

R12.x Oracle Purchasing Fundamentals

Volume I - Student Guide

D60271GC10

Edition 1.0

January 2010

D64095

ORACLE®

**Copyright © 2007, 2010 Oracle. All rights reserved.
Disclaimer**

This document contains proprietary information and is protected by copyright and other intellectual property laws. You may copy and print this document solely for your own use in an Oracle training course. The document may not be modified or altered in any way. Except where your use constitutes "fair use" under copyright law, you may not use, share, download, upload, copy, print, display, perform, reproduce, publish, license, post, transmit, or distribute this document in whole or in part without the express authorization of Oracle.

The information contained in this document is subject to change without notice. If you find any problems in the document, please report them in writing to: Oracle University, 500 Oracle Parkway, Redwood Shores, California 94065 USA. This document is not warranted to be error-free.

Restricted Rights Notice

If this documentation is delivered to the United States Government or anyone using the documentation on behalf of the United States Government, the following notice is applicable:

U.S. GOVERNMENT RIGHTS

The U.S. Government's rights to use, modify, reproduce, release, perform, display, or disclose these training materials are restricted by the terms of the applicable Oracle license agreement and/or the applicable U.S. Government contract.

Trademark Notice

Oracle is a registered trademark of Oracle Corporation and/or its affiliates. Other names may be trademarks of their respective owners.

Author

Vic Mitchell, Dee Fairbanks Simpson, Harry Anthony

Technical Contributors and Reviewers

Marilyn Montgomery, Barbara Nicholls, Barbara Snyder, Sharon Tennier, Vera Reyna, Pratima Mahtani, Gowri Arur, Ruth Kukla

This book was published using: Oracle Tutor

Table of Contents

Procure to Pay Lifecycle Overview	1-1
Procure to Pay Lifecycle Overview	1-3
Objectives	1-4
Procure to Pay Lifecycle.....	1-5
Oracle Procure to Pay Process	1-7
Demand: Requisitions.....	1-8
Source: RFQs and Quotations	1-10
Suppliers	1-12
Quiz	1-14
Purchase Orders.....	1-15
Quiz	1-17
Receiving.....	1-18
Invoicing.....	1-20
Payment.....	1-21
Overview of Oracle Application Integration	1-22
Summary.....	1-24
 Oracle Purchasing Overview	 2-1
Oracle Purchasing Overview	2-3
Procure to Pay: Procurement	2-4
Objectives	2-5
Agenda.....	2-6
Overview of the Ordering Process.....	2-7
Demand as Requisitions	2-8
Requisition to Purchase Order	2-10
Quiz	2-11
The Purchase Order Process	2-12
The Receiving Process.....	2-14
Center-Led Procurement.....	2-17
Agenda.....	2-18
Purchasing Integration.....	2-19
E-Business Foundation	2-20
Purchasing Integration with General Ledger	2-22
Purchasing Integration with Human Resources	2-23
Quiz	2-24
Purchasing Integration with Payables.....	2-26
Purchasing Integration with Inventory	2-27
Applications Technology Foundation.....	2-28
Purchasing Integration with Oracle Alert.....	2-30
Purchasing Integration with Oracle Workflow	2-32
Purchasing Integration with e-Commerce Gateway	2-34
Procurement Suite.....	2-35
Purchasing Integration with Oracle iProcurement.....	2-37
Purchasing Integration with Oracle iSupplier Portal	2-38
Purchasing Integration with Oracle Sourcing	2-40
Purchasing Integration with Services Procurement	2-41
Purchasing Integration with Procurement Contracts	2-42
E-Business Suite	2-43
Purchasing Integration with Projects	2-45
Purchasing Integration with WIP.....	2-46
Purchasing Integration with Order Management	2-47
Purchasing Integration with Quality	2-48
Purchasing Integration with Advanced Pricing	2-50

