Purchase Order (PO) Workflow

Training Session

2018

University of Toronto | Financial Services

Learning Objectives

- Understand the new Purchase Order (PO) Workflow process
- Process **standard PO's** for orders **greater than and/or less than $25,000 (before tax)**
- Process **Lease PO's** for orders **greater than and/or less than $25,000 (before tax)**
- Resolve and make changes to a rejected Purchase Order

What is PO Workflow?

- PO Workflow is built into SAP and streamlines the existing Purchase Requisition to Purchase Order Process
- **Effective August 1, 2018**, PO Workflow replaces the existing FIS electronic Purchase Requisition to Purchase Order Process for **all departments within St. George Campus**
- The new workflow includes **standard Purchase Orders** and **Lease Purchase Orders regardless of dollar value**

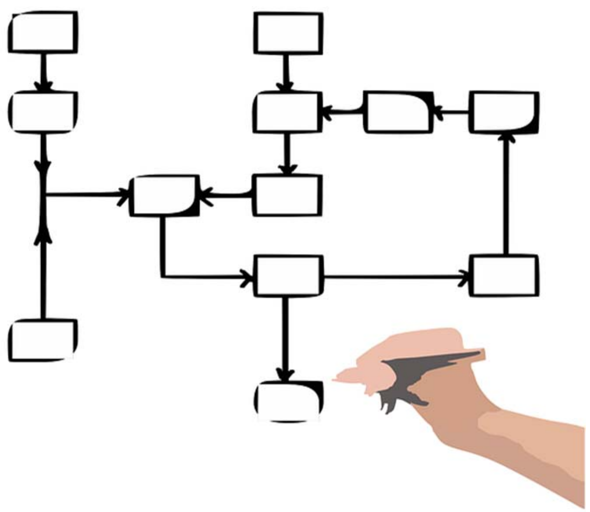
Which Departments are Impacted?

- **All units within St. George Campus** will be using the PO workflow process from **August 1st, 2018** onwards
- **UTSC, UTM and Capital Projects will NOT be using the PO workflow process**, and will continue to follow the current process.

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 **equal to or greater than $25,000 will be automatically electronically routed** to central Procurement Services for compliance review.
- **Purchase Orders and Lease Orders valued less than $25,000** will automatically be released, and not be reviewed by Procurement Services.
- It is now mandatory for **supporting documentation to be attached in AMS for PO's equal to or greater than $25,000**.
- If released, **either automatically or 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 reason(s) why. The PO creator will then resolve the issues and re-submit the PO to Procurement Services for review.



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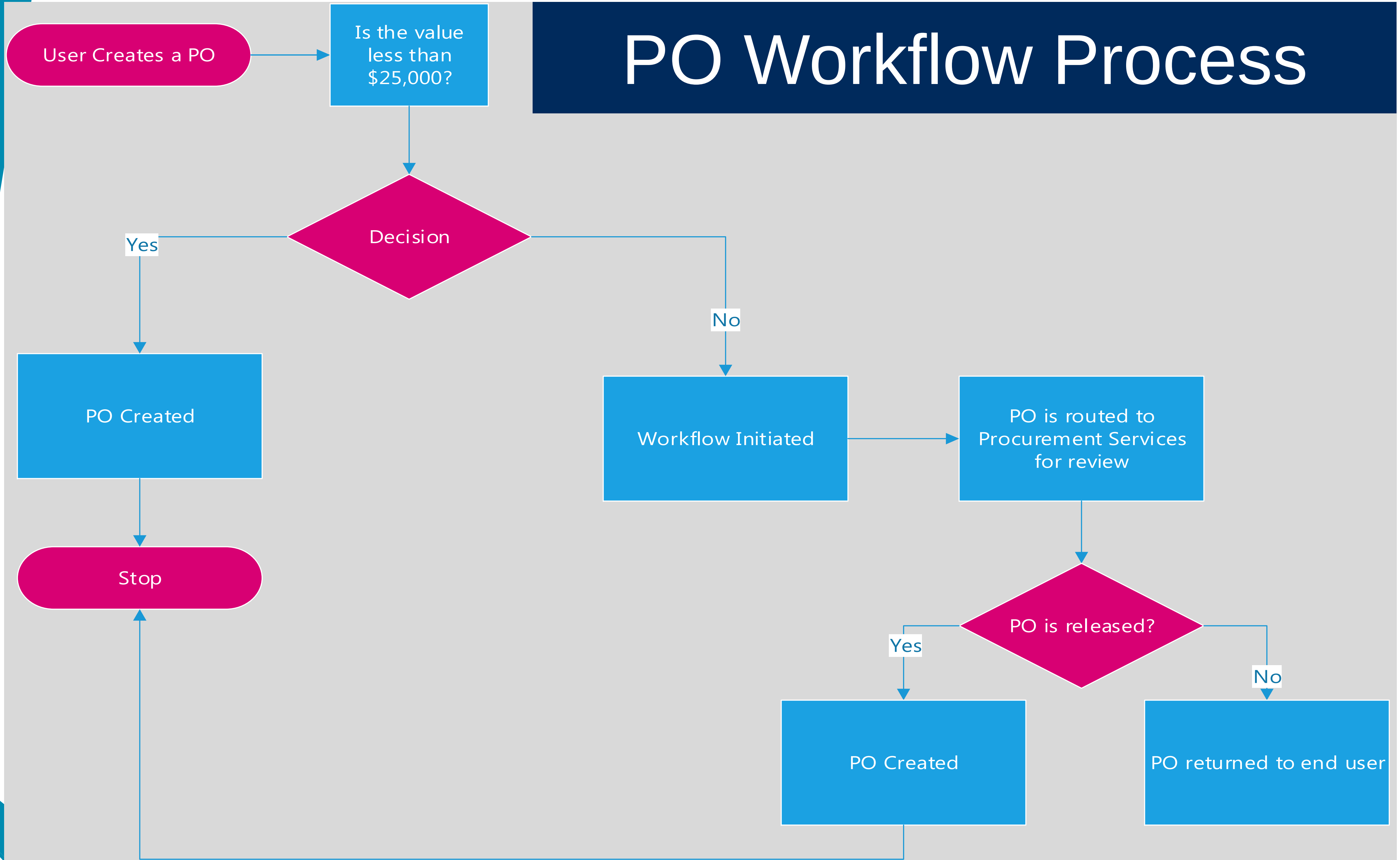
PO Workflow Process



