



# Procure To Pay Cycle

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# 01-What is ERP?

Enterprise resource planning (ERP) refers to a type of software that organizations use to manage day-to-day business activities such as :

- Accounting
- Procurement
- project management
- Human resources
- supply chain operations.

Example for the most famous ERP systems :



ORACLE®



ORACLE®

# 02-Oracle ERP Modules



# 03-Supply Chain Module

## What Is Supply Chain Management (SCM)?

- Supply chain management is the management of the flow of goods and services and includes all processes that transform raw materials into final products ,storing them in inventories and delivering them to the customer

## what supply chain module in oracle offers?

- Inventory Management
- Manufacturing
- Order Management
- Procurement
- costing

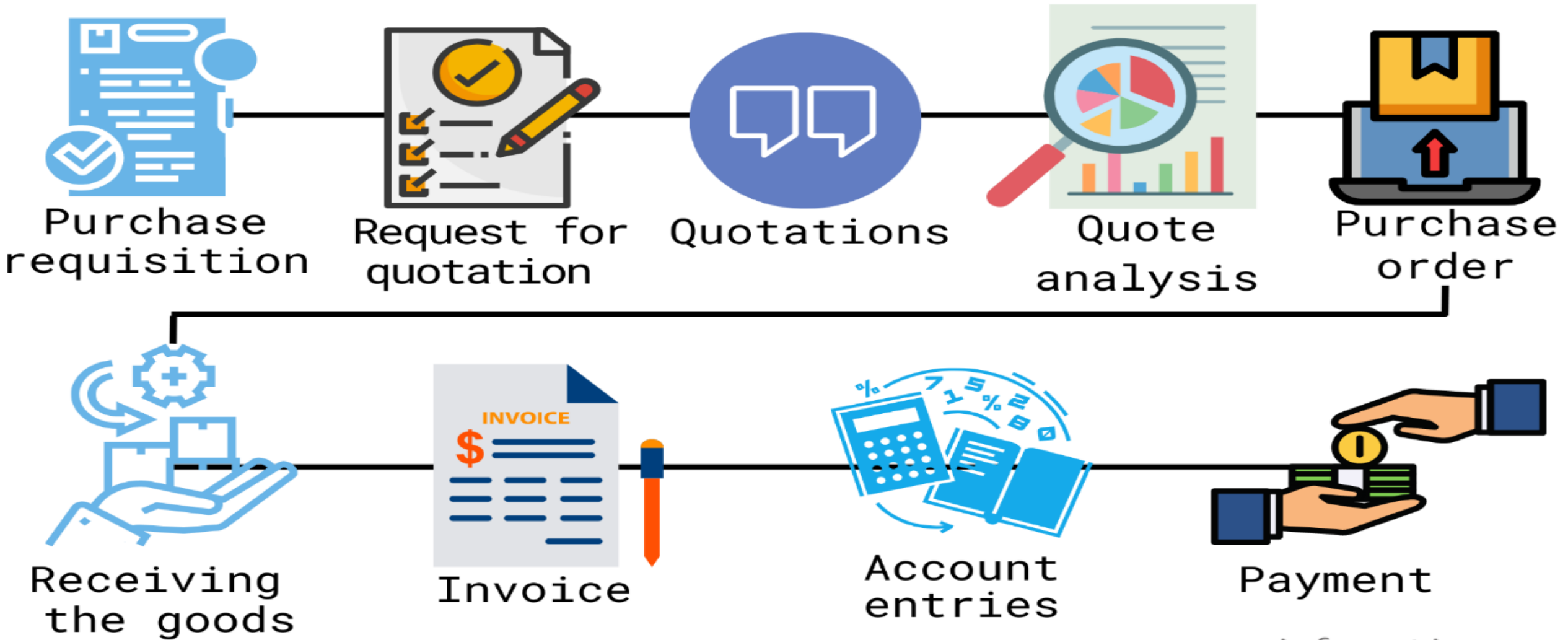


# 04-Procure To Pay Cycle

What is the P2P cycle

- The P2P cycle in Oracle Cloud Fusion is a process that starts with a requisition being created in Oracle Procurement and ends with the supplier being paid fully or partially for the purchase. The steps are outlined in the diagram below:

