FINANCIAL INFORMATION SYSTEM

FIS Standard Curriculum

Logistics Part 1: Purchase Requisitions & Purchase Orders
Course Objectives

This course will help you:

• Understand the university’s Purchasing Cycle
• Determine *when* to create a Purchase Requisition, Purchase Order or a Workflow Purchase Order
• Process Workflow Purchase Orders
• Modify or Cancel a Workflow Purchase Order
Course Map

• Purchasing Cycle – An Overview

• Purchase Orders & Purchase Requisitions: What are They?

• Workflow Purchase Order (PO)
  ▪ Purchase Orders: The Business Process
  ▪ Purchase Orders: Standard Orders between $10K & $50K
  ▪ Purchase Orders: Standard Orders greater than $50K
  ▪ Lease Orders valued less than $50K
  ▪ Lease Orders greater than $50K
  ▪ Resolving/Changing Rejected Workflow Purchase Orders
  ▪ Making Adjustments to POs

• Purchase Requisition (PR)
  ▪ When are Purchase Requisitions required?
  ▪ Purchase Requisitions: Business Process
  ▪ Purchase Requisitions: Radioactive Material
Overview of Purchasing Cycle (St. George)

1. Request for goods or services
2. Check Budget availability (in FM)
   - Create Workflow Purchase Order (PO), if amount (pre-tax) is $5,000 or greater (creates commitment in FM)
3. Goods Receipt (GR) (creates accrued liability in FI and actual in FM and CO)
4. Invoice Verified & Processed
5. Payment Issued

Request for goods or services (creates commitment in FM)
Goods Receipt (GR) (creates accrued liability in FI and actual in FM and CO)
Purchase Orders & Requisitions: What are They?

Purchase Requisition (PR)
• A request for approval to proceed with an order for goods and/or services.
• **ONLY** required when:
  1. Ordering radioisotopes
  2. **UTSC**: When processing lease or standard Purchase Orders valued over $25,000 (before tax)

Purchase Order (PO)
• A contract between a customer and a vendor regarding the purchase of goods and/or services with terms and conditions of the purchase.
## Transaction Levels and Authority

### COMPETITIVE PROCUREMENT
(Purchasing Goods or Non-Consulting Services)

<table>
<thead>
<tr>
<th>THRESHOLDS</th>
<th>PURCHASE ORDER</th>
<th>DOCUMENTATION</th>
<th>ACCOUNTABILITY</th>
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<tbody>
<tr>
<td>$100,000 +</td>
<td>YES</td>
<td>COMPETITIVE BID PROCESS (e.g., RFP, RFSQ, RFQ)</td>
<td>PROCUREMENT SERVICES</td>
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<tr>
<td>$50,000 - $99,999</td>
<td>YES</td>
<td>3 WRITTEN QUOTES (Invitational)</td>
<td>YOUR DEPARTMENT</td>
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<tr>
<td>$10,000 - $49,999</td>
<td>YES</td>
<td>2 VERBAL or WRITTEN QUOTES (Informal)</td>
<td>YOUR DEPARTMENT</td>
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<tr>
<td>$0 - $9,999</td>
<td>OPTIONAL (Dept. Issued PO)</td>
<td>OPTIONAL</td>
<td>YOUR DEPARTMENT</td>
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</table>

**NOTE:**
- Restricted items such as radioisotopes require a P.R & P.O. regardless of the value;
- Consider shipping charges from out of town vendors

**Procurement Services:**
- [http://www.procurement.utoronto.ca/](http://www.procurement.utoronto.ca/)
What is PO Workflow?

- Workflow includes **standard Purchase Orders** and **Lease Purchase Orders regardless of dollar value**

- PO Workflow is built into SAP and streamlines the Purchase Order Process, and automates the Procurement compliance review.

Today’s session will focus on this process.
Which Departments follow the PO Workflow Process?

- All units within St. George Campus and UTM (as of May 1st, 2019)
- UTSC is not currently using the PO workflow process, and continues to process Purchase Requisitions for all standard purchase orders equal to or greater than $25,000 (before tax), and all leases.

