Purchasing with MXES

maximo®

Purchasing with MXES

Rel. 6.0 *08/2005*

Part Number MED0150

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MXES Curriculum for EAM

Key
- Instructor-Led Training
- Virtual Classroom Training

For Training Info, Course Descriptions, and Availability, go to:

Web: http://www.mro.com/corporate/mroservices/training/
E-mail: TrainSVC@mro.com
Fax: 781.280.2201

Foundation

Course #	Course Name	Length	Delivery Options	Prerequisites
MED0138	MXES Navigation & Querying	½ day, or 3-hr virtual	Instructor-Led, Virtual Classroom	None

Upgrade

Course #	Course Name	Length	Delivery Options	Prerequisites
MED0136	MXES for EAM - New Features	3 days	Instructor-Led	None (Note: for users upgrading from Maximo 5)

Implementation

Course #	Course Name	Length	Delivery Options	Prerequisites
MED0146	MXES Immersion Training for EAM	5 days	Instructor-Led	MXES Navigation & Querying
MED0155	Maintenance Best Practices Using MXES	2 days	Instructor-Led	None

End-User / Functional

Course #	Course Name	Length	Delivery Options	Prerequisites
MED0137	System Administration for MXES	3 days	Instructor-Led	MXES Navigation & Querying
MED0139	Inventory Management Using MXES	3 days	Instructor-Led	MXES Navigation & Querying
MED0143	Work Management Using MXES	3 days	Instructor-Led	MXES Navigation & Querying
MED0147	Using SQL with MXES	1 day	Instructor-Led	MXES Navigation & Querying
MED0148	Workflow Management Using MXES	5 days	Instructor-Led	MXES Immersion Training for EAM (Note: Extensive hands-on Maximo experience preferred)
MED0150	Purchasing with MXES	2 days	Instructor-Led	MXES Navigation & Querying
MED0151	Developing MXES Reports with Actuate	TBD	Instructor-Led	MXES Navigation & Querying, Using SQL with MXES
MED0154	The MXES KPI Manager (VCT)	3-hr virtual	Virtual Classroom	Using SQL with MXES

Flip for Curriculum Path by Role

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Suggested Curriculum Path by Job Role

MXES for EAM

Course Name	Manager Track	Implementation Track		Developer Track			Administrator Track			End-User Track				
	Managers, Supervisors, & Directors	Maximo Implementation Team Members	Maximo Upgrade Team (from MX 5)	Maximo Developer / Maximo App Support	Report Writer	Workflow Developer	Maximo Admin	Database Admin	Report Admin	Maintenance Personnel	Inventory Personnel	Contracts Manager	Accounts Payable / Receiving Personnel	Procurement Personnel
MED0138 MXES Nav & Query (1/2 day)		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
MED0136 MXES for EAM - New Features (3 days)			✓											
MED0137 System Admin for MXES (3 days)		✓		✓		✓	✓	✓						
MED0139 Inventory Mgmt Using MXES (3 days)											✓			
MED0143 Work Mgmt Using MXES (3 days)										✓				
MED0146 MXES Immersion Training for EAM (5 days)		✓	✓	✓		✓	✓	✓						
MED0147 Using SQL with MXES (1 day)					✓			✓	✓					
MED0148 Workflow Mgmt Using MXES (5 days)						✓								
MED0150 Purchasing with MXES (2 days)													✓	✓
MED0151 Dev. MXES Reports w/ Actuate					✓				✓					
MED0152 Contract Mgmt Using MXES												✓		
MED0153 Using MXES App Designer		✓	✓	✓										
MED0154 The MXES KPI Manager (3 hours)					✓				✓					
MED0155 Maintenance Best Practices Using MXES (2 days)	✓	✓	✓											

MXES Curriculum for ITSM / ITAM

For Training Info, Course Descriptions, and Availability, go to:

Web: http://www.mro.com/corporate/mroservices/training/
E-mail: TrainSVC@mro.com
Fax: 781.280.2201

Key

 *Instructor-Led Training*

 *Virtual Classroom Training*

Foundation

Course #	Course Name	Length	Delivery Options	Prerequisites
MED0138	MXES Navigation & Querying	½ day, or 3-hr virtual	 	None
MED0140	Introduction to ITIL (VCT)	3-hr virtual		None

Implementation

Course #	Course Name	Length	Delivery Options	Prerequisites
MED0149	MXES Immersion Training for IT	5 days		MXES Navigation & Querying
MED0145	Implementing ITIL with MXES	1 day		Introduction to ITIL (VCT)

End-User / Functional

Course #	Course Name	Length	Delivery Options	Prerequisites
MED0141	IT Service Management Using MXES	3 days		MXES Navigation & Querying
MED0142	IT Asset Configuration & Management in MXES	2 days		MXES Navigation & Querying
MED0137	System Administration for MXES	3 days		MXES Navigation & Querying
MED0147	Using SQL with MXES	1 day		MXES Navigation & Querying
MED0148	Workflow Management Using MXES	5 days		MXES Immersion Training for IT (Note: Extensive hands-on Maximo experience preferred)
MED0150	Purchasing with MXES	2 days		MXES Navigation & Querying
MED0151	Developing MXES Reports with Actuate	TBD		MXES Navigation & Querying, Using SQL with MXES
MED0154	The MXES KPI Manager (VCT)	3-hr virtual		Using SQL with MXES

Flip for Curriculum Path by Role

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Suggested Curriculum Path by Job Role

MXES for ITSM / ITAM

Course Name	Manager Track		Implementation Track		Developer Track			Administrator Track			End-User Track			
	Managers, Supervisors, & Directors	Service Level Managers	Maximo Implementation Team	Workflow Implementation Team	Maximo Developer / Maximo App Support	Report Writer	Workflow Developer	Maximo Admin	Database Admin	Report Admin	Service Desk / Support Personnel & Supervisors	IT Asset Managers / Configuration Managers	Contracts Manager	Procurement Personnel
MED0138 MXES Nav & Query (1/2 day)		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
MED0137 System Admin for MXES (3 days)				✓	✓			✓	✓			✓		
MED0140 Intro to ITIL (VCT) (3 hours)	✓													
MED0141 IT Service Mgmt Using MXES (3 days)		✓									✓			
MED0142 IT Asset Config & Mgmt in MXES (3 days)												✓		
MED0145 Implement ITIL w/ MXES (1 day)	✓	✓	✓											
MED0147 Using SQL with MXES (1 day)						✓			✓	✓				
MED0148 Workflow Mgmt Using MXES (5 days)				✓			✓							
MED0149 MXES Immersion Training for IT (5 days)			✓	✓	✓			✓						
MED0150 Purchasing with MXES (2 days)														✓
MED0151 Dev. MXES Reports w/ Actuate						✓				✓				
MED0152 Contract Mgmt Using MXES													✓	
MED0153 Using MXES App Designer			✓		✓									
MED0154 The MXES KPI Manager (3 hours)						✓				✓				

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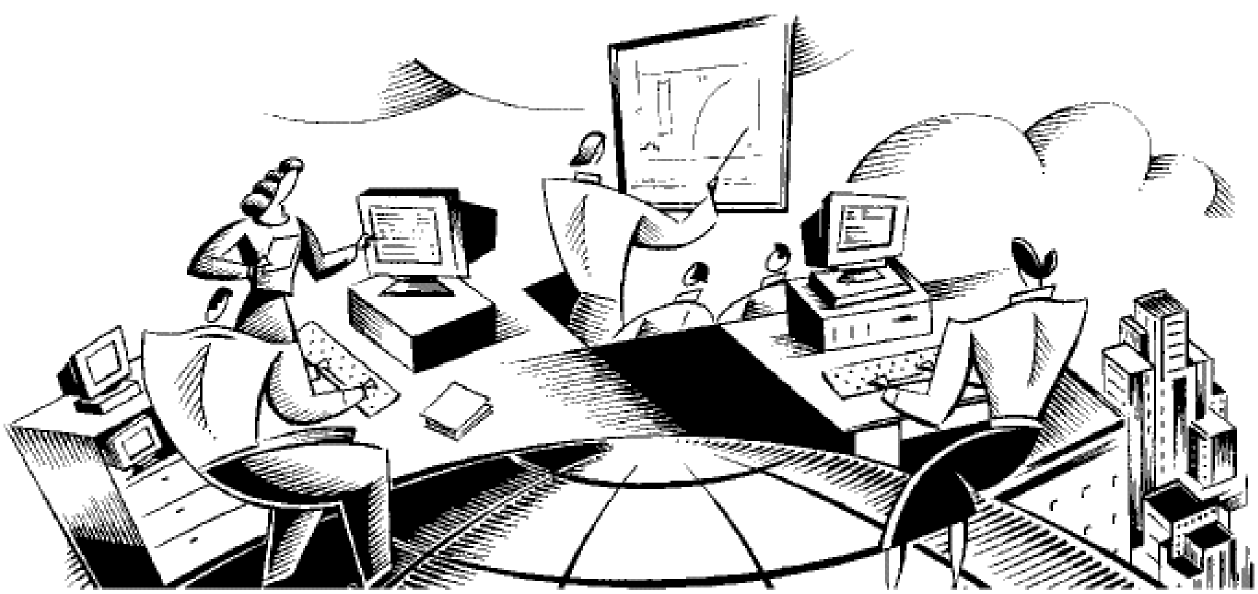
Purchasing with MXES

Unit 1: Overview



In This Unit

This unit contains the following topics:

Unit Overview

Introduction

This unit provides an overview of the course content and purchasing.

Unit Focus

This unit introduces you to the *Purchasing with MXES* course and to the role of the Purchasing module in Maximo. It also includes a brief exploration of how to record and use vendor information.

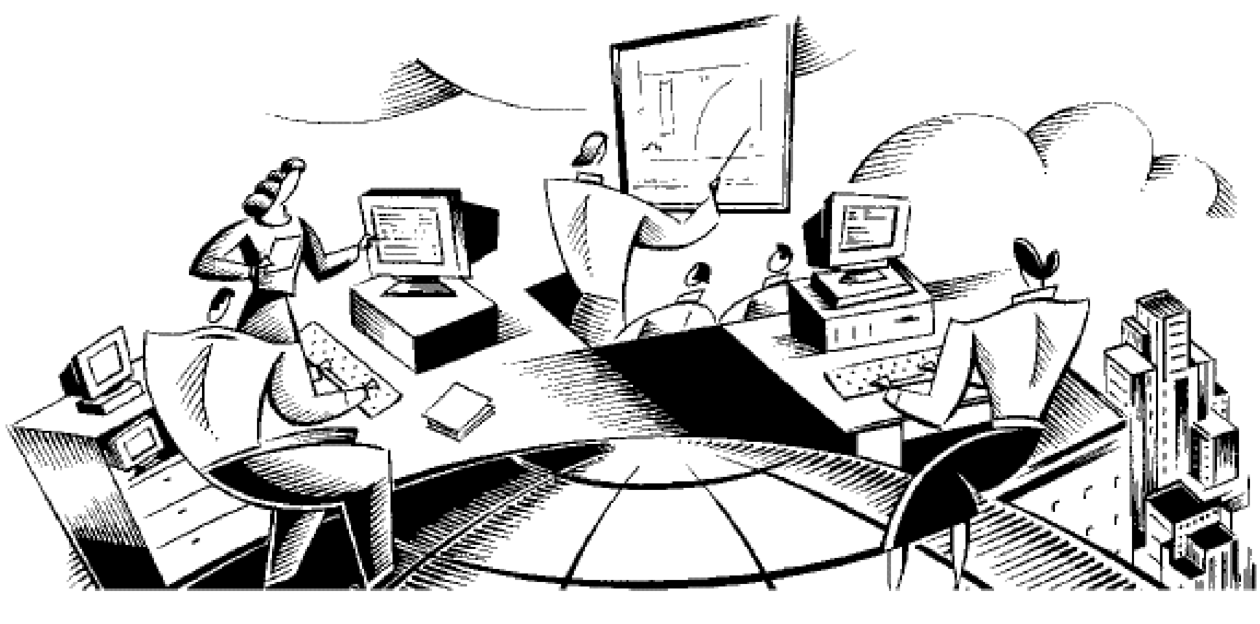
Learning Objectives

When you have completed this unit, you should be able to:

- describe the scope, purpose, and basic structure of the course;
- discuss the relationship of the Purchasing module to Maximo; and
- describe the extent to which the Purchasing module supports maintenance functionality.

Purchasing with MXES

Chapter 1: Course Introduction



In This Chapter This chapter contains the following topics:

Course Introduction

Welcome

Welcome to the *Purchasing with MXES* course. When you have completed this course, you should be able to use the Purchasing module to perform a variety of purchasing functions provided in the Maximo Enterprise Suite (MXES).

Audience

The intended audience for this course includes:

- Purchasing agents and/or buyers
- Accounts payable personnel
- Receiving personnel

Chapter Purpose

The purpose of this chapter is to acquaint you with the features of this course and the student guide, and to establish the goals and objectives for the course.

Key Information

While working through some exercises in this course, you will need to make administrative changes to Maximo and then view those changes in Maximo.

To access Maximo, you will need the information indicated below.

Maximo URL: ______________________________

Maximo User Name: ______________________________

Maximo Password: ______________________________

Assigned Student Number: ______________________________

Database Instance (if applicable): ______________________________

Your instructor will now provide this information; please write the information in the spaces above.

continued on next page

Course Introduction continued

<u>Special Note</u>: Shared vs. Independent Databases

- Throughout this course there could be up to 20 participants accessing the same database. If you are *sharing* a single database, your instructor will assign you a two-digit student number (for example, 01–20) to avoid confusion and/or conflicting records in the database.

  Some exercises throughout this course will have an *xx* appended to data entry items. Whenever an *xx* is appended, substitute your assigned student number for the *xx*.

- If you are taking this course in an *independent*-database environment—that is, your database is independent from other students' databases and the instructor's database—student numbers are unnecessary. You can simply do the exercises using the records indicated, without adding a student number.

If you are not sure whether you are sharing a database, check with your instructor.

Course Goals and Objectives

Course Overview

This course introduces users to the Maximo Purchasing module—what it does, how it is designed, why it is designed that way, and how to use it.

Course Prerequisites

The following are prerequisites for this course:

- *MXES Navigation & Querying* or demonstrable working experience with MAXIMO 5.x or greater
- Working knowledge of the Microsoft Windows operating system

Course Goal

The overall goal of this course is to develop competency in using the Purchasing module.

Course Learning Objectives

When you have completed this course, you should be able to:

- locate and enter information about vendors, manufacturers, and couriers;
- define how contracts are used in Maximo;
- create and use terms and conditions;
- create and process purchase requisitions;
- create and process purchase orders;
- determine reorder points;
- create and submit a request for quotation;
- receive materials and services; and
- create and process invoices.

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Course Goals and Objectives continued

Your Learning Objectives

Now that you understand the basic objectives for the course, it is most important that you define the learning objectives *you* bring to the course. We want to make sure that these are clearly stated, mutually understood, and achieved.

List your objectives in the space below. We will conclude the course by asking you whether you have met your objectives. If you have not, we will then address your questions and unmet objectives.

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Course Organization

Organization

This course has been organized into teaching modules. In an open school, these modules will usually be presented in the order listed in the table on the next page.

In an on-site school, the order of presentation might be different.

Chapters

Each chapter in this course book is an individual teaching module designed to provide an overview of its topic(s) and then provide in-depth instruction and practice.

Each chapter contains these components:

- A subject-matter overview and objectives

  This component provides orientation and perspective for the chapter, along with learning objectives.

- Instruction in concepts and procedures

  In this part of the chapter, instructor and text review relevant concepts, components, and procedures.

- Hands-on practice

  You will practice most of the important procedures and concepts that the instructor introduces. You will have opportunities for brief hands-on practice in the chapter and, in some cases, longer hands-on practice in a workshop at the end of the chapter.

Notes Pages

Notes pages are provided at the end of each chapter. You can use these pages to capture information specific to your situation, or important points covered in class discussions.

continued on next page

Course Organization continued

Chapter Organization

This table contains a list of chapters in this student guide.

Chapter	Name	Description
Unit 1	**Overview**	
1	Course Introduction	Course goals, objectives, organization, conventions, and agenda
2	Overview of Purchasing	Overview of the role of purchasing in Maximo
Unit 2	**Setting Up**	
3	Companies	Using Company Master and Companies applications
4	Purchase Contracts	Overview of the Purchase Contracts application
5	Terms and Conditions	Using the Terms and Conditions application
Unit 3	**Transactions**	
6	Reordering	Overview of reordering inventory items
7	Purchase Requisitions	Overview of a wizard-driven application for requesting the purchase of materials and services
8	Request for Quotations	Creating RFQs, recording and analyzing vendor quotations, and awarding quotation lines to vendors
9	Purchase Orders	Creating POs directly from POs application, PRs, and RFQs
10	Receiving	Receiving materials and approving receipts
11	Invoices	Using the Invoices application; entering an invoice

Typographical Conventions

Introduction

We use a number of typographical conventions and icons in our course books.

Conventions Used in the Course Materials

Here are some of the conventions you will see most frequently in the course materials:

Convention	Usage	Example
Italics	Introduces or emphasizes a term	A *system* is a single instance of a Maximo database.
Boldface	Indicates that the word or phrase names a menu item, field, button, or keyboard key	From the **Go To** drop-down menu, select **Administration**.
Arial font	Indicates that this is text you type into a field	Type ASSET_NDX8 in this field.
`Courier` font	Indicates programming code, a system message, or part of a screen display	Maximo displays the following message: `Work order 1000 status changed to APPR.`

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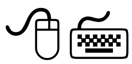
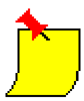
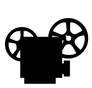
Typographical Conventions continued

Icons

You will see several icons throughout this student guide. This table explains what they mean.

