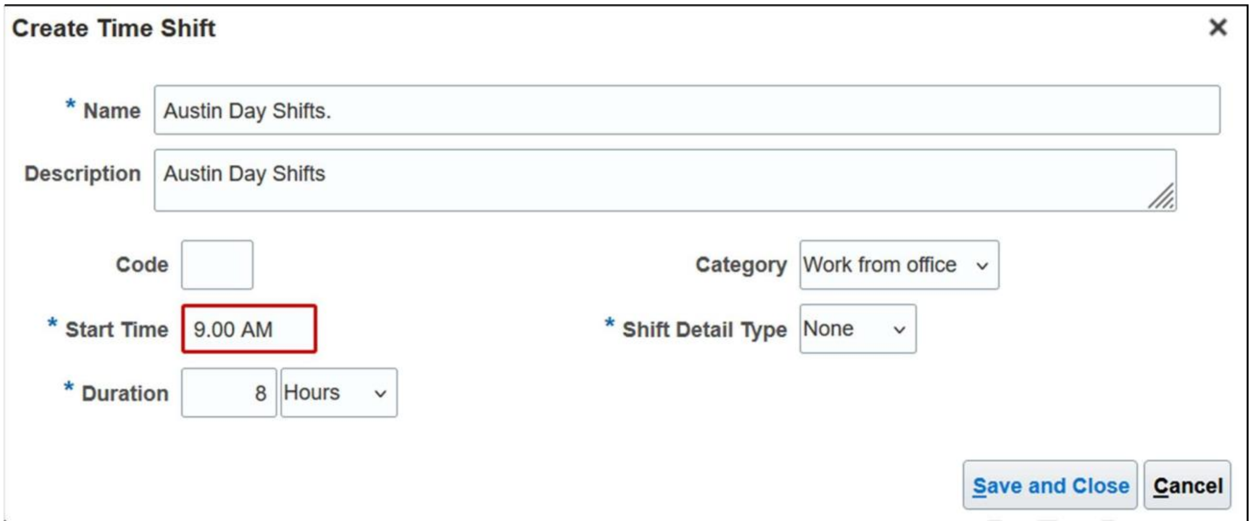
Search for the Task "Manage Facility Shifts" and click on the Task.



Select the Task and Click on Go to Task icon



Click on + to Create the new shift.

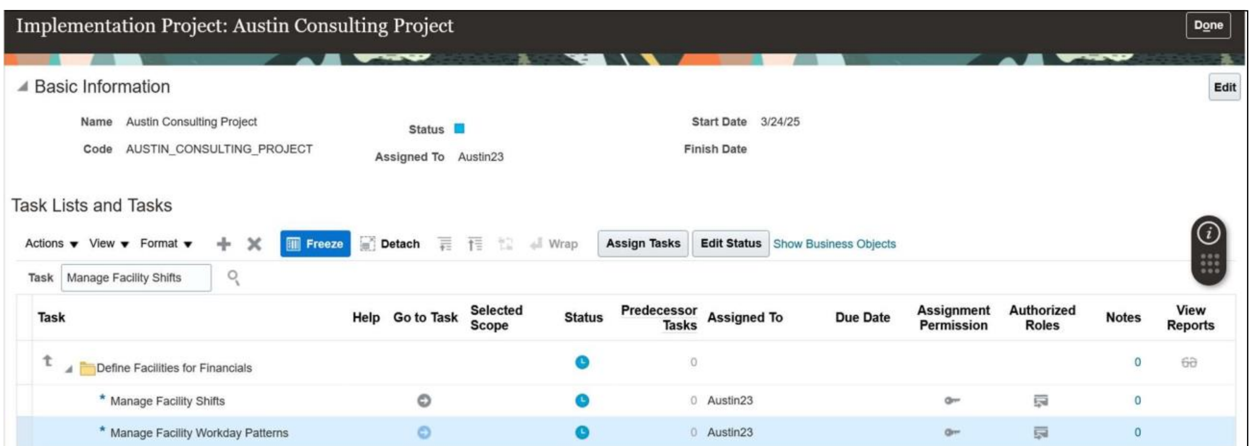


Provide all the details as per the Business Requirement, Click on Save and Close.
Click on Done.

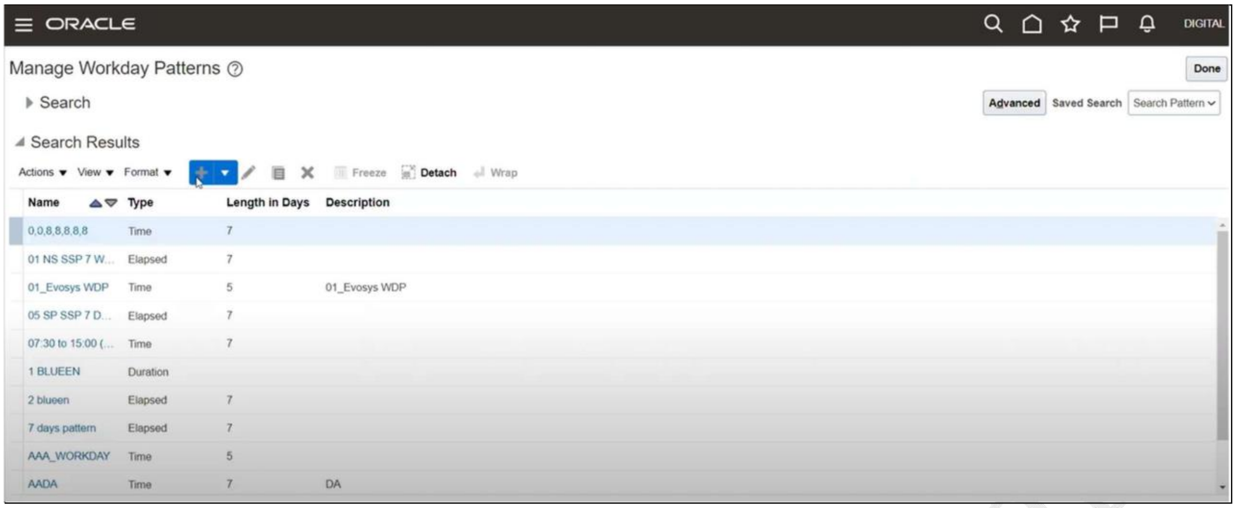
Create Facility Workday Patterns:

Navigation:

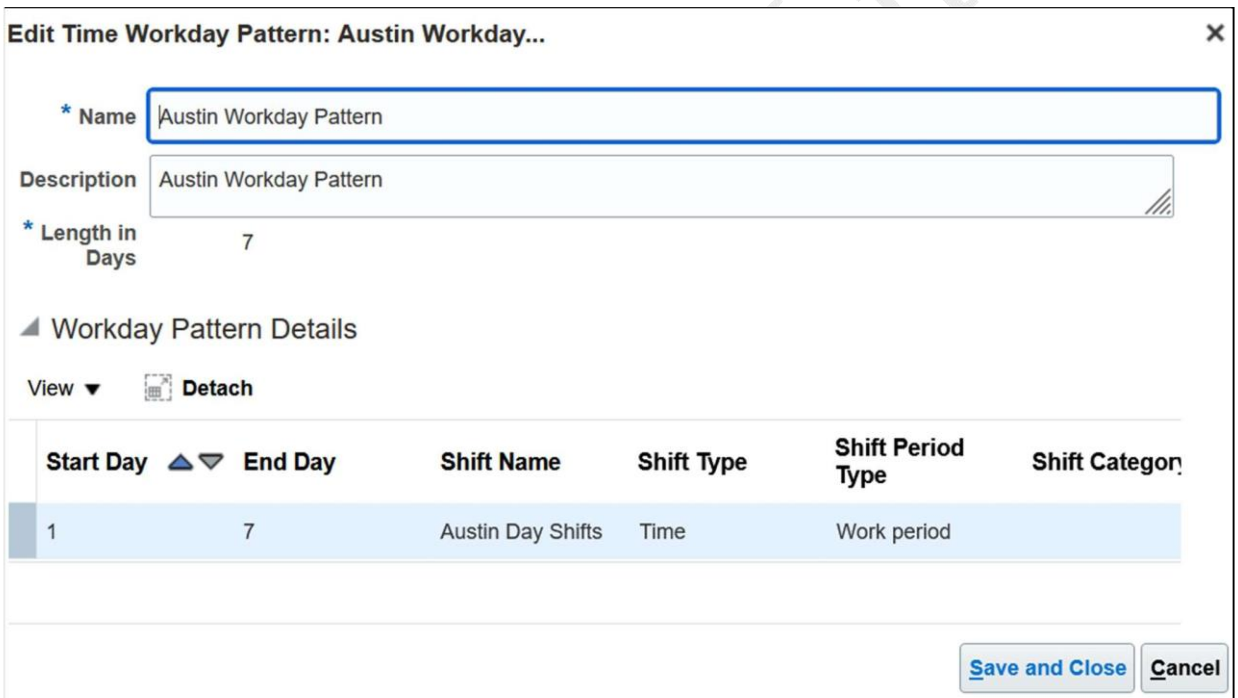
Login to the Instance with the user credentials >>> Click on User Name >>> Click on Setup and Maintenance >>> Click on Tasks list >>> Click on Manage Implementation Projects >>> Search your Project and Click on the same (if you have multiple projects) or Click on Overview (if you have only one Project) >>> Select you Project >>> Search for the Task "Manage Facility Workday Patterns", click on it >>> Select the task and click on Go to Task icon >>> click on + to create >>> Create Workday Patterns >>> Provide the details as per the Business Requirement >>> click on save and close >>> click on Done.



Search for the Task "Manage Facility Workday Patterns", Select the task click on Go to Task icon



Click on + to create new Time Workday Pattern.

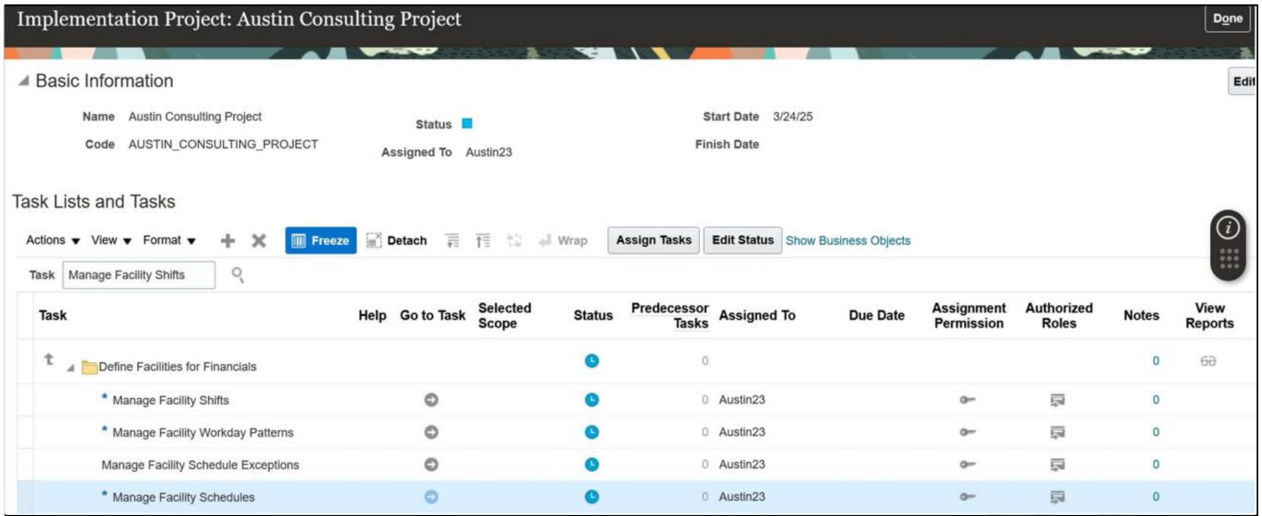


Provide all the details as per the Business Requirement and click on Save and Close and Click on Done.

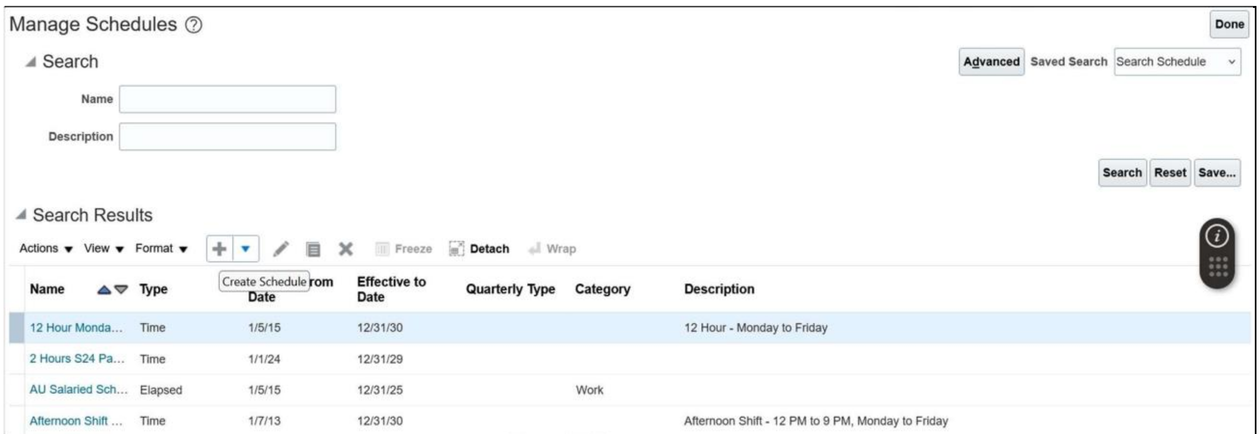
Create Facility Schedules:

Navigation:

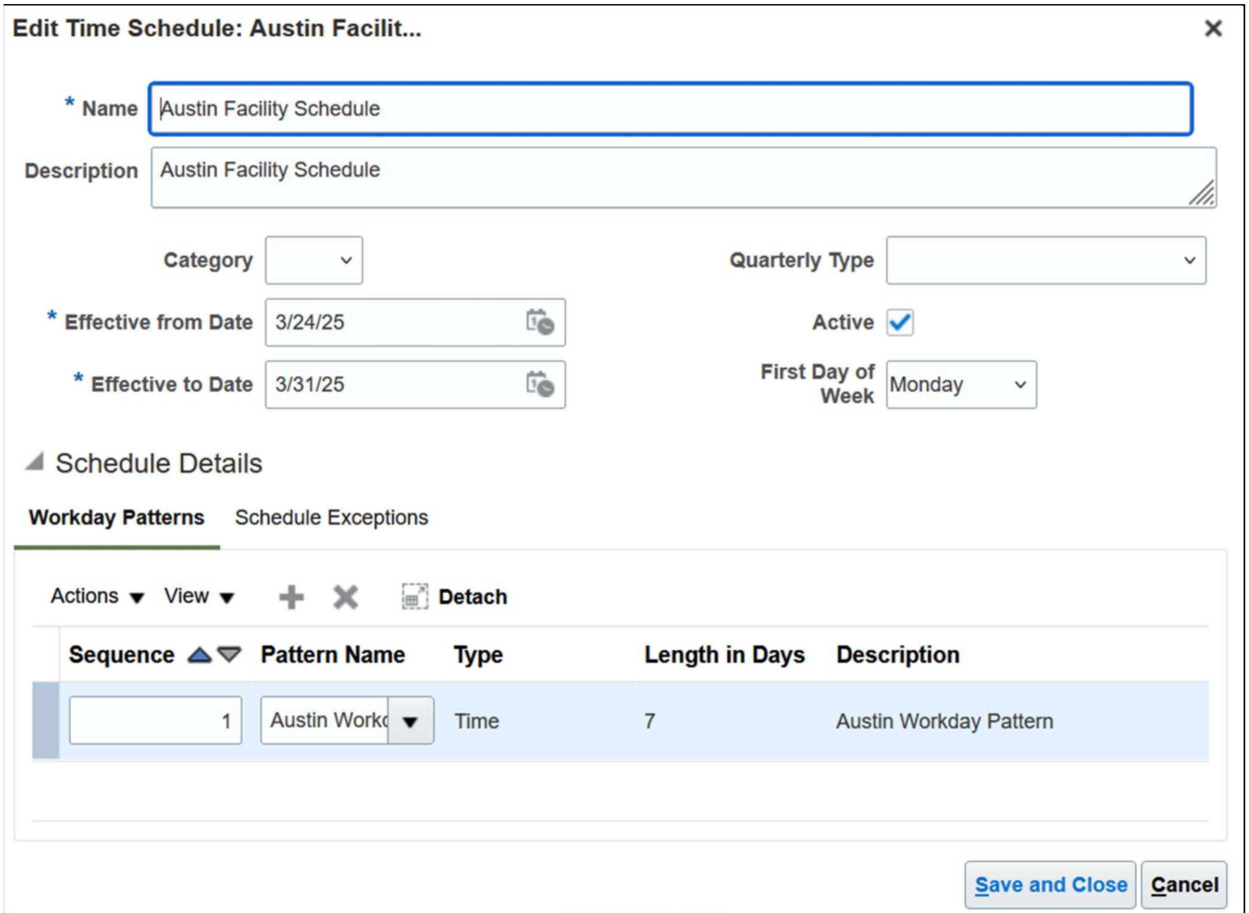
Login to the Instance with the user credentials >>> Click on User Name >>> Click on Setup and Maintenance >>> Click on Tasks list >>> Click on Manage Implementation Projects >>> Search your Project and Click on the same (if you have multiple projects) or Click on Overview (if you have only one Project) >>> Select you Project >>> Search for the Task “Manage Facility Schedule”, click on it >>> Select the task and click on Go to Task icon >>> click on + to create >>> Create Time Schedule >>> Provide the details as per the Business Requirement >>> click on save and close >>> click on Yes >>> click on Done.



Search for the Task "Manage Facility Schedules", Select the task and click on Go to Task icon.



Click on + to create new Time Schedule.



Provide all the details as per Business Requirement and click on Save and Close and Click on OK and Click on Done.

Create Item Master Inventory Organization:

Create Item Master Inventory Organization, as we discussed about Enterprise Structure, within the Enterprise Structure we discussed about Enterprise Units such as;

- Enterprise Division,
- Primary Ledger,
- Legal Entity,
- Business Unit and
- Inventory Organization

what is item Master inventory organization,

For Example:

You have 10 warehouses, if you have 10 warehouses in the business you need to create 10 Inventory Organizations in the system, if you are creating 10 warehouses in the system as a 10 Inventory Organizations, if you are going to maintain specific item say Laptop, you are going to maintain the stock in the 10 warehouses in order to maintain the stock with item called as Laptop you have to create item in the 10 inventories in same system, but inventories are different. In 10 inventory organizations you have to create 1 item as Laptop, in each inventory organization one time overall 10 times, if you have 20 warehouses 20 times. You have to create because in every inventory you are going to maintain Laptop related stock. So, you are creating item multiple times, we can consider as a duplication; to avoid the duplication we have a concept called as Item Master Inventory organization.

For Example:

You have two warehouses (Inventory Organisation) in organization, and you want to maintain item called as Laptop in 2 Inventory Organisations. But creating the same item under each Inventory Organisation leads to duplication of item. So, to avoid duplication, by using item Master Inventory or Master Inventory Organisation we can create the item in Item Master Inventory Organisation and assign it to multiple Inventory Organisations. And you maintain the required stock in each Inventory Organisation. Inventory Organisation is called as Child Inventory or Real Inventory where the physical stock is maintained. We don't maintain any physical stock or items in Item Master Inventory Organisation, it created only for the purpose of item definition. It is a virtual Inventory.

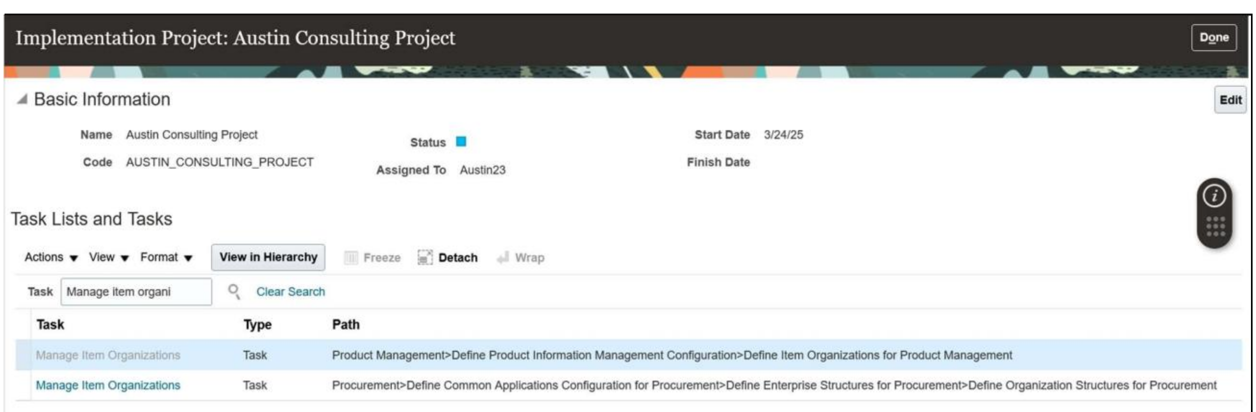
Item Master Inventory Organisation
(Laptop)

Inventory Organisation-1 | Inventory Organisation-2

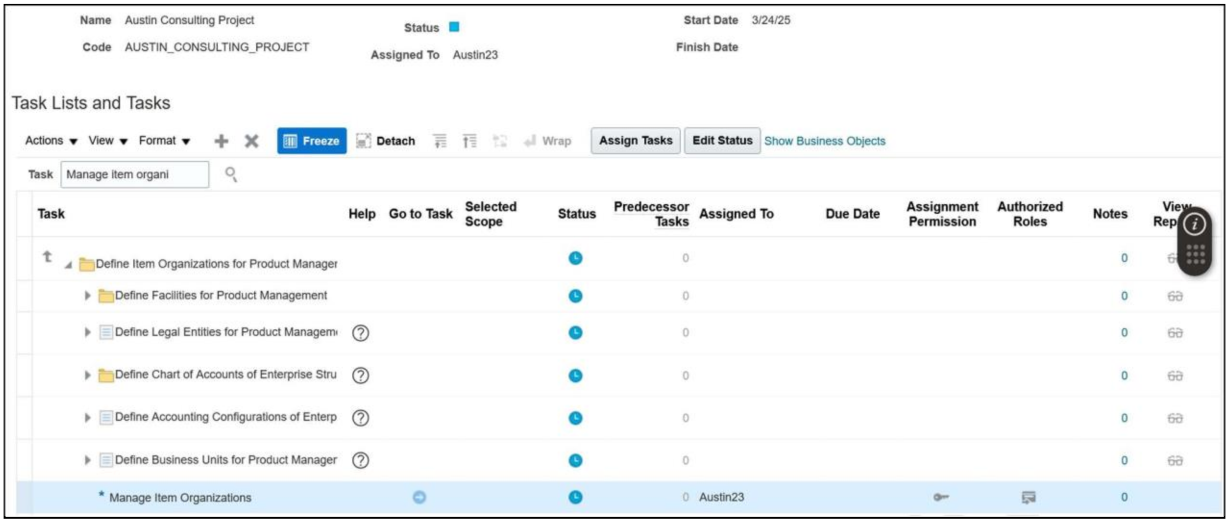
~~Laptop~~ | ~~Laptop~~

In reality as per our system, you cannot create items in real inventories, you can create items in item Master inventory those items you can associate with the specific Inventory Organisation. Item Organisation is the place where you create the Items and Inventory Organisation is the place where you maintain the physical stock of the item. When you do the implementation, if you have five warehouses in the business, in the system we have to create (5+1) warehouses, five are real warehouses and one is Item Master which is a virtual and not real.

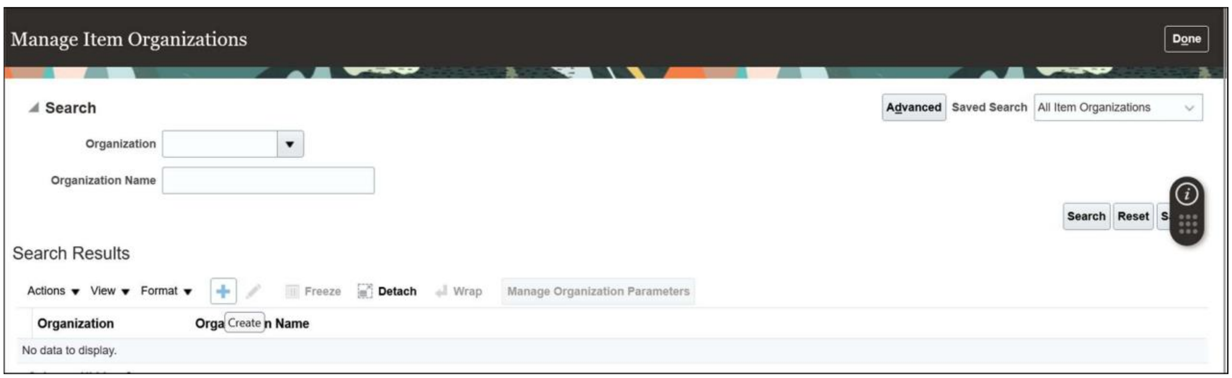
Navigation:
Login to the Instance with the user credentials >>> Click on User Name >>> Click on Setup and Maintenance >>> Click on Tasks list >>> Click on Manage Implementation Projects >>> Search your Project and Click on the same (if you have multiple projects) or Click on Overview (if you have only one Project) >>> Select you Project >>> Search for the Task "Manage Item Organisation", click on it >>> Select the task and click on Go to Task icon >>> click on + to create >>> Create Item Organisation >>> Provide the details as per the Business Requirement >>> click on save and close >>> click on Yes >>> click on Done.



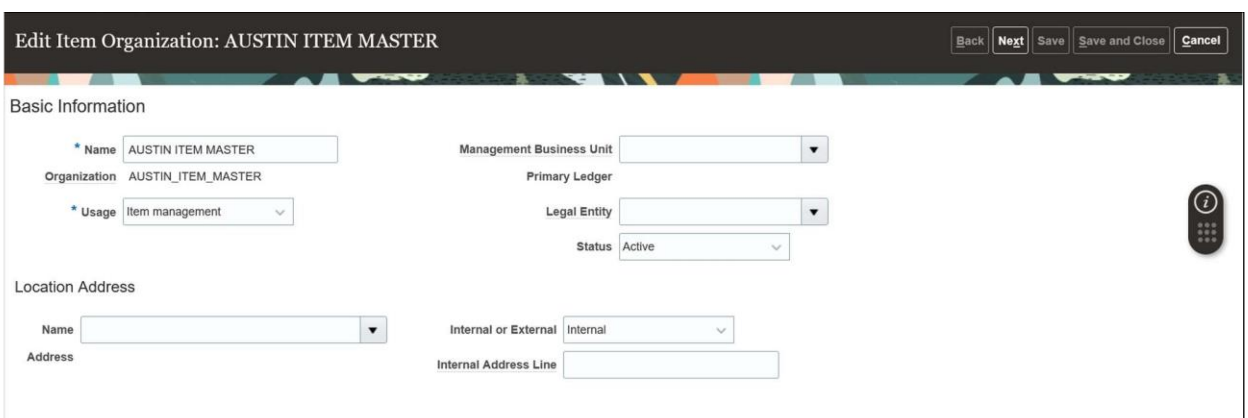
Search for the Task “Manage Item Organisations”, Click on the Task.



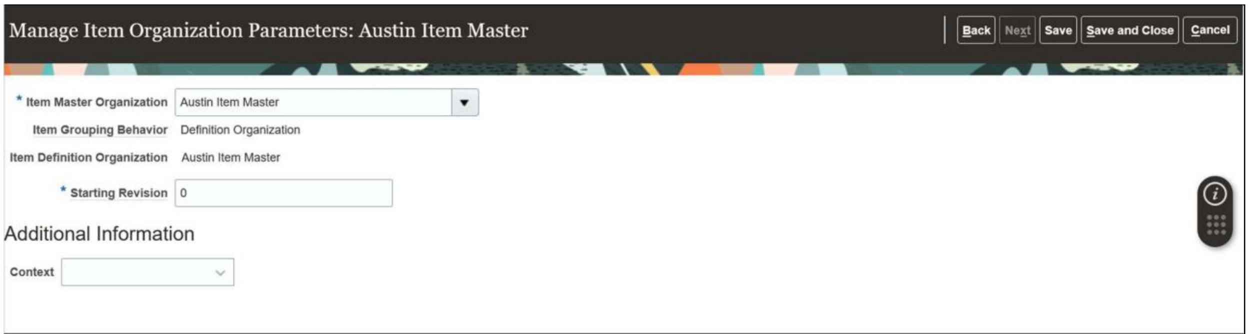
Select the Task and Click on Go to Task



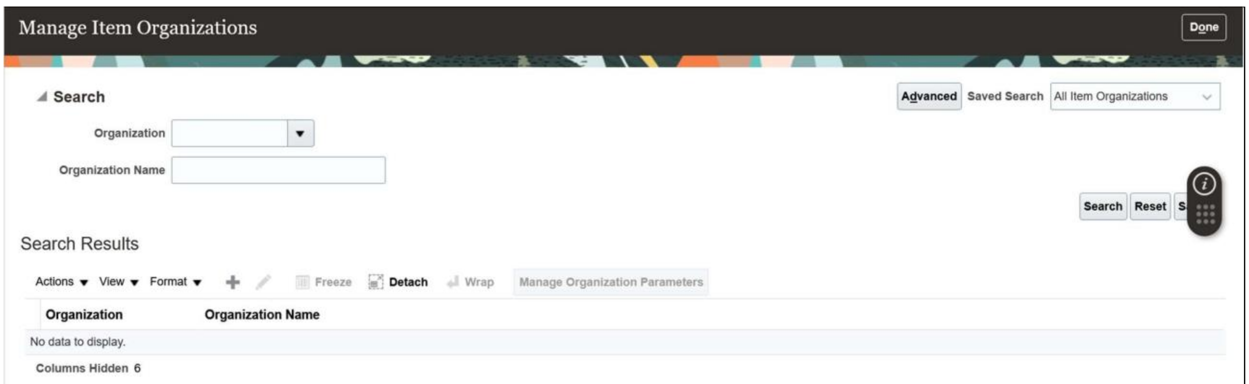
Click on + to Create new Item Organisation.



Provide all the details required by the Business Requirement and click on Next.



Provide the details and click on Save and Close.

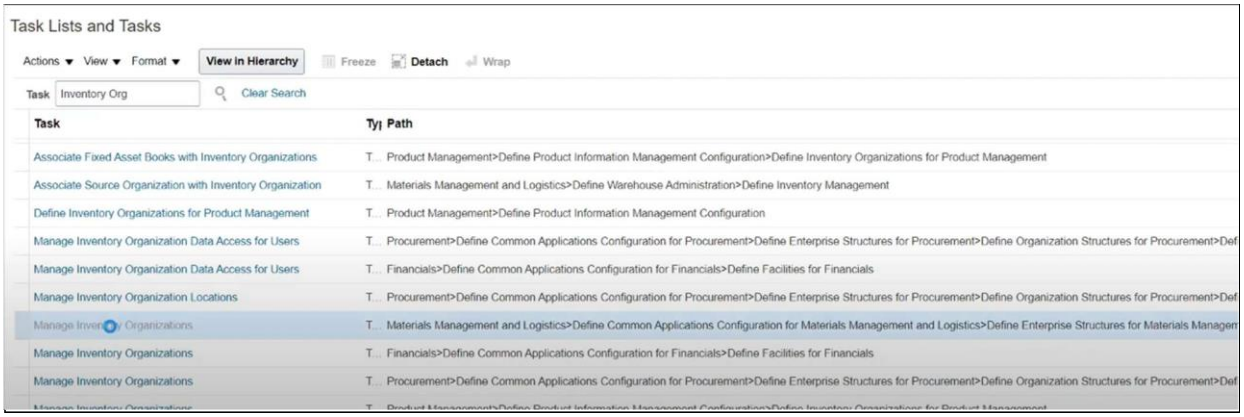


Click on Done

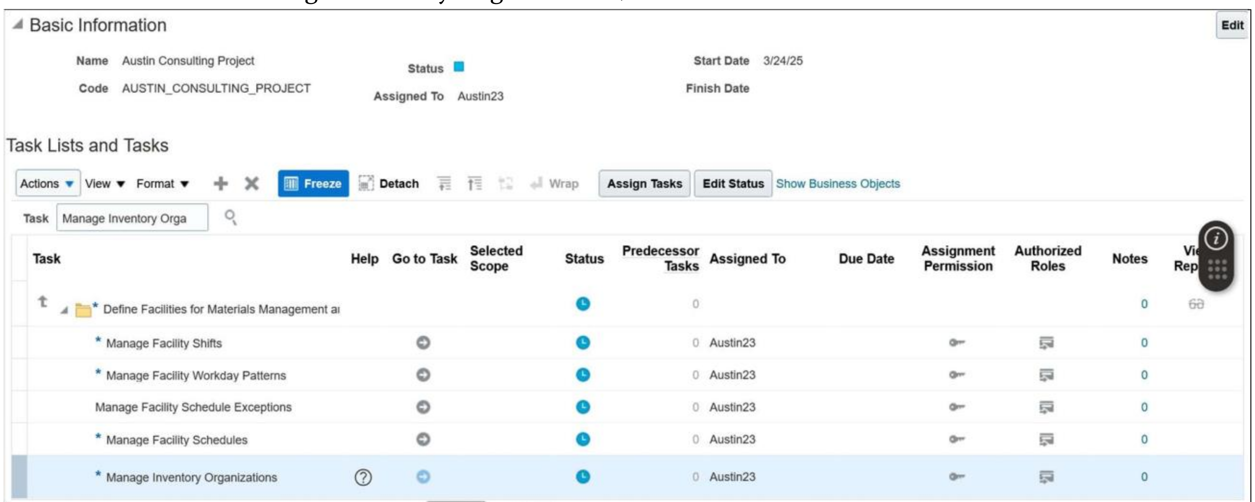
Create Inventory Organisation (Child Inventories):

Navigation:

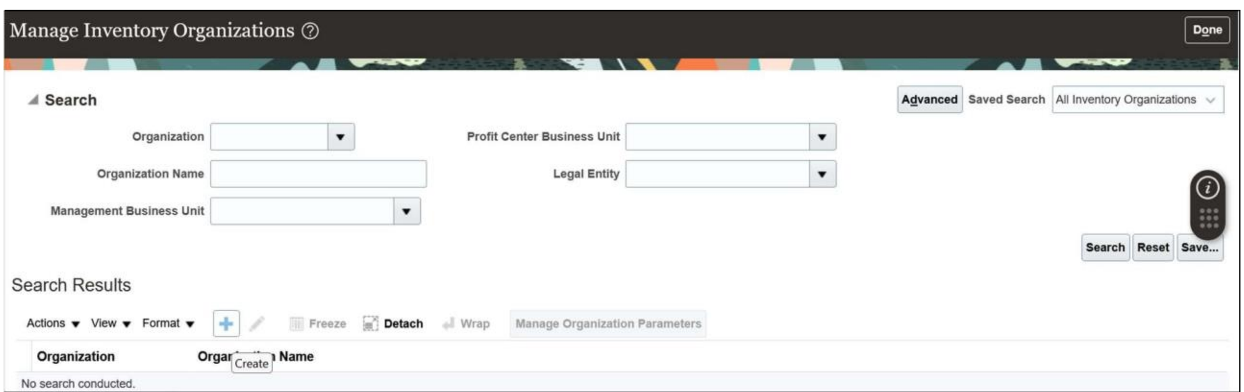
Login to the Instance with the user credentials >>> Click on User Name >>> Click on Setup and Maintenance >>> Click on Tasks list >>> Click on Manage Implementation Projects >>> Search your Project and Click on the same (if you have multiple projects) or Click on Overview (if you have only one Project) >>> Select you Project >>> Search for the Task "Manage Inventory Organizations", click on it >>> Select the task and click on Go to Task icon >>> click on + to create >>> Create Inventory Organisation >>> Provide the details as per the Business Requirement >>> click on save and close >>> click on Done.



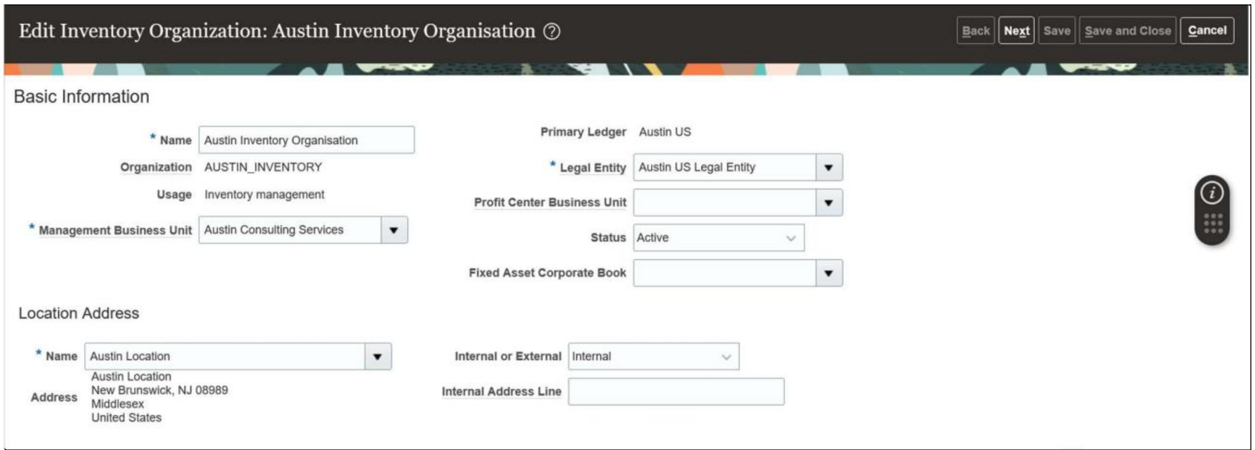
Search for the Task "Manage Inventory Organization", Click on the Task



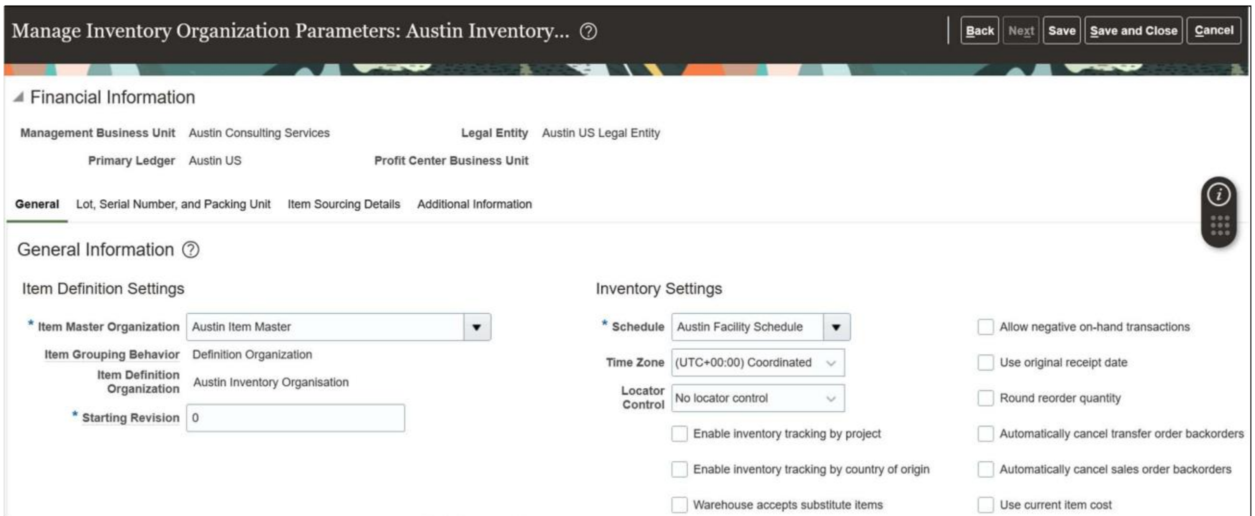
Select the Task and Click on Go to Task.



Click on + to create new Inventory Organization.

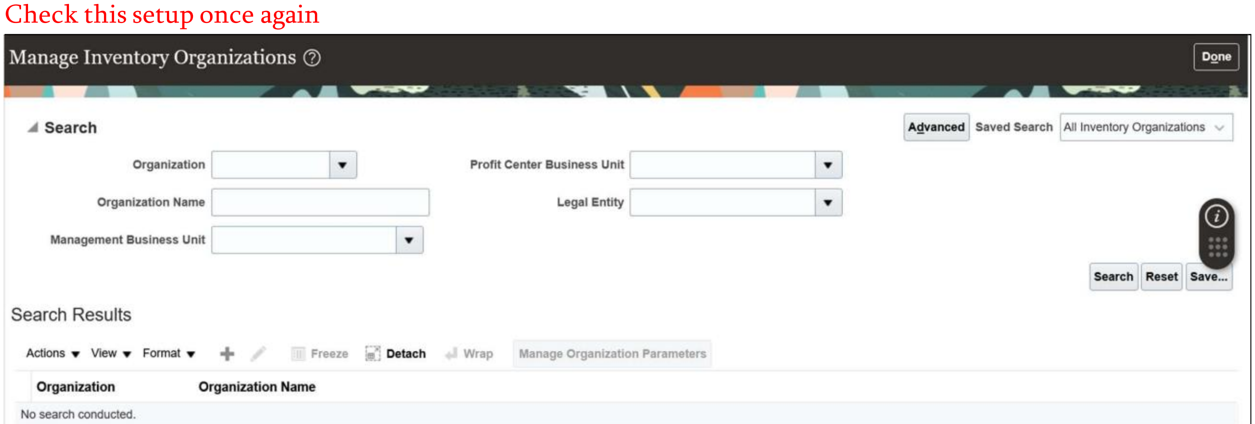


For the above setup we need Business unit and a *Location which is associated to BU. Provide all the details as per the Business Requirement.



Select your Item Master Organisation which we have created and fill all other detail. Click on Save and Close.

Check this setup once again



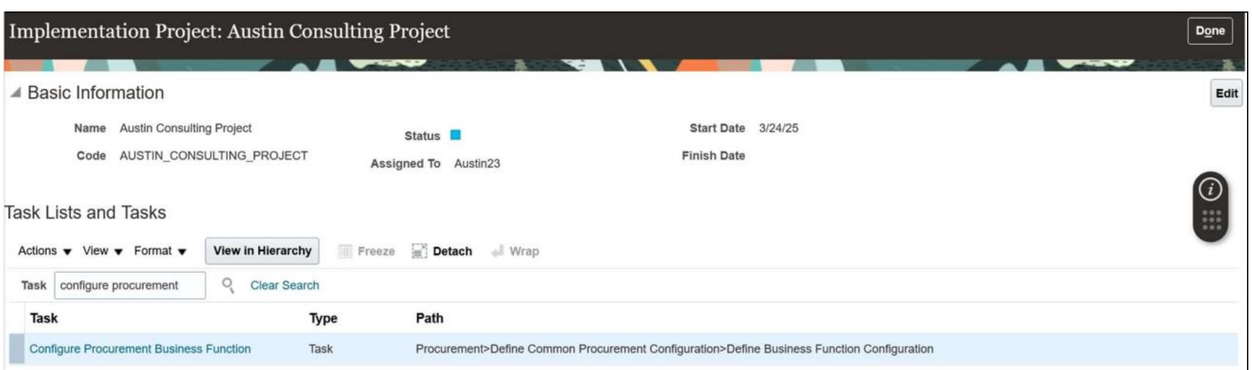
Configure Procurement Business Functions:

In Payables Application we have Configured Common Options for Payables and Procurement, in the same way we need to configure the Common Options for Purchasing Application. We have to set the Procurement Business functions. If you set Procurement business functions, you'll be able to create the Purchase Order and if you set Requisitioning business functions you can create the Purchase Requisition within the Business Unit. These two setups are Business Unit specific.

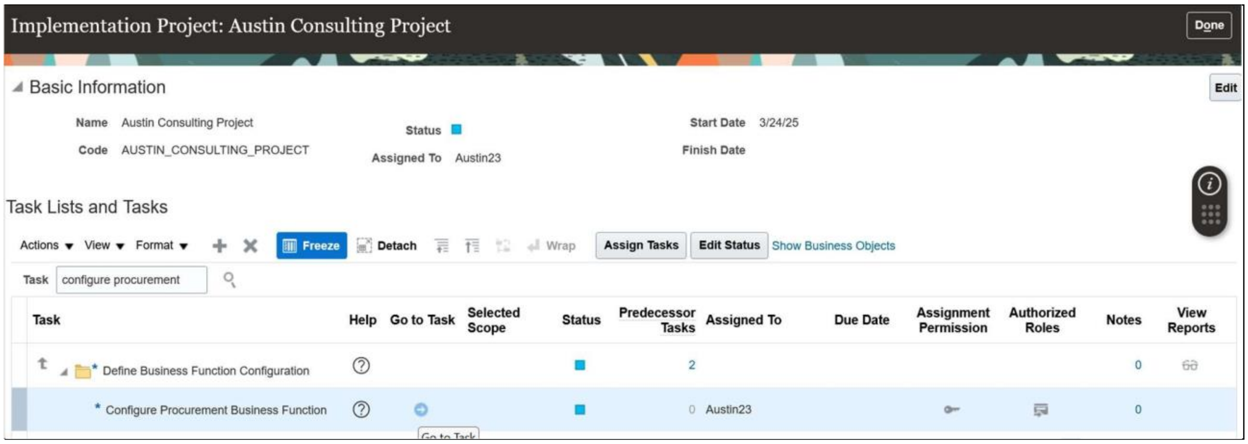
In Payables like we have Invoice Options and Payment Options, we have Procurement business function for Purchase Order purpose and Requisitioning business function for Purchase Requisition creation purpose. If you set these two business functions you can start using the purchasing application, not only purchasing, as a part of procurement few other applications also we can perform with the help of these setups. This setup stands at Business Unit level, it's a Business Unit specific setup, if you have 10 BUs, for each BU you have to complete this setup.

Navigation:

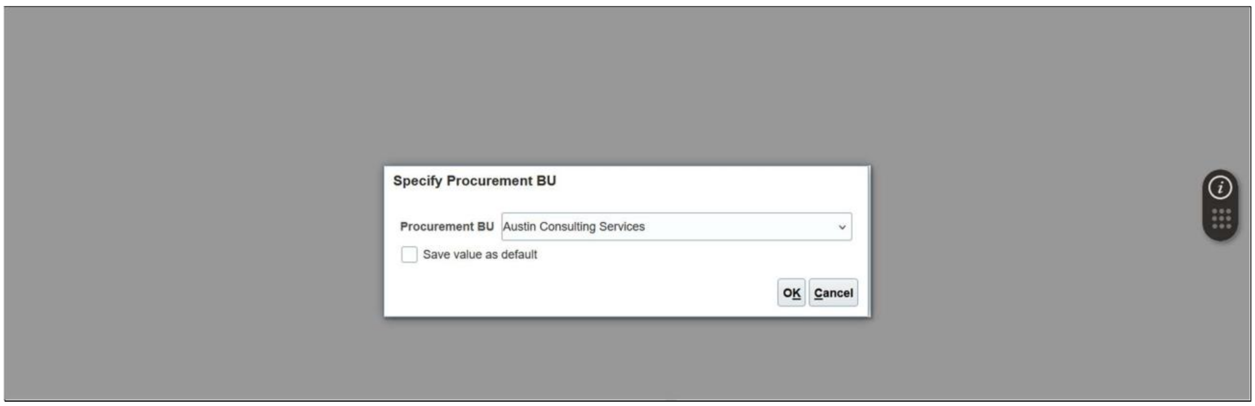
Login to the Instance with the user credentials >>> Click on User Name >>> Click on Setup and Maintenance >>> Click on Tasks list >>> Click on Manage Implementation Projects >>> Search your Project and Click on the same (if you have multiple projects) or Click on Overview (if you have only one Project) >>> Select you Project >>> Search for the Task "Configure Procurement Business Functions", click on it >>> Select the task and click on Go to Task icon >>> select your BU, click on OK >>> Provide the details as per the Business Requirement >>> click on save and close >>> click on Yes.



