

R12 Oracle EBS Suite: Introduction - IBM Graduate Program

Student Guide – Volume 3

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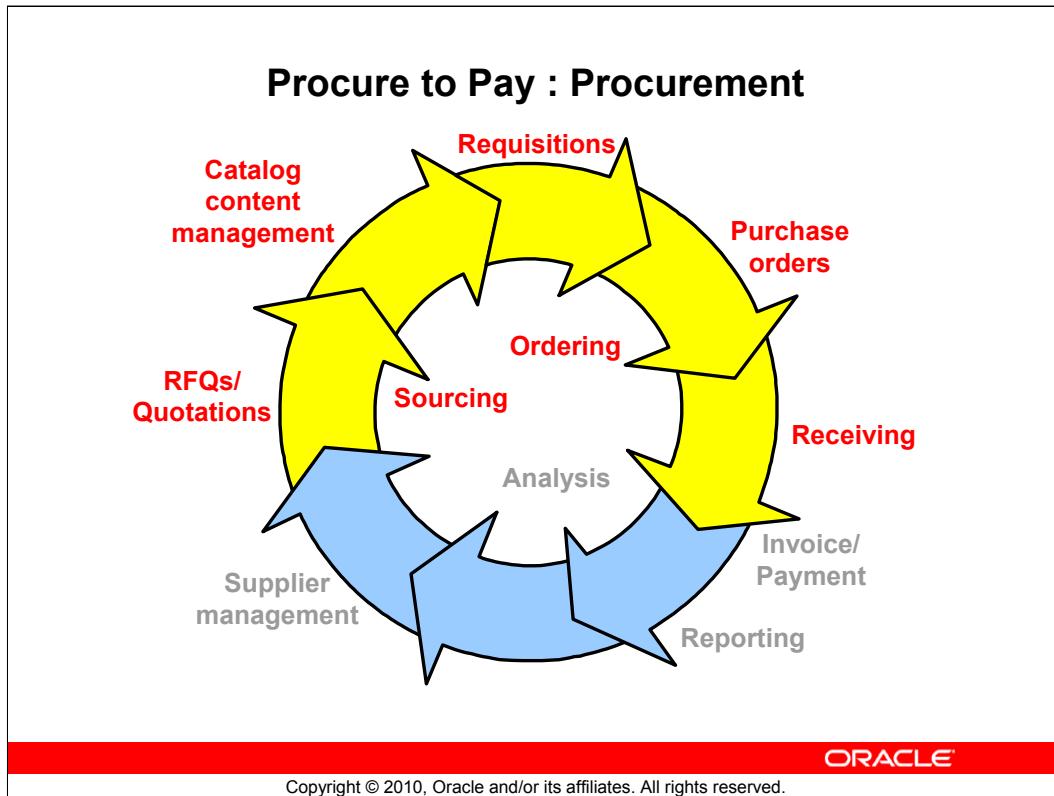
Appendix: Case Lite - P2P - R12 EBS

1

Functional Overview of Procurement Cycle

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Procure to Pay :

Automating the process of finding (sourcing), buying (procuring) & paying for goods and services used in operations.

- The Procure to Pay process can be broadly classified into Direct Materials and Indirect Materials.
- Direct material purchases involve raw material that goes directly into the company's product.
- Indirect material purchases are for supporting material that does not go into the product, for example stationary.
- Planned Orders for Direct Material are released from Planning

Procure to Pay Lifecycle

Sourcing

- Request for quote
- Supplier selection
- Contract negotiations and awards
- Catalog content management

Ordering

- Requisition and purchase order generation
- Purchase order management and fulfillment
- Payment

Reporting and Analysis

- Supplier performance
- Commodity analysis
- Internal compliance
- Robust intelligence gathering
- Decision support
- Process functionality

Objectives

After completing this module you should be able to do the following:

- Describe how the Procurement process fits into the Procure to Pay lifecycle
- Describe the Procurement process flow
- Describe the key areas in the Procurement process
- Identify Purchasing integration points



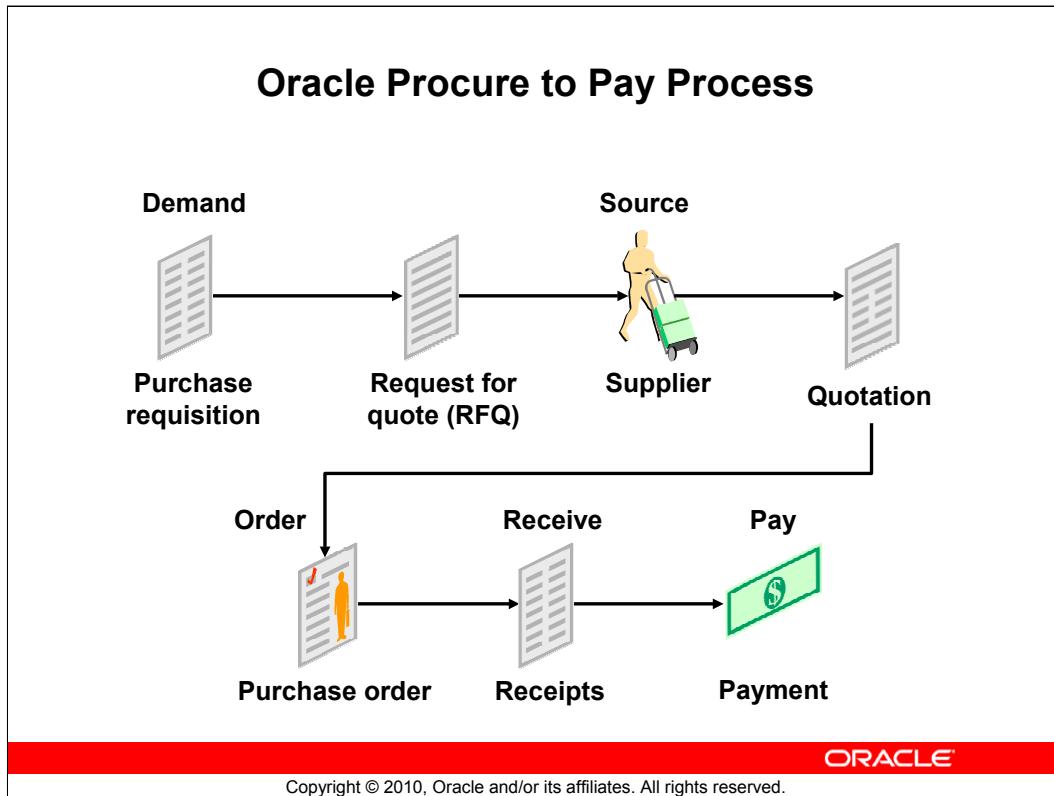
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Agenda

- Understand the Procurement process
- Understand Purchasing integration points

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Oracle Procure to Pay Process

1. Requisitions :

A requisition is an optional starting point in the procurement process. Requisitions allow employees to enter requests for products and services which are then transmitted to the procurement staff. Requisitions within Oracle Purchasing contain information regarding the accounts that should be charged for the purchase along with details such as delivery location and approvals based upon company policies

2. Request for Quotation :

A request for quotation (RFQ) is sent to a supplier to request pricing and other information for an item. A quotation is the supplier's response to that RFQ. Identify requisitions that require supplier quotations and automatically create a RFQ Or create manually and send it thru' Fax or iSupplier portal.

3. Quotations:

Record supplier quotations from a catalog, telephone conversation, or response from your RFQ. You can also receive quotations electronically and import as Quotations (catalog). Review, analyze, evaluate and approve supplier quotations.

Oracle Procure to Pay Process (continued)

4. Purchase Order

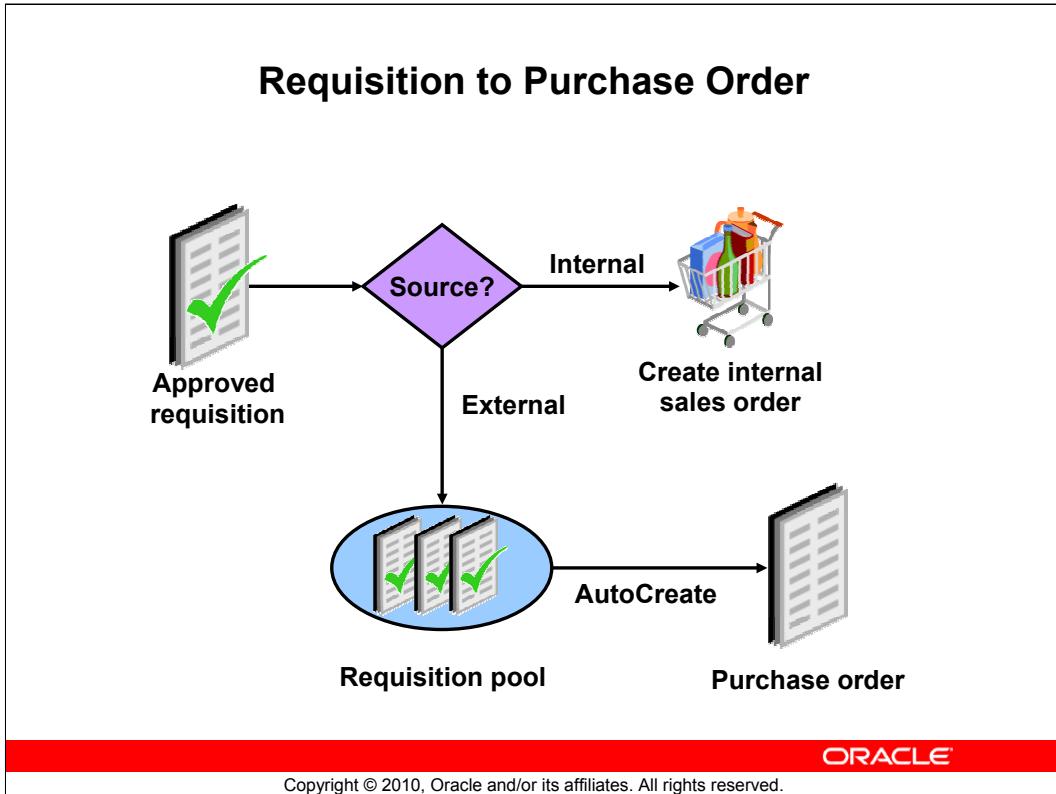
Create standard purchase order, BPA and blanket releases. Inform your suppliers of your shipment schedule requirements. Record supplier acceptances of your purchase order's terms and conditions. Provide a quantity and price for each item you are ordering. Alternatively, you should also be able to create your purchase order simply by providing an amount if you are ordering a service that you cannot break down by price and quantity

5. Receive

Enter goods and service receipt information against the PO using routing controls viz: Direct delivery, standard receipt or standard receipt with inspection.

6. Payment

Match the Invoice against a PO / Receipt and Transfer the Accounting Entries to Oracle General Ledger.



Requisition to Purchase Order

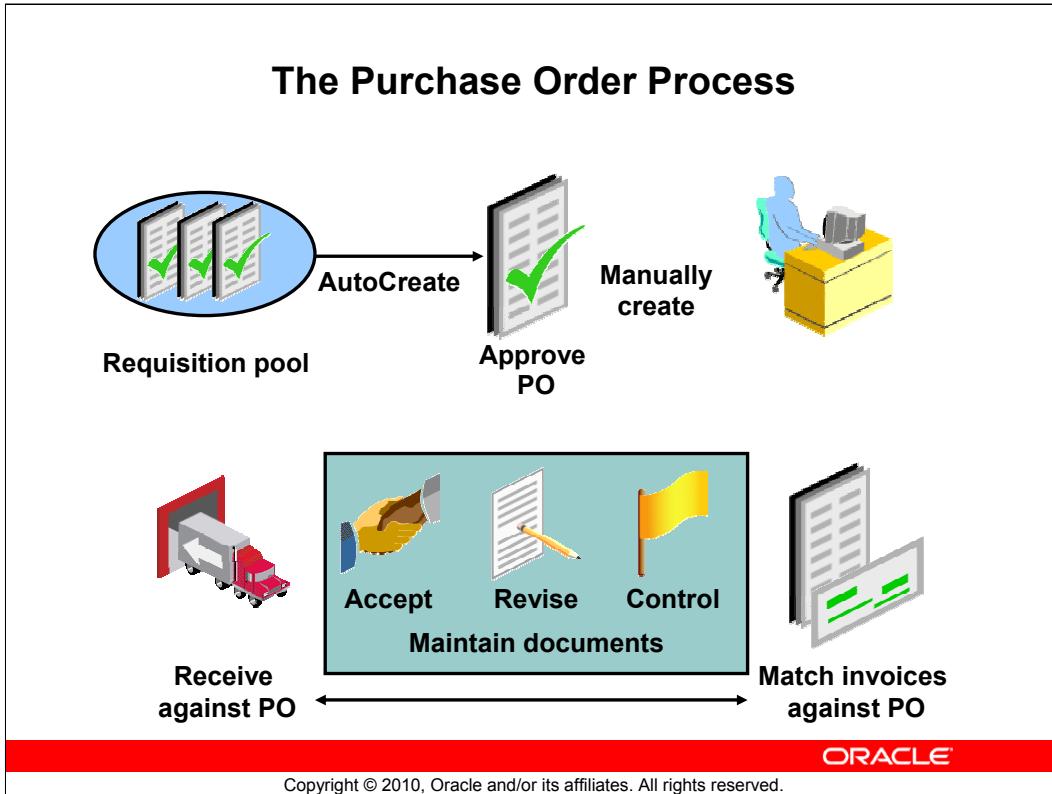
If your ordering process begins with a requisition, that document must be transformed within Oracle Applications into either a Purchasing Document that is sourced externally or an Internal Sales Order that is sourced internally.

1. AutoCreate

The AutoCreate process in Oracle Purchasing allows you to transfer information contained on a requisition document to a purchasing document, so it may be sent to a supplier. AutoCreate allows a buyer to add requisition lines to an existing purchasing document or create a new document.

2. Internal Sales Orders

If the goods and services requested are to be sourced from within your own company, the internal requisition will be passed to the Oracle Order Management application for fulfilment via the Create Internal Sales Orders process. For more information on Internal Requisitions and Internal Sales Orders please see the advanced topic: *Internal Requisitions and Sales Orders*.



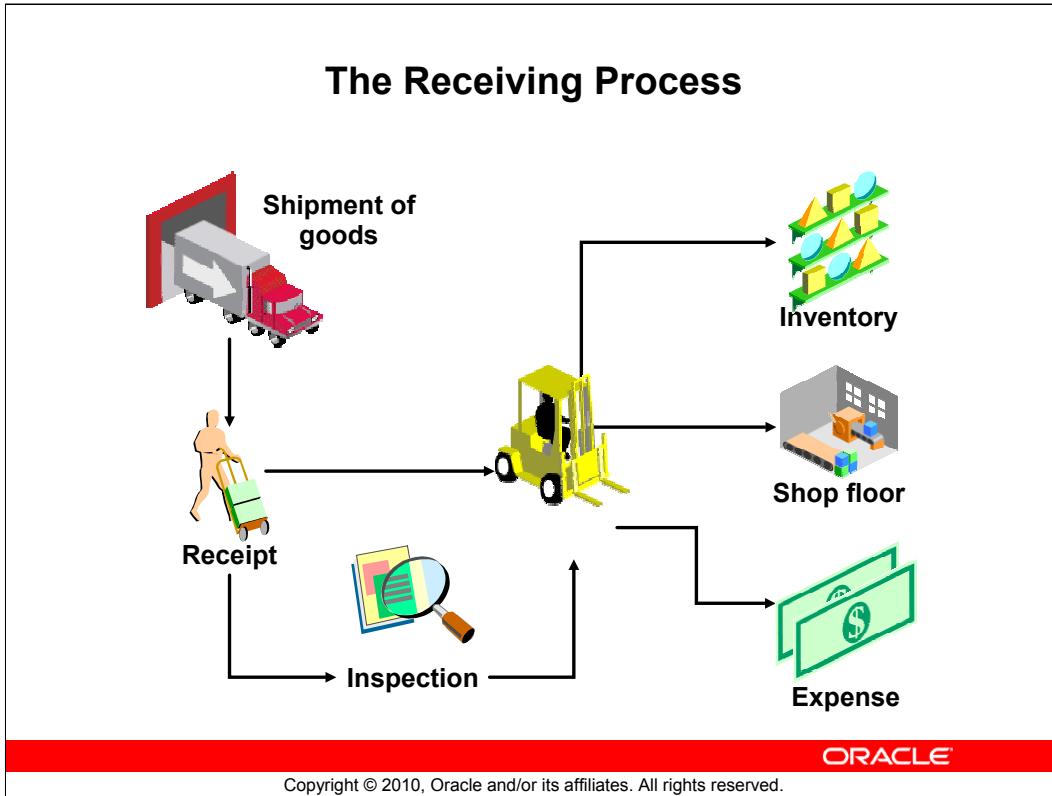
The Purchase Order Process:

The creation of the purchasing document marks the beginning of the required steps within the ordering process. Oracle Purchasing allows you to create several different types of purchasing documents: standard and planned purchase orders, blanket and contract purchase agreements, along with blanket and scheduled releases. These six documents allow maximum flexibility to meet procurement team needs, while maintaining corporate policies and standards.

With Oracle Purchasing you can:

- Review all of your purchases with your suppliers to negotiate better discounts.
- Create purchase orders simply by entering a supplier and item details.
- Create standard purchase orders and blanket releases from both online and paper requisitions.
- Create accurate and detailed accounting information so that you charge purchases to the appropriate departments.
- Check your funds availability while creating purchase orders.
- Review the status and history of your purchase orders at any time for all the information you need.

- Print purchase orders flexibly by using a number of print options.
- Inform your suppliers of your shipment schedule requirements.
- Record supplier acceptances of your purchase orders. You always know whether your suppliers have received and accepted your purchase order terms and conditions.
- Create your purchase orders by providing a quantity and price for each item you are ordering. Alternatively, you should also be able to create your purchase order simply by providing an amount if you are ordering a service that you cannot break down by price and quantity.
- Leverage global supplier negotiations for all your business units.
- Copy existing purchase orders.
- Using the close integration with Oracle Procurement Contracts, your buyers can author and manage contractual terminology from a library of approved terms.



The Receiving Process :

Oracle Purchasing lets you control the items you order through receiving, inspection, transfer and internal delivery. These features allow you to indicate the quantity, quality and internal delivery of the items you receive.

With Oracle Purchasing/iProcurement you can:

- Use routing controls at the organization, supplier, item, or order level to enforce material movement through receiving. For example, you can require inspection for some items and dock-to-stock receipt for others.

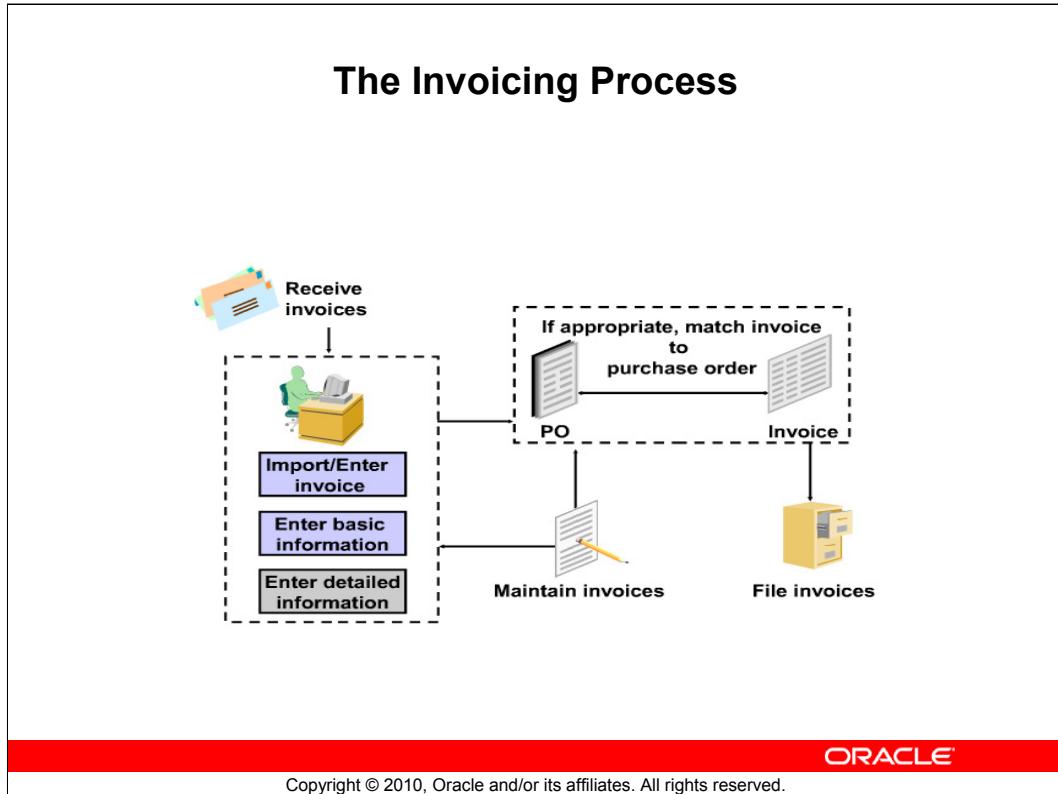
- Define receiving tolerances at the organization, supplier, item, and order level, with the lowest level overriding previous levels. You can define tolerances for receipt quantity, on-time delivery, and receiving location. You can assign looser tolerances to low-value items that you consume at high volumes. You can set enforcement options to ignore, warn the user, or reject transactions that violate the tolerances.

- Specify match approval levels. You can specify two-, three-, and four-way match approval levels on a purchase order line. Purchasing uses your receiving and inspection information to ensure that you only accept and pay for the items you order, receive, or inspect.

- Choose the three-way match approval level if you want to receive items before you allow payment. Choose the four-way match approval level if you require inspection and acceptance of receipts before authorizing payment.
- Use Advance Shipment Notices (ASNs) to enter receipts in the Enter Receipts window, reducing data entry time.
- Print the receiving and inspection documentation you need. For example, you can prepare for incoming receipts by printing the Expected Receipts Report to help you identify items and quantities you expect to receive. You can use this report to plan your work, identify receipts satisfying an urgent demand, and control unexpected receipts. Finally, you can produce summary and detail receiving transaction reports by item, supplier, purchase order number, and/or receiving date range.
- Track, update, and record the receipt of intransit and inter-organization shipments.
- Record receipt of unordered items based on your item, supplier, or organization defaults. For example, if your organization does not allow receipt of unordered items, you should not be able to enter a receipt unless it is matched to an order shipment.
- Automatically update related supply information, inventory balances, WIP operations, requisition details, and purchase order details while entering a single receiving transaction.
- Receive services, inventory, expense, and outside processing items using one screen. You acknowledge receipt of services by receiving amounts of the service, generally related to receipt of an invoice.
- You receive inventory items to expense or asset subinventories, you receive expense items to the requestor, and you receive outside processing to the shop floor (designated operations in your manufacturing process).

- Distinguish closed for invoicing from closed for receiving. Purchasing automatically closes your purchase order for receipt when it is fully received. You can manually close partially received purchase orders if you no longer expect any more receipts against them. Close for invoicing and close for receiving are managed using tolerances. You can specify that when you have received a certain percentage of a shipment, Purchasing will close the receipt. This is a soft close, and you can reopen the receipt. Oracle Purchasing rolls up closing to the line and header level, and Closed information does not show in the Open Purchase Orders report. Also, if there is a remaining balance, closed quantities are no longer visible as supply scheduled receipts to MRP/ATP.
- Decide how you accrue un-invoiced receipts. For instance, you can accrue receipts perpetually or at period-end for expense items. Oracle Purchasing uses perpetual accrual for your inventory and shop floor item receipts. Oracle Purchasing and Inventory together provide you with perpetual visibility and control on your accrued liabilities for inventory items. Inventory lets you maintain the value of your inventories on a perpetual basis. Oracle Purchasing automatically records your accrued liability in your general ledger as you enter receiving transactions.
- Oracle Purchasing also provides you with complete visibility and control of your inventories values, accrued liabilities for inventory and non-inventory items, purchase price variances, and invoice price variances. And Purchasing provides you with the information you need to facilitate your period close and your inventory, purchasing, and payables reconciliation process.
- Track the quantity and destination of internally delivered items. You know exactly what items you receive and where to deliver them within your organization.
- Define which of your items require inspection. Oracle Purchasing lets you inspect received items before you move the items into stock or deliver them to the requestor. You can accept or reject items and provide detailed information about your inspection results.

- Purchasing lets you review your inspection results on-line. You can review your inspection results by receipt number, purchase order number, supplier, item, and/or transaction date range. Oracle Purchasing also provides summary and detail reports to help you analyze your suppliers' performance. You can produce supplier quality reports by buyer, supplier, and item. You can use the receiving inspection register to review your inspections by receipt.
- Correct receiving transaction errors. Purchasing automatically updates the inventory balances if you correct the quantities of items that have already been moved into inventory.

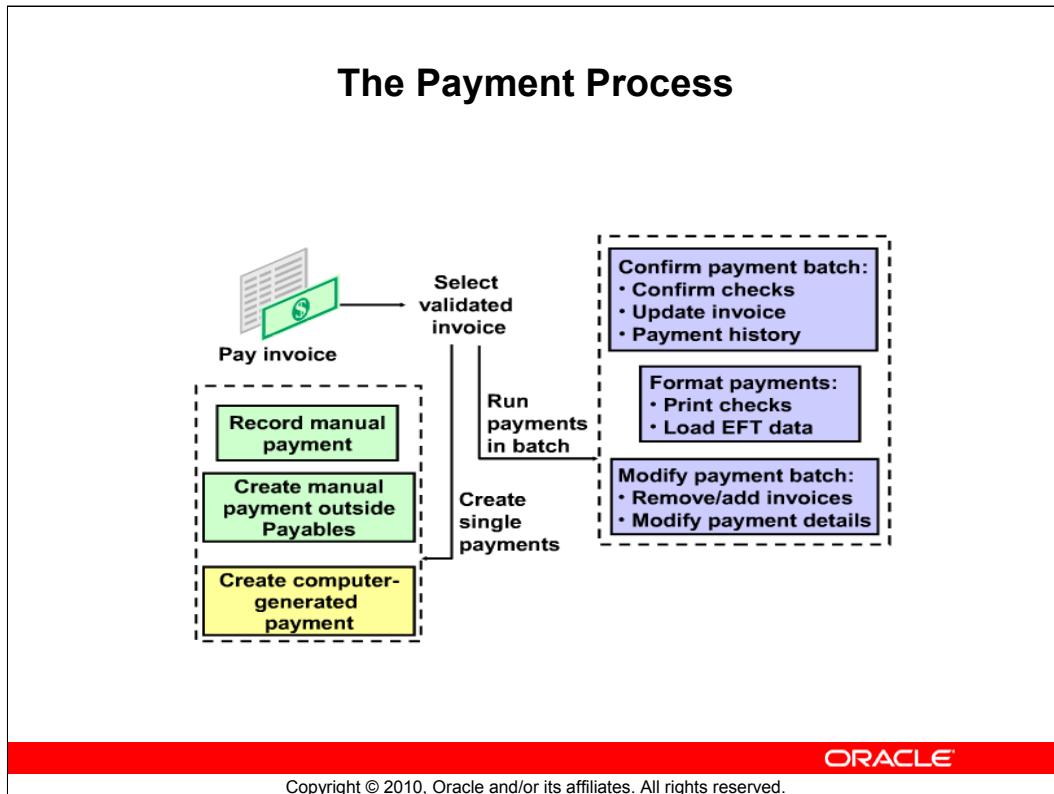


The Invoicing Process:

Once you've received goods or service from your supplier, you'll also receive an invoice. Using Oracle Payables you can record invoices in a number of different ways.

With Oracle Payables you can:

- Enter invoices manually, either individually or in batches.
- Use the Invoice Gateway for rapid, high-volume entry of standard invoices and credit memos that are not complex and do not require extensive online validation.
- Automate invoice creation for periodic invoices using the Recurring Invoice functionality.
- Use Oracle iExpenses to enter employee expense reports using a web browser.
- Record credit card/procurement card invoices from transactions the credit card issuer sends to you in a flat file.
- Record Oracle Project related expense reports.
- Import EDI invoices processed with the Oracle e-Commerce Gateway.
- Import lease invoices transferred from Oracle Property Manager.
- Match invoices to purchase orders to ensure you only pay what you're supposed to be paying for.



The Payment Process:

- Oracle invoices have been validated , then can now be selected for payments. Oracle Payables provides the information that you need to make effective payment decisions , stay in control of payments to suppliers and employees ,and keep your accounting records up-to- date so that you always know your cash position. Oracle payables handles every form of payment , including checks , manual payments , wire transfers , EDI Payments , bank drafts and electronic fund transfers.
- Oracle Payables is integrated with Oracle Cash Management to support automatic or manual reconciliation of your payments with bank statements sent by bank.

With Oracle Payables you can:

- Ensure duplicate invoice payments never occur.
- Pay only invoices that are due , and automatically take the maximum discounts available
- Select invoices for payment using a wide variety of criteria.
- Record stop payments.
- Record void payments.

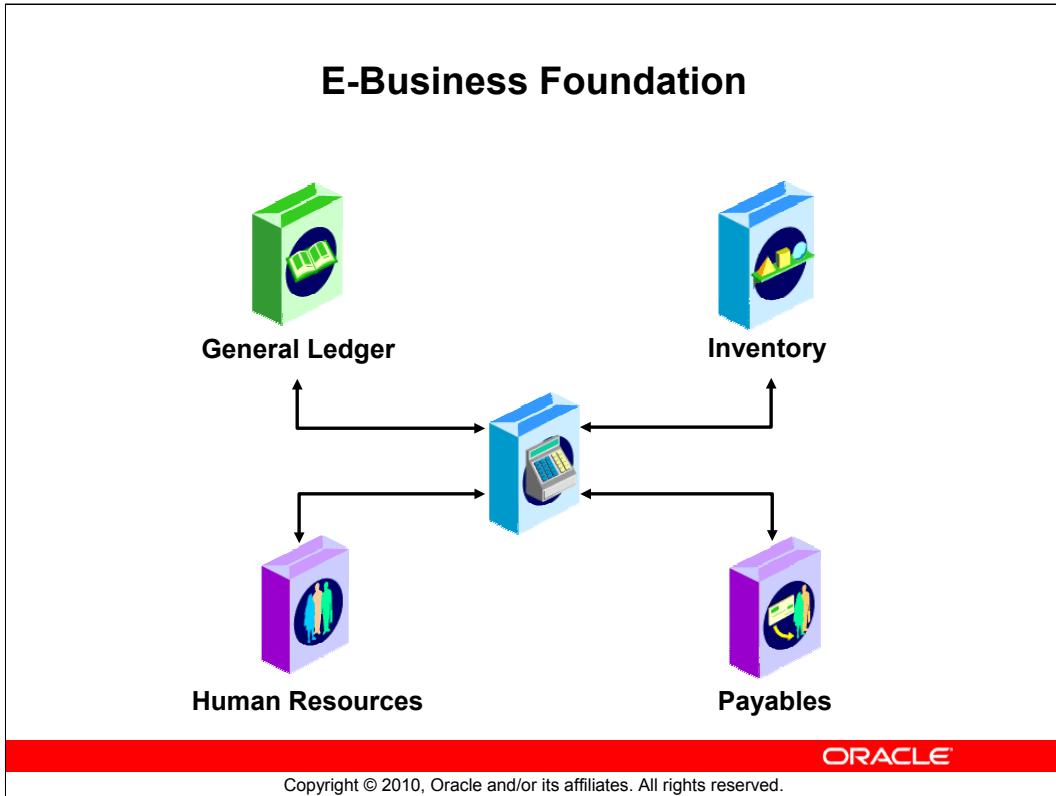
- Review information on line on the status of every payment.
- Process positive pay.

Agenda

- Understand the Procurement process
- Understand Purchasing integration points

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E-Business Foundation:

Oracle General Ledger

- Sets of books
- Exchange rates
- Accounting Flexfield
- Currency
- Charge Account Combinations

Oracle Human Resources

- Employees (Requestors and Buyers)
- Organizations (Receiving)
- Locations
- Hierarchies (Approval)

Oracle Inventory

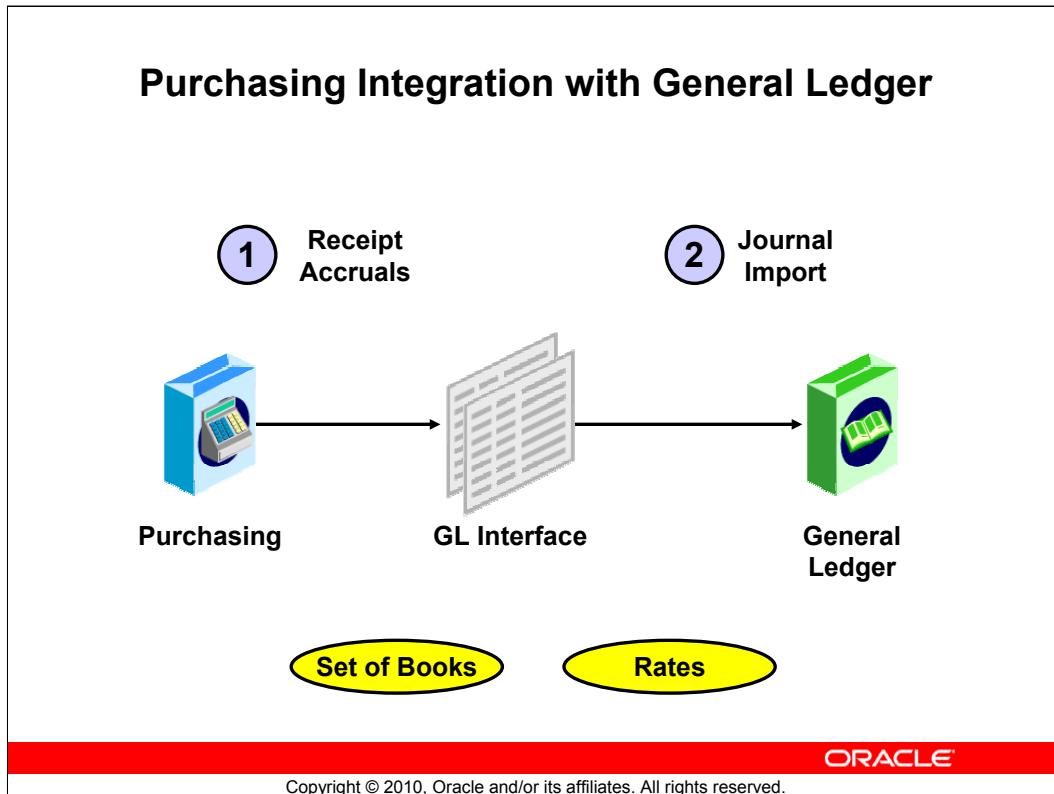
- Items
- Demand
- Receipts

Oracle Payables

- Accounting for matched purchase orders
- Suppliers
- Procurement cards
- Purchase orders

Oracle Order Management (not shown)

- Required for internal requisitions



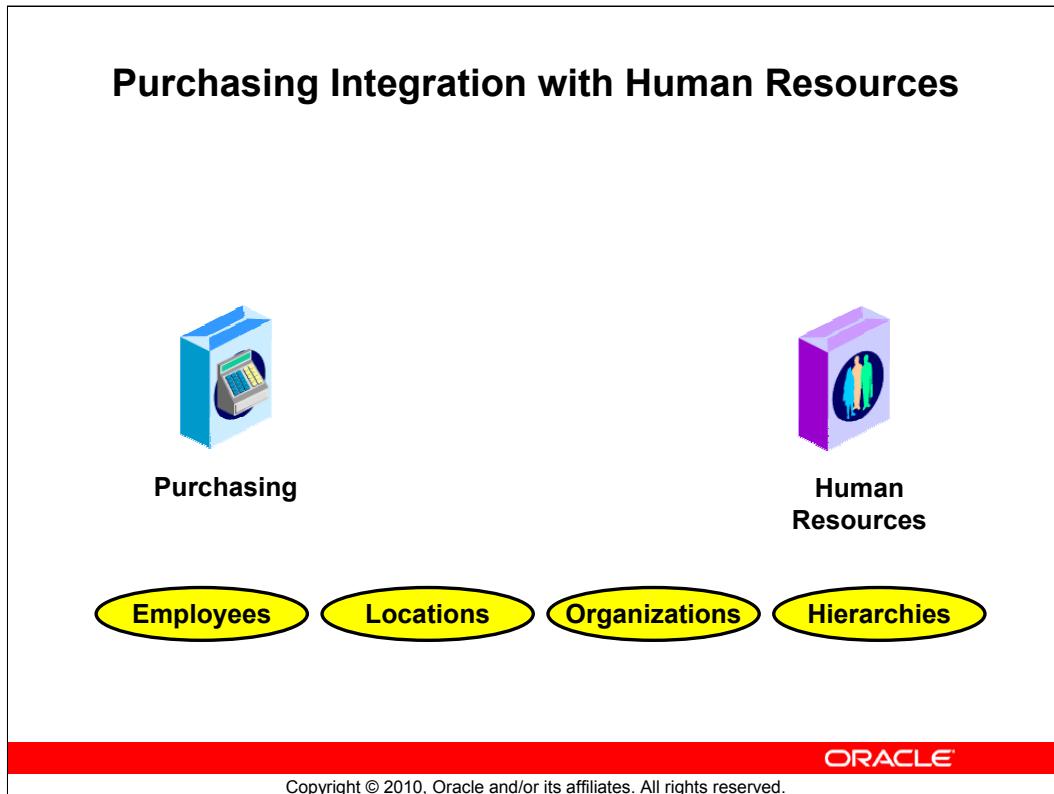
Purchasing Integration with Oracle General Ledger

- **Payables Transfer:**

Use the Receipt Accruals - Period-End process to transfer periodic accruals to the GL_Interface table. Perpetual accruals are sent to General Ledger when the receipt is processed.

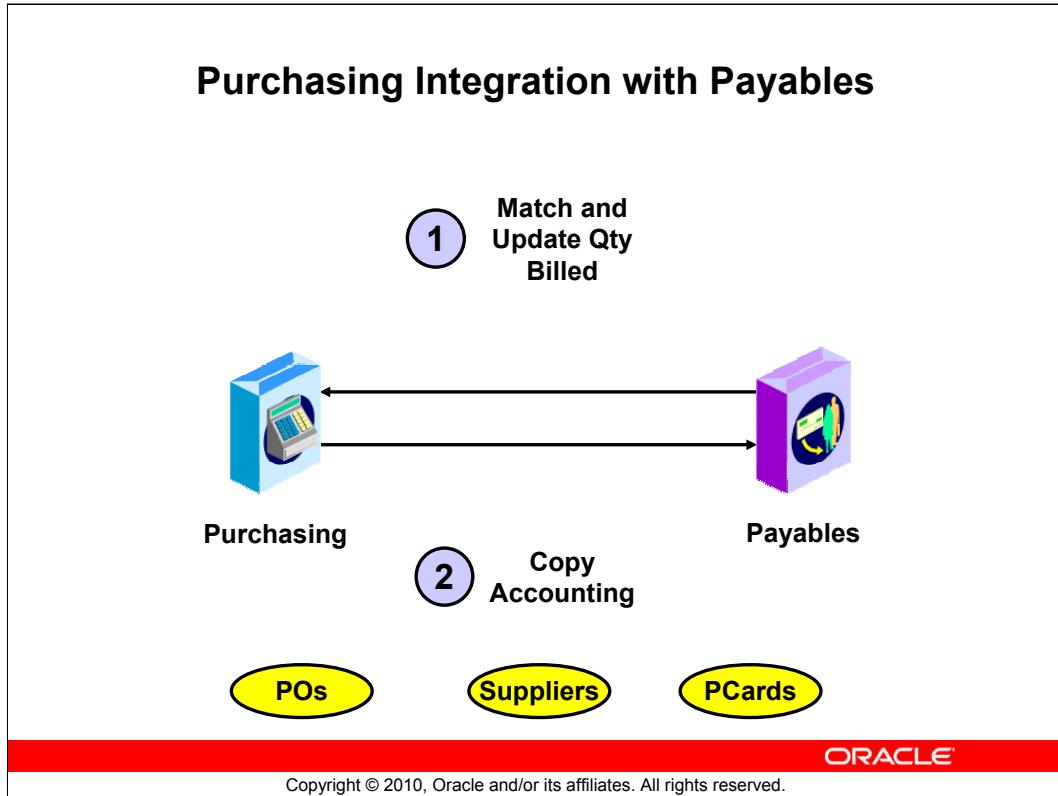
- **Journal Import:**

Use the Journal Import process, with a source of Purchasing, to transfer accrual accounting from the GL_Interface table to General Ledger. The Journal Import process creates unposted journals. The Post process in General Ledger updates account balances. Once journals are posted, you can perform account analysis, subledger drill down and run financial statements.



Purchasing Integration with Oracle Human Resources:

Employees defined using Human Resources are buyers and requesters in Purchasing. Locations that are defined become Bill-To and Ship-To and Receiving locations. Organizations defined in Human Resources become the operating units and inventory organizations. Hierarchies like the position hierarchy or the employee/supervisor hierarchy can be defined in Human Resources. Purchasing uses hierarchies for requisition and purchase order approvals.



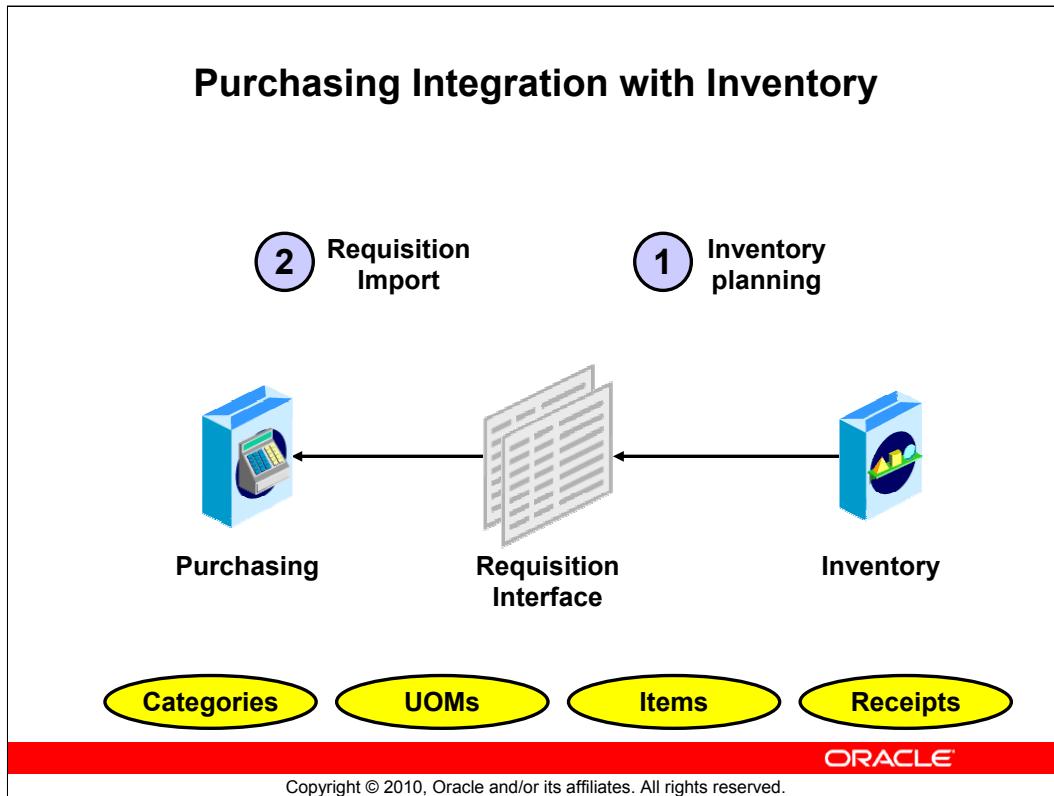
Oracle Payables Integration with Oracle Purchasing:

- **Match and Update Qty Billed:**

Enter an invoice and match it to a purchase order to update the quantity billed against the purchase order.

- **Copy Accounting**

During the match process, accounting stored with the purchase order distribution is copied to the invoice.



Purchasing Integration with Oracle Inventory:

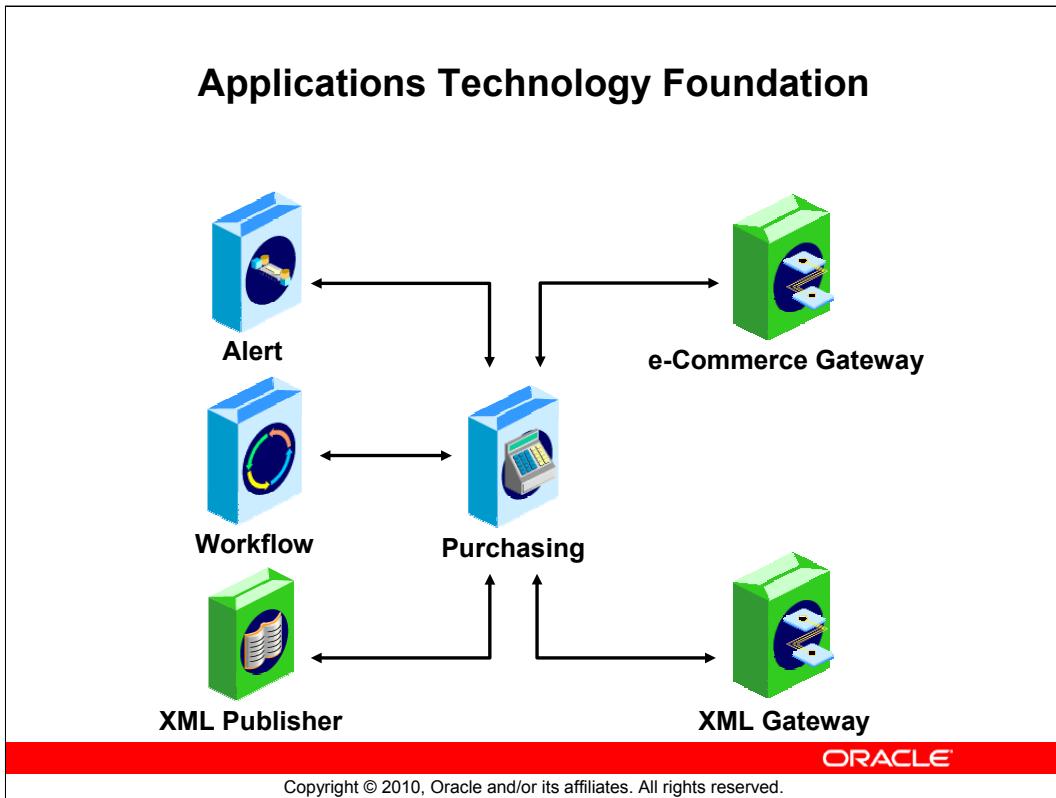
- **Inventory Planning:**

Use the Min-Max Planning Report to show planning information for all items, or items with on-hand balances either below or above their assigned minimum or maximum on-hand quantities. You have the option to generate internal or purchase requisitions for buy items that are sent to the Requisitions Open Interface.

Reorder Point Planning, Replenishment Count, and Kanban Planning are some other Oracle Inventory planning methods that will create a requisition.

Requisition Import:

Use the Requisition Import process to import requisitions. Requisition Import creates a requisition line and one or more requisition distributions for each row it finds in the interface table. It then groups these lines on requisitions according to parameters you define. You can create releases each time you run the Requisition Import process.



Applications Technology Foundation:

1. Oracle Alert

- Purchasing Integration with Oracle Alert
- Alert offers predefined periodic Alerts to identify the following database exceptions:
 - Approved Standard Purchase Orders
 - Blanket Purchase Releases over Threshold
 - No Receipt Required on Purchase Order Shipment
 - Small Business Suppliers
 - Standard Purchase Order over Threshold
 - Blanket Purchase Releases over Threshold
 - Suppliers on Hold
- The following are available for Blanket Agreements, Contract Agreements and Planned Purchase Orders
 - Notification Expiration
 - Notification Not Released
 - Notification Released

2. Oracle Workflow

Purchasing Integration with Oracle Workflow

Requisition Approval

The PO Requisition Approval workflow is used for approving requisitions.

Purchase Order Approval

The PO Approval workflow is used for approving purchase orders

Approve Change Orders

The Change Order workflow is used for controlling which changes to purchase orders require a manual reapproval and

which are automatically re approved.

Create Purchase Orders and Releases

The PO Create Documents workflow for automatically creating purchase orders and releases.

Confirm Receipts

PO Confirm Receipts workflow for sending receipt notifications to requesters or buyers notifying them that they should have received their order.

Send Notifications

PO Send Notifications for Purchasing Documents workflow for looking for documents that are incomplete, rejected, in need of reapproval, or approaching expiration and sending notifications to the appropriate people.

Generate Accounting

The PO Account Generator workflow and the PO Requisition Account Generator workflow are used for generating Budget, Accrual, charge, and Variance account combinations.

3. Oracle XML Publisher

- PDF document manager
- Template manager
- Supports PDF purchase orders on-line, email, or fax

4. Oracle e-Commerce Gateway

- Inbound 856, 857 (advance shipping notice, advance shipping and billing notice)
- Inbound 843 (response to request for quotation)
- Inbound 832 (quotation)
- Outbound 850, 860 (purchase order, change order)

5. Oracle XML Gateway

- New purchase order (standard, release)
- Change purchase order (standard, release)
- Advance shipment notices (ASNs)

Summary

In this module, you should have learned how to:

- Describe the procure to pay process flow
- Describe the key areas in the procure to pay process
- Describe how the procure to pay process is integrated with other modules in Oracle Applications



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Mandatory Setups required for Procure to Pay

2

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Objective

After completing this module, you should be able to do the following:

- Identify key procure to Pay setups
- Understand Purchasing Item Setup



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Agenda

- Understand key setup steps
- Understanding Purchasing Item setup.

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Setting Up Procure to Pay

- Define Financial Options
- Define Payables Options
- Define Receiving Options
- Define Purchasing Options.
- Define Approval Groups and Assignments.
- Define Suppliers
- Define Buyer.
- Define Document Types
- Define Document Line Types
- Define Payment Bank Accounts
- Define Payment terms

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Define Financials Options

- Accounting
- Supplier – Entry
- Supplier – Payables
- Supplier – Purchasing
- Encumbrance
- Tax
- Human Resources

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Define Financials Options (Required)

Use the Financials Options window to set the following information:

- Employee numbering
- Position approval hierarchies option (whether to use position approval hierarchies)
- Inventory organization
- Business group (Make sure a business group is specified.)
- Supplier numbering

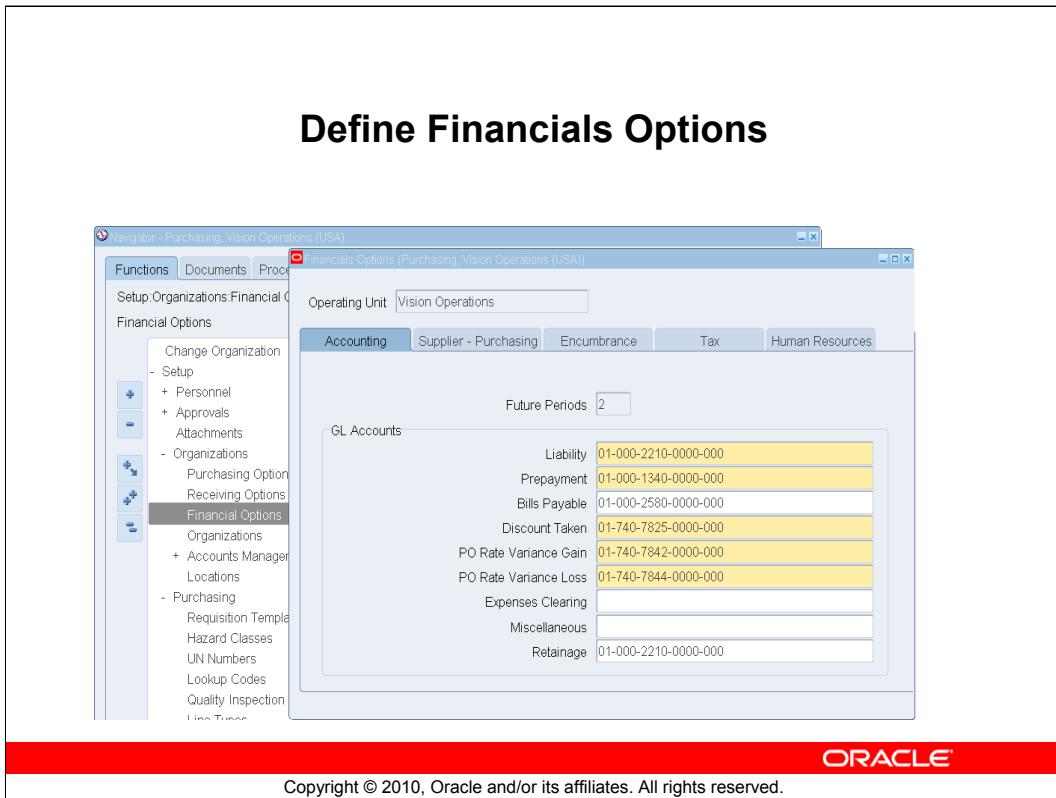
You must first use the Choose Set of Books window to specify your primary set of books before you will be able to enter the Financial Options window. This step must be performed for each operating unit.

The following account combinations should be set up in advance (if you have not enabled dynamic insertion for your set of books) or at least the segment values. Be prepared to enter the following accounts:

- Liability
- Prepayment
- Discount Taken

In addition, be prepared to optionally enter the following accounts:

- Future Dated Payment
- PO Rate Variance Gain
- PO Rate Variance Loss
- Expenses Clearing



Navigation:

Oracle Purchasing → Setups → Organizations → Financial Options

To check which database table the records are saved , Help → Record History

Define Payables Options

- Accounting Methods
- Transfer to GL
- Payment Accounting
- Currency
- Supplier
- Invoice
- Matching
- Interest
- Expense Report
- Payment
- Invoice Tax
- Withholding Tax
- Reports

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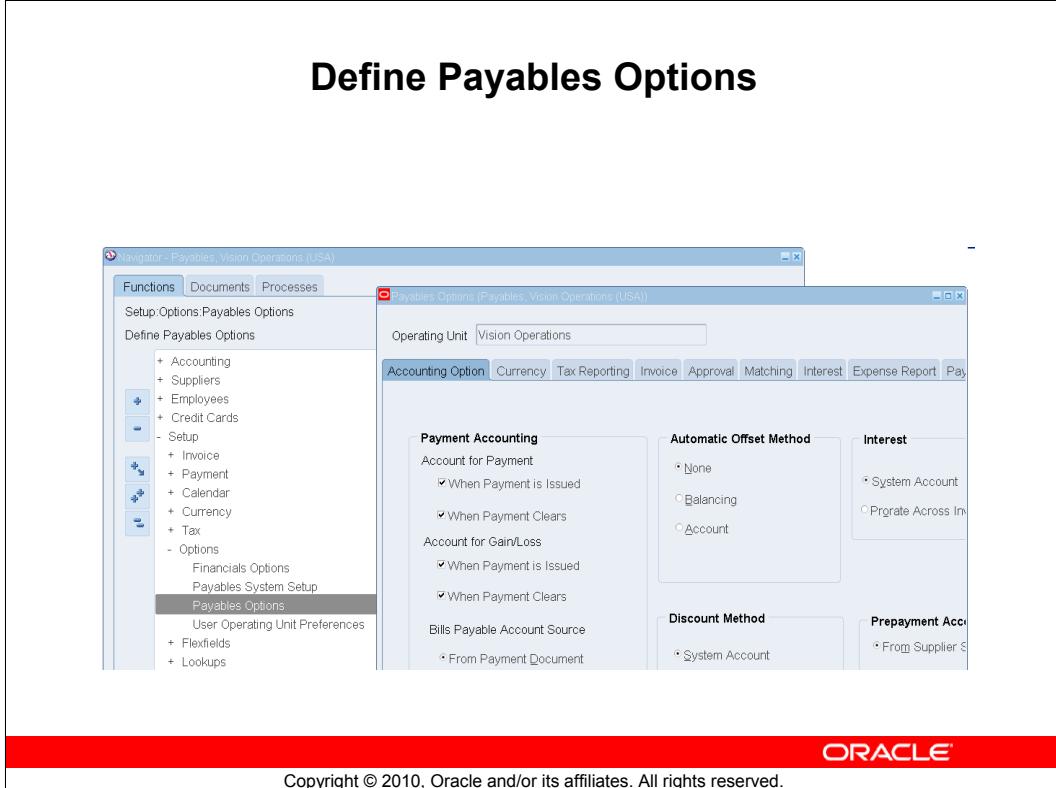
Define Payables Options (Required)

Use the Payables Options window to set control options and defaults used throughout Payables. You can set defaults in this window that will simplify supplier entry, invoice entry, and payment processing. You can update most of these options at any time to change controls and defaults for future transactions. This step must be performed for each operating unit.

If you are using more than one currency, additionally be prepared with the following accounts:

- Realized Gain
- Realized Loss

Define Payables Options



Navigation:- Payables Responsibility → Setup → Options → Payables Option

Define Receiving Options

- Receipt Date
- Over Receipt Control
- Receipt Number Options
- Receiving Inventory Account

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Define Receiving Options (Required)

Define Receiving Options. This step needs to be performed for each inventory organization. Use the Change Organization function in the Purchasing menu to switch inventory organizations.

Receiving Options Navigation

Receiving Options

* Indicates required field

Enforce Ship-To	Warning	Allow Unordered Receipts
ASN Control Action	Warning	Allow Express Transactions
* Receipt Days Early	5	Allow Cascade Transactions
* Receipt Days Late	5	Allow Blind Receiving
Receipt Days Exceed-Action	Warning	Validate Serial Numbers on RMA Receipts
* Over Receipt Tolerance (%)	5	
Over Receipt Action	Warning	
RMA Receipt Routing	Standard Receipt	Receipt Number Generation
Receipt Routing	Standard Receipt	Receipt Number Type
<input checked="" type="checkbox"/> Allow Substitute Receipts		

Accounting

* Receiving Inventory Account:	01-000-1410-0000-000 Company-Department-Account-Sub-Account-Product
Retroactive Price Adjustment Account:	01-000-5210-0000-000 Company-Department-Account-Sub-Account-Product
* Clearing Account:	01-000-1410-0000-000 Company-Department-Account-Sub-Account-Product

Inventory Organization: Vision Operations Go
Cancel Save

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Navigation:- Purchasing Responsibility → Setup →Organization → Receiving Options

Define Purchasing Options

- Accrual
- Control
- Default
- Internal Requisition
- Numbering
- Tax Defaults

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Define Purchasing Options (Required)

Define Purchasing Options for each operating unit. Be prepared to provide the following account:

AP Expense Accrual Account

Define Purchasing Options

Purchasing Options

* Indicates required field

Operating Unit: Vision Operations

Document Control

Price Tolerance (%)	10	<input type="checkbox"/> Enforce Price Tolerance (%)
Price Tolerance Amount (USD)		<input type="checkbox"/> Enforce Price Tolerance Amount
Enforce Full Lot Quantity	Advisory	<input checked="" type="checkbox"/> Display Disposition Messages
Receipt Close Point	Received	<input checked="" type="checkbox"/> Notify if Blanket PO exists
Cancel Requisitions	Optionally	<input checked="" type="checkbox"/> Allow Item Description Update
SBI Buying Company Identifier		<input type="checkbox"/> Enforce Buyer Name
Output Format	PDF	<input checked="" type="checkbox"/> Enforce Supplier Hold
Maximum Attachment Size (in MB)	0	<input type="checkbox"/> Gapless Invoice Numbering
Email Attachment Filename	Attachments.zip	<input type="checkbox"/> RFQ Required

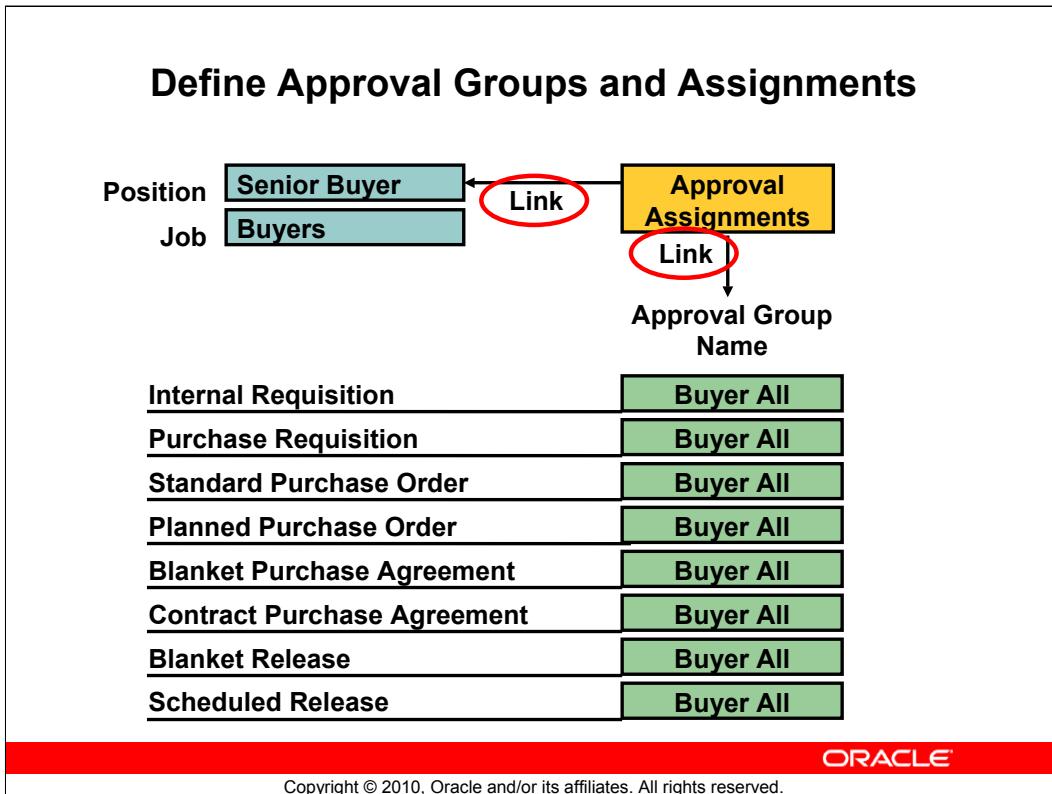
Document Defaults

Requisition Import Group-By	Item	Line Type	Goods
Internal Requisition Order Type	Mixed	Rate Type	Corporate
Internal Requisition Order Source	Internal	Match Approval Level	3 Way
Receipt Close Tolerance (%)	0	Price Break Type	Cumulative

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Navigation: Purchasing Resp → Setups → Purchasing Options



Define Approval Groups and Assignments

This step needs to be performed for each operating unit.

Define Approval Groups (Required)

Once you have defined an approval group you can then use it to assign approval functions to jobs or positions in the Approval Assignments window.

Assign Approval Groups (Required)

Approval groups will be associated with document types for either positions or jobs. If you are using a position hierarchy, you will associate approval groups with documents added to positions and if you are using an employee/supervisor hierarchy, you will associate approval groups with documents added to jobs.

Define Approval Groups

The screenshot shows the Oracle Purchasing module interface. The main title is "Define Approval Groups". The left sidebar lists various setup categories like Personnel, Approvals, Approval Assignments, Approval Groups, Attachments, Organizations, Purchasing, Requisition Templates, Hazard Classes, UN Numbers, Lookup Codes, Quality Inspection, Line Types, Document Types, Document Styles, Freight Carriers, and Job Category Assignments. The "Approval Groups" category is selected. The main panel shows a table for "Approval Rules" with columns: Object, Type, Amount Limit (Low Value, High Value), and several rows for "Document Total" and "Account Range". The "Operating Unit" is set to "Vision Operations", "Name" is "Vice President of Mater", and "Description" is "Approves all". A checked checkbox indicates "Enabled". The Oracle logo and copyright notice are at the bottom.

