



Name(s):

Course & Selection:

Identifier:

Client:

## Chapter 04: The Procurement Process

### Exercise 04-02: Review Procurement Master Data

#### Single Company Code

Rev: 01/03/2011

## Introduction

### General Notes and Information

It is strongly recommended that you read through the entire exercise prior to starting. Not all instructions can be provided in a linear manner.

The following symbols are used to indicate important information, as described below.

- ➔ An arrow highlights an important instruction that must not be overlooked.
- A text box prompts you to type-in an important piece of information.

Each student or group will be assigned a unique **three-digit identifier**. This identifier is used in all exercises to uniquely identify your data. Whenever you see **###** in these exercises, replace it with your identifier.

- ➔ Always work with your data – your vendor, your materials, your general ledger accounts, etc.

### Business Process Overview

The procurement process is used to purchase material from a vendor. This process can be used to purchase trading goods as well as raw materials.

In this exercise you will execute the procurement process to purchase the following trading goods: Elbow Pads, Road Helmets, Repair Kits, Off Road Helmets, and Knee Pads. You will be purchasing 50 of each of these goods from Olympic Protective Gear to be delivered to GBI's Miami plant.

### Exercise Prerequisites

Exercise 4-1: Review Procurement Master Data

### Exercise Workflow



### Exercise Deliverables

Deliverables are consolidated into one worksheet at the end of this exercise. For this exercise you will need the following deliverables.

In the System:

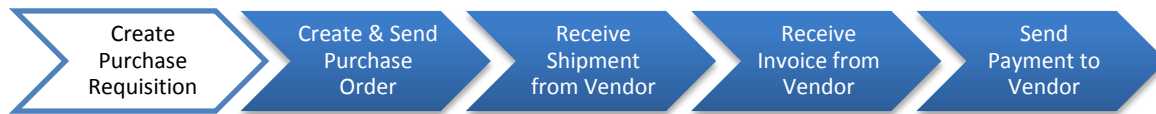
- Purchase Requisition
- Purchase Order
- Goods Receipt
- Invoice Verification
- Vendor Payment

On Paper:

- Completed Exercise worksheet (attachment 1)
- Answers to the Questions

➔ You may be assigned additional deliverables. Make certain to check with your instructor.

## Step 1: Create Purchase Requisition



In this step, the Purchase Requisition is created for internal purposes only. It is recommended that you keep several windows opened (to view inventory and vendor account balances). Refresh these windows each step of the procurement process to review the consequences of your actions.

### Step 1.1: Review material inventory

Refer to a previous exercise for instructions to review material inventory. Review the inventory of your elbow pads, road helmets, repair kits, off road helmets, and knee pads, and answer the following questions.

**Q1:** How many elbow pads are in inventory before the requisition: -----

**Q2:** How many road helmets are in inventory before the requisition: -----

**Q3:** How many repair kits are in inventory before the requisition: -----

**Q4:** How many off road helmets are in inventory before the requisition: --

**Q5:** How many knee pads do you have before the requisition: -----

### Step 1.2: Review vendor account balance

Refer to a previous exercise for instruction to review account balances. Then, review the balance in your vendor's account, and answer the following question.

**Q6:** What is the balance in your vendor's account before the requisition: --

### Step 1.3: Navigate to the transaction to create a purchase requisition

#### Navigation

Logistics → Materials Management → Purchasing → Purchase Requisition → Create


**Q7:** What is the transaction code for Create Purchase Requisition: -----

**Q8:** What is the transaction code for Change Purchase Requisition: -----

**Q9:** What is the transaction code for Display Purchase Requisition: -----

**Step 1.4:** In the “*Create Purchase Requisition*” screen, enter the following data:

Field Name	Data Entry
<b>Document Type</b> (shopping cart icon)	Purchase Requisition (if not already defaulted)

➔ The screen is divided into three sections – header, item overview, and details. Clicking the  icon next to each section will open or close the section. Open the sections as needed to complete the tasks below.