Purchasing Integration with ASCP/MRP	2-51
Purchasing Integration with Assets.....	2-52
Purchasing Integration with Consigned and Vendor Managed Inventory	2-53
Purchasing Open Interfaces and APIs	2-54
E-Business Suite Setup Practice	2-55
Summary.....	2-56
Enterprise Structure - Locations, Organizations, and Items.....	3-1
Enterprise Structure - Locations, Organizations, and Items	3-3
Objectives	3-4
Agenda.....	3-5
What is Enterprise Structure?	3-6
The Oracle Enterprise Structure	3-7
Ledger Components.....	3-9
Oracle Purchasing and the Enterprise Structure	3-11
Quiz	3-12
Oracle Inventory Organizations.....	3-13
Quiz	3-15
Agenda.....	3-16
Defining Locations	3-17
Examples of Locations	3-18
Defining Locations in Purchasing.....	3-19
Agenda.....	3-21
Inventory Organizations	3-22
Inventory Organization Setup.....	3-23
Defining an Inventory Organization	3-24
Financial Impact of Inventory Parameters.....	3-26
Purchase Price Variance	3-27
Invoice Price Variance.....	3-28
Agenda.....	3-29
Define Units of Measure.....	3-30
Unit of Measure Setup Steps	3-31
Define Unit of Measure Classes and Units of Measure	3-32
Examples of Unit of Measure Classes and Units of Measure (UOM).....	3-33
Unit of Measure Conversion.....	3-34
Agenda.....	3-36
Item Categories.....	3-37
Create Item Category Codes.....	3-38
Describing and Using Category Sets	3-39
Establish the Relationship Between the Category, Category Set and Item.....	3-40
Agenda.....	3-41
What is an Item?.....	3-42
Oracle Applications That Use Items	3-43
Flow of Default Values.....	3-45
Item Attributes.....	3-46
Item Master Organization and Inventory Organizations.....	3-48
Overview of Creating an Item	3-50
Item Templates	3-51
Describing Item Attributes - Inventory.....	3-53
Describing Item Attributes - Purchasing	3-56
Describing Item Attributes - Receiving.....	3-59
Defining Item Relationships - Purchasing	3-61
Agenda.....	3-62
Additional Setup Considerations	3-63
Multiple Organizations Access Control Setup – Set Profile Options	3-65
Enterprise Structure	3-67
Summary.....	3-69

Suppliers.....	4-1
Suppliers.....	4-3
Procure to Pay: Suppliers	4-4
Objectives	4-5
Agenda.....	4-6
Overview of Suppliers.....	4-7
Purchasing Use of Supplier Information	4-8
Quiz	4-10
Flow of Default Values.....	4-11
Agenda.....	4-12
Supplier Record Structure.....	4-13
Entering Standard Supplier Basic Information	4-15
Supplier Company Profile	4-16
Supplier Profile - Organization.....	4-18
Supplier Profile - Address Book Supplier Sites.....	4-19
Supplier Profile - Contact Directory	4-20
Supplier Profile - Business Classification	4-21
Supplier Profile - Banking Details.....	4-22
Supplier Terms and Control.....	4-23
Supplier Profile - Accounting.....	4-25
Supplier Profile - Tax and Reporting.....	4-26
Supplier Profile - Purchasing.....	4-27
Supplier Profile - Receiving	4-29
Supplier Profile - Payment Details	4-31
Supplier Profile - Invoice Details	4-33
Suppliers Quick Update Page	4-35
Supplier Level Versus Site Level Entry	4-37
Agenda.....	4-38
Maintaining Supplier and Supplier Site Information.....	4-39
Avoiding Duplicate Suppliers.....	4-40
Merging Suppliers	4-42
Data Example - Supplier Merge	4-44
Merging Suppliers Reports	4-45
Quiz	4-46
Agenda.....	4-47
Supplier Reports	4-48
Supplier Reports (Contd...).....	4-50
Agenda.....	4-52
Financials Options: Supplier-Purchasing.....	4-53
Financials Options: Human Resources	4-55
Supplier Lookup Codes	4-56
Profile Options.....	4-58
Agenda.....	4-59
Responsibility for Supplier Entry/Maintenance.....	4-60
Supplier Naming Conventions.....	4-61
Supplier Naming Convention Examples.....	4-63
Supplier Numbering Options.....	4-65
Supplier Open Interface	4-67
Setup of Fax or E-Mail	4-68
iSupplier Portal: Supplier Self-Service.....	4-69
Summary.....	4-70
Document Security, Routing and Approval	5-1
Document Security, Routing, and Approval.....	5-3
Procurement: Purchasing Documents.....	5-4
Objectives	5-5
Agenda.....	5-6