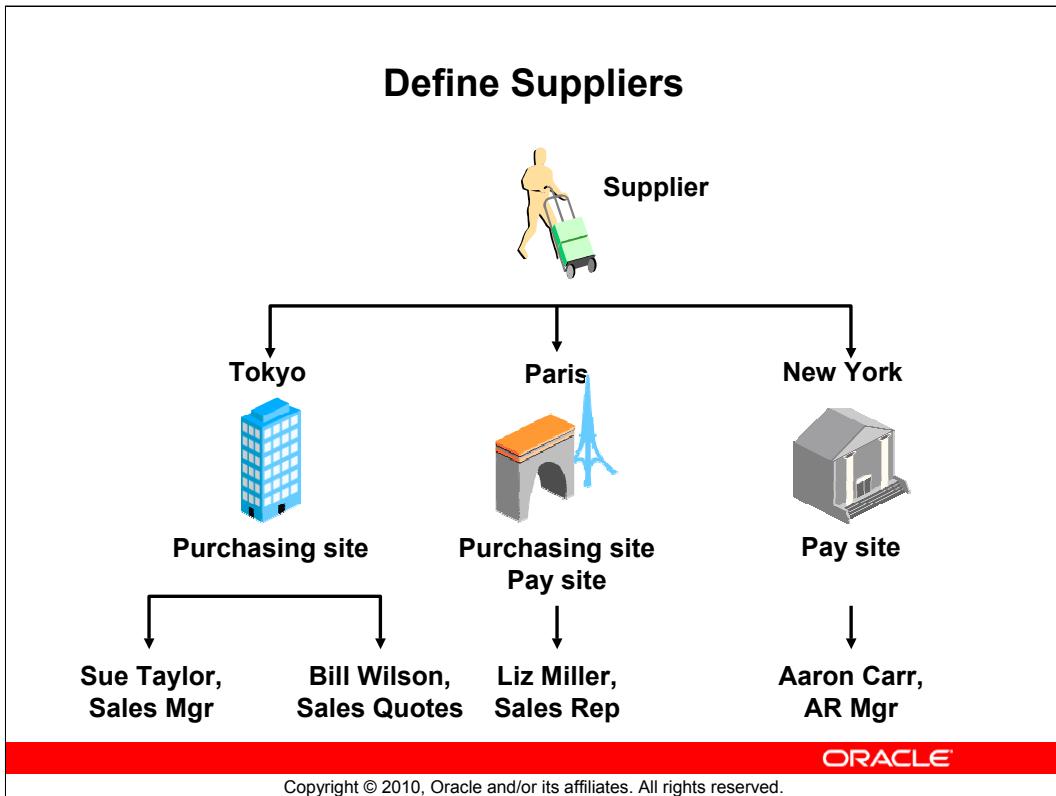
Navigation: Purchasing Resp → Setups → Approvals → Approval Groups

Define Approval Assignments

The screenshot shows the Oracle Purchasing module interface. The main title is "Define Approval Assignments". On the left, there's a navigation tree with "Approval Assignments" selected. The main panel is titled "Assign Approval Groups" and shows details for an operating unit ("Vision Operations"), position ("VPM200.VP Materials"), and job ("VPM200.Vice President Of Mater"). Below this, a table lists "Approval Assignments" with columns for "Document Type", "Approval Group", "From", and "To". All entries in the table have the same value: "Approve Blanket Purchase Agree" under Document Type, "Vice President of Materials" under Approval Group, and "01-APR-1997" under both From and To. The Oracle logo is at the bottom right.

Document Type	Approval Group	From	To
Approve Blanket Purchase Agree	Vice President of Materials	01-APR-1997	
Approve Blanket Releases	Vice President of Materials	01-APR-1997	
Approve Contract Purchase Ord	Vice President of Materials	01-APR-1997	
Approve Internal Requisitions	Vice President of Materials	01-APR-1997	
Approve Planned Purchase Ord	Vice President of Materials	01-APR-1997	
Approve Purchase Requisitions	Vice President of Materials	01-APR-1997	
Approve Scheduled Releases	Vice President of Materials	01-APR-1997	
Approve Standard Purchase Ord	Vice President of Materials	01-APR-1997	

Purchasing Responsibility → Setups → Approvals → Approval Assignments



Define Suppliers (Required)

Suppliers are set up only once but supplier sites are set up for each operating unit.

Define Buyers

Buyer	Category	Ship-To
Stock, Ms. Pat	PRODUCTN.DRIVES	M1-Seattle
Brown, Ms. Casey	MISC.MISC	M2-Boston



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Define Buyers (Required)

Use the Buyers window to define and maintain your buyers. Buyers can review all requisitions using the Requisitions window, and only buyers can use the AutoCreate window to create purchasing documents. You need to perform this setup step once for each Business Group you define. You will only see buyers associated with your operating unit on many lists of values.

Create Suppliers

Suppliers >
Create Supplier
* Indicates required field

Supplier Type: Standard supplier

* Organization Name	Country of Origin
Alias	Tax Registration Number
Name Pronunciation	Taxpayer ID
D-U-N-S Number	
URL	
Context Value	Must include: http://

Cancel | Apply

Cancel | Apply

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Navigation :- Payables → Suppliers → Entry

Buyer Creation

The screenshot shows the Oracle Purchasing Buyers screen. At the top, there is a navigation bar with links for Diagnostics, Preferences, Help, and Close Window. Below the navigation bar, the title "Buyers" is displayed, followed by a note that an asterisk (*) indicates required fields. There are three search input fields: "Buyer" (with placeholder "Item Category.Commodity"), "Category" (with placeholder "Item Category.Commodity"), and "Ship To" (with placeholder "Item Category.Commodity"). Below the search fields are "Go" and "Clear" buttons. To the right of the search area are buttons for "Cancel" and "Save". A search results grid follows, with columns for "Buyer", "Category", "Ship-To", "Begin Date", and "End Date". The grid contains four rows of data:

Buyer	Category	Ship-To	Begin Date	End Date
A Bakker	Item Category.Commodity		21-May-2001	
Aizawa Haruhiko / Aizawa_kanji Haruhiko_kanji	Item Category.Commodity		30-Sep-2003	
Albers, Corinna	Item Category.Commodity		14-Nov-2001	
Alfred, Rose Anne	Progress Admin		07-Nov-2002	

Below the grid, there are buttons for "Previous" and "Next 10", and a page number indicator "1-10". At the bottom of the screen, there is a red footer bar with the "ORACLE" logo and the copyright notice "Copyright © 2010, Oracle and/or its affiliates. All rights reserved."

Navigation :- Purchasing Responsibility → Setup → Personnel → Buyers

Set Up Document Types

Document Types

Type	Subtype	Name	Quotation Class
Requisition	Purchase	Purchase Requisition	

Attributes		Security Level	Hierarchy
<input checked="" type="checkbox"/> Owner Can Approve		Access Level	Modify
<input checked="" type="checkbox"/> Approver Can Modify		Forward Method	Hierarchy
<input checked="" type="checkbox"/> Can Change Forward-To		Archive On	
<input checked="" type="checkbox"/> Can Change Forward-From		Default Hierarchy	Materials
<input checked="" type="checkbox"/> Can Change Approval Hierarchy		Approval Workflow	PO Requisition Ap
<input type="checkbox"/> Disable		Workflow Startup Process	MAIN_REQAPPR
		Autocreate Workflow	PO Create Docum

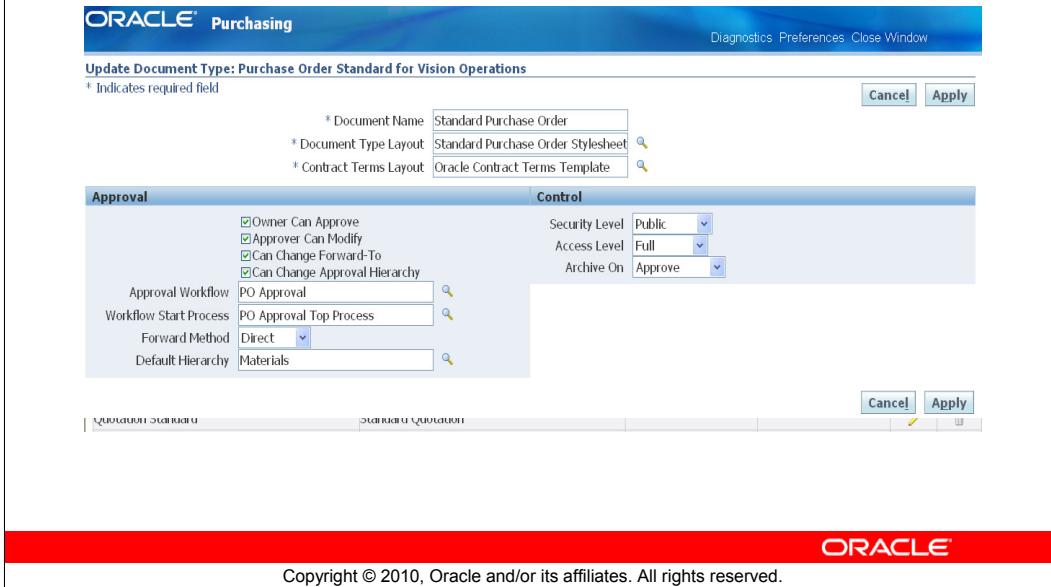
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Document Types (Required)

Set up document types for each purchase document you will be using. This step must be performed for each operating unit.

Document Type Creation



Purchasing Responsibility → Setup → Purchasing → Document Type

Define Line Types

Name	Value Basis	UOM	Price
Goods	Quantity		
Consulting	Amount	Dollar	1



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Define Line Types (Required)

The default line types that Purchasing provides include Goods, Services, and Outside Processing. Purchasing comes with one line type defined and you must set up any additional line types you want to use. Perform this step once, regardless of how many operating units you have. Create additional Line Types prior to defining Purchasing Options in case you want to specify one as a default Line Type.

Note: These Line Types are used by iProcurement as well as Purchasing.

Create Line Types

Line Types

Search

Name	Description	Value Basis	Purchase Basis	End Date	Update
Amount Based	Amount Based Value Basis line type example	Amount	Services		
Capital	Capital Expense	Quantity	Goods		
Consulting	Consulting Services	Amount	Services		
Consulting-Quantity	Consulting Services	Quantity	Goods		
Expense	Expense Item	Amount	Services		
Fixed Price Services	Fixed Price Services	Fixed Price	Services		
Fixed Price Temp Labor	Fixed Price Temporary Labor	Fixed Price	Temp Labor		
Goods	All goods that are individually recorded and printed out (by item class, unit, and unit price)	Quantity	Goods		
IGC CONTRACT	IGC CONTRACT COMMITMENT	Amount	Services		

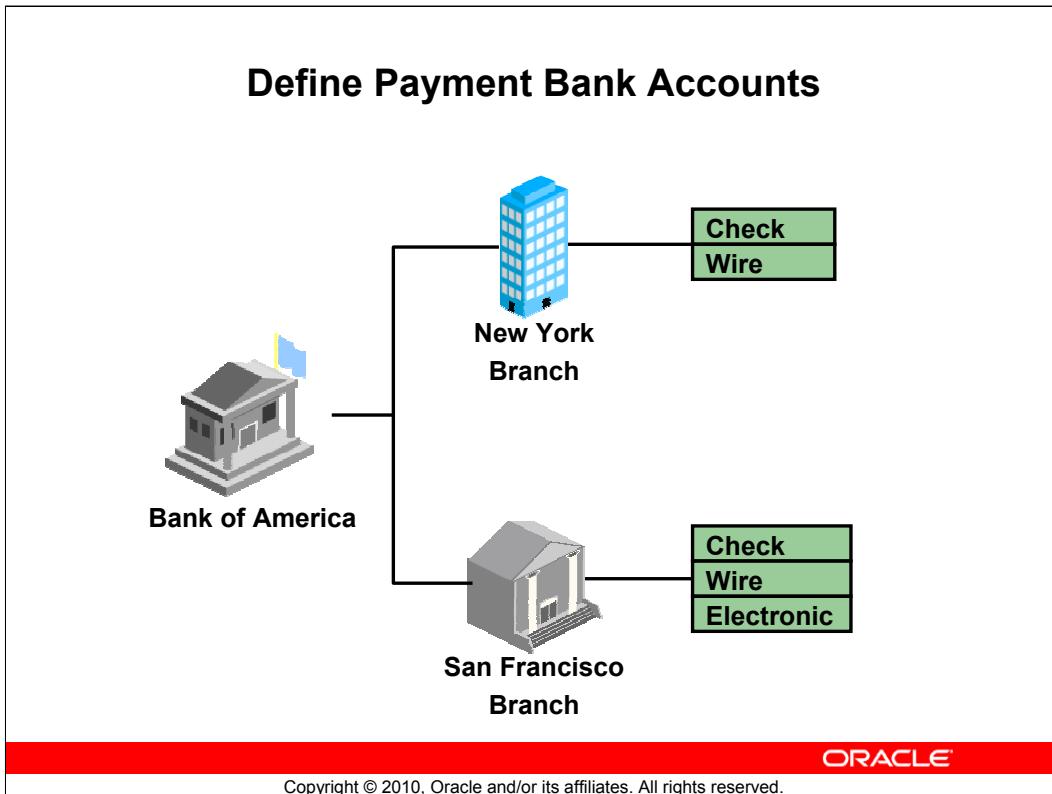
Create

© Previous 1-10 Next 10 ©

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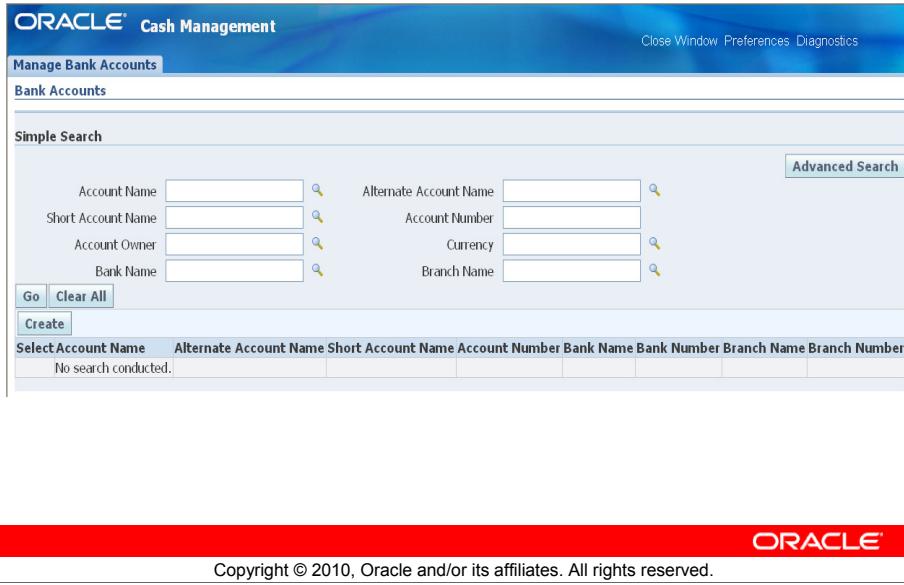
Navigation: Purchasing Responsibility → Setups → Purchasing → Line Types



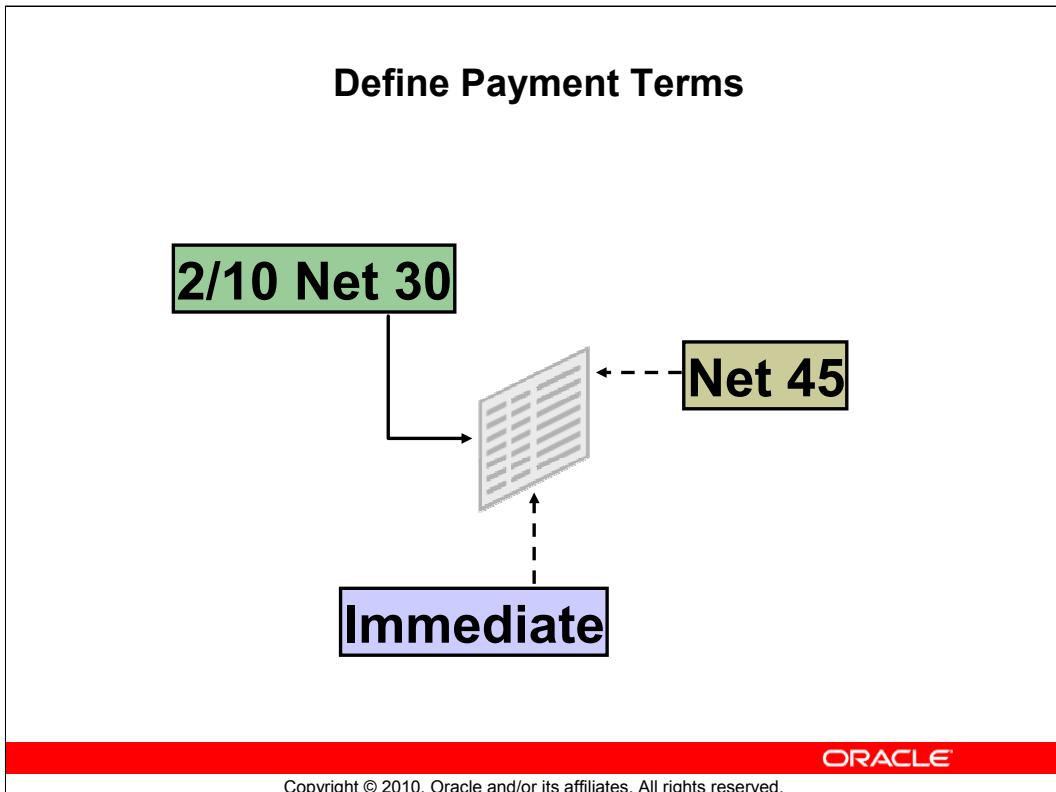
Define Bank Accounts (Required)

Define Banks where you are the account holder of a receipt and/or disbursement account. You can also use Payables to define external banks where your suppliers are the account holders. If you define your external bank accounts now, you will be able to assign them to suppliers you set up later. This step must be performed for each operating unit.

Bank Account Creation



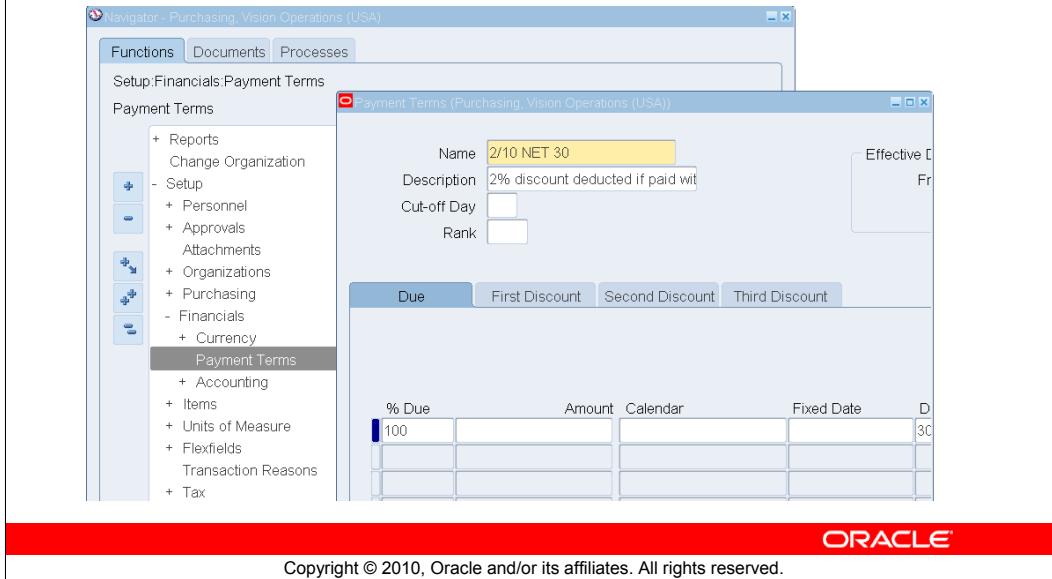
Payables Responsibility → Setups → Payment → Bank Accounts.



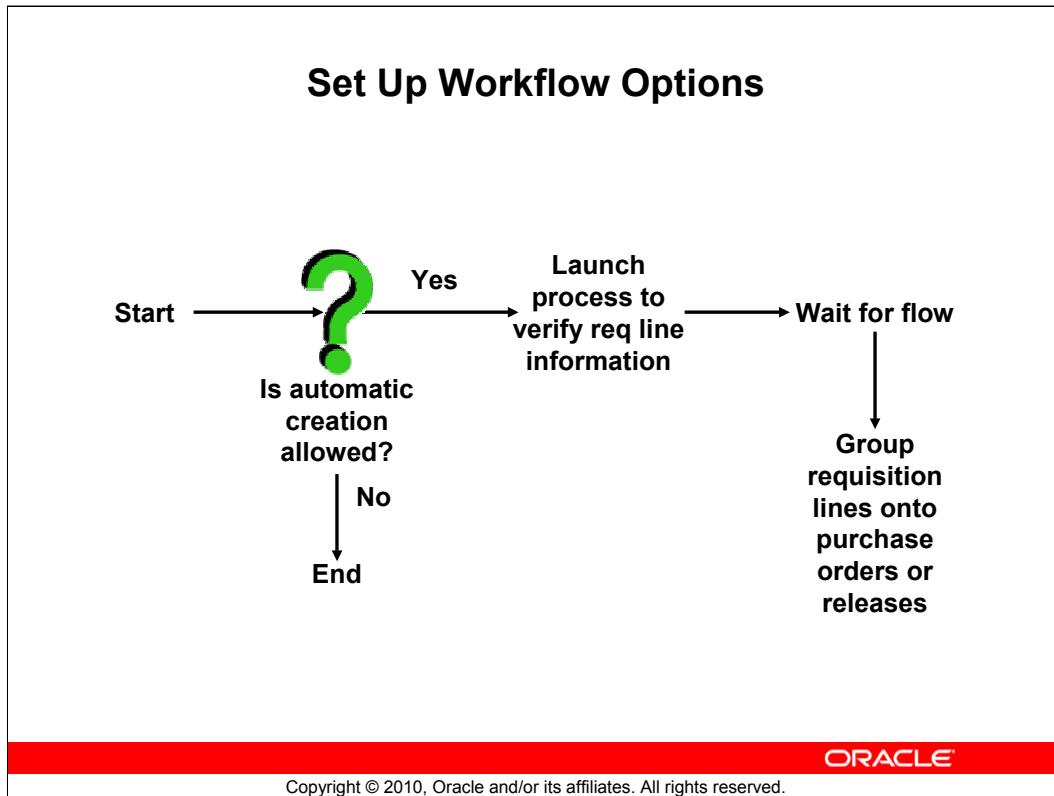
Define Payment Terms (Required)

Set up at least the default payment terms you will specify when you set up Financial Options. You can delay this setup step but should complete it prior to entering suppliers. You will need to perform this setup only one time even if you have multiple operating units.

Define Payment Terms



Purchasing Resp → Setup → Financials → Payment Terms



Set Up Workflow (Required)

If you will be using the PO Create Documents workflow to automatically generate standard purchase orders and blanket purchase agreement releases, verify the settings of the following attributes:

- Is Automatic Creation Allowed?
- Should Workflow Create the Release?
- Should Contract be used to AutoCreate Doc?
- Is Automatic Approval Allowed?

Start Concurrent Managers

- Receiving Transaction manager
- PO Document Approval manager

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Start Concurrent Managers

Start the Receiving Transaction manager (Required)

Start the PO Document Approval manager (Required)

Schedule Background Processes

- Send Notifications for Purchasing Documents process
- Workflow Background process
- Confirm Receipts Workflow Select Orders process
- Purchasing Database Administration process
- Fill Employee Hierarchy process to run
- Activate Periodic Alerts
- Schedule other processes

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Start Background Processes (Required)

Schedule the Send Notifications for Purchasing Documents process
(Required)

The Send Notifications for Purchasing Documents process starts the workflow process that sends notifications about purchase documents.

Schedule the Workflow Background Process (Required)

The Workflow Background Engine must be running if you are using the following options:

Background mode for purchasing approvals (as specified by the PO: Workflow Processing Mode profile)

The Timeout feature in any workflow. The Timeout feature sends reminder notifications

The Background mode for the item attribute Send PO Autocreation to Background in the PO Requisition Approval workflow. When the PO Create Documents workflow is submitted, if the item attribute Send PO AutoCreation to Background is set to 'Y', document creation will occur in Background mode.

The Confirm Receipts Workflow Select Orders process.

This is a process you submit through the Submit Request window. If you submit it, the Workflow Background Engine must also be running.

Start the Purchasing Database Administration process (Required)

Use the Purchasing Database Administration process to initiate concurrent processes that purge obsolete records in Purchasing interface tables and other temporary tables. The purging of obsolete data helps reduce memory load and improve system performance. You need to run this process only once because the AutoSubmit process resubmits itself daily after you submit it the first time.

Fill Employee Hierarchy process

Run the Fill Employee Hierarchy process if you are using Position Hierarchies

Activate Periodic Alerts

If you are using any of the standard Purchasing alerts (Notification Controls assigned to blanket purchase agreements, for example) use the Alert Manager responsibility to activate the appropriate alerts.

Schedule other processes

Schedule other processes including:

- Payables Approval
- Payables Accounting
- Payables Transfer to General Ledger
- Mass Additions Create
- Purchase order print processes
- Workflow Agent Listener

Open Accounting Periods

- Open GL Period
- Open Payables periods
 - For each operating unit
- Open Purchasing periods
 - For each operating unit
- Open Inventory periods
 - For each inventory organization

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Agenda

- Understand key procure to pay setups
- Understanding Purchasing Item setup.

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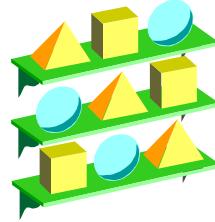
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Purchasing Item Setup

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Items



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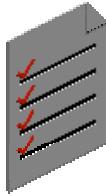
Items

Order Management Super User, Vision Operations (USA)

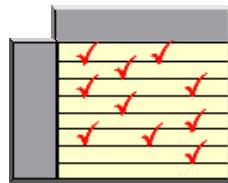
(N) Inventory > Items > Master Items

Items are required for the order to cash process.

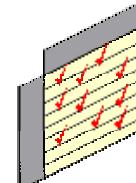
Describing Item Templates



What attributes are being enabled each time an item is created?



Use a template to enable those attributes with one keystroke as opposed to many.



The result: Attributes in template are applied to new item.

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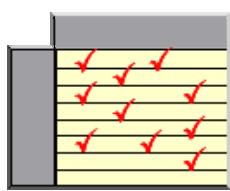
Describing Item Templates

Item templates are used to make defining items easier. There are over 190 attributes. It can take time to go through >190 attributes and determine which ones should be enabled especially if the same type of item is entered repetitively. Item Templates are designed to meet that need.

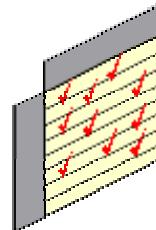
An item template contains values for any number of item attributes. When an item is created and a template applied, the values on the template are copied to the item so each attribute does not have to be addressed individually.

Note: The item status and primary unit of measure are item attributes and are on the templates. If you want to use the life cycle approach to parts, you might want to consider leaving these fields blank and forcing the user to enter the value when the item is created. Additionally, the item status and primary unit of measure can also be defaulted via profile option. You might want to consider leaving this null as well.

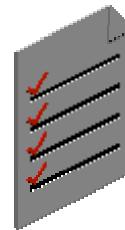
Creating Item Templates



Copy from an existing or predefined template; make changes as necessary to meet your business needs.



Start from Scratch and create a template that is meaningful to you.



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Creating Item Templates

Inventory, Vision Operations (USA)

(N) Setup > Items > Templates

There are several options with respect to creating item templates:

Use Predefined Templates – there are templates that come pre-defined with Oracle. Examples include Finished Good, Planning Item, Purchased Item and Kit.

Create your own template. This can be done in one of several ways.

Use an existing template and copy to a new template. Give the template a new name.

Create a template from scratch

No matter which option you choose in defining templates, Oracle Inventory will apply only those attributes to an item which are enabled. If the attribute is not enabled, then the attribute will not be applied to the item.

Note: It is advisable to keep the pre-defined templates intact and not make changes to what comes with Oracle. It is better to create your own template by copying a pre-defined template and giving a name that is meaningful to your organization. This is because if you ever need that original template for reference you will have it. If you make changes to a template, the changes will be effective with the next time you use the template. Changes are not applied retroactively.

Implementation considerations:

Are you going to use the existing templates?

Review the existing templates and see if they either can be used or used to copy to a new template.

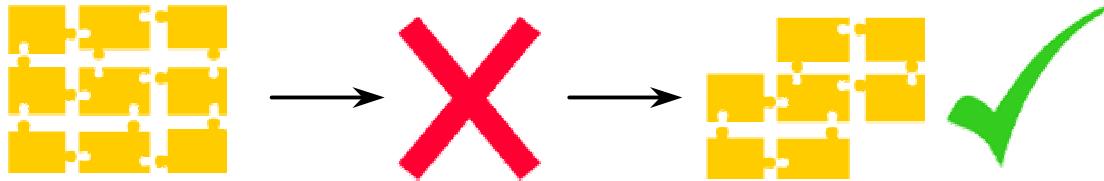
Put a process in place for defining items such that templates are not applied on top of templates. The last template is the one that wins.

The order in which templates are applied is extremely important

What attributes reflect what is going on in your business?

What is meaningful to you in terms of what a finished good or purchased part is?

Using Item Templates



Apply the template to a new item being created.

Make changes and deletions as necessary.

Verify you have the attributes you want on the item.

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Using Item Templates

Use Item templates to quickly apply attributes to an item. Templates can hold a complete set of attributes or a partial set. If a partial set, then only values stored in the template overwrite those on the item. More than one template can be applied, however, if more than one template is applied, the last template applied is the one whose attributes will be enabled for that item.

After the template(s) is used, make changes as necessary to a particular item. An item template can be changed, however, the changes do not affect any items already created using that template.

If you are changing an attribute more than 50% when using the same template, it might be better to change the attribute on the template.

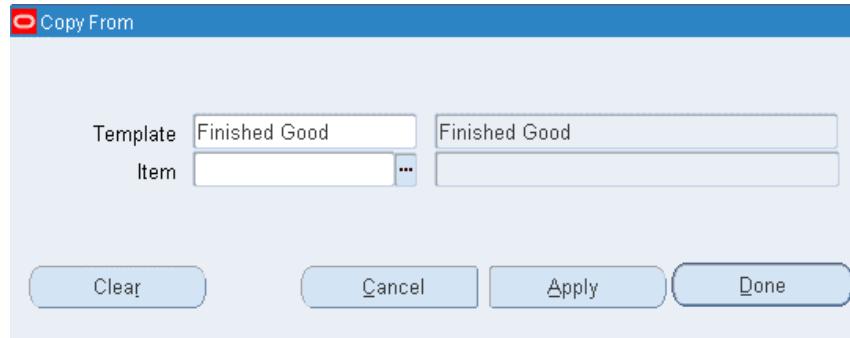
Guided Demonstration – Items

The screenshot shows the Oracle E-Business Suite interface for managing master items. The top navigation bar includes 'Master Item (V1)', 'Organization (V1)', 'Vision Operations', and 'Display Attributes' (Master, Org, All). The main area displays item details: Organization (V1), Item (XXMousepad), Description (Mouse Pad), and Unit of Measure (Primary: Each, Secondary: None). It also shows Conversions (Standard, Item specific, Both selected), User Item Type, and Item Status (Active). The bottom of the screen features a red footer with the ORACLE logo and the copyright notice: 'Copyright © 2010, Oracle and/or its affiliates. All rights reserved.'

(N) Inventory > Items > Master Items

- Item Name : XXMousepad
- Description : Mouse Pad

Guided Demonstration – Items



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Copy the attributes from the Finished Good template:

- (M) Tools > Copy From...
 - Template: Finished Good
- (B) Apply
- (B) Done

Guided Demonstration – Items

The screenshot shows the Oracle Master Item (V1) application window. The title bar reads "Master Item (V1)". The main area displays item details: Organization (V1 - Vision Operations), Item (XXMousepad), and Description (Mouse Pad). The "Purchasing" tab is selected. In the "Purchasing" tab, the following settings are visible:

- Purchased:** Checked
- Purchasable:** Checked
- RFQ Required:** No
- Taxable:** No
- Unit Type:** (dropdown menu)
- Input Tax Classification Code:** (dropdown menu)
- Invoice Matching:**
 - Receipt Required:** Yes
 - Inspection Required:** (dropdown menu)
- Default Buyer:** (text field)
- Receipt Close Tolerance:** % (text field)
- UN Number:** (text field)
- List Price:** (text field)
- Price Tolerance:** 0 % (text field)
- Encumbrance Account:** 01-510-7530-0000-000
- Expense Account:** 01-510-7530-0000-000
- Asset Category:** (text field)
- Unit of Issue:** (text field)
- Invoice Close Tolerance:** % (text field)
- Hazard Class:** (text field)
- Market Price:** (text field)
- Rounding Factor:** (text field)

At the bottom right of the window is the ORACLE logo.

(T) Purchasing.

Verify the following settings:

- Purchased: Checked
- Purchasable: Checked
- Enter the List Price: 2.00

Summary

In this module, you should have learned how to:

- Understand and Identify the key mandatory setups required in Procure to Pay cycle.



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Procure to Pay Cycle

Requisition , RFQ and Quotations

3

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Objectives

After completing this module you should be able to do the following:

- Understand Requisition , RFQ and Quotations in detail.
- Understand Approved Supplier List.



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Agenda

- Understand the requisition process.
- Understand RFQs and Quotations.
- Understand Approved Supplier List.

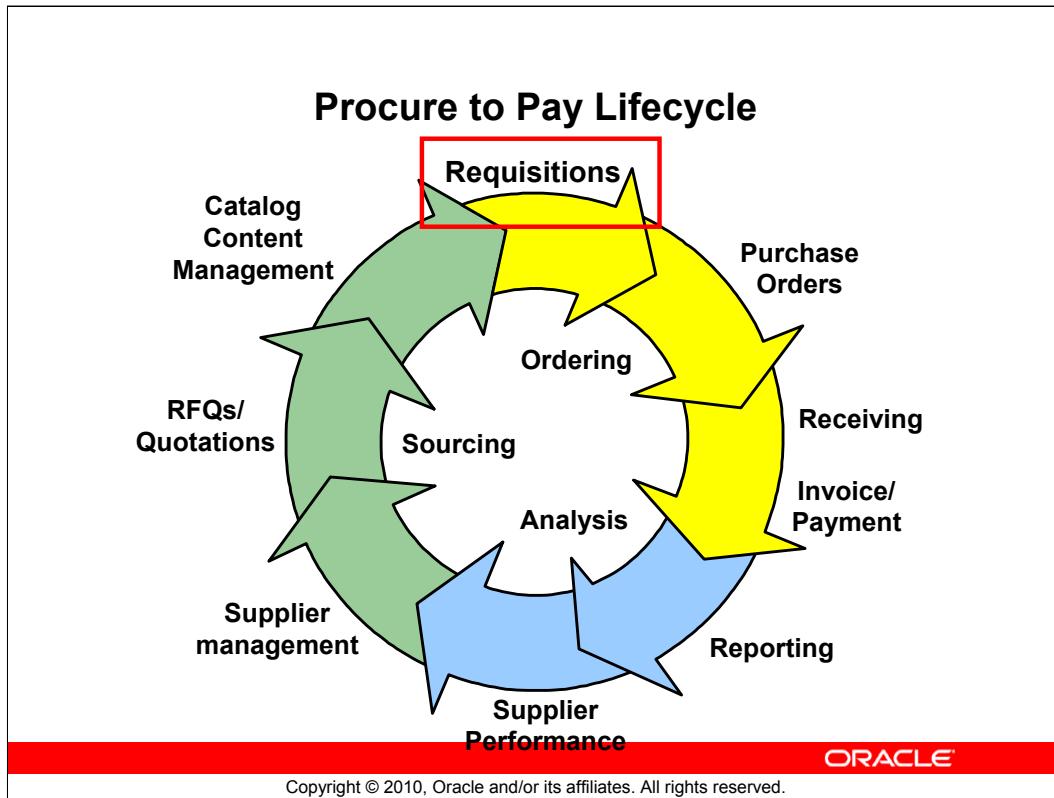
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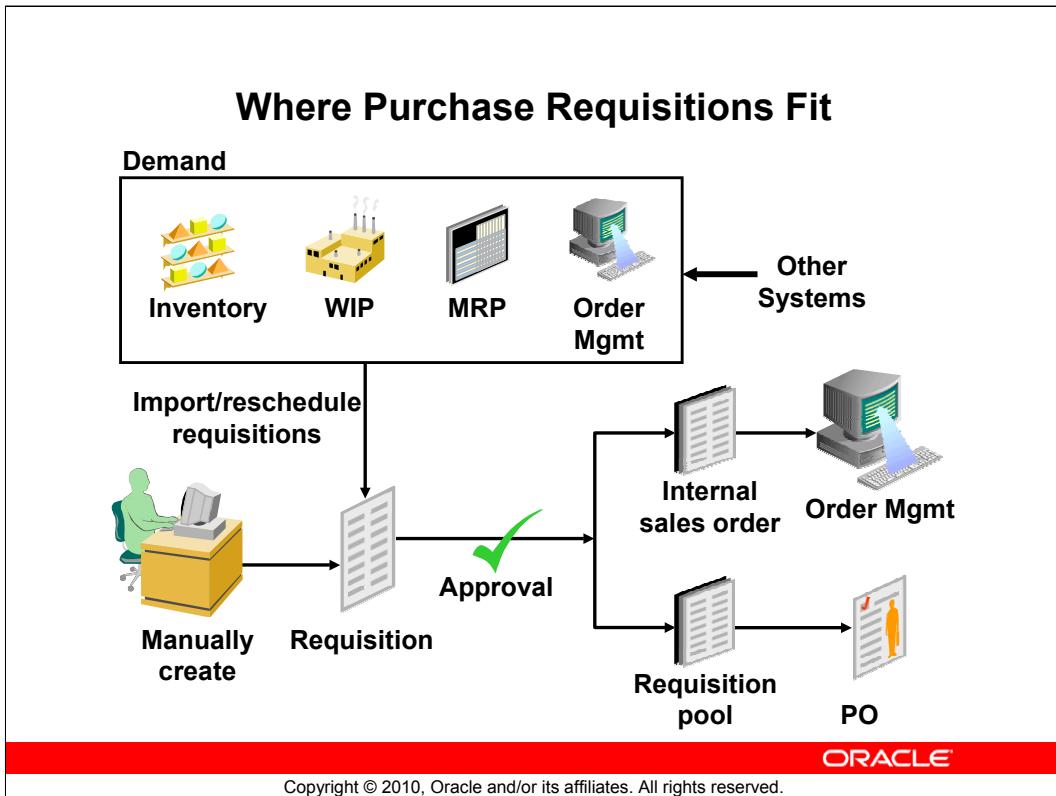
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Requisitions

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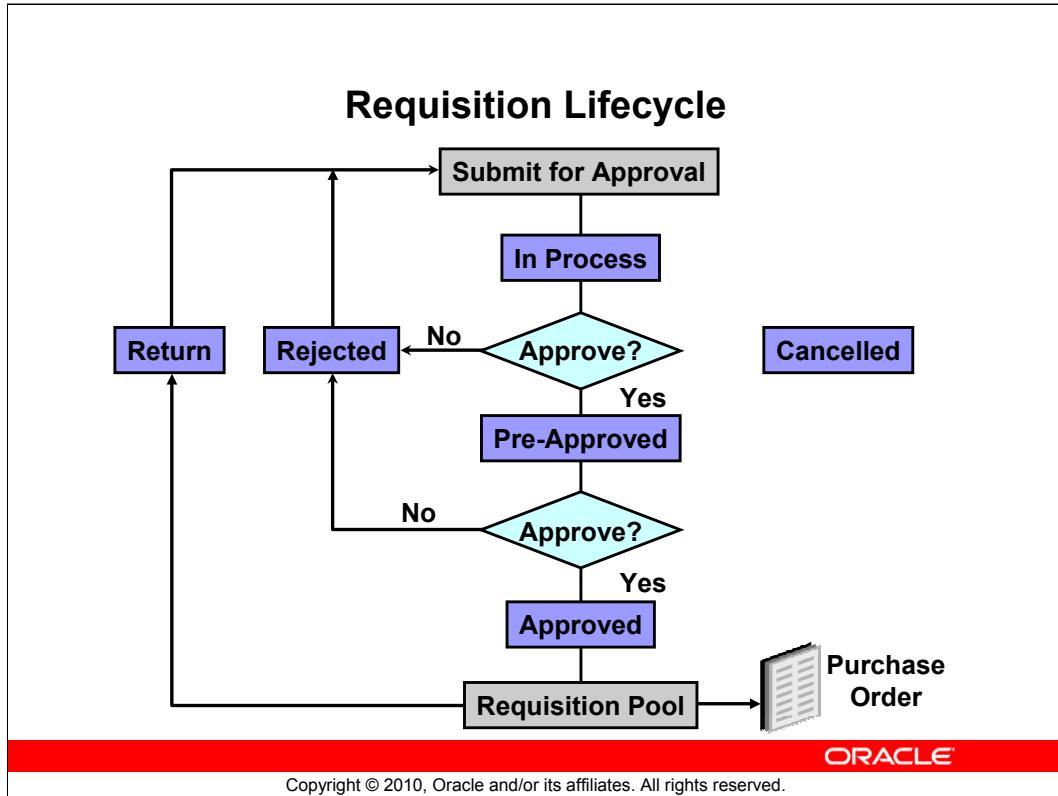
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Where Purchase Requisitions Fit

Requisitions represent demand for goods and services. Demand can come from a variety of sources.



Requisition Lifecycle

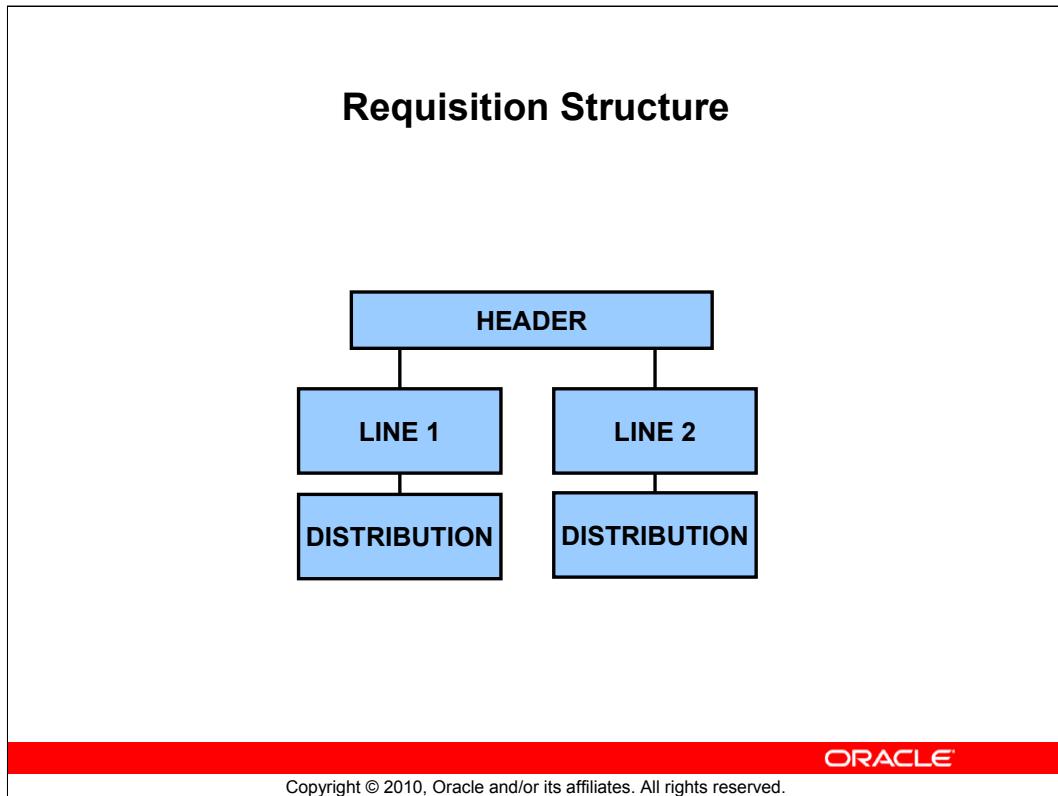
During the lifecycle of a requisition, many people can act on the requisition including:

- Employees
- Buyers or buyer-planners
- Approvers
- Suppliers
- Purchasing staff

Requisition Lifecycle

During the lifecycle of a requisition, many people can act on the requisition including:

- Employees
- Buyers or buyer-planners
- Approvers
- Suppliers
- Purchasing staff



Requisition Structure

Headers

The requisition header contains detail relating to the overall purchase requisition. There can be only one header per requisition.

Lines

The requisition line contains details about the goods or services you want to order. There must be at least one line per requisition.

Distributions

Distributions contain the internal accounting distributions.

Requisition Header

- Requisition number
- Requisition type
- Description
- Preparer
- Status
- Requisition Amount
- Attachments

```

graph TD
    PR[Purchase Requisition] --- HEADER[HEADER]
    PR --- LINE[LINE]
    PR --- DISTRIBUTION[DISTRIBUTION]
  
```

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Requisition Header

Purchasing Responsibility

(N) Requisitions > Requisitions

Requisition Number: Enter a unique Requisition number. If automatic requisition number generation is active, the cursor does not enter this field and the number is generated when you save your work.

Requisition Type: There are two types of requisitions:

Purchase Requisition - The demand generated from the requisition is fulfilled from an outside supplier by means of a purchase order.

Internal Requisition - The demand generated from the requisition is satisfied from inventory and supplier sourced requisition lines in the same requisition of either document type.

When you enter requisition lines, you can source them independently of the document type. You can mix inventory and supplier sourced requisition lines in the same requisition of either document type.

Description: Optionally enter a requisition description. A good description may be helpful in finding your requisition later.

Status: Displays the status of the requisition.

Requisition Amount: Displays the extended amount of all lines on the requisition.

Attachments: Attachments may be added to the header of a requisition.

Requisition Line

- Line Type
- Item
- Category
- Description
- Quantity
- Unit of Measure
- Price
- Need-by Date
- Tax Code

The diagram illustrates the structure of a Purchase Requisition. It consists of three stacked rectangular boxes within a larger gray frame. The top box is labeled "Purchase Requisition". The middle box is divided into three horizontal sections: "HEADER" (top), "LINE" (middle), and "DISTRIBUTION" (bottom). The bottom section of the main frame contains the "ORACLE" logo.

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Requisition Line

Line Type: Enter a line Type for the requisition line. Line types help you define how you want to categorize your items. The default for this field is the Line Type from the Purchasing Options window. Line types let you distinguish between quantity and amount based line items. There are three classes of line types:

Quantity-Based - You use quantity based line items when you know the quantity and price of the line you are ordering. For example, you might buy a dozen pens for \$10.

Amount-Based - You use amount based line items when you are ordering a service. For example, you might order \$5,000 of consulting services over the next year.

Outside Processing - Outside processing line types are necessary when you are using WIP and want to enter purchasing documents for outside processing operations in WIP. When you choose an outside processing line type on a purchasing document line, you can enter only outside processing items and the destination type can be only Shop Floor.

Item: Both goods and services may be entered on requisition lines. For quantity-based line types and outside processing line types, use the list of values to choose the system item you want to request. Oracle Purchasing displays defaults for purchasing category, item description, unit of measure, and unit price for this item.

Category: You cannot change the category if you specify an item number in the Item field. If you do not select a system item, you must specify a valid category (required field).

Description: Enter the item description to explain the item in further detail. When you enter an item number, Purchasing displays the item description from the Items window. You can change this description only if the Allow Description Update attribute for the item is enabled.

Quantity: Enter the Quantity you want to request for the item. You can enter decimal quantities, but you must enter a value greater than 0. If Quantity Rounding is enabled, Oracle Purchasing either displays the rounded quantity you should have entered in a warning message or it updates the quantity to the appropriate rounded quantity.

Unit of Measure: Enter the unit of measure you want to use for your requisition line. If you enter an item number, Oracle Purchasing defaults the unit of measure for the item.

Price: Enter the unit Price for the item. You can enter the price in decimal format. You must enter a value greater than or equal to 0. If you enter an item number, Oracle Purchasing defaults the list price for the item, but you can change this value. If you create a requisition line for an amount based line type, Oracle Purchasing sets the price to 1, and you cannot change it.

Need-By Date: Enter the Need-By date for the requested item. The Need-By date is required only for planned items. You must enter a date greater than or equal to the requisition creation date.

Tax Code: Enter or use the default Tax Code for taxable items. The tax code defaults from the Tax Defaults region in the Purchasing Options window.

Requisition Distribution

- Quantity
- Charge account
- Project information

Purchase Requisition

```

graph TD
    PR[Purchase Requisition] --- HEADER[HEADER]
    PR --- LINE[LINE]
    PR --- DISTRIBUTION[DISTRIBUTION]
  
```

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Requisition Distribution

Quantity: Enter the Quantity you want to distribute. If you do not specify a quantity equal to the quantity on the requisition line, you must add additional distributions until the quantity equals the quantity specified on the distribution line.

Charge Account: When you enter a Charge Account, Oracle Purchasing uses Account Generator workflow to automatically create the following accounts for each distribution:

- Accrual - the AP accrual account
- Variance - the invoice price variance account
- Budget - the encumbrance budget account (only if using encumbrances)

The Account Generator workflow creates these accounts based on predefined rules. If the requisition line destination type is Expense, you can enter a charge account or override the charge account supplied by Account Generator workflow.

Project Information: The project information you enter is used by Projects if the destination types is Expense, or by Project Manufacturing if the destination types is Inventory or Shop Floor.

Agenda

- Understand the Requisitions.
- Understand RFQs and Quotations.

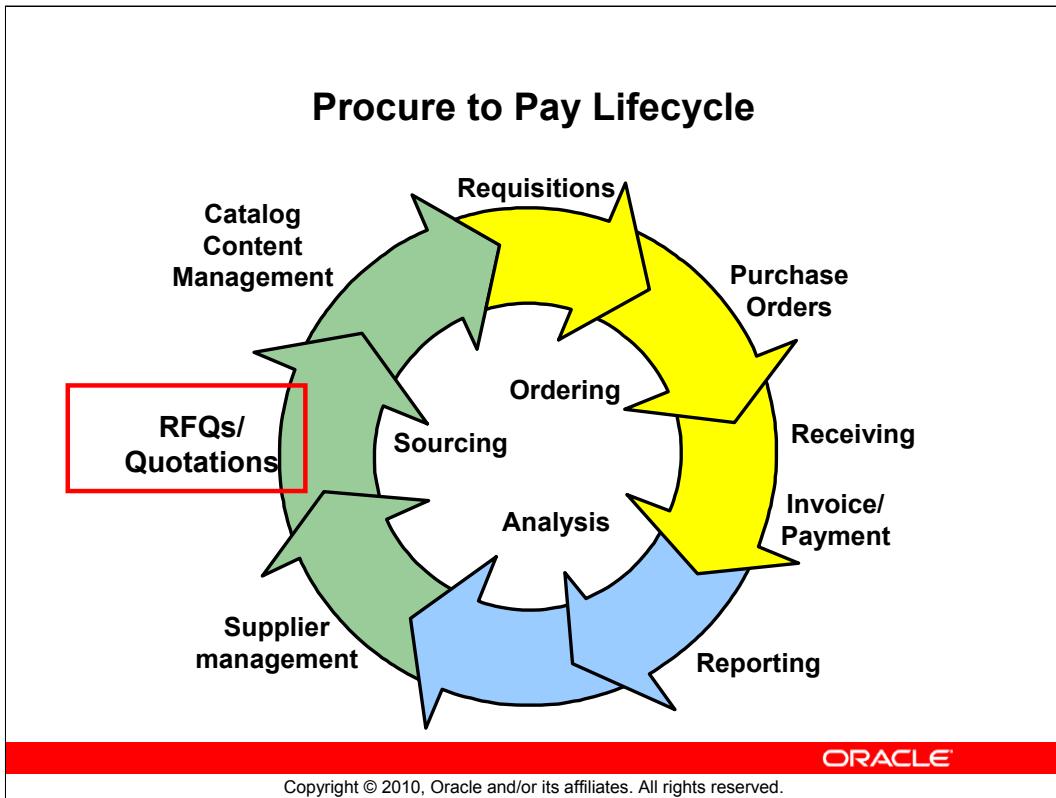
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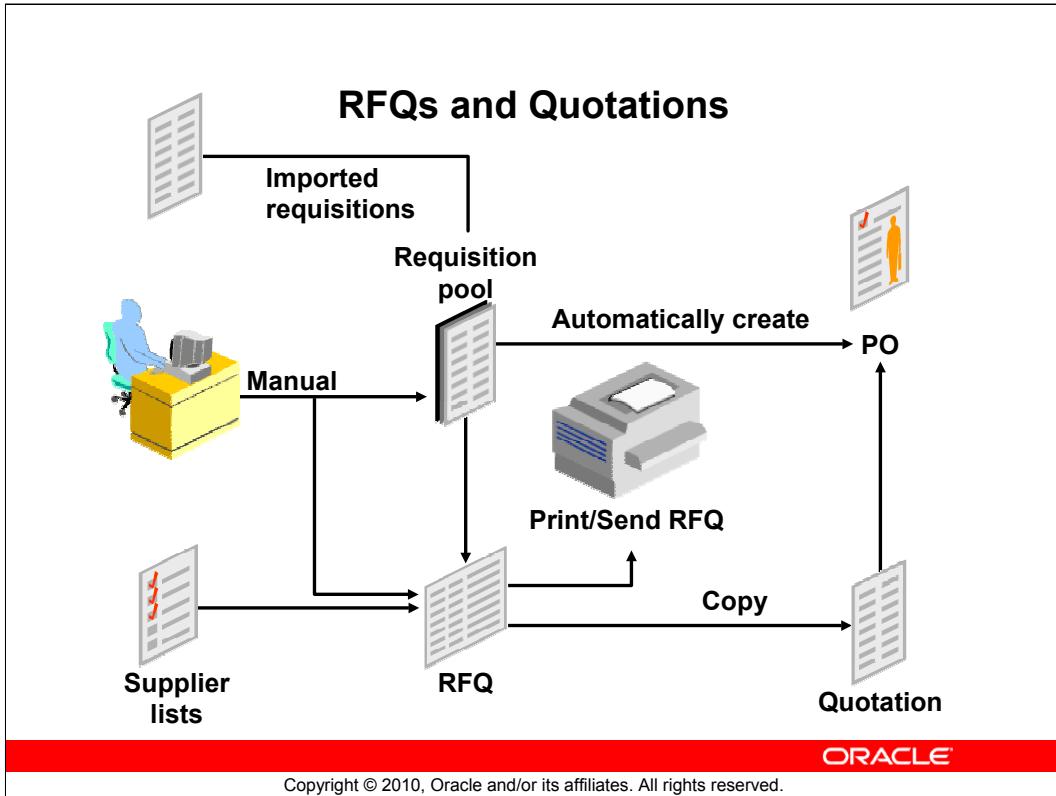
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RFQs

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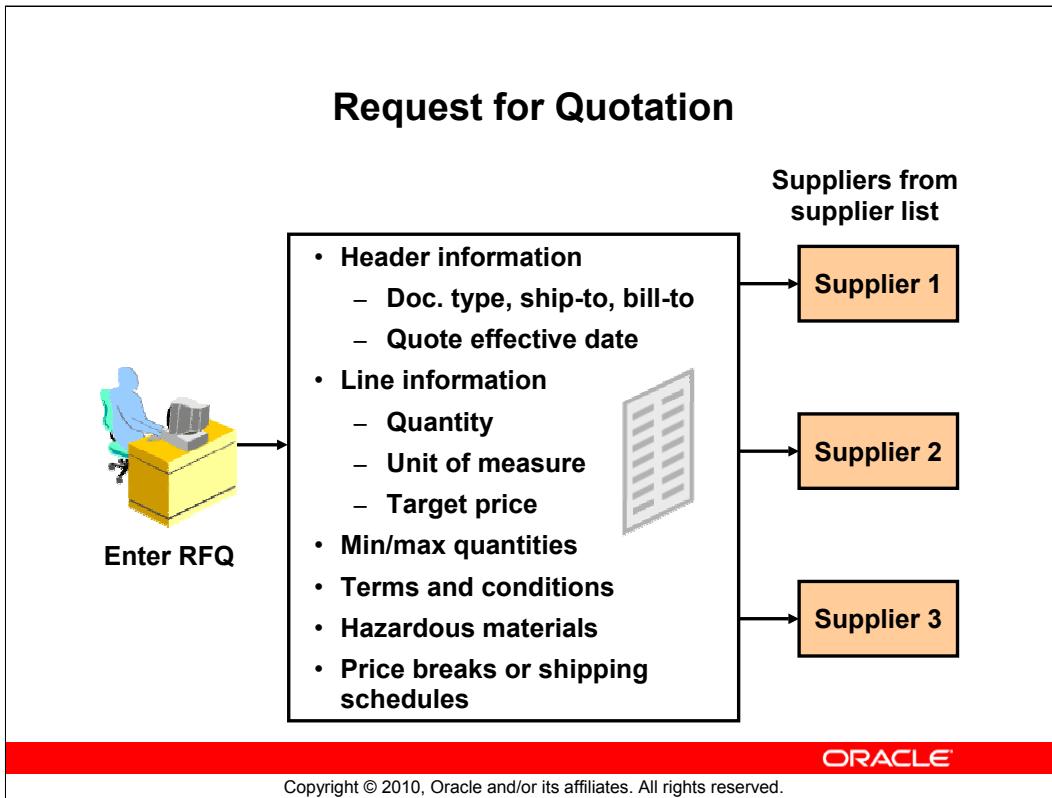




RFQs and Quotations

A request for quotation (RFQ) is a document you use to solicit supplier quotations for goods or services. You usually send a request for a quote to many suppliers to ensure that you get the best price and terms possible.

A request for quotation (RFQ) is sent to a supplier to request pricing and other information for an item or items. A quotation is the supplier's response to that RFQ. Some examples of how you send an RFQ to a supplier include creating an RFQ in the RFQs window and sending it by facsimile, making a phone call, using Oracle iSupplier Portal, or using Oracle Sourcing.



Request for Quotation

A request for quotation (RFQ) is a document you use to solicit supplier quotations for goods or services. You usually send a request for a quote to many suppliers to ensure that you get the best price and terms possible.

Supplier Lists

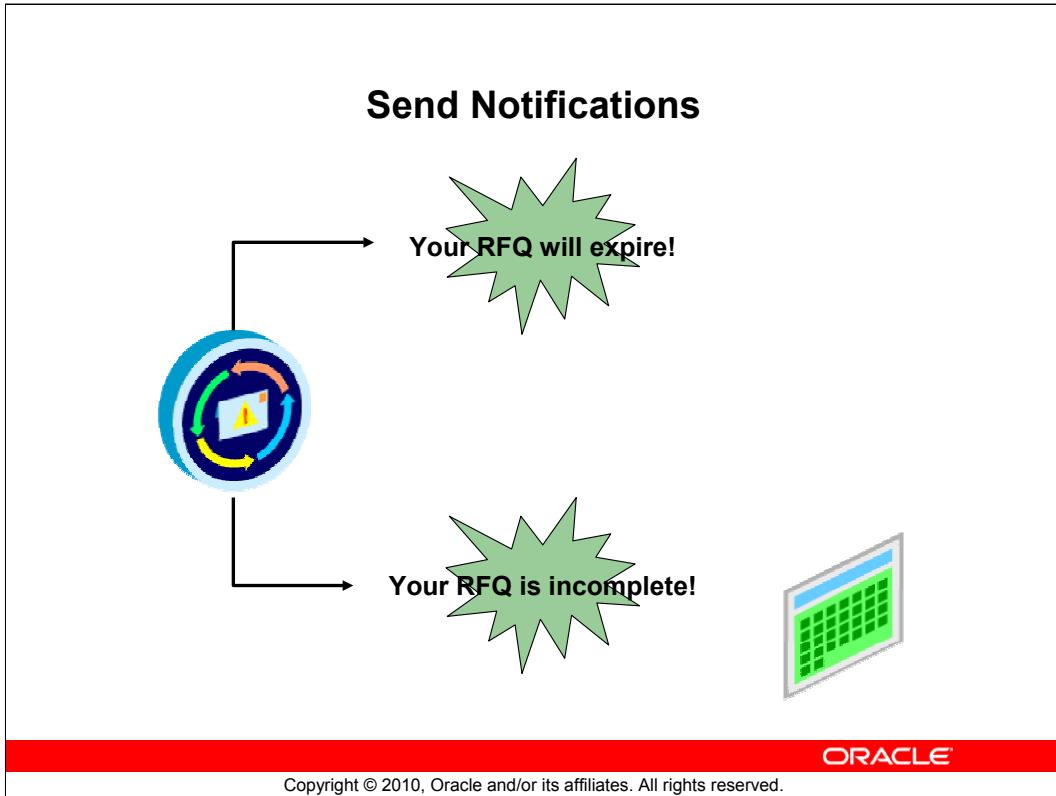
Although you may send an RFQ to only one supplier, usually you send a request for quotation to many suppliers to ensure that you get the best price and terms possible. With Oracle Purchasing, you create supplier lists so that you can predefine groups of suppliers to whom you want to send RFQs. You can establish supplier lists according to criteria you define, such as an item, manufacturing category, geographic location, or more. You can combine supplier lists to produce many copies of your RFQ automatically.

Manually Creating a Request for Quotation

You can send the RFQ to as many suppliers as you want and decide how much item information to provide to the suppliers. Each RFQ consists of header, line, and shipment information. In the header, you define the RFQ document type, the ship-to and bill-to locations, and the effective dates for the quotation. The Line region is where you define the goods or services for which you want the supplier to quote. Included in this information are your requirements, such as unit of measure and, optionally, a target price for negotiation purposes. You may also include minimum and maximum order quantities and classification for hazardous materials. You specify the terms and conditions for the RFQ. You can request as many shipment quotations as you want.

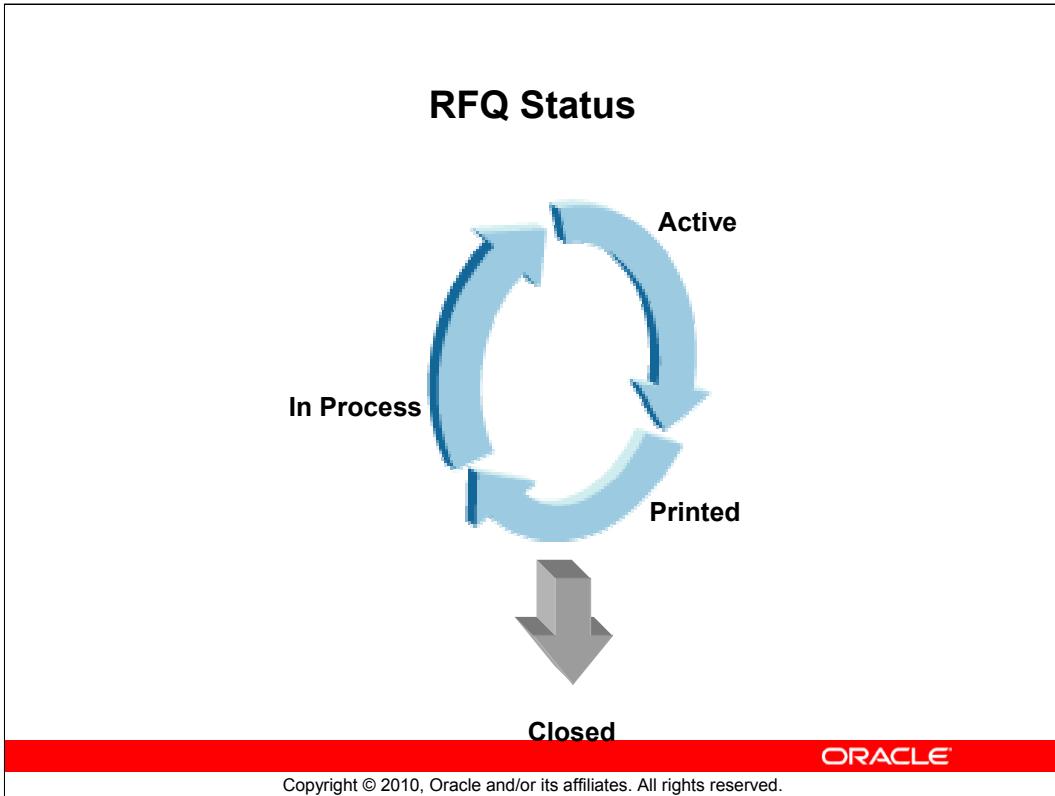
AutoCreating Requests for Quotation

Purchasing provides automatic creation capabilities for documents. The AutoCreate Document window has features that simplify the creation of requests for quotation. All purchase requisition lines available for AutoCreation go into a single requisition pool. Buyers can retrieve only approved requisition lines from the requisition pool and use the AutoCreate Documents window to create requests for quotation (RFQs). If you have Oracle Sourcing implemented you can also create a Sourcing RFQ. You can choose from Automatic or Manual creation mode to place the requisition line onto a document. You also choose whether you want to create a new RFQ or add the requisition line to an existing RFQ.



Send Notifications

You can use the standard request submission window to schedule the Send Notifications for Purchasing Documents program to run periodically. The Send Notifications for Purchasing Documents program runs the Send Notifications workflow. The Send Notifications workflow sends notifications for RFQs with a status of In Process (RFQ Requires Completion notification) or Active and near expiration (RFQ Near Expiration notification).



RFQ Lifecycle

In Process

The initial status when you create the request for quotation (RFQ).

Active

Choose this status when the RFQ is complete and you are ready to send it to your suppliers. Only an RFQ with a status of Active are printed.

Printed

The status assigned to the RFQ when you have printed at least one copy of it. You must change the status to Active if you want to reprint the RFQ!

Closed

Choose this status to close the RFQ when all suppliers have responded or when you no longer want responses. When you close an RFQ, Purchasing deletes all follow-up notifications associated with it.

