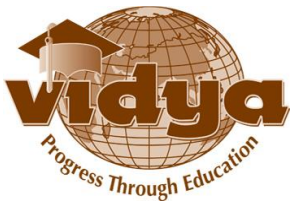

Vidya International Charitable Trust (VICT)

Vast Campus, Thalakkottukara, Thrissur, Pin: 680501, Kerala, India

Vidya ERP: Purchase Procedure Manual

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A. Introduction

Purchases module of Vidya ERP system intends to automate all the purchases activities of Vidya Group of Companies. Currently **Vidya Academy of Science and Technology**, Thalakkottukara, Thrissur has successfully implemented this system commencing from April 1st 2014. The purchase process, right from the Purchase requisition to invoice payment is routed through the Vidya ERP system.

B. Steps involved in Purchases

1. **Purchases Request Initiation**

   Here request initiator from a particular department performs the request for purchasing a product.

2. **Approval of Purchase Requisition**

   A higher level authority can approve a purchase requisition.

3. **Purchases Department Processing and creation of Purchase Order**

   Purchases department will take up the approved requisition by inviting quotations and based on the response, Purchase order will be generated

4. **Delivery and verification of Products at the warehouse**

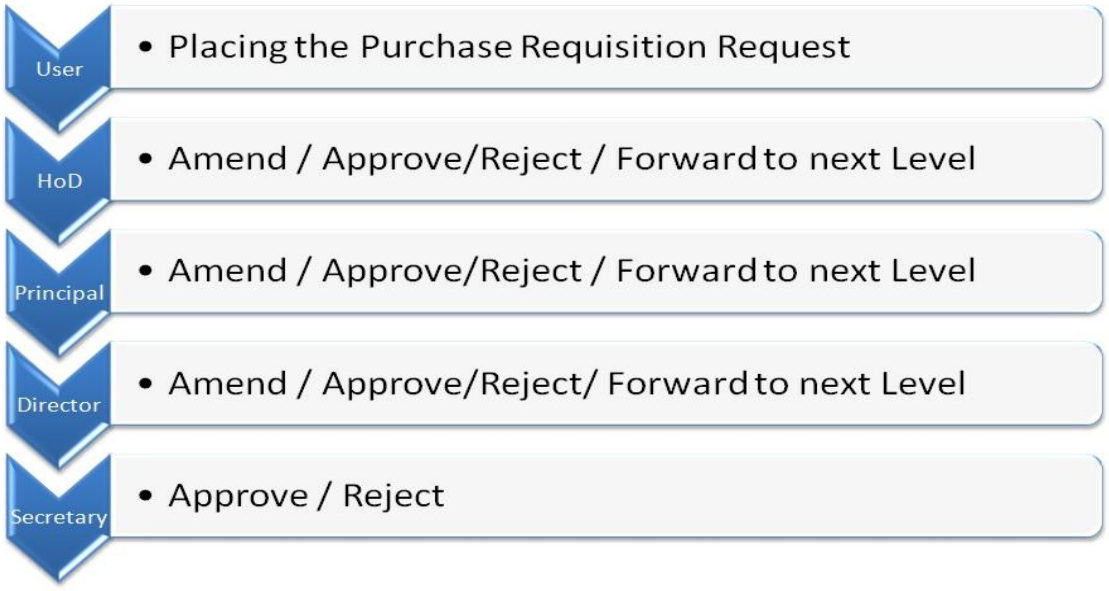
   Warehouse Manager is entrusted to receive products and stock approver needs to verify the same.

5. **Payment against invoice at Accounts department.**

   Accounts department makes payment against the Purchase Orders.

Purchases Workflow

Purchases Approval Chain



C. Purchases Requisition User Roles

1. **Request Initiator(RI)**

The Purchase Request initiator user role is the one who can create purchase requisition. The purchase requisition user is able to create requisitions and the same will be sending the request for approval to higher level users in the approval chain. The request initiator role is handled by assigned users of each department (Faculty, Lab staff).

2. **Head of the Department (HOD)**

The HOD user role is the one who can create purchase requisition, approve purchase requisition within his/her limit and can amend requisition. The HOD is able to create requisitions and the same will be sending the request for approval to higher level users in the approval chain, depending on approval rights. This role is handled by Department Head of each department.

3. **Principal**

The Principal user role is the one who can create purchase requisition, approve purchase requisition within his/her limit and can amend requisition. The Principal is able to create requisitions and the same will be sending the request for approval to higher level users in the approval chain, depending on approval rights.

4. **Director**

The Director user role is the one who can create purchase requisition, approve purchase requisition within his limit and can amend requisition. This user is able to create requisitions and the same will be sending the request for approval to higher level users in the approval chain, depending on approval rights. This role is handled by a Director from Vidya International Charitable Trust (VICT).

5. **Secretary**

The Secretary user role is currently the top level user in approval chain. This user is able to create requisitions and the same can approved by the user. This role is handled by Secretary from Vidya International Charitable Trust (VICT).

6. **Warehouse Manager**

The Warehouse Manager user role can receive the products once purchase order is confirmed and the delivery of goods is made by the

vendor. Presently this role is handled by persons assigned by HoD (Faculty, Trade Instructor, admin staff).

7. **Stock Approval User**

Stock approval user role needs to approve the product received by the Warehouse Manager. Presently this role is handled by Head of the Department.

8. **Purchase Officer**

The role of Purchase officer is to: Enter Request for Quotation Response, Create Draft Purchase Order (PO). Purchase Officer sends Draft PO to Purchase Manager for approval. If the PO amount is above certain level the same needs to be also approved by High Purchase Approver or Third Level Approver

9. **Purchase Manager**

The Purchase manager role is entrusted with the following responsibilities, approving the purchase order, amending purchase order. Purchase Manager needs to send to approval for High Purchase Approver if the PO is above a certain limit.

10. **High Purchase Approver**

If we set force two levels of approvals limit, then it require a second approval from High Purchase Approver. The limit amount can be specified in the field provided. In such cases, the Draft PO is recommended by Purchase Manager to High Purchase Approver for approval. This role is handled by a Director from Vidya International Charitable Trust (VICT).

11. **Third Level Approver**

If we set force three levels of approvals limit, then it require a third approval from Third level Approver. The limit amount can be specified in the field provided. In such cases, the Draft PO is recommended by High Purchase Approver to Third level approver for approval. This role is handled by a Secretary from Vidya International Charitable Trust (VICT).

