2. Commitment Management

BISAN SYSTEMS

FMIS

$ Jimwe Tiljok im Mol $

Public Financial Management – Ministry of Finance

2.2 Procurement Module P2P

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1. Objective

The objective of this document is to provide a step-by-step guide for the implementation of the procurement process in Bisan.

The use of the module is very important to the GRMI as it closes a significant gap in the FMIS system for tracking and reporting on commitments and aiding in cash projections.

It is specific to the GMRI financial accounting policies and procedures. As with all other sections in this procedures manual, it starts with a schematic overview of the process then discusses each step in the process in detail.

2. Scope

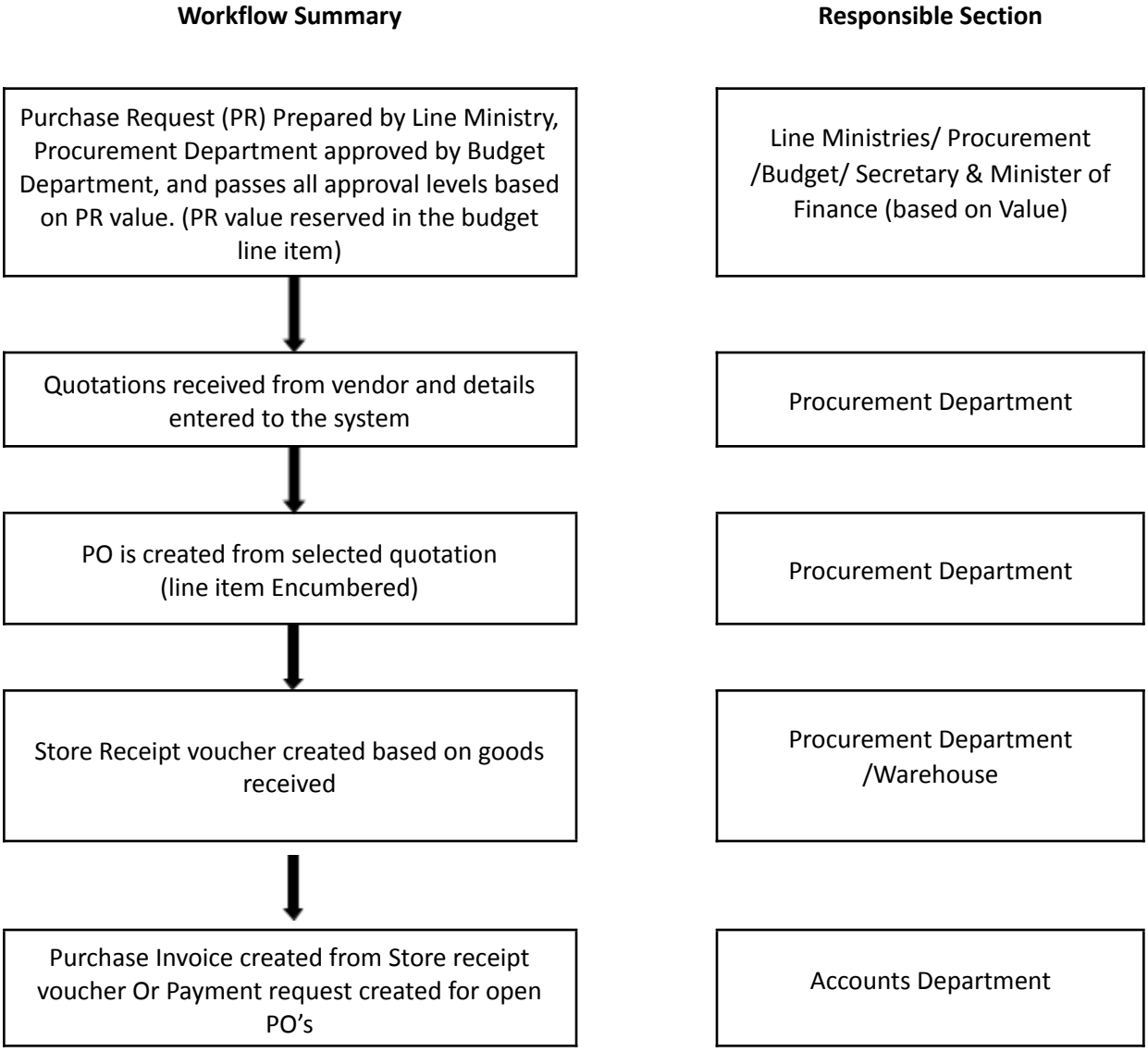
This procedure is of interest to:

- Procurement Department
- Budget Department
- Accounting Department
- All Line Ministries

3. Authority

The legislative basis for Procuring Goods and Services is found in the GRMI Procurement Law.

4. References Workflow/Process Flowchart



5. Detailed Process Procedures

5.1 Background

NOTE:
The following does not override the procedures in the Procurement Law or any internal procurement regulations. This is to give background and the focus of this manual is to be the bridge between Procurement and the Bisan FMIS system.

The Procurement Law provides detailed guidance on the procurement process. The Procurement & Supply Division of the MoF undertakes contracts on behalf of the government spending ministries. The procurement actions have different processes depending on the amount involved.

The P2P process within GRMI is organized around the following four (4) groupings, with each grouping having a similar process:

- PURCHASE REQUISITION (PR) – SMALL PURCHASES PROCESS FOR GOODS AND SERVICES PROCUREMENT $25,000 AND BELOW
- CONTRACTS PROCESS FOR GOODS AND SERVICES PROCUREMENT $25,000 AND ABOVE
- DIRECT CONTRACTS (LEASE/SERVICE/SUB-GRANT) PROCESS
- UTILITIES/REIMBURSEMENTS/OTHER DIRECT PAYMENT PROCESS

Purchases Module

The procurement process will start by using the Purchases module and the creation of the Purchase Request (PR) in the system will automatically check to ensure there are sufficient free Allotment balance and make the appropriate reservation before starting the procurement process.

Once the procurement process is finalized, the supplier is issued with a purchase order/contract that represents the creation of a legal liability (encumbrance). The details of how this is performed using Bisan will be described below. **This is a key control in the process as no contractual obligation SHOULD be entered into unless there is a PO or a Budget Request Voucher (BRV) issued from the Bisan FMIS. This guarantees that an encumbrance has been taken and thus there were sufficient funds available in the released allotment for the line item(s), as required by law**. There will no longer be a need to manually check to determine if free allotment funds are available.

5.1.1 Budgetary Control in Bisan for Reservations & Encumbrances

Working with Purchase Request (PRs) and Purchase Order (POs) requires users to fully understand the budgetary concepts for reservations and encumbrances and how they are used in the Bisan system. As well as this, it is extremely important to understand how the GMRI controls budget, against which PRs and PO's are reserved and encumbered against. Without knowing these concepts and background, saving and working with PRs and PO's could prove to

be frustrating as you will be encountering many errors as the PR or PO will not be allowed to be saved.

5.1.1.1 Budgetary Control Overview

GMRI will use 2 levels of budgetary control that affects the use of PRs and PO's, each at a progressively lower level. There is one further level but since it only affects when payments can be made, it will not be discussed here. This can be shown as follows.

Assume that this explanation is for one ministry only, without the other segments and it fully spends its allotments each quarter.

Level	Description	Account Code	Numeric Explanation
Yearly Budget appropriation	The value of the yearly budget approved at the Account Code level	80xxxx	**10,000**
Allotments	The value of the yearly budget, approved at the Budget Control Code level, but divided quarterly into 4 separate allotments during the year. Each allotment is valued at 25% of the yearly. The quarterly allotments may not be equal to 25% as it may depend on the cash flow projections for that quarter plus when the ministry anticipates beginning the procurement process (PR) or signing contracts during that quarter (PO).	80xxxx	Allotment #Q1 2,500 Allotment #Q2 2,500 Allotment #Q3 2,000 Allotment #Q4 3,000 **Total 10,000**

The yearly budget is the amount allowed to legally spend in one year at a particular level and allotments are used to limit spending or creating reservations/encumbrances in a certain quarter depending on the cash flow of GRMI. Total allotments for the year cannot exceed the yearly budget, however, individual allotments can vary depending on the purchase, payment and cash flow realities, as shown in the above theoretical breakdown of four allotments spread over a year, each different in amount but not exceeding the yearly budget in total.

5.1.1.2 Budgetary Control and Interaction with Purchase Requests (PRs)

PR, as discussed in detail in the following section, is the document that starts the procurement process and ensures that there is sufficient budget available BEFORE the procurement process is started. When a PR is saved in the Bisan system, a reservation is made against the allotment and funds are "earmarked" as being used and not available for future PRs or direct payments (via a Payment Request). Graphically this can be shown as follows:

	Budget	Allotment	PR Reservation	Expense	Free Allotment
		A	B	C	D=A-B-C
Allotment #1	**4,800**	**1,200**	**300**	**400**	**500**

In the above simple example, the allotment for the 1st quarter of the fiscal year was set at 1,200, from which a PR has been saved and a reservation of 300 has been taken, as well there have been 400 in actual cash payments (GL expense entry made) made to date. This results in ONLY 500 remaining as "free allotment funds" that can be used to create new reservations via a new PR or direct cash payments. Therefore, as an example, if a user wants to issue a new PR for 600 against the account, the Bisan system would not allow the user to save this PR because there are insufficient free allotment funds available (only 500 is available for reservation). The PRs are converted to PO and then finally to cash payments. During the whole process, from issuance of PR to time of cash payment, the 300 reservation as shown in the above example is kept (as either a PR value or zeroed out and converted to a PO value during procurement process) and at the end the reservation is released (becomes zero) but is replaced by the cash payment (expense). Even when this PR is finally paid (assume for the same amount as set up), the Allotment budget available will not change; however, the allocation will change as follows:

	Budget	Allotment	PR Reservation	Expense	Free Allotment
		A	B	C	D=A-B-C
Allotment #1	**4,800**	**1,200**	**0**	**700**	**500**

5.1.1.3 Budgetary Control and Interaction with POs

The PO, as discussed in detail in the following section, is the legal document that obligates the GRMI to pay according to the contract. Whereas the PR was just a request to purchase items and a reservation was made to ensure there were sufficient funds available to begin the procurement work, a PO is the finalization of the purchasing process that the PR started. In Bisan, a PO is created by taking the information that was in the PR, after a price quotation has been attached to the PR, and transferring it to the PO form that contains the actual prices and is duly authorized, printed and sent to the supplier.

NOTE, the PO cannot be saved if the total price of the PO is in excess of the PR, on an item-by-item basis. This is a built-in control to ensure that management is aware of this and a

contractual obligation cannot be entered into unless the PR is amended and adequate budget is available.

The PO does NOT add to the amount of the funds reserved by the related PR but merely classifies it differently within the Bisan system so when reviewing the "earmarks" against budget, management can easily determine how much of the earmark is due to ongoing purchasing/tendering processes and how much of the earmark is due to legal obligations. Following in the example above example above:

	Budget	Allotment	PR Reservation	Expense	Free Allotment
		A	B	C	D=A-B-C
Allotment #1	**4,800**	**1,200**	**300**	**400**	**500**

If the reserved amount of $300 in the above example is for 2 PRs with amounts $200 & $100 (Total PRs reserved are $300) and we send the PR with the value of $200 to a PO to follow and complete the procurement process, the following will be the effect on the Budget:

	Budget	Allotment	PR Reservation	PO Encumbrance	Expense	Free Allotment
		A	B	C	D	E=A-B-C-D
Allotment #1	**4,800**	**1,200**	**100**	**200**	**400**	**500**

To complete the business cycle, now let us assume that the PO (value of $200) has been executed, goods received, and a purchase invoice is recorded or fully paid. In Bisan, it would be graphically shown as follows:

	Budget	Allotment	PR Reservation	PO Encumbrance	Expense	Free Allotment
		A	B	C	D	E=A-B-C-D
Allotment #1	**4,800**	**1,200**	**100**	**0**	**600**	**500**

5.1.1.4 Conclusions:

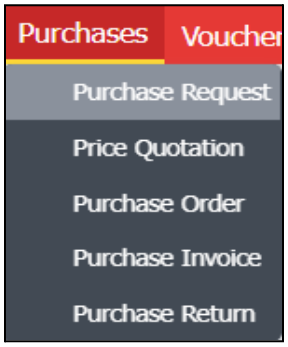
- PR is the first document that reserves funds
- Reservations are taken against the quarterly allotments and NOT the yearly budget
- Quarterly allotments are based on cash payment requirements and an estimate of any contracts to be signed in that quarter
- PO's are linked to the PR's in the procurement workflow.
- PO's do not create reservations in addition to those made by the related PR
- PO's should not be created without to a PR
- PO's cannot be created IF they exceed the value of the related PR on an item by item basis

- Multiple PO's can be created from a single PR

5.2 Procurement Workflow Vouchers

To understand the workflow process in the Bisan FMIS, the following table summarizes the concepts/vouchers used when relating the Procurement Business Process with workflow process in Bisan.

5.2.1 Purchases Menu



Voucher	Loaded From/ Send To Which Voucher?	Purpose
Purchase Request	**Loaded From:** ● Material Request (Used with Framework Contracts) **Send To:** ● Price Quotation (PQ)	The Purchase Request (PR), is used to start the purchase process. Creation of the PR depends on the procurement process: PR can be for Framework contracts used for the items included in a framework contract or to start a direct tendering process. 1- With Framework Contracts, the PR is created AFTER a *Material Request* has been issued (see Stocks Menu below for discussion of this concept). 2- With direct tendering process, the PR is the first step in the process. In Both cases it is at this point that a purchase is "linked" to the BCS and an estimated price developed. It is also at this point where a "soft" commitment (reservation) is taken against the Allotment Budget (not the yearly budget). The PR captures vital information that will help in the procurement process and also allow one to easily track the "progress" of the PR through the procurement process. By making a

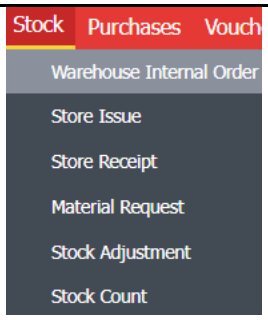
Voucher	Loaded From/ Send To Which Voucher?	Purpose
		reservation at this early stage in the process, it ensures that the GMRI is not beginning a purchasing process that may not be allowed to be finalized due to lack of budget at a later date.
Price Quotation	**Loaded From:** ● PR **Send To:** ● Purchase Order (PO)	The *Price Quotation* (PQ) is used to track pricing and workflow in the tendering or purchasing process. It is used for the various tendering methods used, and when Framework Contracts are being sought. Information that is not known during the creation of the PR is completed here and further detailed information is available for pricing the procurement requirements. Once the pricing and tendering process is complete, the PQ can be automatically loaded into a PO that will form the legally binding document for contracting with the supplier (note, a more formal contract may be a contracting document, however a PO must still be issued from the Bisan system for control purposes). Note, if a purchase is part of a Framework contract, the PO can be created directly from the PR and no PQ is required as the price has already been negotiated in the Framework contract.
Purchase Order	**Load From:** ● PQ ● PR(framework contracts) **Send To:** ● Store Receipt Voucher	This is effectively the contractual document that binds the GMRI for goods or services. From a budget accounting point of view, it converts the “soft” commitment set up by the PR into a “hard” encumbrance. Ideally, the PO should be printed from the Bisan system, signed and delivered to the supplier. This is a very common practice for small purchases and framework contract purchases, however, for large contracts where a much more detailed contract is used as the legally binding contractual document, the PO is still printed, however is not delivered to the supplier and acts as an

Voucher	Loaded From/ Send To Which Voucher?	Purpose
		internal document to prove that an encumbrance has been taken in the FMIS. Goods/services will be received against this PO. This process will be discussed in the next section.
a. Purchase Invoice **b. Payment Request Voucher**	**Load From:** ● Store Receipt Voucher ● Store Receipt	a. In the procurement process the *Purchase Invoice* (PI) is the document that records the transaction to the general ledger (GL), where the expenditure is recorded against the obligation (Accounts payable) to the supplier, at the same time in the budget ledger the Encumbrance is converted to an Expense column (normal accrual approach to accounting). b. For open PO's like fuel (multiple invoices per PO), food stuff, & representative expenses, the PO's are drawn against the Dollar value of the PRV, not fixed items and price per item. For these type of purchases, multiple Store receipts (invoices) are loaded to a Payment request voucher.
Purchase Return	**Load From:** ● Store Issue	To record the processing of goods being returned to the Supplier after being received and purchase invoice was issued from the system. This could be for defective goods or unused goods.

5.2.2 Stock Menu

The following vouchers are used for Items movement and inventory management when goods are received from the vendors during the purchasing process, and for the item transactions between the warehouses and for the end users (divisions).

With the current process since the items (non fixed assets) are not managed as inventory the main voucher used is the Store Receipt.



Voucher	Load From/ Send To Which Voucher?	Purpose
Material Request	**Send To:** ● Purchase Request ● Store Issue	The *Material Request* voucher is used to begin the purchase process for a good or service mainly when framework contracts are used. This is generated by the line ministries and sent to the procurement department within their ministry. The Material request does not contain price information but is quantity only. No reservation is made in the allotment budget at the time of preparation.
Store Issue (SI)	**Send To:** ● Purchase Return ● Store Receipt	Used to indicate physical movement of goods from the warehouse and to show receipt/acceptance by receiving party.
Store Receipt Voucher (SR)	**Send To:** ● Purchase Invoice (PI)	Used to record the physical receipt (inflow) of goods or services. A proof that the goods from the supplier are delivered and now are in the custody of the GMRI.
Stock Adjustment		Used to adjust stock and this voucher is strictly controlled. Can be used for writing off stock for example or adding stock quantities if adjustments are made on Inventory.

Procurement Process workflow

5.3 Starting Procurement Process with PR

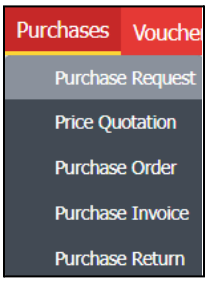
This process assumes we are starting the procurement process from the line ministry, stressing the point that before any procurement process can begin by the decentralized procurement departments, the respective line ministry must complete a manual PR and send to Budget Department to take budget reservation in the FMIS. The PR is printed from system, attached to manual PR and returned to line ministry. Internal procurement department of line ministry receives PR issued from Bisan and can then begin procurement process.

5.3.1 Creating a PR

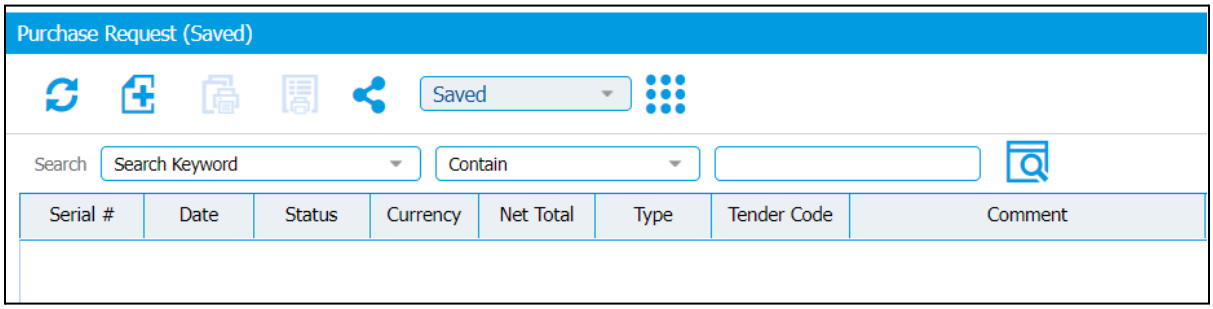
5.3.1.1 Creating a PR for Goods and Services Where Item unit and Price are Known

To start the procurement and reservation process a new PR should be created following are step by step explanation of the process. This step is performed by the **Procurement Department** after receiving the Manual PR from the line ministry.

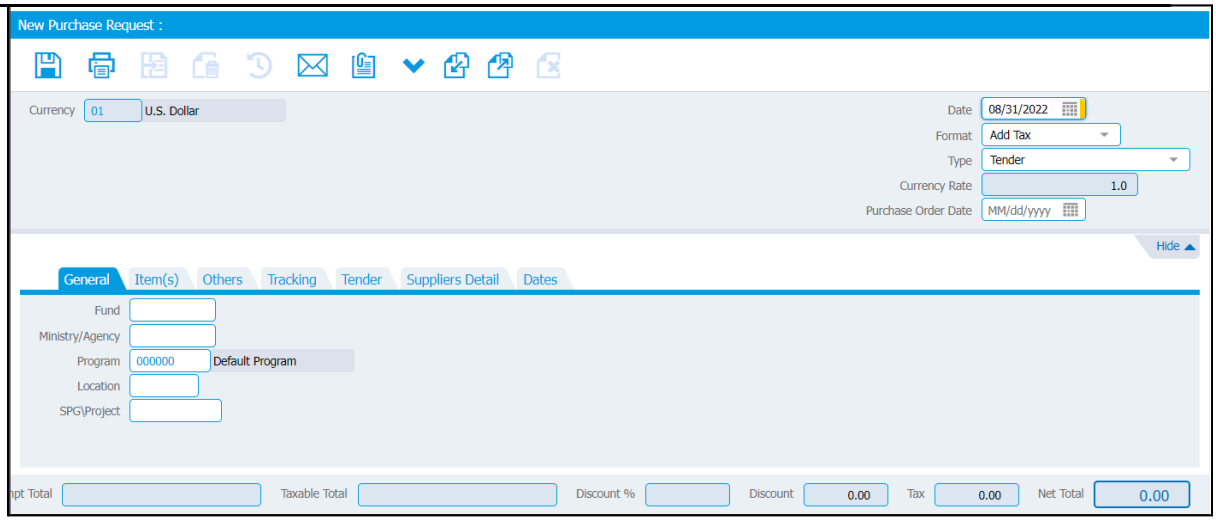
Step 1: Navigate to the Purchase Request (PR) voucher as follows and click on Purchase Request



And the following screen will appear listing all the PRs entered to date.

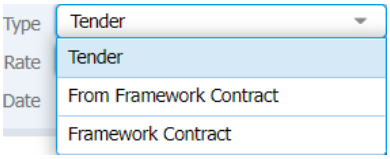


Since user wants to enter a new PR, click on the add button and a new PR voucher will appear for entering details:



Step 2: Complete the required information Tabs and described below

Header and General Tab:

Field to be Completed	Discussion on How to Complete
Currency	By default the currency is populated by the system main currency 01 (U.S Dollar)
Type	This is the most import step at this stage as you want to choose **Tender** from the dropdown list as shown below (The other two types are related to the Framework Contracts process and will be explained in section 5.8.1  By choosing the type **Tender**, we are starting a new procurement process and the system will check against line item budget availability.
General Tab	
Fund	This is the current year fund. Press F2 and select the applicable fund -- the General Fund (10101) or any of the other defined funds related to the transaction.
Ministry Agency	Select the relevant Division by pressing F2 and selecting
Program	Select the Program that you want to reserve funds, press F2 and select the Program. It is always populated with 000000 as relating to no program. This will become important once the programs are entered in the system and they are used for budgeting and execution. For initial implementation, the program segment was not utilized.

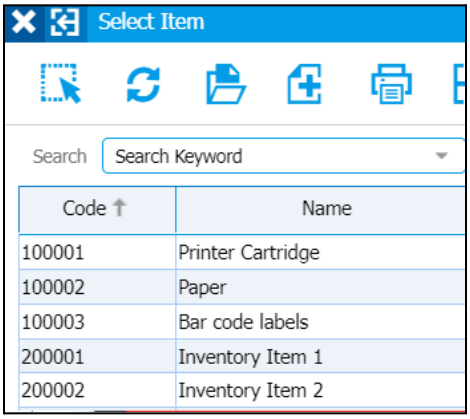
Field to be Completed	Discussion on How to Complete
Location	This is the place in which the expense occurs or benefits. Highlight the field, click F2 and choose your location that best fits.
SPG/Project	Select the SPG/Project that you want to reserve funds: press F2 and select the relevant SPG/Project. It is always populated with 00000000 as relating to no Project and must be changed if the reservation is for a SPG/Project.