Note: Orders of radioisotopes, regardless of value, will still require a Purchase Requisition as per current process.
How Does it Work?

• Purchase Orders and Lease Orders valued less than $25,000 will automatically be released, and not be reviewed by Procurement Services.

• Purchase Orders and Lease Orders equal to or greater than $25,000 will be automatically electronically routed to central Procurement Services for compliance review.

• It is now mandatory for supporting documentation to be attached in AMS for PO’s equal to or greater than $25,000.

• If reviewed and released by Procurement Services, the PO creator will receive an email notification with a soft copy (PDF) of the PO in the email.

• If rejected, the PO creator will receive an email notification with the reasons why. The PO creator will then resolve the issues and re-submit the PO to Procurement Services for review.
## Document Type and Numbers

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<thead>
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<th>Name</th>
<th>Type</th>
<th>Numbering System</th>
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<tr>
<td>Standard Workflow Purchase Order</td>
<td>WNB</td>
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</tr>
<tr>
<td>Workflow Lease Order</td>
<td>WLS</td>
<td>47XXXXXXXXXXXXX</td>
</tr>
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<td>Electronic Purchasing (e.g., uSOURCE)</td>
<td>EC</td>
<td>37XXXXXXXXXXXXX</td>
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<tr>
<td>Purchase Requisition</td>
<td>NB</td>
<td>1XXXXXXXXXX (8 digit)</td>
</tr>
<tr>
<td>Purchase Order (Non-Workflow)</td>
<td>NB</td>
<td>45XXXXXXXXXXXXX</td>
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Purchase Orders
Workflow Purchase Order

When is a Workflow PO required?
For all purchases $5,000 or greater (before taxes), and leases at St., George Campus and UTM.

As an FIS transaction:

• PO document creates a commitment in a FC or FC/Fund combination

QRG: Creating a PO
PO Workflow Process

1. User Creates a PO
2. Is the value less than $50,000?
   - Yes: PO Created, Stop
   - No: Workflow Initiated
3. PO is routed to Procurement Services for review
4. PO is released?
   - Yes: PO Created
   - No: PO returned to end user
PO Workflow Scenarios

1. Standard Purchase Order valued less than $25,000 (before tax)
2. Standard Purchase Order valued equal to or greater than $25,000 (before tax)
3. Lease Order valued at less than $25,000 (before tax)
4. Lease Order valued equal to or greater than $25,000 (before tax)
Scenario 1: Standard Purchase Order valued less than $25,000 (before tax)

1. A minimum of 2 quotations is required unless using an approved supplier.

2. Department creates the PO in AMS using Document Type WNB: Standard WF PO.

3. PO is automatically released, and an email will be sent to department with a PDF of the PO attached. The PO will also automatically print on the default departmental printer.

4. Department forwards PO to the vendor
Scenario 2: Standard Purchase Order valued Greater than $25,000 (before tax)

1. A minimum of 3 quotations is required unless using an approved supplier.
2. Department creates the PO in AMS using Document Type **WNB: Standard WF PO**, and attaches supporting documents (e.g. quotes).
3. PO is created, and automatically routed to Procurement Services for review.
4. **If released**, an email will be sent to department with a PDF of the PO attached. The PO will also automatically print on the default departmental printer.
5. **If rejected**, the PO creator will receive an email notification. The PO creator will then proceed to **SAP Inbox** to amend the PO as required.
   a) **Once rejected PO is released**, a confirmation email will be sent to department with a soft copy (PDF) of the PO attached. The PO will also automatically print on the default departmental printer.
   b) Once required amendment is made to PO, it is automatically re-submitted to Procurement Services for review.
6. Department forwards the PO to the vendor.
**Scenario 3: Lease PO valued between $5,000 and $25,000 (before tax)**

1. A minimum of 2 quotations is required unless using an approved supplier.

2. Department creates the lease PO in AMS using new document type **WLS: Lease WF Order**.

3. An email will be sent to department with a PDF of the PO attached. The PO will also automatically print on the default departmental printer.

