

PeopleSoft

Procure-to-Pay Process

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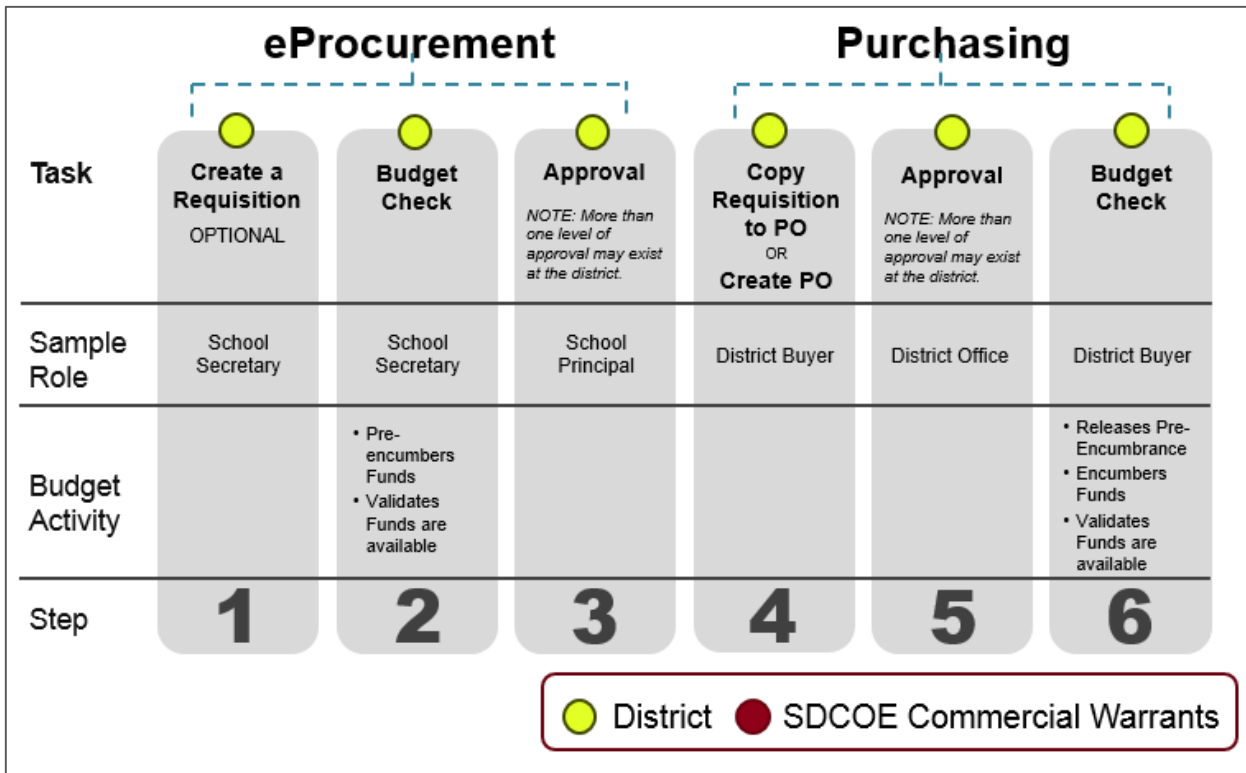
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Procure-to-Pay in PeopleSoft

In PeopleSoft, there are 12 steps in the procure-to-pay process.