Overview of Document Security, Approval and Routing.....	5-7
Agenda.....	5-9
Document Security Levels.....	5-10
Document Access Levels.....	5-11
Quiz	5-12
Agenda.....	5-13
Document Approval - Jobs and Positions.....	5-14
Document Routing Option #1: Employee/Supervisor Relationship	5-15
Document Routing Option #2: Position Approval Hierarchy.....	5-16
Position Approval Hierarchies.....	5-18
Document Types - Approval Settings.....	5-20
Document Types - Control	5-22
Creating Approval Groups.....	5-23
Approval Groups - Illustration.....	5-25
Assigning Approval Groups	5-27
Enter People.....	5-28
Quiz	5-30
Run Fill Employee Hierarchy Process.....	5-31
Quiz	5-32
Selecting Approval Paths.....	5-33
Agenda.....	5-34
Reports.....	5-35
Agenda.....	5-36
Financial Options.....	5-37
Oracle Workflow	5-38
Global Supervisor/Approver.....	5-40
Agenda.....	5-41
Additional Implementation Considerations What if . . . ?	5-42
Strengths and Weaknesses of Approvals Using the Employee/Supervisor Relationship	5-46
Strengths and Weaknesses of Approvals Using Position Approval Hierarchies	5-47
Oracle Approval Manager for Requisitions.....	5-48
Summary.....	5-50
RFQs and Quotations.....	6-1
RFQs and Quotations.....	6-3
Procurement: RFQs & Quotations.....	6-4
Objectives	6-5
Agenda.....	6-6
RFQs and Quotations.....	6-7
Quiz	6-8
Agenda.....	6-9
Request for Quotation.....	6-10
Quiz	6-12
RFQ Lifecycle	6-13
Quiz	6-14
Send Notifications	6-15
RFQ Types.....	6-16
Supplier List	6-17
RFQ Structure.....	6-18
RFQ Header.....	6-19
RFQ Lines	6-21
RFQ Price Breaks/Shipments	6-23
Agenda.....	6-24
Quotations.....	6-25
Quotation Lifecycle	6-27
Send Notifications	6-28
Quotation Types	6-29

Quotation Structure.....	6-30
Quotation Header.....	6-31
Quotation Lines	6-33
Quotation Price Breaks/Shipments	6-35
Quotation Approvals.....	6-36
Agenda.....	6-37
RFQ and Quotations Reports.....	6-38
Agenda.....	6-39
Purchasing Options.....	6-40
RFQ and Quotations Lookup Codes.....	6-42
RFQ and Quotations Profile Options.....	6-43
Agenda.....	6-45
Additional RFQ and Quotations Implementation Considerations	6-46
Summary.....	6-48
Approved Supplier Lists and Sourcing Rules	7-1
Approved Supplier Lists and Sourcing Rules.....	7-3
Procurement: Supplier Identification.....	7-4
Objectives.....	7-5
Overview of Sourcing in Purchasing.....	7-6
Agenda.....	7-7
Approved Supplier Lists.....	7-8
Supplier Statuses	7-9
ASL Common Header Attributes	7-11
ASL Header Attributes - Item.....	7-13
ASL Header Attributes - Commodity.....	7-14
Supplier-Commodity/Item Attributes.....	7-16
Supplier-Commodity/Item Attributes Source Document	7-19
Supplier-Commodity/Item Attributes Supplier Scheduling.....	7-21
Supplier-Commodity/Item Attributes Planning Constraints.....	7-23
Agenda.....	7-25
Sourcing Rules Overview.....	7-26
Quiz	7-27
Sourcing Rules.....	7-28
Oracle Products That Use Sourcing Rules.....	7-29
Create a Sourcing Rule	7-30
Create a Sourcing Rule Assignment	7-31
Levels of Sourcing Rule Assignments.....	7-33
Quiz	7-34
Sourcing Rules with an ASL Source Document.....	7-35
Sourcing Rules without an ASL Source Document.....	7-36
Default Sourcing Information to Requisitions.....	7-37
Default Sourcing Information to Standard Purchase Orders	7-38
Automatic Sourcing Enablement During Blanket Agreement Approval.....	7-39
Generate Sourcing Rules and ASLs from Blanket Agreements Concurrent Program.....	7-41
Quiz	7-42
Agenda.....	7-43
Sourcing Profile Options	7-44
Agenda.....	7-46
Additional Sourcing Implementation Considerations.....	7-47
Summary.....	7-49
Requisitions.....	8-1
Requisitions	8-3
Procurement: Requisitions.....	8-4
Objectives.....	8-5
Agenda.....	8-6
Where Purchase Requisitions Fit.....	8-7

