Infor LN Procurement User Guide for Purchase Requisitions

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About this document

This document provides an introduction to purchase requisitions. The steps, statuses, approval process, conversion process, and functions in the purchase requisition procedure are also detailed.

Objectives

This document describes the purchase requisition procedure in Procurement.

Assumed knowledge

Although you need no detailed knowledge of the LN software to read this guide, general knowledge of the Infor LN functionality will help you understand this guide.

Document summary

This table shows the chapters of this guide:

Chapter number	Chapter title	Content
Chapter 1	Introduction and overall procedure	Introduction to purchase requisitions and the overall requisition procedure
Chapter 2	Statuses	Purchase requisition statuses
Chapter 3	Approval process	Setup of the approver list and requisition approval
Chapter 4	Conversion process	Requisition conversion
Chapter 5	Additional processes	Additional functionality in the requisition procedure

References

Use this guide as the primary reference for purchase requisitions. Use the current editions of these related references to research information that is not covered in this guide:

- ***User Guide for Purchase Master Data U9817 US***
  Use this guide to understand the setup of purchase master data.
- ***User Guide for Product Catalogs U9815 US***
  Use this guide to understand the setup and use of product catalogs, including the generation of purchase requisition lines based on a catalog.
- ***User Guide for Project Pegging U9777 US***
  Use this guide to understand the project pegging functionality.

- ***User Guide for Subcontracting U9361 US***
  Use this guide to understand the subcontracting functionality.
- ***User Guide for Budget Control U9655 US***
  Use this guide to understand the budget control functionality.
- ***User Guide for Requests for Quotation (RFQs) U9821 US***
  Use this guide to understand the requests for quotation procedure.
- ***User Guide for Purchase Orders U9824 US***
  Use this guide to understand the purchase order procedure.

How to read this document

This document was assembled from online Help topics. As a result, references to other sections in the manual are presented as shown in the following example:

For details, refer to *Introduction*. To locate the referred section, please refer to the Table of Contents or use the Index at the end of the document.

Underlined terms indicate a link to a glossary definition. If you view this document online, clicking the underlined term takes you to the glossary definition at the end of the document.

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Chapter 1
Introduction and overall procedure

1

The purchase requisition procedure is designed for the nonpurchasing user who may not know the standard procedures in purchasing. For example, engineers can order material or services without understanding the entire purchasing process. Purchase requisitions are used to specify nonsystem planned requirements for various types of items, including inventory items, cost items, and service items.

Purchase requisitions are created in the same way as all other buy and sell documents, such as purchase orders and sales orders. However, there is one significant difference: on a requisition, the item code and buy-from business partner codes can be blank. Therefore, the requester can make a request for a new item or make a request from a new buy-from business partner.

Purchase requisition procedure

The purchase requisition procedure includes these steps:

1. Specify the purchase requisition parameters in the Purchase Requisition Parameters (tdpur0100m200) session.
2. Maintain a list of approvers who are authorized to approve purchase requisitions in the Approvers (tdpur2105m000) session.
3. Specify a default **Approver** and **Approver Department** in the Purchase User Profiles (tdpur0143m000) session.
4. In the Purchase Requisition (tdpur2600m000) session:
   a. Enter a purchase requisition header with requester data and delivery data.
   b. Enter a purchase requisition line with the required item or item description, the ordered quantity, and, if required, the project.
5. Use the Submit Purchase Requisitions (tdpur2203m000) session to submit the purchase requisition for approval.
6. Use the Purchase Requisition Approval Progress (tdpur2506m000) session to do the following:
   - View the approval progress for a purchase requisition
   - Approve the purchase requisition
   - Reject the purchase requisition

7. Optionally, use the Purchase Requisition - Prepare Conversion (tdpur2600m100) session to prepare the lines of an **Approved** purchase requisition for conversion in the Convert Purchase Requisitions (tdpur2201m000) session.
8. Use the Convert Purchase Requisitions (tdpur2201m000) session to convert the lines of an **Approved** purchase requisition to a purchase order or a request for quotation (RFQ).

Note

If the **Requisition Approved in External Workflow Application** check box is selected in the Purchase Requisition Parameters (tdpur0100m200) session, purchase requisitions are approved outside LN. Therefore, the approval process is unavailable in LN and the steps related to the approval process must be skipped.

For more information, refer to:

- *Purchase requisition approval process (p. 11)*
- *Purchase requisition conversion process (p. 15)*

Chapter 2
Statuses

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Purchase requisition statuses

The purchase requisition status determines if you can submit, approve, delete, modify, cancel, or copy a purchase requisition.

Submitting purchase requisitions

A requester can submit a requisition for approval if the **Status** is Created or Modified, and lines are present.