➔ Open the Item Overview section, and enter the following data for the five items to be purchased:

Field Name	Data Entry
<b>Material</b> (one line item for each)	Code for your Material Number(s) for the five trading good(s) to be purchased from your supplier.
<b>Quantity</b>	50 of each of your five materials, one per line
<b>Delivery Date</b>	One week from today
<b>Plant</b>	Code for the Miami Distribution Center
<b>Storage Location</b>	Code for the Trading Goods storage location
<b>Purchasing Group</b>	Code for North America
<b>Desired Vendor</b>	Code for your Olympic Protective Gear

**Q10:** What is the code for the trading goods storage location: -----

**Q11:** What is the code the North America Purchasing Group: -----

➔ You may need to scroll right to see all of the fields.



(ENTER)

- ➔ If you get a yellow warning message "Can delivery date be met?" press Enter for each item to confirm that it can.



(SAVE)

**Q12:** What was your Purchase Requisition Number? (Include the zeros): ---

### Step 1.5: Review material inventory

Refer to a previous exercise for instructions to review material inventory. Review the inventory of your trading goods, and answer the following questions.

**Q13:** How many of your elbow pads are in inventory after the requisition:---

**Q14:** How many of your road helmets are in inventory after the requisition: -----

**Q15:** How many of your repair kits are in inventory after the requisition: ---

**Q16:** How many of your off road helmets are in inventory after the requisition: -----

**Q17:** How many of your knee pads are in inventory after the requisition: ---

### Step 1.6: Review vendor account balance

Refer to a previous exercise for instruction to review account balances. Then, review the balance in your vendor's account, and answer the following question.

**Q18:** What is the balance in your vendor's account after the requisition: ---

## Exercise Deliverables

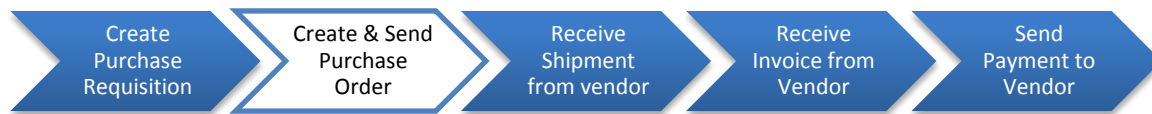
In the System:

- Purchase Requisition

On Paper:

- Answers to the Questions

## Step 2: Create Purchase Order



In this step, a Purchase Order is created from the Purchase Requisition and sent to the vendor.

**Step 2.1:**      [Navigate to the transaction to create a purchase order:](#)

### Navigation

Logistics → Materials Management → Purchasing → Purchase Order →  
Create → Vendor/Supplying Plant Known

**Q19:** What is the transaction code to Create a Purchase Order: -----

**Q20:** What is the transaction code to Display a Purchase Order: -----

**Q21:** What is the transaction code to Change a Purchase Order: -----

- ➡ You can close the window "Enjoy SAP: Purchase Order" (if it is open) so you can view more of the screen.


**Step 2.2:**      [In the "Create Purchase Order" screen enter the following information:](#)

Field Name	Field Value
<b>Top Field (shopping cart icon)</b>	Standard PO (should be defaulted)
<b>Vendor Number</b>	Enter the number for your Olympic Protective Gear (box to the RIGHT of "Vendor")

The Document Overview should be visible (open) on the left side of the screen. If it is not, then click on the "Document Overview On" button near the top left area of the screen to open it.


If you are prompted to enter your Purchasing Organization, enter US00.

If you are prompted to enter your Purchasing Group, enter N00.

Click on "Selection Variant"  (first icon to far left – click and hold on the right side of the icon).


Scroll down and select "My Purchase Requisitions." Your purchase requisition number(s) should now appear in the document overview.

Highlight your purchase requisition (click on it ONCE ONLY), and click on  (ADOPT) icon to the right of the selection variant.