Manual Requisitions from Purchasing and iProcurement.....	8-8
Purchasing Document Flow.....	8-10
Requisition Lifecycle.....	8-11
Send Requisition Notifications.....	8-12
Agenda.....	8-13
Requisition Structure.....	8-14
Default Value Hierarchy.....	8-16
Requisition Preferences.....	8-17
Requisition Header.....	8-18
Quiz.....	8-20
Requisition Line.....	8-21
Requisition Distribution.....	8-24
Allocating Costs to Multiple Charge Accounts.....	8-25
Quiz.....	8-26
Submitting Requisitions for Approval.....	8-27
Approving Requisitions.....	8-28
Requisition Actions.....	8-29
Oracle Purchasing Supplier Item Catalog.....	8-30
Using the Supplier Item Catalog.....	8-31
Requisition Templates.....	8-32
Agenda.....	8-33
Internally Sourced Requisitions Overview.....	8-34
Internal Requisition Integration.....	8-35
Internal Requisitions: Setup Requirements.....	8-36
Internal Requisition Process.....	8-38
Controlling Requisition Sourcing.....	8-40
Creating Internal Orders.....	8-41
Creating Internal Orders with OrderImport.....	8-42
Internally Sourced Requisitions Prerequisites.....	8-43
Agenda.....	8-44
Requisitions Open Interface.....	8-45
Oracle Inventory and Requisition Import.....	8-47
WIP Outside Processing.....	8-48
Oracle Master Scheduling/MRP and Requisition Import.....	8-49
Master Scheduling/MRP Group By.....	8-50
Requisition Import Process.....	8-51
Requisition Import Validation.....	8-53
Requisition Groups.....	8-55
Requisition Groups: MRP Example.....	8-57
Purchasing Open Interface Tables.....	8-58
Agenda.....	8-59
Requisition Reports.....	8-60
Agenda.....	8-63
Purchasing Options.....	8-64
Document Types.....	8-68
Lookup Codes.....	8-70
Expense Account Rules.....	8-71
Profile Options.....	8-72
Agenda.....	8-73
Requisition Implementation Considerations.....	8-74
Additional Requisition Implementation Considerations.....	8-75
Summary.....	8-77
Purchase Orders.....	9-1
Purchase Orders.....	9-3
Procurement: Purchase Orders.....	9-4
Objectives.....	9-5

Agenda.....	9-6
Purchasing Document Flow.....	9-7
Creating Purchase Orders.....	9-8
Purchase Order Types.....	9-10
Quiz.....	9-12
Purchase Order Components and Record Structure.....	9-13
Purchase Order Document Structure.....	9-15
Overview of Automatic Purchase Order Creation.....	9-17
Agenda.....	9-18
Overview of Standard Purchase Orders.....	9-19
Default Value Hierarchy.....	9-20
Simplify the Entry of Purchase Orders: Preferences.....	9-21
Standard Purchase Order Elements.....	9-23
Structure of a Simple Standard Purchase Order.....	9-24
Structure of a More Complex Standard Purchase Order.....	9-25
Entering Standard Purchase Order Header Information.....	9-26
Standard Purchase Orders Terms and Conditions.....	9-28
Entering Standard Purchase Order Lines Tabbed Regions.....	9-30
Standard Purchase Order Line Items Tabbed Region.....	9-31
Standard Purchase Order Line Price Reference Tabbed Region.....	9-33
Standard Purchase Order Line Reference Documents Tabbed Region.....	9-34
Standard Purchase Order Line More Tabbed Region.....	9-35
Standard Purchase Order Line Temporary Labor Tabbed Region.....	9-36
Standard Purchase Order Line Reference Documents Tabbed Region.....	9-37
Entering Standard Purchase Order Shipments - Tabbed Regions.....	9-38
Standard Purchase Order Shipment Shipments Tabbed Region.....	9-39
Standard Purchase Order Shipment More Tabbed Region.....	9-41
Standard Purchase Order Shipment Status Tabbed Region.....	9-43
Standard Purchase Order Shipment Receiving Controls Button.....	9-44
Entering Standard Purchase Order Distributions - Tabbed Regions.....	9-45
Standard Purchase Order Distribution Destination Tabbed Region.....	9-46
Standard Purchase Order Distribution More Tabbed Region.....	9-48
Standard Purchase Order Distribution Project Tabbed Region.....	9-49
Supplier Document Attachments.....	9-50
Approve Standard Purchase Order.....	9-51
Agenda.....	9-53
When to Use a Blanket Purchase Agreement.....	9-54
Blanket Releases.....	9-55
Blanket Purchase Agreements Additional Information Entered.....	9-57
Blanket Purchase Agreements Additional Information - Header.....	9-58
Quiz.....	9-60
Blanket Purchase Agreements Additional Information - Lines.....	9-61
Blanket Purchase Agreements Additional Information - Price Breaks.....	9-63
Notification Controls.....	9-65
Approve Blanket Purchase Agreement.....	9-67
Blanket Purchase Agreement and Blanket Releases.....	9-68
Blanket Releases Structure - Header.....	9-69
Blanket Releases Structure Shipments and Distributions.....	9-71
Agenda.....	9-72
When to Use a Contract Purchase Agreement.....	9-73
Contract Purchase Agreements Additional Information Entered.....	9-74
Creating Global Contract Agreements.....	9-76
Agenda.....	9-77
Center-Led Procurement.....	9-78
Global Agreements.....	9-79
Creating and Using a Global Agreement.....	9-81
Global Agreements – Impact Areas.....	9-82