This icon…	Indicates…
	A procedure that you will practice on your own or with guidance from an instructor
	A paper-and-pencil exercise
	A special note or reminder
	A warning or cautionary note
	A question-and-answer session with the instructor, or a group discussion
	Your role in the next exercise is changing, e.g., from manager to user
	The data you are being asked to enter will be used in another exercise
	A challenge question or exercise
	An industry best practice, tip, or suggestion
	A recording that provides additional course content is available

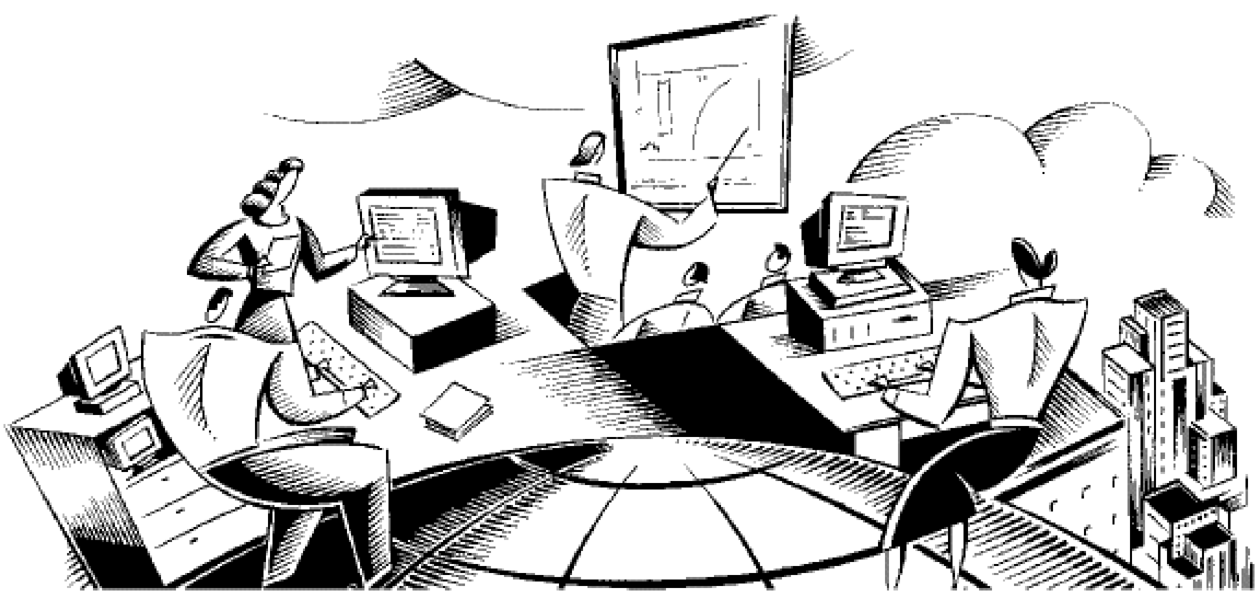
Created Records: Quick Reference

Created Records

You will create numerous records throughout this course. Although we provide spaces for you to write down the numbers for these records in the exercises, this table is for your convenience and quick reference.

Page Number	Type of Record	Record Name/Number
4-5	Purchase Contract	
4-31	Request for Quotation	
4-35	Release PO	
6-15	Item Numbers	
6-16	Purchase Request	
6-19	Purchase Request	
6-23	Purchase Request	
7-8	Purchase Request	
7-21	Duplicate PR	
7-23	Purchase Order	
7-26	Contract	
7-30	Purchase Request	
8-5	Request for Quotation	
8-19	Contract	
8-20	Request for Quotation	
8-22	Purchase Order	
9-7	Purchase Order	
9-20	Change Purchase Order	
11-11	Invoice	
11-25	Invoice	

Chapter 2: Overview of Purchasing



In This Chapter

This chapter contains the following topics:

Chapter Overview

Introduction

You are using an asset management tool that provides extensive purchasing functionality to support your asset management work.

Chapter Focus

In this chapter we will look at the overall functionality of the system, paying particular attention to how the purchasing functionality fits into the complete system.

We will look at all of the purchasing functionality in more detail in later chapters in this book.

Purchasing Applications

The Purchasing module consists of the following applications:

Use this application…	To…
Purchase Requisitions	Create purchase requisitions for materials and services
Purchase Orders	Create purchase orders to purchase materials or services from vendors
Receiving	Receive materials and services from purchase orders (POs)
Invoices	Record invoices, as well as debit and credit notes, from vendors; match invoices details against purchase orders and receipts
Request for Quotations	Create requests for quotations and store the quotations so you can assess which vendor best meets your needs
Companies	Maintain detailed information about vendors, manufacturers, and other companies
Company Master	Create company master records that belong to a particular company set
Terms and Conditions	Enter and maintain a library of terms and conditions that can be added to a purchasing document or contract

continued on next page

Chapter Overview continued

Learning Objectives

When you have completed this chapter, you should be able to:

- describe how purchasing fits into the asset management process,
- identify the elements of the Purchasing module, and
- describe how purchasing elements interact with each other.

Purchasing as Part of Asset Management

Introduction

Obtaining the materials and services required to do work is an important part of the asset management process.

Work Orders

The core of the asset management process is the **Work Orders** module. You create work orders to plan and carry out work on your assets.

When you create a work order in Maximo, you initiate the asset management process and create a historical record of work being performed.

You also create work orders for many other reasons, including preventive maintenance, emergency maintenance, and corrective maintenance.

Materials and Services on Work Orders

The planning and use of materials and services is an important part of a work order.

Although the Work Orders module is the key to maintaining your assets, you cannot complete work orders without the necessary materials and services.

The applications in the Purchasing module are used to purchase, receive, and pay for these materials and services.

Purchasing for Storerooms

Introduction

The **Inventory** module also plays a role in the process, as it tracks materials needed for asset management.

The Inventory module stores an electronic model of your storeroom configuration and tracks all transactions that affect the state of your storerooms.

Storeroom Depletion

Storeroom depletion occurs:

- when materials are issued to work orders, or
- when materials are issued and transferred internally between storerooms.

When a user plans materials for a work order, the Inventory application automatically reserves those materials upon approval of the work order. When materials are issued to a work order, the storeroom balances are then updated.

Sometimes, internal transfer of material is a common practice between storerooms of different sites. This also causes depletion of stocks, especially for rotating assets.

continued on next page

Purchasing for Storerooms continued

Maintaining Storeroom Balances

As inventory balances decrease in the storerooms, we need to replenish these balances. The Purchasing module provides a way to track requests for and purchases of materials.

- Inventory personnel perform a reorder function in the Inventory application to evaluate stock and create purchase requisitions (PRs) for material items that need reordering.
- Purchasing personnel process PRs to ensure that all parts are ordered from the appropriate vendor.
- When vendors ship the materials, inventory personnel receive them into the storerooms. This increases the balances and satisfies the requirements of the PO.

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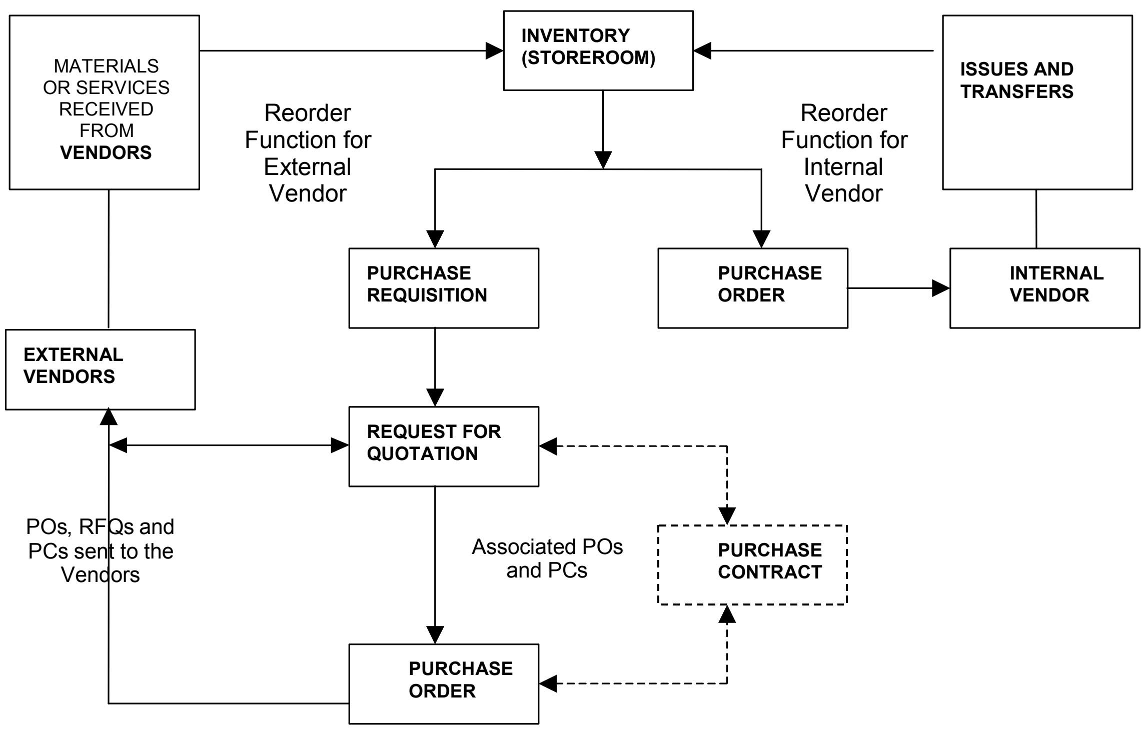
Purchasing for Storerooms continued

The Inventory–Purchasing Cycle

The diagram below illustrates the cyclical process that occurs to maintain storeroom balances by purchasing materials from vendors.



Request for Quotations

Introduction

There might be circumstances at your company for which you need to obtain quotations from several vendors before deciding from whom to purchase materials or services.

A *request for quotations* (RFQ) is a request that you send out to one or more potential suppliers.

Request for Quotations Application

You can create an RFQ for any of the following circumstances:

- The stock count of a stocked item drops below a certain level and you must place another bulk order.
- A requisition is received for an item or service that requires a quotation each time due to item price or other requirements.
- Someone at your site requests/requested a quote for an item or service. It can be for a normally stocked item or for an item not normally ordered, such as a special order or non-stocked item.
- Usually, you need to do commodity bulk buying for a certain period of time. This is typically for many items with common commodity codes. The quotation might not be copied to a PO or contract immediately, but the pricing is set.

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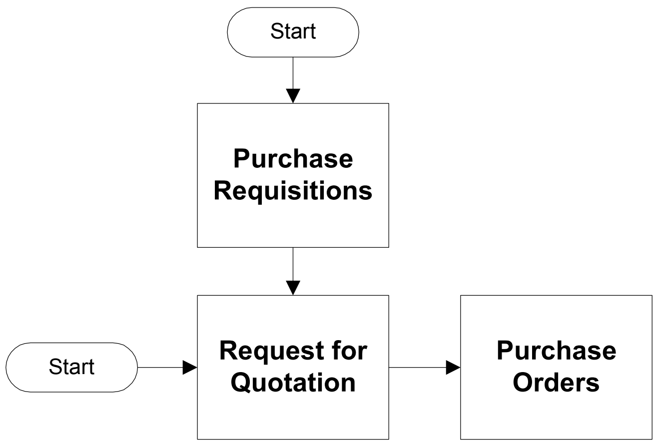
Request for Quotations continued

Diagram

You might create an RFQ with line items from a PR, or you might create a new RFQ. In either case, use the information obtained from your quotations on your POs.



Awarding Quotations

You can award quotations to make the conversion from an RFQ to a PO easier. You can award quotations on a line-by-line basis.

Planned Direct-Issue Purchases

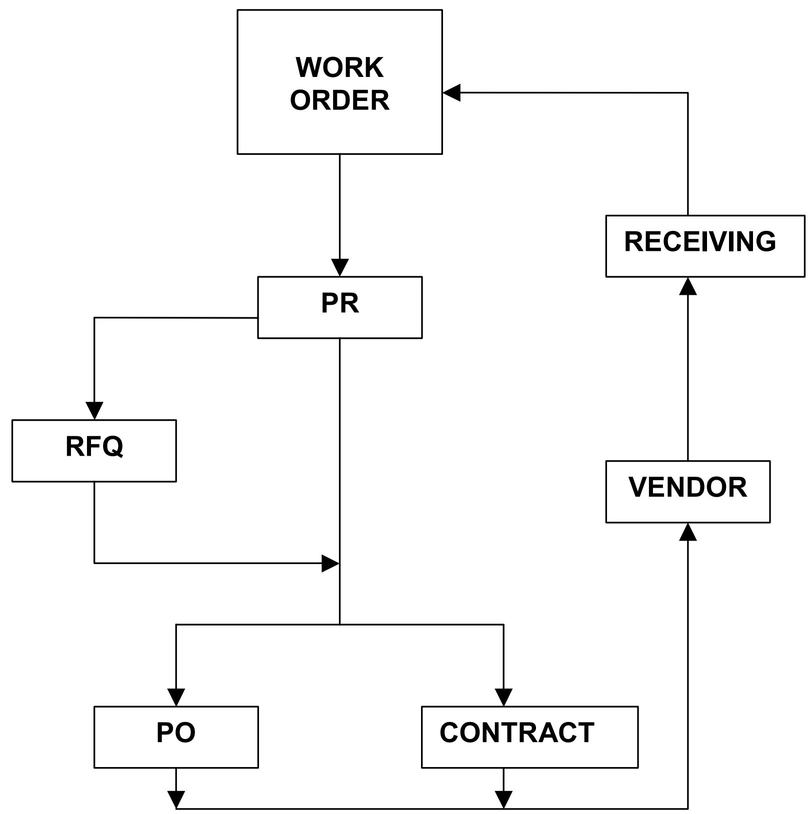
Introduction

In some instances, if you weren't aware of what you needed when the work order was approved, you might need to order non-stocked materials or services for a particular work order directly from the vendor.

The Process

The diagram below illustrates the purchasing process for materials, services, or tools that you issue directly to a work order.

The Inventory module is not involved in the process.



Note: The initial material requisition for a direct issue for unplanned materials could be entered via the Desktop Requisitions application, which creates a PR. It could also be entered via the Purchase Requisitions application.

Some organizations enter purchases directly into the Purchase Orders application.

Invoice Matching

Introduction

Vendors send invoices to bill for materials shipped to you. The **Invoices** application allows you to enter and approve invoices from vendors.

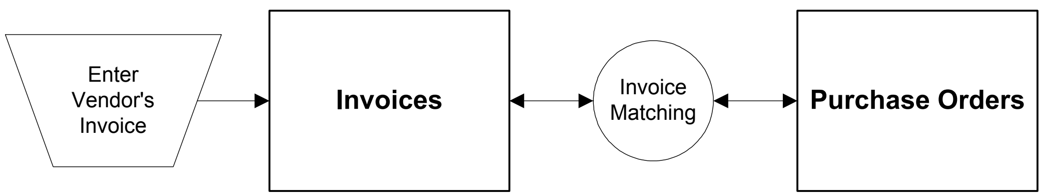
Invoice Capabilities

With the Invoices application you can:

- match invoices to PO line items,
- add standard service costs,
- distribute costs,
- approve an invoice for payment, and
- accept credits from vendors.

Diagram

The diagram below illustrates the relationship of the Invoices application to the Purchase Orders application.



Other Database Information

Introduction

The applications in the Purchasing module also use information from other applications. The **Companies**, **Currency Codes**, and **Exchange Rates** applications, in particular, store information used in all aspects of purchasing.

Companies Application

You use the Companies application to store data on vendors.

Some of the information collected by the Companies application that is relevant to the Purchasing module includes:

- Vendor name
- Vendor address
- Vendor phone number
- Customer number (the number by which the vendor identifies your company)
- Company type
- Contact information
- Vendor's currency
- Tax code information
- Payment terms
- Shipping information
- E-commerce details

Currency Codes and Exchange Rates Applications

The Currency Codes and the Exchange Rates applications allow you to enter and track the exchange rates of all foreign currencies used in Maximo.

You use the Currency Codes and the Exchange Rates applications if any of your vendors require transactions in a currency other than your own base currency.

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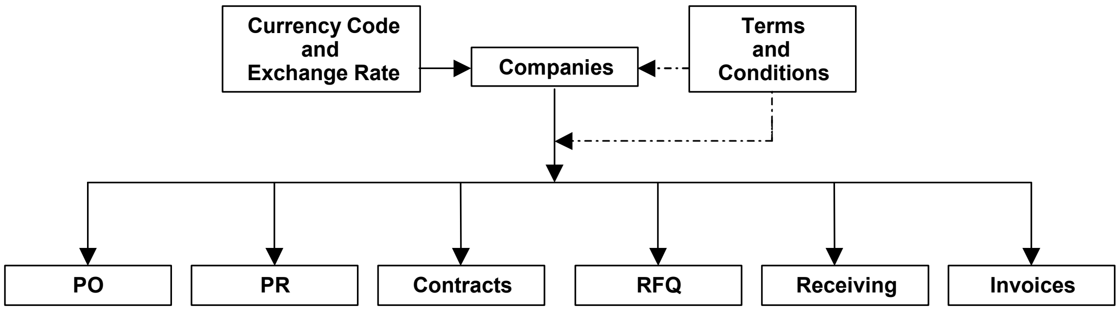
Other Database Information continued

Application Relationships

The diagram below illustrates the relationship between Companies, Currency Codes, Exchange Rates, and other purchasing applications.



Company Master Application

Company master records contain information pertaining to companies such as default contact person, purchasing, e-commerce, and payment details of the company.

All company master records in Maximo belong to a company set. Company sets enable you to share information about companies between multiple organizations. Each organization is associated with a company set.

Companies Data

The Companies application provides data for applications in addition to the purchasing applications. For example, a company can be an equipment manufacturer, a courier for parts, or an employer for contract labor.