Purchase requisitions can be submitted for approval in these sessions:

- Submit Purchase Requisitions (tdpur2203m000)
- Purchase Requisitions (tdpur2501m000)
- Purchase Requisition (tdpur2600m000)

Note

If the **Submit Generated Requisitions Automatically** check box is selected in the Purchase Requisition Parameters (tdpur0100m200) session, automatically generated purchase requisitions are automatically submitted for approval.

Approving purchase requisitions

An approver can approve a requisition only if the **Requisition Status** is Pending Approval.

Approvers can either approve the requisition or reject the requisition. If the requisition is Rejected, it can be Modified and resubmitted for approval.

Purchase requisitions can be approved in the Purchase Requisition Approval Progress (tdpur2506m000) session or outside LN.

Deleting purchase requisitions

You can delete purchase requisitions if the **Requisition Status** is Converted or Canceled.

Purchase requisitions can be deleted in the Delete Purchase Requisitions (tdpur2202m000) session.

Modifying purchase requisitions

The value of the **Requisition Status** controls the changes that can be made to requisitions.

Modifying requisitions is allowed, but is subject to the following:

- **Prior to submission**
  Allowed without constraints.
- **After submission**
  Only if it is rejected first by an approver or approving department.

Note

Changing and saving a header updates the requisition history and recalculates the requisition amount.

Canceling purchase requisitions

Canceling a requisition can only occur if the **Requisition Status** is Created, Modified, or Rejected.

Purchase requisitions can be canceled in these sessions:

- Cancel Purchase Requisitions (tdpur2206m000)
- Purchase Requisitions (tdpur2501m000)
- Purchase Requisition (tdpur2600m000)

Copying purchase requisitions

Copying a requisition can occur for any **Requisition Status**. You can also copy a requisition directly from history.

Purchase requisitions can be copied in the Copy Purchase Requisitions (tdpur2204s000) session.

Chapter 3
Approval process

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Purchase requisition approval process

Before a purchase requisition can be converted to a purchase order or a request for quotation (RFQ), it must be approved by an approver or a list of approvers. An approver is a valid employee or department authorized to approve submitted requisitions. Approvers can approve or reject requisitions.

Note

The **Requisition Approved in External Workflow Application** check box in the Purchase Requisition Parameters (tdpur0100m200) session determines if purchase requisitions are approved and rejected in LN or outside LN. If approval is handled outside LN, after submitting a purchase requisition for approval, the requisition is judged externally and returned to LN. The status of the returned requisition is **Approved** or **Rejected**, or can be **Pending Approval** if the **Spend Approved** check box selected on the requisition header. In case of external approval, this topic is not further applicable.

Specifying the approver list

In the Approvers (tdpur2105m000) session, you can maintain a list of valid requisition approvers (individuals or departments) and define a hierarchy in the approval structure.

Before adding to the approver list:

1. Define employees and departments in the Employees - General (tccom0101m000) and Departments (tcmcs0565m000) sessions.
2. Because an individual approver can belong to only one department, define an employee's department defaults in the Employees - General (tccom0101m000) session.
3. The approver's effective date and expiry date must be valid and must be verified in the Employees - General (tccom0101m000) session. Also, the **Approver**, as specified in the Approvers (tdpur2105m000) session, must have a valid **Effective Date** and **ExpiryDate**.

Note

- The **Department** field in the Approvers (tdpur2105m000) session is a mandatory field. If an approver is selected in the **Approver** field of the Approvers (tdpur2105m000) session, the approver must belong to the selected approver department.
- Only approver departments that are purchase offices and individual approvers from the purchase office, are allowed to perform final approval on a purchase requisition.

Use the Print Approvers (tdpur2405m000) session to print the approver list.

Approving or rejecting purchase requisitions

When a purchase requisition is submitted for approval, based on the linked approver list from the Approvers (tdpur2105m000) session, approval records are inserted in the Purchase Requisition Approval Progress (tdpur2506m000) session.

Usually, the following steps are caried out in the approval process:

1. The first approval record is filled with the **Approver** and **Approver Department** from the requisition header. If the approver has a parent approver in the approver list, a next approval record is inserted with this parent approver. The complete approver tree is inserted based on the parent approvers in the approver list. These approval records have the pending approval status.
2. When the first approver approves or rejects the requisition, the status of the approval record changes from **Pending Approval** to **Approved** or **Rejected**. When the requisition is approved by the first approver, the **Approver** and **Approver Department** fields on the requisition header are updated with the approver and approver department of the next approval record/next approver.
3. When the requisition is approved by all approvers on the approver list, the requisition status is changed from **Pending Approval** to approved. If an approval record with the **Pending Approval** is still available in the Purchase Requisition Approval Progress (tdpur2506m000) session, which means a next approver must still judge the requisition, the requisition status remains **Pending Approval**.