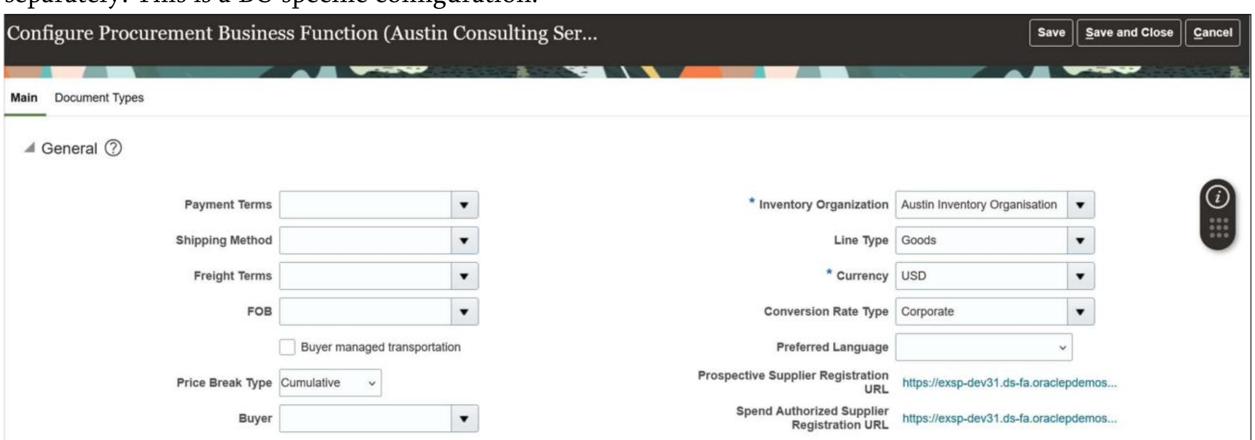
Search for the Task and click on it,



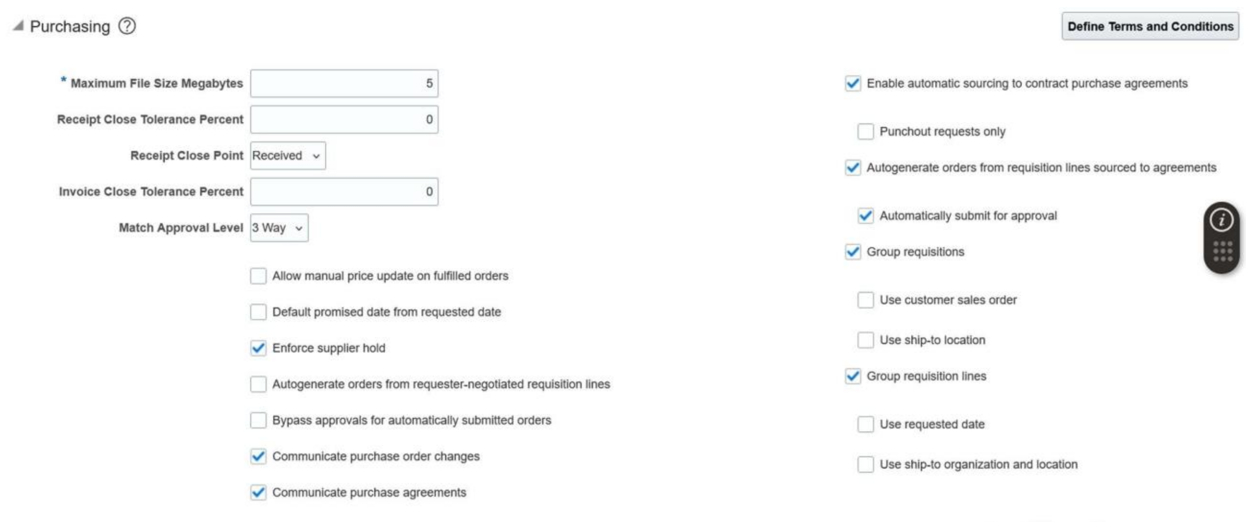
Select the Task and Click on Go to Task icon.



Select your BU and Click OK, if you have multiple BU's then you need to configure the same for each BU separately. This is a BU specific configuration.



Select the Inventory Organisation which you have created so the that the stock can be maintained under this Inventory Organisation when Procure the material. We create Purchase Orders to procure the goods, select Line Type as a Goods, So that whenever you create the Purchase Order within this business unit, by default system will take line type as Goods. If you want to change, you can change during the PO creation. We need to define in which currency you want to create PO for your Business Unit.



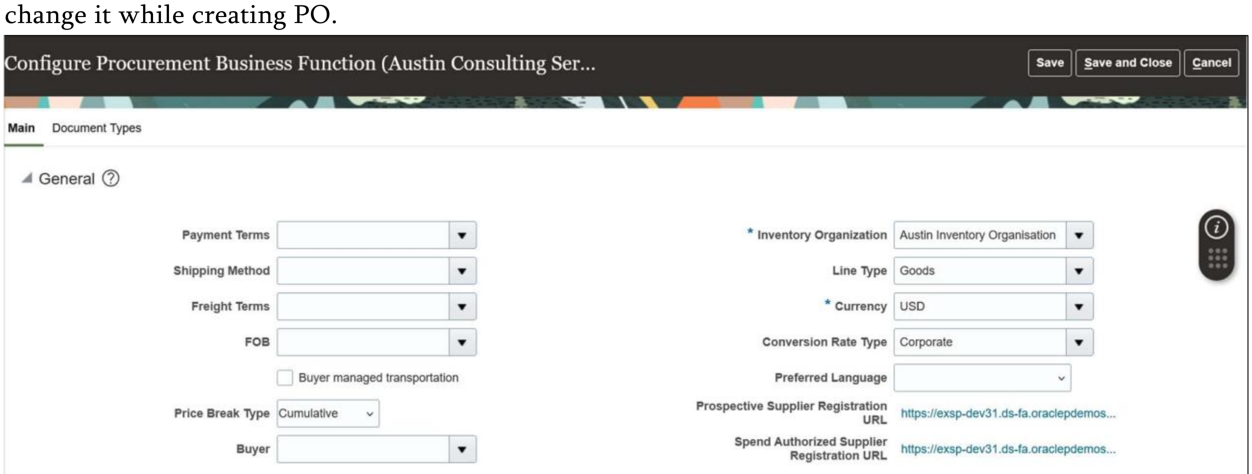
Select the Matching Approval Level as 3Way Enable the Attributes/ Parameters based on the Business Requirement.

We have a Matching Approval Level option; we generally call it as matching options. There are 3 different matching approval options, they are as follows

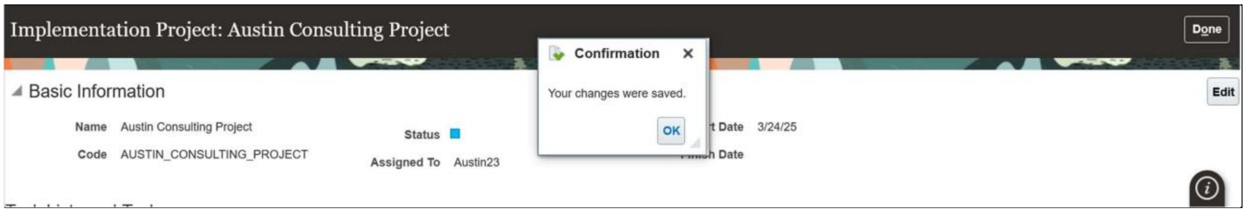
- Two-way matching
- Three-way matching
- Four-way matching

Two-way matching means creation of Invoice based on Purchase Order.
Three-way matching means creation of Invoice based on Purchase Order and Receipt.
Four-way matching means creation of Invoice based on Purchase Order, Receipt and Inspection.

You can select Matching Approval Level as 3 Way Matching as default. When you create invoice based on purchase order in the purchasing application and if you want to change the Match Approval Rule, you can change it while creating PO.



Click Save and Close, once you fill and select the all data as per the Requirement.

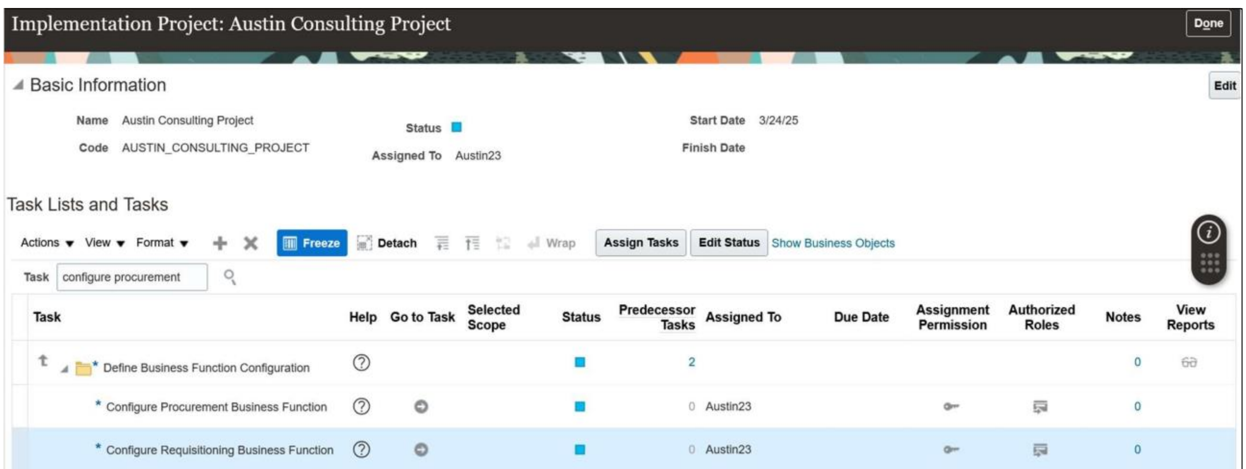


Click on OK.

Configure Requisition Business Functions:

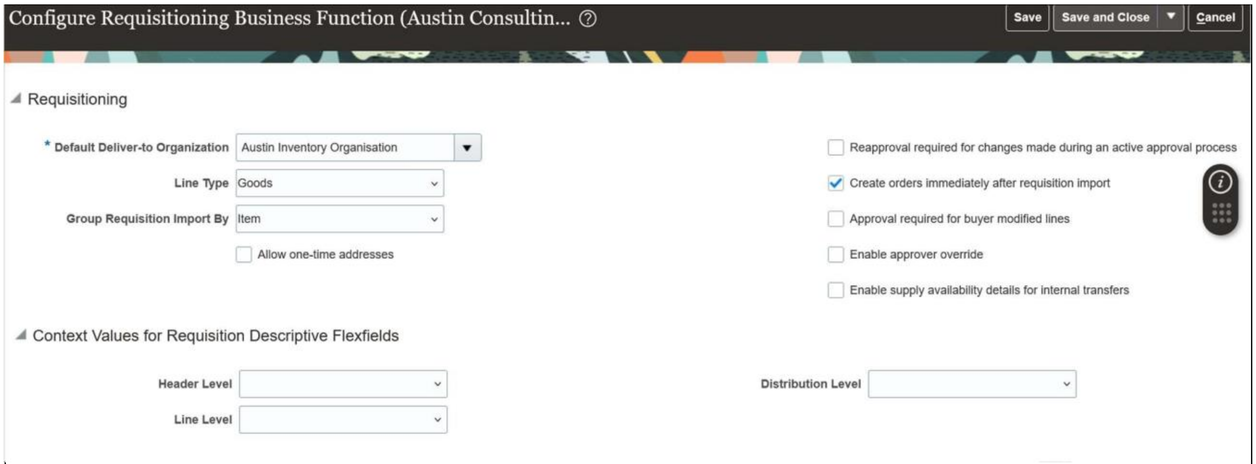
Navigation:

Login to the Instance with the user credentials >>> Click on User Name >>> Click on Setup and Maintenance >>> Click on Tasks list >>> Click on Manage Implementation Projects >>> Search your Project and Click on the same (if you have multiple projects) or Click on Overview (if you have only one Project) >>> Select you Project >>> Search for the Task "Configure Requisitioning Business Functions", click on it >>> Select the task and click on Go to Task icon >>> Select our BU, click on Ok >>> Provide the details as per the Business Requirement >>> click on save and close >>> click on Yes.

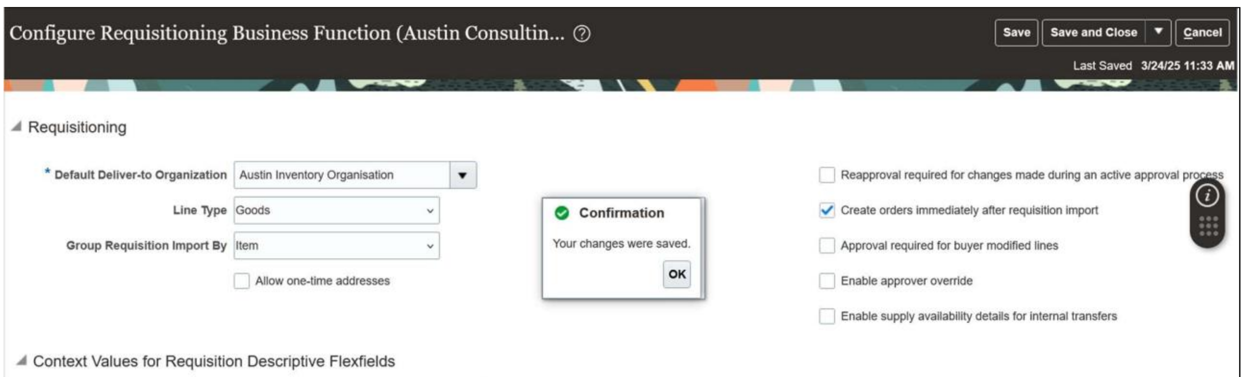


Search for the Task, select it and click on Go to Task

Select you Business Unit and Click Ok, as it is a Business Unit Specific.



Select the Default Deliver to Organization, it should be same what we have selected in Procurement Business Functions. Provide the details as per Business Requirement.

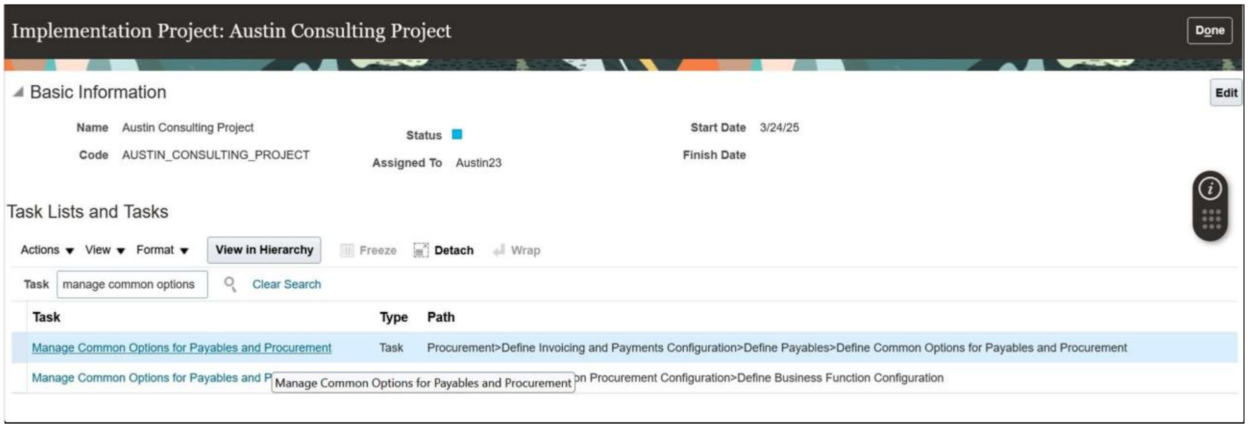


Click on OK.

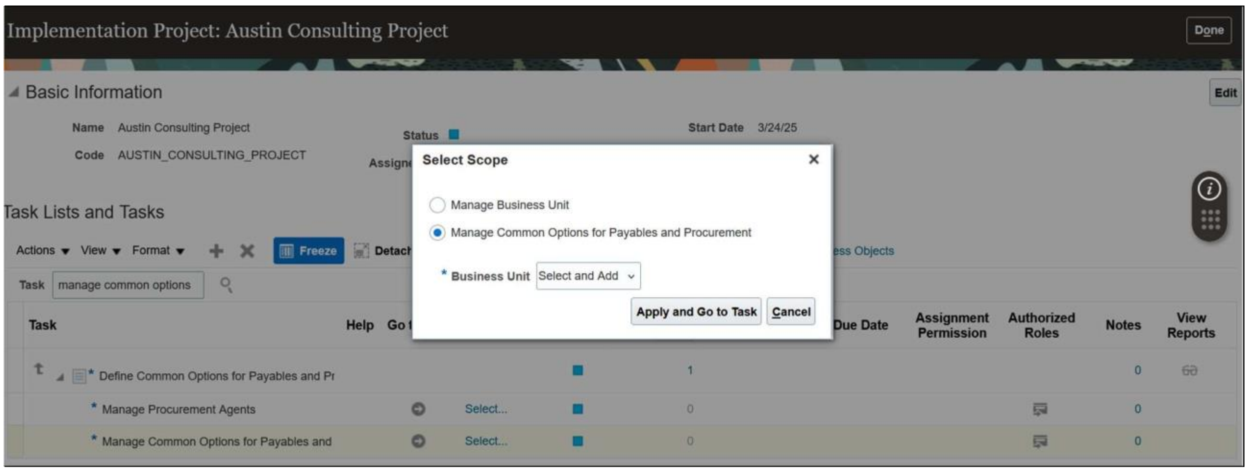
Manage Common Options for Payables and Procurement:

Navigation:

Login to the Instance with the user credentials >>> Click on User Name >>> Click on Setup and Maintenance >>> Click on Tasks list >>> Click on Manage Implementation Projects >>> Search your Project and Click on the same (if you have multiple projects) or Click on Overview (if you have only one Project) >>> Select you Project >>> Search for the Task "Common Options for Payables and Procurement", click on it >>> Select the task and click on Go to Task icon >>> Select our BU, click on Ok >>> Provide the details as per the Business Requirement >>> click on save and close >>> click on Yes.

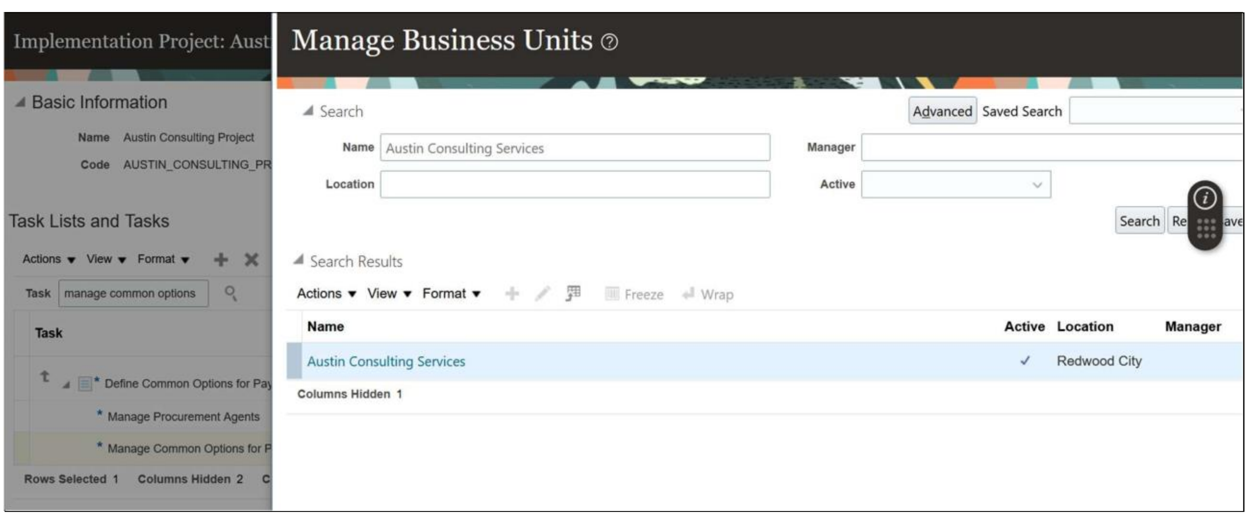


Click on the Task.

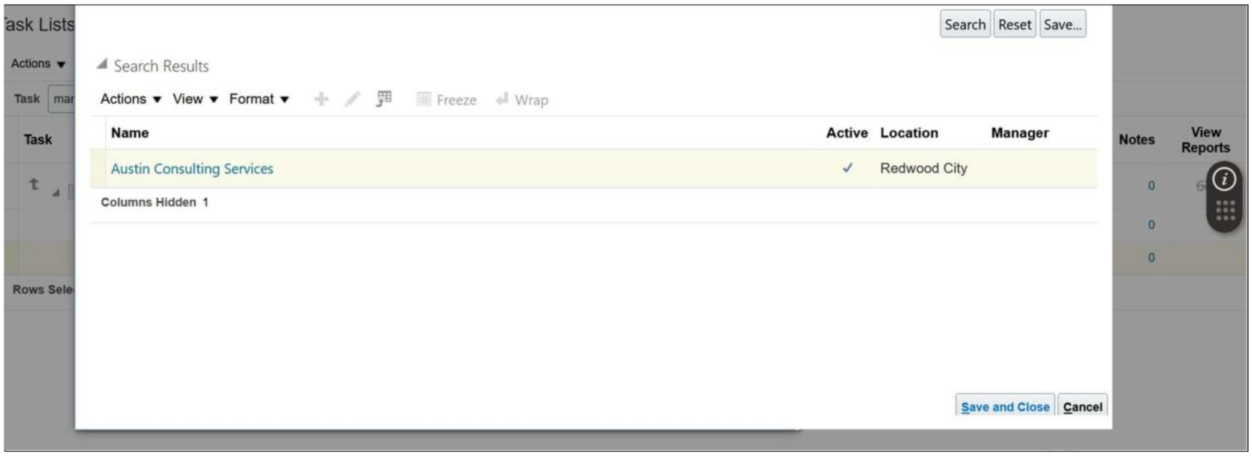


Select the Task and click on Select Scope, select your Business Unit and click on Apply and Go to Task.

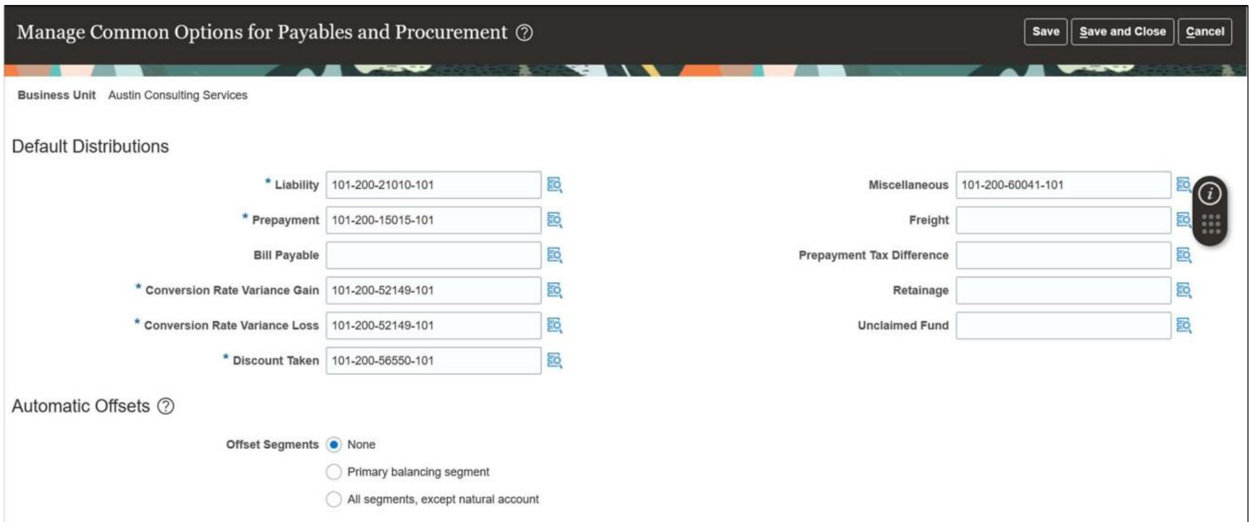
If you have already configured Common Options for Payables and Procurement in Payables Application, we can just review this page for any additional setup other wise the Payable setup works for Procurement also.



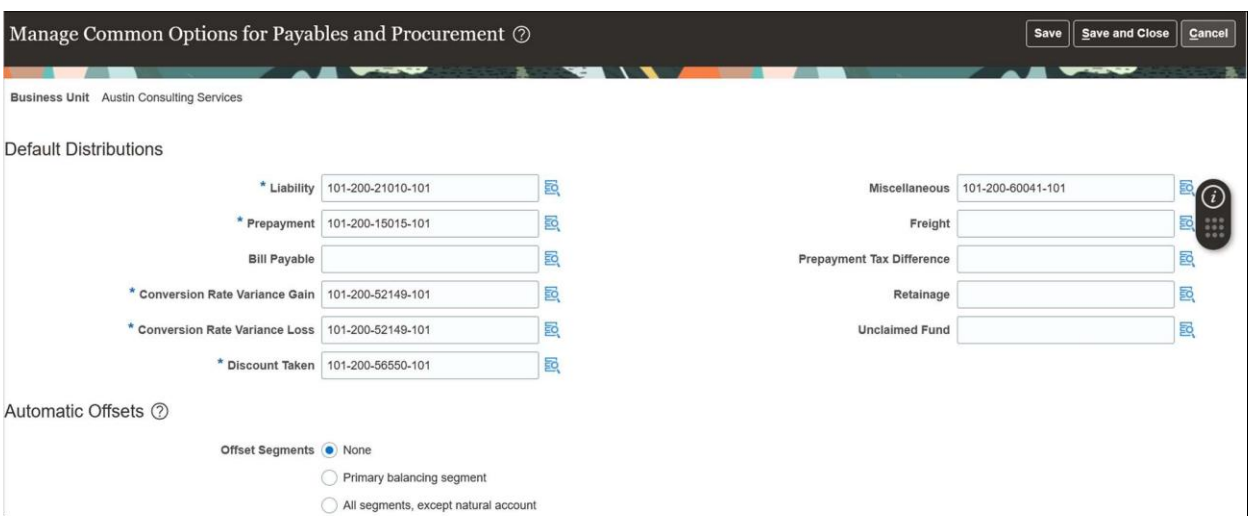
Select the Business Unit.



Select your Business Unit and Click on Save and Close.



Provide all the mandatory fields as per the Business Requirement.



Once provide all the required details, click on Save and Close

Already we have configured this setup during Accounts Payables, this setup is common for both Payables and Procurement. No need to configure again, we can directly use the setup for Procurement.

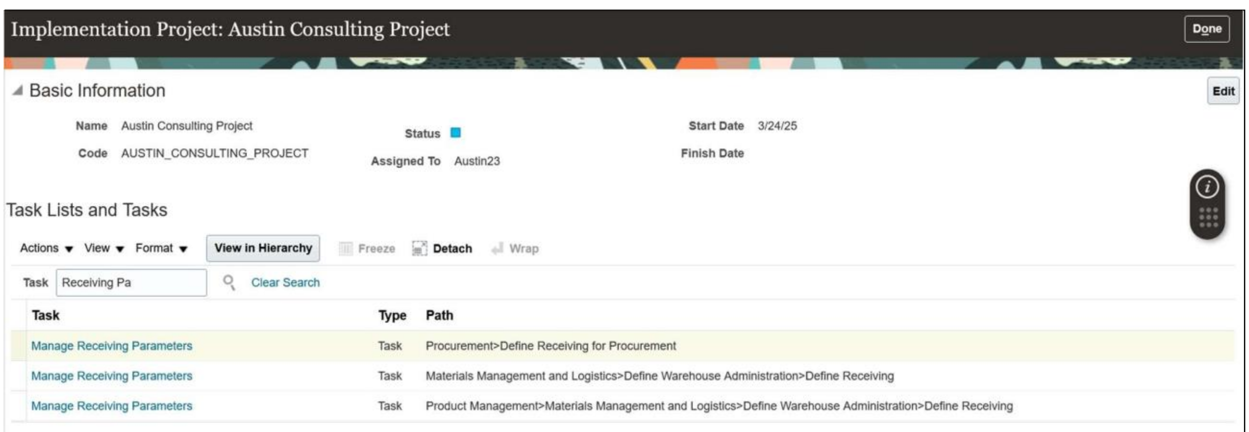
This is Business Unit Specific configuration, if you have multiple Business Units you have to configure separately for each Business Unit.
We have not configured this setup, as part of Rapid Implementation Chart of Accounts it has defaulted the default values which were given in Value set values. If have any specific requirement you can change accordingly otherwise, we can just walk through page once and Click on Cancel

Receiving Parameters:

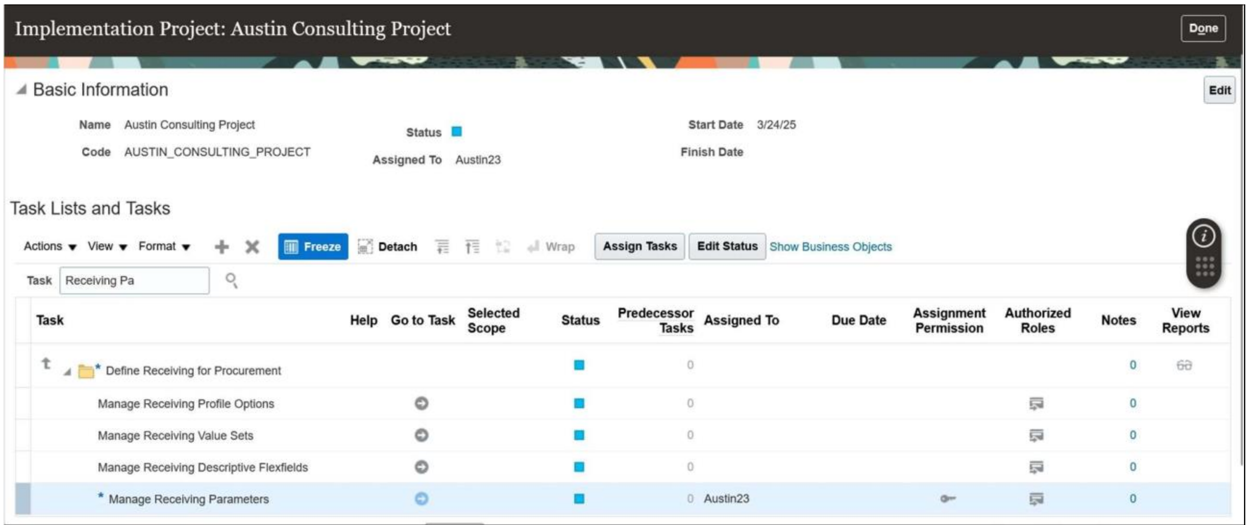
Receiving parameters means how you receive the material into your inventory, what are the rules or policies you have within in your specific warehouse. All the rules and conditions you can define for each and every inventory. The receiving parameters rules are always set at Inventory Organisation level. we always receive material into Inventory Organisation (Child Inventory) and we never receive the material into Item Master.

Navigation:

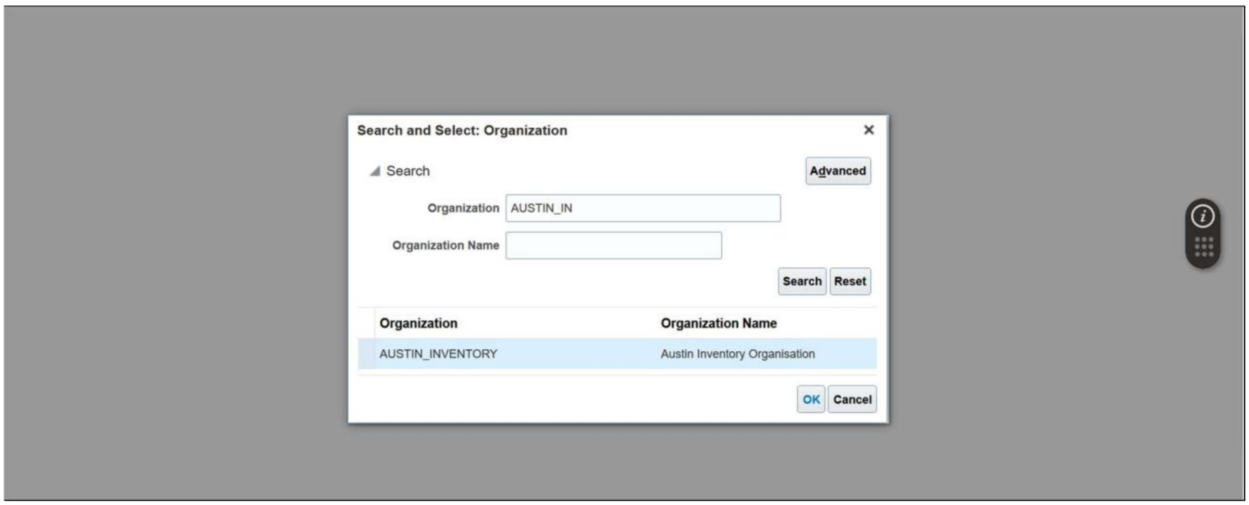
Login to the Instance with the user credentials >>> Click on User Name >>> Click on Setup and Maintenance >>> Click on Tasks list >>> Click on Manage Implementation Projects >>> Search your Project and Click on the same (if you have multiple projects) or Click on Overview (if you have only one Project) >>> Select you Project >>> Search for the Task “Manage Receiving Parameters”, click on it >>> Select the task and click on Go to Task icon >>> Select our BU, click on Ok >>> Provide the details as per the Business Requirement >>> click on save and close >>> click on Yes.



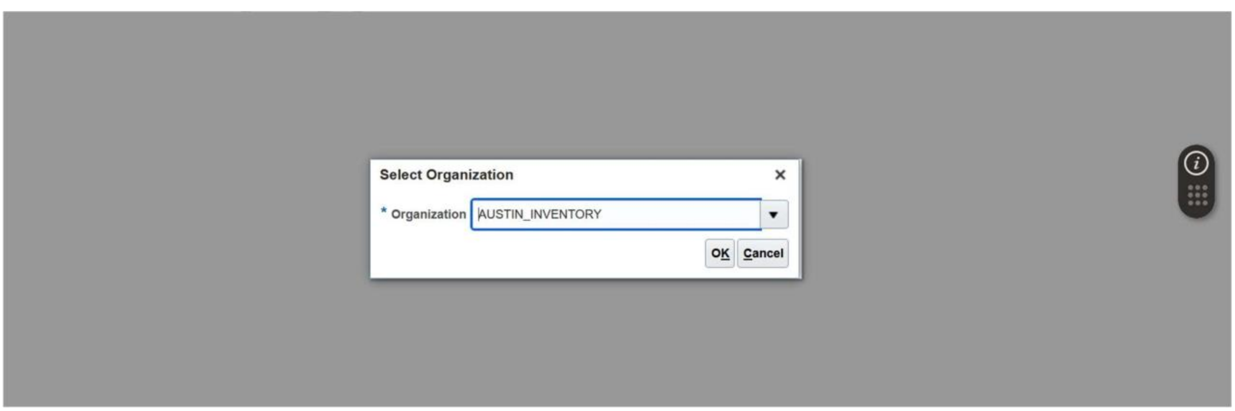
Search the Task and click on the same.



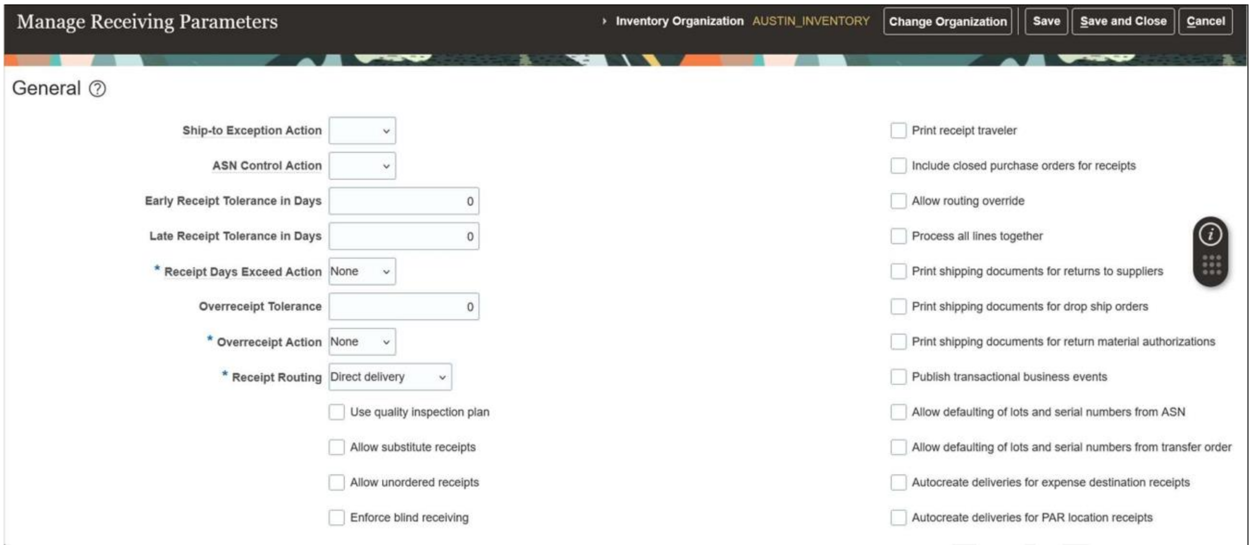
Select the Task and click on Go to Task icon.



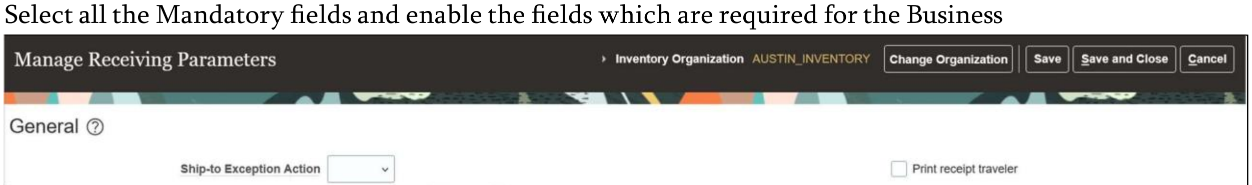
Search your Inventory Organization, select it and click on Ok



Select your Inventory Organisation



Select all the Mandatory fields and enable the fields which are required for the Business



Click on Save and Close

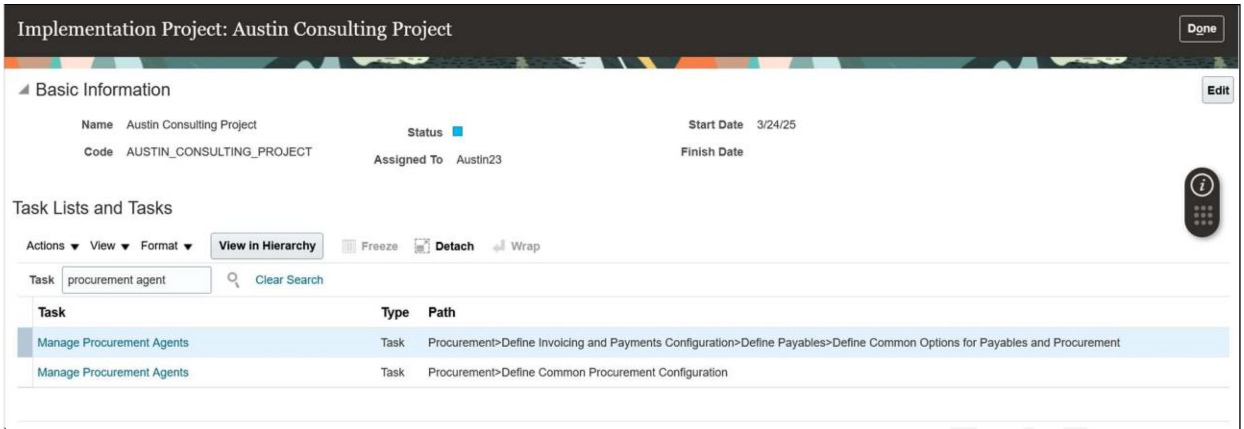
Saikumar

Procurement Agent (Buyer):

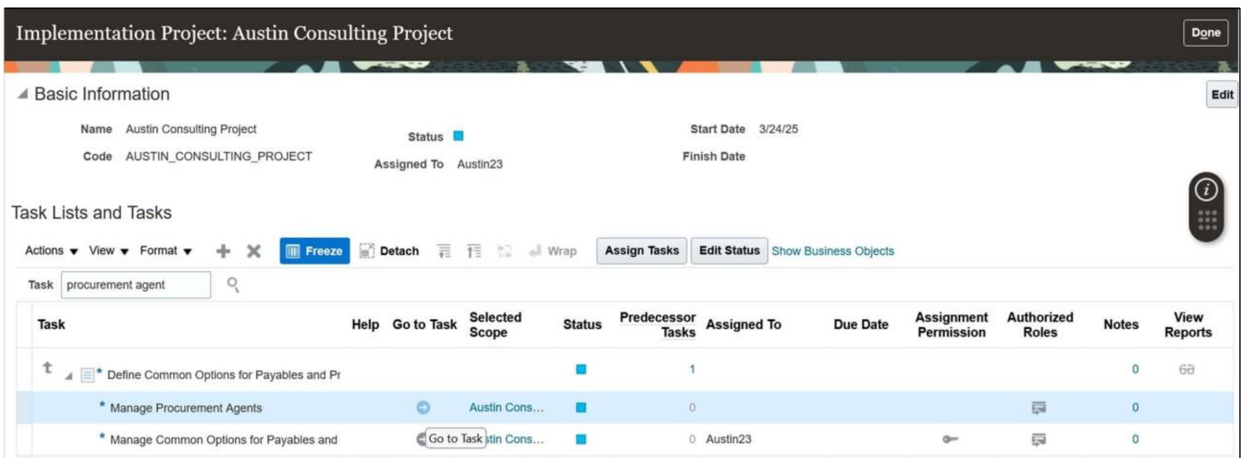
We created Procurement Agent as a part of Payables setups, without Procurement Agent we cannot create the supplier that is the reason we have created procurement agent in the payable setups itself.
Now once again you don't need to create. If payable setups are not ready and if you are doing only purchasing related setups, you may create Procurement Agent.

Navigation:

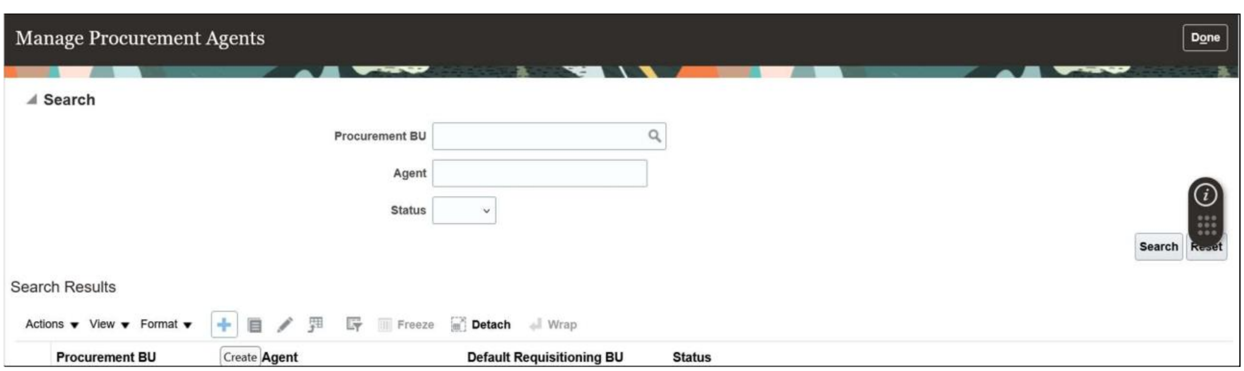
Login to the Instance with the user credentials >>> Click on User Name >>> Click on Setup and Maintenance >>> Click on Tasks list >>> Click on Manage Implementation Projects >>> Search your Project and Click on the same (if you have multiple projects) or Click on Overview (if you have only one Project) >>> Select you Project >>> Search for the Task "Manage Procurement Agent", click on it >>> Select the task and click on Go to Task icon >>> click on + to create >>> Provide the details as per the Business Requirement >>> click on save and close >>> click on Done



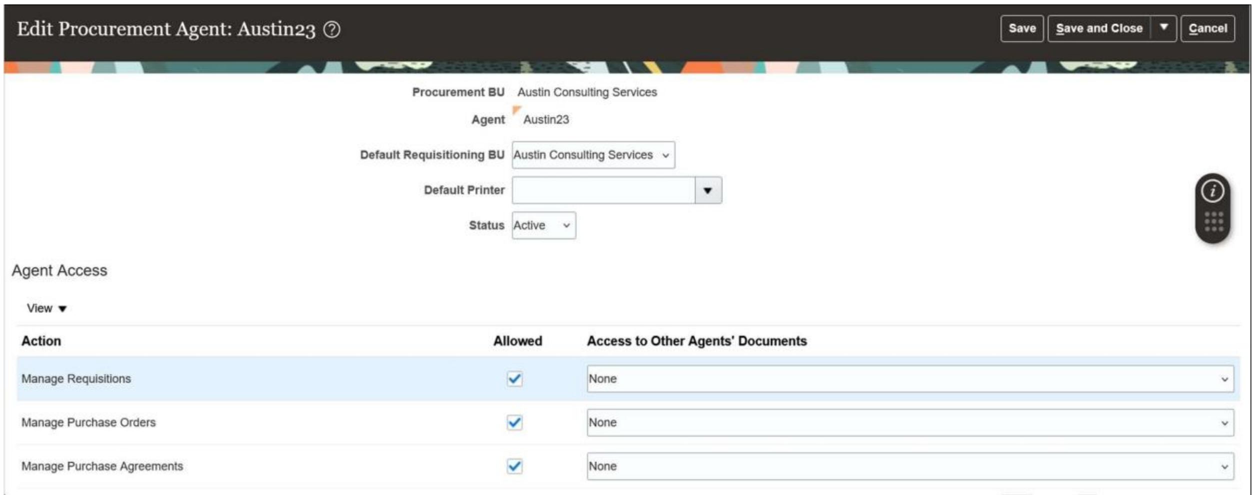
Search for the Task and Click on it.