What are the Benefits?

- Streamlines current process by eliminating the Purchase Requisition step when creating Purchase Orders greater than $25,000
- Provides a central repository for document storage
- Increases compliance and provides an auditable workflow
- Provides a soft copy of the Purchase Order to the end user via email
- Users can track their Purchase Orders through each stage of the process through workflow reporting

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Scenarios

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

Standard Purchase Orders under PO Workflow

What's New?

1. Use **WNB: Standard WF PO** Document Type (update defaults in Personal Settings)
2. **PO's Greater than $25,000:**
   a. Will automatically be routed to Procurement Services for review.
   b. Attach all supporting documents (i.e., min. 3 competitive quotes) to workflow PO document (see simulation for instructions).
3. PO creator will receive an email confirmation with a soft copy (PDF) of PO once it is released.
4. Reporting/history of the status of the Workflow PO.

Scenario 1: Standard PO valued between $5,000 and $25,000 (before tax)

Before August 1st

- Requires a minimum of 2 quotes, unless using an approved supplier
- Department creates the PO in AMS using Document Type **NB: Standard PO** and does not need to contact Procurement Services
- PO is automatically printed on the default departmental printer.
- Department forwards to PO to the vendor

After August 1st

- Requires a minimum of 2 quotes, unless using an approved supplier
- Department creates the PO in AMS using Document Type **WNB: Standard WF PO**.
- 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.
- Department forwards PO to the vendor

Scenario 2: Standard PO equal to or Greater than $25,000 (before tax)

Before August 1st

- Requires a minimum of 3 quotes, unless using an approved supplier
- Department creates the Purchase Requisition (PR) in AMS and emails all supporting documents (e.g., quotes) to Procurement Services for review
- **If released**, Procurement Services adopts PR into a PO. PO is then automatically printed on the default departmental printer.
- Department forwards the PO to the vendor.
- **If rejected**, Procurement Services notifies department by email. Procurement will review and adopt the PR into a PO once the reason for the rejection has been addressed.