## PROCURE TO PAY PROCESS CYCLE



[www.erp-information.com](http://www.erp-information.com)

ORACLE®

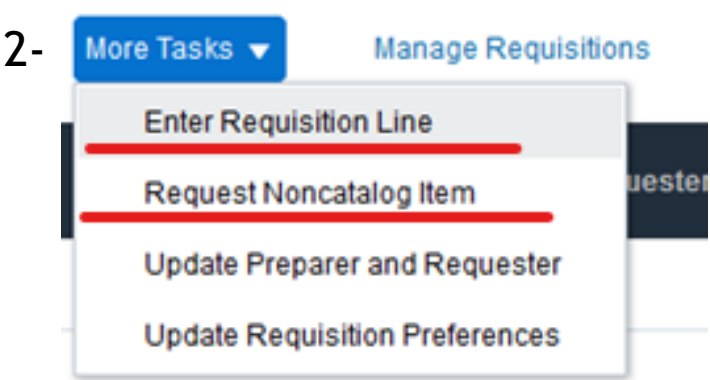
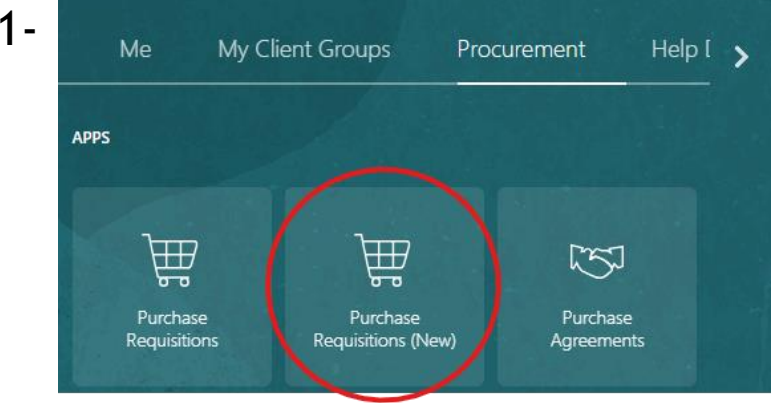
# Steps Of P2P Cycle

## 1. Create requisition

- The first step that initiates the Procure-to-Pay Cycle is Creating a Purchase Requisition (PR). A requisition is a formal document used when an employee needs to purchase or order something on behalf of their organization







3-

Enter Requisition Line

\* Line Type: Goods

Item: SH-1001-GE

Revision: 1

\* Item Description: أول صنف

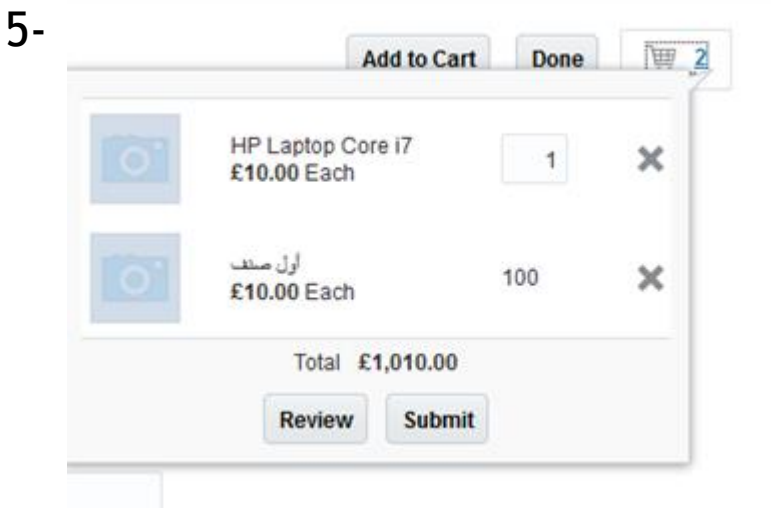
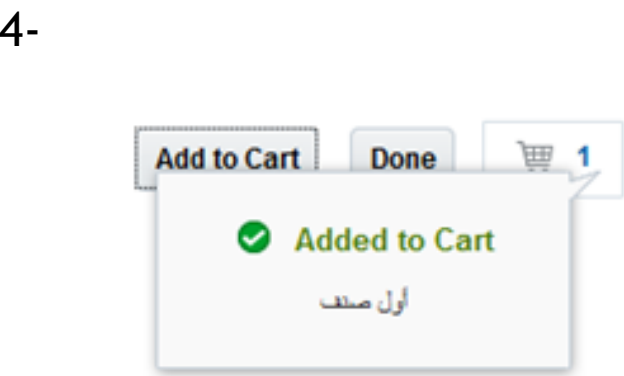
Category Name: General

