Design Document

Material Management Release Procedure

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Submitted To

Sl. No	XYZ Group	XYZ	Prepared by	Date	Signature
1.				21.10.2016	

COMPANY : Xyz group	**Release Procedure**	**PROJECT : Support**

Contents

1.0   BUSINESS REQUIREMENT

The procurement department of Xyz group consists of many buyers who are responsible for buying goods from the market. There is a hierarchy of people like the operator or the buyers who create the order/request and Procurement Head to Other Department and control the procurement process.

Xyz group needs approval process for different area like Purchase requisition, purchase order and also they have required approval proceed at Goods receipts (Quality approval) and Invoice verification (Park Invoice).

2.0   Release Procedure for Material Management

The release strategy defines the approval process for purchase requisitions or external purchasing documents. The strategy specifies the release codes necessary and the sequence in which releases have to be affected. In Xyz group, one release code defines for Purchase requisition and one release code for Purchase Order.

The release codes are basically controlled via a system of authorizations (authorization object M_EINK_FRG). The user with specific release code assigned can perform a respective release in a purchase order/ Purchase Requisition. When the purchase order is saved or checked, system will trigger the Release Strategy for that document depending on the defined criteria. In the purchase order which is required to be released by a higher level user, there will be a Release Strategy tab on header of the PO document.

a. Release code P8 for Plant Head (Purchase Requisition)
b. Release code m4 for Procurement Head (Purchase Order)

> **Characteristics:** - In this step, you create characteristics for a release procedure with classification.

Classification characteristics constitute the criteria for a release condition. If the criteria of a release condition are satisfied, the associated release strategy is assigned to the purchase requisition / Purchase order.

For Purchase Requisition

PR_PLANT	Plant
PR_PRTYPE	Document type
PR_PURGRP	Purchasing Group

For Purchase Order

PO_PLANT	Plant
PO_DOCTYPE	Document type
PO_DOCATG	Purchasing document Category

> **Class: -** In this step, you create classes for a release procedure for purchase requisition / purchase order. You use a class to group together characteristics that are to constitute a release condition for a release strategy.

For Purchase requisition

PR Release	PR_RELEASE

For Purchase Order

PO Release	PO_RELEASE

The assignment of the release strategy to a requisition or a purchasing document is based on the release conditions.

Release code, release strategy for Purchase requisition and Purchase Order

	Purchase Requisition	Purchase Order
Release group	PR	PO
Release code	P8	R4
Release strategies	R8	R4

2.1 SAP Standard Feature "Quality Approval and Park invoice"

In standard SAP, Quality Approval and park invoice already there. Quality department of xyz group user is recording the accurate result in QA32 transaction code, and also putting the acceptance of decision. There is standard feature in SAP for quality approval.

Park invoice is standard feature in standard SAP, Account Head approve the document after completion of park invoice.