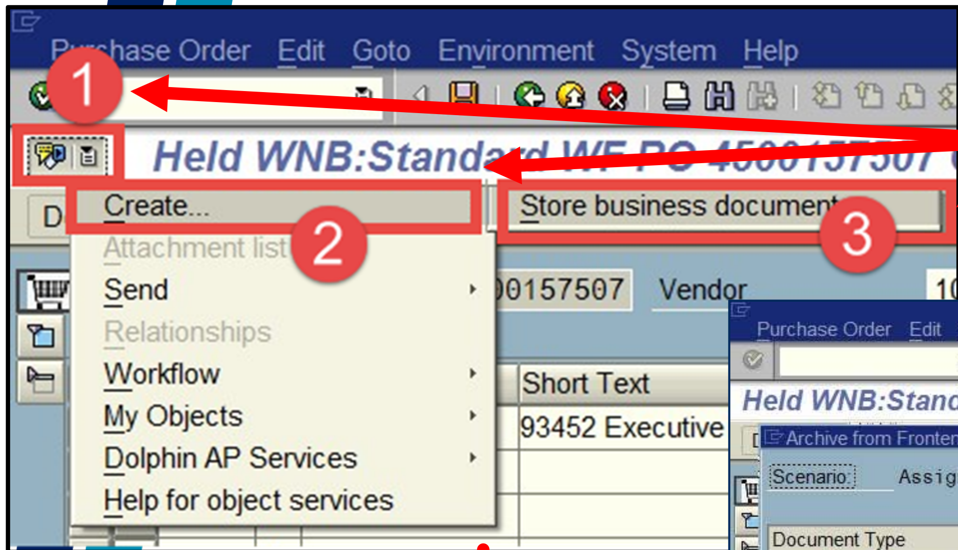
After August 1st

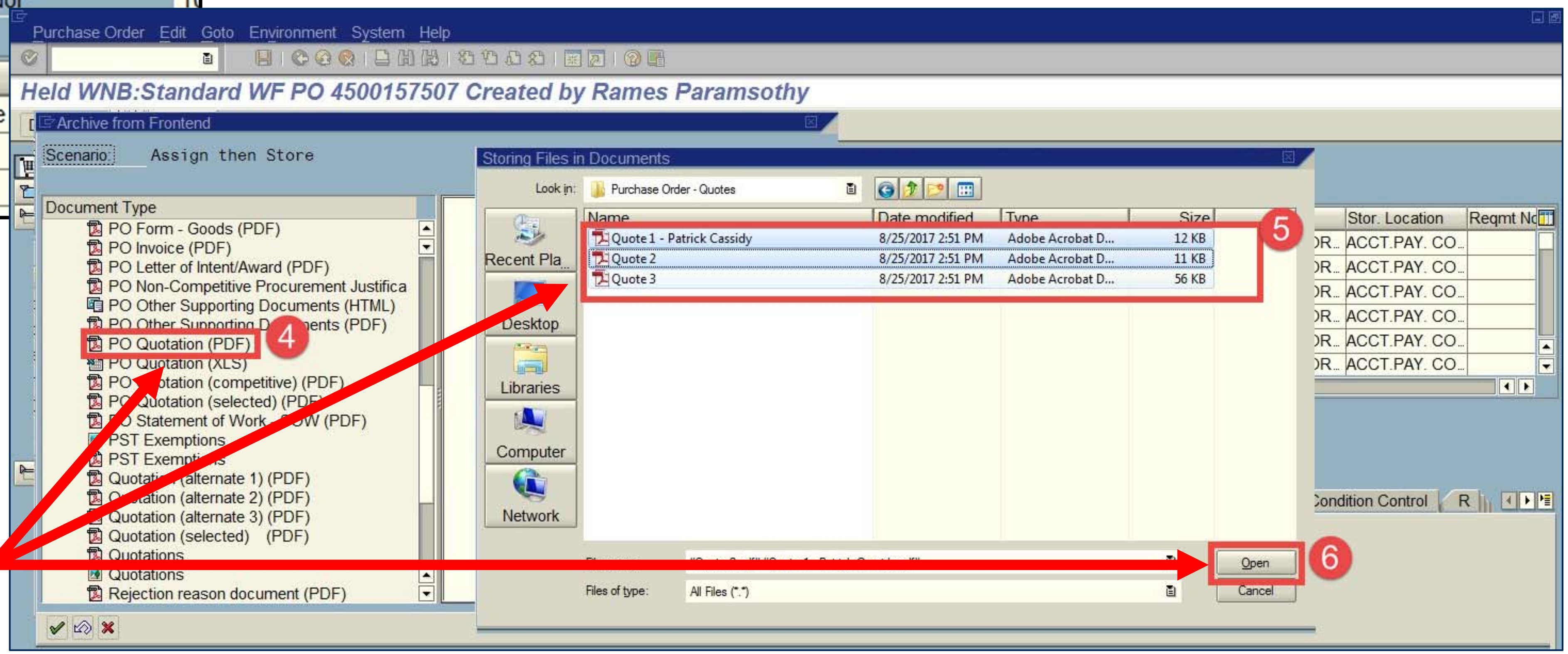
- Requires a minimum of 3 quotes, unless using an approved supplier
- Department creates the PO in AMS using Document Type **WNB: Standard WF PO**, and attaches supporting documents (e.g. quotes).
- PO is then automatically routed to Procurement Services for review.
- **If released**, an email will be sent to department with a PDF of the PO attached. The PO will also automatically print on the default departmental printer.
- **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.
- Once change is made to PO, it is automatically re-submitted to Procurement Services.
- **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.
- Department forwards the PO to the vendor

Scenario 2: Standard PO equal to or Greater than $25,000 (before tax)

Attaching Documents

1. Click **Services for Object**
2. Click **Create**
3. Click **Store business document**





4. Double-click applicable **Document Type** (e.g., PO Quotation)
5. Locate and select **relevant supporting documents** (i.e., PDF, Word or Excel)
6. Click **Open**

NOTE: Supporting documents can only be attached to a PO **once it has been placed on HOLD**.