\* Quantity: 100

\* UOM Name: Each

\* Price: 10.00

\* Currency: EGP

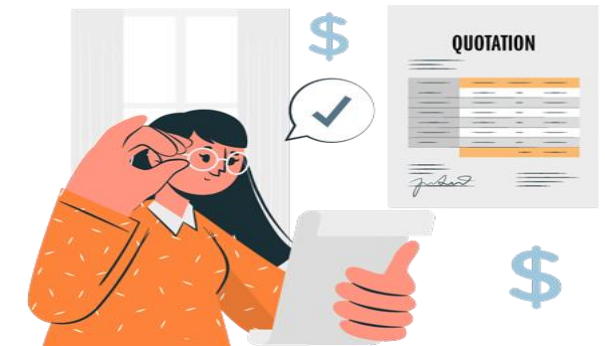


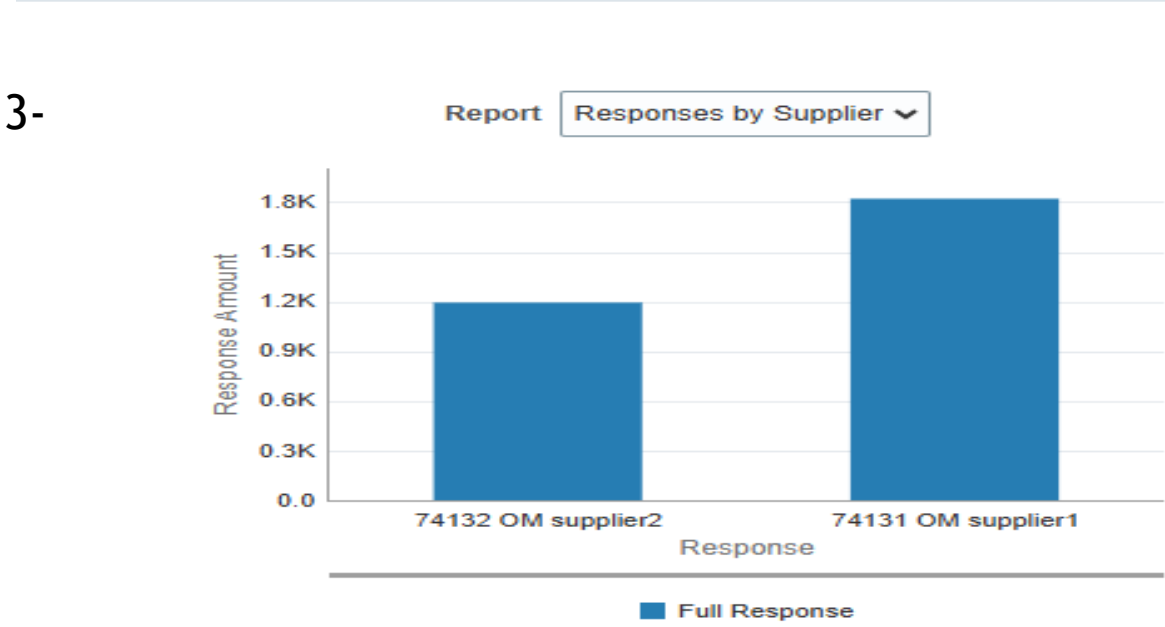
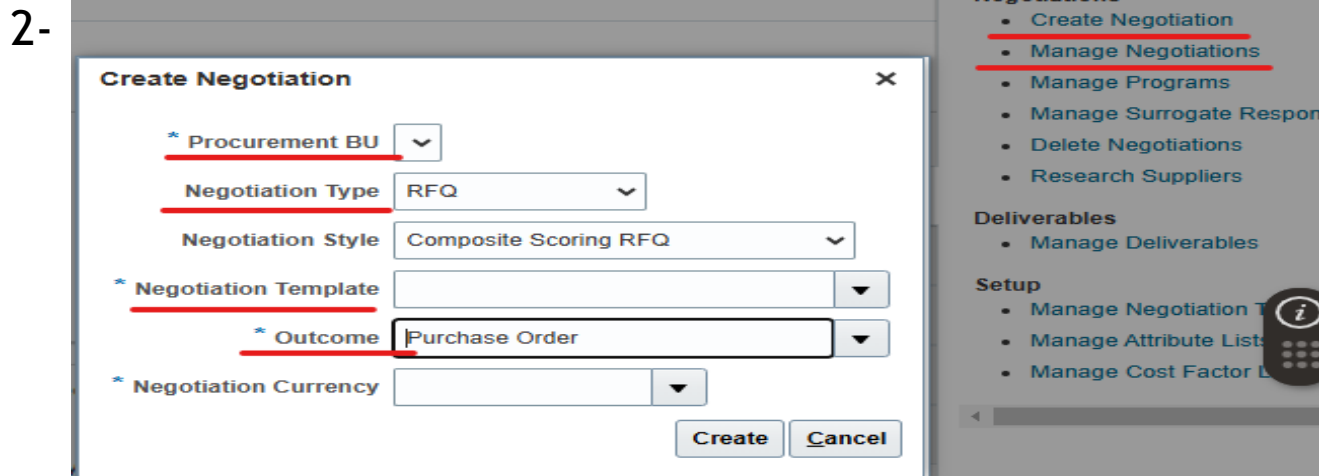
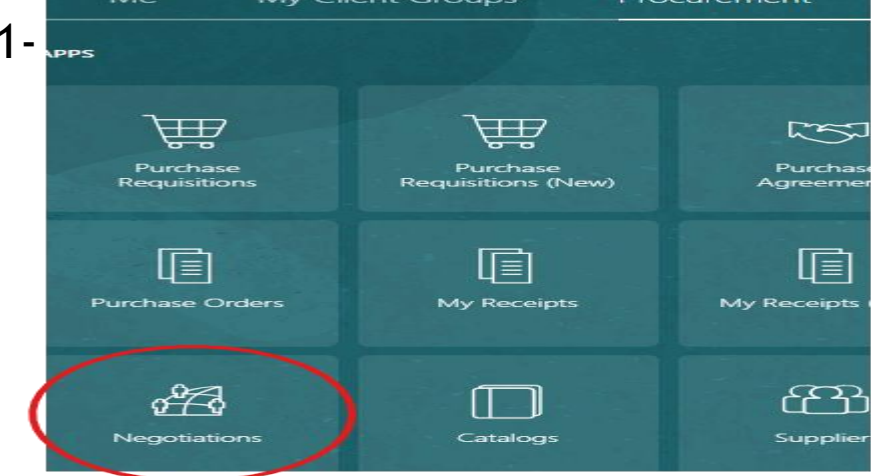
# Request for quotation

- After requisitions are created by entering all the information mentioned above, the user generates a request for a quotation (RFQ). An RFQ is a Call for Bid, or an Invitation for Bid sent by a company to its potential suppliers.
- An RFQ is a document sent to the supplier that outlines the goods or services needed, along with the buyer's price. The RFQ also includes any other terms and conditions relevant to the purchase.