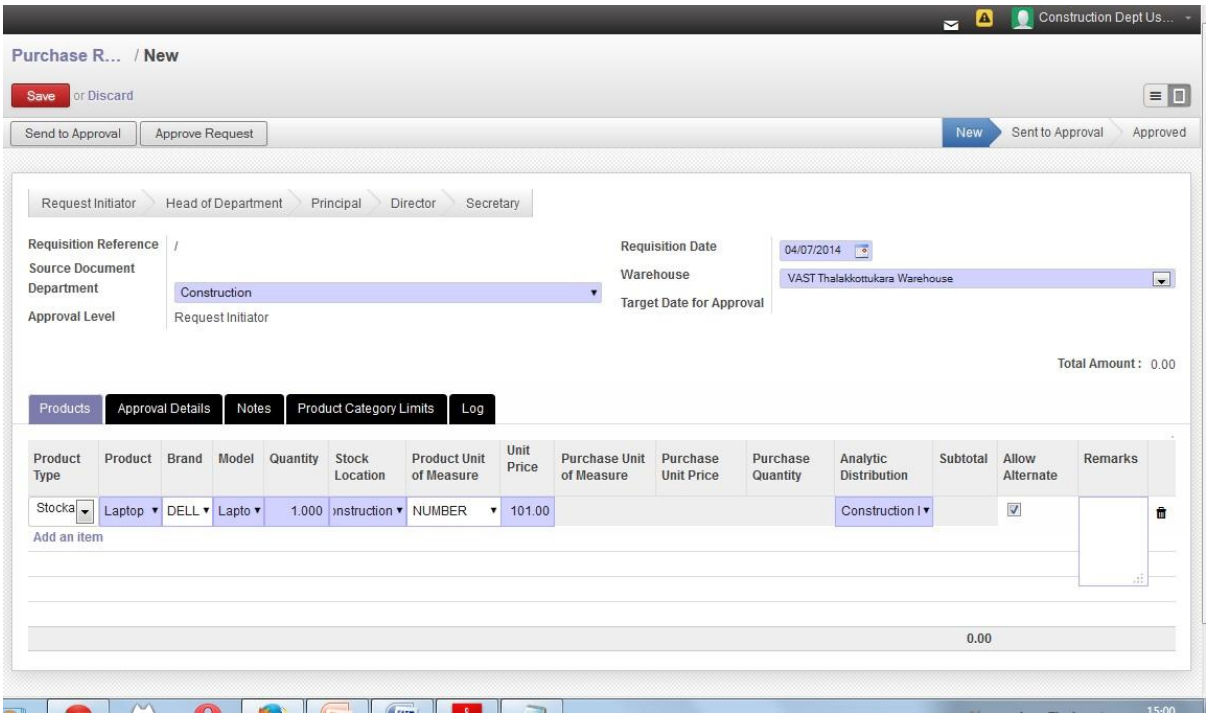
12. **Finance Manager**

The Finance manager role is entrusted with the following responsibilities, payment against invoice, confirming the product as asset, depreciation calculation etc.

D.Purchase Requisition Work flow

Step1. Purchase Request Initiation

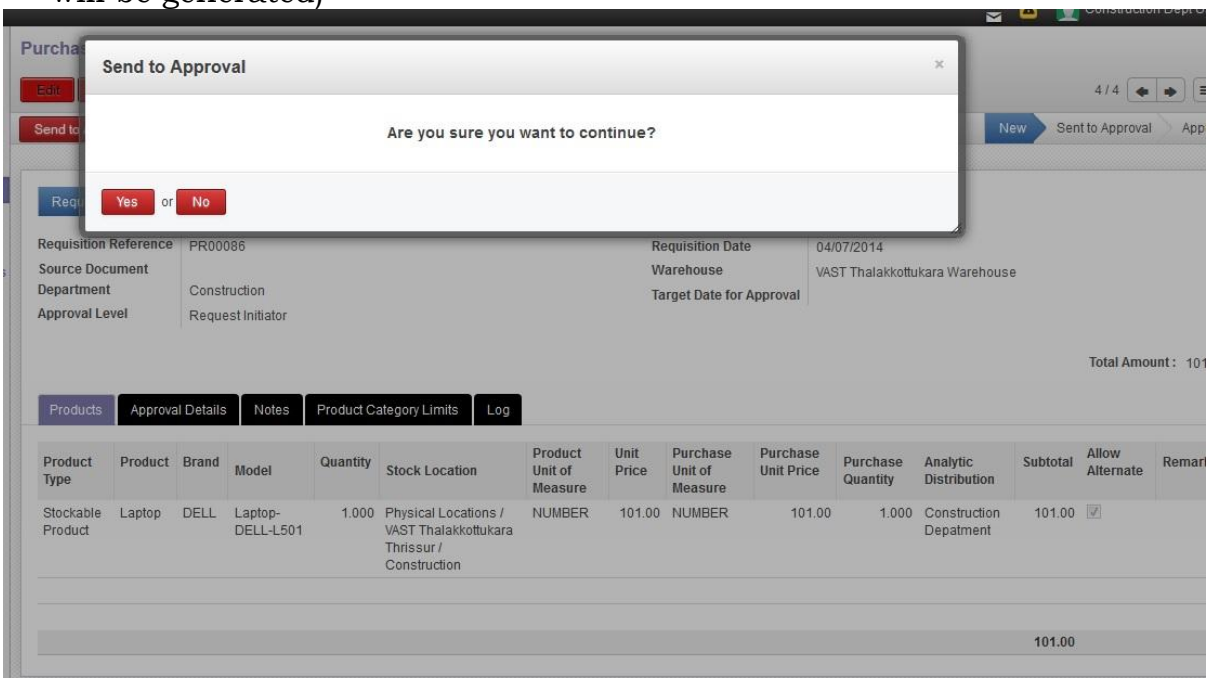
1. Login as purchase user of a particular department.
2. Go to Purchases --> Purchase-- > Purchase Requisition and click 'Create'
3. Enter the department drop down (the department to which the purchase user belongs will be displayed)
4. Enter the warehouse and add the product lines.
5. Enter the Product by clicking 'Add an item', When product is entered, the respective brand, which belongs to the product, will be available in 'Brand' drop down. Once brand is selected the respective models belonging to that brand will be available in 'Model' drop down. Select the required model.



6. Enter the Quantity, Stock location and Analytic Distribution. Unit price of the product will automatically list if the product price already set in the system.
7. Check the 'Allow Alternate' check box if the product requested can be of any 'Brand' or 'Model'. If there is necessary that the product's 'Model' and 'Brand' should be same as given in the requisition, the Allow alternate button should not be checked.