Item Tab:

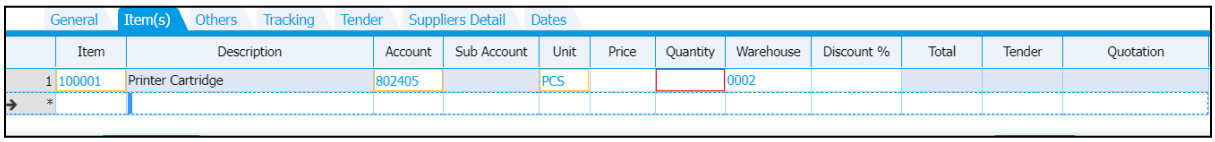


Field to be Completed	Discussion on How to Complete
Item	Click in Item field and press F2 to bring up a list of already entered items. If the item is not already set up in the system, you must create the item in the item table and all related tables. Note, then you press F2, the list of entered items already has a code number. The items list will be pre-loaded to the system as was supplied from the procurement department. If an item does not appear, the code number protocol as set by procurement department must be followed. For our purposes, we will assume that a correct item appears and continue the discussion, however, if the item does not appear, discussion and steps for setting up an item is shown below in section **5.7.1**. This is particularly important for the Procurement and Supplies department and ability is only given to a select few as they must understand the numbering protocol and linkage between items and account codes.

Excerpt of item list:



After selecting an item (double click on item), say 100001 from above, the Item Tab is then completed as follows. You will note that description, Account and Unit fields have been completed, however, the items in blue can be changed if not correct. Pay particularly close attention to the account code to ensure it is correct.

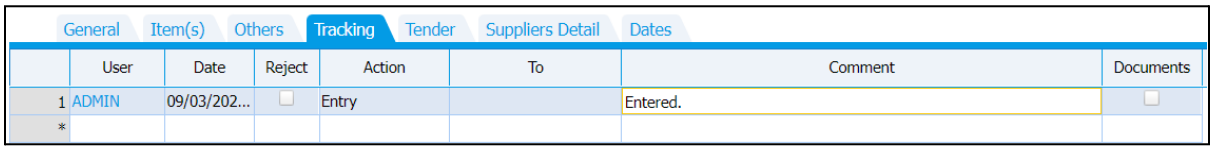


Field to be Completed	Discussion on How to Complete
Account	The account is loaded from the pre-coding that took place when completing the Item's table setup (see 5.7. for set up and interpretation). Ensure that this is the correct account code for the nature of the purchase. If not correct, double click on the account field and choose the correct account.
Sub Account	This field is disabled, but would require data entry in the case of the selected account has a specific subaccount reference linked to it.
Unit	The unit is loaded from pre-coding that took place when completing the Item's table setup. See section 5.7.1. For discussion of the meaning).
Price	This is the "estimated" price field for the selected item, please note it is important to have a close estimate as the total values are used to check and reserve against the line-item budget.
Quantity	This is the quantity requested for the selected item

Others Tab:

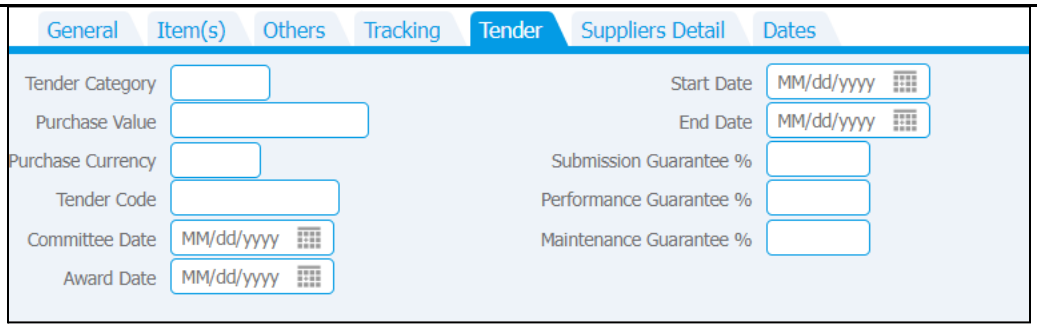
This tab is free text for adding any comments on the tender.

Tracking Tab:



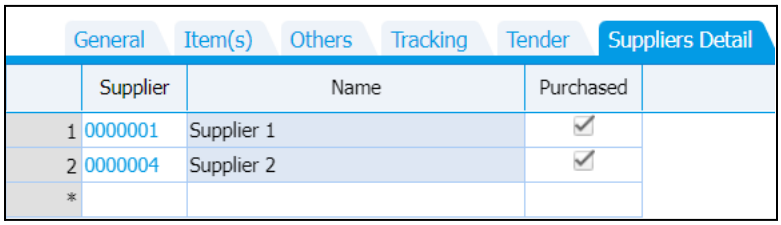
This tracks all actions related to the approval workflow related to the Purchase Request, it is automatically populated based on the approval action.

Tender Tab:



The minimum information required is **tender category.** This tab is for information purposes only. All other fields can be added to as and when required in order to collect the relevant information on the tender in one location rather than having to return to the source paper documents.

Suppliers Detail Tab:

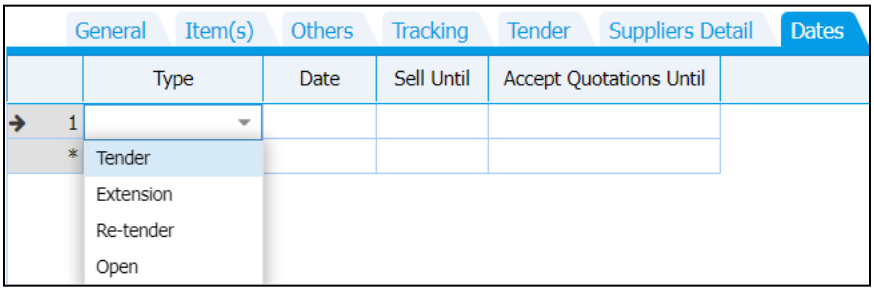


In order to send the PR to a price quotation, a supplier **must** be chosen (one or more as more than one supplier might be needed for multiple price quotations).

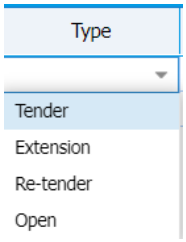
The check box "Purchased" **MUST** be checked is it indicates that the supplier has purchased or received the tender documents.

It is important to note: Only the suppliers added in this tab and checked as purchased can be loaded to the price quotation in the next step of the process.

Dates Tab:



The Dates tab is used to provide more information with respect to the tendering process. This is not mandatory, but it is highly recommended to complete this information in order to have an online record.

Field to be Completed	Discussion on How to Complete
Type	By clicking on the drop-down arrow, the following selection appears and choose the type accordingly: 
Date	Date of tender made available
Sell Until	Last day which tender documents can be sold
Accept Quotations Until	Last day that quotations will be accepted by procurement authorities and still consider the quotations valid. Quotations received after this date will not be accepted.

Complete all the required information on the Purchase Request
Attach related supporting documents & send for approval by selecting "Done Data Entry"

Step 3: Next step in the PR workflow after first approval, the PR is sent automatically to the Budget Department for review of the BCS segments (Fund, Division, SPG/Project, Account). If correct, Budget Approve (encumber the PR) and the PR is sent automatically to the next level of approval in the workflow up to the last level for posting, once posted it is then sent back to MDA procurement Department to continue the process.

NOTE

Once the PR is approved and Posted the system generates an automatic serial number in the format 22/00000001 where 22 is the year & 00000001 is the serial number. Posting the PR checks the available budget line items and reserves the values on the allotment budget (soft commitment).

It is at this stage the Procurement Department reference the manual PR and return it to the line ministry as approved and reserved for the line ministry to start the external procurement process with the suppliers.

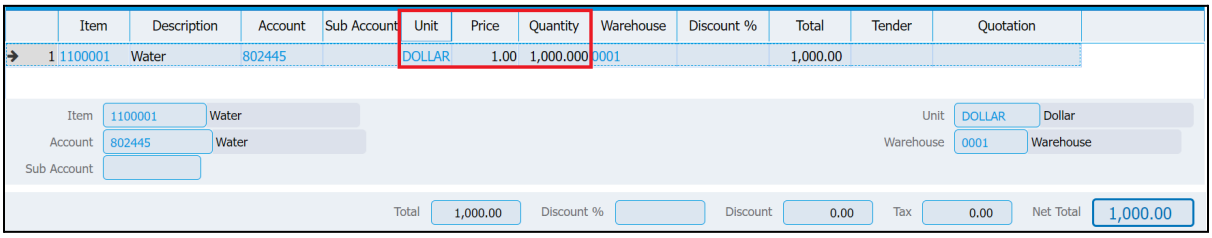
Line Ministries MUST NOT start the procurement process with suppliers without receiving the PR serial number generated from the system.

5.3.1.2 PR with Defined Amount but No Quantity (Open PO's)

To create a PR for an open PO, where the reserved amount (PR) is based on the value without having a fixed items in the case of Food Stuff & Representations, for example, the same process

is followed as discussed in the section above 5.3.1.1 by selecting the food stuff or representations item that is defined in the item list.

Since the PO is based on the value of the Item units defined for these two item groups, which have been defined as dollars, to create a PR the price is always set to 1 and the quantity is set to the value of the PR as illustrated in the following example:

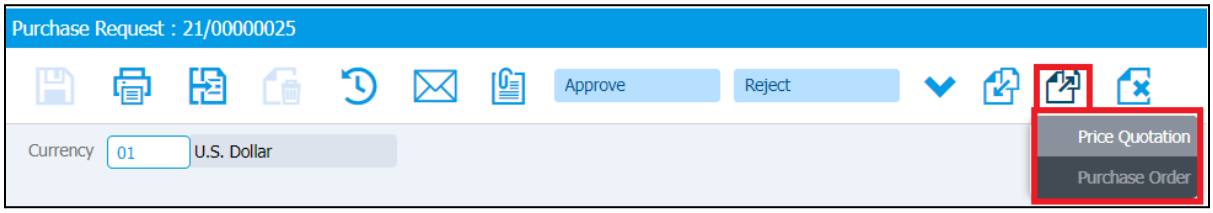


Please refer to appendix B for a printed sample of the PR

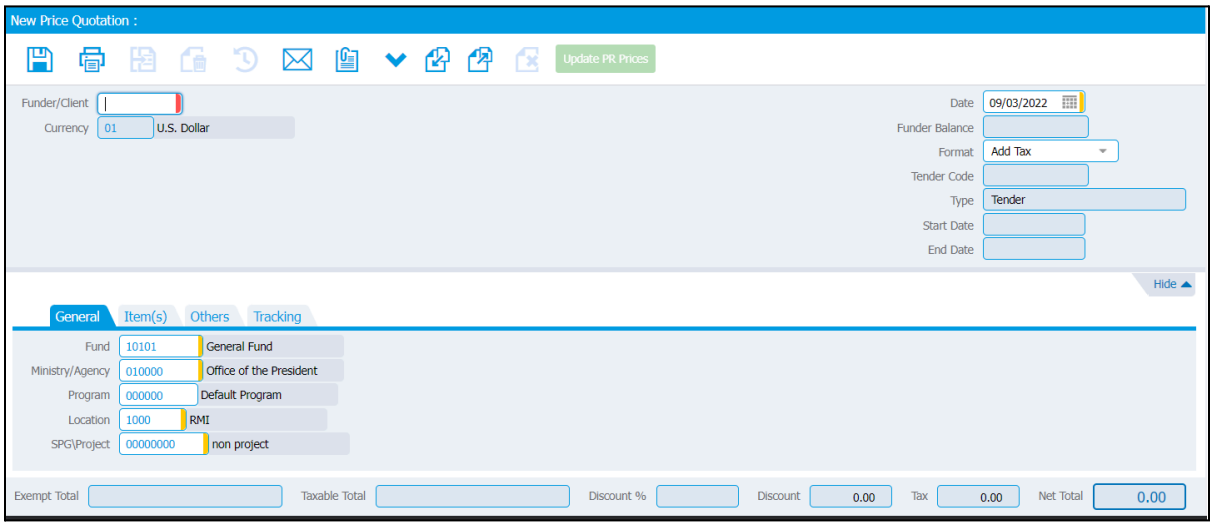
5.3.2 Send PR to Price Quotation

This process is performed after the quotations have been received from the suppliers and the tendering process has been finalized.

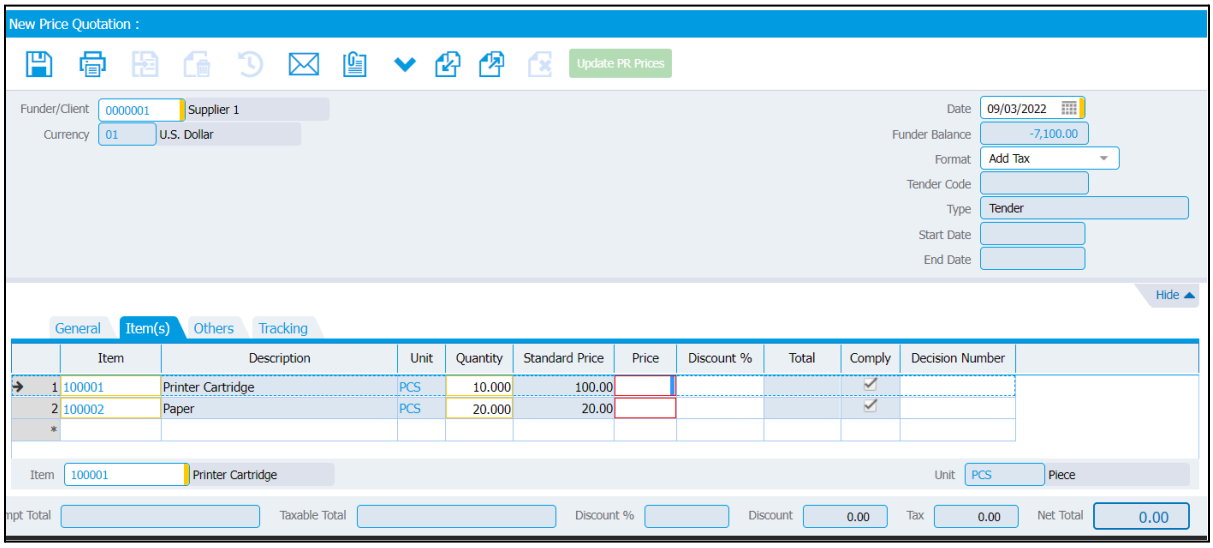
Once the PR is completed as above, click the Send To button at the top of the PR and select **Price Quotation**, as follows:

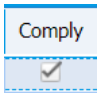


Sending to **Price Quotation** will open new Price Quotation as shown below and load the General tab segments from the PR and the item details as well.

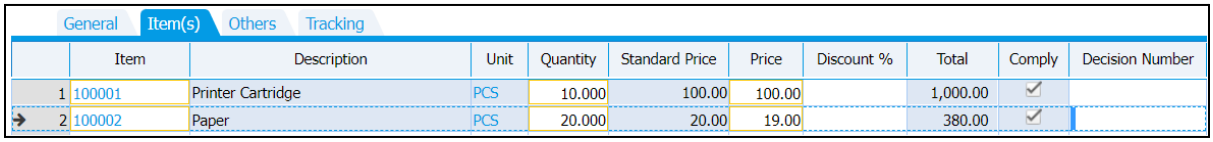


At this stage select a supplier: the suppliers that were added in PR suppliers tab and checked as purchased can be selected.



The estimated price in the PR will be displayed under the Standard Price column as reference. At this stage enter the item Price details per the received Price Quotation from the selected supplier in the header and "tick" the comply box 

for the items that comply with the specifications set in the tender. Please note Items not checked as comply cannot be loaded to the PO. Completed will look as follows:



At this stage, you can approve and Print and you have updated the item(s) with the quotation amounts, which then allows these items to be issued to PO's.

The steps listed above would be repeated for each Quotation received from the different suppliers.

Please refer to **appendix C** for a printed sample of the PQ

5.3.2.1 Level of Authorization in PR & PQ Process

The approval levels in the purchase request are set based on the value of the purchase order as follows:
Purchase Requests with a value less than $5,000

- Entry: Procurement/Supplies Department
- Pre-Post Allocate: Budget Department (Encumbrance)

- Approval 2: Assistant Secretary of Finance
- Approval 4: Chief of Procurement/ Supplies Department
- Post & send to Price Quotation: Procurement/Supplies Department.

Purchase Requests with a value equal or greater than $5,000, the approval of the Secretary of Finance is required.

- Entry: Procurement/Supplies Department
- Pre-Post Allocate: Budget Department (Encumbrance)
- Approval 2: Assistant Secretary of Finance
- Approval 3: Secretary of Finance
- Approval 4: Chief of Procurement/ Supplies Department
- Post & send to Price Quotation: Procurement/Supplies Department.

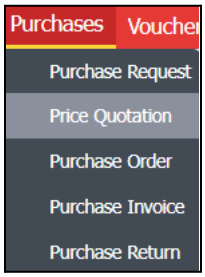
5.3.3 Issue Purchase Order (PO) to Supplier

The purpose of the PO is to create a legal obligation so that goods or services can be ordered and at the same time record an encumbrance that a legal obligation is taken. The recording of the legal obligation actually converts the PR reserve into a PO obligation (encumbrance). This will be discussed in more detail in the Reporting section to this manual and has already been discussed in section 5.1.1.3

PO's can only be created from either a PR type from Framework Contract (which has a PQ recorded against it) or directly from the related PQ. Security in Bisan is set so that no one can create a PO directly without having passed through the prior levels of authorization.

Step 1: Send Price Quotation to PO

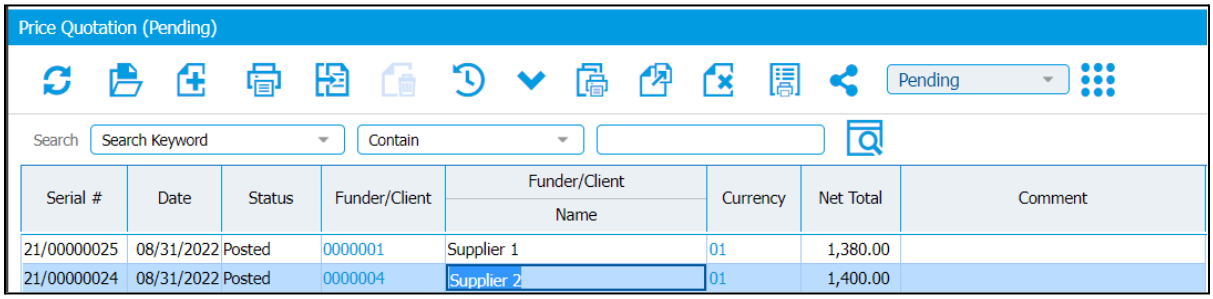
Navigate to the Price quotation as follows:



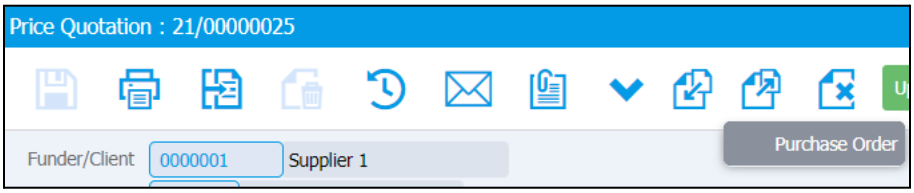
An empty list will be displayed if there are no saved Price quotations. In the header, click on saved



And select pending, which will then produce a list of all the pending price quotations as follows:



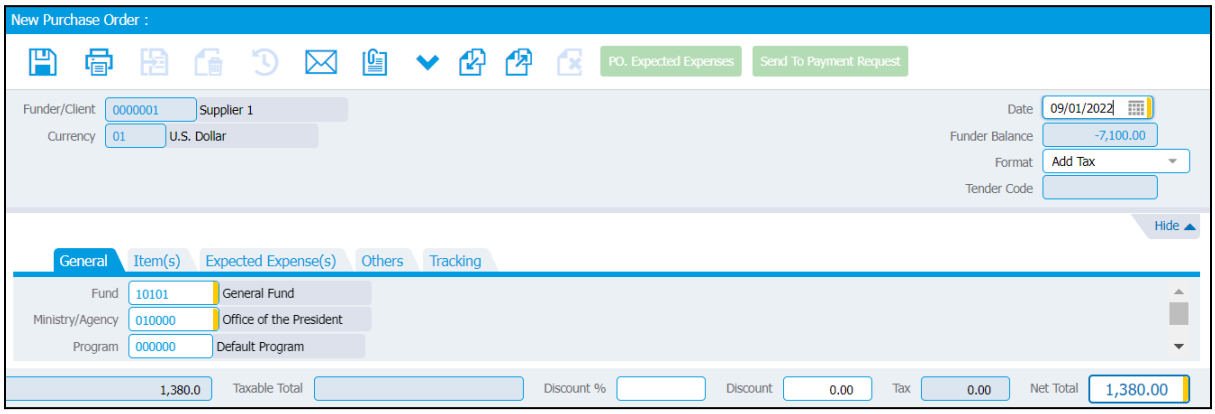
Select the PQ that was selected for execution and click to activate. In this example, the PQ 21/00000025 is selected and on the header click the send to icon and then select Purchase Order as follows



Price quotation details are loaded to a new PO

Step 2: Completing the Purchase Order (PO)

After the PQ is sent to the PO, a new PO is created with all details loaded from the PQ

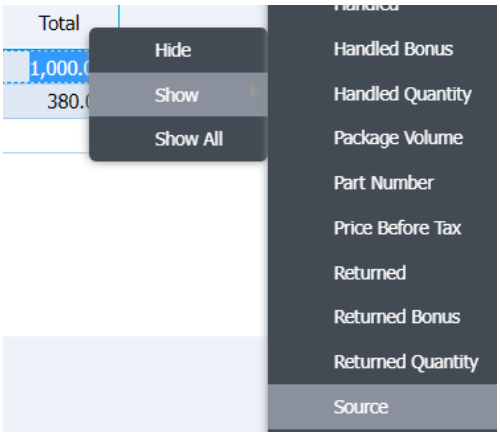


All the information should be completed on the Header section and General Tab, as shown above and no changes required.

Items Tab:

General | Item(s) | Expected Expense(s) | Others | Tracking

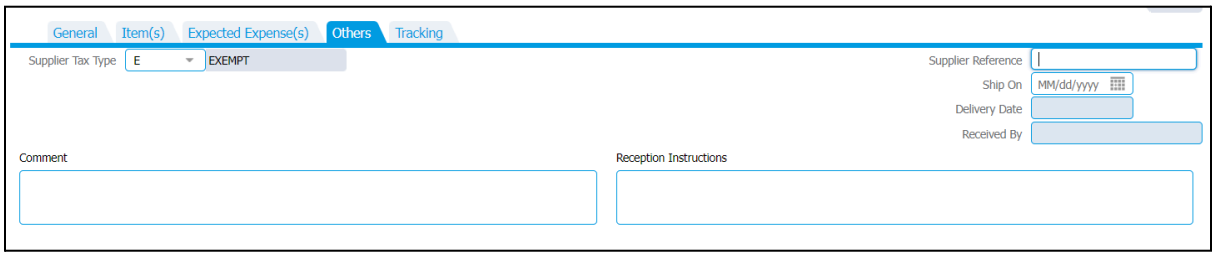
	Item	Description	Account	Sub Account	Unit	Price	Quantity	Warehouse	Discount %	Total
1	100001	Printer Cartridge	802405		PCS	100.00	10.000	0002		1,000.00
2	100002	Paper	802405		PCS	19.00	20.000	0002		380.00
*										

Field to be Completed	Discussion on How to Complete
Item	Cannot be changed, **however**, IF there are items appearing on the PO that you do not wish to purchase, you can DELETE the whole line. See Note below this table.
Description	Cannot be changed
Account	Cannot be changed
Sub Account	Cannot be changed
Unit/Price	Cannot be changed
Quantity	Change as required. The amount shown in this field, when taken from the PQ is the pending amounts (number not already attached to a PO)
Warehouse	Choose the warehouse location to where the items are to be delivered. Press F2 when field is activated and choose correct warehouse.
Discount	Keep empty as the item price is per the price quotation
Total	Cannot be changed, it is calculated based on Qty and Price
Source	To show the source of the line item, Right Click on the total, select show, & then select Source  Source Cannot be changed but **shows the source of the prices and quantities**. To learn more about the source, you can right click on the source item and choose details. This will open the original PQ.

NOTE:
When a Price Quotation is loaded into a PO, ALL details from the PQ are loaded. If you do not wish to purchase all items loaded, you can delete the items you do not want to

purchase by deleting the relevant line. To accomplish this, right click on the item number and choose delete.