Lease Purchase Orders under PO Workflow

What's New (All Lease POs)?

1. It is required to enter the cost of the equipment if the department were to purchase it outright in the **Equipment Acquisition Value** field. This can be found in the **Master Lease Agreement** or **Lease Schedule**.
2. Department will now enter the expected future lease commitment for all future years in the **Lease Value** field for all line items.

   NOTE: The new **Lease Value** field is used for **reference purposes**, to **trigger PO workflow** and for **reporting**. This field **does NOT reserve/commit funds**.

3. In the new fiscal year, **the department can now update** the **Net Price** from the $1 placeholder to the periodic payment amount **without having to contact Procurement Services**.
4. **Lease PO's greater than $25,000:** Attach all supporting documents (i.e., min. 3 competitive quotes) to workflow PO document (see simulation for instructions). This step is also **recommended for leases valued less than $25,000**.

Scenario 3: Lease PO less than $25,000 (before tax)

Before August 1st

- Requires a minimum of 2 quotes, unless using an approved supplier
- Department creates the PR in AMS and forwards supporting documents (e.g., lease schedule) to Procurement Services for review
- If rejected, department is notified by email
- If released, Procurement Services adopts PR into a PO
- In new FY, department contacts Procurement Services to update the value of each periodic payment.

After August 1st

- Requires a minimum of 2 quotes, unless using an approved supplier
- Department creates the lease PO in AMS using new document type **WLS: Lease WF Order**. There is **no need to contact Procurement Services.**
- 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.
- Forward lease PO to vendor.
- **Department updates the value of periodic lease payment from $1 placeholder** in the new FY.

Note: It is **recommended** that departments attach any supporting documents to lease PO in AMS.

Scenario 4: Lease PO equal to or Greater than $25,000 (before tax)

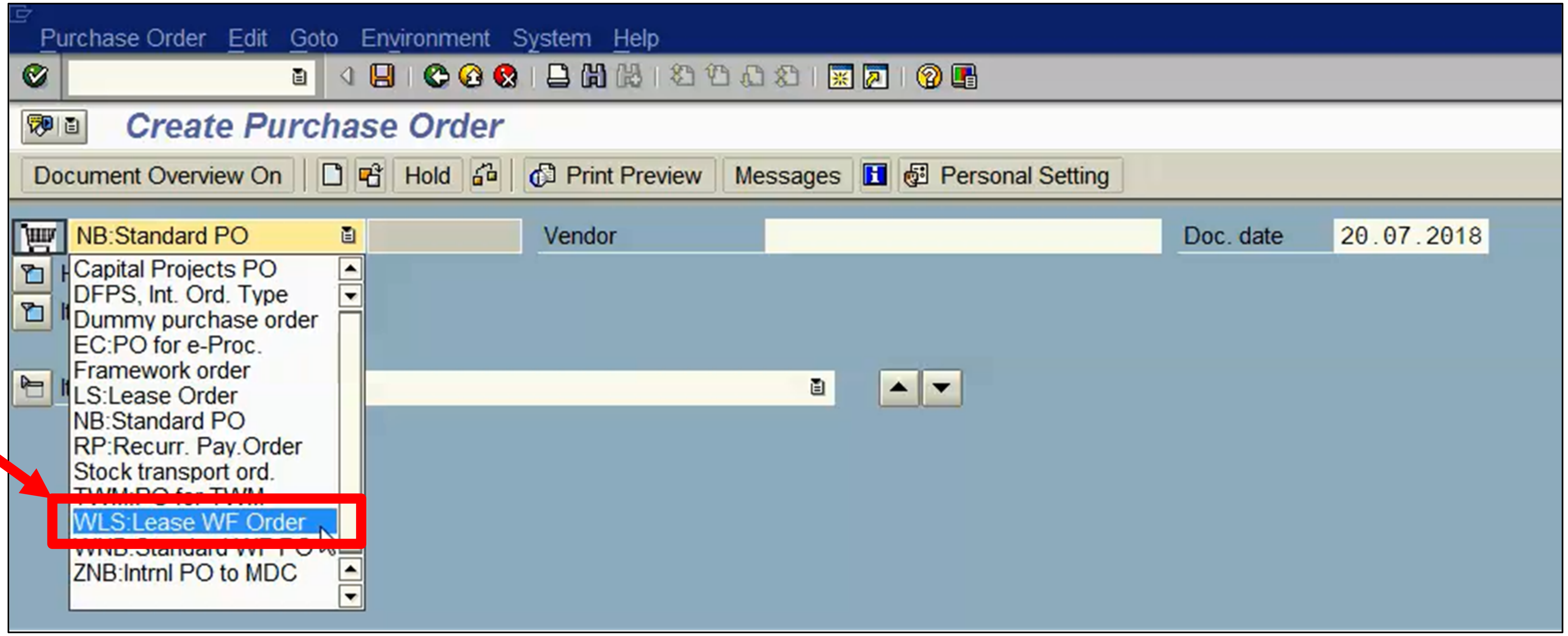
Before August 1st

- Requires a minimum of 3 quotes, unless using an approved supplier
- Department creates the PR in AMS and forwards supporting documents (e.g., lease schedule) to Procurement Services for review
- **If rejected**, department is notified by email
- **If released,** Procurement Services adopts PR into a PO
- Department forwards PO to vendor
- In new FY, department contacts Procurement Services to update the value of each periodic payment.