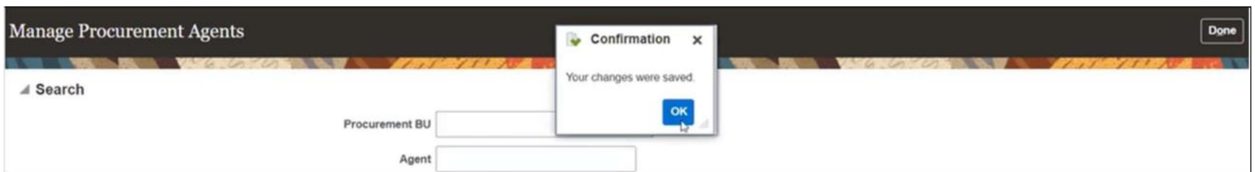
Select the Task and Click on Go to Task icon



Click on + to create Procurement Agent



Provide the details as per the Business Requirement and Enable all the Check Boxes. click on Save and Close



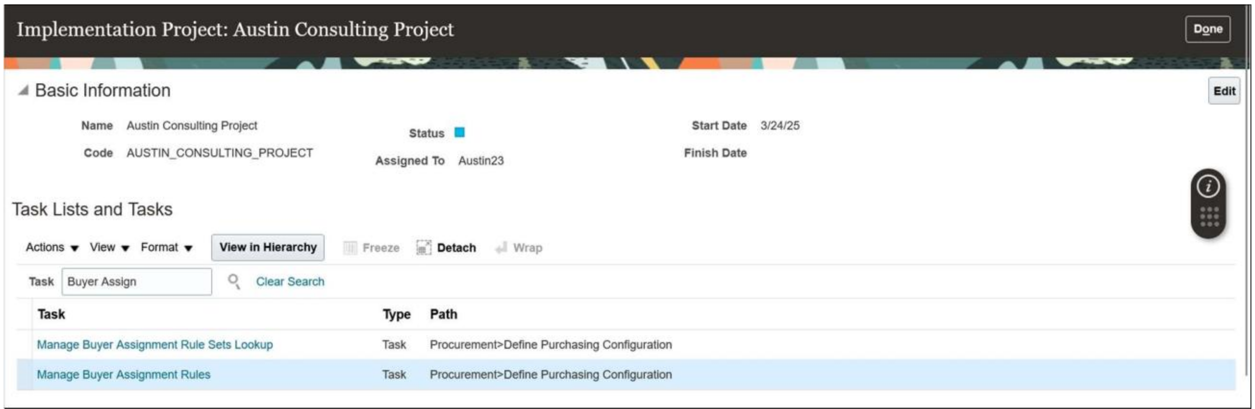
Click on OK.

Set Default Buyer for Business Unit:

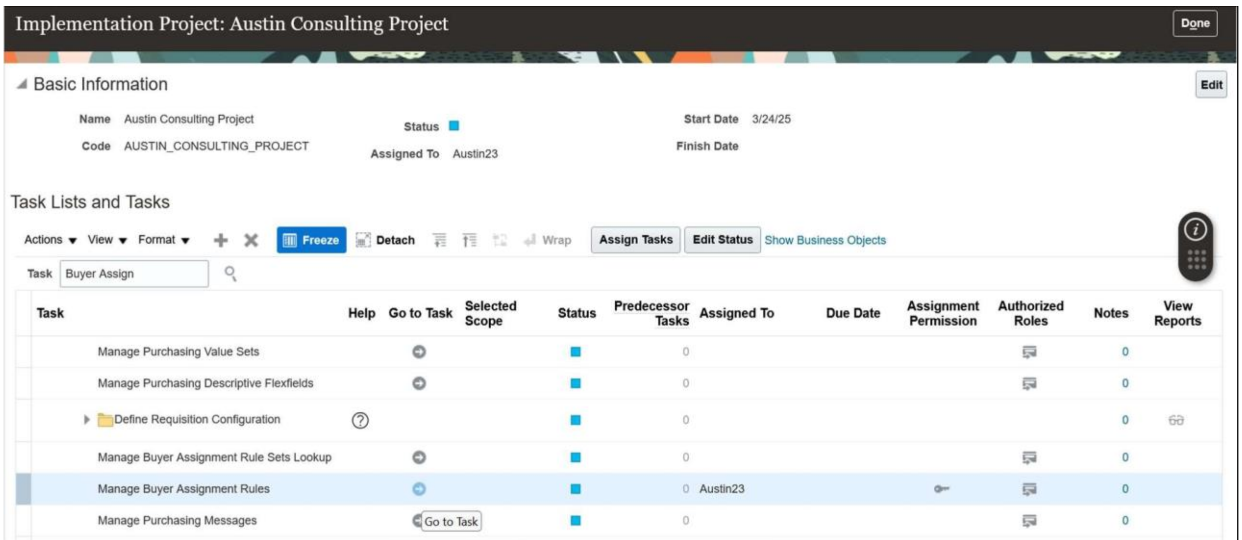
Set up default buyer so that he can create Purchase Order through manual process or he can convert Purchase Requisition to Purchase Order. When you try to convert Purchase Requisition to Purchase order system looks for buyer information. If you are creating through manual process you can select, but if system is going to create the Purchase Order system needs buyer information, for that we need to set a default buyer for our business unit. so that during the PO creation system can derive the buyer information automatically.

Navigation:

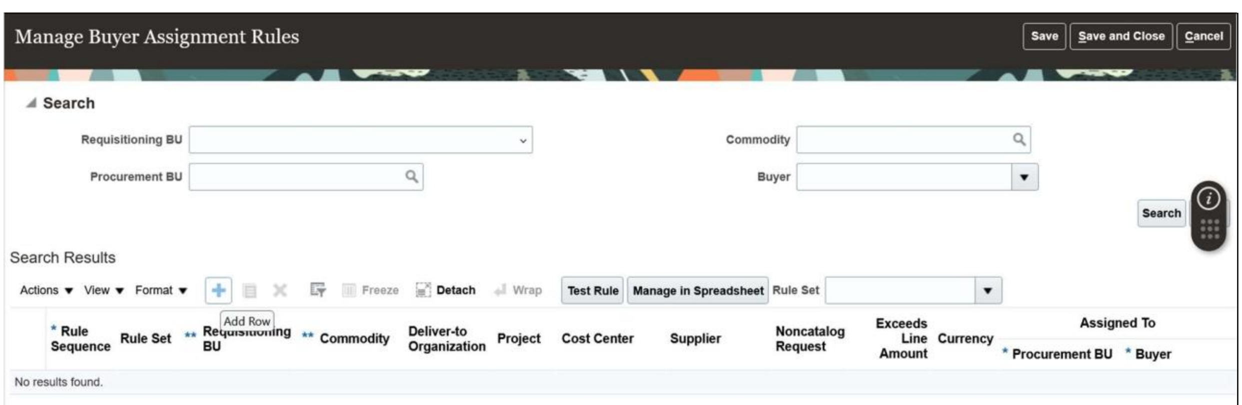
Login to the Instance with the user credentials >>> Click on User Name >>> Click on Setup and Maintenance >>> Click on Tasks list >>> Click on Manage Implementation Projects >>> Search your Project and Click on the same (if you have multiple projects) or Click on Overview (if you have only one Project) >>> Select you Project >>> Search for the Task "Manage Buyer Assignment Rules", click on it >>> Select the task and click on Go to Task icon >>> click on + to create >>> Provide the details as per the Business Requirement >>> click on save and close >>> click on Done



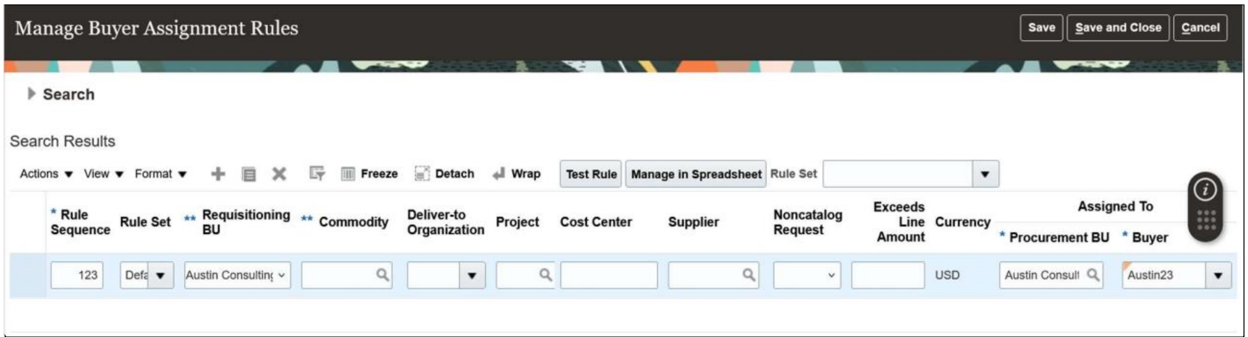
Search the Task and click on the same.



Select the Task and Click on Go to Task



Click on + to create new buyer rules.



Provide all the details as per the Business Requirement.

Manage Transaction Account Definition:

With in the Purchasing Application when you create Purchase Requisition or Purchase Order system require few accounts to create purchase order it derives few accounts to pass those accounts one way to receipt and other way to payables invoice. The same way when you create Purchase Requisition system requires certain accounts to pass to PO. So, few accounts are mandatory when you create Purchase Requisition or Purchase Order so that those documents can pass those accounts to next level of documents, without setting those accounts in the purchasing you cannot use purchasing application. These accounts can be created with help of Purchase Order Transaction Accounting Builder (PO TAB). With the help of PO TAB, we can set up what accounts it has to take in case of Purchase Requisition and Purchase Order creation documents. Without setting this PO TAB definition you cannot use the purchasing application. By default, there are five accounts as a part of PO TAB. They are,

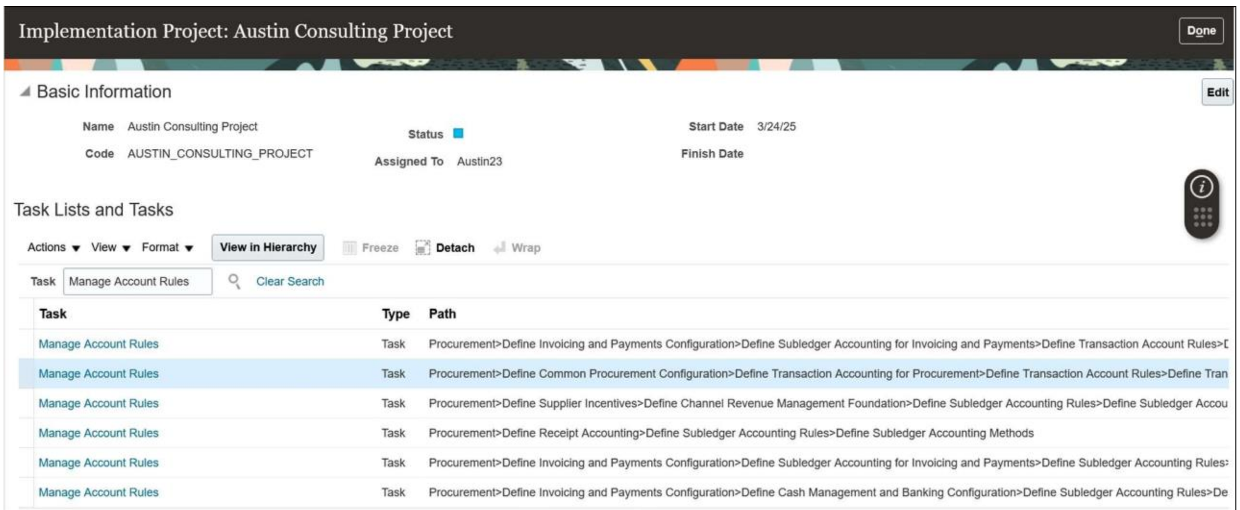
- Accrual Account which is Liability
- Charge Account is for Expense
- Variance Account
- Destination Charge Account
- Destination Variance Account

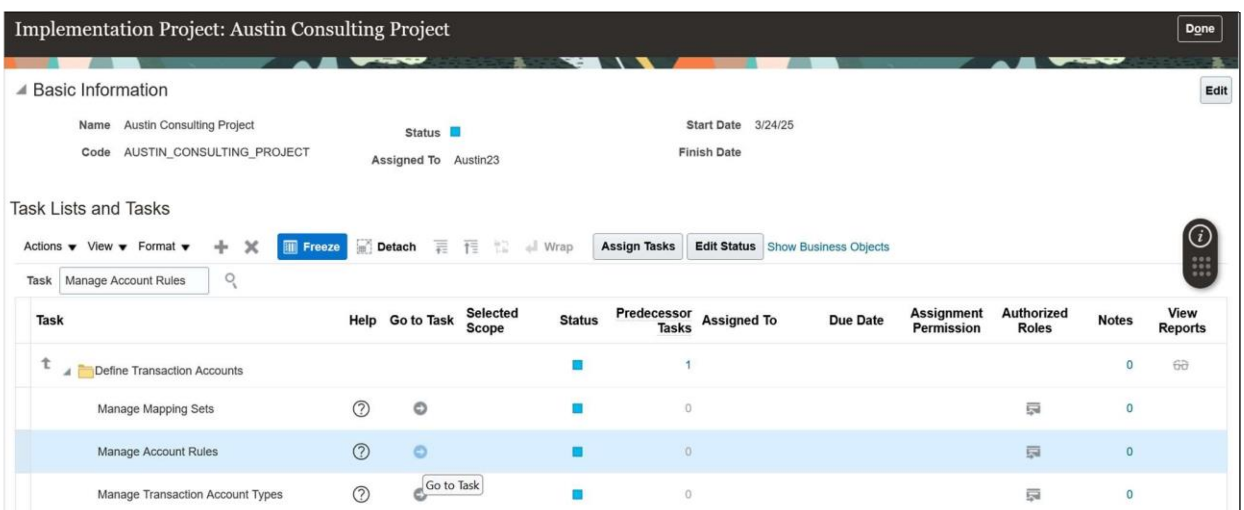
Whenever you create the Purchase Requisition system will use the Charge Account. Whenever you Convert Purchase Requisition to Purchase Order system will pass this charge account from Purchase Requisition to Purchase Order, along with that system will take Accrual Account and variance account for every Purchase Order, that means for creation of PO these three accounts are required. The PO can pass this Accrual Account to AP invoice, when you are creating AP invoice, this Accrual account is passed to Invoice by the system.

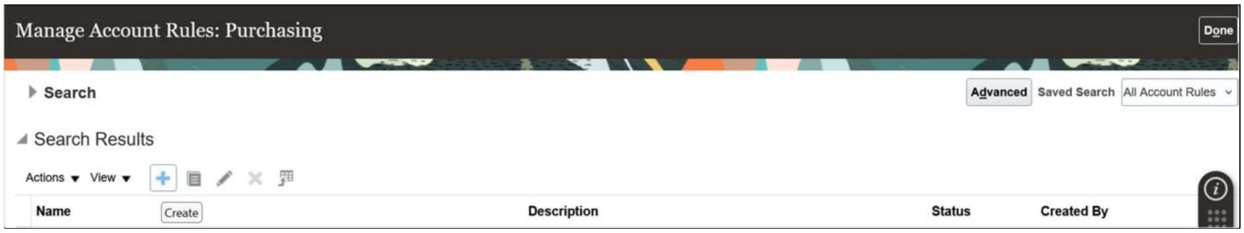
Variance account is required if any price variance between your Purchase Order Price and Invoice Price to balance that price variance system will use variance account. In reality this account name is Invoice Price Variance Account. These are the basic accounts you have to set up to use Purchasing Application Process. We five accounts to set up but first three accounts are mandatory and the other two are completely optional. For all these five accounts we have to create the rules for each account. So, as a part of Accounts Payable we are going to work on Subledger Accounting. so now whatever the PO TAB setup we are doing that is related to SLA setups only. we have to create Account rule for these accounts, for each account we have to create one rule.

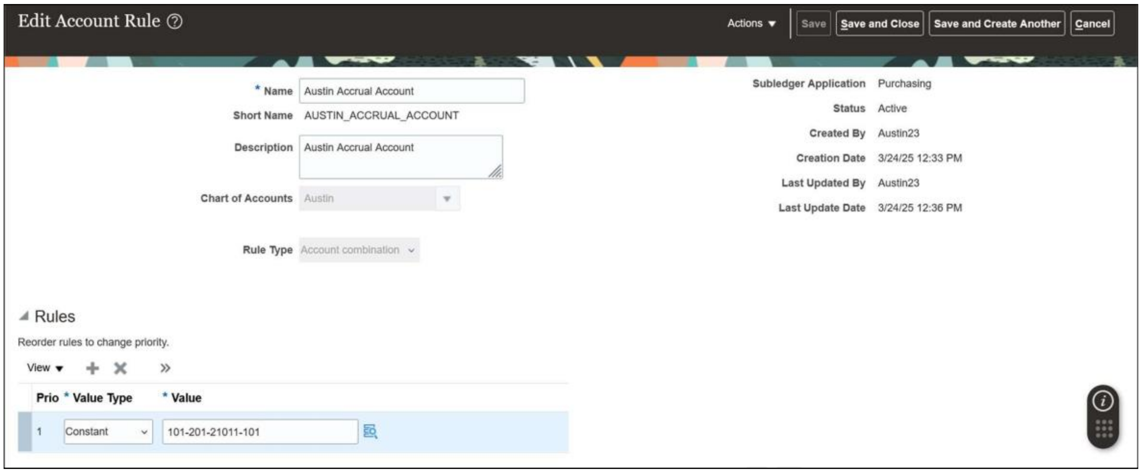
Create Accounting Rules:

Navigation:
Login to the Instance with the user credentials >>> Click on User Name >>> Click on Setup and Maintenance >>> Click on Tasks list >>> Click on Manage Implementation Projects >>> Search your Project and Click on the same (if you have multiple projects) or Click on Overview (if you have only one Project) >>> Select you Project >>> Search for the Task "Manage Accounting Rules", click on it >>> Select the task and click on Go to Task icon >>> click on + to create Accrual Account >>> Provide the details as per the Business Requirement >>> click on save and create another >>> like wise create Charge Account and Variance Account Also >>> click on save, Save and Close >>> Click on Done.

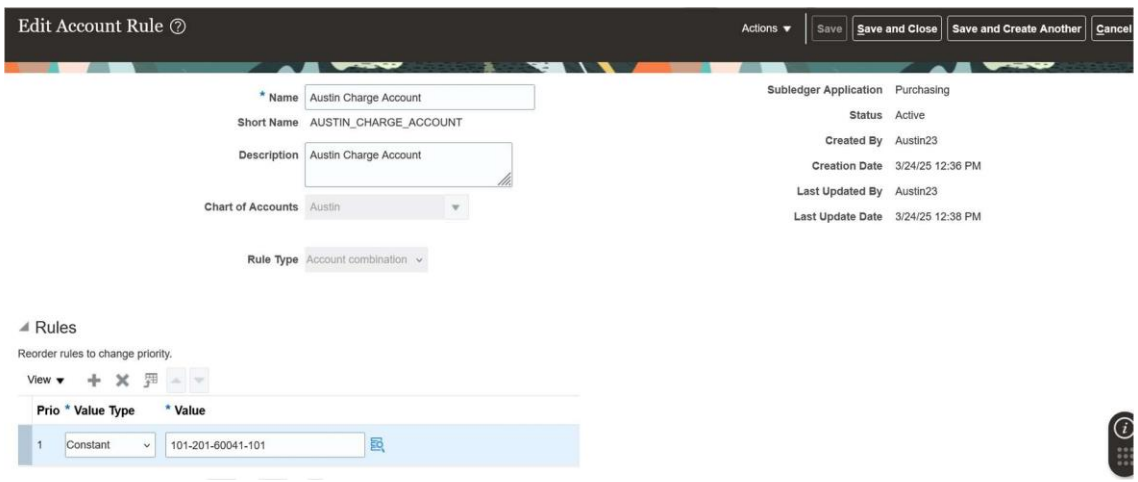




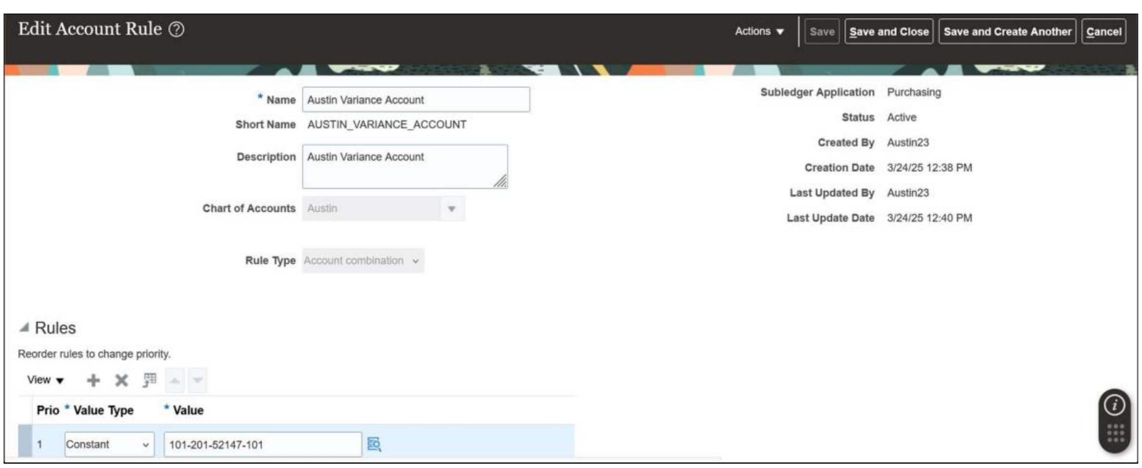




Choose Accounts Payable Liability Account under Value



Choose any Expense Account under Value.



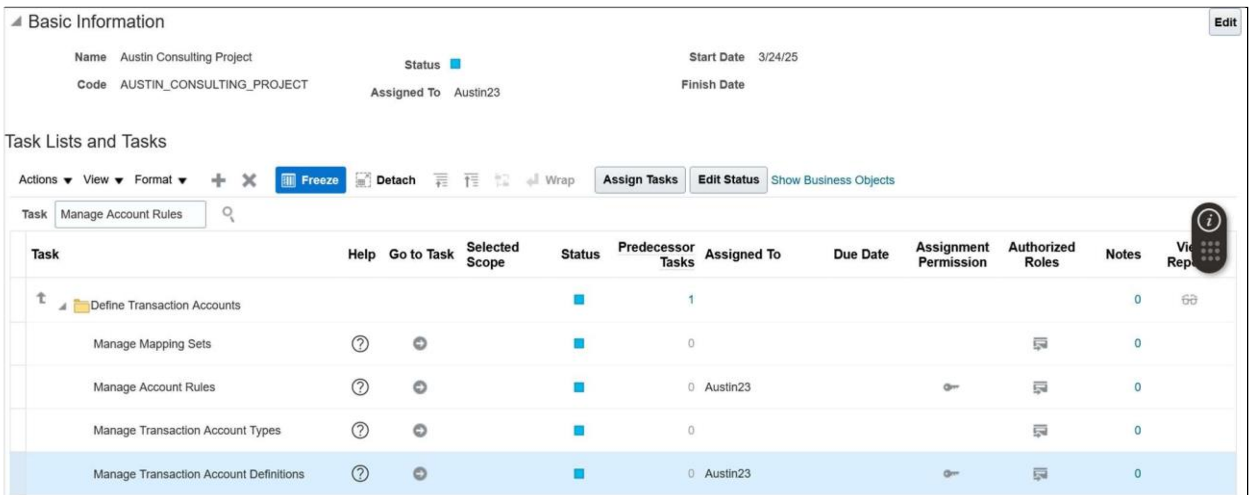
Choose Variances Account under Value.

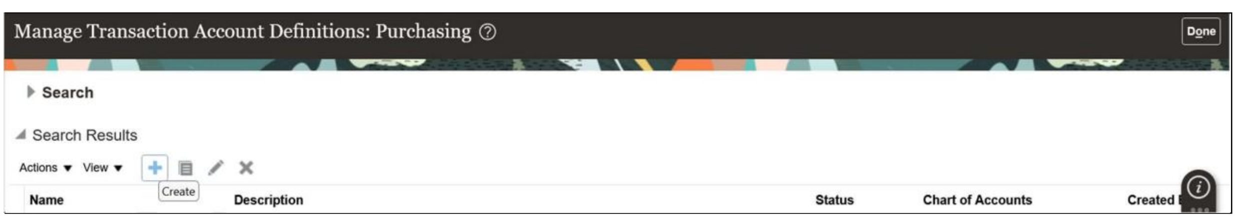
Create Transaction Account Definition (PO TAB).

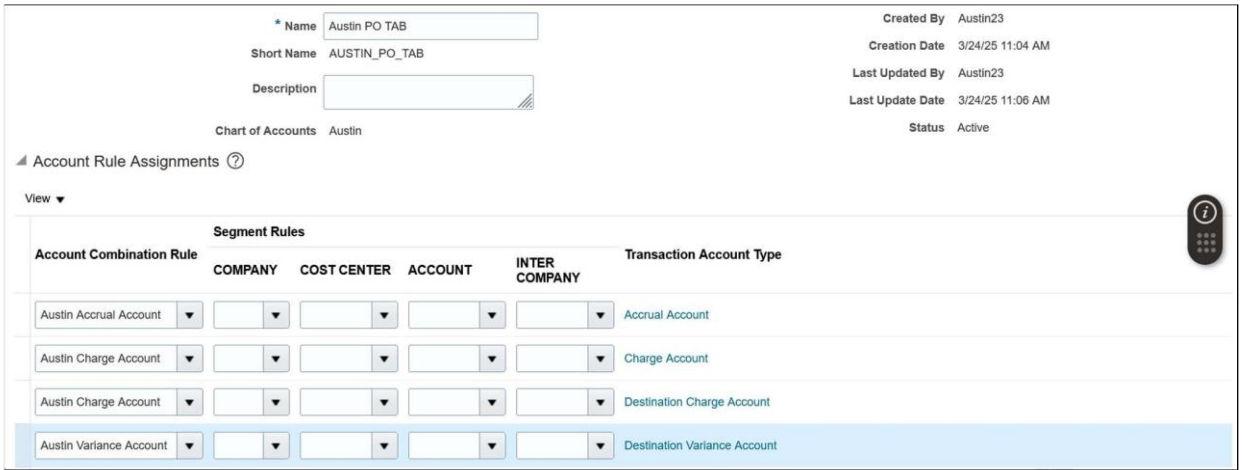
Without creating PO TAB, we cannot use the Purchasing Application.

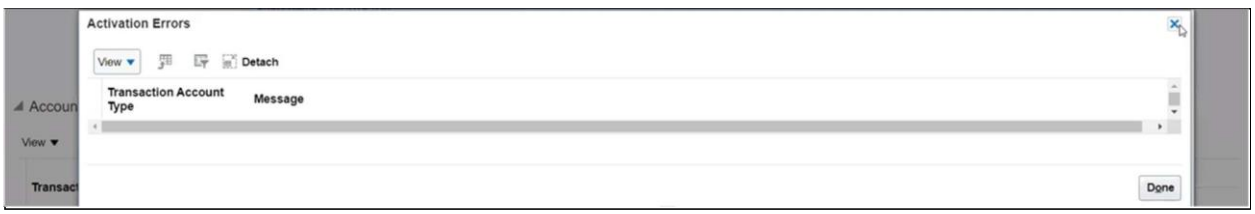
Navigation:

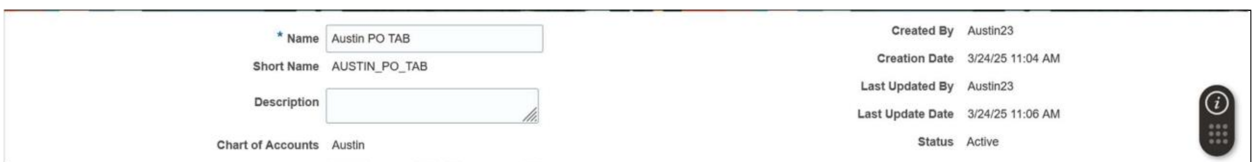
Login to the Instance with the user credentials >>> Click on User Name >>> Click on Setup and Maintenance >>> Click on Tasks list >>> Click on Manage Implementation Projects >>> Search your Project and Click on the same (if you have multiple projects) or Click on Overview (if you have only one Project) >>> Select you Project >>> Search for the Task "Manage Transaction Account Definition", click on it >>> Select the task and click on Go to Task icon >>> click on + to create Accrual Account >>> Provide the details as per the Business Requirement >>> click on save and create another >>> likewise create Charge Account and Variance Account Also >>> click on save, Save and Close >>> Click on Done.

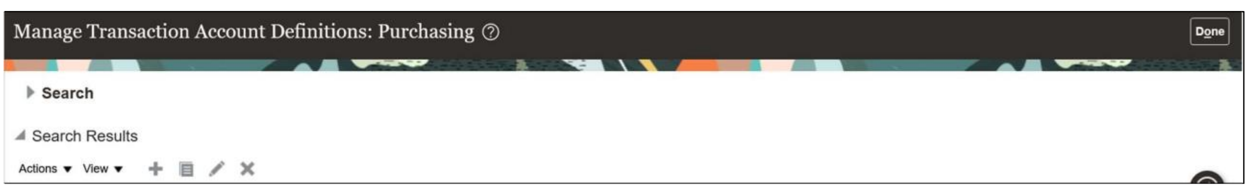










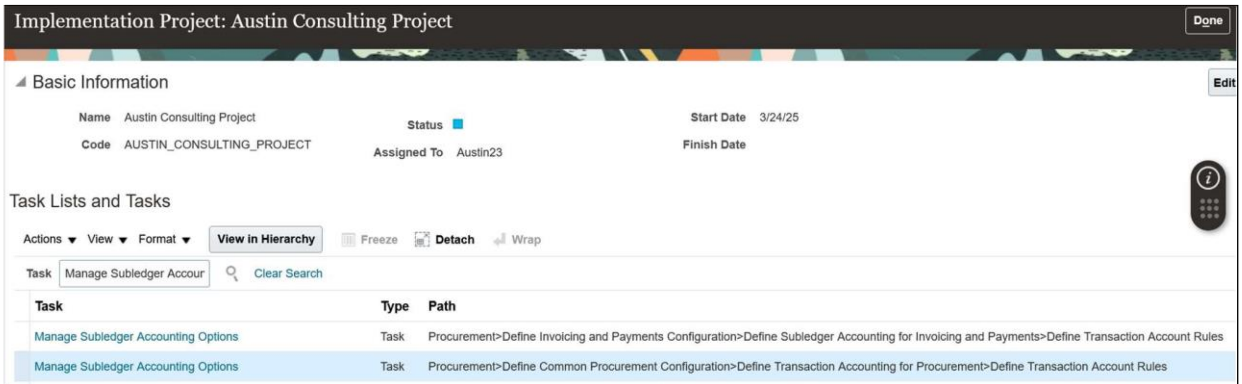


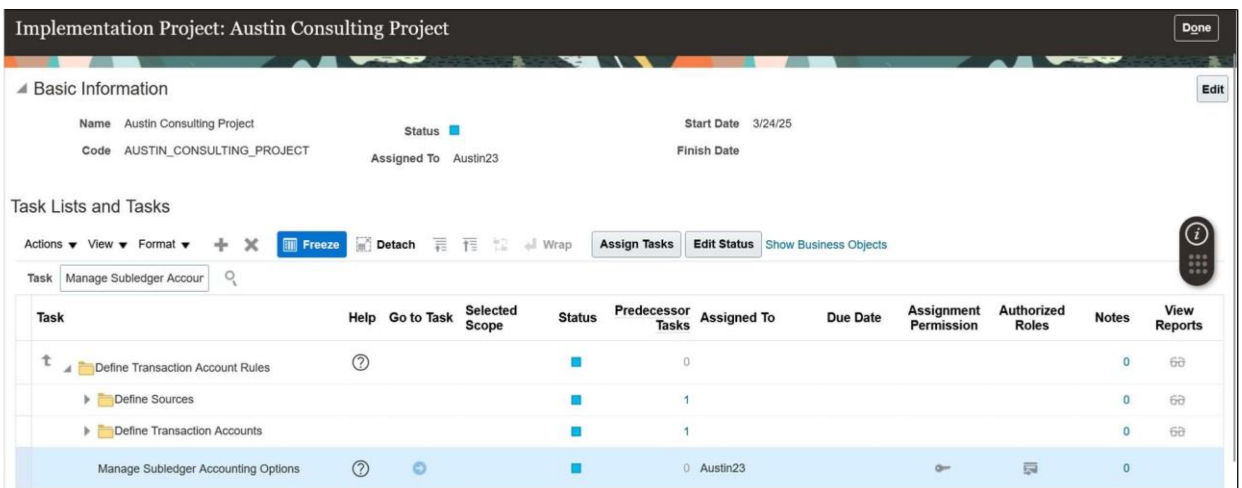
Manage Subledger Accounting Options (Assign PO TAB to Ledger):

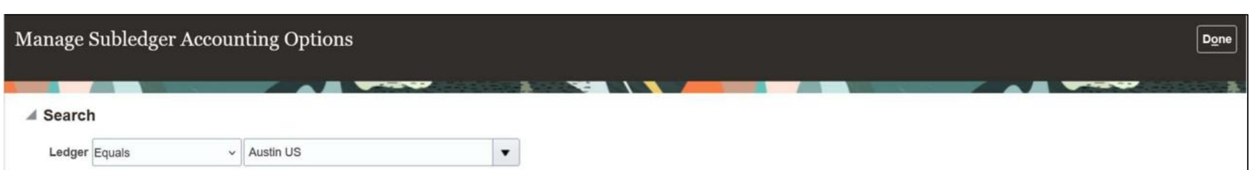
Whatever PO TAB we have created, we need to assign it to our Primary Ledger. With in the Primary ledger, we have accounting method as Standard Accrual and within the method we have accounting rules for all the applications. Now this PO tab we have to assign to purchasing application which is a part of our accounting method which is in primary Ledger. Whenever create the transactions in the purchasing application by using this PO TAB it will trigger accounting combination to create the accounting entries. For this purpose, we need to assign our PO TAB to our Primary Ledger.

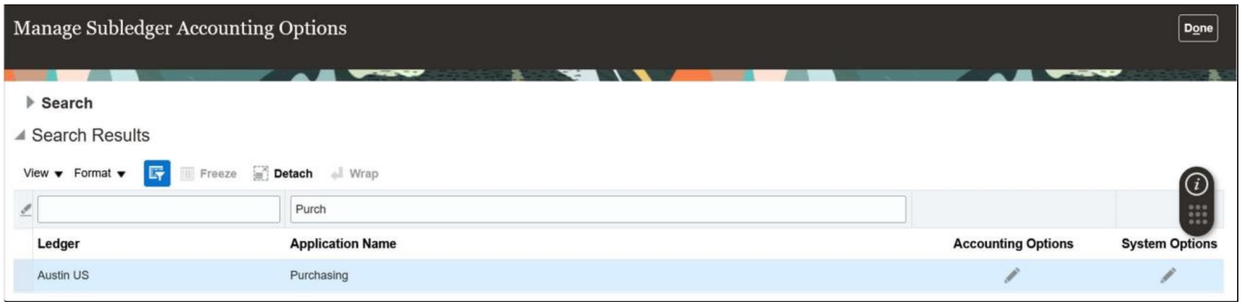
Navigation:

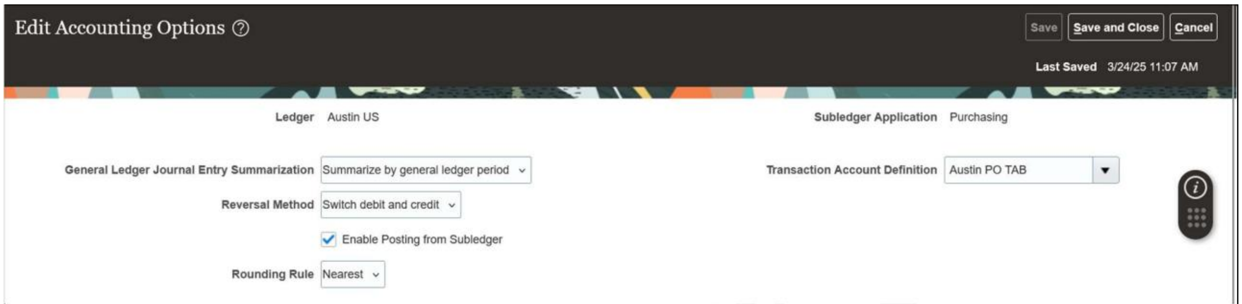
Login to the Instance with the user credentials >>> Click on User Name >>> Click on Setup and Maintenance >>> Click on Tasks list >>> Click on Manage Implementation Projects >>> Search your Project and Click on the same (if you have multiple projects) or Click on Overview (if you have only one Project) >>> Select you Project >>> Search for the Task “Manage Subledger Accounting Options”, click on it >>> Select the task and click on Go to Task icon >>> click on + to create Accrual Account >>> Provide the details as per the Business Requirement >>> click on save and create another >>> likewise create Charge Account and Variance Account Also >>> click on save, Save and Close >>> Click on Done.









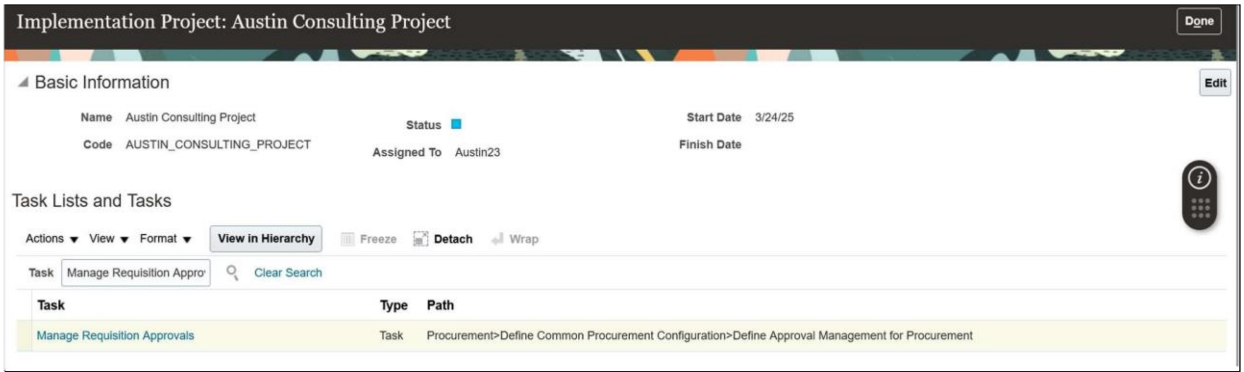


Manage Requisition, Purchasing Document Approvals-Rules:

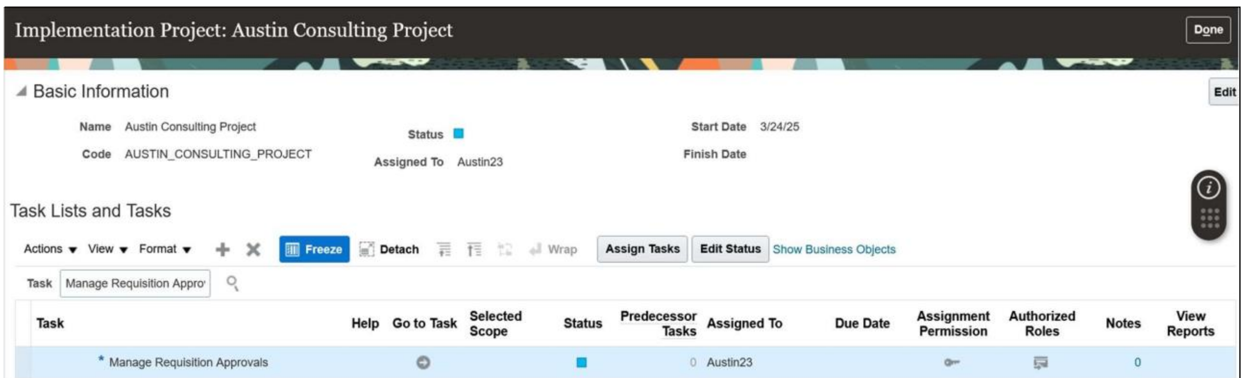
If you want to create the Purchase Requisition and Purchase order, we have to set up Approvals. We will setup the approvals here and we will also setup approvals in Payables Application.
First, we'll see how to set up Purchase Requisition Approvals. We will set simple approval rule like if Requisition is going to be created for our Business Unit, then that should be approved automatically. We are going to set auto approvals in case of our Business Unit.

Navigation:

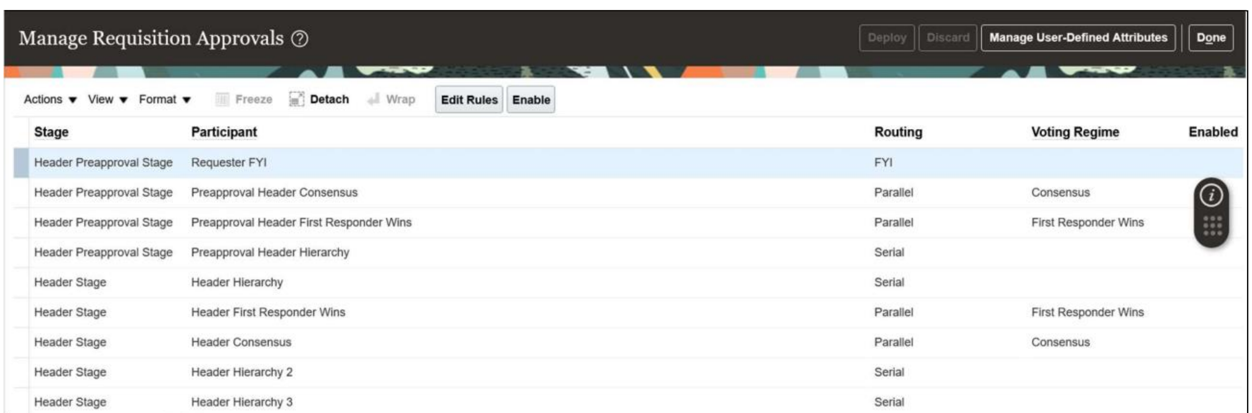
Login to the Instance with the user credentials >>> Click on User Name >>> Click on Setup and Maintenance >>> Click on Tasks list >>> Click on Manage Implementation Projects >>> Search your Project and Click on the same (if you have multiple projects) or Click on Overview (if you have only one Project) >>> Select you Project >>> Search for the Task “Manage Requisition Approvals”, click on it >>> Select the task and click on Go to Task icon >>> Disable all other nodes >>> Select the node under which you want to create the Rule >>> Disable all other rules >>> Create Rule, Condition, Action and Deploy >>> click on save, Save and Close >>> Click on Done.



Click on the selected Task.



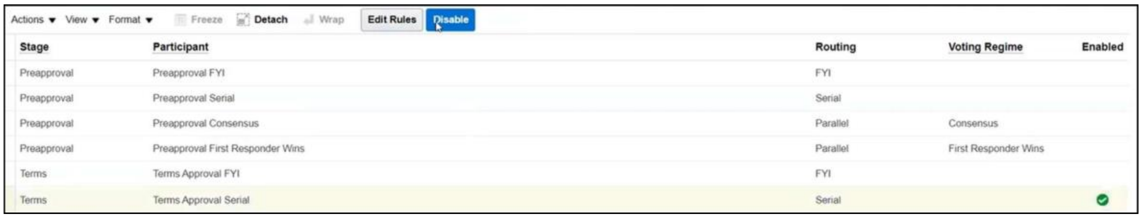
Select the Taska and click on Go to Task Icon.



So, this is a what you see in this page, everything is related to Requisition Approvals and when we set up Approvals for Accounts Payables directly, we have to go to workflow for that the environment would be BPM (Business Process Management).

But case of Purchase Requisition (Procurement) we can set up the approvals from this page itself.

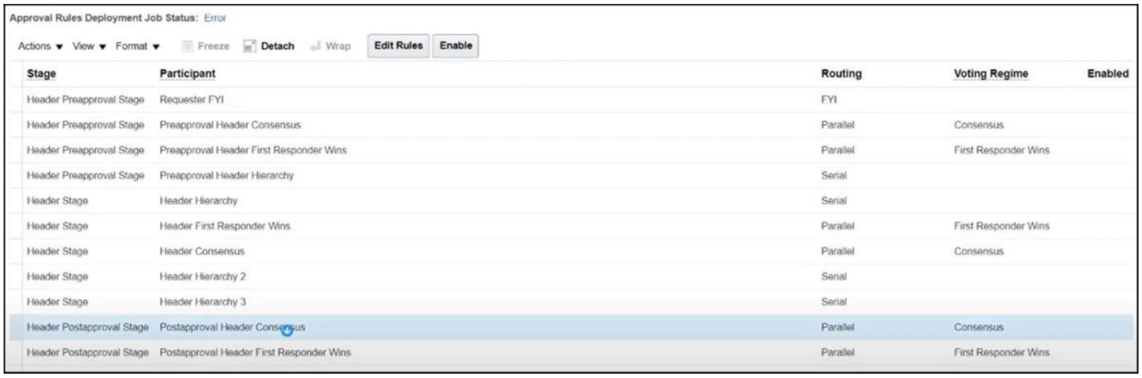
Whatever you see under the Attribute Stage are called as nodes. We have different nodes here, we will use one of the nodes to set up the Approval, as selected below,



Actions ▾ View ▾ Format ▾ Freeze Detach Wrap Edit Rules Disable

Stage	Participant	Routing	Voting Regime	Enabled
Preapproval	Preapproval FYI	FYI		
Preapproval	Preapproval Serial	Serial		
Preapproval	Preapproval Consensus	Parallel	Consensus	
Preapproval	Preapproval First Responder Wins	Parallel	First Responder Wins	
Terms	Terms Approval FYI	FYI		
Terms	Terms Approval Serial	Serial		✔

If you any nodes is enabled previously by other users we need to disable them to avoid conflict between the nodes. Select the enabled node and click on Disable, follow the same if you have multiple nodes are enabled.



Approval Rules Deployment Job Status: Error

Actions ▾ View ▾ Format ▾ Freeze Detach Wrap Edit Rules Enable

Stage	Participant	Routing	Voting Regime	Enabled
Header Preapproval Stage	Requester FYI	FYI		
Header Preapproval Stage	Preapproval Header Consensus	Parallel	Consensus	
Header Preapproval Stage	Preapproval Header First Responder Wins	Parallel	First Responder Wins	
Header Preapproval Stage	Preapproval Header Hierarchy	Serial		
Header Stage	Header Hierarchy	Serial		
Header Stage	Header First Responder Wins	Parallel	First Responder Wins	
Header Stage	Header Consensus	Parallel	Consensus	
Header Stage	Header Hierarchy 2	Serial		
Header Stage	Header Hierarchy 3	Serial		
Header Postapproval Stage	Postapproval Header Consensus	Parallel	Consensus	
Header Postapproval Stage	Postapproval Header First Responder Wins	Parallel	First Responder Wins	

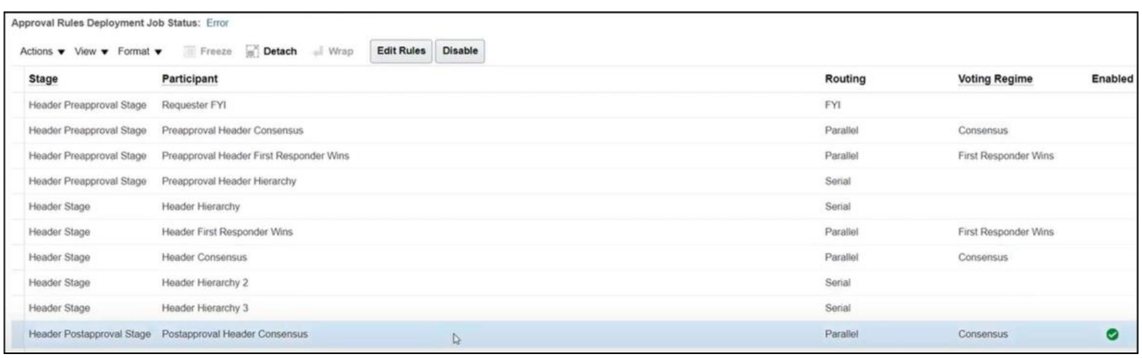
Select the node as shown above and enable the same for using it.