Agenda.....	9-83
When to Use a Planned Purchase Order	9-84
Components of a Planned Purchase Order.....	9-86
Planned Purchase Order Information Entered	9-87
Agenda.....	9-88
Purchase Order Summary	9-89
Modifying Purchase Orders	9-91
Printing Purchase Orders	9-92
Creating Purchase Order Revisions	9-93
Document Publishing	9-94
Archiving Purchase Orders.....	9-95
Purchase Order Statuses - Typical Cycle.....	9-96
Entering Purchase Order Acceptances.....	9-99
Workflow Notifications.....	9-101
Copying Purchase Orders	9-102
Services Procurement	9-104
Agenda.....	9-105
Purchase Document Interfaces	9-106
Purchasing Documents Open Interface.....	9-107
Purchase Document Import Validation.....	9-109
Purchasing Open Interface Tables	9-110
Purchasing APIs	9-111
Agenda.....	9-113
Purchase Order Reports	9-114
Agenda.....	9-117
Important Purchasing Options	9-118
Important Profile Options	9-120
PO Communication Profile Options	9-122
Other Setups	9-123
Transaction Delivery Setup	9-125
Printed Purchase Orders	9-126
Purchasing Document Fax Setup Overview	9-128
Purchasing Document E-Mail Setup Overview	9-130
Oracle e-Commerce Gateway Overview	9-132
Purchase Order EDI Transactions.....	9-134
Oracle XML Gateway Overview.....	9-135
Purchase Order XML Transactions	9-137
Retroactive Price Changes.....	9-138
Agenda.....	9-139
Responsibility for Purchase Order Entry and Maintenance.....	9-140
Purchase Order Integration Issues	9-141
Creating Purchase Orders and Releases.....	9-142
Purchase Order Numbering Options.....	9-144
Purchase Order Conversion Methodology.....	9-145
Electronic Transaction Delivery	9-147
Integrated Oracle Products	9-149
Summary.....	9-150
Automating Document Creation	10-1
Automating Document Creation.....	10-3
Procurement: Purchase Orders	10-4
Objectives	10-5
Agenda.....	10-6
Creating Purchase Documents from Requisitions	10-7
Quiz	10-8
Benefits of using AutoCreate.....	10-9
Overview of AutoCreate.....	10-10