After August 1st

- Requires a minimum of 3 quotes, unless using an approved supplier
- 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
- **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.
- **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.
- **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.
- **Department updates the value of periodic lease payment from $1 placeholder** in the new FY.

New Workflow Document Type for Lease Purchase Orders



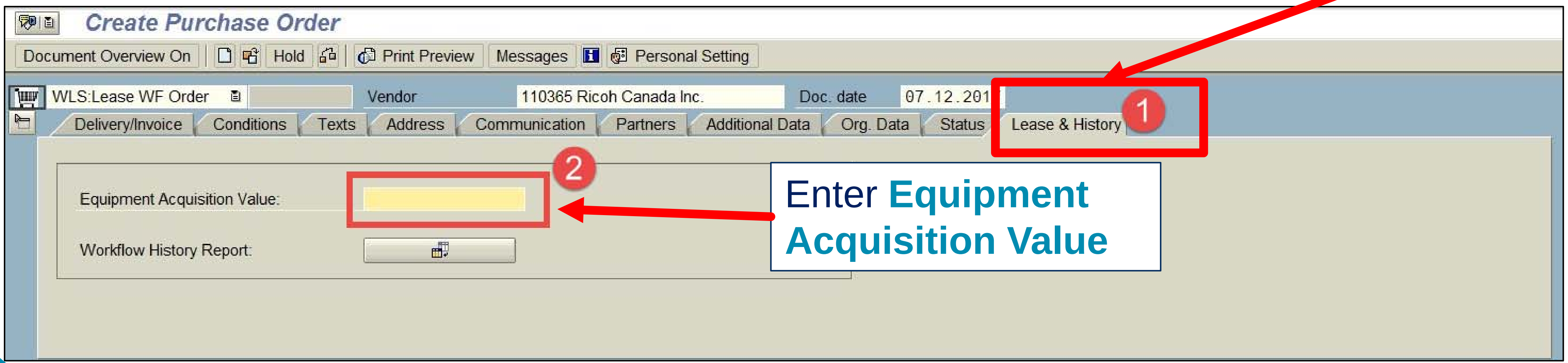
Select **NEW Lease PO Document Type**:

WLS: Lease WF Order

NOTE: **WLS: Lease WF PO** is used for ALL lease PO's regardless of total dollar value.

Lease Purchase Orders under PO Workflow (Equipment Acquisition Value)