RFQ Types

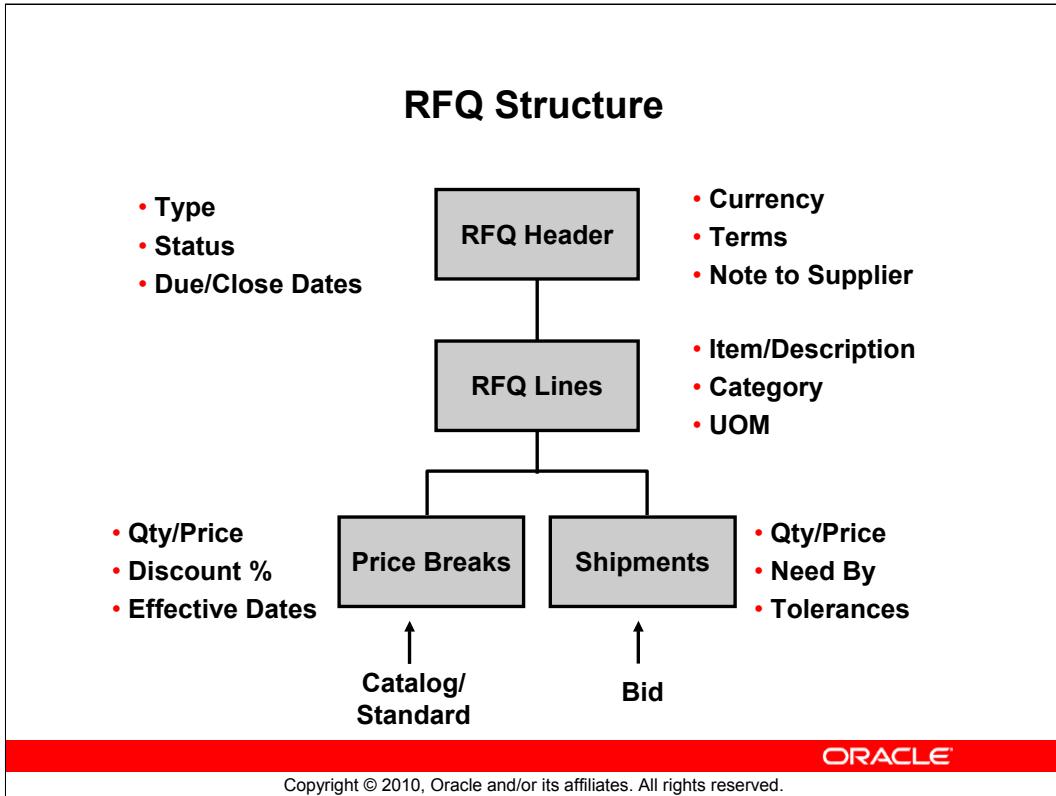
Catalog RFQ	Used for high volume items for which your supplier sends you information automatically.
Standard RFQ	Used for items you'll inquire about or need only once, or not often.
Bid RFQ	Used for items that incur transportation or other costs.

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RFQ Types

There are two classes of RFQs: Catalog and Bid. The Catalog class supports price breaks and the Bid class supports shipments. Catalog RFQs and Standard RFQs both have a class of Catalog and can have price breaks entered for either of them. Bid RFQs have a class of Bid and can have shipments entered.



RFQ Header

- RFQ Number
- Due Date
- Close Date
- Quote Approval Required
- Quote Effectivity
- Reply Via
- Buyer
- Suppliers

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RFQ Header

Purchasing Responsibility

(N) > RFQs and Quotations > RFQs

RFQ Number: Enter a unique number for the RFQ. In the Purchasing Options window, you can choose whether RFQ numbers are numeric or alphanumeric and whether Oracle Purchasing automatically generates RFQ numbers when you save your changes.

Due Date: Enter the Due Date when you want your suppliers to reply. Oracle Purchasing prints the reply due date on the RFQ. Oracle Purchasing notifies the buyer listed on the RFQ if the current date is between the RFQ reply due date and the close date and if the RFQ is Active. Oracle Purchasing knows that a supplier replied to an RFQ if you enter a quotation for this supplier referencing the RFQ.

Close Date: Enter the Close Date for the RFQ. Oracle Purchasing prints the close date on the RFQ. Oracle Purchasing notifies you if the current date is between the RFQ reply due date and the close date and if the RFQ is Active. Oracle Purchasing warns the buyer listed on the RFQ when you enter a quotation against this RFQ after the close date.

Quote Approval Required: Select Require Quote Approval to enforce approval of any quotation referencing this RFQ before the quotation can be used for a purchase order.

Quote Effectivity: Enter the requested beginning and ending Effectivity Dates for the supplier quotation.

Reply Via: Enter the Reply/Receive Via code for the method you want the supplier to use to send the quotation. For example, you may request they by mail, telephone, or FAX. You can add to this list through the Lookup Codes window.

Buyer: Purchasing displays your name as the Buyer. You can forward the RFQ to another buyer by choosing the name of this buyer from the list of values. The buyer you enter receives all notifications regarding this RFQ.

Suppliers: Navigate to the RFQ Suppliers window by selecting the Suppliers button in the RFQs window. For each supplier that you enter, Purchasing displays the Printed and Responded dates as well as the Count of the number of times the RFQ has been printed. The Responded date is the receipt date recorded for the quotation from the supplier. To reprint one or more RFQs, change the status of the RFQ to Active then open the Supplier window. For each supplier you'd like to reprint the RFQ for, select the Include in Next RFQ Printing checkbox. When you run the Printed RFQ report, RFQs will be reprinted for these suppliers.

RFQ Lines

- Line Type
- Item
- Category
- Description
- Unit of Measure
- Target Price
- Supplier Item

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RFQ Lines

Line Type: Enter the line Type for the item. When you enter a line type, Oracle Purchasing automatically copies the corresponding purchasing category, unit, and unit price. You can enter predefined items only when you choose a quantity based line type. Oracle Purchasing defaults the value you define in the Purchasing Options window.

If you need to, you can create your own line types and when you do, you can specify a value basis of amount or quantity. For both amount and quantity based line types, you can specify default values for category, unit of measure, and whether you require receipt. For quantity based line types, you can specify the unit price, but for amount-based line types the unit price defaults to 1.

Item: Enter the Item for your RFQ line. Oracle Purchasing retrieves the item description, purchasing category, and unit of measure. If you do not enter a predefined item, you must provide a purchasing category and item description for the RFQ line. For amount based line types, the cursor does not enter this field.

Category: Enter the purchasing category for your RFQ line. If you enter a predefined item, Oracle Purchasing supplies the purchasing category.

Item Description: Enter the item Description for your RFQ line. If you enter an item, Oracle Purchasing supplies the item description. You can set up the item definition so that you can override the item description for this particular RFQ.

Unit of Measure: Enter the UOM for your RFQ line. If you enter an item number, Oracle Purchasing supplies the unit of measure. For amount based line types, the cursor does not enter this field.

Target Price: Enter an optional Target Price for the RFQ line. You may want to provide a target price on the RFQ line for negotiation purposes. For amount-based line types, Purchasing uses a target price of 1.

Supplier Item: Enter the optional supplier's number for the item.

Note: Use the More tab to enter additional line information such as: UN number, hazard class, minimum and maximum order quantities, project information and note to supplier (prints on the RFQ).

RFQ Price Breaks/Shipments

- Price Breaks (Catalog and Standard RFQs)
- Shipments (Bid RFQs)



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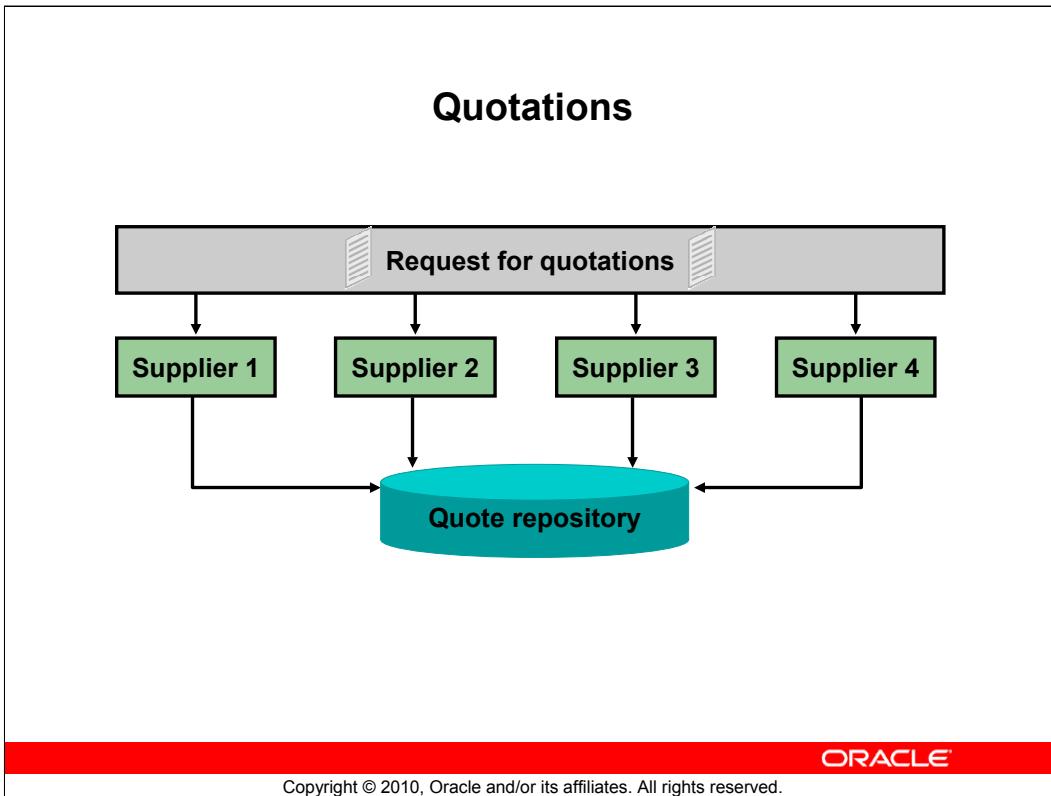
RFQ Price Breaks/Shipments

RFQ Price Breaks

Navigate to the RFQ Price Breaks window by selecting the Price Breaks button in the RFQs window. This button is available only when the RFQ header Type is Catalog or Standard.

RFQ Shipments

Use the RFQ Shipments window to enter and review shipment information for Bid RFQs.



Quotations

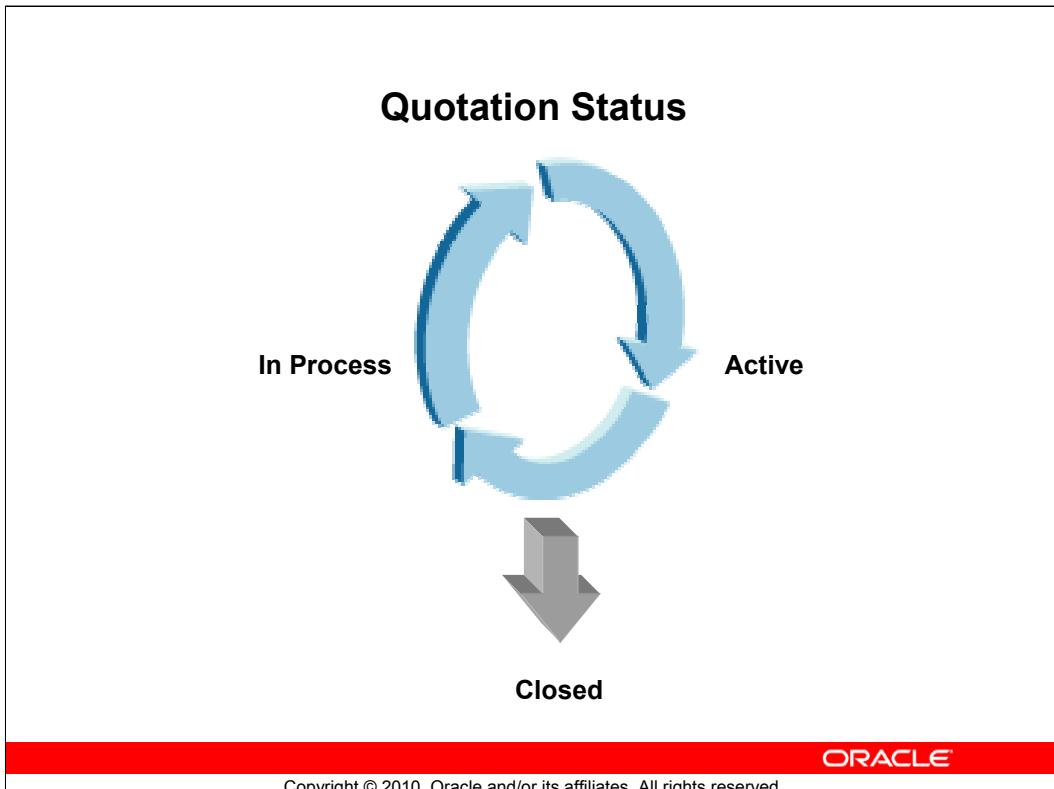
When a supplier responds to a request for quotation (RFQ), either verbal or written, you need to have a record of the pricing and terms commitments that are made. You have several options to record quotation information:

- You can manually enter the quotation in the system.
- You can use the Copy Documents window to create quotations directly from RFQs.
- Use a SQL*Loader script to load a flat file into the Purchasing Documents Open Interface.
- Use the e-Commerce Gateway to load 832/PRICAT.

A quotation is a statement of the price, terms, and conditions of sales a supplier offers you for an item or service. A quotation usually includes a detailed description of goods or services the supplier offers. Suppliers consider quotations as an offer to sell when given in response to an inquiry such as a request for quotation. A quotation may be verbal or written. You often get verbal quotations for minor purchases by telephone. You usually send a request for quotation if you want a written quotation from the supplier. Written quotations often have an effective date and an expiration date.

Manually Entering a Quotation

If you copied the quotation from an existing RFQ, Oracle Purchasing displays the corresponding RFQ number, which you can override. You can also manually provide an RFQ number. The supplier and supplier site you provide is verified and you can choose from a corresponding list of RFQs. If you want to enter a quotation as a response to an RFQ for a supplier that you did not provide on the RFQ supplier list, you need to modify the RFQ supplier list first. If you enter the number of an RFQ for which you already entered a response for the supplier and supplier site, a warning message is displayed, but your entry is permitted.



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Quotation Lifecycle

In Process

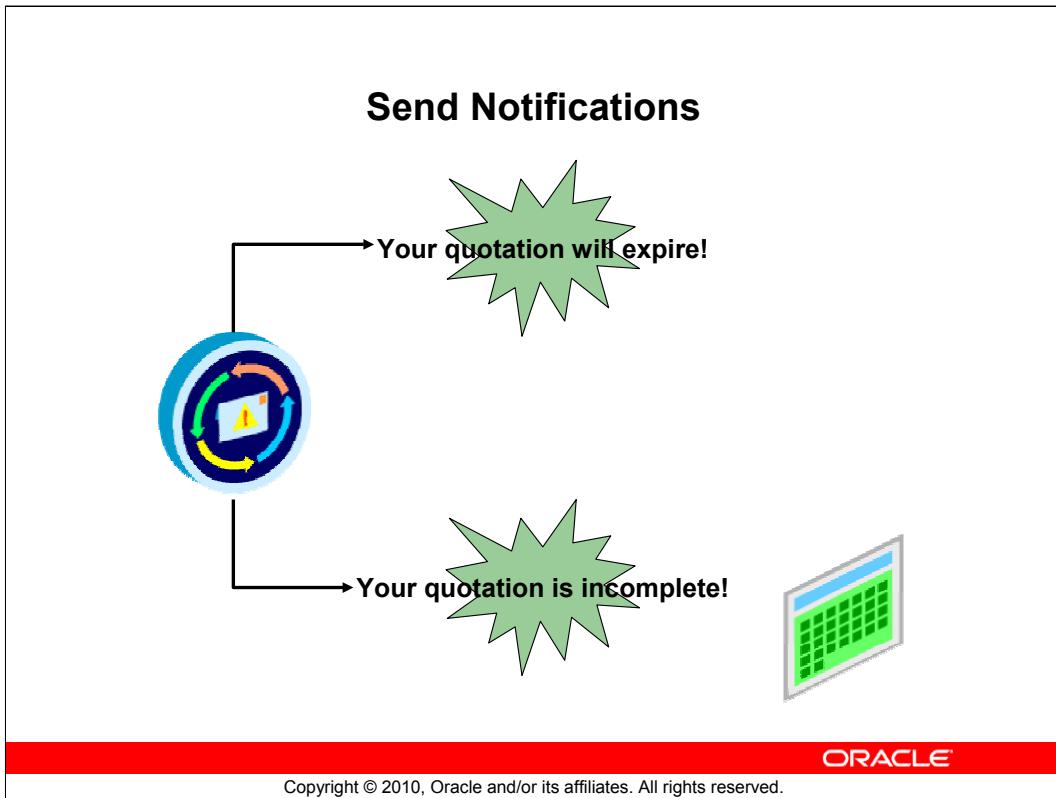
The initial status when you create the quotation.

Active

Choose this status when the quotation is complete and you are ready to approve it.

Closed

When you enter a quotation, you provide an expiration date for it. You will be sent a notification when the quotation expiration date is approaching. You can manually close the quotation to acknowledge the notice. If you do not acknowledge the notification by closing the quotation, the status of your quotation is still Active. Notifications will be sent to the buyer listed on the quotation header.



Send Notifications

You can use the Standard Request Submission window to schedule the Send Notifications for Oracle Purchasing Documents program to run periodically. The Send Notifications for Purchasing Documents program runs the Send Notifications workflow. The Send Notifications workflow sends notifications for quotations with a status of In Process (Quotation Requires Completion notification) or for quotations that are near expiration (Quotation Near Expiration notification).

Quotation Types

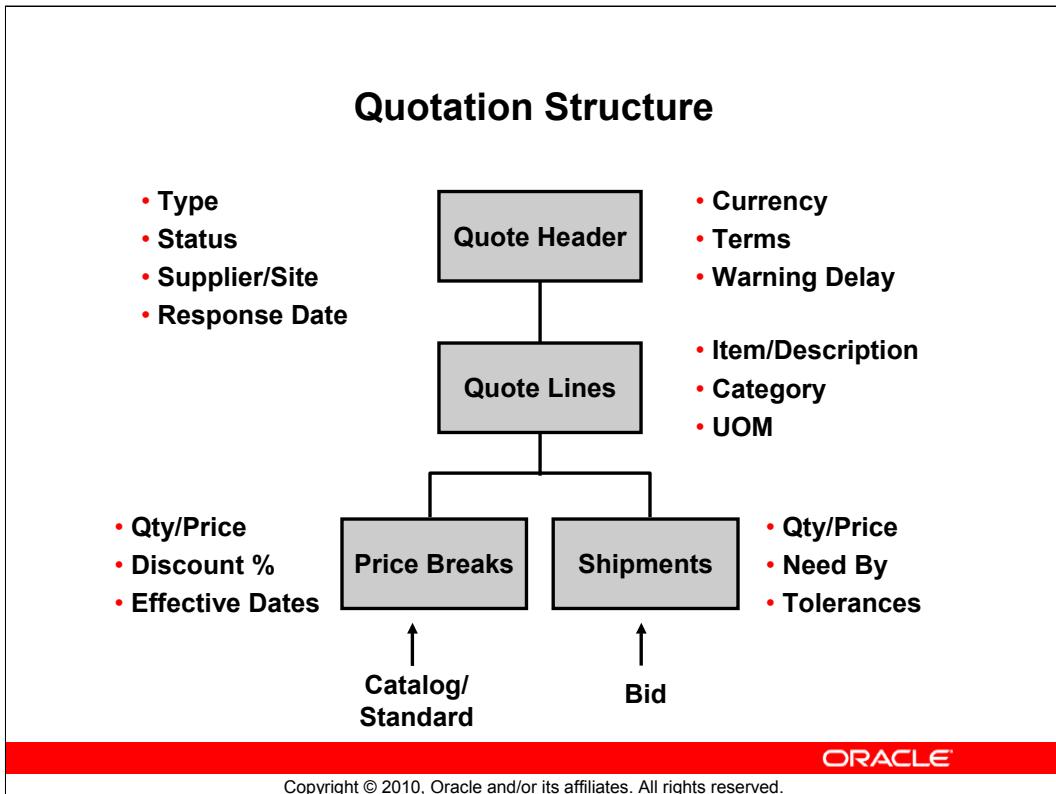
Catalog Quote	Used for high volume items for which your supplier sends you information automatically.
Standard Quote	Used for items you'll inquire about or need only once, or not often.
Bid Quote	Used for items that incur transportation or other costs.

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Quotation Types

There are two classes of quotations: Catalog and Bid. The Catalog class supports price breaks and the Bid class supports shipments. Catalog quotations and standard quotations both have a class of Catalog and can have price breaks entered for either of them. Bid quotations have a class of Bid and can have shipments entered.



Quotation Header

- Quotation Number
- RFQ Number
- Supplier/Supplier Site
- Contact
- Response Date
- Effectivity Date
- Buyer

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Quotation Header

Purchasing Responsibility

(N) > RFQs and Quotations > Quotations

Quotation Number: Enter a unique number for the quotation. In the Purchasing Options window, you can choose whether quotation numbers are numeric or alphanumeric and whether Oracle Purchasing automatically generates quotation numbers when you save your changes.

RFQ Number: If you copied this quotation from an existing RFQ, Oracle Purchasing displays the corresponding RFQ number, which you can override. You can also manually provide an RFQ number. Oracle Purchasing verifies the supplier and supplier site you provide and lets you choose from a corresponding list of RFQs. If you want to enter a quotation as a response to an RFQ for a supplier you did not provide on the RFQ supplier list, you need to modify the RFQ supplier list first. If you change the supplier or supplier site information on this quotation after you enter an RFQ number, Oracle Purchasing removes the RFQ number, and you must re-enter it. If you enter the number of an RFQ for which you already entered a response for this supplier and supplier site, Oracle Purchasing displays a warning message but permits you to enter it.

Quotation Lines

- Line Type
- Item
- Category
- Description
- Unit of Measure
- Unit Price
- Supplier Item

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Quotation Lines

Line Type: Enter the line Type for the item. When you enter a line type, Oracle Purchasing automatically copies the corresponding purchasing category, unit, and unit price. You can enter predefined items only when you choose a quantity based line type. Oracle Purchasing defaults the value you define in the Purchasing Options window.

If you need to, you can create your own line types and when you do, you can specify a value basis of amount or quantity. For both amount and quantity based line types, you can specify default values for category, unit of measure, and whether you require receipt. For quantity based line types, you can specify the unit price, but for amount-based line types the unit price defaults to 1.

Item: Enter the Item for your quotation line. Purchasing retrieves the item description, purchasing category, and unit of measure. If you do not enter a predefined item, you must provide a purchasing category and item description for the quotation line. For amount-based line types, the cursor does not enter this field.

Category: Enter the purchasing Category for your quotation line. If you enter a predefined item, Oracle Purchasing supplies the purchasing category.

Description: Enter the item Description for your quotation line. If you enter an item, the item description is supplied. You can set up the item definition so that you can override the item description for this particular quotation.

Unit of Measure: Enter the UOM for your quotation line. If you enter an item number, Oracle Purchasing supplies the unit of measure. For amount based line types, the cursor does not enter this field.

Unit Price: Enter the unit Price for the quotation line. For amount based line types, Oracle Purchasing uses a target price of 1.

Supplier Item: Enter the supplier's number for the item.

Note: Use the More tab to enter additional line information such as: UN number, hazard class, minimum and maximum order quantities, project information and notes from supplier.

Quotation Price Breaks/Shipment

- Quotation Price Breaks (Catalog and Standard)
- Quotation Shipments (Bid)



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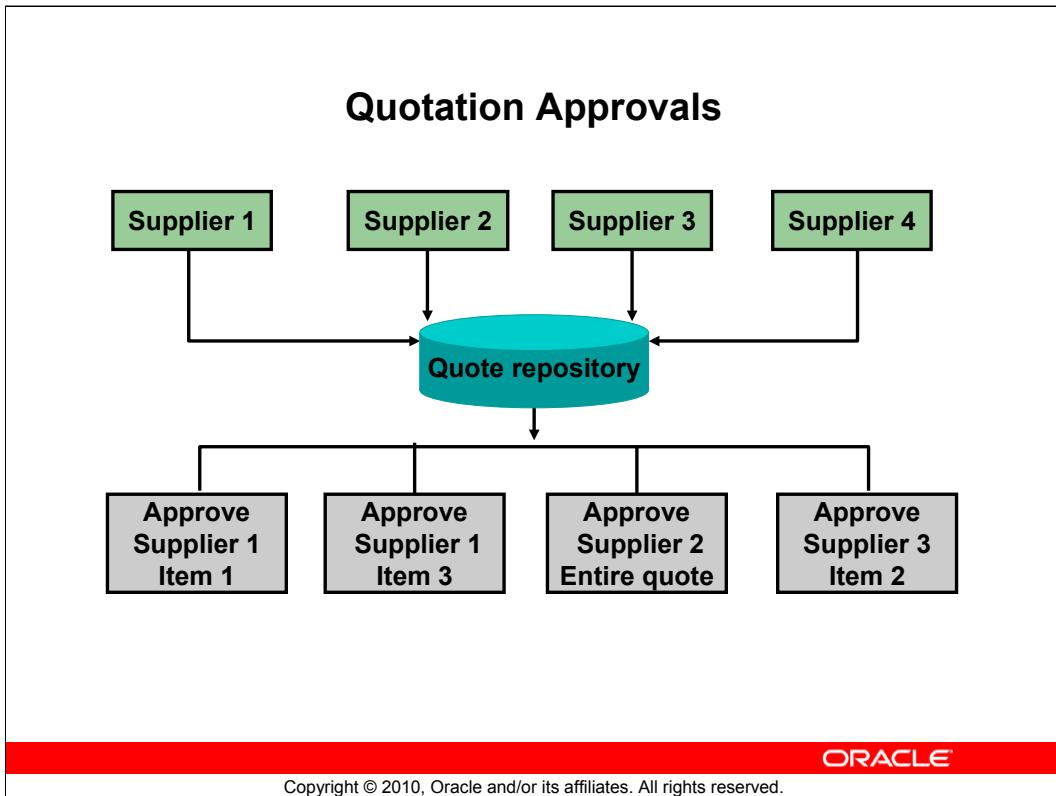
Quotation Price Breaks/Shipment

Quotation Price Breaks

Navigate to the Quotation Price Breaks window by selecting the Price Breaks button in the Quotations window. This button is available only when the Quotation header Type is Standard or Catalog.

Quotation Shipments

Use the Quotation Shipments window to enter and review shipment information for Bid Quotations.



Quotation Approvals

Navigate to the Approve Entire Quotation window by selecting the Approve button in the Quotations window. In this case, your approval action applies to all price break or shipment lines on the quotation. You can also navigate to this window by selecting the Approve button in the Quotation Shipments, and Quotation Price Breaks windows. The difference is that if you are in the Quotation Shipments or Quotation Price Breaks windows, you are only approving part of the quotation. Keep in mind that it is not necessary to approve a quotation to use it as a source document unless the Quote Approval Required option is selected on the quotation, or on any RFQs the quotation references.

Agenda

- Understand the requisition process.
- Understand RFQs and Quotations.
- Understand Approved Supplier List.

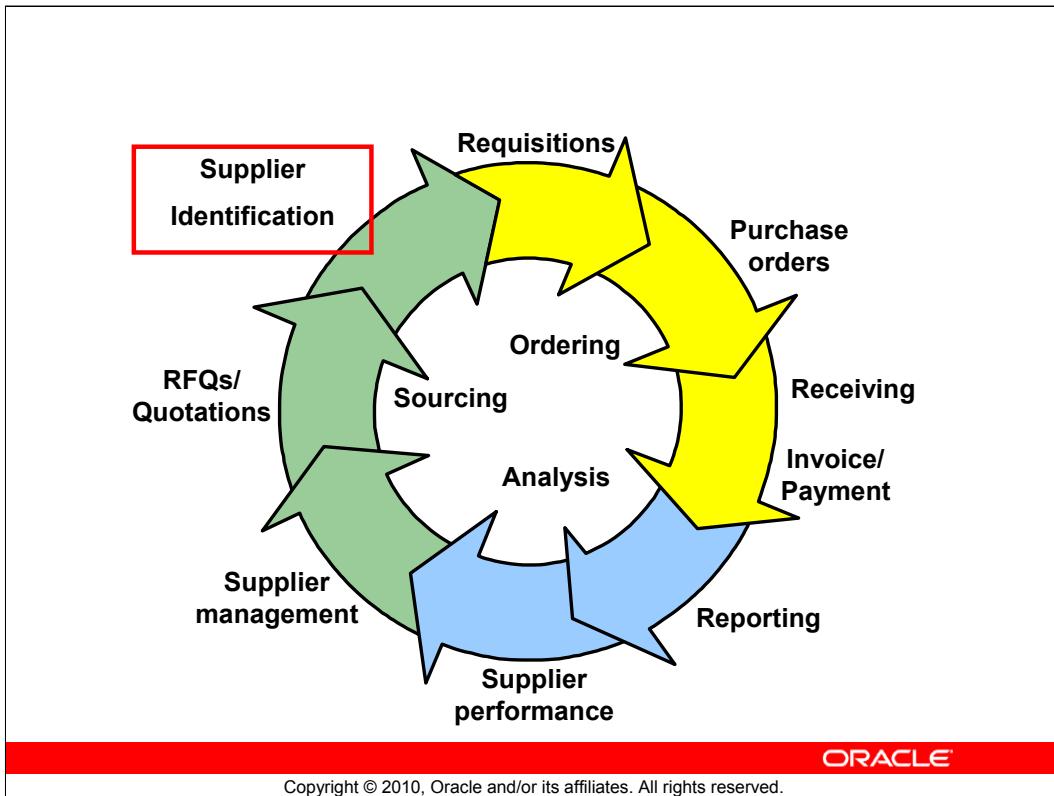
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Supplier Identification

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Approved Supplier Lists

All procurement organizations maintain lists that associate the items and services they buy with the companies who supply them, either formally or informally. Data stored in a controlled global repository containing relevant details about each ship-from, ship-to, and item relationships is known as an Approved Supplier List (ASL). This repository includes information about all ASL suppliers with their business statuses:

- Approved - The supplier has demonstrated the ability to satisfy rigorous quality, cost, and delivery requirements over a sustained period.
- Debarred - The supplier is temporarily or permanently disallowed on purchase orders due to performance failure, ethics violations, and so on.
- New - This status may be used based on your company policy to indicate that the supplier has never placed a purchase order with the procurement organization or that your company considers this a relatively new supplier.

Supplier Statuses

Approved 	Allow: PO Approval Allow: Sourcing Allow: Schedule Confirmation Allow: Manufacturer Link
New 	Allow: PO Approval Allow: Sourcing Prevent: Schedule Confirmation Allow: Manufacturer Link
Debarred 	Prevent: PO Approval Prevent: Sourcing Prevent: Schedule Confirmation Prevent: Manufacturer Link

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Supplier Statuses

Purchasing Responsibility

(N) Supply Base > Supplier Status

Each item/supplier combination must be assigned a status. These statuses are defined by your organization based on your business needs. When you define a status, you define a set of business rules that control whether an action is allowed or prevented. For each status and action combination, indicate whether the action is allowed or prevented.

The four predefined actions for business rules you can associate with each status are:

- PO Approval - Approval of a purchase order to a supplier
- Sourcing - When sourcing planned orders, Planning should assign suppliers with this business rule set to Allowed
- Schedule Confirmation - Confirmation of a schedule for a supplier
- Manufacturer Link - Associates a manufacturer with a distributor in the ASL

The four actions come seeded with Oracle Applications and you cannot add new ones. Once you define a set of statuses, you can then associate a status with a supplier-commodity/item combination in the ASL.

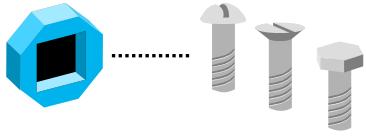
You can disable an approved supplier list entry or debar a supplier by choosing Debar from the list of values on the Status field. Debarring a supplier and disabling an approved supplier list entry are very different.

- Disabled - Disable the line on the ASL.
- Debarred - The supplier is on the ASL, but may be having quality problems so you want to prevent future business by choosing the Debar option from the list of values on the Status field. When you want to resume purchases with the supplier, you can change the status back to Approved.

Disable example: If you have both a global and local ASL defined for a given item and you no longer want to use the local ASL you can use the disable feature to disable the local ASL, so the system ignores the entry and uses the global ASL instead.

Debar example: If you have both local and global ASLs defined for a given item and you change the status of the local ASL to Debarred, neither the global ASL nor the local ASL can be used.

ASL Common Header Attributes



Item CM13139 COMPUTER-PC



Supplier	Status	Review-By
IBM	Approved	02-JUN-03
Stargate Ltd.	Debarred	15-MAR-03

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ASL Header Attributes - Item

 Use Approved Supplier?
Item CM13139



Supplier	Status	Item #
IBM	Approved	850HDRV
Stargate Ltd.	Debarred	HD850MB

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ASL Header Attributes - Item

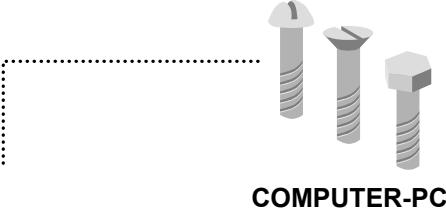
For each item/supplier site relationship, you can define a set of attributes that control the procurement process. The set of attributes can be global (available to all inventory organizations) or local to one inventory organization. Local attributes override global attributes.

Supplier Item

For Suppliers and Distributors, this supplier item number defaults to your purchase order and requisition lines, and is used to validate the source documents.

Note: When Use Approved Supplier is checked for an item in the Master Items or Organization Items windows (depending on whether control of the attribute is at the Master Item level or Organization Item level), you cannot approve a source document until the supplier is on the Approved Supplier List.

ASL Header Attributes - Commodity



COMPUTER-PC



Supplier	Status	Item #
IBM	Approved	-
Stargate Ltd.	Debarred	-

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ASL Header Attributes - Commodity

The status you define on a commodity-level Approved Supplier List entry (an entry for a category of items) controls sourcing at both the item and commodity levels. For example, if you debar a supplier for a specific commodity, the supplier is prevented from supplying all items within that commodity. You do not need to debar a supplier for each item.

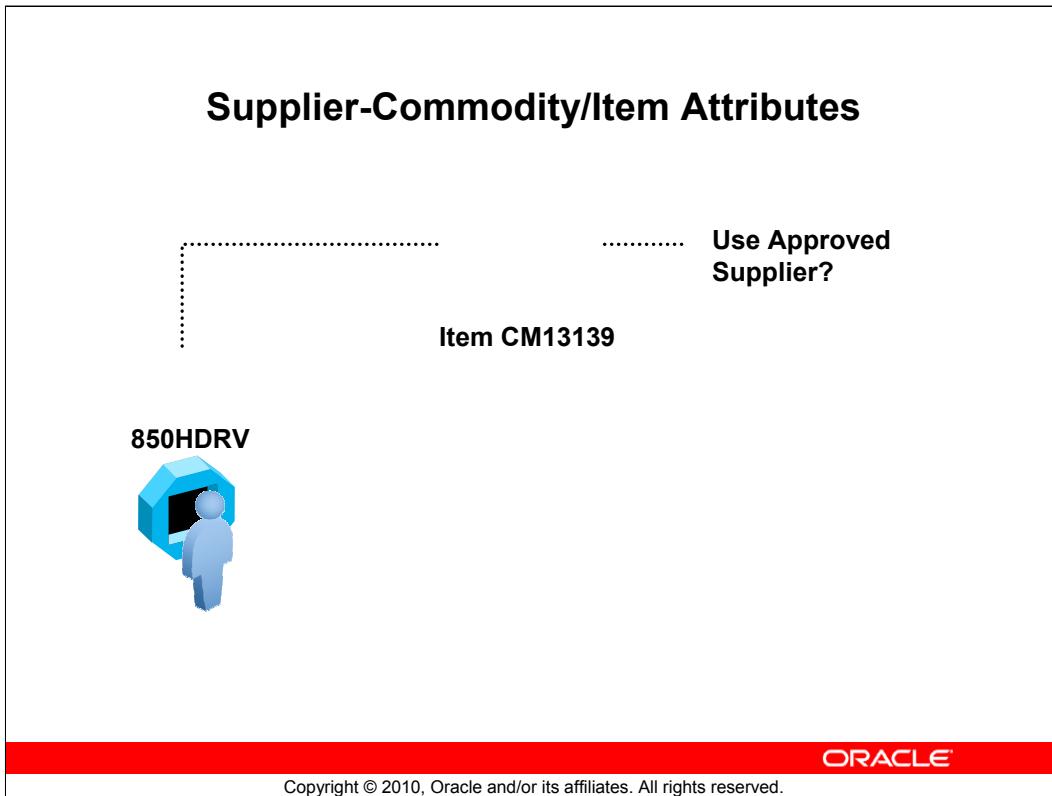
Note: If you approve a supplier for a commodity and have an item-specific ASL entry, the item-specific ASL entry will take precedence over the commodity level ASL entry.

Consider the following scenarios:

Scenario 1: If A, B and C are approved suppliers at the commodity level and A and D are approved suppliers at the item level, purchase orders can be written and approved for suppliers A and D and not for suppliers B and C.

Scenario 2: If A, B and C are approved suppliers at the commodity level and there is no ASL at the item level, then A, B and C will be considered approved suppliers for any item assigned to the commodity.

Scenario 3: If A is a debarred supplier at the commodity level, even if it is an approved supplier at the item level for an item that is in the commodity, A will be considered debarred for the item. Purchase orders cannot be approved either for the item or any item in the commodity.



Supplier-Commodity/Item Attributes

Source Document Tab

Select the Source Documents tab to associate specific quotations or blanket purchase agreements with the supplier/item combination.

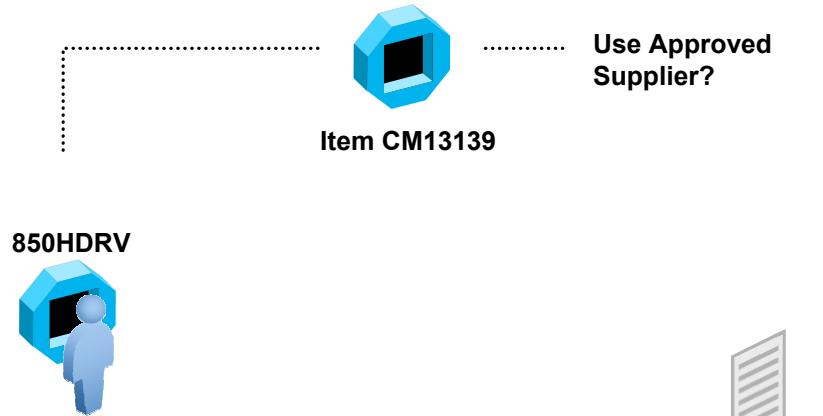
Supplier Scheduling Tab

Select the Supplier Scheduling tab to associate supplier scheduling information with the supplier/item combination. You can choose this option if you specified an item and a supplier site.

Planning Constraints Tab

Select the Planning Constraints tab to associate capacity constraints for the supplier/item combination. You can choose this option if you specified an item and a supplier site and the ASL is a global ASL entry. Suppliers can update their own per day capacity through iSupplier Portal.

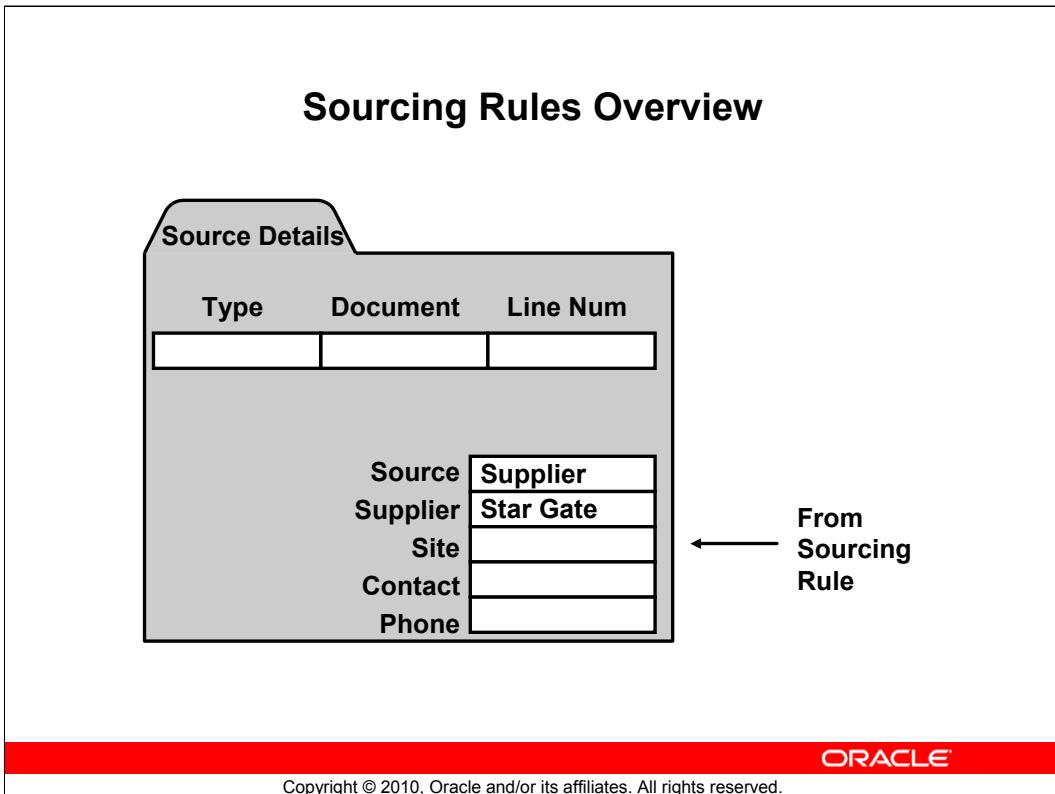
Supplier-Commodity/Item Attributes Source Document



**Quotation/
BPA**

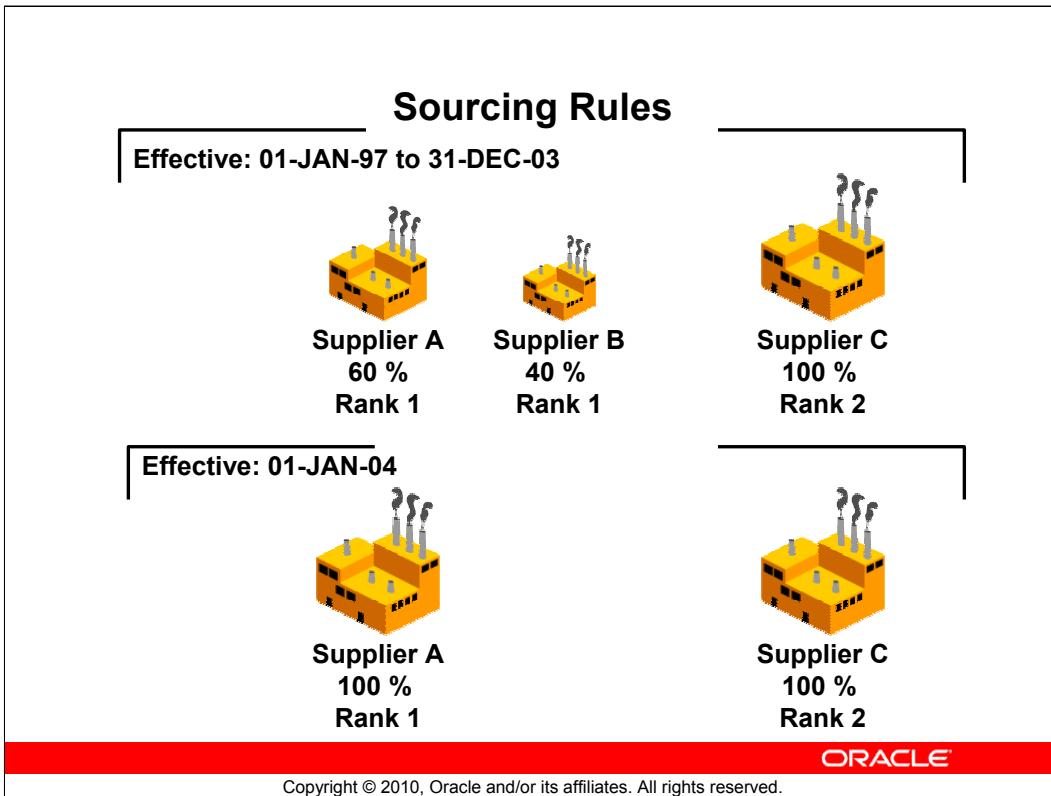
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Sourcing Rules Overview

Use the Sourcing Rules window to define a sourcing rule that defaults a supplier and optionally a supplier site, contact and phone number on your requisition.



Sourcing Rules

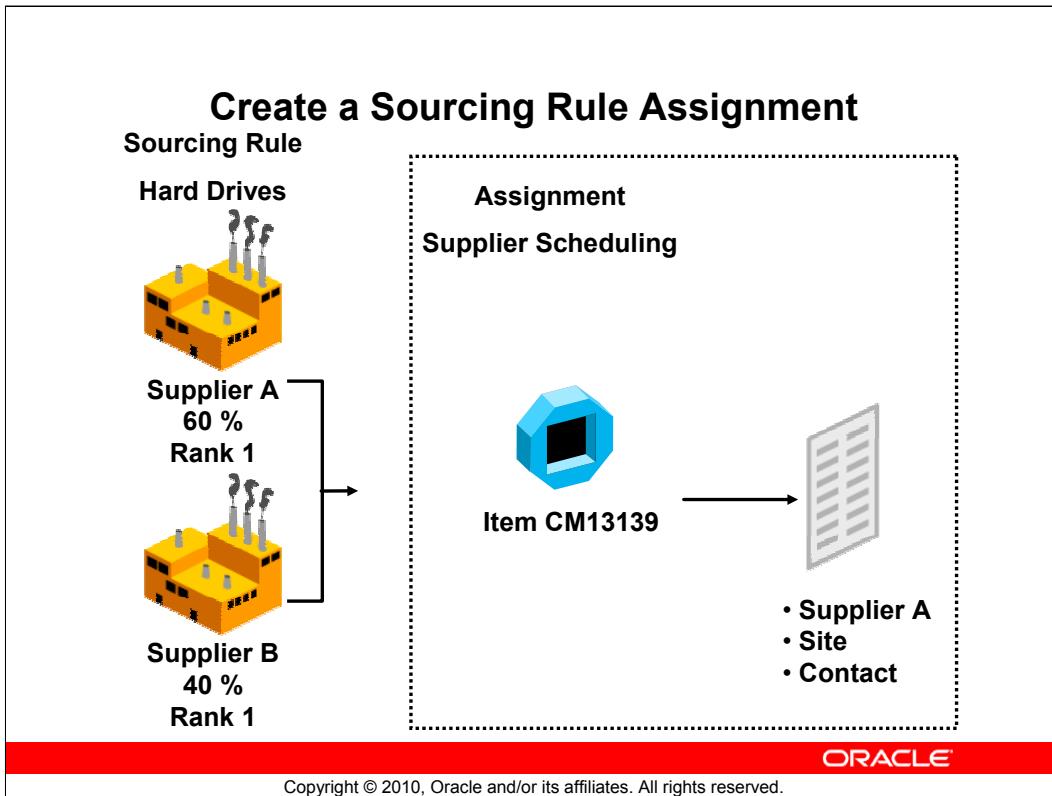
Purchasing Responsibility

(N) Supply Base > Sourcing Rules

Sourcing defaults can dramatically increase operational efficiency. They can:

- Automatically allocate planned orders across different suppliers using percentage splits
- Define global or local rules for individual items and entire commodities
- Maintain sourcing details at supplier and site
- Define effective dates for each rule
- Assign sourcing rules at different levels using an assignment set
- Classify and rank multiple sources

Sourcing rules define for an organization or a group of organizations replenishment sources that can be applied to specific items. With sourcing rules that are made up of multiple suppliers, you can assign allocation percentages to each supplier and rank the suppliers if the percentages are equal.



Create Sourcing Rule Assignment

Purchasing Responsibility

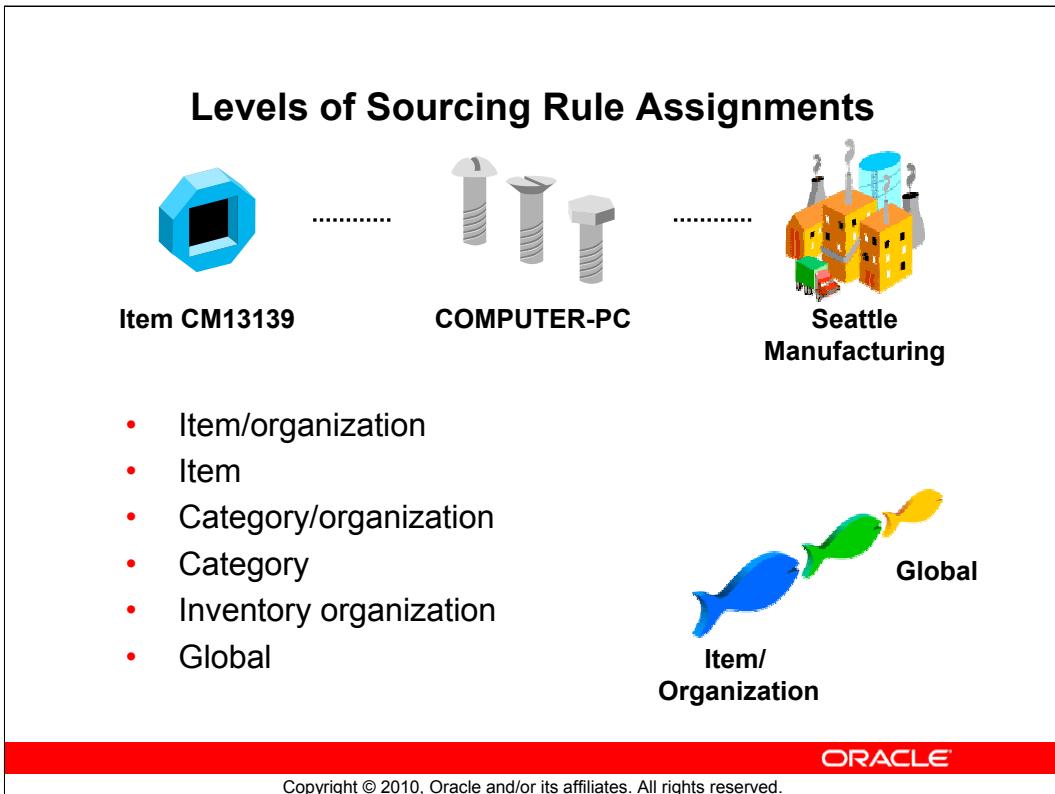
(N) Supply Base > Sourcing Rule Assignments

Using the MRP: Default Sourcing Assignment Set profile option in the Profile Options window at the Site level. The assignment set you specify in this profile option is automatically assigned to every MPS, MRP and DRP in the organization. You can override this default when you define the material plan options, but only in Supply Chain Planning.

Note: For Purchasing to use the sourcing rule, the sourcing rule must be added to the assignment set specified by the MRP: Default Sourcing Assignment Set profile option. If users add sourcing rules to any other assignment set, Purchasing will not pick them up. This is the primary reason some customers can't get their POs and requisitions to source automatically.

Assign the Rule to One of Six Levels

- Item/inventory organization combination
- Item
- Category/inventory organization combination
- Category
- Inventory organization
- Global

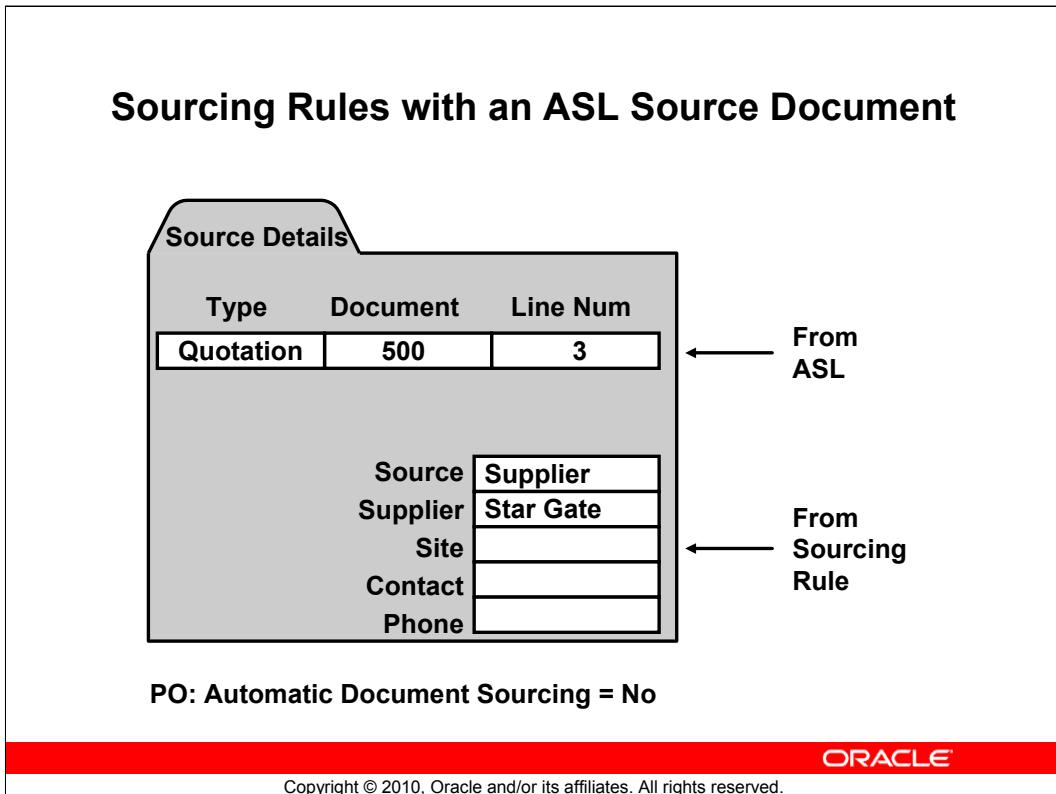


Levels of Sourcing Rule Assignments

The assignments are listed in order of precedence. For example, sourcing rules assigned to the Item/Inventory organization level will take precedence over all others. Sourcing rules assigned to any level will override sourcing rules assignments that are Global.

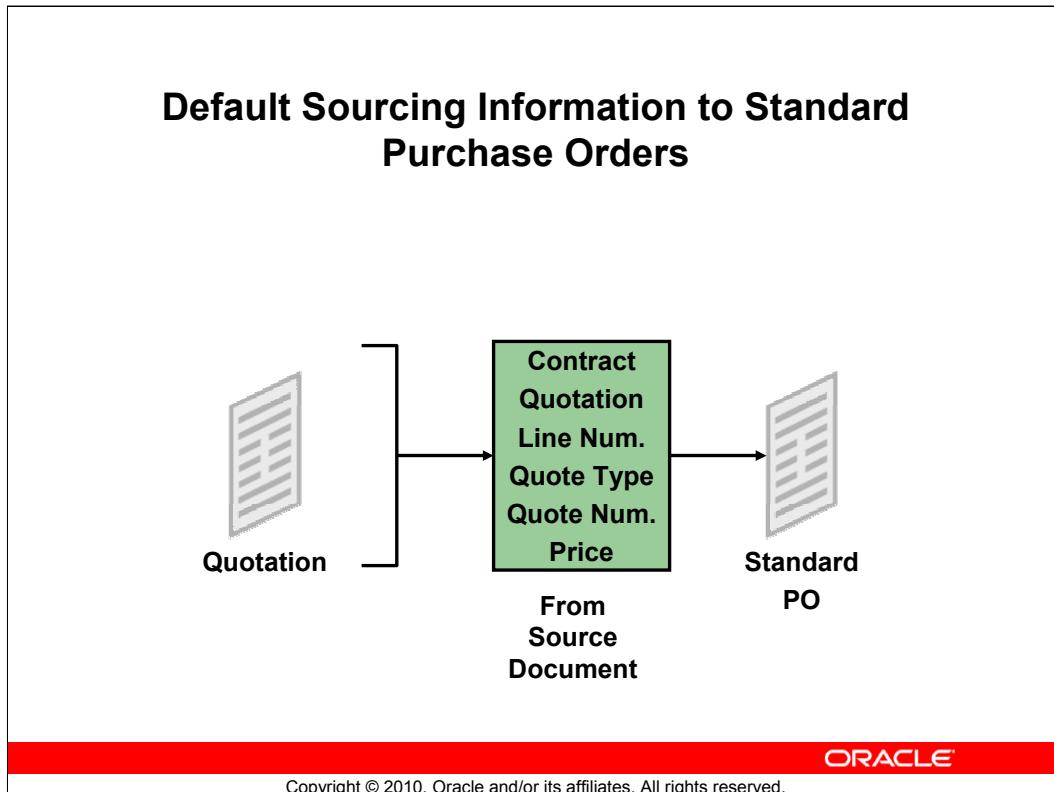
When an item and category are specified on a requisition, Purchasing will first look to see if an assignment exists for that item and the inventory organization for which it is being requisitioned. If an assignment is found, the sourcing rule associated with the assignment is used to determine the supplier that will default on to the requisition. Purchasing will select the supplier with the highest percent allocation, regardless of rank.

If an assignment is not found, Purchasing will look to see if an assignment exists for the item. If the assignment is found, the sourcing rule associated with the assignment is used to determine the supplier that will default on to the requisition. And so on.



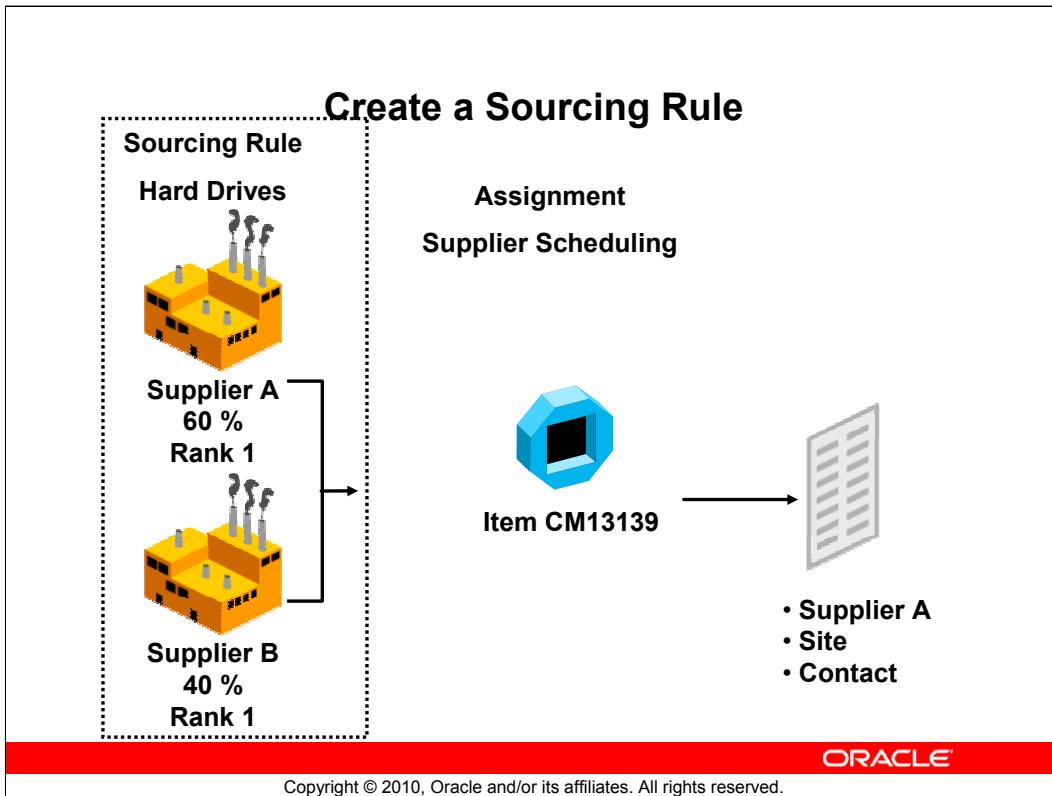
Sourcing Rules with an ASL Source Document

If an approved supplier list is defined for a specific item with a supporting source document and both sourcing rule assignments and sourcing rules are defined, the supplier and supplier site information defaults based on the sourcing rule assignment, the sourcing rule and the source document information on the approved supplier list.



Default Sourcing Information to Standard Purchase Orders

For standard purchase orders, if you define a quotation as the source document for the item, and define and assign sourcing rules, Purchasing provides the following sourcing information for the purchase order line: Contract, Quotation, Quotation Line, Quotation Type, and Supplier Quotation number. Purchasing also defaults the price from the source document.



Create a Sourcing Rule

Enter an allocation percentage for each shipping organization. Allocation percentage includes the number of planned orders issued over the specified planning horizon. Your total allocation may not exceed 100% for each rank. If the allocation percentage for all shipping organizations included within a range of effectivity dates equals 100, Planning Active is checked. If planning is not active for the sourcing rule, the planning process will not use the rule.

For requisitions submitted in Purchasing, the percentage allocations are completely ignored. To determine which supplier is defaulted onto the requisition, Purchasing chooses the supplier with the highest percentage regardless of the rank. When two suppliers share the same percentage and that percentage is higher than any other supplier, the rank determines which supplier defaults onto the requisition.

Supplier catalogs are loaded into iProcurement with sourcing information included. If the catalog is external, a specific supplier or marketplace hosts the items so they are already linked to a supplier.

Summary

In this module, you should have learned how to:

- Understand Requisition , RFQ and Quotations in detail.
- Understand Approved Supplier List.



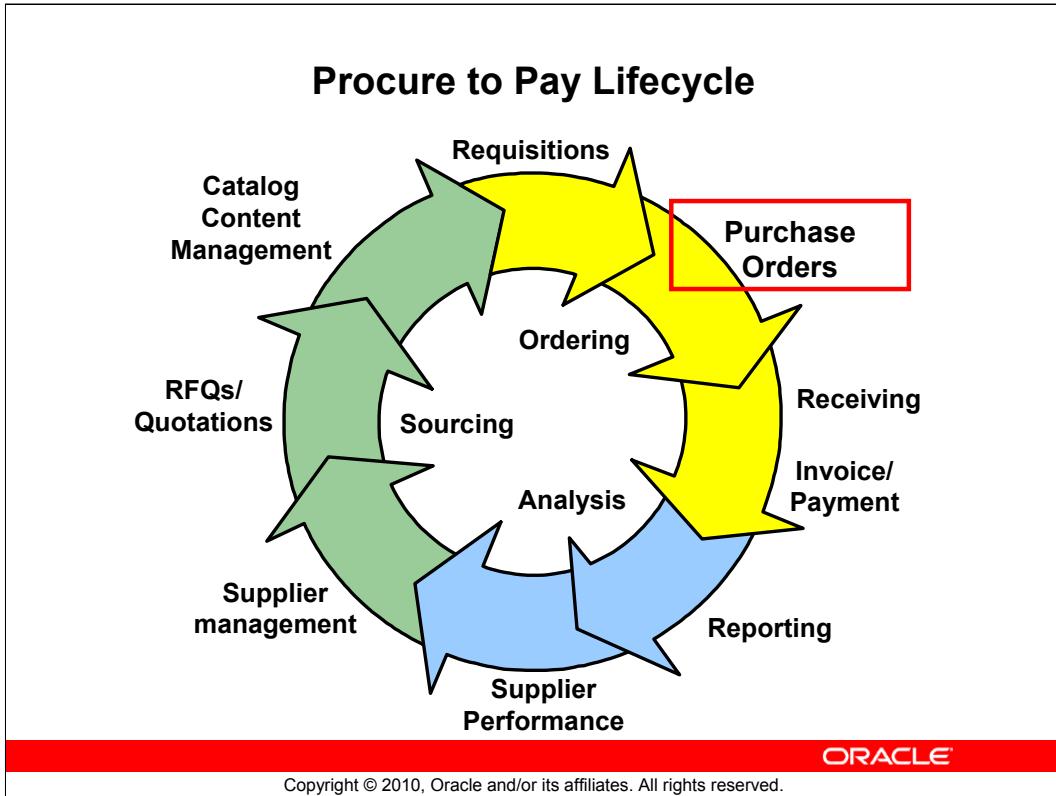
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Procure to Pay Cycle



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Objectives

After completing this module, you should be able to do the following:

- Create standard, blanket and contract purchase documents
- Create blanket purchase agreement releases



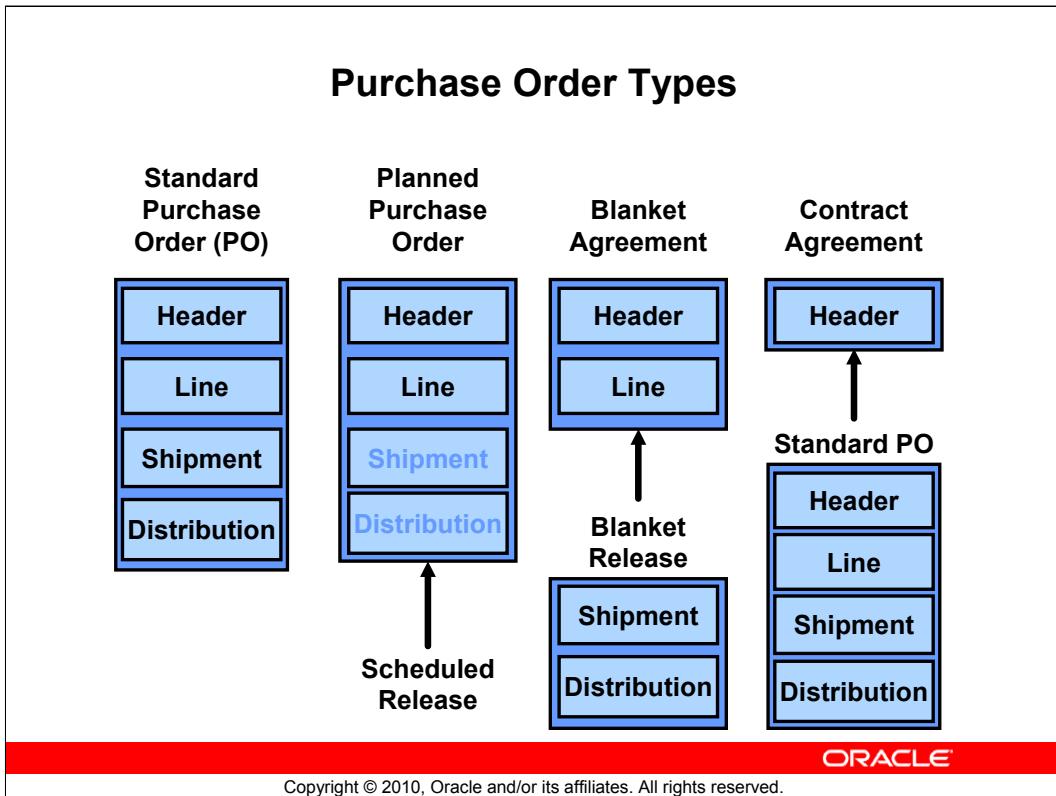
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Agenda

- Overview of purchase orders
- Create standard purchase orders
- Create blanket purchase agreements and releases
- Create contract purchase agreements

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Purchase Order Types

In Oracle Purchasing there are several different types of purchase orders designed to satisfy different business requirements.