8. Any more details related to the product to Purchase can be entered in the Remarks field provided.

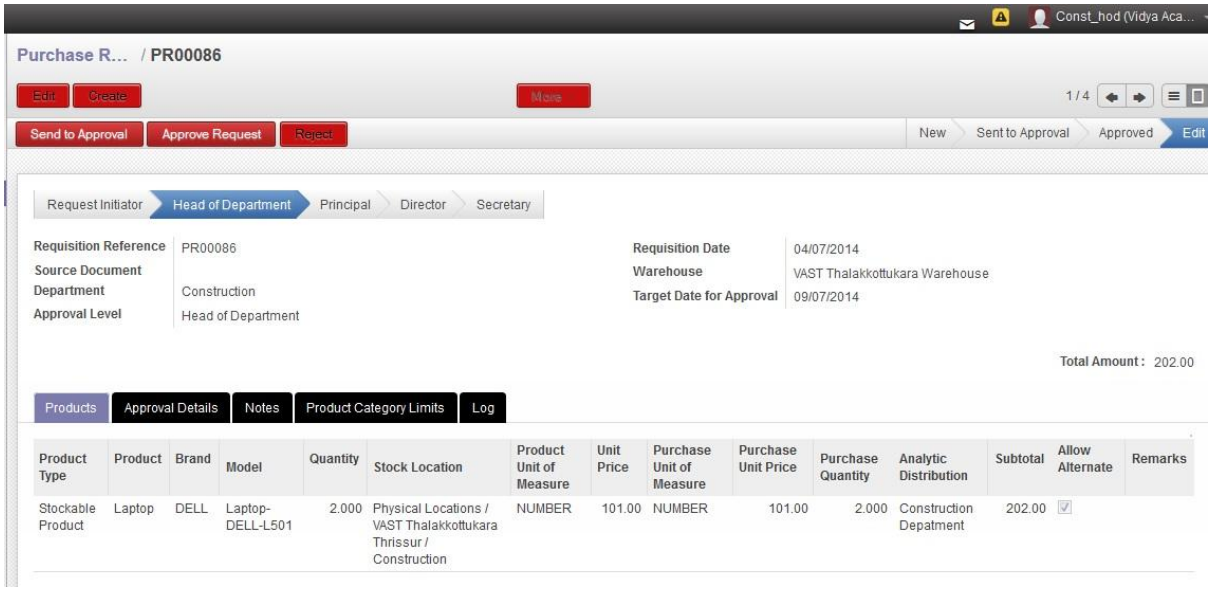
9. Click 'Save'. (A corresponding Requisition reference and requisition date will be generated)



10. Click Send to approval button.
11. The requisition will be now forwarded to HOD of the corresponding department.
12. In the 'Approval Details' tab the status shown will be waiting for approval from HOD.

Step 2. Approval of Purchase Requisition

13. Login as HOD of particular department
14. Go to Purchases --> Purchase --> Purchase Requisition and select the particular requisition created by the purchase requisition user.
15. The HOD may be able to:
    • Approve the requisition by clicking the 'Approve Request' button. The requisition gets approved and can be added in RFQ (Request for Quotation)
    • Send to approval for further higher level member of approval chain
    • 'Reject' the requisition with proper reason mentioned, or
    • Amend the purchase requisition.



16. Similarly Principal, Director or Secretary can perform the above steps.

E. Approval of Purchase Requisition

Approval of purchase requisition will be done by higher level members in the approval chain. Once purchase requisition is approved, an alert is send to the Purchase officer, where he/she would select the request and initiate the purchase process.

F. Send to Approval for higher level user

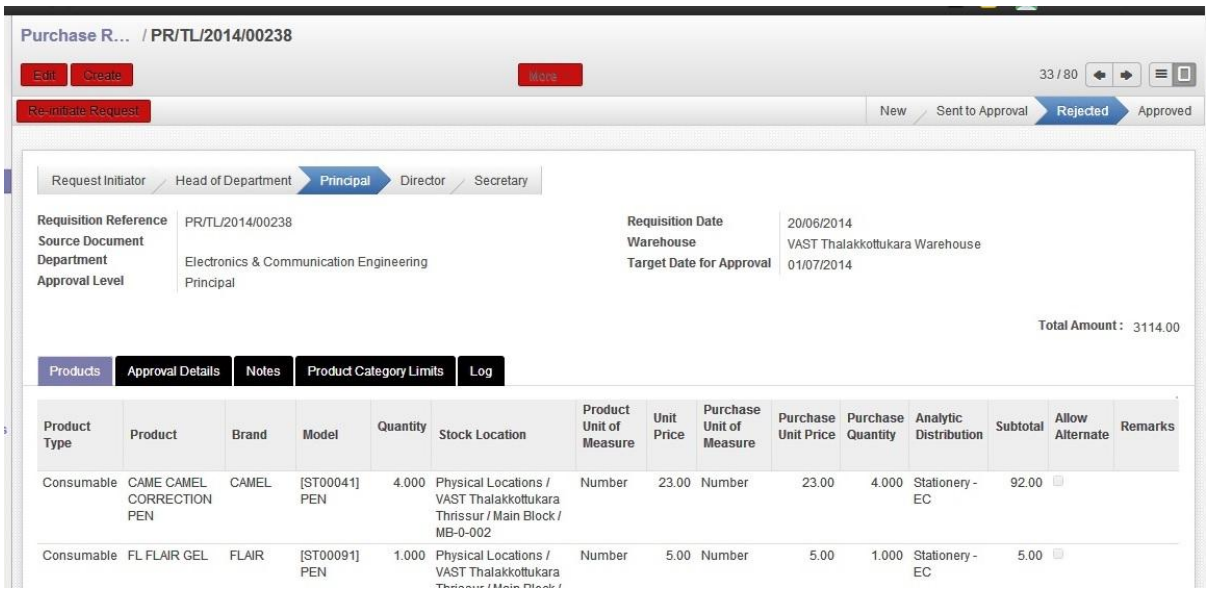
The requisition is send to approval for higher level users when the current user is not able to approve the requisition or when there is necessity of higher level user to confirm the approval. When the approval limit of a particular user is less it cannot be approved by the user, in such cases the requisition will be send for approval to higher level member in the approval chain.

G. Rejecting Purchase Requisition

When the requisition created by a particular user cannot be accepted or approved, the requisition can be rejected by the next level user in the approval chain with proper comments stating reasons for rejection. Rejecting purchase requisition can be done by clicking 'Reject' button.