Receiving Application

In a large company you might have a centralized purchasing department for several sites, but materials and services would need to be received at each individual site. The Receiving application allows both materials and services to be received and recorded in the database when they are delivered to a site.

Terms and Conditions Application

You use the Terms and Conditions application to enter and maintain a library of terms and conditions that can be added to a purchasing document or contract.

These terms can contain information such as liability concerns, shipping and handling details, or delivery time expectations.

Chapter Summary

Asset Management

Purchasing is part of an asset management process because we need to obtain the materials and services required to manage our assets.

Purchasing for Storerooms

The Inventory module can track items kept in asset management storerooms and the quantities on hand. Maximo provides purchasing functionality to:

- automatically create requests for items stocked in storerooms,
- track requests for and purchases of items, and
- receive items into storerooms.

Requests for Quotation

Maximo provides functionality to obtain quotations from several vendors before you decide from whom to purchase materials or services. With the Request for Quotations application, you can:

- create RFQs,
- analyze quotations to make more informed purchasing decisions, and
- use the information you collect to create POs, including contracts.

Direct Issue Purchases

You can use the Purchasing module to order materials for a particular work order. The material, when received, goes directly to the work order and not through any storerooms.

continued on next page

Chapter Summary continued

Invoice Matching

Vendors send invoices to bill for materials shipped to you and services provided to you.

The Invoices application allows you to enter invoices, match them to purchase orders, and approve them.

Other Database Information

The Purchasing module applications also use information from other applications.

The Companies, Currency Codes, and Exchange Rates applications, in particular, store information used in all aspects of purchasing.

The Receiving application allows both materials and services to be received and recorded in the database when they are delivered to a site.

The Company Master records contain information pertaining to companies, such as the default contact person, purchasing, e-commerce, and payment details of a company.

The Terms and Conditions application allows you to enter and maintain a library of terms and conditions that can be added to a purchasing document or contract. The terms can contain information such as liability concerns, shipping and handling details, or delivery time expectations.

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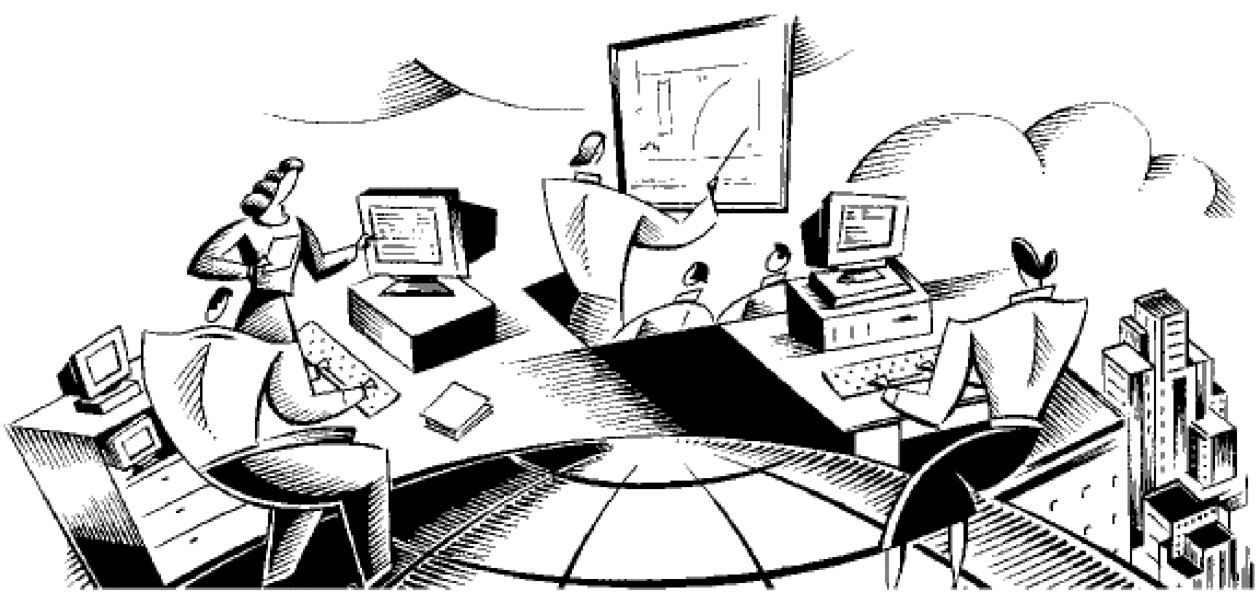
Purchasing with MXES

Unit 2: Setting Up



In This Unit

This unit contains the following chapters:

Unit Overview

Introduction

In this unit we begin to look at the roles of companies and contracts on purchasing.

Unit Focus

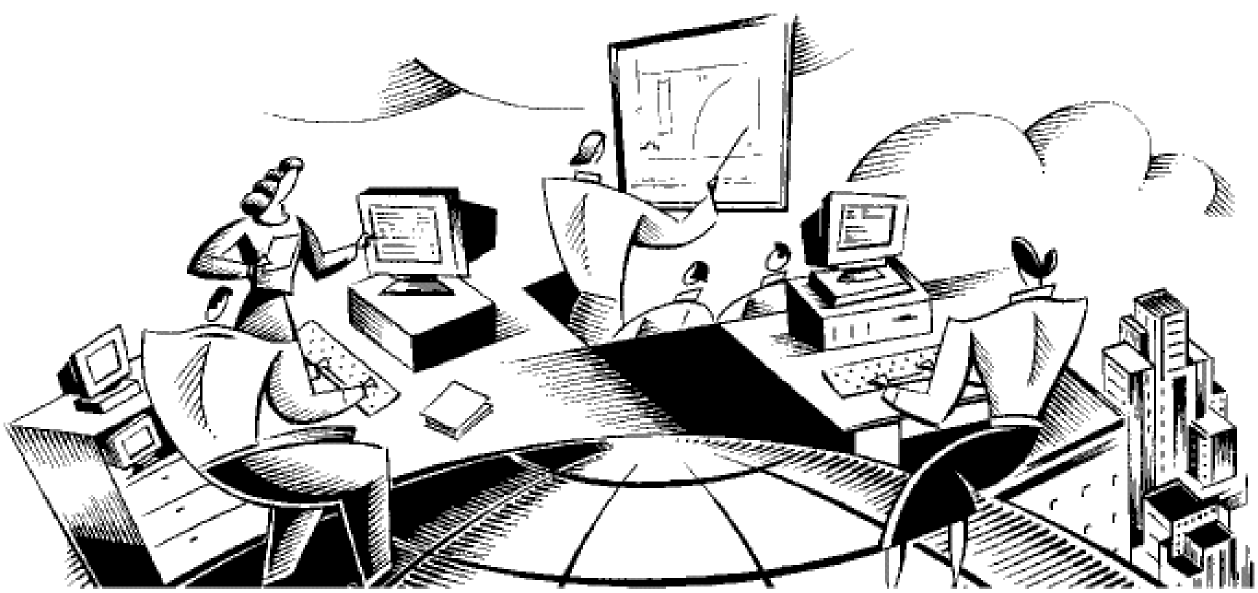
This unit focuses on detailed information about vendors, manufacturers, and other companies. It also provides information on contracts.

Learning Objectives

When you have completed this unit, you should be able to:

- locate and enter information about vendors, manufacturers, and couriers in the Companies application;
- locate and enter currency code and exchange rate and tax information in the Companies and Company Master applications;
- identify information that originates in the Companies application when it appears in other modules; and
- associate Company Master records to an organization.

Chapter 3: Companies



In This Chapter This chapter contains the following topics:

Chapter Overview

Introduction

The Companies application maintains detailed information about vendors, manufacturers, and other companies.

Vendors can have parent companies or multiple vendor locations for a single company. Using reports, you can determine total year-to-date expenditures within a single organization, regardless of its location.

Company information must be entered in the Companies application before other modules, such as Inventory and Purchasing, can access it.

Chapter Focus

This chapter focuses on the Companies application and its relationship with the Purchasing module.

Learning Objectives

When you have completed this chapter, you should be able to:

- locate and enter information about vendors, manufacturers, and couriers;
- locate and enter currency codes, exchange rates, and taxes;
- identify information that originates in the Companies application when it appears in other modules; and
- associate company master records to an organization.

The Company Master Application

Introduction

A *company master* record in Maximo represents a vendor from whom you purchase goods or services, asset manufacturers, and other companies that you do business with.

All company master records in Maximo belong to a company set. Company sets enable you to share information about companies between multiple organizations. Each organization is associated with a company set.

The Inventory, Purchasing, and Assets modules pick up and use data entered and stored in the Companies application.

Company Master Application Tabs

The Company Master application has the following tabs:

Use this tab…	To…
List	Search the database for a specific record or group of records that meet your criteria. You use the filter fields located above the List table window to enter basic search criteria.
Company Master	Create, view, modify, and delete company master records that belong to a company set. Each company master record contains details about a particular company.
Contacts	Enter, view, or modify additional information about the default contact person for a company. You can also use this tab to delete the default contact information for the company.
Addresses	View and modify a company's general and Remit To contact information.

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The Company Master Application continued

Create a Company Master Record

Company master records maintain detailed information about companies that belong to a particular company set. Company master records contain information such as the company's contact information as well as the purchasing details, e-commerce details, and payment details of the company.

Delete a Company Master Record

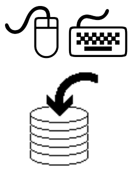
You can delete a company master record. However if a company master record is already associated with an organization, Maximo does not let you delete that record.

Add a Company Master Record to an Organization

You can add a company master record to an organization. Adding a company master record to one or more organizations enables you to use that company master record in those organizations.

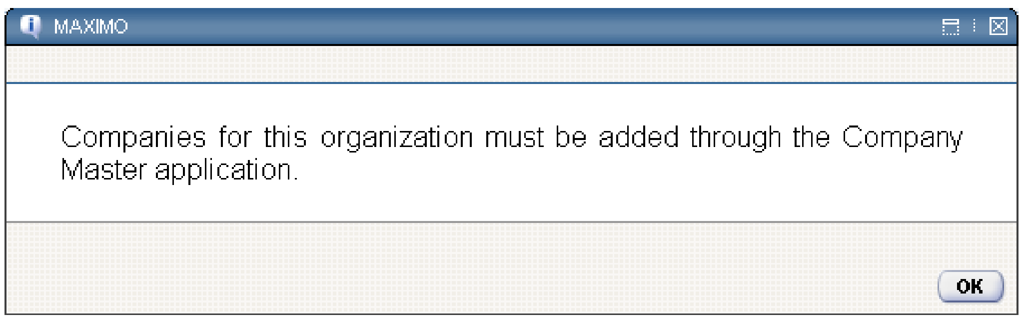
Creating a Company Master Record

Creating a Company Master Record



The Companies application lets you create a new company record if your system administrator has selected the **Automatically Add Companies to Company Master?** check box in the Sets application. If this is not the case, then use the Company Master application to create a record. Selecting the **Automatically Add Companies to Company Master** check box automatically creates a company master record each time you create a new company record.

We will assume that your system administrator has *not* selected the **Automatically Add Companies to Company Master** check box. In this exercise, we will create a company master record. If you try to add a new company from the Companies application, and your administrator has not allowed this, you will get the following error message:



Step	Action
1	Go to the **Company Master** application in the **Purchasing** module.
2	Click on the **New Company Master** icon on the toolbar.
3	Enter Vantar*xx* in the **Company** field. (The *xx* is for your initials if you are using a shared database.)
4	Enter Tire wholesalers in the **description** field.
5	Click on the **Select Value** icon next to the **Company Type** field and select **V - Vendor**.
6	**Save** the record.

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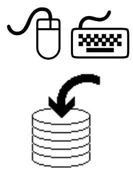
Creating a Company Master Record continued

Add Company Master to Organization



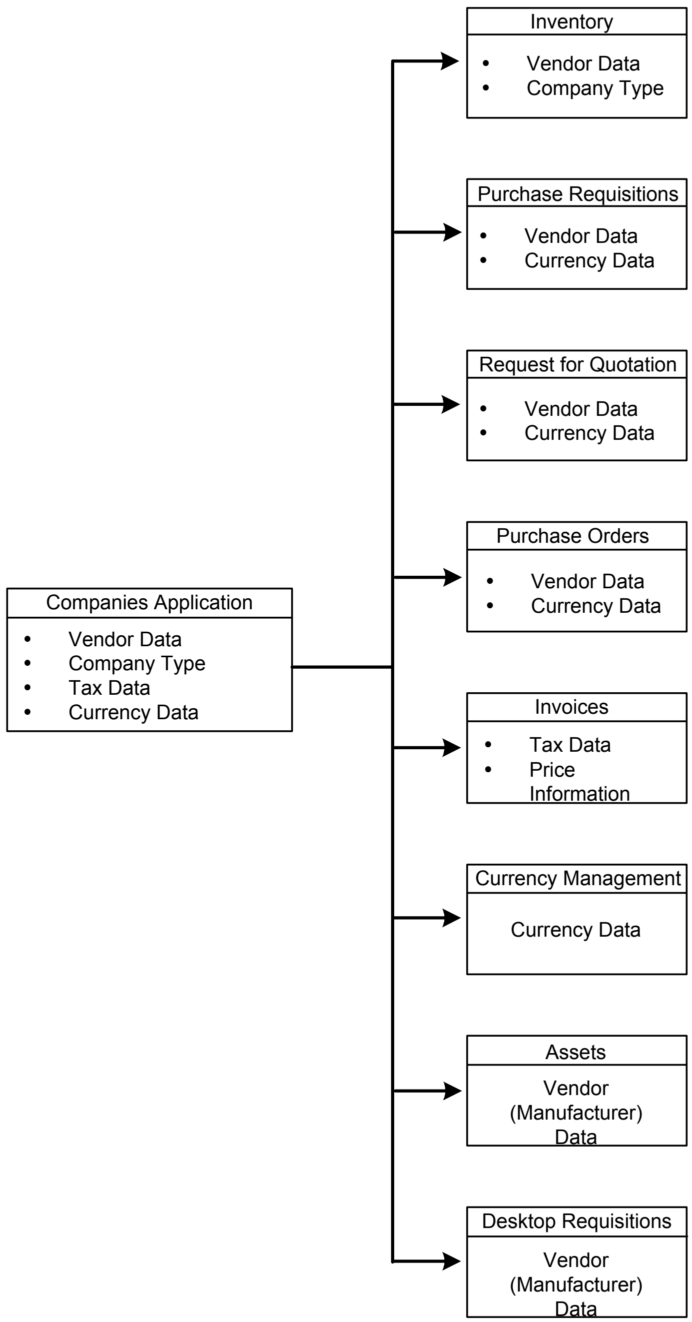
After you have created a company master record, you need to add the record to one or more organizations. In this short exercise, we will add the company master we just created to an organization.

Step	Action
1	In the company master we just created, choose **Add Company Master to Organization** from the **Select Action** menu.
2	Select the **EAGLENA** and **EAGLESA** check boxes. Note: The Add Company to Master Organization action displays a table window with all the organizations that use the company set and that are accessible by the current user. You can select all or a few organizations and Maximo will add the company master record to the selected organization(s). If one or more of the selected list of organizations already have the company master record, Maximo ignores those organizations and proceeds with the other organizations.
3	Click **OK**. Result: Maximo displays a box indicating that the company was created.
4	Click **OK**.

The Role of the Companies Application

Companies Application Data

The Inventory, Purchasing, and Assets modules pick up and use data entered and stored in the Companies application. Here are some examples:



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The Role of the Companies Application continued

Companies and Other Applications

Generally, when a **Company** or **Vendor** field appears on a Maximo record, the value in the field represents a company record created in the Companies application.

The following applications use vendor information from the Companies application:

- Assets
- Locations
- Item Master
- Labor
- Crafts
- Purchase Orders
- Purchase Requisitions
- Request for Quotations
- Invoices
- Contracts module
- Service Level Agreements

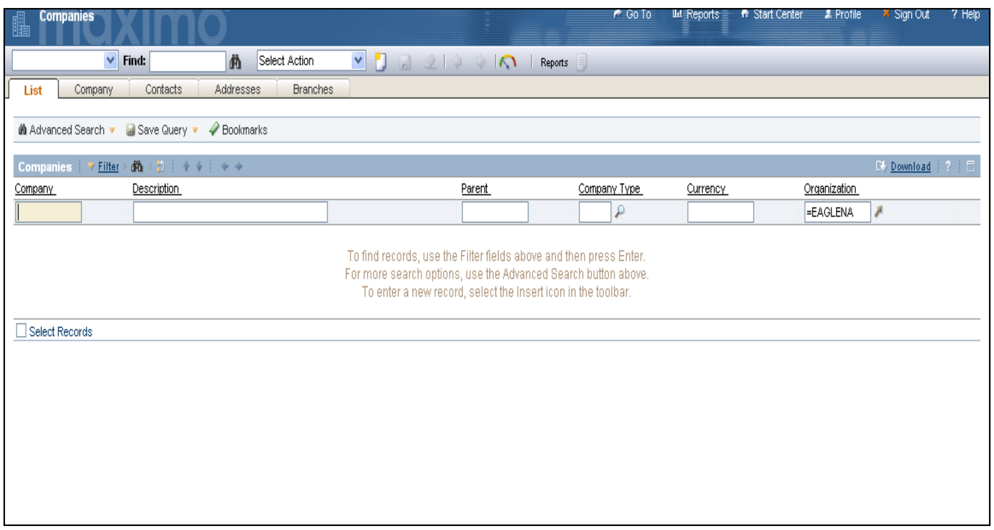
The Companies Application

Introduction

The Companies application maintains detailed information about vendors, manufacturers, and other companies.

Vendors can have parent companies or multiple vendor locations for a single company. Using reports, you can determine total year-to-date expenditures within a single organization, regardless of its location.

Company information must be entered in the Companies application before other modules, such as Inventory and Purchasing, can access it.



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The Companies Application continued

Companies Application Tabs

The following table describes the tabs in the Companies application.

