TERMINOLOGY

Approval	A business process that forces purchasing transactions to flow through the approval process before continuing through the purchasing life cycle. At least one level of approval is required for requisitions and purchase orders. The PO or Requisition status starts at *Pending Approval* and remains in this status until all applicable approvals are complete. After receiving the required approvals, the purchase order status changes to *Approved.* A buyer's or requester's ability to approve a particular dollar amount without sending the document through workflow is determined by the security set up for that user.
Budget Check	A process using commitment control, or the comparing of source transactions against budget ledgers, to see if they pass, fail, or pass with a warning. Successful budget checking is a requisite for accurate accounting reports. From a budgetary perspective, the procurement life cycle includes pre-encumbrances, encumbrances, and expenditures, all of which are tracked against a designated budget.
Buyer	A buyer creates purchase orders in the PeopleSoft system.
Category	To use PeopleSoft Purchasing, categories must be created for items used in requisitions and purchase orders. The State of North Dakota defines its categories from the National Institute of Governmental Purchasing (NIGP) commodity codes. Categories are shared with the Inventory and Catalog modules.
Dispatch	Purchase orders can be dispatched by printing, fax, or email. In the current PeopleSoft Purchasing module, to "dispatch" a PO means to print it.
Encumbrance	When a requisition is sourced to a purchase order, commitment control liquidates the pre-encumbrance from the requisition and establishes an encumbrance for the purchase order. An encumbrance on a particular account provides a method of seeing which budget dollars are already spoken for.
Expense	When the purchased goods or services are delivered and the purchase order references a voucher, commitment control liquidates the encumbrance and records an expenditure. Expenses affect your actual agency budget.
PO Administrator	This is a term used by ConnectND Purchasing to identify at least one individual in each agency that is responsible for the training of agency staff in purchasing, reconciling POs and requisitions, and the closing process of each function.

Pre-encumbrance	When you generate a requisition, a pre-encumbrance is created in your budget records by the budget-checking process.
Process Monitor	*Navigation: PeopleTools > Process Scheduler > Process Monitor.* The process monitor is a screen showing processes run for a specific user ID. The most common processes will be budget checking and dispatching your POs and requisitions.
Purchase Order	A Purchase Order (PO) is a <u>contract</u> to buy goods or services from a vendor and is the core of the Purchasing module. Purchase Orders encumber (reserve) the funds needed from a budget to satisfy the PO. These funds will move from an encumbrance to an expense when the purchase order is (a) paid in a PO Voucher or (b) closed and budget checked.
Receipt	The PeopleSoft Purchasing receiving business process enables you to receive, inspect, return, and put away received goods. When stock arrives at the receiving location, or a service has been performed, you receive it using the PeopleSoft Purchasing Receiving component. These components facilitate the tracking of receipt information for use in PO vouchers and PO Reconciliation.
Reconciliation	The process of reviewing purchase orders, requisitions, and receipts to determine which documents should be closed, canceled, or kept for future processing. Reconciliation also involves comparing reports and encumbrances for budgeting purposes.
Requester	A requester creates requisitions in the PeopleSoft system.
Requisition	Agencies have the option of using requisitions before an actual purchase order. Requisitions pre-encumber budget dollars. After being approved, the requisition can be copied into a PO for dispatching to the vendor.
Voucher	The PeopleSoft term for the document that issues payments. *PO vouchers* are entered by copying a PO or Receipt into a blank voucher and making the payment based on the original purchasing document.
Workflow	The business process for electronic documents such as requisitions, purchase orders, and vouchers to receive approval from supervisors before going any further.