Automatic Creation Mode	10-12
Find Requisition Lines.....	10-13
Select Document Creation Criteria.....	10-14
Select Requisition Lines	10-16
Select Automatic Creation Mode.....	10-17
Autocreate New Document Window.....	10-18
Manual Creation Mode	10-19
Add to Existing Document	10-20
Modify Requisition Lines.....	10-21
Return Requisition Lines	10-22
Agenda.....	10-23
Benefits of using the Create Releases Program	10-24
Overview of the Create Releases Program	10-25
Quiz	10-26
Automatic Release Generation	10-27
Running the Create Releases Program.....	10-29
Create Releases Document Creation Prerequisites	10-31
Agenda.....	10-33
Benefits of Automatic Document Creation using Workflow.....	10-34
Overview of Automatic Document Creation using Workflow	10-35
Workflow Document Creation Overview.....	10-36
Workflow Document Creation Prerequisites	10-37
PO Create Documents Workflow	10-39
Setting Key Workflow Attributes.....	10-41
Workflow Document Creation Summary	10-43
Agenda.....	10-44
Automatic Document Creation Profile Options.....	10-45
Agenda.....	10-47
Additional Implementation Considerations	10-48
Oracle Sourcing and Document Creation	10-49
Summary.....	10-50
Professional Buyer's Work Center.....	11-1
Professional Buyer's Work Center.....	11-3
Objectives	11-4
Procure to Pay: Procurement	11-5
Agenda.....	11-6
What is the Professional Buyer's Work Center?	11-7
Business Benefits of the Buyer's Work Center.....	11-8
Buyer's Work Center Overview.....	11-9
Quiz	11-10
Agenda.....	11-11
Demand Workbench and Requisition Summary.....	11-12
Demand Workbench Requisition Views.....	11-13
Create A Personalized Requisition View.....	11-15
Requisition Summary	11-16
Managing Requisitions in the Buyer's Work Center.....	11-17
Agenda.....	11-18
Default and Personalized Order Views.....	11-19
Order Details	11-21
Document Styles.....	11-22
Quiz	11-23
Creating a Purchase Order in the Buyer's Work Center.....	11-24
Unified Procurement Catalog Access.....	11-26
Agenda.....	11-27
Default and Personalized Agreement Views	11-28
Agreement Details	11-30

Creating a Purchase Agreement in the Buyer's Work Center	11-31
Uploading Blanket Agreement Lines	11-33
Agenda.....	11-34
Buyer's Work Center Profile Options	11-35
Requisition Management – Key Profile Options	11-36
Enhanced Catalog Access Setup Preferences	11-38
Agenda.....	11-39
Additional Implementation Considerations	11-40
Oracle Sourcing and Document Creation	11-41
Summary.....	11-42
Receiving	12-1
Receiving.....	12-3
Procurement: Purchase Orders	12-4
Objectives	12-5
Agenda.....	12-6
What is Receiving?.....	12-7
Overview of Receiving Locations	12-9
Agenda.....	12-10
Overview of Receipt Routing	12-11
Direct Receipt Routing	12-12
Standard Receipt.....	12-13
Inspection Required.....	12-14
Quiz	12-15
Oracle Process Quality Integration	12-16
Agenda.....	12-17
Receipt Processing Methods.....	12-18
Standard Receipt.....	12-20
Express Receipt	12-21
Cascade Receipt.....	12-22
ASNs and ASBNs.....	12-23
Desktop Receiving in iProcurement	12-24
Entering Expected Receipts	12-25
Receipt Structure	12-27
Receipt Header	12-28
Receipt Line.....	12-29
Control the Receiving Transaction Processor.....	12-31
Receiving Tolerances	12-33
Control Numbers	12-34
Agenda.....	12-36
Substitute Receipts	12-37
Unordered Receipts	12-38
Overview of Returns and Corrections	12-39
Entering Returns	12-40
Entering Corrections.....	12-42
Comparing Returns and Corrections.....	12-43
Overview of Pay on Receipt.....	12-44
Agenda.....	12-46
Receiving Open Interface (ROI).....	12-47
ROI Supported Transactions.....	12-48
Load the Receiving Open Interface	12-49
Receipt Import Validation	12-50
Purchasing Open Interface Tables	12-51
Agenda.....	12-52
Receiving Reports.....	12-53
Agenda.....	12-56
Purchasing Options.....	12-57