## Quotations

- A quote is an offer that contains the total price of the products or services.
- The supplier sends a quotation, whether in response to an RFQ or not, through the Purchasing Documents Open Interface. If you don't receive quotes electronically from your supplier, a quotation can be created manually using a Quotations Form or copying the quotation from an existing RFQ.





4-

Title OM-RFQ

Response Status Awarded

Time Remaining 0 Seconds

Score 80.00

Close Date 18/01/25 03:25 AM

Overview Requirements Lines

General

Supplier OM supplier1

Supplier Site Cairo

Supplier Contact Omar, Omar

Response Currency USD

Price Precision 2 decimals maximum

Response Valid Until

Shortlist Status Included

Reference Number

Note to Buyer

Attachments None

Purchasing Document PO-2025-0000000004

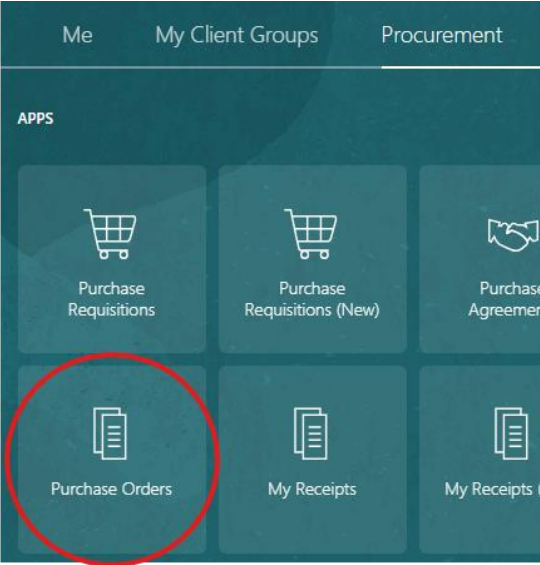
## 2. Create purchase order

- A purchase order is a commercial document that's used to request a seller to supply a product or service in return for payment. In Oracle Purchasing, a purchase order can be created through an automated process or entered manually.



The buyer is responsible for communicating with suppliers and agreeing with them to purchase goods with the best quality and best price.

1-



2-

**Create Order**

\* Style: Purchase Order

\* Procurement BU: [Dropdown]

Requisitioning BU: [Dropdown]

Supplier: [Search Field]

Supplier Site: [Dropdown]

Supplier Contact: [Dropdown]

Default Ship-to Location: [Search Field]

Sold-to Legal Entity: [Search Field]

Currency: [Dropdown]

Buyer: [Dropdown]

Special Handling Type: [Dropdown]

**Create** **Cancel**

No data available

Requisitions

- Process Requisitions
- Import Requisitions
- View Requisition Line

Orders

- Manage Orders
- Create Order**
- Generate Orders
- Import Orders

Agreements

- Manage Agreements
- Purchase Agreement
- Create Agreement
- Import Blanket Agree
- Import Contract Agree
- Initiate Retroactive Pl
- Generate Approved S

Deliverables

- Manage Deliverables

Checklists

- Manage Compliance

Supply Base

3-

Lines Schedules Distributions

Actions View Format + [Icons] Freeze Detach Wrap

* Line	* Type	Edit	Item	* Description	* Category Name	Quantity	UOM	* Price	Ordered	* Location
1	Goods	[Edit]	SH-1001-GE	تجربة عمل لمر توريد الله الموقر	General	10	Each	10.00	100.00	SH Obore

Columns Hidden 44

APPROVAL CYCLE

PR APPROVAL

Notifications

Pending Notifications

Enter search terms

Action Required: Approve Requisition SH-2019005213 minutes agoSaid ElshayebApproveReject