Approval Rules Deployment Job Status: Error

Actions ▾ View ▾ Format ▾ Freeze Detach Wrap Edit Rules Enable

Stage	Participant	Routing	Voting Regime	Enabled
Header Preapproval Stage	Requester FYI	FYI		
Header Preapproval Stage	Preapproval Header Consensus	Parallel	Consensus	
Header Preapproval Stage	Preapproval Header First Responder Wins	Parallel	First Responder Wins	
Header Preapproval Stage	Preapproval Header Hierarchy	Serial		
Header Stage	Header Hierarchy	Serial		
Header Stage	Header First Responder Wins	Parallel	First Responder Wins	
Header Stage	Header Consensus	Parallel	Consensus	
Header Stage	Header Hierarchy 2	Serial		
Header Stage	Header Hierarchy 3	Serial		
Header Postapproval Stage	Postapproval Header Consensus	Parallel	Consensus	

Click on Enable the node to enable the same.



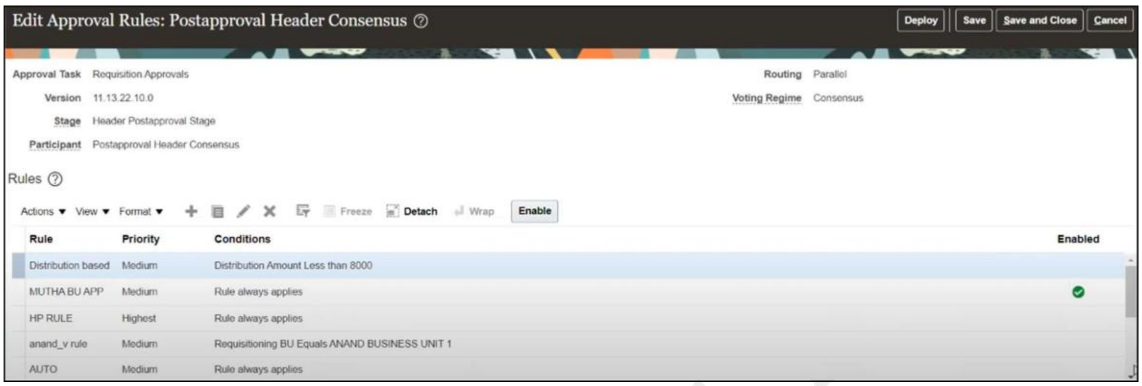
Approval Rules Deployment Job Status: Error

Actions ▾ View ▾ Format ▾ Freeze Detach Wrap Edit Rules Disable

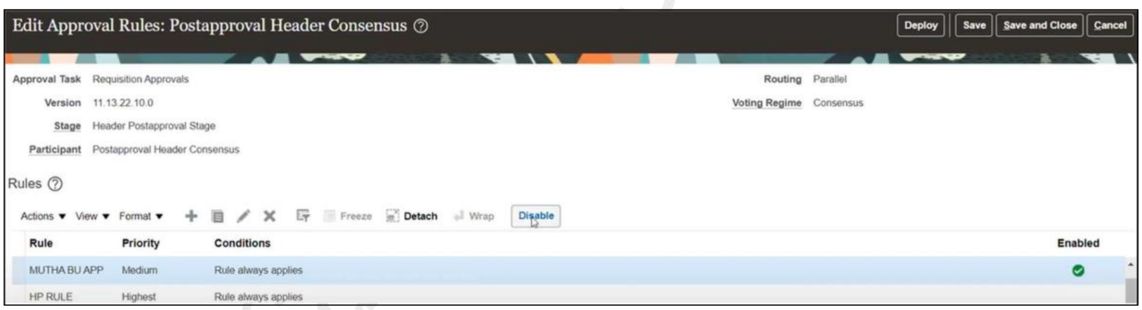
Stage	Participant	Routing	Voting Regime	Enabled
Header Preapproval Stage	Requester FYI	FYI		
Header Preapproval Stage	Preapproval Header Consensus	Parallel	Consensus	
Header Preapproval Stage	Preapproval Header First Responder Wins	Parallel	First Responder Wins	
Header Preapproval Stage	Preapproval Header Hierarchy	Serial		
Header Stage	Header Hierarchy	Serial		
Header Stage	Header First Responder Wins	Parallel	First Responder Wins	
Header Stage	Header Consensus	Parallel	Consensus	
Header Stage	Header Hierarchy 2	Serial		
Header Stage	Header Hierarchy 3	Serial		
Header Postapproval Stage	Postapproval Header Consensus	Parallel	Consensus	✔

Once you click on enable it will enable the node, you can check the node is enabled with green flag.

Now select the enabled node and click on Edit Rules.

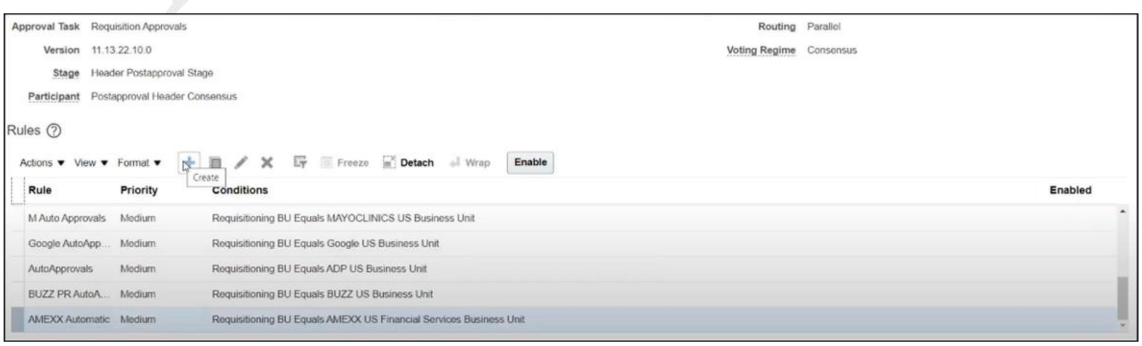


Already there are few Approval Rules which are created and enabled. To create a new rule and assign it to our PL we need to disable all the other rules which are existing in the page so that our rule will not conflict with the other rules.

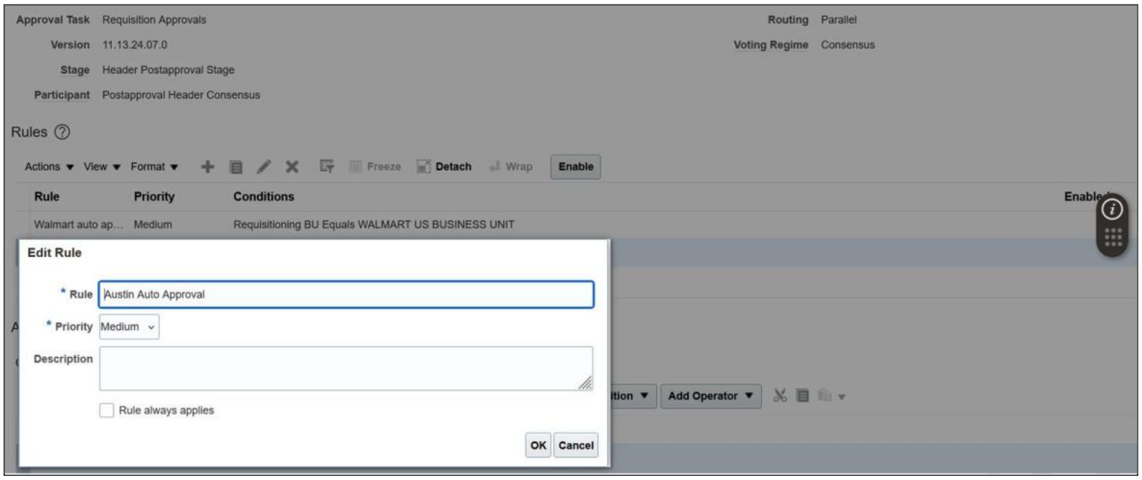


You can select the other rule which is enabled and click on Disable. So that the other rule gets disabled. If you have multiple other rules, make sure you disable all the rules. Now we have disabled all the other rules.

Now Create New Rule.

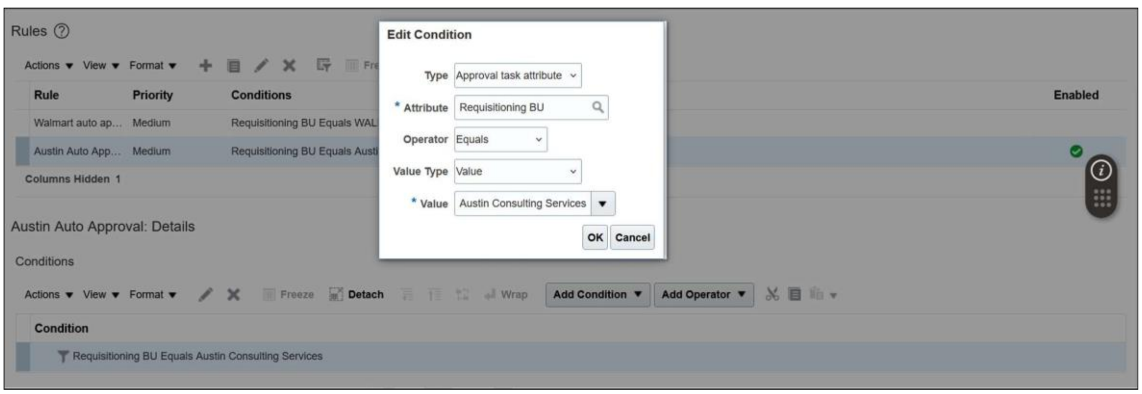


Click on + to create a new rule.



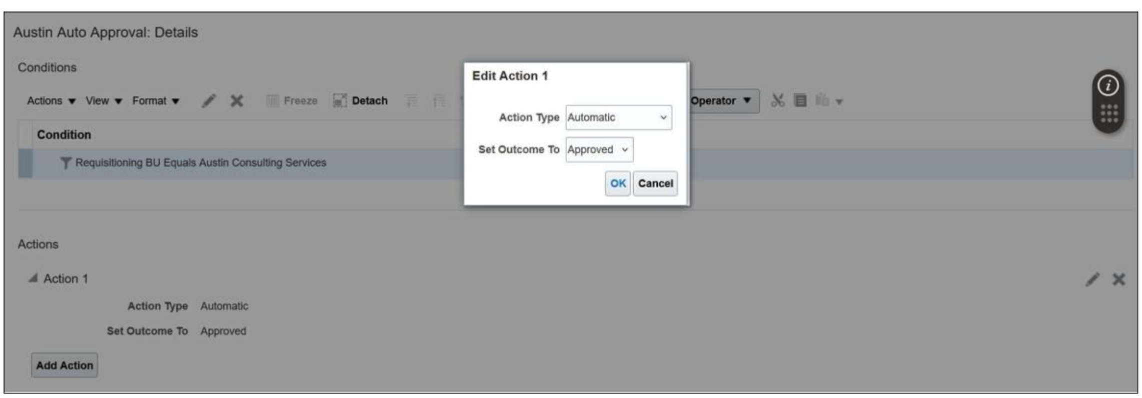
Provide the details as per Business Requirement. If you Enable: Rule always applies, without any condition the system will approve the Purchase Requisition irrespective of Requisition belongs Business Unit, Click on OK.

Here you can add the condition under the rule, which we have created earlier. Click on Add Condition



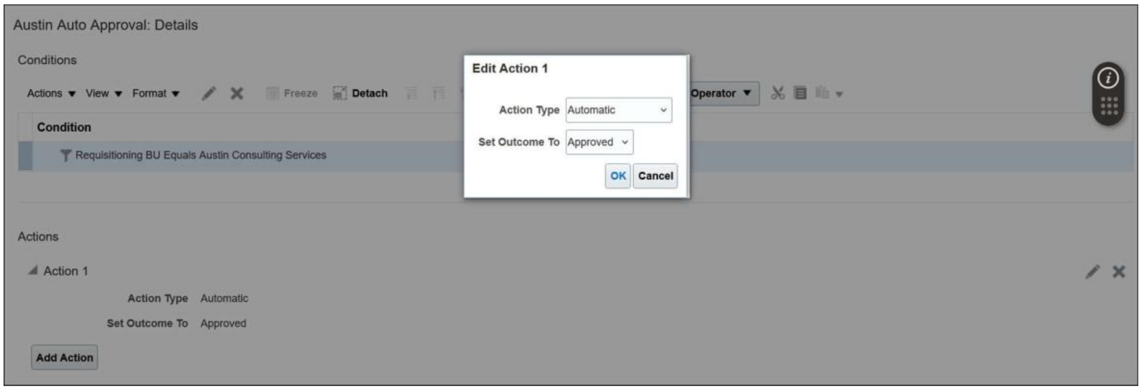
Select the Attribute as Requisitioning BU Requisition Header. Select our Business Unit in the Value, for which BU Purchase Requisition we are setting this rule.

Click on OK.

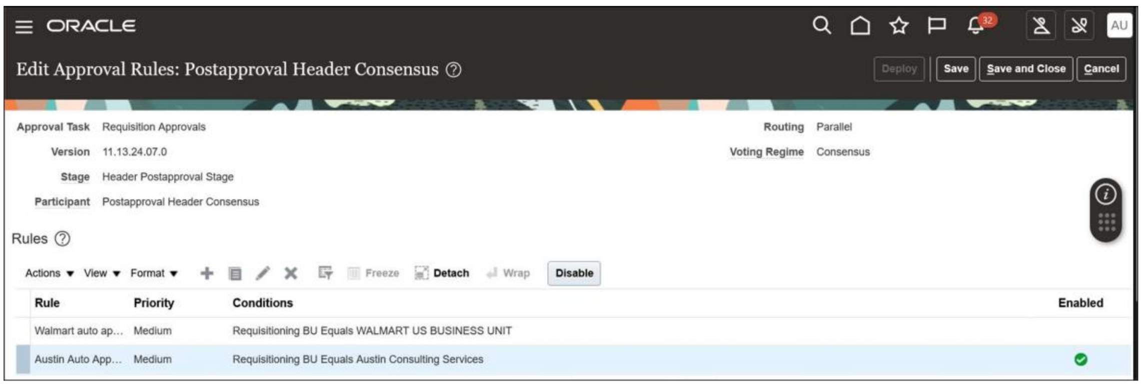


What action the system should take for the above rule with condition, we need to define under Actions. Whether it should be Approved or Rejected.

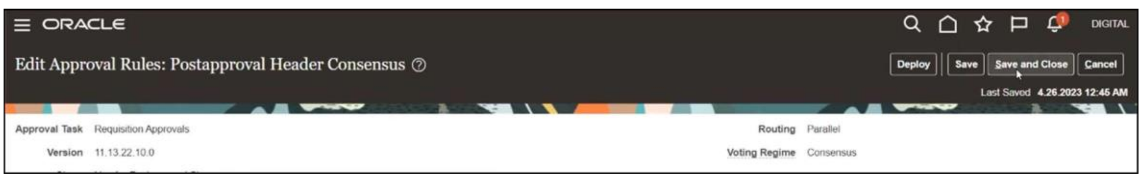
Click on Add Action.



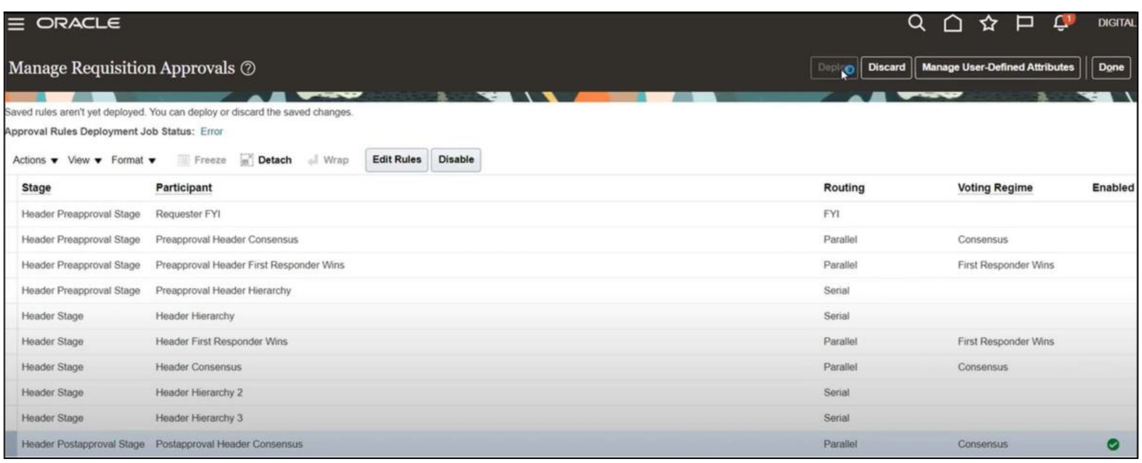
Action Type should be Automatic. The Set Outcome To should be Approved. Based on your requirement you can set it as Approved or Rejected.



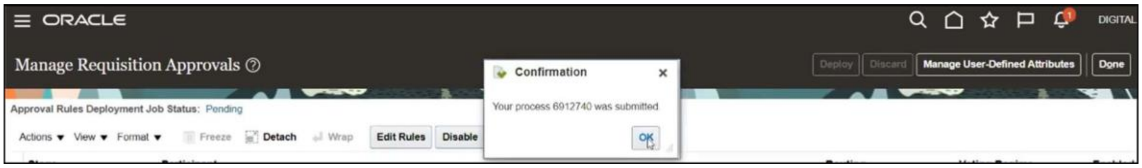
Click on Save and Close.



Click on Save and Close.



Whenever you create a new rule with in any node, we have to deploy the same. Click on Deploy.



Click on OK.

Click on Done, with this we have completed rule creation for Purchase Requisition.

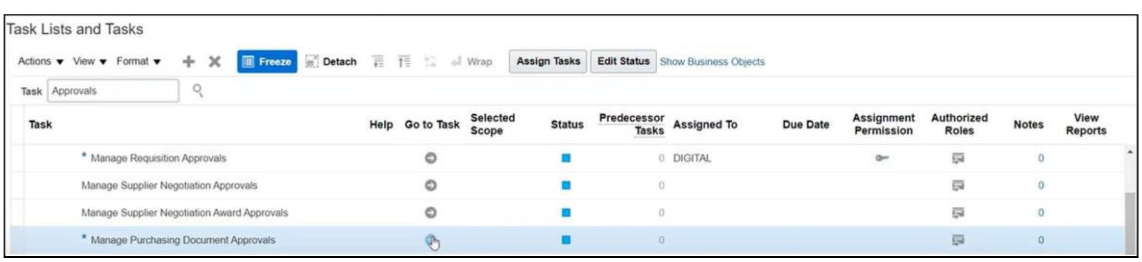
Manage Purchase Order Document Approval:

If you want to create the Purchase order, we have to set up Approvals BU. We will setup the approvals with the help of this task and let's see how to set up Purchase Order Approvals. We will set simple approval rule like if PO is going to be created for our Business Unit, then that should be approved automatically. We are going to set auto approvals in case of our Business Unit.

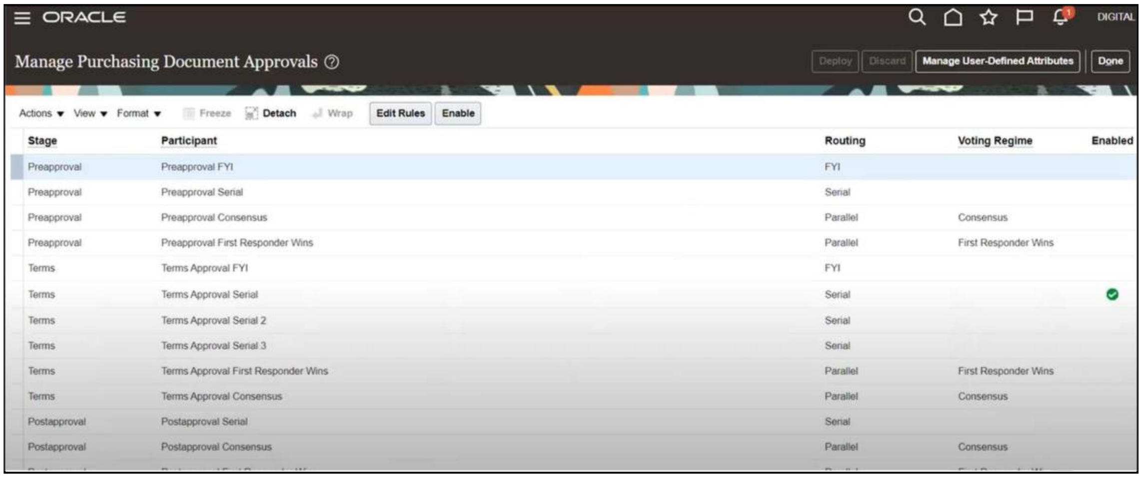
Navigation:

Login to the Instance with the user credentials >>> Click on User Name >>> Click on Setup and Maintenance >>> Click on Tasks list >>> Click on Manage Implementation Projects >>> Search your Project and Click on the same (if you have multiple projects) or Click on Overview (if you have only one Project) >>> Select you Project >>> Search for the Task "Manage Purchasing Document Approvals", click on it >>> Select the task and click on Go to Task icon >>> Disable all the other nodes >>> Select the node under which you want to create the Rule >>> Disable all other Rules >>> Create Rule, Condition, Action and Deploy >>> click on save, Save and Close >>> Click on Done.

Click on the Task



Select the Task and click on Go to Task icon.



Stage	Participant	Routing	Voting Regime	Enabled
Preapproval	Preapproval FYI	FYI		
Preapproval	Preapproval Serial	Serial		
Preapproval	Preapproval Consensus	Parallel	Consensus	
Preapproval	Preapproval First Responder Wins	Parallel	First Responder Wins	
Terms	Terms Approval FYI	FYI		
Terms	Terms Approval Serial	Serial		✔
Terms	Terms Approval Serial 2	Serial		
Terms	Terms Approval Serial 3	Serial		
Terms	Terms Approval First Responder Wins	Parallel	First Responder Wins	
Terms	Terms Approval Consensus	Parallel	Consensus	
Postapproval	Postapproval Serial	Serial		
Postapproval	Postapproval Consensus	Parallel	Consensus	

We different workflow related nodes under Stage, disable all the nodes which are not required for us to avoid the conflict between the nodes.

Stage	Participant	Routing	Voting Regime	Enabled
Preapproval	Preapproval FYI	FYI		
Preapproval	Preapproval Serial	Serial		
Preapproval	Preapproval Consensus	Parallel	Consensus	
Preapproval	Preapproval First Responder Wins	Parallel	First Responder Wins	
Terms	Terms Approval FYI	FYI		
Terms	Terms Approval Serial	Serial		✔

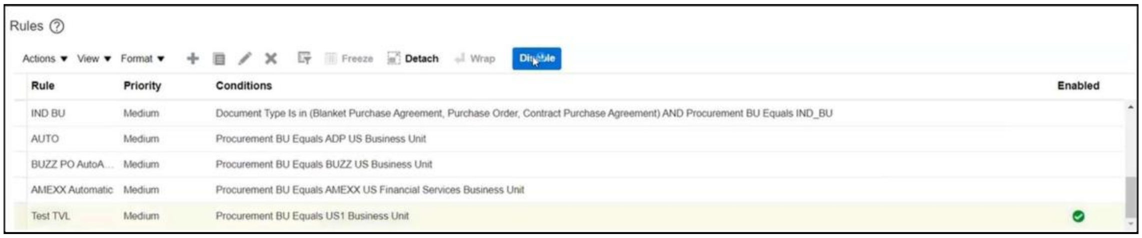
Select the enabled node and click on Disable, follow the same if you have multiple nodes enabled.

Stage	Participant	Routing	Voting Regime	Enabled
Preapproval	Preapproval FYI	FYI		
Preapproval	Preapproval Serial	Serial		
Preapproval	Preapproval Consensus	Parallel	Consensus	
Preapproval	Preapproval First Responder Wins	Parallel	First Responder Wins	
Terms	Terms Approval FYI	FYI		
Terms	Terms Approval Serial	Serial		
Terms	Terms Approval Serial 2	Serial		
Terms	Terms Approval Serial 3	Serial		
Terms	Terms Approval First Responder Wins	Parallel	First Responder Wins	
Terms	Terms Approval Consensus	Parallel	Consensus	
Postapproval	Postapproval Serial	Serial		
Postapproval	Postapproval Consensus	Parallel	Consensus	

Select this node and click on Enable

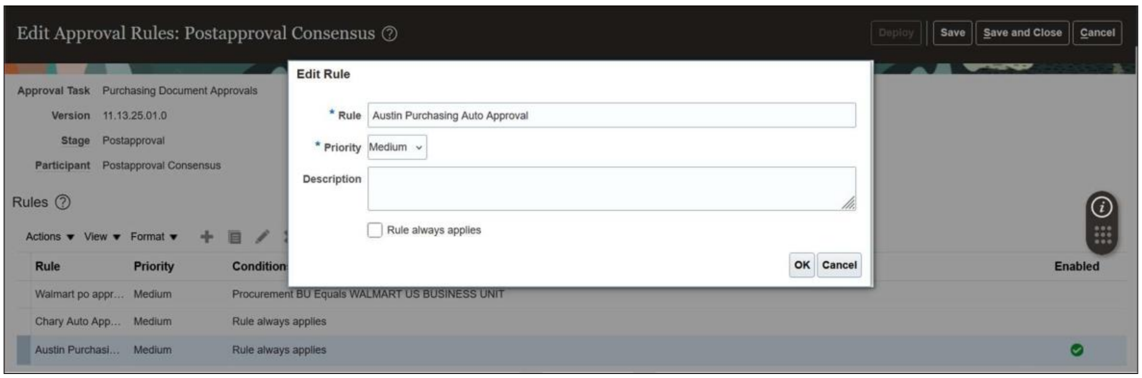
Stage	Participant	Routing	Voting Regime	Enabled
Preapproval	Preapproval FYI	FYI		
Preapproval	Preapproval Serial	Serial		
Preapproval	Preapproval Consensus	Parallel	Consensus	
Preapproval	Preapproval First Responder Wins	Parallel	First Responder Wins	
Terms	Terms Approval FYI	FYI		
Terms	Terms Approval Serial	Serial		
Terms	Terms Approval Serial 2	Serial		
Terms	Terms Approval Serial 3	Serial		
Terms	Terms Approval First Responder Wins	Parallel	First Responder Wins	
Terms	Terms Approval Consensus	Parallel	Consensus	
Postapproval	Postapproval Serial	Serial		
Postapproval	Postapproval Consensus	Parallel	Consensus	✔

Once we click on Enable, the node is enabled with green flag. Click on Edit Rules to Create our rule.



If any rule is enabled, we need to disable the same to avoid conflict between the existing rule and the rule what we are creating. Select the Enabled Rule and click on Disable. In the real time environment, we don't disable any rule as they won't conflict with each other.

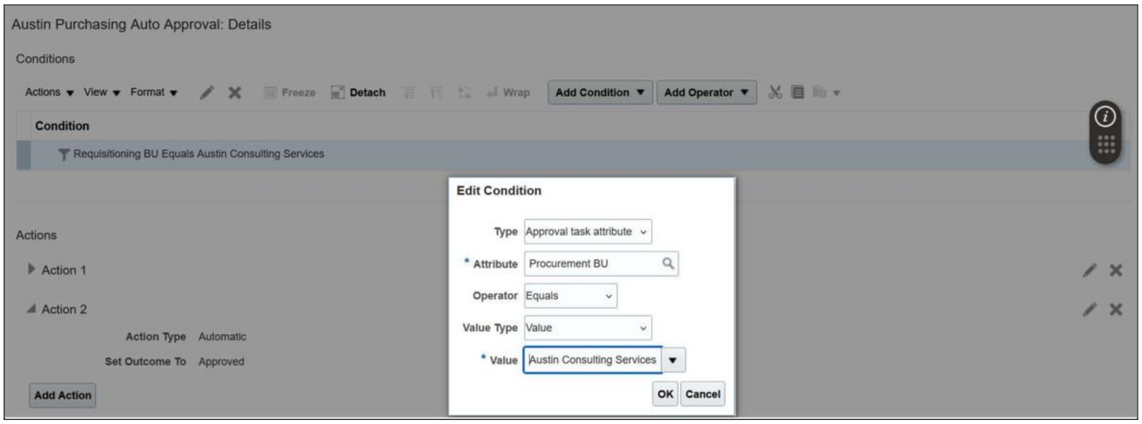
Click + to create new rule.



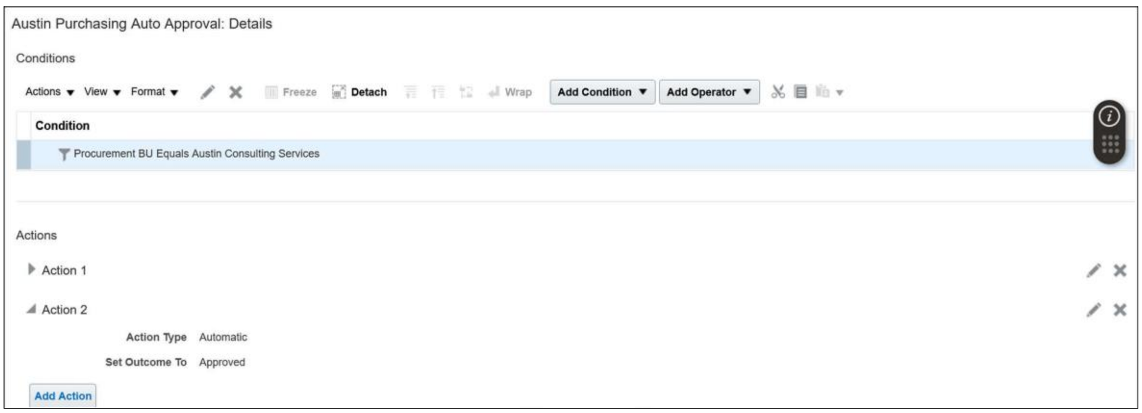
Provide the details as the requirement and click on OK. If you Enable: Run always applies, irrespective of which BU is creating Purchase Orders the system will apply this rule.

Click on Add Condition for creating the conditions under the rule.

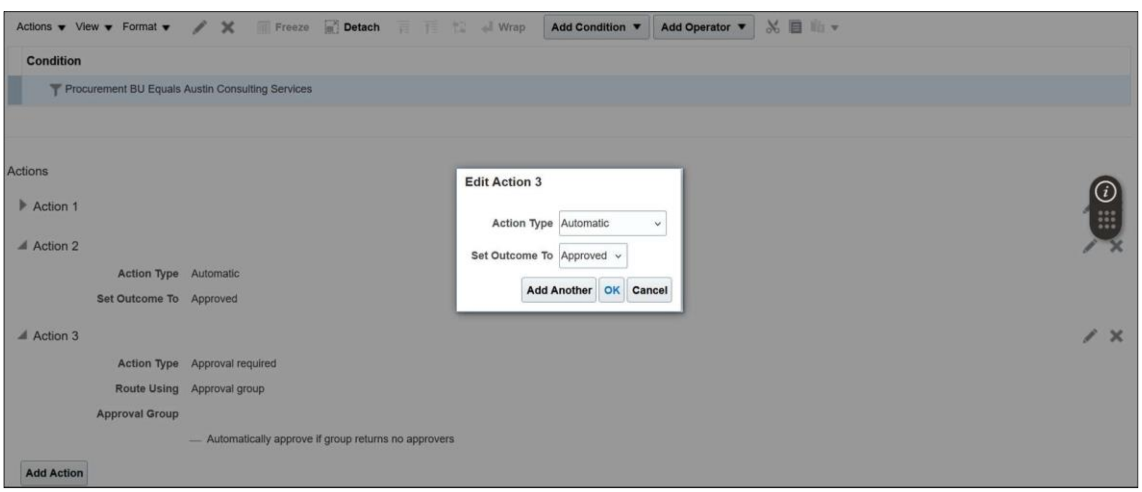
Select the Attribute as Procurement BU Document Header which is related to Purchase Order Approvals.



Provide the details as per the Business Requirement and Select Our Business Unit under which you're creating the Purchase Order. click on OK.



If the Procurement BU is equals to Our BU which you selected, then what is the action system has to perform, whether the system has to Approve or Reject the PO. For system to understand we need to define the Action. Click on Add Action.

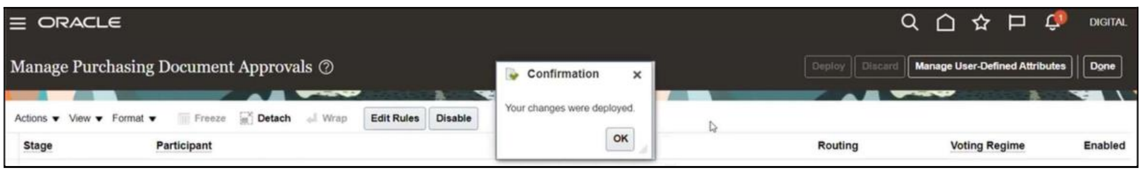


Select Action Type: Automatic. The system should automatically approve the PO when it created with Our BU. When we select the action type as Automatic, we select Set Outcome To: Approved. We can select is as Approved or Rejected based on the requirement. Now as we set outcome as Approved the System will Automatically approve PO, if any PO is created under Our BU.

Click on Save, Save and Close.

Click on Deploy. We should Deploy the rule which we have created. If you don't deploy the system will not consider the changes or updates which we have done. Even if you save the system won't consider the latest changes until unless it is deployed.

For Example: In case of Chart of Accounts Definition, we have submitted Accounting Flex Field for Deployment, so that system can validate the Chart of Accounts and it will update the information which we have created or changed, in the same way rules also need to be Deployed in the system to synchronise with latest changes.



Click on OK and click on Done. Now you will be able to use the Rule.

Create Sub-Inventory:

Subinventories are unique physical or logical separations of material inventory, such as raw inventory, finished goods, or defective material. All material within an organization is held in a Subinventories therefore, you must define at least one Subinventories.

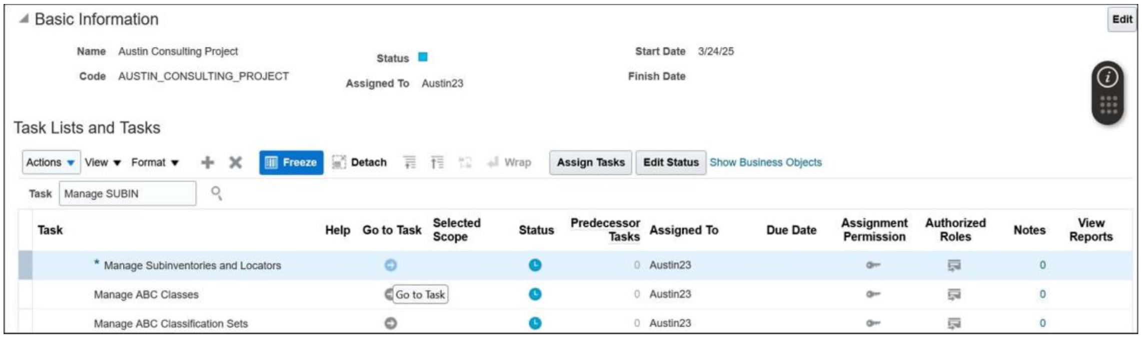
Within the Inventory Organisation the partitions which we create are called as Subinventories and Within the Subinventory whatever the partitions we create are called as Locators.

We always create Subinventories in Inventory Organization (Real, Child or Physical Inventories). We never create it in ~~Item Master Inventory Organisation.~~

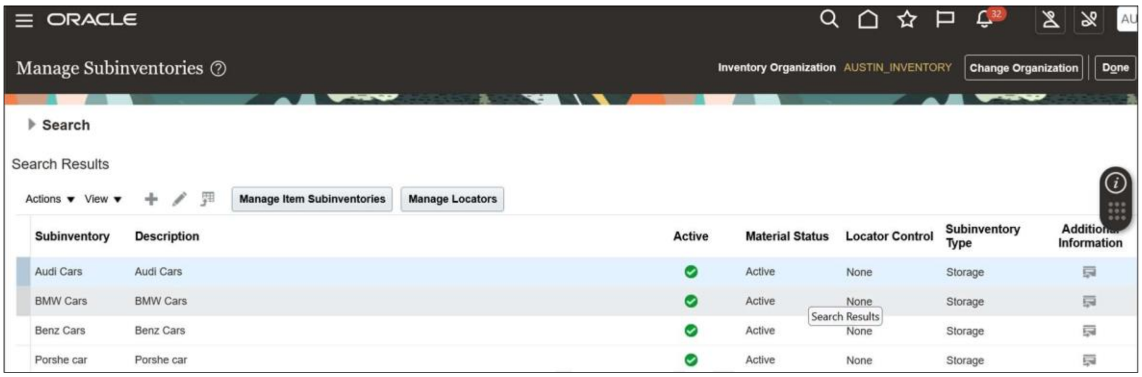
Navigation:

Login to the Instance with the user credentials >>> Click on User Name >>> Click on Setup and Maintenance >>> Click on Tasks list >>> Click on Manage Implementation Projects >>> Search your Project and Click on the same (if you have multiple projects) or Click on Overview (if you have only one Project) >>> Select you Project >>> Search for the Task "Manage Subinventories and Locators", click on it >>> Select the task and click on Go to Task icon >>> Select Inventory Organisation >>> Click on + to create sub inventory >>> Provide the required details based on Business Requirement >>> Click on Save and Close >>> Click on Ok.

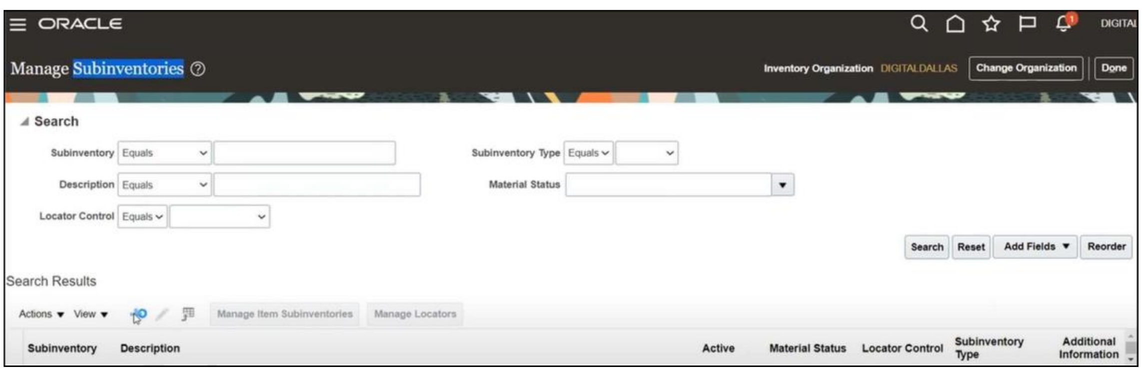
Search for the Task and Click on the Task.



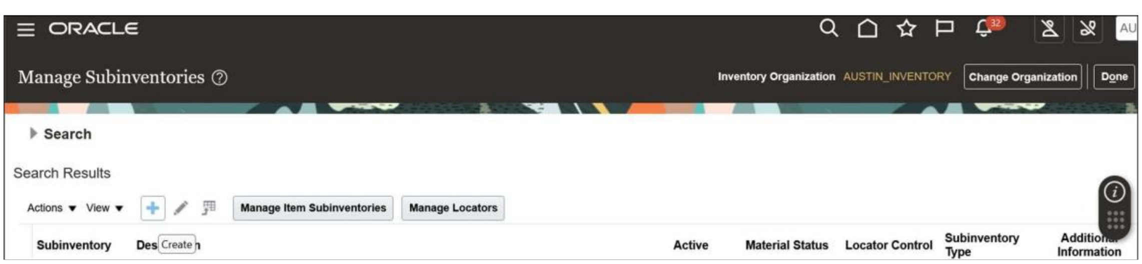
Select the Task and click Go to Task Icon.

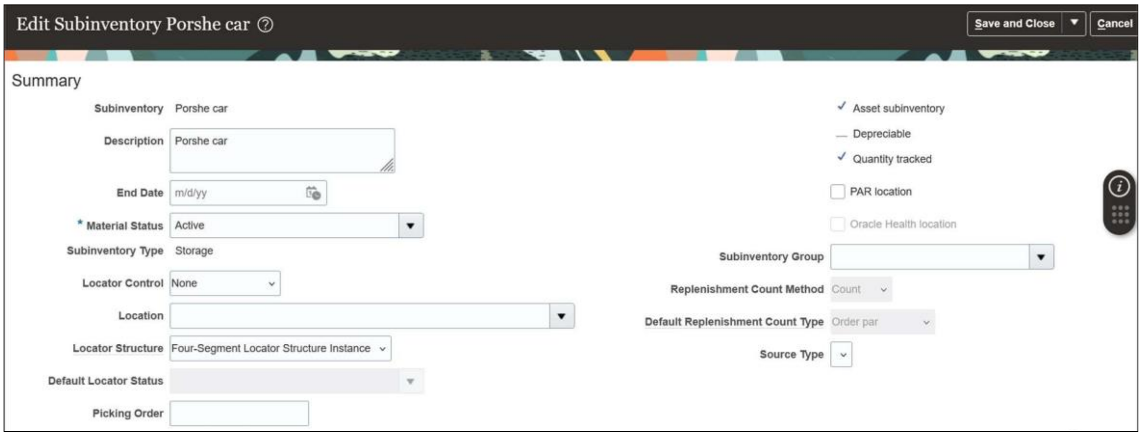


Select Our Inventory Organisation and click on OK. With in this Inventory Organisation, we are going to create Subinventories.



Click on + to create the Subinventories,





Provide the details as per the requirement. Subinventory Type, purpose is to Act as a Receiving (nothing but Staging area) and Storage of the items (maintain the stock). Select Storage Subinventory Type: Storage. Click on Save and Close. Click on OK. If you have multiple Subinventories you can create them in the same way.

Create Item Class

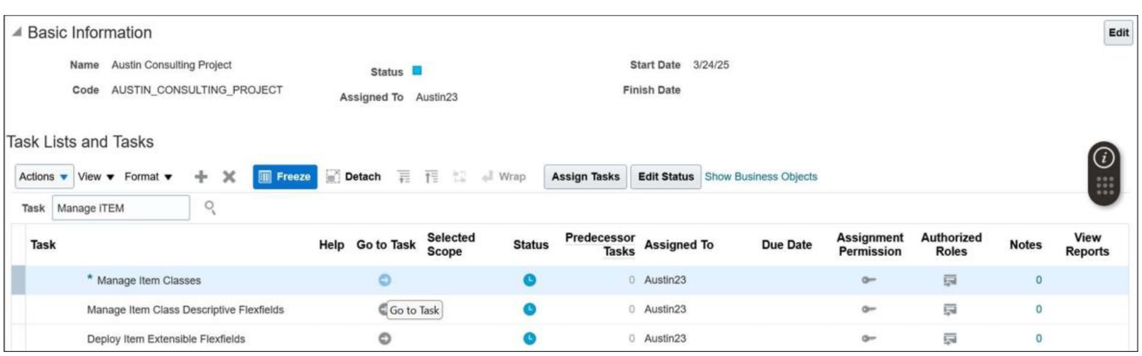
In EBS we don't need to create any Item Class but in Fusion Item Class is Mandatory, without item class you cannot create single item in the Inventory. At item class level we can set certain security options like,

who can create the items using item master,
which items can be assigned to child inventories and
How the item number need to be generated etc, all that can be defined at item class level.

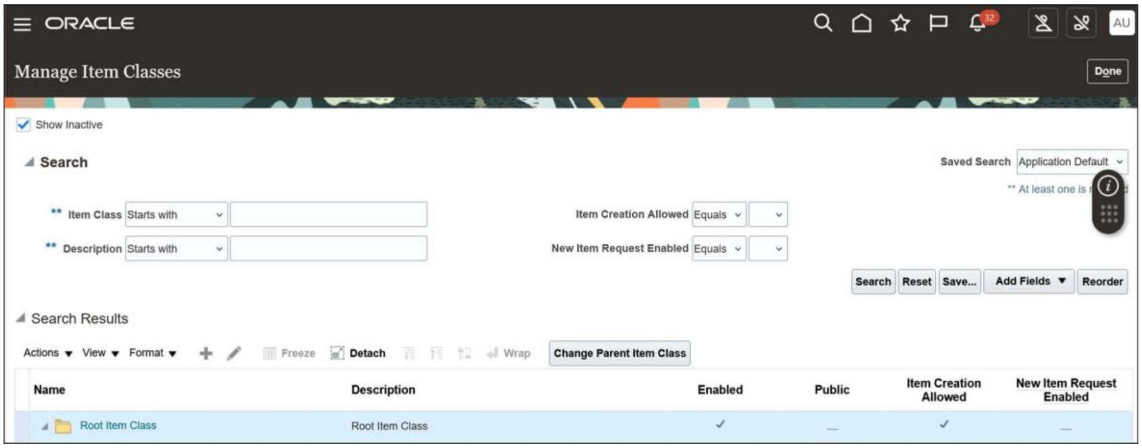
Item classes are created under the Root Item Class, or within a parent item class, and inherit values based on selections made when defining the item class.

Navigation:

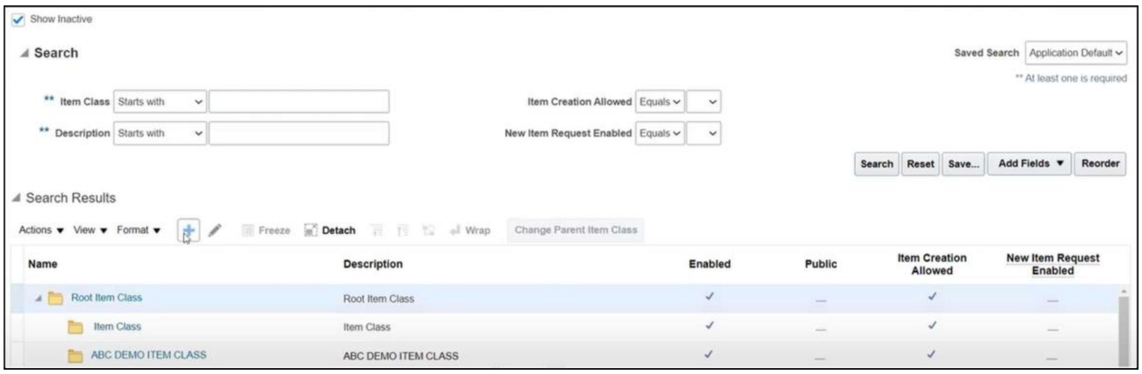
Login to the Instance with the user credentials >>> Click on User Name >>> Click on Setup and Maintenance >>> Click on Tasks list >>> Click on Manage Implementation Projects >>> Search your Project and Click on the same (if you have multiple projects) or Click on Overview (if you have only one Project) >>> Select you Project >>> Search for the Task "Manage Item Classes", click on it >>> Select the task and click on Go to Task icon >>> select the Root item class >>> Click on + to create new item class >>> Provide the required details based on Business Requirement >>> Click on Save and Close >>> Click on Ok.



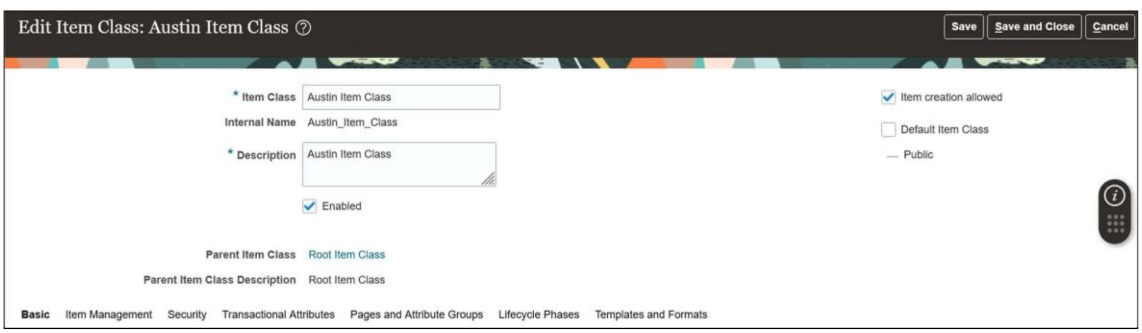
Search for the Task and click on Task, Select the Task and Click on Go to Task icon.