Steps 1-6

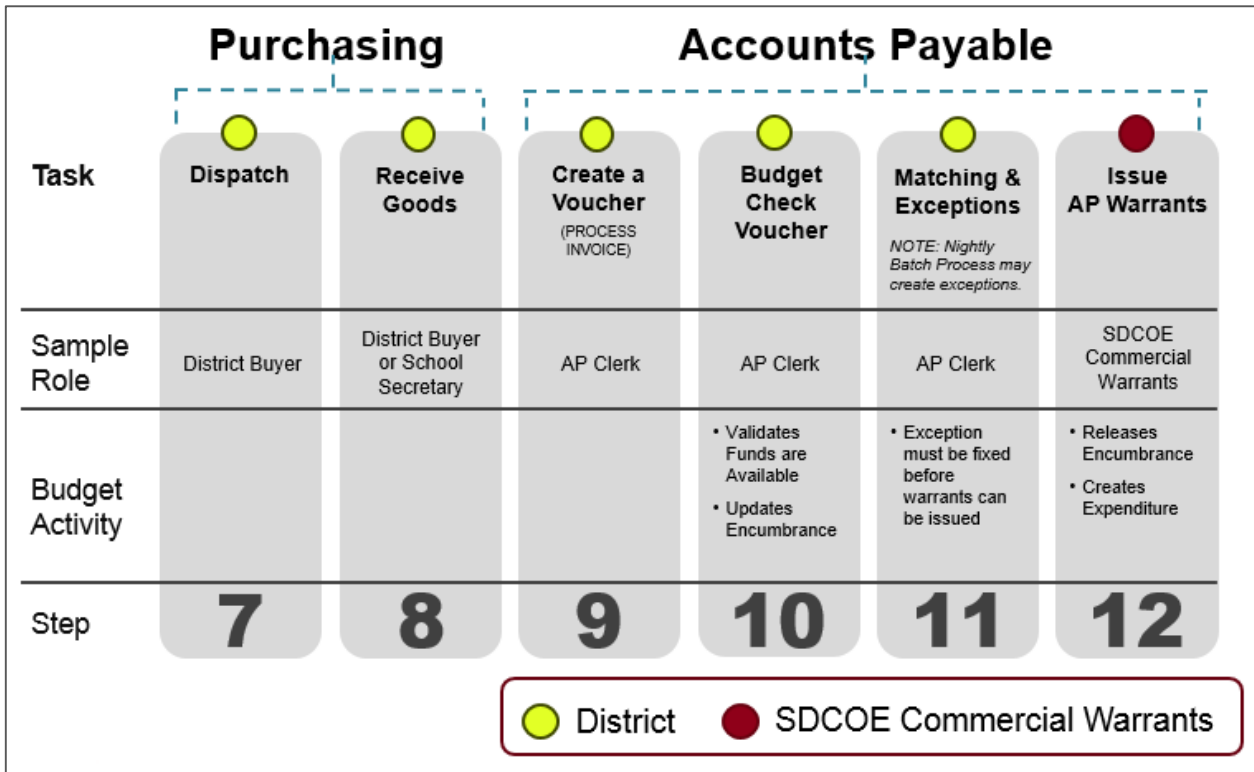


Steps 1-3 happen in eProcurement. The requisition is initiated by the school secretary. Budget checking can be done by district buyer or school site. Approval can be done through the system by the school principal. Take note that more than one approver may exist.

Steps 4 to 8 are basically creating the PO. These steps occurs in the Purchasing module in PeopleSoft. A requisition is copied to PO by the district buyer. Budget checking the PO will release pre-encumbrance and encumbers funds. It also validates if funds are available. There could be more than one level of approval. Dispatching a PO is basically a way of sending the PO to the supplier. Step 8 will be creating Receipts for goods or services that have been received physically.



Steps 7-12



Steps 9 through 12 happens in Accounts Payable module. The AP clerk creates the voucher. Budget checking and matching process can be run on demand or by nightly batch process. Warrants are generated when no exceptions to be fixed.



The Relationships between Requisitions, POs, Receipts, and Vouchers

The table below shows the relationships between requisitions, purchase orders, receipts, and vouchers. The relationships can be **One to One**, **One to Many**, **Many to One**, or **Many to Many**.

Requisitions	Purchase Orders	Receipts	Voucher
1	1	1	1
1 & 2	1	1	1
1	1 & 2	1 or 1&2	1
1 & 2	1 & 2	1 or 1&2	1 or 1&2

- A requisition can be attached to multiple POs
- Multiple requisitions can be sourced into one PO.
- In a receipt, multiple POs can be received
- In a voucher, multiple POs can be paid

Requisition structure

- **Header** contains information such as the requester, requisition ID and date.
- **Line** contains information on what you request to purchase such as the item description, category, quantity, UOM and price. It also includes the supplier information. Schedules and distributions are accessed through the line.
- **Schedules** defines the due dates and ship to location or delivery address.
- **Distributions** consists information about how the item or service is to be charged as well as internal delivery. This section also contains interface information for PeopleSoft Inventory and Asset Management.

Purchase Order structure

- **Header** contains information such as the supplier and buyer details.
- **Line** contains information such as the item description, category, quantity and price. Schedules and distributions are accessed through the purchase order line.
- **Schedules** defines the due dates, ship to location (delivery address) and wherein tax applicability can be modified.
- **Distributions** consists information about how the item or service is to be charged as well as internal delivery. This page also contains interface information for PeopleSoft Inventory and Asset Management.

A line item can have more than one schedule. A schedule can have multiple distributions. To keep it simple, have only one schedule for each line.



Budget Activity and Workflow

Understanding Budget Activity

- **Pre-Encumbrance (Requisitions)**
 - When a requisition is created and passed the budget checking process, the funds are reserved to that requisition. This creates the pre-encumbrance balance.
- **Encumbrances (Purchase Orders)**
 - When a requisition is sourced into a PO and passed the budget checking process, the pre-encumbrance balance is liquidated and the encumbrance is established.
- **Expense (Vouchers)**
 - When a voucher is created and passed the budget checking process, the encumbrance is liquidated and expenditure is recorded. Note that voucher transaction will post to the ledger on the next business day.