Note

- In the Purchase Requisition Approval Progress (tdpur2506m000) session, which is displayed as a tab in the Purchase Requisition (tdpur2600m000) session, approvers can view if requisitions are submitted to them for approval.
- The **Approval Authorizations** field in the Purchase Requisition Parameters (tdpur0100m200) session determines how the approver list is used in the purchase requisition approval process.
- Prior to approving the purchase requisition, approvers can review the requisition lines on the Requisition Lines tab of the Purchase Requisition (tdpur2600m000) session and select the **Rejected** check box if they want to reject a specific requisition line.
- In the Purchase Requisitions (tdpur2501m000) session, the **Allow Partial Rejection** check box determines whether an **Approved** purchase requisition can contain requisition lines that are rejected.

- If a requisition is rejected by an approver, a requester can modify the purchase requisition. When a requisition with the modified status is resubmitted for approval, in the Purchase Requisition Approval Progress (tdpur2506m000) session, an additional approval record is inserted for the approver that rejected the requisition. This approval record has the **Pending Approval** status.
- If the **Budget Exception** check box is selected for one or more requisition lines, the requisition cannot be approved. First the budget exception must be handled.

Chapter 4
Conversion process

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Purchase requisition conversion process

When the status of a purchase requisition is approved, a buyer can convert the requisition lines to a purchase order or a request for quotation (RFQ).

Preparing conversion

To prepare the conversion, a buyer can use the Purchase Requisition - Prepare Conversion (tdpur2600m100) session to specify the data that is required on the requisition header and lines for conversion in the Convert Purchase Requisitions (tdpur2201m000) session. However, if all conversion data is already specified in the Purchase Requisitions (tdpur2501m000) and Purchase Requisition Lines (tdpur2502m000) sessions, the Purchase Requisition - Prepare Conversion (tdpur2600m100) session can be skipped.

For each requisition line, you can specify its **Conversion Type**, which can be **RFQ** or **Purchase Order**. If all lines must have the same conversion type, you can specify a conversion type on the requisition header, which is defaulted to the lines.

Note

- If the conversion type is **Purchase Order**, the line must contain an item code and a buy-from business partner; each of these fields is validated. If the requisition line does not include these values, you cannot set the conversion type to **Purchase Order**.
- If the conversion type is **RFQ**, the item and business partner codes can remain blank on the requisition line.
- You can replace an item on a requisition line with an item from a product catalog. For more information, refer to Using catalogs in purchase requisitions.

Converting purchase requisitions

Purchase requisition lines can be converted to a purchase order or an RFQ in the Convert Purchase Requisitions (tdpur2201m000) session.

Requisition lines are included in the conversion process if:

- The **Conversion Type** field in the Purchase Requisition Lines (tdpur2502m000) session is **RFQ** or **Purchase Order**.
- Valid number groups, series, and order type are specified for RFQs and purchase orders in the Convert Purchase Requisitions (tdpur2201m000) session.

Note

- If, in the Purchase Requisitions (tdpur2501m000) session, the **Allow Partial Rejection** check box is selected, only the lines with the **Rejected** check box cleared can be converted to a request for quotation (RFQ) or a purchase order.
- If the buy-from business partner is blank and the item code is specified, the conversion is based on an approved source list (ASL), if one exists. If no business partners are approved for the item, the specified business partner description is transferred to the RFQ process.
- If the item code is blank and the buy-from business partner is specified, the RFQ is generated for the specified business partner.
- If the item code and the business partner code are both blank, the RFQ is created using only the item description and business partner description.

Any errors encountered during processing can be reported along with a list of successfully converted requisitions. The reports include details about the new RFQ/PO such as original requisition number, position number, and error remarks.

Chapter 5
Additional processes

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Purchase requisition additional processes

- **Copying purchase requisitions**
  You can copy an existing purchase requisition to a new one in the Copy Purchase Requisitions (tdpur2204s000) session.
- **Using catalogs in purchase requisitions**
  You can insert items from a product catalog into purchase requisitions in the Purchase Requisition (tdpur2600m000) session.
- **Peg distribution for a requisition line**
  If the item on the requisition requires a peg, a peg distribution is linked to the **Requisition Line** in the Purchase Peg Distribution (tdpur5100m000) session. In a peg distribution, the required quantity of the parent business object is distributed across distribution lines for combinations of project/budget, project element and/or project activity.
- **Using subcontracted items on requisitions**
  In case of operation subcontracting, requisitions can include subcontracted service items, or **Purchased** or **Manufactured** items with linked material supply information. These requisitions can be generated from a routing operation or a production order. Subcontracted services can also be manually specified on a requisition.
- In case of service subcontracting, requisitions can include **Cost** or **Service** items, or **Purchased** or **Manufactured** items with linked material supply information. These requisitions can be generated from a work order activity in case of depot repair, or from a service order activity in case of field service.
- **Canceling purchase requisitions**
  You can cancel purchase requisitions in the Cancel Purchase Requisitions (tdpur2206m000) session.
- **Deleting purchase requisitions**
  You can delete purchase requisitions in the Delete Purchase Requisitions (tdpur2202m000) session.