In every fresh Instance Oracle is providing only one item class that is Root Item Class as shown above. We use the root item class to create the items in the real time.



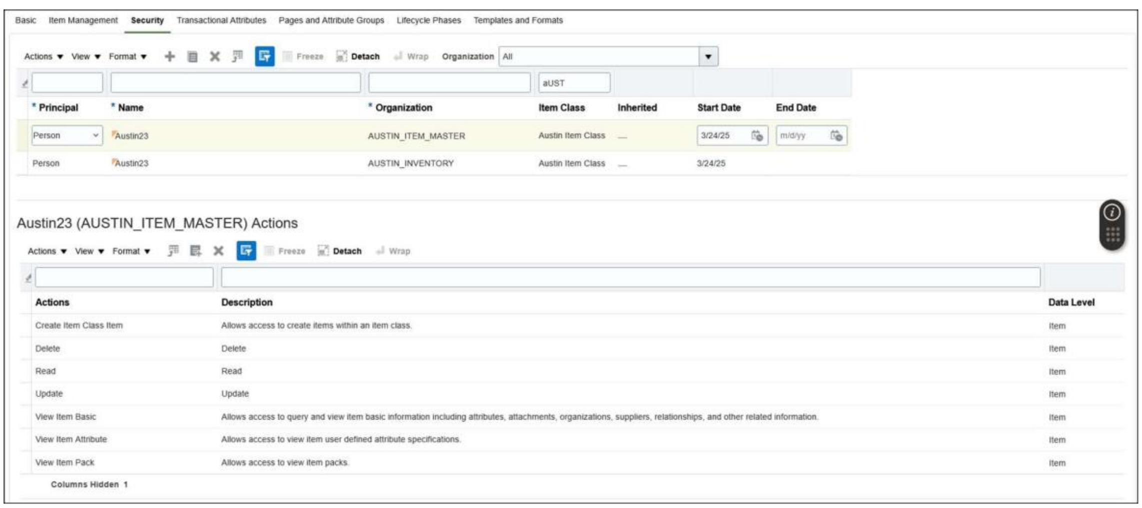
Instead of using this Root Item Class, we will create our own item class. Under Root item class only we have to create our own item class. Select the root item class and click on + to create the item class.



Provide the details as per the requirement and click on Save and Add Details.

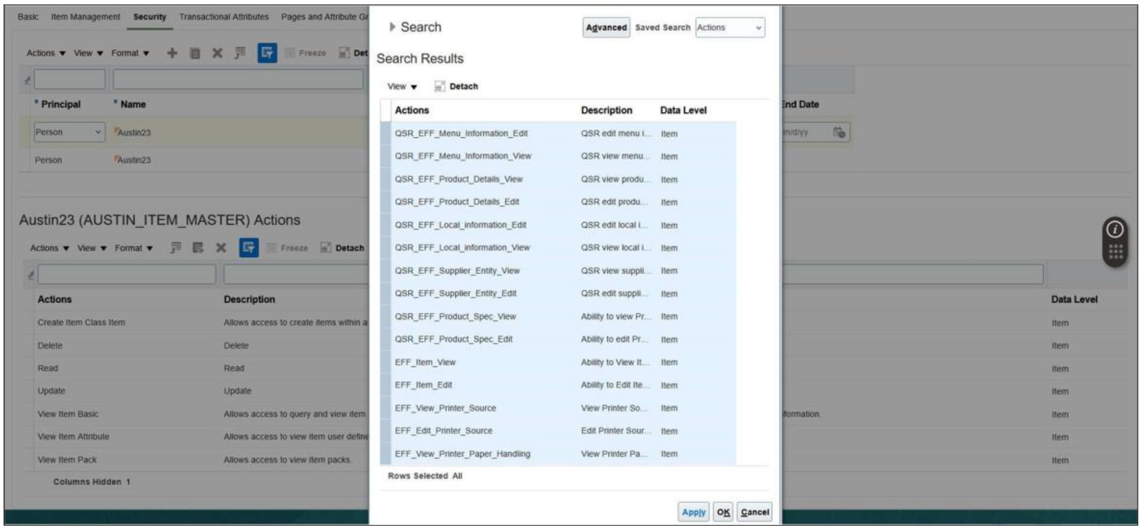
What should be the Item Number generated by the system when you create an item. Select Item Number Generation Methos as Sequence Generated. Provide the details as per the requirement and select Item Description Generation Method as User Defined

In security tab click on + create new security rule.

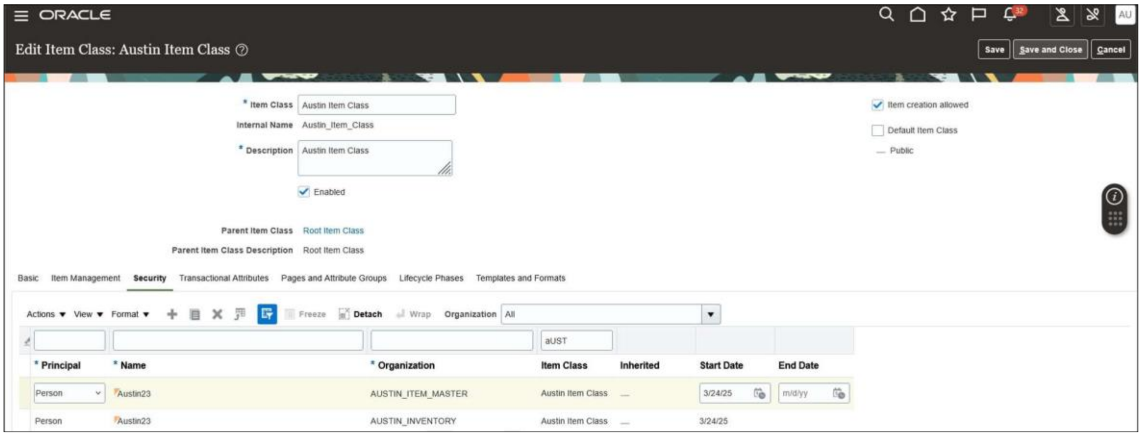


By using this Security option, we are enabling the Austin User to create items by using Austin Item Class in Austin Item Master Inventory.

In Actions, click +, We can set the permission for the user by using this option. We can define what activities user can perform and we can restrict the user from performing activities which he is not authorised with in this item class.



Select all permissions and click on Apply and OK



Click Save and Close and click on Done. We have assigned the item class to Item Master Organization. Now assign the Item Class to Inventory Organisation, repeat the same process as above from security option.

Create Item and Assign it to Inventory Organisation.

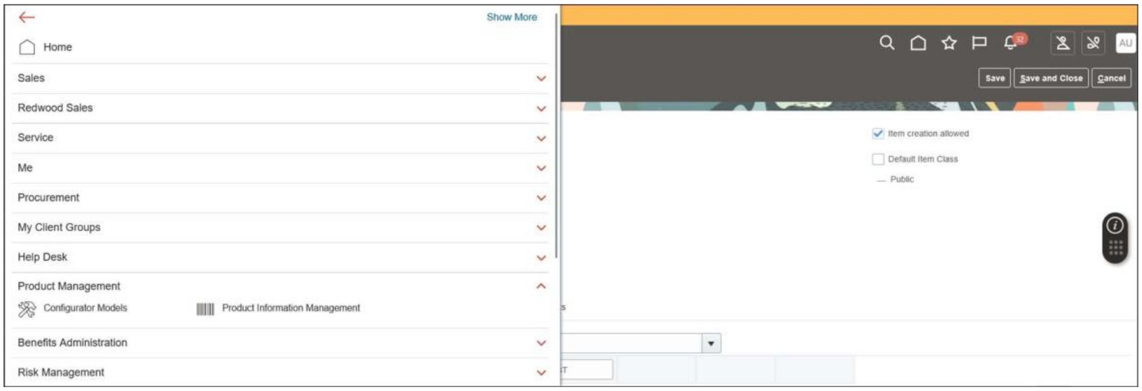
Items are used to represent products and services that you sell or transact and components that make up your products and services.

We create Items with in the Item master by using Item class. The user can create the item only if Application Implementation Consultant/ Product Manager/ Inventory related Role is assigned to him, otherwise he cannot create Item.

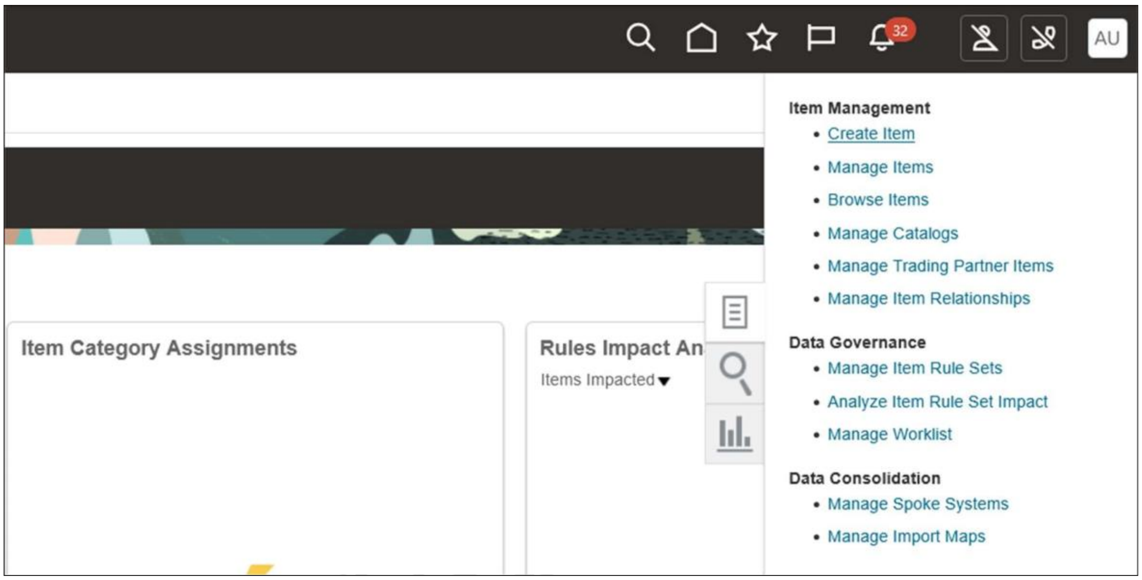
Navigation:

Login to the Instance with the user credentials >>> Click on Navigator >>> Click on Product Management >>> Click on Product Information Management >>> Click on Task List >>> Click on Create Item >>> Provide the required details based on Business Requirement >>> Click on Save and Close

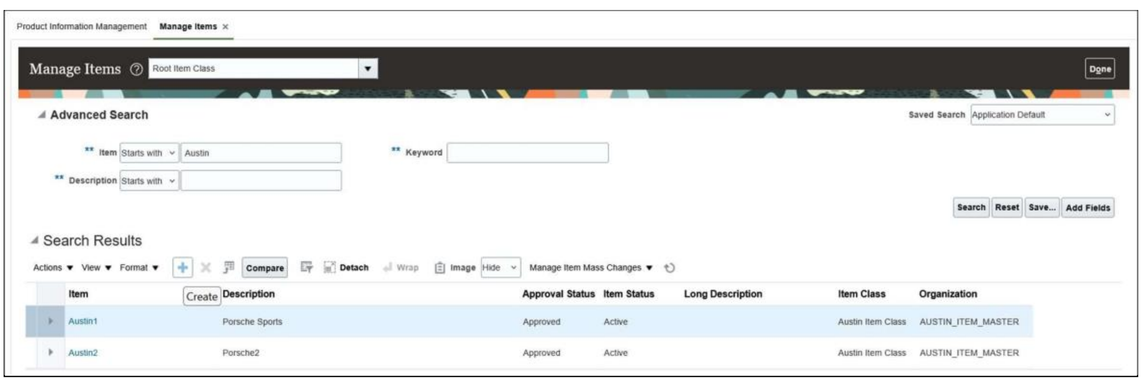
Click on Navigator.

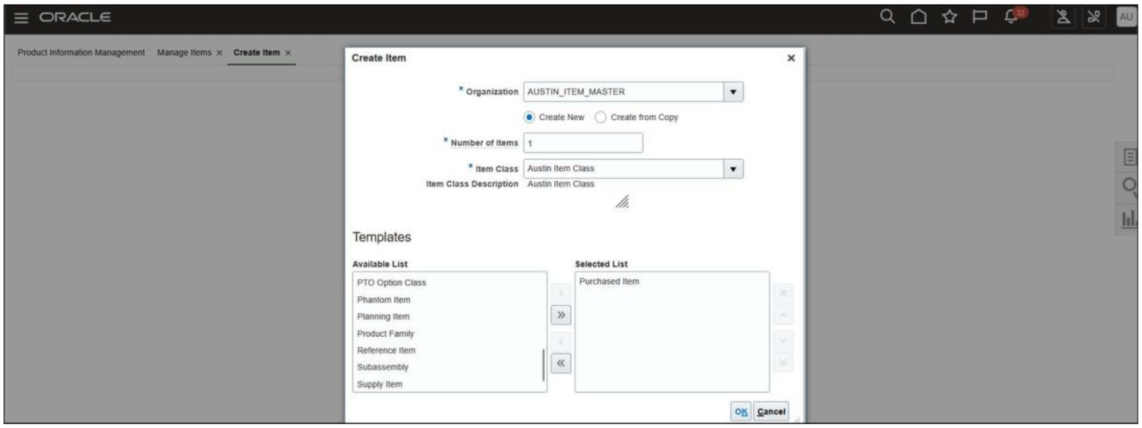


Click on Product Management, under that click on Product Information Management



From this page we can create item and can be assigned to inventory organisation. Click on Task list, Click on Create item

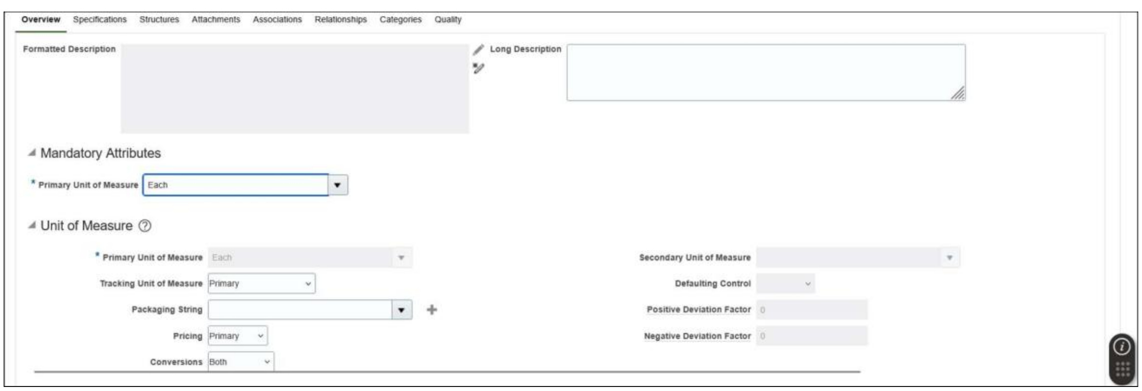




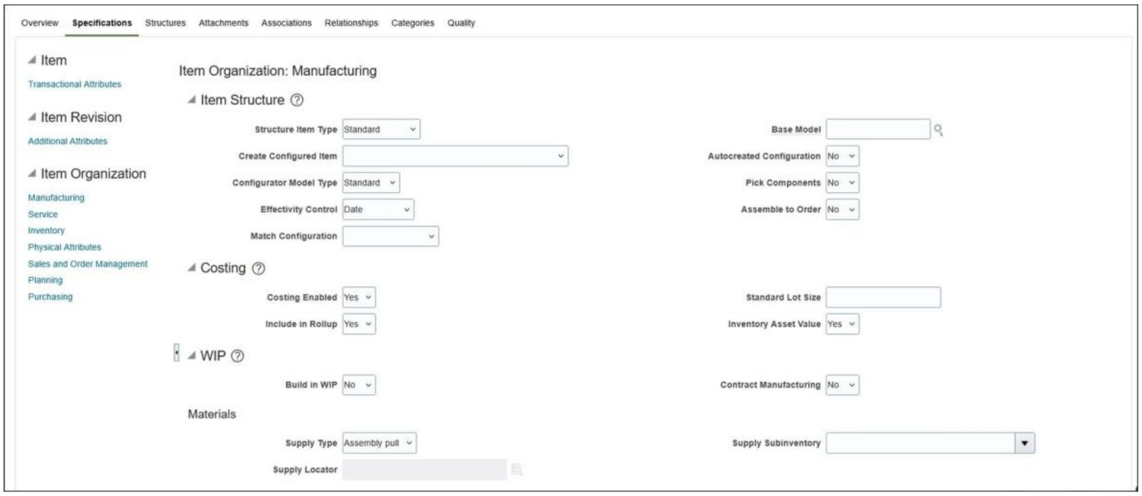
Select your Item Master Organization and Item class. When you create the item, you have set many attributes like are we going to purchase, sell or use in manufacturing other product etc.

Oracle Provides all the templates and in templates all the parameters are predefined. We can also create a new template, but as of now we will use the existing templates provided by the Oracle. You can select the one of the templates as Purchased Item which is predefined by the Oracle. All the parameters like purchase, sell, storage etc are available in this Purchased Item template. Select it and move the same to selected list. You can assign multiple templates so that what are the parameters available in the templates will be applicable for the new item. Click on OK

Provide the details as per business requirement and scroll down,



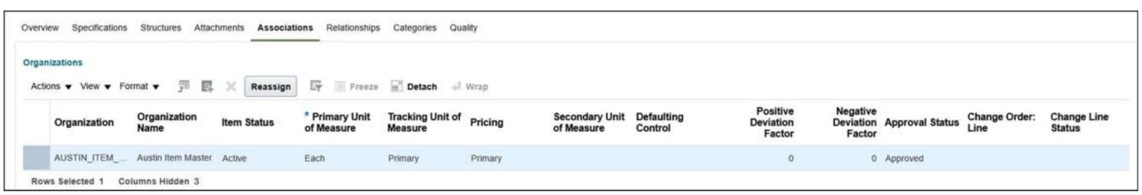
Search for Primary Unit of Measure and select it as per requirement and click on OK. You can create Primary unit of measure if required.



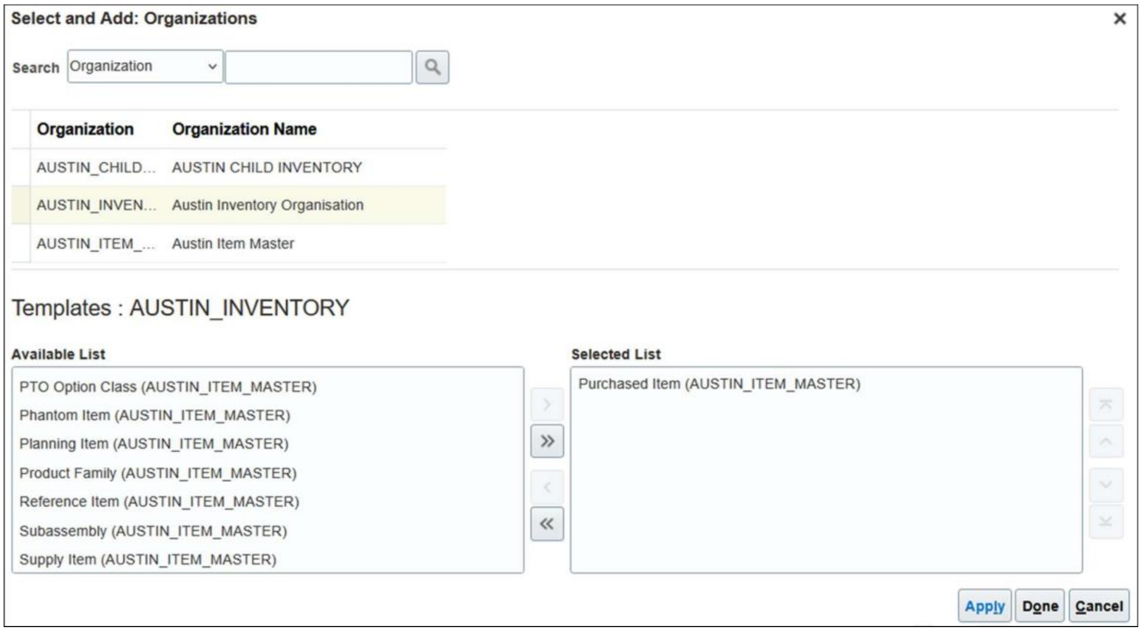
Click on Specifications >>> under that click on Inventory >>> based on the template selected it will default the values as per that template.

Likewise, all the options under Specification will default, the default the values as per the purchase template selection.

Click on Associations, The Item which we are creating should be kept in Inventory Organisation (child inventory). We have created the item in item master but, we want to assign this item to Inventory Organisation. We always maintain the stock in the Inventory Organisation.



Click on + to assign our item to Inventory Organization.



Select the Inventory Organization, Select the Purchased Item template and move it to selected list. Click on Done.

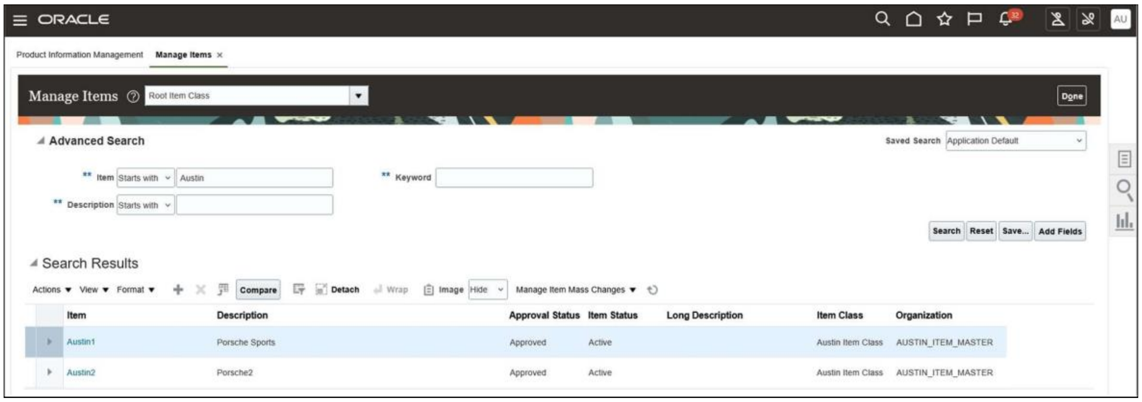
Click on Save and Close.

Check How the Items are created

Navigation:

Login to the Instance with the user credentials >>> Click on Navigator >>> Click on Product Management >>> Click on Product Information Management >>> Click on Task List >>> Click on "Manage Items" >>> Provide the required details based on Business Requirement >>> Click on Save and Close.

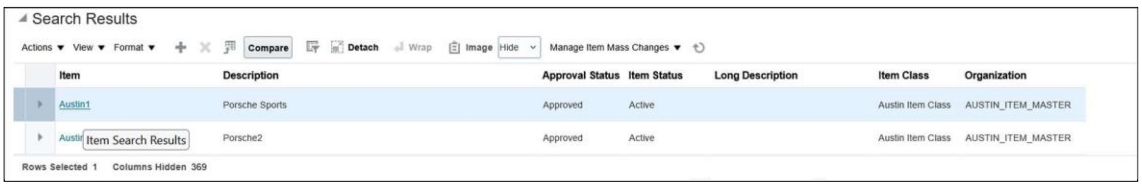
Click on Manage Items.



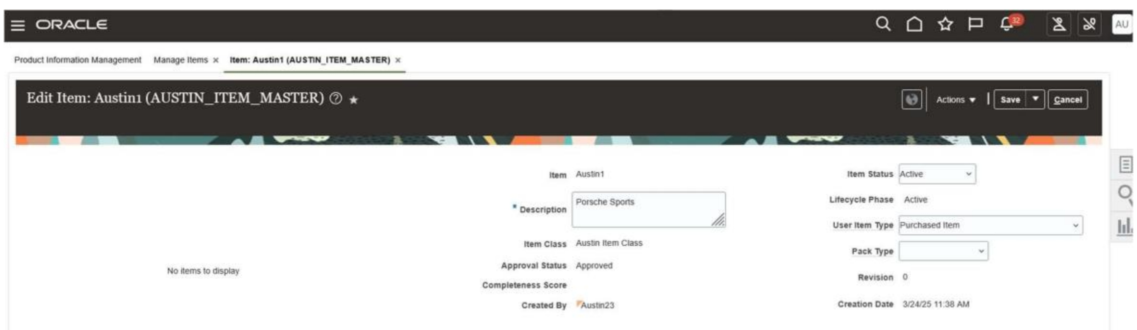
Select the Item Class as Digital Item Class and search our item with the description as show above.

We have created only one item in the Item Master Organization but the system has created two items, that is one item in the Item Master Organisation and the other in Inventory Organization (as the item is assigned to Inventory Organisation).

If you assign you item to "N" Inventory Organisations, system will create "N+1" items. We can check the same.

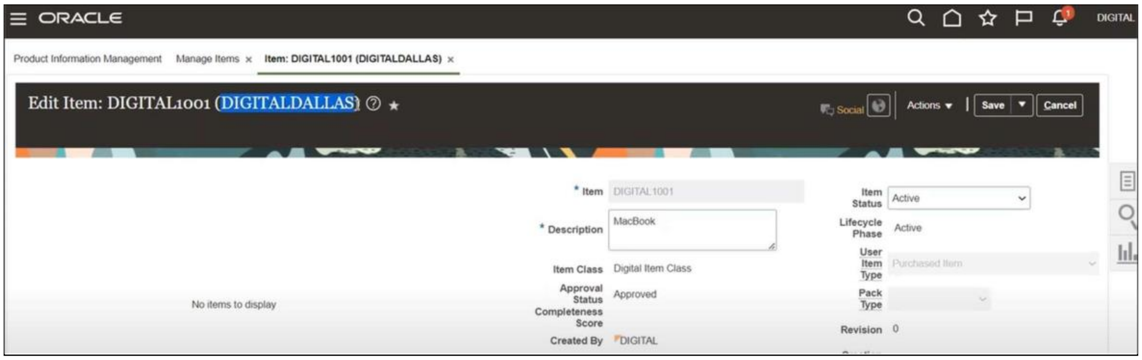


Click on the first record Item Number.



Item is created in Item Master.

Click on second record Item Number,



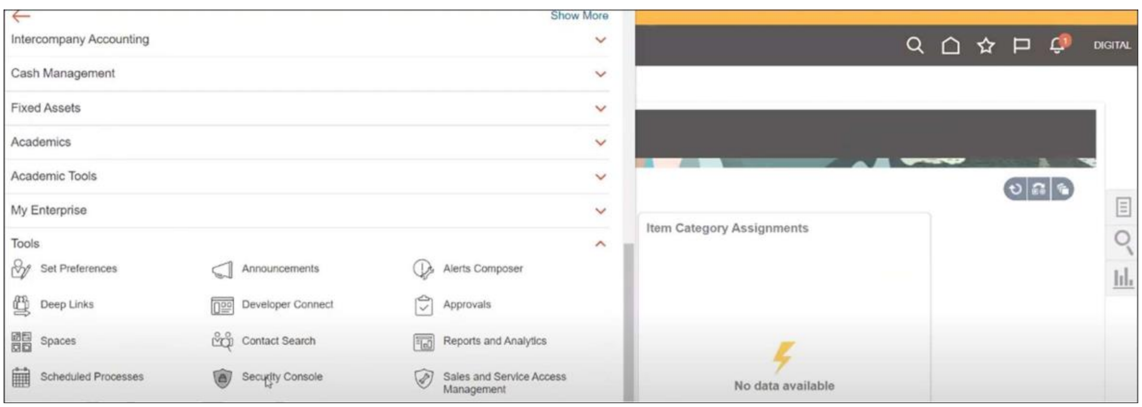
Here Item is Assigned to Inventory Organisation.

Assign Roles to the User:

As we are going to work on Purchasing and Inventory Application, we need assign Procurement Roles and Inventory Roles. Assign Data Access for Roles, For Inventory Roles we need to Assign our Inventory Organization and for Procurement Roles we need to assign Business Unit

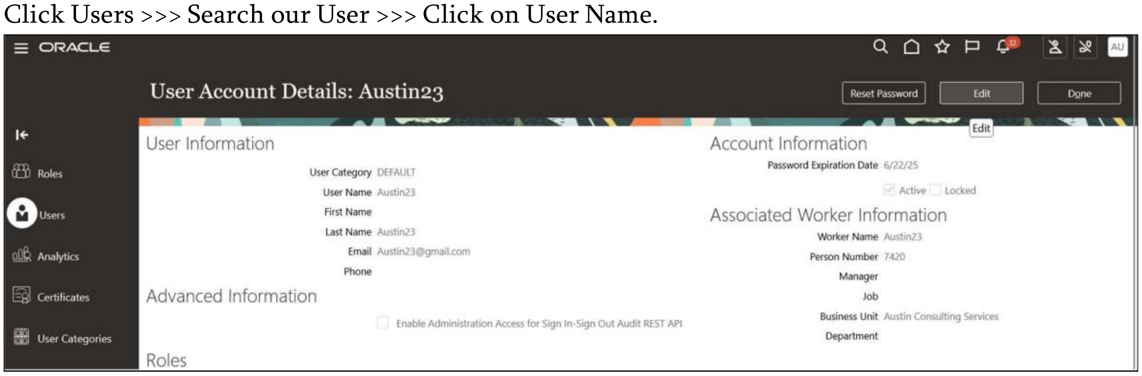
Navigation:

Login to the Instance with the user credentials >>> Click on Navigator >>> Click on Tools >>> Click on Security Console >>> Click on Users >>> Search user and open the user >>> click on Edit >>> Click on Add Role >>> Add the Roles and Click on Save and Close.

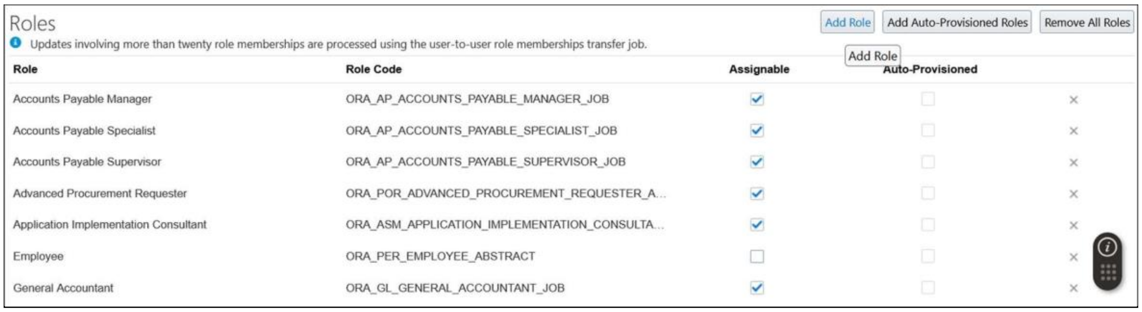


Click on Tools, in the Click on Security Console.

Click Users >>> Search our User >>> Click on User Name.



Click on Edit,



Click on Add Role and add various roles like,

ORA Inventory Manager,
ORA Warehouse Manager,
ORA Warehouse Operator,
ORA Procurement Manager,
ORA Procurement Preparer,
ORA Procurement Requestor and
ORA Advanced Procurement Requestor.

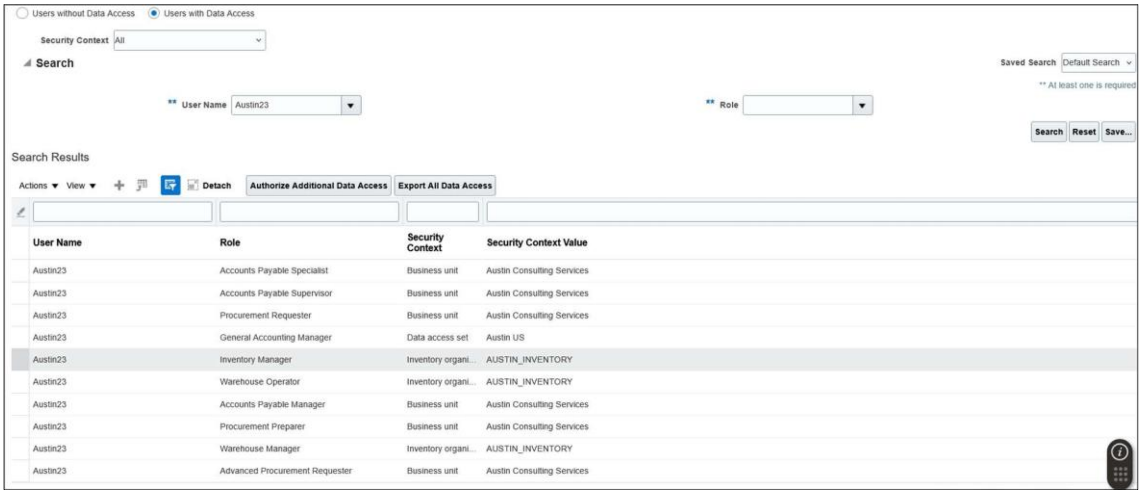
Assign Data Access for User:

Navigation:

Login to the Instance with the user credentials >>> Click on User Name >>> Click on Setup and Maintenance >>> Click on Tasks list >>> Click on Manage Implementation Projects >>> Search your Project and Click on the same (if you have multiple projects) or Click on Overview (if you have only one Project) >>> Select you Project >>> Search for the Task "Manage Data Access for Users", click on it >>> Select the task and click on Go to Task icon >>> select your BU, click on OK >>> Provide the details as per the Business Requirement >>> click on save and close >>> click on Yes.

Click on the Task.

Click on + to create,



Select User, Role, Security Context and Security Context Value.
For Procurement Related Roles the Security Context is Business Unit and Select the Our Business Unit
For Inventory Related Roles, the Security Context is Inventory Organisation and select the Our Inventory Organization. Click on Save and Close.

Run LDAP

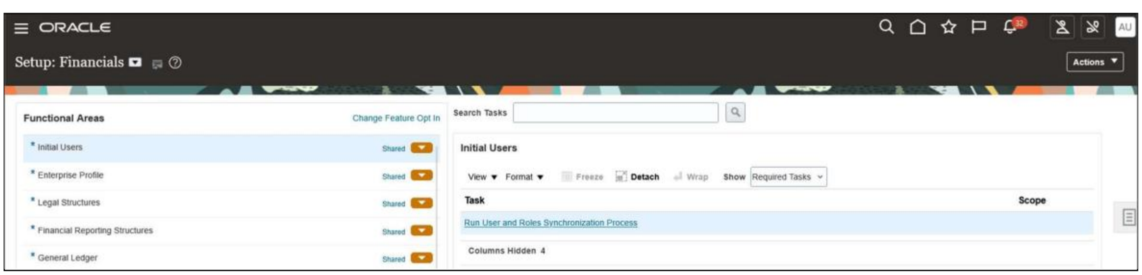
Navigation:

Login to the Instance with the user credentials >>> Click on User Name >>> Click on Setup and Maintenance >>> Click on Run User and Roles Synchronization Process

Or

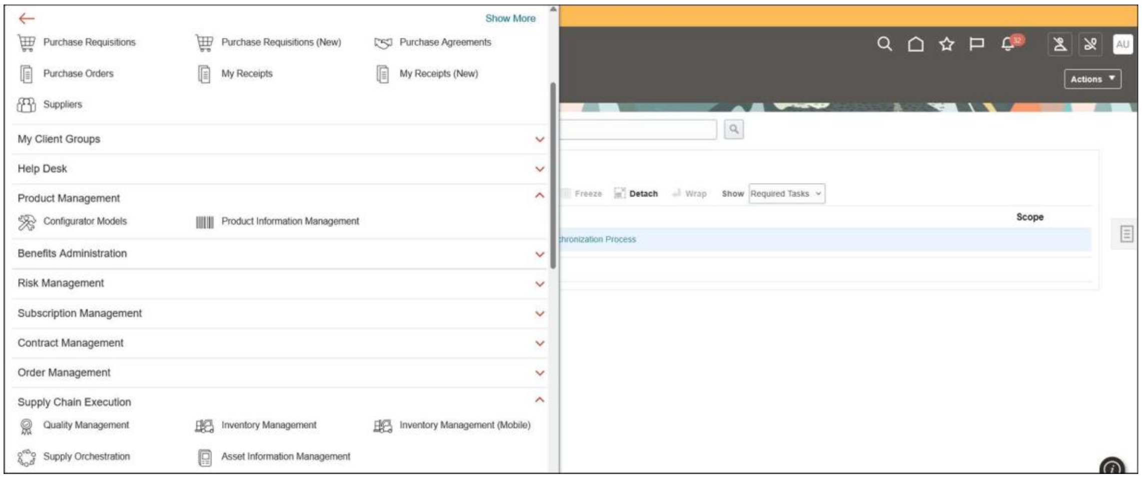
Login to the Instance with the user credentials >>> Click on Navigator >>> Click on Tools >>> Click on Scheduled Processes in Tools >>> Click on Schedule New Process >>> Type LDAP it will fetch the task , Select Retrieve Latest LDAP Changes and click on OK >>> Click on OK >>> Click on Submit and OK.

Refresh the Page until the status of job is changed to succeeded. Once it is Succeeded Logout and Re-Login again to see the synchronization results.



Click on Run User and Roles Synchronization Process.

Click on Submit. Now whatever roles we have assigned to User and whatever Data we have assigned to roles that's need to be Synchronised. For Synchronising all these we Run LDAP (Lightweight Directory Access Program).



On the successful completion of the LDAP job, we can go and check under the Navigator, we have Procurement, Now the system has added other tasks as above.
In Supply Chain Management also the system has added few tasks as above.

With the help of Procurement, you can create the Purchase Requisitions and Purchase Orders.
With the help of Supply Chain Management, you can create the Receipt of Material and Maintain the Stock.

Procure to Pay Cycle

Set Requisition Preferences:

Now we are ready with the setups for testing P2P Cycle, but before testing P2P Cycle we need to complete once setup called as Requisition Preferences, without creating Requisition Preference you cannot create the Requisition and System will not allow the same.

Requisition preferences are default information that can be set for creating requisitions such as,

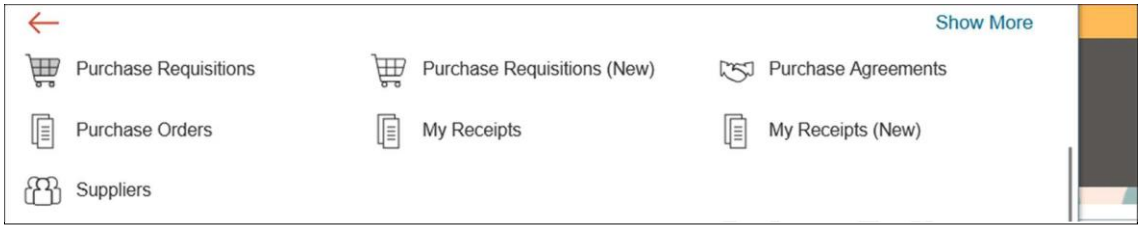
- Currency: The default currency for new requisition lines
- Destination: The default destination for new requisition lines
- Project: The default project for new requisition lines
- Sourcing: The default sourcing for new requisition lines
- Requisitioning BU: The default requisitioning business unit
- Delivery defaults: The default delivery information
- Billing defaults: The default billing information

- Project Costing defaults: The default project costing information
- Charge accounts: The default charge accounts etc.

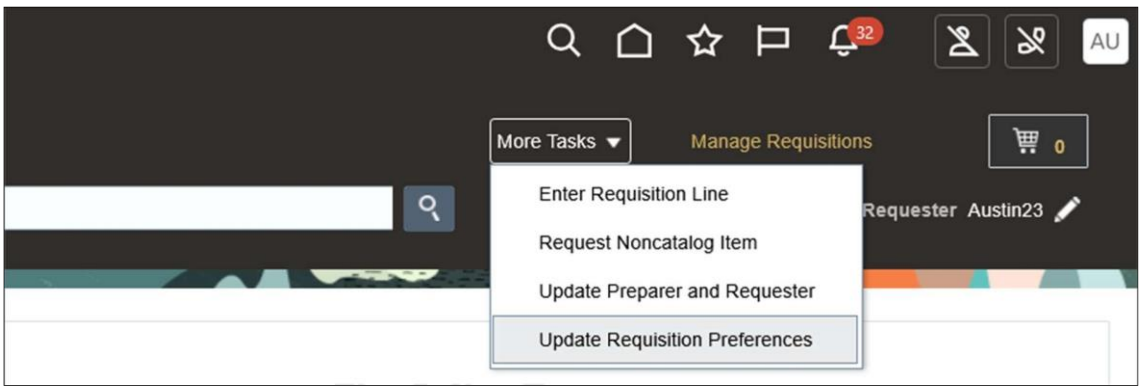
Navigation

Login to the Instance with the user credentials >>> Click on Navigator >>> Click on Procurement >>> Click on Purchase Requisitions >>> Click on More Tasks and Click on Update Requisition Preferences >>> Provide data based on Business Requirement >>> Click on Save and Close.

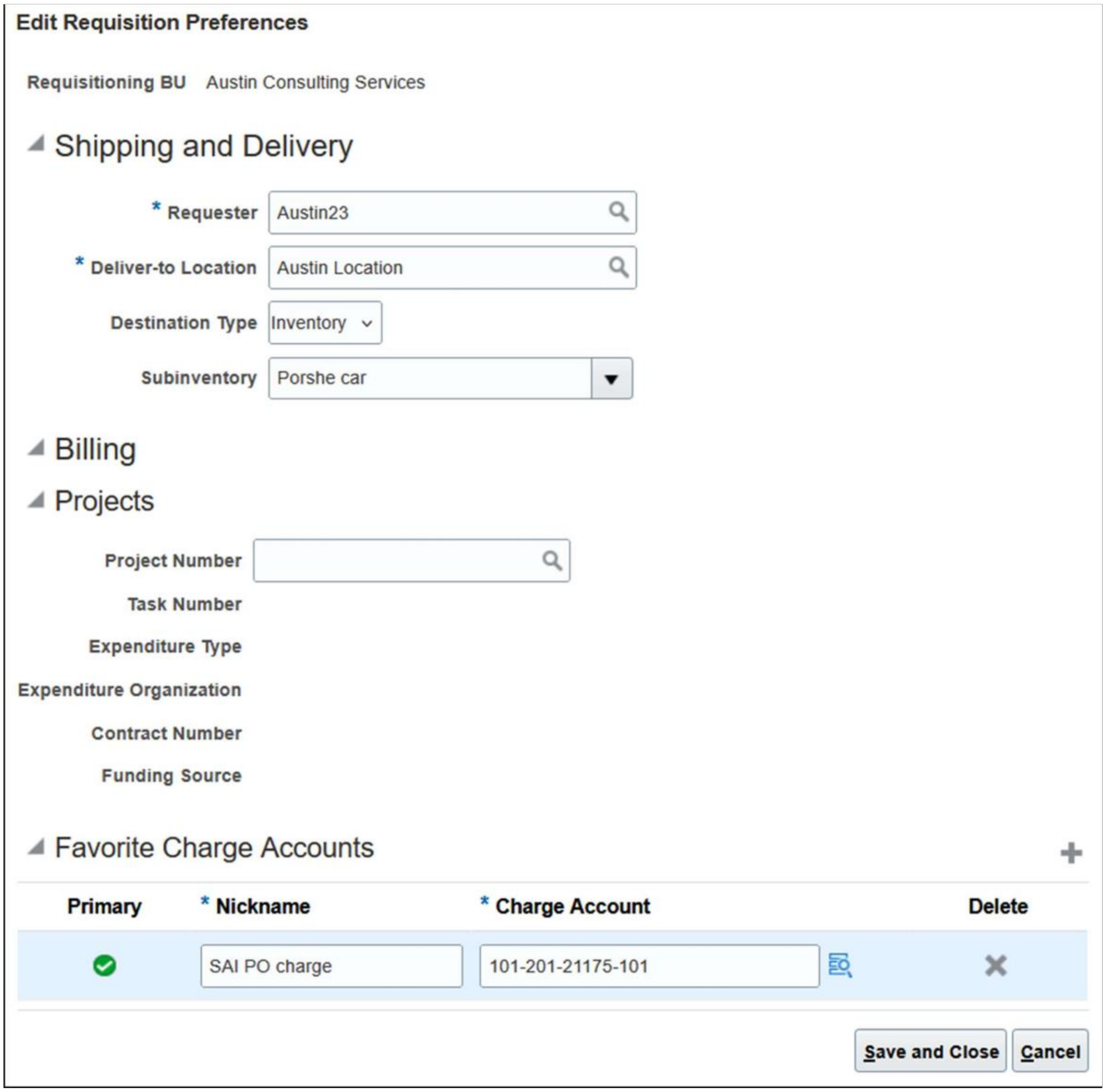
Click on Navigator



Click on Purchase Requisitions



Click on More Tasks and Click on Update Requisition Preferences.

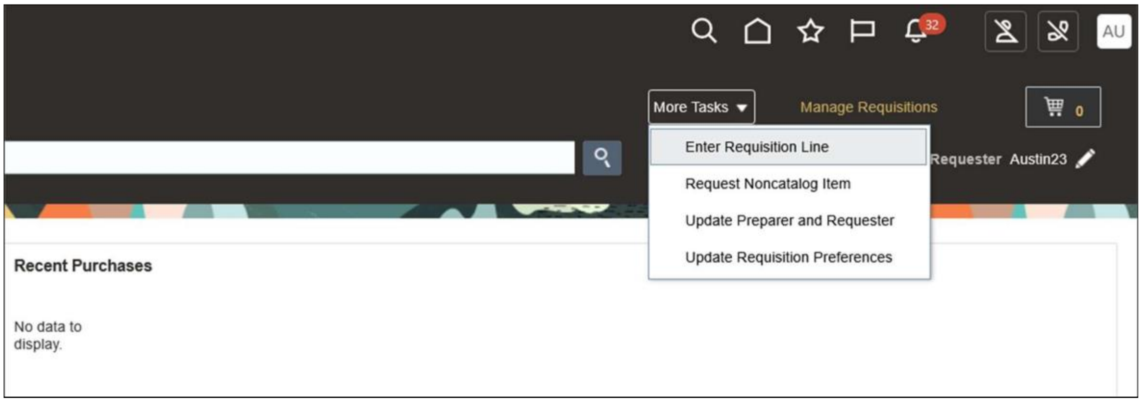


Provide the data based on the Business Requirement. Now we are ready with Requisition Preferences and start working on P2P Cycle.

