

PURCHASING LIFE CYCLE

OVERVIEW

The Purchasing module in PeopleSoft/Oracle is not to be confused with Procurement. The State Procurement Office concentrates on the bid solicitation process, term contracts, etc.

Purchasing as discussed on this web page refers to the PeopleSoft/Oracle software used to enter requisitions, regular purchase orders, and contract POs into a shared system. A unique system-generated ID number is assigned to each Requisition, Purchase Order, Receipt, and PO Voucher to provide tracking through each of the stages of the Purchasing life cycle.

The basic flow of purchasing in PeopleSoft is:

1. **(Optional) Requisitions** – Requisitions “pre-encumber” dollar amounts before a PO is entered. All requisitions must be entered, budget checked, and approved before moving ahead in the process. The system assigns a unique number upon saving the requisition.
2. **Purchase Orders** – Purchase orders can be created from a requisition, a contract, manual entry, or copying an existing PO. Once the PO is saved it is assigned a system-generated number. It must be budget checked and approved before dispatching (printing).
3. **Receipts** – Once the items are received, or a service has been performed, it is important that you acknowledge so in the software system by using Receipts. Users will have the ability to partially receive or fully receive the items or service. The system will automatically assign a receipt number upon saving.

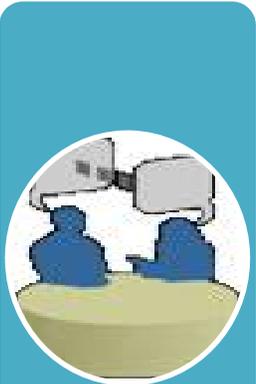
Receiving is also tied to the Inventory and Asset Management modules in PeopleSoft. The integration of those modules with Purchasing will not be addressed on this website.

4. **Voucher** – After the PO has been received in full or in part, the vendor may send the agency an invoice. Accounts Payable staff will use the PO number and/or the Receipt number to pull the information into the Voucher screen for payment. This requires communication between the two departments (if separate) of the agency.
5. **PO Reconciliation** – Each agency has someone designated to reconcile its POs, requisitions, and receipts. This involves running inquiries and reports to determine which items should be closed and removed from the active file.
6. **PO Close** – This is the process run to remove POs that are received in full, canceled, or have been decided against further processing.

See the next page for a bar chart of the purchasing life cycle.

Inventory

Asset
Mgmt



Requisition
(optional)



Purchase
Order



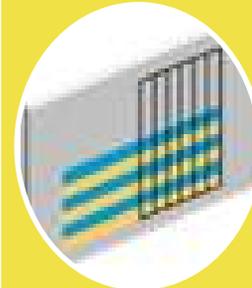
Approval /
Dispatch



Receiving



Voucher



PO
Reconciliation



PO Close