Others Tab:



Complete the **Ship On** field with the date you desire and also add any additional comments that and delivery instructions you think the supplier will require. This information will be printed on the hard copy of the PO.

Step 3: Authorizing and Printing the PO

The PO will require authorization for printing after it is entered. The person entering/creating the PO will not be the same person authorizing and printing of PO. After authorization (clicking approval 1 button by the authorized person), it will then be allowed to be printed. See section 5.5.6.2 below for the levels of authorization that have been set up in Bisan. ONLY after the final authorization has been received can the PO be printed and sent to supplier.

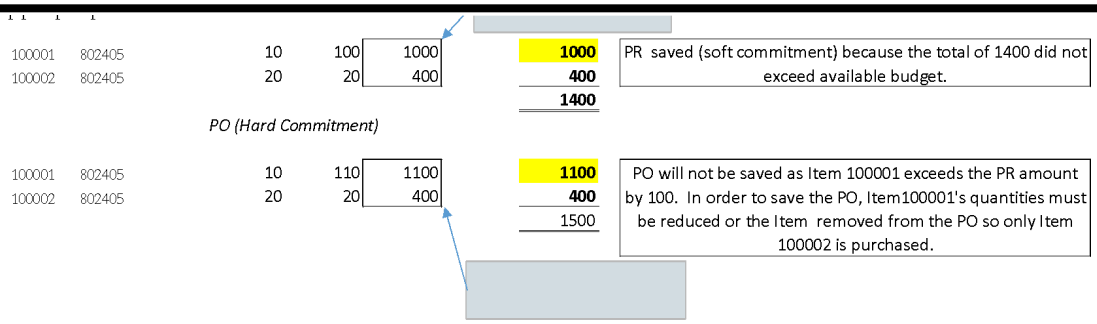
Click on the Print button and the PO will be printed. See **Appendix D** for example.

SPECIAL ATTENTION

When the PO is printed (posted), this has the effect of changing the reserved budget line items to encumbrances. It must be understood at this point how the budget check functions so as to understand WHY you may receive an error message saying budget has been exceeded and you will not be allowed to save and print the PO.

1. **Budget Check Process when PO Saved:**

When the PR was saved, a budget reservation was made based on Quantity times Budgeted Price (see section on PR for discussion of this concept). This is done on an item-by-item basis in the PR. Before a PO can be created, a Price Quotation must be attached to the PR to determine the real price of the items in the PR. The Price Quotation is then sent to the PO for finalizing the contract. When the PO is posted (at time of printing), it checks each item to ensure the Price 100001 Qty value does not exceed the Price 1000001 Qty value in the PR. If it is exceeded, the PO will not save. The following is a graphic example of how the validation functions:



The implication of the above is that the prices entered into the PR must reflect reality or exceed the actual price. In this case, the PO value exceeded the reserved value on the PR. To proceed, the PR must be amended to create sufficient reservation to save the PO.

Step 5: Signing the PO

PO to be signed by the relevant authority in the ministry and delivered to supplier. Note, the Ministry or Procurement Department will be required to develop a policy on purchases where before sending a PO or being engaged in any obligation with the suppliers, a PO with a serial number is issued from the FMIS is mandatory. The PO in this instance would act as evidence to the signing authority that an obligation (encumbrance) has been taken in the accounting system.

POLICY

No contract may be signed that commits the GRMI to a financial obligation unless there has been a PO or a BRV issued from the Bisan system.

Step 6: Delivering the PO to Supplier

Once PO is printed it will be logged and sent to the supplier, using the process established by the procurement department.

5.3.3.1 Processing Amendments to an Issued PO

Background

Given the type of procurement, there can be situations where variations or amendments are made to the original contract. This manual assumes that the proper process has been followed and a PO amendment must be processed in the Bisan FMIS.

Best practices for processing such amendments can be summarized as follows:

- When a contract (PO) has been issued the related PR is closed (reservation zeroed out) and the PO now carries an encumbrance against budget.

- As the contract is being implemented, there will be instances where it must be increased for various reasons (as discussed above). These amendments to the original contract (PO in Bisan) must be tracked and linked to the original PO or Tender that created the original PO.
- Because the PR that started the process is now closed, there is no reason to return to this stage to amend the original closed PR or create a new PR. Therefore, the process is between the original PO and whether there is sufficient budget to allow the amendment. From a business process point of view outside of Bisan, there will be an authorization process within procurement and the relevant ministry to determine if the amendment is required. The second thing the line Ministry and the Budget department must ensure is if there is sufficient budget at the Budget line item level to fund the amendment. If not, a budget reallocation within Bisan must be made before the contract amendment can be signed and amendment processed in Bisan.

To process the amendments, special authorization is given to select users to create PO's without first requiring a PQ and related PR. The new amendment PO does not link itself to the original PO or Tender electronically. The linkage can open happen by using Supplier Reference field in the PO.

5.3.3.2 Levels of Authorization for Completion of PO

The Purchase Order (PO) is created by the Procurement Officer by sending the Price Quotation to PO.
Following are the levels of authorization for issuing PO's

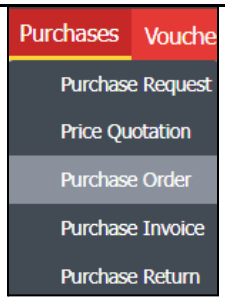
- Entry: Procurement/Supplies Department)
- Approval 1: Chief of Procurement/ Supplies Department
- Post: Procurement/Supplies Department)
- Delivery: Procurement/Supplies Department). (PO is sent to Supplier).
- Send to Store Receipt: Procurement/Supplies Department.

5.3.3.3 Advance Payment on the PO

In some cases an advance payment is required to be paid against the PO before the goods or services are delivered. The advance payment will be deducted fully from the first invoice or partially if multiple invoices to be submitted and the contract indicates a schedule of how the advance is to be recovered by the government.

To process advance payment on the PO

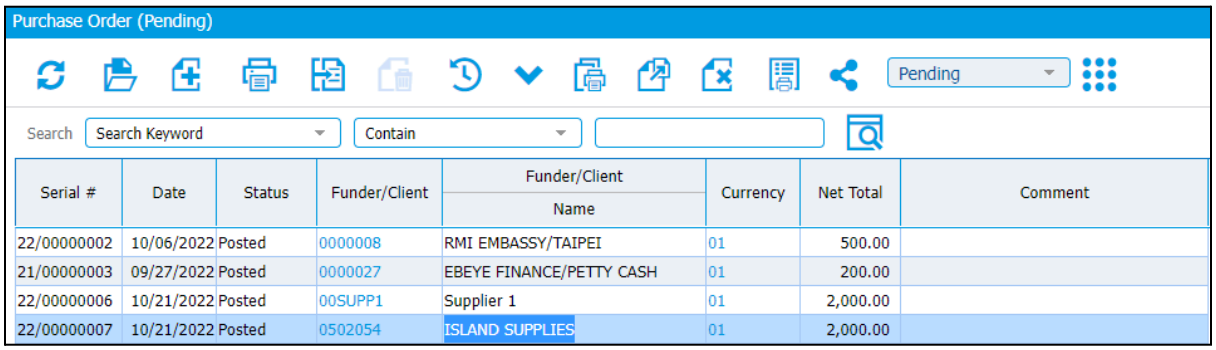
Step 1: Navigate to the PO



An empty list will be displayed if there are no save d PO's. In the list header click on saved

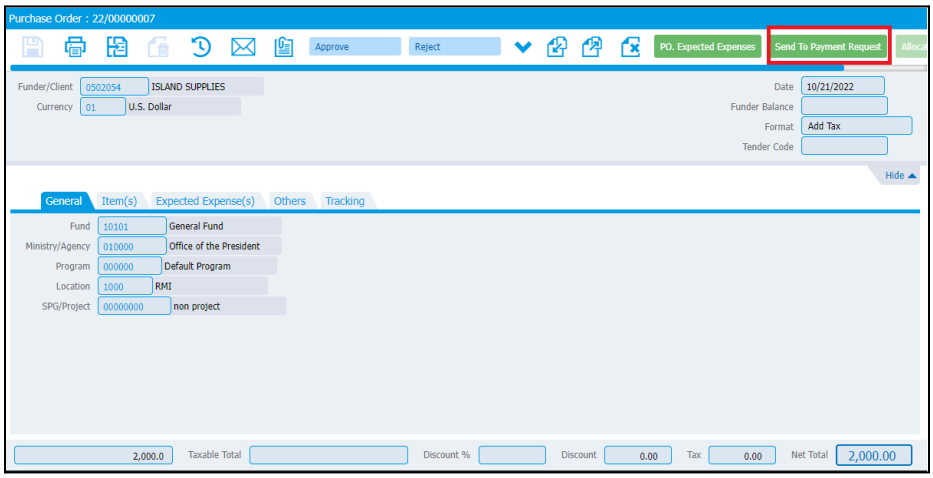


and select Pending, which will then display a list of all the pending POs as follows:



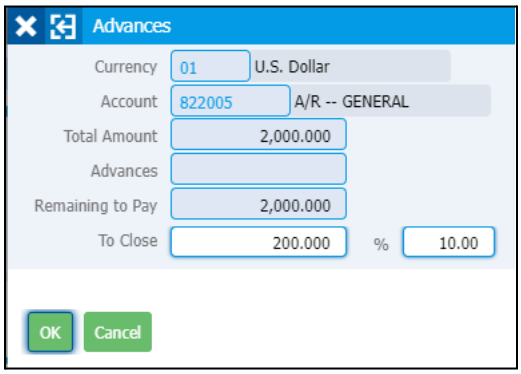
Serial #	Date	Status	Funder/Client	Funder/Client Name	Currency	Net Total	Comment
22/00000002	10/06/2022	Posted	0000008	RMI EMBASSY/TAIPEI	01	500.00	
21/00000003	09/27/2022	Posted	0000027	EBEYE FINANCE/PETTY CASH	01	200.00	
22/00000006	10/21/2022	Posted	00SUPP1	Supplier 1	01	2,000.00	
22/00000007	10/21/2022	Posted	0502054	ISLAND SUPPLIES	01	2,000.00	

Step 2: Select the PO that requires processing an advance payment, double-click to open. In this example PO 22/00000007 is selected and in the header, click the send to Payment Request Voucher button Send To Payment Request.



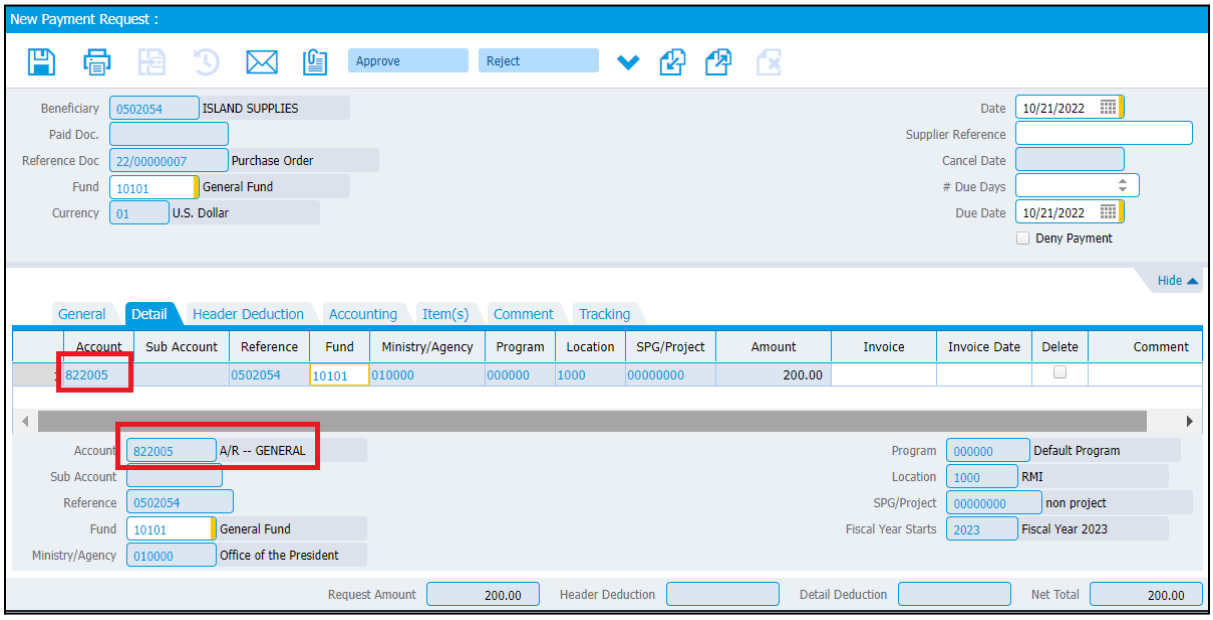
Step 3: A new window will be displayed and in the "To Close" Field enter the advance %, 10% in this example and the system will calculate the advance amount from the total PO value $200 in

this example (alternatively, you can simply enter the amount in the To Close field and the % will be automatically calculated.



Click Ok

Step 4: The following PRV will be created with all the details loaded from the PO



Completing the PRV details

Top section of the PRV

Complete the Supplier Reference, Date & Due date fields.

Detail Tab

Complete the supplier invoice number, invoice date, and add any comments

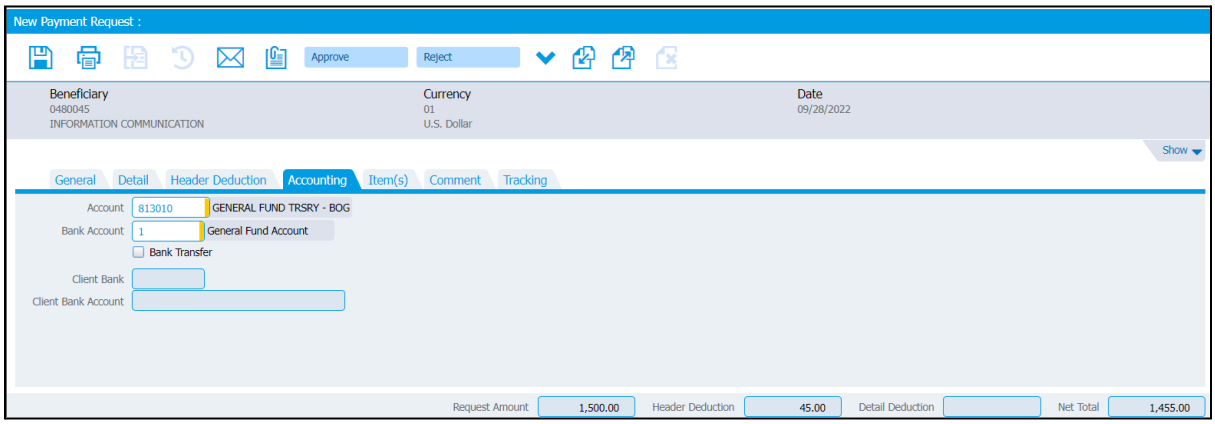
Note:

The Invoice number & the comment will be printed on the hard copy of the Payment voucher.

Accounting Tab

In the account select the bank and the bank account to make the payment from if the payment is to be made by issuing a check. The PRV is now complete.

If the payment is to be made by a bank transfer, select the bank transfer check box and the system will ask for the client Bank and the client bank account to be field. If the bank details are already loaded in the supplier vendor table, the details will automatically populate these bank transfer fields.

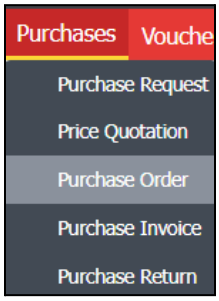


At this stage the PRV is complete and ready to be saved and to move through the authorization levels set in the system.

5.3.4 Receive Goods from Supplier with Store (Warehouse) Receipt

When Goods are delivered by the supplier the received quantities are entered into Bisan using a Store Receipt Voucher (SR). This begins by loading the PO to SR as follows:

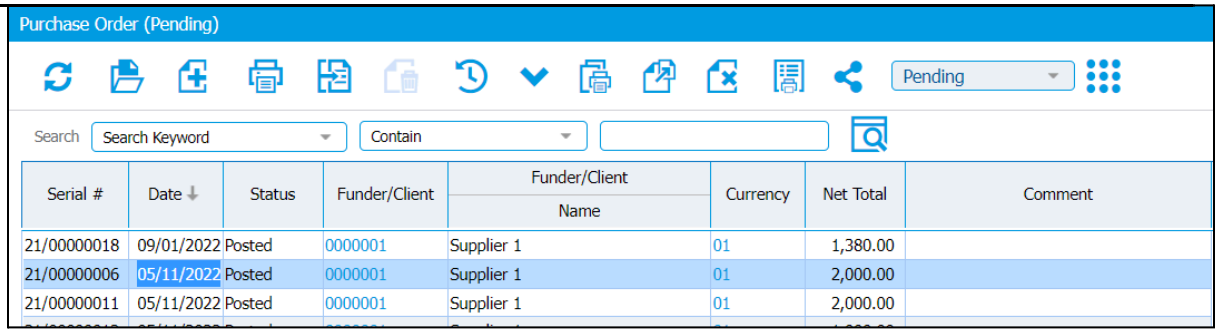
Step 1: Navigate to the PO



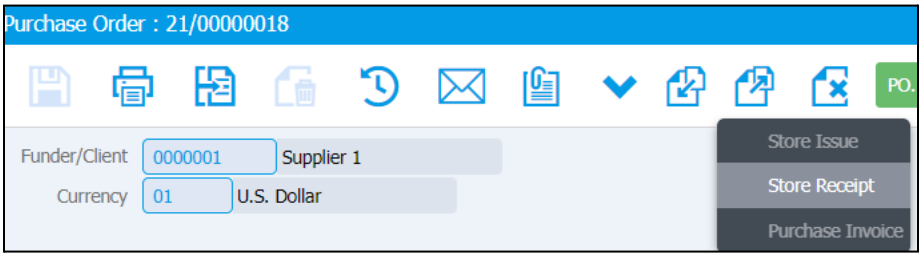
An empty list will be displayed if there are no save d PO's. In the list header, click on saved



and select pending, then a list of all the pending POs will be displayed as follows:



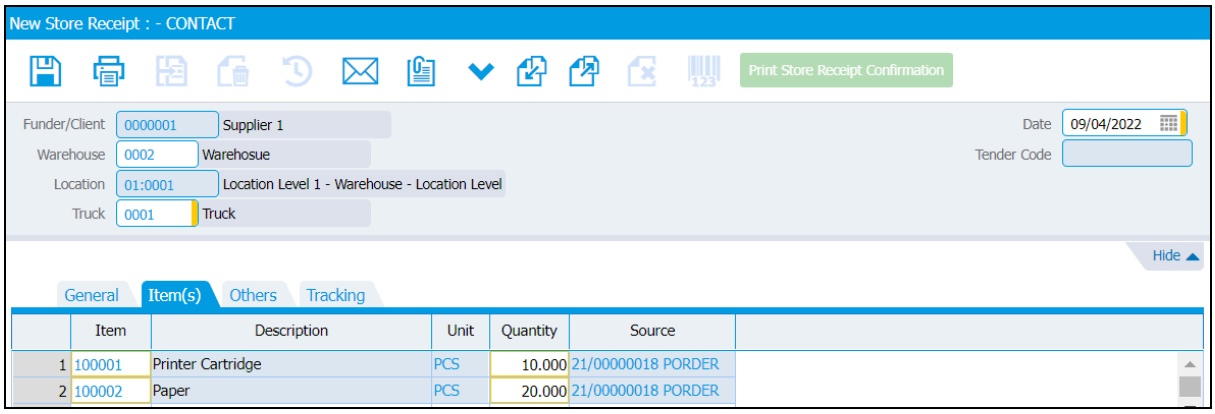
Select the PO that has the goods delivered and click to open. In this example, the PO 21/00000018 is selected and in the header click the send to and select Store Receipt as follows:



PO details are loaded to a new SR.

Step 2: Completing the Store Receipt (SR)

Once the PO is loaded a new SR is created with all details:



Review the Items tab and confirm that all goods were received as indicated. If certain items were not received in totality, delete the line in totality. If only a certain number were received, adjust the Quantity amount to reflect amount received. The system will keep track of pending receipts so when the other goods are received, the pending amount can be loaded and received.

5.3.4.1 Fuel Store receipts - Special Handling

Fuel PO's Special Handling

Suppliers are submitting partial invoices containing multiple fuel vouchers for quantities drawn against a PO. Since the fuel prices are fluctuating on a regular basis, the invoice has different unit price per fuel voucher. In this case, the quantity used on the SR is the total quantity submitted on the vouchers while the price to be used on the Purchase Invoice in the next step is the average price of the fuel for the submitted invoice. (Average price = the invoice amount / total quantity).

Example: an invoice submitted with a total of $190 with the following fuel vouchers

Fuel vouchers		
Price	**Quantity**	**Total**
6.45	7.752	50.00
6.40	7.813	50.00
6.60	6.061	40.00
6.45	7.752	50.00
Total	**29.377**	**190.00**

The quantity on the SR will be 29.377 gallons and the average price to be use on the Purchase Invoice is $6.47 ($190 / 29.377 = $6.47).

Another option is to enter Fuel as an open PO by using the Unit Dollar for the quantity.

Step 3: Approve, Print and Post Store Receipt Voucher

When satisfied with step 2 above, approve and then print the Store Receipt Voucher by printing the SR that indicates that the goods in the SR have been received and Purchase Invoice is ready to be processed in Bisan to start the payment process.

Please refer to **Appendix E** for example of Store Receipt Voucher

5.3.5 Closing Store Receipt Voucher Purchase Invoice (PI) /or Payment Request Voucher (PRV)

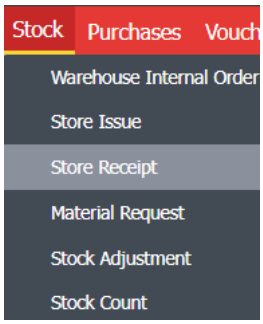
The next step for closing the SR depends on the type of the PO (regular or open PO) and the payment arrangements with the supplier. In the case of a regular PO where each submitted invoice is paid by a check or a bank transfer, the SR is sent to Purchase invoice section 5.3.5.1.

While for open PO's, where multiple invoices are received, each with a SR and paid in one check, the SR is sent directly to Payment Request Voucher Section 5.3.5.2.

5.3.5.1 Entering Purchase Invoice (PI) From Store Receipt (SR)

When Goods are delivered by the supplier the received quantities are entered into Bisan using a Store Receipt Voucher (SR). The supplier's purchase invoice should be entered into Bisan to start the payment process.

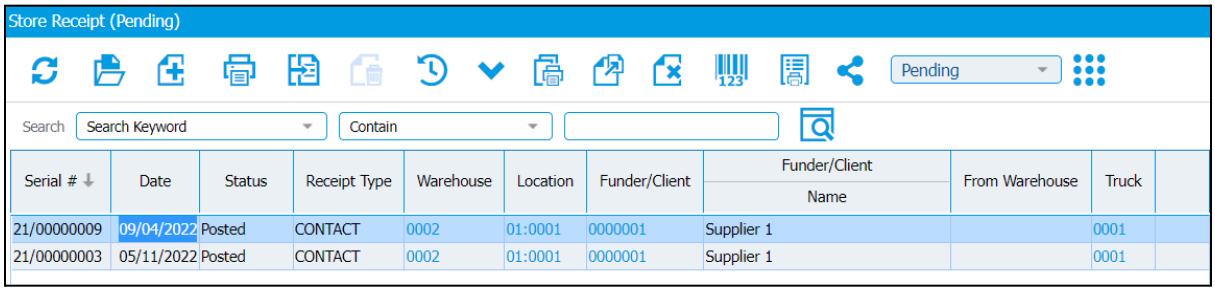
Step 1: Navigate to the Store Receipt (SR)



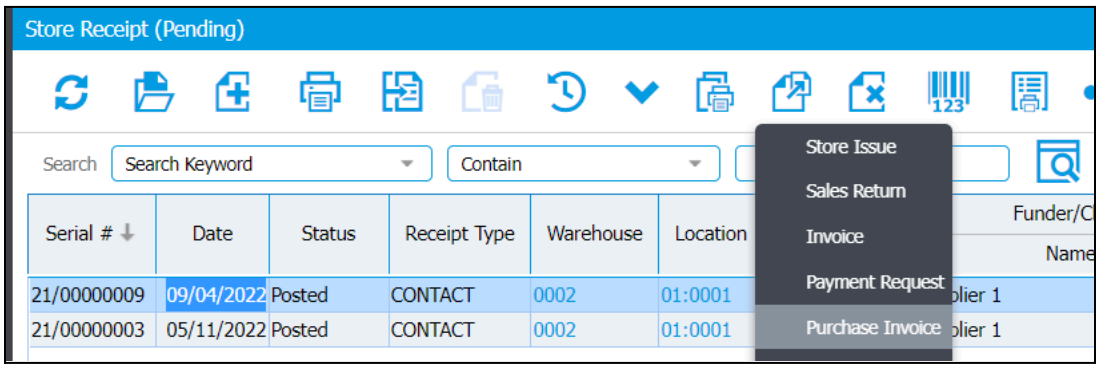
An empty list will be displayed if there are no saved SR's. In the list header, click on saved



and select pending, then a list of all the pending SRs will be displayed.