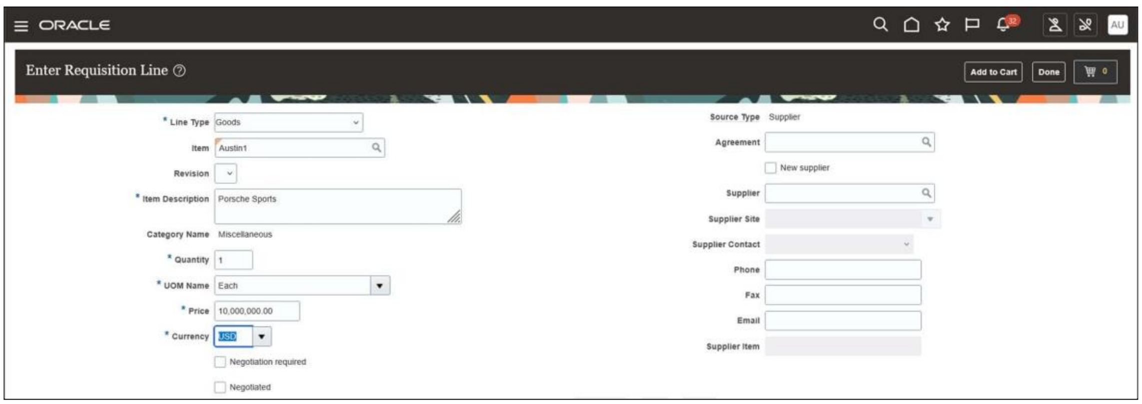
Create Purchase Requisition:

Navigation

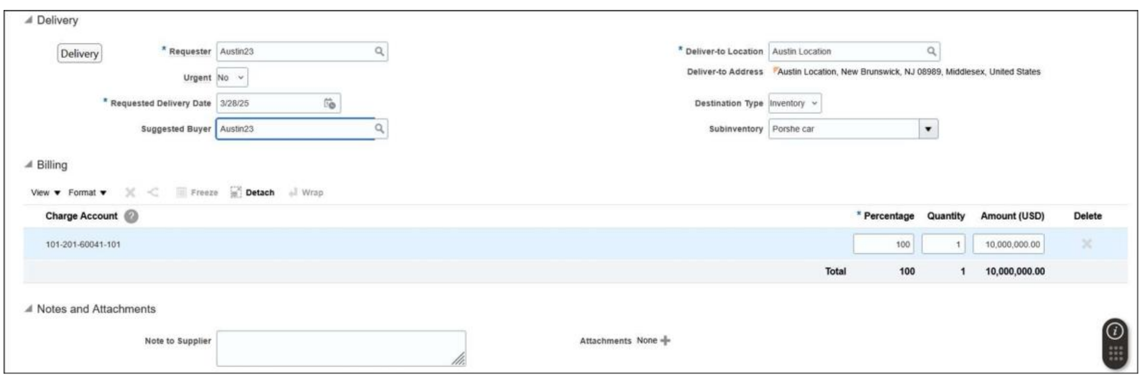
Login to the Instance with the user credentials >>> Click on Navigator >>> Click on Procurement >>> Click on Purchase Requisitions >>> Click on More Tasks and Click on Enter Requisition Line >>> Provide data based on Business Requirement >>> Click on Save and Close.



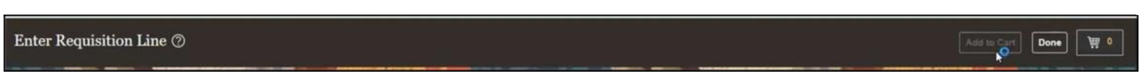
Click on More Tasks and Click on Enter Requisition Lines.



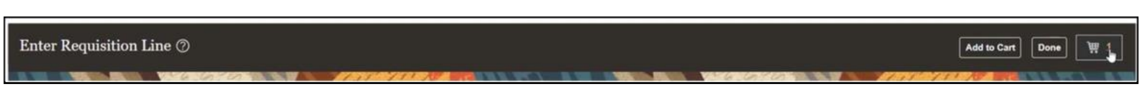
Provide all the details based on the Business Requirement.



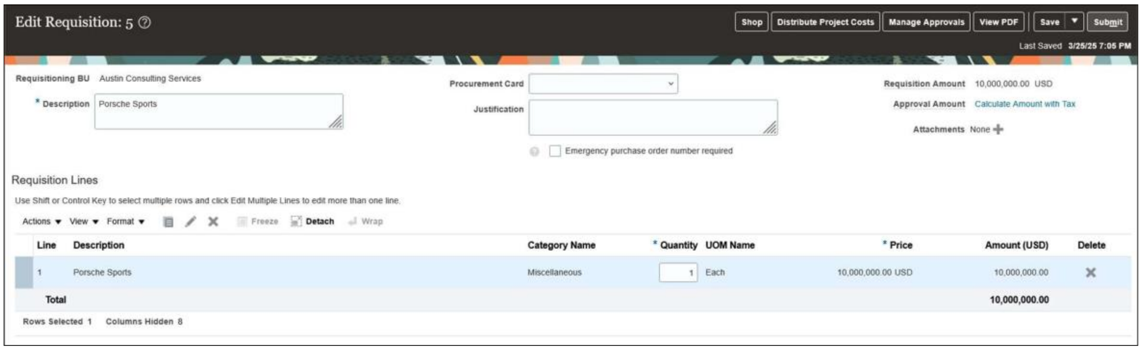
Provide all the details based on the Business Requirement and the Charge Account is derived from the PO TAB



Click on Add to Cart, you can create one line or multiple lines and add to cart.



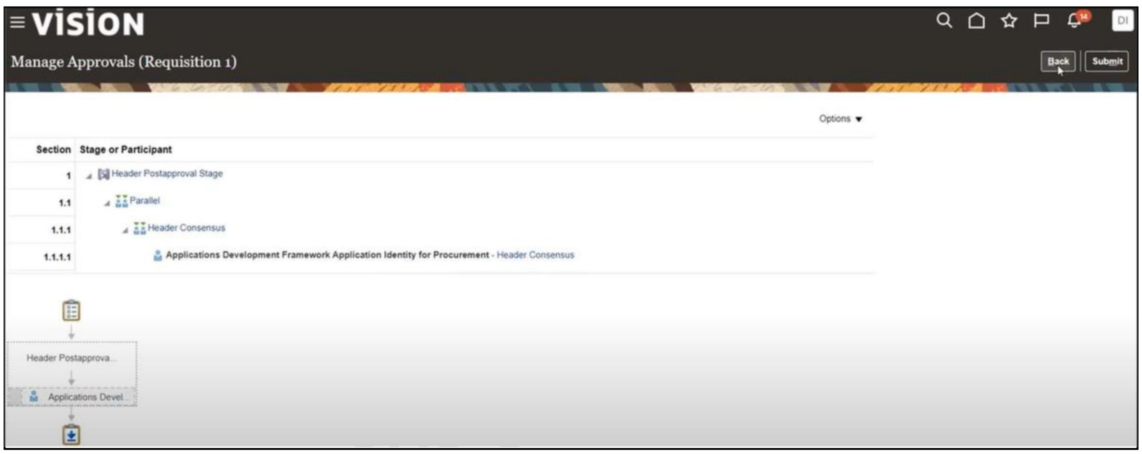
Click on line what we have selected in the Cart.



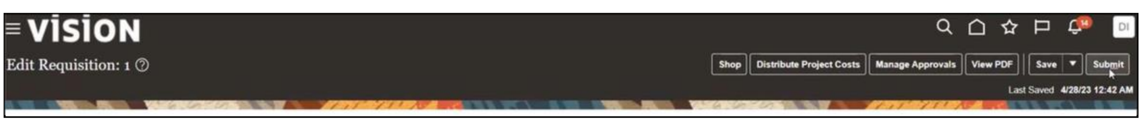
If you click on Submit, System will create Purchase Requisition and Submit for Approval.

Before you Submit, Click on Review to see based on this line how system is going to create the Purchase Requisition. System has created Purchase Requisition with Number 1, if we want, we can create number as per our requirement we can create with help Document Numbering setup.

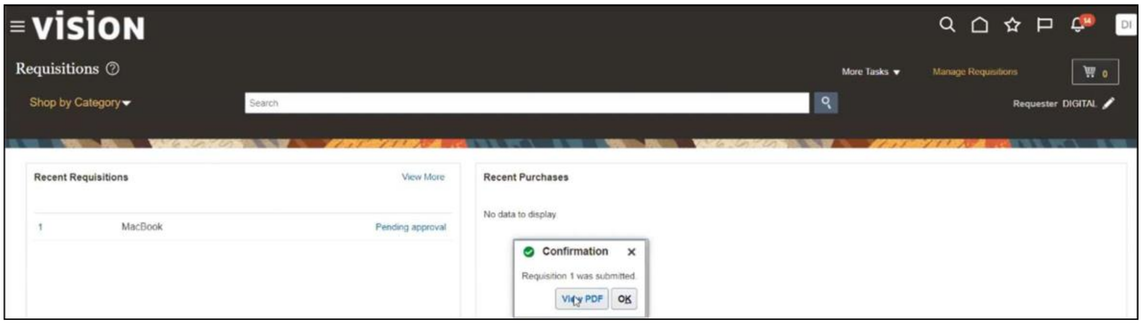
If I click on Manage Approvals, you can see who is the Approver for this Purchase Requisition.



You can see, the Approver is Application Development Framework Application Identity for Procurement, it means it is system Approval. As we have configured Auto Approval Rule for Purchase Requisition, system will automatically Approver the Purchase Requisition. Click on Back or click on Submit form here itself if everything is ok



You can also submit here, if you have not submitted in the Approval page. If you click on Submit, the system will send Purchase Requisition to the Approver. Once the Requisition is Approved, we can create the Purchase Order based on the Purchase Requisition Document.



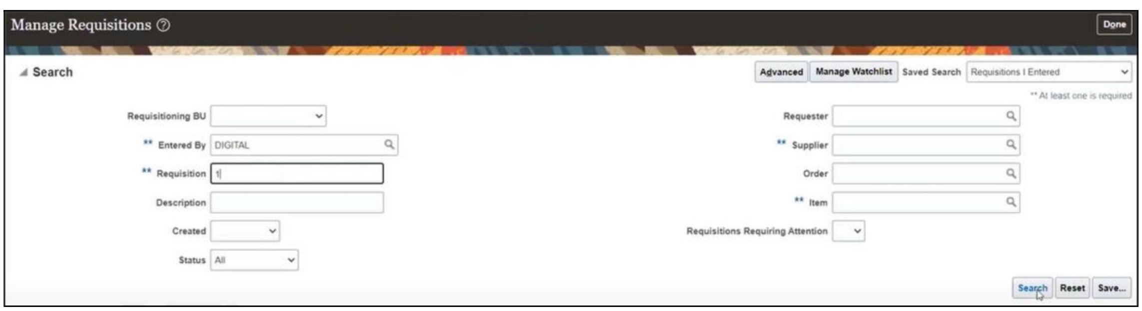
If you want view how Purchase Requisition is created you can click on View PDF and view the same.
It will take some time when you are creating PR, PO or Invoice for the very first time as the system need to check all the rules and it will create it.

Manage Purchase Requisitions:

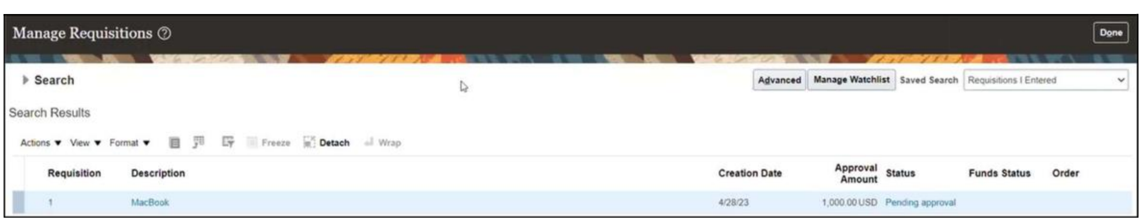
Navigation

Login to the Instance with the user credentials >>> Click on Navigator >>> Click on Procurement >>> Click on Purchase Requisitions >>> Click on Manage Requisitions >>> Search with the Requisition Number >>> View the status of the Purchase Requisition.

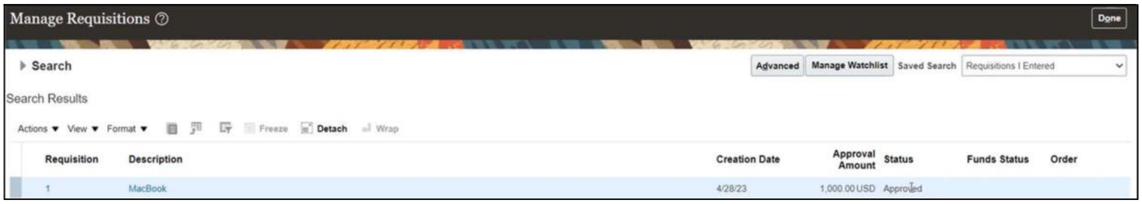
To check the status of the PR, click on Manage Requisitions.



Check the PR with the help of Requisition Number as 1 and click on search.



The Status for Our PR is Pending for Approval, once it is Approved by the Approver then the status will be changed to Approved



Now our Requisition Status is Approved and click on Done.

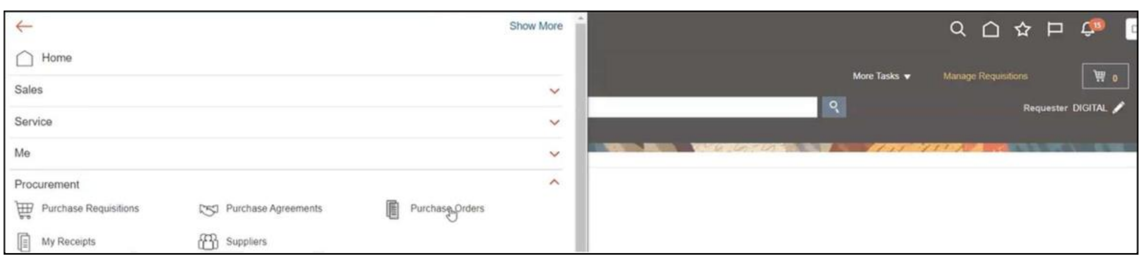
Convert Purchase Requisition to Purchase Order:

Once it is Purchase Requisition is Approved, you can convert this Purchase Requisition into Purchase Order or you Create Purchase Order through manual process. Now let’s see how to convert PR to PO.

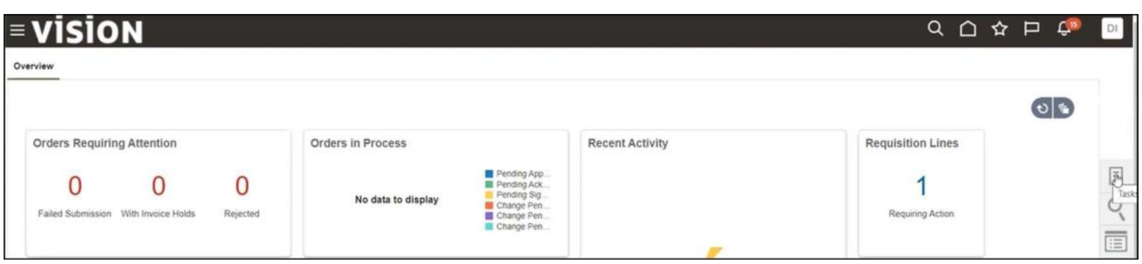
Navigation

Login to the Instance with the user credentials >>> Click on Navigator >>> Click on Procurement >>> Click on Purchase Orders >>> Click on Task List >>> Click on Process Requisitions (It’s like Auto create PO) >>> Provide data based on Business Requirement >>> Click on Save and Close.

Click on Navigator

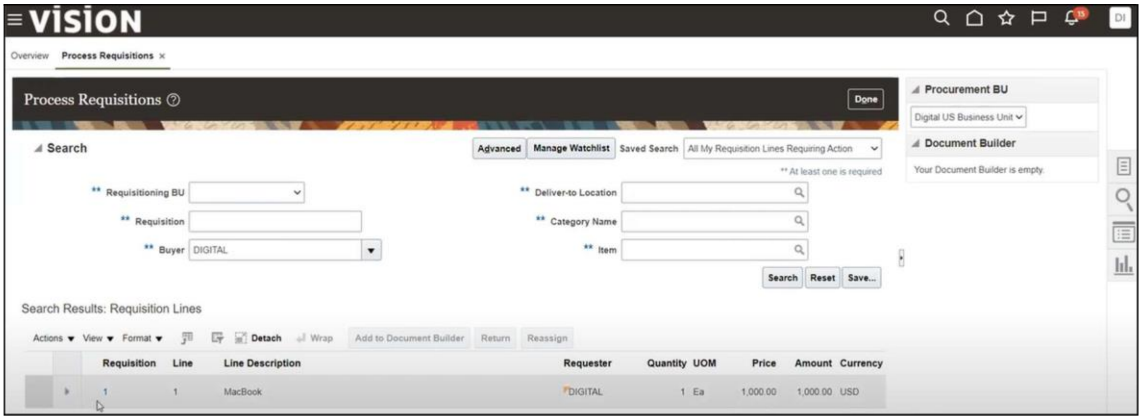


Click on Procurement, under that click on Purchase Orders

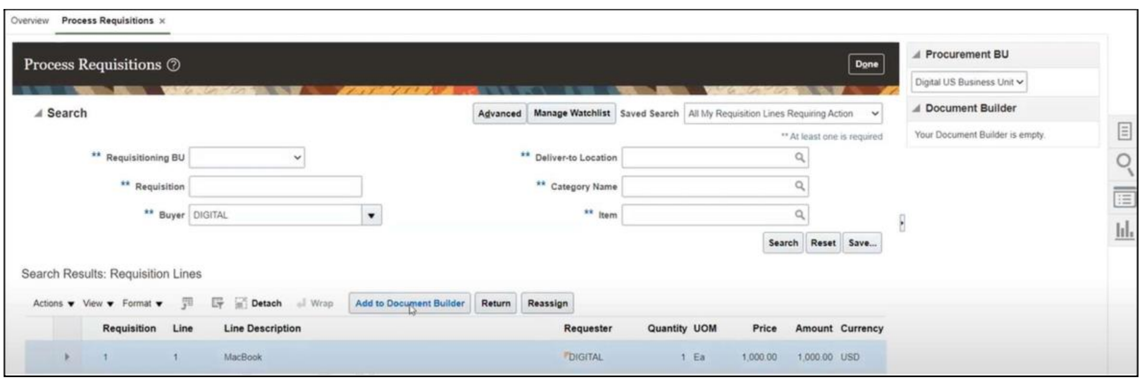


Click on Tasks.

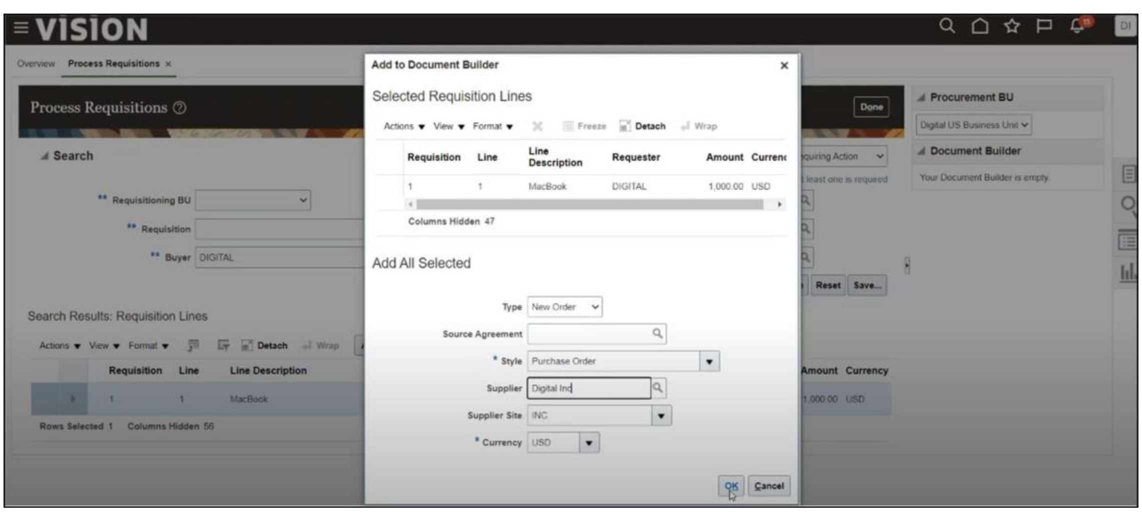
Click on Process Requisitions under Requisitions. Its is equal to auto create PO, system will automatically create the PO.



Only approved Purchase Requisitions can be converted into Purchase Order. You can only see the approved Purchase Requisitions in this page, otherwise you cannot see it here. If you have many Requisitions you can search with the help of Requisition Number.

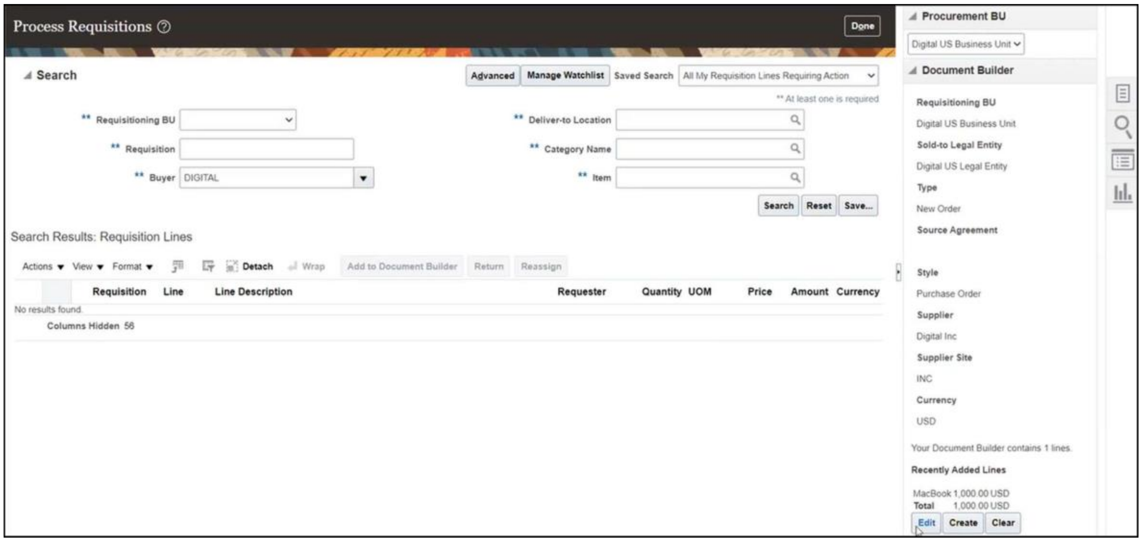


To convert this PR into PO, select the record and click on Add to Document Builder

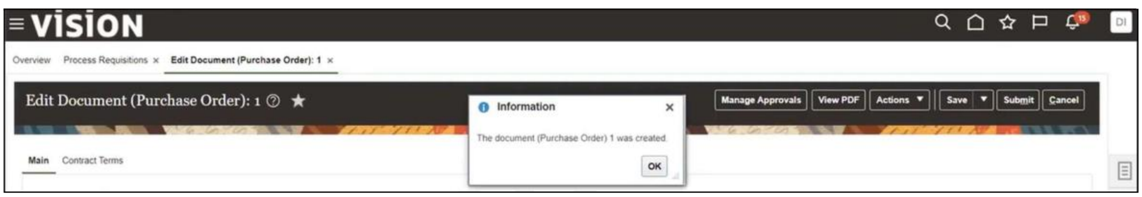


Provide the mandatory details and click on OK.

If you want to create Purchase Order, Supplier information is mandatory, without supplier we cannot create the PO. We may not see the Supplier Information is mandatory but its mandatory.

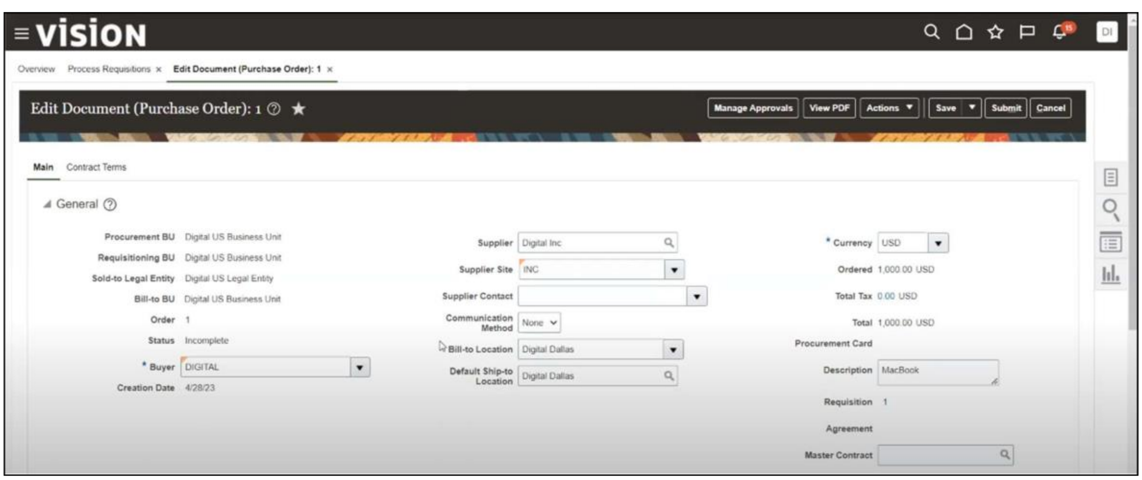


By copying the details, the system will create draft PO. If you want to modify anything in this PO, we can modify by clicking on Edit option or if everything is fine and good to go then click on Create.

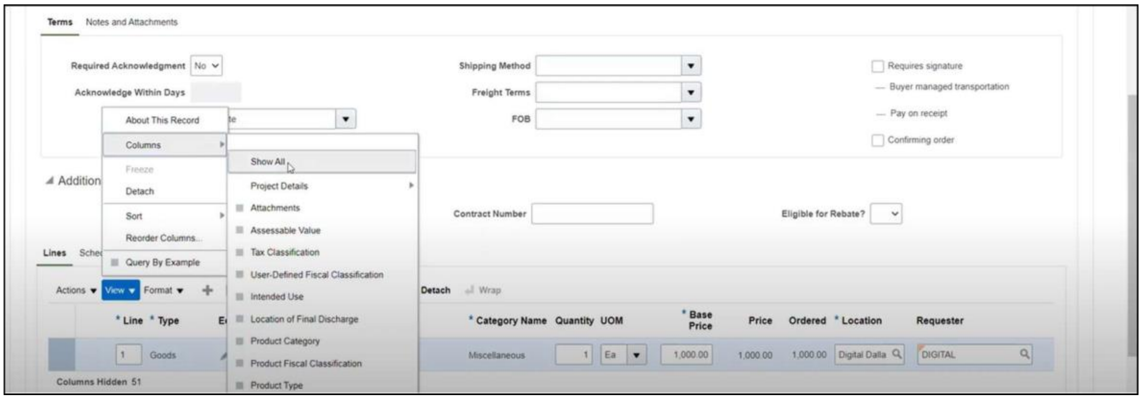


Now system has created Purchase Order with document number as 1, click on OK.

As part of P2P setups, we have configured the approvals rules for Purchase Order also as auto approvals. If Procurement BU is equal to Digital BU, we have set as approval as automatic and out outcome is set Approved.

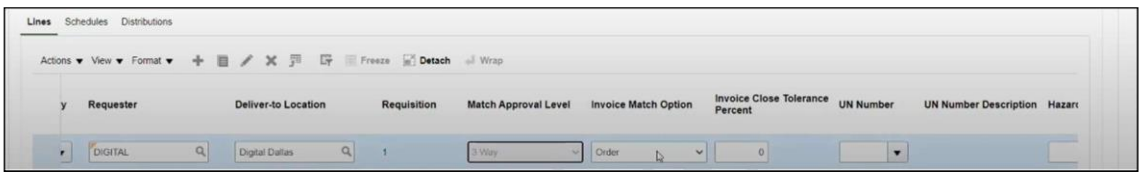


Provide the Details based on the Business Requirement.



After creating Purchase Order, we have to create the Payable Invoice against that PO. While creating the Invoice what parameters the system has to check, whether only Purchase Order in enough or along with the PO even the receipt of the material is also required, that we can define here in this page only.

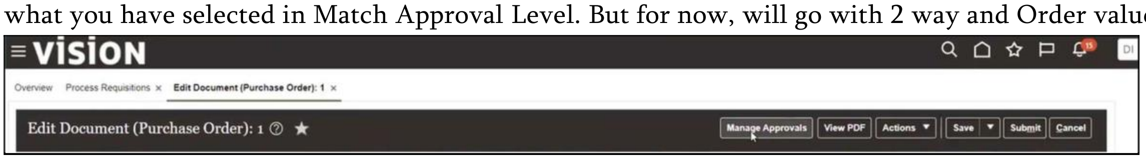
Click on Lines >>> click on Columns >>> click on show all >>> You can view all the hidden columns are enabled for viewing and for modifying.



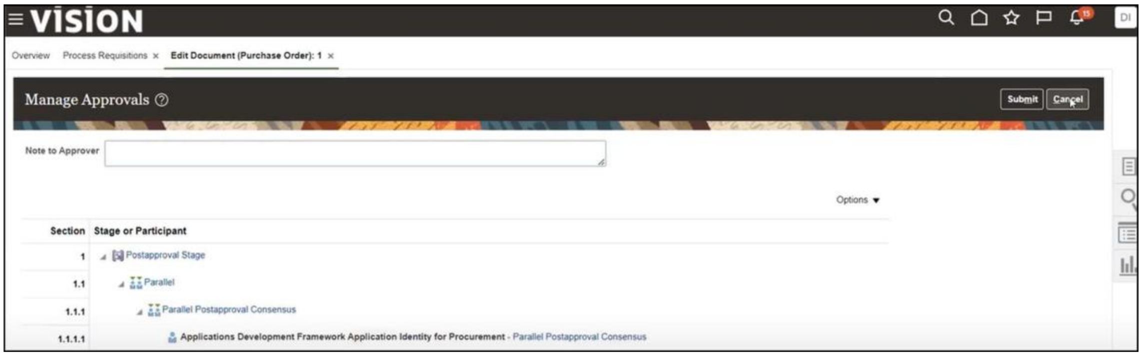
You can scroll right to see the field called as Match Approval level as 2way, 3 way or 4way and Invoice Match Option as Order or Receipt.
As System has created PO based on the PR line, system is defaulting Match Approval Level as 3 way and Invoice Match Option as Order which we have configured as part of Configure Procurement Business Functions.

> We can modify the terms as per the Business Requirement. If you select Match Approval Rule as 3 Way and Invoice Match Option as Receipt then there should be a PO and Receipt against that PO, otherwise you cannot create the invoice in the payables with this PO.

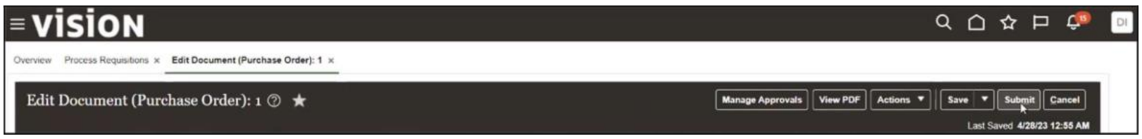
Make Sure *Invoice Match Option is selected as Order*, system will strictly follow this field irrespective of what you have selected in Match Approval Level. But for now, will go with 2 way and Order values.



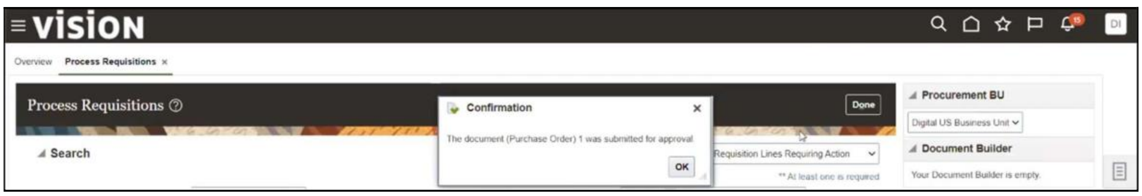
Click on Manage Approvals to see who is the Approver for this PO based on Approval Rules, when you click on Submit.



We can check who is the Approver and the Approval Hierarchy, as we have set the Approval Rule for PO Creation as Automatic Approval, the PO gets approved automatically by the system. Click on Cancel



When you click on Submit, the PO will be sent to the respective Approver for the Approval.



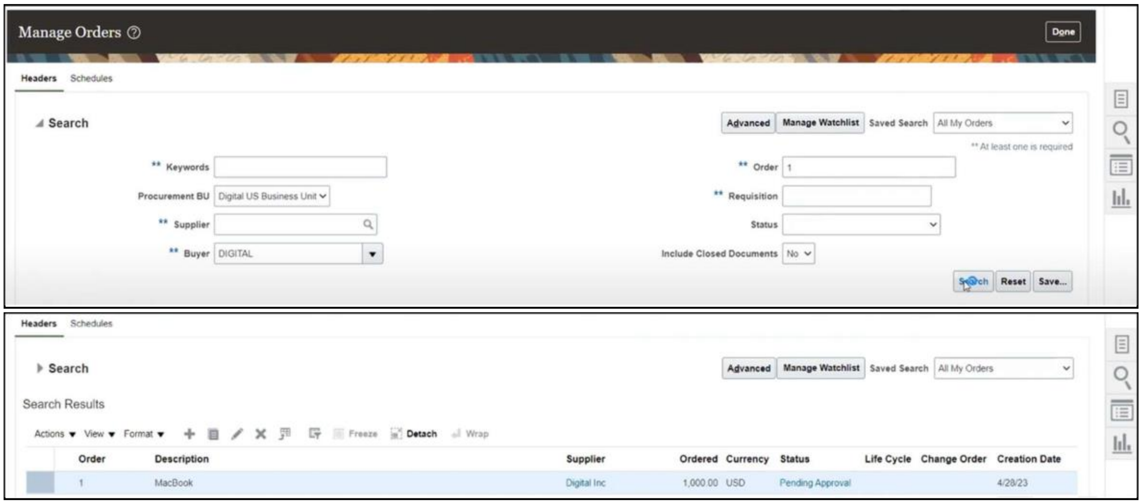
Click on Ok

Manage Purchase Orders:

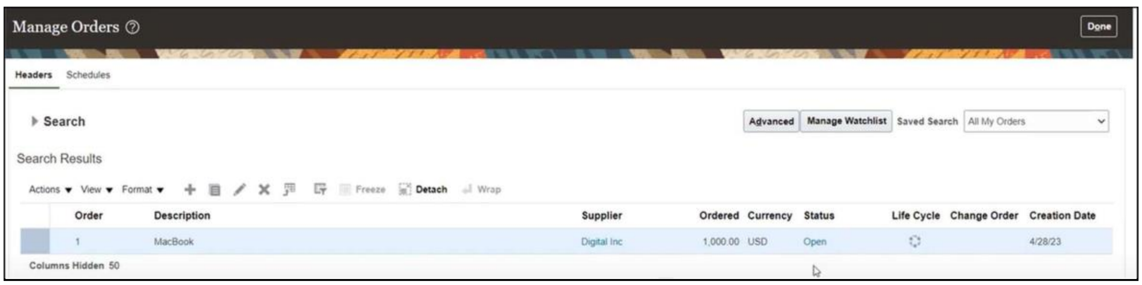
Navigation

Login to the Instance with the user credentials >>> Click on Navigator >>> Click on Procurement >>> Click on Purchase Orders >>> Click on Manage Orders >>> Search with the Order Number >>> View the status of the PO.

Click on Manage Orders to check the Status of PO.



You can search your PO based on the Order number, give order number click on Search, the status of the order is Pending Approval.



When the PO is Approved, the status will be updated as Open, Open means it is open to create invoice and receive the material. We have to understand that the PO is Approved when the status is Open. Click on Done.

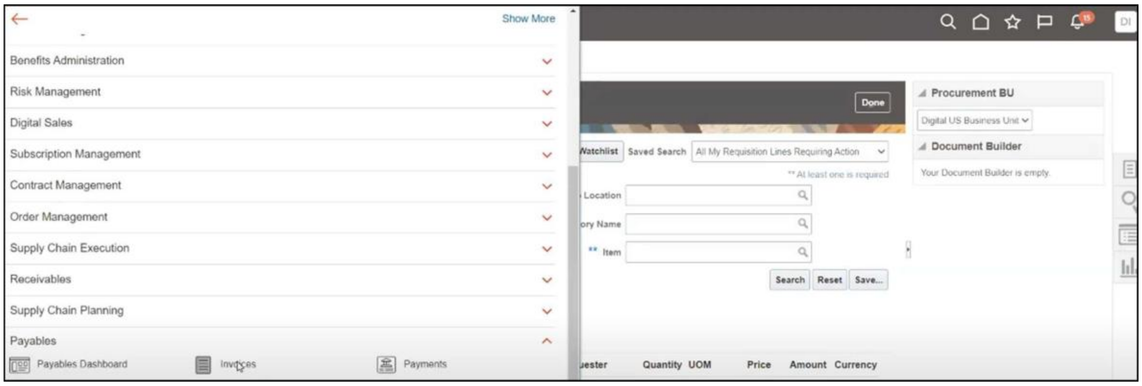
Since PO is approved and at the Match Approval level we have configured as 2way and Invoice Match Option as Order we are can create an Invoice in Payables Application based on this Purchase Order.

When you create the Invoice in the Payables Application, system will copy the information from Purchase Order only certain details in Header. The Lines and Distribution will be created in the Payables based on information which is available.

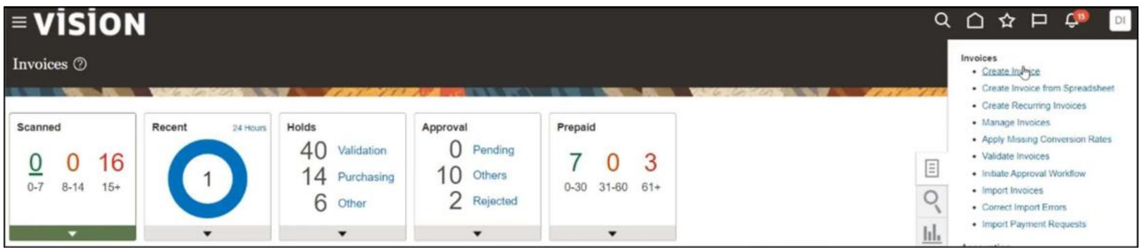
Creation of Invoice Based on Purchase Order:

Navigation

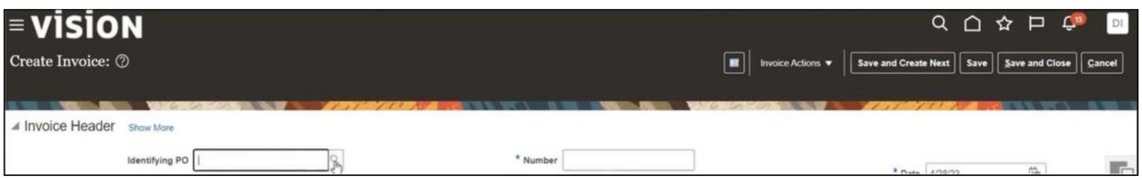
Login to the Instance with the user credentials >>> Click on Navigator >>> Click on Payables >>> Click on Invoices >>> Click on Tasks >>> Click on “Create Invoice” Search with the Order Number >>> Select the PO >>> Provide the Header Level, Line Level and Distribution level details >>> Click on Actions and click Validate >>> Click on Actions and click on Post to Ledger



Click on Navigator, Click Payables and click on Invoices

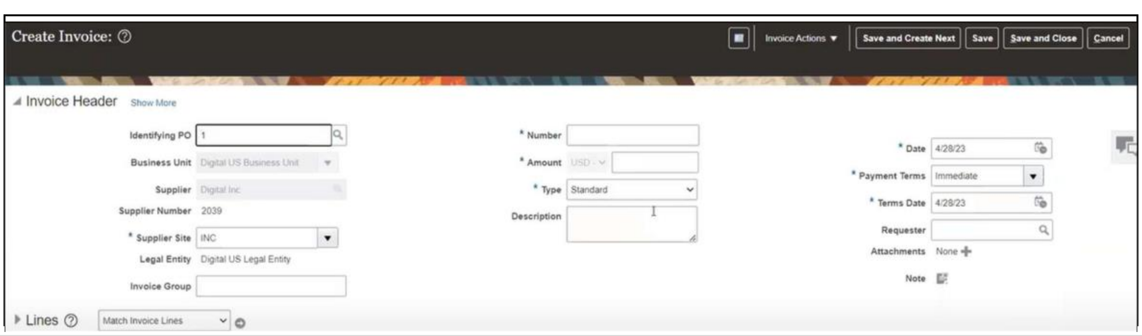


Click on Tasks, click on Create Invoice

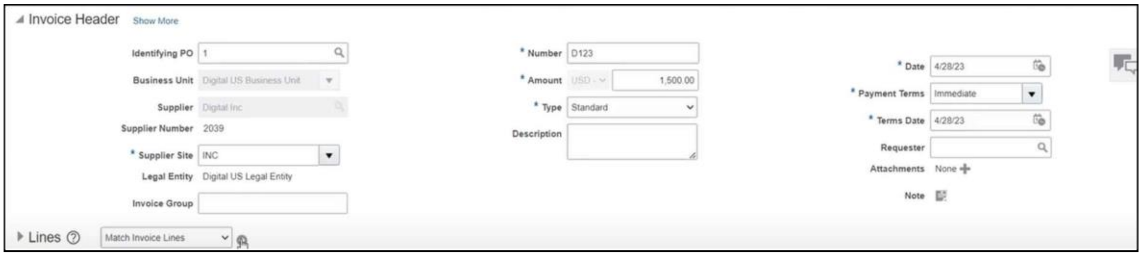


As we are creating invoice based on the PO, we have to select our PO number through search.

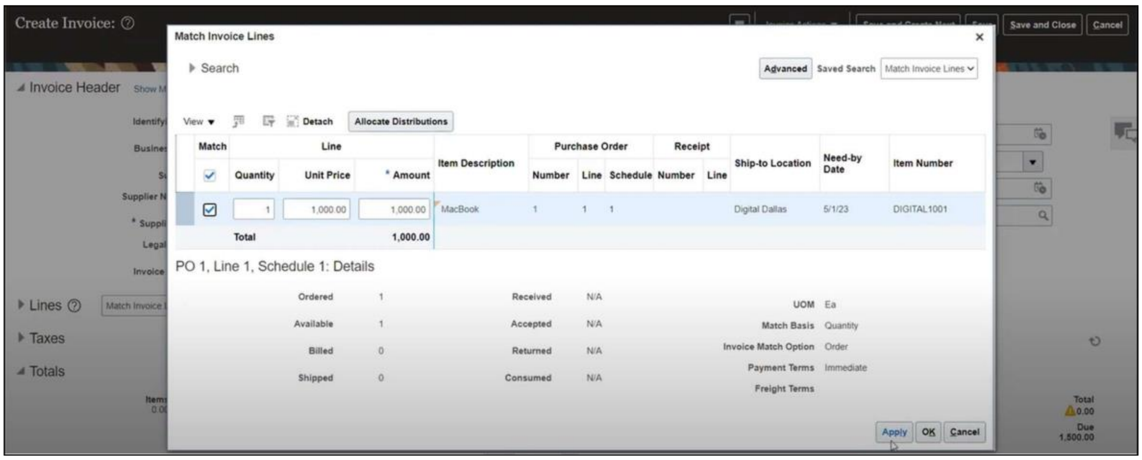
Search our PO number, select it and click OK



You can see that Supplier, Supplier site and Currency are auto populated and greyed out as they are copied from the PO.

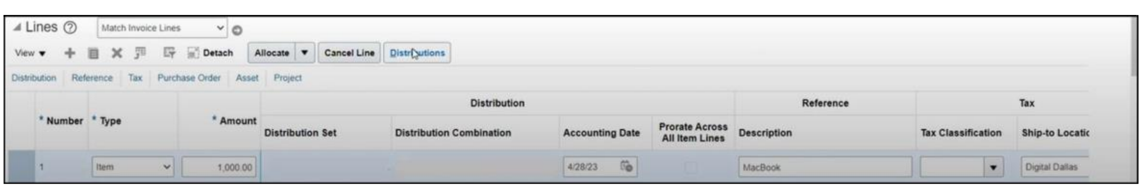


Provide the mandatory details as per the Business Requirement and click on Go in Lines >> Match Invoice Lines.

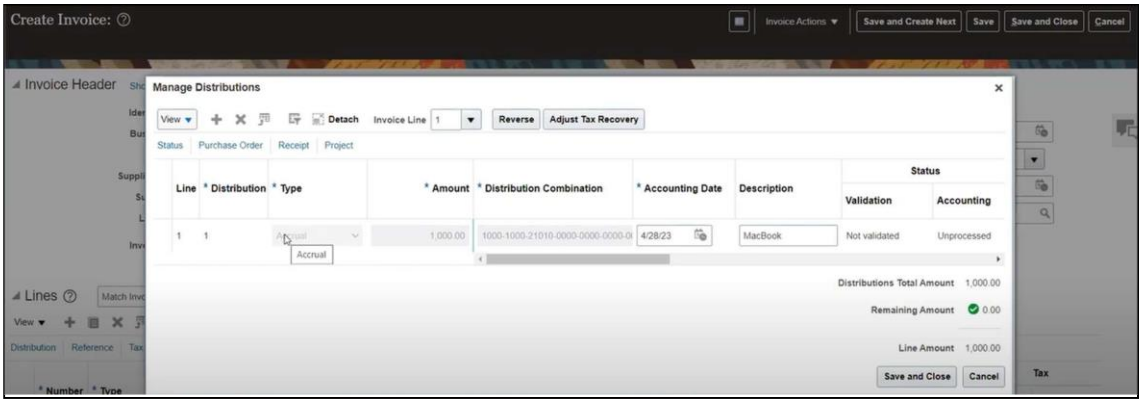


You can enable the check box and modify the details if required otherwise you can click on Apply and OK.

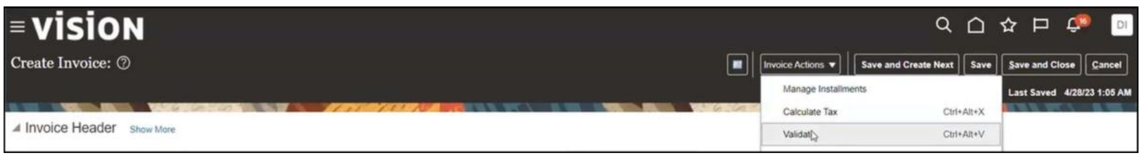
Now the system has created Invoice line based on the PO line.



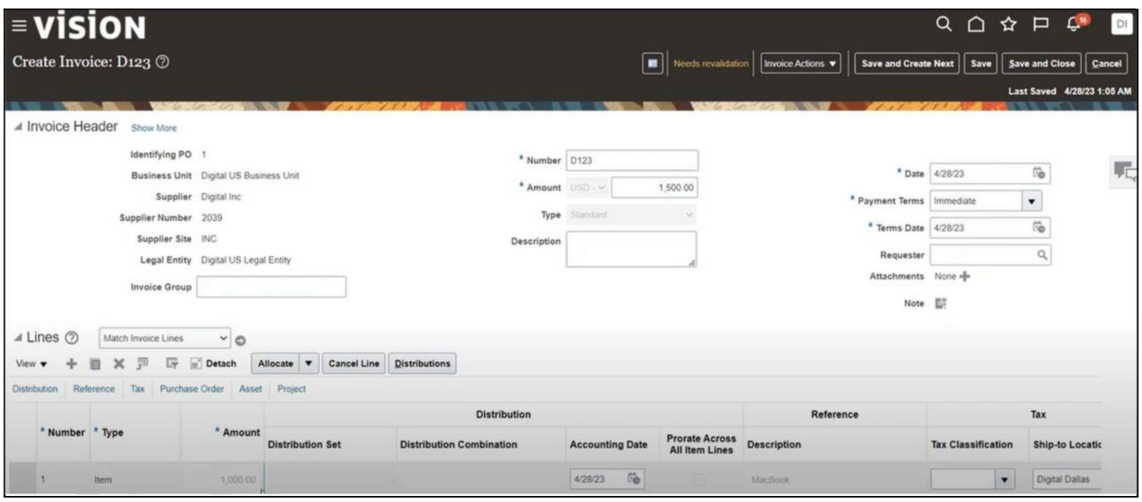
Click on Distribution to see what Accounts system has derived.



