CAPPS Requisitioning Approvals

Requisitioning Approvals

This course does NOT contain audio.

Introduction

Recommended Users: All agencies requisition approvers only

Welcome

Hello,

Welcome back to the CAPPS Financials training.

Before taking this course you should have already completed the CAPPS Financials Fundamentals course.

Course Duration

This course will take approximately 1 -2 hours. You can complete it all today or by sections. It's really up to you. You can take the training how it best fits in your schedule.

Course Preparation

It is recommended that you avoid distractions during training. You should close all other applications including your email while taking the course and silence your cell phone.

Navigation

Use Navigation buttons when instructed. Be sure you use the Next and Prev navigation buttons only when directed to view information in this course.

Course Outline

This course is organized into 5 sections. Learn how to use CAPPS eProcurement functionality in each of the following sections:

- Section 1 - eProcurement Overview
- Section 2 - Requisitioning
- Section 3 - Receiving
- Section 4 - Running Purchasing Reports
- Section 5 - Review

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Course Objectives

Section 1 – eProcurement Overview

Section 1 – Objectives

After completing this section you will be able to:

- Explain CAPPS eProcurement
- Discuss CAPPS Module Integration
- Describe Key Terms
- Break down the Procure-to-Pay Cycle
- Apply Chart of Accounts
- Perform a Budget Inquiry

Section 1 - Outline

CAPPS eProcurement - Duration: 10 minutes

CAPPS Module Integration – Duration: 10 minutes

Key Terms - Duration: 10 minutes

Procure to Pay Cycle – Duration: 20 minutes

ChartFields and Budget Inquiry – Duration: 30 minutes

Section 1 – Lesson 1

CAPPS eProcurement

- What is CAPPS eProcurement?

CAPPS eProcurement is an integrated web-based solution that is used to decentralize, automate, and control purchasing.

eProcurement provides the following benefits:

- Enables integration with Accounts Payable, Asset Management, Commitment Control and Project Costing modules.
- Improves the efficiency of creating requisitions, processing purchase orders and receiving.
- Ensures statewide policy compliance through integrated tools linking all

procurement documents together throughout the entire life cycle.

- A centralized source of transaction processing, resulting in one record of information.
- Deployment of common procurement functionality for the entire organization.
- Real-time access and validation, including on-hand inventory quantity.

Section 1 - Lesson 2

CAPPS Module Integration

- CAPPS Financial Module Integration

Introduction

There are four core modules, or areas of system functionality, in the CAPPS Financial Suite. The four modules are:

- Accounts Payable
- Asset Management
- General Ledger
- Purchasing

To learn more how the four modules work together, view the specific Integration section. The Integration section includes the following:

Integration

Understanding how CAPPS Core Financial Modules Integrate:

- When a Requisition is created it can reference a Contract, be copied to an RFQ or sourced to a Purchase Order (PO).
- The Purchase Order is created and dispatched to the Supplier previously known as a Vendor
- Once the goods are received, the Receipt is entered
- Receipts are then matched to supporting documentation and available to Accounts Payable
- Asset Receipts can also be tagged for tracking in Asset Management
- Once goods are received and matched to the Purchase Order an Accounts Payable voucher is created
- An Accounts Payable journal is then sent to General Ledger (GL) to record the expenditure

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Now that you understand how the modules are integrated, let's take a moment to review when and how the budget is impacted using Commitment Control.

When a requisition is created the funds are pre-encumbered, and the funds available in the budget are reduced. After a requisition has been sourced to a purchase order the pre-encumbered funds are then encumbered. When an accounts payable voucher is created the budget is updated to reflect the expenditure.

Accounts Payable (AP)
The AP module is used to record vendor invoices and track vendor payments. For example:

AP Voucher: Once goods are received (or services rendered) and matched to the PO, an AP voucher is created and the budget is updated to reflect the expenditure. In addition, CAPPS allows for the convenient copying of data from the PO to the voucher. An AP journal is sent to the General Ledger (GL) module to record the financial impact (expenditure) in GL. Vouchers are then interfaced to USAS.