Use this tab…	To…
List	Search the database for a specific record or group of records that meet your criteria. You use the filter fields located above the List table window to enter basic search criteria.
Company	Add, view, and modify information on vendors, manufacturers, and other companies. Vendors can have parent companies or multiple vendor locations for a single company. Using reports, you can determine total year-to-date expenditures with a single organization regardless of its location. The information you enter includes the company identification, purchasing details (currency, tax, and shipping), payment details (bank and internal accounts and payment on receipt agreements), and e-commerce details. For reporting purposes, you can group companies by type, such as vendor or manufacturer.
Contacts	Enter, view, and modify information about the people you need to contact at the company. The Contacts table includes the main and Remit To contacts entered on the Addresses tab.
Addresses	View and modify a company's general and Remit To contact information. Because the same company might have multiple locations, Maximo lets you designate a separate Remit To address and contact for billing purposes. The Addresses tab provides separate fields for City, State/Province, and ZIP/Postal Code. You can use the information in these fields to query for companies. This could prove useful when you are deciding which company to order items from.
Branches	Add, view, modify, or delete the association of branches of a company for a company record.

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The Companies Application continued

Companies Actions

The following actions are available from the Companies Select Action menu:

Action	Description
Associate Commodities	Allows you to associate commodity groups and codes with a company record. After you have defined commodities, you can associate them with company, contract, and item records. You can also associate commodities with individual PR or PO lines for items, service items, or tools that do not have commodity codes assigned to them, including special order materials or services.
Add/Modify Commodity Codes	You can add, modify, or delete commodity groups and commodity codes to be used by one or more entities in Maximo (such as for a company, item master, tool, purchase order, or service item).
View Contracts	You can view a read-only list of contracts that are associated with a company record.
Attachment Library/Folders: Manage Library	The Manage Library dialog box lets you add documents to an electronic library. After a document has been added, the document is available to be attached to Maximo records.
Attachment Library/Folders: Manage Folders	Use the Manage Folders action to define document folders globally. After you define them here, document folders are then available to associate with Maximo applications. Examples of document folders are attachments, diagrams, and images. Maximo automatically associates a new document folder with the application in which it is created. You must have appropriate signature security to access this feature. Typically, a system administrator adds document folders.

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The Companies Application continued

Companies Actions

continued

Action	Description
Attachment Library/Folders: Associate Folders	The Associate Folders action lets you select the folders of documents to be included in an application's document collection. You must associate document folders with an application before you can attach documents in those folders from within that application. You can only modify folders in the current application's document collection. You must have appropriate signature security to access this feature. Typically, a system administrator adds document folders.
Duplicate Company	You can duplicate an existing company record. Upon duplication, a copy of the existing record is created with the same values except for the **Company** field, which is left blank. You can modify the values in this duplicate record and save it as a new record.
Delete Company	Allows you to delete a company record as long as it has not been referenced in other applications (such as Purchase Orders, Invoices, or Contracts). Also, company records that have associated branch records cannot be deleted. To delete a company record with associated branch records, you must first sever all the branch associations with that company record.

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The Companies Application continued

Company Tab Fields

The **Company** tab includes basic company information, plus purchasing, tax, and currency data. This information is important to the purchasing and inventory process. The table below describes some of these fields.

Field Name	TABLE.COLUMN
Company	COMPANIES.COMPANY Identifier of the company.
Parent	COMPANIES.PARENTCOMPANY Identifier of the parent company.
Customer #	COMPANIES.CUSTOMERNUM The number used by an outside company to identify your own company.
Company Type	COMPANIES.TYPE The type of company. Click **Select Value** to select a value. The list provides three default types: C (courier), M (manufacturer), and V (vendor).
Use Parent Remit To?	COMPANIES.USEPARENTREMITTO Yes/No field indicating whether the parent's Remit To information should be used. The default value is N. If you change this field value to Y, the payment information from the parent record displays on invoices created against the child company.
Currency	COMPANIES.CURRENCYCODE The currency that the company uses. This value is used for currency conversion, when necessary. Click **Select Value** to open the Select Currency list and choose a value.

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The Companies Application continued

Company Tab Fields continued

Field Name	TABLE.COLUMN
Tax Exempt Code	COMPANIES.TAXEXEMPTCODE Indicates whether the company is exempt from paying taxes (e.g., 1=exempt, 2=not exempt, 3=exempt resale). Click **Select Value** to choose a code.
Disqualified Vendor?	COMPANIES.DISABLED Yes/No field indicating whether the company is disqualified from being used on new PRs, POs, RFQs, invoices, or any other application that references vendors. The default is No (the check box is cleared).
Freight Terms	COMPANIES.FREIGHTTERMS A description of what is being shipped. Any riders to the shipping agreement should be included here. For example, you might specify "Fresh fruit. Perishable. Keep refrigerated. Must meet delivery dates." Click **Long Description** to enter or view a description of the terms.
FOB Point	COMPANIES.FOB Free on board point is the point at which responsibility and liability are transferred. The FOB point is usually the destination or the shipping point.
DUNS #	COMPANIES.DUNSNUM Data Universal Numbering System number, used to uniquely identify a company and its location.
AP Control Account	COMPANIES.APCONTROLACC The credit account used when the invoice is paid. Click **Select Value** to open the GL Account Navigator and select a value.

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The Companies Application continued

Company Tab Fields continued

Field Name	TABLE.COLUMN
RBNI Account	COMPANIES.RBNIACC The account for receipts that have not been invoiced. Click **Select Value** to open the Select GL Account page and choose a value.
Suspense Account	COMPANIES.APSUSPENSEACC The credit account used when the invoice is approved. Click **Select Value** to open the Select GL Account page and choose a value.
Tool Control Account	The tool control account is used as the default to populate ITEMORGINFO.GLACCOUNT. If a tool record is marked “outside” (meaning it is owned by an external vendor), Maximo will default the GL account based on the owning vendor’s GL account listed in the Companies application.

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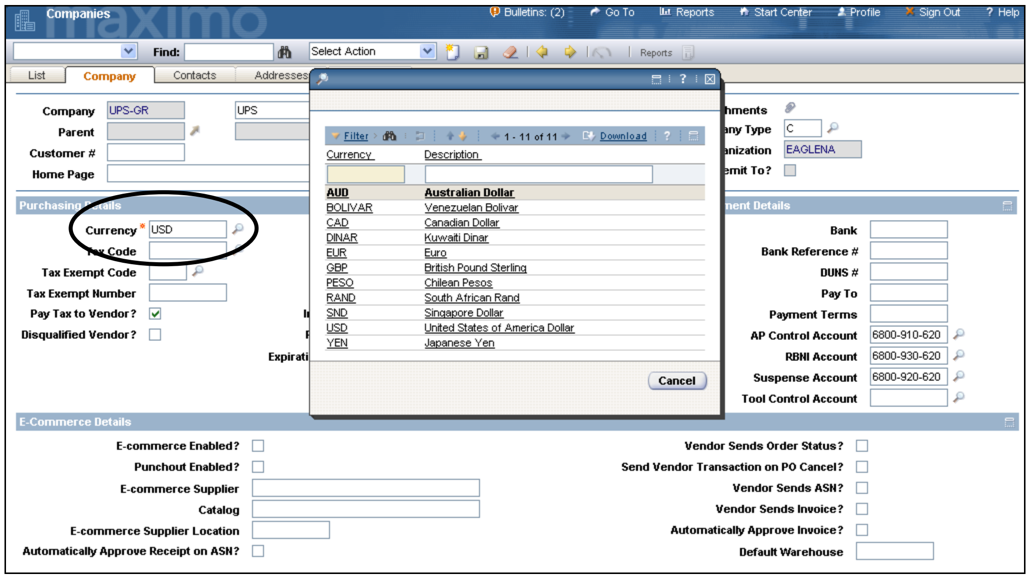
The Companies Application continued

Currency Field

The **Currency** field in the **Purchasing Details** frame of the **Company** tab holds a code that identifies the currency that this company uses, if that currency is different from the currency you normally use and set as a default.



The **Currency** field is a required field. Maximo inserts your base currency by default; however, you can change it if necessary.

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The Companies Application continued

Fields Affecting Tax Processing

The **Company** tab has four fields that hold the tax information associated with the company:

Field	Description
Tax Code	This optional field holds the tax code associated with a company. Maximo uses the tax code to determine whether there is tax on a transaction and to calculate the tax if one applies.
Tax Exempt Code	This optional field indicates the tax-exempt status of the company. Values are 1, 2, or 3: • 1: The company is tax exempt. • 2: The company is not tax exempt. • 3: The company is exempt from taxes on resale.
Tax Exempt Number	This optional field holds the tax-exempt number of the company.
Pay Tax to Vendor?	Select this check box to indicate whether the company has authorization to collect taxes. • *Checked* indicates that the company's invoice will include the tax. • *Cleared* indicates that your company might have to pay taxes separately, which Maximo calculates and keeps in a separate general ledger account. Note: The default status is *checked*.

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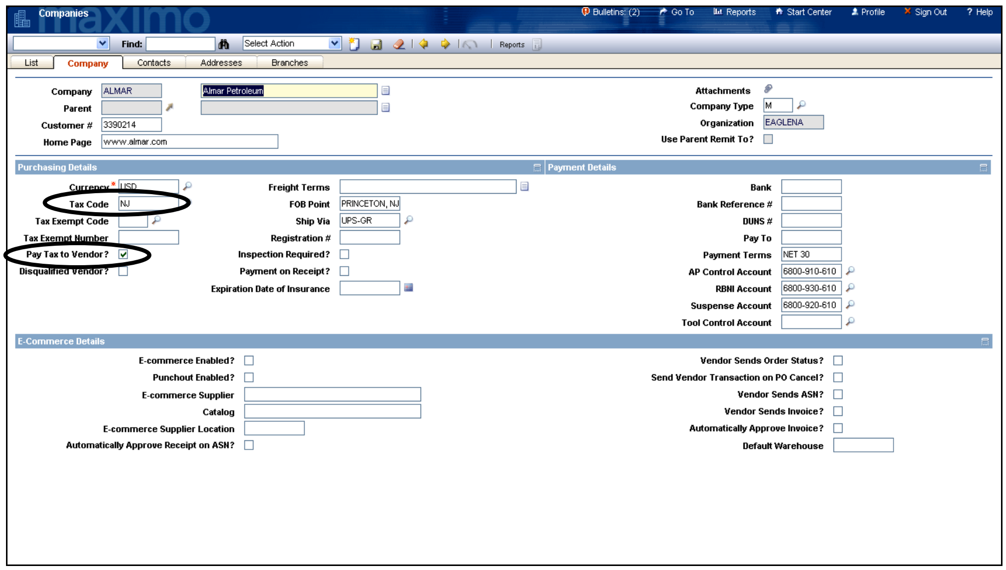
The Companies Application continued

Example of a Tax Code

In this example, Almar Petroleum, a New Jersey company, has authorization to collect and pay taxes. It uses a New Jersey tax code.

The **Tax Code** field tells Maximo to use New Jersey tax rates. The **Pay Tax to Vendor?** field authorizes this company to collect and pay taxes. When you buy items from this company, Maximo will automatically calculate the taxes based on the New Jersey tax code.



Tax Codes and Your System Administrator

A single tax code can contain up to five separate taxes. When your system administrator installs Maximo, he or she will use the Administration module to enter the tax codes and calculation formulas for each of the taxes your vendors use.

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The Companies Application continued

Payment on Receipt? Field

The **Payment on Receipt?** field is a check box that you can use to designate all purchases from the selected company as payment on receipt purchases.

If this box is checked, Maximo automatically creates an approved invoice as soon as you receive items ordered from this company.

The default status is unchecked.

General Ledger Fields on the Company Tab

The **RBNI, Suspense**, and **AP Control** fields hold general ledger (GL) account numbers associated with this company.

- RBNI Account contains the general ledger number for costs from this company that are received but not invoiced.
- Suspense Account contains the general ledger number for suspense costs for this company.
- AP Control Account contains the general ledger number for accounts payable control costs for this company.

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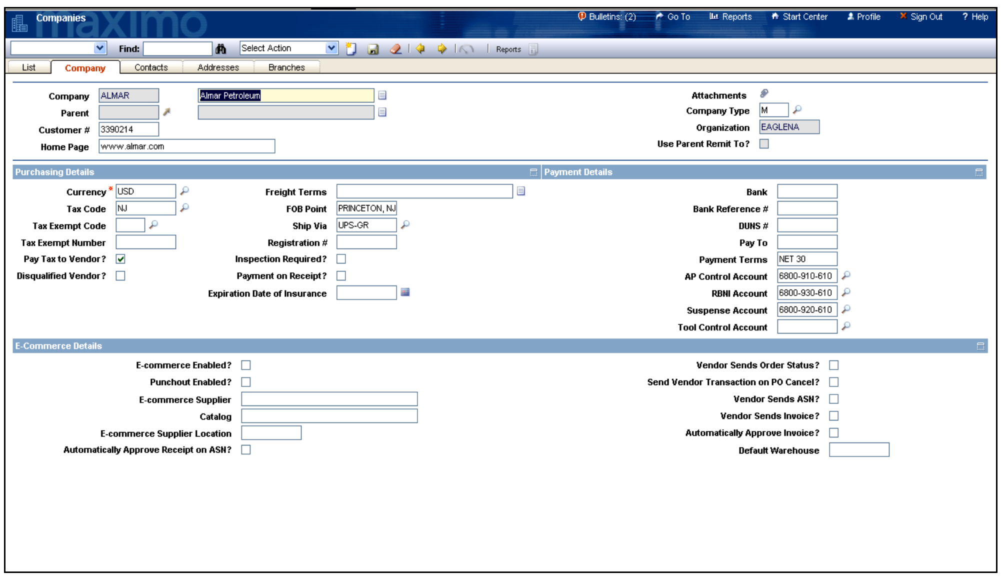
The Companies Application continued

The Disqualified Vendor? Field

The **Disqualified Vendor?** field on the **Company** tab is a check box.

Checking this box disqualifies this company as a vendor, which means that you are not able to create *new* RFQs, PRs, POs, or invoices using this company as the vendor.

The default status is unchecked.



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The Companies Application continued

E-commerce Details Frame

The **E-commerce Details** frame contains a number of fields that pertain if your company is doing business with the vendor company using some type of electronic commerce.

The following table provides a description of these fields:

Field	Description
E-commerce Enabled?	Check box indicating whether the company is e-commerce enabled. The default is cleared (unchecked).
Punchout Enabled?	Check box indicating whether you have the capability in the Companies application to search marketplace Web sites for purchases. The default is cleared.
E-commerce Supplier	The number or string value that identifies the e-commerce supplier from whose catalog you will be ordering. This number is not necessarily a unique identifier.
Catalog	The outside vendor's catalog that you can access on the Web.
E-commerce Supplier Location	The name of the B2B package containing the interface mapping that enables e-commerce transactions to be routed between Maximo and an e-commerce supplier. For example, mroOAGAdapter.
Automatically Approve Receipt on ASN?	Check box indicating whether the receipt of items can be automatically processed when an ASN (advance ship notice) for those items has been received. The default is cleared.

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The Companies Application continued

E-commerce Details Frame

continued

Field	Description
Vendor Sends Order Status?	Check box indicating whether the vendor sends an electronic transaction detailing the status of orders. The default is cleared.
Send Vendor Transaction on PO Cancel?	Check box indicating whether the vendor is sent a PO cancellation transaction when a PO or PO line is canceled *before* the item(s) is received or an ASN is sent by the vendor. The default is cleared.
Vendor Sends ASN?	Check box indicating whether the vendor sends electronic ASN transactions. The default is cleared.
Vendor Sends Invoice?	Check box indicating whether the vendor sends invoice transactions. The default is cleared.
Automatically Approve Invoice?	Check box indicating whether an invoice can be automatically approved upon its electronic receipt. The default is cleared.
Default Warehouse	The default warehouse used by the vendor.

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The Companies Application continued

Company Types

You can categorize companies by type for reporting purposes. Maximo uses three default company types:

- Courier—transit company
- Manufacturer—manufacturer of items or asset
- Vendor—vendor of items or asset

Your system administrator might have created customized company types specific to your business.

Note: The Customer # field in the Companies application is used to store the number used by the vendor/company to identify your company in *their* database.

Company Branch Hierarchies

The branch hierarchy can be only one level deep, with a parent company record and child branch records. Child records cannot be parents of other records, and parent records cannot be children of other records.

You use the Branches tab to create and remove associations between child and parent records. You can enter a company record manually, or use the **Detail Menu** button to look up companies. The Select Company page includes only companies that are not already parent or child records.

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The Companies Application continued

Disqualifying a Vendor

If your company decides to stop doing business with a vendor, you can mark the record to indicate that the vendor is disqualified from doing business with your company. After you disqualify a vendor, you can no longer create new PRs, POs, RFQs, or invoices for the vendor.

Note: A disqualified vendor affects only those records created after you disqualified the vendor.

Disqualified Vendors on Existing Records

Disqualifying a vendor has no effect on existing approved transactions (i.e., POs and receipts) that already reference the vendor. A disqualified vendor affects only those records approved *after* you disqualify the vendor.

Therefore, Maximo will no longer allow new POs to be created from PRs for the vendor, but POs approved before the vendor was disqualified are still valid.

However, if you create a PR and then disqualify the vendor, Maximo will not allow the PR-to-PO process to continue with that vendor.

Companies Reports

Use the List tab in most applications to search the database for particular records.

Note: A few Maximo applications consist of only one page; therefore, they do not have a List tab. With the exception of Bookmarks, one-page applications have a Search Toolbar with the same search options found on the List tab. In those applications, Maximo displays the search results on the application page.