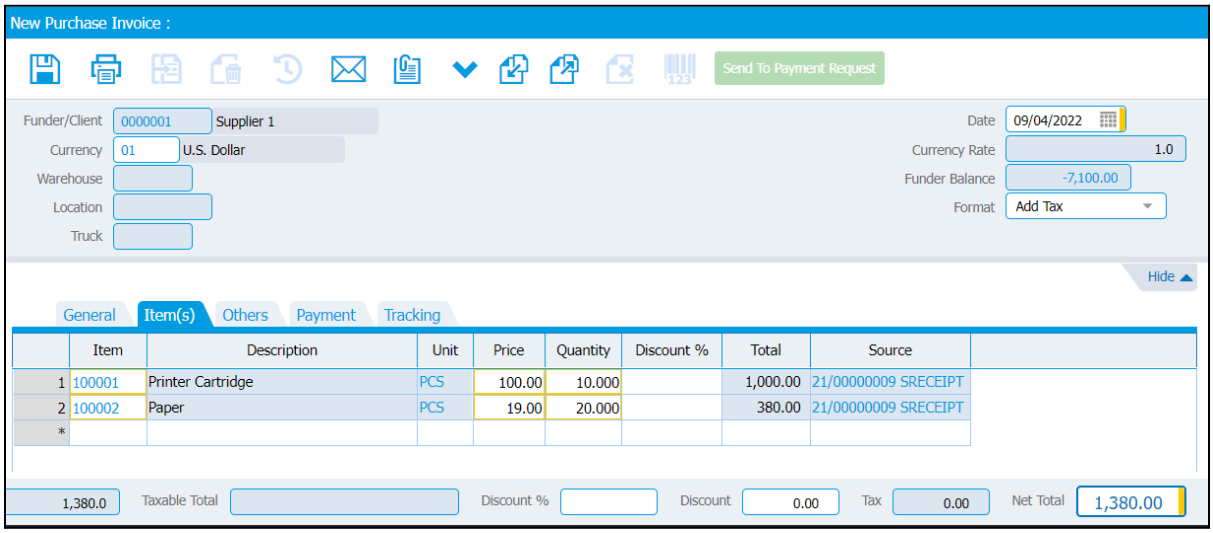
Select the SR that has the goods to be delivered and invoice received and click to open. In this example SR 21/00000009 is selected and in the header click the send to and select Purchase Invoice (PI) as follows:



SR details are loaded to a new PI.

Step 2: Completing the Purchase Invoice (PI)

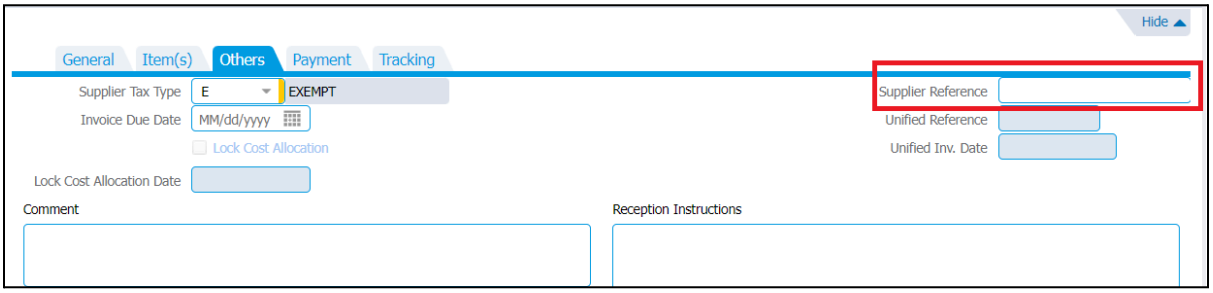
Once the SR is loaded a new PI is created with all details:



Review the Items tab and confirm that the Purchase Invoice Items and Invoice Totals are consistent with the supplier's invoice and also to the related PO.

Step 3: Complete the Others Tab

On the Others Tab it is Important to enter the Supplier's invoice number in the *Supplier Reference*, and add any comments or instructions in the ideated fields



Step 4: Approve, Print and Post PI Voucher

When satisfied with step 3 above, approve and then print the PI Voucher by posting (printing) the PI.

See **Appendix H** for example of Store Receipt Voucher

5.3.5.1.1 Discussing the Purchase Invoice effect on the Budget & GL

All the vouchers in the procurement process, starting from the PR to PO have an effect on the Budget Ledger by reserving and recording an encumbrance but do not have any effect on the

General Ledger (GL). However, the Purchase Invoice records transactions on the General Ledger by

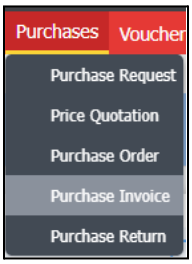
DR. Expenditures
Cr. Accounts Payable

With the same transaction, the encumbered amounts are removed from the Encumbrance column and moved to the expenditure column.

5.3.5.2 Create a Payment Request Voucher (PRV) from Purchase Invoice (PI) Close AP.

The next Step in the Process for starting the payment process for the supplier is by sending the PI to Payment Request Voucher (PRV), as discussed in section 5.3.5.1.1. The Purchase Invoice has already recorded the expense account against accounts payable and now we are processing the payment to close the vendor accounts payable

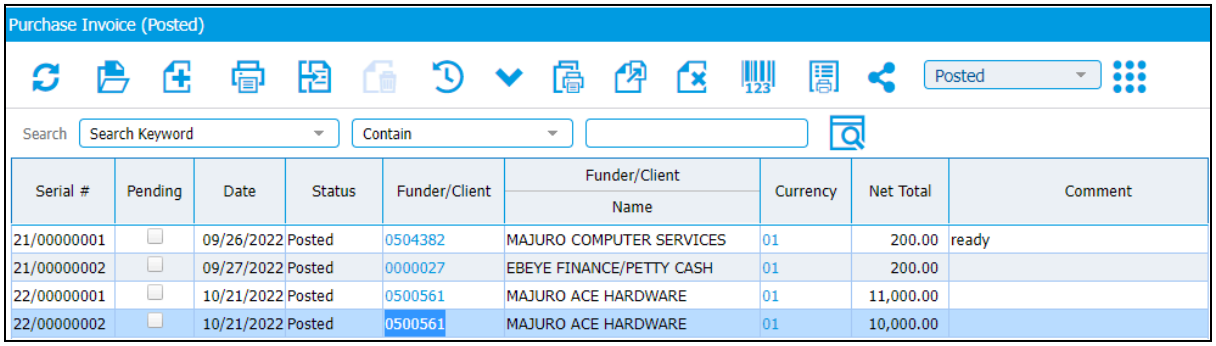
Step 1: Navigate to Purchase Invoice (PI)



An empty list will be displayed if there are no saved PI's. In the header click on saved.

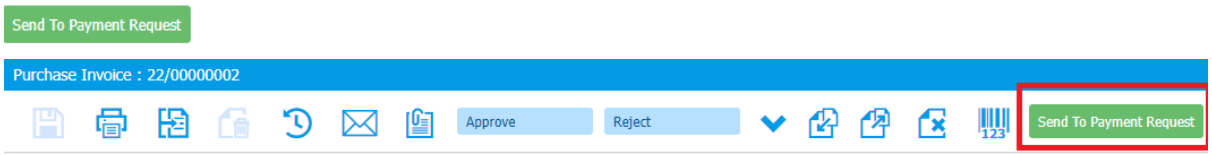


and select Posted, then a list of all the posted Purchase Invoices will be displayed.

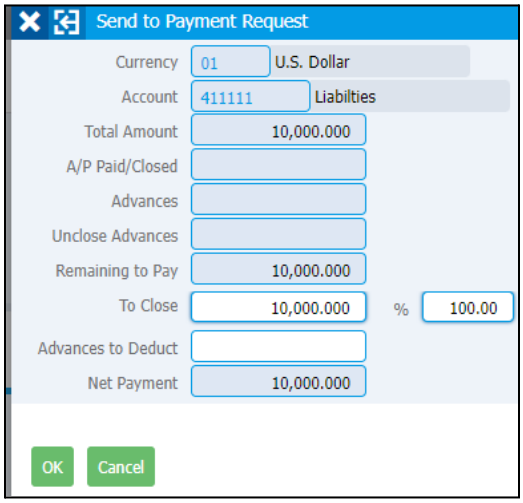


Serial #	Pending	Date	Status	Funder/Client	Funder/Client Name	Currency	Net Total	Comment
21/00000001		09/26/2022	Posted	0504382	MAJURO COMPUTER SERVICES	01	200.00	ready
21/00000002		09/27/2022	Posted	0000027	EBEYE FINANCE/PETTY CASH	01	200.00	
22/00000001		10/21/2022	Posted	0500561	MAJURO ACE HARDWARE	01	11,000.00	
22/00000002		10/21/2022	Posted	0500561	MAJURO ACE HARDWARE	01	10,000.00	

Step 2: To pay an invoice that was posted, select the purchase invoice 22/00000002, (double click on the line to open the Purchase invoice), and in the header click the send to



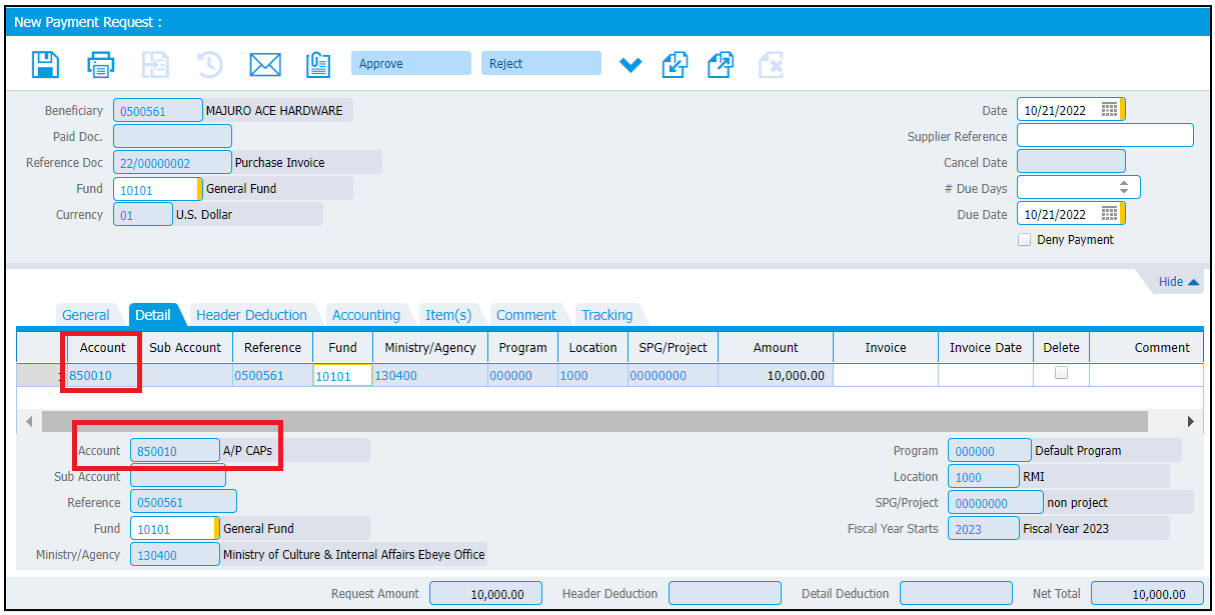
Step 3: A new window will be displayed



In the "To Close" field select the invoice amount to be paid, $10,000 in this example. If an advance payment was paid on the PO, to close the advance enter the amount to close in the "Advances to Deduct" ----- in this example it is clear that there was no advance paid since the "Advances" field is empty.

Click OK.

Step 4: The following PRV will be created with all the details loaded from the PI:



Completing the PRV details

Top section of the PRV

Complete the Supplier reference, Date & Due date

Detail Tab

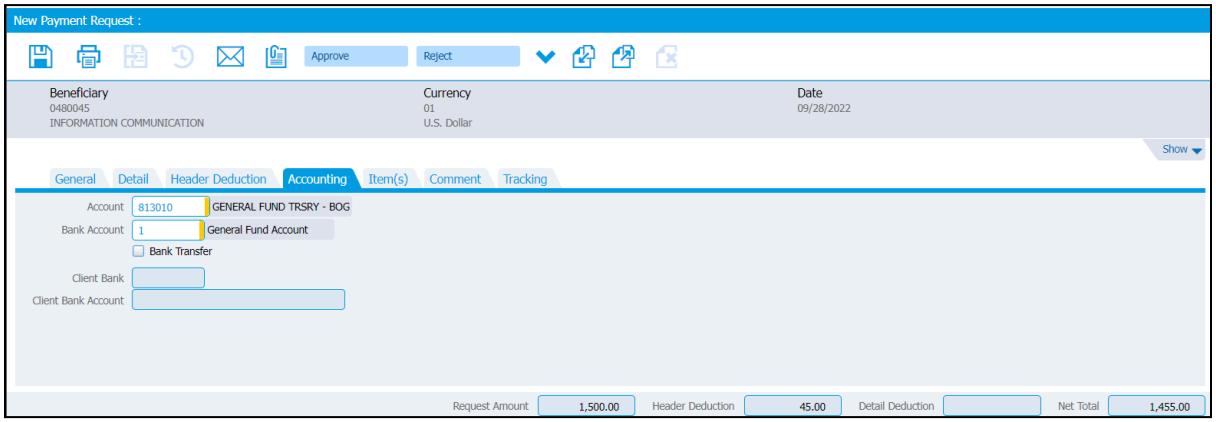
Complete the supplier invoice number, invoice date, and add any comments

Note: The Invoice number & the comment will be printed on the hard copy of the Payment voucher

Accounting Tab

In the account select the bank and the bank account to make the payment from if the payment is to be made by issuing a check. The PRV is now complete and readied for next step.

If the payment is to be made by a bank transfer, select the bank transfer check box and the system will ask for the client Bank and the client bank account to be completed. Note, if the supplier bank details have been completed in the Funder/Client table, these fields will be automatically populated.

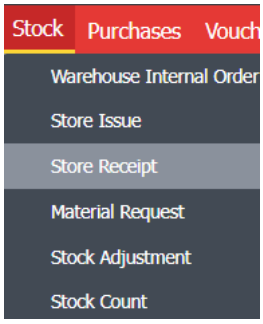


At this stage the PRV is complete and ready to be saved and to move through the authorization levels set in the system.

5.3.5.3 Entering Payment Request Voucher (PRV) From Store Receipt (SR) for Open PO

In open PO's, where multiple invoices are submitted and each invoice received is entered into the system using SR functionality, to pay multiple invoices in one check the SR is sent directly to a PRV without going through the PI as follows:

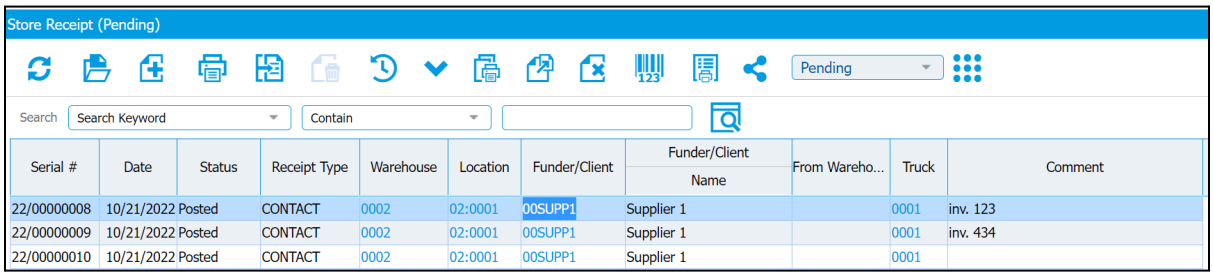
Step 1: Navigate to the Store Receipt (SR)



An empty list will be displayed if there are no saved SR's in the listing. In header click on saved

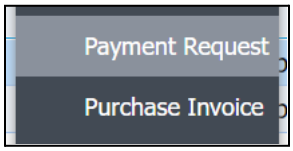


and select pending, then a list of all the pending SRs will be displayed.

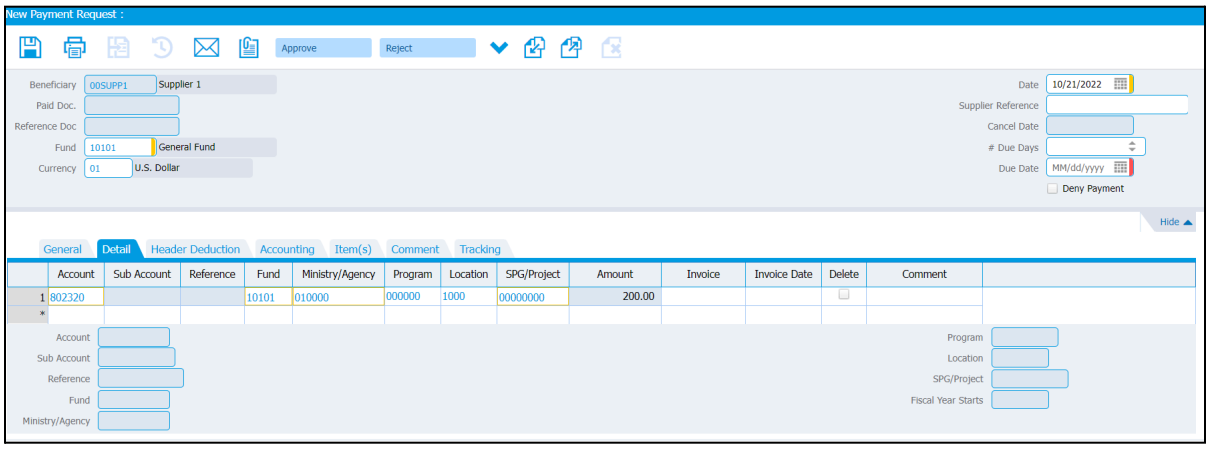


Serial #	Date	Status	Receipt Type	Warehouse	Location	Funder/Client	Funder/Client Name	From Wareho...	Truck	Comment
22/00000008	10/21/2022	Posted	CONTACT	0002	02:0001	00SUPP1	Supplier 1		0001	inv. 123
22/00000009	10/21/2022	Posted	CONTACT	0002	02:0001	00SUPP1	Supplier 1		0001	inv. 434
22/00000010	10/21/2022	Posted	CONTACT	0002	02:0001	00SUPP1	Supplier 1		0001	

Step 2: To pay multiple pending invoices that were received, select the first SR that has the goods delivered and invoice received. In this example, SR 21/00000008 is selected and in the header, click the send to and select Payment Request Voucher (PRV) as follows:



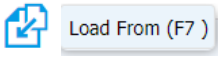
Step 3: A new PRV is created with the line item for the SR loaded.



Step 4: Complete the Due Date, the invoice number in the line-item field, and any individual line-item comments

Note

The invoice number in the line item and the comment will be printed on the upper part of the Payment voucher.

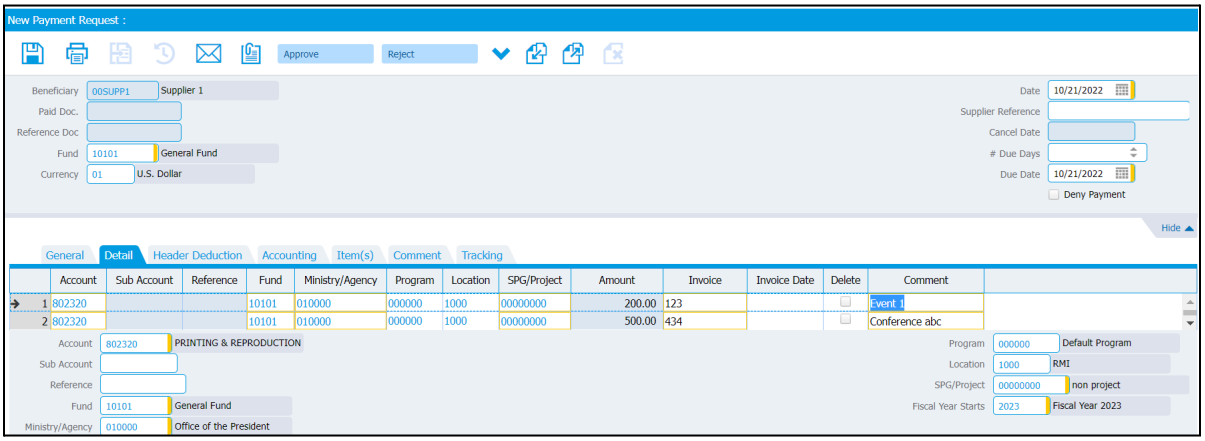
Step 5: load the (invoices) SR's to the same PRV by clicking the 

Store Receipt.

The system will display the pending SR's for the same supplier

Serial #	Date	Status	Receipt Type	Warehouse	Location	Funder/Client	Funder/Client Name	From Warehouse	Truck	Comment
22/00000009	10/21/2022	Posted	CONTACT	0002	02:0001	00SUPP1	Supplier 1		0001	inv. 434
22/00000010	10/21/2022	Posted	CONTACT	0002	02:0001	00SUPP1	Supplier 1		0001	

Step 6: Select the next SR and it will be loaded to the PRV.



Continue Loading all supplier related invoices as previous step and save.

5.3.5.4 Levels of Authorization for Completion of Store Receipt Voucher

The Store Receipt is created by the Procurements Officer by loading the sending the Purchase order to the Store Receipt when the good or services are delivered

Following are the levels of authorization for issuing PO's

- Entry: Procurement/Supplies Department)
- Post: Procurement/Supplies Department)
- The Accounting department will get a notification when the SR is posted.

5.4 Goods Return to Vendor (Contact) or Warehouse to Warehouse Transfer

This section discusses how to process when goods are returned to the Vendor or when there are transfers of items between warehouses. It is important to note this process is for Items transferred and movement between warehouse and Suppliers/Vendors NOT Fixed assets transfers to location and custody management that are discussed in detail in the Fixed Assets Management section.

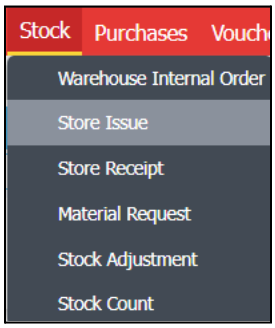
5.4.1 Goods Return to Vendor from Warehouse

To return goods to vendor that are in a warehouse (damaged or for repair, for example), you are to use the Store Issue Voucher. Note, for this type of work, the user will require authorization to be able to create a Store Issue.

For this type of action, you will choose a Store Issue Voucher of type CONTACT.