2.2 Preparation of required objects for Release Strategy in SAP
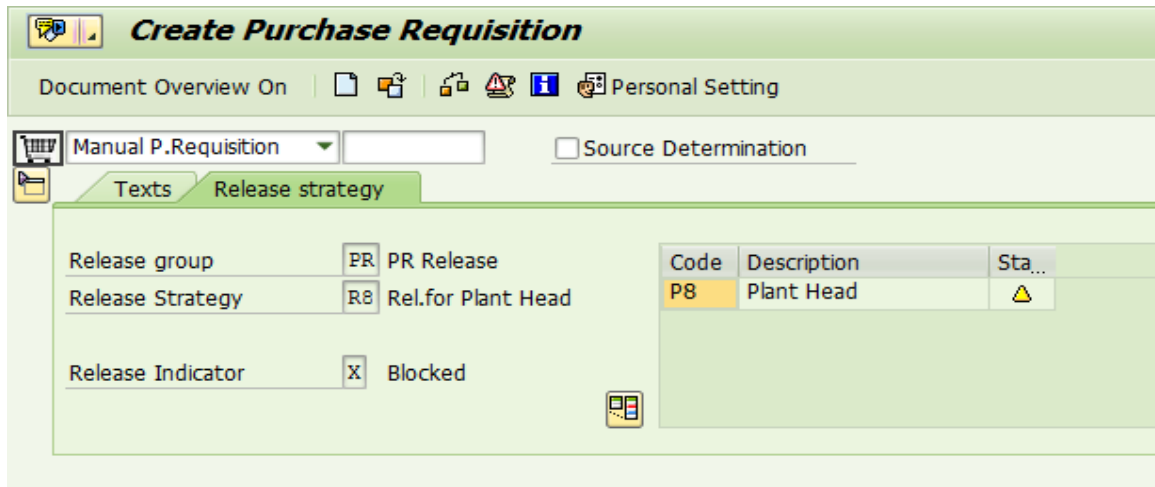
Before we start configuring release strategy in SAP, we need to define the combination of parameters to trigger the release. This triggering criterion can be a combination of Plant, Document type, and document category along with value depending on which the number of release codes are assigned when the document is created. In SAP we have a run time structure with name CEBAN (for Purchase Requisition), CEKKO (for Purchase order) (Communication Release Strategy Determination Purchase Document) which provides all the possible list of fields using which a release strategy can be configured. To view all this fields of the structure you can use transaction code SE12. In SE12 screen, in the database field provide the structure name CEKKO, CEBAN and click on Display button.

3.0 Release procedure for Purchase Requisition
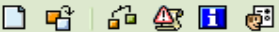
Purchase Requisition (PR) is an internal purchasing document in SAP ERP. A user creates a PR to notify the responsible department, usually the purchasing/procurement department, about his requirement of materials and/or external services. After creation of Purchase requisition Plant head release the document.

If we release a PR, all items in that PR will be released and then can be processed to be Purchase order. If we don't release it, none of its item will be released nor can be processed to be Purchase order.

Step1. Release Purchase Requisition (Transaction code ME54N)

Go to Transaction code ME54N

Click on Release button

Document Overview On 🖊 📑 | 🔒 ℹ️ 📋 Personal Setting

🛒 Manual P.Requisition ▼ 2000000209

Texts / Release strategy

Release group	PR	PR Release	Code	Description	Sta...	Rel..
Release Strategy	R8	Rel.for Plant Head	P8	Plant Head	✔	🖐

Release Indicator   2   RFQ/purchase order

☑ Release effected with release code P8

Save the document 💾

🛒 Manual P.Requisition ▼ 2000000209

Texts / Release strategy

Release group	PR	PR Release	Code	Description	Sta...
Release Strategy	R8	Rel.for Plant Head	P8	Plant Head	✔

Release Indicator   2   RFQ/purchase order

☑ Purchase requisition 2000000209 changed

Document successfully released.
Now Purchase requisition is ready for RFQ or Purchase order.

4.0   Release procedure for Purchase Order

Purchase order is an instruction or order from a purchasing organization to a vendor or a plant to supply or provide a certain quantity of goods by a certain point in time. After creation of Purchase order, Procurement head Approval / Release the document for order the goods from respective vendor or party.

Purchase order is a legal document and it goes outside the company to the vendor, it is very much important to control the process to avoid any errors or unauthorized transaction. When the Purchase order is processed further for goods receipt and invoice verifications, there will be accounting entries generate and it creates Accounts Payable entries.

Because of this reason and legal implications of Purchase orders, it is very much required to control the procurement process by introducing approvals. For the same, SAP has provided a concept of release strategy. In release strategy, there are different released codes which are used for designated users. The release code is a two character ID allowing a person to release (clear, or approve) a purchase requisition or an external purchasing document.

