

P2P CYCLE (PROCURE TO PAY CYCLE)

P2P cycle covers 3 major modules PO, AP, GL it starts with requisition.

1. Requisition:

- It is formal request to buy an equipment needed for an organization, requester initially initiate the process, preparer will enter all the details
- These are two types
 1. Internal requisition
 2. Purchase requisition

I. Internal requisition:

- It is a process of requesting and transferring the material from one sub inventory to other sub inventory within an organization.

II. Purchase requisition:

- It is used for requesting material from suppliers

Navigation:

Purchasing vision operations

Goto requisitions→requisitions

Select type as purchase requisition

Goto line tab

Select item from list→press tab

Enter the quantity→select need by date

Goto distribution

Click on charge account (from which a/c u need to pay for this item)

Click on save.

It generates requisition number automatically

Queries:

Header query:

Lines query:

Distribution query:

Account at distribution level:

Get requester and charge account through seeded API:

2. Approval

- In the same requisition windows. Click on approve and find the status in requisition summary
- In the organization, manager will approve by logging into application by their user.

Eg: username: ebaker
Password: welcome

Goto workflow user web applications → administrator workflow → notifications
→ find our request → click on approve
(If we get requisition status as 'in process' we follow above method)

- To find the persons who approved and who submitted
Purchasing vision operations
Goto requisitions → requisition summary
Enter the requisition number. Click on find.
Goto tools → view action history
- To find complete info
Goto tools → view approval through workflow
- To cancel or close the requisition
Goto tools → control (we can select cancel requisition)

Business requirement:

If the requisition are awaiting for approval. Business will slow down. So we will display the status with in process and generate a report to PO department. They will take necessary action.

Queries:

Requisition with approval status:

To find approval limit:

3. RFQ (Request For Quotation)

- Once requisition is approved by the manager, we need to create RFQ to approach the suppliers.

Navigation:

Goto RFQ'S and quotation → RFQ'S

Select the type as standard or some other

Enter the close date

Goto items tab

Enter item details

click on terms and enter the following

Payment terms:

Payment duration to make the payment to suppliers

Freight terms:

Mode of transferring the goods.

Carrier:

Goods Carrier Company.

FOB (foot on board)

Means there is possibility to damage goods, here we need to indicate the responsibility of the goods damage.

Click on save.

- Enter supplier manually or else we can include the approved vendors from the Add from list box
- Click on price breaks & we can enter the quantity and discount.
Click on save.

There are three types of quotations and RFQ'S that come with purchasing default

Catalog: used for high volume items or items for which your supplier sends you information regularly. A catalog quotation or RFQ also includes price breaks at different quantity levels.

Standard: used for items only once or not very often, but not necessarily for specific, fixed quantity, location, date.

For example, you could use a catalog quotation or RFQ for office suppliers but we use a standard quotation or RFQ for a special type of pen you don't order very often.

A standard quotation or RFQ also include price breaks at different quantity levels.

Bid: used for a specific, fixed quantity, location and date.

For example, a bid would be used for a large or expensive piece of equipment that you've never ordered before, or for an item that incurs transportation or other special costs.

You cannot specify price breaks for a bid quotation or RFQ

Note: for all three types, you can define effectively dates at the header level

For catalog and standard quotation, you can also specify effectively date at shipment level

But for bid, you can't specify effectively dates at the shipment level.

Note-2: for RFQ'S, quotation, purchase order the base table are same. Based on column type_look_code we can segregate

Link b/w REQUISITION and RFQ:

Oracle has mentioned that there is no link b/w requisition and RFQ

"Create DFF (descriptive flex field) at RFQ windows"

To create dff follow the below steps

1. Copy the table name from RFQ window. It is po_headers_all

2. Goto Application developer responsibility

Flex field → descriptive → register

Query the table name .enter it in capitals. (F11 → tablename → cntrl+f11)

Copy the title

Goto flex field → descriptive → segments

Query with title

Click on segments → enter any column name. Choose the attribute column up to 15 only available, in other modules we have only 10

Query:

[Back end link for requisition and rfq](#)

4. Quotation:

- Once we create RFQ'S, we will send it to diff suppliers, then suppliers will send you the quotations to our organization.
- We will enter these quotation values into quotation windows.