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



Enter **Equipment Acquisition Value**

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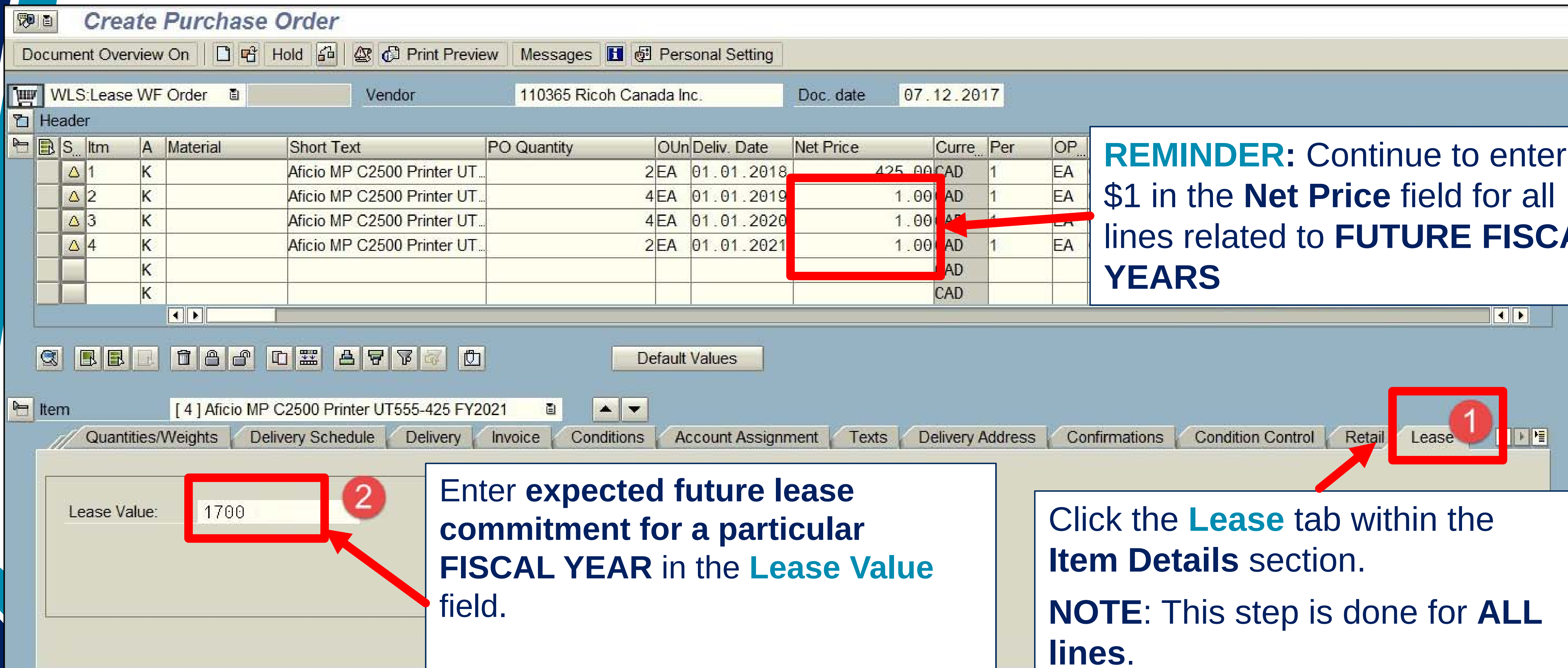
Lease Purchase Orders under PO Workflow (Lease Value)



REMINDER: Continue to enter $1 in the **Net Price** field for all lines related to **FUTURE FISCAL YEARS**

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

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

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

Example: quarterly payments of $425 ($1700)

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Status of Submitted Purchase Orders over 25K

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**.

   NEW! Processor will 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.

PO Rejection Notification

Sample Notification

(sent to PO creator)

Vendor Name

PO Document #

Reason(s) for Rejection

Additional Comments/Information about Rejection Reason

Tue 11/14/2017 9:36 AM

John Doe

Patrick Cassidy & Associates Inc - PO: 4500157512 approval request has been rejected

To Eric Foremski

Document #: 4500157512

Rejected by: John Doe

Rejection Reasons:

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.

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.

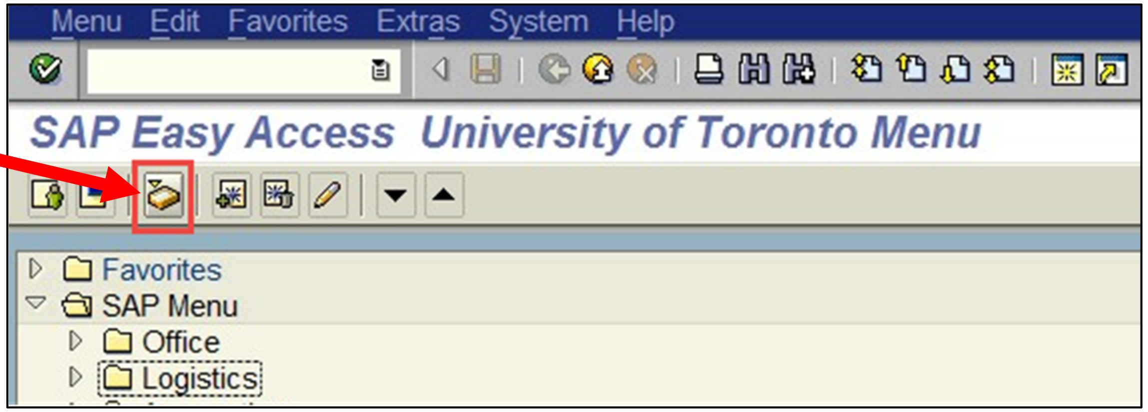
When will you need to access the SAP Inbox?

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.