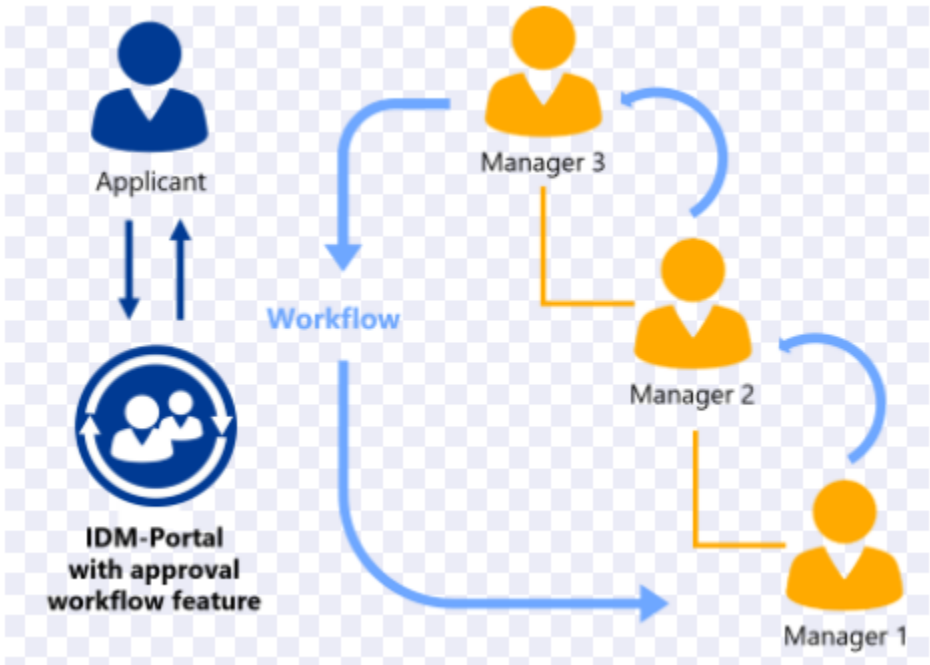
Action Required: Approve Requisition SH-201900432 days agoSaid ElshayebApproveReject

FYI: Approve Requisition SH-201900451 week agoRequester Elshayeb

Action Required: Approve Requisition SH-201900451 week agoRequester ElshayebApproveReject

FYI: Approve Requisition SH-201900441 week agoRequester Elshayeb

FYI: Requisition SH-20190031 Approved1 week agoRequester Elshayeb



PO APPROVAL

Overview Edit Document (Purchase Order): 135 x

Manage Approvals

Note to Approver

Options Apply Reset

1 Terms Stage

1.1 Parallel

1.1.1 Applications Development Framework Application Idem

Terms Stage

Applications Devel...

bill to BU SH BU

Supplier Contact

Communication Method None

Manage Approvals

Edit Document (Purchase Order): 135 ★

Status Incomplete

PR to 1 creative PR to 1 change



### 3. Create inventory receipt

Once the goods/services are ordered and shipped by the vendor, they must go to their final destination. The receipt is done by entering quantity (accepted quantity) and/or receiving location into the receiving form in Oracle Purchasing.



#### Manage Receiving Parameters

##### General ?

Ship-to Exception Action	<input type="text"/>
ASN Control Action	<input type="text"/>
Early Receipt Tolerance in Days	<input type="text" value="0"/>
Late Receipt Tolerance in Days	<input type="text" value="0"/>
* Receipt Days Exceed Action	<input type="text"/>
Overreceipt Tolerance	<input type="text" value="0"/>
* Overreceipt Action	<input type="text"/>
* Receipt Routing	<input type="text" value="Direct delivery"/>

	Receipt Routing	
1	Direct	Put away
2	Standard	Receiving area - Put away
3	Inspection	Receiving area - Inspect - Put away

## 4. Create AP invoice

- Once the receipt is entered, the invoice can be created in Oracle. An invoice specifies the price of the goods or services and any other terms, and an essential aspect of the invoice includes a due date for payment.