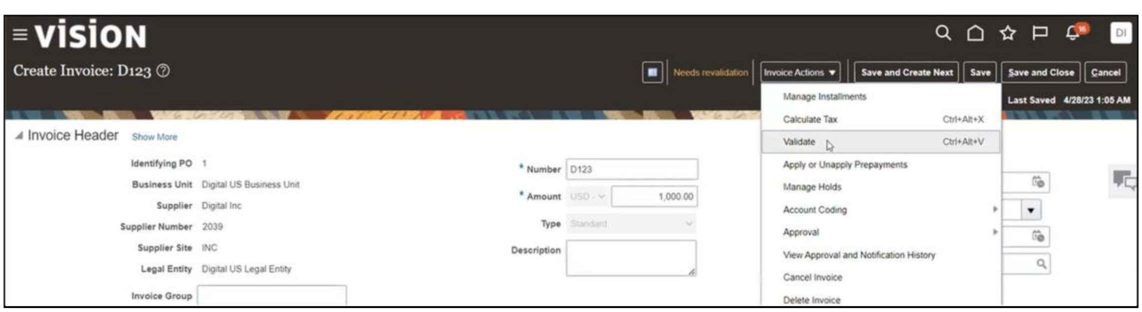
We have defined Accrual Account for Purchase Order in Purchase Order Transaction Account Builder so system will take Accrual Account. It will default the Account which we have defined in the PO TAB. Click on Save and Close.



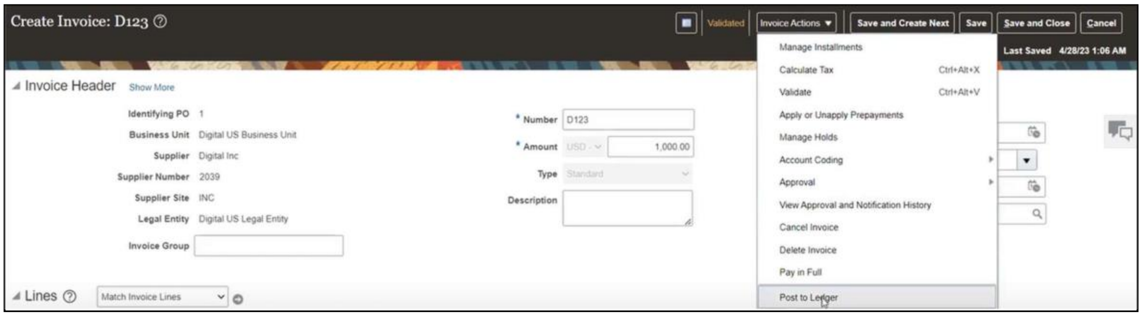
Click on Invoice Options and Click on Validate, to validate the Invoice.



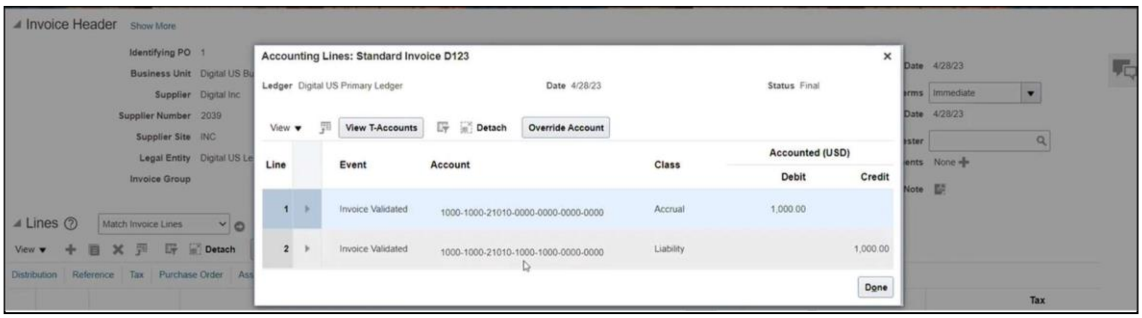
System is showing a warning as Needs revalidation because the Header amount and the Line amount is not matching. As per my PO we have to Pay only 1000, but say per the supplier invoice received from supplier the invoice amount is 1500. Now we need to connect with the supplier and request for the updated invoice with the PO amount.



Now change the amount to 1000 in the Header. Click on Invoice Actions and click on Validate.



Click on Post to Ledger to create Accounting in GL.



You can view the Accounting. Generally, when you create a manual invoice the accounting entries would be,

- Expense A/c DR 1000 000
- Liability A/c CR 000 1000

But in case of Invoice creation through Purchase Order the accounting entry would be,

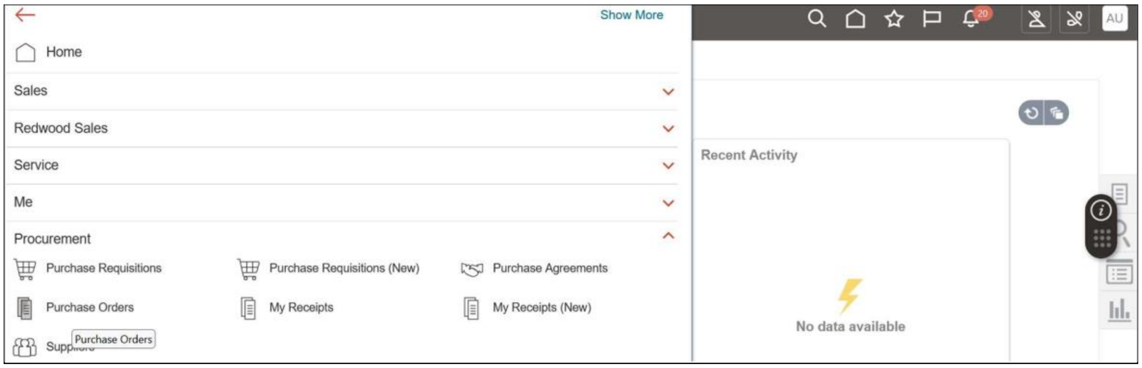
- Accrual A/c DR 1000 000
- Liability A/c CR 000 1000

Create Invoice Based on Purchase Order and Receipt:

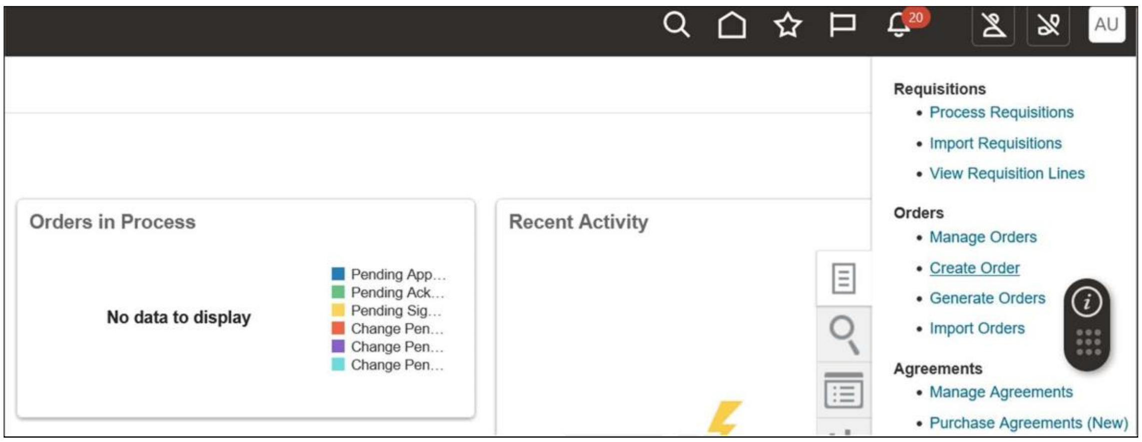
At First, we will create rule at PO level that an Invoice can be created based on Purchase Order and Receipt, that means if there is no receipt invoice cannot be created.

Navigation

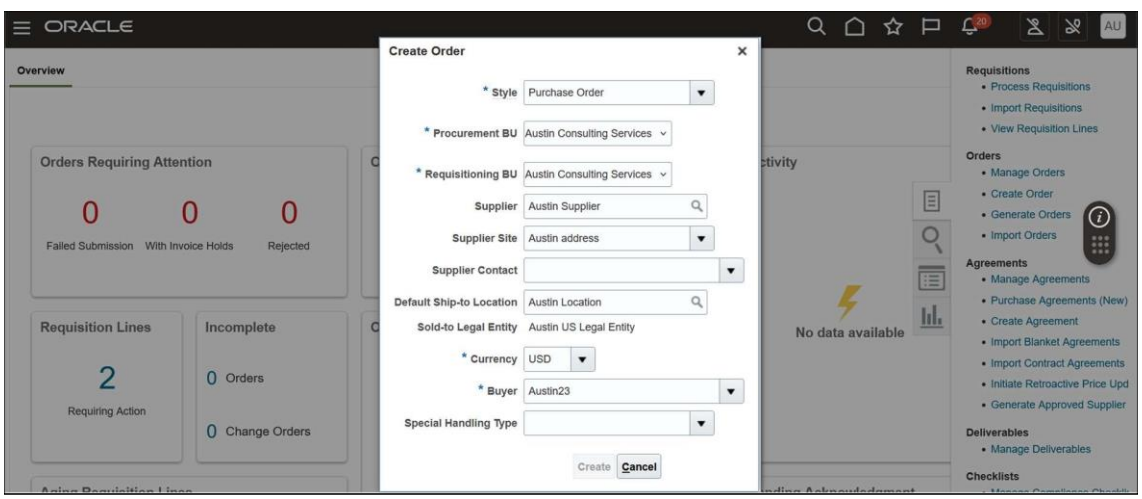
Login to the Instance with the user credentials >>> Click on Navigator >>> Click on Procurement >>> Click on Purchase orders >>> Click on Tasks >>> Click on "Create Order" >>> Provide the details as per the Business Requirement and create the Purchase Order.



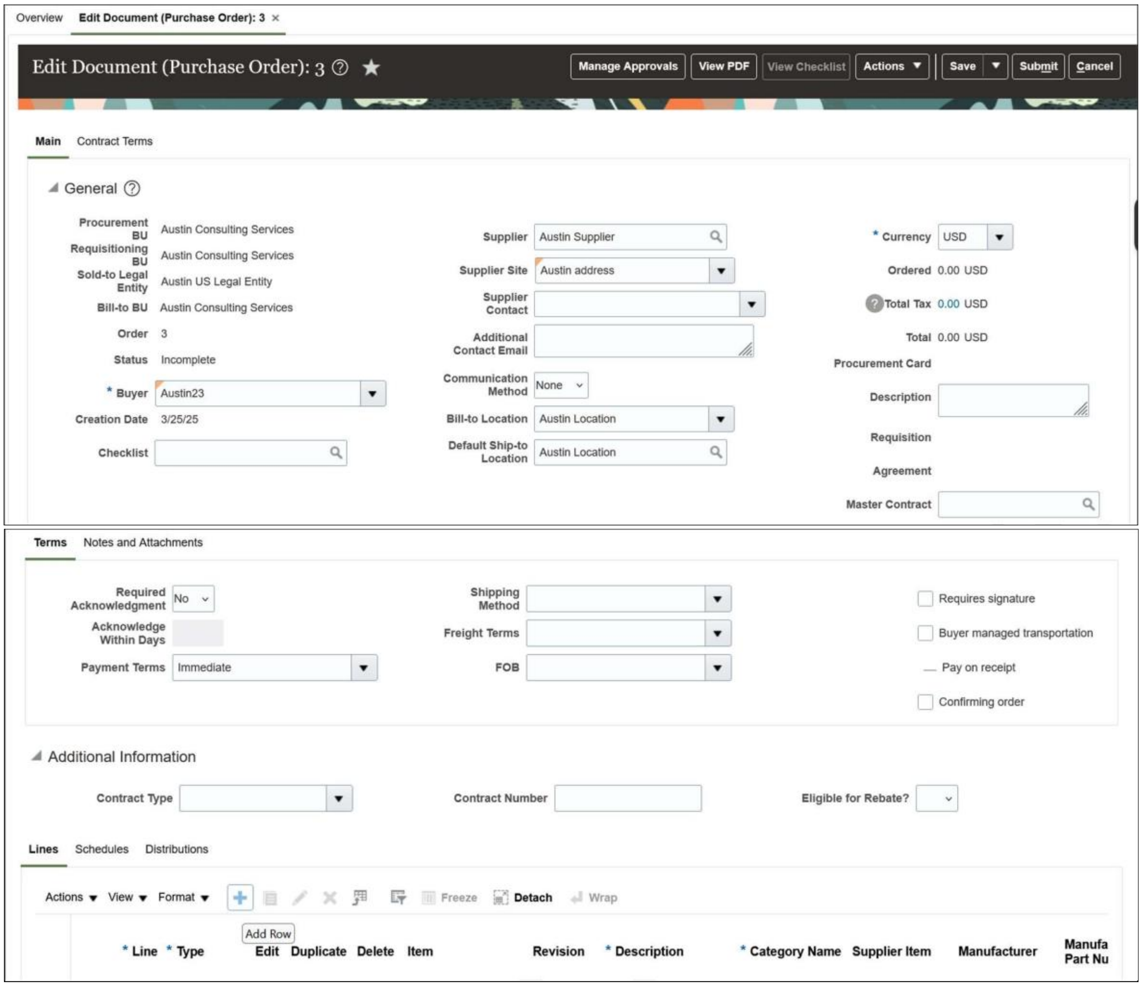
Click on Navigator, Click on Procurement and click on Purchase Orders



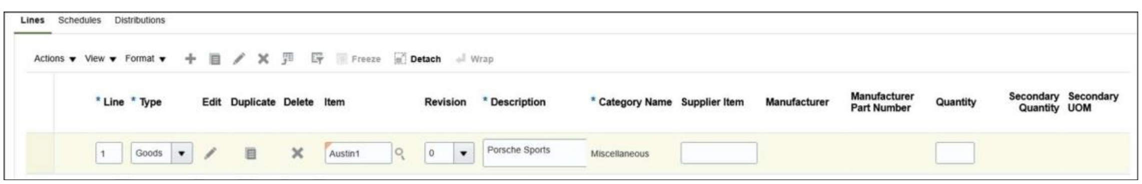
Click on the Task and click Create Order.

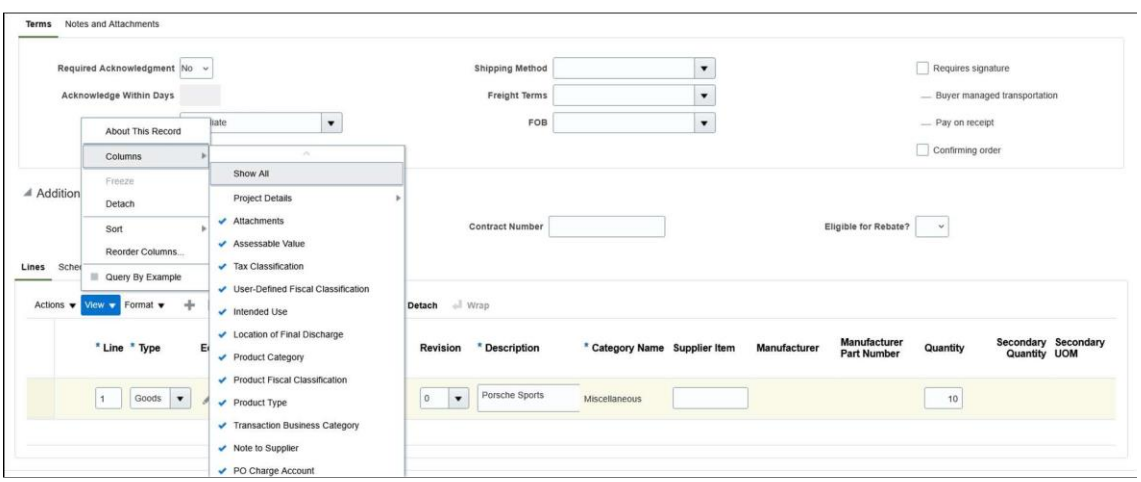


Provide all the details based on the Business Requirements. Select the Supplier from whom we are purchasing the material and Default Ship to Location means to which location the supplier has to send the material.



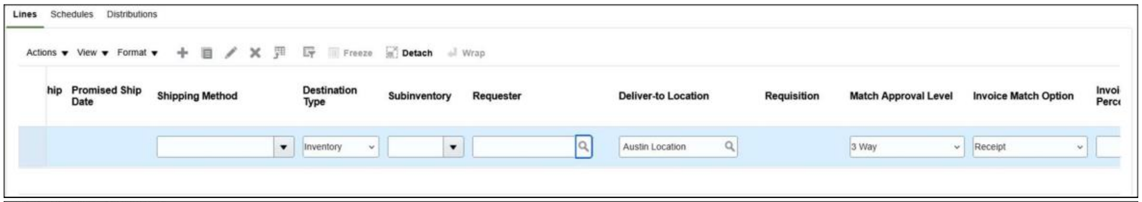
We have header information but line information we have to create as what we are purchasing from that supplier





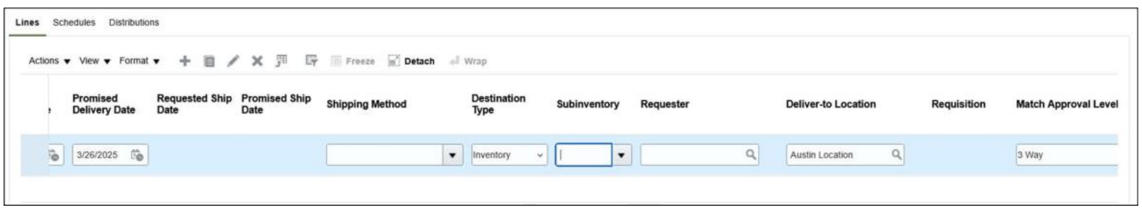
Provide all the details, Item what we have created, Quantity, Base Price, Location, Organization.

Requested Delivery Date and Promised Delivery Date are not mandatory but without these details you cannot create a purchase order.
Match Approval level set it as 3Way and Invoice Match Option as Receipt. All the controls are there at Invoice Match Option and not at Match Approval Level



How you are going to receive the delivery, we can define it in Receipt Routing as

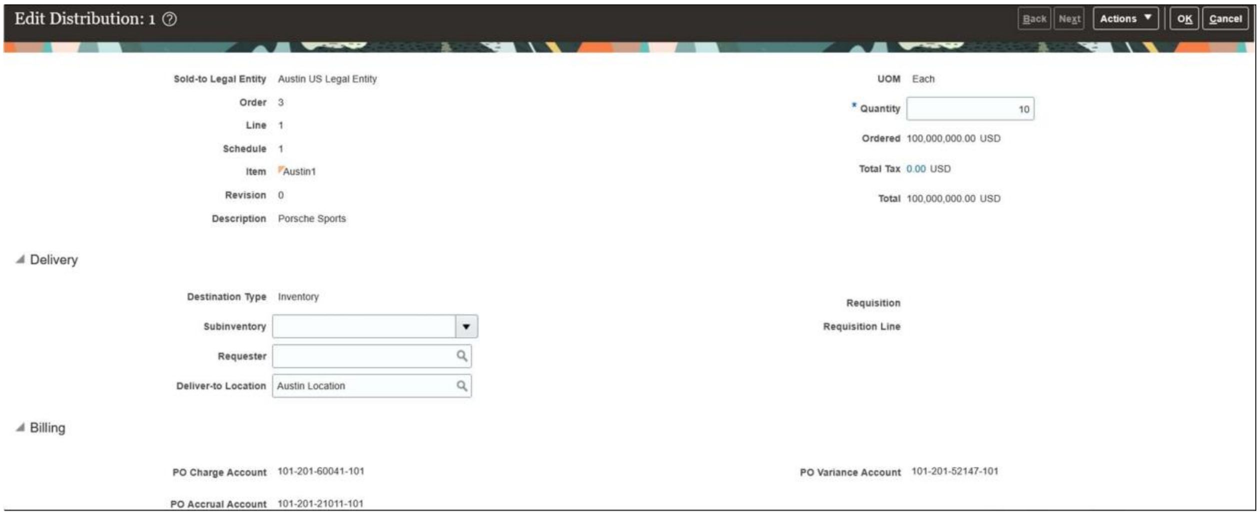
- Direct Delivery if it is One step,
- Standard Delivery, if it is two steps and
- Inspection required, if it is three steps.



There is no PO charge Account, Accrual Account or Variance Account.

To see PO charge Account, Accrual Account or Variance Account we need to save the PO.

Now you can see the PO Charge Account, if want see the Accrual and Variance Account select the record and click on Edit.



You can see the PO Accrual and PO Variance Accounts here and click on cancel.

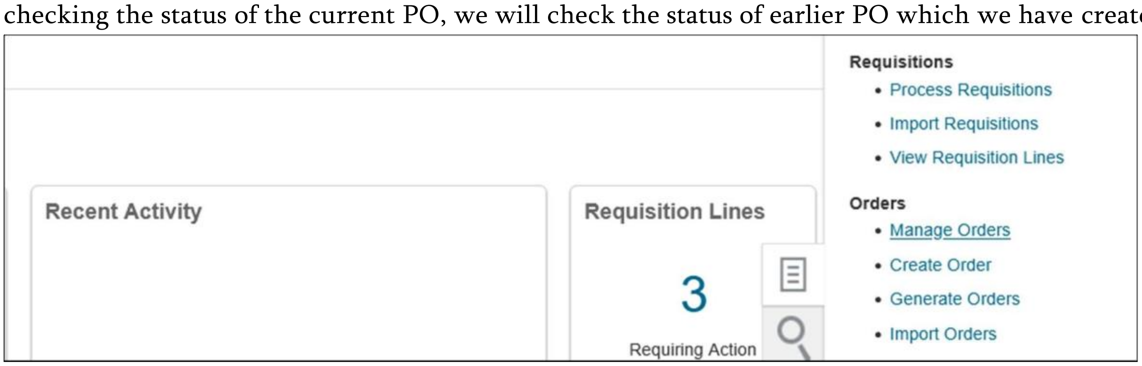
Click on Submit, to submit this PO for Approval purpose.

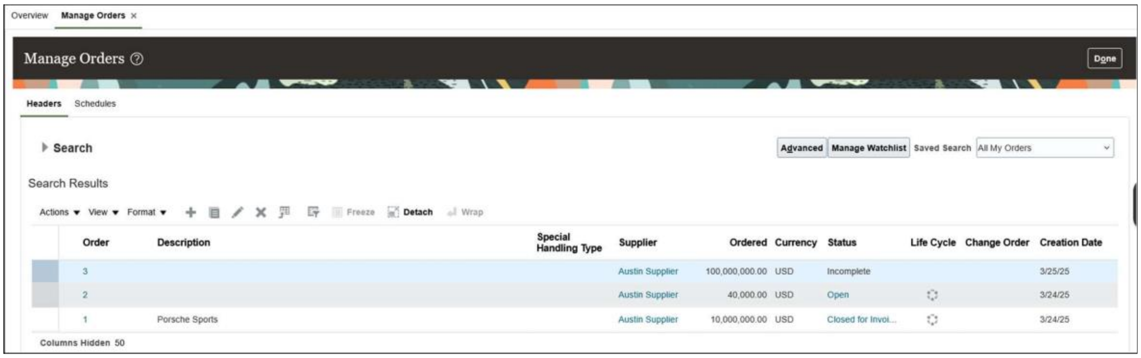
Manage Purchase Orders (For Checking the Status of PO)

Navigation

Click on Navigator >>> Click on Procurement >>> Click on Purchase Orders >>> Click on Tasks >>> Click on Manage Orders >>> search with the Order number, check the status and Done

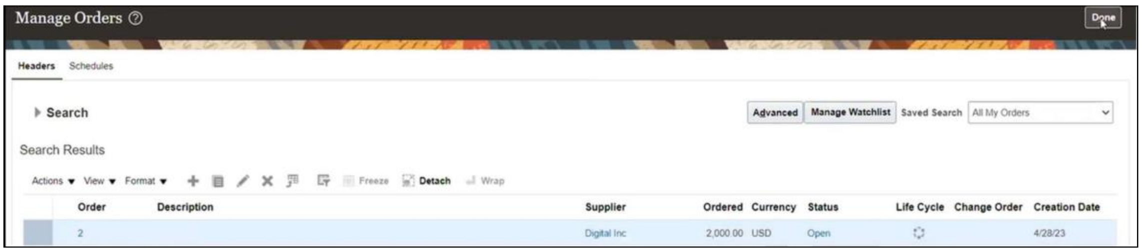
We can check whether the PO is sent for Approval or not from Manage Purchase Orders. Before checking the status of the current PO, we will check the status of earlier PO which we have created.





The status is Closed for Invoicing. It means against this PO 1Invoice is created and you will not be able to create the any new invoice with this PO 1.

Check our PO 2 status, with the help of PO number and click on search.



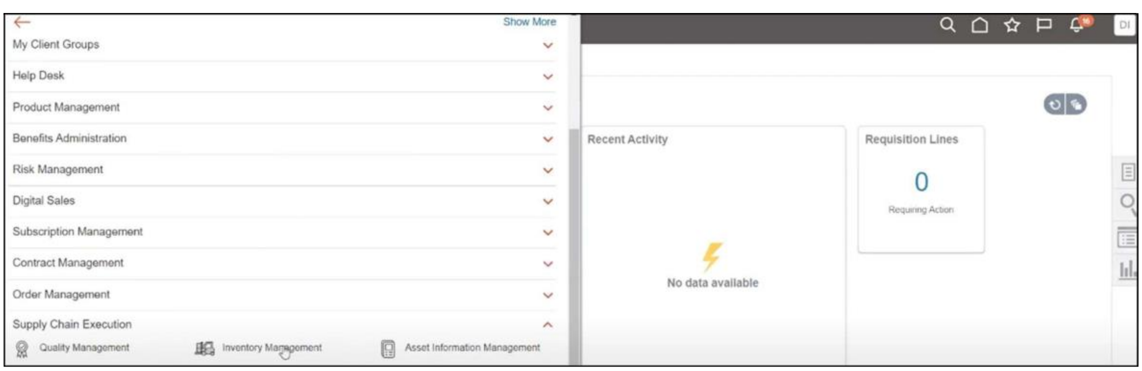
The Status for the PO is Open, means it is approved.

Now try to create the Invoice based on PO-2, will not be able to create the invoice and system will reject as we have set Invoice Match Option as Receipt at PO creation level.

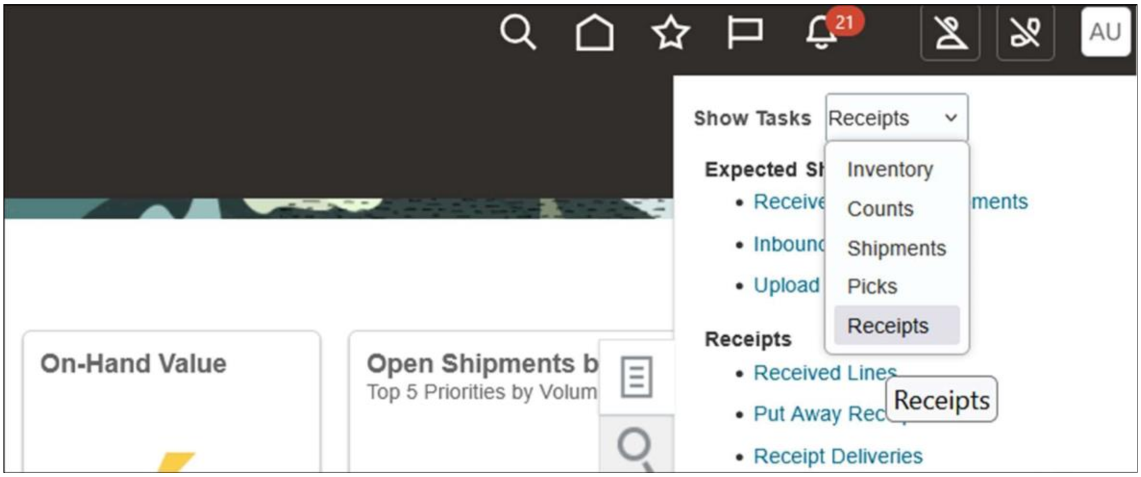
Create Receipt (For Receiving the Material/ Stock):

Navigation

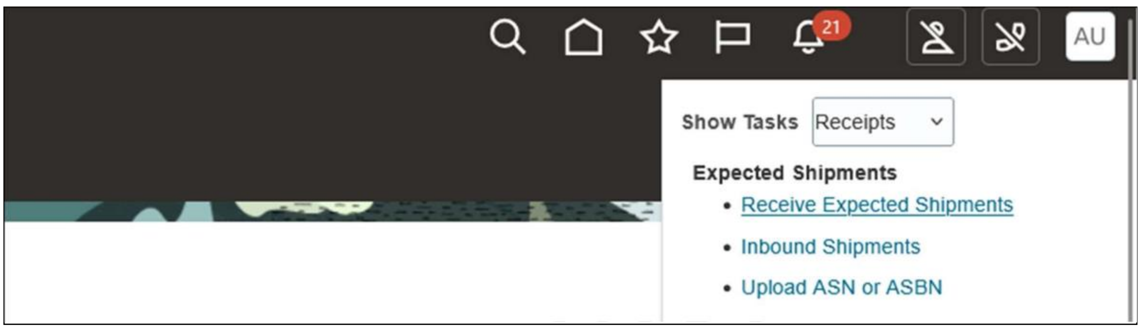
Login to the Instance with the user credentials >>> Click on Navigator >>> Click on Supply Chain Execution >>> Click on Inventory Management >>> Click on Show Tasks >>> Select Receipts >>> Click on Receive Expected Shipments >>> Search for the PO >>> Select the PO and click on Receive >>> Give details, Click on Create >>> Click on Submit.



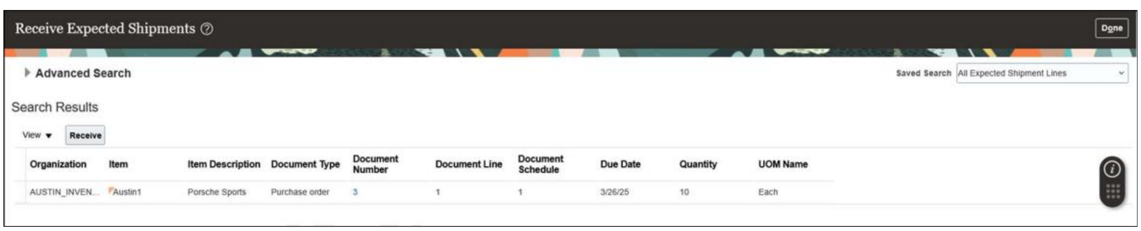
Click on Supply Chain Execution and Click on Inventory Management.



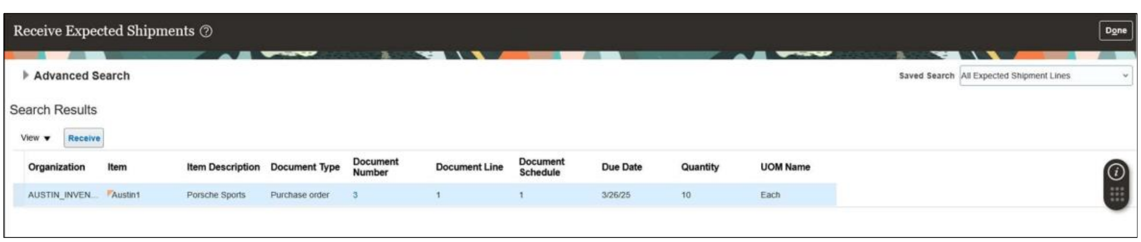
Click on Show Tasks and Select Receipts



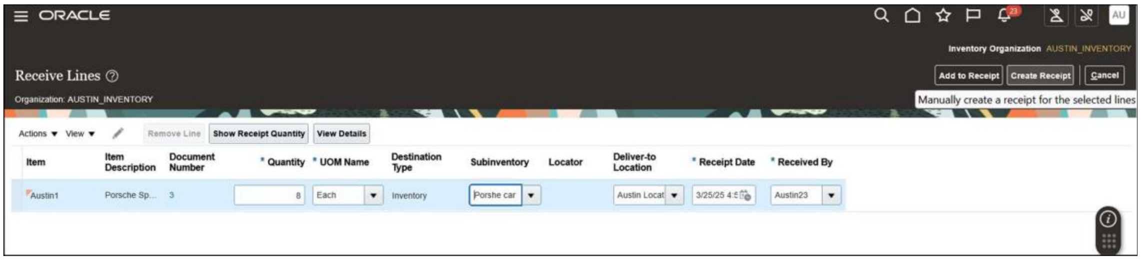
Click on Receive Expected Shipments



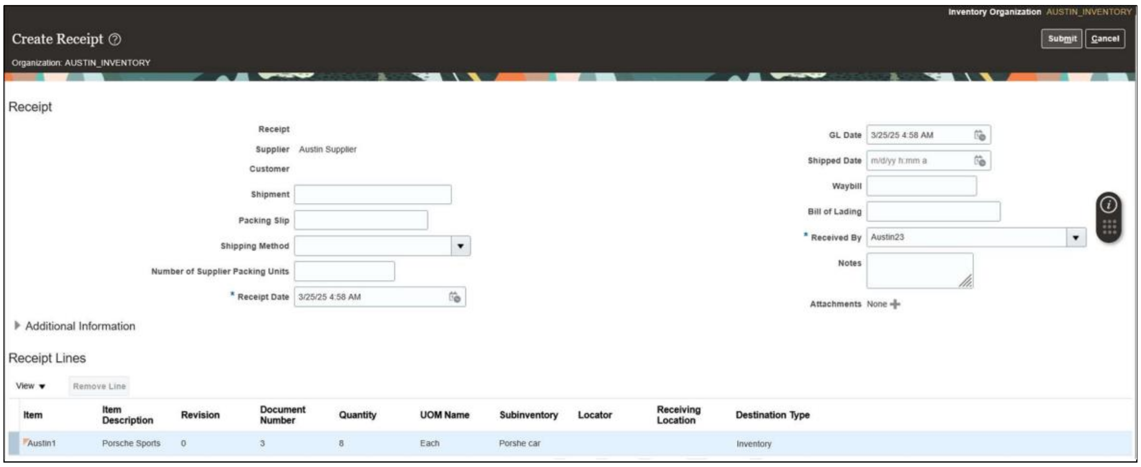
Search the PO against which you are receiving the Material



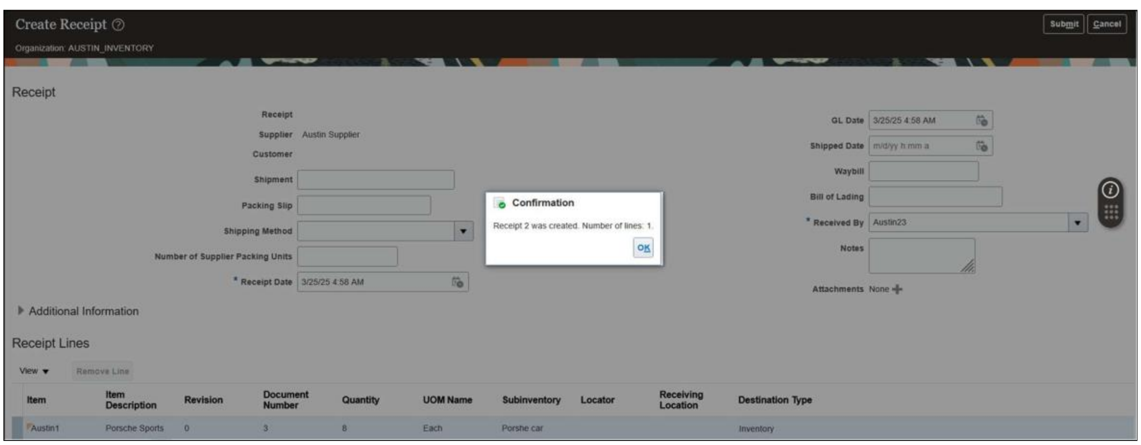
Select the PO and click on Receive and you will receive this item to our Inventory Organisation which we have selected.

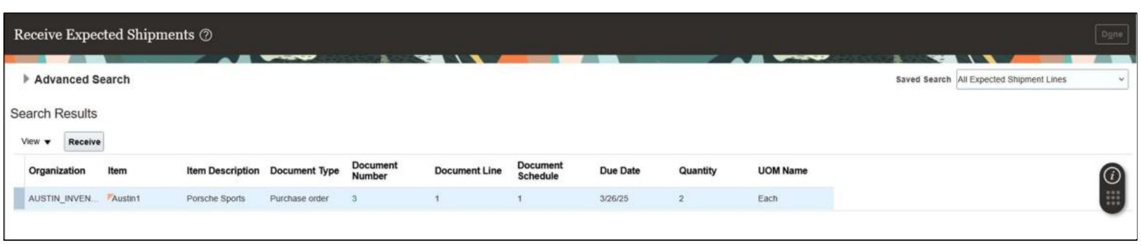


Provide the details about how much quantity we have received and Subinventory. Without Subinventory we cannot create the receipt.



Click on Submit.





Click on Done

System has created Receipt and generated number as 2, as we defined in Receiving Parameters the n Next receipt number as 1 but is creating receipt from 2, it means system is understanding the number what you enter in the Receiving Parameters is last receipt number. So that is the reason why system is generating the number for Receipt as 2. Click on Done

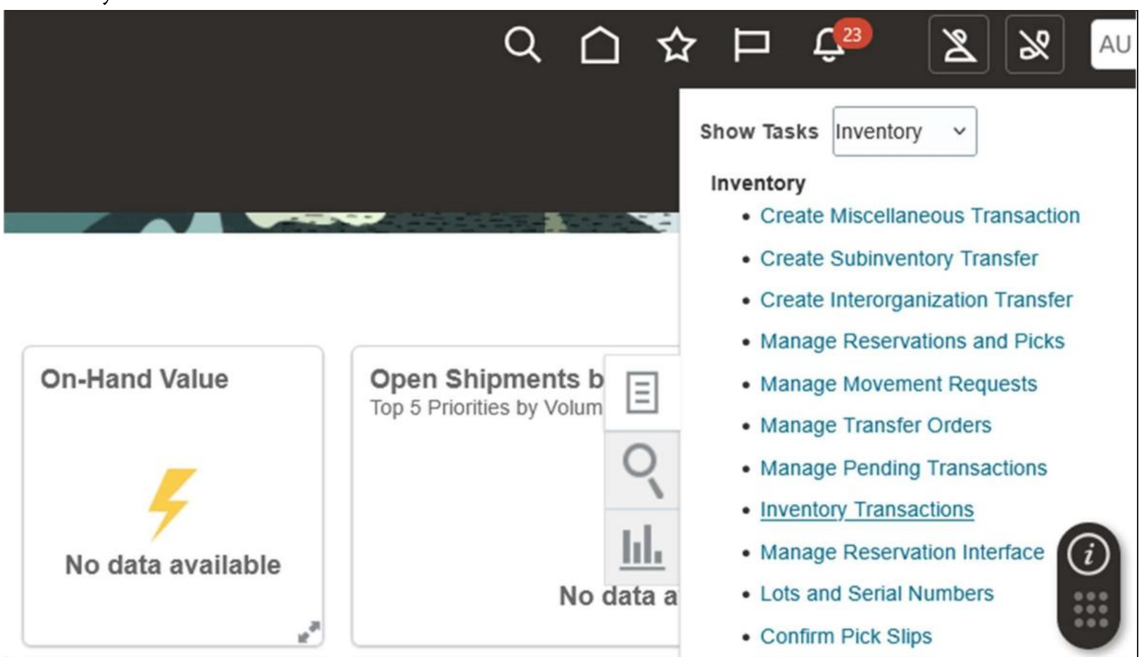
How to Check the Stock in the Inventory:

Navigation

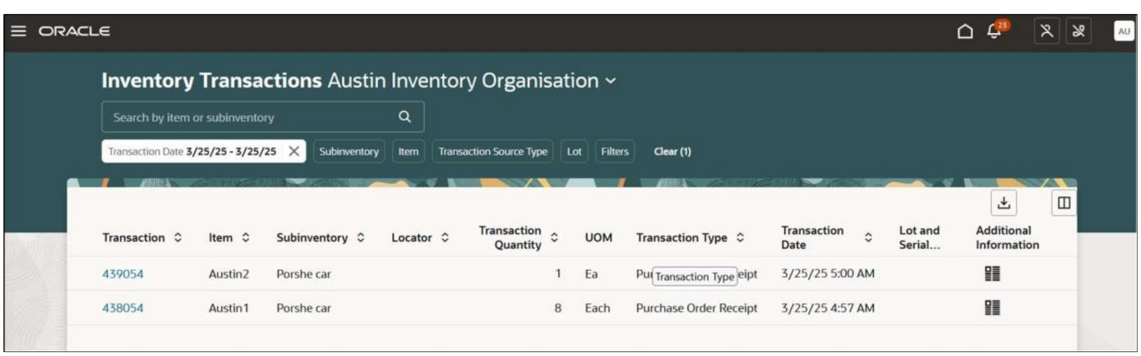
Login to the Instance with the user credentials >>> Click on Navigator >>> Click on Supply Chain Execution >>> Click on Inventory Management >>> Click on Show Tasks >>> Select Inventory >>> Click on Manage Item Quantities >>> Select your Inventory Organization and click on Search >>> Check the Quantity >>> Done.

Or

Inventory Transactions



If you want to check stock in the inventory, we can check the same from Inventory Management Page. Select your Inventory Organization and click on Search



You can see 1 item is available which is there in which Inventory Organisation and in which Sub Inventory we check through this page. Click on Done.

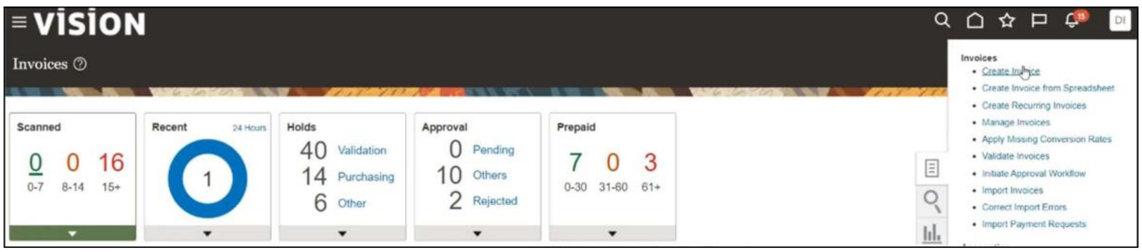
Now we will be able to create the Invoice based on 3way matching in the Payables Application as we have created the PO and Receipt.

Creation of Invoice Based on Purchase Order (3Way Matching):

Navigation

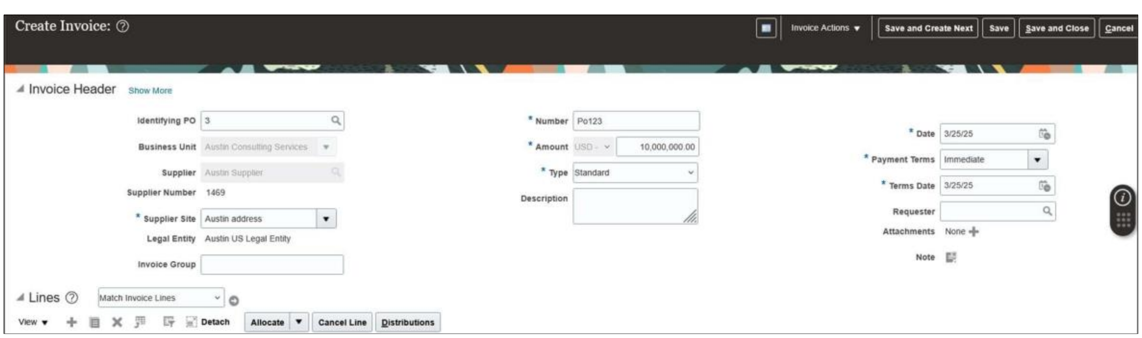
Login to the Instance with the user credentials >>> Click on Navigator >>> Click on Payables >>> Click on Invoices >>> Click on Tasks >>> Click on "Create Invoice" >>> Search PO, Select the PO >>> Provide the details at Header level, Line level and Distribution level >>>

Click on Navigator, Click Payables and click on Invoices

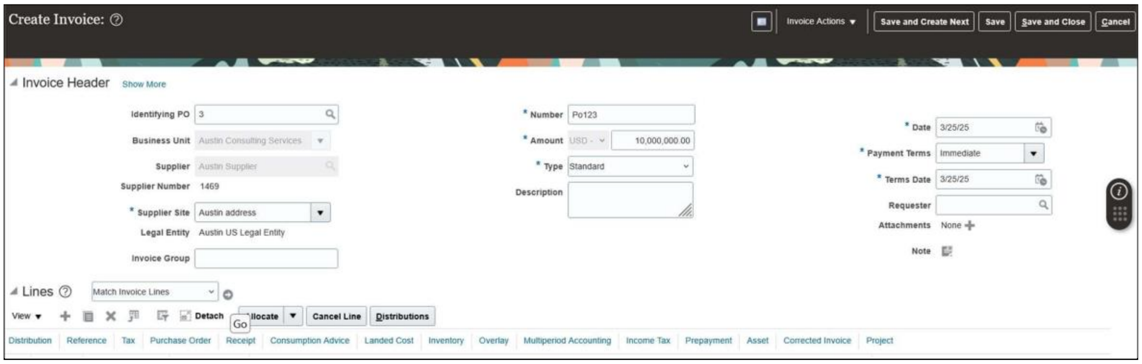


Click on Tasks, click on Create Invoice

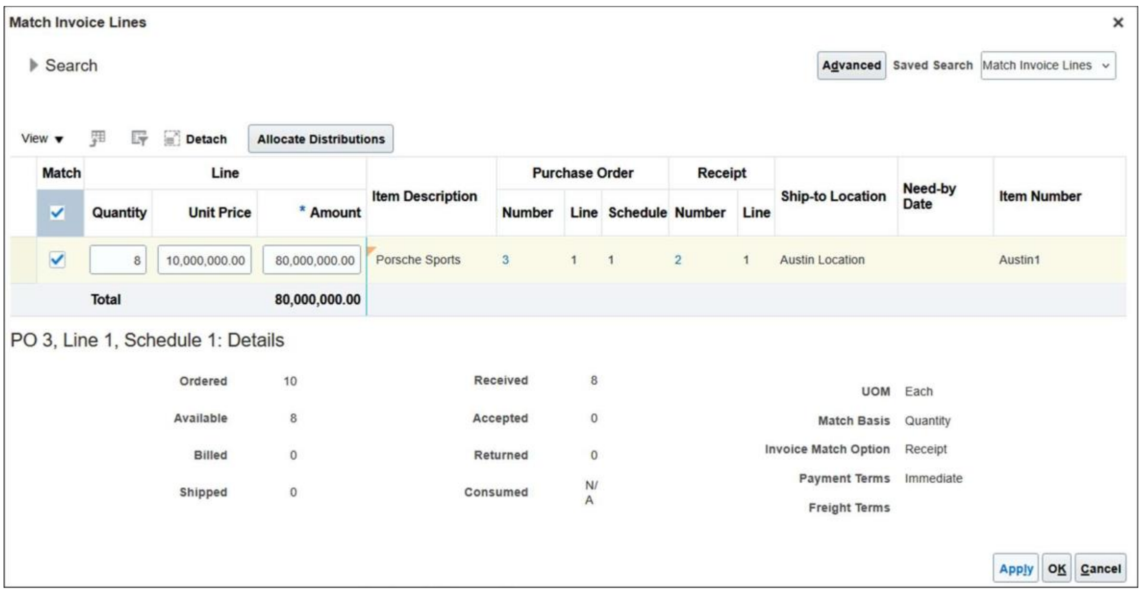
As we are creating invoice based on the PO, we have to select our PO number through search. Search our PO number, select it and click OK



You can see that Supplier, Supplier site and Currency are auto populated and greyed out as they are copied from the PO.