Asset Management (AM)
The AM Module is used to track assets throughout their lifecycle; from acquisition to retirement. In addition, AM is used to calculate the asset's depreciation which can be posted to the General Ledger.

For asset purchases, the physical asset data from the Purchasing module is shared with the Asset Management (AM) module along with the financial asset data from the Accounts Payable module. An AM journal can be sent to GL to record the financial impact (balance sheet update) in GL.

General Ledger (GL)
The GL module manages the financial accounting information within CAPPS. This includes Journal entries that are loaded in from other CAPPS modules, as well as entries manually entered or uploaded directly into GL.

Commitment Control (KK) is used to check revenue and expenditure entries against predefined budgets. If entries exceed the defined budgets plus any established tolerances, a warning or error message will appear depending on the system's configuration.

Purchasing (PO) & eProcurement (ePro)
The PO and ePro modules are used to initiate and create purchase requests and purchase orders. Once the goods are received, a receipt is generated. For example:

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Requisition: A requisition is the initial document created to fulfill the need for a good or service. A requisition can be directly sourced to a purchase order (PO) or it may be copied to a request for quote solicitation (RFQ) allowing for the manual setup of a procurement contract that can be used to track spending in accordance with legal requirements. In addition, procurement spending is monitored and/or controlled by budgets that have been setup in the Commitment Control (KK) module. Once a requisition has been created/approved, funds are pre-encumbered and the funds available in the budget are reduced.

Purchase Order: After a requisition has been sourced to a PO, the pre-encumbered funds are then encumbered and the budget is updated to reflect the encumbrance.

Receipt: A receipt records the receipt of goods or services and is used in the matching process to support the paying of invoices. Assets can be tagged at receipt.

Section 1 – Lesson 3

Key Terms used in eProcurement

- System Roles and Definitions

Requester - The person assigned the appropriate system access to order goods/services by creating a requisition.

Approver - The person assigned the appropriate system access to approve a requisition.

Proxy - The person designated to approve or review in the approver's absence or added as an additional approver.

Buyer/Purchaser - Used interchangeably, a buyer/purchaser is someone who has the authority to purchase goods and services through a Purchase Order.

Receiver - The person assigned the appropriate system access to record items and services received/inspected from an order.

Vendor/Supplier - Used interchangeably, the Vendor/Supplier is the entity where goods and/or services are ordered.

- Key Terms and Definitions

Requisition - A requisition represents the request from staff to the buyer/purchaser vendor for goods and/or services to be ordered. It is created in CAPPS eProcurement by the requester and contains all the associated accounting values and known order information. A requisition is assigned a requisition number.

Purchase Order (PO) - A document issued by a purchaser to a supplier, indicating types, quantities, and agreed prices for products or services the supplier will provide to the agency. Sending a PO to a supplier constitutes a legal offer to buy products/services. Acceptance of PO by a supplier usually forms a one-off contract between the agency and the supplier, so no contract exists until the purchase order is accepted. A PO is assigned a purchase order number.

Voucher - A voucher represents authorization for USAS to issue payment (warrant or direct deposit) for goods/services received.

Budget Checking - The budget checking process will 1) confirm that there are sufficient budgeted funds to execute the intended transaction; 2) reserve an amount equal to the document amount within the referenced budget; 3) update the document budget status to Valid or Error (depending on availability of funds, validity of the transaction chartfield combination, etc.); 4) assess the appropriate predecessor document budget reservation (if any) and liquidate as necessary.

Pre-Encumbrance - Pre-encumbrances represent funds reserved through the process of budget checking a requisition. Reserved funds decrease the remaining spending authority for a given budget.

Encumbrance - Encumbrances represent funds reserved through the process of budget checking a purchase order. As with the pre-encumbrance, reserved funds decrease the remaining spending authority for a given budget. It ensures that funds are allocated for the payment to the vendor for goods/services ordered and received.

Expenditure - An expenditure is when a purchase order has been paid.