H. Re-Initiating Purchase Requisition

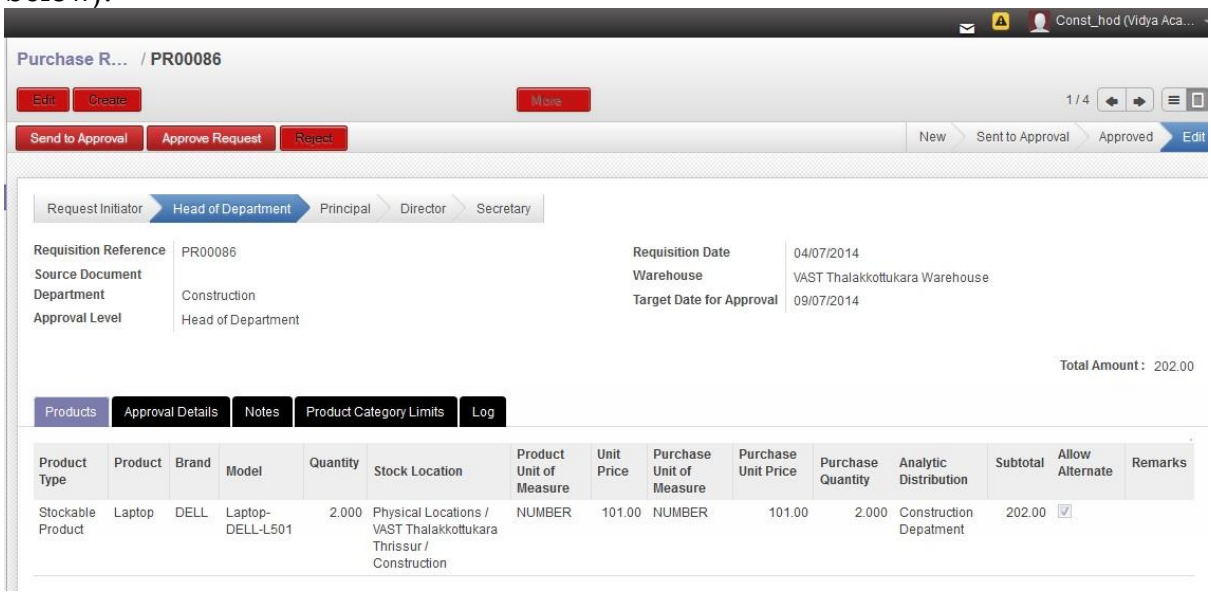
When the requisition created by a particular user cannot be accepted or approved, the requisition can be rejected by the next level user of approval chain, the same requisition can be Re-Initiated. The Re-initiation of requisition can only be done by the user who created the requisition. Once reject button is clicked 'Re-initiate Request' button will be visible.



Once a requisition is Re-initiated source document column will become a read only field with previous requisition reference shown in it.

I. Amendment of Purchase requisition

Amendment can be done by higher level user in approval chain. Amendment can be done by: Clicking the second 'Edit' button available and further clicking the 'Edit' button on top available. (Please see screen shot below).



Amendment is done when there is a necessity of further addition or editing of product lines.

J. Processing Approved Purchase requisition at Purchases Department (Centralized)

Step 3. Purchases Department Processing and creation of Purchase Order

1) Purchase officer invites quotation for the requested products.

2) Purchase officer performs quotation tabulation with vendor response.

3) Purchase Officer creates a draft Purchase order and sends it to next level i.e. Purchase Manager.

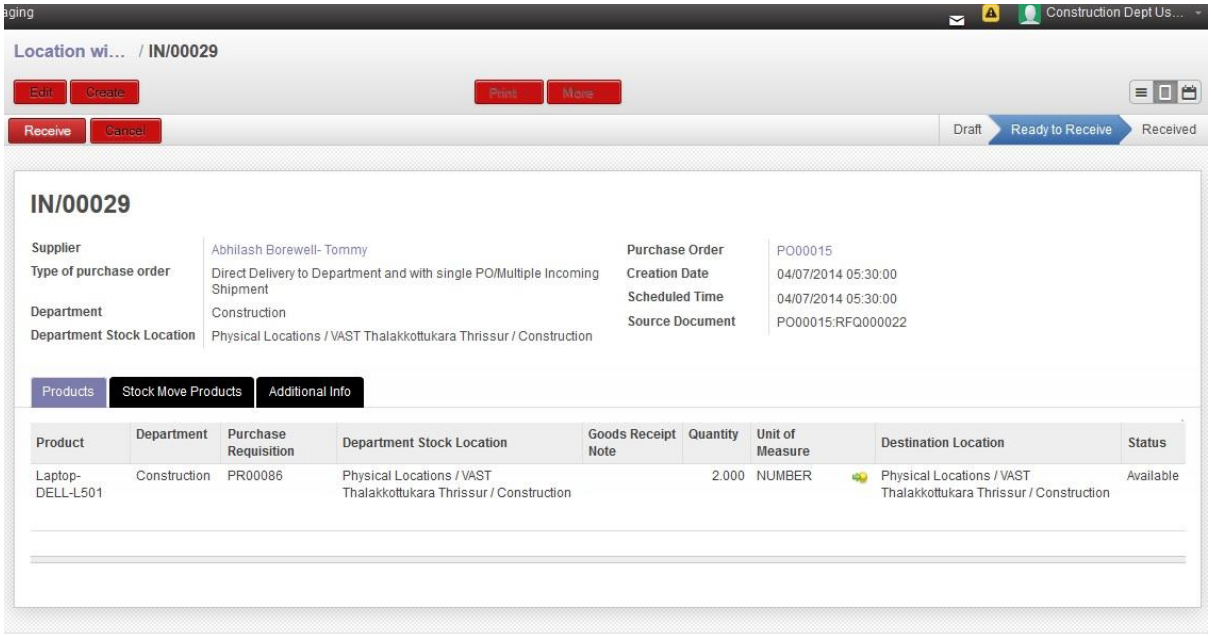
4) If the Purchase order is within the limits of Purchase Manager to approve, he/she approves the order else forward it to the next level i.e. High Purchase Approver.

5) After getting approval from High Purchase Approver, Purchase Manager confirms the order and sends it to the selected supplier.