Using the Companies Application

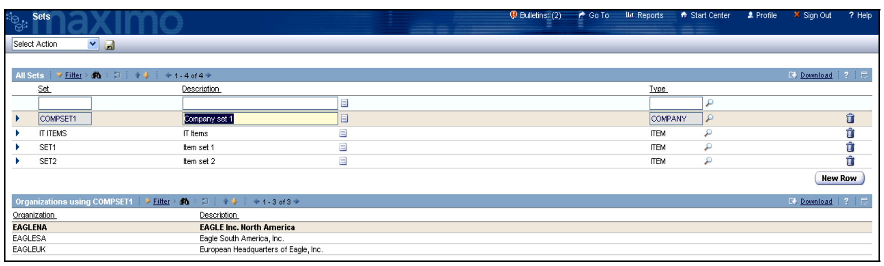
Enabling the Use of the Companies Application to Create Company Records

Company records maintain detailed information about vendors, manufacturers, and other companies. As mentioned previously, the Companies application lets you create a new company record if your system administrator has selected the **Automatically Add Companies to Company Master** check box in the Sets application. If this is not the case, then you must use the **Company Master** application to create a record, as in the previous exercise.

In the following exercise we will complete the steps necessary to use the Companies application to create company records.

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>1</td><td>From the Start Center, open the Sets application in the Administration module.

<u>Result</u>: Your screen should display the All Sets list.


</td></tr>
<tr><td>2</td><td>Click the View Details button of COMPSET1.

<u>Result</u>: The window expands to show the details information for COMPSET1.</td></tr>
</table>

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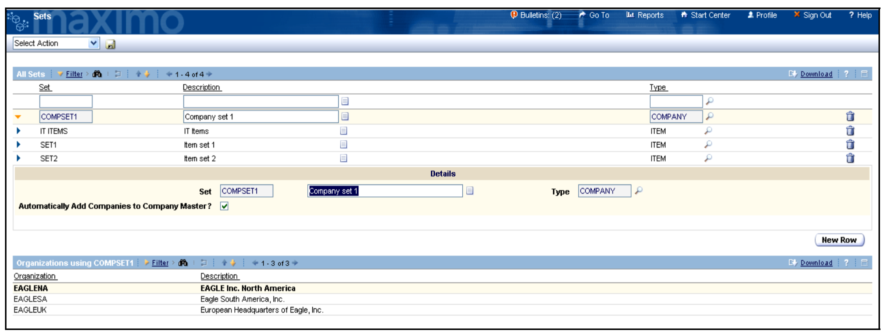
Using the Companies Application continued

Enabling the Use of the Companies Application to Create Company Records

continued

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>3</td><td>Check the Automatically Add Companies to Company Master? check box.

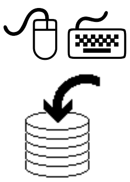
<u>Result</u>: Your screen should look similar to the graphic below.


</td></tr>
<tr><td>4</td><td>Click the Save Sets icon.

<u>Result</u>: You can now create a new company record using the Companies application in the Purchasing module.</td></tr>
</table>

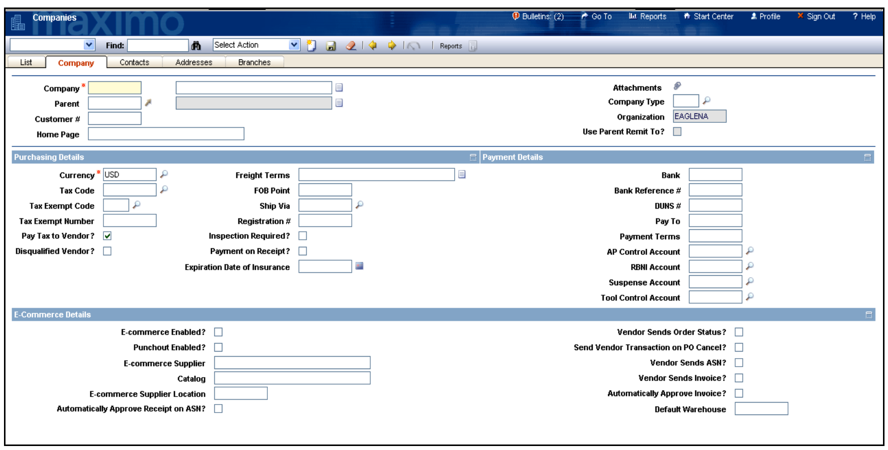
Entering Company Records

Adding a Company Record



Use the following steps to create a company record.

Note: Your instructor will provide you with the appropriate user name and password to sign in to Maximo.

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>1</td><td>From the Start Center, select the Companies application in the Purchasing module. On the Maximo toolbar, click the New Company icon.
Result: Maximo displays the Company tab with fields ready for data input, similar to the graphic below.

</td></tr>
<tr><td></td><td>Note: The Organization field is automatically populated.</td></tr>
</table>

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Entering Company Records continued

Adding a Company Record

continued

Step	Action
2	Enter the following data: **Field** — **Value** **Company** — [*Your Last Name*] **Description** — [*Your Last Name*] Manufacturing Co. **Company Type** — V (denoting vendor type) **Tax Code** — MA Accept all the default values given.
3	Click the **Save Company** icon. Best Practice: To avoid data loss, it is important that you save data periodically. Always save your record after every action.

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Entering Company Records continued

Adding a Company Record

continued

Step	Action
4	Click on the **Contacts** tab and, on a new row, enter the contact information: **<u>Field</u>** — **<u>Value</u>** **Contact** — [*Your name*] **Position** — Account Manager **E-mail** — [*Your E-mail*] **Phone** — 781-777-9450 **Fax** — 781-777-9451 **Home Phone** — 781-777-9678 <u>Note</u>: Customer contact information should be saved first into Maximo before you can specify a contact person on the Contact field of the Addresses tab.
5	**Save** your record and click on the **Addresses** tab. Enter the company address information: **<u>Field</u>** — **<u>Value</u>** **Customer Contact** — [*Your name*] **Address** — 46 Krantz Road **City** — Concord **State/Province** — MA **Zip/Postal Code** — 03067 **Phone** — 781-777-9450 **Company Fax** — 781-777-9451

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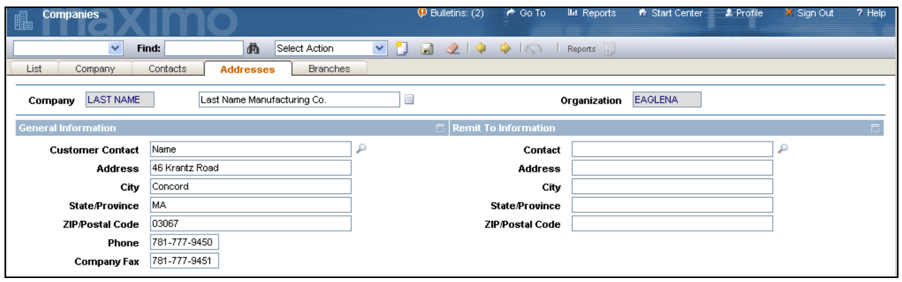
Entering Company Records continued

Adding a Company Record

continued

Step	Action
6	**Save** your record. Result: Your screen should look similar to the graphic below. 
7	Open the **Branches** tab and click **New Row**.
8	On the **Company** field of the **Branches** pane, click on the **Detail Menu** button and use the **Select Value** option to select **GARDNER**.
9	**Save** your record. Result: The GARDNER company is now assigned as a branch of the [*Your Last Name*] company.

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Entering Company Records continued

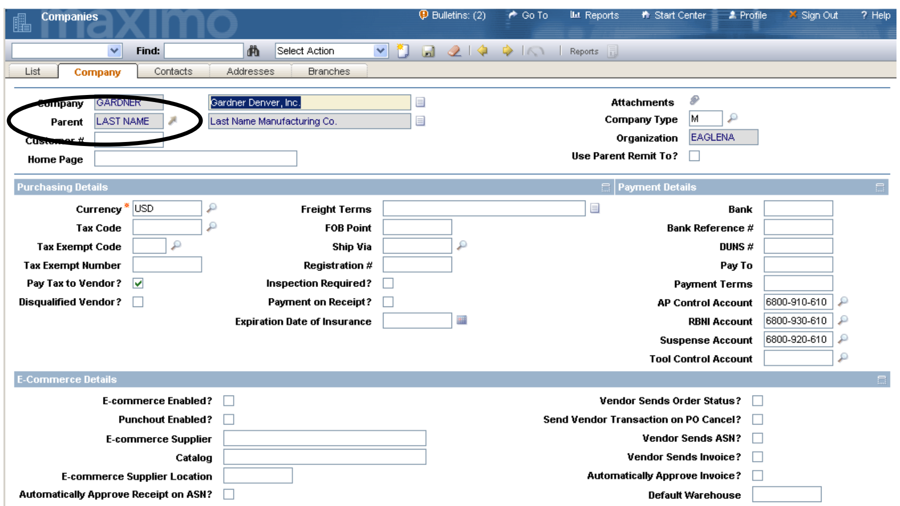
Adding a Company Record

continued

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>10</td><td>Click the Detail menu icon to the right of the Company field and select the Move to GARDNER option.

<u>Result</u>: The Branches tab displays the GARDNER company.</td></tr>
<tr><td>11</td><td>Open the Company tab and view the Parent field.

<u>Result</u>: The Parent field is now populated with [Your Last Name] company.



</td></tr>
<tr><td></td><td><u>Note</u>: Do not close the window. Our next exercise will start from here.</td></tr>
</table>

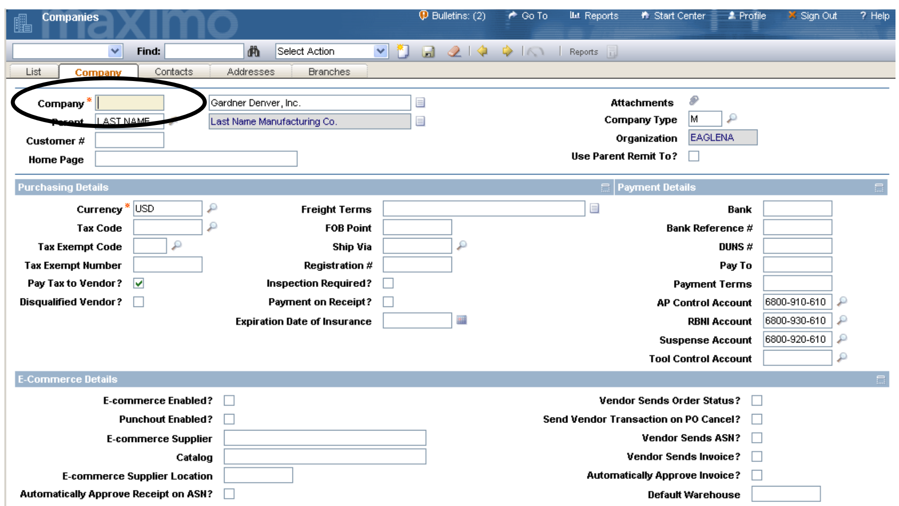
Duplicating Company Records

Duplicating a Company Record

Use the following steps to duplicate a company record.

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>1</td><td>With GARDNER Company open, choose Duplicate Company from the Select Action menu.

<u>Result</u>: A duplicate company record is created with the Company field left blank.


</td></tr>
<tr><td>2</td><td>Enter [Your Initials] in the Company field and save your record.

<u>Result</u>: A new company is created in Maximo.

<u>Note</u>: Do not close the Companies application; you will delete this record in the next exercise.</td></tr>
</table>

Deleting Company Records

Introduction

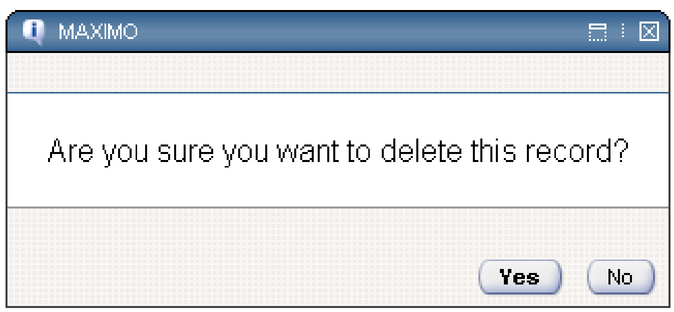
You can delete a company record in the Companies application.

Company records that have been referenced in other applications and modules (such as Purchase Orders, Invoices, and Contracts) cannot be deleted.

Also company records that have associated branch records cannot be deleted. To delete a company record with associated branch records, you must first sever all the branch associations with that company record.

Deleting a Company Record

Follow these steps to delete the record you created in the previous exercise.

Step	Action
1	From the **Select Action** menu, click the **Delete Company** option. Result: A dialog box opens. 
2	Click **Yes**. Result: The [*Your Initials*] company record is deleted and your screen returns to the List tab. Note: The company record is deleted only in the Company list. The record still exists in the Company Master list.

Chapter Summary

Overview

The Companies application maintains detailed information about vendors, manufacturers, and other companies.

All company master records in Maximo belong to a company set. Company sets enable you to share information about companies between multiple organizations.

Company Master Records vs. Company Records

Company master records define the records that belong to a company set. Company sets exist below the system level, but above the organization level so that organizations can share data. Each organization is associated with a company set.

If your company has implemented a Multisite configuration that includes multiple organizations, using company sets allows your organizations to share master company data on the records created in the Company Master application, and record organization-specific data—for example, contacts and branches—on the records in the Companies application.

Using the Companies Application

The information held by the Companies application includes:

- Tax and currency information
- Tax codes
- Information about associated general ledger accounts
- Addresses
- Contacts
- E-commerce information

Workshop

Introduction

You will now put your knowledge to work and enter a new company record into Maximo.

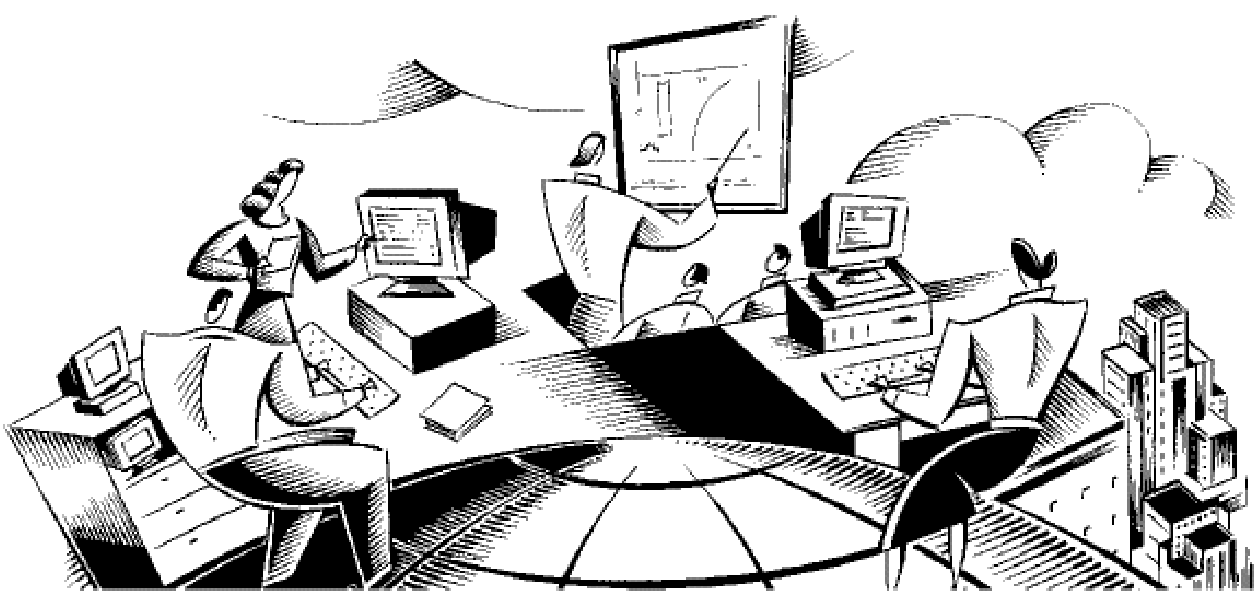
Use the following data to create a new record:

Field	Value
Company	CHOICE (or CHOICE*xx*, where *xx* is your student number)
Description	Choice (*xx*) Components, Inc.
Company Type	V
Currency	USD
Tax Code	MA
Tax Exempt Code	2
Pay Tax to Vendor?	[*Checked*]
Contact	[*Your Name*]
Address	5783 Concord Road
City	Weymouth
State/Province	MA
Zip/Postal Code	00117
Phone	(978) 555-4300
Fax	(978) 555-4274

NOTES:

NOTES:

Chapter 4: Purchase Contracts



In This Chapter This chapter contains the following topics:

Chapter Overview

Introduction

The Purchase Contracts application is new in Maximo. This chapter discusses some of the functionality provided by the application, and provides exercises to demonstrate how it works.

Chapter Focus

This chapter focuses on how to create a purchase contract.

Learning Objectives

When you have completed this chapter, you should be able to:

- create a purchase contract,
- authorize sites,
- associate SLAs, and
- revise a purchase contract.

The Purchase Contracts Application

Introduction

The **Purchase Contracts** application is accessed from the **Contracts** module. This application allows users to create, modify, and view contracts with outside vendors, as well as provide detailed information about a contract's contact information or shipping and financial terms.

The following table describes the out-of-the-box contract types in the Purchase Contracts application:

Type	Definition
Standard Purchase Contract	A standard contract with a vendor that contains information concerning the terms of the contract and the specific items or services that will be provided, and at what cost.
Price Contract	A contract specifying that items or services purchased from this vendor over a period of time will be provided at a pre-agreed-upon price. Maximo references the contract when a catalog service or item is entered on a purchase requisition or purchase order line.
Blanket (Volume) Contract	An agreement to spend a predetermined amount with the specified vendor over a period of time. This type of contract also lists specific items or services that will be provided. Releases are created from blanket type contracts and committed costs are tracked for all purchases that are made. These releases can be created directly from the contract, or when items or catalog services that are requisitioned reference the contract. The purchase orders that are created will also be released as release type POs. When approving a release PO, Maximo validates whether sufficient funds remain to cover the total cost of the PO. If the contract was defined with the property "Can exceed volume" as True, the user is warned when approving the PO whose costs will cause the committed costs to exceed the maximum value of the contract.