Understanding Workflow

- If a requisition workflow exists within the district, a requisition when initiated by the site will have to be approved first before it can be sourced into a PO.
- If a purchase order workflow exists within the district, a purchase order when initiated by the buyer will have to be approved first before it can be dispatched. This also applies for Direct POs.
- No voucher workflow when paying against PO. Only direct voucher requires workflow.



Key Concepts

Tax Applicability

- No taxes are applied at the requisition level. Taxes are applied at the purchase order level.
- To automate sales tax calculation in the purchase order, a supplier must be setup in the supplier information page.
- Tax applicability such as sales or use tax and item exemption can be changed in the PO through the schedule page. Taxes can be applied manually in the voucher.

Location and Ship To location

- Location is the physical address of the district's school and offices. This code helps determine the site who is requesting the items. This is not part of the chartsting.
- Ship To location is the address wherein the supplier will deliver your items.
- Sales tax rate is attached to Ship To location code.

Open or Blanket Purchase Orders

- Requisitions or Purchase orders must be flagged as **Amount Only**. This will allow partial payments against the PO.

Matching Tolerances

- If your district is setup with matching tolerances, purchaser order price must match against the voucher price within the tolerances. When the price to pay is a decrease compared to the PO price, there will be no matching exceptions.
- Any exceptions must be fixed before a warrant is generated. Matching applies line by line and does not include sales tax or the freight charges.
- **IMPORTANT:** 10% tolerance is the standard allowed by the auditor. Your district may have opted to decrease or increase the percentage or no tolerance.
- Two-way matching applies between a purchase order and a voucher wherein receiving is not required.
- Three-way matching applies among the purchase order, receipt and voucher.



Purchasing Scenarios

The table below shows several types of purchasing scenarios.

	Requisitions	Purchase Orders	Receipts	Vouchers
Regular Goods	Items	Receiving Required	Create PO receipt using quantity	Copy PO
Regular Goods	Items	Receiving Required	Partial Receipt - Create PO receipt using quantity	Copy PO/ PO Receipt
Regular Goods	Items	Not Received	Not required	Copy PO
Open POs	Amount only	Amount Only Receiving Required	Create PO receipt using Amounts	Copy PO – 100%
Open POs	Amount only	Amount Only Receiving Required	Create PO receipt using Amounts	Copy PO – Partial payments Copy From Receipts
Open POs or Services	Amount only	Amount Only Receiving Not Required	Not required	Copy PO
Regular items with sales tax	No sales tax applied	Sales Tax are applied	Does not display	*See below

*Sales tax in the Voucher

PO sales tax vs. Voucher sales tax

8%	9%	YES on Warning message.
8%	7%	Out of state. This will calculate use tax.



Category Codes

The **Category Code** is a required field in the system when creating a requisition or a direct PO. This is a way of classifying the items you purchase from suppliers. This is used for reporting.

Each category code has an object that goes with it; you attach it to the requisition or purchase order. It shows what type of item you're purchasing and use it for reporting. Examples of category codes are 14110000 (Paper products), 43210000 (Computer Equipment and Accessories), 44120000 (Office supplies).

In this example, the buyer is purchasing 192 jugs of 5-gallon drinking water. The **Category** is 43000000.

Line	Item	Description	PO Qty	UOM	Category	Price
1		5 Gallon Drinking Water	192.0000	JU	43000000	1.82

NOTES:

- All **Category** codes above 70000000 were setup to be non-taxable. It can be modified in the PO to be taxable by going to the schedule page.
- Supplier's tax applicability overrides the category code configuration.
- DO NOT USE THE CATEGORY CODE "000001." This is only used as a placeholder for a setting up a report in PeopleSoft. It will cause matching exceptions. Voucher will not process due to matching error.
- No category codes when you create a direct voucher.
- For more information about category codes, please refer to <http://www.unspsc.org/>

Please see the additional pages for information about queries you can run and how to view, add, and modify category codes.



Query: How Much Did My District Spend By Category Code?

There are two queries available that show how much your district spent by category code. Both queries require the **Business Unit**. When signed in as a business unit user, you only have access to your own business unit, and using % in the business unit field is not available.

M_PO_CATEGORY_SPEND_DT – District Spend by Date

Run this to see all category codes with the code, code description, and amount spent.