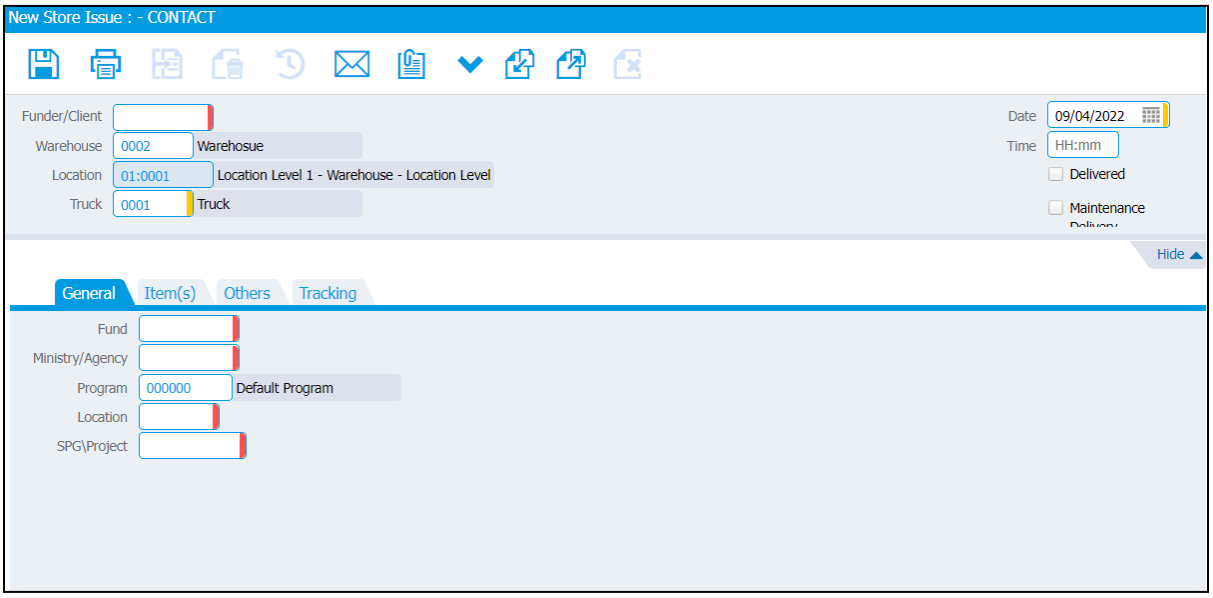
Step 1: Open Store Issue Voucher

Navigate as follows and click on Store Issue Voucher



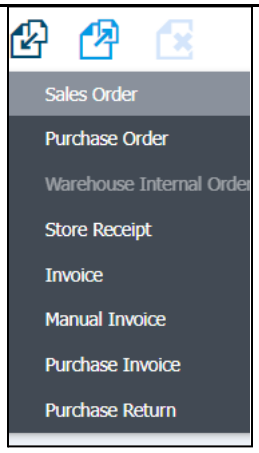
Click the Add button in the header of the window of processed vouchers and select CONTACT in the issue voucher type and click OK. This will open a new Store Issue voucher.

Step 2: Complete Store Issue Voucher



The goal here is to establish: (a) from which warehouse the goods are being taken, and (b) to which contact the goods are being sent.

The General tab is completed based on budget from which the good was originally ordered. To complete this information easily, if possible, the good should be loaded from the original Store Receipt. This can be accomplished by clicking the Load From  button and then choosing the Store Receipt from the drop-down listing.



Select the store receipt of original recording, load and then remove any items that were included on the receipt to be just remaining with the item you are returning and the quantity.

Add any special instructions in the others tab.

Step 3: Approve and Print Store Issue Voucher and Post

Print Store Issue Voucher, send copy with goods and have contact sign for receipt. File receipt at warehouse.

5.4.2 Transfer of Goods between Warehouses

The process can be performed two ways and depends on who are the managers of the warehouses. The two methods can be understood as follows:

1. If Warehouse A is managed by a different person than Warehouse B manager (each have responsibility for their own warehouse), then a transfer from Warehouse A to B would involve both a Store Issue Voucher and Store Receipt Voucher

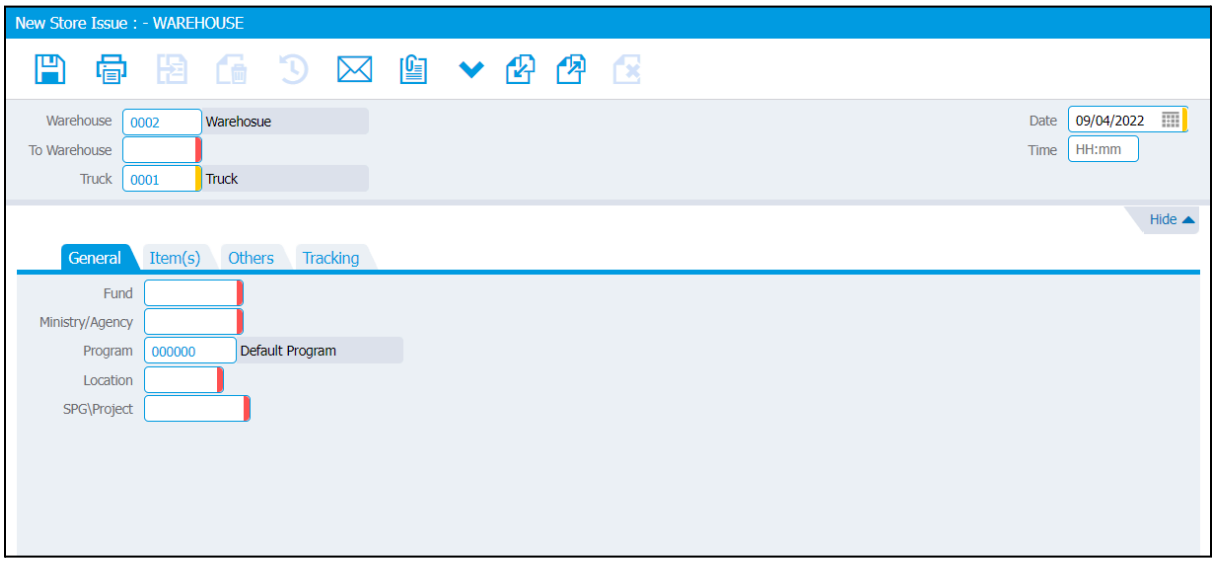
2. If Warehouse A and Warehouse B are managed by the same person , the transfer from Warehouse A to B would involve only a Store Receipt Voucher as the same person has the authority to move goods within their warehouses under their control. Therefore, this is most efficiently performed by only using the Store Receipt Voucher to move goods FROM warehouse A under your control TO warehouse B, also under your control.

Option 1 – Issuing Warehouse

For option 1, there requires an intermediary truck to be used from the issuing warehouse and then a receiving voucher for the receiving warehouse that accepts the items from the truck and takes responsibility at their warehouse.

Step 1: Open New Store Issue Voucher

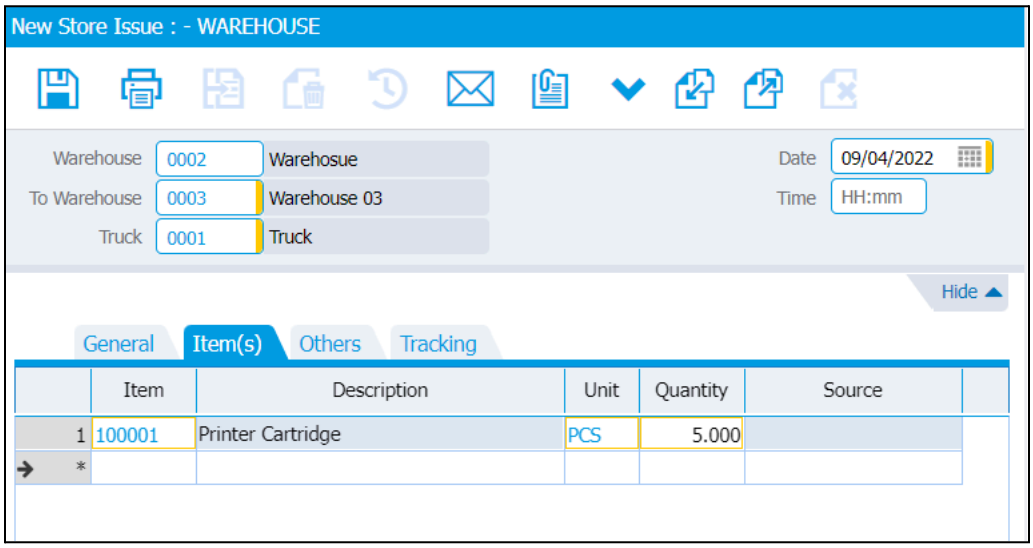
You would start the process by navigating as in step above, however, you would choose WAREHOUSE. This would open the following screen:



Step 2: Complete the **Warehouse** (from warehouse), **To Warehouse** and **Truck** fields. The truck is the intermediary that shows that goods have left the "from" warehouse and is travelling to the "to" warehouse. The goods will be shown in Bisan as remaining in the truck until the receiving Warehouse has processed a receiving voucher, removing from Truck and accepting in the "to" warehouse.

Complete the required segment fields on the General tab.

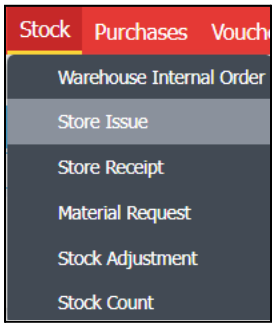
Step 3: Complete the Items tab as the following example shows:



Step 4: Add any Comments or Delivery Instructions in the Others Tab
Step 5: Approve and Post the Store Issue

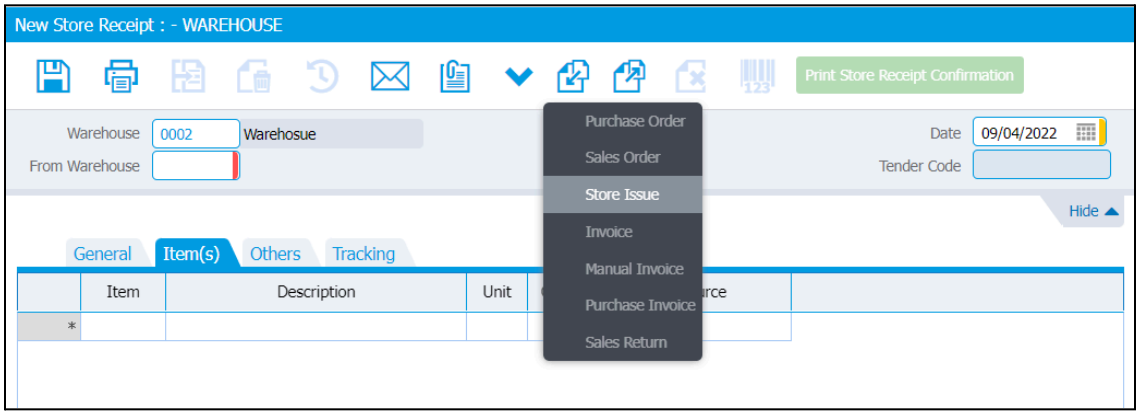
Option 1 – Receiving Warehouse

Step 1: Receiving warehouse will receive the goods, inspect and then process in Bisan by creating a warehouse receipt voucher by loading the information from the store issue voucher. This is performed by navigating as follows:



and clicking on Store Receipt. This opens a listing of all Store Receipts but since you want to create a new one, click on the Add button in the header. This will open a window that asks you the type of Store Receipt you want to open. Choose WAREHOUSE and then a blank Store Receipt will open:

Step 2: Load the relevant Store Issue voucher by clicking on the Load From  button in the header, which will open a listing of all Store Issue vouchers to a warehouse that have not been loaded (pending). Choose the correct voucher and this will populate the Store Receipt Voucher with all the correct information.



Step 3: Navigate to the Items tab and confirm the quantity received and choose Accept if you have the authority and then print. If you do not have the authority to Accept (approve), then click Save and the authorizing person with click Accept and print.

Option 2 – Warehouse Under Control of Same Manager

Complete as discussed directly above, however, rather than loading from a Store Issue voucher, you will enter all the details directly on the store receipt voucher type WAREHOUSE.

- Receiving Warehouse

- From Warehouse
- From Truck
- General Tab accounting information
- Items Tab
- Others Tab

5.5 Procuring Services

The whole discussion in section 5.2 assumed that goods were being purchased and used, however, the discussion applies equally for the purchase of services. Although services are not like physical goods that are transported from supplier, received by the Ministry then distributed to departments within the ministry, the purchase of services are analogous to goods and the majority of steps discussed in section 5.4 relate equally to Services.

The following is a list of processes in Section 5.2. Highlighted below are the areas in each section that need to be treated somewhat differently so you know how to process services (consulting services, maintenance services, etc.). Those without comments need not to be treated differently:

5.6 Procuring Fixed Assets

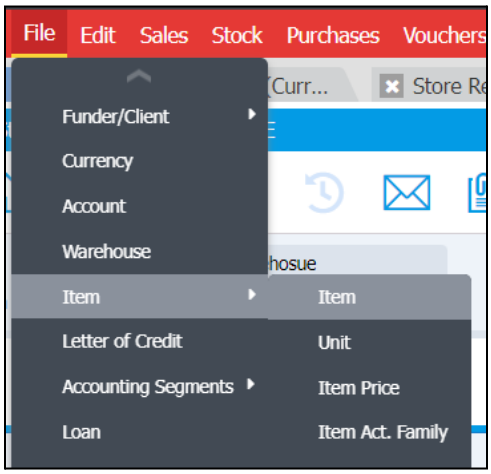
The whole discussion in section 5.2 assumed that goods were being purchased and used, however, the discussion applies equally for the purchase of Fixed Assets. Although Fixed Assets have different financial and procedural treatment in recording and managing the fixed assets, as well as the Fixed Assets Items definition is different than the Inventory Items, yet the purchasing process is the same

Please refer to the Fixed Assets module 9.1

5.7 Adding Items/assets to the Item file and Related Tables

5.7.1 Adding Items to the Item and Related Tables

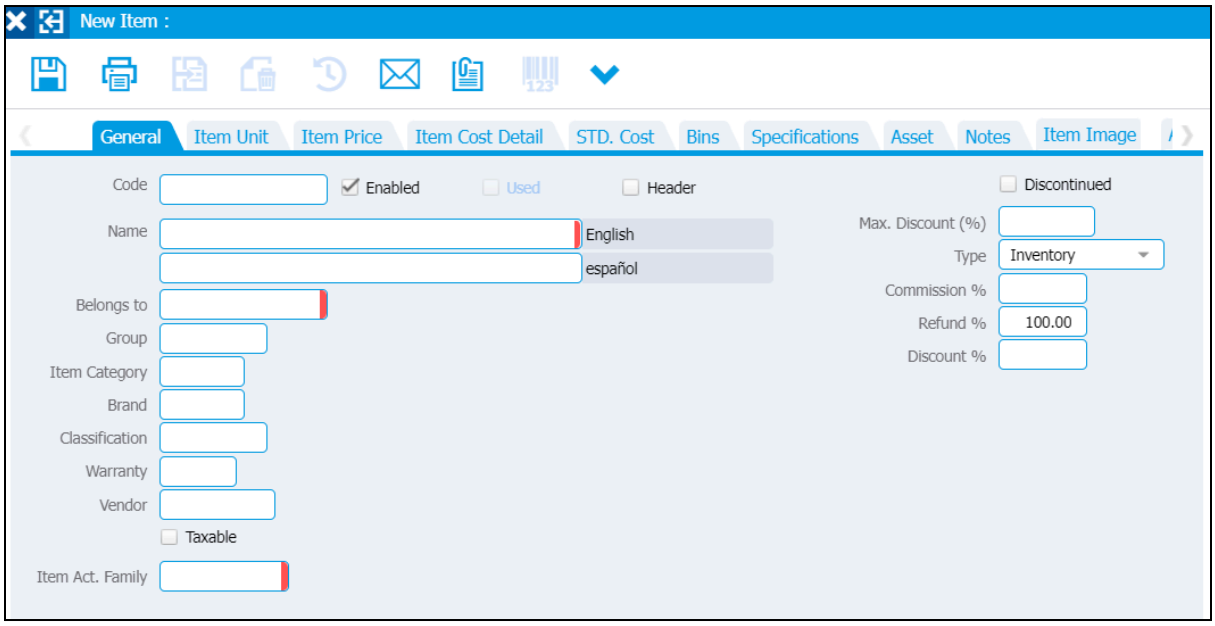
Navigate to File - Item – Item and select



Please Note same process for adding an item can be used from within any voucher that has item table selection, such as the purchase request as an example. On the items selection table double click and use the icon to open a new item file as below

NOTE:

Adding Items MUST be performed in consultation with the Procurement Department and will thus require their approval before a new item is created. This is because the set-up of a new item has direct accounting implications that must be understood fully before creating.

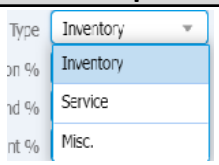


The fields listed in Red are mandatory, however, a correct Code number following the protocol should be used, otherwise the system will assign its own number. This would not affect using the system, but the code numbering will become illogical when trying to understand the code. If this happens, however, do not worry as the number can always be edited at a later date to match the agreed upon item coding protocol. The reason for this is that the Item Account Family must be completed and it is logically linked to this family structure.

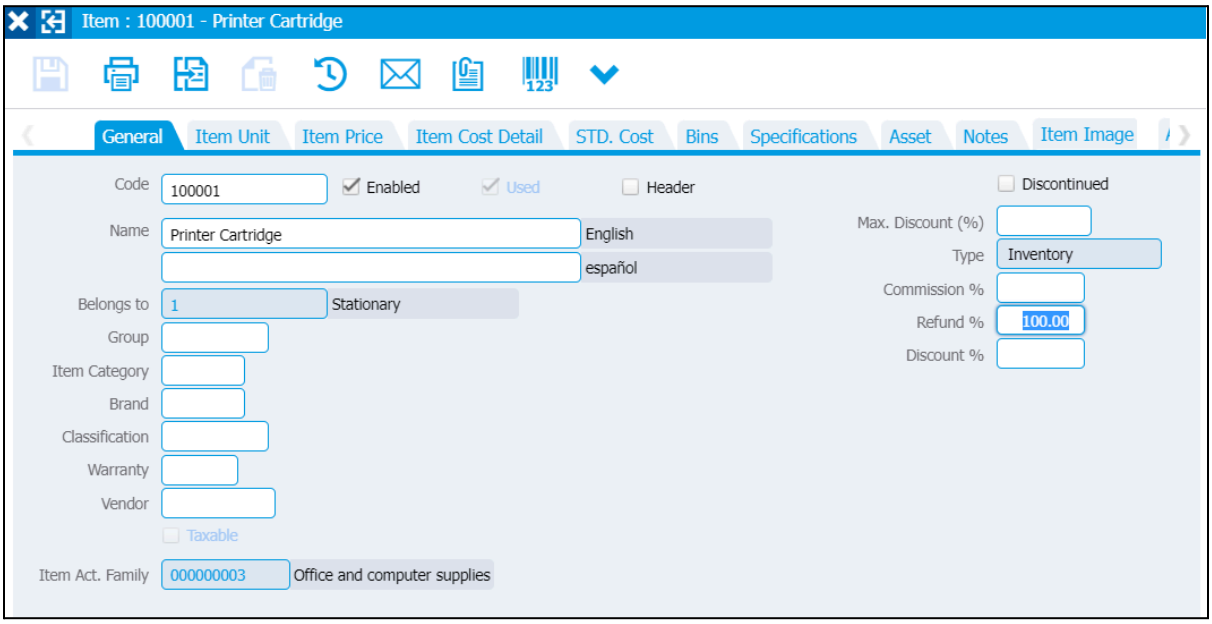
General Tab:

Field to be Completed	Discussion on How to Complete
Code (or Code Type)	See discussion directly above
Name	Add the name of the item.
Belongs To	This tells Bisan to which "higher level" group the particular item belongs. This allows for classification and better summary level reports. It is a compulsory field, and it must be entered taking into consideration its impact on the movement of Code Types. It cannot

<table>
<tr><th>Field to be Completed</th><th>Discussion on How to Complete</th></tr>
<tr><td></td><td>be changed when the type is used in the vouchers so pay special attention to choosing the type. To better understand, the following is an example:
<table><tr><th>Code</th><th>Belongs to</th><th>Name</th></tr><tr><td>1</td><td></td><td>Communication</td></tr><tr><td>2</td><td></td><td>Printing & Reproduction</td></tr><tr><td>3</td><td></td><td>Office/Computer Supplies</td></tr><tr><td>4</td><td></td><td>Equip & Tools Not Capitalized</td></tr><tr><td>5</td><td></td><td>Other Supplies/Materials</td></tr><tr><td>6</td><td></td><td>Medical Supplies</td></tr><tr><td>1000001</td><td>1</td><td>Audio/Video Conferencing (Below 5K)</td></tr><tr><td>1000002</td><td>1</td><td>Internet Charges</td></tr><tr><td>1000003</td><td>1</td><td>Modem/Wifi Device</td></tr><tr><td>1000004</td><td>1</td><td>Prepaid Telecom Card</td></tr><tr><td>1000005</td><td>1</td><td>Telephone Charges (Installation/Monthly Charges)</td></tr></table>According to the above coding example, when type 1000002 is used for Internet charges, and belongs to type 1 (Communication) in a voucher, it can be replaced by all types belonging to type 1 (Communication) and their alike. In this example, 1000002 can be replaced by all above defined types that belongs to 1. Items can be replaced by another item that belongs to the same group (belongs to).</td></tr>
<tr><td>Group</td><td>This is to be pre-defined by Procurement department so as to provide another way of grouping items purchased. It is currently not mandatory but recommended to complete.</td></tr>
<tr><td>Category, Brand,</td><td>Other options to be able to define how to classify items should it be required. Optional</td></tr>
<tr><td>Brand,</td><td>Other options to be able to define how to classify items should it be required. Optional</td></tr>
<tr><td>Classification</td><td>Other options to be able to define how to classify items should it be required. Optional</td></tr>
<tr><td>Warranty</td><td>To be used to record warranty period on purchased assets or items.</td></tr>
<tr><td>Vendor</td><td>Optional if the item is supplied by only one supplier, the supplier is selected.</td></tr>
<tr><td>☐ Discontinued</td><td>In order to stop ministries from selecting and starting a PR procurement process for items that are not available anymore or not being manufactured, or the product line is discontinued, click this box and this will therefore deactivate the item for selection on the PR.</td></tr>
</table>

Field to be Completed	Discussion on How to Complete
Type 	Classifying the Item as this type is an extremely important step. The default classification is Inventory but by clicking the drop-down menu, you have two other choices. The meaning of these types is: **Inventory**: Items that would go into stock or inventory **Service**: Items indicating a quantity of services bought (e.g., days) **Misc**: Items that allows the name field of the items to be changed as required. Creates a free text field and should be considered a service item too
Item Act. Family	This is a mandatory field that links the item to a default economic account number in the GL. By clicking in the field and pressing F2, you will be shown a list of **pre-defined** account family codes/names for you to choose from depending on the nature of the item being purchased. This is used for showing a particular economic account number in the PR that is used to reserve the budget line item See below for discussion on how to complete this table should the pre-defined families be changed or new families added. Note, this merely creates a default coding, but the coding can be changed on the PR for anyone given authorisation within Bisan.