- If you double-click on the purchase requisition, the system will display the requisition. You are no longer in the application to create a purchase order. If this happens you must exit back to the main menu and start at the beginning of this step.
- The screen is divided into three sections – header, item overview, and item details. Clicking the  icon next to each section will open or close the section. Open the sections as needed to complete the tasks below.
- Once your Purchase Requisition is adopted, you may be prompted to enter some organizational levels (purchasing organization, purchasing group, and company in the header section). Provide the necessary values (US purchasing organization, North America purchasing group, and GBI US).
- In addition you may be prompted to provide the "Gross Price" for each type of material ordered. To find this price, look in the "Moving Price" column in the table you created in Exercise 4-1. You can also find this value in the Accounting 1 view of the material master. It is easier to enter these data in the Item Overview section of the screen. Type in the price of each material, not the total ordered.
- If the system asks for a Purchasing Organization, enter the code for GBI's US purchasing organization.
- The system may issue a warning message asking if the delivery date can be met as well as a warning about the delivery date note being a working day. You must acknowledge each warning by clicking Enter, once for each line item.

**Q22:** What was the net value of the purchase order:-----

Hint: it is in the header – conditions

Click "enter" or  to validate the data on the screen. Correct errors, if any.



(SAVE)

- If the system displays a message "System Message issued / do you want to save document or process data," then click Edit to see the messages. If all the messages are warnings (yellow), then select continue (Enter). Then Save it again, but this time when you get the message, select Save instead of Edit. If the messages are error messages, then you must correct the errors before saving the document.

**Q23:** What was your standard PO Number: (Include the zeros) -----

**Step 2.3:**      **Review material inventory**

Refer to a previous exercise for instructions to review material inventory. Review the inventory of your trading goods, and answer the following questions.

**Q24:** How many of your elbow pads are in inventory after the PO: -----

**Q25:** How many of your road helmets are in inventory after the PO: -----

**Q26:** How many of your repair kits are in inventory after the PO: -----

**Q27:** How many of your off road helmets are in inventory after the PO: -----

**Q28:** How many of your knee pads are in inventory after the PO is created: -----

**Step 2.4:**      **Review vendor account balance**

Refer to a previous exercise for instruction to review account balances. Then, review the balance in your vendor's account, and answer the following question.

**Q29:** What is the balance in your vendor's account after the PO: -----

**Exercise Deliverables**

In the System:

Purchase Order

On Paper:

Answers to the Questions



### Step 3: Receive Shipment from the Vendor



Step 3.1: Navigate to the transaction to create a receive goods:

#### Navigation

Logistics → Materials Management → Inventory Management → Goods Movement → Goods Receipt → For Purchase Order → PO Number Known

**Q30:** What is the transaction code to receive the goods: -----

Step 3.2: In the "Goods Receipt Purchase Order" screen enter the following data:

Field Name	Data Entry
<b>Next to Purchase Order</b>	Enter your Purchase Order number

- ➔ If you don't remember your purchase order number, then you can search for it. Click on the search icon next to the field. The system defaults to the "purchase documents per asset" tab. Scroll through the tabs until you are on the "purchase document per vendor" tab. Enter your vendor number (or search for it!), and click enter. Your purchase orders for this vendor should be displayed. Select (double-click) the appropriate one (the one you created in the last step – it should be the one with the highest number). The PO number should now be populated in the goods receipt screen.



(ENTER)

The goods receipt document should be populated with relevant data from your purchase order.

Field Name	Data Entry
<b>Quantity (Qty in UnE)</b>	The quantity from your Purchase Order (should be populated from your PO)
<b>Storage Location (Sloc)</b>	Enter the code for the trading goods storage location
<b>Movement Type</b>	Code for Goods Receipt for purchase order into warehouse/stores (should be defaulted)

<b>Stock Type</b>	Unrestricted use (should be the default)
<b>OK</b>	Check the boxes for each line item

**Q31:** What does "Qty in UnE" refer to: -----   
 (Hint: click on the column heading and click F1 for help)

**Q32:** What do the boxes in the OK column mean:-----   
 (Hint: click on the column heading and click F1 for help)



(ENTER)



(SAVE)

**Q33:** What is your goods movement document number  
 (include the zeros): -----

### Step 3.3: Review material inventory

Refer to a previous exercise for instructions to review material inventory. Review the inventory of your trading goods, and answer the following questions.

**Q34:** How many elbow pads are in inventory after receiving shipment: ----

**Q35:** How many road helmets are in inventory after receiving shipment: ----

**Q36:** How many repair kits are in inventory after receiving shipment: -----

**Q37:** How many off road helmets are in inventory after receiving  
 shipment: -----

**Q38:** How many knee pads are in inventory after receiving shipment: -----

### Step 3.4: Review vendor account balance

Refer to a previous exercise for instruction to review account balances. Then review the balance in your vendor's account, and answer the following question.