M_PO_CATEGORY_SPEND_DT - District Spend by Date

Purchase Order Date From: 01/01/2014

Purchase Order Date To: 04/24/2014

Business Unit: 00700

[View Results](#)

Download results in : [Excel SpreadSheet](#) [CSV Text File](#) [XML File \(6 kb\)](#)

View All First 1-30 of 30 Last

	Code	Descript	Sum Merch Amt Base
1	000001	All Items - DONT USE	61475.79
2	10000000	Live Plant and Animal Material and Accessories and Supplies	183.01
3	11000000	Mineral and Textile and Inedible Plant and Animal Materials	90.00
4	14000000	Paper Materials and Products	2930.15
5	14110000	Paper products	972.67
6	14111700	Personal paper products, Custodial incl toilet paper	998.30
7	43210000	Computer Equipment and Accessories	1503.82
8	43211600	Computer accessories	4567.00
9	43212100	Computer printers	6689.64
10	43220000	Data Voice or Multimedia Network Equipment or Platforms and	12.99



M_PO_CATEGORY_SPEND_DT_DETAIL – District Spend by Date detail

Run this to see category code, description, PO number, the line description from the PO, the line object number from the PO, and the amount spent. This query will be useful to audit how category codes are being used. For example if you see Category Code 14110000 Paper production being used to purchase a computer from object 4100000, you know that you have a few issues you may want to investigate.

M_PO_CATEGORY_SPEND_DT_DETAIL - District Spend by Date detail						
Purchase Order Date From: <input type="text" value="01/01/2014"/>						
Purchase Order Date To: <input type="text" value="04/24/2014"/>						
Business Unit: <input type="text" value="00700"/>						
View Results						
Download results in : Excel Spreadsheet CSV Text File XML File (237 kb)						
View All						First 101-200 of 305 Last
	Code	Descript	PO No.	PO Line Description	Object	Sum Merch Amt Base
101	14000000	Paper Materials and Products	0000000034	CUP, SOUFFLE, PAPER WHITE, 2 OZ, BIO DEGRADABLE	4300000	100.20
102	14000000	Paper Materials and Products	0000000034	CUP, SOUFFLE, PAPER, PLEATED PORTION, 4 OZ	4300000	106.40
103	14000000	Paper Materials and Products	0000000034	GLOVES, VINYL, PF, MEDIUM	4300000	2.11
104	14000000	Paper Materials and Products	0000000034	SPORKS, MEDIUM WEIGHT, 6" PLASTIC, CLEAR OR WHITE	4300000	56.70
105	14000000	Paper Materials and Products	0000000027	PAPER CONSTRUCTION WHITE 9"X12",50 SHEETS/PKG	4300000	5.45
106	14000000	Paper Materials and Products	0000000027	PAPER CONSTRUCTION 9"X12" 50 SHEETS/PKG BLACK	4300000	21.80
107	14110000	Paper products	0000000083	BOOK, COMPOSITION, SIDE OPENING, 8 1/2 X 6 3/4", 20 LEAFS--	4300000	31.68
108	14110000	Paper products	0000000083	PAPER, CONSTRUCTION, 12"X18", DARK GREEN, A.S. 52	4300000	19.70
109	14110000	Paper products	0000000083	PAPER, CONSTRUCTION, 12"X18", FESTIVE GREEN, A.S. 52	4300000	19.70
110	14110000	Paper products	0000000083	PAPER, CONSTRUCTION, 12"X18", HOLIDAY GREEN, A.S.52	4300000	29.55
111	14110000	Paper products	0000000083	PAPER, CONSTRUCTION, 12"X18", LIGHT GREEN, A.S. 52	4300000	19.70
112	14110000	Paper products	0000000083	PAPER, CONSTRUCTION, 12"X18", LIGHT YELLOW, A.S. 52	4300000	9.85



Viewing Existing Category Codes

1. Navigate to **Main Menu > Items > Define Controls > Item Categories**.
2. On the Find an Existing Value tab, verify that the **SetID** shows your district number, then click **Search**. This will return a list of all existing category codes.

Item Categories

Enter any information you have and click Search. Leave fields blank for a list of all values.

[Find an Existing Value](#) [Add a New Value](#)