Navigation:

RFQ'S → quotations

- After this our organization will do the quote analysis, then we will choose the best supplier then we create purchase order

Note: If we know the supplier already we can skip the RFQ'S, quotation, quote analysis. We can directly create purchase order

5. Purchase Orders:

A. Standard PO:

- From a single source (single supplier), we will receive goods not frequently

B. Planned PO:

- It a long term agreement committing to buy items and services from single source. You must specify proper delivery schedule and all the details of the goods and services including charge accounts, quantities and all details of goods.

C. Blanket purchase agreement:

- It is created whenever you need equipment very frequently in that case agreement is needed b/w our organization and suppliers for a particular duration based on certain amount and on specific item.

D. Contract agreement:

- It is very similar to the blanket purchase agreement except the item specification in the agreement, we have a chance to buy anything.

Navigation:

Purchasing vision operations

Goto purchase orders → purchase orders

Enter the supplier info, site, contact, buyer name

Goto line region

Select the item→press tab

Enter the quantity, price and need by date

Goto shipments

Select organization name, ship-to-location, and quantity

Click on distribution button

Enter the charge account

Click on more tab

Attach the requisition number,

Click on save. It will generate the PO number automatically.

Note:

- ✓ While opening the form from our own user, it may give following error
“You are not setup as an employee, to access this form we need to be an employee”

Solution:

- ✓ Take any one of the buyer from the below navigation.

Navigation:

Purchasing vision operations

Setup→personnel→buyers (copy any buyer's name)

Got system administrator

Security→user→define

Query with your username

Paste the person name

It shows error message

“This employee is already assigned to user XXXX. Assigned to more than one user can cause error”

Close the form

Now query with user XXXX.

Remove the person name and save it.

Now query with your user name.

Paste the person name and save it.

Purchasing vision operation

Goto purchasing order → purchasing order.

Queries:

[Link b/w requisition and PO](#)

Blanket PO creation:

- It can be created manually or through quotations. It will not have any shipments, we have to create shipments by creating release. It has price breaks, most of the time we copy the price breaks of blanket purchase agreements from quotations.

Navigation:

Purchasing vision operations

Goto RFQ'S and quotations → quotations

Enter all the RFQ details

Tools → copy document

Give RFQ number, we will get message

"AP-PO-15555: purchase order 10000 has been created"

Enter some value in the amount agreed as 5, 00,000

Goto terms tab

Enter minimum release 1000

(If we enter this later, we will get issues like

Error: release line total must be greater than agreement line minimum

Release amount 1000

Error: release line total must be greater than agreement minimum release Amount)

Goto price reference tab

Enter the list price and price limit

Goto agreement tab

Check the check box of cumulative.

If we check this check box, we can ensure that the price of an item will be Calculated based on the total items we give in

Approve the PO and then release the PO:

All releases are not released in one release

Navigation:

Purchase order vision operations

Purchase orders → releases → give PO number

Enter all details like number, quantity, approve.

QUERY:

Po approval status:

Match approval

- With this feature we can verify the goods, how much quantity we have received, how much we returned to vendor
- There are 3 ways:
 - 2-way (default)
 - 3-way
 - 4-way

2-way :

- Whatever we order in particular PO, we make the payment for the suppliers in 2-way, we will compare 2 document
- 1. Purchase order 2. invoice
- Suppose we have received a PO of 100 items, for that we receive 100 items, so that we make payment for 100 items

3-way:

- In 3-way we will compare 3 documents
- PO, invoice, receipt
- For ex: suppose we have ordered 100 items in a particular PO, but we have received only 80 items, then we make payment for 80 items

4-way:

- In 4-way we compare 4 documents
- PO, invoice, receipt, inspection required

- For ex: suppose we have ordered 100 items in a particular PO, suppliers will send 80 items, we will do inspection on those items what we have received, if 10 items are damaged, finally we are making payment for 70 items only.
- Match approval options we can see in the applications at the purchase orders shipment window.
- Goto shipments➔more tab
- We can use the table po_line_locations_all

```
Select inspection_required_flag,  
       receipt_required_flag  
from   po_lines_locations_all;
```

6. Receipt:

- Once we raise the PO supplier we deliver all the goods to destination, we need to create receipt into oracle apps

Note: here receipt is for goods not for money.