**Q39:** What is the balance in your vendor's account after receiving  
 shipment: -----

### Exercise Deliverables

In the system:

- Goods Receipt for Purchase Order

On Paper:

- Answers to the Questions
-

**Step 4: Receive an Invoice from the Vendor**



You have received the following invoice from your vendor

- The total in this invoice should match the total value of your purchase order (refer to the step in which you created the purchase order.)
- If the total of your PO is different from the total in this invoice, then use the total of your PO in subsequent steps.

Olympic Protective Gear  
 2100 Summit Boulevard,  
 Atlanta, GA 30319

**Olympic Protective Gear**

**Invoice**

**Invoice # 0897160**

**Ship to:**

Global Bike, Inc.  
 5341 Blue Lagoon Drive  
 Miami, FL 33126

**Ship To:**

Central Receiving  
 Front Office

**Bill to:**

Global Bikes, Inc.  
 5341 Blue Lagoon Drive  
 Miami, FL 33126

[Date] Today's Date  
 [Unit Head Approval] \_\_\_\_\_  
 [Requester] \_\_\_\_\_

Req By	SHIPPING METHOD	SHIPPING	F.O.B.
XX/XX/XXXX	GROUND	---	---

Quantity	Item #	Unit	Description	Unit Price	Total
50	EPAD1###	EA	Elbow Pad	37.50	1875.00
50	RHMT1###	EA	Road Helmet	25.00	1250.00
50	RKIT1###	EA	Repair Kit	16.00	800.00
50	OHMT1###	EA	Off Road Helmet	25.00	1250.00
50	KPAD1###	EA	Knee Pad	37.50	1875.00
<b>Subtotal</b>					7050.00
<b>Tax</b>					EXEMPT
<b>Shipping</b>					0.00
<b>Miscellaneous</b>					0.00
<b>Balance Due</b>					7050.00

**Figure 1**

Step 4.1: Navigate to the transaction to verify and record an invoice:

### Navigation



Logistics → Materials Management → Purchasing → Purchase Order → Follow-On Functions → Logistics Invoice Verification

**Q40:** What is the transaction code to receive the invoice: -----

Step 4.2: On the "Enter Invoice: Company Code US00" screen enter the following:

Field Name	Data Entry
<b>Invoice Date</b>	Enter Today's Date
<b>Posting Date</b>	Today's date (should be defaulted)
<b>Amount</b>	<p>Enter the amount of the invoice.</p> <p>➤ The total in the invoice provided above should match the total value of your purchase order (refer to the appropriate step and question above. If the total of your PO is different from the total in this invoice, then use the total of your PO in subsequent steps. Don't put in commas or dollar signs!</p>

In the field next to "Purchase order/scheduling agreement," enter your Purchase Order number. If you do not remember your purchase order number, you can search for it.

Purchase order/scheduling agreement     (ENTER)

If you are asked to enter the "Payment Period Baseline Data," enter today's date.

You should see data about each line item in your purchase order.

Enter the following information:

Field Name	Data Entry
<b>Tax Code</b>	XI (Input tax)
<b>Jurisdiction Code</b>	Code for Florida

- Scroll to the right to find these above fields.
- Verify this information because it may already be defaulted.

Check the boxes in the column that has a check mark symbol, indicating that you have verified the items received as matching what is on the invoice.



(ENTER)

The traffic light in the top right corner, next to "balance," should be green, and the amount should be zero. Balance  USD

- (Hint: To answer the following four questions, simulate the invoice (click the Simulate icon). Once you are done, click "Back" to return to the previous screen)

**Q41:** What is the GL account number is used for the debit posting: -----

**Q42:** What is the name of the GL account that is used for the debit posting: -----

**Q43:** What is the GL account number is used for the credit posting: -----

**Q44:** What is the name of the GL account that is used for the credit posting: -----



(SAVE)

**Q45:** What was your invoice number:(Include the zeros): -----

### Step 4.3: Review material inventory

Refer to a previous exercise for instructions to review material inventory. Review inventory of your trading goods and answer the following questions.