Sourced - Sourced is when a requisition has been turned into a Purchase Order.

Dispatched - Dispatched is when a purchase order has been sent to the supplier (vendor).

Receiving - The receiving process involves recording the items delivered and verifying shipment accuracy by reference to the original purchase order or change order. The process of receiving is documented on a receipt that is assigned a receipt identifier.

Inspection - Examination and/or testing of merchandise to determine whether it has been received in the proper quantity and condition and to verify that it conforms to the applicable specifications.

NIGP Class - NIGP stands for National Institute for Governmental Purchasing. The class identifies items and services.

Section 1 – Lesson 4

Procure-to-Pay Process

- Procure to Pay Process

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Discover how the Procure-to-Pay process affects the Budget.

Pre-encumbrance, encumbrance, and expenditure…what does it all mean?

Pre-encumbrances, encumbrances, and expenditures are all a part of the budget checking process. This process ensures funds are available at the time a request is made.

First, I will explain how the budget is impacted by the budget checking process. Then, you will be provided with details to learn how the Procure-to-Pay process works.

This is a simple chart to explain how pre-encumbrances, encumbrances, and expenditures affect the budget. Take a moment to review the following:

Beginning Balance is 10,000

Pre-encumbrance is $0

Encumbrance is $0

Expenditure is $0 and the

Remaining Spending Authority is $10,000.

Scenario: Nancy needs to place an order for office supplies. She created a requisition to order office supplies that cost $100. Now let's see how the transaction affected her budget.

When a requisition is created and budget checked, CAPPS will pre-encumber the funds; place them on hold. A pre-encumbrance reduces the total available funds in the Budget.

Nancy started with $10,000 in her budget.

She pre-encumbered $100 for office supplies.

Her total Remaining Spending Authority is $9,900.

What happens to the requisition next? Nancy's requisition will need to be sourced to a Purchase Order and budget checked. Budgeting Checking a Purchase Order (PO) releases the pre-encumbrance and encumbers the funds. The total funds available in the Budget remain the same.

What happens to the requisition next? Nancy received her office supplies. Her supplier (vendor) has submitted their invoice to Accounts Payable. Accounts Payable creates and budget checks a voucher. This releases the encumbrance and creates the expenditure. The total funds available in the Budget remain the same.

Now that you understand the Budget Checking process, take a few minutes to review how the Procure-to-Pay process works.

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CAPPS Financials Process-to-Pay Process

Learning Objectives

After completing this brief demonstration you will be able to:

1) Understand the complete Procure-to-Pay Process within CAPPS
2) Identify where and how the Budget is impacted throughout the Procure-to-Pay Process.
3) Recognize the various Procure-to-Pay Roles and Responsibilities.

The Procure to Pay Process Timeline

1) Requisition - You create a Requisition to request a purchase of an item(s).
2) Purchase Order (PO) – Information is copied from the Requisition to the PO. There is no need for re-entry.
3) Receiving – The item is received from the supplier (vendor) or returned. The transaction is captured in CAPPS.
4) Accounts Payable (AP) – When an Invoice is received from a supplier a Payment Voucher is created.
5) USAS – Provides payment to the supplier (vendor).

Review the different types of CAPPS functionality relating to Purchasing.

Requisitions

- Requisitions can be created from eProcurement.
- A requisition line can reference an existing contract.
- Requisitions require approval based on an agency's management structure.
- Pre-encumber (place on hold) funds from the Budget.
- May be created by anyone with the Requestor Role

  Purchase Orders

Purchase Orders

- Information from a Requisition can be copied into a PO. No dual entry needed.
- Can be created without a Requisition (Direct PO) or from a contract
- Removes requisition pre-encumbrance and encumbers the funds from the Budget.

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- Purchase Orders may require approval from a Manager.
- Purchase Orders may be created by anyone with the Buyer Role.

Receiving

- A record of items being received or still outstanding is captured in CAPPS.
- A record of items that were rejected upon delivery is captured.
- Suppliers forward invoices to Accounts Payable.
- May be received or returned by anyone with the Receiver role.