Navigation:

Purchasing vision operations

Goto receiving➔receipts

Enter the PO number. (If you are not able to find PO numbers

Goto shipments➔find the organization

Switch to your organization using change organization).

Enter the PO number➔click on find➔keep aside the header form

Goto line level➔ enable check box and click on save

It will ask to enter sub inventory name.

Select your sub inventory name➔it will generate receipt number.

Now verify item in inventory:

Navigation:

Inventory, vision operations

Goto on hand availability➔on hand quantity

Query by your item number and click on find.

Check the material transactions:

Navigation

Inventory, vision operation

Goto operations→transactions→material transactions

Find with item number and date as well

Check the source type, it will be purchase order

Check the transaction type----PO receipt

We also see serial number, in the serial number button whenever item is received.

Various transaction types are ACCEPT, RECEIVE, RETURN TO VENDOR, DELIVER, TRANSFER, RETURN TO RECEIVING

To open periods in PO

Setup→financial→accounting→control purchasing periods

To open periods in GL

General ledger, vision operations RESPONSIBILITY

Goto setup→open/close→click on find→click on next year→next period

7. invoice:

- To create invoice automatically we need to submit a concurrent program “**pay on receipt auto invoice**” provide the parameters are receipt number, period. This program we need to submit from purchasing responsibility
- Actually invoice contains the info like to whom we need to make the payment (supplier) and its complete account info.

Navigation:

Payables vision operations responsibility:

Invoice→entry→invoices

Enter the supplier number, include site, invoice date, invoice number, invoice amount

Goto distributions

Enter the line amount and account information

Click on save.

Goto actions window

Check the check box of the validation windows, then invoice becomes validation.

(The validation process performs a couple of process

First, it check to see if should apply any matching holds, then it will calculate and apply taxes

Verify GL periods, verify exchange rate and verify distribution information valid)

After validation we may get message needs revalidation

The reason it says needs revalidation because after validating the invoice, the tax has been calculated price. So we need to update the price at the top and do validation again

Goto actions again

Check the check box of create accounting → click on LOV

Invoice account will become yes.

Note:

In distribution section, if there is any amount variation b/w header amount and distribution amount, system will keep our invoice into hold while validating invoice

There are two types of holds:

System hold, manual hold applied by users.

Until unless we release the holds, we cannot go ahead with the validation. Only manual holds we can release. System holds we cannot.

Invoices status: APPROVED, NEEDS APPROVED, NEVER APPROVED, CANCELLED.

Prepayments :AVAILABLE, CANCELLED, FULL, UNAPPROVED, UNPAID.

Queries:

[Link b/w po number and invoice number](#)
[To find ap invoice validation status:](#)

Types of invoices:

Standard:

- A trade invoice you receive from a supplier.

Credit memo:

- A negative amount invoice you receive from a supplier representing a credit for goods or services purchased.

Debit memo:

- A –ve amount invoice you send to notify a supplier of credit you recorder for goods or services purchased

Mixed:

- A standard or credit/debit memo invoice for which you can enter both positive and negative amounts and perform both positive and negative matching.

Quick match:

- A trade invoice you automatically match to all the shipments of a specified purchase order

PO default:

- A trade invoice you automatically match to be specified purchase order and then manually match to individual shipments on the purchase order. After you use this invoice type to complete match, the invoice will become a standard type invoice.

Withholding tax:

- An invoice automatically generated by the system to pay a tax authority amounts withheld form supplier invoices.

Prepayment:

- An advance payment you make to a supplier or employee if you enter temporary for the prepayment type field, then you can later apply prepayment to all invoice.

Expense report:

- An invoice you enter to record business, related employee expenses

8. Creation of payment:

- Goto actions in the same invoice windows
- Check the check box of **pay in full**—click ok
- Bank account—disbursement a/c
- Payment method—check
- Payment mode—wires 204
- Payment processing profile check—USD
- Click on save

- It will pick invoice details
- We can see accounting process status is unprocessed.

