Module Four– Requisition/Purchase Orders

4

Module Lessons

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Lesson 1 Objectives

To choose, enter, approve and process a Requisition according to USNH policies and procedures.

A Choosing a Requisition

B 1 -Opening a Requisition Document

2 -Entering Requestor/Delivery Information

3 -Entering Vendor Information

4 -Entering Commodity/Accounting

5 -Entering Commodity/Accounting—FOAPAL

6 –Reviewing Balancing/Completion and Submitting the Document

7 –Reviewing Document History and Status

C Completing the Process

Life Cycle of a Requisition

A

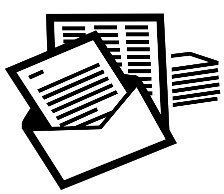
Task A:
Choose a Requisition

- Is there a standing contract with the vendor?
- Is there a vendor code?
- Is the purchase less than the bid limit?
- Is this a sole source or exception to bid?
- Do you have the necessary approvals?

B

Task B:
Enter the Requisition Information

- Complete the document.



C

Task C:
Completing the Process

- Forward all supporting documentation to the Campus Purchasing Office.

Concept

What is a Requisition document?

A requisition is a document used by business units to initiate or encumber funds needed for orders to vendors outside the University System of New Hampshire for:

- supplies
- equipment
- services
- standing orders
- orders against a bid

New Terms

Business unit refers to the office designated to initiate requisition documents.

- At KSC, PSC, and CLL this is the responsible department.
- At UNH and System offices, this is the responsible Business Services Center (BSC).

Campus Purchasing Buyer is assigned by each Campus Purchasing Office to initially review all requisition documents. This individual will reassign specific documents to buyers with specialized responsibilities. The Campus Purchasing Buyer will convert all requisitions, which have not been reassigned, to purchase orders.

COA (or **C**) is the chart of accounts used by USNH. For all of USNH this value is "Y".

FOAPAL is the chart of accounts structure representing Fund, Organization, Account, Program, Activity and Location. The Location and Project fields may be listed but will not be used at this time.

NSF (non-sufficient funds) Override is used with the calculation of the available balance to override the system if the accounting distribution fails the Available Balance Calculation for a specific document.

Standing order (Blanket purchase order) is a purchase order based upon a dollar amount not specific items purchased.

When would you use a Requisition document?

The requisition form [FPAREQN] will be used to initiate all purchase requests that will result in a purchase order:

- when a purchase order (PO) must be sent to the vendor
- for standing orders
- for purchasing equipment
- for securing services
- for placing orders against a bid (reference the bid #)
- for high $ purchases
- for ordering supplies, from vendors who do not accept PCards, or Convenience Checks

How do you designate the intent of the Requisition document?

The C*omments* field on the requisition form should be used to communicate the intent of the purchase request by entering one of the following statements:

- Regular – described in detail below
- Standing – described in detail below
- Independent Contractor – an independent contractor agreement must be completed and forwarded to purchasing before a purchase order will be approved
- Bid – indicates to purchasing that requestor wants to initiate the bid process
- Bid #XX-XXXX – indicates to purchasing that a bid has already been processed; enter the bid number assigned by purchasing in the comments field of requisition document.

What is the difference between Regular & Standing Purchase Orders

The option to choose a standing or regular purchase order is available only at the purchase order level [FPAPURR]. Therefore, a business unit must communicate via the requisition whether the purchase request is intended as a regular or standing purchase order.

<u>Characteristics of a Regular Purchase Order</u>

A regular order will bring forward to the purchase order the quantity and unit price fields.

- One or more items which need a quantity and unit price specified
- Specific price is known
- One delivery/invoice

An example of a regular purchase order would be ordering two Revco Ultima II Upright Freezers from VWR Scientific at $6,661.20 each, total cost $13,322.40. The freezers will be delivered and invoiced for both items on this order.

<u>Characteristics of a Standing Purchase Order</u>

A standing order will result in the elimination of the quantity and unit price fields on the purchase order. Although these fields must be entered at the requisition level, the information will not be brought forward to the purchase order. Only the unit of measure and total amount will be brought forward.

- Estimated dollar amount
- Multiple purchase requests against one purchase order
- Multiple invoices against one purchase order
- Multiple deliveries
- Encumbers funds so purchases can be made over a period of time
- Quantity/unit price varies with each purchase request against the purchase order
- Quantity/unit price is not applicable for the type of purchase request (ie. services, renovations, repairs, events/functions, maintenance agreements, rentals and utilities).

An example of a standing purchase order would be an order issued to a vendor for various supplies needed during the current fiscal year up to $5,000. Rather than issuing multiple regular purchase orders detailing items to be ordered, a single standing purchase order can be used and referenced for each purchase request to the vendor, up to a specified dollar amount over a specified period of time. [**NOTE**: The USNH PCard is the preferred method for these types of purchase requests although in some instances a standing order may be needed.]

Requisition Policies and Procedures

As with any document, there are policies and procedures to follow when entering a requisition. You can find the specific details about when to use this process, what supporting documentation is required, etc. on-line in the USNH Financial and Administrative Procedures Manual at http://www.finadmin.unh.edu/pol_proc/chapter_06/toc_06.html.

This lesson will concentrate on the tasks and steps required to successfully enter a Requisition document in accordance with USNH policies and procedures.

Prior to entering a requisition, determine if it is more appropriate for the purchase to be made using USNH PCard, convenience check, petty cash, or Direct Pay methods.

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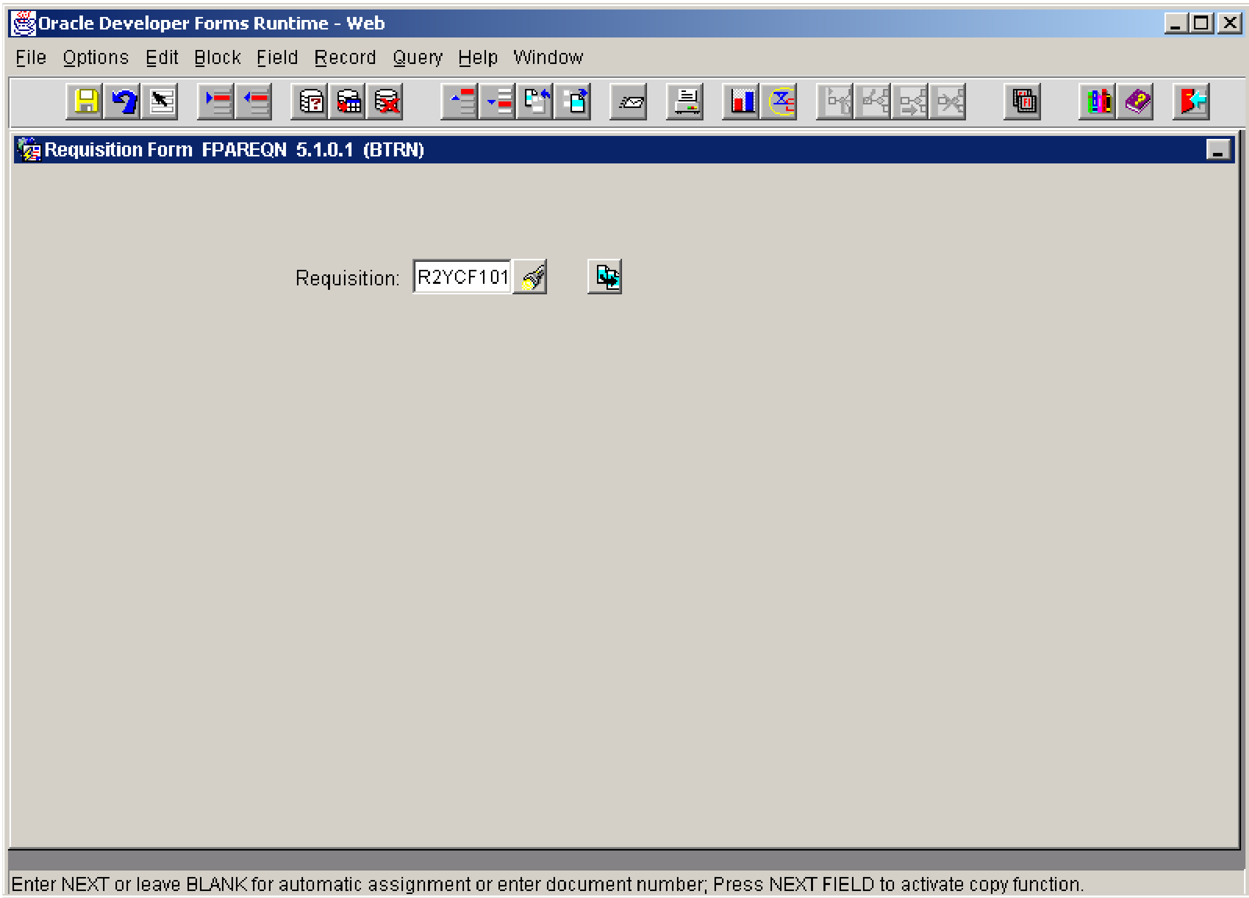
Task A: Choosing a Requisition