Accounts Payable

- In Accounts Payable a payment voucher is created.
- The payment voucher may require approval from a manager.
- Releases the PO encumbrance and creates an Expenditure entry in Budget.
- Automatically creates the General Ledger (GL) Journal entry.
- Automatically creates an Item in Asset Management.

USAS

- Creates the Payment for Supplier (Vendor)

Learn your role in CAPPS by reviewing the task that you perform today. The tasks and their roles are following:

- Task – Purchase Items or Services
    - Role – You are a Requestor. Requestors create a requisition to purchase items/goods. Recommended training class (es) are: 999 Financials Fundamentals and 305 Requisitioning and Receiving.
- Task – Manage Purchase Orders (PO)
    - Role – You are a Buyer. Buyers create, budget check, and dispatch Purchase Orders. Recommended training class(es) are: 999 Financials Fundamentals, 305 Requisitioning & Receiving, 306 Purchase Order Processing.
- Task – Approve Requisitions or POs
    - Role – You are an Approver. Approvers can approve Requisitions and/or Purchase orders. Recommended training class(es) are: 999 Financial Fundamentals and 310 Requisitioning Approval.

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- Task – Receive Items or Goods
    - Role – You are a Receiver. Receivers enter a receipt of items and services delivered to the Agency. Recommended training classes) are: 999 Financials Fundamentals and 305 Requisitioning & Receiving.
- Task – Process Supplier Invoices
    - Role – You are an Accounts Payable Clerk. AP clerks process invoices and create Payment Vouchers. Recommended training class(es) are: 999 Financial Fundamentals and 200 Accounts Payable.

Hope you enjoyed learning about the process! Let's go back to the course.

Section 1 – Lesson 5

Chart of Accounts and Budget Inquiry

- Chart of Accounts
- Perform Budget Inquiry

CAPPS Chart of Accounts (Chartfields)

Step 1) Review the following information pertaining to Chart of Accounts. Then see if you can match the account name with its purpose.

ChartFields
The backbone of the PeopleSoft Financial System is the Chart of Accounts. These are fields and values that provide a common language for classifying an organization's business transactions. ChartFields are also referred to as Chart of Accounts, ChartField String or Coding Block.

ChartFields in CAPPS
ChartFields are used throughout CAPPS. Purchasing, Accounts Payable, Commitment Accounting (Budget), and General Ledger all require ChartFields. For this reason, it is important that you understand what each field is used for and how the various fields are combined into a ChartField string.

There are four required ChartFields in CAPPS and a few optional fields that are defined by the agency. The CAPPS required fields are: Account, Fund, Appn/PCA, and Budget Ref (AY).

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Account
The Account ChartField is the segment of the chart of Accounts that captures the nature of financial transactions as Assets, Liabilities, Fund Equity, Revenues, and Expenditures. It provides the detail breakdown for Balance Sheet and Revenue/Expenditure reporting.

In CAPPS FIN, account is defined with a length of six characters. Agencies are required to use the first four characters for Comptroller Object (COBJ) or GL Account as in USAS. Agencies commonly use the last two characters to record transactions at a greater level of detail.

Appropriation (Appn)/PCA (Class Field)
The Appn/PCA ChartField is the segment of the Chart of Accounts that is required by USAS for any financial transactions. Appn is used only for Commitment Control budget entries. Since the Appn cannot be input on financial transactions directly, it must be looked up or translated from the PCA.

Appropriation Year (Budget Reference)
The Appropriate Year ChartField is the segment of the Chart of Accounts that are required by USAS. This value is entered in the Budget Reference field in CAPPS FIN.

In CAPPS FIN, Budget Reference is defined with a length of 10 characters. Most agencies use the first four characters to record the AY. Agencies can use the following two characters to reflect the month (e.g., 01=September). However, using 6-characters introduces a greater level of complexity.

Agency Options

Optional ChartFields Available to Agencies

Chartfield: Department
Field Length: 10
Description: The Department ChartField is used to identify the departmental structure for organizational and/or budgeting purposes.
Chartfield: Program Code
Field Length: 5
Description: Available for agency use.