4. Forward lease PO to vendor.

5. **Department updates the value of periodic lease payment from $1 placeholder** in the new FY.
Scenario 4: Lease PO valued Greater than $25,000 (before tax)

1. A minimum of 3 quotations is required unless using an approved supplier.

2. Department creates the lease PO in AMS Creates PO using new document type **WLS: Lease WF Order** and attaches any supporting documents (e.g., lease schedule). PO is then routed to Procurement Services for review.

3. **If released**, an email will be sent to department with a PDF of the PO attached. The PO will also automatically print on the default departmental printer.

4. **If rejected**, department will receive an email notification. Proceed to SAP Inbox to view reason for rejection, and make changes required to get it released.
   a) **Once rejected PO is released**, a confirmation email will be sent to department with a PDF of the PO attached. The PO will also automatically print on the default departmental printer.
   b) Once required amendment is made to PO, it is automatically re-submitted to Procurement Services for review.

5. Department updates the value of periodic lease payment from $1 placeholder in the new FY.
Workflow Lease Purchase Orders

Information to be included:

1. The **equipment (asset)**
2. The **vendor name, contact information and quotation with terms and conditions of sale**
3. The term of the lease (usually 18-60 months)
   - Ensure **each fiscal year has its own line on the PO.** The number of payments **PER FISCAL YEAR** is indicated in the PO Quantity field (e.g., 4 quarterly payments, 12 monthly payments).
4. Down payment amount (if required)
5. Choose the preferred **end of lease options**
   - return asset
   - extend lease
   - purchase asset for fair market value or residual value

Procurement Guidelines: Leasing
- [http://www.procurement.utoronto.ca/programs-and-services/leasing](http://www.procurement.utoronto.ca/programs-and-services/leasing)
Workflow Lease Purchase Orders (cont’d)

Set up Workflow Lease PO for the **LIFE of the Lease** to facilitate future payments.

**In Header:**

**Text** – Includes important information for Procurement Services as well as the Vendor

Information to Include in **Text** tab:

- Vendor
- Contact
- Schedule/Agreement #
- Terms
- Start and End Date
- End of lease agreement
- Acquisition Cost

Example of PO for a Lease
Workflow Lease Purchase Orders (cont’d)

After completing the **Text** tab, enter the cost of the equipment if the department were to purchase it outright in the **Equipment Acquisition Value** field:

**NOTE:** This can be found in the **Master Lease Agreement** or **Lease Schedule**.

Click the **Lease & History** tab within the **Header** section.

Enter **Equipment Acquisition Value**
**Workflow Lease Purchase Orders (cont’d)**

**In Item Overview:**

- **Short Text** – Description of lease item, Lease Schedule/Agreement #, fiscal year of payment, payment frequency (e.g., quarterly, monthly)
- **PO Quantity** – Payments per **Fiscal Year**
- **Unit** - Enter “**EA**” to indicate EACH
- **Delivery Date** – Day/Month and Year of annual lease start date

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<th>tm</th>
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<th>Short Text</th>
<th>PO Quantity</th>
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<th>Deliv. Date</th>
<th>Net Price</th>
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Workflow Lease Purchase Orders (cont’d)

In **Item Details** enter the expected future lease commitment for all future years in the **Lease Value** field for all line items:

1. Click the **Lease** tab within the **Item Details** section.

   **NOTE:** This step is done for **ALL** lines.

2. Enter expected future lease commitment for a particular **FISCAL YEAR** in the **Lease Value** field.

   **Example:** quarterly payments of $425 ($1700)

**REMINDER:** Enter $1 in the **Net Price** field for all lines related to **FUTURE FISCAL YEARS**
Status of Submitted Purchase Orders over 50K

1. Released: Procurement Services has reviewed all supporting documentation and released the Purchase Order after initial submission, OR after re-submission of a PO that was initially rejected.

   Processor will also receive a confirmation email with a PDF copy of the Purchase Order to send to the Vendor.