A

What you do….	Comments/Prompts
1. Determine if you should use a Requisition document.	Prior to entering a requisition, determine if it is more appropriate for the purchase to be made using USNH PCard, convenience check, petty cash, or Direct Pay methods.
2. Assemble the appropriate information and supporting documentation.	Who is requesting the order and how can they be reached? What is the intent of the order? (Regular or Standing) What is being purchased? When is the delivery needed? Do you know what vendor you want to purchase from? Is the vendor an established vendor in the USNH vendor file? Where should the delivery be made? Equipment Inventory information?
3. Obtain any pre-approvals as required for specific items/services, etc.	The requester's supervisor must have pre-approved purchase and ensure that the appropriate supporting information is included prior to submission to the business unit for review and approval.

Requisition Form [FPAREQN]

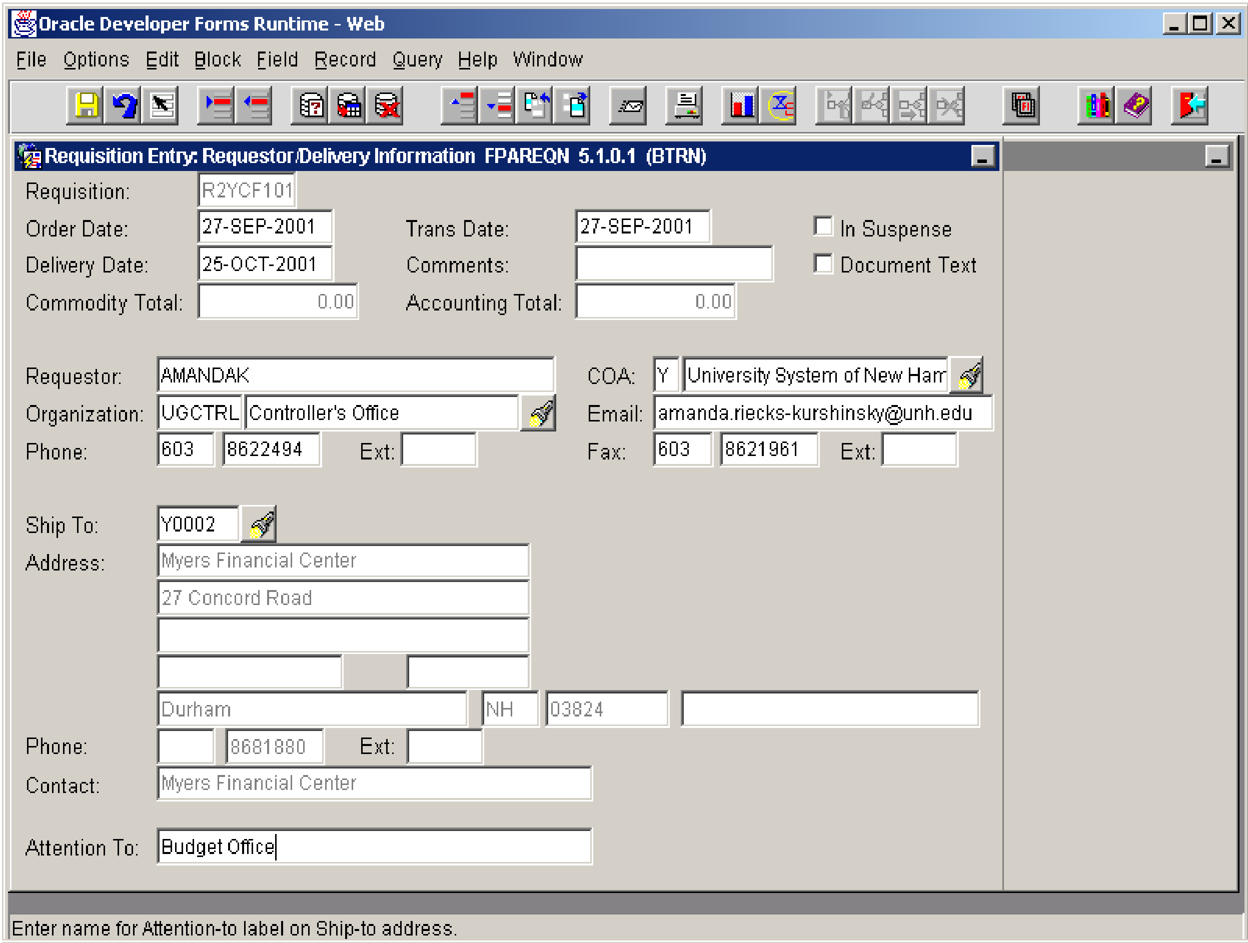


Notes

Task B-1: Opening a Requisition Document

What you do….	Comments/Prompts
1. Log in to Banner.	
2. Type **FPAREQN** (Requisition Form) in the *Direct Access* box and press **ENTER**.	The Requisition Form [FPAREQN] will be displayed.
3. To enter a new requisition:	
At KSC only, in the *Requisition* field type **NEXT.**	
At all other campuses, in the *Requisition* field type the document number.	Enter the document number beginning with **R**. *See Appendix for additional coding information.*
Perform a "Next" block to proceed to **Requestor/Delivery Information**.	[TASK B-2]
To enter a requisition based on an existing requisition:	.
At KSC, click the **COPY** button.	
At all other campuses, in the *Requisition* field type the document number for the new document to be entered and click the **COPY** button.	
Enter the requisition number in the *Copy From Requisition* field and click **OK.**	Enter the document number of the requisition to be copied, *or* click on the and perform a query for the document number. Double-click on the appropriate number to enter in the form.

