



EE1

Advanced Procurement

August 4, 2014

Overview

- Contract Retainage
- Amount vs Quantity POs
- PO/Contract Amount Distribution
- Encumbrance Liquidation file updates
- Future Workgroup Sessions
- Discussion

Contract Retainage

- No EE1 design changes to Contract Retainage process
- Business Process Overview
 - Retainage is established and tracked via associated PO Voucher(s)
 - On a PO Voucher with retainage amounts, each corresponding PO distribution line is referenced on two voucher distribution lines.
 - Retainage Example:
 - Contract PO with a single line for \$100
 - **PO Line 1, Sch 1, Dist 1:** Account = 60501, Monetary Amount = \$100
 - Invoice received for \$100 against the PO
 - **Voucher Line 1, Dist 1:**
References PO Dist line 1;
Amount = \$100 (Invoice Total)
Account = 60501
 - **Voucher Line 2, Dist 1:**
Also references PO Dist line 1
Amount = -\$10
Account = 60750 (Retainage Account)

Contract Retainage

- Upon voucher budget check –
 - Voucher Line 1, Dist 1:
Encumbrance is liquidated for \$100 against PO Line 1, Dist 1 (Account 60501)
Expenditure is created for \$100 against Voucher Line 1, Dist 1 (Account 60501)
 - Voucher Line 2, Dist 1:
Encumbrance is created for \$10 against PO Line 1, Dist 1 (Account 60501)
Expenditure is created for -\$10 against Voucher Line 1, Dist 1 (Account 60750).

➤ Extracts impacted: VO, VA, KT, EL and M061

Amount vs Quantity POs

➤ Amount based POs

- Also referred to as “Amount Only”
- Recommended for “Service” related purchases
 - Receiving is processed by Amount – N/A to bulkload agencies
 - Matching is processed by Amount
 - Encumbrance Liquidation is processed by Amount

➤ Quantity based POs

- Recommended for “Product” related purchases
 - Receiving is processed by Quantity – N/A to bulkload agencies
 - Matching is processed by Quantity
 - Liquidation is processed by Quantity
 - Price reductions on a PO do not leave a hanging encumbrance and therefore not require a change order

Amount vs Quantity POs

- Amount vs Quantity flag is available on a PO line
- Can also be defined on a Contract line
- Automatically copied from Contract to Requisition and PO (upon PO Release)
- Example:

Product based purchase setup as an Amount vs Qty PO

PO: PO Qty = 1; PO Price = \$10

Voucher: Invoice Qty = 1; Invoice Price = \$8

- If setup as an Amount Only PO, encumbrance liquidated by the voucher will only \$8 as the liquidation method for amount based POs is Amount.
- If set up as a Quantity PO, encumbrance liquidated by the voucher will the full \$10 as the default liquidation method for quantity based POs is Quantity.
- Advantages: 1. Better tracking of what's left 2. Price reductions on a PO do not leave a hanging encumbrance and therefore not require a change order.