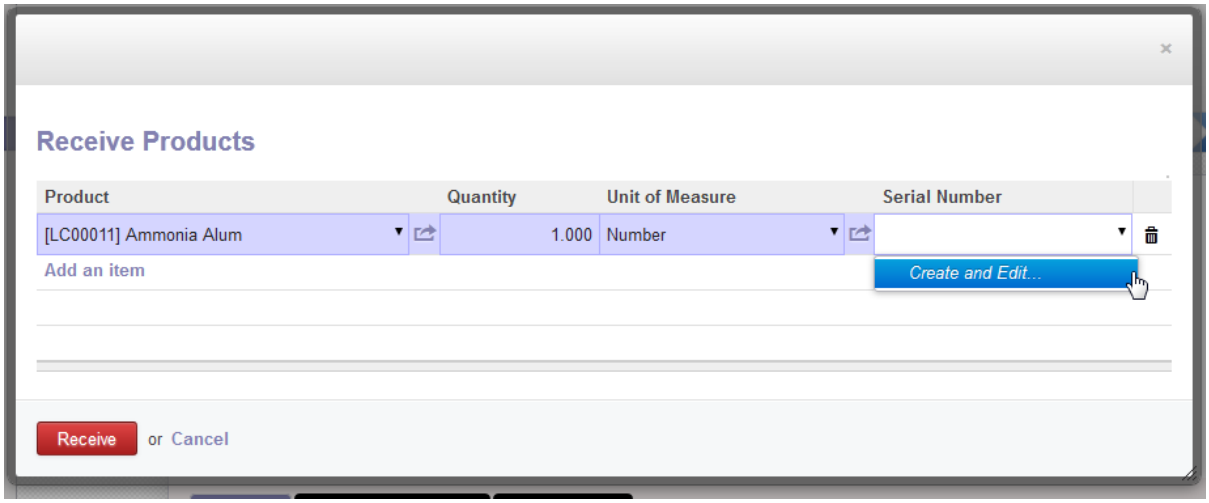
K. Reception by Warehouse Manager

Step 4. Delivery and verification of Products at the warehouse

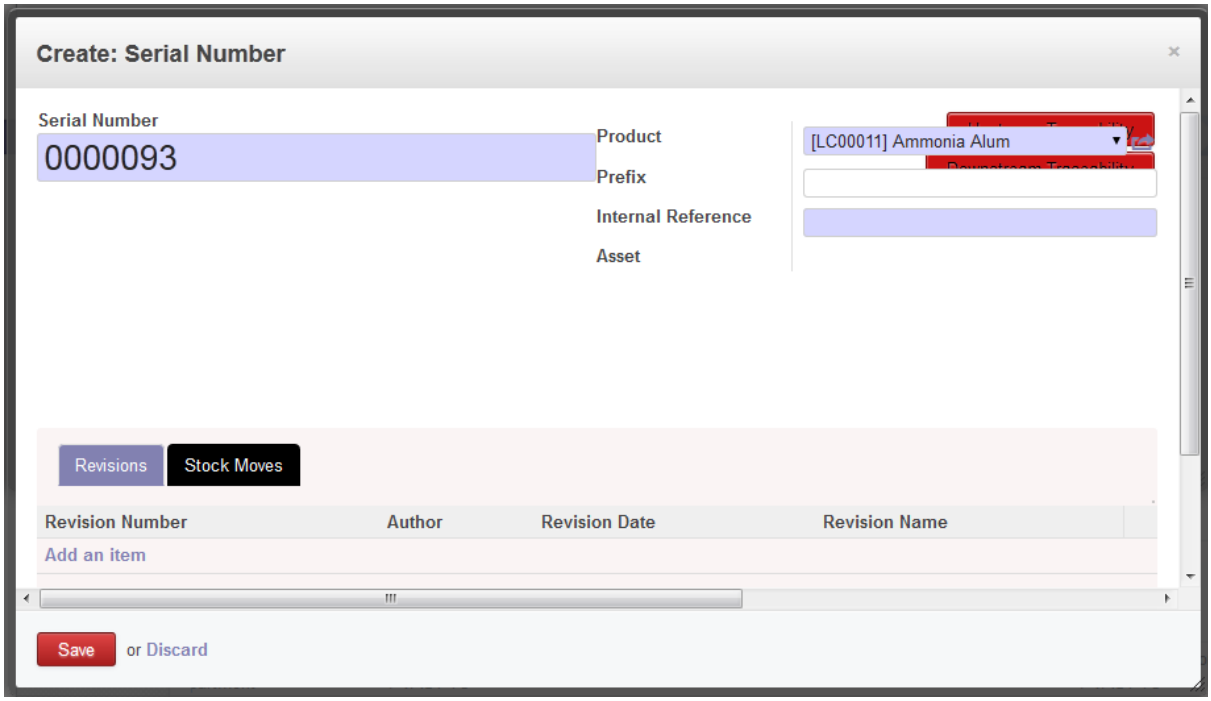
1) Login as Warehouse Manager of corresponding department and go to Receive Stock -->Receive/Deliver by Orders --> Location wise Incoming Shipment and click to corresponding incoming shipment. (When Type of purchase order is given as: Direct Delivery to Department with single PO)
2) Click 'Receive' button and Click create and edit option in Serial Number in 'Receive Products' pop up.



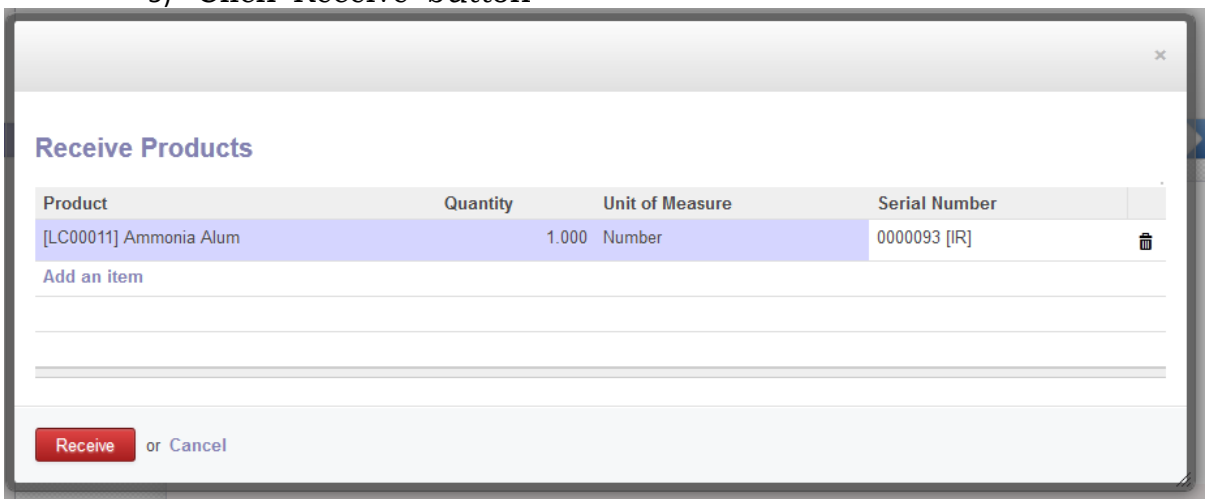
3) Click 'Create and Edit' option from the Serial Number drop down box.



4) Enter an Internal reference and click save the corresponding Serial Number will be displayed in Receive products pop up.



5) Click 'Receive' button



6) Then the HoD ('Stock Approval User') of corresponding department logins and corresponding goods verification will be obtained from Purchases --> Purchase --> Goods Verification.

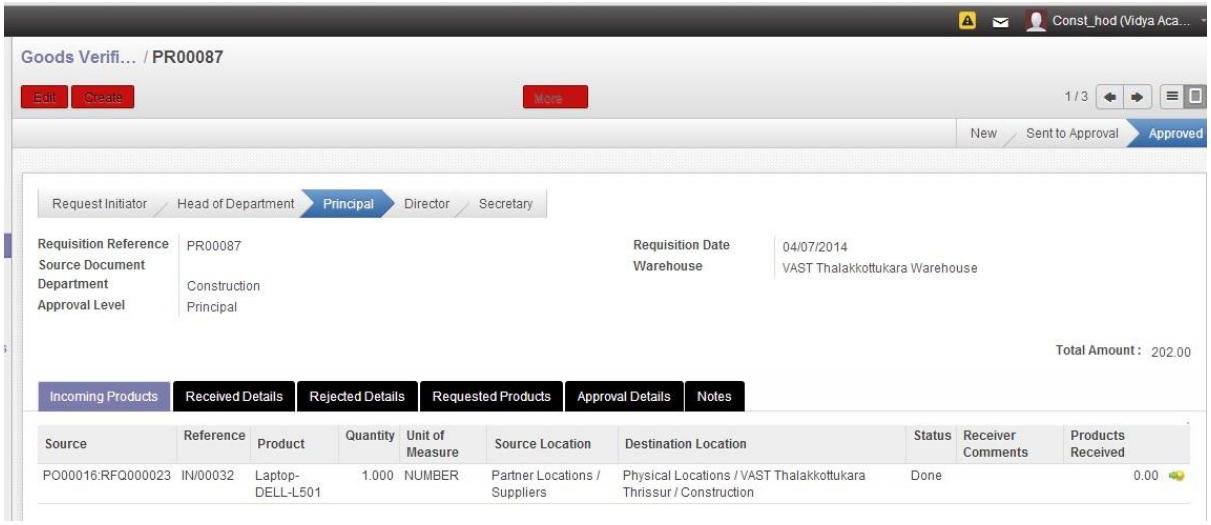
7) Then the particular goods can be approved or rejected by 'Stock Approval User'.