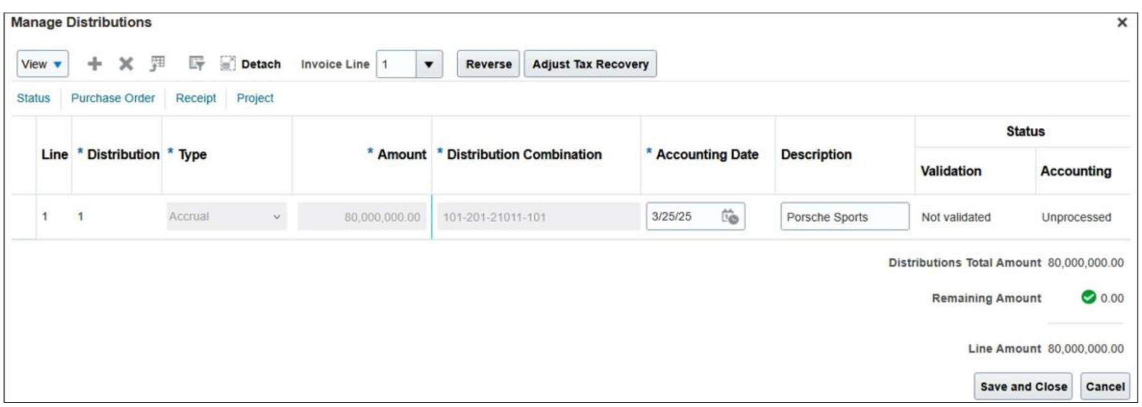


Provide the mandatory details as per the Business Requirement and click on Go to Lines by selecting Match Invoice Lines.



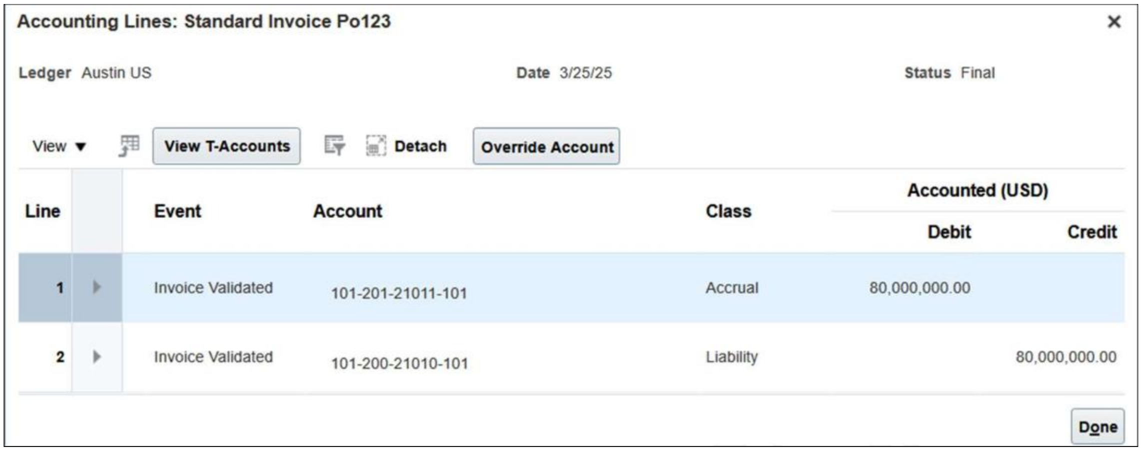
If you don't have a receipt against the PO which we have select, the system will not open this page even if click on go.

Enable the check box, Click on Apply and click on OK.



View the distributions

Click on Invoice Actions and click on Validate and Post Ledger. click on Save and Close.



You can view the Accounting. Generally, when you create a manual invoice the accounting entries would be,

- Expense A/c DR 1000 000
- Liability A/c CR 000 1000

But in case of Invoice creation through Purchase Order the accounting entry would be,

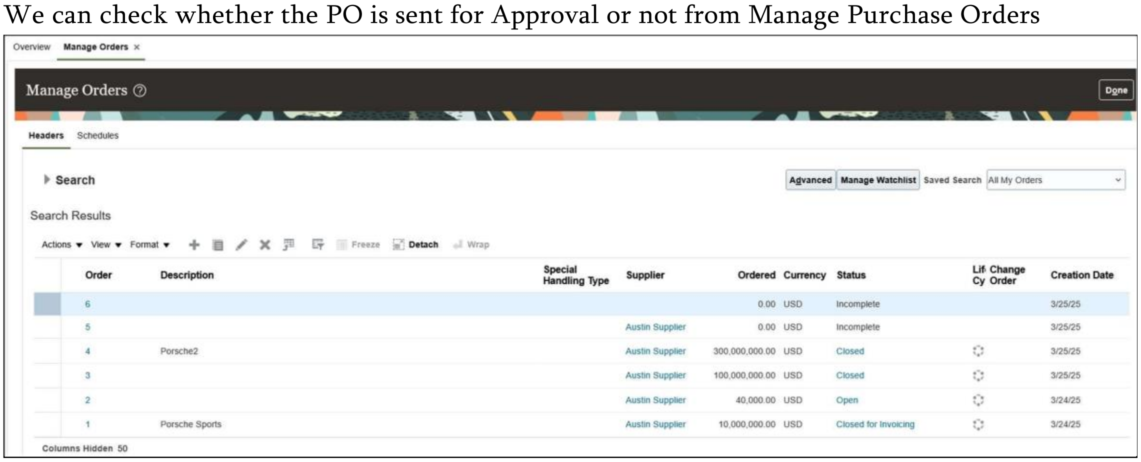
- Accrual A/c DR 1000 000
- Liability A/c CR 000 1000

Manage Purchase Orders (For Checking the Status of PO)

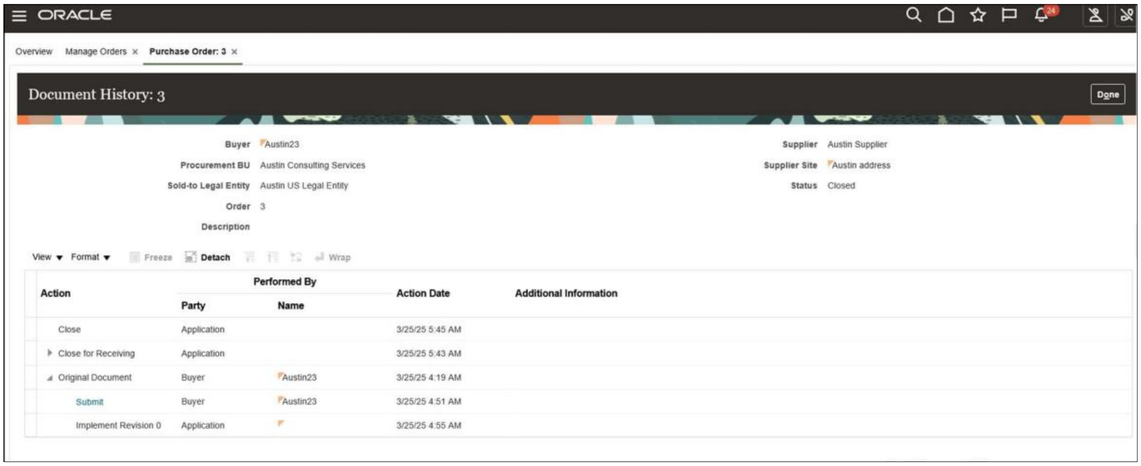
Navigation

Click on Navigator >>> Click on Procurement >>> Click on Purchase Orders >>> Click on Tasks >>> Click on Manage Orders >>> search with the Order number, check the status and Done

We can check whether the PO is sent for Approval or not from Manage Purchase Orders

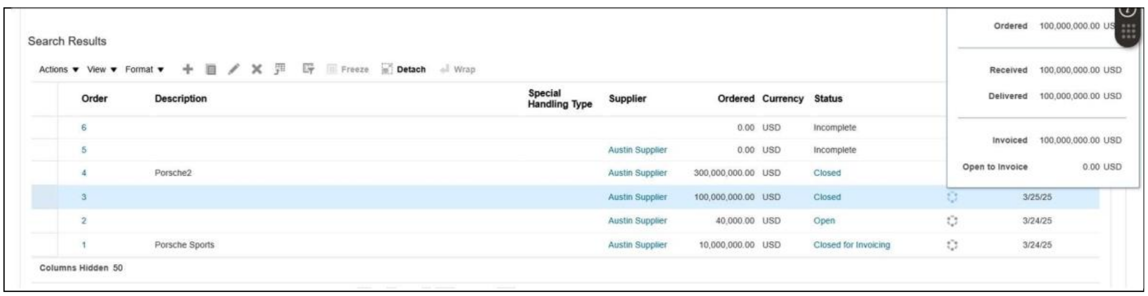


Search the PO with the help of Order Number and select Yes for Include Closed Documents and click on search.



The status is Closed. It means against this PO Invoice is created and you will not be able to create the any new invoice with this PO.

Earlier when we have created the PO (2Way Matching) the status is Closed for Invoicing and when have created the PO (3Way Matching) the status is Closed



Click on Life Cycle to View the complete Information related to PO.

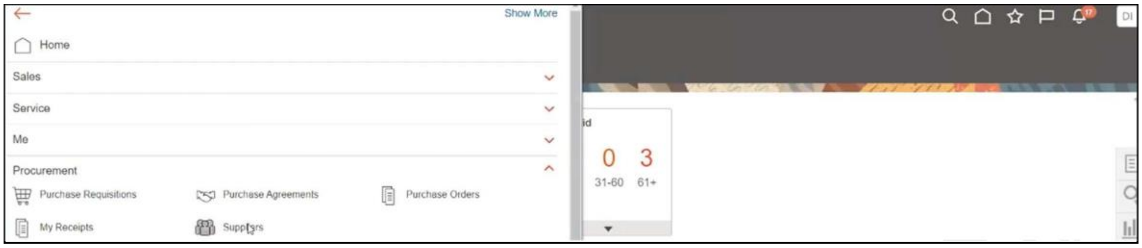
You can check what is the Quantity Ordered, Shipped, Received, Delivered and Invoiced.

Pay On Receipt/ Evaluated Receipt Settlement/ Self Billing

When you create a Receipt in the Inventory the System should create the Invoice in the Payables automatically.

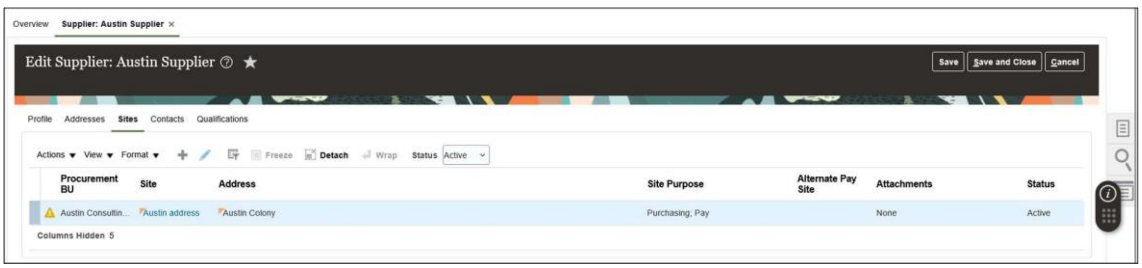
Navigation

Click on Navigator >>> Click on Procurement >>> Click on Supplier >>> Click on Tasks List >>> Click on Manage Suppliers >>> Search Our Supplier >>> Click on Our Supplier >>> Click on Edit >>> Enable Pay on receipt and Invoice Summary Level as Pay Site under Purchasing Tab in Sites>>> Click on Save and Close



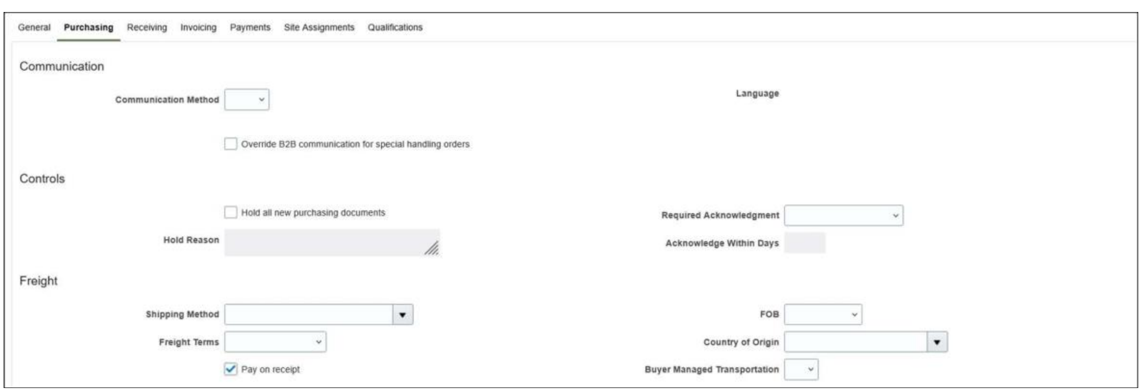
Click on Suppliers and Click on Manage Suppliers

Click on Sites

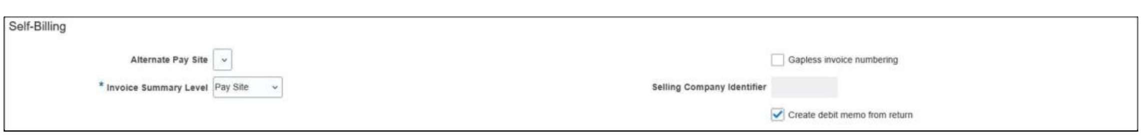


Click on Edit Sites

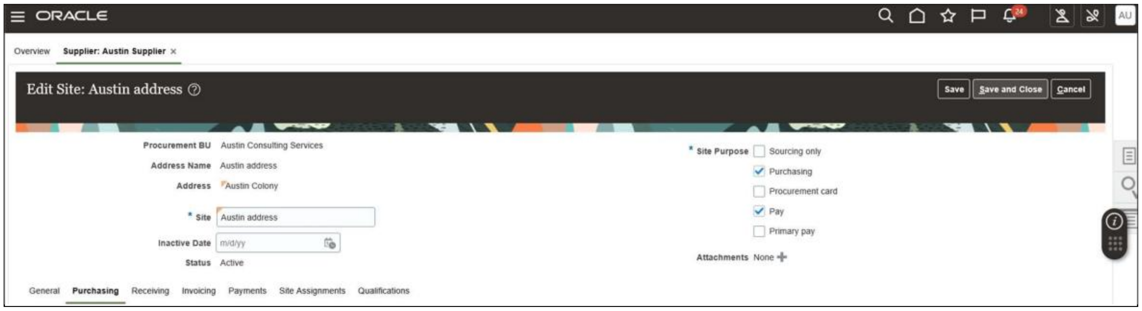
Click on Purchasing.



Enable the Pay on receipt



Select the Invoice Summary Level as Pay Site, means whatever the site we are using for the payment purpose based on the same the system will create the Invoice.

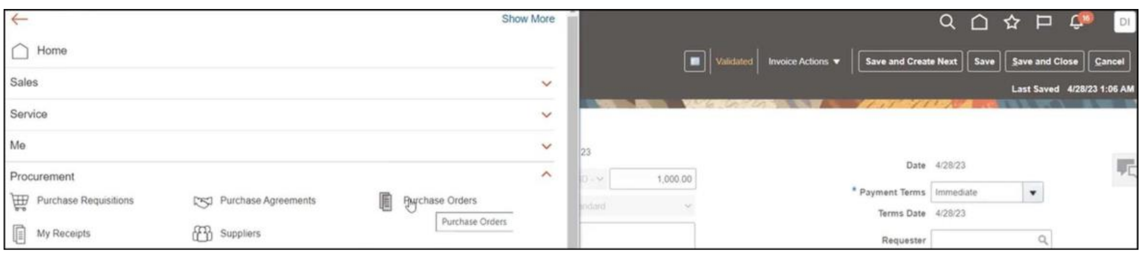


Click on Save and Close. We are defining in the system that with this supplier site if any PO is created and against that PO if receipt is created then System can create the Invoice in the Payables automatically, that is the meaning of this setup.

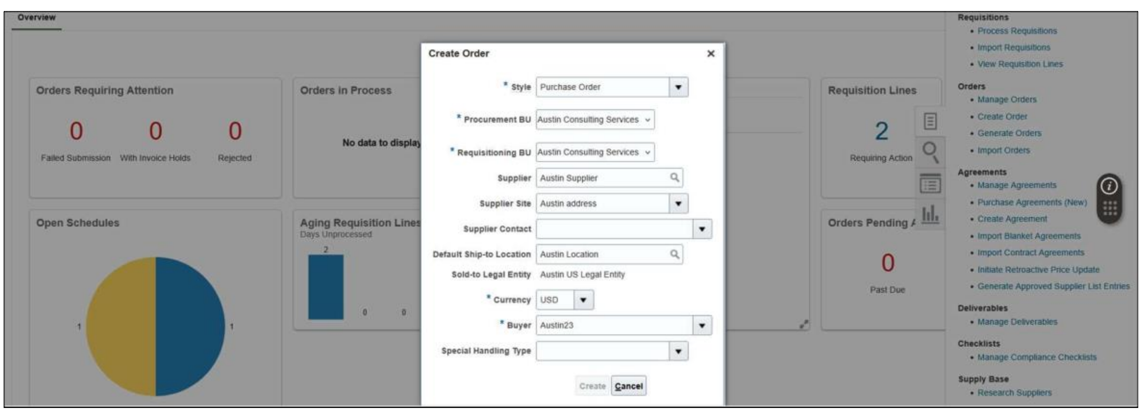
Create Purchase Order

Navigation

Login to the Instance with the user credentials >>> Click on Navigator >>> Click on Procurement >>> Click on Purchase orders >>> Click on Tasks >>> Click on "Create Order" >>> Provide the details as per the Business Requirement and create the Purchase Order.



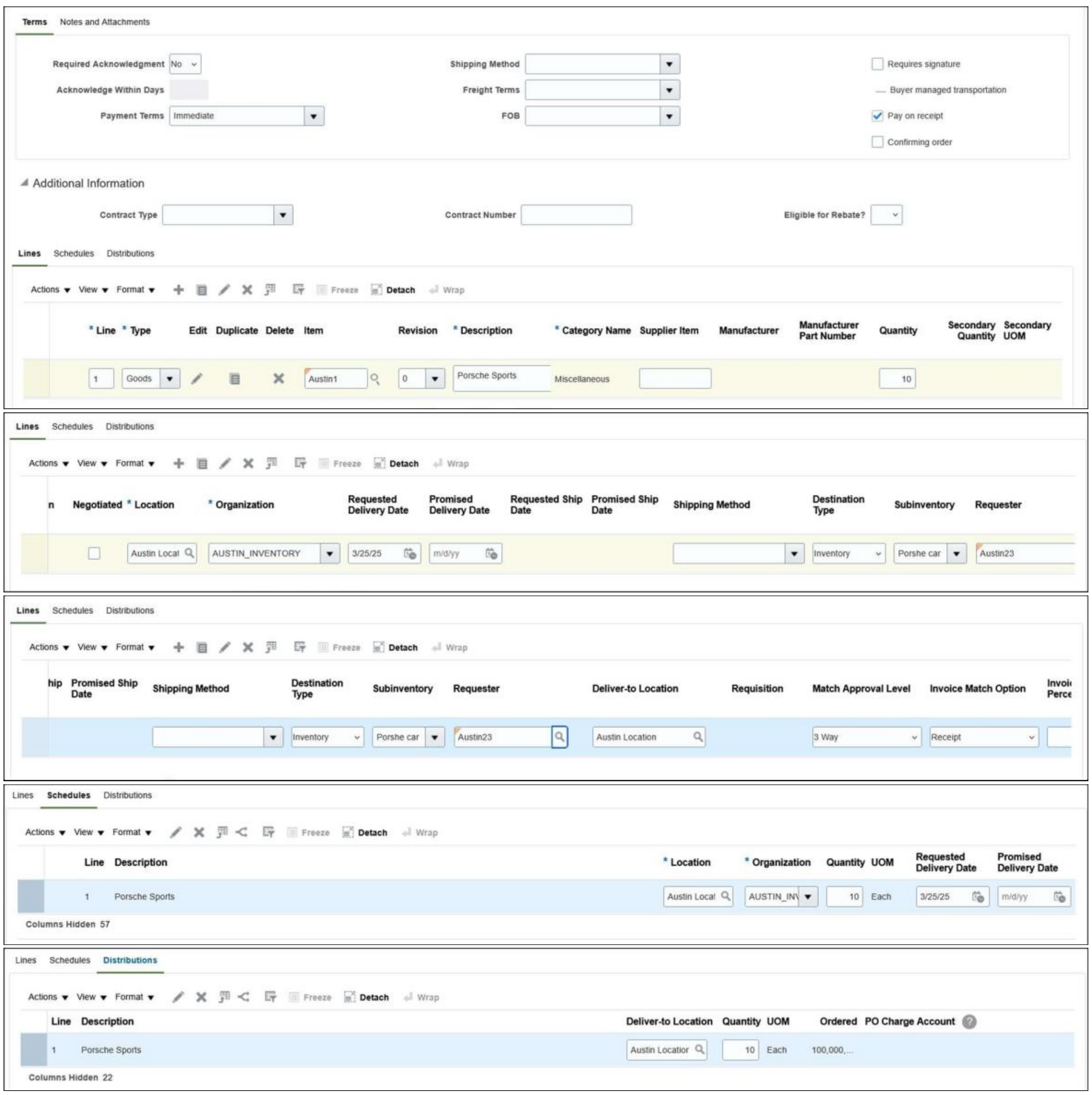
Click on Navigator, Click on Procurement and click on Purchase Orders. Click on the Task and click Create Order.



Provide all the details based on the Business Requirements. Select the Supplier from whom we are purchasing the material and Default Ship to Location means to which location the supplier has to send the material.

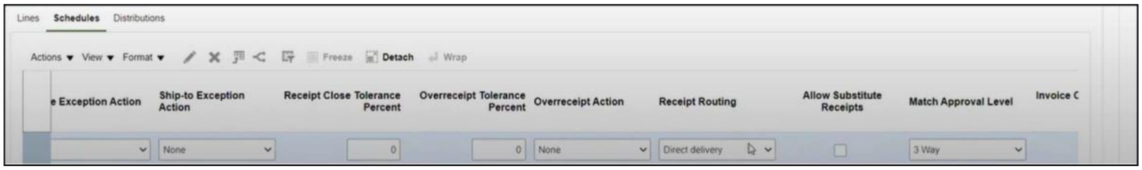
We have header information but line information we have to create as what we are purchasing from that supplier Click on + to create the lines.

You can see the Pay On receipt is Enabled as we have enabled it at site level



Provide all the details, Item what we have created, Quantity, Base Price, Location, Organization.

Requested Delivery Date and Promised Delivery Date are not mandatory but without these details you cannot create a purchase order.
We are not going do any Match Approval level.



How you are going to receive the delivery, we can define it in Receipt Routing as

- Direct Delivery if it is One step,
- Standard Delivery, if it is two steps and
- Inspection required, if it is three steps.

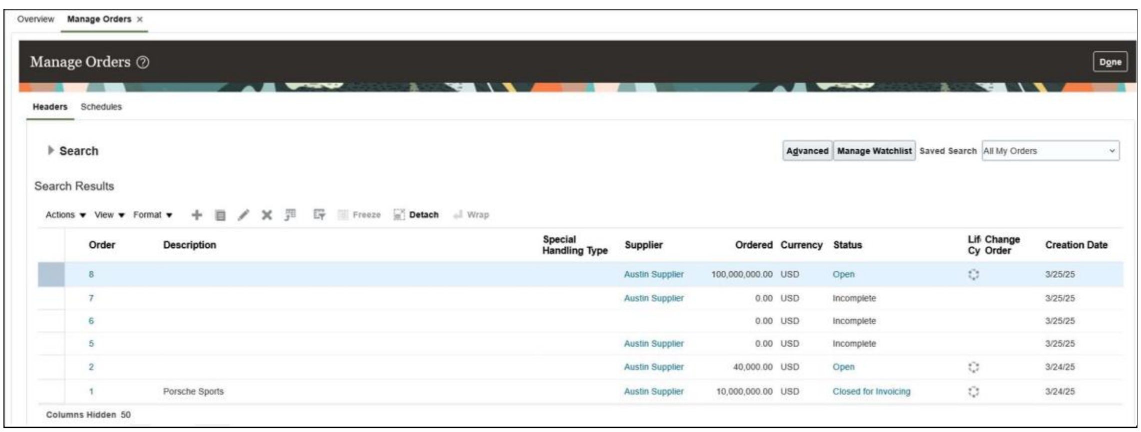
Click on Submit, to submit this PO for Approval purpose and click on OK.

Manage Purchase Orders (For Checking the Status of PO)

Navigation

Click on Navigator >>> Click on Procurement >>> Click on Purchase Orders >>> Click on Tasks >>> Click on Manage Orders >>> search with the Order number, check the status and Done

We can check whether the PO is sent for Approval or not, from Manage Purchase Orders.



The status is Pending Approval and changed to Open once it is approved

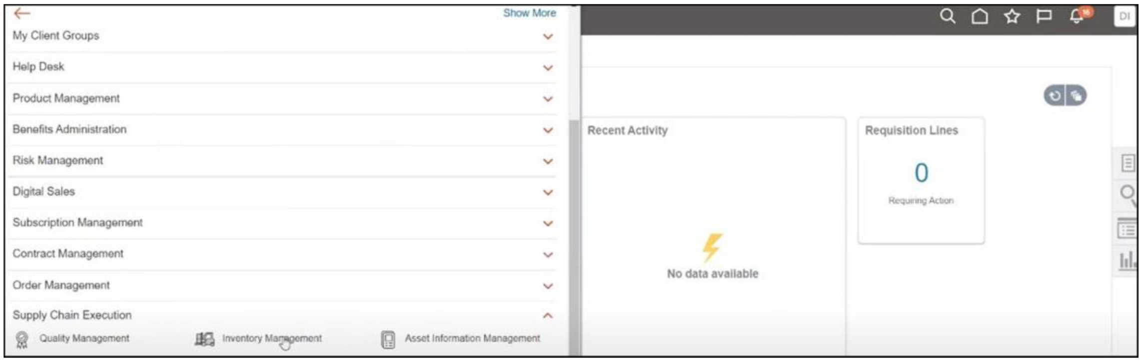
If you search again and check the Status, The Status is Open.

Create Receipt (For Receiving the Material/ Stock):

Navigation

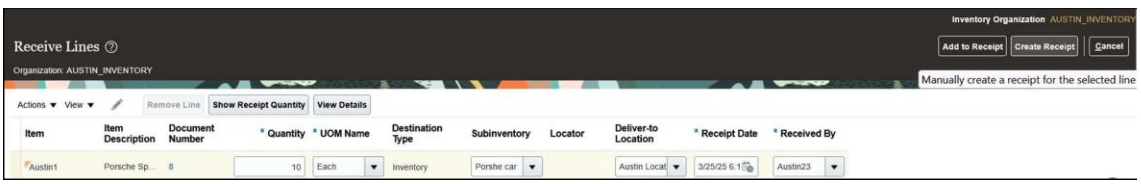
Login to the Instance with the user credentials >>> Click on Navigator >>> Click on Supply Chain Execution >>> Click on Inventory Management >>> Click on Show Tasks >>> Select

Receipts >>> Click on Receive Expected Shipments >>> Search for the PO >>> Select the PO and click on Receive >>> Give details, Click on Create >>> Click on Submit.



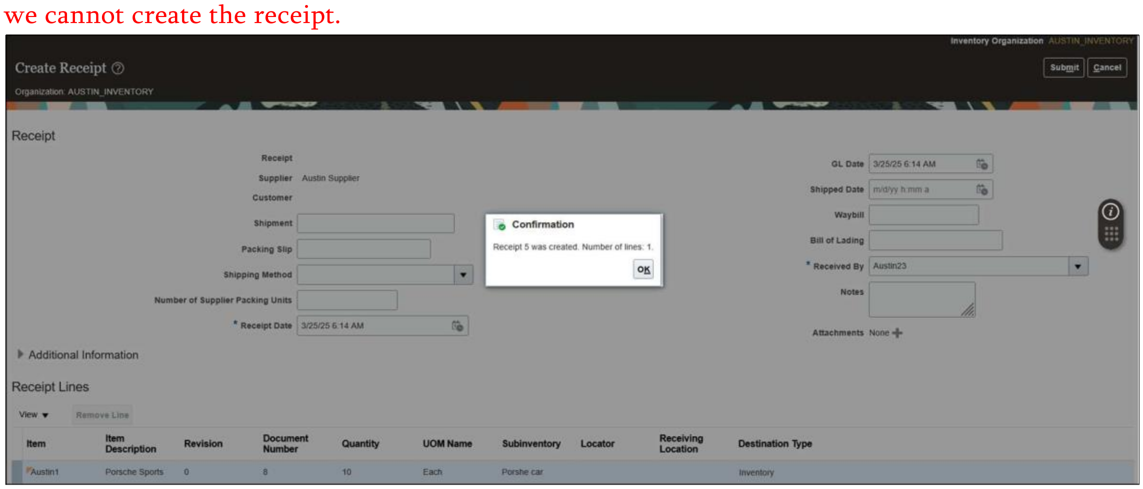
Click on Supply Chain Execution and Click on Inventory Management >>> click on Show Tasks and Select Receipts >>> Click on Receive Expected Shipments

Search the PO against which you are receiving the Material



Select the PO and click on Receive and you will receive this item to our Inventory Organisation which we have selected.

Provide the details about how much quantity we have received in Subinventory. Without Subinventory we cannot create the receipt.

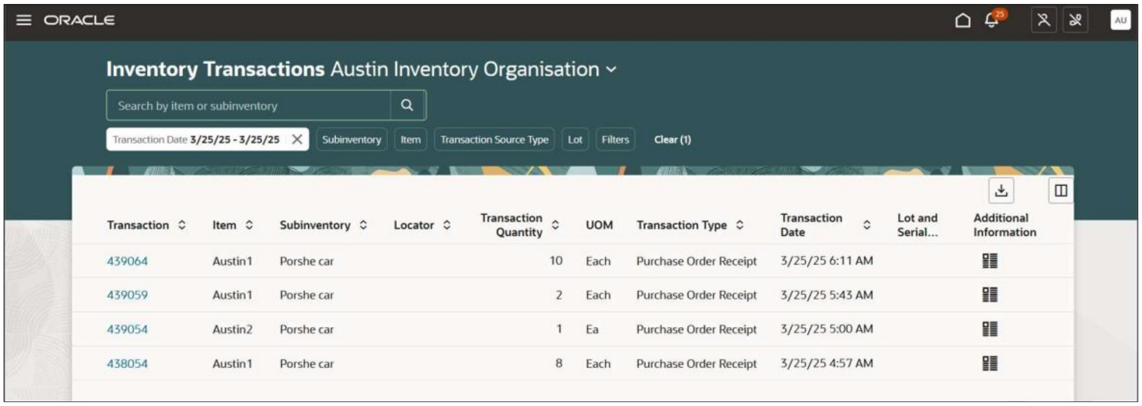


Click on Submit.

System has created Receipt and generated number as 2, as we defined in Receiving Parameters the n Next receipt number as 1 but is creating receipt from 2, it means system is understanding the number what you enter in the Receiving Parameters is last receipt number. So that is the reason why system is generating the number for Receipt as 2. Click on Done

How to Check the Stock in the Inventory:

Check the Inventory balance whether it is updated or not



Navigator >>> Supply Chain Execution >>> Inventory Management >>> Select Inventory >>> Inventory Transaction.

or

Navigation

Login to the Instance with the user credentials >>> Click on Navigator >>> Click on Supply Chain Execution >>> Click on Inventory Management >>> Click on Show Tasks >>> Select Inventory >>> Click on Manage Item Quantities >>> Select your Inventory Organization and click on Search >>> Check the Quantity >>> Done.

If you want to check stock in the inventory, we can check the same from Inventory Management Page. Click on Manage Item Quantities >>> Select your Inventory Organization and click on Search
You can see 1 item is available which is there in which Inventory Organisation and in which Sub Inventory we check through this page. Click on Done.

Now we need to Run One Job to Create the Invoice based on the Receipt. The system will take Quantity from the Receipt and Price from the Purchase Order against which the receipt is created to create the Invoice in the Payables

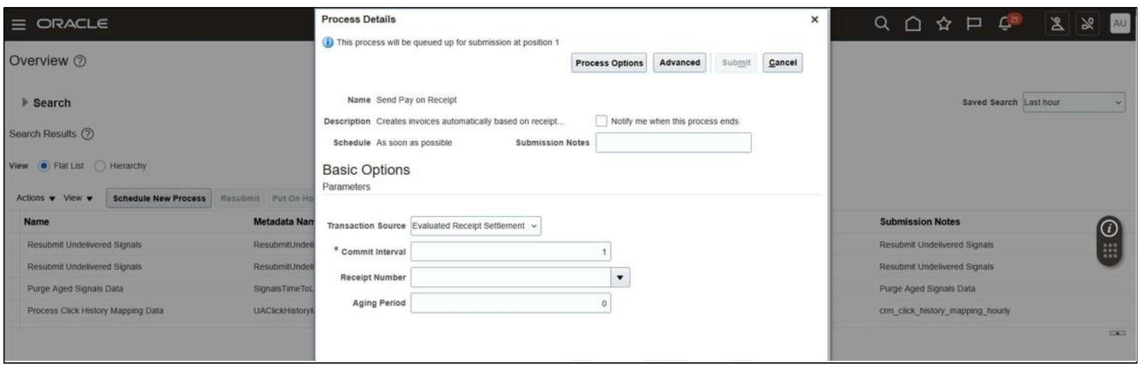
Navigation

Click on Navigator >>> Click on Tools >>> Click on Scheduled Processes >>> Schedule New Process >>>

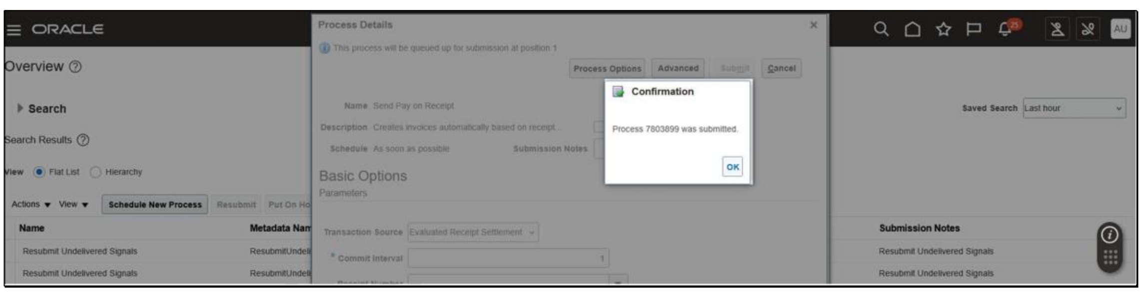
Click on Scheduled Processes.

Click on Schedule New Process.

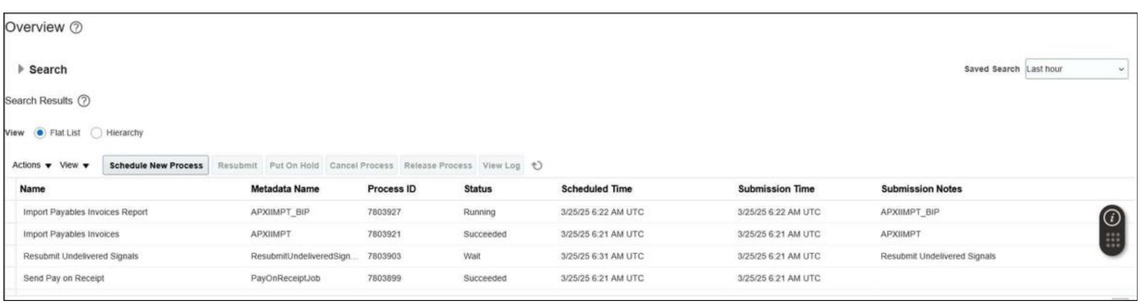
Search for the Job Send Pay on Receipt, Click on OK



Provide the Receipt Number, but it is not mandatory. Click on Submit



Click on OK,

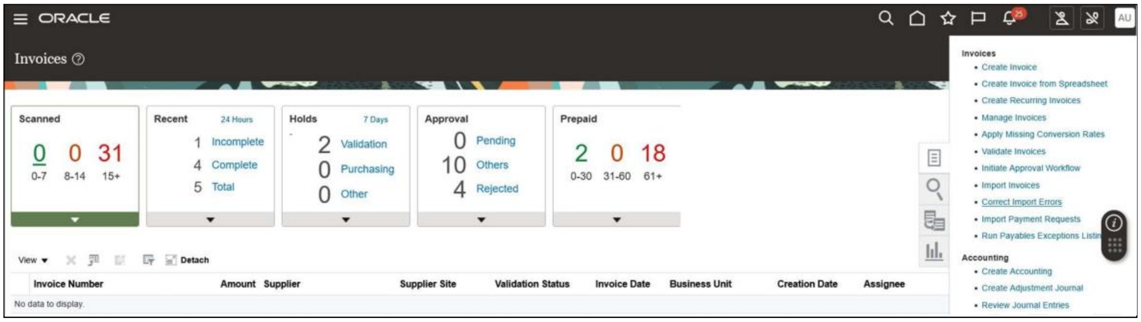


Click on Refresh until the Send Pay on Receipt job is Succeeded. If the job is processed with Succeeded Status, then you should run job called Correct Import Invoices

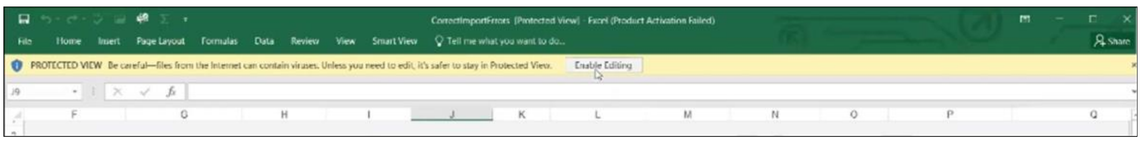
Correct Import Invoices:

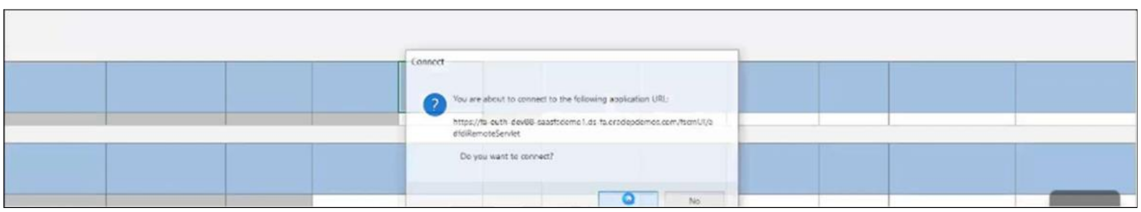
Navigation

Login to the Instance with the user credentials >>> Click on Navigator >>> Click on Payables >>> Click on Invoices >>> Click on Tasks >>> Click on "Correct Import Invoices" Search with the Order Number >>> Select the PO >>> Provide the Header Level, Line Level and Distribution level details >>> Click on Actions and click Validate >>> Click on Actions and click on Post to Ledger

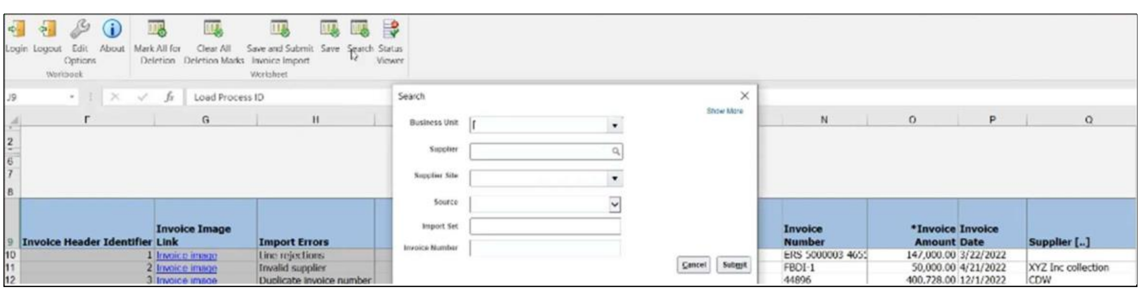


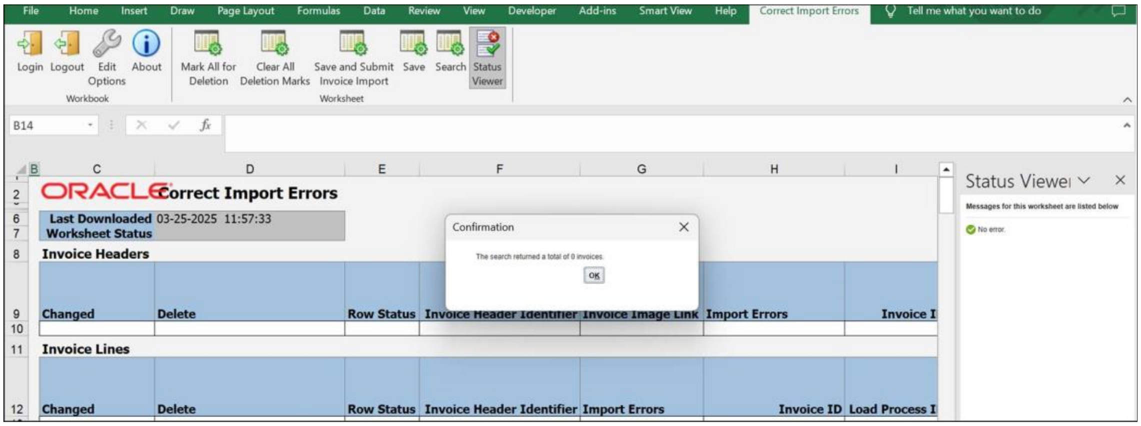
Click on Correct Import Invoices. If anything is struck at interface level we can find here.


Click on Enable Editing


Click on OK >>> Provide you Credential and Click on Sign in


Click on Skip.

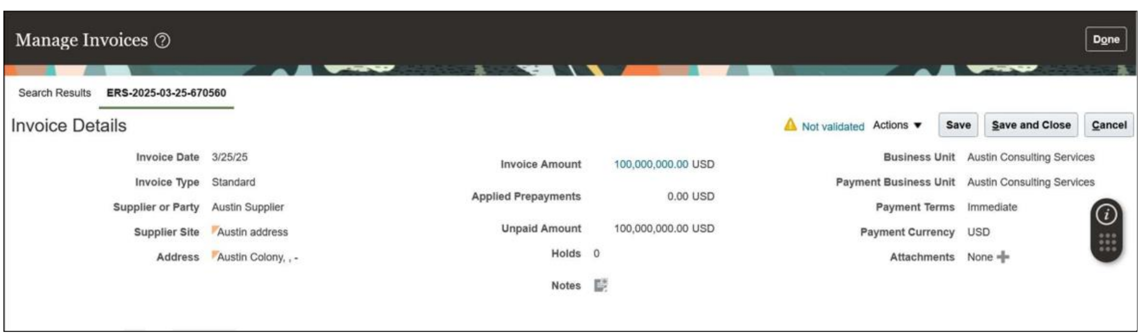

Click on Search >>> Search for your Business unit, select it and click on Ok >>> Click on Submit



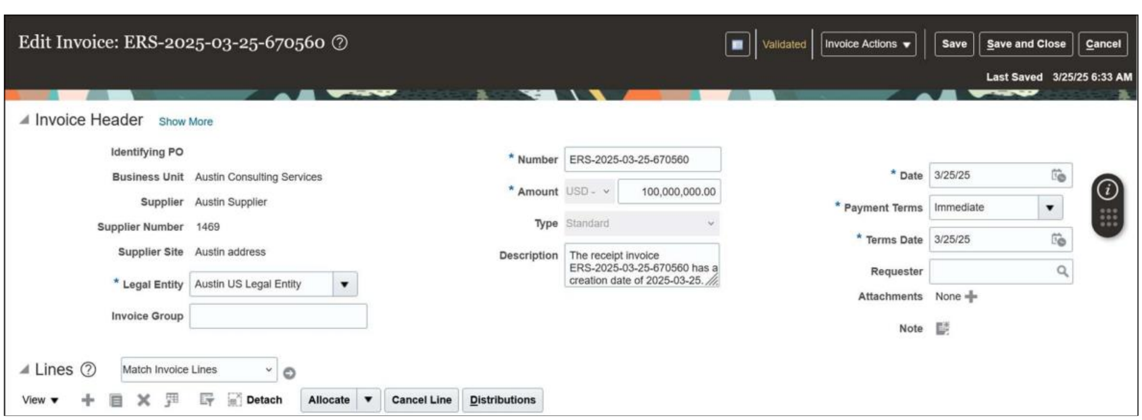
Click on OK, we don't any invoices which are struck in interface tables.

Now the Import Payable Invoices Job is processed with Succeeded Status.

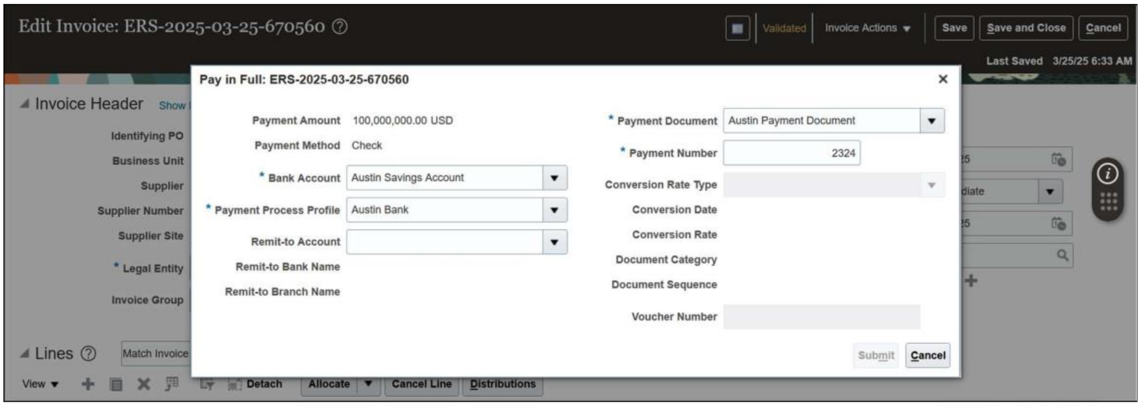
Click on Manage Invoices, and you can check the invoice which is created. Click on the Invoice Number. It has number with the prefix called ERS.



Open the Invoice, Click on Actions and Click on Edit.



You can see that the Invoice is created with Description as ERS as Prefix and Which date it has been created with status Not Validated >>> Now you can Validate the Invoice and Post to Ledger >>> Click on Save and Close.



Pay the Invoice

Ways to create Invoice

1. Generally, we create the Invoice directly in the Payables but that is not the Right Practise.
2. We can create the Invoice in Payables with help of Supplier Invoice and Purchase Order that is 2Way Matching.
3. We can create the Invoice in Payables with help of Supplier Invoice, Purchase Order and Receipt that is 3Way Matching.
4. We can create the Invoice in Payables with help of Supplier Invoice, Purchase Order, Receipt and Inspection that is 4Way Matching.
5. Evaluated Receipt Settlement/ Pay on Receipt/ Self Billing.