Receiving Options	12-58
Receiving Profile Options.....	12-62
Quiz	12-64
ASN and ASBN Electronic Receipts.....	12-65
Agenda.....	12-67
Additional Implementation Considerations	12-68
Summary.....	12-70
Purchasing Accounting	13-1
Purchasing Accounting.....	13-3
Objectives	13-4
Overview of the Procure to Pay Period Close	13-5
Close the PO Period Steps	13-6
Close the PO Period Business Flow	13-7
Key Accounts in Procure to Pay	13-10
Accrual Accounting Perpetual Accrual (On Receipt).....	13-12
Accrual Reconciliation Process	13-14
Accrual Accounting Periodic Accrual (Period End).....	13-16
Quiz	13-18
Accounting for Mass Additions Periodic Accrual (Period End).....	13-19
Accounting for Payments with Cash in Transit (Cash Clearing).....	13-21
Accounting for Payments without Cash in Transit (Cash Clearing).....	13-22
Foreign Currency in Purchasing	13-23
Exchange Rate Overview	13-24
Currency Similarities Between Requisitions and Purchase Orders	13-25
Currency Differences Between Requisitions and Purchase Orders	13-26
Requisitions and Automatically Created Purchase Orders Using Foreign Currency.....	13-28
Approving Requisitions and Purchase Orders Using Foreign Currency.....	13-29
Invoice Currency Matching	13-30
Reports.....	13-31
Financials Options	13-36
Purchasing Options.....	13-38
Payables Options	13-39
Quiz	13-42
Purchasing Accounting Implementation Considerations	13-43
Summary.....	13-45
Purchasing Administration.....	14-1
Purchasing Administration	14-3
Objectives	14-4
Maintaining Your Oracle Purchasing Database Records.....	14-5
Integration with Payables	14-6
Using Mass Update on Purchasing Documents	14-7
Mass Update Parameters for Purchasing Documents	14-9
Using Mass Update on Requisitions	14-11
Mass Update Parameters for Purchasing Requisitions	14-12
Quiz	14-14
What is MassCancel?.....	14-15
Using Purchasing MassCancel	14-16
The Define MassCancel Listing	14-17
Using Mass Close of Purchasing Documents	14-18
Purge Overview	14-19
Preparing for a Purge.....	14-20
Purge Category Inclusion	14-21
Conditions for a Purge: Purchasing	14-23
Conditions for a Purge: Payables.....	14-25
Purge Reports	14-27
Restarting or Aborting a Purge	14-28

Purge Summary Information	14-29
Purge Summary Information – Sample List	14-30
Recommendations for Efficient Purging	14-31
Quiz	14-32
Start Concurrent Managers	14-33
Schedule Background Processes.....	14-34
Schedule Other Processes	14-36
Purge: Issues to Consider	14-37
Summary.....	14-38
Appendix A - Setup Steps	15-1
Appendix A - Setup Steps.....	15-3
Objectives	15-4
Agenda.....	15-5
Setting Up Purchasing	15-6
Define Users for Setup Tasks	15-7
Define a Ledger	15-9
Define Human Resources Key Flexfields.....	15-10
Set Address Style Default.....	15-11
Define Locations.....	15-12
Define Organizations	15-13
Create Responsibilities	15-15
Set Key Profile Options	15-16
Convert to Multi-Org.....	15-17
Set Up Descriptive Flexfields.....	15-18
Define Purchasing Lookups and Codes	15-19
Define Payment Terms	15-20
Define Tax	15-21
Define Freight Carriers	15-22
Define Financials Options	15-23
Define Inventory Key Flexfields	15-25
Set Up Shorthand Aliases	15-26
Define Units of Measure.....	15-27
Define Standard Attachments	15-28
Define Item Attributes, Codes, and Templates.....	15-30
Define Category Codes and Category Sets.....	15-31
Define Catalog Groups	15-32
Define Subinventories	15-33
Define Cross-Reference Types	15-34
Define Jobs, Positions, and Position Hierarchies.....	15-35
Define Personnel	15-36
Define Approval Groups and Assignments	15-37
Define Buyers.....	15-38
Set Up Document Types.....	15-39
Define Lookup Codes and Classes	15-40
Define Line Types	15-41
Define Purchasing Options.....	15-42
Define Receiving Options.....	15-43
Set Address Style Default.....	15-44
Define Suppliers	15-45
Set Up Credit Card Programs	15-46
Define Items	15-47
Modify Account Generator.....	15-48
Set Up Workflow Options	15-49
Start Concurrent Managers	15-50
Schedule Background Processes.....	15-51
Set Up Sourcing Rules and Assignments	15-53

Quiz	15-54
Open Accounting Periods	15-55
Perform Additional System Administration	15-56
Create Folders.....	15-57
Quiz	15-59
Agenda.....	15-60
Reports.....	15-61
Agenda.....	15-65
Profile Options (Required)	15-66
Profile Options (Recommended).....	15-68
Profile Options (Review).....	15-69
Profile Options (Overlooked)	15-71
Summary.....	15-72

THESE eKIT MATERIALS ARE FOR YOUR USE IN THIS CLASSROOM ONLY. COPYING eKIT MATERIALS FROM THIS COMPUTER IS STRICTLY PROHIBITED

Preface

Profile

Before You Begin This Course

Before you begin this course, you should have the following qualifications:

- Thorough knowledge of Oracle Applications
- Working experience with procurement

Prerequisites

- *Oracle Applications Foundations*

How This Course Is Organized

R12.x Oracle Purchasing Fundamentals ED1 is an instructor-led course featuring lecture and hands-on exercises. Online demonstrations and written practice sessions reinforce the concepts and skills introduced.