L. Stock approval by Stock Approval user - HoD

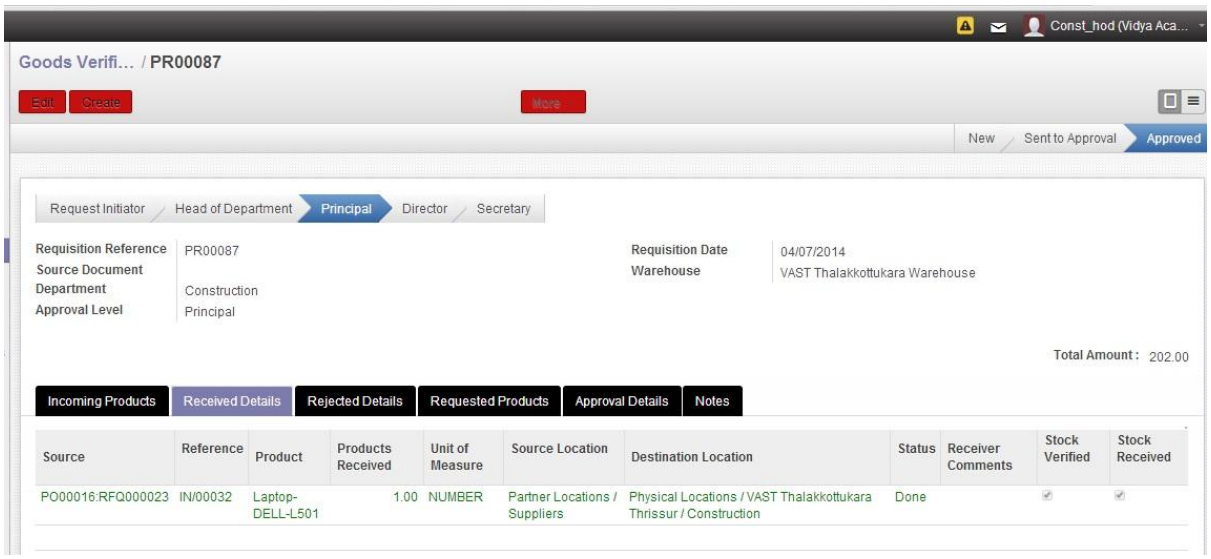
After the warehouse manager confirms the product reception. Login as Stock Approval user belongs to corresponding department.

1) Login as Stock Approval user belonging to corresponding department.

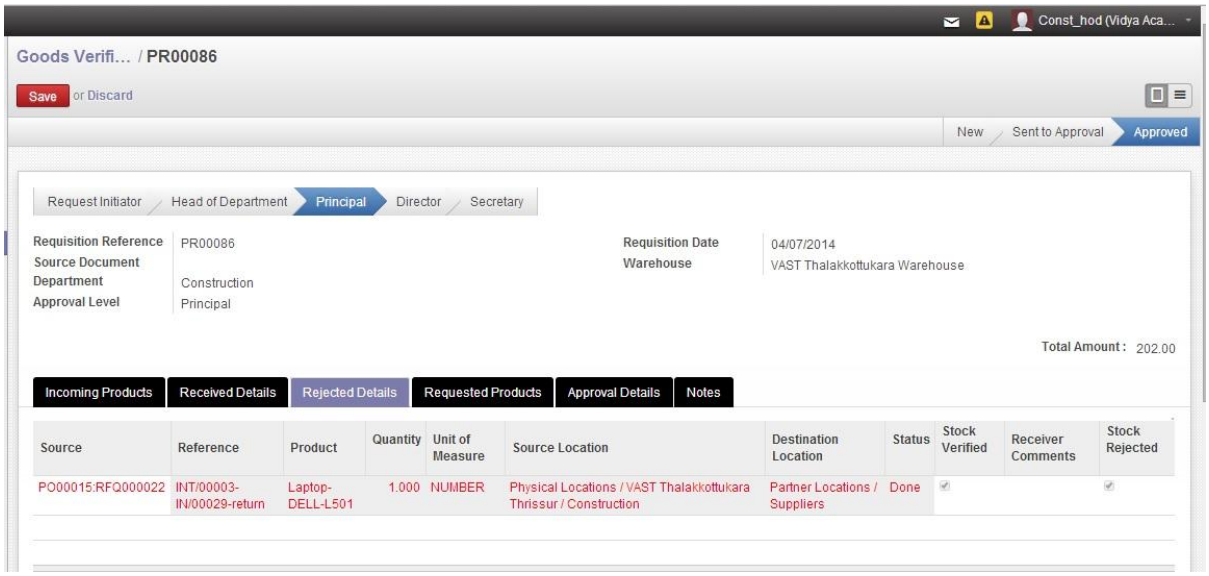
2) Go to purchases > Purchase > Goods Verification (select corresponding purchase order)
3) Click on 'Edit' option in order to approve the stock.



4) On clicking the 'Approve' option after editing the quantity in 'Products Received' field. The product line will turn green. The same can be now found under the Received Details tab.



5) The corresponding received products can be found in Product Received Details
6) Similarly when a product is not received in 'Products Received' field it will be rejected. The same can be found under the Purchases > Purchase > Goods Received as GRN.



M. Processing of Payment at Accounts Department (Centralized)

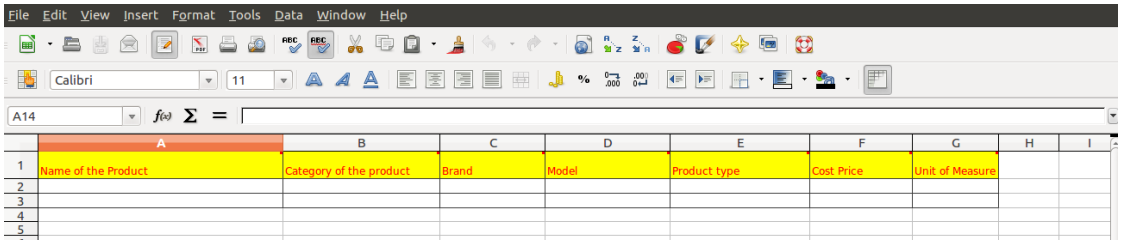
Step5. Payment against invoice at Accounts department

Once goods are received by the Warehouse Manager and confirmed by the HoD, the next step would be is to create the draft invoice, for generating payment. The steps followed are as follows:

1. Accounts department receives the Draft Invoice corresponding to the Purchase Order generated from the Purchases department.
2. Accountant makes payment to the supplier against the invoice.
3. If the received product is and asset, then confirms it as a fixed asset.