Standard Purchase Order (PO)

A one-time commitment to purchase goods or services. You create standard purchase orders when you know the details of the goods or services, estimated costs, quantities, delivery schedules, and accounting distributions.

Planned Purchase Order

A long-term purchase agreement committing you to buy goods or services. Planned purchase orders include tentative delivery schedules and accounting distributions. Create planned releases to authorize suppliers to ship.

Blanket Purchase Agreement

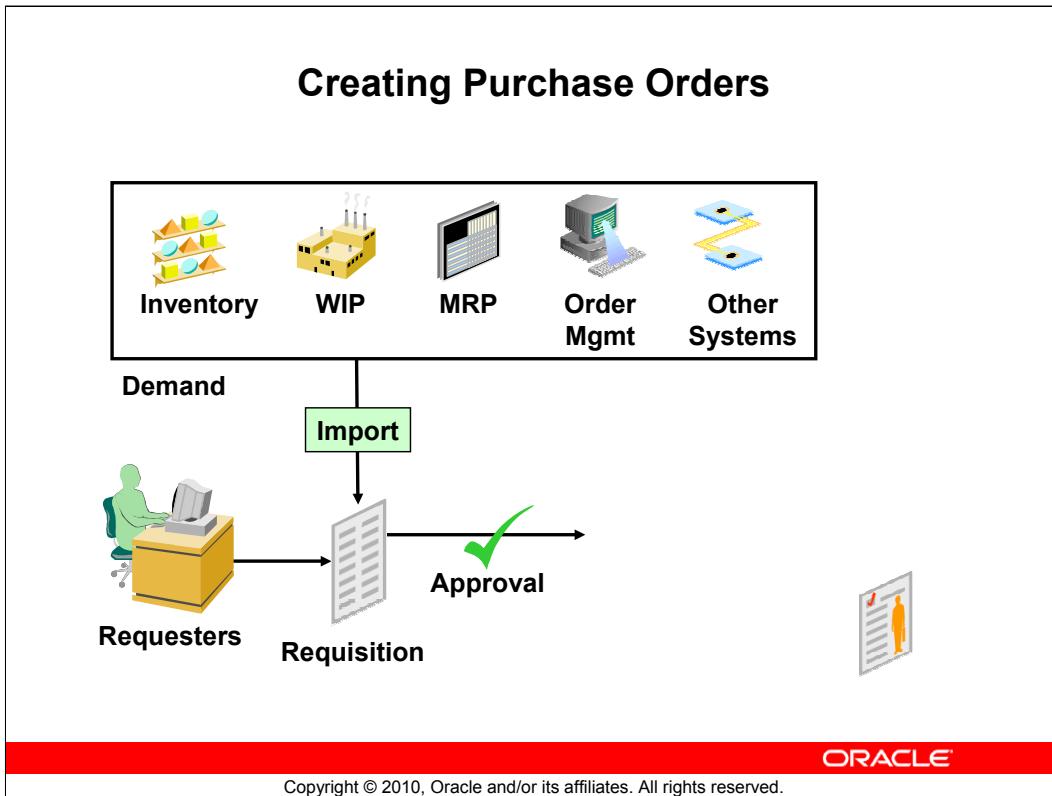
A long-term agreement allowing for stable pricing over the life of the agreement, while also allowing flexible order quantity commitments and delivery schedules. Pricing on blanket purchase agreements can include break pricing. You typically use this agreement when negotiating volume discounts on individual items. Create blanket releases to authorize suppliers to ship.

Contract Purchase Agreement

A master terms and conditions document. Typically use contract purchase agreements when negotiating pricing on a volume of business to manage terms and conditions. Suppliers are authorized to ship through standard purchase order lines referencing the contract. Contracts can be coupled with a catalog quotation to reference pricing on a per item basis.

Global Agreement (not shown above)

A special type of purchase agreement that is similar in structure to a blanket purchase agreement. Using global agreements, buyers can negotiate enterprise-wide pricing, business by business, then execute and manage those global agreements in one central shared services environment. Organizations within the enterprise then access the agreement to create purchase orders that leverage the pre-negotiated prices and terms.



Creating Purchase Orders

Purchase orders are created based on demand from many sources, some of them outside of the Procure to Pay applications. Note that some demand is satisfied from internal supplies.

Demand for Goods or Services

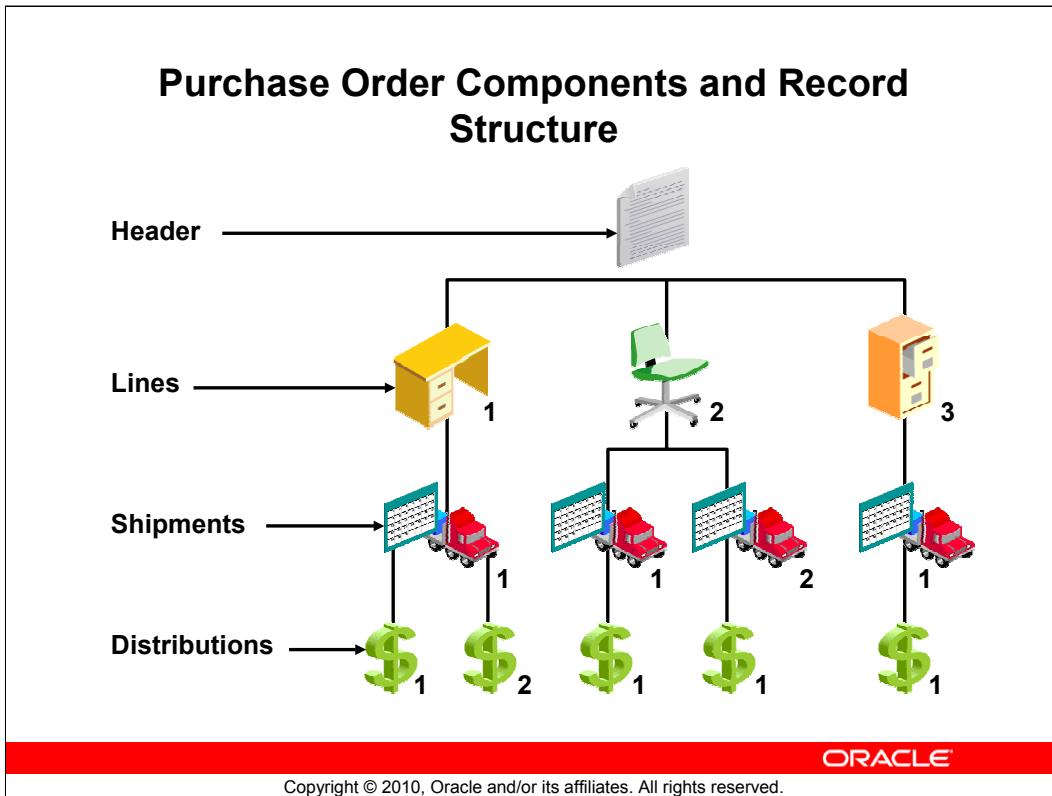
Import requisitions created from demand generated in Materials Requirements Planning (MRP), Inventory, Work-in-Process (WIP), Order Management or other non-Oracle systems. Demand can also be generated manually through detail entry, with the assistance of requisition templates, or through Oracle iProcurement.

Procurement Sourcing

Goods or services can be sourced from external suppliers through the creation of purchase orders or from within the organization through the creation of internal sales orders.

Oracle Sourcing (not shown above)

Buyers create Oracle Sourcing negotiation documents from the requisition pool. Once buyers have made their award decisions in Oracle Sourcing, they create standard purchase orders or blanket purchase agreements directly in Oracle Purchasing.



Purchase Order Components and Record Structure

The structure of an Oracle Purchasing purchase order consists of four major components.

Header

Each purchase order has a header that provides the supplier's name/number and address (through sites), basic ship-to and bill-to addresses (through locations) and a status.

Lines

Goods or services ordered are listed on the Lines region, including quantities, price, need-by date, notes to supplier and price reference information. You can order system items or one-time items (a category and description). Even companies who are not inventory focused can benefit from defining system items to reduce data entry requirements for their staff.

Shipments

Use the Shipments window to specify inventory organizations, ship-to locations and the date you want your supplier to deliver the items on the purchase order line. A purchase order line with a quantity of six items can, for example, have two scheduled shipments on separate dates.

Distributions

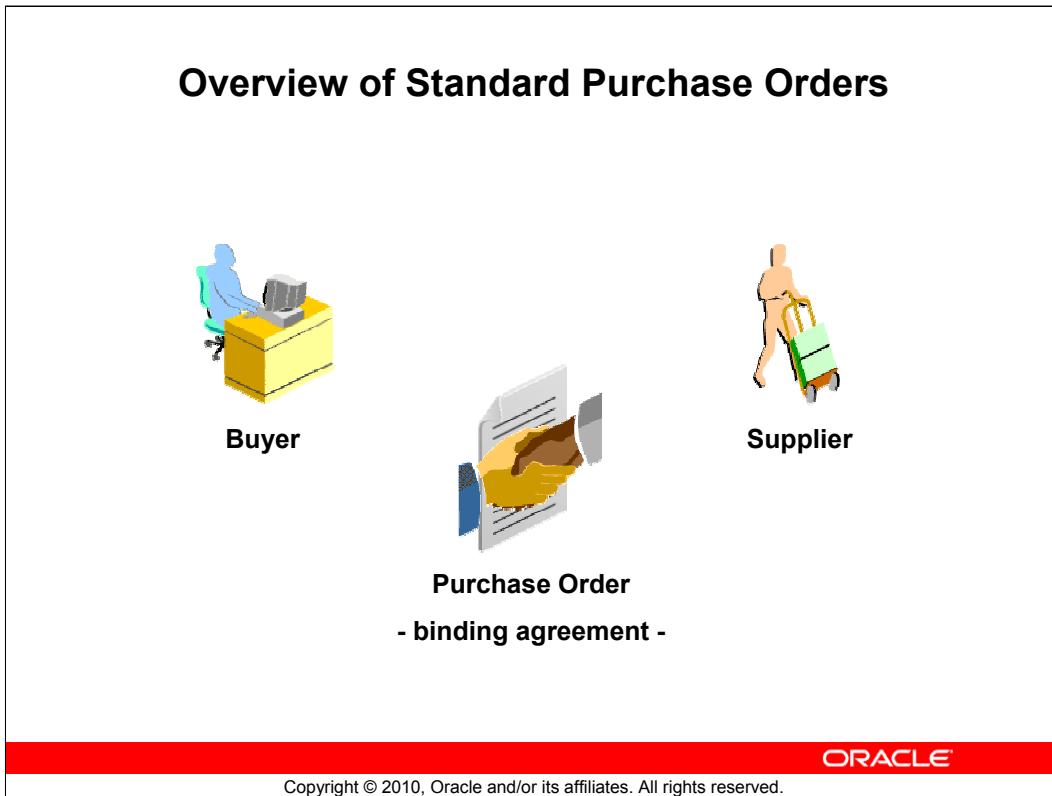
Use the purchase order Distributions window to enter distribution information for purchase order shipments or to view distributions that Purchasing has automatically created for you. You can enter multiple distributions per shipment line. You can also view the on-line requisitions included on the purchase order or enter information about paper requisitions in this window.

Agenda

- Overview of purchase orders
- Create standard purchase orders
- Create blanket purchase agreements and releases
- Create contract purchase agreements

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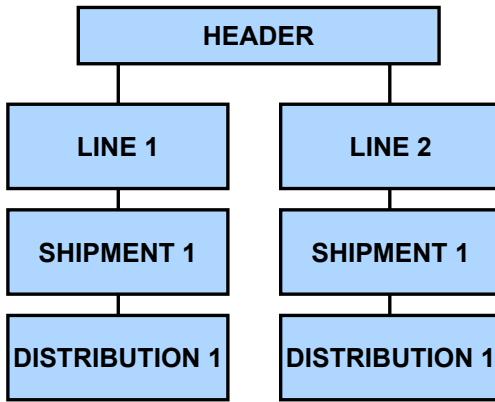
Overview of Standard Purchase Orders

You generally create standard purchase orders for one-time purchases of various items when you know the details of the goods or services you require, including costs, quantities, delivery schedules and accounting distributions. Each standard purchase order line can have multiple shipments, and you can distribute the quantity of each shipment across multiple charge accounts, projects, tasks and requestors.

Binding agreement

The original copy of the purchase order you send to your supplier is a legal offer to buy. A binding purchase contract does not exist until the supplier accepts your offer either by performing the contract (by shipping goods) or formally accepting the offer by contacting you verbally or in writing. You can record acceptances on behalf of your suppliers or they can do it using iSupplier Portal. The Send Notifications for Purchasing Documents process will send you a notification if a required acceptance is not recorded by the required date.

Structure of a Simple Standard Purchase Order



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Structure of a Simple Standard Purchase Order

The structure displayed above shows a purchase order with two items being ordered (Line 1 and Line 2). Each item is expected to be shipped on the same day to a single address. Furthermore, each item is charged to a single charge account.

Entering Standard Purchase Order Header Information

Purchase Orders		
PO Number	PO Type	Created Date
Supplier Name	Supplier Site	Supplier Contact
Ship To	Bill To	Currency
Buyer	Status	Total
Description		
Line		
Currency		Terms

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Standard Purchase Orders - Terms and Conditions

Payment terms: Specify payment terms indicate when you are expected to make payment for the goods or services received. The terms may include an amount due, as well as a discount amount. Commonly used payment terms are Net 30 or 2/10, Net/30. You can create additional payment terms as necessary.

Freight terms: Specify freight terms to indicate who is responsible for the direct charges related to transporting shipped goods. Commonly used freight terms include Due (indicating you pay the freight charges) or Prepaid (indicating that the supplier will pay for the freight charges).

Carrier: Specify the name of the freight carrier responsible for physical transportation of the goods.

FOB, or Free-On-Board: Specify FOB to indicate the point at which ownership of the goods (and therefore costs of loss or damage) transfers from the supplier to you. Commonly used FOB terms include Origin (indicating that ownership transfers at the point when the supplier delivers the goods to the carrier) and Destination (indicating that ownership transfers at the point when the carrier delivers the goods to you).

Pay On: Provides a default value of Receipt if the selected supplier site has been enabled for the Pay on Receipt functionality. If Receipt is selected, an invoice will be automatically created for this purchase order when receipt of the goods has been acknowledged and you run the Pay on Receipt Auto Invoice process. If you do not want an invoice to be created, you can clear the value that defaults into the field.

Special Conditions:

Confirming Order - Indicates that you've already communicated the order to the supplier and this purchase order is simply providing written confirmation. When you select the Confirming Order option, the words "This is a confirming order. Do not duplicate." will be included on the printed purchase order.

Firm - This is a setting used with MRP to indicate to that module that it can neither change the details nor suggest changes to the details of the purchase order based on changed demands that have occurred since the order was originally created.

Acceptance Required - Indicates whether acknowledgement of receipt of the purchase order is requested from the supplier. When the box is checked, the buyer can also provide the date by which that acknowledgement is requested.

Notes:

Supplier Note - This field can be used to enter up to 240 characters which will print on the purchase order sent to the supplier.

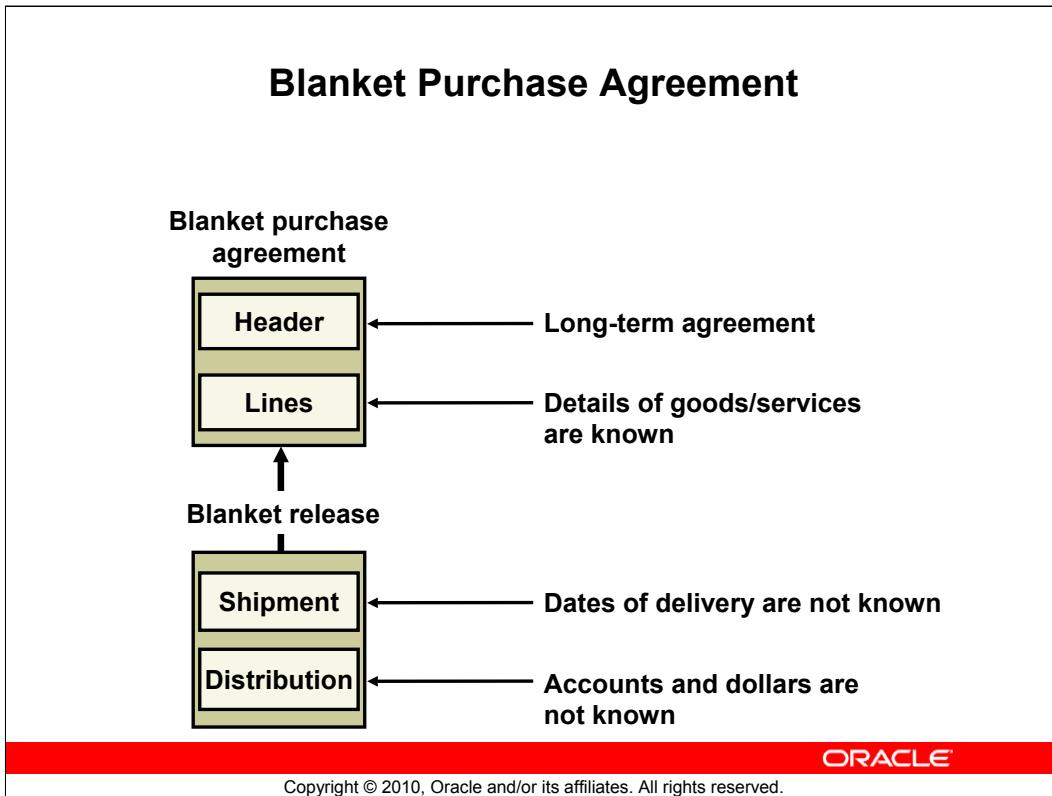
Receiver Note - This field also allows up to 240 characters to be entered, but will not be printed on the purchase order. Notes to receiver are can be viewed by users entering actual receipt transactions.

Agenda

- Overview of purchase orders
- Create standard purchase orders
- Create blanket purchase agreements and releases
- Create contract purchase agreements

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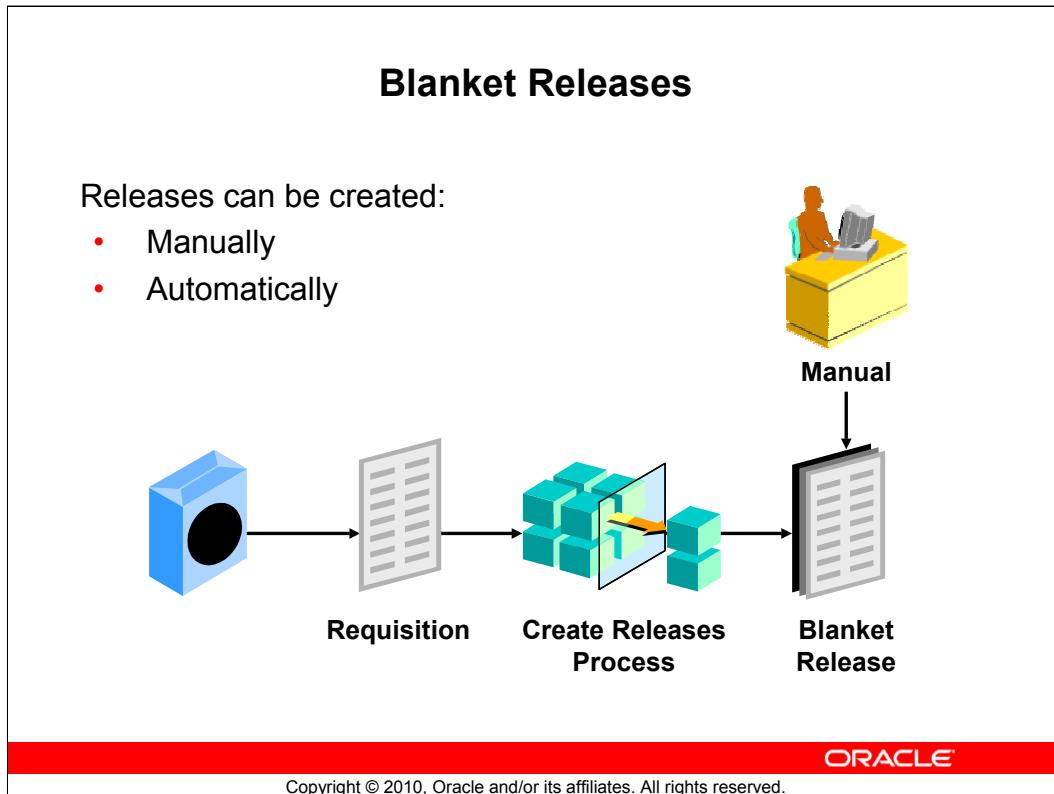


When to Use a Blanket Purchase Agreement

Blanket purchase agreements and releases allow you to negotiate stable, long-term contracts while maintaining flexible delivery schedules and order quantity commitments. You create blanket purchase agreements when you know the details of the goods or services you plan to buy from a specific supplier, but you do not yet know delivery schedule details. You can use blanket purchase agreements to specify negotiated prices for your items before actually purchasing them.

A blanket purchase agreement is a type of purchase order you issue before you request actual delivery of goods or services. You normally create a blanket purchase agreement to document a long-term supplier agreement.

A blanket release is an actual order of goods or services you issue against a blanket purchase agreement. The blanket purchase agreement determines the characteristics and the prices of the items. The release can be created manually or automatically.



Blanket Releases

Once you have an approved blanket agreement you need only create a release to authorize delivery of goods or services. You can create blanket purchase agreement releases using the following methods:

- The Releases window
- PO Create Documents workflow
- Auto Create window
- The Create Releases process

Manually Created Releases

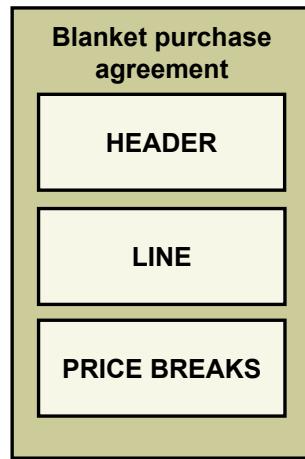
You can manually enter releases against active blanket purchase agreements. You can set up purchasing to warn you if a blanket purchase agreement exists for items that you try to requisition. Because the blanket purchase agreement is in place, you can create a blanket release instead of submitting a requisition. If you choose not to enable to warn if a blanket purchase agreement exists, can submit requisitions and the buyer can create the blanket release.

Automatically Created Releases

Buyers can expedite creation of releases using the Auto Create window or by submitting the Create Releases program. In addition, the PO Create Documents workflow can be set up to automatically create blanket purchase agreement releases for requisitions that are submitted, regardless of whether their origin is the Requisitions window or Oracle iProcurement.

Blanket Purchase Agreements Additional Information Entered

Additional information is entered for blanket purchase agreements in the header, line and price breaks purchase order elements windows.



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Blanket Purchase Agreements - Additional Information Entered

Purchasing Responsibility

(N) Purchase Orders > Purchase Orders

Focus of discussion - Rather than reiterate the many fields that have already been discussed during the creation of a standard purchase order, this section will highlight the differences between the blanket purchase agreement and the standard purchase order. Your instructor will review the previously discussed fields as needed during the demonstration of creating a blanket purchase agreement.

Agenda

- Overview of purchase orders
- Create standard purchase orders
- Create blanket purchase agreements and releases
- Create contract purchase agreements

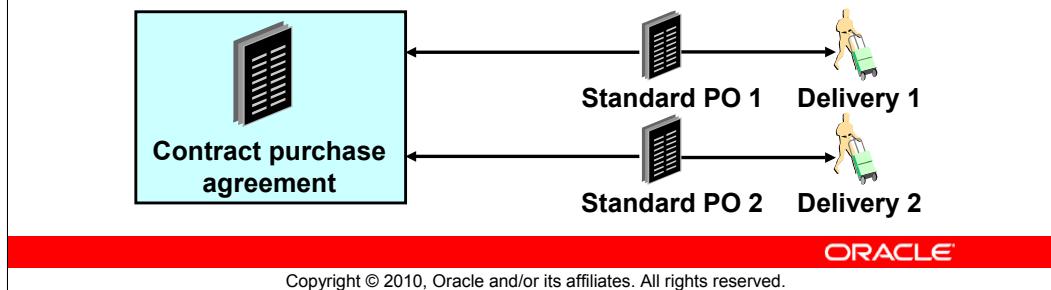
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When to Use a Contract Purchase Agreement

Contract Purchase Agreement:

- Terms and conditions are known
- Details of goods or services are not known
- Reference contract purchase agreements directly on standard purchase order lines



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When to Use a Contract Purchase Agreement

You create contract purchase agreements with your suppliers to agree on specific terms and conditions without indicating the goods and services that you will be purchasing. A contract purchase agreement is an agreement between you and a supplier for unspecified goods or services. This agreement may include terms and conditions, committed amount and an effective and expiration date. Contract purchase agreements are referenced on standard purchase order lines. Oracle Purchasing monitors the amount you have spent against contract purchase agreements.

Focus of Discussion

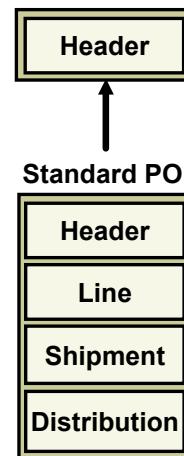
Rather than reiterate the many fields that have already been discussed during the creation of a standard purchase order, this section will highlight the differences between the contract purchase agreement and the standard purchase order. Your instructor will review the previously discussed fields as needed during the demonstration of creating a contract purchase agreement.

Contract Purchase Agreements Additional Information Entered

Additional information is entered for contract purchase agreements in the header element window.

Once the contract is approved, you issue standard purchase orders referencing the contract through the Line windows/Reference Documents tabbed region.

Contract Purchase Agreement



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Contract Purchase Agreements: Additional Information Entered

Purchasing Responsibility

(N) Purchase Orders > Purchase Orders

Header: This agreement may include terms and conditions, committed amount, and effective and expiration dates.

Amount Agreed: When creating a contract purchase agreement, you can indicate the dollar amount of the agreement.

Released: The dollar value displayed in this field is the total dollar value of all standard purchase order lines referencing the contract.

Terms and Conditions: You can access the Agreement Controls area of the Terms button. The effective start and stop dates for the contract can be entered. Standard purchase orders can only reference the contract during its effective dates. Part of the terms and conditions could include a percentage discount off list prices for all products the supplier sells or different discounts for different groups of products. For example, maybe they'll give you a 10% discount on equipment and a 20% discount on office supplies.

You can optionally change the defaulted value for the Amount Limit. Initially this value is equal to the Amount Agreed. You may provide a higher value in the Amount Limit field which will allow the released amount to total in excess of the Amount Agreed, but not higher than the Amount Limit. Compliance with agreed upon terms and conditions will be monitored after purchases are made to ensure things like item pricing or delivery times are in agreement with any discounts stated in the contract.

Line, Shipment and Distribution Windows: Although these windows appear as part of the Purchase Order form, you cannot enter these details on a contract purchase agreement. These details will be provided once the contract is approved as standard purchase orders are issued with reference to the contract.

Summary

You should be now be able to do the following:

- Create standard, blanket and contract purchase documents
- Create blanket purchase agreement releases



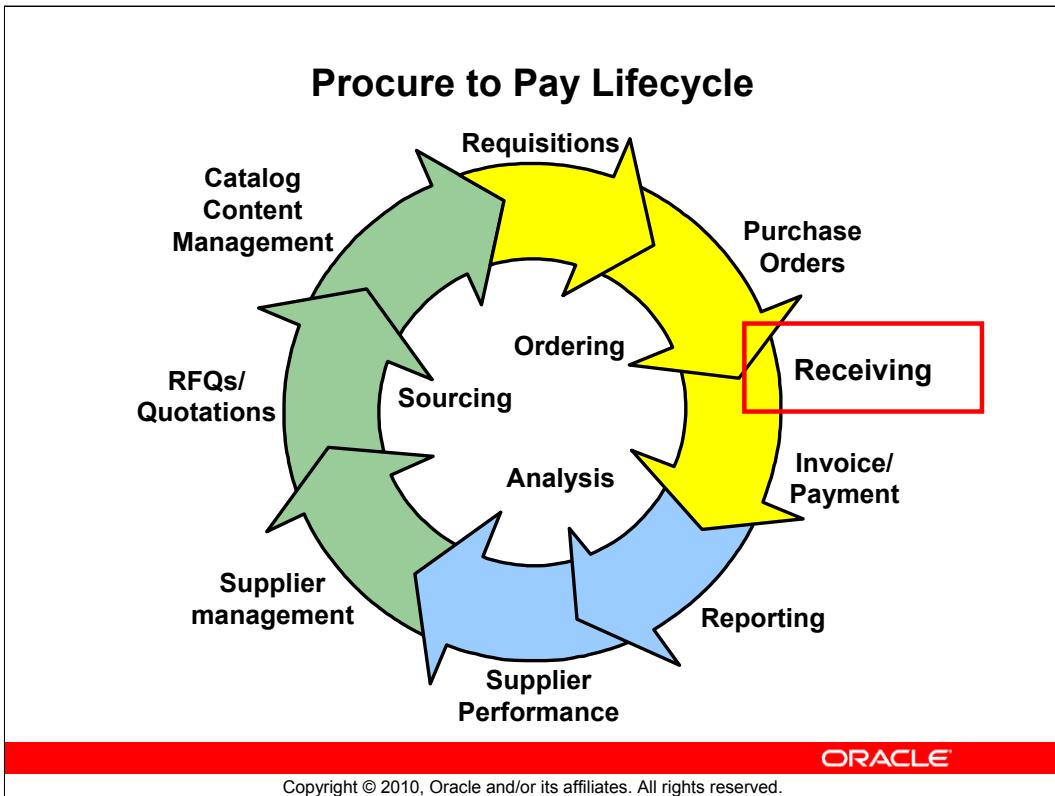
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Procure to Pay Cycle



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Objectives

After completing this module, you should be able to do the following:

- Describe the process of receiving goods
- Understand receipt routing
- Understand receipt processing methods



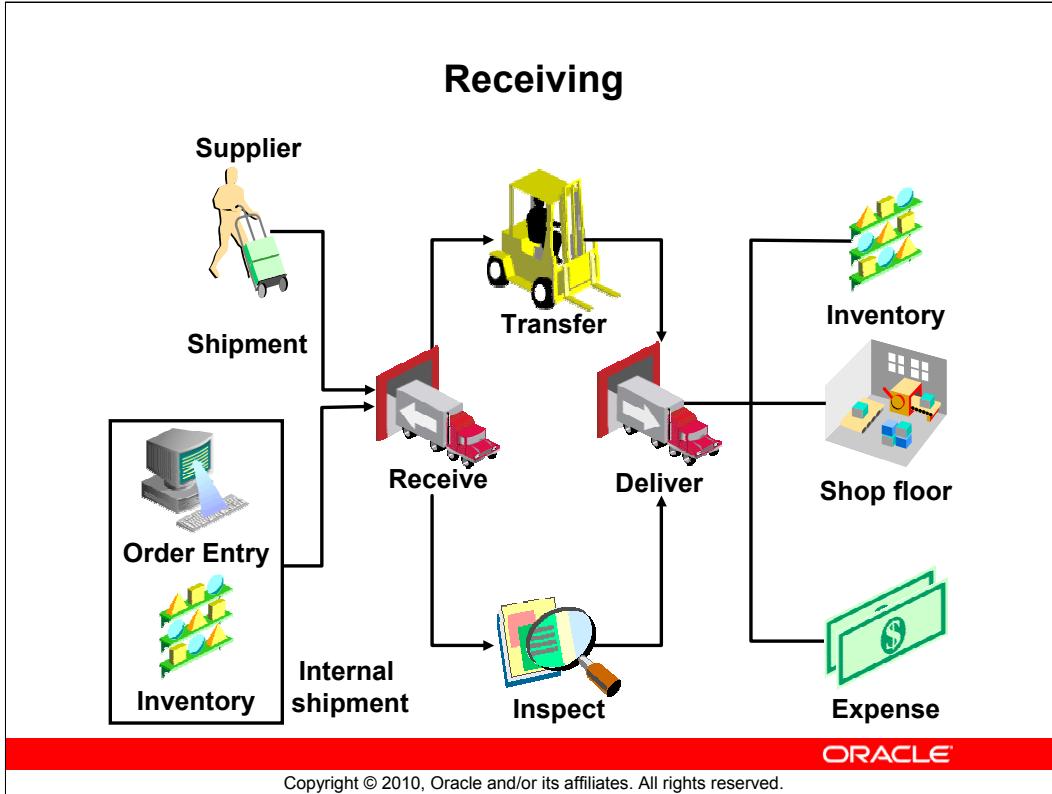
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Agenda

- Understand the receiving process
- Understand receipt routing
- Understand receipt processing methods

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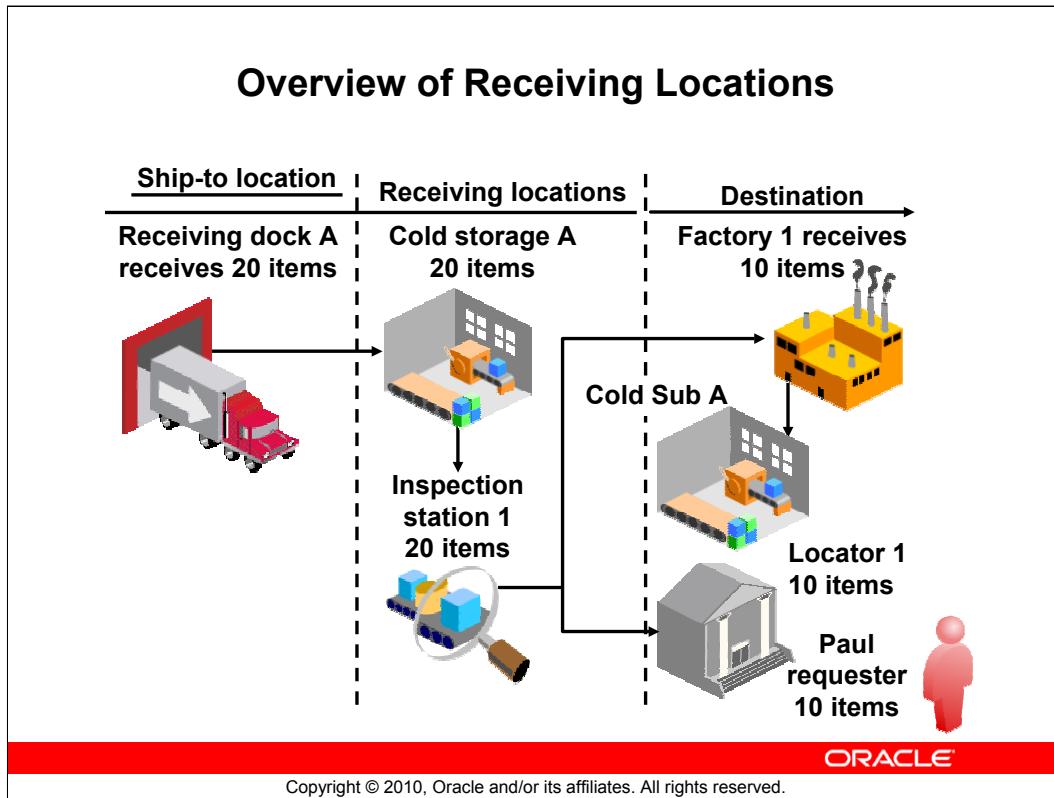
Receiving

Receiving is a process that signals that the goods ordered on a purchase order have arrived. Oracle Purchasing lets you control the items you order through receiving, inspections, transfer and delivery. You can:

- Define receiving tolerances and rules at the organization supplier, item and order level, with the lowest level overriding previous levels.
- Use express receipt to receive an entire purchase order with a few keystrokes.
- Use the cascade function to distribute a given quantity of an item from a single supplier across multiple shipments and distributions.
- Record receipt of unordered items, research receipt and match the delivery to an existing purchase order.
- Record delivery of items from receiving or inspection locations to their final destination and also record transfers of items to different locations for inspection.

Define which of your items require inspection. You can accept or reject items and provide detailed information about your inspection results.

- Record returns to suppliers and customers.
- Correct receiving transaction errors.
- Review transaction history.



Overview of Receiving Locations

You record inspections, deliveries and material movements within receiving and inspection by entering receiving transactions. The transactions provide a history that allows you to track an item from its source to its destination.

Receiving Transactions allow you to:

- Transfer goods from one location to another
- Document inspection results
- Deliver goods to their required destination

It is the destination type that tells the system if the material is in the receiving space or its final destination.

Agenda

- Understand the receiving process
- Understand receipt routing
- Understand receipt processing methods

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Overview of Receipt Routing

Direct Receipt

- One step - “dock to stock”

Standard Receipt

- Two steps:
 - Goods are received.
 - Goods are delivered in.

Inspection Required

- Three steps
 - Goods are received and then sent to Inspection.
 - Goods are accepted or rejected.
 - Third step either returns or delivered.

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Overview of Receipt Routing

Direct Receipt

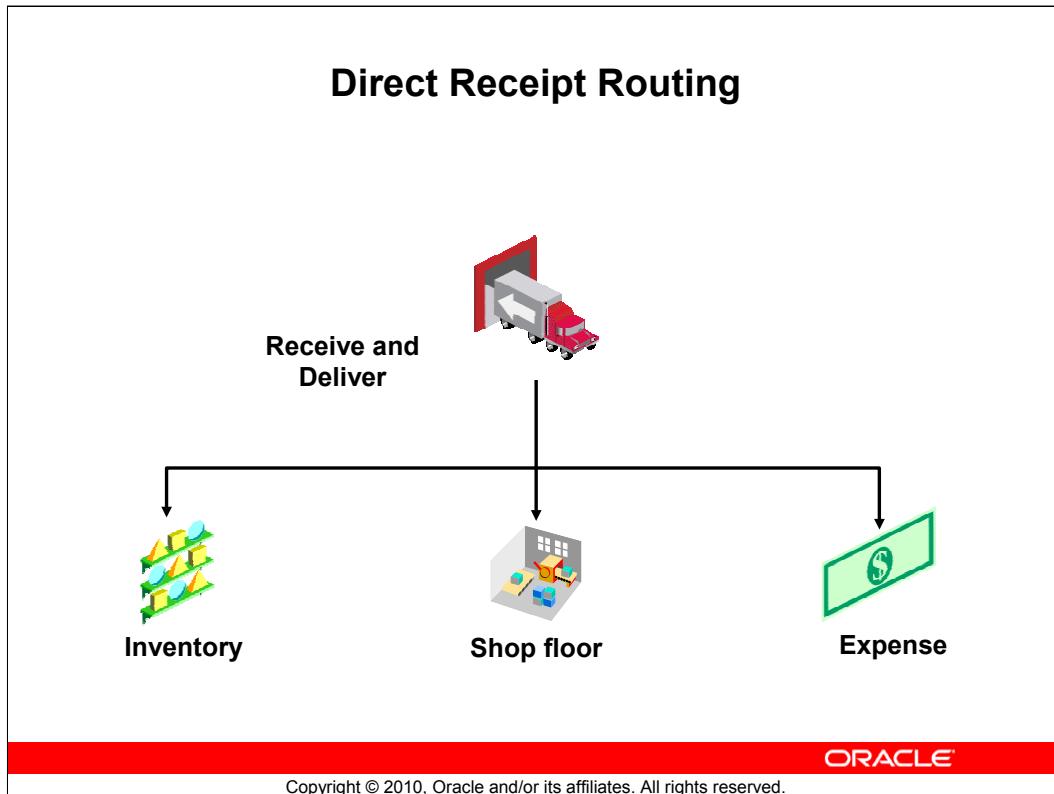
One step. Goods are received and delivered in one step.

Standard Receipt

Two steps. Goods are received in one step and then delivered in a second. This allows for the time it takes goods to move through your facility from the receiving dock. Quantity on hand in sub inventories is not updated until the delivery is completed. The quantity and cost is maintained in the inventory organizations inventory receiving account until the delivery is made.

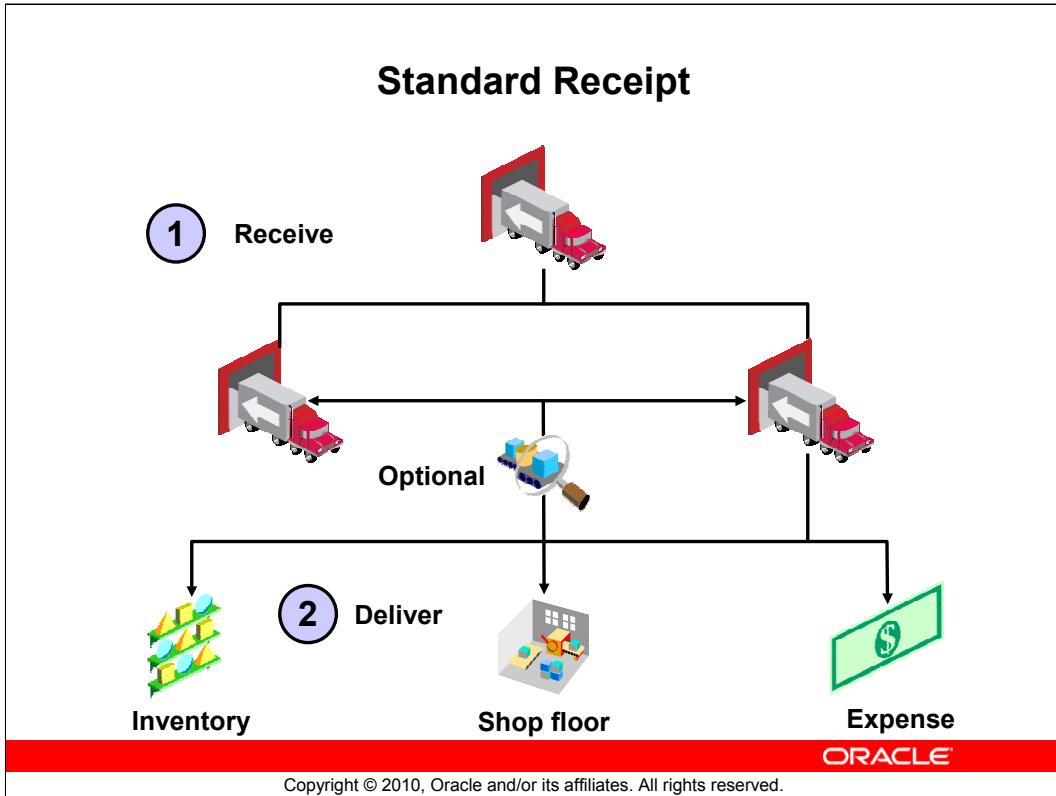
Inspection Required

Three steps. Used for goods that require a more skilled person to do a careful review. Goods are received in one step. Inspection either accepts or rejects the goods. A quality score can be assigned at that time. Goods that are accepted are delivered in the third step, while goods that are rejected are returned to the supplier.



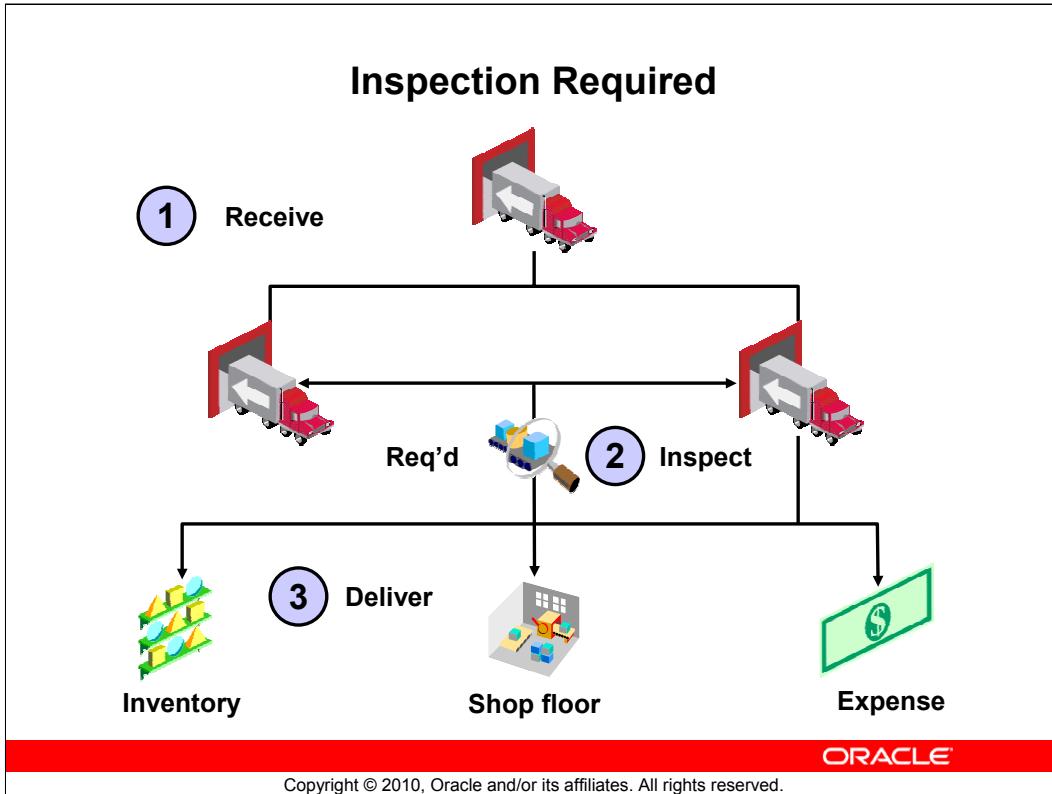
Direct Receipt Routing

Direct routing allows receipt of items directly to their final delivery destination. This is sometimes called a dock to stock transaction. The final destination type may be expense, inventory, or shop floor.



Standard Receipt

Shipments are received into a receiving location and then delivered to an interim or final destination. Goods are usually received and delivered in separate transactions. However, if the *RCV: Allow Routing Override* profile option is set to Yes, users can override the default and immediately deliver to the final destination. Setting the *RCV: Allow Routing Override* profile to No forces a two step delivery process.



Inspection Required

Inspection is a procedure you perform to ensure that items received confirm to your quality standards. Goods must be received and inspected before they can be delivered to their final destination. The *QA: PO Inspection* profile option can be set to either *Purchasing* or *Quality*. If the profile option is set to *Purchasing*, a simple inspection window opens for recording inspection results. If the profile option is set to *Quality* and a quality inspection plan exists, the Oracle Quality window is opened and inspection results may be recorded based on a predefined inspection plan.

Skip Lot Inspection (not shown above)

Oracle Purchasing supports another form of inspection called skip lot inspection. Skip-lot inspection is an inspection technique often employed as a next step to a lot-by-lot inspection. If the *QA: PO Inspection* profile option is set to *Quality* and a skip lot plan has been set up in Oracle Quality, the inspection results can be entered during the receiving process.

Agenda

- Understand the receiving process
- Understand receipt routing
- Understand receipt processing methods

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Receipt Processing Methods

- Standard receipt
- Express receipt
- Cascade receipt
- ASNs or ASBNs - Oracle iSupplier Portal
- ASNs or ASBNs - e-Commerce Gateway
- ASNs or ASBNs - XML Gateway
- Receiving in Oracle iProcurement
- Receiving open interface
- Receiving notification

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Receipt Processing Methods

Standard receipt: One line at a time.

Express receipt: Multiple lines at a time. For example, an entire purchase order for a supplier. During express receiving you can always deselect items and change quantities prior to completing the process.

Cascade receipt: One receipt of multiple shipments of the same item. For example, same supplier and same item represented on multiple purchase documents.

ASNs or ASBNs - iSupplier Portal: You can give your supplier carefully limited access to allow them to enter ASNs or ASBNs.

ASNs or ASBNs - e-Commerce Gateway: Load ASNs or ASBNs using Oracle e-Commerce Gateway.

ASNs or ASBNs - XML Gateway: Load ASNs or ASBNs using Oracle XML Gateway.

Receiving in Oracle iProcurement: You can give your employees limited ability to receive some types of items through a web browser.

Receiving Open Interface: Use barcoding software to scan receipts and create a text file that can be loaded into the Receiving Open Interface and processed by running the Receiving Transaction Processor.

Receiving Notification: The PO Confirm Receipts workflow can be scheduled to send notifications to requesters asking them to confirm receipts against expected receipts.

Standard Receipt

- Find expected receipts
- Enter quantities for received items

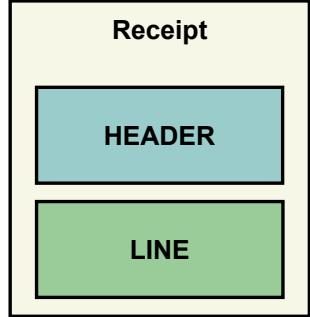
	Qty	Item
✓	10	CM13139
✓	5	CM12458
	5	DC21322

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Receipt Header

- Receipt Number
- Receiver Name
- Date
- Freight Carrier
- Packing Slip/Air Bill
- Number of Containers
- Comments



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Receipt Header

Receipt Number: Enter a unique receipt number. If automatic receipt number generation is active, the system will assign the next available receipt number. Numbering options are set one time for each inventory organization. You can also add receiving transactions existing receipts.

Receiver Name: The receiver name will default in from the user id. You can override the default with the name of another receiver.

Date: Today's date will default in from the system date. You can backdate a receipt if necessary, but the accounting period that the receipt date fall into must be open to do so.

Freight Carrier: You may enter the carrier who delivered the goods using the list of values. This information will default if an ASN was sent.

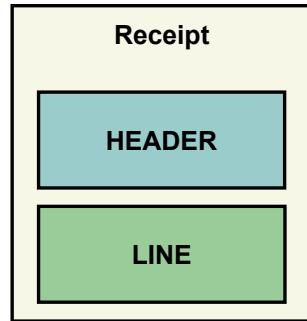
Packing Slip / Air Bill Number: You may enter the packing slip or air bill number that the goods came in on. This information will default if an ASN was sent.

Number of Containers: You may enter the total number of containers that made up this shipment.

Comments: The receiver may enter any comments here. An example might be; "The box was wet."

Receipt Line

- Quantity
- Unit of Measure
- Item
- Description
- Destination Type
- Order Number
- Receipt Type
- Requestor
- Subinventory
- Note to Receiver

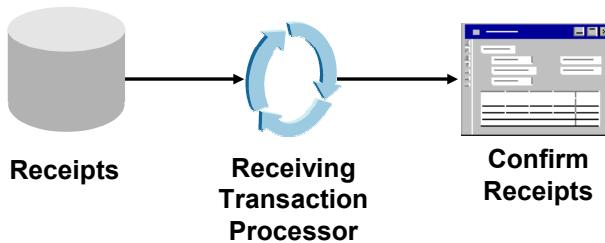


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Control the Receiving Transaction Processor

- Online
- Immediate
- Batch



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Control the Receiving Transaction Processor

The setting of the *RCV: Processing Mode* profile determines the processing mode used after you save your work for receiving transactions. The profile option can have one of three possible settings:

Online: The Receiving Transaction Processor is called directly to process the receipt (no concurrent request is submitted). The form is not immediately returned to user control, so the user will not be able to perform any other application activities until the process completes. Form response time is the slowest of the three options, but errors processing the receipt become obvious immediately.

Immediate: The transaction goes to the interface table, and the Receiving Transaction Processor is called for the group of transactions that you entered since you last saved your work. The form will start running the Receiving Transaction Processor as a background process. Control is returned to the user immediately so other application activities may be performed. Form response time is fast, but a concurrent process is run each time you process a receipt.

You must occasionally check the concurrent manager to ensure the concurrent request completes without errors. If an error occurs, the problem must be fixed. You use the Transaction Status Summary form to delete errored transactions and force them to reprocess. This is important especially for transactions destined for Inventory or Shop Floor. Until the receipt processes successfully, no receipt accruals are generated and sent to the general ledger. If the problem is not reconciled by period end, accruals will be out of balance and understated in General Ledger.

Batch: The transaction goes to the interface table, where it will be picked up the next time the Receiving Transaction Processor runs. Control is returned to the user immediately so other application activities may be performed. Form response time is fast. The transaction will be processed by running the Receiving Transaction Processor process. This program must be scheduled to run periodically. The longer the interval, the more data the program will process each time it runs.

Errors are handled the same way they are handled when the mode is set to Immediate. Typically, customers will run this program periodically based on their processing and system requirements. For example, you may elect to run the process at a time when there is relatively low database activity to help balance the load on system resources. Using this method, receipt accruals are not processed until the concurrent process completes successfully. Also, inventory value and on-hand quantities are not updated until the concurrent request completes.

Summary

You should be able to do the following:

- Describe the process of receiving goods
- Understand receipt routing
- Understand receipt processing methods



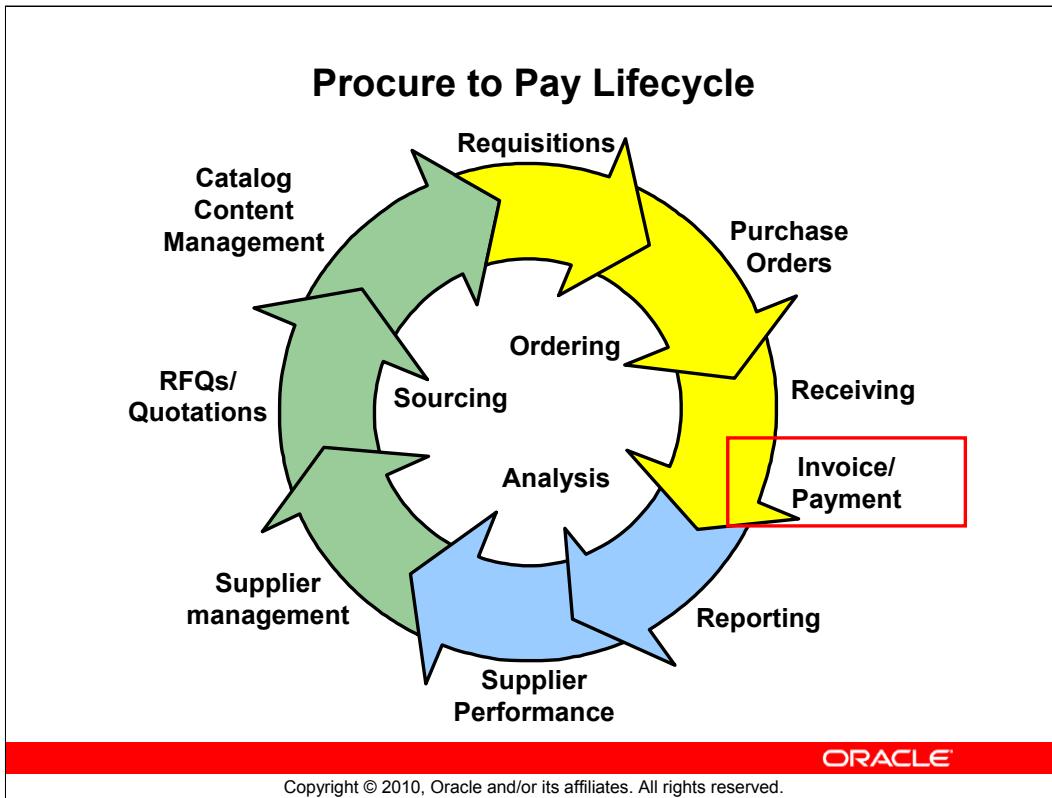
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Procure to Pay Cycle



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Objectives

After completing this module you should be able to do the following:

- Import/Enter invoices and invoice distributions
- Match to purchase orders
- Validate invoices for payment



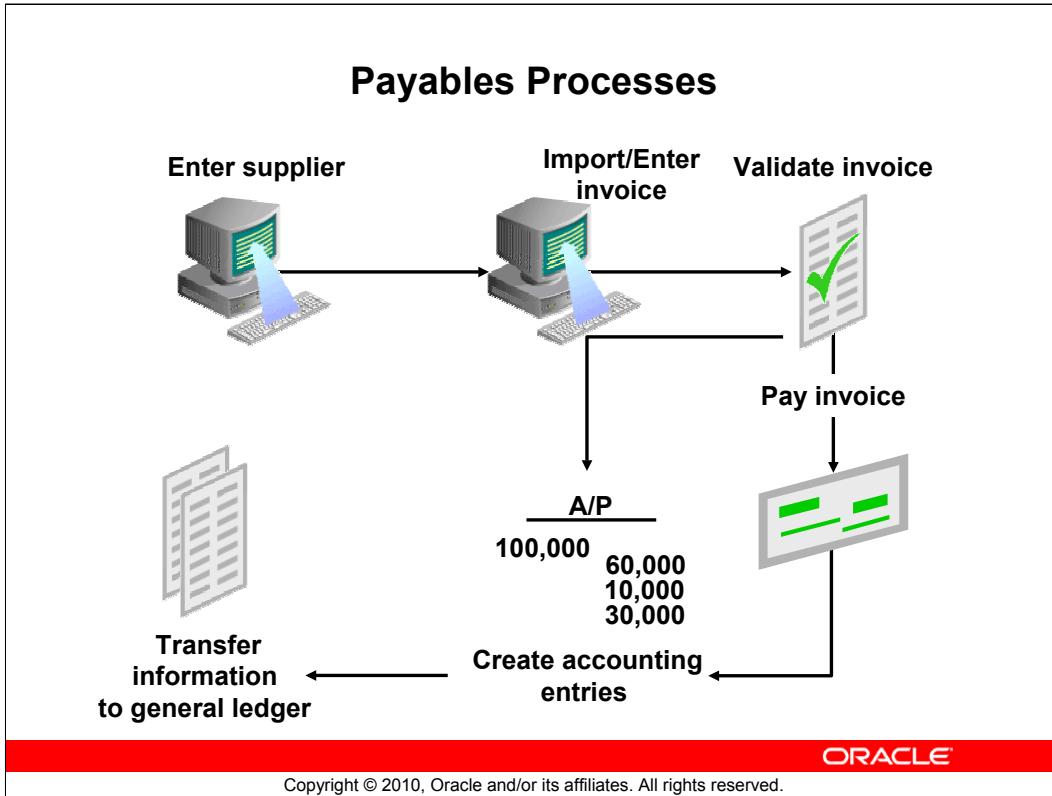
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Agenda

- Import/Enter invoices and invoice distributions.
- Match to purchase orders.
- Validate invoices for payment.
- Create Accounting Entries and Transfer to GL.

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Payables Process

Note: The Payables product fits within the procure to pay process flow. Entering suppliers should have been covered at this point.

Invoice Types

- Standard
- Credit Memo
- Debit Memo
- PO Default
- QuickMatch
- Mixed
- Prepayment
- Expense Report
- Withholding Tax
- Interest
- PO Price Adjustment

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Invoice Types

Standard

An invoice from a supplier representing an amount due for goods or services purchased. Standard invoices can be either matched to a purchase order or not matched.

Credit Memo

A memo from a supplier representing a credit amount toward goods or services.

Debit Memo

An invoice you enter to record a credit for a supplier who does not send you a credit memo.

PO Default

An invoice type you enter for matching to a purchase order. You enter a purchase order number, and Payables automatically copies supplier information from the purchase order. The invoice type changes to Standard after the match.

Quick Match

An invoice type you enter for matching to a purchase order. You enter a purchase order number, and Payables automatically copies supplier information and matches to every open shipment on the purchase order. The invoice type changes to Standard after the match.

Mixed

An invoice type you enter for matching to both purchase orders and invoices. You can enter either a positive or a negative amount for a Mixed invoice type.

Prepayment

A type of invoice you enter to pay an advance payment for expenses to a supplier or employee.

Expense Report

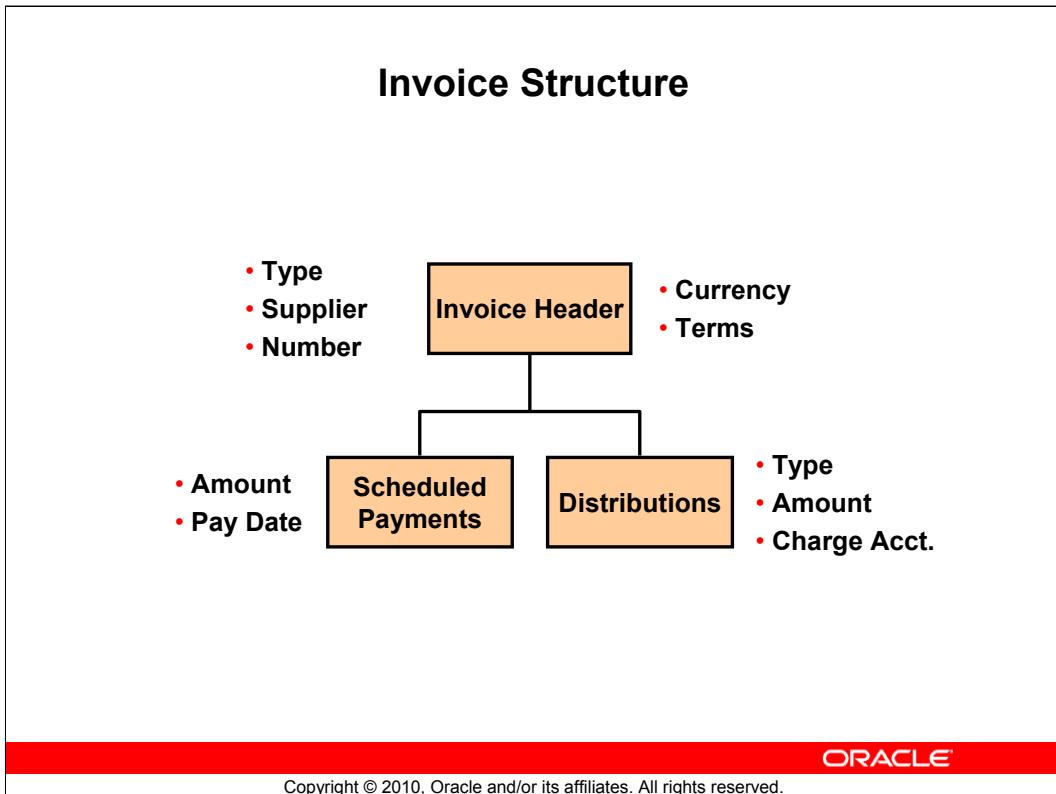
An invoice representing an amount due to an employee for business-related expenses.

Withholding Tax

An invoice you enter to remit taxes withheld to the appropriate tax authority.

Interest

If you allow interest invoices, payables will automatically calculate interest for overdue invoices and create interest invoices for selected suppliers.



Invoice Structure

Invoice Header

Invoice information including invoice type, supplier name, supplier site, invoice number, invoice date, and invoice amount.

Scheduled Payments

Invoice payment details including scheduled payment date, amount and priority. Scheduled payments are created based on payment terms when the invoice header is saved. An invoice header can have one or more scheduled payments.

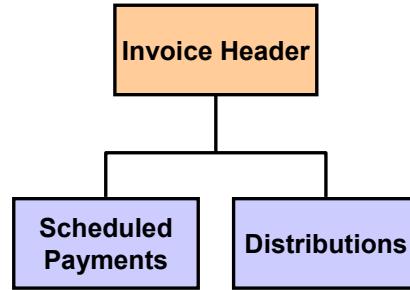
Distributions

Distribution details include invoice accounting details, the GL date, charge accounts, and project information. An invoice header can have one or more invoice distributions.

Note: Scheduled payments are not directly related to specific invoice distributions and invoice distributions are not directly related to specific schedule payments.

Invoice Header

- Invoice Type
- Supplier Name
- Supplier Number
- Supplier Site
- Invoice Date
- Invoice Number
- Amount
- Description
- Payment Terms
- Payment Method



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Invoice Distribution Types

- Item
- Tax
- Freight
- Miscellaneous
- Withholding
- Prepayment

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Invoice Distribution Types

Each invoice distribution will have one and only one distribution type.

Item

Records the amount a supplier charges for goods or services purchased.

Tax

Records the sales or other tax amount due on goods or services purchased.

Freight

Records the amount a supplier charges for shipping and handling.

Miscellaneous

Records the amount for miscellaneous expenses on an invoice.

Withholding

Records the amount of taxes withheld from an invoice.