Requestor/Delivery Information

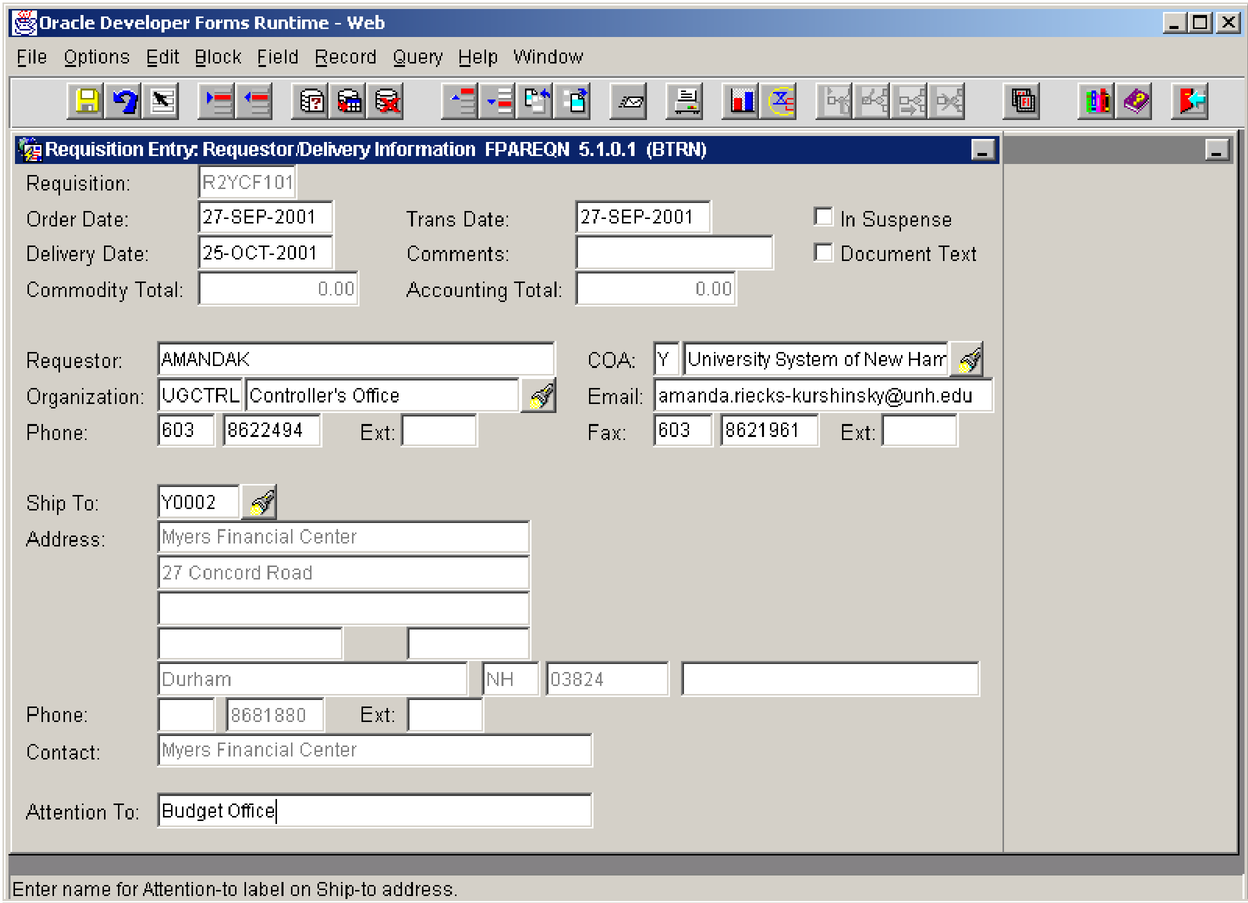


__Notes__

Task B-2: Entering Requestor/Delivery Information

What you do….	**Comments/Prompts**
1. Enter *Order Date*. Today's date will be the default.	For a confirming order, enter the actual date of the order [mmddyy] *The field will automatically update the date format, e.g. 02-AUG-2001*.
2. **TAB** past the *Trans Date*.	Today's date will be the default.
3. *In Suspense* is a display-only box.	This will be checked if additional action is needed to complete the document, e.g. missing accounting information. *Use direct access to query on the Requisition Suspense List Form – [FPIREQS] to review all requisitions in suspense status or select Options then View Items In Suspense for more detail information.*
4. Enter *Delivery Date*.	Date goods or services should arrive.
5. Enter *Comments*.	The *Comments* field is used to communicate the intent of the purchase request by entering one of the following statements: • Regular • Standing • Independent Contractor • Bid • Bid #XX-XXXX
6. Enter *Requestor*.	You may override the value in this field as necessary.
7. The default value for *COA* field (Chart of Accounts) is "Y".	This value must be **Y** to indicate USNH.
8. The fields listed may have default values that you can override.	*Organization* *Email* *Phone* [Area] [# with no dash], *Ext.* *Fax* [Area] [# with no dash], *Ext.*
9. Enter *Ship To* code.	Enter code, *or* click on the  and double-click on the appropriate code to enter in the form. *See Appendix for additional coding information.*

Requestor/Delivery Information (continued)

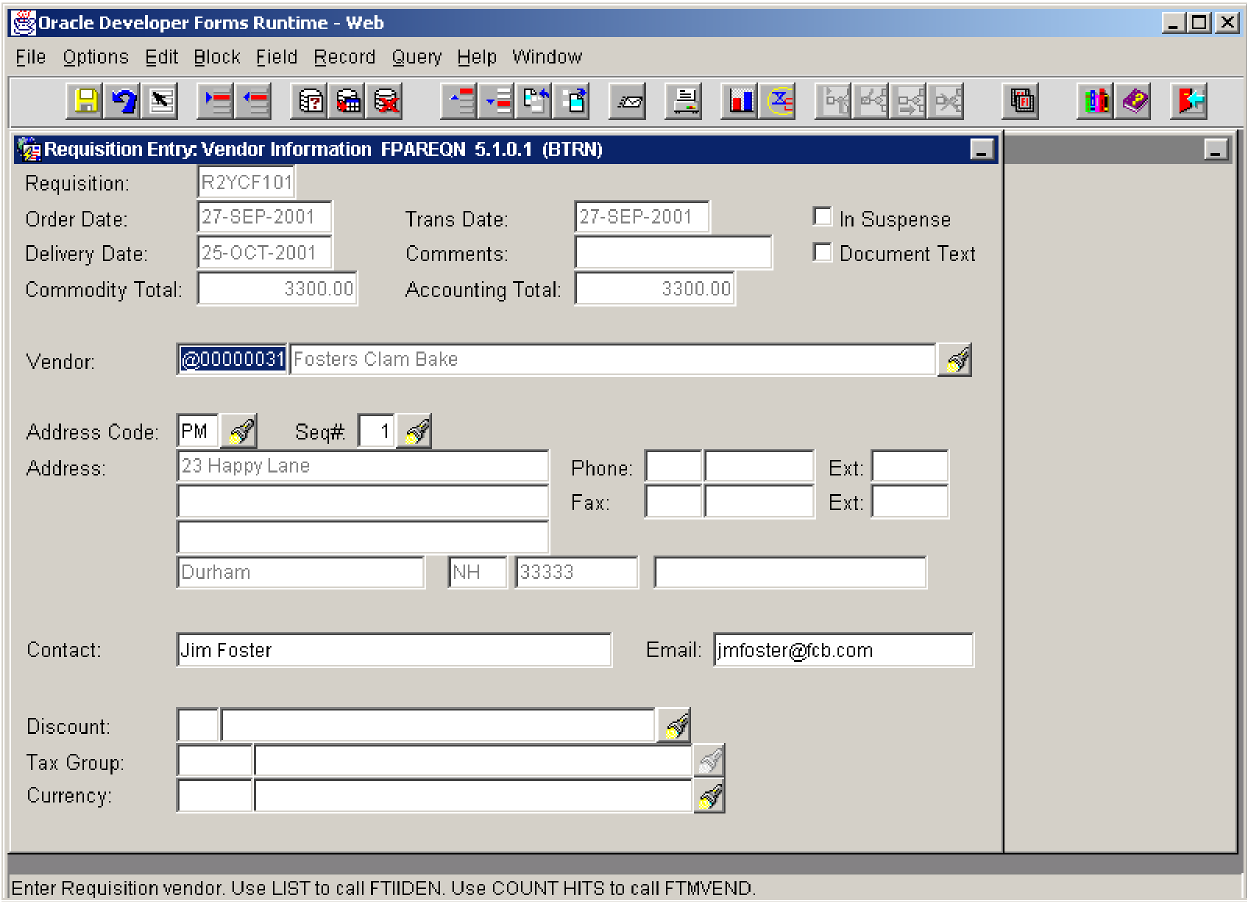


Notes

Task B-2: Entering Requestor/Delivery Information (continued)

What you do….	Comments/Prompts
10. Enter *Document Text.*	To enter or view document text, from the **OPTIONS** drop down list choose **DOCUMENT TEXT.** If you enter text, remember to save before you exit the form. *See Appendix for additional information.*
11. In the *Attention To* field, the default value may be overwritten.	
12. Perform a "Next" block to proceed to **Vendor Information.**	[TASK B-3]