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The Purchase Contracts Application continued

Software License Contract

If a purchase is created with reference to this contract, any receipts of serialized items like software licenses will be associated with the contract.

The business rules for each of the software license types are suggestions as to how you can set up your line-level information for each license type. There are no business rules enforced that prevent you from changing these values. However, the values you supply become read-only once you approve the software license contract.

A software license contract covers seven types of licenses:

License Type	Description
Select	A software license that uses points as an order unit. You establish a volume (of points) agreement to use within your organization. Suites use a “points measure” of distribution to the end users. As users log on to the software, points are calculated. When the maximum amount of points is reached, the software will no longer allow any user logins.
Retail	Licenses that are monitored on an instance basis. This type of software license is monitored as a single user or a limited multiuser license.
Concurrent	Another instance-based monitoring system. With this software license, Maximo monitors your organization on a concurrent basis. Maximo keeps track of the number of users simultaneously using the license. This license contract allows open distribution, but it is limited to a set number of concurrent license instances.
Enterprise	A license agreement that allows open distribution with unlimited use across an organization.
Named User	A license agreement that references a list of users to allow or deny access to the software. This license is limited for use by a named set of users. The license cannot be transferred to users not on the agreed-upon list.
Subscription	A license agreement that monitors online use of a licensed program based on authorized user sign-ins. The order unit on a subscription-based license is time intervals.
OEM	A license that comes bundled with computers. The use of this license is limited to the computer on which it was supplied and is not intended to be used elsewhere.

Creating Purchase Contracts

Tabs and Functions

The Purchase Contracts application has the following tabs:

Use this tab…	To…
List	Search the database for a specific record or group of records that meet your criteria. Use the filter fields located above the List table window to enter basic search criteria.
Contract	Insert, review, or modify information specific to a contract.
Properties	Enable or disable fields that pertain to an individual contract.
Contract Lines	Review and modify the contents of a contract on a line-by-line basis.
Terms and Conditions	Enter and maintain a library of terms and conditions that can be added to a contract. These terms can contain information such as liability concerns, shipping and handling details, or delivery time expectations.

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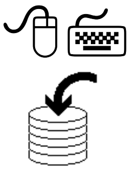
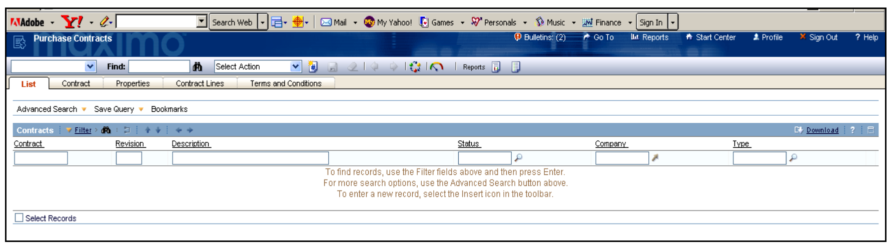
Creating Purchase Contracts continued

Creating a Purchasing Contract



When you create a new contract, Maximo automatically numbers the **Contract** number field. You must enter a unique identifier for the contract if your system does not have the Autonumber feature applied.

Follow the steps below to create a contract.

Step	Action
1	Using the **Go To** navigation menu, select the **Purchase Contracts** application in the **Contracts** module. Result: The Purchase Contracts application opens to the List tab. 
2	Click **New Purchase Contract** . Result: A new contract record opens on the Contract tab with a status of DRAFT and the Start Date field set to the current date.
3	Enter the following data: **Field** — **Value** **Description** — Purchase Contract with ATI **Type** — PURCHASE **Company** — ATI Write your purchase contract number here __________.

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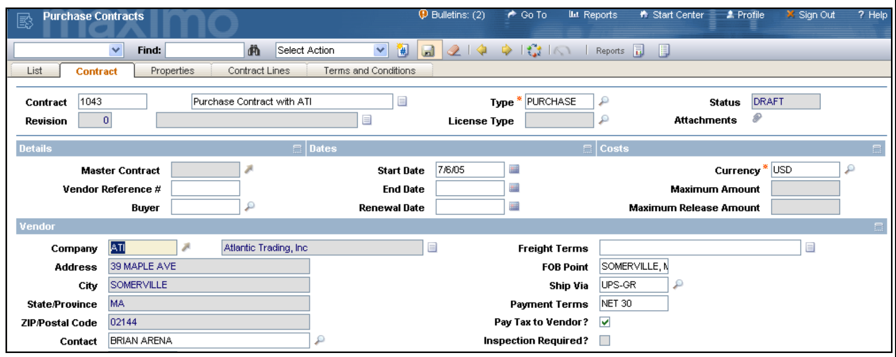
Creating Purchase Contracts continued

Creating a Purchasing Contract

continued

Step	Action
4	Click the **Save Purchase Contract** icon to save your record. Result: Your screen should look similar to the screen below. 
	Note: The next exercise will start from this point, so leave the application open.

The Properties Tab

The Properties Tab

On the Properties tab, you can set a variety of properties for the contract. Below are some of the options with their descriptions.

Option	Description
Requires PO?	When checked, indicates that a purchase order is required for the contract.
Create Release?	Checking this box indicates that you can create a release from the contract.
Can Exceed Amount?	Checking this box indicates that you can exceed the specified maximum amount on this contract.
Payment Schedule?	Checking this box indicates that there is a defined payment schedule.
Add Lines on Use?	Checking this box indicates that you can add lines to the purchase document with contract reference.
Maintain Hierarchy?	Checking this box indicates that any hierarchy of which this contract is a part will be maintained.
Extendable?	Checking this box indicates that the contract is extendable.
Condition for Extension	Details any conditions that might exist for an extension.
Extension Period	If the contract is extendable, this field indicates the auto-extend period in days.
Acceptance Period	Amount of time in days that can pass before the buyer must either accept the received items or return them.
Acceptance Loss?	Checking this box indicates that you are liable for acceptance loss.
Shipping Loss?	Checking this box indicates that you are liable for shipping loss.
Vendor Termination Allowed?	Checking this box indicates that early termination by the vendor is allowed.
Vendor Notification Period	If early termination is allowed by vendor, this indicates the number of days' notice required
Customer Termination Allowed?	Checking this box indicates that early termination by the customer is allowed.
Customer Notification Period	If the customer allows early termination, this indicates the number of days' notice required.

Copying PR Lines to a Contract

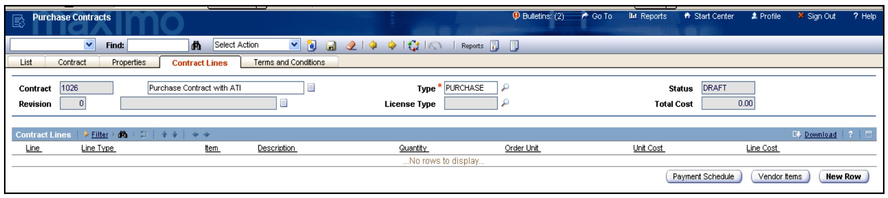
Copy PR Lines to a Contract

Use the **Copy PR Lines to Contract** option to copy existing PR lines to your new contract.

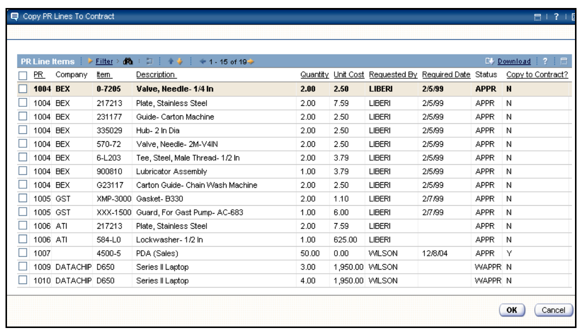
Follow these steps to copy PR lines to a contract:

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>1</td><td>Using the new contract you have created, go to the Contract Lines tab.

Result: The Contract Lines pane opens with no rows.


</td></tr>
<tr><td>2</td><td>On the Select Action menu, select Copy PR Lines to Contract.

Result: The Copy PR Line Items to Contract dialog box opens.


</td></tr>
</table>

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Copying PR Lines to a Contract continued

Copy PR Lines to a Contract

continued

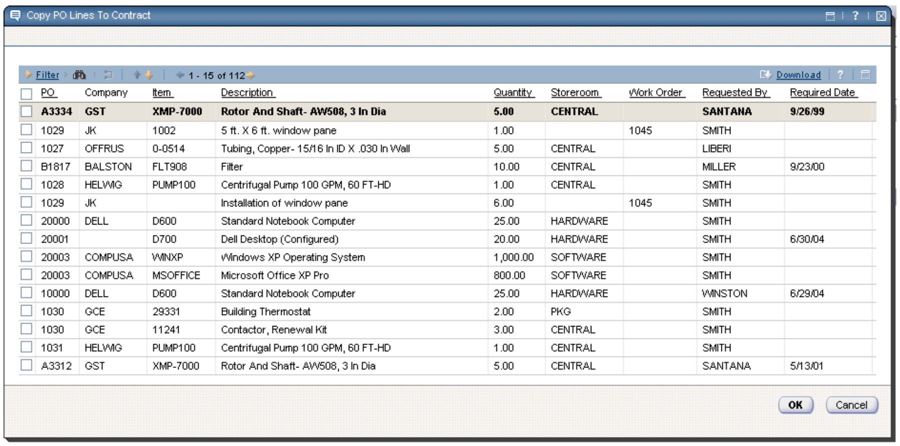
Step	Action
3	Select the items for PR **1006** and click **OK**. Note: If you are in a single-database environment, your instructor will assign you a different PR. Result: Two new item lines are added to the contract line and the PR's status is changed to CLOSE.
4	**Save** your record.

Copying PO Line Items to a Contract

Copy PO Line Items to a Contract

Use the **Copy PO Lines to Contract** option to copy item lines of existing POs as templates for new contracts.

Follow these steps to copy PO lines to a contract:

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>1</td><td>Access the new purchase contract you created and open the Contract Lines tab.</td></tr>
<tr><td>2</td><td>On the Select Action menu, click the Copy PO Lines to Contract option.
<u>Result</u>: The Copy PO Lines to Contract dialog box opens.

</td></tr>
</table>

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Copying PO Line Items to a Contract continued

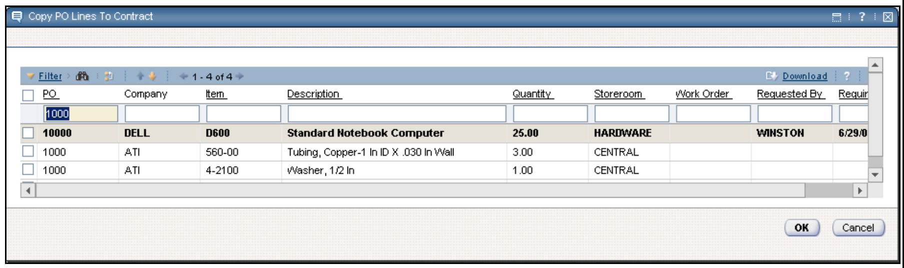
Copy PO Line Items to a Contract

continued

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>3</td><td>Filter for PO 1000.

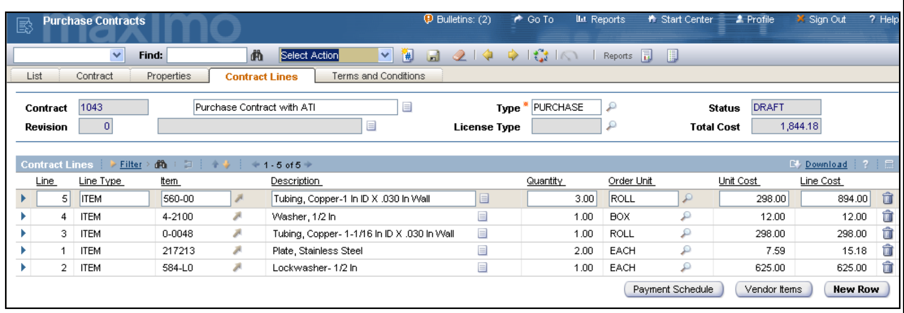
Note: If you are in a single-database environment, your instructor will assign you a different PR.

Result: The Copy PO Lines to Contract dialog box displays the line items of the selected PO.


</td></tr>
<tr><td>4</td><td>Select the items for PO 1000, then click OK.

Result: The line items are added to the Contract Lines.</td></tr>
<tr><td>5</td><td>Click the Save Purchase Contract icon.

Result: Your screen should look similar to the screen below.



Note: Do not exit the application.</td></tr>
</table>

Terms and Conditions

Introduction

When a contract, purchase requisition, or purchase order is created, the applicable agreed-upon legal terms and conditions need to be associated with the document. These terms can be selected from the library of available clauses or can be added as free-form text to any purchasing document.

Terms and Conditions

The **Terms and Conditions** application is used to build the library of terms you can apply to contracts, PRs, or POs. During setup, you can flag terms to always be included on a purchase order, and specify whether the values can be edited by the end user. Some terms can be created in a template format with specific information that requires the user to enter values.

Exercise Scenario

The goal of this scenario is to show you how to associate terms and conditions with an existing purchasing document. Building a library of terms and conditions can help your organization standardize your business processes and enforce company policies.

Note: A contract must be in the status of DRAFT, WAPPR, or PNDREV in order to add terms and conditions to it.

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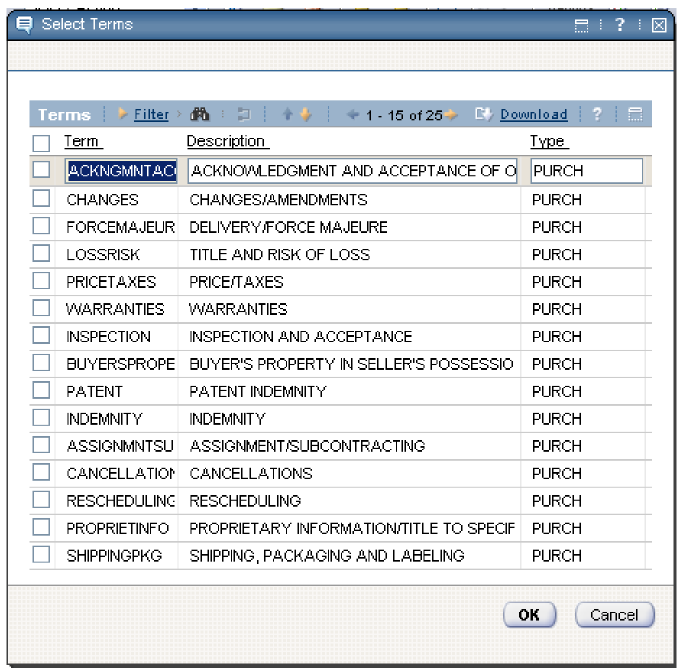
Terms and Conditions continued

Exercise: Associate Terms and Conditions to a Contract

To associate an existing term to a contract, complete the following steps.

Step	Action
1	With the contract we created in the previous exercise open, select the **Terms and Conditions** tab.
2	Click **Select Terms**. Note: You can also click New Row if you want to add a term that is not part of the library. Result: The Select Terms dialog box opens.



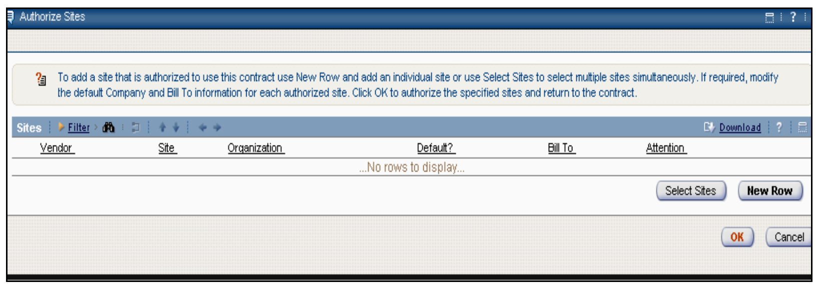
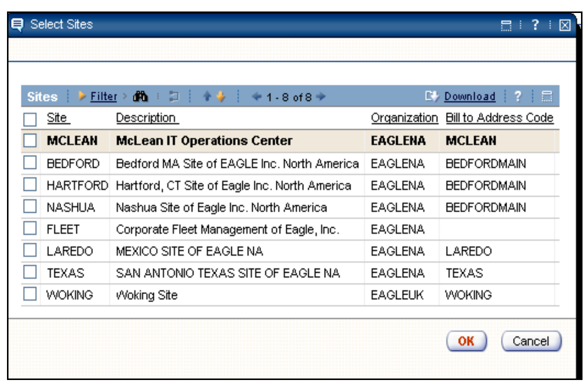
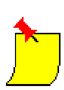
Step	Action
3	Select the check boxes next to **ACKNGMNTAC, LOSSRISK**, and **INSPECTION**, and then click **OK**.
4	**Save** the record. Result: The terms are associated with the contract.

Site Authorization

Authorize Sites

The **Authorize Sites** action indicates that the contract can be used by one or more sites. When you add a site to the Authorized Sites list of a contract, that contract can be referenced and used by that site. Only sites belonging to the same company and item set can be authorized to use the contract.

Follow the steps below to authorize sites:

Step	Action
1	Continuing from the previous exercise, make sure that your window displays the contract you have created.
2	On the **Select Action** menu, select the **Authorize Sites** option. Result: The Authorize Sites dialog box opens. 
3	Click **Select Sites**. Result: The Select Sites dialog box opens. 
	Note: The Select Sites dialog box displays a list of existing sites in the organization. It provides a quick-pick option for users.