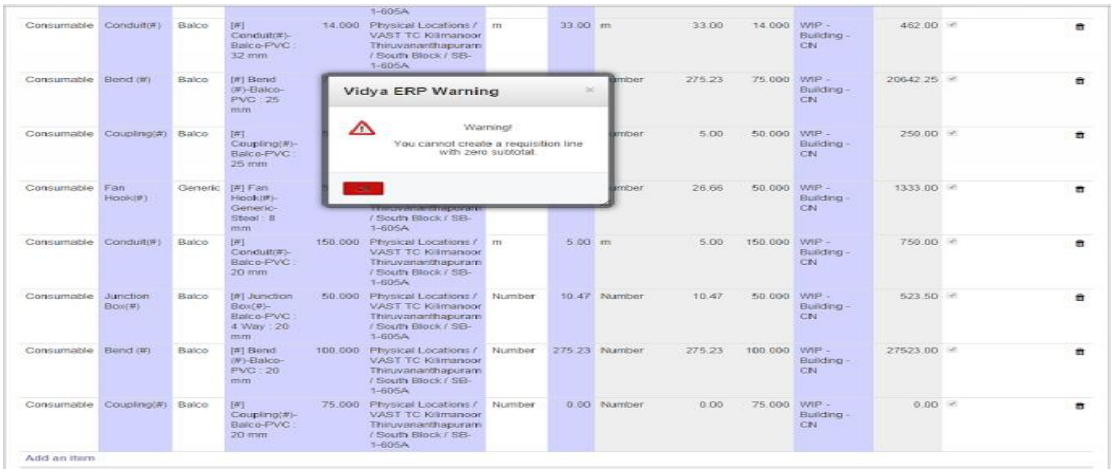
N.FAQ

- **Product Not Found**



Solution: If the product is not available in the system then fill the details in the product template and send it to ERP Support Team (erpsupport@vidyaacademy.ac.in)

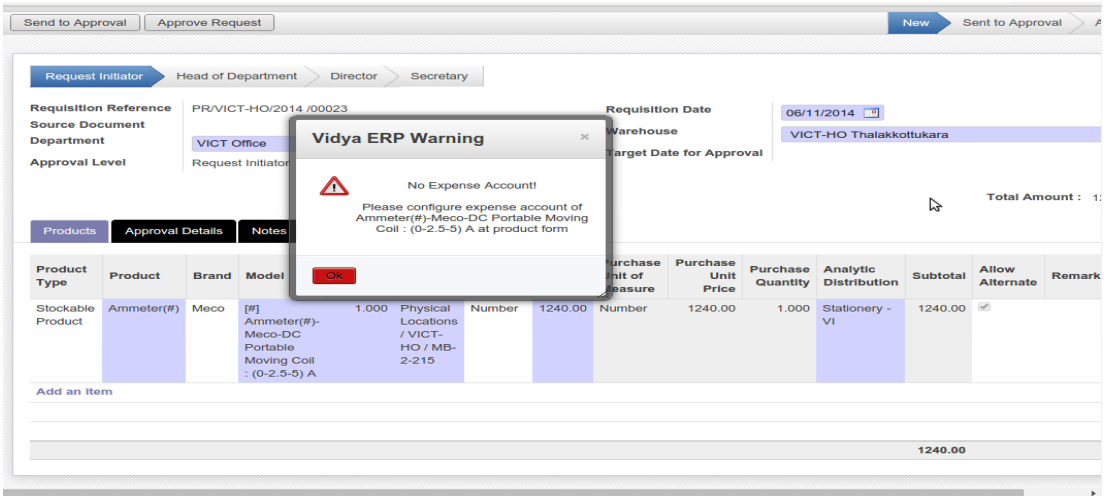
- **Zero Sub Total**



Solution: Contact ERP

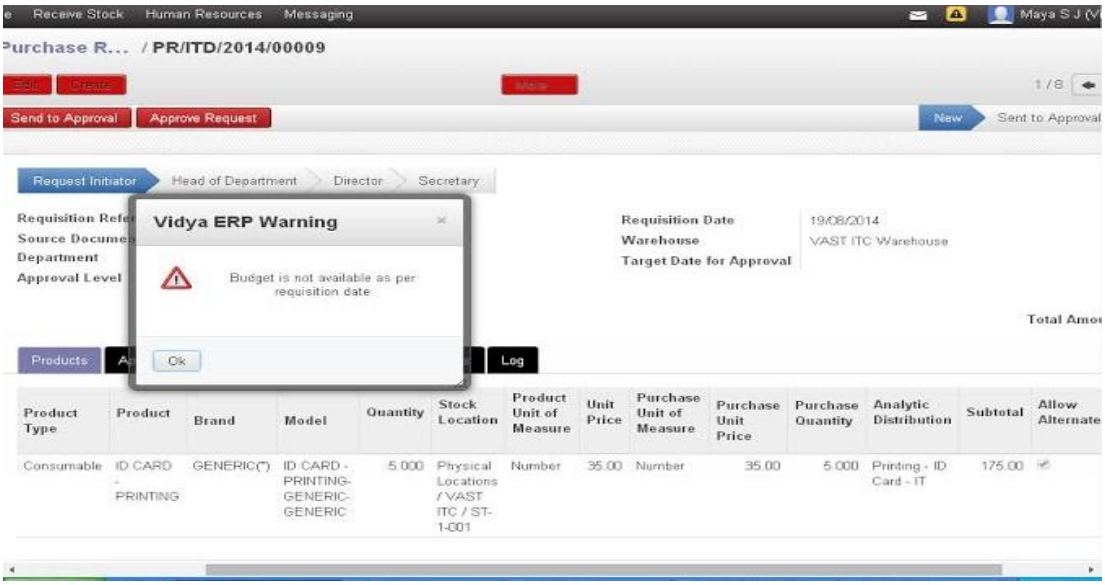
Contact Support Team with details
erpsupport@vidyaacademy.ac.in