▼ Search Criteria

SetID: = 00700

Category: begins with

Description: begins with

Case Sensitive

Search Clear Basic Search Save Search Criteria

Search Results

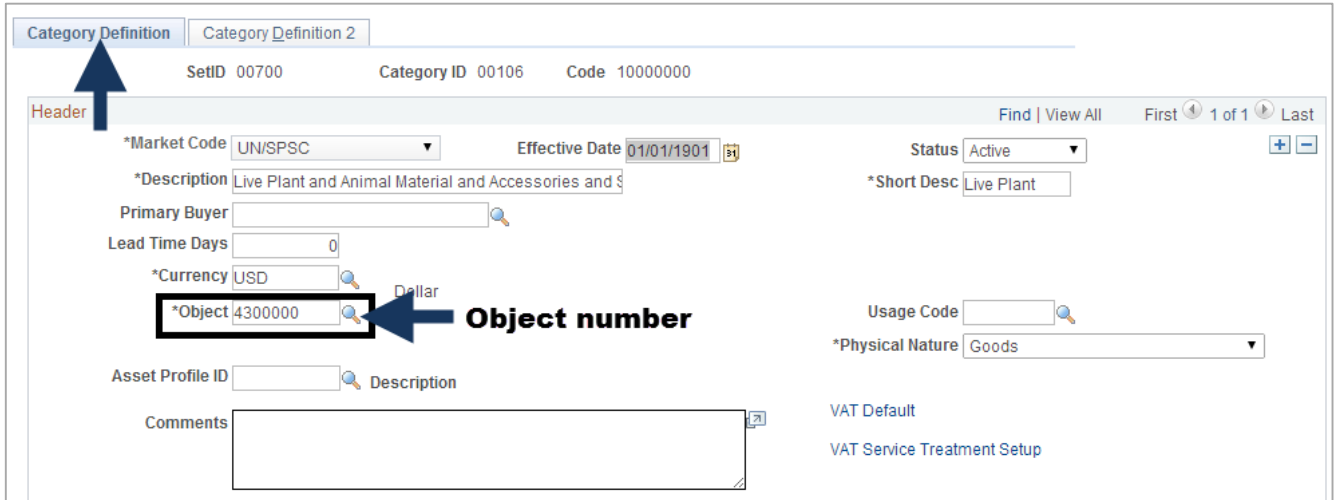
View All First 1-100 of 111 Last

SetID	Category	Description	Short Description
00700	000001	All Items	All Items
00700	10000000	Live Plant and Animal Material and Accessories and Supplies	Live Plant
00700	11000000	Mineral and Chemicals	Mineral an
00700	12000000	Chemicals including Bio Chemicals and Gas Materials	Chemicals
00700	14000000	Paper Materials and Products	Paper Mate
00700	14110000	Paper products	Paper prod
00700	14111700	Personal paper products, Custodial incl toilet paper	Personal p

3. Click the desired category code, like *10000000 Live Plant and Animal Material and Accessories and Supplies*.

4. Click the two tabs to review the information.

- **Category Definition tab:** View the basic information and the object number.



Category Definition | Category Definition 2

SetID 00700 Category ID 00106 Code 10000000

Header Find | View All First 1 of 1 Last

*Market Code UN/SPSC Effective Date 01/01/1901 Status Active

*Description Live Plant and Animal Material and Accessories and *Short Desc Live Plant