Prepayment

Records the amount of a prepayment applied to an invoice.

Each invoice distribution will have one and only one distribution type.

Item

Records the amount a supplier charges for goods or services purchased.

Tax

Records the sales or other tax amount due on goods or services purchased.

Freight

Records the amount a supplier charges for shipping and handling.

Miscellaneous

Records the amount for miscellaneous expenses on an invoice.

Withholding

Records the amount of taxes withheld from an invoice.

Prepayment

Records the amount of a prepayment applied to an invoice.

Invoice Distributions

- Type
- Amount
- Tax Code
- GL Date
- Account
- Track as Asset
- Description
- Status
- Accounted
- Project/Task/Expenditure

```

graph TD
    IH[Invoice Header] --> SP[Scheduled Payments]
    IH --> D[Distributions]
  
```

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Invoice Distributions

Enter distributions for an invoice to associate the total invoice amount with various expense or asset accounts. Each invoice will have one or more distributions. Invoice distributions are entered on an invoice in a variety of different ways. During Payables Validation, the invoice amount is compared to the total distribution amount. If they are not equal, the invoice will be placed on a distribution variance hold.

Type

Select a distribution Type. If you are using periodic costing and need to include the cost of tax, freight and miscellaneous charges with a receipt, you must use the Allocation window to allocate those distributions to a distribution line created by the matching process.

Amount

The amount of the distribution.

Tax Code

Tax code or tax group associated with the distribution. Payables provides a default value based on the Tax Code Defaults hierarchy defined in the Payables Options window.

GL Date

The distribution GL Date defaults from the invoice GL Date. You can override the default and change the distribution GL Date to any date in an open or future period. Payables uses the GL Date to derive the accounting period that the charge will impact.

If you change the GL Date in the Invoices window, Payables does not change the GL Date for existing invoice distributions. If you want to update the GL Date for an invoice, use the Distributions window to change the GL Date for each invoice distribution.

Account

Account to charge when you create an accounting entry for this distribution. Usually an expense, asset or accrual account. If you match to a purchase order or enter project related information, this account will be built automatically. If you match to a purchase order with a destination type of Expense on the distribution, the matching process will copy that account onto the distribution line of the invoice. If you match to a purchase order shipment with a destination type of Inventory on the distribution, this account will be the accrual account built when the purchase order was entered.

Track as Asset

If you enter an asset type charge account, Payables automatically enables the Track as Asset check box and you cannot change it. If you enter an expense account and want to transfer this distribution to Assets, enable the Track as Asset check box. It is important to note that just because the Track as Asset box becomes checked, does not mean the distribution line will be sent to fixed assets.

Description

Description of the distribution. This description does not appear on the payment document remittance. For manually entered item distributions, the default value is the invoice description. For tax distributions, the default value is the tax code. For distributions created by Distribution Sets, the default is the Description of the Distribution Set line. For distributions created by purchase order matching, the default value is the description of the purchase order line.

Status

Validation status of the distribution.

Accounted

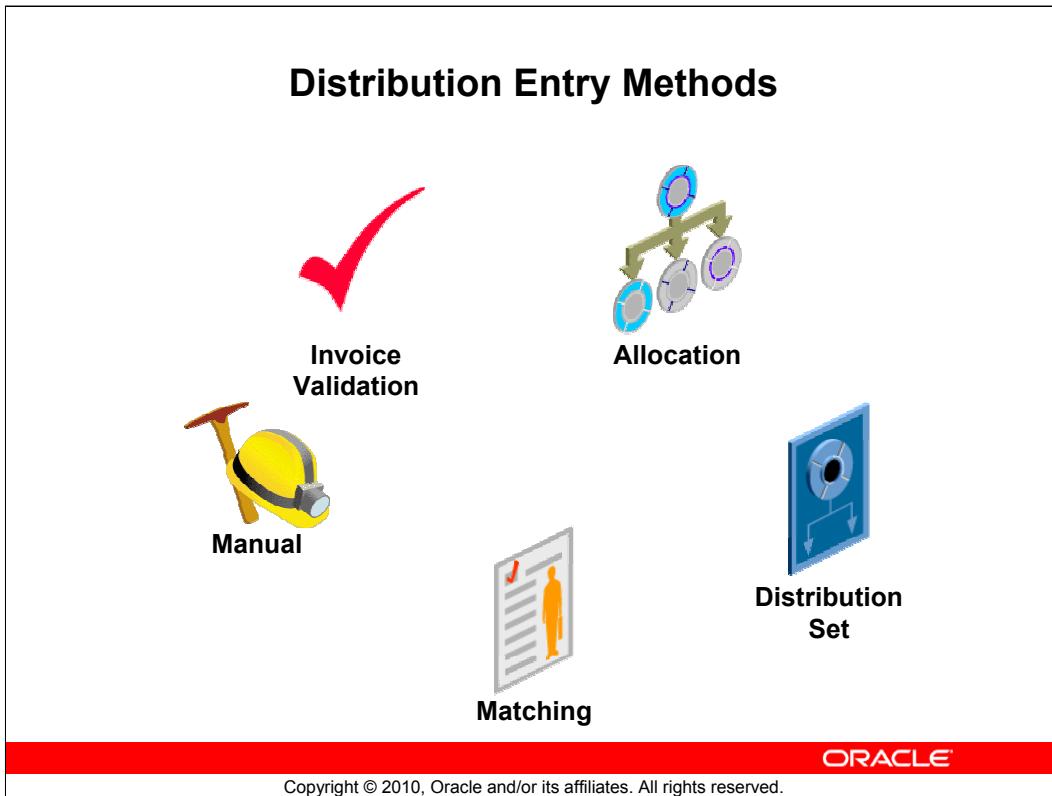
Payables displays Yes or No to indicate if accounting entries have been created for the distribution.

Project/Task/Expenditure

If you have Projects installed, associate an invoice with a project to charge the expenditures on an invoice to a specific project, task, or organization. The system uses the project information you enter to create an account combination on the invoice distribution.

If you enter project information, you must enter a value for Task unless you have matched to a purchase order with project information with a null task ID. A purchase order can have a null task ID only if its destination is Inventory or Shop Floor. If the destination is Inventory or Shop Floor, the project information is used by Project Manufacturing.

If you are using projects, you must modify Payables and Purchasing account generator workflows. If you do not modify the workflows, you will not be able to save a purchase order or invoice that has a project related distribution. The workflow builds the charge account combination based on the project information specified on the invoice distribution line.



Distribution Entry Methods

Invoice distributions can be created on an invoice in a variety of different ways. Only one of them is manual entry!

Manual Entry

Manually add the distributions to the invoice.

Distribution Set

A distribution set is like a template with invoice distributions that you set up one time. After the distribution set is created, you can use it to automatically create invoice distributions on to your invoice.

Matching

Matching to purchase orders and standard invoices creates invoice distributions.

Invoice Validation

If you are using automatic withholding tax or automatic tax calculation, the Payables Validation process can add invoice distributions.

Allocation

Use the Allocation window to create tax, freight and miscellaneous distributions. Individual tax and freight distributions can be added by specifying the distribution amounts in the invoice header.

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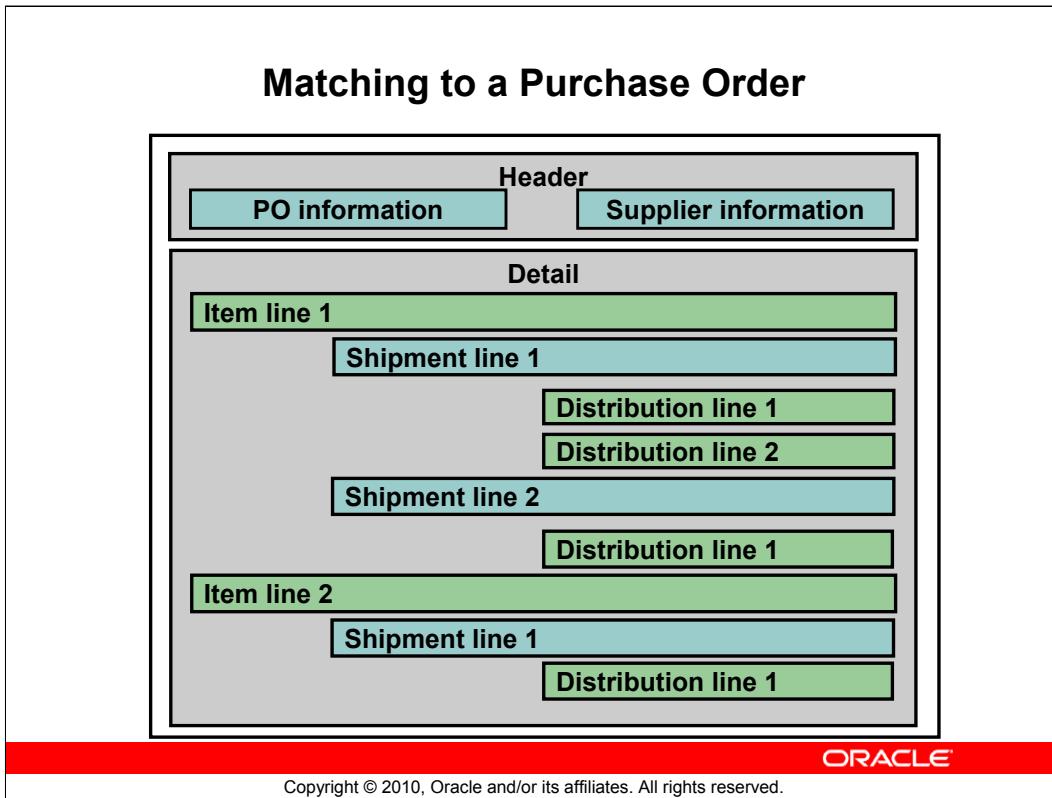
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- Import/Enter invoices and invoice distributions.
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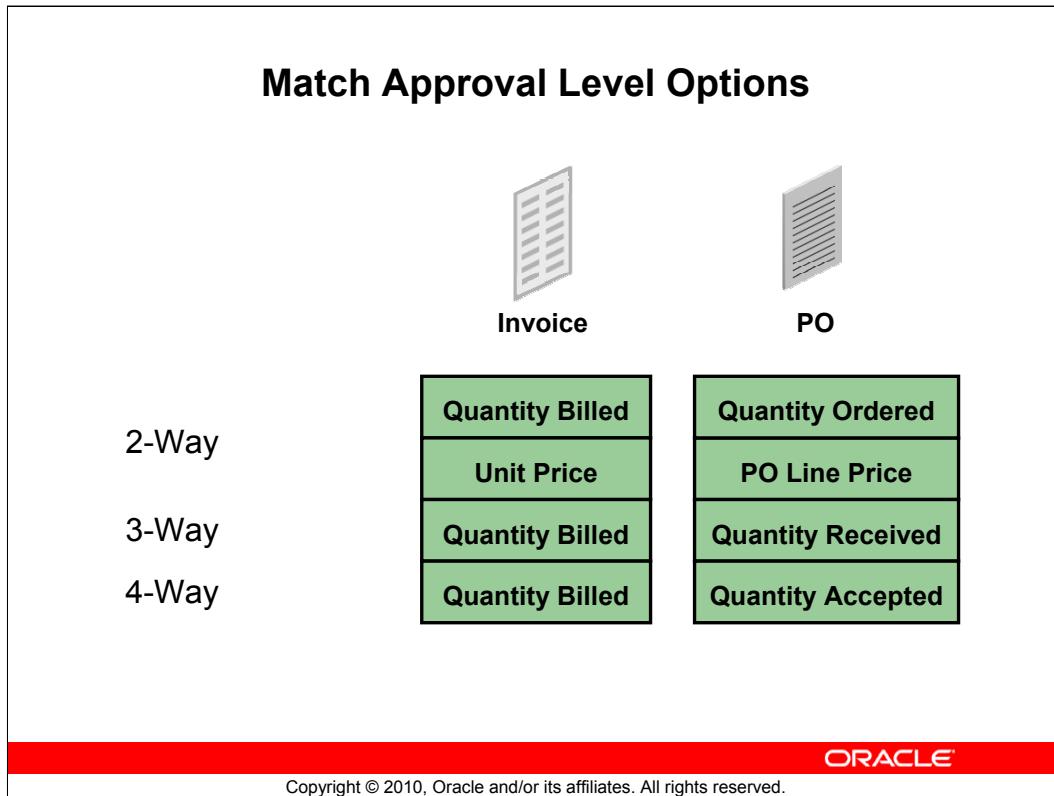


Matching to a Purchase Order

Match your billed (invoice) items to the original purchase orders, purchase order distributions or receipts to ensure that you pay only for the goods or services you ordered. If you are billed for an item in excess of the amount and quantity tolerances you define in the Invoice Tolerances window, the Payables Validation process will apply a hold to the invoice. Invoice holds prevent payment.

You can match a single invoice to multiple purchase order shipments and distributions, or you can match multiple invoices to a single purchase order shipment or distribution provided the supplier is the same on all purchase orders.

When you match an invoice to a purchase order or receipt, Payables creates invoice distributions using the purchase order distribution accounting information. You cannot delete invoice distributions that were created through matching. If you match an invoice to the wrong purchase order, either reverse the individual distributions and then rematch to the correct purchase order, or cancel the invoice.



Match Approval Level Options

The match approval level defaults to purchase order shipment lines when the purchase order is entered. You can override the default on the purchase order shipment. If you find that you are frequently overriding this value, change the default at the supplier site level. When quantities and prices exceed specific tolerances you define, the Payables Validation process will place a matching hold on the invoice.

2-Way (Invoice to Purchase Order)

- Quantity billed vs. quantity ordered on shipment line
- Invoice unit price vs. purchase order line unit price

3-Way (Invoice to Purchase Order and Receipt)

- 2-Way match criteria AND
- Quantity billed vs. quantity received

4-Way (Invoice to Purchase Order and Receipt and Inspection)

- 3-Way match criteria AND
- Quantity billed vs. quantity accepted

Note: Quantity accepted = (Quantity received - quantity rejected)

Types of Purchase Order Matching

You can match an invoice to a purchase order in different ways:

- Purchase order shipment match
- Purchase order distribution match
- Receipt match
- Price correction

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Types of Purchase Order Matching

Whether you are using the 2-Way, 3-Way or 4-Way match approval level there are four ways to match to a purchase order.

Purchase order shipment match

Based on the quantity invoiced, Payables prorates the match amount across all non-fully billed purchase order distributions associated with the purchase order shipments you match to.

Purchase order distribution match

If you are billed for only a portion of a shipment, you may want to match at the distribution level to ensure you charge the correct account. If you choose not to match to the distributions, Payables prorates the match amount across the available distributions for that shipment.

Receipt match

Reasons to use match to receipt:

Matching to receipts allows you to pay only for goods you receive.

Any exchange rate variance that results from matching is likely to be smaller because the time between the receipt and invoice will probably be less than the time between the purchase order and invoice.

Matching an invoice for freight, tax, or miscellaneous charges to a material receipt is required for accurate costing data if you use periodic costing.

Price correction

You may want to record a price correction for a purchase order shipment if you receive an invoice from the supplier that is an adjustment to the unit price of an invoice you previously matched to that purchase order shipment. Price corrections adjust the unit price without adjusting the quantity billed on the purchase order.

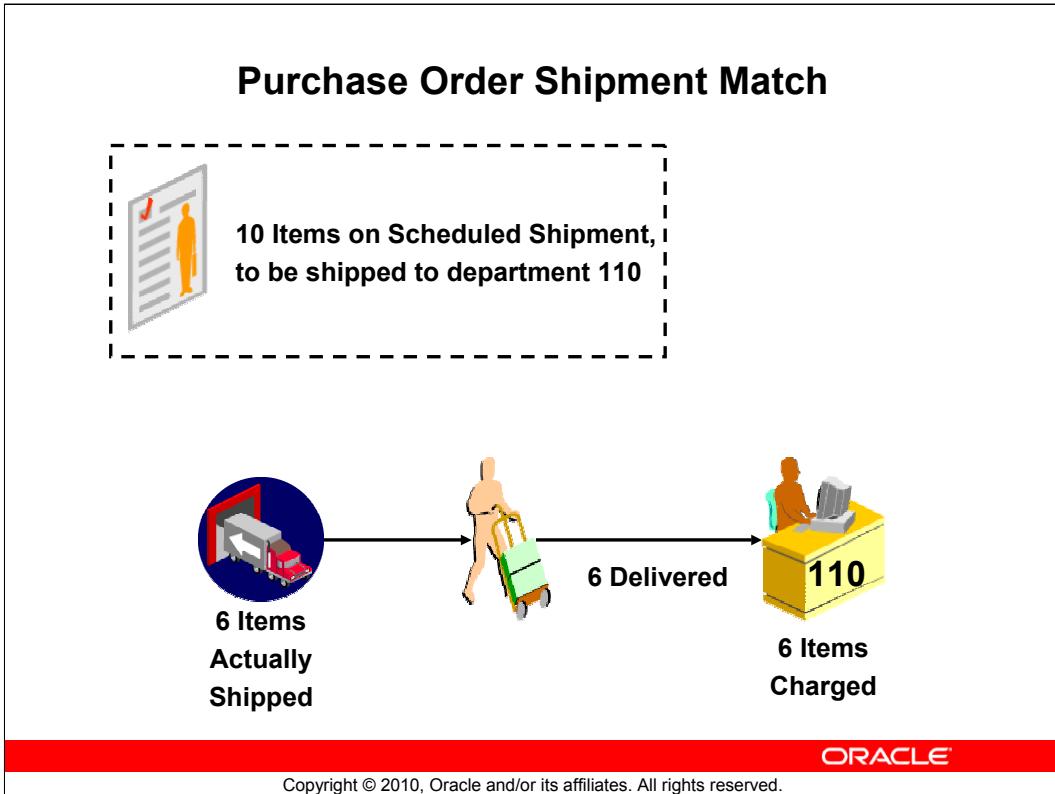
Reasons to use price correction:

You use a price correction when a supplier sends an invoice for a change in unit price for an invoice you have already matched to a purchase order. If you simply enter an invoice for a unit price increase or a credit/debit memo for a unit price decrease without using price correction, invoice price variances will not be accurate.

You can enter and match an invoice to record a price increase, or you can enter and match a credit memo or debit memo to record a price decrease.

Use a price correction to adjust the invoiced unit price of previously matched purchase order shipments, distributions, or receipts without adjusting the quantity billed.

Note: Price corrections are very different from overriding the unit price when matching an invoice to a purchase order. When you are entering an invoice and matching to a purchase order, you can override the unit price that defaults from the purchase order so it is the same as the unit price on your invoice. You use price corrections only after the initial match.



Purchase Order Shipment Match

Based on the quantity invoiced, Payables prorates the match amount across all non-fully billed purchase order distributions associated with the purchase order shipments you match to. When the invoice is matched to the shipment, all 6 items will be charged to department 110.

Types of Purchase Order Matching

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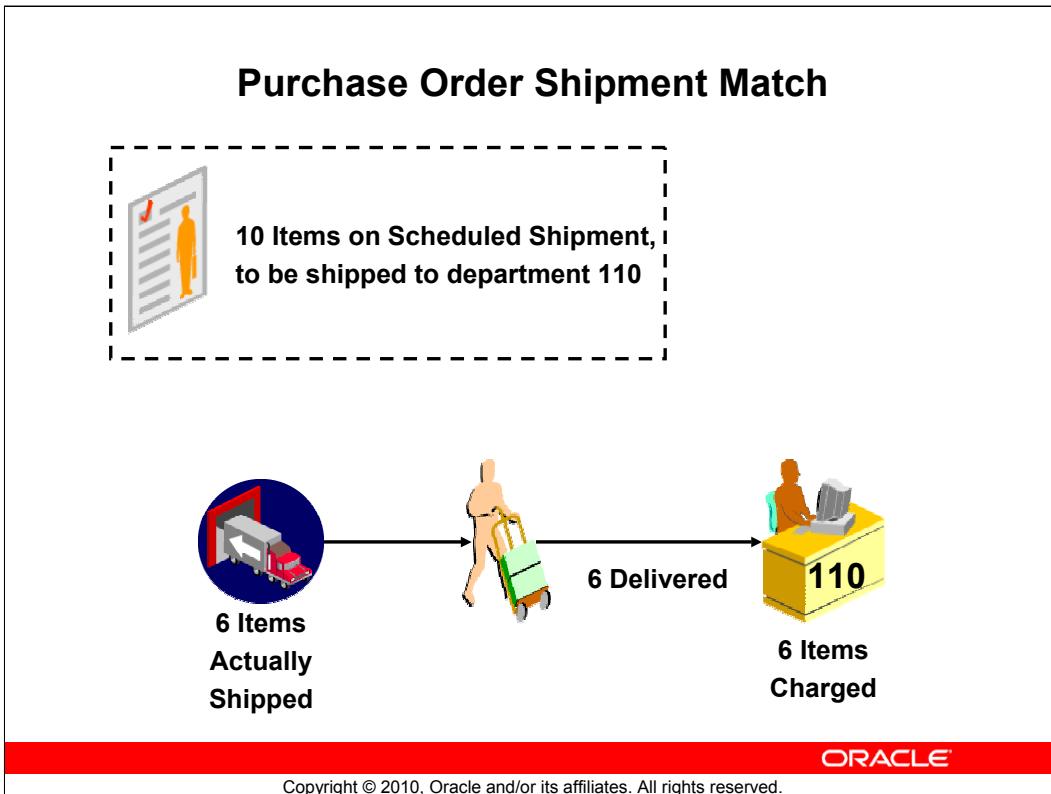
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You can enter and match an invoice to record a price increase, or you can enter and match a credit memo or debit memo to record a price decrease.

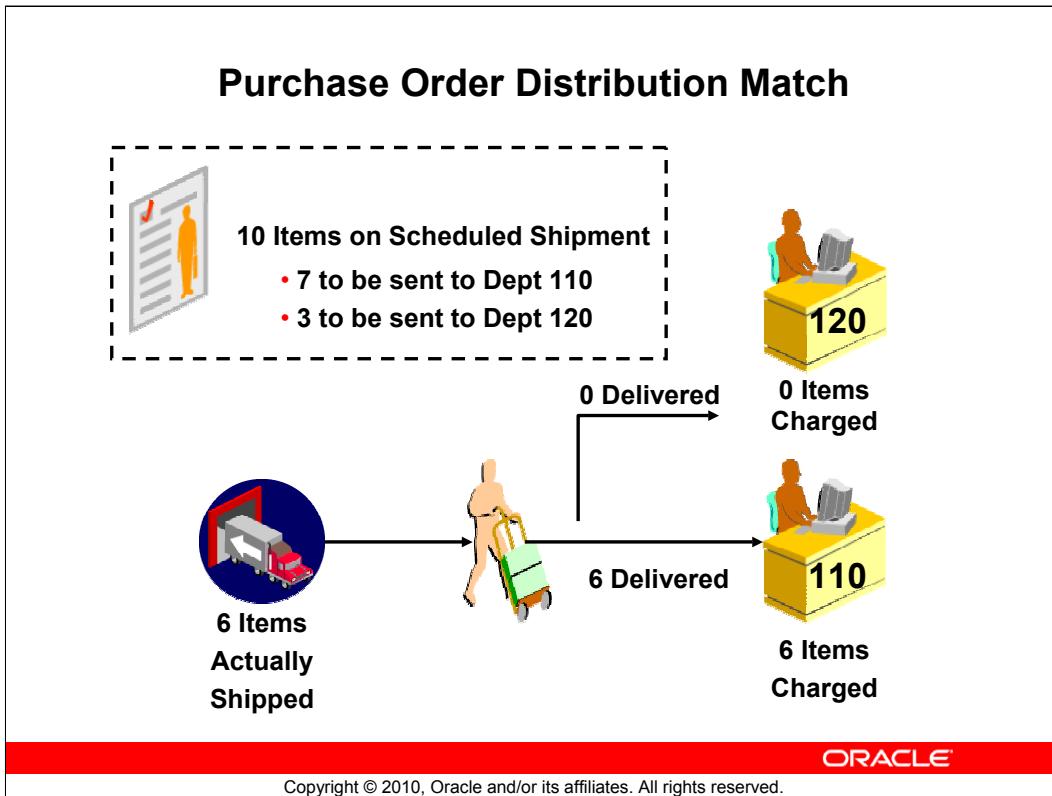
Use a price correction to adjust the invoiced unit price of previously matched purchase order shipments, distributions, or receipts without adjusting the quantity billed.

Note: Price corrections are very different from overriding the unit price when matching an invoice to a purchase order. When you are entering an invoice and matching to a purchase order, you can override the unit price that defaults from the purchase order so it is the same as the unit price on your invoice. You use price corrections only after the initial match.



Purchase Order Shipment Match

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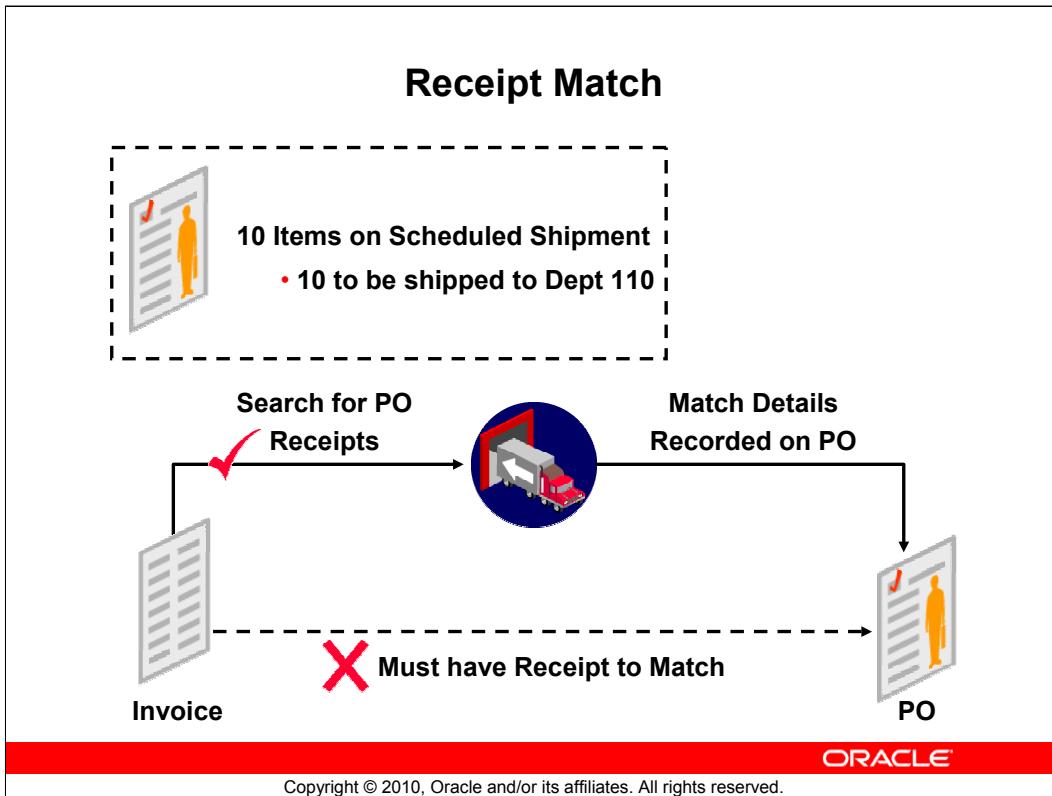


Purchase order distribution match

If you are billed for only a portion of a shipment, you might want to match at the distribution level to ensure you charge the correct account. If you choose not to match at the distribution level, Payables prorates the match amount across the available distributions for that shipment. To illustrate this, assume that 10 items are ordered on a purchase order shipment. Of the 10 items ordered, 7 should be delivered to department 110 and 3 should be delivered to department 120.

If all 10 items are shipped, match to the shipment. Two distributions will be created on the invoice allocating 7/10 of the cost to department 110 and 3/10 of the cost to department 120.

If only 6 items are shipped and all 6 delivered to 110, you must use distribution matching to make sure the cost for all 6 units is allocated to department 110. If you matched to shipment in this case, 7/10 of the cost would be allocated to department 110 and 3/10 of the cost would be allocated to department 120.



Receipt Match

When the invoice match option is set to Receipt for the purchase order shipment you will not be able to match unless a receipt has been processed. The Invoice Match Option defaults in the following manner: Financials options > Supplier > Supplier Site > Purchase Order Shipment. The value on the purchase order shipment controls what you match to. The value can be set to either Purchase Order or Receipt.

Purchase Order - Match invoices to purchase orders.

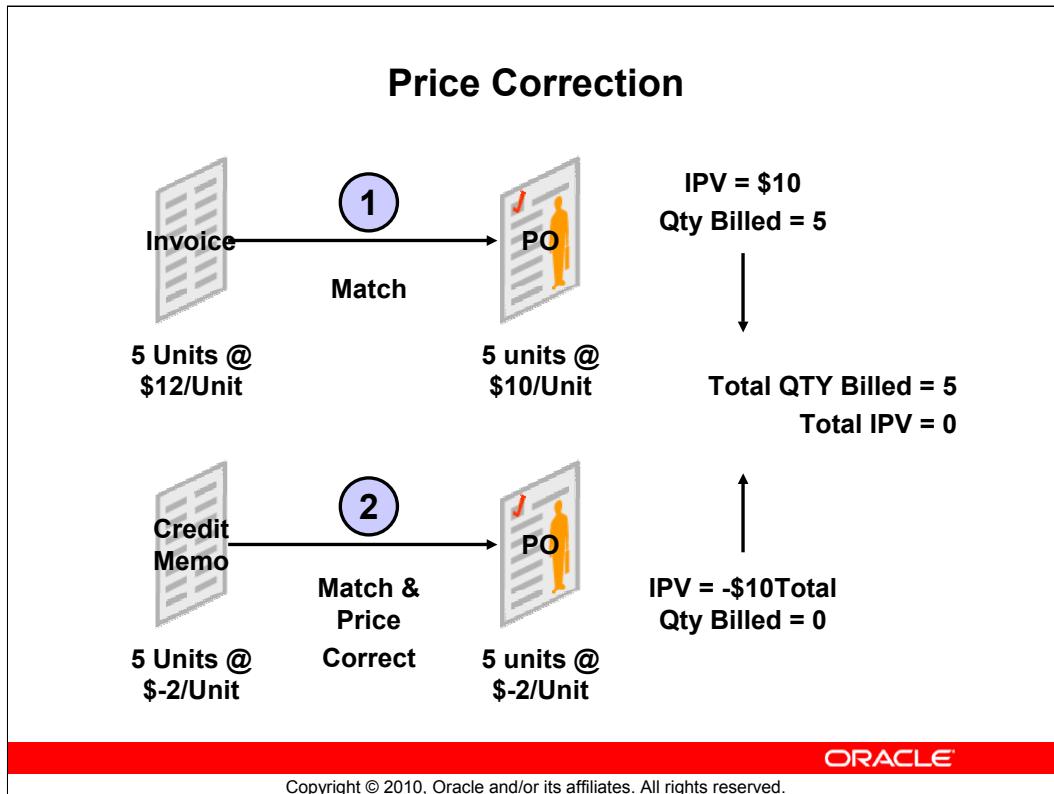
Receipt - Match invoices to purchase order receipts. Keep in mind that in order to match to a purchase order with a match approval level of receipt, the receipt must be processed before you attempt to match the invoice. The same information that is maintained on the purchase order when you use the invoice match option of Purchase Order is maintained on the purchase order when you use a invoice match option of Receipt.

Reasons to match to receipt:

Matching to receipts allows you to pay only for goods you receive.

Exchange rate variance is likely to be smaller because the time between the receipt and invoice is less than the time between the purchase order and invoice.

When you allocate freight, tax or miscellaneous charges to an invoice distribution line matched to a receipt, the acquisition cost of the material will be more accurately reflected if you are using periodic costing.



Price Correction

You may want to record a price correction for a purchase order shipment if you receive an invoice from the supplier that is an adjustment to the unit price of an invoice you previously matched to that purchase order shipment. Price corrections adjust the unit price without adjusting the quantity billed on the purchase order.

In this example, the original invoice is over billed by \$2/unit. The invoice was within tolerance so it was matched and paid. After the invoice price variance (IPV) was discovered, the buyer contacted the supplier who agreed to issue a credit memo to offset the over billed amount. The credit memo could be entered into the system without using the price correct functionality, but the invoice price variance offset would not be reflected. Using the price correction functionality corrects the invoice price variance but does not increment the quantity billed against the purchase order shipment.

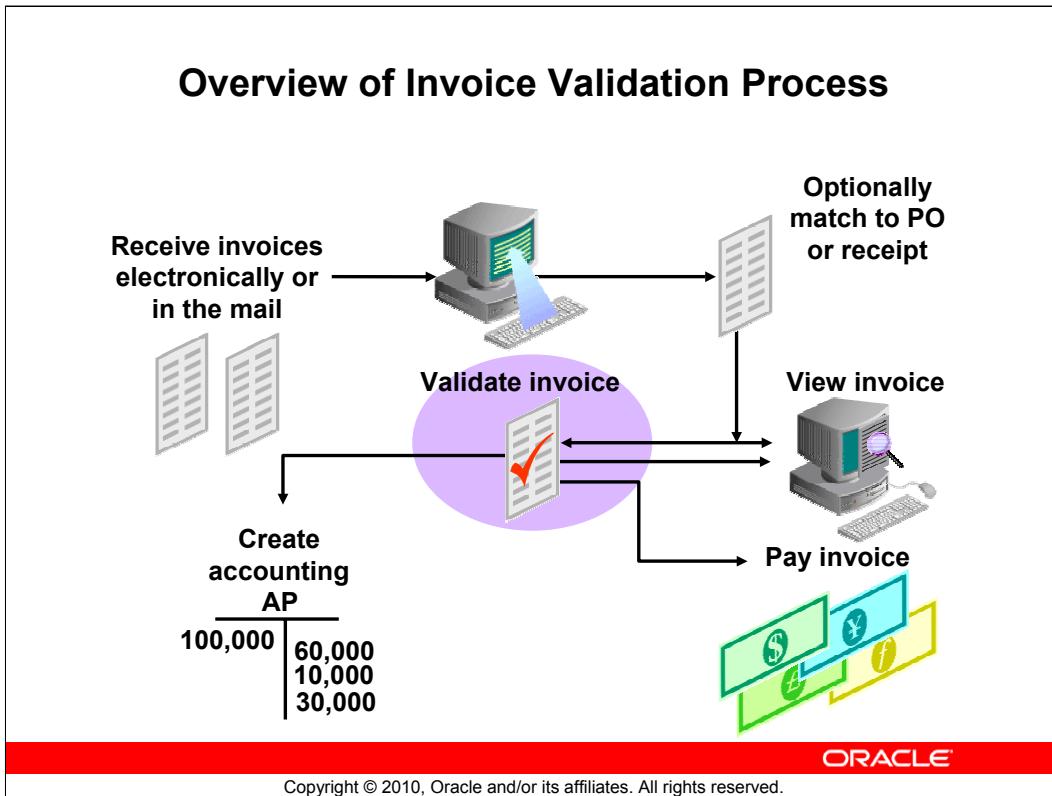
Note: The IPV is calculated as $(\text{invoice unit price} - \text{purchase order line unit price}) \times \text{quantity invoiced}$.

Agenda

- Import/Enter invoices and invoice distributions.
- Match to purchase orders.
- **Validate invoices for payment.**
- Create Accounting Entries and Transfer to GL.

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Overview of the Invoice Validation Process

Before you can pay or account for an invoice (including prepayments), you must submit Invoice Validation for the invoice in one of three ways:

System - submit the Invoice Validation program from the Submit Request window.

Batch - use the Validate button in the Invoice Batches window.

Online - use the Validate button in Invoice Actions window.

Invoice Validation validates the matching, tax, period status, exchange rate, and distribution information for invoices you enter and automatically applies holds to exception invoices. If an invoice has a hold, you can release the hold by correcting the exception that caused Invoice Validation to apply the hold and then resubmitting Invoice Validation. Correct exceptions by updating the invoice or the purchase order, or change your Invoice Tolerances. Payables automatically releases the hold when the exception is no longer an issue. You can manually release certain invoice holds even if you have not resolved the matching error condition. You can do this in the Invoice Holds window.

You can identify all invoices that Payables has not yet reviewed with Invoice Validation by submitting the Invoice Register for invalidated invoices only. You can check the validation status of an invoice online in the Invoice Overview window or the Invoices window.

Levels of Invoice Validation

- System level validation
- Batch level validation
- Invoice level (online) validation

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Levels of Invoice Validation

System level validation

Manually submit the Invoice Validation process or schedule it to run periodically from the Submit Request window. Submit Invoice Validation right before you process payments to update the status on all invoices.

Payables will use the Option parameter to select invalidated invoices for validation. Enter All to ensure you release any existing holds on invoices as well as place new holds. Otherwise, Invoice Validation reviews only those invoice distributions that were not already reviewed by Invoice Validation. Optionally, enter other criteria to submit Invoice Validation for specific groups of invoices.

Batch level validation

Submit Invoice Validation for one or more invoice batches from the Invoice Batches window.

Invoice level (online) validation

If the Payables option to allow online validation is enabled, you can submit online validation for one or more individual invoices when an invoice must be validated and paid immediately. You can also validate related invoices for credit and debit memos by choosing Validate Related Invoices in the Actions window after you enter a credit or debit memo.

Summary

You should now be able to do the following:

- Import/Enter invoices and invoice distributions
- Match to purchase orders
- Validate invoices for payment



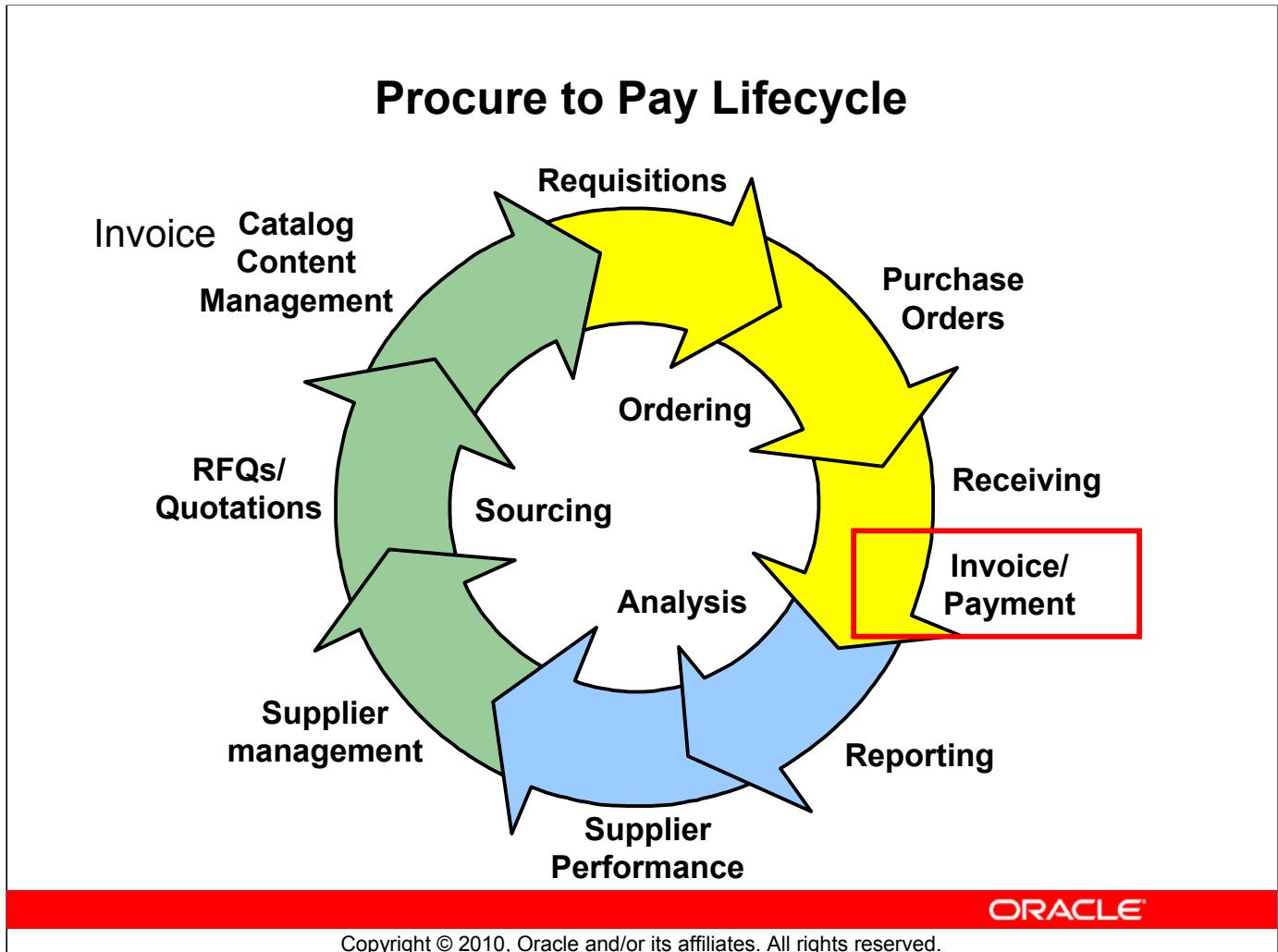
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Procure to Pay Cycle



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Objectives

After completing this module, you should be able to do the following:

- Describe the process of issuing payments
- Process single payments



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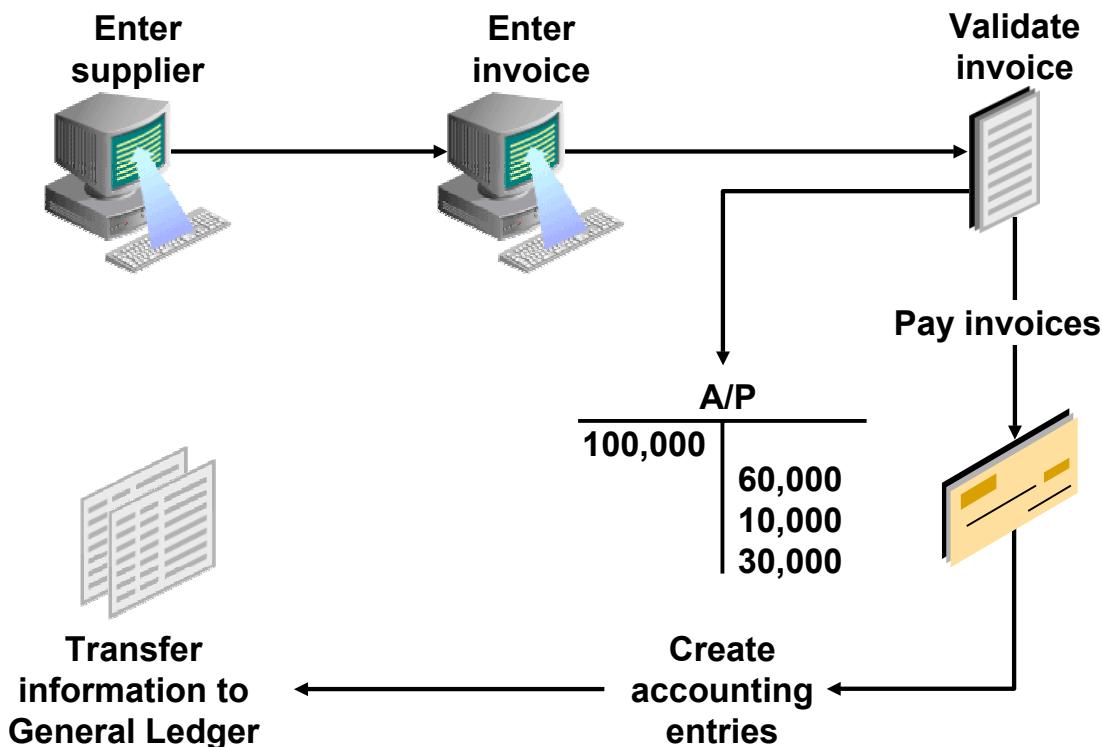
Agenda

- Overview of payment processing
- Enter manual payments
- Enter quick payments

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Invoice Payment - Overview



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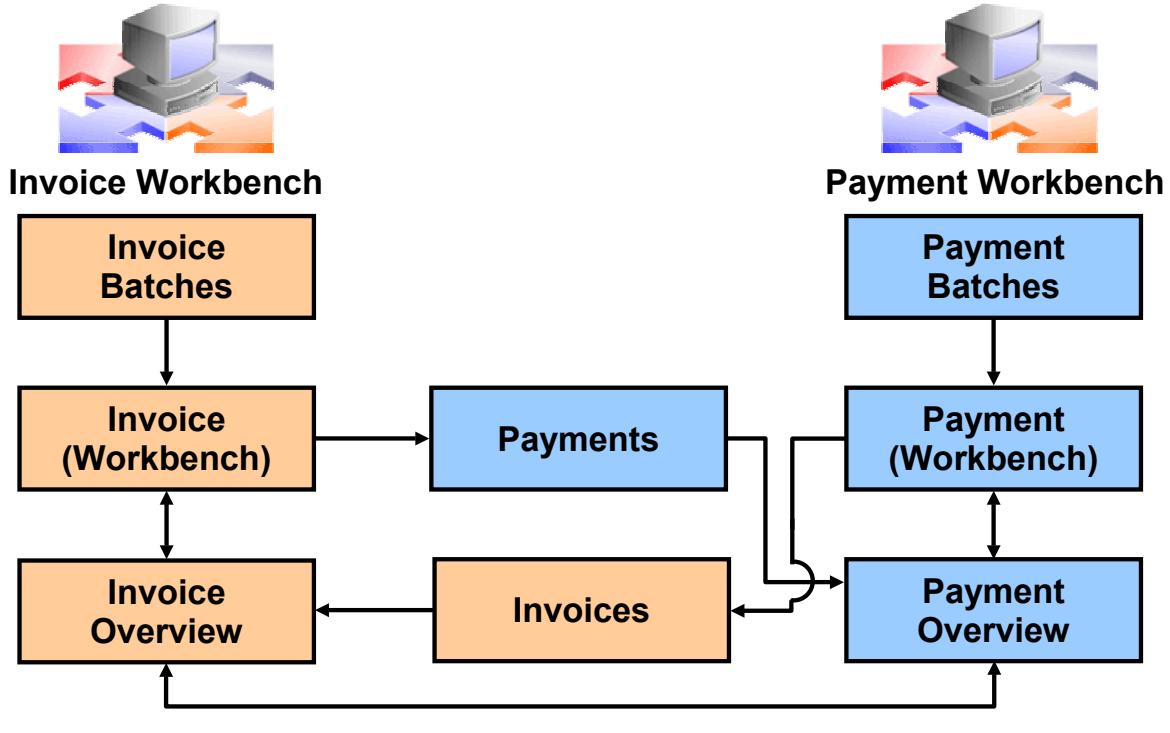
Invoice Payment - Overview

Payables provides a variety of features for fast, controlled payment processing.

With Payables you can do the following:

- You can make payments from your disbursement bank accounts in multiple ways: printed checks, wire, or a variety of electronic payments including electronic funds transfer (EFT), electronic data interchange (EDI), and XML.
- Pay only invoices that are due and automatically take the maximum discount available.
- Select invoices for payment, using a variety of criteria, and create payments automatically.
- Ensure that duplicate invoice payments don't occur.
- Review information online for the result and status of payments.

Using the Payment Workbench



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Using the Payment Workbench

Payables includes two fully integrated workbenches; the Invoice Workbench and the Payment Workbench. You enter, adjust or review invoices in the Invoice Workbench. You create, adjust and review payments in the Payments Workbench. Use the Invoice Overview and Payment Overview windows to review information from either workbench. These windows act as bridges between the two workbenches. For example, from the Payments Overview, you can click Invoices to navigate to the Invoices window.

Payment Methods

Payment Method	Definition
Check	A paper check to print and send to a supplier
Clearing	A payment for invoices transferred from another entity within the company without creating a payment document
Electronic	An EFT, EDI, or XML payment to the bank of a supplier
Wire	A funds transfer initiated by contacting the bank and requesting wire payment to the bank of a supplier

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Payment Methods

Check

A payment in a payment batch, a Quick Payment, or manual payment.

Clearing

Payment method you use to account for intercompany expenses when you do not actually disburse funds through banks. You do not generate a payment document with the Clearing payment method. When you enter the invoice, you enter Clearing for the payment method. You can record a Clearing payment using a Manual type payment only.

Electronic and Wire Methods

The Electronic method enforces the existence of a supplier bank account and the Wire method does not. Therefore, you use the Electronic payment method to generate instructions to your bank to make payment to a supplier bank account. You use the Wire payment method to record payment when you have used a process outside of your Oracle Payables system to instruct your bank to pay a supplier.

Electronic

You use the Electronic payment method when Payables will create instructions for your bank to make payment to a supplier bank account.

Typically, this communication is an electronic file that instructs your disbursement bank to pay your suppliers, and is in the specific format that your bank requires. However, you should use the Electronic payment method whenever you need to generate a document that requires a supplier bank account. For example, use it if your Payables system is set up to print letters that you send to your bank to request that the bank make an electronic funds transfer directly into the supplier's bank account.

Payables ensures that you have recorded supplier bank account information when you use the Electronic payment method.

Typically, to pay invoices with the Electronic payment method, users use a payment document with a Computer Generated disbursement type and use a payment batch or Quick payment to create a payment instruction file. The payment instruction file is saved in the ap.out directory for delivery to the bank, unless one of the following features is used to automatically transmit the instruction file to the bank: e-Commerce Gateway (for EDI payments), Automatic Bank Transmission, XML Payment Processing.

However, you can use localizations, or custom payment methods and payment formats to create any type of communication with your bank when you use the Electronic payment method.

Wire

You use the Wire payment method to manually record payment when you have used a process outside of your Oracle Payables system to instruct your disbursement bank to pay a supplier.

Oracle Payables does not require supplier bank account information when you use the Wire payment method. When you define payment documents for these payments, we recommend you use the Recorded disbursement type because you are simply recording a payment made outside of the system. It is recommended that you record the transaction with a manual payment.

However, the system will allow you to use any disbursement type. For example, some users who regularly record Wire payments for multiple suppliers use payment documents with the Computer Generated disbursement type, create an electronic payment batch, and then delete the resulting electronic file.

Disbursement Types

Disbursement Type	Description
Recorded	Used for payments generated outside Payables that need to be recorded in Payables. Typically these payments are either handwritten checks or wire transfers.
Computer-Generated	Used for payments generated by Payables through either Quick payments or payment batches.
Combined	Used for payments created manually (recorded disbursement type) or computer-generated.

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Disbursement Types

Disbursement types indicate whether the payment document was initially created within Payables or outside of Payables. When you define a payment document, in the Document Information region of the Payment Document window, that you select the disbursement type. You can define additional disbursement types in the Payables Lookups window. They will then appear in this field's list of values.

Agenda

- Overview of payment processing
- Set up bank accounts
- Enter manual payments
- Enter quick payments



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Creating Manual Payments

Payments					
Type	Bank Acct	Document	Num	Amount	Supplier/Site
Manual	1 st National	Preprinted Checks	2107	200.10	ABC Co/Boston

Enter/Adjust Invoices

Select Invoices				
Inv Num	Payment Amt	Discount Amt	Unpaid Amt	Disc Available
29097	88.10	0.00	88.10	0.00
31077	112.00	0.00	112.00	0.00

Invoice Overview

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Creating Manual Payments

Payables Responsibility

(N) Payments > Entry > Payments

Payments Window

Type

Select Manual.

Bank Account

Enter the Bank Account you used for the payment.

Document Name

Enter a payment Document Name that uses either a Recorded or Combined disbursement type.

Document Number

Enter the payment Document Number you used for the payment.

Supplier/Site Name

Enter either the Supplier Name or Number, and enter the Supplier Site.

If necessary, enter or adjust other information:

- If you created the payment for an address different from the supplier site and your Allow Payment Address Change Payables option is enabled, adjust the address. For example, you may need to send an expense check to a consultant working at a site away from home.
- If you record voucher numbers either manually or by using Sequential Numbering, enter or review voucher information.
- If the payment currency is different from your functional currency, enter exchange rate information in the Payment Rate region.

(B) Enter/Adjust Invoices - Click this button to navigate to the Select Invoices window.

Select Invoices Window

Select the invoices you paid. The sum of the invoices must equal the payment Amount you entered. Optionally choose Invoice Overview to see detailed information about an invoice. If you have selected the wrong invoice, you can select the invoice, and then choose the Reverse Payment button. This automatically creates a reversal, which disassociates the invoice from the manual payment. You can now select the correct invoice.

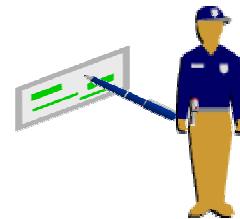
Initiating Manual Payments from the Invoice Workbench

In the Invoice Workbench, you can initiate manual payment of one or more invoices or one or more scheduled payments. You do this by selecting the invoices you want to pay manually, clicking the Actions button and selecting the Pay in Full option to navigate to the Payments window. You then select Manual as the Payment Type. Payables automatically enters most of the payment information for you (such as payment amount and supplier/site name), and you skip the invoice selection step you would perform if you were to initiate the manual payment from the Payment Workbench.

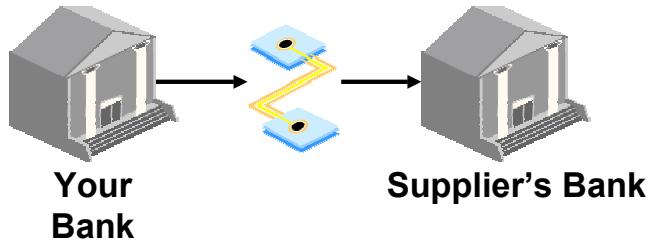
Manual Payment Overview

Payments made outside of Payables

Handwritten/Typed Checks



Wire Transfers



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Manual Payment Overview

When you create a payment outside of Payables, for example, typed check or wire transfer, you can record the payment within Payables and update the invoice or invoices that you paid.

With a manual payment, you can override some payment controls of Payables. You can record a single manual payment for multiple Pay Alone invoices. You can record payment for invoices that are associated with any payment method except Electronic. You can also pay an invoice for a supplier that has the Hold All Payments option enabled.

Prerequisites for processing manual payments in Payables are:

- Create the payment outside of Payables.
- Each invoice you paid must be validated, uncanceled, without holds and must have the same currency as the payment.
- The bank account must have at least one payment document that uses the recorded or combined disbursement type.

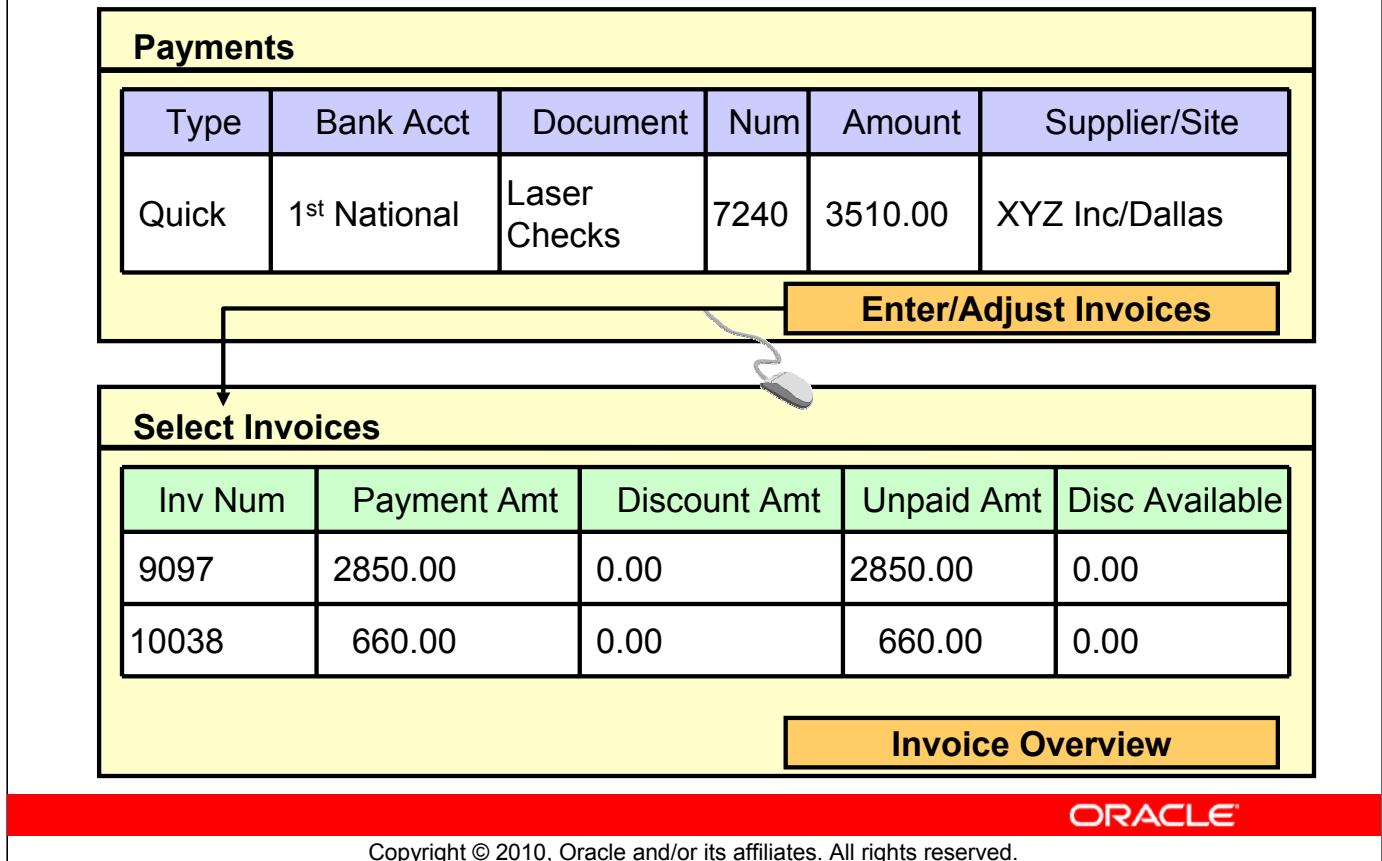
Agenda

- Overview of payment processing
- Set up bank accounts
- Enter manual payments
- Enter quick payments



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Creating Quick Payments



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Creating Quick Payments

You can create and print a computer generated payment to pay a supplier for one or more invoices. You can also create a check, save it, then print it later. If you use the EDI Outbound payment format and you use e-Commerce Gateway, then you can create electronic Quick payments. When you create a quick payment you can select an invoice regardless of the payments terms and due date. For example, you can create a Quick payment for an invoice that is not yet due.

Prerequisites:

- Enable the Allow Print Payables option.
- The invoice(s) must be validated, uncanceled, and without holds.
- If you are creating an electronic payment, you must assign supplier banks to your supplier.
- The bank account must have at least one payment document that uses the Computer Generated or Combined disbursement type.

Payments Window

Type

Select Quick.

Bank Account

Enter the Bank Account you want to make the payment from.

Document Name

Enter a payment Document Name that uses either a Computer-Generated or Combined disbursement type.

Document Number

Optionally change the payment Document Number, which defaults to the next available number for the Document Name specified.

Supplier/Site Name

Enter either the Supplier Name or Number, and enter the Supplier Site.

If necessary, enter or adjust other information:

- If you want to create the payment for an address different from the supplier site and your Allow Payment Address Change Payables option is enabled, adjust the address. For example, you may need to send an expense check to a consultant working at a site away from home.
- If you record voucher numbers either manually or by using Sequential Numbering, enter or review voucher information.
- If the payment currency is different from your functional currency, enter exchange rate information in the Payment Rate region.
- If you are making an electronic payment and you have enabled the Allow Remit-to Account Override Payables option, then you can select a different Remit-to account from the list of values. The list of values includes bank accounts assigned to the supplier that have the same payment currency.

(B) Enter/Adjust Invoices - Click this button to navigate to the Select Invoices window.

Select Invoices Window

Select the invoices you want to pay. Optionally choose Invoice Overview to see detailed information about an invoice.

Return to the Payments Window

Payables automatically enters the Payment Amount for you. Choose Actions to navigate to the Payment Actions window.

Format and optionally print the check:

- To format and print, first verify the payment document is in your printer, then select Print Now, optionally change the printer name, and choose OK.
- To format only and print the check later, select Format and choose OK. When you are ready to print, print from the Submit Requests window. You can use the Print Now option in the Actions window to print only if you print immediately after formatting.

Quick Payment Restrictions:

- **NUMBER OF INVOICES:** You can only pay as many invoices as you defined for the remittance advice of the payment document.
- **SAME SUPPLIER SITE:** You can only select invoices that have the same supplier site as the payment supplier site you enter. You can, however, change the payment mailing address if the Allow Payment Address Change Payables option is enabled.
- **PAY ALONE INVOICES:** If you want to pay multiple invoices, none can be a "Pay Alone" invoice.
- **PAYING IN A FOREIGN CURRENCY:** You must pay in the same currency as the invoice. You can enter and pay a foreign currency invoice only if your Allow Multiple Currencies Payables option is enabled, and you have defined a multi-currency or foreign currency denominated bank account.
- **CANNOT STOP FORMATTED QUICK PAYMENTS.** You cannot stop a Quick Payment after it has been formatted.

Initiating Quick Payments from the Invoice Workbench

In the Invoice Workbench, you can initiate quick payment of one or more invoices or one or more scheduled payments. You do this by selecting the invoices you want to pay, clicking the actions button and selecting the Pay in Full option to navigate to the Payments window. The Payment Type should default as Quick. Payables automatically enters most of the payment information for you (such as payment amount and supplier/site name), and you skip the invoice selection step you would perform if you were to initiate the payment from the Payment Workbench.

Summary

In this lesson you should have learned how to:

- Describe the process of issuing payments
- Process single payments



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Procure to Pay Cycle

**Create Accounting and Transfer Entries to
General Ledger.**



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Objectives

After completing this module you should be able to do the following:

- Use the Create Accounting program to create and transfer journal entries.
- Use the Transfer Journal Entries to General Ledger program to transfer any eligible journal entries to General Ledger.



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Create Accounting Program Overview

The Create Accounting program processes eligible accounting events to create subledger journal entries. To create the subledger journal entries, the Create Accounting program applies application accounting definitions that are created in the Accounting Methods Builder (AMB).