Chartfield: Product
Field Length: 6
Description: Available for agency use.

Chartfield: Project
Field Length: 15

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Description: Used by Project Costing (PC), Customer, Contracts, and Grants module when PC is implemented. Note: This field may be used as an optional tracking field when PC is not implemented. For example, this field may be used to track costs associated with Grants when the full functionality of the Grants Module is not needed.

Understanding the Chartfield String

Now that you understand ChartFields, take a moment to view how they are displayed in CAPPS. Below are the details for a Financial Transaction Entry and a Budget Journal Entry:

- Financial Transaction Entry
    - This is an example of a Financial transaction entry using Agency Fund (5041) and PCA (90841).

Unit	Ledger	SpeedType	Account	Oper Unit	Fund	Dept	Program	Appn/PCA	Appn Year
00000	ACTUALS		105000		5041	11420		90841	2015

- Budget Journal Entry
    - This is an example of a Budget entry using Agency Fund (5041A) and Appropriation (13024).

Ledger	SpeedType	Account	Fund	Appn/PCA	Appn Year
APPROP_BUD		700000	5041A	13024	2015

Step 2 – Select the appropriate Chartfield name options to match the definition.

Chartfields - 1-Account, 2-Fund, 3-Appn/PCA, 4-Budget Reference

Answer Options:

A - Required by USAS

B - Captures transactions as Assets, Liabilities, Fund Equity, Revenues, and Expenditures.

C - Appropriation Year

D - The source of money related to a transaction.

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Answers:

C. Appropriation Year = 3-Appn/PCA

A. Required by USAS = 1-Account

D. The source of money related to a transaction = 4-Budget Reference

B. Captures transactions as Assets, Liabilities, Fund Equity, Revenues, and Expenditures = 2-Fund

Chart of Accounts and Budget Inquiry

- Budget Inquiry

CAPPS allows users to review real-time budget information online. One useful method of doing so is called Budget Inquiry. This allows users to view the current activity for one or more budgets. Users can see how much money was allocated to a given budget, how much has already been spent, and how much is currently available to use at that moment.

It is advisable for a Requester to review the budget prior to creating a requisition to ensure there is enough money in the budget. Although requesters are able to perform a pre-budget check, it is helpful to complete a budget inquiry before doing the work in creating the requisition. If funds are not available, valuable time was wasted.

- Budget Details

When performing a Budget Inquiry, users are able to see the Budget Details for the specific budget that was included in the Search.

The screen displays the Budget amount before expenses, encumbrances and pre-encumbrances. The next line displays the total expenses for the Purchase Orders that have been paid. The next line displays the total for encumbrances which represent the requisitions that turned into Purchase Orders. The last line displays the pre-encumbrance total of the requisitions that have been Budget Checked but not turned into Purchase Orders yet.

The bottom line is the available budget which is the dollar amount available for future spending. It is after the expenses, encumbrances and pre-encumbrances have been deducted.

- Budget Detail Terms and Definitions

Budget Expense – The funds for the current fiscal year allocated for a specific budget.

Encumbrance – Total amount already paid out from the allocated money in the budget, i.e. a paid purchase order.

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Pre-Encumbrance – Total amount of requisitions budget checked against the budget that have not yet become purchase orders.

Available Budget – Total amount of available funds in the account.

Section 1 – Lesson 5 Exercise

Budget Inquiry

The exercise below provides step-by-step instructions on how to perform the following task in CAPPS:

Scenario 1: Budget Inquiry

Select the following link for the exercise:

View Section 1, Lesson 5 Exercise

After completing the exercise, close the browser tab and return to the course. Once you have returned to the course select next to continue.