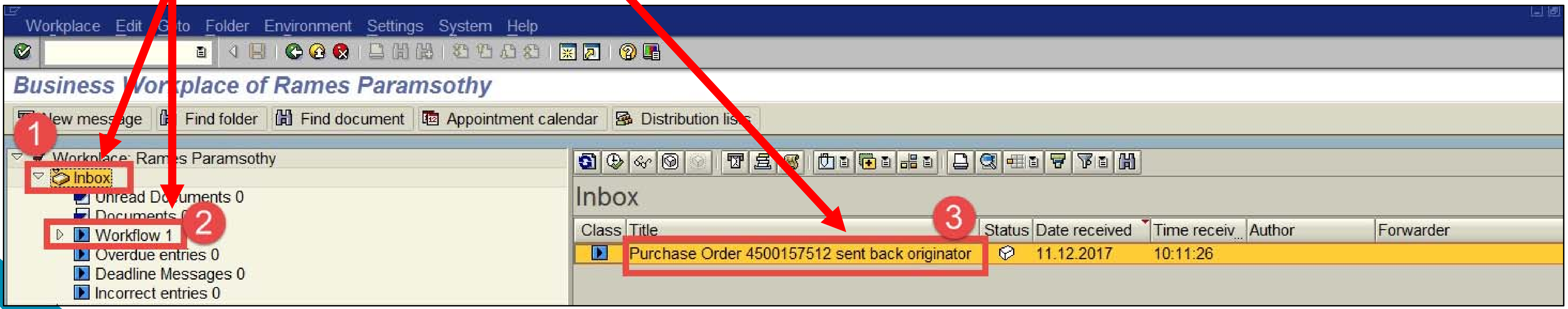
Accessing the SAP Inbox

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



2. **Open “Inbox” >> “Workflow” to view all PO Workflow items**

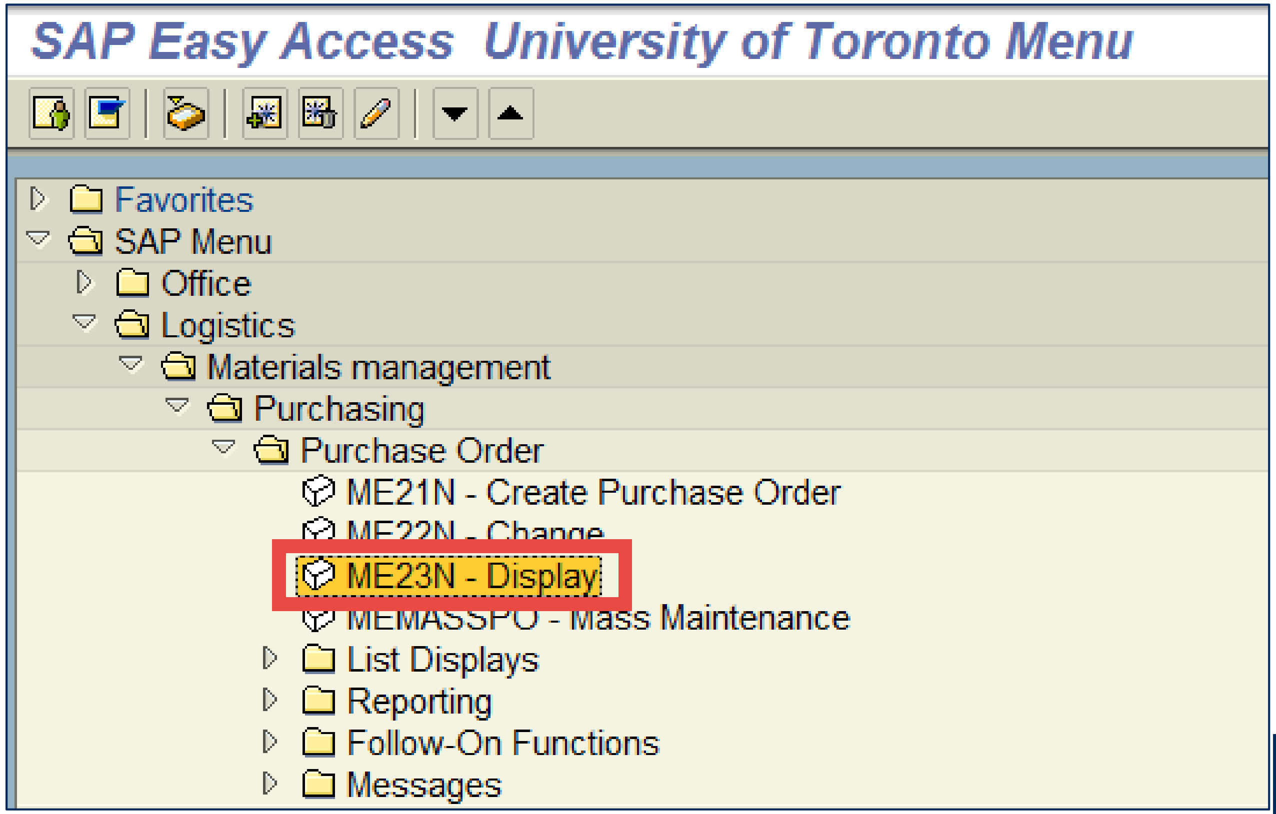
3. **Double-click the title of the relevant PO to go to the PO and make the necessary changes.**