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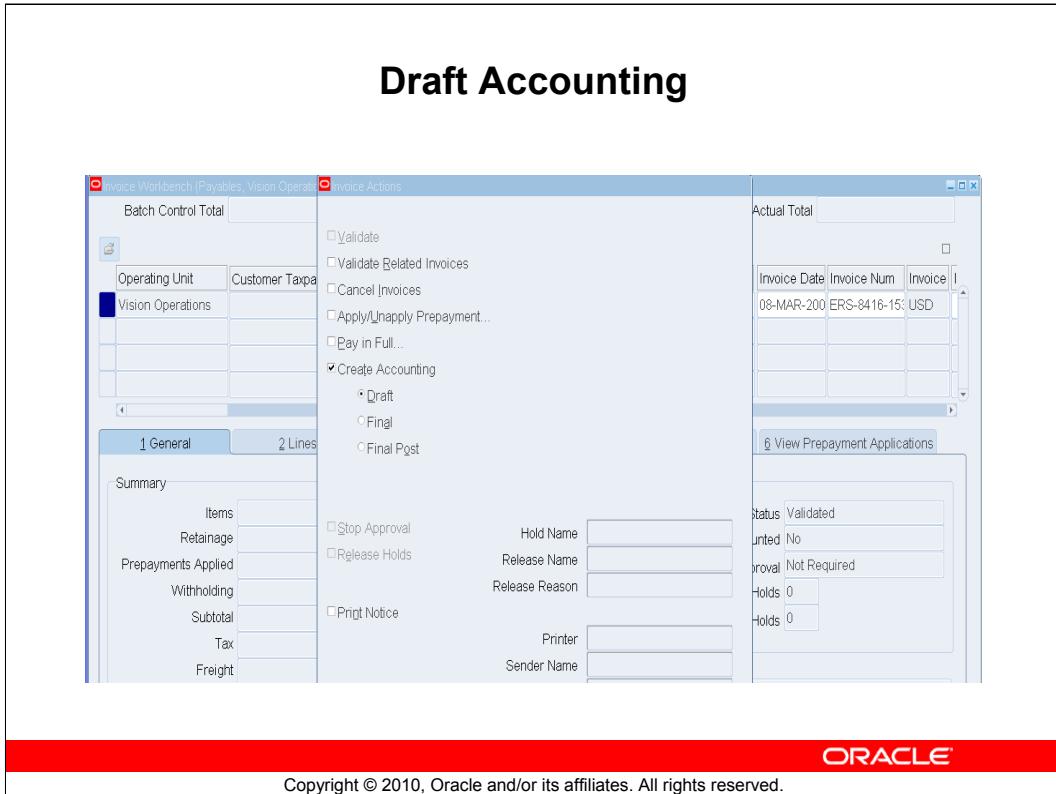
Create Accounting Program Overview

The Create Accounting Program:

- Validates and creates subledger journal entries.
- Optionally transfers the journal entries to GL.
- Generates the Subledger Accounting Program Report, which documents the results of the Create Accounting program

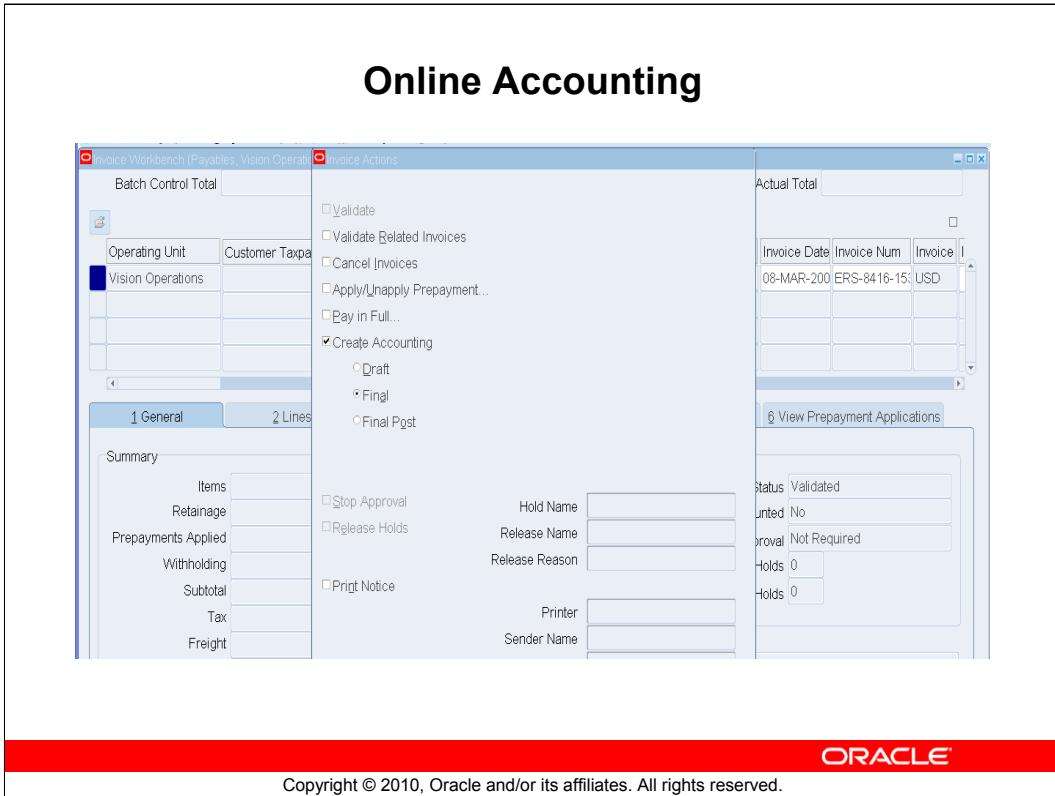
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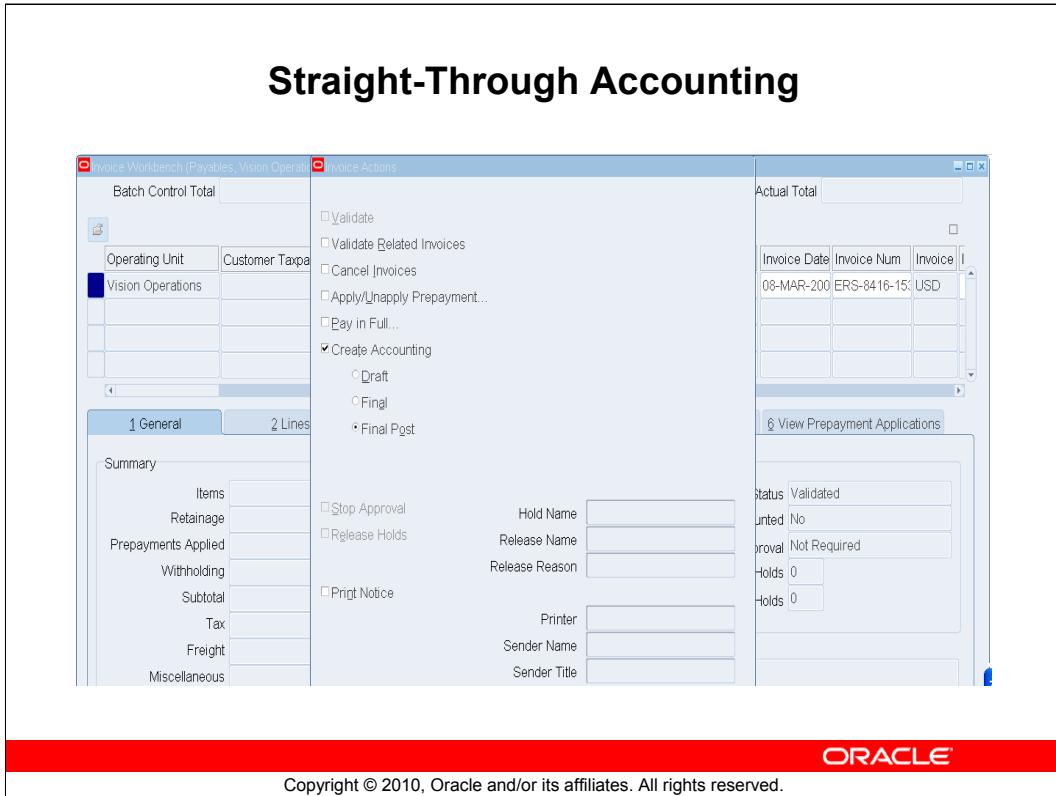
Draft Accounting

When you select draft accounting, Subledger Accounting creates the relevant journal entries in draft mode. Draft entries are not posted to General Ledger. You can review the resulting entries, update the transactions, or update the accounting rules. Any changes will be reflected when the transaction is processed again for accounting.



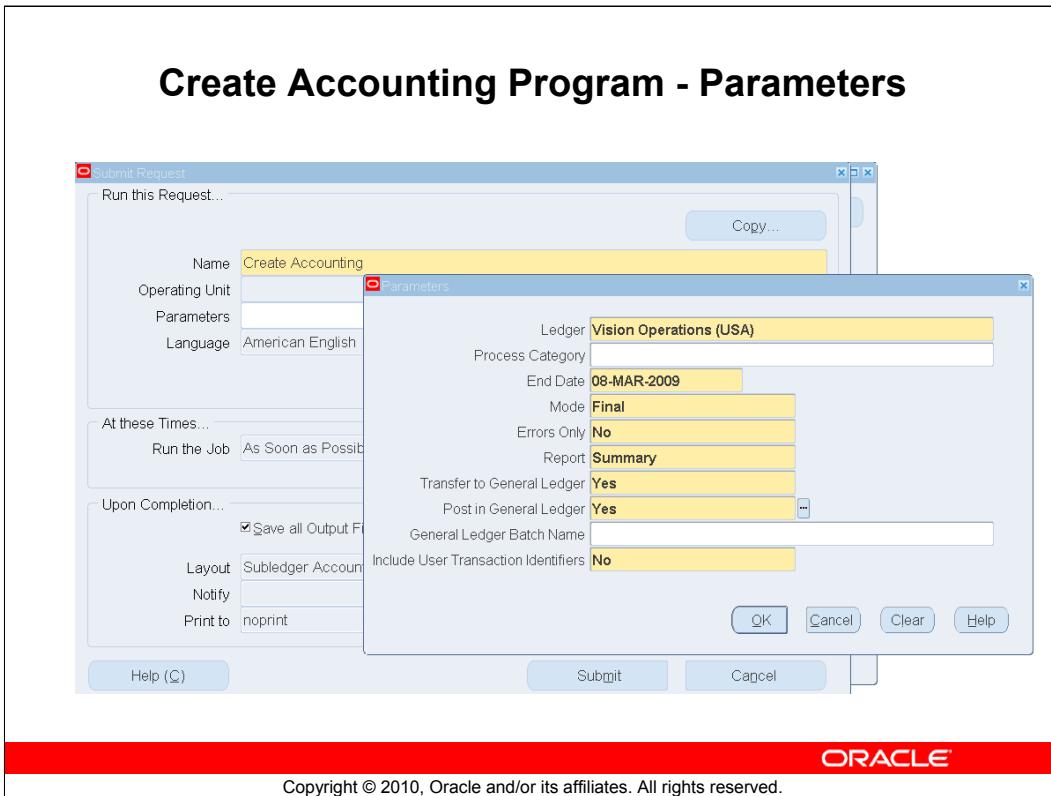
Online Accounting:

Final entries are ready to be transferred to General Ledger and cannot be modified. The transactions are considered as processed for accounting. Any changes to the rules will not impact final entries



Straight-Through Accounting

If you select Final Post, Subledger Accounting posts the journal entries all the way through to General Ledger. This means that you can update GL balances straight from the invoice entry (or any other transaction entry) window.



Parameters:

1. **Ledger** - Required; limits accounting events selected for processing to those of a particular ledger. This program is run for primary ledgers or valuation method enabled secondary ledgers. Any reporting currency or secondary ledger associated with the selected primary ledger is also processed; i.e. entries are generated for the selected primary as well as reporting currencies and non-valuation method secondary.
2. **Process Category** - Optional; restricts the events selected for accounting to a particular process category. For example, Invoices.
3. **End Date** - Required; end date for the Create Accounting program; processes only those events with event dates on or before the end date
4. **Mode (Draft/Final)** - Required; determines whether the subledger journal entries are created in Draft or Final mode
5. **Errors Only (Yes/No)** - Required; limits the creation of accounting to those events for which accounting has previously failed

6. Report (Summary/Detail/No Report) - Required; determines whether to generate a report showing the results of the Subledger Accounting program in summary or detail format
7. Transfer to General Ledger (Yes/No) - Required if Mode is set to Final; determines whether to transfer the subledger journal entries to General Ledger
8. Post in General Ledger (Yes/No) - Required if Mode is set to Final; determines whether to post subledger journal entries in General Ledger
9. General Ledger Batch Name - Optional; user-entered batch name that appears on the transferred General Ledger subledger journal entries. transfer to GL option must be set to Yes.
10. Include User Transaction Identifiers (Yes/No) - Required; controls whether the report displays user identifiers' names and values.

Transfer journal Entries to GL Program Overview

The Transfer Journal Entries to GL program enables you to transfer any eligible journal entries to General Ledger, including those from previous runs that have not yet been transferred to General Ledger.



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Transfer journal Entries to GL Program

The Transfer Journal Entries to GL program consists of a subset of parameters used in the Create Accounting program as listed below:

- Ledger
- Process Category
- End Date
- Post in General Ledger
- General Ledger Batch Name

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Note:

This program is used if you run accounting online in Final mode (not Final Post) or if you run the Create Accounting program and set the: Transfer to GL parameter to No.

The only reason you would want to run the Create Accounting program and set the Transfer to GL parameter to No is if you want to run accounting at different intervals than the GL transfer, for example, you may run accounting every hour but only transfer to GL nightly.

Oracle Subledger Accounting Program Report

The Subledger Accounting Program Report is generated by the Create Accounting program and lists the following:

- Successful events and the subledger journal entries created for those events
- Errors for failed events



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Transfer Journal Entries to GL Report:

The Transfer Journal Entries to GL report is generated by the Transfer Journal Entries to GL program and lists the following:

- Transfer to GL Summary.
- Errors



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Summary

In this lesson you should have learned how to:

- Use the Create Accounting program to create and transfer journal entries.
- Use the Transfer Journal Entries to General Ledger program to transfer any eligible journal entries to General Ledger.



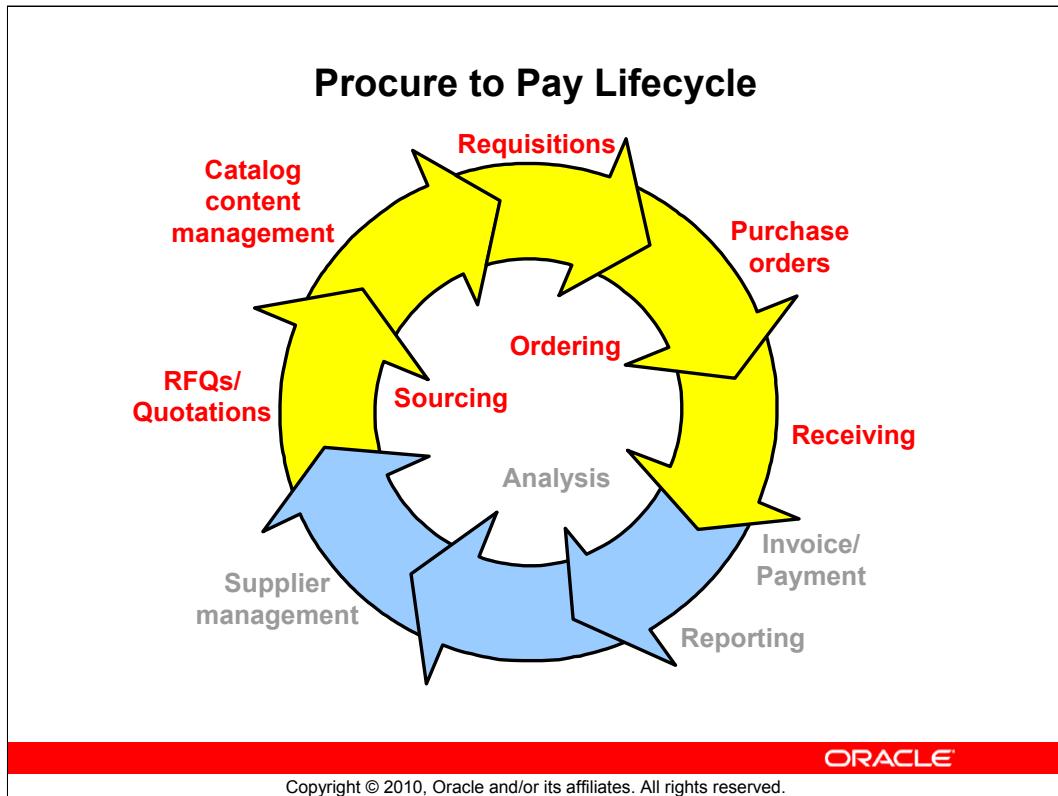
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9

Data model for Procure to Pay

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Objectives

After completing this module you should be able to do the following:

- Learn to create Requisitions , Request For Quotations , Quotations , Purchase Order ,Create Receipts ,Invoice , Payment and Transfer to GL and GL Posting.
- Identify major tables and the important columns that are affected.



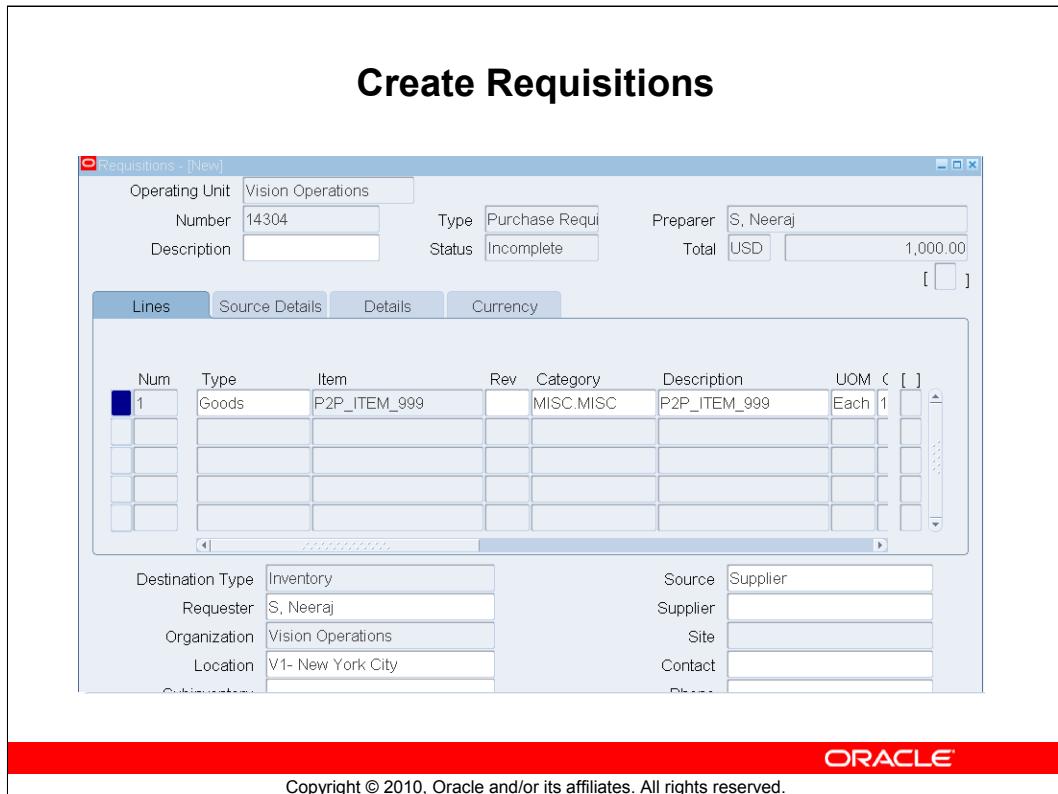
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Agenda

- Create Requisitions
- Create Request for Quotations.
- Create Quotations.
- Create Purchase Order.
- Create Receipt.
- Create Invoice.
- Create Payment.
- Transfer to GL and GL Posting.

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Create Requisitions

Navigation :- Purchasing, Vision Operations (USA) → Requisitions → Requisitions

Create a New Item by referring Lesson 11 on Creating a Purchasable Item.

Enter Requisition Header:

In the Requisition Header form, enter the mandatory fields.

Enter Requisition Line:

1. Navigate to the Lines tabbed region in the Requisitions window.
2. Enter a line Type for the requisition line. Line types help you define how you want to categorize your items. The default for this field is the Line Type from the Purchasing Options window.
3. Enter the Item you want to request. Purchasing displays defaults for purchasing category, item description, unit of measure, and unit price for this item.

Create Requisitions (continued)

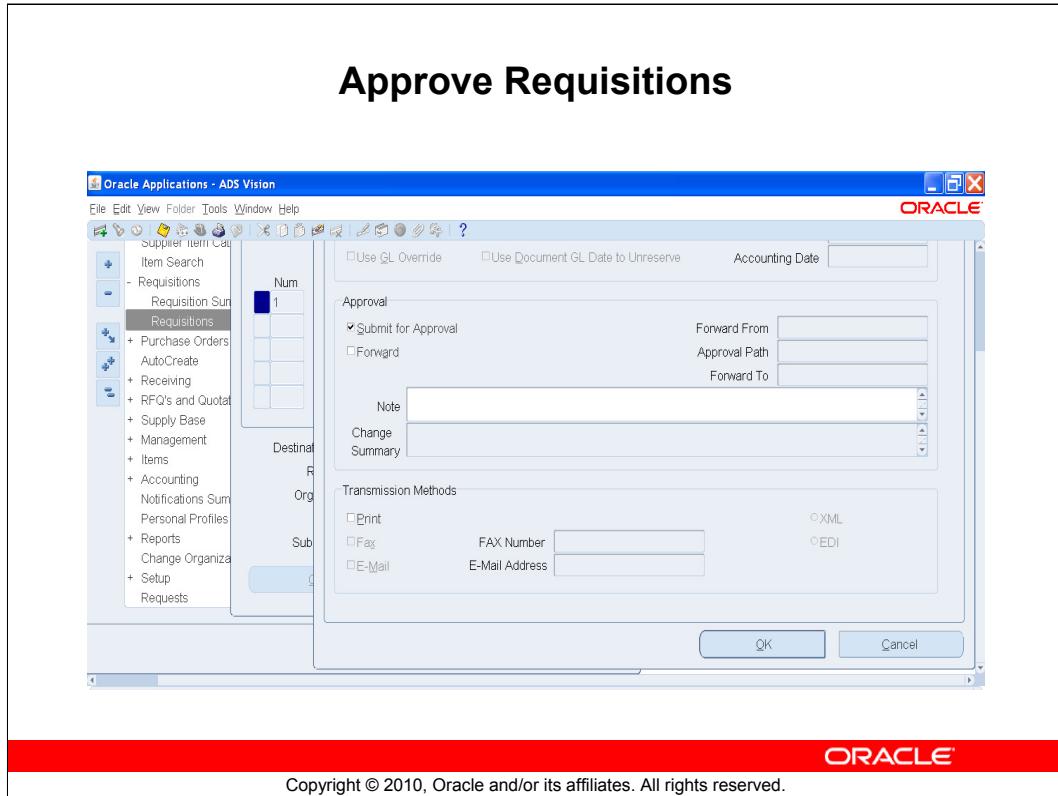
4. Enter the Quantity you want to request for the item. You can enter decimal quantities, but you must enter a value greater than 0.
5. Enter the unit Price for the item. You can enter the price in decimal format. You must enter a value greater than or equal to 0. If you enter an item number, Purchasing defaults a price for this item, but you can change this value. Your price may change if you enter a suggested supplier and a source document later
6. Enter the Need By date and time for the requested items. This is required only for planned items. You must enter a date greater than or equal to the requisition creation date.
7. The Destination Type : Inventory will be defaulted.
8. Enter the name of the employee who is requesting the item. You must provide a Requestor before you can approve the requisition. The default is the requisition preparer.
9. Other mandatory information like Organization, Location and Source are also defaulted.
10. Save your work.

In order to know which database object is affected , or the table\view from which the Requisition form is deriving data.

Click on Help → Record History.

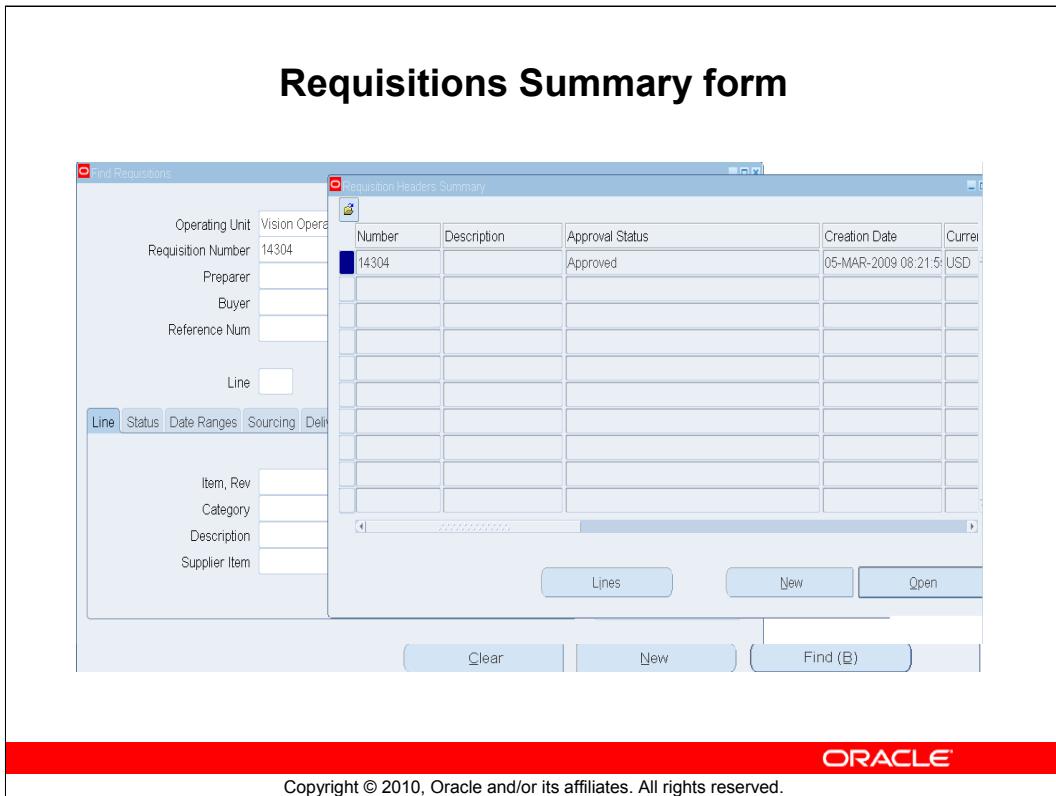
Enter Requisition Distribution:

1. Navigate to the Distributions window by selecting the Distributions button in the requisitions window. You begin in the Accounts tabbed region.
2. Quantity column is defaulted with the Requisition Line Quantity.
3. Enter the Charge Account. Purchasing uses Account Generator to default the account.
4. Save your work.



Approve the Requisition

1. Select the Approval button to open the Approve Documents window.
2. Select Submit for Approval.
3. Choose OK. This will approve the Requisition.



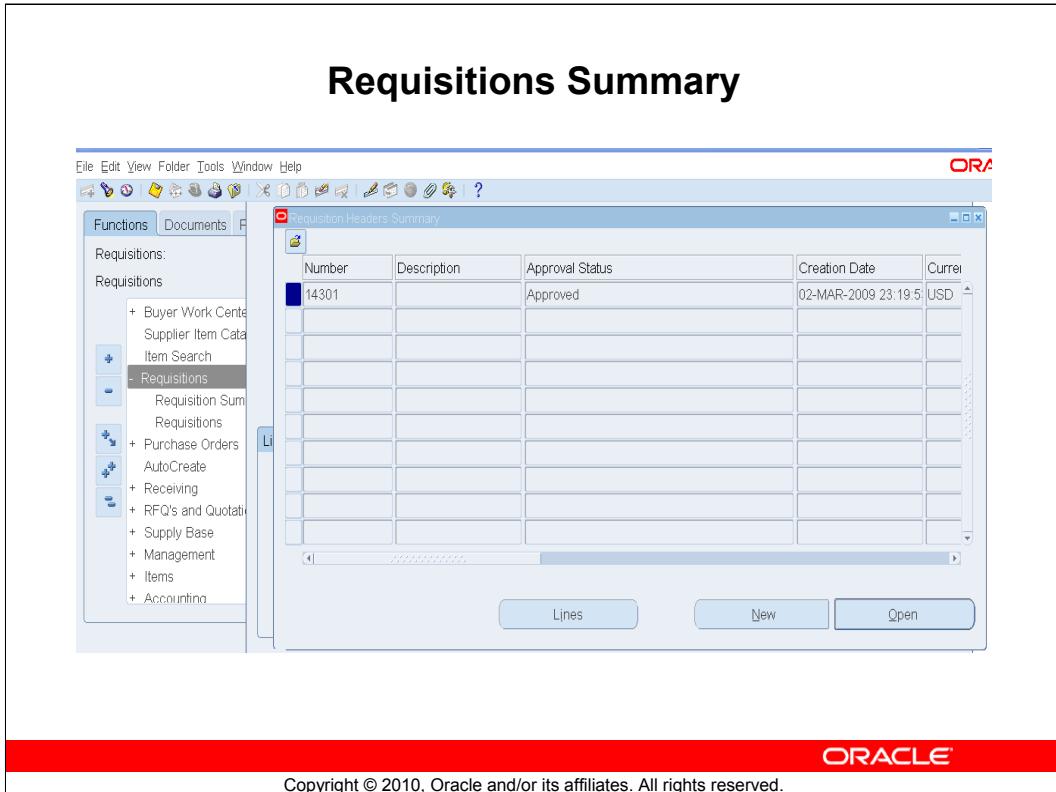
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Requisition Summary

Navigate to Requisitions Summary forms

Requisitions → Requisitions Summary.

1. Enter the Requisitions.
 2. Choose Find Button.



Requisition Summary (continued)

The Approval Status can be seen as APPROVED in the Purchase Requisitions Summary form.

Click on the Lines Button to view Line Details.

Important Table and Columns

Tables: PO_REQUISITION_HEADERS_ALL

COLUMN NAME	DESCRIPTION
REQUISITION_HEADER_ID	Unique header identifier
SEGMENT1	Requisition Number
PREPARER_ID	Buyer ID
TYPE_LOOKUP_CODE	Requisition Type
APPROVED_DATE	Date when Requisition is submitted for approval
TRANSFERRED_TO_OE_FLAG	Indicates whether an internal requisition has been transferred to Order Management
AUTHORIZATION_STATUS	Requisition Status

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Important Table and Columns

PO_REQUISITION_HEADERS_ALL stores information about requisition headers. You need one row for each requisition header you create.

Each row contains the requisition number, preparer, status, and description.

REQUISITION_HEADER_ID is the unique system-generated requisition number. REQUISITION_HEADER_ID is invisible to the user. SEGMENT1 is the number you use to identify the requisition in forms and reports.

SQL Script

1. Search the Requisition based on the requisition number using the below query :-

```
SELECT *
FROM po_requisition_headers_all
WHERE segment1 = 'PO_NUMBER'
```

Important Table and Columns (continued)

Requisitions when created will remain in INCOMPLETE status and after approving the requisitions the status in this column changes to APPROVED.

The Authorization Status are defined as standard lookups , which can be checked using the following query

```
SELECT LOOKUP_CODE  
      ,MEANING  
  FROM  FND_LOOKUP_VALUES  
 WHERE LOOKUP_TYPE = 'AUTHORIZATION STATUS'
```

Data Model

Table: PO_REQUSITION_LINES_ALL

COLUMN NAME	DESCRIPTION
REQUISITION_LINE_ID	Unique line identifier
ITEM_ID	Item unique identifier
ITEM_DESCRIPTION	Item Description
LINE_TYPE_ID	Line type
UNIT_PRICE	Unit price in functional currency
QUANTITY	Quantity ordered
DELIVER_TO_LOCATION_ID	Deliver-to location unique identifier
NEED_BY_DATE	Date the requisition is needed internally
CATEGORY_ID	Item category unique identifier
ORG_ID	Operating Unit ID

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Data Model

Table Description :

PO_REQUSITION_LINES stores information about requisition lines. You need one row for each requisition line you create. Each row contains the line number, item number, item category, item description, need-by date, deliver-to location, item quantities, units, prices, requestor, notes, and suggested supplier information for the requisition line.

LINE_LOCATION_ID identifies the purchase order shipment line on which you placed the requisition. LINE_LOCATION_ID is null if you have not placed the requisition line on a purchase order.

BLANKET_PO_HEADER_ID and BLANKET_PO_LINE_NUM store the suggested blanket purchase agreement or catalog quotation line information for the requisition line. PARENT_REQ_LINE_ID contains the REQUISITION_LINE_ID from the original requisition line if you exploded or multisourced this requisition line.

Data Model (continued)**SQL Script :**

```
1. SELECT *
   FROM po_requisition_lines_all
 WHERE requisition_header_id = <XXXXXX>

2. SELECT PRH.*
      ,PRL.*
   FROM po_requisition_headers_all PRH
      ,po_requisition_lines_all PRL
 WHERE PRH.requisition_header_id = PRL.requisition_header_id
   AND PRH.requisition_header_id = <XXXXXX>
```

Data Model

Table: PO_REQ_DISTRIBUTIONS_ALL

COLUMN NAME	DESCRIPTION
DISTRIBUTION_ID	Unique line identifier
REQUISITION_LINE_ID	Unique line identifier
SET_OF_BOOKS_ID	Set of books ID - Ledger ID in Release 12
CODE_COMBINAMTION_ID	Unique identifier for the General Ledger charge account
REQ_LINE_QUANTITY	Quantity for the distribution
GL_CLOSED_DATE	Date the distribution was final-closed
ACCRUAL_ACCOUNT_ID	Unique identifier for accrual account
VARIANCE_ACCOUNT_ID	Unique identifier for accrual account
BUDGET_ACCOUNT_ID	Unique identifier for budget account

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Data Model (continued)

Description:

PO_REQ_DISTRIBUTIONS_ALL stores information about the accounting distributions associated with each requisition line.

Each requisition line must have at least one accounting distribution. You need one row for each requisition distribution you create.

Each row includes the Accounting Flexfield ID and requisition line quantity.

PO_REQ_DISTRIBUTIONS_ALL is one of three tables storing your requisition information. This table corresponds to the requisition

Distributions window, accessible through the Requisitions window

Example Query :

1. Fetch the Line_id using the requisition_header_id = <XXXXX>

```
SELECT PRL.line_id
FROM po_requisition_headers_all PRH
    ,po_requisition_lines_all     PRL
WHERE PRH.requisition_header_id = PRL.requisition_header_id
AND    PRH.requisition_header_id = <XXXXX>
```

Data Model (continued)

2. Fetch the Requisition distributions information

```
SELECT *
FROM po_req_distributions_all
WHERE requisition_line_id = XXXXX
```

3. Joining the Requisition header , line and distributions table :-

```
SELECT PRH.*
      ,PRL.*
      ,PRQ.*
FROM   po_requisition_headers_all PRH
       ,po_requisition_lines_all PRL
       ,po_req_distributions_all PRQ
WHERE PRH.requisition_header_id = PRL.requisition_header_id
AND   PRL.requisition_line_id    = PRQ.requisition_line_id
AND   PRH.requisition_header_id = <XXXXXX>
```

4. Check the set of books name (Ledger Name in Release 12) associated with the set_of_books_id

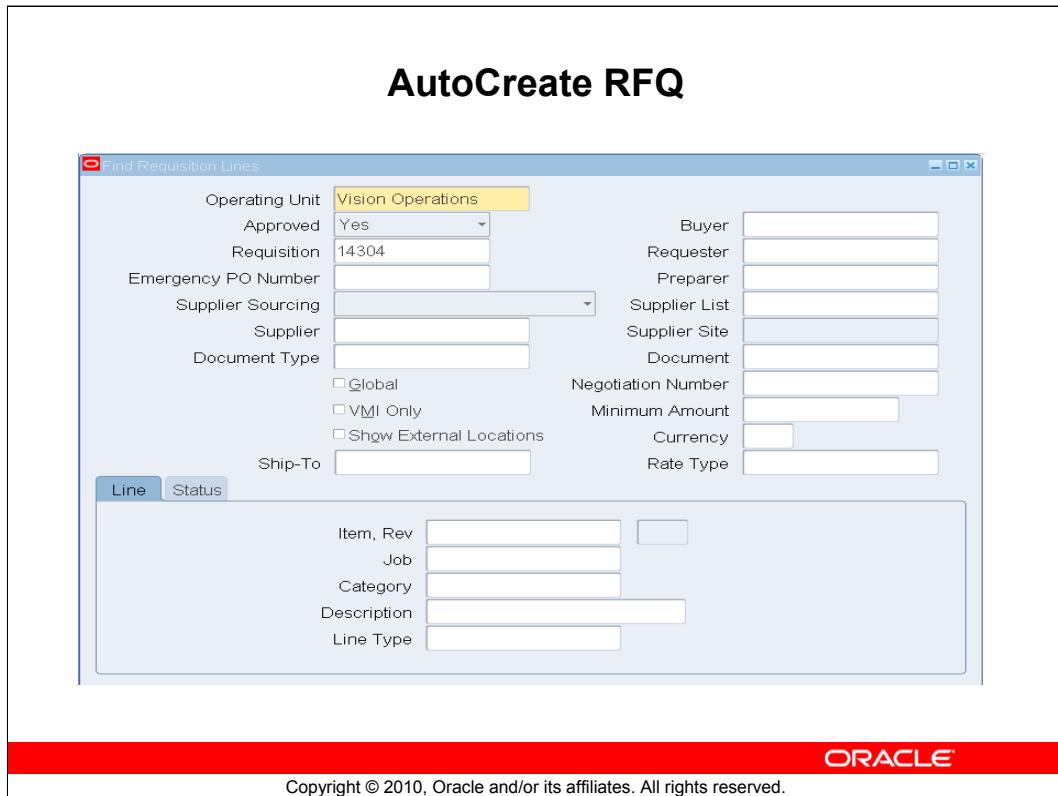
```
SELECT *
FROM GL_LEDGERS
WHERE LEDGER_ID = XXXX
```

Data Model for Procure to Pay

- Create Requisitions
- Create Request for Quotations.
- Create Quotations.
- Create Purchase Order.
- Create Receipt.
- Create Invoice.
- Create Payment.
- Transfer to GL and GL Posting.

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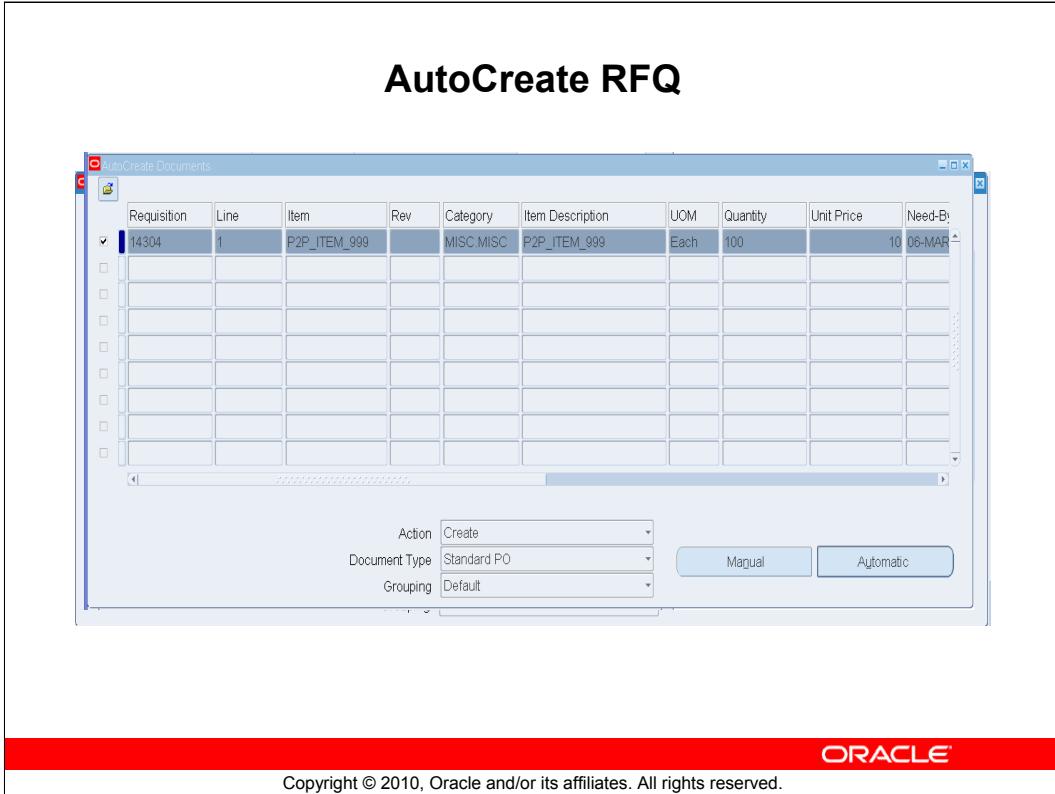
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AutoCreate RFQ

Navigation : Purchasing → AutoCreate.

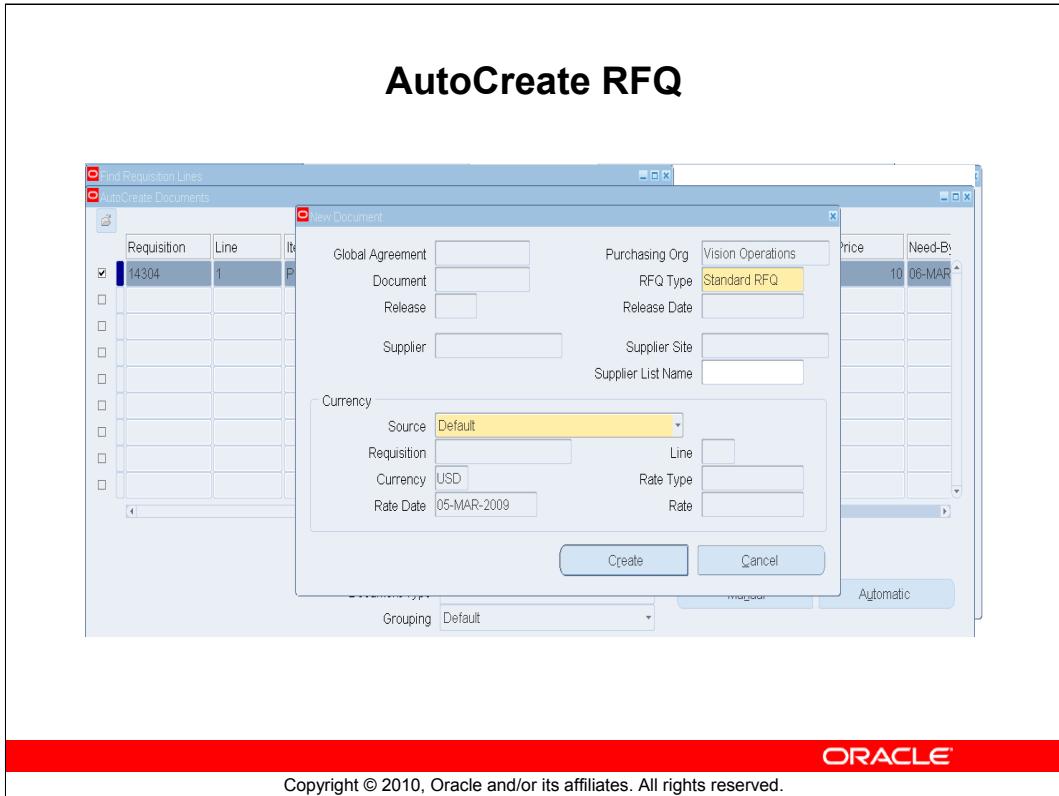
1. Enter the Requisition Number = XXXX
2. Clear the Buyer Name.
3. Click on Find.



AutoCreate RFQ (continued)

Steps to AutoCreate a RFQ:

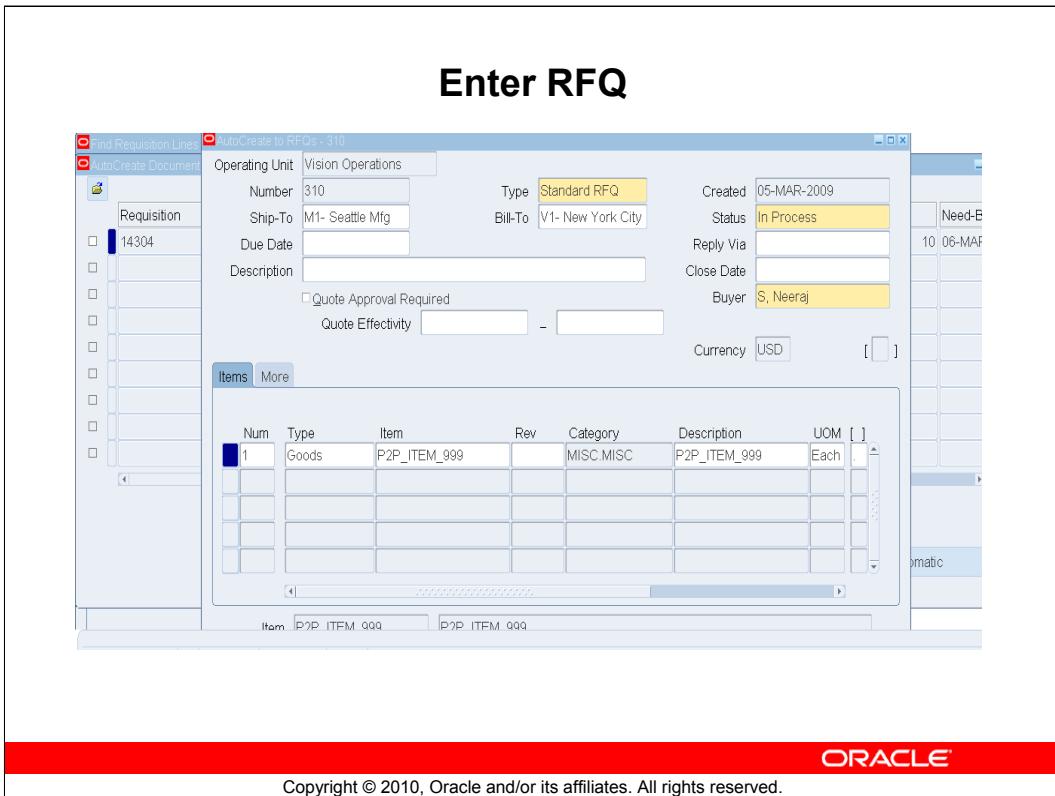
1. The Requisition detail will appear in one row , Click on the check box.
2. Select the document Type RFQ.
3. Click on Automatic , this will create a RFQ automatically.



AutoCreate RFQ (continued)

All the information like Purchasing Org , RFQ Type , Source are defaulted.

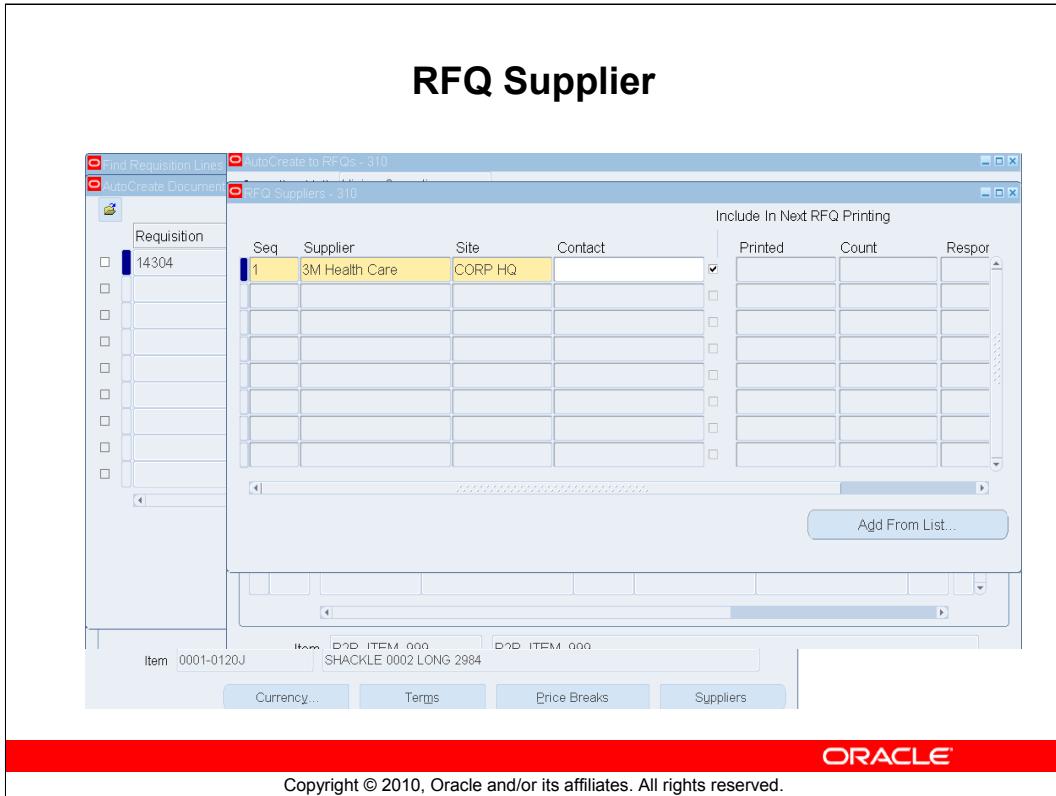
Click on Create Button.



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Enter RFQ

1. RFQ Number = 310 is automatically created with the same line details as the Requisition Number = 14304.



RFQ Supplier

Entering RFQ Supplier Information

Use the RFQ Suppliers window to:

- Enter the suppliers to which this RFQ will be sent. You can also delete suppliers from the RFQ until you have printed the RFQ for them.
- Review the supplier activity.

To enter RFQ supplier information:

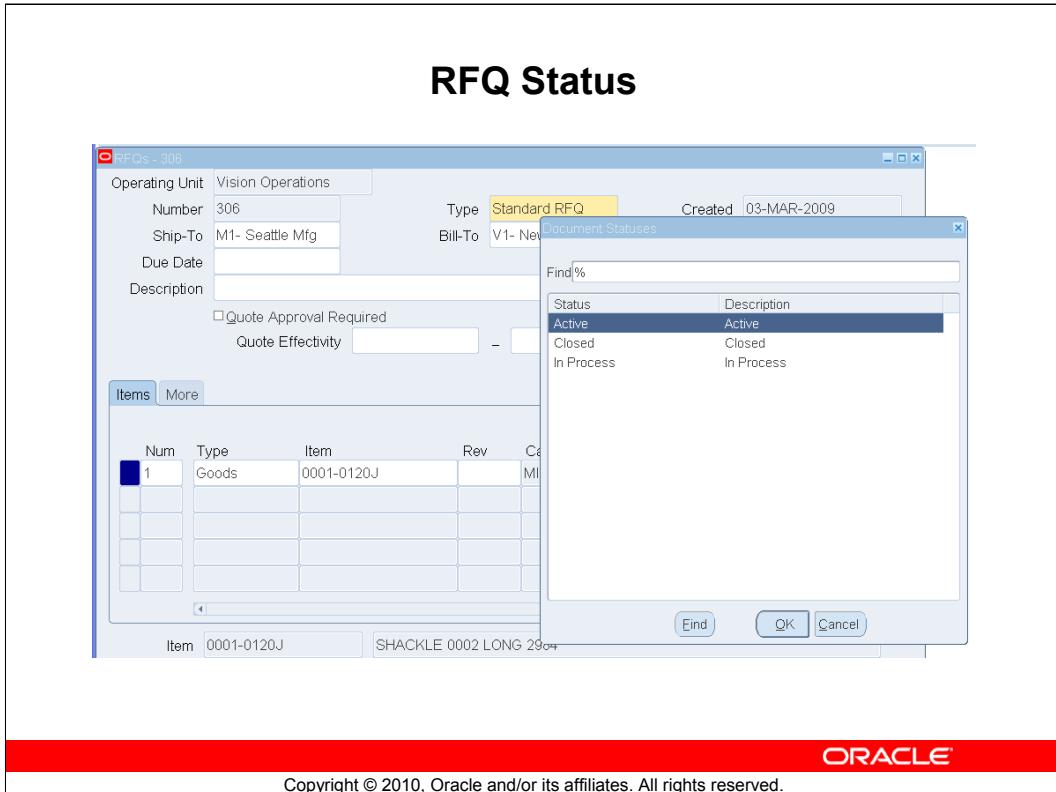
1. Navigate to the RFQ Suppliers window by selecting the Suppliers button in the RFQs window. For each supplier that you enter, Purchasing displays the Printed and Responded dates as well as the Count of the number of times the RFQ has been printed. The Responded date is the receipt date recorded for the quotation from the supplier.
2. The Include In Next RFQ Printing check box is checked when you add a supplier. You can postpone printing the RFQ for a supplier by deselecting the check box. After you print the RFQ for a supplier, Purchasing deselects this field. If you want to reprint the RFQ for a supplier, you must use this window to select the field again.
3. Enter a unique sequence number for the supplier on the RFQ Suppliers list. Purchasing uses this sequence number to print your RFQs for these suppliers.
4. Enter the name of the active Supplier you want to place on the RFQ Supplier list. The list of values displays the supplier name, number, Tax ID number, and VAT number.

RFQ Supplier (continued)

1. Enter the Supplier Site you want to place on the RFQ Supplier list for this supplier. You can choose only sites that you defined as RFQ Only suppliers. You cannot enter the same supplier site twice.
2. Enter the name of the Contact for this site
3. If you want to postpone printing the RFQ for a supplier, you can deselect Select for Printing.

To add suppliers from supplier lists:

1. Select the Add From List button in the RFQ Suppliers window to open the Supplier Lists window. This window is a display-only version of the Supplier Lists window, but includes only the Supplier List name, Description, and a Count of the number of suppliers on the list. See: Defining Supplier Lists.
2. Select any supplier list for which you want to copy all suppliers to the RFQ. Suppliers already on the RFQ are omitted.
3. Select the Apply button to close the window and add these suppliers to the RFQ. Otherwise, you can select the Cancel button to return to the RFQ Suppliers window without adding suppliers from a list.



1. Click on the LOV status and select the status as Active to complete the RFQ.
2. Save the RFQ form.

RFQ Status

- *In Process* - The initial status when you create the RFQ.
- *Active* - Choose this status when the RFQ is complete and you are ready to send it to your suppliers. Only Active RFQs are printed.
- *Printed* - The status assigned to the RFQ when you have printed at least one copy of it. You must change the status to Active if you want to reprint the RFQ.
- *Closed* - Choose this status to close the RFQ when all suppliers have responded or when you no longer want responses. When you close an RFQ, Purchasing deletes all follow up notifications associated with it.

Note: For more information on RFQ form , click on Help → Window help.

RFQ Data Model

Table: PO_HEADERS_ALL

COLUMN NAME	DESCRIPTION
PO_HEADER_ID	Document header unique identifier
TYPE_LOOKUP_CODE	Type of the document (In this case RFQ)
SEGMENT1	Document Number (In this case RFQ No.)
STATUS_LOOKUP_CODE	Status of the RFQ or Quotation (References PO_LOOKUP_CODES.lookup_code with LOOKUP_TYPE='RFQ/QUOTE STATUS')
ORG_ID	Unique identifier for budget account

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RFQ Data Model

PO_HEADERS_ALL contains header information for your purchasing documents. You need one row for each document you create. There are six types of documents that use PO_HEADERS_ALL.

RFQs.

2. Quotations.
3. Standard purchase orders.
4. Planned purchase orders.
5. Blanket purchase orders.
6. Contracts

Each row contains buyer information, supplier information, brief notes, foreign currency information, terms and conditions information, and the status of the document.

Oracle Purchasing uses this information to record information that is related to a complete document.

PO_HEADER_ID is the unique system-generated primary key and is invisible to the user. SEGMENT1 is the system-assigned number you use to identify the document in forms and reports. Oracle Purchasing generates SEGMENT1 using the PO_UNIQUE_IDENTIFIER_CONT_ALL table if you choose to let Oracle Purchasing generate document numbers for you.

RFQ Data Model (continued)

SEGMENT1 is not unique for the entire table. Different document types can share the same numbers. You can uniquely identify a row in PO_HEADERS_ALL using ORG_ID, SEGMENT1, and TYPE_LOOKUP_CODE, or using PO_HEADER_ID.

SQL Scripts:

To fetch the header details of the newly created RFQ

```
SELECT *
FROM po_headers_all
WHERE segment1      = '310'
AND   type_lookup_code = 'RFQ'
```

2. Presently the STATUS_LOOKUP_CODE value will be 'A' , Here 'A' stands for Active. To derive the Meaning for the STATUS_LOOKUP_CODE , use the below query

```
SELECT Meaning
FROM FND_LOOKUP_VALUES
WHERE LOOKUP_TYPE = 'RFQ/QUOTE STATUS'
```

RFQ Data Model

Table: PO_LINES_ALL

COLUMN NAME	DESCRIPTION
PO_LINE_ID	Document line unique identifier
PO_HEADER_ID	Document header unique identifier. (References PO_HEADERS_ALL.po_header_id.)
ITEM_ID	Item unique identifier. (References MTL_SYSTEM_ITEMS_B.inventory_item_id.)
ITEM_DESCRIPTION	Item description. (Defaulted from MTL_SYSTEM_ITEMS_TL.description.)
QUANTITY	Quantity ordered on the Line.
UNIT_PRICE	Unit price for the line. (Defaulted from MTL_SYSTEM_ITEMS_B.list_price_per_unit, converted to the document's currency.)

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RFQ Data Model (continued)

PO_LINES_ALL stores current information about each purchase order line. You need one row for each line you attach to a document. There are five document types that use lines:

1. RFQs
2. Quotations
3. Standard purchase orders
4. Blanket purchase orders
5. Planned purchase orders

Each row includes the line number, the item number and category, unit, price, tax information, matching information, and quantity ordered for the line.

Oracle Purchasing uses this information to record and update item and price information for purchase orders, quotations, and RFQs.

PO_LINE_ID is the unique system-generated line number invisible to the user.

LINE_NUM is the number of the line on the purchase order.

Oracle Purchasing uses CONTRACT_ID to reference a contract purchase order from a standard purchase order line.

RFQ Data Model (continued)

Oracle Purchasing uses ALLOW_PRICE_OVERRIDE_FLAG, COMMITTED_AMOUNT, QUANTITY_COMMITTED, MIN_RELEASE_AMOUNT only for blanket and planned purchase order lines.

The QUANTITY field stores the total quantity of all purchase order shipment lines (found in PO_LINE_LOCATIONS_ALL).

SQL Scripts:

1. To fetch the header details of the newly created RFQ

```
SELECT *
FROM po_lines_all
WHERE po_header_id = XXXX
```

(Note : Use the PO_HEADER_ID derived from PO_HEADERS_ALL table).

RFQ Data Model

Table: PO_RFQ_VENDORS

COLUMN NAME	DESCRIPTION
PO_LINE_ID	Document line unique identifier
PO_HEADER_ID	Document header unique identifier. (References PO_HEADERS_ALL.po_header_id.)
ITEM_ID	Item unique identifier.
ITEM_DESCRIPTION	Item description. (Defaulted from MTL_SYSTEM_ITEMS_TL.description.)
VENDOR_ID	Vendor unique Identifier
VENDOR_SITE_ID	Vendor unique site identifier.
UNIT_PRICE	Unit price for the line. (Defaulted from MTL_SYSTEM_ITEMS_B.list_price_per_unit, converted to the document's currency.)

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RFQ Data Model (continued)

PO_RFQ_VENDORS stores the information about the set of suppliers assigned to a request for quotation (RFQ). You need one row for each supplier you want to receive an RFQ. Each row associates an RFQ and the supplier who receives the RFQ. Oracle Purchasing uses this information to track supplier responses to RFQs.

PO_HEADER_ID identifies the RFQ. VENDOR_ID, VENDOR_SITE_ID, and VENDOR_CONTACT_ID specify the supplier information. PRINT_FLAG value of 'Y' indicates whether Oracle Purchasing printed the RFQ for this supplier.

SQL Scripts

1. Fetch the RFQ Vendor details from PO_RFQ_VENDORS table:-

```
SELECT * FROM PO_RFQ_VENDORS where PO_HEADER_ID = XXXXX
( Note:- Refer the PO_HEADER_ID derived from PO_HEADERS_ALL table )
```

RFQ Data Model (continued)

2. In Release 12 the vendor is now part of TCA module (Trading Community Architecture) and the Vendor details are stored in following tables:-

1. AP_SUPPLIERS
2. AP_SUPPLIER_SITES_ALL

To check the Vendor Name and Vendor site details using the VENDOR_ID and VENDOR_SITE_ID , use the following queries

SQL Scripts

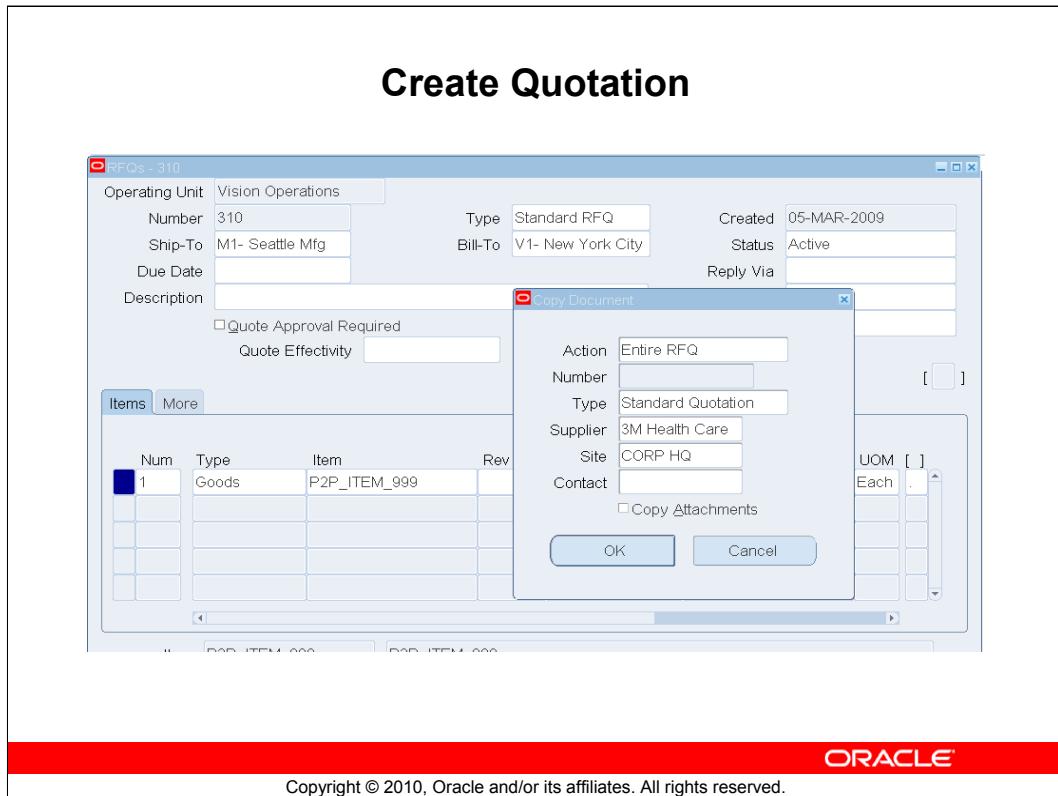
1. SELECT *
FROM AP_SUPPLIERS
WHERE VENDOR_ID = XXXXX
2. SELECT *
FROM AP_SUPPLIER_SITES_ALL
WHERE VENDOR_ID = XXXXX
3. SELECT APS.supplier_name
 ,ASS.supplier_site_code
FROM po_rfq_vendors POH
 ,ap_suppliers APS
 ,ap_supplier_sites_all ASS
WHERE POH.po_header_id = XXXXX
AND POH.vendor_id = APS.vendor_id
AND APS.vendor_id = ASS.vendor_id
AND POH.vendor_site_id = ASS.vendor_site_id

Agenda

- Create Requisitions
- Create Request for Quotations.
- **Create Quotations.**
- Create Purchase Order.
- Create Receipt.
- Create Invoice.
- Create Payment.
- Transfer to GL and GL Posting.

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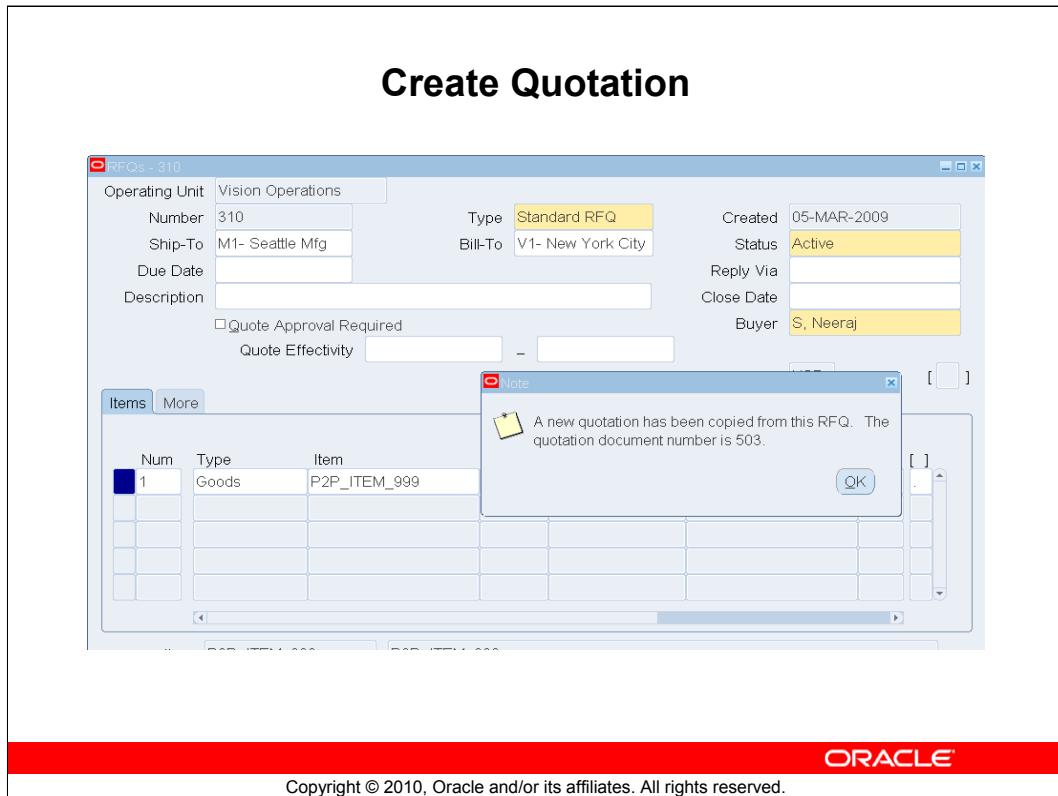
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Create Quotation

Steps to create a Quotation:

1. Select the completed RFQ.
2. Click on Tools → Copy Documents
3. Provide Action = Entire RFQ.
Type = Standard Quotation.
Supplier = 3M Health Care (Or select any other supplier as required.)
Site value is defaulted.
4. Click on OK.