Section 2 - Approvals

Section 2 – Objectives

After completing this section you will be able to:

- Demonstrate how to Approve, Deny, and Pushback Requisitions
- Demonstrate how to Add a Proxy, Reviewer or Approver to Requisitions

Section 2 – Lesson 1

Working with Approvals

- Approving Requisitions
- Denying Requisitions
- Pushing Back Requisitions
- Adding an Additional Approver/Reviewer
- Creating Proxies for Approver

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Approvals

After a requisition is created and submitted, the system routes the transaction to an approver based on configured workflow rules. The approver will receive an email indicating that there is a requisition for their approval. The email contains a link that will take them to the CAPPS portal.

Approvers can also navigate to their worklist by logging into CAPPS (if they don't choose to use the link within their email) or by navigating directly to the Manage Requisition Approvals page.

Keep in mind that if there are multiple approvers, only the first approver receives the email. When the first approver actually approves the requisition, the email notification will go out to the second approver and so on.

Approvers may approve, deny or pushback a requisition – or line(s) within a requisition, as well as insert ad hoc approvers or reviewers.

The approver can preview, in a graphical format, the path that the requisition approval will take, view who has already approved the requisition and see any comments that previous approvers have entered.

Requisition Approvals - Sample Email sent via Approval Workflow

Requisition Header Description:

A purchase requisition has been entered and requires approval. The total requisition amount is $171.82.

To access CAPPS via the Production portal, please click the following link:

https://dummylinktoCAPPSProductionportal

This is a CAPPS-generated email. If you have any questions, please contact your agency's Level 1 support.

Worklist

Approvals can select "Worklist" followed by Link for the Requisition in order to review and approve the requisition.

Manage Requisition Approvals is another way for Approvers to review and approve requisitions.

Denying a Requisition

When an approver denies a requisition, comments are entered for the requester indicating the reason for the denial. Denied requisitions route back to the requester and an email notification is sent to the requester with the comments for denial.

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Depending on the comments, the requester can make changes to the requisition then Save and Submit so that the approval process will start again.

Pushback a Requisition

A pushback returns the transaction to the previous approval step. The meaning of push back is that the approver is questioning the prior step's approval and is requesting clarification.

Inserting an Approver/Reviewer

The approvers are assigned via workflow however there may be instances where it is important for another manager to approve or review the requisition information prior to the requisition moving to the next approver in the workflow. They must have security access in order to approve or review the requisition information.

Creating Proxies for Approvers

There will be times when a user who is on the approval workflow path may be out of the office and needs another user to approve instead. The user can define a specific time frame when an alternate user (proxy) can approve.

The assigned proxy must have the workflow approval security roles and user preferences established that allow them to perform these tasks. The Proxy alone will not provide them with this functionality.

Once the Alternate User has been identified, a single security ticket needs to be submitted to have the roles/user preferences added for the Alternate User.

To create a Proxy for an approver, the approver must go to their System Profile page.

The Alternate User ID field must be filled in as well as the duration of time that the access is assigned.

Section 2 – Lesson 1 Exercises

The exercises below provide step-to-step instructions on how to perform the following tasks in CAPPS:

Scenario 1: Using Workflow Approval

Scenario 2: Using Workflow Approval to Deny

Scenario 3: Using Workflow Approval to Pushback

Scenario 4: Inserting an Approver/Reviewer

Scenario 5: Creating Proxies for Approvers

CAPPS Requisitioning Approvals

Select the following link for the exercise:

View Section 2, Lesson 1 Exercise

After completing the exercise, close the browser tab and return to the course. Once you have returned to the course select next to continue.

Section 3 - Review

Course Summary

Congratulations, you have completed this course. You learned the following regarding CAPPS eProcurement:

- How the Procure-to-Pay Cycle works
- How to perform a Budget Inquiry
- How to approve, deny, and pushback requisitions
- How to assign a proxy, reviewer, or approver

You are now ready to move on to your next course, see you there!

Congratulations

I hope you enjoyed your training! This course is almost complete.

It’s now time to review what you’ve learned in this course.

Knowledge Check

Next you will be presented with a series of questions covering important things to remember from this Requisition Approval course.

Knowledge Check

To begin select the Knowledge Check link. After completing the knowledge check, close the browser tab and return to the course.

This completes the course. See you next time!