Step1. Release Purchase Order (Transaction code ME29N)

Go to the transaction code ME29N

Release Standard PO 4500000251

Document Overview On | Print Preview | Messages | Personal Setting

Standard PO ▼ 4500000251 Vendor 20000000 ABC Vendor Doc. date 21.10.2016

Delivery/Invoice | Conditions | Texts | Address | Communication | Partners | Additional Data | Org. Data | Status | Release strategy

Release group	PO	PO Release
Release Strategy	R4	PO Rel.
Release indicator	1	Blocked

Code	Description	Sta..	Rel..
M4	Procurement Head	⚠	✔

Click on Release button ✔

Release Standard PO 4500000251

Document Overview On | Print Preview | Messages | Personal Setting

Standard PO ▼ 4500000251 Vendor 20000000 ABC Vendor Doc. date 21.10.2016 ⚠

Delivery/Invoice | Conditions | Texts | Address | Communication | Partners | Additional Data | Org. Data | Status | Release strategy

Release group	PO	PO Release
Release Strategy	R4	PO Rel.
Release indicator	2	Release

Code	Description	Sta..	Rel..
M4	Procurement Head	✔	◈

☑ Release effected with release code M4

Standard PO 4500000251 Created by MGMMCONS

Document Overview On | Print Preview | Messages | Personal Setting

Standard PO ▼ 4500000251 Vendor 20000000 ABC Vendor Doc. date 21.10.2016

Delivery/Invoice | Conditions | Texts | Address | Communication | Partners | Additional Data | Org. Data | Status | Release strategy

Release group	PO	PO Release
Release Strategy	R4	PO Rel.
Release indicator	2	Release

Code	Description	Sta..
M4	Procurement Head	✔

Save the document 💾

☑ Standard PO 4500000251 changed

Purchase order successfully released.
Now Purchase order document is ready for Goods receipts.

5.0 Quality Approval at Goods receipts (MIGO)

Goods receipt is the process of receiving materials against the Purchase order in to the Madina.
Receiving goods with reference to Purchase order. When goods are received, inventory will be increased.
During the material movement, material document is generated for all movements. Relevant accounting and controlling documents are also created for relevant movement types.
After that stock is shown at Quality stock, Quality department Release/ QA the stock from quality inspection stock to unrestricted stock.
Following steps for Quality Approval:-
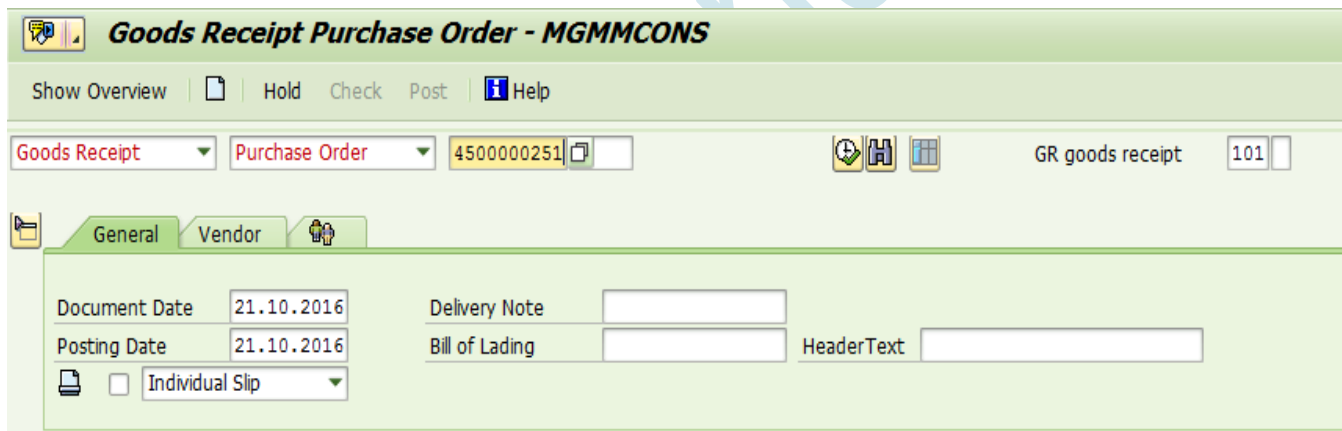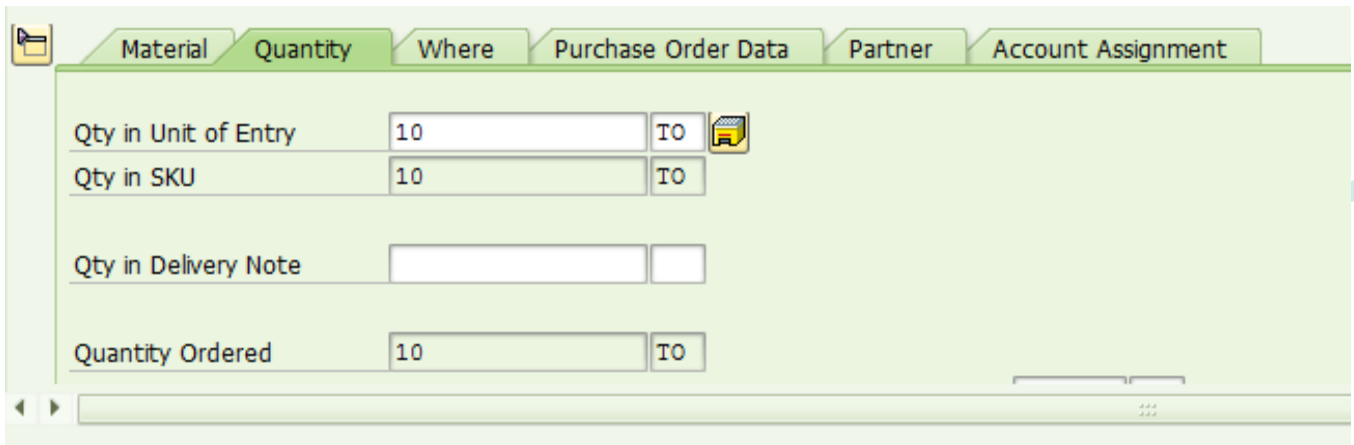
Step1: - Goods Receipts against Purchase Order (MIGO) with Movement type 101(GR goods receipt).
    Go to the transaction Code MIGO, Enter Purchase order with respective field like quantity.