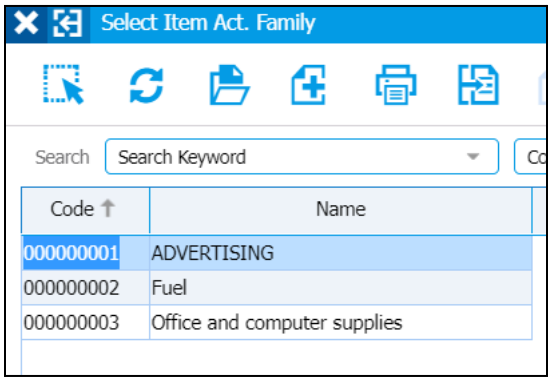
Example of Completed General Tab for an Item:



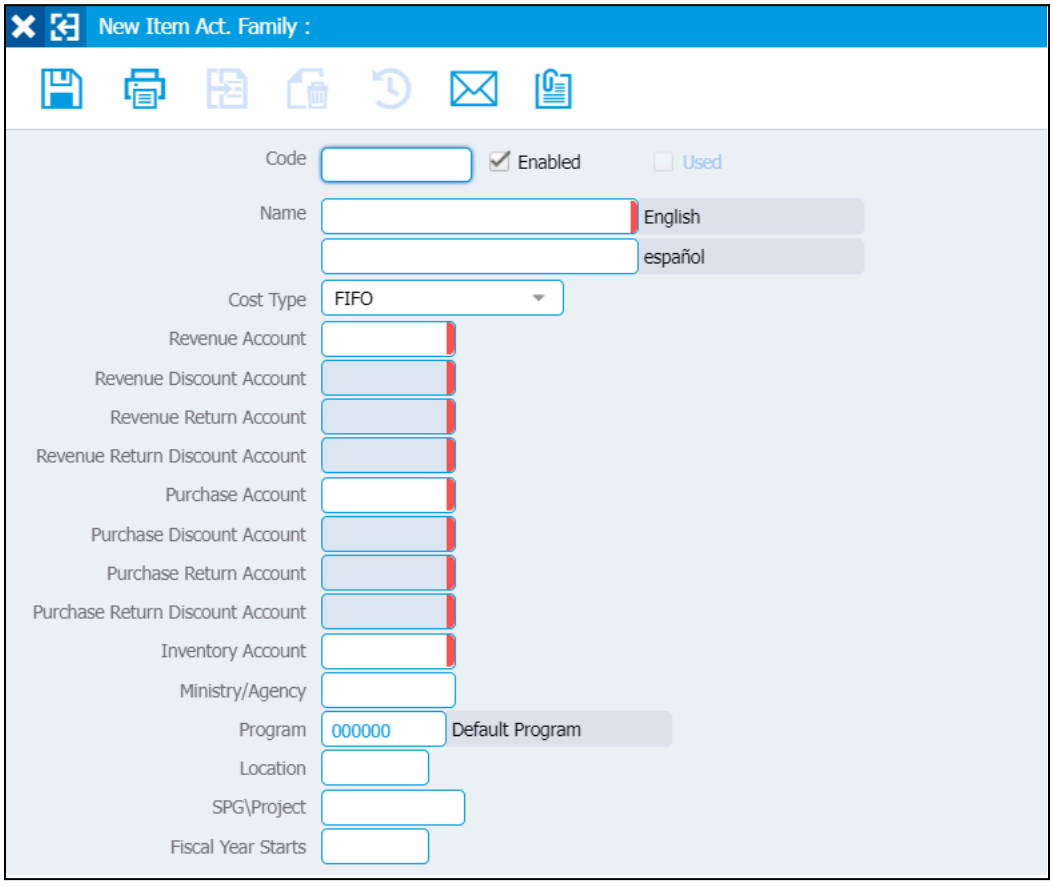
Item Act. Family Table Completion:

Should you require to create a new Item Account (Act.) Family table entry, it would be done as follows:

When you are at this screen shown below and the correct account family is not listed, click the Add button to open a new Item for defining. **Note, this table should be completed with the assistance of the <u>Accounting Department</u> to ensure the coding is correct.**

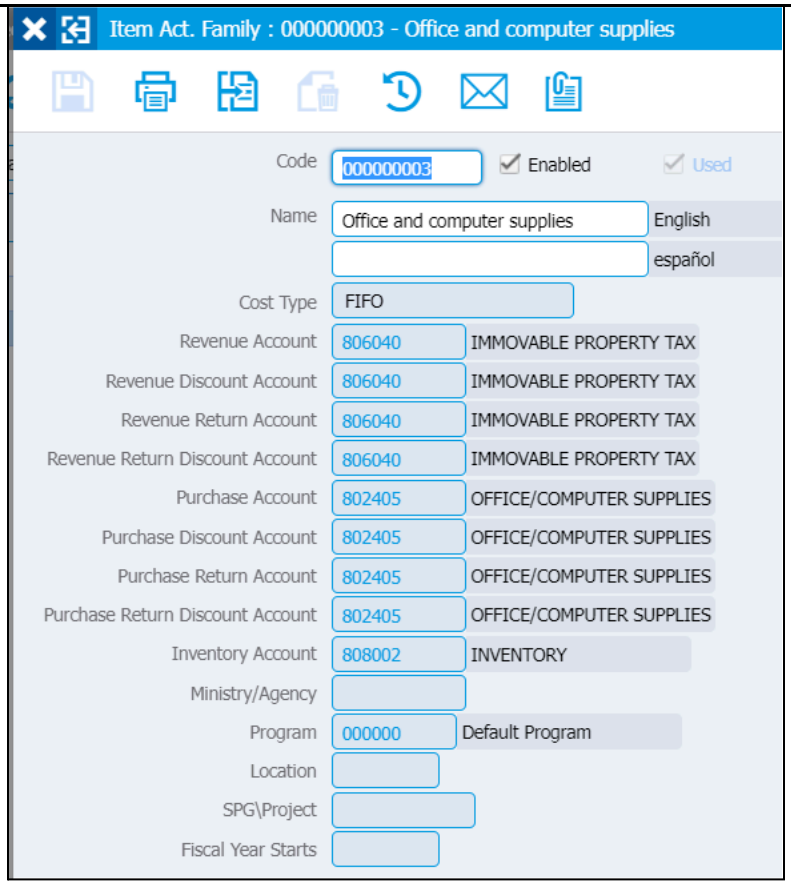


And the following blank screen appears:



Field to be Completed	Discussion on How to Complete
Code	This is a nine-character code that is not mandatory, however, should you choose not to use a coding protocol, it will automatically number consecutively.
Name	Add the name of the item family here.
Cost Type	This is a default account. This is meant for the calculating the value of the ending inventory if the items type is inventory and ending inventory values are required to be calculated for financial reporting purposes on the balance sheet.
Revenue Account Revenue Discount Account Revenue Return Account Revenue Return Discount Account	All these accounts are mandatory and must be completed should the item be sold and a default chart of account can be chosen.
Purchase Account Purchase Discount Account Purchase Return Account Purchase Return Discount Account	All these accounts are mandatory and must be completed as when the item is purchased, the purchase account is the default account code that is entered in the PR.
Inventory Account	This is a required account of type assets linked to the inventory value.
Program Location SPG\Project Fiscal Year Starts	Should it be required to define so that ONLY the restricted entities can view this item, it can be done here. Generally, this is not defined.

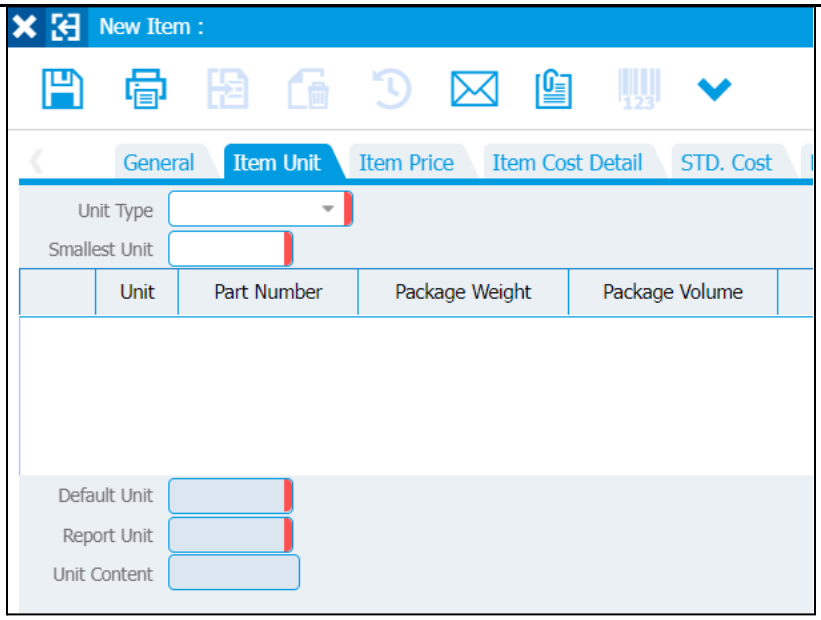
Example of Completed Item Act. Family

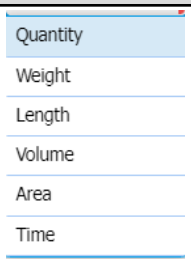


Once the above has been completed, click Save.

Units Tab:

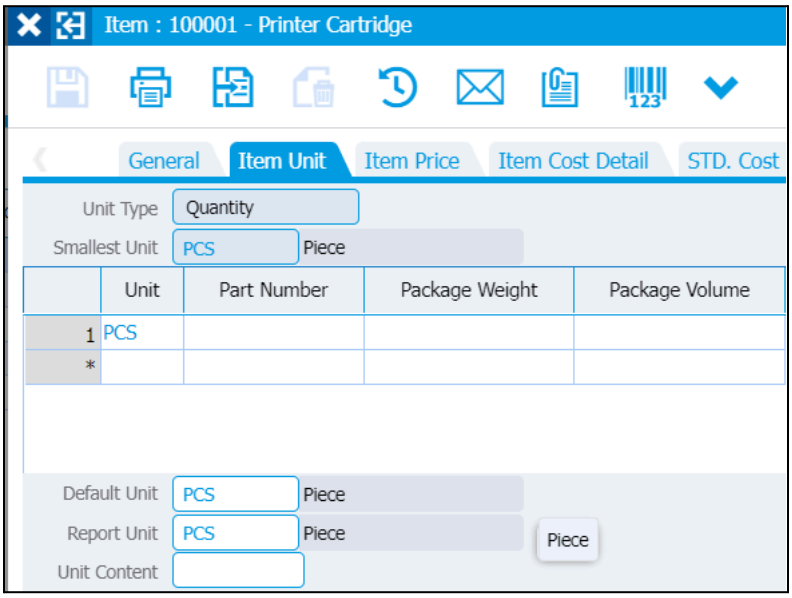
The next step is to complete the Units tab. The setup of the Units tab is very important and must be thought about carefully. Each item will have a defined unit against which the number of units are received or can be reported against. It is important to choose the unit correctly when setting up an item. In this section, we will also discuss how to create a Unit that allows you to receive and pay percentages rather than against whole units. This is important for **service type** contracts where payments are made on a percentage of completion basis. A blank Units Tab is shown below and discussion on how it is to be completed follows the screenshot.



Field to be Completed	Discussion on How to Complete
Unit Type	 By selecting the drop-down list you then have a choice in what unit the item should be measured. Choose the most appropriate and it can be refined in the other options discussed below.
Smallest Unit	By double clicking on this field, you will be given a choice of smallest unit. If the choice is not adequate, you can add another form of unit that best describes the smallest unit. This is achieved by clicking the Add button when inside the choice screen and then complete the next window that appears as it sets the parameters and then click save. Further discussion of how to do this is given below this table.
Unit	This allows you to describe/define the unit in detail if you wish, but all that is required is the Unit value chosen (usually the smallest unit definition). This field is mandatory in order to complete the mandatory Default and Report unit field below. Note, for **service type** contracts, this unit is defined differently so a percentage of completion concept can be applied when receiving and paying for units.
Default Unit	This is automatically completed based on the Unit chosen, however, it can be changed if required. Further discussion is given below in a separate section.

Field to be Completed	Discussion on How to Complete
Report Unit	This is automatically completed based on the Unit chosen, however, it can be changed if required. Further discussion is given below in a separate section.
Unit Content	Should a unit contain more than one "countable" item or the smallest unit is defined as something that contains multiple items, then this can be given here. For example, the smallest unit might be listed as BOX, however, each BOX contains 12 smaller items. In this example, you would indicate 12 in the Unit Content field.

Example of Completed Units Tab Where Few Details are required

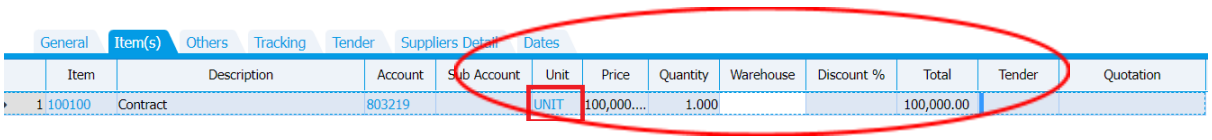


Example for utilizing Units for Services and contracts Percent

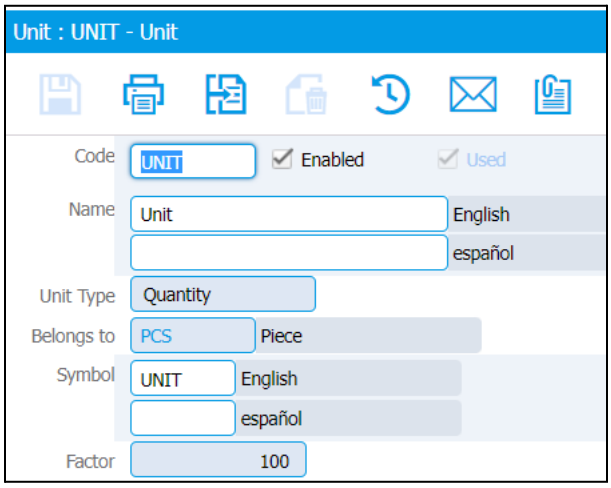
For a **Service Type** contract, the following is an example of utilizing the units for creating an item so that you can receive in units of 1/100 or percentages like 23% or 38%, etc. For further refinement, this can also be set in units of 1/1000 or larger. Let us assume below that we are going to define a unit so that percentages can be received.

In this example, we are going to purchase consulting services for a value of $100,000 and the payments will be made on a percentage of completion basis, as the deliverables are completed. Let us assume that the first deliverable due will requires a 23% ($23,000) payment based on the contract. When creating the PR and processing through to a PO, the unit used in this example is "UNIT", this "Unit" is linked to a smallest unit of "PCS" with the factor of 1 Unit = 100 "PCS" further discussion on defining Unit is below.

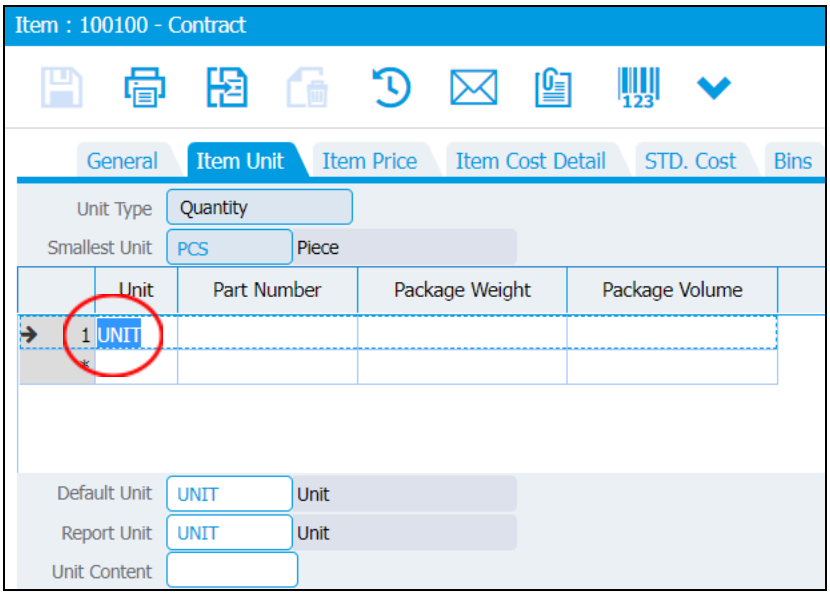
In the PR select the Item and the "UNIT" with a quantity of 1, for a value of $100,000, as shown below:



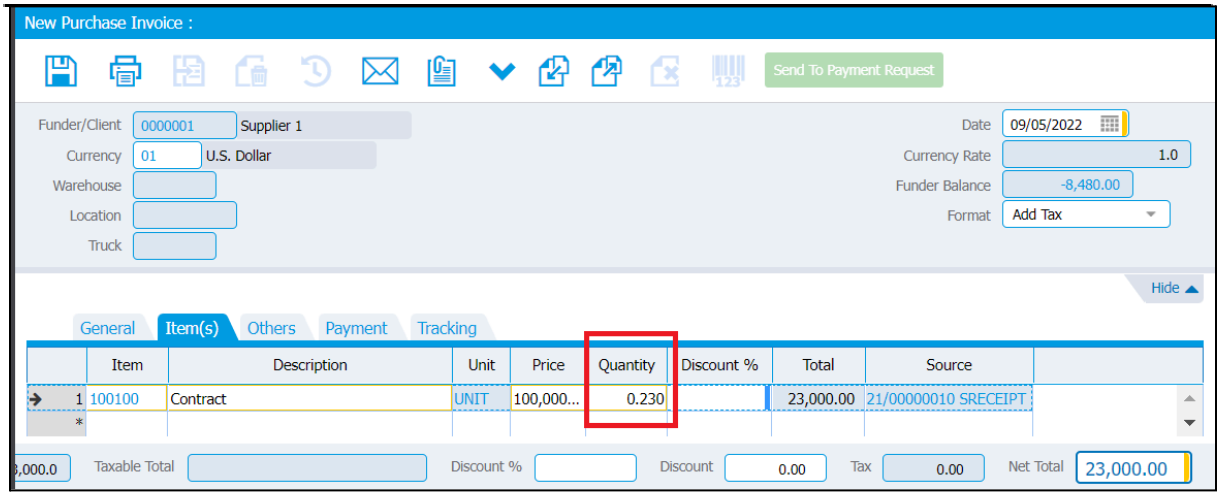
To explain how we will be able to receive a percentage of services, we must understand how the Unit was defined "As a Unit" and how it was linked in the Items tab as this is the key.
The "Unit" was defined as belongs to "PCS" with a Factor of 100, this means that each 1 Unit = 100 "PCSs" Or in other words each 1 "PCS" = 1/100 of the Unit.



In the Item Unit Tab below the smallest unit is will be "PCS" and the Unit to use on PR and other vouchers is the "UNIT"



When the first invoice is received to pay the deliverables of 23%, the goods/services receipt will be completed as a percentage by using typing" 0.23" as follows:

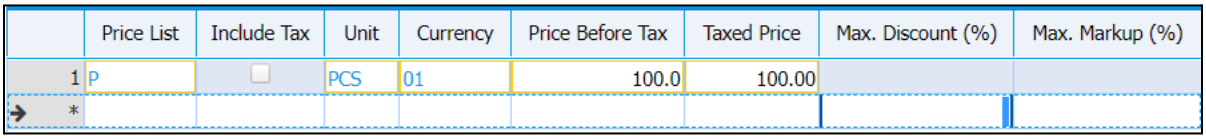


Based on this receipt of services, you can then send this receipt to a Payment Request and the value of the Payment Request is $23,000.

Prices Tab:

This tab indicates the purchase price of the item bought and can be updated from the supplier's quotation when that is entered before the purchase is made. You will note from the discussion above on price quotations that there is a special request made of the user, asking them whether they want to update the supplier's price list. If you choose yes, this is where the amount is updated. The price can be edited directly from this screen as well if required.

Note: when an item is selected on a PR for budget reservation the item price will be uploaded automatically on the PR if it is defined on the price list, this will give a very close if not an accurate estimate for reservation, that is why it is useful to automatically update the prices. Please note multiple Price lists can be defined in the system and linked to suppliers.



Cost and Bins Tabs:

These are used to track items at a lower level of detail, especially with respect to Bins and thus an exact location within a warehouse.

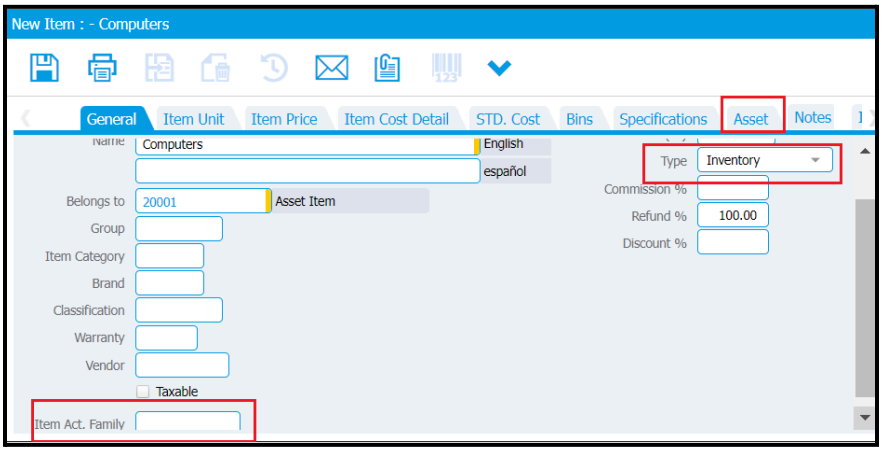
Specifications and Notes Tabs:

These are text fields that can be used as required to include item specifications, especially if the Item name is not enough to hold all the item description, this tab is optional.

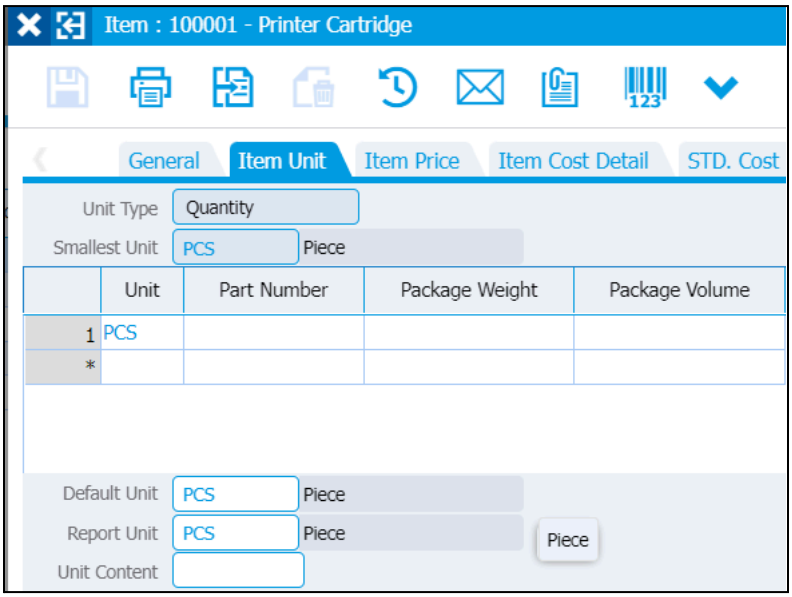
5.7.2 Adding Items Fixed Assets

To define a fixed asset the first step is to define an Item using the same steps as explained in section 5.3.1.1 above of adding new type inventory with additional information required as follows.

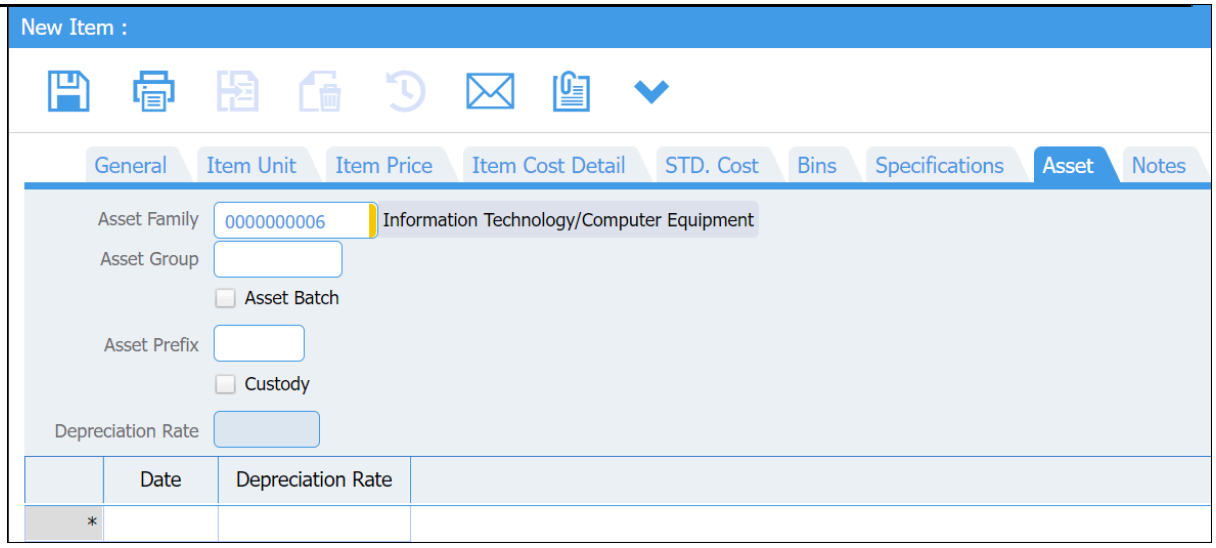
- ***Item Act. Family*:** field is not a required field, Asset family will be defined under the tab Asset
- ***Type:*** Must be Inventory



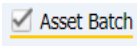
Item Unit: Must be Quantity with smallest unit selected under units.