2. Rejected: Procurement Services has rejected the submitted Purchase Order, and notified department by email.

   Proceed to the SAP Inbox to determine reason for rejection, and address issues so that PO can be re-submitted to Procurement Services for review.
Using the SAP Inbox to Resolve PO Issues

What is the SAP Inbox (i.e., SAP Business Workplace)?
A mailbox within AMS used for workflow communication.

When will you need to access the SAP Inbox?
ONLY to amend a rejected PO, and once the issue has been resolved indicate the reason for re-submission.

Once re-submitted through the SAP Inbox, the PO will be re-routed back to Procurement Services for review and release.
PO Rejection Notification

Sample Notification
(sent to PO creator)

- Vendor Name: John Doe
- PO Document #: 4500157512
- Reason(s) for Rejection:
  1) Competitive quotes missing or not comparable
  2) Additional comments
- Additional Information:
  Please attach a third quote
  Please take the necessary actions as noted above and return as soon as possible.
  If you have any questions, John can be reached at JOHN.DOE@UTORONTO.CA

NEXT STEP: Go to SAP Inbox to get more information about reasons for rejection and resolve issues in AMS.
Accessing the SAP Inbox

1. SAP Inbox (i.e. SAP Business Workplace)

2. Open "Inbox" >> "Workflow" to view all PO Workflow items

3. Double-click the title of the relevant PO to go to the PO and make the necessary changes.
Tracking the Status of Purchase Orders

Within a Workflow PO, you can locate the status and change history associated with a standard or lease PO valued over $50,000.

Accessing the **Workflow History Report:**

![SAP Easy Access University of Toronto Menu](image)
Tracking the Status of Purchase Orders

After displaying the desired PO:

1. Click the **Lease & History** tab within the Header section
2. Click the **Workflow History Report** button

Click the **Lease & History** tab within the Header section
## Tracking the Status of Purchase Orders (Workflow History Report)

**Date and Time** a particular step or action was taken  
**Task Action** (i.e., WF PO started, reviewed or returned to end user)  
**Name of the processor** (i.e. creator or reviewer)  
**The total value or WF PO submitted to and released by** (i.e., Approved amount) Procurement Services  
**AMS USERID of the processor who:**  
- Released/Approved  
- Rejected  
- Responded (i.e., fixed cause of rejection)  
- Reserved the PO (i.e., Procurement staff reviewing PO)  
**Rejection/Response Reason**

### Procurement Services Workflow Services Report

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<th>WI No</th>
<th>Date Rec</th>
<th>Time Rec</th>
<th>Task Action</th>
<th>Name</th>
<th>Doc. Date</th>
<th>Submitted Am</th>
<th>Approved Am</th>
<th>Reserved By</th>
<th>Approved By</th>
<th>Rejected By</th>
<th>Response By</th>
<th>Rejection/Response Reason</th>
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<tbody>
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<td>16:31:44</td>
<td>Workflow started</td>
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<td>72,249.40</td>
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</tbody>
</table>
Making Adjustments to P.O.s

For all POs the following changes are possible:

• Add new line item(s)

• If Goods Receipt (GR) document does NOT exist on any line items you can:
  – cancel PO or individual line items (e.g., if vendor is incorrect or order of goods and/or services is no longer required)
  – make changes to PO details (e.g., item quantity, dollar amounts, FIS accounts)

Any changes made to the total value of a standard PO or lease equal to or greater than $25,000 will be re-submitted to Procurement Services for review, if the new value is greater than the originally released amount.

Note: Any POs/leases that were valued less than $50,000 but after a change is valued equal to or greater than $50,000, then the PO will automatically submitted to Procurement Services for review.

