**P2P Process for Asset procurement**

There is a huge variety of products that can be ordered within a company and therefore various process variants are possible in asset procurement, depending on the value and the complexity of the product to be procured.

If the product to be procured is of high value and complexity (for example, a new building), the buyer generally works very closely together with the accountant beforehand. The fixed asset is then created in the system before goods and services are ordered with an account assignment to this fixed asset.

If the product to be procured is of low value and complexity (for example, a new laptop), the fixed asset is usually created automatically in the system at the time the goods receipt is posted. Therefore, individual materials are used in purchasing, which may lead to the creation of fixed assets in Financial Management**.**

**Create Purchase Order:**

1. Create Purchase order without reference to purchase requisition
2. Pass the supplier code , material Code, Quantity required , due date of delivery, receiving plant, item tax rate and price at PO line item
3. Save the purchase and system would generate a new number based on the number range assigned to PO document type in configuration

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**Release of Purchase Order**

1. System determines the release strategy based on the release strategy configuration
2. It also reads the master data maintained against class/ characteristics maintained in the system for release parameters
3. There are two ways to approve the purchase order
   1. Option1 : to approve the Purchase order through Transaction code: ME29N
   2. Option2: Setup workflow configuration, system will trigger work item in the inbox of approver
   3. Approver will use the Tcode: SBWP to approve purchase order
4. Post document approver further steps of good receipt can be executed
5. Save the approver action

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**Good receipt against Purchase Order**

1. Perform GRN by SAP standard Tcode: MIGO against Purchase Order
2. System will default all the open line items with open quantity for performing good receipt ( GRN)

User has to authority to change the default quantity in line with actual quantity received and also to specify the storage location where stock will be physically received and placed

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**Invoice Verification against Purchase Order**

1. Perform Invoice Verification by SAP standard Tcode: MIRO against Purchase Order
2. System will default all the open line items with open quantity and value for performing good receipt vendor invoicing
3. System will default the tax code from PO line item and calculate the taxes
4. System does 3- way matching among PO, Good Receipt and Invoicing to avoid any discrepancy
5. System also defaults currency and payment terms to calculate the due date when invoices can be paid

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