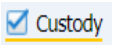
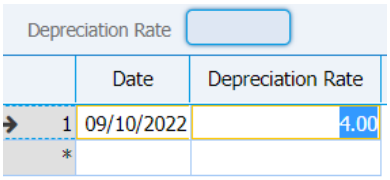


Asset tab



Under the asset tab the following information should be completed:

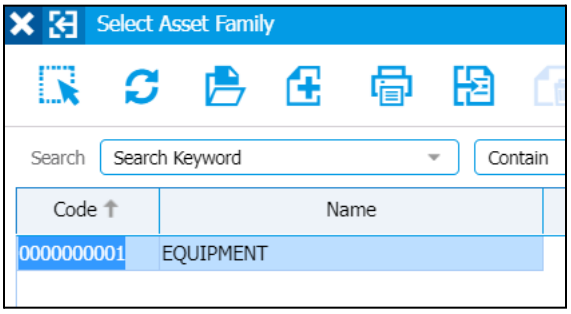
Field to be Completed	Discussion on How to Complete
Asset Family	This is a mandatory field that links the fixed asset item to a default economic account number in the GL. By clicking in the field and pressing F2, you will be shown a list of **pre-defined** asset account family codes/names for you to choose depending on the nature of the asset item being purchased. This is used for showing a particular economic account number in the PR that is used to reserve the budget line item as a Capital Outlay expense. See below for discussion on how to complete this table should the pre-defined families be changed, or new families added.
Asset Group	A list (table) of asset groups could be defined with a Code and Name, this will Group the same type of assets in same group for reporting purposes.
Asset Batch	This should be checked  if the asset item is not managed with a unique serial number. An example is purchase of chairs where there is no need to enter a serial number for each chair as this would be exhausting and time consuming given all chairs have the same characteristics. If the chairs are checked as Batch then the system will treat the chairs and tag them as batch containing a # number of chairs (example if 100 chairs were bought and the batch will be 100 and each chair will be tagged as 1/100,2/100 and so on)

Field to be Completed	Discussion on How to Complete
Asset Prefix	A prefix for asset tags for all items belonging to this item, example if the letter "C" was entered in this field all tags generated for the items bought will start with a C and then the tag generated serial number.
Custody	If this field is checked  , these means the asset should be assigned to a custodian and this will be used in the fixed assets management module to track assets and custodians.
Depreciation Rate	System uses the straight line depreciation method, this is the rate used to calculate the yearly depreciation expense, please note this overrides the rate defined in the asset family.  If for any reason the rate changes this could be tracked by multiple lines by entering the date and the new rate.

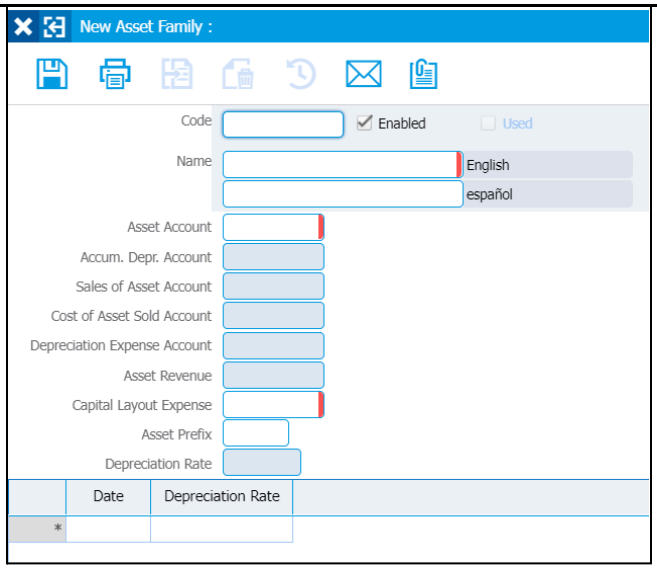
Item Asset Family Table Completion:

Should you require to create a new Asset Family table entry, it would be shown below as follows. When you are at this screen shown below and the correct asset family is not listed, click the Add button to open a new Item for defining.

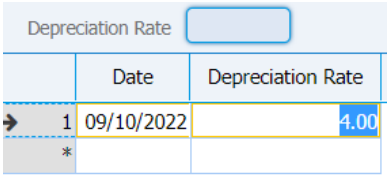
Note, this table should be completed with the assistance of the <u>Accounting Department</u> to ensure the coding is correct.



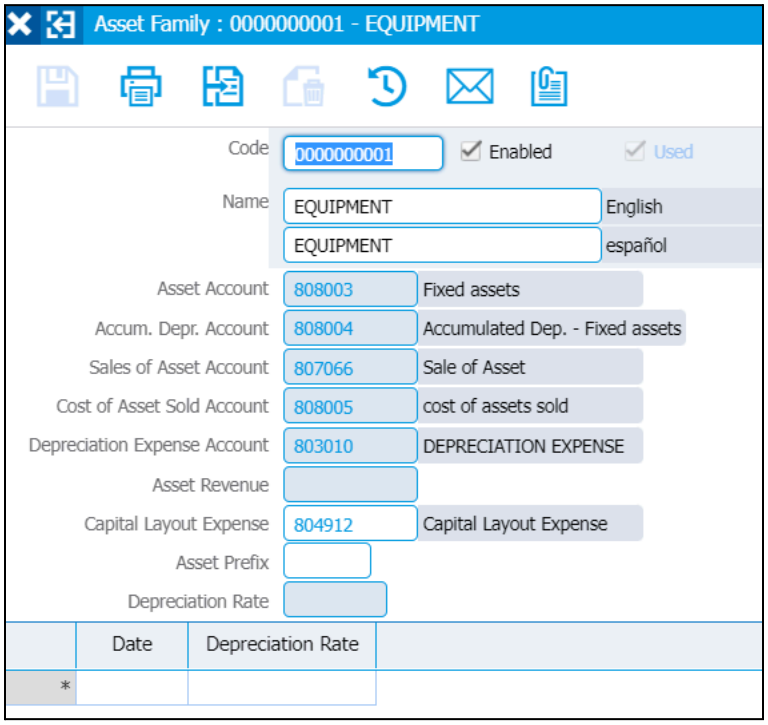
And the following blank screen appears:



Field to be Completed	Discussion on How to Complete
Code	This is a nine-character code that is not mandatory, however, should you choose not to use a coding protocol, and it will automatically number consecutively.
Name	Add the name of the asset family here.
Asset account	This is a related ledger account for the fixed asset, the account classification types that could be selected here are of type Fixed Assets Or an expenditure of type Capital Assets. If the Account classification selected here is Fixed Asset the item will be recorded on the fixed assets register as an asset and will be depreciated. If the account selected here is of type Capital Expenditure the asset amount will be expensed directly but will be tracked as count and by location without the value and depreciation as the asset is expensed directly when purchased.
Accum. Depr. Account Sales of Asset Account Cost of Asset Sold Account Depreciation Expense Account Asset Revenue	If Asset Account is Expenditure, these field are disabled. If the Asset Account is Fixed assets these fields are enabled and are mandatory and must be completed for recording related GL accounts.
Capital Layout Expense	Based on the GASB principals of accounting, the Government funds carries the Asset as a capital layout expense and the asset value under the Fixed Assets Group. The Capital Layout account is an expense account related to the asset in the Government Funds.
Asset Prefix	A prefix for asset tags for all items belongs to this item, example if the letter “C” was entered in this field all tags, please note if a tag is defined in the item it will override this definition

Field to be Completed	Discussion on How to Complete
Depreciation rate	System uses the straight line depreciation method, this is the rate used to calculate the yearly depreciation expense. Please note this overrides the rate defined in the asset family.  If for any reason the rate changes this could be tracked by multiple Lines by entering the date and the new rate. Please note if a depreciation rate is defined in the item it will override this definition.

Example of Completed Item Act. Family



Once the above has been completed, click Save.

5.8 Central Procurement Framework Contract Process Stream (For Future Implementation)

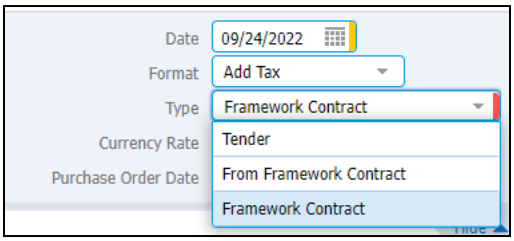
The Procurement Department undertakes several framework contracts on behalf of all the government spending ministries. The goods and services included in these contracts *must* be purchased using the preferred suppliers defined in these government-wide contracts, unless other events warrant that the framework supplier should not be used. Based on the schedule

defined by Procurement Department, towards the end of each year ministries supply their expected goods requirements for the upcoming year to Procurement Department who then collates the requirements for the GMRI as a whole and performs a public tender based on quantity and type of goods. Based on the procurement rules, successful bidders are selected and contracts signed for the agreed goods. Note, these contracts only define the upper quantity of goods to be provided, price of defined goods and the timeframe over which this offer will be valid. This does NOT create a commitment on the part of the GMRI to purchase these goods. The GMRI can choose to purchase or choose not to purchase during the year.

The following part of this section describes how the Procurement Department enters framework contracts into the Bisan system. This does not describe the tendering and selection process that occurs before the point in time when the framework contracts are negotiated and finalized. Should framework contracts have a timeframe for less than one year, this same process described below will be followed to update the Bisan system when framework contracts change during the year. Updating the system is the responsibility of Procurement Department.

5.8.1 Step 1 Creation of Payment Request Type Framework Contract

Follow the same steps as detailed in section 5.3.1 for creating the Purchase Request with the only difference is to select the Type as **Framework Contract**



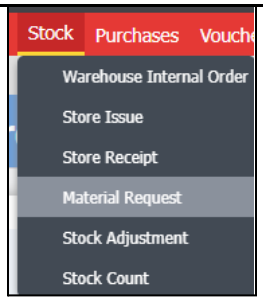
Continue with the same process to send to Price Quotations as detailed in section 5.3.2, and once the quotations are completed the system is set to start the process of purchasing using the framework contract.

5.8.2 Step 2 Creation of the Material Request

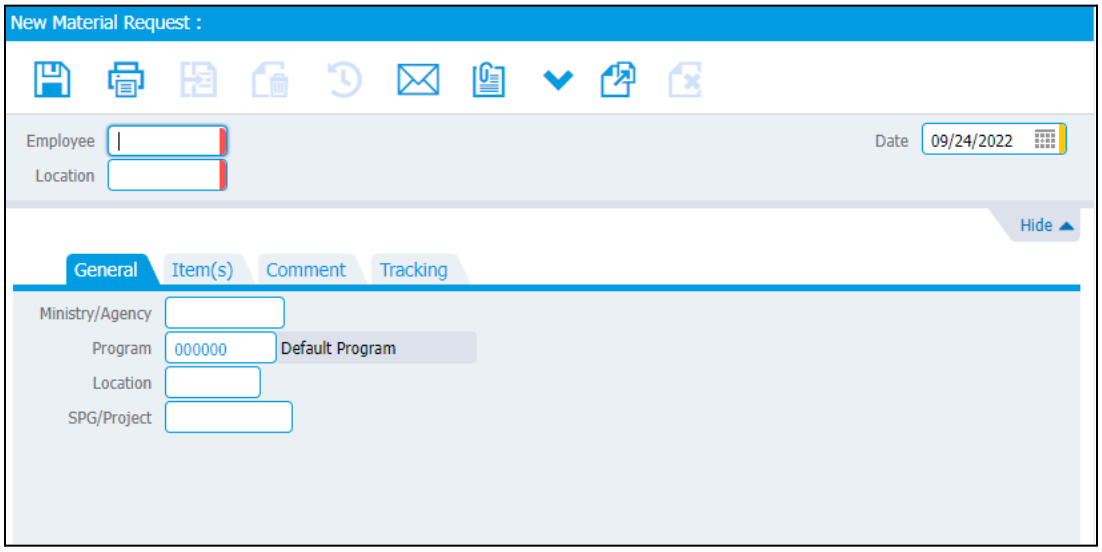
The Framework contract starts with a Material Request voucher (MR). The *Material Request (MR)* voucher is used to begin the purchase or distribution process for a good or service. For the process stream described in this section, it is assumed that the material request is used to access goods already in stock (Since GRMI does not have Warehouses the following process will only describe the framework process). The Material request does not contain price information but is quantity only. No reservation is made in the budget at the time of preparation.

To create a Material Request MR

Step 1: Navigate to Stock then Material Request and complete as follows:



And upon clicking Material Request, you will be taken to a window of all entered MRs for your Ministry. Since you want to create a new request, click the Add button at the top of this new MR window that just opened and it will take you to a new blank MR that looks as follows:

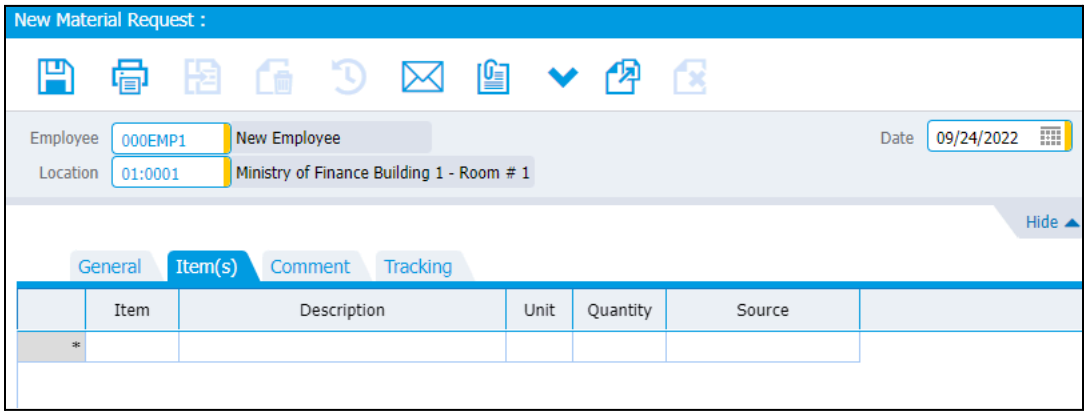


Header and General Tab:

Field to be Completed	Discussion on How to Complete
Employee	Every new MR **must** be linked to an employee so procurement knows who is making the request. Someone else can enter the MR (one who is properly authorized) but the MR must be linked to a specific requestor. Press F2 when field is activated and choose the relevant employee.
Location	This is the location for which the material request is being generated or which location is going to receive the material requested. Please note this is the location used to track the fixed assets which is different than the location used as part of the BCS segments.
General Tab Details	This is mandatory information at time of the original request being made. The person closest to the expenditure will know the relevant details, rather than the procurement department. Should the material **not** be available in stock then this information is very important at later stages for procuring and charging against budget. To complete, activate

Field to be Completed	Discussion on How to Complete
	the cell and press F2 or double click in the cell to select the correct details. Note, you will be limited by the security system in Bisan to see only those details that relate to your relevant ministry.

Items Tab:



Field to be Completed	Discussion on How to Complete
Item	Mandatory field. When field activated, press F2 or double click and select from drop-down. If the item you request is not listed, choose the unknown item 000000000 and attach the specifications in the Comments tab so procurement can have sufficient information to begin the procurement process.
Description	Will be automatically completed when selecting the item above
Unit	Will be automatically completed when selecting the item above
Quantity	Enter the quantity required

If more than one item is required, simply add more Item lines in this tab by right clicking on a line, choose add line and then choose the number of extra item lines you want to add.

Comments Tab:

It is in this tab that any additional comments can be put that will allow procurement to obtain the exact materials requested. Any information that is deemed important in the purchasing process can be included here. Note, this is especially important when a particularly desired item cannot be found in the list of items, therefore the specifications will need to be described in detail here. This tab is a free form text field.

If there are more detailed specifications that cannot be indicated here, these detailed specifications must be physically attached (document attachment functionality) to the MR and delivered to procurement.

Tracking Tab:

Used to give an audit trail of where the document has moved in the business process and approvals.

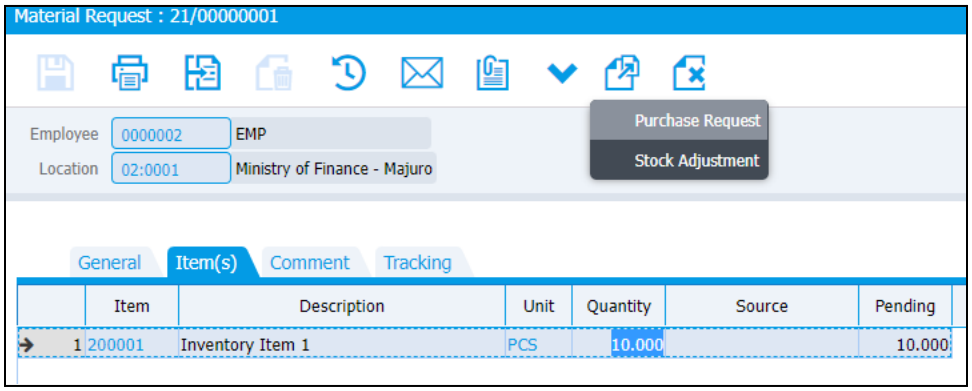
Step 2: Approve the Material Request as required and send to Procurement to post (Print):

5.8.3 Step 3 Creation of Purchase Request (PR)

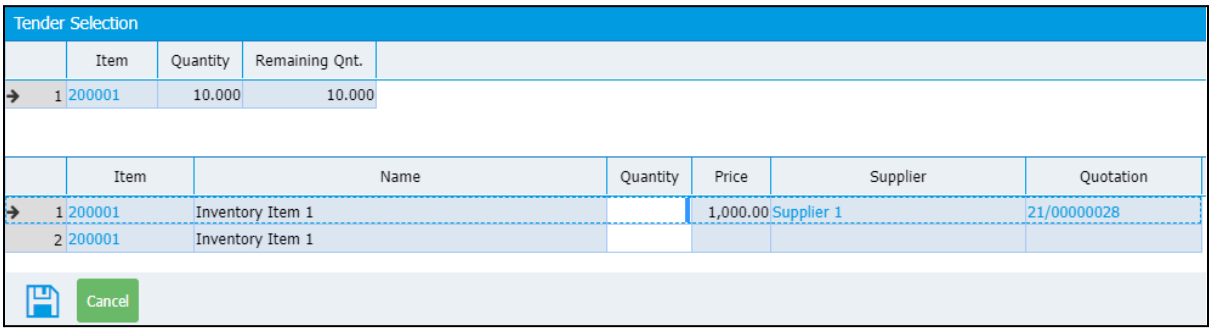
Unlike in section 5.3.1 above, the PR will be created by sending an approved Material Request (MR). Please Note, a Purchase Request type Framework Contract for the items must be completed in the system with at least one price quotation in the system

Step 1: Send the Material Request MR to a New Purchase Request PR

Open the material request and send to Purchase Request

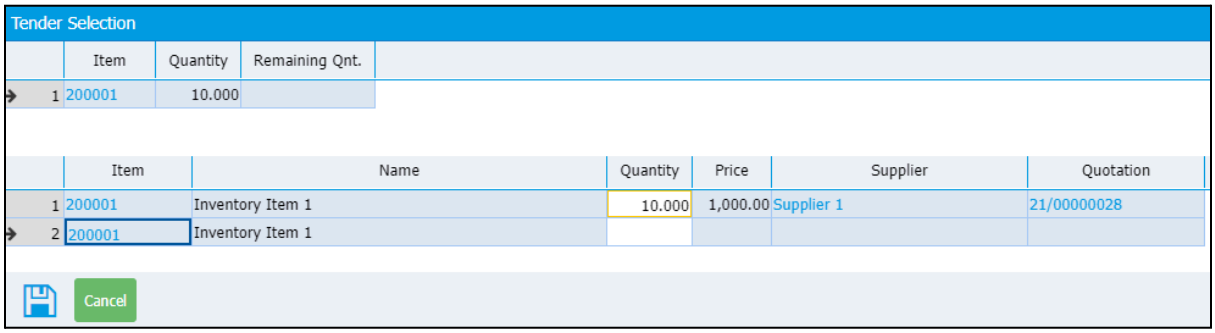


The following screen will be displayed



On the top half of the window the items requested and the quantities remaining for which to select a purchase method. In the bottom half, you will see the items that have a quotation against or do not have any and must be purchased using a tender type. In the example above, because there is a Framework Contract, we would choose 10 as the quantity in line 1. The screen will look as follows.

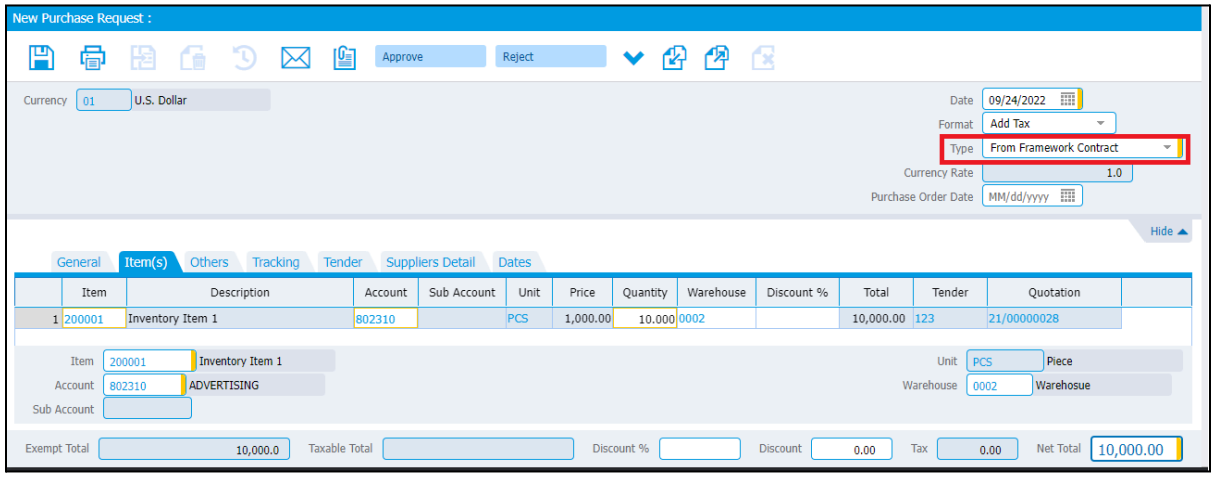
NOTE:
If there are no framework contract tenders for the items being loaded to the PR, you will be taken directly to the PR and you will not see the above screen.



We now see that the remaining quantity is nil and we are going to buy this using the Quotation on file.

If there were insufficient quantities available, then you would select the remainder in the "no central tender" line. For example, if you wanted a quantity of 10 and only 3 are available per a quotation on file, you would input 7 in the "no framework contract" line so as to reduce the "remaining qnt." in the header part of the above in this example we are buying using the framework contract for all of the quantity

Click save and the following Purchase Request of type "from framework contract" is created

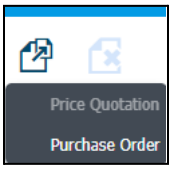


Step 3: Completion of PR

Now you must complete the sections of the PR following the instructions as given in Step 2, section **5.3.1** and continue with the approval process.

Step 4: Save, Print and Send to PO

When complete, but before the tender process has started, the PR is printed and saved so a reservation is taken, thus ensuring there is budget available to complete the purchase. Once approvals are complete and the PR is posted now it is ready to send to the PO. Once the send to is selected we can see that the Purchase Request is ready to be loaded into a Purchase Order directly as this Purchase Request is from a framework contract and the prices has been set in the original framework contract.



Step 5 Continue with the purchasing process as detailed in section **5.3.3**

5.9 Reversals/Cancellations

This section will describe how to process a cancellation at the various stages as described above. This can happen for a variety of reasons. Before discussing how to perform each cancellation, we will first give an overview of the impact on the reserved budget as it is very important to understand this process when working with the procurement process stream.

5.9.1 Overview of the Effect of Cancellations on the Budget

Some of the purchase process steps have an impact on the defined budget reservations and thus the amount of uncommitted allotment budget available for future purchases. To clearly understand the impact, let us assume that the purchase request (PR) has a quantity of 10 pieces; the price of each piece is $10. Let's also assume that the budget of the account that this type belongs to equals $ 1000 and the purchase order for this type of item consisted of 6 pieces only; however, the warehouse received only 5 pieces. By way of example scenarios, the interaction at the various stages can be summarized as follows:

Process	Yearly Budget	Periodic Allotment	Reserved Against Allotment	Encumbered Against Allotment	Expensed Via PI & A/P Closed
1. Material request MR– 10*10	1000	600	0	0	0
2. PR Creation -10*10	1000	600	100	0	0
3. Price quotation –Price no change	1000	600	100	0	0
4. Purchase order –PO 10*6	1000	600	40	60	0
5. Store Receipt voucher – 10*5	1000	600	40	60	0

Process	Yearly Budget	Periodic Allotment	Reserved Against Allotment	Encumbered Against Allotment	Expensed Via PI & A/P Closed
6. Purchase invoice PI + spending 10*5	1000	600	40	10	50

Cases of cancelations:

- ✔ Cancellation of **step1**: No impact on reservation, no goods quantity impact
- ✔ Cancelation of **step 2**: Cancelation of the PR leads to: reserve = zero.
- ✔ Cancelation of price quotation (**step 3**) does not affect the budget.
- ✔ Cancelation of **step 4**: In the event of cancelation of PO, the amount in the encumbered column goes back to the reserved column so reserve becomes 100 and encumbered becomes zero.
- ✔ Cancelation of **step 5**: Cancelation of the receipt voucher does not affect the budget.
- ✔ Cancellation of **step 6**: The amount 50 goes from the spending Expense column to encumbered.