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Site Authorization continued

Authorize Sites

continued

Step	Action
4	Choose the **MCLEAN**, **BEDFORD**, and **HARTFORD** sites by checking the corresponding Select check boxes on the left side. Clicking **OK** returns you to the **Authorize Sites** dialog box. Result: Three rows are now added to the Sites details pane. Note: Use the Select Sites button when authorizing multiple-site access to your contract. Returning values from the Select Sites dialog box automatically populates the fields on the Sites detail line.
5	Click **OK** and then **save** your record. Result: The sites you selected are authorized. Note: Do not exit the application.

Associate Service Level Agreements

Associating SLAs

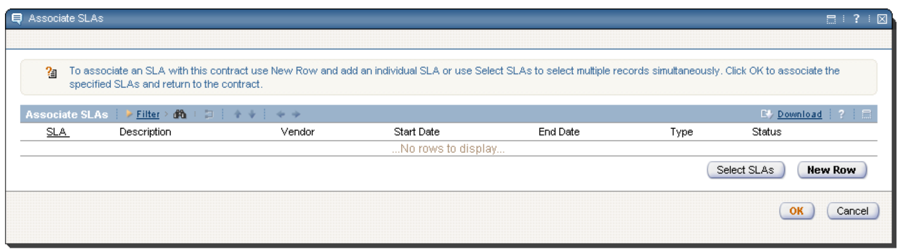
Use the **Associate SLAs** (Service Level Agreements) action to link, or associate, agreements to a contract. An SLA is a written agreement between a service provider and its customers that generally describes one or more commitments and the escalations, actions, and/or notifications associated with each commitment.

Follow the steps below to associate service level agreements:

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>1</td><td>

Continuing from the previous exercise, select the **Associate SLAs** option from the **Select Action** menu.

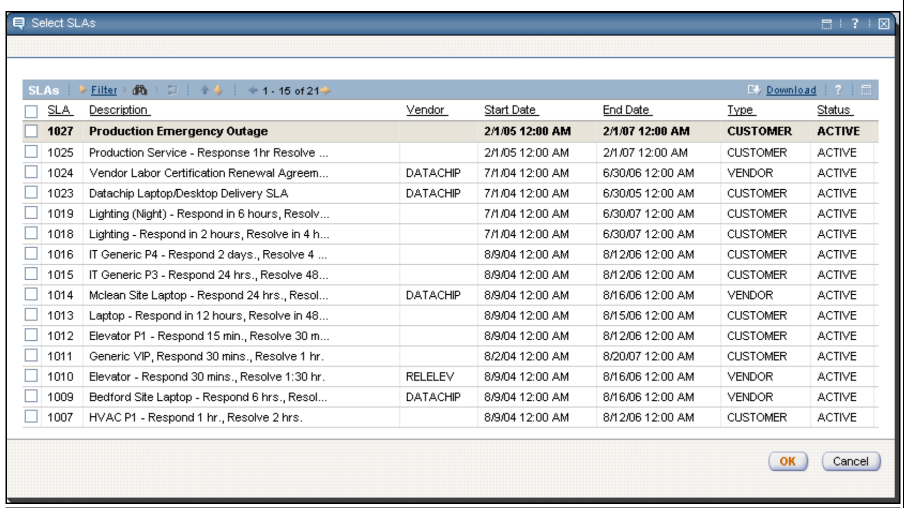
Result: The Associate SLAs dialog box opens.



</td></tr>
<tr><td>2</td><td>

Click the **Select SLAs** button.

Result: The Select SLAs dialog box opens.



</td></tr>
</table>

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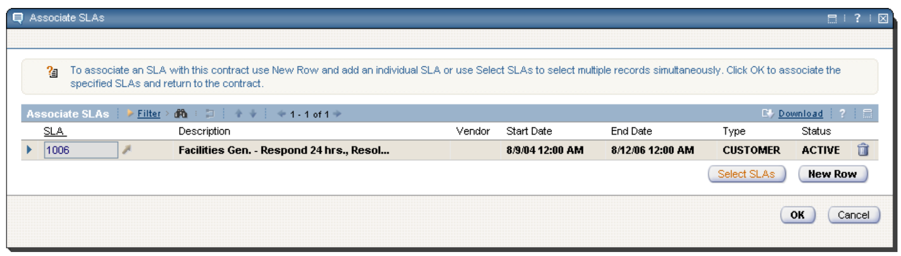
Associate Service Level Agreements continued

Associating SLAs

continued

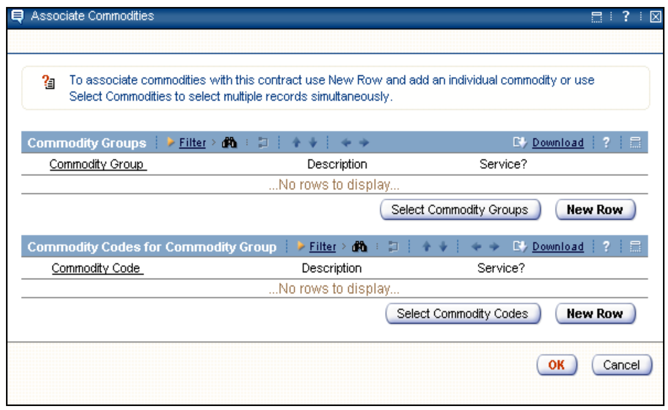
Step	Action
3	Select SLA **1006** and then click **OK**. Hint: Use the Filter options and make sure that you check the Select Record box. Result: The selected SLA now appears in the Associate SLAs dialog box. 
4	Click **OK**, then **save** your record. Note: Do not close your window.

Associate Commodities

Associating Commodities to a Contract

Use the **Associate Commodities** action to create or change the association of commodity groups and codes with a particular contract. You can associate or remove any commodities on a contract as long as the contract is not in a REVISED, CLOSED, or CANCELED status.

Follow the steps below to associate commodities to a contract:

Step	Action
1	Make sure you are accessing the window from the previous exercise. On the **Select Action** menu, select the **Associate Commodities** option. Result: The Associate Commodities dialog box opens. 

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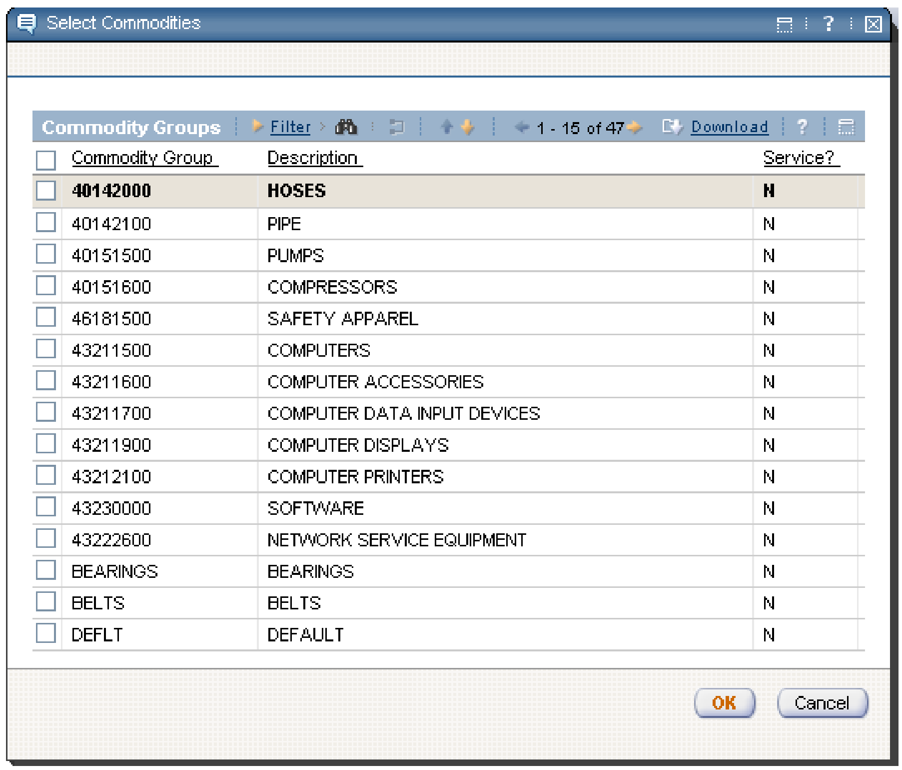
Associate Commodities continued

Associating Commodities to a Contract

continued

Step	Action
2	Click the **Select Commodity Groups** button. Result: The Select Commodities dialog box opens.



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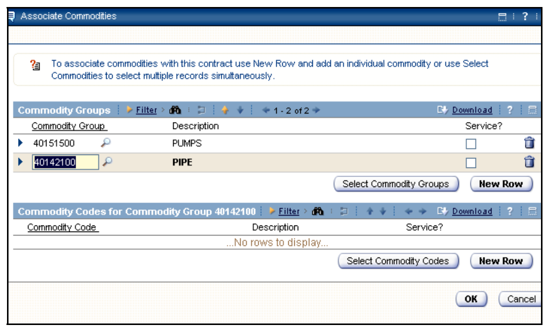
Associate Commodities continued

Associating Commodities to a Contract

continued

Step	Action
3	Select the commodity group for **Pipe** and **Pumps** by checking the appropriate select record boxes and then clicking **OK**. Result: Maximo displays the selected commodity groups in the Commodity Groups pane. 

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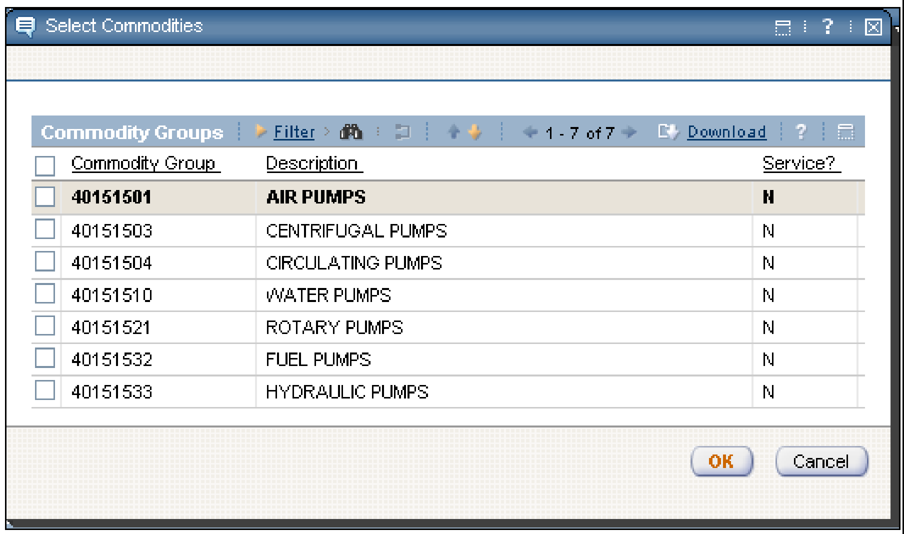
Associate Commodities continued

Associating Commodities to a Contract

continued

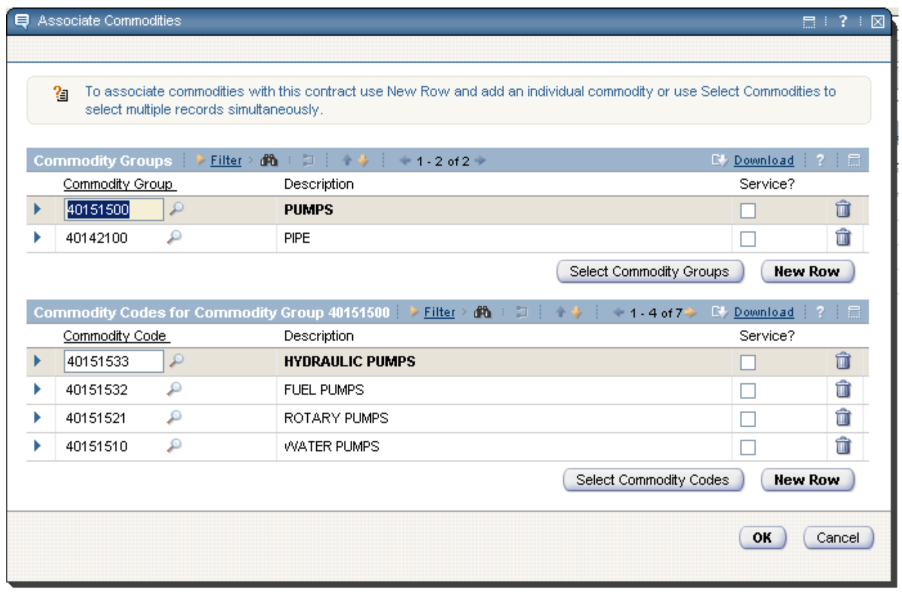
Step	Action
4	Click the **Pumps** commodity group row to highlight the row. Click **Select Commodity Codes** in the **Commodity Codes for Commodity Group** pane. Result: The Select Commodities dialog box opens. 

Associate Commodities continued

Associating Commodities to a Contract

continued

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>5</td><td>Select all the groups listed and then click OK.
<u>Result</u>: Your screen should look similar to the screen below.



</td></tr>
<tr><td>6</td><td>Repeat steps 4 and 5 for the Pipe commodity group. Click OK, then save your record.
<u>Note</u>: Do not close the window.</td></tr>
</table>

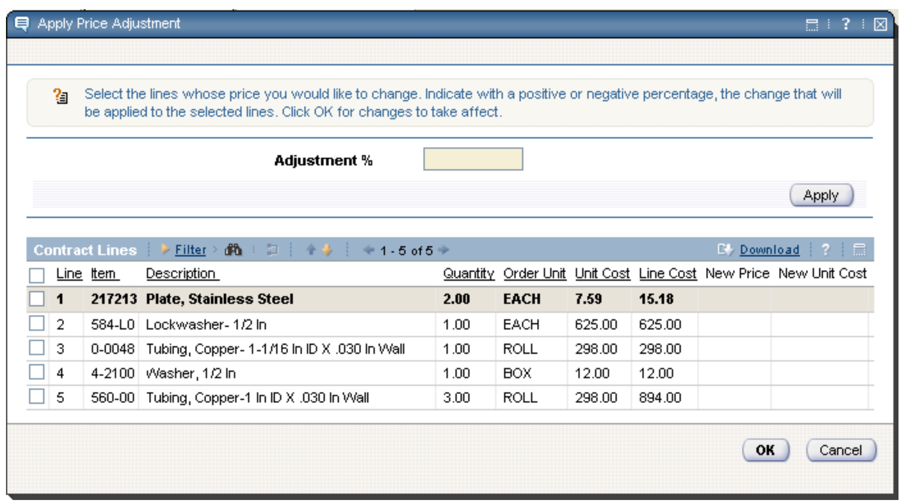
Applying a Price Adjustment to a Contract

Introduction

It is sometimes necessary to adjust the price of a contract. Use the **Apply Price Adjustment** action to specify the increase or decrease percentage in price for the open contract.

Applying a Price Adjustment to a Contract

Follow the steps below to apply a price adjustment to a line item on a contract:

Step	Action
1	Continuing from the previous exercise, select the **Apply Price Adjustment** option on the **Select Action** menu. Result: The Apply Price Adjustment dialog box opens, displaying all lines available for change. 

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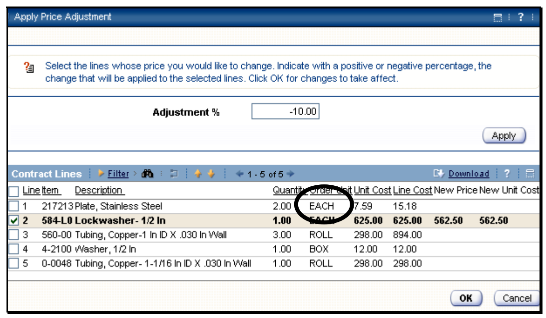
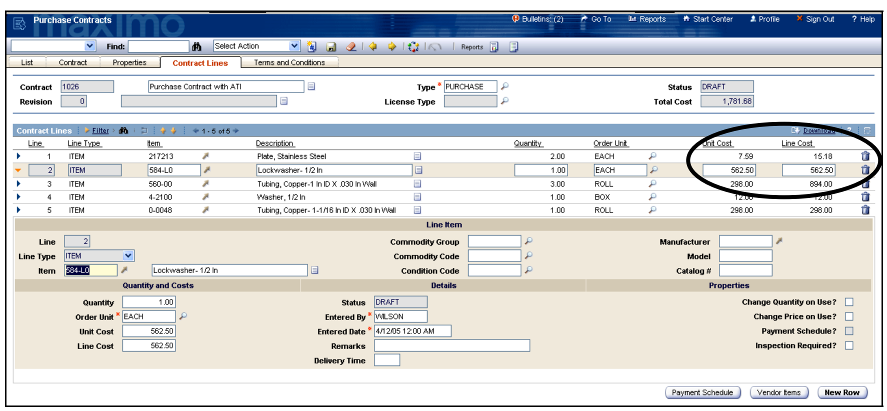
Applying a Price Adjustment to a Contract continued

Applying Price Adjustment to a Contract

continued

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>2</td><td>In the Adjustment% field, enter –10 to indicate a 10% price reduction.</td></tr>
<tr><td>3</td><td>Select item 2 by checking its Select Record box, then click Apply.
<u>Result</u>: Maximo displays the New Price and the New Unit Cost.
</td></tr>
<tr><td>4</td><td>Click OK, then save your record.</td></tr>
<tr><td>5</td><td>Click the View detail icon for item 2.
<u>Result</u>: The Line Cost and Unit Cost fields are adjusted to the new costs.

<u>Note</u>: Do not exit the application.</td></tr>
</table>

Conditions for Status Changes

Introduction

A contract's status cannot be changed to Approved or Canceled if it has any outstanding payment schedules or approved POs against it. If a contract has any unapproved POs against it and you change its status to Closed or Canceled, Maximo notifies you of this situation and lets you cancel the status change. If you continue with the status change, Maximo notifies the originator of the PO at approval that it is no longer a valid contract and the PO status change will be stopped.

