

# Purchasing Module Process Overview

## AiM 10.2

2020

*Need help: call IMS 862-3388 <https://sscaimapp.assetworks.com/fmax>*



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# Purchase Order Basics

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- When is a Purchase Order needed?
  - To obtain material not in the warehouse.
  - To document the use of contracted services.
  - If an invoice will need to be paid, then a PO must be created.
- Purchase Order number = Shop Code + Material Request # + Seq Number if needed
  - Ex: T for Trades MR # 1234 = T1234
  - If purchase order is needed for multiple vendors – T1234-1; T1234-2
- Purchase Order helps the billing process.
- Purchase Order helps the Supervisor know if the Work Order will go over budget.
- Purchase Order aides in reconciling invoices.
- A finalized Purchase Order encumbers money on the Work Order.
- WO Encumbered charges = \$ Amount of Purchase Orders that have been ordered but not received and disbursed
- PO \$ Amount = item cost + shipping + markup
- PO \$ Amount + WO Posted Charges + WO Encumbered Charges <= WO Budget
- WO Budget formula –
  - Expected SSC labor cost
  - + Expected Inventory material cost
  - + Expected Material cost from a vendor
  - + Expected Equipment rental cost
  - + Expected Contract Labor cost
  - + 12% material markup (non PM5K Work Orders)
  - + 5% contractor markup (non PM5K Work Orders)

*WO Budget submitted for Approval*

# Purchase Order Statuses

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Responsible for the status

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☺ Billing Coordinator

✘ Supervisor

🏭 Warehouse

🏭 Generated - Generated

🏭 In Process - In Process

🏭 Ordered - PO Has Been Sent To Vendor

🏭 Requires Cont Setup – Requested vendor does not have a contract with SSC

🏭 Cont Setup Complete – Vendor Contract is in place

🏭 Budget Adj Needed - Total Will Exceed Current Budget Of Work Order

☺ Budget Adj Complete - Budget Has Been Adjusted And Po Can Be Finalized.

🏭 Service Ordered - Service Contract Has Been Verified & Contractor Can Begin Work

✘ Service Complete - Service Is Complete And Satisfactory. Contractor Can Be Paid. Only used if line type is not Service

🏭 Partially Received - Partially Received

🏭 Closed - Closed

🏭 Canceled - PO Has Been Canceled

🏭 Pending Invoice - Pending Invoice; Items Have Been Disbursed

🏭 Duplicate - PO Has Been Canceled due to one already existing.

# Purchase Order Work Flows

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## Material Purchase Order

1. Technician or Supervisor creates a Material/Purchase Request
2. Purchase Request sent to Maintenance Manager for approval if needed.
3. Maintenance Manager approves Purchase Request.
4. Purchase Request cost is checked against the Work Order budget.
5. Supervisor and Billing Coordinator are notified if a budget error occurs.
6. Budget approval sought.
7. Billing Coordinator adjusts the budget once it is approved.
8. Warehouse imports the Purchase Request information to the Purchase Order screen
9. Purchase Order vendor and cost are verified.
10. Warehouse orders items.
11. Items are received in the warehouse.
12. Warehouse staff creates a Purchase Receives document in AiM.
13. Items are delivered to the requesting shop.
14. Warehouse staff creates a Purchase Disbursement in AiM.
15. Invoice is received by Corporate Accounting.
16. Corporate Accounting matches invoice to a Purchase Order.
17. Corporate Accounting creates the Purchase Order Invoice in AiM.
18. Purchase Order Invoice is approved, and the charge posts to the Work Order.

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## Contracted Service Purchase Order

1. Supervisor or Maintenance Coordinator creates a Purchase Request
2. Purchase Request sent to Maintenance Manager for approval.
3. Maintenance Manager approves Purchase Request.
4. Purchase Request cost is checked against the Work Order budget.
5. Supervisor and Billing Coordinator are notified if a budget error occurs.
6. Budget approval sought.
7. Billing Coordinator adjusts the budget once it is approved.
8. Warehouse imports the Purchase Request information to the Purchase Order screen
9. Purchase Order vendor and cost are verified.
10. Warehouse checks to see if the contractor has a current SSC contract.
11. If no contract is in place, the Supervisor is notified to start the contract process and the PO is placed on hold.
12. Once a contract is in place, the PO process is resumed.
13. Warehouse changes the PO status to Service Ordered to notify the Supervisor that they may issue a Notice to Proceed to the Contractor.

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14. When work is complete and the Supervisor feels the Contractor has fulfilled their responsibilities, the Supervisor changes the PO status to Pending Invoice if the line item type is SERVICE.  
*If line item type is NOT Service, status is changed to SERVICE COMPLETE.*
  15. Invoice is received by Corporate Accounting.
  16. Corporate Accounting matches invoice to a Purchase Order.
  17. Corporate Accounting creates the Purchase Order Invoice in AiM.
  18. Purchase Order Invoice is approved, and the charge posts to the Work Order.