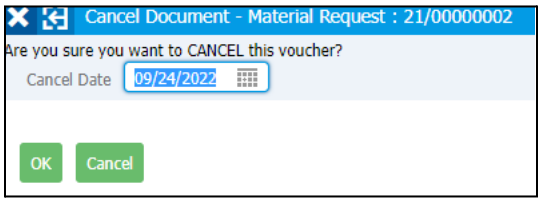
Important Note

If the Purchase Request contained 10 pieces at $10 per piece, it would not be allowed to change the quantities or the prices in the vouchers that follow as long as such change would lead to exceeding the originally reserved amount (of $100). Hence, the price cannot be changed to 12, for instance, and the quantity stays 10 since such movement would make the amount = $120 while the reserved amount equals $ 100 only.

5.9.2 Cancelling a Material Request (MR)

Material Requests can be cancelled if they have NOT been loaded to a PR. If they have been loaded to a PR, the PR will first need to be cancelled before the MR can be cancelled. Likewise, if the related PR was linked to a PO, then the PO would first need to be cancelled, then the PR and finally the MR.

To cancel the MR, open the MR listing of all MRs created for your ministry (see earlier section in this manual describing how to open this listing). When there, find the MR you want to cancel and click on it once to highlight. You will then see the Cancel  button in the header to click. You will be asked to select the cancellation date and if you are sure you want to cancel. If you are sure, select yes.



In the MR list you will notice that the serial number of the MR has a strikethrough.

21/00000001	09/24/2022	Posted	0000002	EMP	02:0001
~~21/00000002~~	09/24/2022	Posted	0000002	EMP	02:0001

If you open the cancelled MR voucher, you will note in the header of the voucher that it has been cancelled Material Request : 21/00000002 (**** CANCELED ****).

5.9.3 Cancelling a Purchase Request (PR)

PRs can be cancelled if they have NOT been loaded to a PO. If they have been loaded to a PO, the PO will first need to be cancelled before the PR can be cancelled.

The process as described in 5.9.3 above will be the same (including icons shown), except that you must first open the listing of PRs that have been posted.

5.9.4 5.9.4 Cancelling a Price Quotation (PQ)

PQs can be cancelled at any time. The process as described in 5.9.3 above will be the same (including icons shown), except that you must first open the listing of PQs that have been posted.

5.9.5 5.9.5 Cancelling a Purchase Order (PO)

POs can be cancelled in full if they have NOT been attached to a Goods Receipt Voucher, that is, none of the goods/services listed on the PO have been received. If all items have been received against the PO and you would like to cancel the PO, the Goods Received Note(s) for all items will first need to be cancelled before the PO can be cancelled. If goods have been partially received against the PO and it is determined that no further goods are to be received, then the "pending" part of the PO can be cancelled as described above in 5.9.3, except you must first open the listing of PO's that have been posted.

IMPORTANT NOTES

1. If you wish to cancel the complete PO (no goods have been received or you have returned the goods in entirety), you must also determine if you will no longer want to buy these goods. The reason for this is that when you cancel the PO, the budget is still being reserved against budget (moved from encumbered to reserved) in accordance with the related PR. Therefore, if the decision is NOT to purchase

anything, you will need to cancel the related PR so that the amount of the reservation is returned to the free allotment budget and is now available for future purchases.

2. If you cancel the pending amount of the PO – that is, if the PO has a quantity of 10 and you only received 6 and the decision is that you will not receive the other 4 so would like to remove the encumbrance and reservation from the system of the remaining 4 items, cancelling the PO alone will merely move the earmarked funds from encumbered to reserved. To completely remove the reservation amount for the 4 remaining items, you must also cancel the related PR related to these 4 items. The related PR is easily found as the PO gives a "reference source" as to which PR was loaded to the PO. Drill down from this Source reference and then cancel the related PR for the 4 remaining items.

5.9.6 5.9.6 Cancelling a Store Receipt Voucher (SRV)

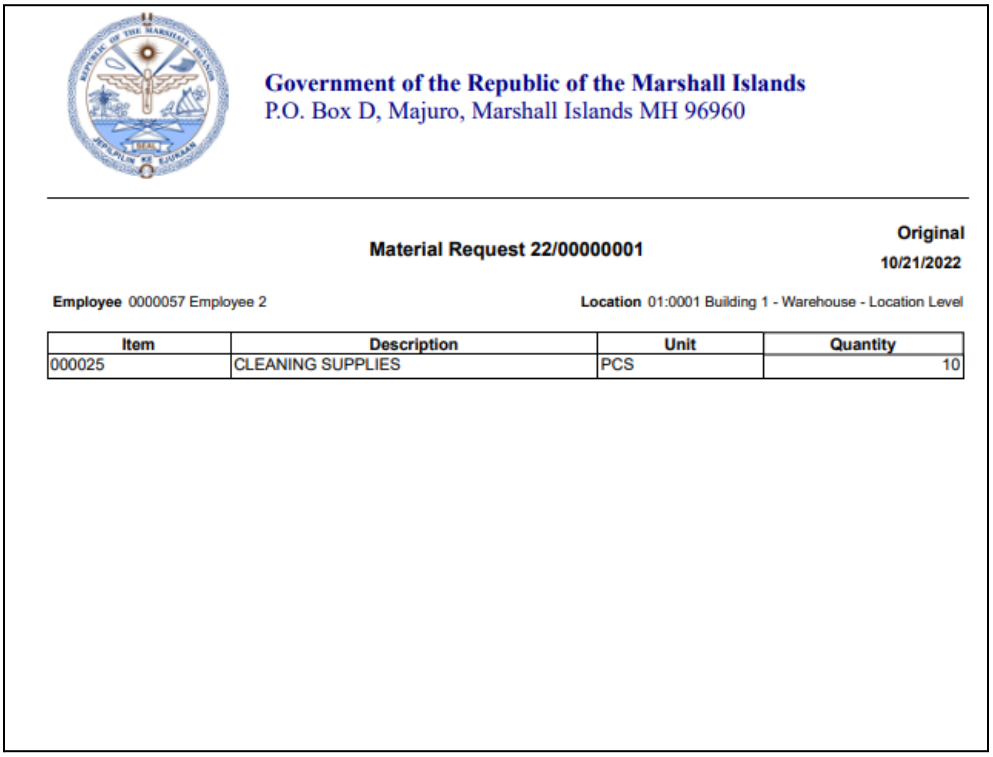
Fully posted SRV cannot be deleted. If goods were received and need to be returned, a store issue voucher must be used to remove the goods from the warehouse. There is no ability to cancel a posted SRV (posting assumes receipt of goods)

6. Accounting Entries in BISAN

The whole purchasing process does not create journal vouchers in the General Ledger (GL) of the accounts but technically operates outside the GL and within the budget control structure. Only when Purchase invoice is posted is it an actual transaction made in the GL [**Dr**. Expense, **Cr**. Accounts payable].

There are however entries made to record the movement of goods into and out of warehouses and locations, but, these do not create entries in the GL. Records are kept in a subledger that does not have a GL accounting implication.

Appendix A – Material Request



Government of the Republic of the Marshall Islands
P.O. Box D, Majuro, Marshall Islands MH 96960

Material Request 22/00000001

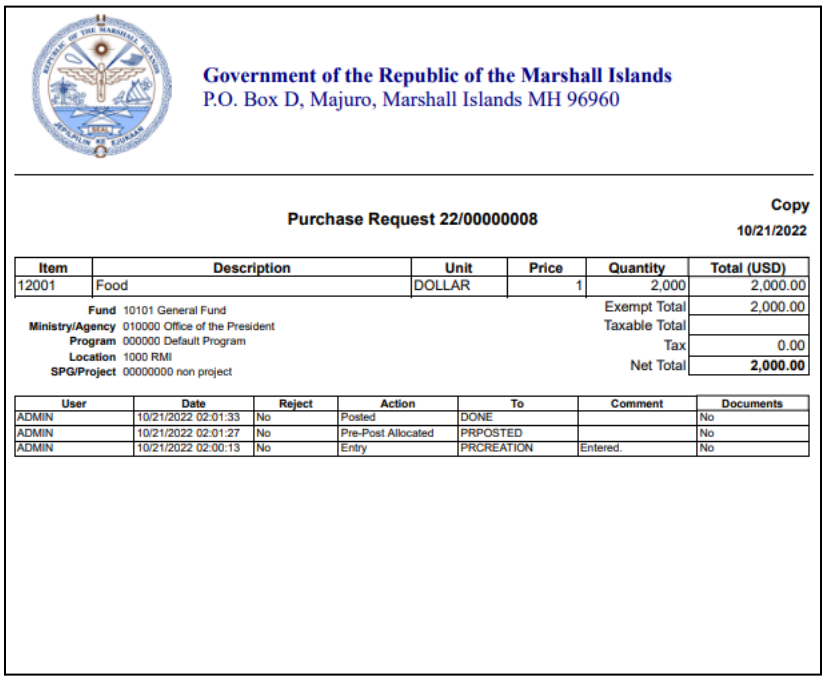
Original
10/21/2022

Employee 0000057 Employee 2

Location 01:0001 Building 1 - Warehouse - Location Level

Item	Description	Unit	Quantity
000025	CLEANING SUPPLIES	PCS	10

Appendix B – Purchase Request



Government of the Republic of the Marshall Islands
P.O. Box D, Majuro, Marshall Islands MH 96960

Purchase Request 22/00000008

Copy
10/21/2022

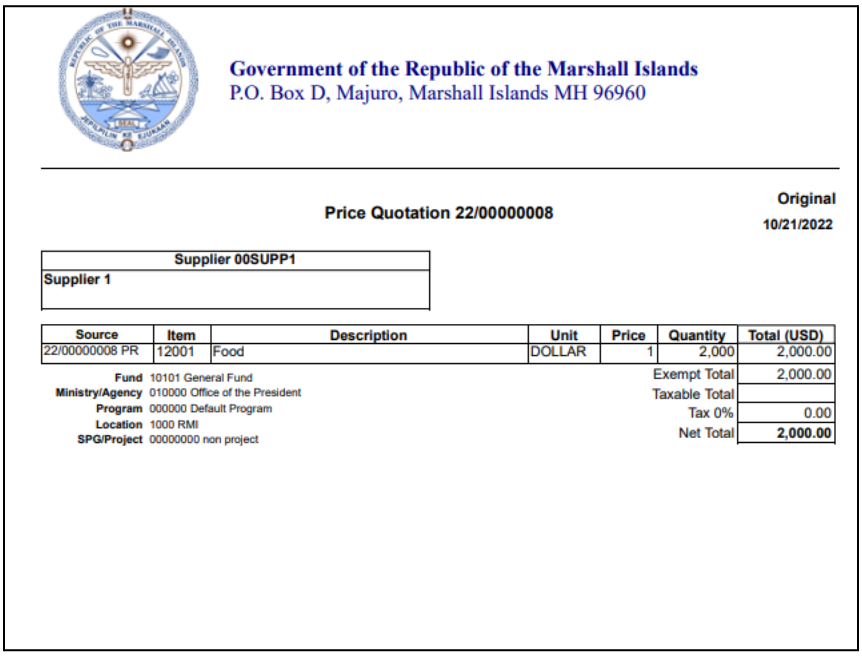
Item	Description	Unit	Price	Quantity	Total (USD)
12001	Food	DOLLAR	1	2,000	2,000.00

Fund 10101 General Fund
Ministry/Agency 010000 Office of the President
Program 000000 Default Program
Location 1000 RMI
SPG/Project 00000000 non project

Exempt Total	2,000.00
Taxable Total	
Tax	0.00
Net Total	**2,000.00**

User	Date	Reject	Action	To	Comment	Documents
ADMIN	10/21/2022 02:01:33	No	Posted	DONE		No
ADMIN	10/21/2022 02:01:27	No	Pre-Post Allocated	PRPOSTED		No
ADMIN	10/21/2022 02:00:13	No	Entry	PRCREATION	Entered.	No

Appendix C – Price Quotation



Government of the Republic of the Marshall Islands
P.O. Box D, Majuro, Marshall Islands MH 96960

Price Quotation 22/00000008

Original
10/21/2022

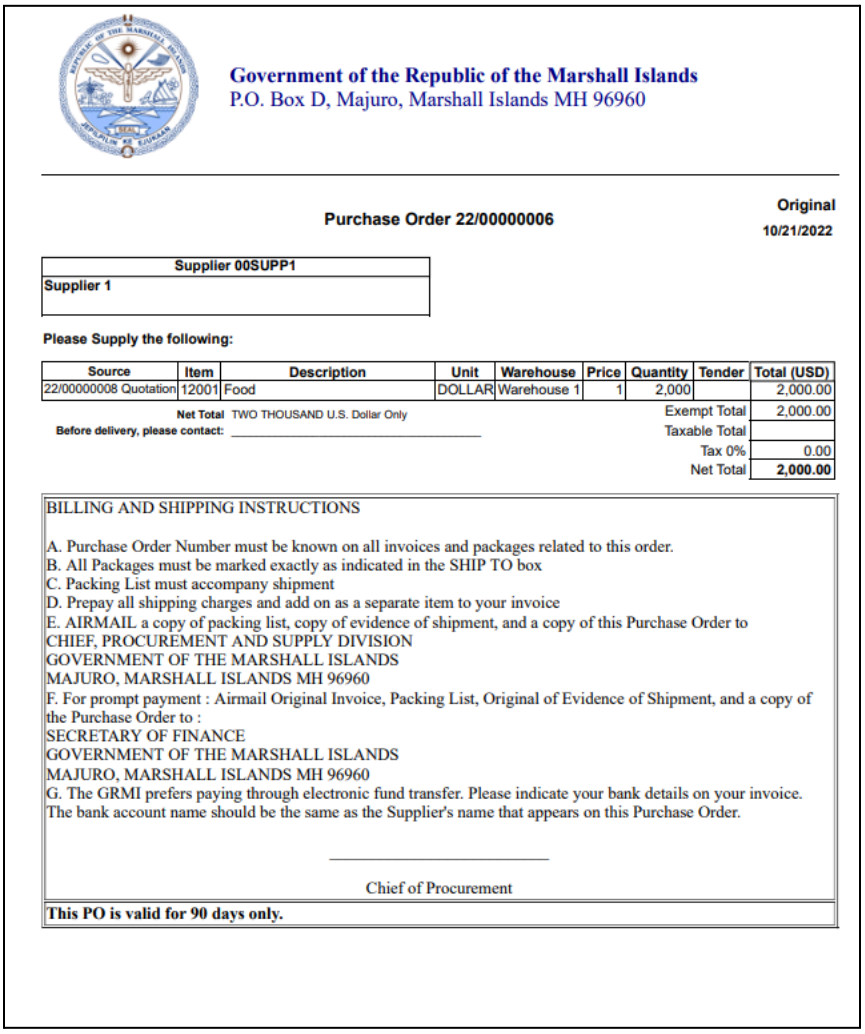
Supplier 00SUPP1
Supplier 1

Source	Item	Description	Unit	Price	Quantity	Total (USD)
22/00000008 PR	12001	Food	DOLLAR	1	2,000	2,000.00

Fund 10101 General Fund
Ministry/Agency 010000 Office of the President
Program 000000 Default Program
Location 1000 RMI
SPG/Project 00000000 non project

Exempt Total	2,000.00
Taxable Total	
Tax 0%	0.00
Net Total	**2,000.00**

Appendix D – Purchase Order



Government of the Republic of the Marshall Islands
P.O. Box D, Majuro, Marshall Islands MH 96960

Purchase Order 22/00000006

Original
10/21/2022

Supplier 00SUPP1
Supplier 1

Please Supply the following:

Source	Item	Description	Unit	Warehouse	Price	Quantity	Tender	Total (USD)
22/00000008 Quotation	12001	Food	DOLLAR	Warehouse 1	1	2,000		2,000.00

Net Total TWO THOUSAND U.S. Dollar Only

Before delivery, please contact: _____

Exempt Total	2,000.00
Taxable Total	
Tax 0%	0.00
Net Total	**2,000.00**

BILLING AND SHIPPING INSTRUCTIONS

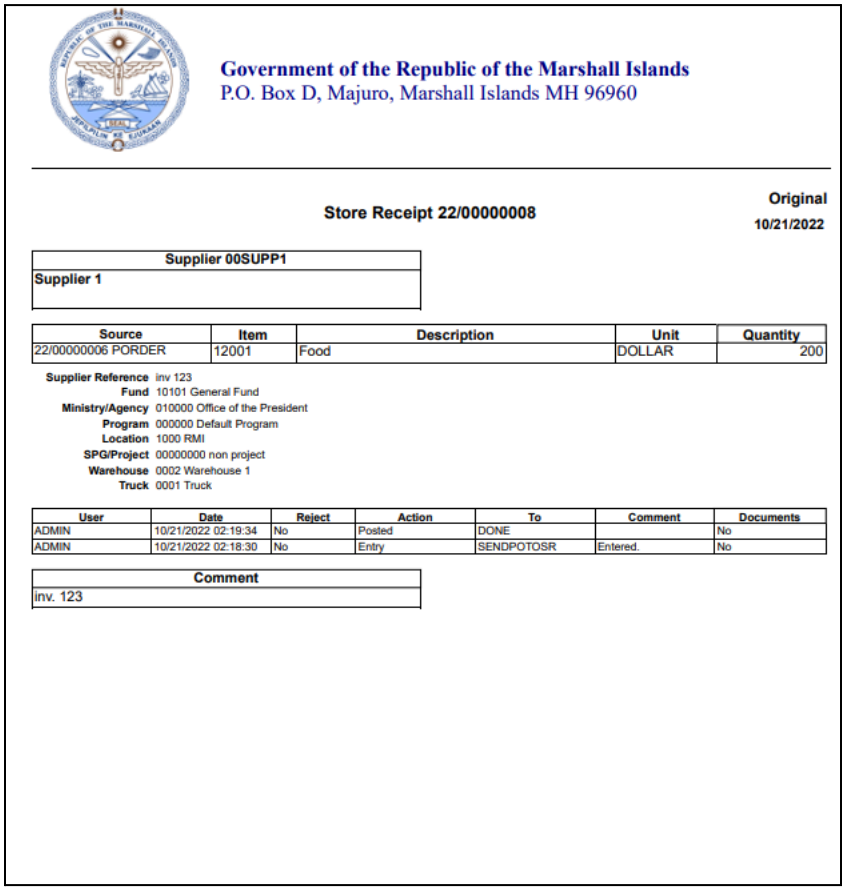
A. Purchase Order Number must be known on all invoices and packages related to this order.
B. All Packages must be marked exactly as indicated in the SHIP TO box
C. Packing List must accompany shipment
D. Prepay all shipping charges and add on as a separate item to your invoice
E. AIRMAIL a copy of packing list, copy of evidence of shipment, and a copy of this Purchase Order to
CHIEF, PROCUREMENT AND SUPPLY DIVISION
GOVERNMENT OF THE MARSHALL ISLANDS
MAJURO, MARSHALL ISLANDS MH 96960
F. For prompt payment : Airmail Original Invoice, Packing List, Original of Evidence of Shipment, and a copy of the Purchase Order to :
SECRETARY OF FINANCE
GOVERNMENT OF THE MARSHALL ISLANDS
MAJURO, MARSHALL ISLANDS MH 96960
G. The GRMI prefers paying through electronic fund transfer. Please indicate your bank details on your invoice. The bank account name should be the same as the Supplier's name that appears on this Purchase Order.

_____

Chief of Procurement

This PO is valid for 90 days only.

Appendix E – Store Receipt



Government of the Republic of the Marshall Islands
P.O. Box D, Majuro, Marshall Islands MH 96960

Store Receipt 22/00000008

Original
10/21/2022

Supplier 00SUPP1
Supplier 1

Source	Item	Description	Unit	Quantity
22/00000006 PORDER	12001	Food	DOLLAR	200

Supplier Reference inv 123
Fund 10101 General Fund
Ministry/Agency 010000 Office of the President
Program 000000 Default Program
Location 1000 RMI
SPG/Project 00000000 non project
Warehouse 0002 Warehouse 1
Truck 0001 Truck

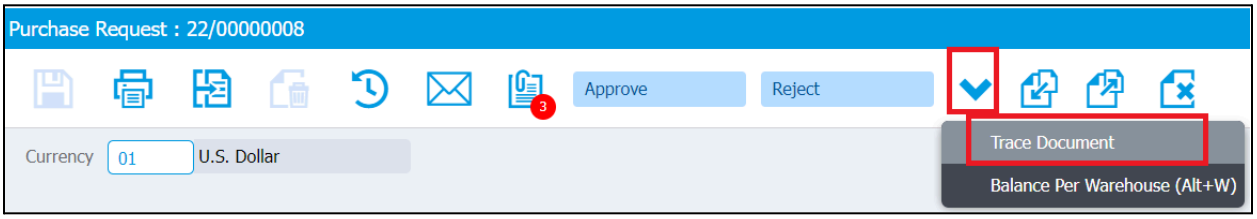
User	Date	Reject	Action	To	Comment	Documents
ADMIN	10/21/2022 02:19:34	No	Posted	DONE		No
ADMIN	10/21/2022 02:18:30	No	Entry	SENDPOTOSR	Entered.	No

Comment
inv. 123

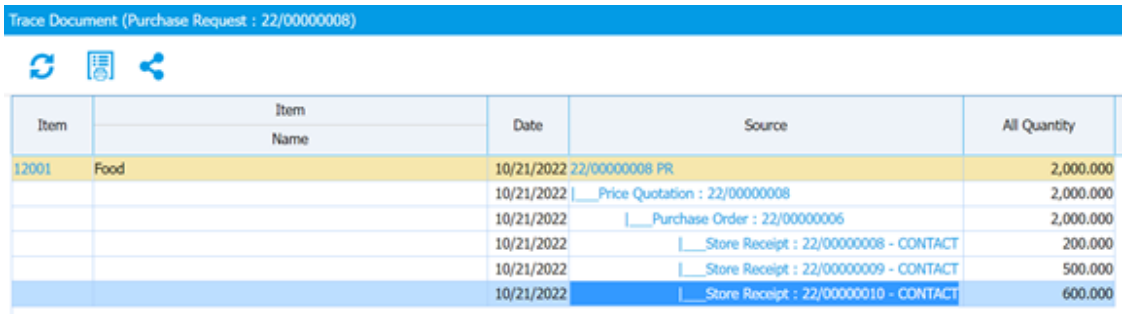
Appendix F – Trace Document

The Trace Document feature is used for tracking the workflow for related vouchers in the procurement process. In the following example a PR request is tracked from creation through to the store receipt stage (part of the goods and services are received by procurement).

Trace Document function is in the header of the voucher selected (PR in this case).



Once Trace Document is selected, the following is displayed



Item	Item Name	Date	Source	All Quantity
12001	Food	10/21/2022	22/00000008 PR	2,000.000
		10/21/2022	|___Price Quotation : 22/00000008	2,000.000
		10/21/2022	|___Purchase Order : 22/00000006	2,000.000
		10/21/2022	|___Store Receipt : 22/00000008 - CONTACT	200.000
		10/21/2022	|___Store Receipt : 22/00000009 - CONTACT	500.000
		10/21/2022	|___Store Receipt : 22/00000010 - CONTACT	600.000

This PR trace document shows the following (**NOTE**: all transactions above were made on the same day, which would not usually match reality, however this was done in the system to explain the principals) :

- PR 22/00000008 was created on 10/21/2022 with quantity $2,000

- Sent to Price quotation 22/00000008 on the same day

- Price quotation sent to Purchase order 22/00000006 on the same day

- The supplier made 3 deliveries (or invoices) (22/00000008 with quantity 200, 22/00000009 with quantity 500, 22/00000010 with quantity 600) and the quantities were received by the warehouse (accepted). This means the PO still has pending quantity of 700 (total order 2,000 – (received quantities 200+500+600) = remaining outstanding on the PO 700).