**Q46:** How many elbow pads are in inventory: -----

**Q47:** How many road helmets are in inventory: -----

**Q48:** How many repair kits are in inventory: -----

**Q49:** How many off road helmets are in inventory: -----

**Q50:** How many knee pads are in inventory: -----

**Step 4.4:**      **Review vendor account balance**

Refer to a previous exercise for instruction to review account balances. Then, review the balance in your vendor's account, and answer the following question.

**Q51:** What is the balance in your vendor's account after invoice receipt: ----

**Exercise Deliverables**

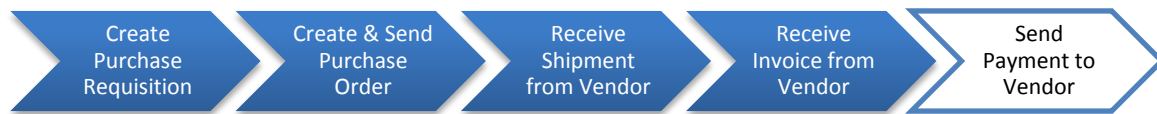
In the System:

Invoice Verification

On Paper:

Answers to the Questions.

## Step 5: Pay the Vendor



Step 5.1: Navigate to the transaction to record a vendor payment:

### Navigation

Accounting → Financial Accounting → Accounts Payable → Document Entry → Outgoing Payment → Post

**Q52:** What is the transaction code to pay your vendor:-----

Step 5.2: On the “*Post Outgoing Payments: Header Data:*” screen enter the following:

Field Name	Data Entry
<b>Document Date</b>	Enter Today's Date
<b>Posting Date</b>	Today's Date should be defaulted

“Bank *Data*” section:

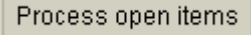
Field Name	Data Entry
<b>Account</b>	Search for and enter the account number for GBI's Bank Account (not the alternate bank account) ➡ When searching, be sure to search within the chart of account GL00
<b>Amount</b>	Enter the amount owed to this vendor. This is the amount of the invoice created in the previous step.

**Q53:** What is the account number for GBI's Bank Account:-----



"Open Item Selection" section:

Field Name	Data Entry
<b>Account</b>	Enter the number of the your Vendor
<b>Account Type</b>	K (Vendors) should be defaulted

Click the "Process open items" icon button  (This window will show you the unpaid invoices from the vendor.)

In the bottom right part of the screen, the "amount entered" should equal the "assigned" amount. The "not assigned" amount should be zero.

Not assigned	0.00
--------------	------

If "not assigned" is not 0.00, then double-click on \$\$ amount under the USD Gross column. If there is more than one open invoice listed, then select (double-click) the one(s) that add up to the amount of the payment.



**Q54:** What was your document number for posing payment (include the zeros): -----

**Step 5.3: Review material inventory**

Refer to a previous exercise for instructions to review material inventory. Review inventory of your trading goods and answer the following questions.

**Q55:** How many elbow pads are in inventory after payment: -----

**Q56:** How many road helmets are in inventory after payment: -----

**Q57:** How many repair kits are in inventory after payment: -----

**Q58:** How many off road helmets are in inventory after payment: -----

**Q59:** How many knee pads are in inventory after payment: -----

**Step 5.4:** Review vendor account balance

Refer to a previous exercise for instruction to review account balances. Then, review the balance in your vendor's account, and answer the following question.

**Q60:** What is the balance in your vendor's account after payment: -----

**Exercise Deliverables**

In the system:

- Posted outgoing payment

On Paper:

- Answers to the Questions

### Attachment 1: Exercise Answer Sheet

Name(s):

Course & Selection:

Identifier:

Client:

