Purchase Order Processing Overview

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As of July 12, 2021, this "Learn Veracross" site has been deprecated. It will remain live at least through October 1, 2021, but will no longer be updated. All knowledge content has moved to the new Veracross Community. Please update your bookmarks.

Here is the new version of this article in the Veracross Community.

Overview

The purpose of this documentation is to provide both background and detailed processing instructions associated with the Purchase Order module incorporated into the Veracross Accounting System. It is designed to instruct you in how to perform the tasks associated with day-to-day processing of requisitions, purchase orders, receipts and, ultimately, the AP invoices received from vendors for these orders.

Each Veracross installation is highly customized to meet the specific needs of each school. Therefore, the screens displayed in this document may differ slightly from the screens that you encounter when using the system. The documentation is intended to serve as a general reference guide. If you have questions about your specific installation, contact your Veracross maintenance agent.

Access to certain menu operations, reports and data fields may also be limited by security. So, it may be that certain elements portrayed in this document are not displayed on your screens NOT because they haven't been configured, but because your account may not have the necessary privileges. If you suspect that your user account has insufficient privileges, please contact your Accounting Manager to determine if such privileges may be granted.

Purchase Order Processing Cycle

The Purchase Order module of Veracross can be used to track the entire life cycle of purchase orders processed by your school; from requisitions, to approved purchased orders, to receipt of materials and services, and finally, to vendor invoicing. The typical processing cycle is as follows:

Entering Vendor Information

Before entering a new purchase order, you should execute a vendor query to determine if the vendor is already recorded in your system. If it is not, create a new vendor. If the vendor does exist; you should review vendor data (e.g. address and contact information) to make sure that it is complete and accurate.

Entering a Purchase Requisition

A request to purchase goods or services is initiated by creating a purchase requisition. A purchase requisition can be generated directly by staff and faculty members or strictly by accounting department users. A purchase requisition is used to define who is making the request; what they would like to purchase; when they would like their goods or services to be delivered; and the quantity and price of the items to be purchased.

Once all pertinent data is entered, the user sets a flag to indicate that their requisition is “complete”. The completed requisition is then eligible to be reviewed by whoever has authorization to approve purchase requisitions. The completed requisition will also appear in the “Requisitions Awaiting Approval” report on the Purchase Order homepage.

Approving a Requisition / Creating a Purchase Order

A certain group of users will be authorized to review and either approve or disapprove purchase requisitions. These users can reject the requisition entirely by setting a “rejected” flag; they can approve the requisition as entered by the requester; or they can make modifications to alter information that was erroneously entered or omitted by the requestor. If they make modifications, they may subsequently mark the requisition as “approved”.

When a requisition is “approved”, the system records the person who approved it and the date of the approval. In addition, the system automatically assigns a PO number and PO date to the requisition. At that point, the transaction is no longer a requisition, but has been transformed into an official Purchase Order.

Posting a Purchase Order

The process of “posting” a purchase order is vital to maintaining proper financial integrity in your purchasing data. The act of “posting” a purchase order and its items will disable those transactions from numerous types of updates. For instance, neither the quantity nor the unit price of posted items may be modified. This is done to ensure that a PO that has been printed and delivered to a vendor is not subsequently modified. Clearly, having information recorded in your system that does not match information presented to a vendor will cause confusion and reconciliation problems.

In addition, posting purchase order items makes them eligible for subsequent processing steps; namely, the entry of receiving information and the entry of invoicing information. Until an item is posted, neither of these processing steps will be allowed by the system.

Printing a Purchase Order

One or more specially formatted template files exist to allow printing purchase order forms that are appropriate for delivery to your vendors. These formatted PO forms can be printed individually or in batch mode.

Entering Receiving Information

When actual goods or services are delivered by vendors, you can record these receipts by applying them to appropriate PO item(s). Entry of receipt information allows for comprehensive tracking of order fulfillment. This fulfillment is important to both the accounting department and the personnel who originally requested purchases. In addition to tracking fulfillment, the entry of receipts will aid the Accounts Payable personnel in determining whether or not invoices received from the vendor are legitimate.

Applying Vendor Invoices to Purchase Orders

When vendor invoices are processed by the accounts payable department, the invoice information can be matched to and recorded on original purchase order items. As these invoice amounts are reflected on PO items, the open commitment amount on purchase orders is automatically reduced. Tracking the open commitment is vital to the purchasing agent and staff so that they can monitor invoice commitments that can be expected from vendors.