Enter

If required then change the quantity as per business

Goods Receipt Purchase Order 4500000251 - MGMMCONS

Show Overview | 🗋 | Hold   Check   Post | ℹ️ Help

Document Date	21.10.2016	Delivery Note		Vendor	ABC Vendor
Posting Date	21.10.2016	Bill of Lading		HeaderText	

🖶 ☐ Individual Slip ▼

Line	St...	Mat. Short Text	OK	Qty in UnE	E...	SLoc	
1	O△O	Clinker	✓	5	TO	RM Shed - 1	1

◄ ► ☐

🖶🔽 [_____] 🔍🔍 🗑 Delete 📋 Contents ✖️ 📄📄📄

| Material | Quantity | Where | Purchase Order Data | Partner | Account Assignment |

Movement Type	101 🗗 + GR goods receipt	Stock type	Quality inspection ▼

Plant	MCIL Unit-I	1010 👤
Storage Location	RM Shed - 1	RM01
Goods recipient		
Unloading Point		

Text	

Cheek Check & post Post the document.

🗗 Display logs

Typ	Item	Message text	LTxt
⚠️	1	Deficit of PU Ordered quantity 5 TO : 11000011 1010 RM01	❓

☑️ Material document 5000000266 posted

Material document successfully posted.

Step 2: - **Quality Department** Approval the material as per there inspection in transaction code QA32
Go to the transaction code QA32 for Quality Approval.
Put material Number & Plant

Inspection Lot Selection

🕒 📁)⊟(🗎 My default

Inspection lot selection					
Selection Profile	🔍				
Lot created on	14.10.2016	to	21.10.2016		➡
Insp. start date		to			➡
End of Inspection		to			➡
Plant	1010	to	🔍		➡
Insp.lot origin	🔍	to	🔍		➡
Material	11000011	🔲	🔍		➡
Batch	🔍	to	🔍		➡
Vendor	🔍	to	🔍		➡
Manufacturer	🔍	to	🔍		➡
Customer	🔍	to	🔍		➡
Material class	Class selection				
Maximum No. of Hits	100				