Vendor Information

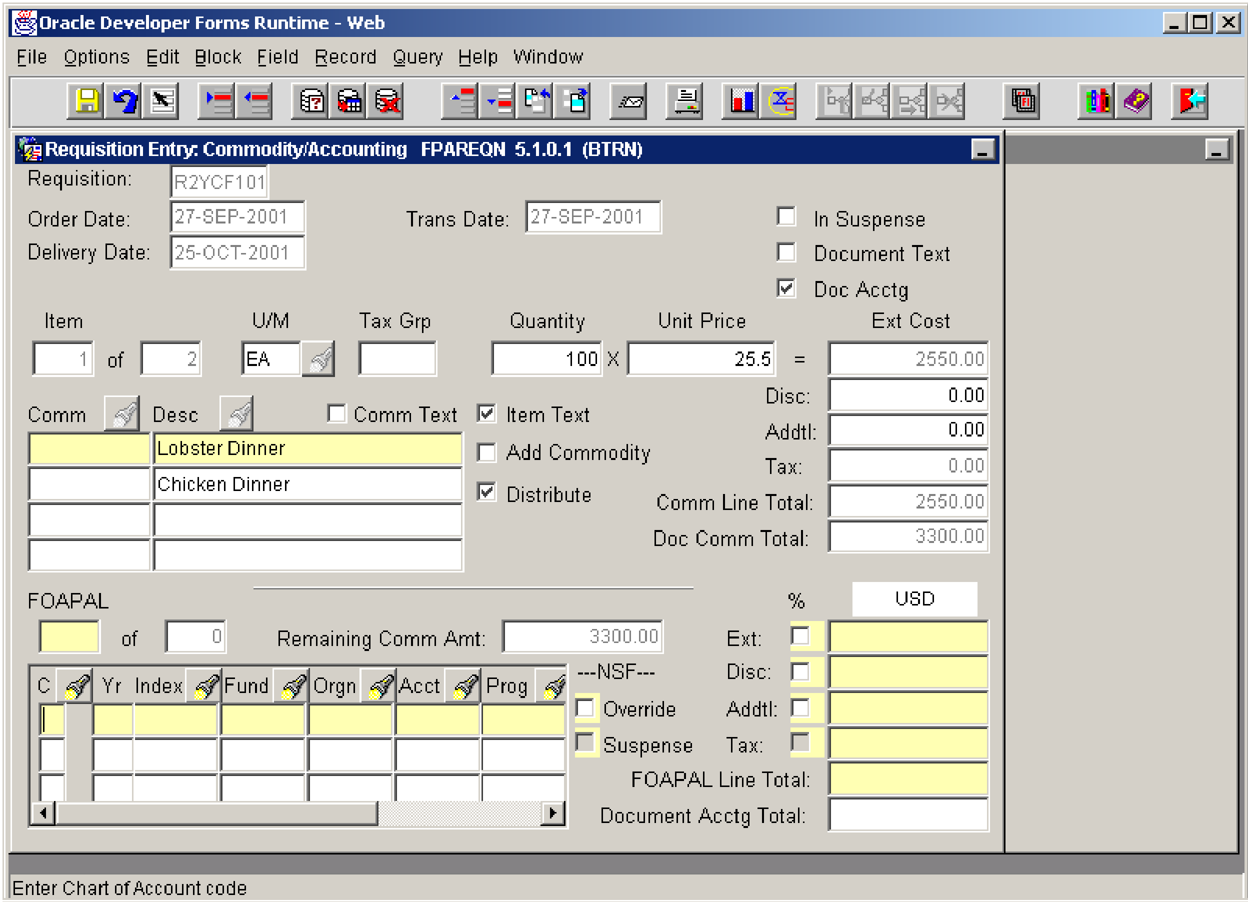


Notes

Task B-3: Entering Vendor Information

What you do….	Comments/Prompts
1. Enter *Vendor*.	Enter code *or* click on , choose Entity Name/ID Search [FTIIDEN] and complete a query for the vendor. Double-click on the appropriate code to enter in the form. *See Appendix for Additional Information.*
2. In the *Address Code* field, the default value may be overwritten.	Enter code BU - Business Address (used most often) RM - Remit Address *See Appendix for additional information.* *or* click on and double-click on the appropriate code once you have identified the address that you want to be entered.
3. You can **TAB** past the *Seq* # field if the default value is correct.	The appropriate Seq # will default into this field to match the selected Address Code. *The combination of Address Code and Seq # must be valid to move to the next field.*
4. In the *Contact* field, the default value may be overwritten.	Vendor's contact name.
5. The *Email* field is optional.	*Email* is the vendor or contact's email address.
6. In the *Discount* field, the default value may be overwritten.	*This field may be left blank.* If the default value is incorrect, enter the discount code, *or* click on the and double-click the appropriate code to enter in the form. *See Appendix for additional information.*
7. Perform a "Next" block to proceed to **Commodity/Accounting.**	[TASK B-4]

Commodity/Accounting



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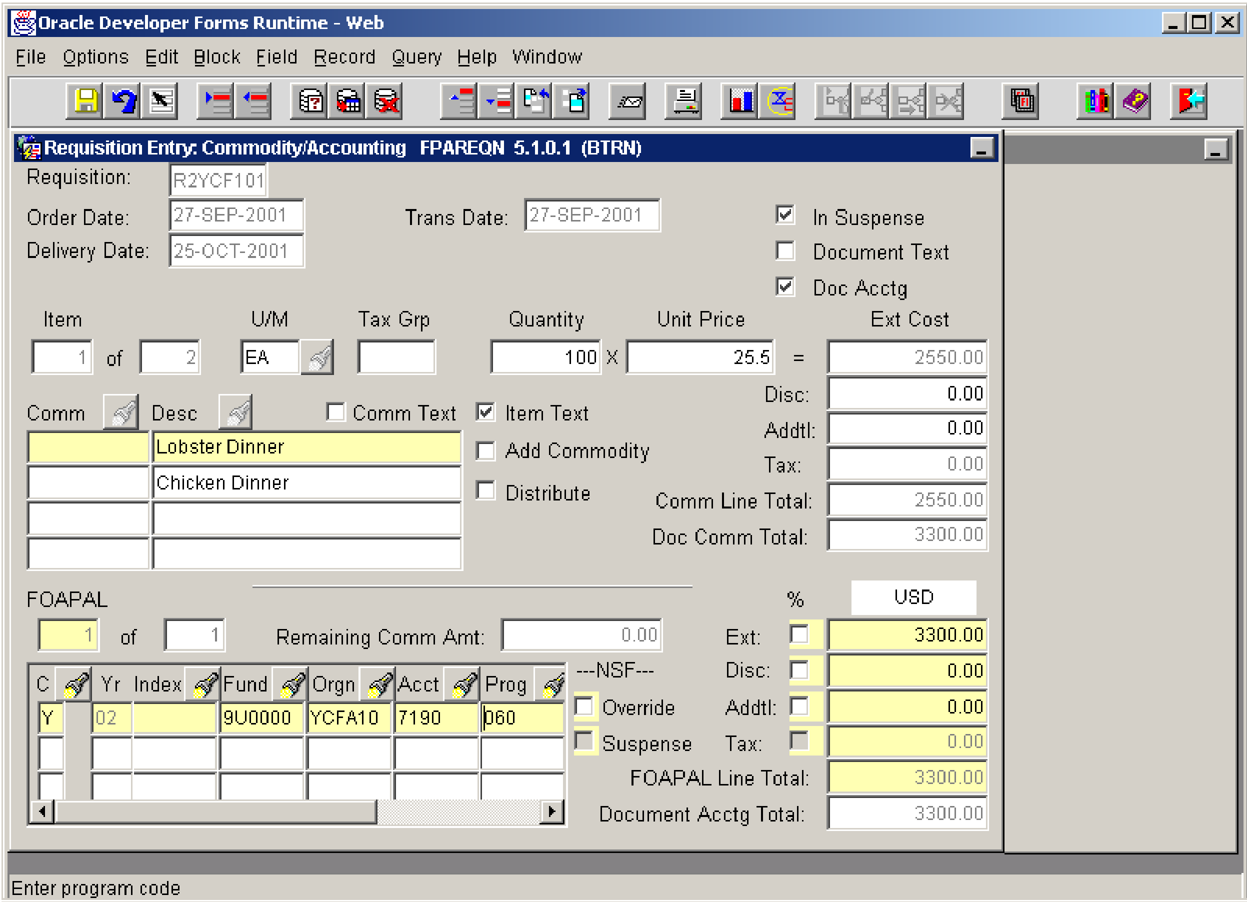
Task B-4: Entering Commodity/Accounting

What you do….	Comments/Prompts
1. **TAB** past *Comm* field.	Commodity codes will not be used.
2. Enter a description of the item in the *Desc* field.	The *Desc* field is located to the right of the *Comm* field. To enter additional text, from the **OPTIONS** drop down list choose **ITEM TEXT**. After you enter item text, save before exiting the form. *See Appendix for additional information*.
3. Disregard the *Comm Text*, *Add Commodity* and *Distribute* boxes as we will not be using these options.	
4. Enter *U/M* (unit of measure).	Enter code, *or* click on the  and double-click the appropriate code to enter in the form.
5. Enter *Quantity*.	
6. Enter *Unit Price* and press **TAB.**	The *Ext Cost* fields will populate based on the *Quantity* and *Unit Price* entered as you **TAB**.
7. If you entered a *Discount Code* on a previous form, the calculated amount will appear in the *Disc* field..	You may enter a specific *Disc* $ amount, if applicable.
8. If you have *Addtl* (Additional) charges for this item, enter the $ amount in the *Addtl* field.	Select **OPTIONS** then **ITEM**, **DOCUMENT** or **COMMODITY TEXT** to add information about the additional charges, e.g. shipping or assembly.
9. If you need to add another item, use "Next" record (**DOWN ARROW**) and repeat steps 2-8.	
10. Move to the "Next" block, **FOAPAL** area of **Commodity/Accounting**.	[TASK B-5]