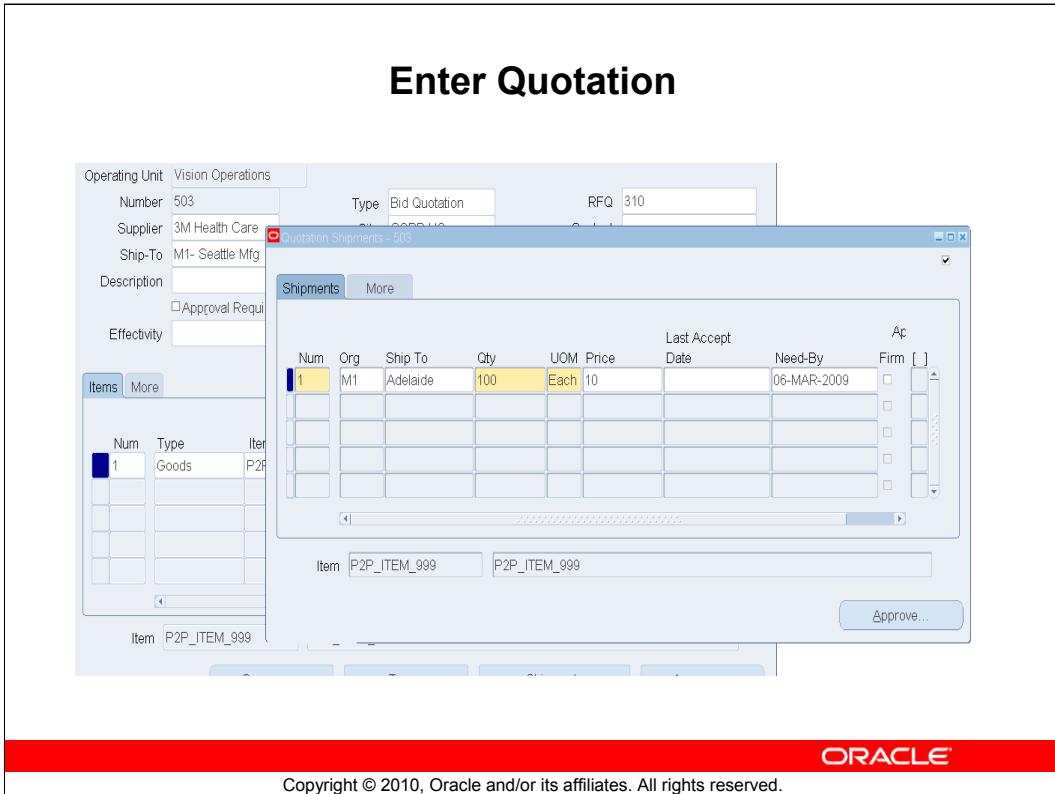
Create Quotation (continued)

A new quotation is created., Quotation Number = 500.

Create and Approve Quotations

Create and Approve Quotations

1. Change the Quotation Status to Active.
 2. By default the Quotation Type will be Standard Quotation , Click on the LOV for Quotation Type and select the Bid Quotation
(Changing the Quotation Type to Bid Quotation is required for creating Standard Purchase Orders.)
 3. Click on Save.
 4. Click on the Approve Button to Approve the Quotation.



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Enter Quotation

Steps to change the Shipment Organization :

1. Click on the Shipment button.
 2. Select the Org M1 and change the Ship to location.

Quotation Data Model

Table: PO_HEADERS_ALL

COLUMN NAME	DESCRIPTION
PO_HEADER_ID	Document header unique identifier
TYPE_LOOKUP_CODE	Type of the document (In this case QUOTATION)
SEGMENT1	Document Number (In this case RFQ No.)
STATUS_LOOKUP_CODE	Status of the RFQ or Quotation (References PO_LOOKUP_CODES.lookup_code with LOOKUP_TYPE='RFQ/QUOTE STATUS')
VENDOR_ID	Supplier unique identifier
VENDOR_SITE_ID	Supplier site unique identifier.
SHIP_TO_LOCATION_ID	Ship to location unique identifier
BILL_TO_LOCATION_ID	Ship to location unique identifier
ORG_ID	Operating unit Identifier

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SQL Scripts:

1. To fetch the header details of the newly created RFQ

```
SELECT *
FROM po_headers_all
WHERE segment1      = '310'
AND   type_lookup_code = 'RFQ'
```

2. Presently the STATUS_LOOKUP_CODE value will be 'A' , Here 'A' stands for Active. To derive the Meaning for the STATUS_LOOKUP_CODE , use the below query :-

```
SELECT Meaning
FROM FND_LOOKUP_VALUES
WHERE LOOKUP_TYPE = 'RFQ/QUOTE STATUS'
```

Quotation Data Model

TERMS_ID	Payment terms unique identifier (References to AP_TERMS_TL.term_id)
CURRENCY_CODE	Unique identifier for the currency (References FND_CURRENCIES.currency_code)
FROM_HEADER_ID	Unique identifier of the quotation (standard or planned POs only) or global agreement (standard POs only) referenced by this line (References PO_HEADERS_ALL.po_header_id)
FROM_TYPE_LOOKUP_CODE	Status of the RFQ or Quotation (References PO_LOOKUP_CODES.lookup_code with LOOKUP_TYPE='RFQ/QUOTE STATUS')
QUOTE_TYPE_LOOKUP_CODE	RFQ and Quotation only: Type of quotation
QUOTE_WARNING_DELAY	Quotation only: Number of days prior to the expiration of the quotation that you want to be notified

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Quotation Data Model

Table: PO_LINES_ALL

COLUMN NAME	DESCRIPTION
PO_LINE_ID	Document line unique identifier
PO_HEADER_ID	Document header unique identifier. (References PO_HEADERS_ALL.po_header_id.)
ITEM_ID	Item unique identifier. (References MTL_SYSTEM_ITEMS_B.inventory_item_id.)
ITEM_DESCRIPTION	Item description. (Defaulted from MTL_SYSTEM_ITEMS_TL.description.)
LINE_TYPE_ID	Line type unique identifier (References PO_LINE_TYPES_B.line_type_id.)
QUANTITY	Quantity ordered on the Line.
UNIT_PRICE	Unit price for the line. (Defaulted from MTL_SYSTEM_ITEMS_B.list_price_per_unit, converted to the document's currency.)

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SQL Scripts:

1. To fetch the header details of the newly created RFQ

```
SELECT *
FROM po_lines_all
WHERE po_header_id = XXXX
```

(Note : Use the PO_HEADER_ID derived from PO_HEADERS_ALL table).

Data Model for Procure to Pay

- Create Requisitions.
- Create Request for Quotations.
- Create Quotations.
- Create Purchase Order.
- Create Receipt.
- Create Invoice.
- Create Payment.
- Transfer to GL and GL Posting.

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Create Purchase Order

Steps to Create a Purchase Order:

1. Click on Tools → Copy document.
2. In the Copy Document form , click on the Document type Lov and select Standard Purchase Order.
3. Click on OK.



Create Purchase Order (continued)

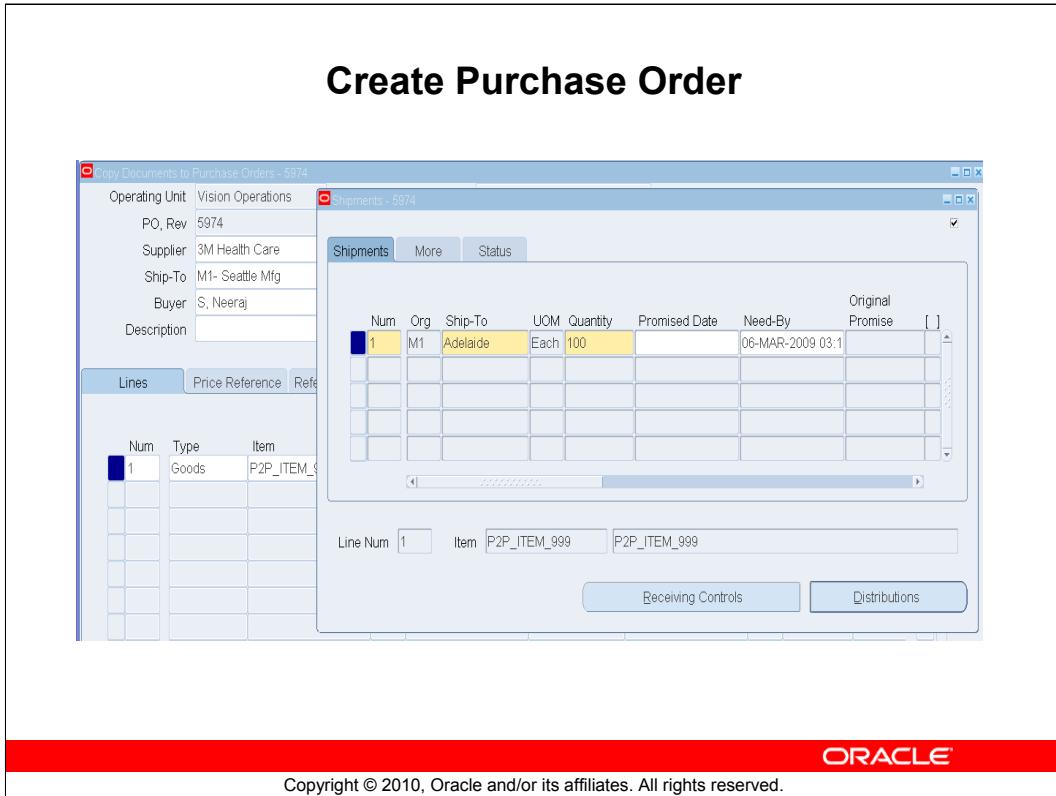
The Standard Purchase Order 5974 is created.



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Enter Purchase Order

The Purchase Order Form will automatically open.



Create Purchase Order

1. Click on the Shipments Button and verify the shipment information.

Create Purchase Order

Copy Documents to Purchase Orders - 5974 Distributions - 6974

Operating Unit	Vision Operations
PO, Rev	5974
Supplier	3M Health Care
Ship-To	M1- Seattle Mfg
Buyer	S. Neeraj
Description	

Destination More Project

Num	Inventory	Quantity	PO Charge Account	Destination Charge Account []
1		100	01-000-1410-0000-000	

PO Account Descriptions
Charge Operations-No Department-Inventory Mater
Accrual Operations-No Department-Accounts Payable
Budget
Variance Operations-M1, Seattle Manufact-Invoice F

Destination Account Descriptions
Charge
Variance

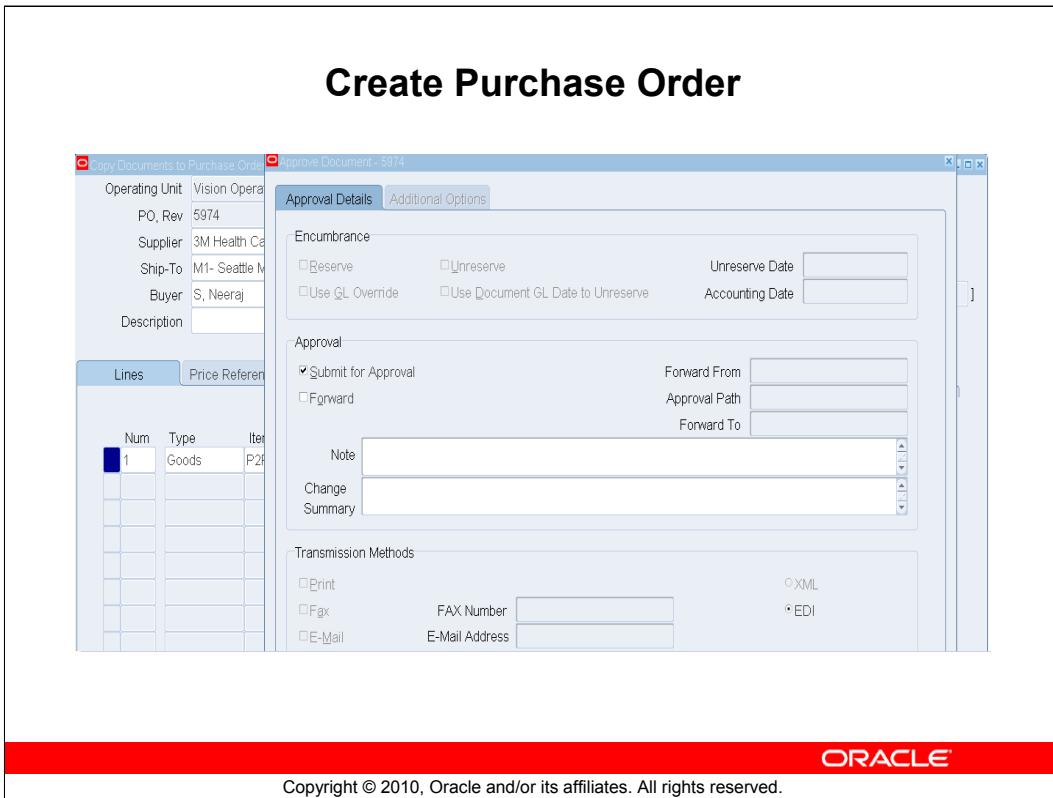
Lines And Shipment Details
Line Num 1 Shipment Num 1 Org M1 Ship-To Adelaide

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Create Purchase Order (continued)

Click on distributions button and verify if the PO Charge Account is defaulted.



Create Purchase Order (continued)

1. Click on Approve button to Approve the Purchase order.
 2. Select the Check Box Submit for Approval.
 3. Click on Ok.

Purchase Order Complete

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Purchase Order Complete

The status of the Purchase Order changed to Approved.

Purchase Order – Reference Document

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Purchase Order – Reference Document

This Purchase Order was created from a Quotation , hence the Reference Tab indicates the Document Type as Bid Quotation and Document 503 which is the Quotation Number.

Purchase Order Data Model

Table: PO_HEADERS_ALL

COUMN NAME	DESCRIPTION
PO_HEADER_ID	Document header unique identifier
AUTHORIZATION_STATUS	Authorization status of the purchase order (References PO_LOOKUP_CODES.lookup_code with LOOKUP_TYPE='AUTHORIZATION')
SEGMENT1	STATUS Document Number (In this case RFQ No.)
VENDOR_ID	Vendor unique Identifier
VENDOR_SITE_ID	Vendor unique site identifier.
TERMS_ID	Payment terms unique identifier (References to AP_TERMS_TL.term_id)
CURRENCY_CODE	Unique identifier for the currency (References FND_CURRENCIES.currency_code)

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SQL Scripts:

1. To fetch the header details of the newly created Purchase Order.

```
SELECT *
FROM po_headers_all
WHERE segment1      = '5974'
AND   type_lookup_code = 'STANDARD'
```

2. The Purchase Order is in Approved Status , the AUTHORIZATION_STATUS column in PO_HEADERS_ALL is updated with the status APPROVED.

```
SELECT AUTHORIZATION_STATUS
FROM po_headers_all
WHERE segment1      = '5974'
AND   type_lookup_code = 'STANDARD'
```

Purchase Order Data Model

FROM_HEADER_ID	Unique identifier of the quotation (standard or planned POs only) or global agreement (standard POs only) referenced by this line (References PO_HEADERS_ALL.po_header_id)
FROM_TYPE_LOOKUP_CODE	Document type of the document used to autocreate another document (References: PO_DOCUMENT_TYPES_ALL_B.document_subtype)
APPROVED_FLAG	Indicates whether the purchase order is approved or not
CANCEL_FLAG	Indicates whether the purchase order is cancelled or not

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To see the list of Purchasing Document Types , use the below query

```
SELECT *
FROM FND_LOOKUP_VALUES
WHERE LOOKUP_TYPE = 'DOCUMENT SUBTYPE'
```

Purchase Order Data Model

Table: PO_LINES_ALL

COLUMN NAME	DESCRIPTION
PO_LINE_ID	Document line unique identifier
PO_HEADER_ID	Document header unique identifier. (References PO_HEADERS_ALL.po_header_id.)
ITEM_ID	Item unique identifier. (References MTL_SYSTEM_ITEMS_B.inventory_item_id.)
ITEM_DESCRIPTION	Item description. (Defaulted from MTL_SYSTEM_ITEMS_TL.description.)
QUANTITY	Quantity ordered on the Line.
UNIT_PRICE	Unit price for the line. (Defaulted from MTL_SYSTEM_ITEMS_B.list_price_per_unit, converted to the document's currency.)

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SQL Scripts:

1. To fetch the header details of the newly created Purchase Order

```
SELECT *
FROM po_lines_all
WHERE po_header_id = XXXX
```

(Note : Use the PO_HEADER_ID derived from PO_HEADERS_ALL table).

Purchase Order Data Model

Table: PO_LINE_LOCATIONS_ALL

COLUMN NAME	DESCRIPTION
PO_LINE_ID	Document line unique identifier
PO_HEADER_ID	Document header unique identifier. (References PO_HEADERS_ALL.po_header_id.)
ITEM_ID	Item unique identifier. (References MTL_SYSTEM_ITEMS_B.inventory_item_id.)
ITEM_DESCRIPTION	Item description. (Defaulted from MTL_SYSTEM_ITEMS_TL.description.)
QUANTITY	Quantity ordered on the Line.
UNIT_PRICE	Unit price for the line. (Defaulted from MTL_SYSTEM_ITEMS_B.list_price_per_unit, converted to the document's currency.)

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PO_LINE_LOCATIONS_ALL contains information about purchase order shipment schedules and blanket agreement price breaks. You need one row for each schedule or price break you attach to a document line. There are seven types of documents that use shipment schedules:

1. RFQs
2. Quotations
3. Standard purchase orders
4. Planned purchase orders
5. Planned purchase order releases
6. Blanket purchase orders
7. Blanket purchase order releases

Each row includes the location, quantity, and dates for each shipment schedule. Oracle Purchasing uses this information to record delivery schedule information for purchase orders, and price break information for blanket purchase orders, quotations and RFQs.

PO_RELEASE_ID applies only to blanket purchase order release shipments. PO_RELEASE_ID identifies the release on which you placed this shipment. SOURCE_SHIPMENT_ID applies only to planned purchase order release shipments. It identifies the planned purchase order shipment you chose to release from.

The QUANTITY field corresponds to the total quantity ordered on all purchase order distribution lines (found in PO_DISTRIBUTIONS_ALL). Oracle Purchasing automatically updates QUANTITY_RECEIVED, QUANTITY_ACCEPTED, and QUANTITY_REJECTED when you receive, return, or inspect goods or services. Oracle Payables automatically updates QUANTITY_BILLED when you match an invoice with a purchase order shipment. Oracle Purchasing automatically updates QUANTITY_CANCELLED when you cancel a purchase order shipment.

Oracle Purchasing sets APPROVED_FLAG to 'Y' when you approve the corresponding purchase order if there are no problems associated with the shipment and its related distributions. Oracle Purchasing sets ENCUMBERED_FLAG to 'Y' and enters the ENCUMBERED_DATE when you approve a purchase order if you use encumbrance.

SQL Scripts:

1. To fetch the PO line Location details use the following query:-

```
SELECT PLL.*  
FROM  PO_HEADERS_ALL          POH  
      ,PO_LINES_ALL           POL  
      ,PO_LINE_LOCATIONS_ALL PLL  
WHERE POH.po_header_id = POL.po_header_id  
AND   POL.po_line_id    = PLL.po_line_id  
AND   POH.po_header_id  = XXXXX
```

(Note : Use the PO_HEADER_ID derived from PO_HEADERS_ALL table).

Purchase Order Data Model

Table: PO_DISTRIBUTIONS_ALL

COLUMN NAME	DESCRIPTION
PO_DISTRIBUTION_ID	Document distribution unique identifier. Primary key for this table.
PO_HEADER_ID	Document header unique identifier. (References PO_HEADERS_ALL.po_header_id.)
PO_LINE_ID	Document line unique identifier. References PO_LINES_ALL.PO_LINE_ID.
SET_OF_BOOKS_ID	Set of Books unique identifier. References GL_SETS_OF_BOOKS.SET_OF_BOOKS_ID.
CODE_COMBINATION_ID	Unique identifier for the General Ledger charge account. References GL_CODE_COMBINATIONS.CODE_COMBINATION_ID.

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PO_DISTRIBUTIONS_ALL contains accounting distribution information for a purchase order shipment line. You need one row for each distribution line you attach to a purchase order shipment. There are four types of documents using distributions in Oracle Purchasing:

1. Standard Purchase Orders
2. Planned Purchase Orders
3. Planned Purchase Order Releases
4. Blanket Purchase Order Releases

Each row includes the destination type, requestor ID, quantity ordered and deliver-to location for the distribution.

Oracle Purchasing uses this information to record accounting and requisition information for purchase orders and releases.

PO_DISTRIBUTIONS_ALL is one of five tables storing purchase order and release information.

Some columns in PO_DISTRIBUTIONS_ALL contain information only if certain conditions exist:

If you AutoCreate this accounting distribution from a requisition, REQ_DISTRIBUTION_ID corresponds to the ID of the requisition distribution you copy on the purchase order. If you use a foreign currency on your purchase order, Oracle Purchasing stores currency conversion information in RATE and RATE_DATE.

If the distribution corresponds to a blanket purchase order release, PO_RELEASE_ID identifies this release.

If SOURCE_DISTRIBUTION_ID has a value, the distribution is part of a planned purchase order release.

If you cancel the distribution, Oracle Purchasing automatically updates QUANTITY_CANCELLED or GL_CANCELLED_DATE.

SQL Scripts:

Fetching the distribution details:-

```
SELECT *
FROM PO DISTRIBUTIONS_ALL
WHERE PO_HEADER_ID = XXXXX
```

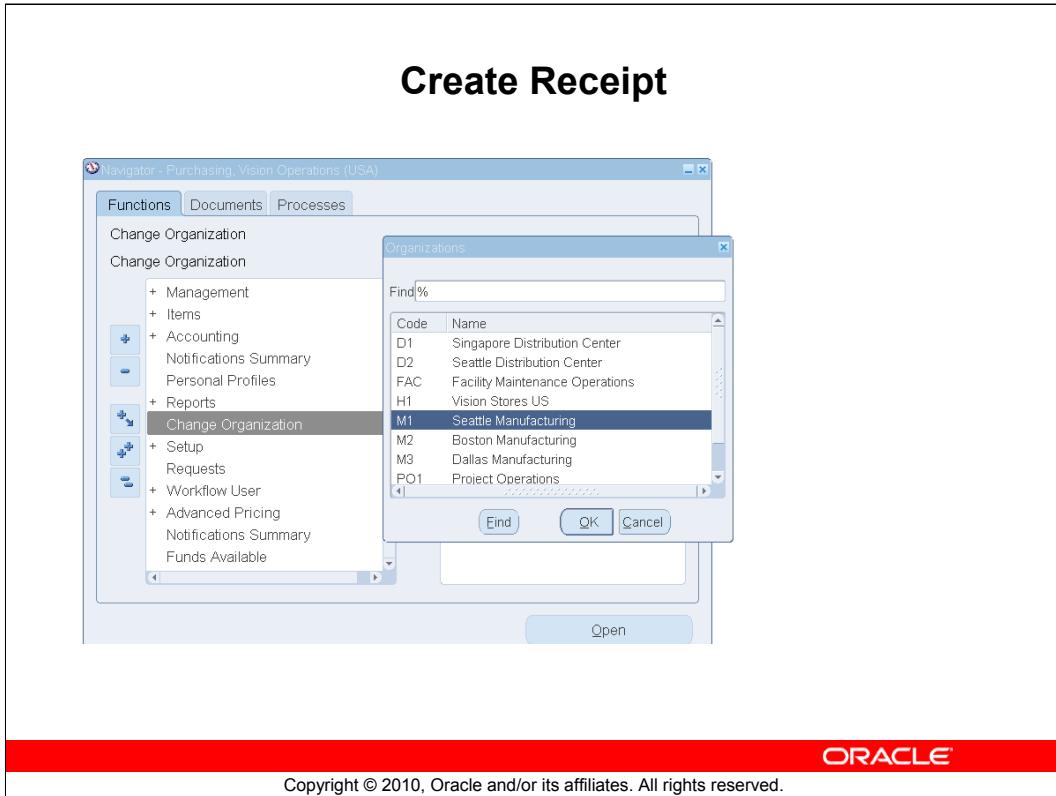
(Note : Use the PO_HEADER_ID derived from PO_HEADERS_ALL table).

Data Model for Procure to Pay

- Create Requisitions.
- Create Request for Quotations.
- Create Quotations.
- Create Purchase Order.
- Create Receipt.
- Create Invoice.
- Create Payment.
- Transfer to GL and GL Posting.

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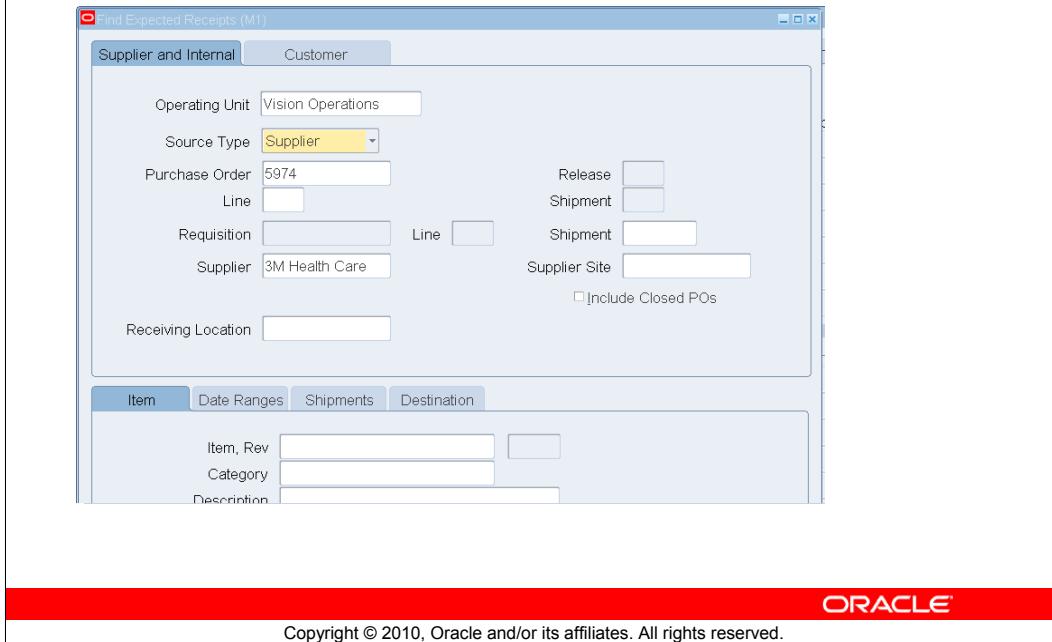


Navigation:

Purchasing Responsibility → Receiving → Receipt

1. Change the Organization to M1. (The Inventory organization where you want to receive the Items)

Find Expected Receipts



Navigation : Purchasing Responsibility → Receiving → Receipts

1. Enter the Purchase Order Number.
2. Click on Find.

Create Receipt

The screenshot shows the Oracle Receipt Header (M1) window. At the top, there are two radio buttons: 'New Receipt' (selected) and 'Add To Receipt'. Below them are fields for 'Receipt' (23686), 'Shipment' (selected), 'Receipt Date' (06-MAR-2009 04:1), and 'Shipped Date'. On the left, there are tabs for 'Receipt Header (M1)', 'Shipment', 'Packing Slip', 'Freight Carrier', 'Containers', 'Supplier', 'Comments', 'Receiving Location', and 'Item, Receiving Location, Category'. The 'Receipts (M1)' tab is selected. The main area has tabs for 'Lines', 'Details', 'Currency', 'Order Information', 'Outside Services', and 'Shipment Information'. The 'Lines' tab is active, showing a grid of receipt items. One item is selected, with the quantity set to 100 and the UOM set to Each. The Subinventory field is set to FGI, and the Category field is set to MISC.N.

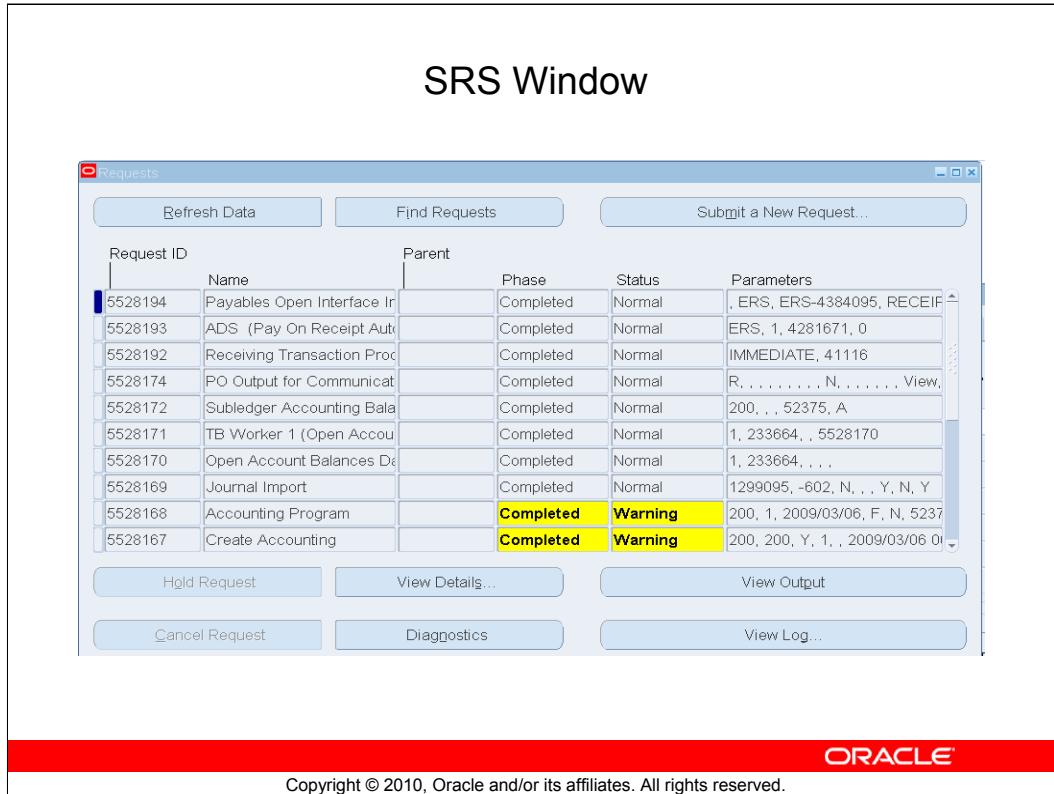
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Create Receipt

1. Select the Receipt Line by clicking the Check Box and Provide the Subinventory as FGI (Finished Goods Inventory)
2. Click on Save.
3. Navigate to the Receipt Header Form , you can see the Receipt Number generated.

Note:- After the Receipt Line is save , the Receiving Transaction processor is fired. which creates a Material Transaction and the Item is Received in the subinventory.



SRS Window

Receiving Transaction Processor is launched , Request ID = 5528192.

1. Pay On Receipt program is also launched automatically which internally calls Payables Open Interface Program to create the Invoice . Pay On Receipt also known as (ERS – Evaluated Receipt Settlement) or self billing is an Oracle Purchasing Concurrent Program, which automatically creates invoices in Oracle Payables and matches them with PO's automatically for the received amount.

Minimum Setups Required for Pay Receipt program:

Navigation : Purchasing Responsibility → Supply Base → Suppliers.

In the Key Purchasing Setup Tab , Select Pay On as Receipt and Invoice Summary Level as Receipt.

The invoice number is of the following format:

'ERS'-< X >-< Seq# > where:

- Seq# is a unique system generated number.
- X depends on the summary level:
 - if summary level = Pay Site then X = Invoice Date
 - if summary level = Packing Slip then X = Packing Slip Number
 - if summary level = Receipt then X = Receipt Number

Receipt Data Model

Table : RCV_SHIPMENT_HEADERS

COUMN NAME	DESCRIPTION
SHIPMENT_HEADER_ID	Document distribution unique identifier. Primary key for this table.
RECEIPT_NUM	Receipt number
RECEIPT_SOURCE_CODE	Document header unique identifier. (References PO_HEADERS_ALL.po_header_id.)
VENDOR_ID	Document line unique identifier. References PO_LINES_ALL.PO_LINE_ID.
VENDOR_SITE_ID	Set of Books unique identifier. References GL_SETS_OF_BOOKS.SET_OF_BOOKS_ID.
ORGANIZATION_ID	Unique identifier for the General Ledger charge account. References GL_CODE_COMBINATIONS.CODE_COMBINATION_ID.

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Receipt Data Model

RCV_SHIPMENT_HEADERS stores common information about the source of your receipts or expected receipts. You group your receipts by the source type and the source of the receipt. Oracle Purchasing does not allow you to group receipts from different sources under one receipt header.

Oracle Purchasing creates a receipt header when you are entering your receipts or when you perform inter-organization transfers using

Oracle Inventory. When Oracle Inventory creates a receipt header for an intransit shipment, the receipt number is not populated until you receive the shipment.

SQL Scripts:

1.Fetch the Receipt header details

```
SELECT *
FROM rcv_shipment_headers
WHERE receipt_num = '23686'
```

Receipt Data Model

Table : RCV_SHIPMENT_LINES

COLUMN NAME	DESCRIPTION
SHIPMENT_LINE_ID	Document distribution unique identifier. Primary key for this table.
SHIPMENT_HEADER_ID	Shipment header unique identifier
QUANTITY_SHIPPED	Number of items shipped
QUANTITY_RECEIVED	Number of items received
UNIT_OF_MEASURE	Unit of measure of the shipment
PO_LINE_ID	PO Line identifier
PO_LINE_LOCATION_ID	PO Line location identifier
REQUISITION_LINE_ID	Requisition Line unique identifier.
PO_DISTRIBUTION_ID	PO distribution Line unique identifier.

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Receipt Data Model (continued)

RCV_SHIPMENT_LINES stores information about items that have been shipped and/or received from a specific receipt source.

RCV_SHIPMENT_LINES also stores information about the default destination for intransit shipments.

SQL Scripts:

```

SELECT RCL.*
FROM rcv_shipment_headers RCH
    ,rcv_shipment_lines      RCL
WHERE RCH.shipment_header_id = RCL.shipment_header_id
AND      RCL.Shipment_header_id = XXXXX

```

Receipt Data Model

Table: RCV_TRANSACTIONS

TRANSACTION_ID	Receiving transaction unique identifier
TRANSACTION_TYPE	Receiving transaction type
TRANSACTION_DATE	Transaction date
QUANTITY	Transaction Quantity
SHIPMENT_HEADER_ID	Receipt shipment header unique identifier
SHIPMENT_LINE_ID	Receipt shipment line unique identifier
DESTINATION_TYPE_CODE	Destination type (RECEIVING , INVENTORY , SHOP FLOOR e.t.c)
ORGANIZATION_ID	Inventory Organization ID
SUBINVENTORY	Subinventory

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Receipt Data Model (continued)

RCV_TRANSACTIONS stores historical information about receiving transactions that you have performed. When you enter a receiving transaction and the receiving transaction processor processes your transaction, the transaction is recorded in this table.

Once a row has been inserted into this table, it will never be updated. When you correct a transaction, the net transaction quantity is maintained in RCV_SUPPLY. The original transaction quantity does not get updated. You can only delete rows from this table using the purge feature of Oracle Purchasing.

SQL Scripts

1. Fetch the Receiving Transaction details

```

SELECT *
FROM  recv_transactions
WHERE shipment_header_id = XXXXX
    
```

Receipt Data Model (continued)

2. SELECT RCT.*

```
FROM  rcv_shipment_headers  RCH
      ,rcv_shipment_lines     RCL
      ,rcv_transactions       RCT
WHERE RCH.shipment_header_id      = RCL.shipment_header_id
AND   RCT.shipment_header_id     = RCL.shipment_header_id
AND   RCH.SHIPMENT_HEADER_ID = XXXXX
```

Receipt Data Model

Table: MTL_MATERIAL_TRANSACTIONS

TRANSACTION_ID	Receiving transaction unique identifier
RCV_TRANSACTION_ID	Receiving transaction type
INVENTORY_ITEM_ID	Transaction date
ORGANIZATION_ID	Transaction Quantity
TRANSACTION_TYPE_ID	Transaction type identifier
TRANSACTION_ACTION_ID	Transaction action identifier
TRANSACTION_SOURCE_TYPE_ID	Transaction source type identifier
TRANSACTION_SOURCE_ID	Transaction source identifier
TRANSACTION_QUANTITY	Transaction quantity
DISTRIBUTION_ACCOUNT_ID	Distribution account identifier
ACCT_PERIOD_ID	Accounting period identifier
SUBINVENTORY	Subinventory Code

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Receipt Data Model (continued)

MTL_MATERIAL_TRANSACTIONS stores a record of every material transaction or cost update performed in Inventory.

Records are inserted into this table either through the transaction processor or by the standard cost update program. The columns TRANSACTION_TYPE_ID, TRANSACTION_ACTION_ID, TRANSACTION_SOURCE_TYPE_ID, TRANSACTION_SOURCE_ID and TRANSACTION_SOURCE_NAME describe what the transaction is and against what entity it was performed.

SQL Scripts

1. Fetch the Material Transaction details:

```
SELECT *
FROM   MTL_MATERIAL_TRANSACTIONS
WHERE  RCV_TRANSACTION_ID = XXXXX
```

Receipt Data Model (continued)

2. SELECT MMT.*

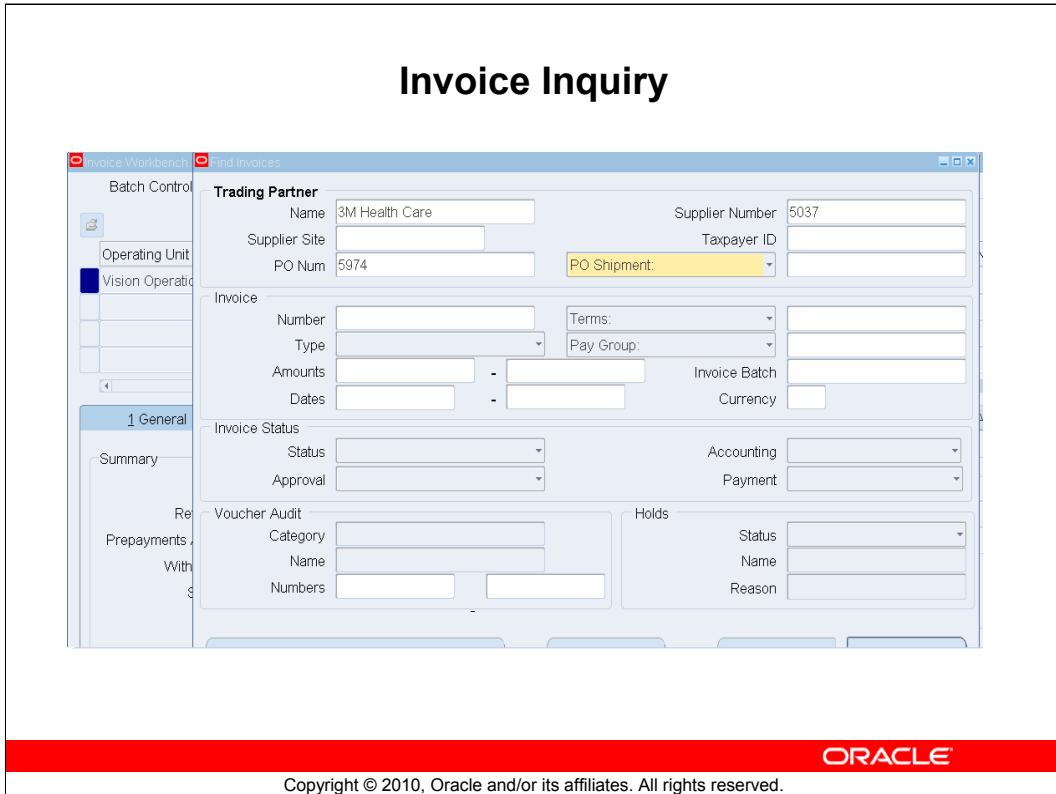
```
FROM  rcv_shipment_headers      RCH
      ,rcv_shipment_lines       RCL
      ,rcv_transactions         RCT
      ,mtl_material_transactions MMT
WHERE RCH.shipment_header_id      = RCL.shipment_header_id
AND   RCT.shipment_header_id      = RCL.shipment_header_id
AND   RCT.transaction_id         = MMT.rcv_transaction_id
AND   RCT.transaction_type       = 'DELIVER'
AND   RCH.SHIPMENT_HEADER_ID = XXXXX
```

Data Model for Procure to Pay

- Create Requisitions.
- Create Request for Quotations.
- Create Quotations.
- Create Purchase Order.
- Create Receipt.
- Create Invoice.
- Create Payment.
- Transfer to GL and GL Posting.

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Navigation:

Payables Responsibility → Inquiry → Invoices.

1. Enter the Supller Name
2. Enter the PO Number
3. Click on Find.

Invoice

Invoice Workbench (Payables, Vision Operations (USA))

Operating Unit	Customer Taxpayer ID	Type	PO Number	Trading Pa	Supplier Num	Supplier Site	Invoice Date	Invoice Num	Invoice
Vision Operations		Standard		3M Health	5037	CORP HQ	06-MAR-200	ERS-23686-1	USD

General Lines Holds View Payments Scheduled Payments View Prepayment Applications

Summary

Items	1,000.00
Retainage	
Prepayments Applied	
Withholding	
Subtotal	1,000.00
Tax	
Freight	

Amount Paid

USD	0.00
-----	------

Status

Status	Never Validated
Accounted	No
Approval	Not Required
Holds	0
Scheduled Payment Holds	0

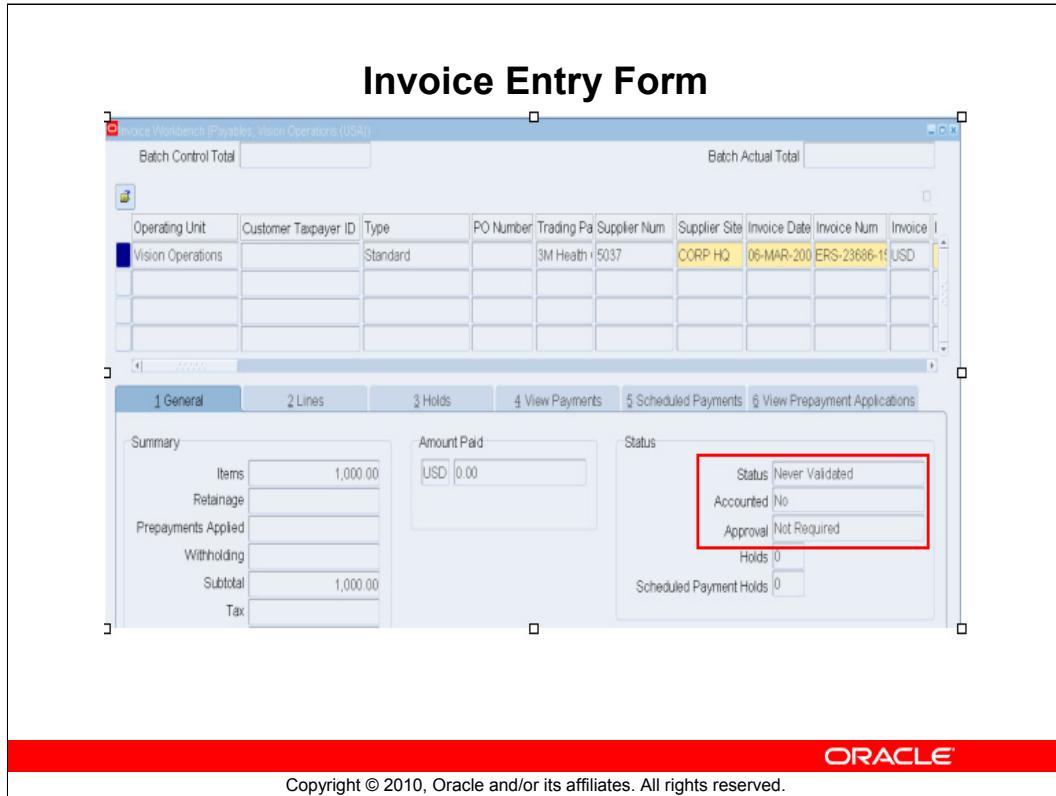
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Invoice

The Invoice which was automatically created by Pay On Receipt Invoice can be seen in the Invoice Form.

1. Copy the Invoice Number.
2. Go to Invoices → Entry → Invoices.



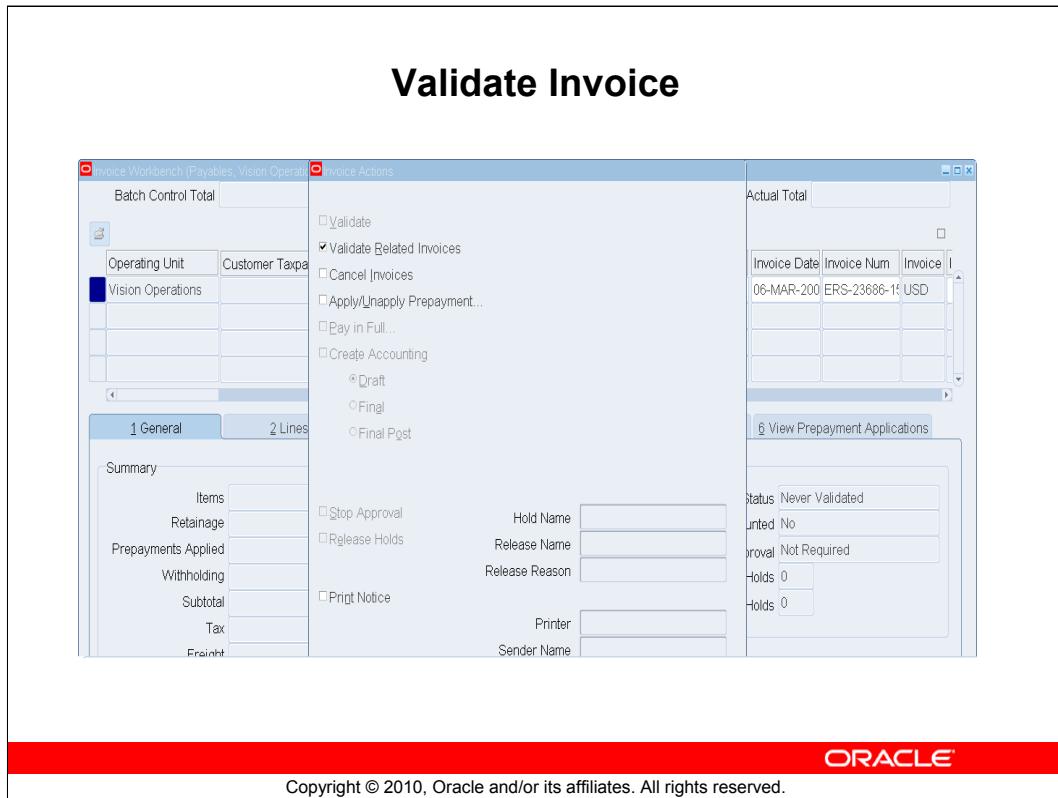
Oracle Internal & Oracle Academy Use Only

Invoice Entry Form

The Invoice is created with following attributes :-

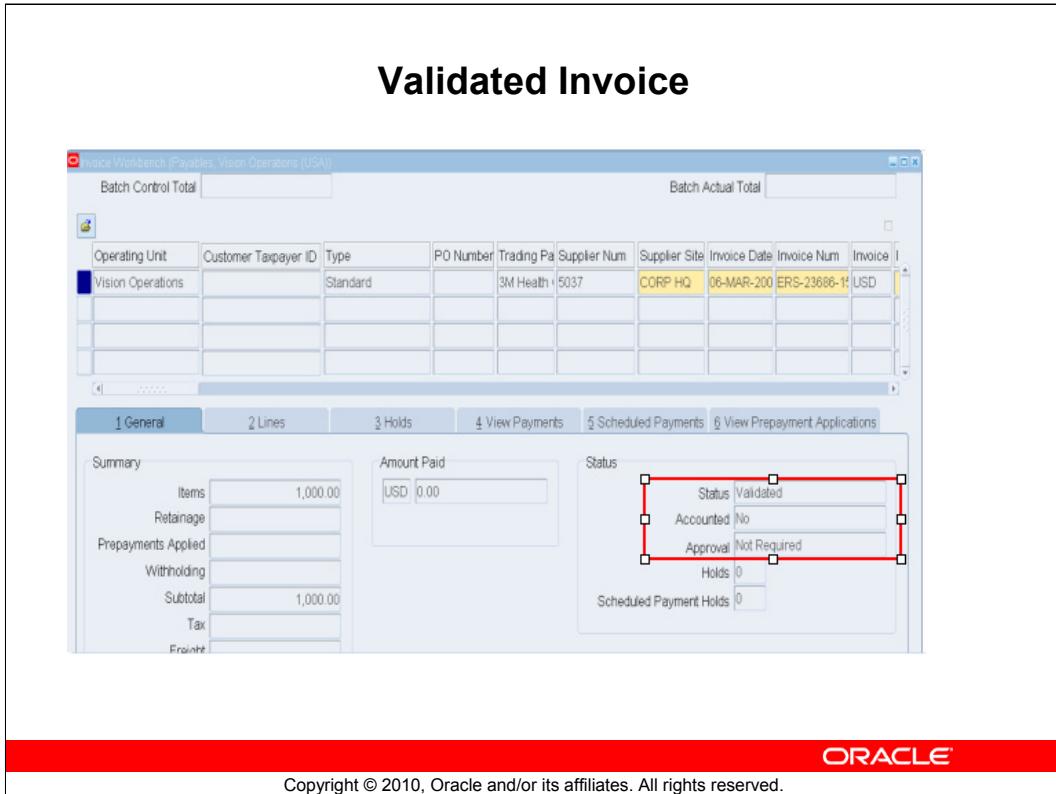
1. Status = Never Validated
 2. Accounted = No
 3. Approval = Not Required

The next step will be to Validate the Invoice.



Validate Invoice

1. Click on Actions button.
2. Select the Validate Related Invoices.
3. Click on OK.



Validate Invoice (continued)

If the Invoice Quantity is same as Receipt Quantity , then the Invoice status is changes to Validated.

1. Status = Validated
2. Accounted = No
3. Approval = Not Required

The Next step will to Create the Accounting for Invoice.



Create Accounting

1. Click on Actions button.
2. Select Create Accounting.
3. Select the Radio Button Final.
4. Click OK.

You can see the message as “Accounting has been successfully created for this transaction”.

This will create the Accounting Entry in Subledger Tables (XLA) – XLA_AE_HEADERS and XLA_AE_LINES.

Invoice Accounting Entries

Accounting Events																																															
Select Event:		View Journal Entries	Export																																												
Show All Details		Hide All Details																																													
Select Details	Primary Ledger	Event Class	Event Type	Event Date	Event Status	Transaction Date	Transaction Number																																								
<input checked="" type="radio"/>	Show Vision Operations (USA)	Invoices	Invoice Validated	06-Mar-2009	Final Accounted	06-Mar-2009 00:00:00	ERS-23686-153263																																								
Transaction Information																																															
Party Name 3M Health Care Invoice Number ERS-23686-153263 Invoice Ledger Amount Invoice Date 06-MAR-2009 00:00:00 Invoice Description Receipt Invoice automatically created on 06-MAR-09				Party Site Name CORP HQ Invoice Amount 1000 Invoice Type STANDARD Cancelled Date Document Sequence Name Document Sequence Number																																											
Show Additional Information																																															
Lines																																															
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="10">Export</th> </tr> <tr> <th>Details Number</th> <th>Account</th> <th>Accounting Class</th> <th>Entered Currency</th> <th>Entered DR</th> <th>Entered CR</th> <th>Accounted DR (USD)</th> <th>Accounted CR (USD)</th> <th>Supporting References</th> <th></th> </tr> </thead> <tbody> <tr> <td>@Show 1 000</td> <td>01-000-2220-0000-</td> <td>Accrual</td> <td>USD</td> <td>1,000.00</td> <td></td> <td>1,000.00</td> <td></td> <td>qq</td> <td></td> </tr> <tr> <td>@Show 2 000</td> <td>01-000-2210-0000-</td> <td>Liability</td> <td>USD</td> <td></td> <td>1,000.00</td> <td></td> <td>1,000.00</td> <td>qq</td> <td></td> </tr> </tbody> </table>								Export										Details Number	Account	Accounting Class	Entered Currency	Entered DR	Entered CR	Accounted DR (USD)	Accounted CR (USD)	Supporting References		@Show 1 000	01-000-2220-0000-	Accrual	USD	1,000.00		1,000.00		qq		@Show 2 000	01-000-2210-0000-	Liability	USD		1,000.00		1,000.00	qq	
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Details Number	Account	Accounting Class	Entered Currency	Entered DR	Entered CR	Accounted DR (USD)	Accounted CR (USD)	Supporting References																																							
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Invoice Accounting Entries

To view the Accounting Entries which got created , Go to Tools → Accounting Events → Click on Journal Entries.

Invoice Data Model

Table : AP_INVOICES_ALL

COLUMN NAME	DESCRIPTION
INVOICE_ID	Invoice identifier
INVOICE_NUM	Invoice number
VENDOR_ID	Supplier identifier
VENDOR_SITE_ID	Supplier site identifier
SET_OF_BOOKS_ID	Set of books identifier
INVOICE_AMOUNT	Invoice amount
INVOICE_CURRENCY_CODE	Currency code of invoice
INVOICE_TYPE_LOOKUP_CODE	Type of invoice
PO_HEADER_ID	Purchase order identifier for invoices with QUICKMATCH and PO DEFAULT types, and prepayments associated with purchase order
INVOICE_DATE	Invoice Date

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Invoice Data Model

AP_INVOICES_ALL contains records for invoices you enter. There is one row for each invoice you enter. An invoice can have one or more invoice distribution lines. An invoice can also have one or more scheduled payments.

Invoice Data Model	
COLUMN NAME	DESCRIPTION
TERMS_ID	Payment terms identifier
PAYMENT_METHOD_LOOKUP_CODE	Name of Payment method
PAYMENT_STATUS_FLAG	Flag that indicates if invoice has been paid (Y, N, or P)
ORG_ID	Organization identifier
GL_DATE	Accounting date to default to invoice distributions
TOTAL_TAX_AMOUNT	Total Tax Amount

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Invoice Data Model (continued)

AP_INVOICES_ALL contains records for invoices you enter. There is one row for each invoice you enter. An invoice can have one or more invoice distribution lines. An invoice can also have one or more scheduled payments.

SQL Scripts:

1.Fetch the Invoice details

```
SELECT *
FROM AP_INVOICES_ALL
WHERE INVOICE_NUM = XXXXX
```

Invoice Data Model

Table : AP_INVOICE_LINES_AL

COLUMN NAME	DESCRIPTION
INVOICE_ID	Invoice identifier
LINE_NUMBER	Invoice line number
LINE_TYPE_LOOKUP_CODE	Type of invoice line.
MATCH_TYPE	Indicates the type of match if any. Validated against AP_LOOKUP_CODES with lookup type as INVOICE LINE MATCH TYPE
ACCOUNTING_DATE	Accounting date for invoice line
INVOICE_AMOUNT	Invoice amount
AMOUNT	Line amount in invoice currency
QUANTITY_INVOICED	Quantity invoiced. Quantity of items for matched invoice lines, price corrections, quantity corrections or unmatched invoice lines
UNIT_MEAS_LOOKUP_CODE	Unit of measure for QUANTITY_INVOICED.

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Invoice Data Model (continued)

AP_INVOICE_LINES_ALL contains records for invoice lines entered manually, generated automatically or imported from the Open Interface.

An invoice can have one or more invoice lines. An invoice line can have one or more invoice distributions. An invoice line represents goods (direct or indirect materials), service(s), and/or associated tax/freight/miscellaneous charges invoiced from a supplier.

An invoice line should contain all the attributes that are present on the physical or electronic invoice presented by the supplier. These attributes should suffice in specifying the charge/expense/asset information that makes up the invoice line. An invoice line can be of any of the following types: Item, Freight, Miscellaneous, Tax, Prepayment or Withholding Tax. Prepayment Lines are generated via prepayment application.

SQL Scripts:

```

SELECT *
FROM AP_INVOICE_LINES_ALL
WHERE INVOICE_ID = XXXXX

```

Invoice Data Model

Table : AP_INVOICE_DISTRIBUTIONS_ALL

COLUMN NAME	DESCRIPTION
ACCOUNTING_DATE	Accounting Date.
INVOICE_ID	Invoice Identifier
DISTRIBUTION_LINE_NUMBER	Accounting Flexfield identifier for account associated with a distribution
DIST_CODE_COMBINATION_ID	Type of invoice line.
AMOUNT	Invoice distribution amount
ORG_ID	Operating Unit Identifier.
POSTED_FLAG	Flag that indicates if invoice distribution line has been accounted
ACCOUNTING_EVENT_ID	Accounting Event Identifier.
UNIT_MEAS_LOOKUP_CODE	Unit of measure for QUANTITY_INVOICED.

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Invoice Data Model (continued)

AP_INVOICE_DISTRIBUTIONS_ALL holds the distribution information that is manually entered or system-generated. There is one row for each invoice distribution. A distribution must be associated with an invoice. An invoice can have multiple distributions. Examples of when your Oracle Payables application automatically creates rows in this table include the following:

1. You choose a distribution set at the invoice header level.
2. You match an invoice line to a purchase order or receipt. The system uses information from the matched purchase order or receipt to create the distributions.
3. You match a credit or debit memo to an invoice.
4. You generate charge distributions (tax, freight, misc.) from allocation rules.
5. You apply a prepayment or unapply a prepayment.
6. Payables automatically withholds tax.
7. Payables creates an interest invoice.

When you account for an invoice, the Payables Accounting Process creates accounting events, accounting entry headers and accounting entry lines for those distributions that have accounting dates included in the selected accounting date range. The Transfer to General Ledger process can then transfer the accounting entries to General Ledger as journal entries. Values for POSTED_FLAG are Y for accounted distributions or N for unaccounted distributions.

Invoice Data Model (continued)

SQL Script

```
SELECT *
FROM AP_INVOICE_DISTRIBUTIONS_ALL
WHERE INVOICE_ID = XXXXX
```

Invoice Data Model

Table : XLA_AE_HEADERS

COUMN NAME	DESCRIPTION
AE_HEADER_ID	Accounting entry Header ID
LEDGER_ID	Ledger id
ENTITY_ID	Entity id
EVENT_ID	Event id
EVENT_TYPE_CODE	Event type code
DESCRIPTION	Description of Subledger Entry
ACCOUNTING_DATE	Accounting date
GL_TRANSFER_STATUS_CODE	General Ledger transfer status code
GL_TRANSFER_DATE	General Ledger transfer date
JE_CATEGORY_NAME	General Ledger category name

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Invoice Data Model (continued)

The XLA_AE_HEADERS table stores subledger journal entries.

There is a one-to-many relationship between accounting events and journal entry headers.

SQL Scripts

Fetch the XLA header details for the Invoice which is Accounted

```
SELECT *
FROM   xla_ae_headers
WHERE  description like '%INVOICE NUMBER%'
```

Invoice Data Model

Table : XLA_AE_LINES

COUMN NAME	DESCRIPTION
AE_HEADER_ID	Accounting entry header ID
AE_LINE_NUM	Accounting entry Line Number
CODE_COMBINATION_ID	Code Combination ID
ACCOUNTING_DATE	Accounting Date
GL_SL_LINK_ID	GL subledger Link ID – Used to establish link with Journal Lines (GL_JE_HEADER and GL_JE_LINES)
ENTERED_DR	Entered debit amount
ENTERED_CR	Entered credit amount
CURRENCY_CODE	Currency code
ACCOUNTING_CLASS_CODE	Accounting Class Code

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Invoice Data Model (continued)

The XLA_AE_LINES table stores the subledger journal entry lines. There is a one-to-many relationship between subledger journal entry headers and subledger journal entry lines.

SQL Scripts:

Fetch the XLA line details (Subledger Accounting entry line details)

1. SELECT *

```
FROM xla_ae_lines
WHERE ae_header_id = XXXXX
```

2. SELECT XAL.*

```
FROM ,xla_ae_headers XAH
      xla_ae_lines      XAL
WHERE XAH.ae_header_id = XAL.ae_header_id
AND   XAH.ae_header_id = XXXXX
```

Agenda

- Create Requisitions
- Create Request for Quotations.
- Create Quotations.
- Create Purchase Order.
- Create Receipt.
- Create Invoice.
- **Create Payment.**
- Transfer to GL and GL Posting.

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Create Payments

Invoice Workbench (Payables, Vision Operations)

Batch Control Total: [Text Box]

Operating Unit: Vision Operations

Customer Taxpa: [Text Box]

Invoice Actions:

- Validate
- Validate Related Invoices
- Cancel Invoices
- Apply/Unapply Prepayment...
- Pay in Full...
- Create Accounting
 - Draft
 - Final
 - Final Post
- Stop Approval
- Release Holds
- Print Notice

Summary:

Items	Retainage	Prepayments Applied	Withholding	Subtotal	Tax	Freight
[Text Box]	[Text Box]	[Text Box]	[Text Box]	[Text Box]	[Text Box]	[Text Box]

Invoice Grid:

Invoice Date	Invoice Num	Invoice
06-MAR-200	ERS-23686-1	USD

Buttons:

-
- Status: Validated
- United: Yes
- Approval: Not Required
- Holds: 0
- Sender Name: [Text Box]

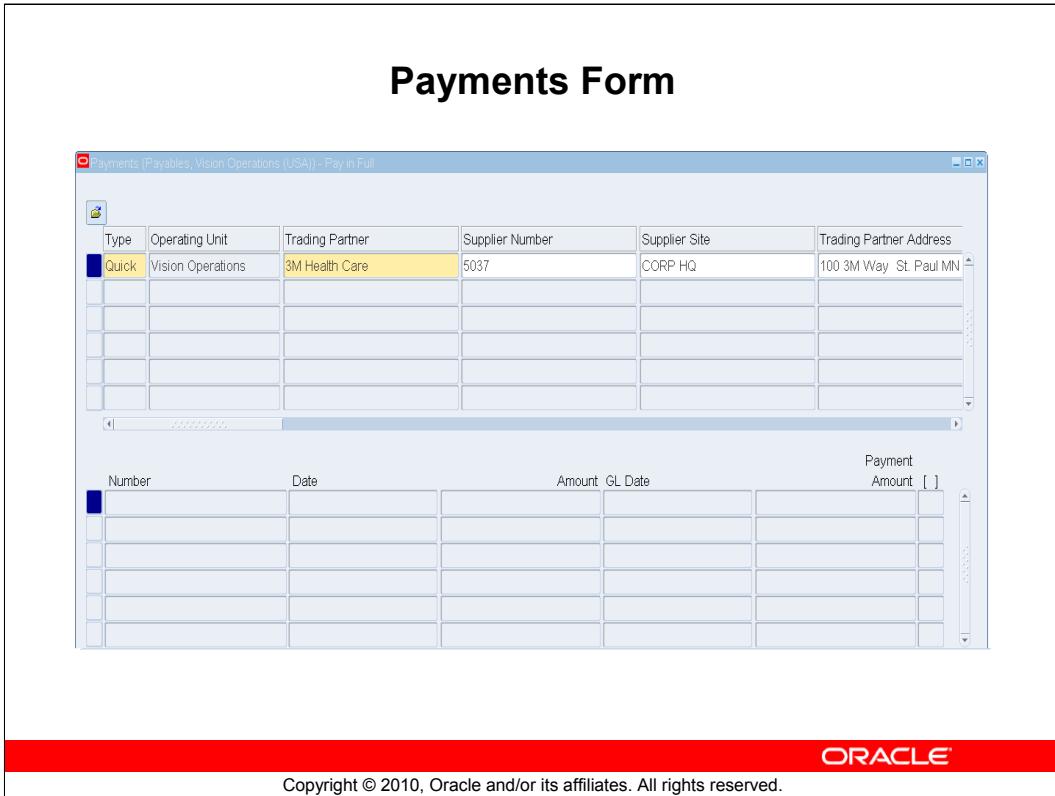
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Create Payments

Navigate back to the Invoice Form.

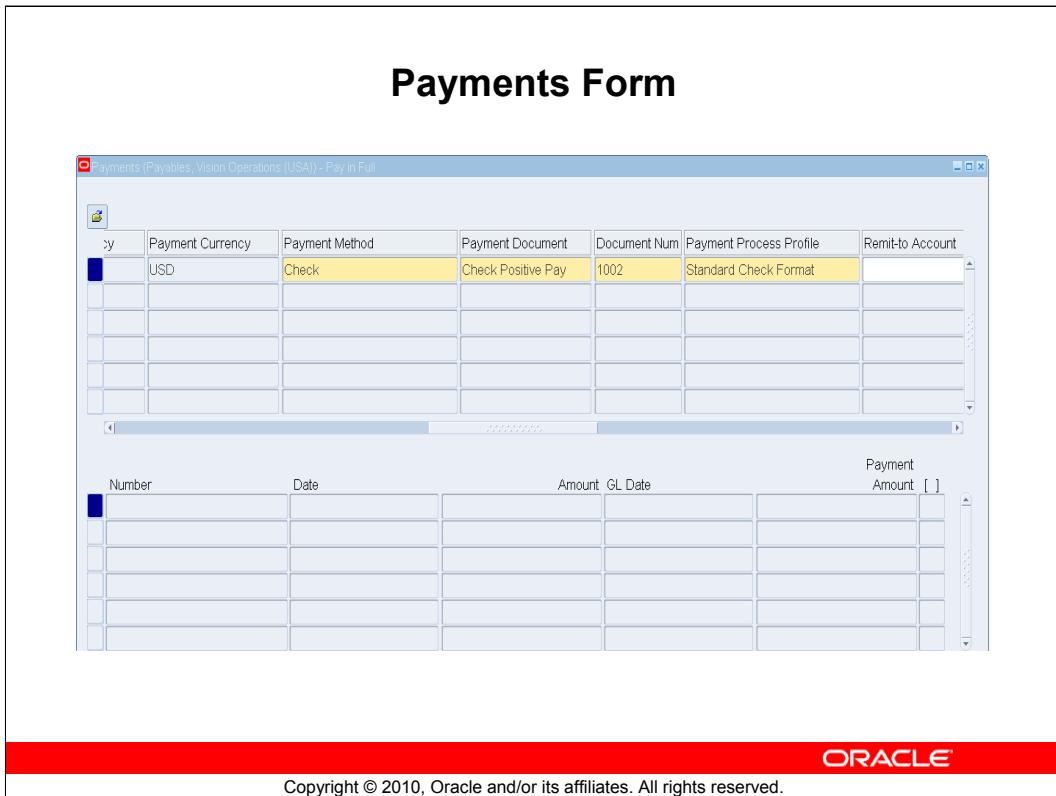
In order to create Payments , Click on Actions → Select Pay In Full.