- **Printing purchase requisitions**
  You can print purchase requisitions in the Print Purchase Requisitions (tdpur2401m000) session.
- **Purchase requisition history**
  Based on the **Log Requisition History** field in the Purchase Requisition Parameters (tdpur0100m200) session, purchase requisitions can be written to the history. You can view the logged requisition history in the Purchase Requisition History (tdpur2504m000) session.

Appendix A Glossary

A

approved

The status assigned to a purchase requisition when all relevant approvers have approved a requisition with the **Pending Approval** status.

approved supplier list

A list of buy-from business partners approved to deliver a specific item.

canceled

The status assigned to a purchase requisition when the requester cancels a requisition with the **Created**, **Modified**, or **Rejected** status. A canceled requisition cannot be changed.

catalog

The highest level of a category structure. A catalog contains one or more categories, which contain items or subcategories. A catalog cannot be a member of another category.

converted

The status assigned to a purchase requisition when the buyer converts a requisition with the **Approved** status to a request for quotation (RFQ) or a purchase order.

cost item

An administrative item that is used to post extra costs to an order. Extra costs are, for example, accounting expenses, clearance charges, design costs, and freight expenses.

Cost items are not used for production and cannot be held in inventory. They are also referred to as expense items.

created

The status assigned to a purchase requisition when the requester enters and saves a purchase requisition.

deleted

The status assigned to a purchase requisition when a requisition with the **Converted** or **Canceled** status is deleted.

modified

The status assigned to a purchase requisition when the requester changes a requisition header or line for a requisition with the **Rejected** status. The modified requisition can be resubmitted for approval.

operation

One of a series of steps in a routing that are carried out successively to produce an item.

The following data is collected during a routing operation:

- The task. For example, sawing.
- The machine used to carry out the task (optional). For example, sawing machine.
- The place where the task is carried out (work center). For example, woodwork.
- The number of employees required to carry out the task.

This data is used to compute order lead times, to plan production orders and to calculate cost prices.

operation subcontracting

The work on one or more operations in an item's production process is outsourced to a subcontractor.

peg

A combination of project/budget, element and/or activity, which is used to identify costs, demand, and supply for a project.

pending approval

The status assigned to a purchase requisition when the requester submits a requisition with the **Created** or **Modified** status for approval.

production order

An order to produce a specified quantity of an item on a specified delivery date.

purchase office for requisitions

A department, clearly identified in the company business model, that manages business partner purchase relationships. This department identifies the location from which a purchase requisition is initiated. Purchase office information is used to convert the requisition to a purchase order or request for quotation (RFQ).

purchase order

An agreement that indicates which items are delivered by a buy-from business partner according to certain terms and conditions.

A purchase order contains:

- A header with general order data, buy-from business partner data, payment terms, and delivery terms
- One or more order lines with more detailed information about the actual items to be delivered

purchase requisition

A request by a user to obtain authorization for the procurement of goods and services.

A purchase requisition includes both standard and nonstandard material, cost, or service requirements. Information on a purchase requisition includes name, department, location, purchase office, and approver in the header section. The requisition line detail includes item, supplier, quantity, price, and amount.

A purchase requisition can be converted to one of the following:

- Purchase order
- Request for quotation (RFQ)

rejected

The status assigned to a purchase requisition when an approver rejects a requisition with the **Pending Approval** status.

request for quotation (RFQ)

A purchasing document that is used as a request to bidders to submit their terms, such as price, discount, delivery time, and payment terms for delivering a (quantity of a) product.

You can send the RFQ to several bidders. A bidder can submit an RFQ response for the specified items.

You can record the responses, negotiate, and compare the prices and discounts that are offered by different bidders.

An accepted response can be copied to a contract, an order, or a price book.

service item

A standard item that represents services instead of goods.

service subcontracting

Allot the service related work of an item to another company. The entire maintenance or repair process, or only a part of the same, can be allotted. Service subcontracting can be used with or without material flow support.

subcontracted service

The auxiliary item code for recording subcontracting operations. Items of this type also belong to the administrative items. These items are non-physical items which are used to record the subcontracting costs.

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