Commodity/Accounting – FOAPAL

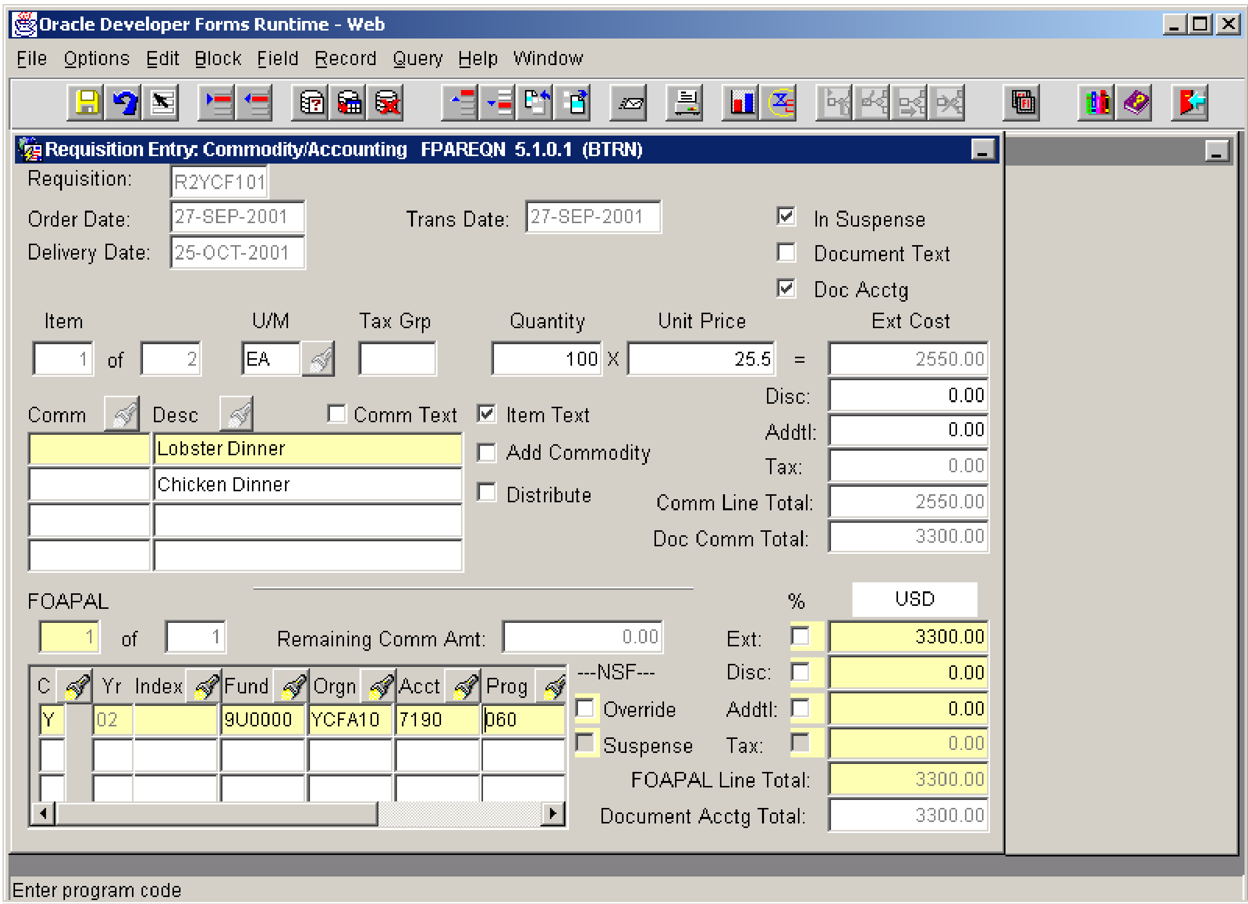


Notes

Task B-5: Entering Commodity/Accounting – FOAPAL

What you do….	Comments/Prompts
1. The value "Y" for the Chart of Accounts (*C*) and current Fiscal Year (*Yr*) should default in the form when you click in or **TAB** to the *Index* or *Fund* fields.	
2. Enter *Index*.	Enter index code, *or* click on the and double-click on the appropriate index code to enter in the form.
3. Enter *Fund*.	*Fund*, *Orgn*, *Prog* fields: May default from *Index* *or* enter code *or* click on the and double-click on the appropriate Fund code to enter in the form.
4. Enter *Orgn*.	
5. Enter *Acct*.	Enter six character account code *or* click on the and double-click on the appropriate account code to enter in the form. *See Appendix for additional information.*
6. **TAB** past *Prog*.	Program codes will be determined by the associated Fund-Org combination and therefore users should never have to enter this field.
7. If applicable, enter *Actv*.	Enter activity code *or* click on the and double-click on the appropriate activity code to enter in the form.
8. **TAB** past *Locn* and *Proj* fields.	At this time we are not using the *Locn* and *Proj* fields, therefore no data will be entered.
9. In the *Disc* field, the default value may be overwritten.	If there is no default value or you need to change the value displayed, type in the correct $ amount. Document accounting cannot be selected if any changes to the discount are needed.

Commodity/Accounting – FOAPAL (continued)

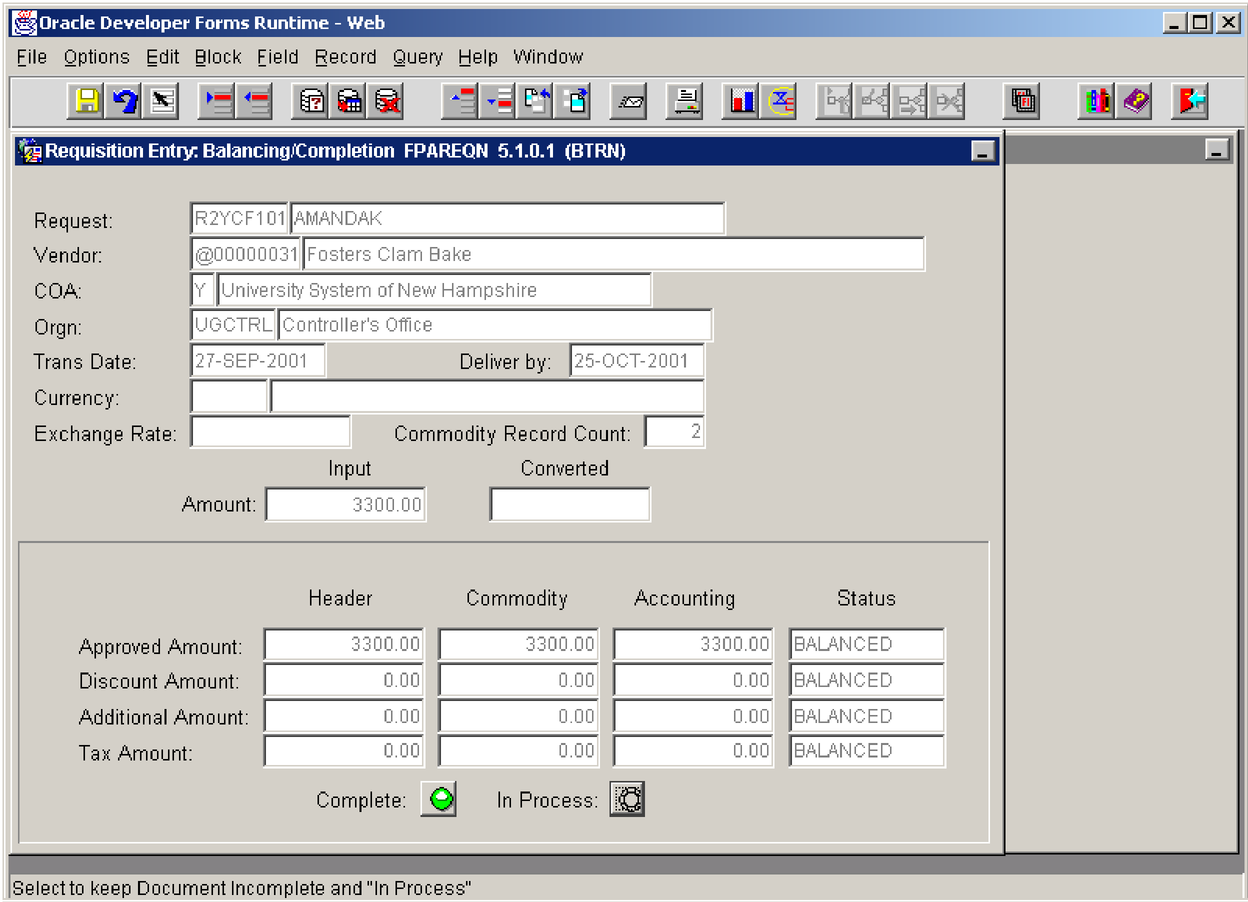


Notes

Task B-5: Enter Commodity/Accounting – FOAPAL (continued)