- Goto actions→check the check box of **create accounting**
- We will get message 'accounting has been successfully created for this transaction'
- Now accounting status will become process. Click on save.

Query:

Payments:

9. Transfer to GL:

- From the same payables responsibility we need to submit on concurrent program **"transfer journal entries to GL"** (in r12), payable transfer to general ledger (in 11i)
- Provide the following parameters
 - Ledger: vision operations
 - Process category: optional
 - End date:
 - Post in journal ledger: yes
 - General ledger batch name: optional
 - Submit journal import: yes
 - Click on ok
- It will launch the launch the journal import program, posting: single ledger
- Open account balance data manager,
- Tb worker (open account balance data manager worker process)
- Once it is completed

Posting: single ledger—if this program terminates with this warning and shows the message like "unopened secondary ledger period", follow the below steps.

1. Note the secondary ledger name for vision operation (USA) to verify this
 - Navigate
 - General ledger vision operations responsibility
 - Goto setup→financial→accounting setup manager→accounting setups
 - Search for vision operations
 - Click on update
 - Under "secondary ledger" section verify the ledger name as "IAS reporting vision ops"

2. Assign the GL access to secondary ledger to any responsibility
Add “general ledger, IFRS reporting vision ops” resp to your user

Now as sysadmin, make sure “GL: data access set”
Profile is set to “IAS reporting vision ops” at the responsibility level.

(Assign “IAS reporting vision ops” as value to “general ledger, IFRS reporting ops” resp for the above profile).

3. Open the periods:
Switch to general ledger, Ifrs reporting vision ops resp
Open form “open/close periods and select the period to be opened”

Goto general ledger responsibility
Journal→enter the source as payables
Select the period name as month and year.
Select the posting status as unposted→click on find.
We can see our records.

Journal→post→select the period→click on find→select your record→click on post
It will submit one concurrent program posting. Once it is completed

Goto inquiry→journal→click on find→status as posted.

QUESTIONS:

1. EXPLAIN END TO END P2P CYCLE ALONG WITH TABLES?
2. WHAT IS REQUISITION AND TYPE OF REQUISITION?
 - a. Internal requisition and purchase requisition
3. TYPES OF PURCHASE ORDERS AND DIFFERENCE B/W THEM?
 - a. Standard, planned, blanket, contract
4. WHAT ARE MATCH APPROVAL OPTIONS?
 - a. 2 way, 3 way, 4 way
5. HOW MANY WAYS TO CREATE INVOICE?
 - a. Auto invoice, manual invoice
6. WHAT IS DEBIT MEMO AND CREDIT MEMO?
7. WHAT IS PREPAYMENT?
8. HOW TO FIND OUT THE REQUISITION APPROVER.. BACK END?
 - a. Po_action_history
9. Link between requisition and rfq, po and requisition, po and invoice, invoice and payment
10. What are the inventory tables affected at po receipts level?
 - a.
11. Link between ap and gl module?
 - a. Transfer journal entries to gl, gl_import_references
12. WHAT ARE PAYMENT TYPES IN AP?
 - a. Cash, check, credit cards
13. Invoices status:
 - a. APPROVED, NEEDS APPROVED, NEVER APPROVED, CANCELLED.
14. Various transaction types:
 - a. ACCEPT, RECEIVE, RETURN TO VENDOR, DELIVER, TRANSFER, RETURN TO RECEIVING
15. What are bank tables and accounting tables in 11i as well as r12?

11i

AP_BANK_ACCOUNTS_ALL
AP_BANK_ACCOUNTS_USES_ALL
AP_BANK_BRANCHES

r12

--> CE_BANK_ACCOUNTS
--> CE_BANK_ACCT_USES_ALL
--> CE_BANK_BRANCHES_V

Accounting tables

AP_AE_HEADERS_ALL
AP_AE_LINES_ALL

XLA_AE_HEADERS
XLA_AE_LINES
XLA_EVENTS

16.What are the sub-ledger tables?

a.