Related Publications

Oracle Publications

Title	Part Number
Oracle Purchasing User's Guide	E13410-02
Oracle Payables User's Guide	E12797-02
Oracle Inventory User's Guide	E13450-02

Additional Publications

- System release bulletins
- Installation and user's guides
- Read-me files
- International Oracle User's Group (IOUG) articles
- *Oracle Magazine*

Typographic Conventions

Typographic Conventions in Text

Convention	Element	Example
Bold italic	Glossary term (if there is a glossary)	The <i>algorithm</i> inserts the new key.
Caps and lowercase	Buttons, check boxes, triggers, windows	Click the Executable button. Select the Can't Delete Card check box. Assign a When-Validate-Item trigger to the ORD block. Open the Master Schedule window.
Courier new, case sensitive (default is lowercase)	Code output, directory names, filenames, passwords, pathnames, URLs, user input, usernames	Code output: <code>debug.set ('I', 300);</code> Directory: bin (DOS), \$FMHOME (UNIX) Filename: Locate the <code>init.ora</code> file. Password: User <code>tiger</code> as your password. Pathname: Open <code>c:\my_docs\projects</code> URL: Go to <code>http://www.oracle.com</code> User input: Enter <code>300</code> Username: Log on as <code>scott</code>
Initial cap	Graphics labels (unless the term is a proper noun)	Customer address (<i>but</i> Oracle Payables)
Italic	Emphasized words and phrases, titles of books and courses, variables	Do <i>not</i> save changes to the database. For further information, see <i>Oracle7 Server SQL Language Reference Manual</i> . Enter <code>user_id@us.oracle.com</code> , where <i>user_id</i> is the name of the user.
Quotation marks	Interface elements with long names that have only initial caps; lesson and chapter titles in cross-references	Select "Include a reusable module component" and click Finish. This subject is covered in Unit II, Lesson 3, "Working with Objects."
Uppercase	SQL column names, commands, functions, schemas, table names	Use the SELECT command to view information stored in the LAST_NAME column of the EMP table.
Arrow	Menu paths	Select File > Save.
Brackets	Key names	Press [Enter].
Commas	Key sequences	Press and release keys one at a time: [Alternate], [F], [D]
Plus signs	Key combinations	Press and hold these keys simultaneously: [Ctrl]+[Alt]+[Del]

Typographic Conventions in Code

Convention	Element	Example
Caps and lowercase	Oracle Forms triggers	When-Validate-Item
Lowercase	Column names, table names	SELECT last_name FROM s_emp;
	Passwords	DROP USER scott IDENTIFIED BY tiger;
	PL/SQL objects	OG_ACTIVATE_LAYER (OG_GET_LAYER ('prod_pie_layer'))
Lowercase italic	Syntax variables	CREATE ROLE <i>role</i>
Uppercase	SQL commands and functions	SELECT userid FROM emp;

Typographic Conventions in Oracle Application Navigation Paths

This course uses simplified navigation paths, such as the following example, to direct you through Oracle Applications.

(N) Invoice > Entry > Invoice Batches Summary (M) Query > Find (B) Approve

This simplified path translates to the following:

1. (N) From the Navigator window, select **Invoice** then **Entry** then **Invoice Batches Summary**.
2. (M) From the menu, select **Query** then **Find**.
3. (B) Click the **Approve** button.

Notations:

(N) = Navigator

(M) = Menu

(T) = Tab

(B) = Button

(I) = Icon

(H) = Hyperlink

(ST) = Sub Tab

Typographical Conventions in Oracle Application Help System Paths

This course uses a “navigation path” convention to represent actions you perform to find pertinent information in the Oracle Applications Help System.

The following help navigation path, for example—

(Help) General Ledger > Journals > Enter Journals

—represents the following sequence of actions:

1. In the navigation frame of the help system window, expand the General Ledger entry.
2. Under the General Ledger entry, expand Journals.
3. Under Journals, select Enter Journals.
4. Review the Enter Journals topic that appears in the document frame of the help system window.