What you do….	Comments/Prompts
10. If allocating to this accounting distribution line **entire $ amount:** click in the *Ext/%* box and press **TAB**.	The entire $ amount will be populate in *Ext/USD* field because the system assumes you want to apply 100%.
% of the $ amount: click in the *Ext/%* box enter the % amount in *Ext/USD* field and press **TAB**.	The $ amount will be calculated based on the % entered. This % will carry through to the *Discount/USD* and *Addtl/USD* fields or a specific % or $ amount may be entered separately for each.
specific $ amount: enter the $ amount in the *Ext* field and press **TAB**.	
11. To enter additional FOAPAL strings to allocate the total $ amount for the requisition., use "Next" record (down arrow) and repeat steps 1-10.	
12. If this transaction has Non-Sufficient Funds available and you have the authority to allow the transaction anyway, change the "N" to "Y" in the *NSF Override* field.	If permitted, you may override the NSF to allow the transaction. NSF (non-sufficient funds) Override is used with the calculation of the available balance to override the system if the accounting distribution fails the Available Balance Calculation for a specific document.
13. Perform a "Next" block to proceed to **Balancing/Completion.**	[TASK B-6]

Balancing/Completion

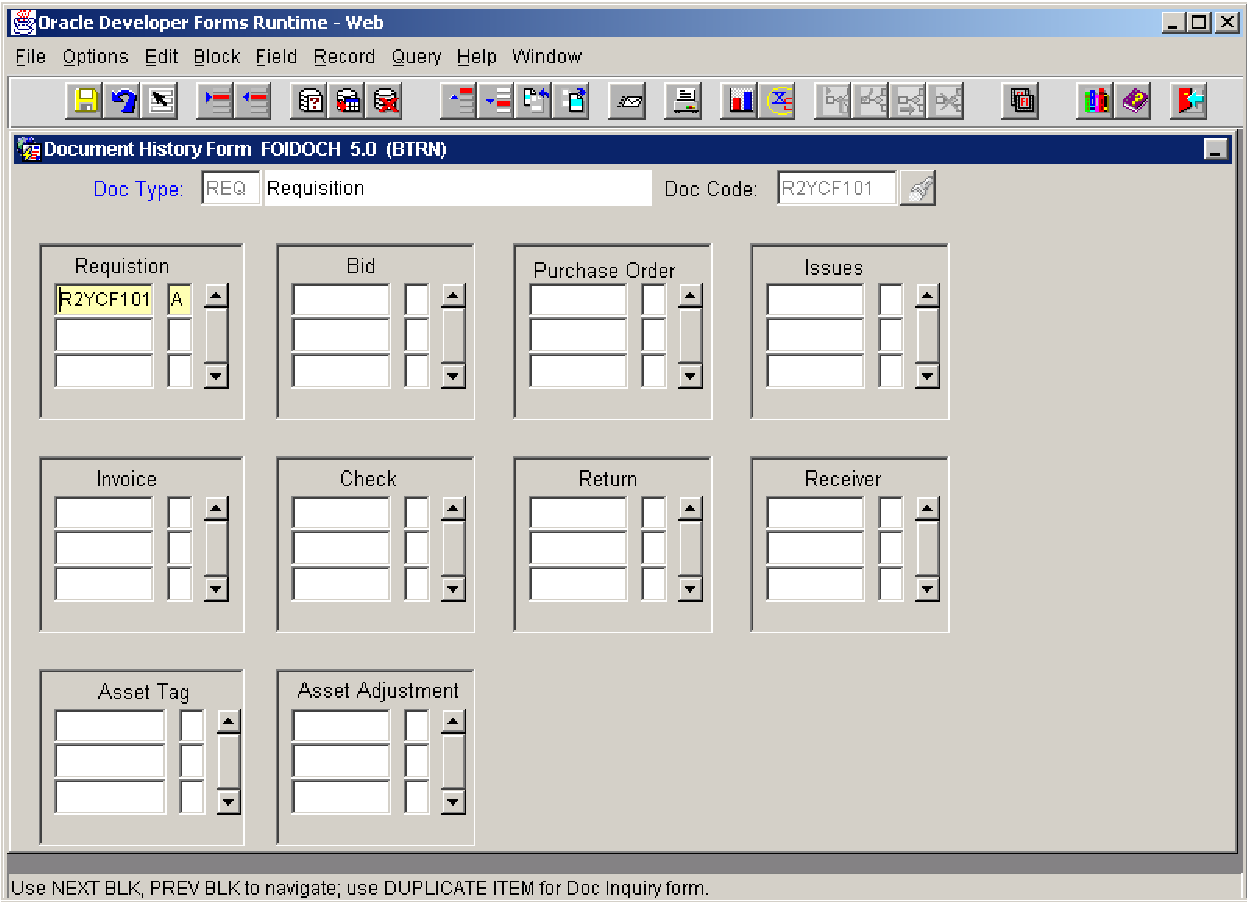


Notes

TASK B-6: Reviewing Balancing Completion and Submitting the Document

What you do….	Comments/Prompts
1. Review all information for accuracy.	
2. Verify that the *Approved*, *Discount*, *Additional* and *Tax* status fields display "BALANCED".	Fields cannot be edited from this form. If corrections are required, choose the appropriate Frame from the **OPTIONS** drop down list. (e.g. Commodity/Accounting)
3. If your document:	
is complete, choose **COMPLETE**.	The document will be completed and sent to the approvals process. The requisition number for the document you entered will be displayed in the gray area at the bottom left of your screen.
still needs additional information, choose **IN PROCESS**. You will return to the **Requisition Form**. [FPAREQN]	You can return to the in process requisition by accessing the Requisition Form (FPAREQN), entering the document number and choosing "Next" block.

Document History Form [FOIDOCH]



Notes

TASK B-7: Reviewing Document History and Status

What you do...	Comments/Prompts
1. Type **FOIDOCH** (Document History Form) in the *Direct Access* box and press **ENTER**.	The Document History Form [FOIDOCH] displays document approval history, status of a specific document and related documents.
2. Enter *Doc Type*.	Select **HELP** drop down list and choose **LIST** to view valid options. Double-click the code to bring data into the query form.
3. Enter *Doc Code*.	Enter the document number, *or* click on the  and double-click on the appropriate document to enter in the form.
4. After *Doc Code* has been entered in the field use "Next" block to view all the documents associated with this *Doc Code*.	To view Status definitions, select **OPTIONS** drop down list and choose **VIEW STATUS INDICATORS**.
5. To view document data for a listed item click on the document number, select **OPTIONS** drop down list choose corresponding document type **INFO.**	Your document type **INFO** changes based on the location of your cursor on the form.
6. Use "Next" block to move through the blocks of data.	You will only be allowed to view the data. No changes can be made to the data from within this form.
7. Use **EXIT** (open door) to exit the document query form and return to FOIDOCH form.	
8. Use **EXIT** (open door) to exit the FOIDOCH form.	

TASK C: Completing the Process

What you do….	Comments/Prompts
C 1. Forward all supporting documentation to the Campus Purchasing Office.	A Campus Purchasing Office buyer will be assigned to the requisition. After the Campus Purchasing Office has received the requisition, it may take 24 to 48 hours to review and approve the document. The purchase order will not be processed until the documentation is received.

Lesson Summary

Task A In this lesson you learned what you need to consider and what information you need prior to choosing a Requisition.