- **No Expense Account**



Solution: Contact ERP Support Team with details erpsupport@vidyaacademy.ac.in

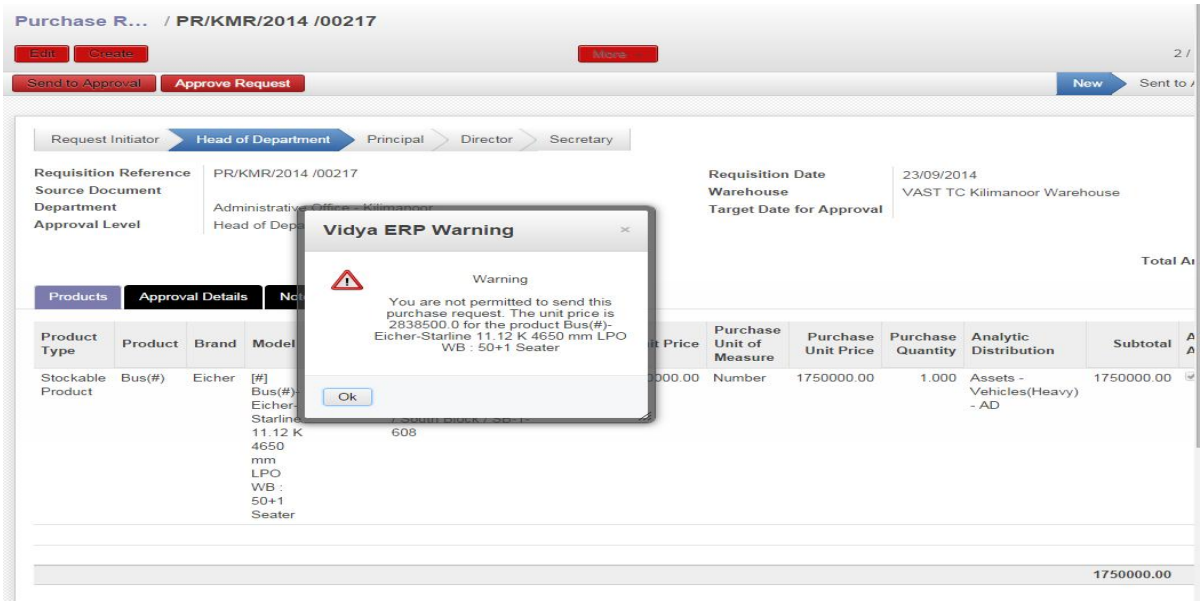
- **Budget is not available**



Solution: Contact VICT Accounts Team

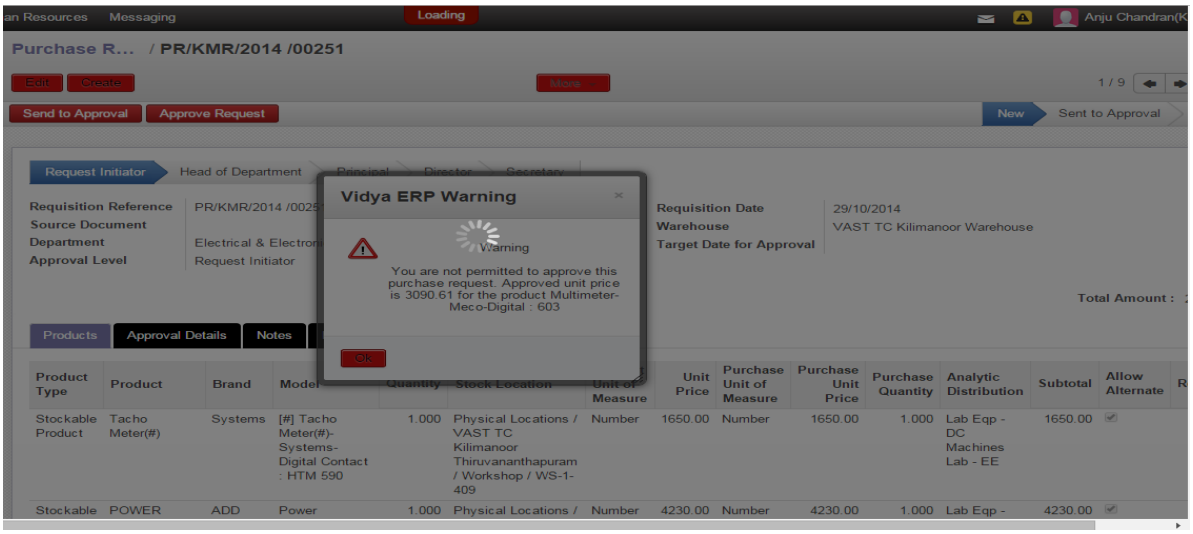
accounts@vidyaacademy.ac.in

- **Unit Price Mismatch while trying to send to next level**



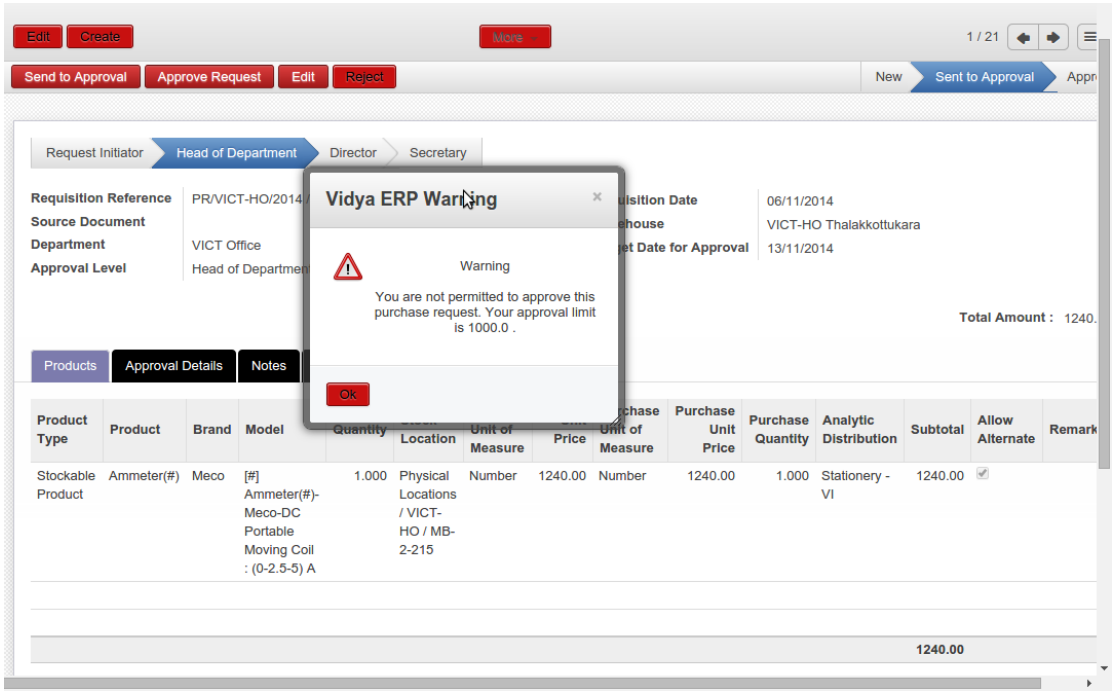
Solution: Contact ERP Support Team with details
erpsupport@vidyaacademy.ac.in

- **Unit Price Mismatch while trying to Approve**



Solution: Contact ERP Support Team with details
erpsupport@vidyaacademy.ac.in

- **Approval Limit Exceeded Request**



Solution: Send Request to next level for approval