Click on execute button 🕒

Change data for inspection lot: Worklist for Inspection Lots

🖉 🔄 | 📋 📋 🖨 🖓 🖓 🔍 | 📓 📑 📲 📲 | 🖽 📲 📲 | 🖉 Usage decision (UD) ⬜ Defects 🖉 Defects 🖉 Results 🖉 Inspection lot

📋 Moni...	A	Insp. L...	Material	Plant	Lot Qty	BUn	L...	S...	Start date	End Date	System Status
⬤◯◯		10000...	11000011	1010	5	TO	0	0	21.10.2016	21.10.2016	REL CALC SPRQ

Click on results 🖉 Results , Put the required result

Record Results: Characteristic Overview

Defects... Inspection Method Control chart Histogram Run values (run chart)

Material   11000011   Clinker
Insp. Lot   10000000193
Oper./Act.   0010   Plnt 1010

General	Summarized	Indicators

Force   Further details...

A...	R...	S..	Short text for the i...	Specifications	Inspect	Inspected	Si...	Result	Original V
☐	☐	0	Alumina Modulus	0.00 .. 2.00 %	1			2	
☐	☐	0	Di Calcium Silicate	0.00 .. 2.00 %	1			2	
☐	☐	0	Tri Calcium Alluminate	0.00 .. 2.00 %	1			2	
☐	☐	0	Tetra Calcium alumin...	0.00 .. 2.00 %	1			2	

Enter

Manual Valuation

Char.   10   Alumina Modulus

Make a decision:
◉ Accept
◯ Reject

Accept
Enter

Record Results: Characteristic Overview

Defects...   Inspection Method   Control chart   Histogram   Run values (run chart)   Results history

Material   11000011   Clinker
Insp. Lot   10000000193
Oper./Act.   0010   ▲ ▼   Plnt   1010

General   Summarized   Indicators

Force   Further details...

A...	R...	S...	Short text for the i...	Specifications	Inspect	Inspected	Si...	Result	Original Va...	V...	Defect ...
☑	☐	5	Alumina Modulus	0.00 .. 2.00 %	1	1		= 2.000	2	✔	▼
☑	☐	5	Di Calcium Silicate	0.00 .. 2.00 %	1	1		= 2.000	2	✔	▼
☑	☐	5	Tri Calcium Alluminate	0.00 .. 2.00 %	1	1		= 2.000	2	✔	▼
☑	☐	5	Tetra Calcium alumin...	0.00 .. 2.00 %	1	1		= 2.000	2	✔	▼

Save the document 💾

☑ Results were saved for operation 0010

Usage decision

Change data for inspection lot: Worklist for Inspection Lots

✎ 🔄 | 🖹 🖺 🖨 ▼ ▽ 🔍 | 🔢 📊 📋 📑 | 🔲 🔳 🔲 | ✎ Usage decision (UD)   📄 Defects   ✎ Defects

	Moni...	A	Insp. L...	Material	Plant	Lot Qty	BUn	L...	S...	Start date	End Date	System Status
	●●○		10000...	11000011	1010	5	TO	0	0	21.10.2016	21.10.2016	INSP RREC SPRQ

Click on Usage decision   ✎ Usage decision (UD)

Put the UD Code

Select the UD code as per Quality Department

Enter

Put the quantity

Save the document

Usage decision for lot 1010 010000000193 is saved

6.0   Park Invoice (MIR7) and Invoice verification (MIRO)

- ➢ Madina user can park invoices or credit memos. This means that you enter the invoice data or credit memo data in the system and save it in a document and number has been generated, but the system does not post this invoice initially.

- ➢ Document Parking by More than One Accounts Payable Clerk.

- ➢ Madina user can change a parked document as often as you wish, for example, by adding or correcting data. The changes are logged.

- ➢ The process flow is organized in such a way that one employee parks invoices without checking them. Another employee then performs invoice verification and posts the parked documents, possibly after changing them.