Tracking the Status of Purchase Orders

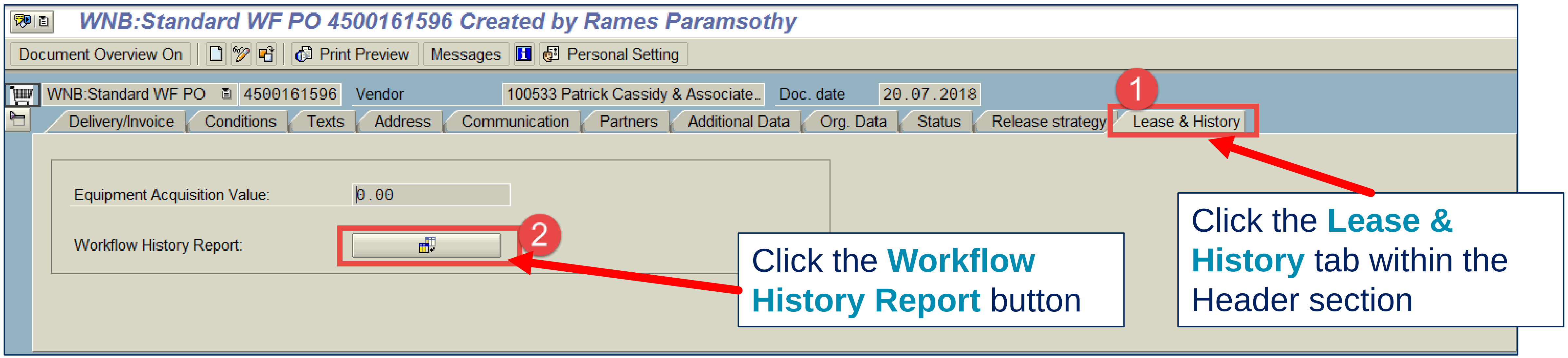
Within a Workflow PO, you can locate the status and change history associated with a standard or lease PO valued over $25,000.

Accessing the **Workflow History Report**:



Tracking the Status of Purchase Orders

After displaying the desired PO:



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

Workflow History for PO: 4500161596

Date: 26.07.2018 Time: 09:41:13

WF no	WI No	Step	Date Rec... (1)	Time Re... (1)	Task Action (2)	Name (3)	Doc.Date	Submitted Am... (4)	Approved Am... (5)	Reserved By (6)	Approved By (6)	Rejected By (6)	Reponse By (6)	Rejection/Response Reason (7)
10385443	10385443	1	20.07.2018	16:31:44	Workflow started	Rames Paramsothy	20.07.2018	72,249.40	0.00					
10385443	10385447	2	20.07.2018	16:31:49	Procurement agent PO review	Eric Foremski	20.07.2018	72,249.40	0.00			FOREMERI		Competitive quotes missing or not com
10385443	10385447	2	20.07.2018	16:31:49	Procurement agent PO review	Eric Foremski	20.07.2018	72,249.40	0.00			FOREMERI		Additional comments
10385443	10385450	3	20.07.2018	16:32:20	PO returned to end user	Rames Paramsothy	20.07.2018	72,249.40	0.00				PARAMRAM	Competitive quotes attached
10385443	10385454	4	20.07.2018	16:33:01	Procurement agent PO review	Eric Foremski	20.07.2018	72,249.40	72,249.40		FOREMERI			
10385443	10385457	5	20.07.2018	16:33:14	PS release PO	Workflow "System...	20.07.2018	72,249.40	72,249.40					
10385443	10385461	6	20.07.2018	16:33:20	Workflow completed	Workflow "System	20.07.2018	72,249.40	72,249.40					

Making Changes to a Standard or Lease Workflow Purchase Order

Who can make changes to a standard or lease PO after it has been released?

- **The department**

What happens if I make a change to the PO amount for a PO over $25,000 that was previously released by Procurement Services?:

- **Anytime a PO exceeds its previously "approved amount" it will be routed back to Procurement Services for another review**

What occurs if a PO was initially valued at less than $25,000 when it was created, but after making a change it is now greater than $25,000?

- **PO workflow process will be activated, and the PO will now be routed to Procurement Services for review for compliance. Note that supporting documentation is now mandatory.**

What if the PO was initially valued at greater than $25,000, but after a change it is less than $25,000?

- **No communication/routing to Procurement Services will be required.**

Watch and Learn!

Links to PO Workflow Simulations

- Standard PO between $5,000 and $25,000
- Standard PO equal to or greater than $25,000
- Lease PO between $5,000 and $25,000
- Lease PO equal to or greater than $25,000
- Using the SAP Inbox to Resolve Issues with Workflow PO

Reference Guide:

- Set Personal Settings (changing default Document Type)

Who do I Contact for PO Workflow Support?

- **Purchasing Policy & Workflow** questions: purchasing.help@utoronto.ca
- **AMS Processing** questions: fast.help@utoronto.ca

OR

Your FAST Team representative


WHERE
WHAT
WHEN
WHY
HOW
WHO