Primary Buyer

Lead Time Days 0

*Currency USD Dollar

***Object 4300000** Object number

Usage Code

*Physical Nature Goods

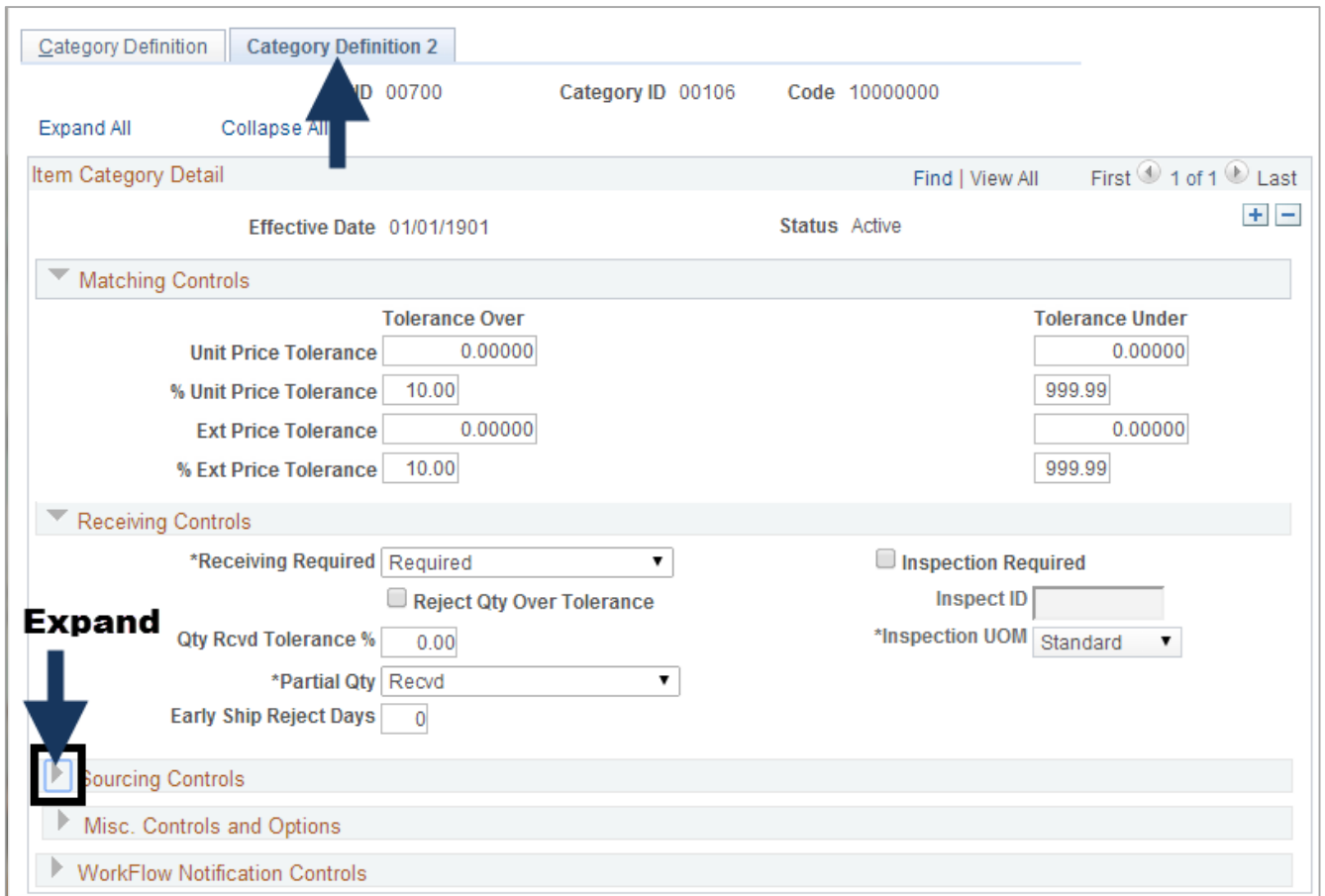
Asset Profile ID Description

VAT Default

VAT Service Treatment Setup

Comments

- **Category Definition 2 tab:** Expand the sections (Matching Controls, Receiving Controls, and so on) to view more information about the code (defaulted in when the category code is added).



Category Definition | **Category Definition 2**

ID 00700 Category ID 00106 Code 10000000

Expand All Collapse All

Item Category Detail Find | View All First 1 of 1 Last

Effective Date 01/01/1901 Status Active

▼ Matching Controls

	Tolerance Over	Tolerance Under
Unit Price Tolerance	0.00000	0.00000
% Unit Price Tolerance	10.00	999.99
Ext Price Tolerance	0.00000	0.00000
% Ext Price Tolerance	10.00	999.99

▼ Receiving Controls

*Receiving Required Required Inspection Required

Reject Qty Over Tolerance Inspect ID

Qty Rcvd Tolerance % 0.00 *Inspection UOM Standard

*Partial Qty Recvd

Early Ship Reject Days 0

Expand

☑ Sourcing Controls

▶ Misc. Controls and Options

▶ WorkFlow Notification Controls

Adding a New Category Code

NOTE: You can go to the UNSPSC website at <http://www.unspsc.org/search-code/default> to search for codes you want to add to your list.

1. Navigate to **Main Menu > Items > Define Controls > Item Categories.**
2. On the Add a New Value tab, enter the **SetID** and **Category**, then click **Add**.