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Payments Form

The Payment form opens automatically , with the defaulted Information Like Payment Type , Trading Partner , Supplier Name e.t.c.

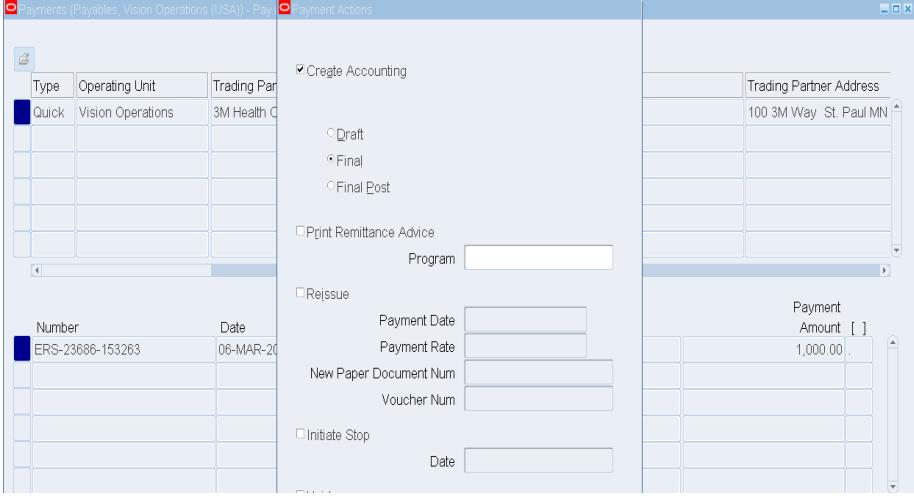


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Payments Form (continued)

1. Select the Payment Method as Check.
 2. Payment Document as Check Positive Pay.
 3. Select the Payment Process profile as Standard Check Format.
 4. Click on Save.

Create Accounting - Payments



Payments (Payables, Vision Operations (USA)) - Pay

Type: Quick | Operating Unit: Vision Operations | Trading Partner: 3M Health C

Number: ERS-23686-153263 | Date: 06-MAR-20

Create Accounting
 Draft
 Final
 Final Post

Print Remittance Advice
Program: []

Reissue
Payment Date: []
Payment Rate: []
New Paper Document Num: []
Voucher Num: []

Initiate Stop
Date: []

Trading Partner Address: 100 3M Way St. Paul MN

Payment Amount: [] 1,000.00

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Create Accounting - Payments

1. To Create the Accounting for the Payment, Click on Action → Select Create Accounting → Select Final.
2. Click OK.

View Accounting Events - Payments

Accounting Events

Select Event:	View Journal Entries	Export				
Show All Details Hide All Details						
Select Details Primary Ledger	Event Class	Event Type	Event Date	Event Status	Transaction Date	Transaction Number
<input checked="" type="radio"/> Show Vision Operations (USA)	Payments	Payment Created	06-Mar-2009	Final Accounted	06-Mar-2009 00:00:00	1002

Transaction Information

Bank Name: Bank of America Bank Account Number: 10271-17621-619 Payment Document Name: Check Positive Pay Payment Method: CHECK Payment Amount: 1000 Document Sequence Name: Document Sequence Number:	Bank Branch Name: New York Document Number: 1002 Currency: USD Void Date: Party Name: 3M Health Care
--	--

[@Show Additional Information](#)

Lines

Details Number	Account	Accounting Class	Entered Currency	Entered DR	Entered CR	Accounted DR (USD)	Accounted CR (USD)	Supporting References
@Show 1	01-000-2210-0000-000	Liability	USD	1,000.00		1,000.00		qq
@Show 2	01-000-1110-0000-000	Cash Clearing	USD		1,000.00		1,000.00	qq

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View Accounting Events - Payments

To view the Accounting Entries which got created , Go to Tools → Accounting Events → Click on Journal Entries.

Payment Data Model

Table : AP_INVOICE_PAYMENTS_ALL

COLUMN NAME	DESCRIPTION
ACCOUNTING_EVENT_ID	Accounting Event Identifier
ACCOUNTING_DATE	Accounting date
CHECK_ID	Payment identifier
INVOICE_ID	Invoice identifier
INVOICE_PAYMENT_ID	Invoice payment identifier
PAYMENT_NUM	Payment number
BANK_ACCOUNT_NUM	Bank account number
BANK_NUM	Bank number
POSTED_FLAG	Flag that indicates if the payment has been accounted (Y or N)
ORG_ID	Operating Unit ID.

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Payment Data Model

AP_INVOICE_PAYMENTS_ALL contains records of invoice payments that you made to suppliers. There is one row for each payment you make for each invoice. There is one payment and one invoice for each payment in this table. Your Oracle Payables application updates this table when you confirm an automatic payment batch, enter a manual payment, or process a Quick payment. When you void a payment, your Oracle Payables application inserts an additional payment line that is the negative of the original payment line.

Values for POSTED_FLAG may be 'Y' for accounted payments or 'N' for unaccounted payments. Values for ACCRUAL_POSTED_FLAG may be 'Y' for accounted payments or 'N' for unaccounted payments under accrual basis accounting; values for CASH_POSTED_FLAG may be 'Y' for accounted payments or 'N' for unaccounted payments under cash basis accounting.

Payment Data Model (continued)**SQL Scripts**

Fetch the Check details for the given Invoice ID

```
SELECT AIP.*  
FROM  ap_invoice_payments_ALL AIP,  
      ap_invoices_all      AIA,  
      ap_checks_all         ACA  
WHERE AIP.invoice_id = AIA.invoice_id  
AND   AIP.check_id  = ACA.check_id  
AND   AIA.invoice_id = XXXXX
```

Payment Data Model

Table : AP_CHECKS_ALL

COLUMN NAME	DESCRIPTION
CHECK_ID	Invoice payment identifier
CHECK_DATE	Invoice identifier
CHECK_NUMBER	Payment identifier
AMOUNT	Payment amount
BANK_ACCOUNT_ID	Payment number
CURRENCY_CODE	Accounting Flexfield identifier for accounts payable liability account
PAYMENT_METHOD_LOOKUP_CODE	Accounting Flexfield identifier for cash account
CHECK_FORMAT_ID	Invoice amount
CHECK_STOP_ID	Currency code of invoice
COUNTRY	Bank account number
VENDOR_NAME	Bank number

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Payment Data Model (continued)

AP_CHECKS_ALL stores information about payments issued to suppliers or refunds received from suppliers. You need one row for each payment you issue to a supplier or refund received from a supplier. Your Oracle Payables application uses this information to record payments you make to suppliers or refunds you receive from suppliers.

SQL Scripts

Fetch the Check details for the given Invoice ID

```

SELECT ACA.*  

FROM ap_invoice_payments_ALL AIP,  

      ap_invoices_all      AIA,  

      ap_checks_all        ACA  

WHERE AIP.invoice_id = AIA.invoice_id  

AND   AIP.check_id  = ACA.check_id  

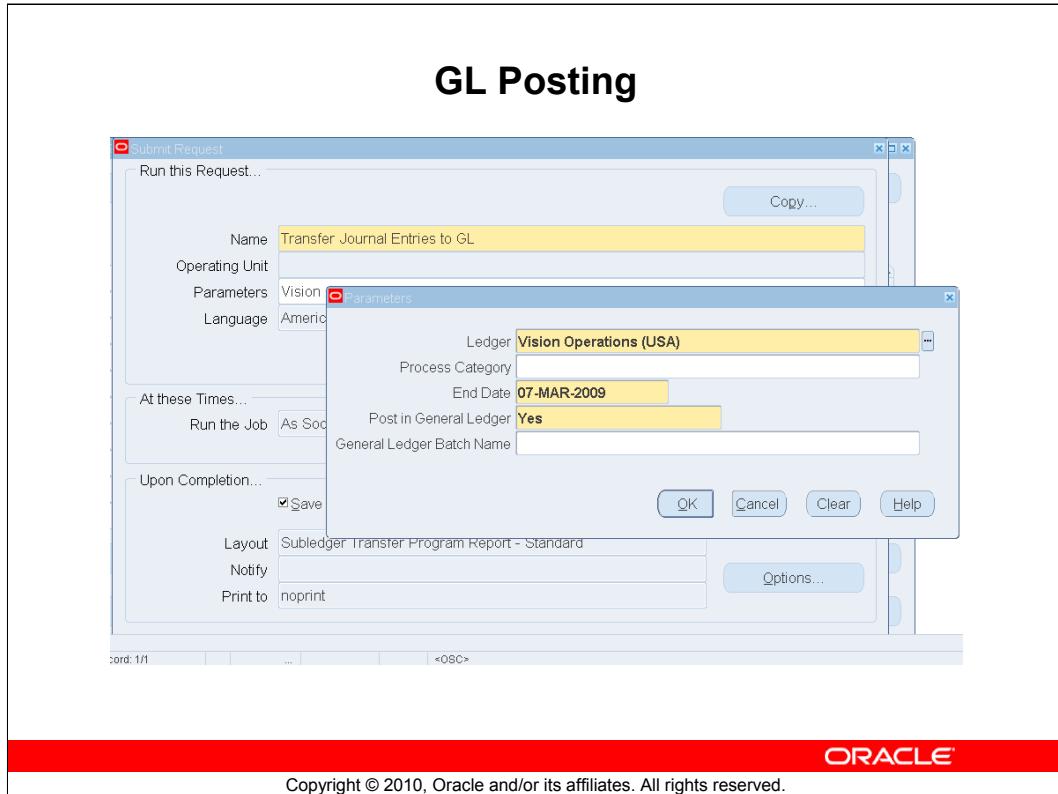
AND   AIA.invoice_id = XXXXX
  
```

Agenda

- Create Requisitions
- Create Request for Quotations.
- Create Quotations.
- Create Purchase Order.
- Create Receipt.
- Create Invoice.
- Create Payment.
- Transfer to GL and GL Posting.

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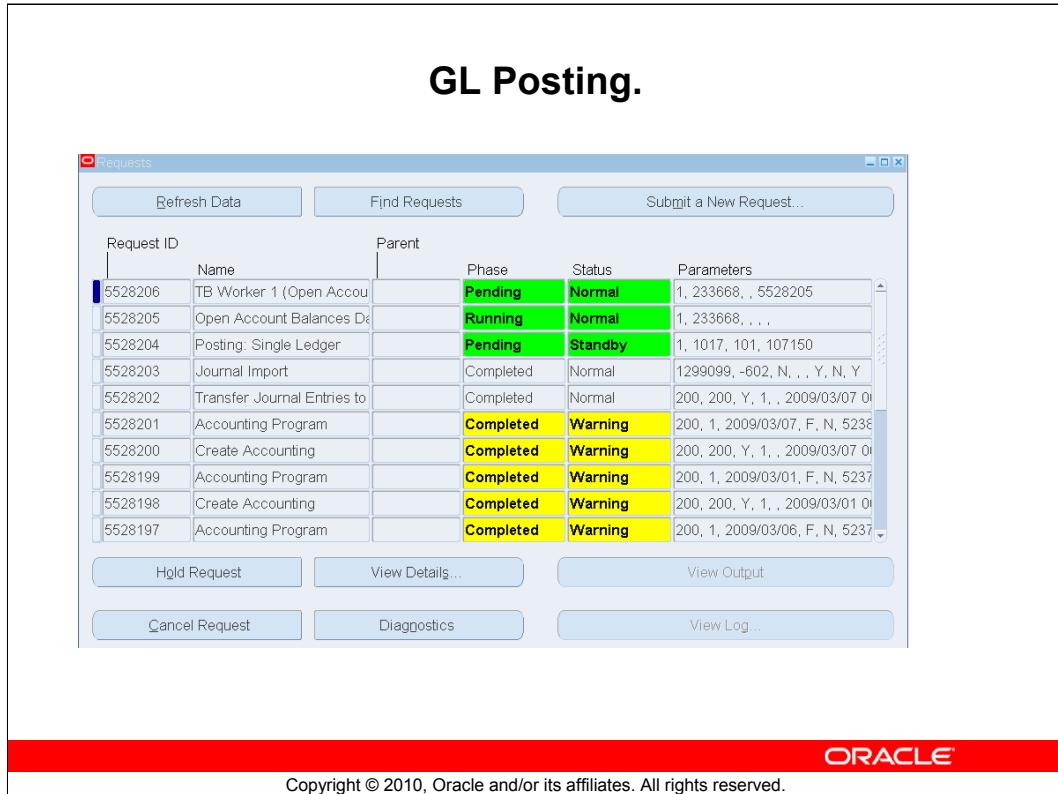
GL Posting

Since we have created the Accounting Entries in Final Mode. The next step will be to Post the Transfer Journal entry to GL.

After running this program , the Journal entries from XLA_AE_HEADER and XLA_AE_LINES will be transferred to GL_JE_HEADERS and GL_JE_LINES.

To submit the Program “Transfer Journal Entries to GL” .

1. Click on Menu Request
2. Click on Submit New Request.
3. Click OK.
4. Select the Program Transfer Journal Entries to GL from the LOV.
5. Enter the Parameters :-
Ledger , End Date , Post in General Ledger
6. If you select Post in General Ledger as No, then STATUS column value will be ‘U’ in GL_JE_HEADERS table.
For those journal entries which are posted the STATUS column value will be ‘P’.



GL Posting (continued)

Transfer Journal Entry to GL program completed normally , Request ID = 5528202

General Ledger Data Model

Table : GL_JE_HEADERS

COUMN NAME	DESCRIPTION
JE_HEADER_ID	Journal entry header defining column
JE_CATEGORY	Journal entry category
JE_SOURCE	Journal entry source
PERIOD_NAME	Accounting period
NAME	Journal entry header name
STATUS	Journal entry header status lookup code
JE_BATCH_ID	Journal entry batch defining column
POSTED_DATE	Date journal entry header was posted
RUNNING_TOTAL_DR	Journal entry running total debits, entered currency
RUNNING_TOTAL_CR	Journal entry running total credits, entered currency.

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General Ledger Data Model

GL_JE_HEADERS stores journal entries. There is a one-to-many relationship between journal entry batches and journal entries. Each row in this table includes the associated batch ID, the journal entry name and description, and other information about the journal entry. This table corresponds to the Journals window of the Enter Journals form. STATUS is 'U' for Unposted and 'P' for posted. Other statuses indicate that an error condition was found. A complete list is below.

CONVERSION_FLAG equal to 'N' indicates that you manually changed a converted amount in the Journal Entry Lines zone of a foreign currency journal entry. In this case, the posting program does not re-convert your foreign amounts. This can happen only if your user profile option

MULTIPLE_RATES_PER_JE is 'Yes'. BALANCING_SEGMENT_VALUE is null if there is only one balancing segment value in your journal entry. If there is more than one, BALANCING_SEGMENT_VALUE is the greatest balancing segment value in your journal entry.

Bad rounding account

Reserved for country - specific functionality

Reserved for country - specific functionality

U -- Unposted

P – Posted

General Ledger Data Model (continued)

SQL Scripts

Fetch the General Ledger Journal Entry header details :

```
SELECT *
FROM  GL_JE_HEADERS
WHERE JE_HEADER_ID =  XXXXX
```

General Ledger Data Model

Table : GL_JE_LINES

COLUMN NAME	DESCRIPTION
JE_HEADER_ID	Journal entry header defining column
JE_LINE_NUM	Journal entry category
CODE_COMBINATION_ID	Key Flexfield combination defining column
PERIOD_NAME	Accounting period
STATUS	Journal entry line status
ENTERED_DR	Journal entry line debit amount in entered currency
ENTERED_CR	Journal entry line credit amount in entered currency
DESCRIPTION	Journal entry line description
LINE_TYPE_CODE	Line type

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General Ledger Data Model (continued)

GL_JE_LINES stores the journal entry lines that you enter in the Enter Journals form. There is a one-to-many relationship between journal entries and journal entry lines. Each row in this table stores the associated journal entry header ID, the line number, the associated code combination ID, and the debits or credits associated with the journal line. STATUS is 'U' for Unposted or 'P' for posted.

SQL Scripts

Fetch the General Ledger Journal Entry Line details :

```
1. SELECT *
   FROM  GL_JE_LINES
  WHERE JE_HEADER_ID =  XXXXX
```

General Ledger Data Model

Table : GL_IMPORT_REFERENCES

COLUMN NAME	DESCRIPTION
JE_HEADER_ID	Journal entry header defining column
JE_BATCH_ID	Journal entry batch defining column
JE_LINE_NUM	Journal entry line number
REFERENCE1	Journal Import reference column
REFERENCE2	Journal Import reference column
REFERENCE3	Journal Import reference column
REFERENCE4	Journal Import reference column
GL_SL_LINK_ID	Link to associated subledger data
GL_SL_LINK_TABLE	Table containing associated subledger data

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General Ledger Data Model (continued)

GL_IMPORT_REFERENCES stores individual transactions from subledger that have been summarized into Oracle General Ledger journal entry lines through the Journal Import process.

You can specify the journal entry sources for which you want to maintain your transaction's origin by entering 'Yes' in the Import Journal References field of the Journal Sources form. For each source that has Import Journal References set to 'Yes', Oracle General Ledger will populate GL_IMPORT_REFERENCES with one record for each transaction in your feeder system.

SQL Scripts

Fetch the General Ledger import references.

```
SELECT *
FROM GL_IMPORT_REFERENCES
WHERE JE_HEADER_ID = XXXXX
```

General Ledger Data Model (continued)

2. GL_IMPORT_REFERENCES is also used to establish the link between XLA tables and GL tables using GL_SL_LINK_ID.

```
SELECT GIR.je_header_id
FROM   xla_ae_lines      XAL
       ,xla_ae_headers    XAH
       ,gl_import_references GIR
WHERE  XAL.gl_sl_link_id = GIR.gl_sl_link_id
AND    XAH.ae_header_id = XAL.ae_header_id
AND    XAL.ae_header_id = 4631607
```

3. Based on the JE_HEADER_ID derived by the query mentioned above , the GL Journal entry data can be retrieved.

```
SELECT *
FROM   gl_je_lines      GLL
       ,gl_je_headers    GLH
WHERE  GLL.je_header_id = GLH.je_header_id
AND    GLL.je_header_id = XXXXX
```

General Ledger Data Model

Table : GL_BALANCES

COLUMN NAME	DESCRIPTION
LEDGER_ID	Ledger defining column
CODE_COMBINATION_ID	Key flexfield combination defining column
CURRENCY_CODE	Currency
PERIOD_NAME	Accounting period
ACTUAL_FLAG	Balance type (Actual, Budget, or Encumbrance)
PERIOD_TYPE	Accounting period type
PERIOD_YEAR	Accounting Period year
PERIOD_NET_DR	Period net debit balance
PERIOD_NET_CR	Period net credit balance
BEGIN_BALANCE_DR	Beginning debit balance
BEGIN_BALANCE_CR	Beginning credit balance

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General Ledger Data Model (continued)

GL_BALANCES stores actual, budget, and encumbrance balances for detail and summary accounts. This table stores ledger currency, foreign currency, and statistical balances for each accounting period that has ever been opened. ACTUAL_FLAG is either 'A', 'B', or 'E' for actual, budget, or encumbrance balances, respectively. If ACTUAL_FLAG is 'B', then BUDGET_VERSION_ID is required.

If ACTUAL_FLAG is 'E', then ENCUMBRANCE_TYPE_ID is required.

GL_BALANCES stores period activity for an account in the PERIOD_NET_DR and PERIOD_NET_CR columns. The table stores the period beginning balances in BEGIN_BALANCE_DR and BEGIN_BALANCE_CR.

An account's year-to-date balance is calculated as BEGIN_BALANCE_DR - BEGIN_BALANCE_CR + PERIOD_NET_DR - PERIOD_NET_CR. Detail and summary foreign currency balances that are the result of posted foreign currency journal entries have TRANSLATED_FLAG set to 'R', to indicate that the row is a candidate for revaluation.

Summary

You should now be able to do the following:

- Learn to create Requisitions , Request For Quotations , Quotations , Purchase Order ,Create Receipts ,Invoice , Payment and Transfer to GL and GL Posting.
- Identify major tables and the important columns that are affected.



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Entity Relationship Diagram

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The standard ER Diagrams for the Oracle Application modules can be downloaded using the following navigation

Example : Steps to download the ERD for Oracle Purchasing module:-

1. Login to metalink.us.oracle.com.
2. Select the Knowledge Tab.
3. Click on the eTRM (Electronic Technical Reference Manuals) link on the left pane.
4. Select 12.0 and click on HTML.
5. Select PO-Purchasing from the product list.
6. Enter Object Name as %.PDF and Object Type as File.
7. Click on Submit.
8. On the left pane , click on PO-Purchasing ERD.pdf link.
9. Click on Download File and Save the PDF file in your local machine.

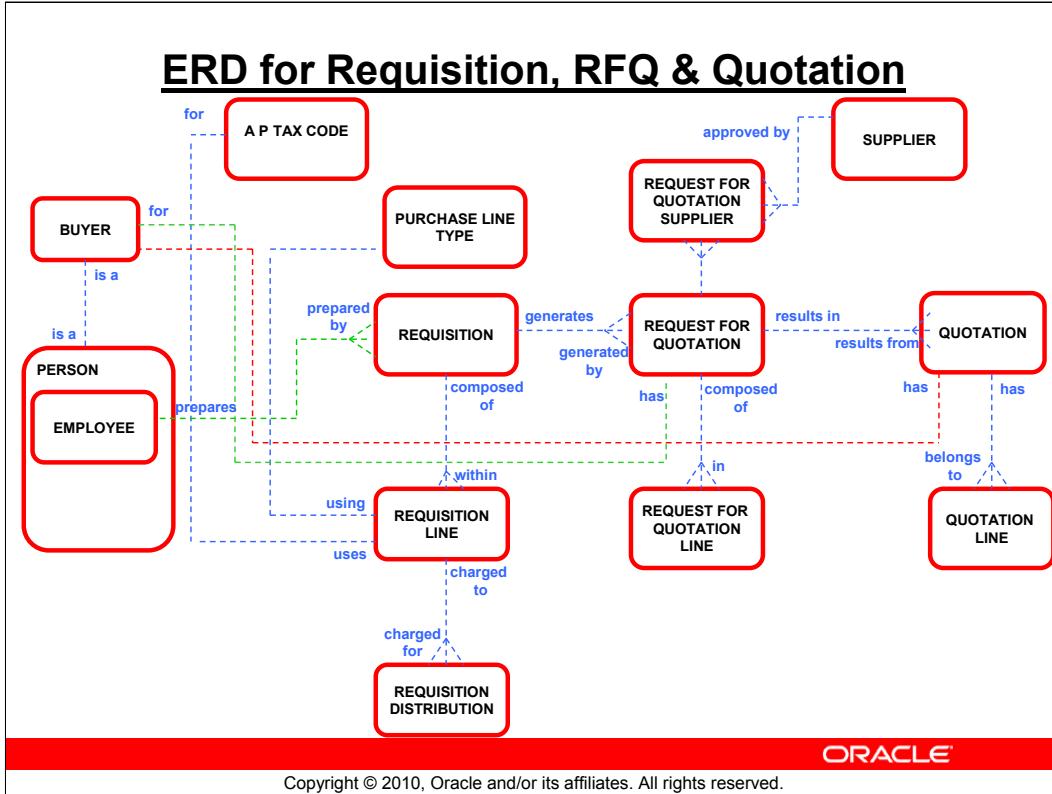
Objectives

After completing this module you should be able to do the following:

- Understand the Entity Relationships in Procurement Cycle.

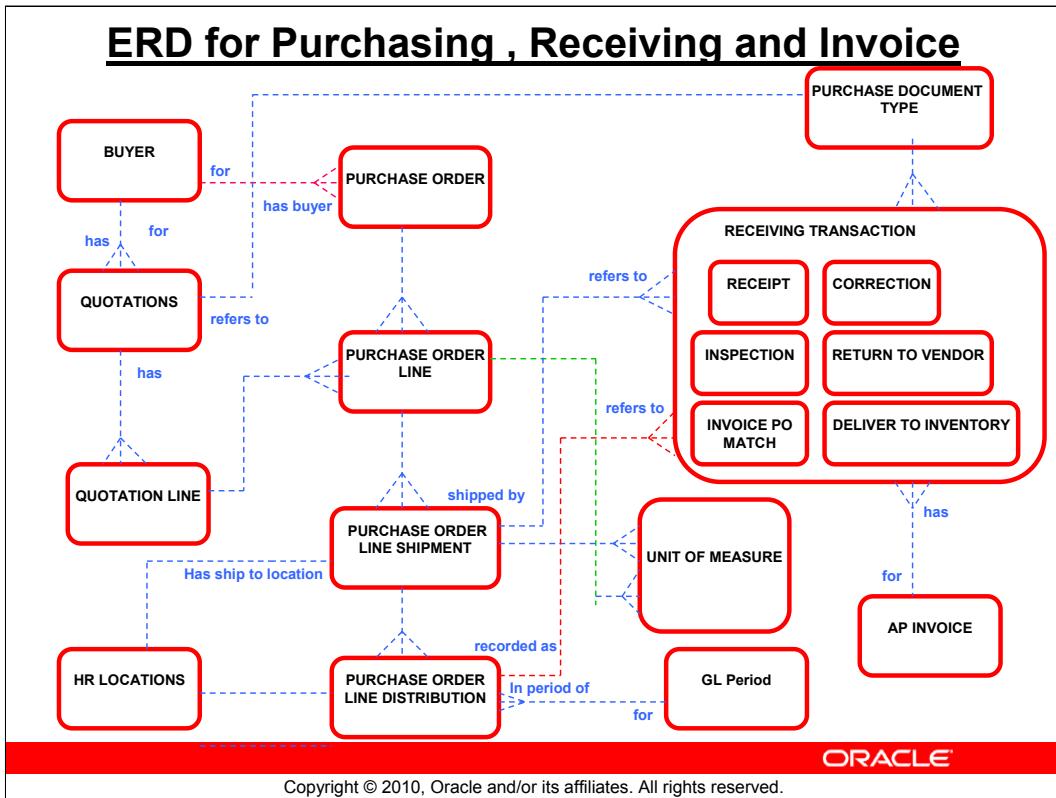


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ERD for Requisition, RFQ & Quotation

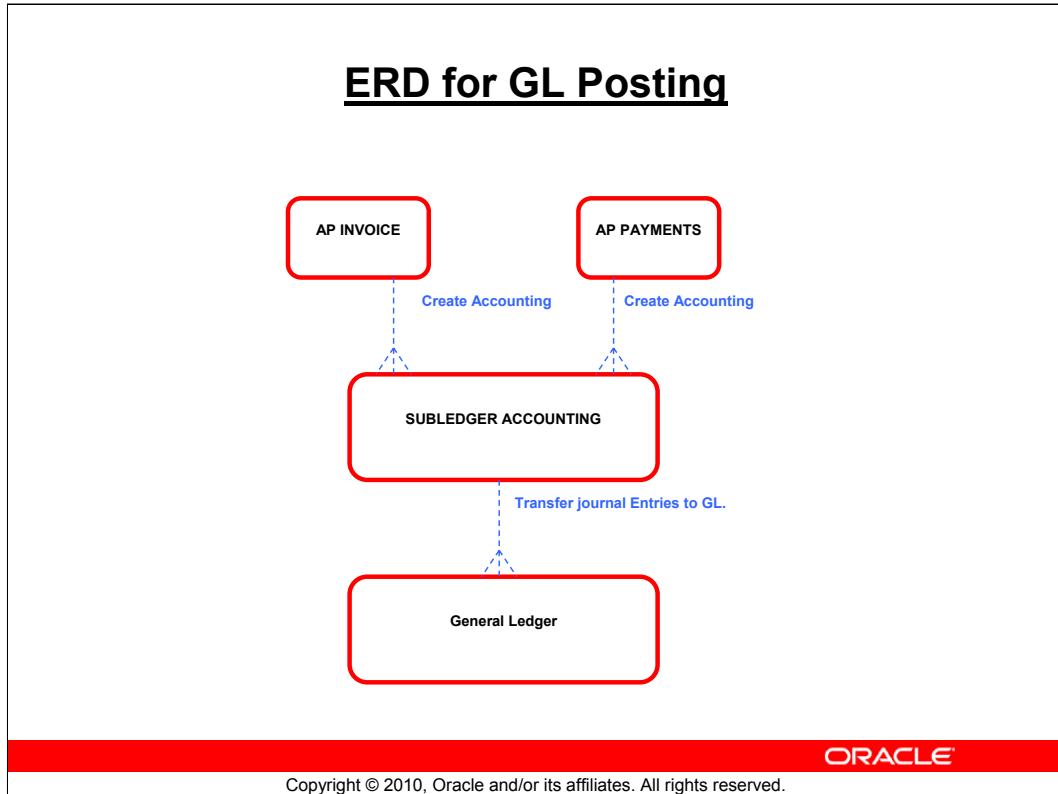
1. An employee who is setup as a buyer prepares a Requisition (Requirement to procure an Item from supplier)
2. Every Requisition can have one or more than one line. Here line indicates each row in Requisitions Lines Tab where the details like Item , Quantity , Unit Price e.t.c are specified.
3. Every Requisition Line has the corresponding distribution line. Even one requisition line can have more than one distribution depending on the accounting requirements. The term distribution means how the amount is distributed \ accounted in different accounts.
4. After creating and approving the Requisition , the Request for Quotation is created which will be send to supplier to provide the quotations for the items required.
5. As specified in the ER diagram , one Requisition can have many RFQs which means more than one suppliers will requested for providing Quotations.
6. Similar to a Requisition a RFQ can have more than one RFQ Lines.
7. When the supplier responds to a Request for Quotation , either verbal or written , you need to have a record of the pricing and terms commitments that are made.
8. For every RFQ create the corresponding Quotation
9. Each Quotation has one or more than one Quotation Lines.



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ERD for Purchasing , Receiving and Invoice

1. Once the Quotation is approved a Purchase Order can be created , Each Quotation Line can result in one or many Purchase Order Lines.
 2. Each Purchase Order Line will have the corresponding distributions.
 3. A Receipt will be created based on the Purchase Order. Receipt creation process internally triggers the Receiving Transaction process.
 4. After the Receipt is created successfully , an Invoice is created in the Oracle Payables.



ERD for GL Posting

1. After the Invoice and Payment is created , the Create Accounting process will create the Journal entries in SLA (XLA_AE_HEADER and XLA_AE_LINES).
2. From SLA the Journal entries can be transferred to the GL using Transfer journal entries to GL concurrent program.

Summary

You should be able to:

- Understand the Entity Relationships in Procurement Cycle.



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Create Purchasable Item

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Objectives

After completing this module you should be able to do the following:

- Create a Purchasable Item.



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Item Master – Create Item

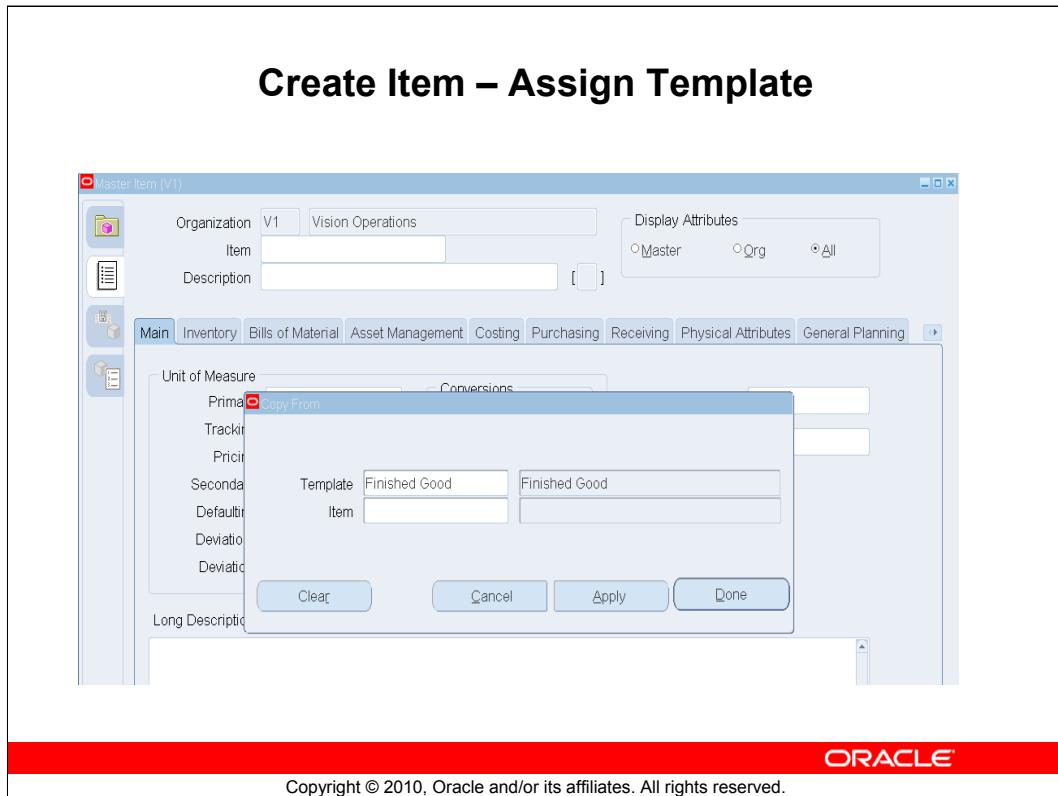
The screenshot shows the 'Master Item (V1)' window titled 'Item Master – Create Item'. The window has tabs at the top: Main, Inventory, Bills of Material, Asset Management, Costing, Purchasing, Receiving, Physical Attributes, and General Planning. The 'Purchasing' tab is selected. In the header, 'Organization' is set to 'V1 Vision Operations', 'Item' is 'P2P_ITEM_999', and 'Description' is 'P2P_ITEM_999'. A 'Display Attributes' section has radio buttons for 'Master', 'Org', and 'All', with 'All' selected. On the left, there's a vertical toolbar with icons for New, Edit, Delete, etc. The main area contains several groups of input fields:

- Purchased and Purchasable:** Both checked.
- Allow Description Update:** Checked.
- Outside Processing Item:** Unchecked.
- RFQ Required:** Set to 'No'.
- Taxable:** Set to 'No'.
- Input Tax Classification Code:** An empty field.
- Invoice Matching:** 'Receipt Required' is 'Yes', 'Inspection Required' is empty.
- Default Buyer:** An empty field.
- Receipt Close Tolerance:** An empty field.
- Unit of Issue:** An empty field.
- Invoice Close Tolerance:** An empty field.
- UN Number:** An empty field.
- Hazard Class:** An empty field.
- List Price:** Set to '10'.
- Market Price:** An empty field.
- Price Tolerance:** Set to '0%'.
- Rounding Factor:** An empty field.

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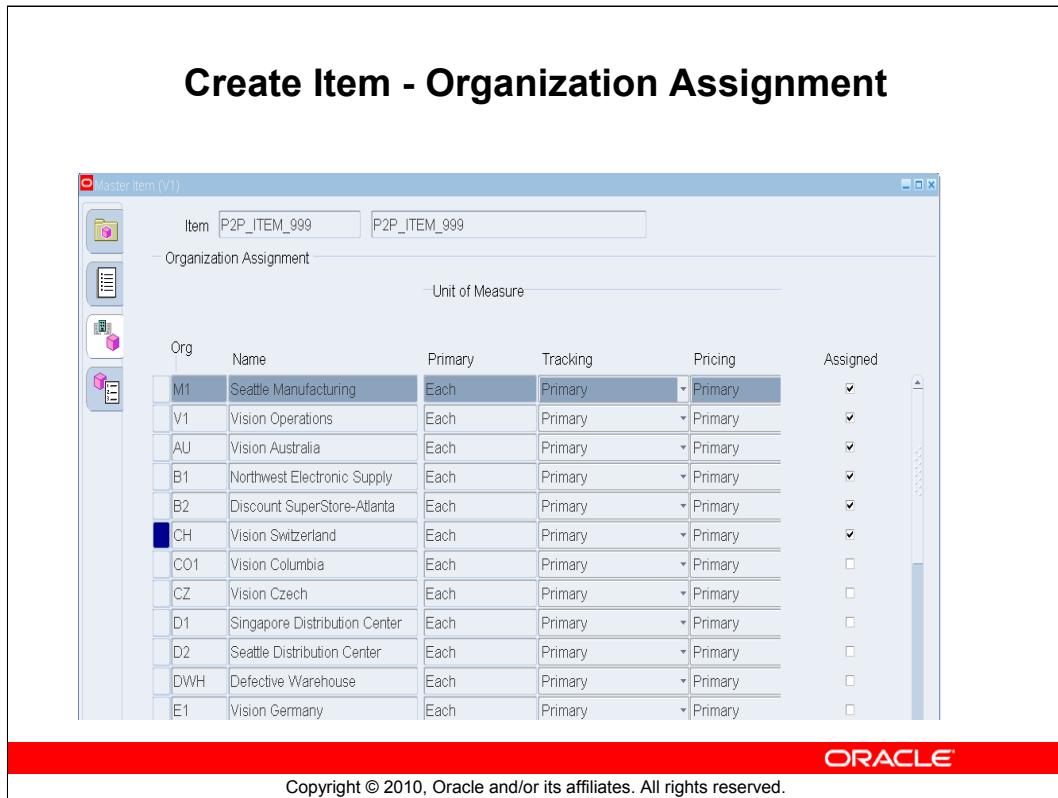
Steps for Creating an Item

1. Enter the Item Name as P2P_TEST_<Employee_ID>.
2. Enter description.
3. Select the Purchasing Tab.
4. Click on Purchased , Purchasable check boxes.
5. Provide any appropriate numeric value in List Price.



Steps for creating an Item

1. Click on Tools → Copy From
2. Select Finished Good from Template Lov.
3. Click on Apply and Done button.



Steps to Assign the Item to Inventory Organizations

1. Click on the Icon Organization Assignments.
2. Click on the check boxes for the respective Inventory Organizations which needs to be assigned to the Item.
3. Click on Save.

Summary

You should now be able to do the following:

- Create a Purchasable Item.



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Purchasing Document Open Interfaces

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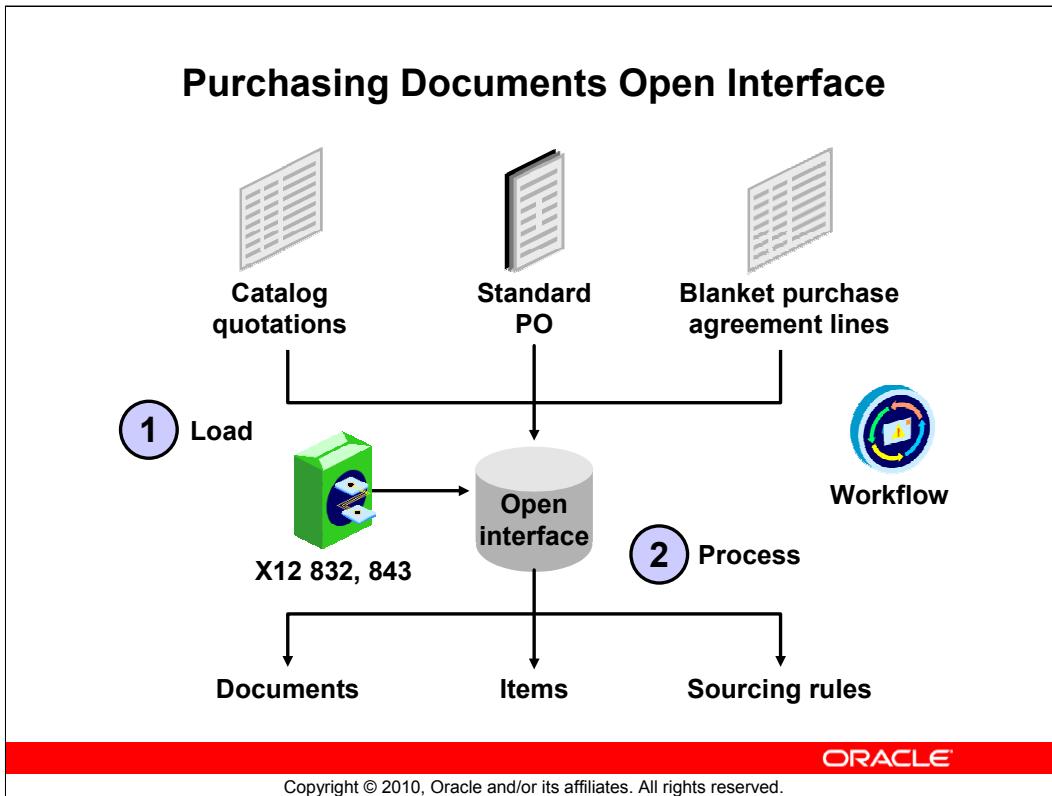
Objectives

After completing this module you should be able to do the following:

- Understand the Purchasing Document Open Interfaces process and the tables involved.



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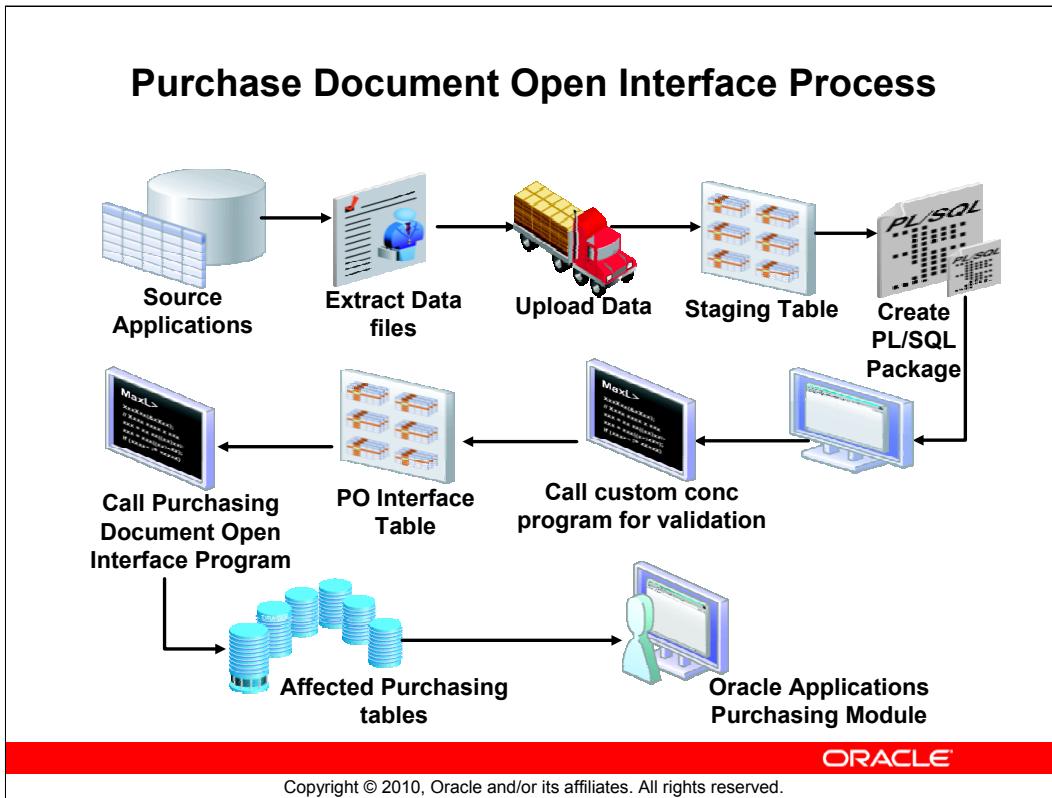
Purchasing Documents Open Interface

Load (1) :

The Purchasing Documents Open Interface receives price/sales catalog information and responses to requests for quotation (RFQs) electronically from suppliers in the form of blanket purchase agreement lines or catalog quotations. One way to import catalog data into the Purchasing Documents Open Interface, and finally into Purchasing, is through Oracle e-Commerce Gateway.

Process (2) :

Run the Purchasing Documents Open Interface program to validate and import it into Purchasing. The Purchasing Documents Open Interface program can be run from within e-Commerce Gateway when you choose Import Program from the e-Commerce Gateway Process menu. Or you can run this program separately, from within Purchasing. If you run it from within Purchasing, you need to first import the price/sales catalog information into the interface tables, using e-Commerce Gateway or a custom import program. Then use this process to import the information into Purchasing.



This Purchasing open interface example will show how to migrate the Internal Requisitions data from source system to Oracle Apps Payables module.

- **Interface Approach / Reference Documents**
 - Interface Tables / PO Requisitions User Guide
- **Responsibility / Navigation / Module**
 - Purchasing manager, System Administrator.
- **Application Setup Requirements**
 - Register the concurrent program for Loader and Package
 - Add the concurrent program in specified responsibility
- **Extract data file in comma separated value(CSV) format from source system.**
- **Create a loader program for loading the data file into staging(custom) table**
 - Create a control file which will have command and mapping column for loading the data from the data file to staging table.
 - Register the control file in Oracle Applications as concurrent program as per the Application setup requirement.
 - Call the custom concurrent program to load the data file from specified location to staging table.

- **Custom concurrent program for validation**

- Call custom concurrent program for validation of data in staging table
- When all the records are validated successfully then load the data into standard interface table
- Call the standard import program to process the records available in standard interface table

- **Assumptions / Prerequisites / Validations**

- Assumption: Customer Setup, GL code combinations, Internal Requisitions should be created.
- Required Columns validations through standard import program
 - Interface source code
 - Destination type code
 - Authorization status
 - Preparer id or preparer name
 - Quantity
 - Charge account id
 - Destination organization id or destination organization code
 - Deliver to location id or deliver to location code
 - Deliver to requestor id or deliver to requestor name

- **Base Tables Affected**

- PO_REQ_HEADERS_ALL
- PO_REQ_LINES_ALL
- PO_REQ_DISTRIBUTIONS_ALL

- **Interface Tables / APIs**

- PO_REQ_INTERFACE_ALL

•Navigation of Import Program & Parameters

Others => Request => Run => ‘Requisition Import’

Parameters

1 => Group By

2 => Multiple Distributions

3 => Initiate Approval after ReqImport

•Import Errors

- For finding the errored records, we use PO_INTERFACE_ERRORS table and the column we will use to join with PO_REQUSITIONS_INTERFACE_ALL is INTERFACE_TRANSACTION_ID

- The PROCESS_FLAG column in the PO_REQUSITIONS_INTERFACE_ALL table is updated as ERROR

Requisitions Open Interface

Requisition Import program operates in three phases :

- Validation of source data present in Interface table.
- Grouping and numbering of records.
- Populating the records in Purchase Requisition tables and clearing the Requisition Open Interface table.

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Requisition Open Interface Process :

1. In the first phase, the program validates your data and derives or defaults additional information. The program generates an error message for every validation that fails and creates a row in the PO_INTERFACE_ERRORS table.
2. In the second phase, the program groups and numbers the validated requisition lines. If you specify a value in the REQ_NUMBER_SEGMENT1 column of the PO_REQUESTS_INTERFACE_ALL table, all lines with the same value for this column are grouped together under a requisition header. If you provide a value in the GROUP_CODE column, all lines with the same value in this column are grouped together under a requisition header.
3. In the third phase, the program deletes all the successfully processed rows in the interface tables, and creates a report which lists the number of interface records that were successfully imported and the number that were not imported. Launch the Requisition Import.Exceptions Report to view detailed errors.

Requisition Open Interface Table

Tables :

PO_REQUSITIONS_INTERFACE_ALL

COLUMN NAME	DESCRIPTION
INTERFACE_SOURCE_CODE	Interface transaction source
DESTINATION_TYPE_CODE	Requisition destination type
AUTHORIZATION_STATUS	Authorization status type
PREPARER_ID	Preparer unique identifier
QUANTITY	Quantity ordered
GROUP_CODE	Import grouping code
ITEM_ID	Inventory Item unique identifier
DELIVER_TO_LOCATION_ID	Deliver-to-location unique identifier
DESTINATION_ORGANIZATION_ID	Destination organization unique identifier

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Requisition Open Interface Table

PO_REQUSITIONS_INTERFACE_ALL contains requisition information from other applications. Each row includes all the information necessary to create approved or unapproved requisitions in Oracle Purchasing. The Oracle Purchasing Requisition Import feature uses this information to create new requisition headers, lines and distributions.

The Requisition Import program validates your data, derives or defaults additional information and writes an error message for every validation that fails into the PO_INTERFACE_ERRORS table. Then the program groups and numbers requisition lines according to the criteria you specify in the GROUP_CODE and REQ_NUMBER_SEGMENT1 columns, and creates new requisitions.

Requisition Open Interface Table

Tables :

PO_REQ_DIST_INTERFACE_ALL

COLUMN NAME	DESCRIPTION
INTERFACE_SOURCE_CODE	Unique header identifier
DESTINATION_ORGANIZATION_ID	Requisition Number
DESTINATION_TYPE_CODE	Requisition destination type
DESTINATION_SUBINVENTORY	Destination Subinventory.
DESTINATION_ORGANIZATION_ID	Destination organization unique identifier
QUANTITY	Quantity ordered
CHARGE_ACCOUNT_ID	Unique identifier for the General Ledger charge account

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Requisition Open Interface Table

PO_REQ_DISTRIBUTIONS_ALL stores information about the accounting distributions associated with each requisition line. Each requisition line must have at least one accounting distribution. You need one row for each requisition distribution you create. Each row includes the Accounting Flexfield ID and requisition line quantity.

PO_REQ_DISTRIBUTIONS_ALL is one of three tables storing your requisition information. This table corresponds to the requisition distributions window, accessible through the Requisitions window.

Purchasing Open Interfaces

Using Purchasing Open Interface you can do the following

- Import standard purchase orders, blanket purchase agreements or catalog quotations.
- Replace or Update Blanket purchase agreements and quotations. Standard purchase orders can only be imported as new documents.

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Purchasing document open interface process :

1. Launch the Purchasing Documents Open Interface program , to validate the records present in the Purchasing open interface table.
2. If there are any Validation errors then PO_INTERFACE_ERROR table is populated.
3. After successful validation the processed records are populated in the purchasing base tables.

Additional Information :

1. Launch Purge Purchasing Documents Open Interface Processed Data program to purge PO interface data. This program removes data that has been accepted or rejected, not data that is still pending.
2. Launch Purchasing Interface Errors Report to view errors.
If you want to purge data from the Purchasing Interface Errors table, set the Purge Data field to Yes
3. Refer metalink note [Doc ID: 252499.1](#) for mandatory column information on Purchasing Interfaces.

Purchasing Open Interface Table

Tables : PO_HEADERS_INTERFACE

COUMN NAME	DESCRIPTION
INTERFACE_HEADER_ID	Interface header unique identifier
PROCESS_CODE	Interface record status
ACTION	Interface action: ADD, NEW
DOCUMENT_TYPE_CODE	Document type to be created: PO or RFQ
BATCH_ID	Batch unique identifier
VENDOR_ID	Supplier unique identifier
VENDOR_SITE_ID	Supplier site unique identifier
SHIP_TO_LOCATION_ID	Ship-to location unique identifier
BILL_TO_LOCATION_ID	Bill-to location unique identifier

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Purchasing Open Interface Table

PO_HEADERS_INTERFACE is the interface table that holds header information for the PDOI program to create standard/blanket purchase orders and catalog quotations.

The PDOI program validates your data, derives or defaults additional information and writes an error message for every validation that fails into the PO_INTERFACE_ERRORS table.

Purchasing Open Interface Table

Tables : PO_LINES_INTERFACE

COLUMN NAME	DESCRIPTION
INTERFACE_LINE_ID	Interface transaction source
INTERFACE_HEADER_ID	Requisition destination type
ITEM_ID	Preparer unique identifier
QUANTITY	Quantity ordered
UNIT_PRICE	Item unit price
ITEM_ID	Inventory Item unique identifier
LINE_TYPE	Line Type unique identifier
NEED_BY_DATE	Item need by date
UNIT_OF_MEASURE	Unit of Measure

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Purchasing Open Interface Table

PO_LINES_INTERFACE is the interface table that holds lines information for the PDOI program to create standard/blanket purchase orders and catalog quotations.

The PDOI program validates your data, derives or defaults additional information and writes an error message for every validation that fails into the PO_INTERFACE_ERRORS table.

Purchasing Open Interface Table

Tables : PO_DISTRIBUTIONS_INTERFACE

COLUMN NAME	DESCRIPTION
INTERFACE_HEADER_ID	Interface header unique identifier
INTERFACE_LINE_ID	Interface line unique identifier
INTERFACE_DISTRIBUTION_ID	Interface distribution unique identifier
SET_OF_BOOKS_ID	Set of Books unique identifier
CHARGE_ACCOUNT_ID	Unique identifier for the General Ledger charge account
BUDGET_ACCOUNT_ID	Unique identifier for the General Ledger budget account
ACCRAUL_ACCOUNT_ID	Unique identifier for the General Ledger accrual account
VARIANCE_ACCOUNT_ID	Unique identifier for the General Ledger variance account

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Purchasing Open Interface Table

PO_DISTRIBUTIONS_INTERFACE is the interface table that holds distribution information for the PDOI program to create standard purchase order.

The PDOI program validates your data, derives or defaults additional information and writes an error message for every validation that fails into the PO_INTERFACE_ERRORS table.

Objectives

You should now be able to do the following:

- Understand the Purchasing Document Open Interfaces process and the tables involved.



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CASE LITE

P2P – R12 EBS Duration 1 day.

Business Scenario:

You are part of the functional consulting team, who would be implementing Oracle EBS for Vision Corporation Inc. Vision Corporation, US are currently using a home grown legacy application for their P2P business flow and they are in the process of implementing Oracle EBS application.

You meet up with business users of legacy application to understand their business process in Purchase to Pay business flow cycle. Business users of Purchase department provide following information to you.

Step 1: For fulfilling the future requirement of any inventory item/ Product like computer monitor, the buyer/ purchase officer sends a catalog type **RFQ** (Request for Quotation) to the possible supplier. The item needs to be procured with a 30 days net payment terms from an approved supplier only.

Step 2: Based on RFQ, the **Quote/Quotation** sent by the supplier is entered by the purchase officer in the system. The Quote must be approved by the purchase officer for proceeding further with the procurement process.

Step 3: As the supplier must be approved to place any future order with them; the purchase officer creates an **Approved Supplier List** mentioning the supplier, based on the approved quotation submitted by them in the previous step.

Step 4: The purchase officer also creates a **Sourcing Rule** to allocate quantity of the future orders (in terms of %age) to the supplier and to rank the supplier. Then the sourcing rule is assigned to the item for which the purchasing has to be done in future.

Step 5: Now the actual requirement of the item is placed in the system as a **Requisition**, referring the approved quotation of the supplier. The previously defined sourcing rule will ensure the supplier details are mentioned in the requisition. Also the requisition needs to be approved, so that the **Auto created Purchase Order** according to it can be placed with the supplier.

Step 6: Supplier send the goods as per the purchase order and **Receiving** is done for the supplied goods in the inventory.

Step 7: **Supplier Invoice** is entered in the system. The invoice is matched with the received quantity and validated against the referred Purchase Order.

Step 8: **Accounting is created** for the validated supplier invoice in the ledger.

Step 9: **Payment** is made for the validated invoice.

Problem Statement:

Based on the above business flow, as functional consultants, you are expected to perform the following:

1. Create a process flow diagram mapping to Oracle EBS application with required functionality.
2. Identity the master set up steps & prerequisites required towards working of any standard Purchase to pay transactions.
3. Considering availability of the vision test instance to you; create a sample transaction from step 1 to step 8 in Oracle EBS.

To accomplish this, you've to keep in mind the following pre- requisites & activities to be performed in each step:

- Using responsibility = Human Resources, Vision Enterprises; define yourself as an employee and create an assignment as per the following information:

<u>Field</u>	<u>Value</u>
Organization	Vision Operations
Job	MGR500.MANAGER
Position	MM400. MATERIALS MANAGER
Location	M1- Seattle

Also assign yourself a supervisor- Brown, Ms. Casey and in the Purchase Order Information mention the following:

- Ledger = Vision Operations
- Default Expense Account = 01-110-7740-0000-000
- Using responsibility = System Administrator; create a username for yourself to access the instance with the person as the employee you created earlier and add the following responsibilities to your new username

<u>Responsibility</u>	<u>Security Group</u>
Purchasing, Vision Operations	Standard
Payables, Vision Operations	Standard
System Administrator	Standard
Inventory, Vision Operations	Standard
General Ledger, Vision Operations	Standard
Assets, Vision Operations	Standard
Human Resources, Vision Enterprises	Standard
Preferences SSWA	Standard
iProcurement	Standard
Workflow	Standard
System Administration	Standard

- Using responsibility = Purchasing, Vision Operations; set yourself up as a buyer with a default Ship-To of M1 – Seattle
- Using Responsibility = Inventory, Vision Operations; create an Inventory Item-Monitor as per following:

Primary Unit of Measure = Each

Item Status = Active

List Price = 250

In the Receipt Date Controls area's Action field, use the list of values to select Warning.

Days Early = 5

Days Late = 5

Allow Substitute Receipts = Yes

Receipt Routing field = Standard

Also assign the item to the following inventory organizations:

<u>Org</u>	<u>Name</u>	<u>Assigned</u>
M1	Seattle Manufacturing	Checked
M2	Boston Manufacturing	Checked
M3	Dallas Manufacturing	Checked

- Using responsibility = Payables, Vision Operations; enter your supplier as per following:

Country: Accept United States

Address Line 1: #20

Address Line 2: 5th Cross

Address Line 3: 5th Street

Address Line 4: Fizzy Road

City: New York

County: New York

State: NY

Postal Code: 10020

Address Name: XX_Supplier_Site

Language: American English

Address Purpose: Purchasing and Payment

Under “Quick Update” Link-

- a) Accept the default Ship To Location and Bill To Location, FOB, Country of Origin values
- b) Ship Via = UPS
- c) Create Debit Memo from RTS Transaction = Checked

Under “Reporting- Receiving” Link-

- a) Enforce Ship-To Location = Warning
- b) Receipt Routing = Standard Receipt
- c) Match Approval Level = 3-Way
- d) Qty Received Tolerance = 0%
- e) Qty Received Exception = Reject
- f) Receipt Date Exception = Warning

Under “Reporting- Invoice Management” Link-

- a) Enter Purchase Order as your invoice match option
- b) Enter Invoice Currency and Payment Currency as US dollar
- c) Enter XX as your payment priority, where XX is your assigned terminal number
- d) Enter Invoice Payment Terms as 30 Net
- Using responsibility- Purchasing, Vision Operations; create a Catalog RFQ as per following:

Type = Catalog RFQ

Status = Active

Due Date = *Two weeks from today*

Description = XX Computer Hardware

Reply Via = Mail

Close Date = *Three weeks from today*

Quote Approval Required = Checked

Quote Efficiency = *Today's date to one year from today*

Also complete the Terms with-

Note to Supplier = Please expedite your response!

Further, enter items according to the table

<u>Number</u>	<u>Item</u>	<u>Category</u>	<u>UOM</u>	<u>Target Price</u>
1	CM13139	PRODUCTN.DRIVES	Each	<i>Blank</i>
2	XX Monitor	MISC.MISC	Each	<i>Blank</i>

Note: The supplier will reply with pricing information.

Then ask for price breaks at quantity- 10, 25 and 50.

<u>Name</u>	<u>UOM</u>	<u>Quantity</u>	<u>Price</u>	<u>Org</u>	<u>Ship-To</u>	<u>Discount</u>
1	Each	10	Blank	M1	M1-Seattle	10
2	Each	25	Blank	M1	M1-Seattle	15
3	Each	50	Blank	M1	M1-Seattle	20

Note: This must be done for **EACH** item on your RFQ.

Now add supplier and site information in it.

- Using responsibility- Purchasing, Vision Operations; automatically create a quotation from an RFQ as per following:

(N) RFQs and Quotations > RFQs

(M) View > Find

In the Find field, enter the number of your RFQ from the prior exercise.

(B) Find

Click on your RFQ

Click OK

Open the Copy Document window:

(M) Tools > Copy Document

Use the list of values to choose the following parameters:

<u>Parameter</u>	<u>Value</u>
Action	Entire RFQ
Number	N/A for automatic numbering
Type	Catalog Quotation
Supplier	XX Supplier
Site	XX_Supplier_Site
Context	Choose from your list of values

(B) OK to copy the RFO

Record your Quotation number.

Save

Change the Status as Active

Save

Now in the Approve Entire Quotation window enter the following parameters:

<u>Parameter</u>	<u>Value</u>
Type	All Orders
Reason	Best Design

Approver	Your last name, your first name
Effective	<i>Today's date to one year from today</i>
Comments	Design approved by Engineering

- Using responsibility- Purchasing, Vision Operations; create an Approved Supplier for your item as per following:

(N) Supply Base > Approved Supplier List (M1 Seattle Manufacturing)

Type = Item

Item = XX Monitor

(T) Key Attributes

Business = Direct

Supplier = XX Supplier

Site = XX_Supplier_Site

Status = Approved

Supplier Item = XX SVGA17

Now make the Approved Supplier List a Global Approved Supplier List:

(T) Record Details

Global = Yes from the pop-up list to indicate this item & supplier site combination should be available to all organizations. A local ASL entry will override a global ASL entry.

Also define the attributes of the Approved Supplier List Entry

(B) Attributes

Release Method = Release Using AutoCreate

(T) Source Documents

Type = Quotation

Number = Your quotation number

In the Line field enter the line number of your inventory item.

- Using responsibility- Purchasing, Vision Operations; create a Sourcing Rule as per following:

(N) Supply Base > Sourcing Rules (M1 – Seattle Manufacturing)

Rule Name = XX Computer Hardware

All Orgs = Selected

From Date = Today's date

Type = Buy From

Supplier = XX Supplier

Site = XX_Supplier_Site

Allocation% = 100

Rank = 1

Now verify the Default Assignment Set (Responsibility- Purchasing, Vision Operations) as per following:

(N) Personal Profiles

(M) View > Find

Profile = MRP: Default Sourcing Assignment Set

Verify default value = Supplier Scheduling

Note: Purchasing only uses sourcing rules assigned to the value in the MRP: Default Sourcing Assignment Set.

Create a Sourcing Rule Assignment (Responsibility- Purchasing, Vision Operations) as per following:

(N) Supply Base > Assign Sourcing Rules

(M) View > Find

Choose Supplier Scheduling from the list of values

Now in the Assignments region, click in the customer field

(M) File > New

Assigned To = Item

Item/Category = XX Monitor

Type = Sourcing Rule

Sourcing Rule = XX Computer Hardware

- To automatically create a Standard PO based on your Quotation submit a Requisition (Responsibility- Purchasing, Vision Operations) as per following:

(N) Requisitions > Requisitions

(T) Items

Item = XX Monitor

Quantity = 10

Destination Organization = Seattle Manufacturing

Location = M1- Seattle Mfg

(T) Source Details

Supplier Item = XX SVGA17

Type = Quotation

Document = *Your quotation number*

Line = 1

Supplier = XX Supplier

Site = XX_Supplier_Site

- Verify a Standard PO was Created (Responsibility- Purchasing, Vision Operations) as per following:

(N) Purchase Orders > Purchase Order Summary

(T) Related Documents

Requisition = *your requisition*

- Find Expected Receipts (Responsibility- Purchasing, Vision Operations) as per following:

(N) Receiving > Receipts (M1 – Seattle Manufacturing)

Purchase Order = Your PO from previous practice

Supplier = XX Supplier

Item = XX Monitor

Fill in Receipt Header Details-

Packing Slip = PS-XX

Freight Carrier = UPS

Process a Standard Receipt-

(M) Window > Receipts (M1)

Select the check box to the left of the quantity field

Quantity = 20

Destination Type = Inventory

Location = M1- Seattle Mfg

Requester = *Your last name, Your first name*

Subinventory = Stores

Note: For receiving items of Destination Type- Inventory; it is mandatory to specify the Subinventory in which you've to receive this item.

(B) Header

Record your receipt number.

Note: You can only override the default destination type, if the RCV: Allow Receipt Override is set to Yes.

- Create an Invoice (Responsibility- Payables, Vision Operations) as per following:

Enter the Invoice Type, by default ‘Standard’ is selected.

Enter the PO number; once you provide the PO number, the following information will be defaulted-

Trading Partner, Supplier Number, Supplier Site

Enter the Invoice Date or accept the Payables default (today’s date) by choosing [TAB].

Enter the Invoice Number from the invoice your supplier sent you or accept the Payables default (today’s date) by choosing [TAB]. Payables will not allow entering duplicate invoice numbers for the same supplier.

Enter the Invoice Amount. In this case, enter the same amount that appears on the PO.

Now Match to PO shipment or distribution-

(B) Match

Select the PO from the PO Number LOV.

Choose (B) Find to navigate to the Match to Purchase Orders window.

Select the PO line. Once the line is selected, the Quantity Invoiced and Match Amount fields are automatically populated.

Choose (B) Match to complete the Match.

Further, Validate the Invoice-

(B) Actions

Select Validate the Invoice

Create Accounting for the Invoice-

(B) Actions

Select Create Accounting. There are three modes- a) Draft, b) Final and c) Final Post.

Select the mode- Final.

View Invoice Accounting Entries-

(M) Tools > View Accounting Events

(B) View Journal Entries

While performing the above, keep in mind the business users of Vision corporation are new to Oracle EBS, hence your presentation should be in such a way that they understand and appreciate Oracle EBS product working & features.