Task B Next you learned about the data required and entering the Requisition document into the system as well as how to locate your document.

Task C Finally, you learned what administrative tasks you need to complete after the Requisition document has been entered.

Practice Exercise

Professor Digby would like you to order a Rixon Series 8100 Scanning Electron Microscope Cat# 32-64-128 for her lab. She would like to purchase the microscope from Fisher Scientific Inc. for $4,825 and receive it in three weeks at the Chemistry Department. She would like to use the following account information: Fund: 1UD000; Orgn: UDCHEM; Prog: 010

Please enter a Requisition document to reflect this information.

Lesson 2 Objectives

To cancel a requisition according to USNH policies and procedures.

A Choosing to Cancel a Requisition

B 1 - Opening the Requisition Cancel Form

2 - Entering Requisition Cancel Form

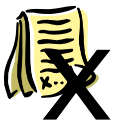
3 - Entering Cancel Date Form

4 – Reviewing Document History and Status

C Completing the Process

Life Cycle for Canceling a Requisition

TASK A: Choosing to Cancel a Requisition



- Has the requisition been completed, approved, and posted?
- Has any subsequent activity occurred against the requisition?

TASK B: Canceling the Requisition

- Complete the Requisition Cancel Form
- Remember to **PROCESS** the **CANCELLATION**.

Task C: Completing the Process

- There are no additional administrative tasks you need to complete.

Concept

Sometimes it is determined shortly after entering a requisition that goods/services are no longer required or should have been purchased using another mechanism (convenience check, PCard, petty cash). When this occurs it may be necessary to cancel a requisition.

Who is responsible for canceling a requisition?

It is the business unit's responsibility to cancel the requisition.

When can a requisition be canceled?

A requisition must meet the following criteria for cancellation to be an option for this process:

1. The requisition has been completed.
   (If the requisition is in process, you can "Remove/Delete" the in process document.)

AND

2. The requisition has not been converted.
   (If the document has been converted to purchase order and you would like the purchase order canceled, contact your Campus Purchasing Office.)

Policies and Procedures

As with any document, there are policies and procedures to follow when canceling a requisition. You can find the specific details about when to use this process, what supporting documentation is required, etc. on-line in the USNH Financial and Administrative Procedures Manual at http://www.finadmin.unh.edu/pol_proc/chapter_06/toc_06.html.

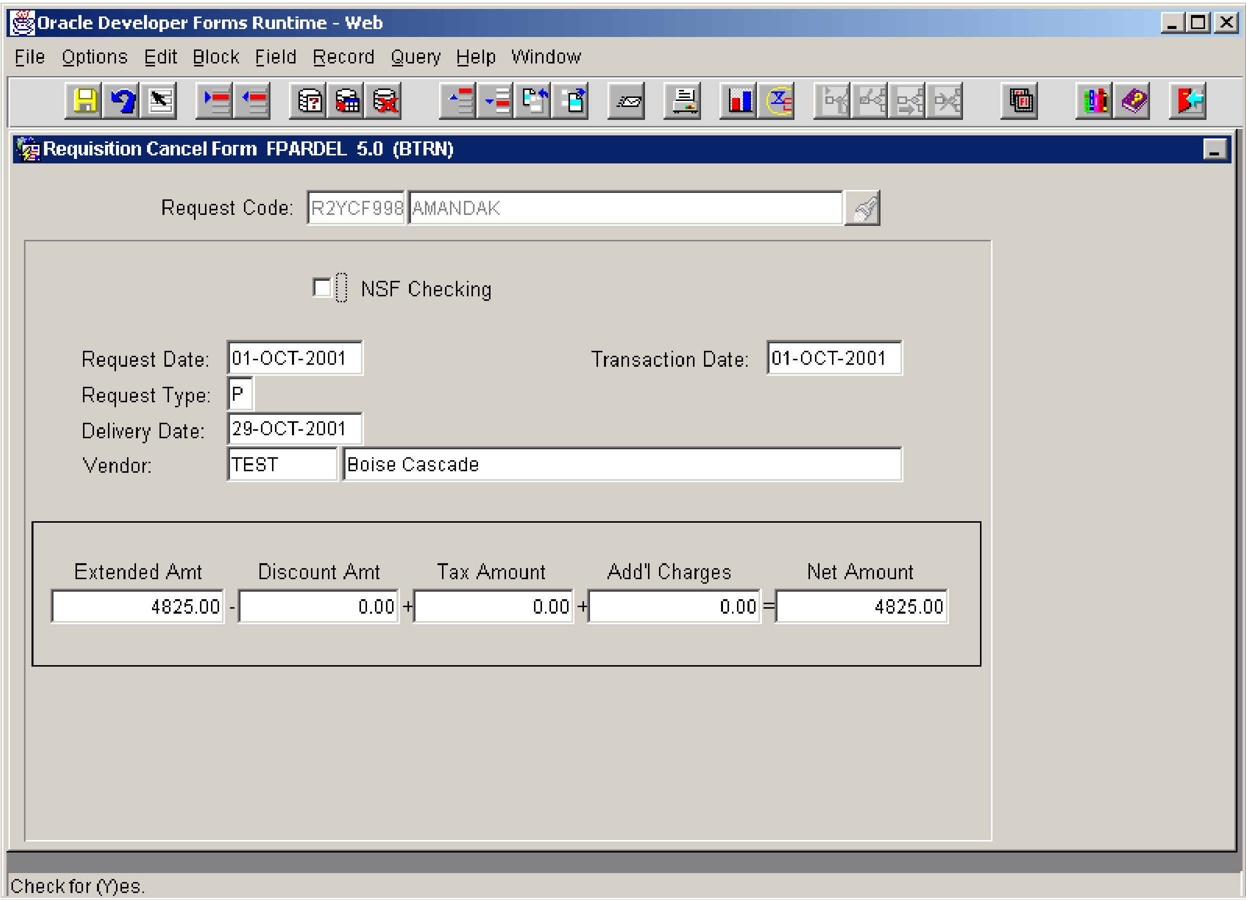
This lesson will concentrate on the tasks and steps required to successfully cancel a requisition document in accordance with USNH policies and procedures.

Prior to canceling a requisition, remember to check that the requisition had not been converted to a purchase order.

TASK A: Choosing to Cancel a Requisition

What you do...	Comments/Prompts
A 1. Determine if you should/can cancel the Requisition.	Verify that the requisition has been completed *and* that it has not been converted to a purchase order. The following forms may help you locate information about your requisition. FOIDOCH - Document History FPIREQN - Requisition Query FPIORQF - Open Requisition by FOAPAL Query If the requisition: has not been completed, from the header block of the requisition, select the **RECORD** drop down list and choose **REMOVE** twice to remove the requisition. has been converted to a purchase order, contact your Campus Purchasing Office to cancel the purchase order.

Requisition Cancel Form [FPARDEL]