Item Categories

Find an Existing Value | Add a New Value

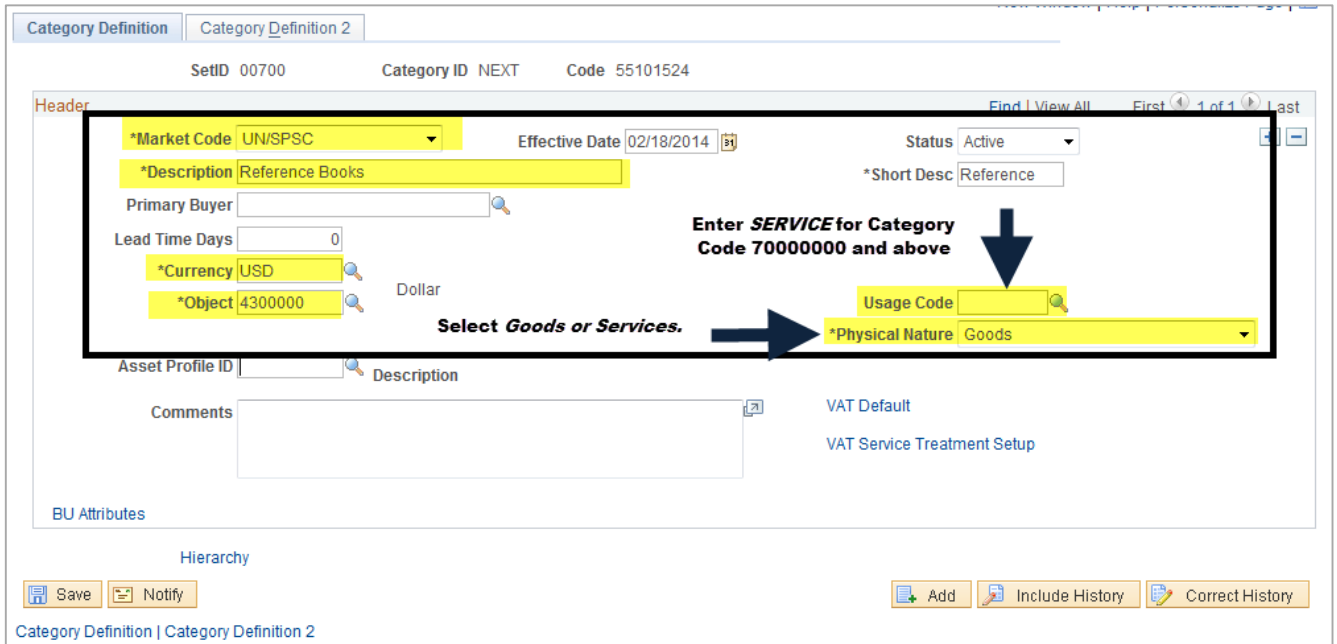
SetID: 00700

Category: 55101520

Add

- **SetID:** Verify that your district number is selected.
- **Category:** Enter a category code number. **NOTE:** You can go to the UNSPSC website at <http://www.unspsc.org/search-code/default> to search for codes you want to add to your list.

3. On the Category Definition tab, enter the following:



Category Definition | Category Definition 2

SetID 00700 Category ID NEXT Code 55101524

Header

*Market Code UN/SPSC Effective Date 02/18/2014 Status Active

*Description Reference Books *Short Desc Reference

Primary Buyer

Lead Time Days 0

*Currency USD Dollar

*Object 4300000

Enter SERVICE for Category Code 70000000 and above

Select Goods or Services.

Usage Code

*Physical Nature Goods

Asset Profile ID Description

Comments

VAT Default

VAT Service Treatment Setup

BU Attributes

Hierarchy

Save Notify Add Include History Correct History

Category Definition | Category Definition 2

- **Market Code.** Enter *UN/SPSC* (the default).
- **Description:** Type a description. Take this exactly from the Category code list. If you would like to change the description, remember to gently adjust it to retain the original intent of the item.
- **Currency:** Enter *USD*.



- **Object:** Enter the object of your choice. NOTE: This object will default into purchase orders and requisitions when this category code is selected.
- **Usage Code:** Enter *SERVICE* for Category code 70000000 and up.
- **Physical Nature:** Select *Goods* or *Services*. The default value is *Goods*.

4. Go to Category Definition 2 tab, enter the following:

Category Definition | Category Definition 2

SetID 00700 Category ID NEXT Code 55101524

Expand All Collapse All

Item Category Detail Find | View All First 1 of 1 Last

Effective Date 02/18/2014 Status Active

	Tolerance Over	Tolerance Under
Unit Price Tolerance	0.00000	0.00000
% Unit Price Tolerance	10.00	999.99
Ext Price Tolerance	0.00000	0.00000
% Ext Price Tolerance	10.00	999.99

Receiving Controls

Sourcing Controls

Misc. Controls and Options

WorkFlow Notification Controls

Save Notify Add Include History Correct History

- **% Unit Price Tolerance: Tolerance Over:** Enter *10.00* and **Tolerance Under:** Enter *999.99*.
- **% Ext Price Tolerance: Tolerance Over:** Enter *10.00* and **Tolerance Under:** Enter *999.99*.

5. Click **Save**.

6. You will receive several warning messages. Click **OK** for each.

- **Warning** -- Setting Unit Price Over/Under Tolerances to 0.00000 implies a zero tolerance. (10000,33) 0.00000 is a valid value for both Over and Under Unit Price Tolerances. If matching is used, any price discrepancy for this item will be reported.
- **Warning** -- Setting Extended Unit Price Over/Under Tolerances to 0.00000 implies a zero tolerance. (10000,34) 0.00000 is a valid value for both Over and Under Extended Price Tolerances. If matching is used, any price discrepancy for this item will be reported.
- **Warning** -- Setting Quantity Received Tolerance Percent 0.00 implies a zero tolerance. (10000,37) 0.00 is valid for Quantity Received Tolerance Percent, but will result in any over shipment amount being rejected during receiving when Reject Qty Over Tolerance is selected. If Reject Qty Over Tolerance is not selected a warning message will be issued at receiving time.



7. You will see a message that says, “Do you want to update item catalogs with your category changes? (10000,92) Select Yes if you would like to select one or more item catalogs to update.” Click **Yes**. In the Update Catalog Tree window that appears, select the catalog tree that you want to update, then click **OK**.