ORACLE

Create Invoice: ⓘ

Invoice Actions: [Print] [Save and Create Next] [Save] [Save and Close] [Cancel]

### Invoice Header

Show More

Identifying PO: [Search]

Business Unit: US1 Business Unit

**Supplier: Amazon** [Search]

Supplier Number: 1343

Supplier Site: Amazon US1

Legal Entity: US1 Legal Entity

Invoice Group: [Search]

Number: [Search]

Amount: USD - [Search]

Type: Standard

Description: [Search]

Date: 5/17/20 [Calendar]

Payment Terms: Immediate

Terms Date: 5/17/20 [Calendar]

Requester: [Search]

Attachments: None +

Note: [Icon]

Lines ⓘ Match Invoice Lines [Settings]

Taxes

Totals

Items	Freight	Miscellaneous	Tax	Included Prepayments	Total
0.00	0.00	0.00	0.00	0.00	0.00
			Withholding 0.00	Applied Prepayments 0.00	Due 0.00

tutorially



## 5.Create accounting entries

- The invoice which is created and approved needs to be reviewed. This step is known as invoice validation, wherein the invoice is checked and validated. The supplier's invoice is matched and ensures it aligns with the PO created earlier.
- After Invoice validation and approval, the Accounts Payables team generates accounting entries. These accounting entries debit from the Accounts Payable Account and credit into the Cash Account.

# Blanket Purchase Agreement B.P.A



- A contract with a fixed duration and value for the supply of specific items at prices agreed upon between the buyer and the supplier.
- This contract includes certain items at certain prices, it may include discounted prices and also the lowest purchase value.

Me My Client Groups Procurement

APPS

Purchase Requisitions

Purchase Requisitions (New)

Purchase Agreements

**Purchase Orders**

My Receipts

My Receipts

**Create Agreement** ✕

1 - \* Style Blanket Purchase Agreement ▼

\* Procurement BU ▼

**Supplier**

Supplier Site ▼

Supplier Contact ▼

\* Currency ▼

**Buyer** ▼

ty

No data available

View Requisition Lines

Orders

- Manage Orders
- Create Order
- Generate Orders
- Import Orders

Agreements

- Manage Agreements
- Purchase Agreements (1
- Create Agreement**
- Import Blanket Agree
- Import Contract Agree
- Initiate Retroactive Price

Overview **Edit Document (Blanket Purchase Agreement): SH-20190001** ✕

## Edit Document (Blanket Purchase Agreement): SH-20190001 ★

Manage Approvals View PDF Actions ▼ Save ▼ Submit Cancel

Main Controls

### General

Procurement BU SH BU

Agreement SH-20190001

Status Incomplete

\* Buyer Elshayeb, Ahmed ▼

Creation Date 27/02/19

Supplier SH Supplier RAW

Supplier Site Cairo Branch ▼

Supplier Contact ▼

Communication Method None ▼

Start Date 01/02/19

End Date 01/04/19

\* Currency EGP ▼

Agreement Amount 10,000.00 EGP

Minimum Release Amount 1,000.00 EGP

Description BPA Test 1

Terms **Notes and Attachments**

# Price Break

Edit Line: 1 Back Next Actions OK Cancel

Procurement BU SH BU  
Line Type Goods  
Item SH-1001-HW  
Revision  
\* Description HP Laptop Core i7  
☒ Allow item description update  
Supplier Item  
Category Name General

\* UOM Each  
\* Price 100.00 EGP  
☐ Allow price override  
Price Break Type Cumulative  
Expiration Date dd/mm/yy  
Minimum Release Amount EGP  
Agreement Amount EGP  
Agreement Quantity

## Price Breaks

Actions View Format + X Freeze Detach Wrap

* Price Break	Ship-to Organization	Location	Quantity	UOM	* Price	Discount Percent	Start Date	End Date	Attachments
2	SH1	SH Obore	200	Each	98.00	2			None +
3	SH1	SH Obore	300	Each	97.00	3	dd/mm/yy	dd/mm/yy	None +
1	SH1	SH Obore	100	Each	99.00	1			None +

Save

Create Agreement X

2- \* Style Contract Purchase Agreement

# 05-Conclusion

The P2P cycle involves all necessary and optional processes that help ensure a smooth requisitioning and procurement of goods and services, and the accuracy of financial data in Oracle Applications.