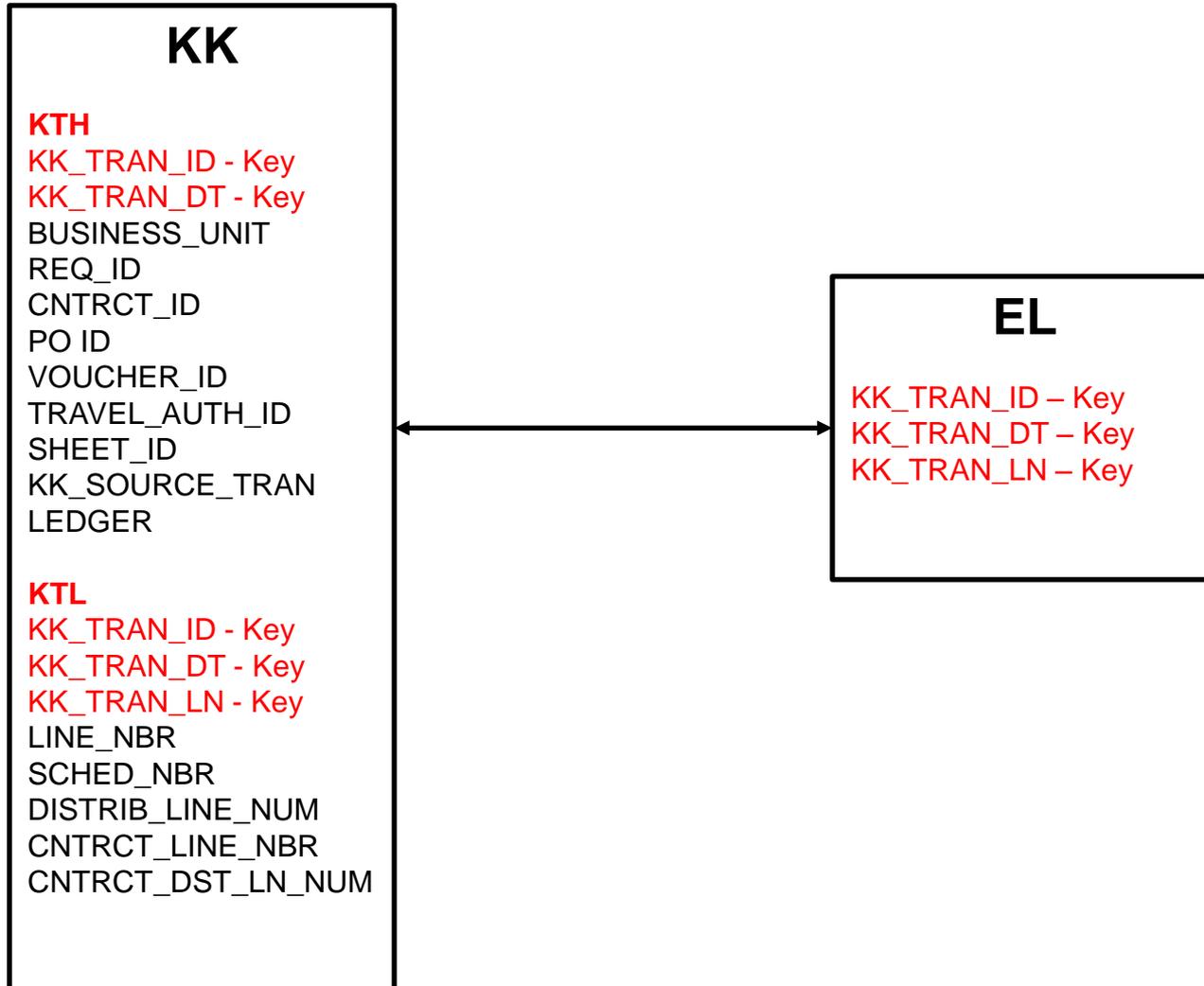
PO/Contract Amount Distribution

- EE1 PO and Contract inbound layouts allow multiple distribution lines against a PO/Contract line
- When a PO line is associated to more than 1 CF distribution string, POD layout provides the ability to distribute the line amount across the distribution lines
 - By Amount or Percentage for Amount Only POs
 - By Quantity or Amount or Percentage for Quantity POs
- When a Contract Line is associated to more than 1 CF distribution string, PCD layout provides the ability to distribute the line amount across the distribution lines
 - By Percentage Only for Amount Only or Quantity POs

EL File Updates/Clarification

- Source document identifying information may not be directly available in EL(Encumbrance Liquidation) file
- Source document information can be obtained by joining KK transaction identifier (KK_TRAN_ID) in the EL file to that in KK file.
- Contract ID, Line Number and Distribution Line Number will be provided in the KK file for Contracts with pre-encumbrances. This is in addition to Requisition information.
- Selection criteria for EL file: Last budget check timestamp of a transaction (Requisition/PO/TA) or it's successor transaction (PO/Voucher/Expense Report) falls in the given date range.

Data Relationship – KK vs EL



Future Workgroup Sessions

Aug 19 – AR/BI/Treasury transactions

Sept 2 – Integration Test Preparation (Also Bulkload User Group)

Sept 16th – Payment Schedule Projections (PSP)

Sept 30th – Integration Test Review / Troubleshooting

October 7th – Bulkload User Group Meeting

October 13th – Review of Conversion Items

October 28th – TBD

November 4th – Bulkload User Group Meeting

November 11th – TBD

Questions