* Making Adjustments to PO when a PR is created:
  • Changes to PRs or POs for radioactive material purchases are performed by department. Once changes are made, notify a Radiation Safety Officer.
  o Contact Information: http://www.ehs.utoronto.ca/contact.htm
Making Adjustments to P.O.s (cont’d)

To change specific line item details such as quantity, net price and account codes:

a) Goods Receipt (GR) exists, but Invoice Receipt (IR) does not:
   – Reverse the GR
   – Change the PO line item

b) GR & IR exists for an item on a line that has multiple quantities:
   – Delete the PO line item
   – Create a new line on the current PO

Note: When a PO line item is deleted, the funds committed is released into the Fund Centers or FC/Funds’ available funds.

QRG: Finalize/Cancel a PO
Purchase Orders – Standard Vendor Copy

Vendor Master Record – Contact Details

Account Assignment tab:
- Unloading Point
- Recipient

Purchasing Group:
- Reflects departmental address

Additional Data tab (Header):
- Quote # & Quotation Date

To obtain access to Storage Locations and/or Purchasing Groups, contact AMS:
- AMS Access: access.easi@utoronto.ca
Purchase Requisitions
When are Purchase Requisitions Required?

When is a Purchase Requisition (PR) required?

• All radioactive materials across all campuses

• UTSC: All orders and leases greater than or equal to $25,000

As an FIS transaction:
The Purchase Requisition document creates a commitment in an Funds Center or FC/Fund combination.

Note: All Purchase Requisitions & Purchase Orders are required to be created with a vendor that is setup in AMS. If a department decides to order from a vendor that is NOT in AMS, complete the “New Supplier Account Request” form and forward to purchasing.help@utoronto.ca for account creation.

QRGs: Purchase Requisitions
• http://finance.utoronto.ca/fast/support-documentation/logistics/purchase-requisition/
WEB Documentation

• Documentation & Support
  http://finance.utoronto.ca/fast/support-documentation/

• Financial Forms
  http://finance.utoronto.ca/forms/processing/

• GTFM Policy
  http://finance.utoronto.ca/policies/gtfm/

• Glossary of Terms
  http://finance.utoronto.ca/fast/fis-glossary/

• Cheque Production FAQs
  http://finance.utoronto.ca/faqs/cheque-production/
NEED HELP?

https://easi.its.utoronto.ca/ams-help-form/

Help is a facility for all AMS subsystems:

- Use the WEB form found at the above address
- Select the appropriate AMS module (e.g., FIS: FAST Team)
- Complete all the information required on the form
- Click on the **Send it!** button

Mail box is monitored Monday to Friday 9:00 a.m. - 5:00 p.m.
## FAST Team Contacts

<table>
<thead>
<tr>
<th>Role</th>
<th>Name</th>
<th>Phone</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manager</td>
<td>Chris Dimitriadis</td>
<td>946-3153</td>
<td><a href="mailto:chris.dimitriadis@utoronto.ca">chris.dimitriadis@utoronto.ca</a></td>
</tr>
<tr>
<td>Senior Business Analyst</td>
<td>Maryanne McCormick</td>
<td>946-3291</td>
<td><a href="mailto:m.mccormick@utoronto.ca">m.mccormick@utoronto.ca</a></td>
</tr>
<tr>
<td>Business Analyst</td>
<td>Nusrath Mohiuddin</td>
<td>978-4042</td>
<td><a href="mailto:nusrath.mohiuddin@utoronto.ca">nusrath.mohiuddin@utoronto.ca</a></td>
</tr>
<tr>
<td>Business Analyst</td>
<td>Wah-Ming Wong</td>
<td>978-1151</td>
<td><a href="mailto:wahming.wong@utoronto.ca">wahming.wong@utoronto.ca</a></td>
</tr>
<tr>
<td>Senior Business Analyst</td>
<td>Rames Paramsothy (Training)</td>
<td>978-4675</td>
<td><a href="mailto:rames.paramsothy@utoronto.ca">rames.paramsothy@utoronto.ca</a></td>
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<td><a href="mailto:tas.hudani@utoronto.ca">tas.hudani@utoronto.ca</a></td>
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**FIS Standard Curriculum Evaluation:**

http://finance.utoronto.ca/fast/fis-training/course-evaluation-fis-training/

**FAST website:**

http://finance.utoronto.ca/fast/