Update Catalog Tree Help

Parent Category Catalog Refresh

List of Catalogs Personalize | Find | View All | [grid icon] | [calendar icon] First 1 of 1 Last

	Sel	Tree Name	Description
1	<input checked="" type="checkbox"/>	ITEMS	All Items

OK Cancel



Modifying an Existing Category Code

1. Follow Steps 1-3 listed on p.10.
2. Go to the tab where you want to make a change. Click the plus sign to add a new row. The effective date will change to today's date. Make the desired changes and click **Save**.

The screenshot shows the 'Category Definition' form in PeopleSoft. The form is titled 'Category Definition 2' and displays the following information:

- SetID: 00700, Category ID: 00003, Code: 14111700
- Header section with fields: *Market Code (UN/SPSC), Effective Date (01/01/1901), Status (Active), *Short Desc (Personal p), *Description (Personal paper products, Custodial incl toilet paper), Primary Buyer, Lead Time Days (0), *Currency (USD), Dollar, *Object (4300000), Usage Code, *Physical Nature (Goods), VAT Default, and VAT Service Treatment Setup.
- Asset Profile ID and Description fields.
- Comments text area.
- BU Attributes section.
- Buttons at the bottom: Save, Return to Search, Previous in List, Next in List, Notify, Add, and Include History.

A blue arrow points to a plus sign in the top right corner of the form, with the text "Click the plus sign to add a new row." overlaid.

3. You might receive several warning messages. Click **OK** for each.
 - **Warning** -- Setting Unit Price Over/Under Tolerances to 0.00000 implies a zero tolerance. (10000,33) 0.00000 is a valid value for both Over and Under Unit Price Tolerances. If matching is used, any price discrepancy for this item will be reported.
 - **Warning** -- Setting Extended Unit Price Over/Under Tolerances to 0.00000 implies a zero tolerance. (10000,34) 0.00000 is a valid value for both Over and Under Extended Price Tolerances. If matching is used, any price discrepancy for this item will be reported.
4. You will see a message that says, "Do you want to update item catalogs with your category changes? (10000,92) Select Yes if you would like to select one or more item catalogs to update." Click **Yes**. In the Update Catalog Tree window that appears, select the catalog tree that you want to update, then click **OK**.



Inactivating an Existing Category Code

1. Follow Steps 1-3 listed on p.10.
2. Notice the current **Effective Date** (if 1901 then it was converted), **Status** (*Active*), and number of records (like 1 of 1).

Category Definition | Category Definition 2

SetID 06500 Category ID 00030 Code 10000000

Header

Find | View All First 1 of 1 Last

*Market Code UN/SPSC Effective Date 01/01/1901 Status Active

*Description Live Plant and Animal Material and Accessories and *Short Desc Live Plant

Primary Buyer

Lead Time Days 0

*Currency USD Dollar

*Object 4300000 Usage Code

*Physical Nature Goods

3. To inactivate, click the plus sign to add a new row. Notice the effective date will change to today's date (12/14/2015, for example) and there is an additional record (like 1 of 2).

Find | View All First 1 of 2 Last

Effective Date 12/14/2015 Status Active

Accessories and *Short Desc Live Plant

4. Change the **Status** to *Inactive*.

Category Definition | Category Definition 2

SetID 06500 Category ID 00030 Code 10000000

Header

Find | View All First 1 of 2 Last

*Market Code UN/SPSC Effective Date 12/14/2015 Status Inactive

*Description Live Plant and Animal Material and Accessories and *Short Desc Live Plant

Primary Buyer

Lead Time Days 0

*Currency USD Dollar

*Object 4300000 Usage Code

*Physical Nature Goods

Asset Profile ID Description

Comments

VAT Default

VAT Service Treatment Setup

BU Attributes

Hierarchy

Save Return to Search Previous in List Next in List Notify Add Include History

Category Definition | Category Definition 2

5. Click **Save**.



6. You might receive several warning messages. Click **OK** for each.
 - **Warning** -- *Setting Unit Price Over/Under Tolerances to 0.00000 implies a zero tolerance. (10000,33) 0.00000 is a valid value for both Over and Under Unit Price Tolerances. If matching is used, any price discrepancy for this item will be reported.*
 - **Warning** -- *Setting Extended Unit Price Over/Under Tolerances to 0.00000 implies a zero tolerance. (10000,34) 0.00000 is a valid value for both Over and Under Extended Price Tolerances. If matching is used, any price discrepancy for this item will be reported.*
7. You will see a message that says, “Do you want to update item catalogs with your category changes? (10000,92) Select Yes if you would like to select one or more item catalogs to update.” Click **Yes**. In the Update Catalog Tree window that appears, select the catalog tree that you want to update, then click **OK**.