Notes

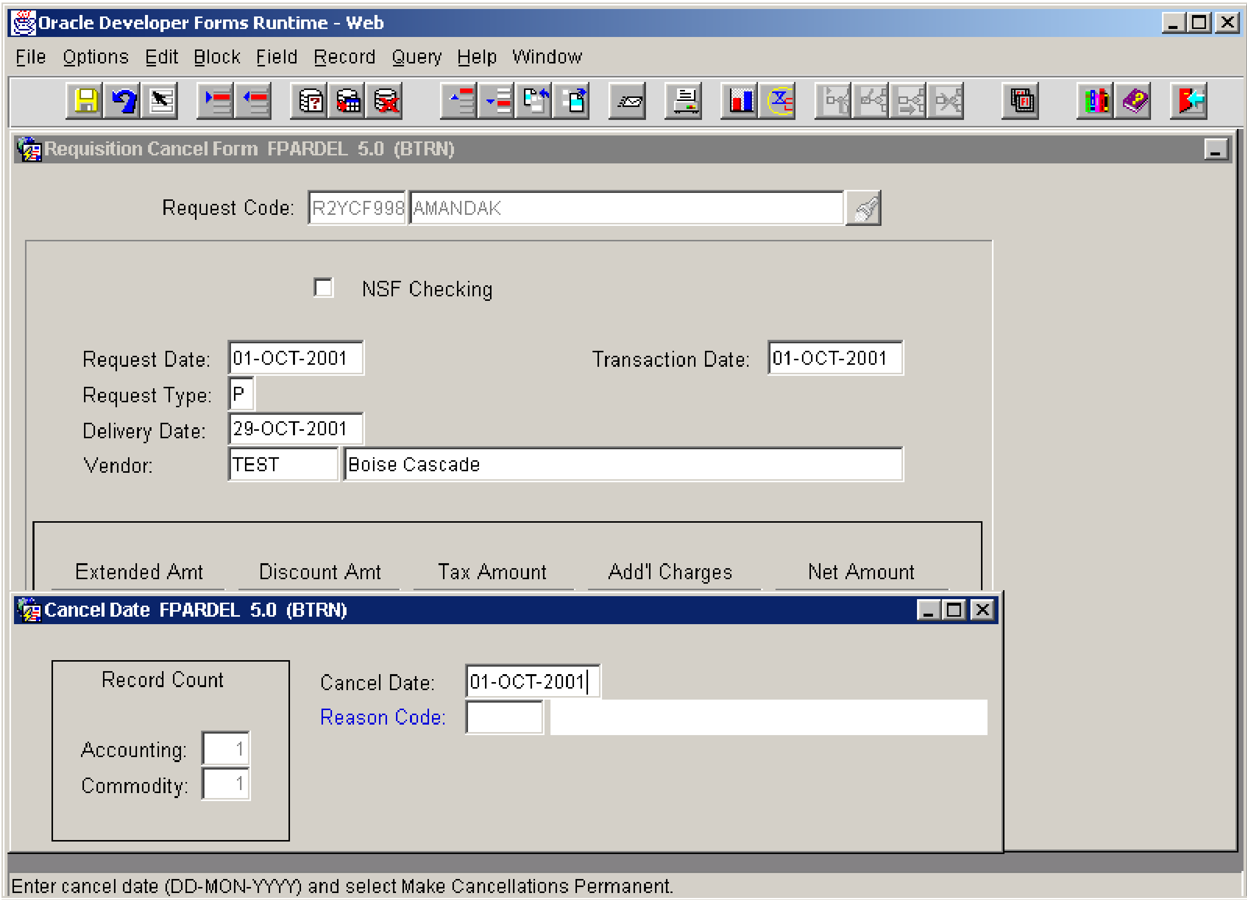
TASK B-1 Opening the Requisition Cancel Form

What you do...	Comments/Prompts
1. Log in to Banner.	
2. Type **FPARDEL** (Requisition Cancel Form) in the *Direct Access* box and press **ENTER**.	The Requisition Cancel form [FPARDEL] will be displayed.

TASK B-2: Entering Requisition Cancel Form

What you do...	Comments/Prompts
1. Enter the *Request Code*.	Requisition document # for the requisition to be canceled.
2. Perform a "Next" block.	The vendor and accounting details will be displayed.
3. Perform a "Next" block, to move to **Cancel Date**.	[TASK B-3]

Cancel Date

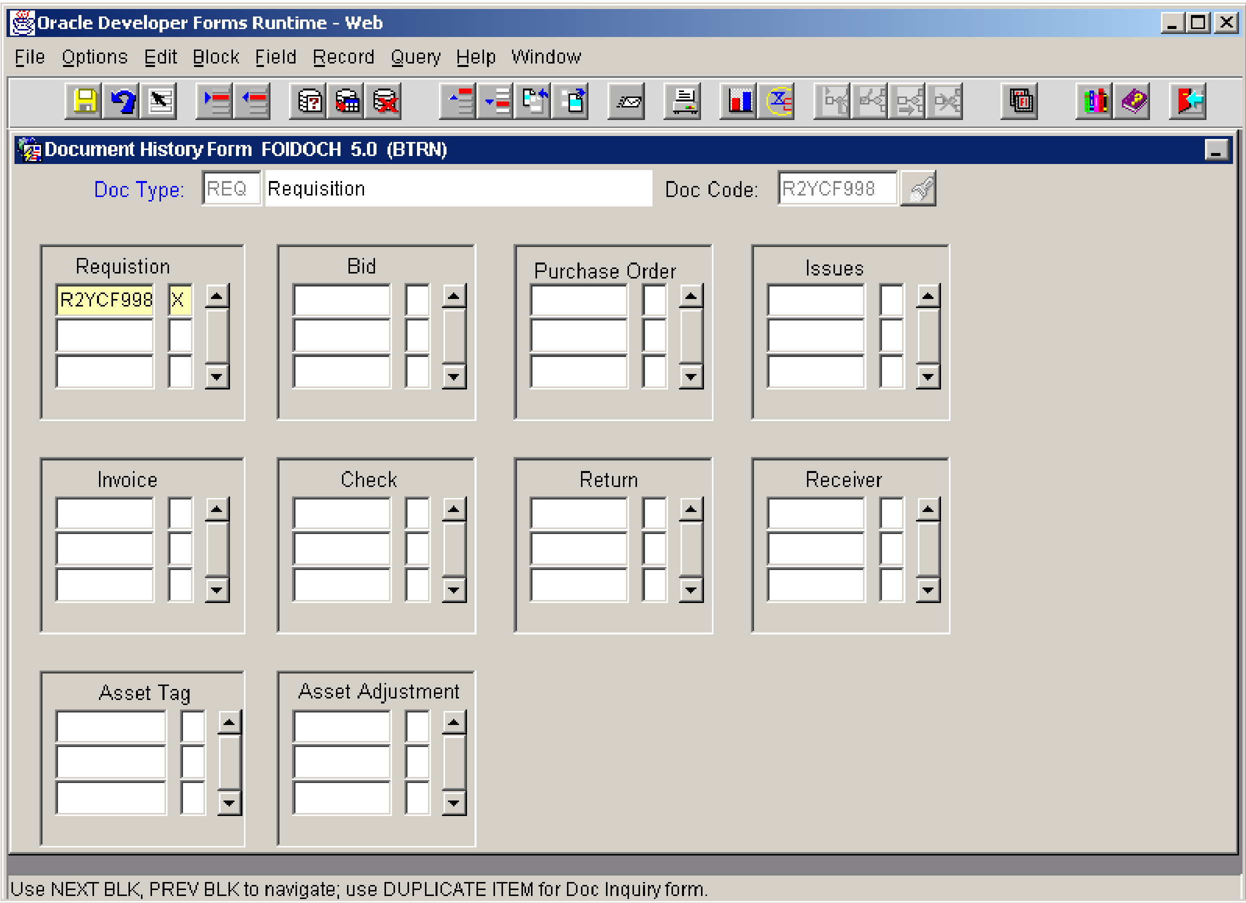


Notes

TASK B-3: Entering Cancel Date Form

What you do...	Comments/Prompts
1. Enter the *Cancel Date*.	This date must be equal to or greater than the transaction date?
2. Enter the *Reason Code*. (optional)	Select **HELP** drop down list and choose **LIST** to view a list of valid values.
3. To complete the cancellation, select **OPTIONS** drop down list and choose **PROCESS CANCELLATION**.	Hint Line will display: "Transaction Complete: 1 records applied and saved."

Document History Form [FOIDOCH]



Notes

TASK B-4: Reviewing Document History and Status

What you do...	Comments/Prompts
1. Type **FOIDOCH** in the *Direct Access* box and press **ENTER**.	The Document History Form [FOIDOCH] displays document approval history, status of a specific document and related documents.
2. Enter *Doc Type*.	Select **HELP** drop down list and choose **LIST** to view valid options. Double-click the code to bring data into the query form.
3. Enter *Doc Code*.	Enter the document number, *or* click on the  and double-click on the appropriate document to enter in the form.
4. After *Doc Code* has been entered in the field use "Next" block to view all the documents associated with this *Doc Code*.	To view Status definitions, select **OPTIONS** drop down list and choose **VIEW STATUS INDICATORS**.
5. To view document data for a listed item click on the document number, select **OPTIONS** drop down list, choose corresponding document, type **INFO**.	Your document type **INFO** changes based on the location of your cursor on the form.
6. Use "Next" block to move through the blocks of data.	You will only be allowed to view the data. No changes can be made to the data from within this form.

TASK C: Completing the Process

There are no additional requirements after processing the cancellation.

Lesson Summary

Task A	In this lesson you learned when you should/can cancel a requisition.
Task B	Next, you learned what data you need and how to cancel a requisition in the system.
Task C	Finally, you learned that there are no additional administrative procedures required after canceling a requisition.

Practice Exercise

Please delete the requisition you entered for Professor Digby's microscope.