- ➢ When you have finished changing the document, you can post the parked document. Only when you post an invoice or credit memo, does the system carry out the normal account movements and make the necessary updates.

Step1. Park invoice MIR7
Go to the transaction code MIR7, put Purchase order, and invoice date.

Save & Park the document   Save Parked Document (Ctrl+S)

☑ Document number 5105600857 has been parked

Document successfully parked.

Step2. Invoice verification MIRO (**Account Head approve the document**)
      Go to the transaction code MIRO

Enter Incoming Invoice: Company Code 1000

Show PO structure   Show worklist   🔲   Hold   🔳Simulate   Messages   ℹ️ H

Transaction   Invoice ▼

Basic Data	Payment	Details	Tax	Withholding tax	◀ ▶

Invoice date   [   ] 🔲   Reference [   ]

Posting Date   21.10.2016

Amount   [   ] 🔍 [   ] ☐ Calculate tax

Tax Amount   [   ] V0 (Input Tax) ▼

Text   [   ]

Company Code   1000 Madina Cement Industries Dhaka

PO Reference	G/L Account	Material

Click on other invoice document 🔲

Choose Invoice Document   ✖

Invoice Document No.   5105600857

Fiscal Year   2016

✔ ✖

Click on tic ✔

Change Parked Invoice Document 5105600857 2016

Show PO structure | Simulate | Save as Completed | Post | Messages | Help

Transaction | Invoice | 5105600857 | 2016 | ○○□ Balance | 0.00 | BDT

Basic Data | Payment | Details | Tax | Withholding tax

Vendor 0020000000

Invoice date	21.10.2016
Posting Date	21.10.2016
Amount	1,000.00 BDT ☑ Calculate tax
Tax Amount	0.00 V0 (Input Tax)
Text	
Paymt terms	Due immediately
Baseline Date	21.10.2016
Company Code	1000 Madina Cement Industries Dhaka

Reference

Company
ABC Vendor
BANGLADESH

OI

PO Reference | G/L Account | Material

Purchase Order/Scheduling Agreement ▾ | 4500000251 | ⇨

Goods/service items ▾
Layout | All information ▾

Item	Amount	Quantity	O...	☑	Purchase ...	Item	PO Text	Tax Code
1	1,000.00		5 TO	☐	4500000251	10	Clinker	V0 (Inpu

Post the document

Change Parked Invoice Document 5105600857 2016

Show PO structure | 👥 Simulate | 💾 Save as Completed | 💾 Post | Messages | ℹ️ Help

Transaction | Invoice ▼ | 510... Post (Shift+F11) | Balance | 0.00 | BDT

Basic Data | Payment | Details | Tax | Withholding tax | ◀ ▶ ◻

Vendor 0020000000

Company
ABC Vendor
BANGLADESH

Invoice date	21.10.2016	Reference
Posting Date	21.10.2016	
Amount	1,000.00	BDT ✓ Calculate tax
Tax Amount	0.00	V0 (Input Tax) ▼
Text		
Paymt terms	Due immediately	
Baseline Date	21.10.2016	
Company Code	1000 Madina Cement Industries Dhaka	

Invoice document was posted; blocked for payment

Go to Transaction code MRBR

Release Blocked Invoices

⏱️

Selection of Blocked Invoices

Company Code	1000 ⬚	to 🔍	⮞
Invoice Document		to	⮞
Fiscal Year		to	⮞
Vendor	🔍	to 🔍	⮞
Posting Date		to	⮞
Due Date		to	⮞
Purchasing Group	🔍	to 🔍	⮞
User		to	⮞

Click the flag button with selected line item.

Release Blocked Invoices

Blocking Reason

Sta...	Doc. No.	Year	Crcy	TranslDate	Exchange rate	L.cur	T	Posting Date	CoCd	Invoicing Pty	Name
	5105600858	20...	BDT	15.11.2016	1.00000	BDT	RE	15.11.2016	1000	20000000	ABC Vendor