- Q1:** How many elbow pads are in inventory before the requisition: -----
- Q2:** How many road helmets are in inventory before the requisition: -----
- Q3:** How many repair kits are in inventory before the requisition: -----
- Q4:** How many off road helmets are in inventory before the requisition: -----
- Q5:** How many knee pads do you have before the requisition: -----
- Q6:** What is the balance in your vendor's account before the requisition: -----
- Q7:** What is the transaction code for Create Purchase Requisition: -----
- Q8:** What is the transaction code for Change Purchase Requisition: -----
- Q9:** What is the transaction code for Display Purchase Requisition: -----
- Q10:** What is the code for the trading goods storage location: -----
- Q11:** What is the code the North America Purchasing Group: -----
- Q12:** What was your Purchase Requisition Number? (Include the zeros): -----
- Q13:** How many of your elbow pads are in inventory after the requisition: -----
- Q14:** How many of your road helmets are in inventory after the requisition: -----
- Q15:** How many of your repair kits are in inventory after the requisition: -----
- Q16:** How many of your off road helmets are in inventory after the requisition: -----
- Q17:** How many of your knee pads are in inventory after the requisition: -----
- Q18:** What is the balance in your vendor's account after the requisition: -----
- Q19:** What is the transaction code to Create a Purchase Order: -----
- Q20:** What is the transaction code to Display a Purchase Order: -----
- Q21:** What is the transaction code to Change a Purchase Order: -----
- Q22:** What was the net value of the purchase order: -----

- Q23:** What was your standard PO Number: (Include the zeros) -----
- Q24:** How many of your elbow pads are in inventory after the PO: -----
- Q25:** How many of your road helmets are in inventory after the PO: -----
- Q26:** How many of your repair kits are in inventory after the PO: -----
- Q27:** How many of your off road helmets are in inventory after the PO:-----
- Q28:** How many of your knee pads are in inventory after the PO is created:-----
- Q29:** What is the balance in your vendor's account after the PO:-----
- Q30:** What is the transaction code to receive the goods: -----
- Q31:** What does "Qty in UnE" refer to:-----
- Q32:** What do the boxes in the OK column mean: -----
- Q33:** What is your goods movement document number (include the zeros):-----
- Q34:** How many elbow pads are in inventory after receiving shipment:-----
- Q35:** How many road helmets are in inventory after receiving shipment: ---
- Q36:** How many repair kits are in inventory after receiving shipment:-----
- Q37:** How many off road helmets are in inventory after receiving shipment:-----
- Q38:** How many knee pads are in inventory after receiving shipment:-----
- Q39:** What is the balance in your vendor's account after receiving shipment:-----
- Q40:** What is the transaction code to receive the invoice:-----
- Q41:** What is the GL account number used for the debit posting:-----
- Q42:** What is the name of the GL account that is used for the debit posting:-----

- Q43:** What is the GL account number used for the credit posting:-----
  
- Q44:** What is the name of the GL account that is used for the credit posting:-----
  
- Q45:** What was your invoice number:(Include the zeros):-----
  
- Q46:** How many elbow pads are in inventory: -----
  
- Q47:** How many road helmets are in inventory:-----
  
- Q48:** How many repair kits are in inventory: -----
  
- Q49:** How many off road helmets are in inventory: -----
  
- Q50:** How many knee pads are in inventory: -----
  
- Q51:** What is the balance in your vendor's account after invoice receipt:----
  
- Q52:** What is the transaction code to pay your vendor: -----
  
- Q53:** What is the account number for the Bank Account:-----
  
- Q54:** What was your document number for posing payment (include the zeros):-----
  
- Q55:** How many elbow pads are in inventory after payment: -----
  
- Q56:** How many road helmets are in inventory after payment: -----
  
- Q57:** How many repair kits are in inventory after payment: -----
  
- Q58:** How many off road helmets are in inventory after payment: -----
  
- Q59:** How many knee pads are in inventory after payment: -----
  
- Q60:** What is the balance in your vendor's account after payment: -----

Use the answers to the questions above to complete the following tables.

Quantity of your materials in inventory						
	Before the Requisition	After the Requisition	After the PO	After Receiving Shipment	Invoice Receipt	After Payment
<b>Elbow Pads</b>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<b>Road Helmets</b>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<b>Off Road Helmets</b>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<b>Knee Pads</b>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<b>Repair Kit</b>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Balance in your vendor's account					
Before the Requisition	After the Requisition	After the PO	After Receiving Shipment	Invoice Receipt	After Payment
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>