Changing the Status of a Contract

You can change the status of the contract as it moves toward completion either manually through the Change Status action, or by performing tasks that trigger Workflow to move the contract forward through the status changes. When you create a contract, Maximo sets the status of the contract to DRAFT. A contract cannot be approved until you specify a vendor, at least one authorized site, and a start date. The company, items, and sites that you referenced on the contract must all be currently active.

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Conditions for Status Changes continued

Changing the Status of a Contract

Status changes are generated by action in Maximo by users or by departments with the appropriate authorization.

Depending on the current status, the choices are as follows:

Status	Function
Draft (DRAFT)	In this status you can edit everything according to how you defined the properties for this type of contract. You can change this status to WAPPR, APPR, CLOSE, or CAN.
Waiting on Approval (WAPPR)	In this status everything can be edited (according to properties rules). This status can be changed to DRAFT, APPR, CLOSE, or CANCEL.
Approved (APPR)	You can change only the status, to CAN, CLOSE, SUSPND, or EXPIRE.
Suspended (SUSPND)	You cannot modify anything on the contract, but you can change the status to APPR, CAN, or CLOSE.
Pending Revision (PNDREV)	Similar to DRAFT, but you can edit only specified fields.
Expire (EXPIRE)	The end date for the contract has passed. You cannot modify anything on a contract in this status. You can change the status from EXPIRE to PNDREV by creating a revision against the expired contract.
Canceled (CAN)	You cannot modify anything on the contract.
Closed (CLOSE)	You cannot modify anything on the contract.
Revised (REVISED)	Maximo generates and applies a REVISED status when a more current revision is approved. You cannot modify anything on the contract, or change the status to any other status.
Waiting to Start (WSTART).	Maximo applies this status when you choose APPR and the start date is in the future. You can change this status to APPR.

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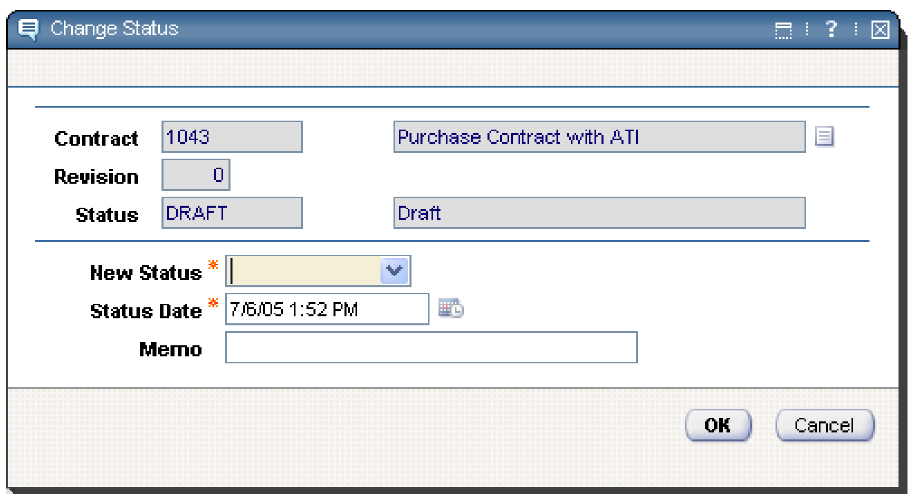
Conditions for Status Changes continued

Changing the Status of a Contract

Before you can change its status, a contract must meet the following conditions:

- You can cancel or close a contract only if all of its children are canceled or closed.
- You can only associate child contracts with a parent contract in approved status.
- The end date must not be earlier than the start date.
- You must specify a vendor before approval.

Follow the steps below to change the status of a contract:

Step	Action
1	In the purchase contract we created, click the **Change Status** icon  on the Maximo toolbar. Result: The Change Status dialog box opens. 

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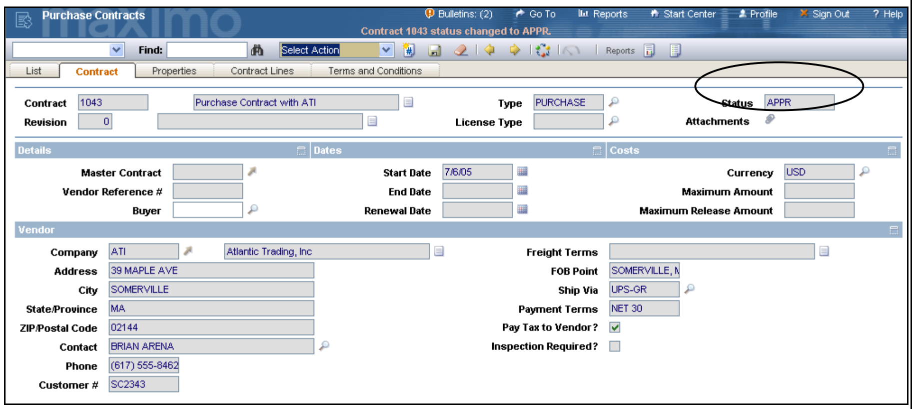
Conditions for Status Changes continued

Changing the Status of a Contract

continued

Step	Action
2	In the **New Status** field, click the drop-down arrow and select **Approved**.
3	Click **OK** to apply the status change. Result: The status has changed to APPR. 
4	Click the **Save Purchase Contract** icon to save your record.

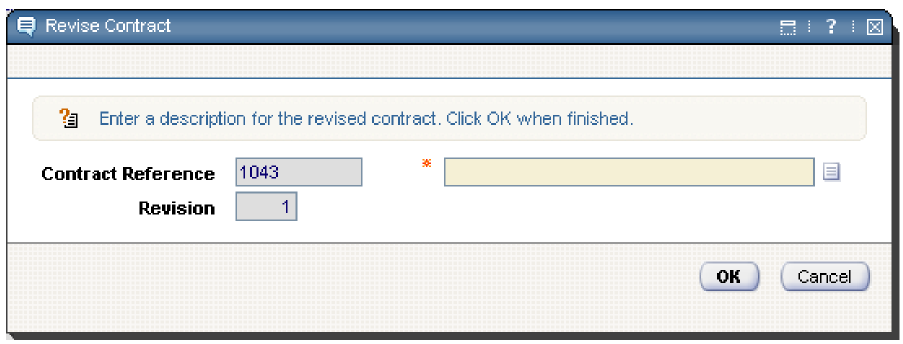
Revising a Purchase Contract

Revising a Purchase Contract

Use the **Revise Contract** action to edit a contract that has been approved. The contract must have an APPR status before the revision.

Note: We will discuss changing contract status later in the chapter.

Follow the steps below to revise a purchase contract:

Step	Action
1	With your purchase order open, select **Revise Contract** from the **Select Action** menu. Result: The Revise Contract dialog box opens. 
2	Enter the description Quantity Change in the **Description** field, then click **OK**. Note: Maximo creates a new version of the contract with a status of PNDREV and increments the Revision field to the next number. The original version of the contract remains in APPR status and is still valid while you are completing the revision.
3	Go to the **Contract Lines** tab. For line **4**, change the **Quantity** of boxes to 2 and then **save** your record.

continued on next page

Revising a Purchase Contract continued

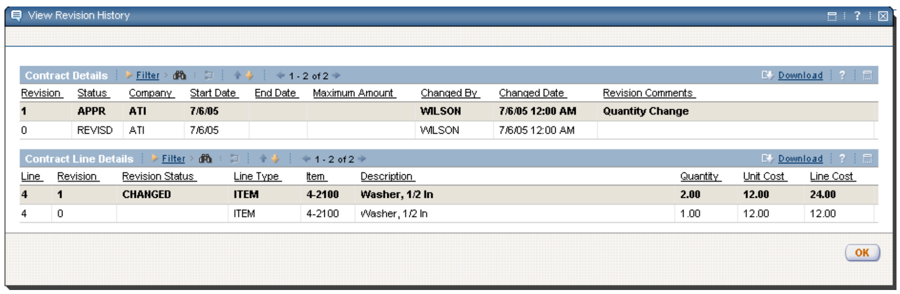
Revising a Purchase Contract

continued

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>4</td><td>Change the status of the contract to Approved.

Result: The revision status is changed to APPR and the original PO’s status is changed to REVISED.</td></tr>
<tr><td>5</td><td>Click the Save Purchase Contract icon.</td></tr>
<tr><td>6</td><td>From the Select Action menu, select View Revision History.

Result: Maximo displays the View Revision History window.



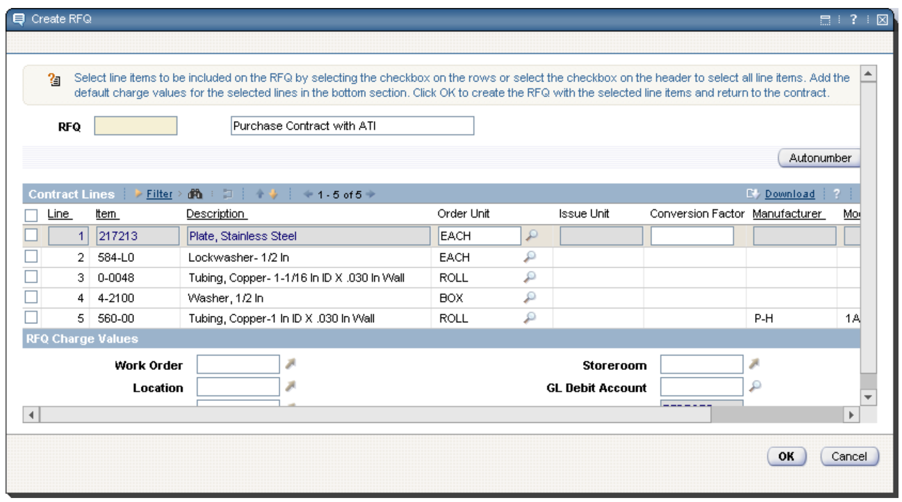
Note: Use the View Revision History option to verify and check changes made on your contracts records.</td></tr>
<tr><td>7</td><td>Click OK but do not close your window.</td></tr>
</table>

Creating an RFQ and PO from a Contract

Creating an RFQ from a Contract

The **Create RFQ** action is used to create an RFQ from an existing contract that is due for renewal. This action can be done with a contract in any status and will not affect the current contract in any way. The RFQ acts as a duplicate of the contract; it contains all of the contract's vendor information, a listing of all the line items, and the terms and conditions from the contract that are copied to the vendor terms if there is a vendor on the contract. If there is no vendor on the contract, the terms are copied to the RFQ terms.

Follow the steps below to create an RFQ from a contract:

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>1</td><td>With the revised contract open, select Create RFQ from the Select Action menu.
<u>Result</u>: The Create RFQ dialog box opens.


</td></tr>
<tr><td>2</td><td>Click Autonumber to automatically assign a new RFQ number.
<u>Result</u>: The RFQ number is automatically generated.

Write your RFQ number here _________</td></tr>
</table>

continued on next page

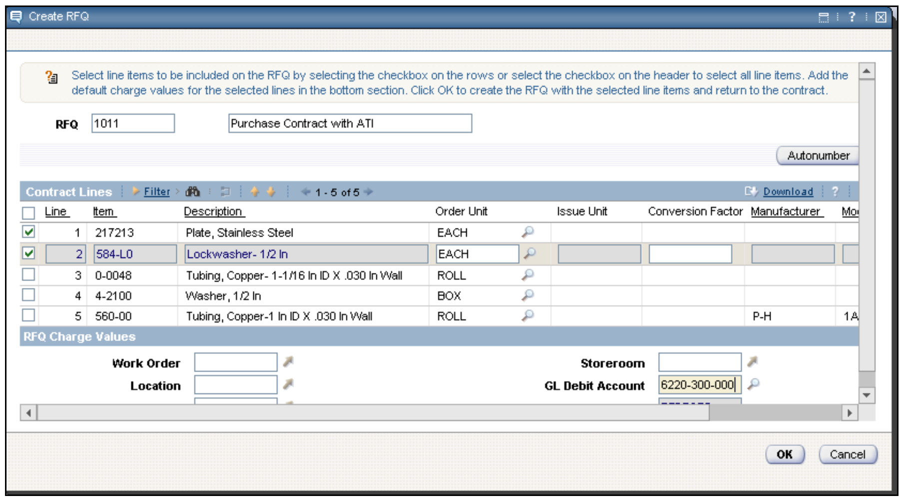
Creating an RFQ and PO from a Contract continued

Creating an RFQ from a Contract

continued

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>3</td><td>Choose items 1 and 2 on the Contract Lines pane using the Select Record check box, then enter 6220-300-000 in the GL Debit Account field.

<u>Result</u>: Your screen should look similar to the screen below.


</td></tr>
<tr><td>4</td><td>Click OK, then save your record.</td></tr>
</table>

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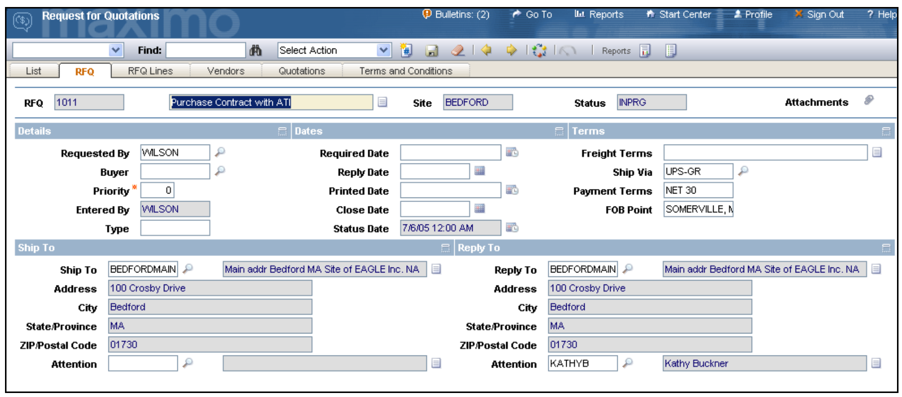
Creating an RFQ and PO from a Contract continued

Creating an RFQ from a Contract

continued

Step	Action
5	Open the **Request for Quotations** application. Search for and select the RFQ you just created. Result: Your screen should look similar to the graphic below.  Note: Do not close your window.

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Creating an RFQ and PO from a Contract continued

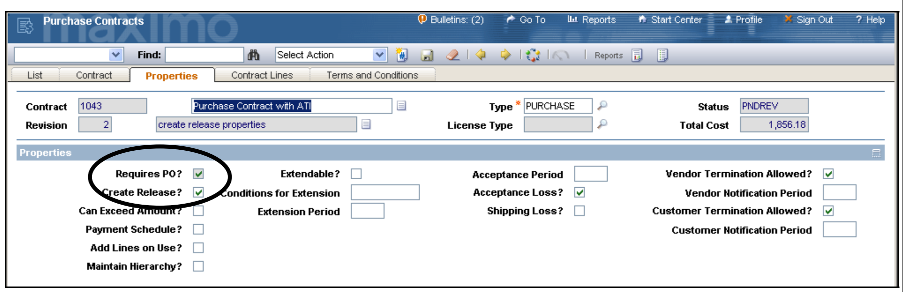
Create a Release PO from a Contract

The **Create Release PO** action in the Purchase Contracts application creates a new release type purchase order that has all the properties, information, and terms and conditions of an existing contract. Releases can be created only from contracts with the following properties:

- Currently in an APPR status
- Start and end dates include the current date
- The sum of all costs for all releases does not exceed the committed costs of the contract

When you create a new release PO, the PO number and description are populated based on the values you enter on the Create Release input page. You can also indicate default charge values for the lines you add to the release PO.

Follow the steps below to create a release PO from a contract:

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>1</td><td>In the Purchase Contracts application, search for and select Revision 1 of the contract you created earlier in this chapter.</td></tr>
<tr><td>2</td><td>Select the Revise Contract option from the Select Action menu.
<u>Result</u>: The Revise Contract dialog box opens.</td></tr>
<tr><td>3</td><td>Enter Enable Create Release in the description field, then click OK.</td></tr>
<tr><td>4</td><td>Click on the Properties tab and check the Create Release? check box.


<u>Result</u>: This will allow you to create a release PO from the contract.</td></tr>
<tr><td>5</td><td>Save the record.</td></tr>
<tr><td>6</td><td>Change the status to Approved.</td></tr>
</table>

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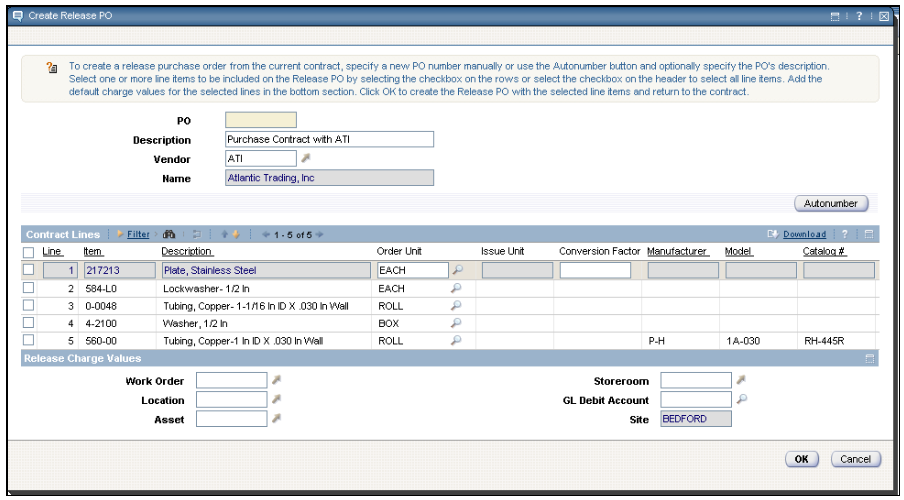
Creating an RFQ and PO from a Contract continued

Create a Release PO from a Contract

continued

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>7</td><td>On the Select Action menu, select Create Release PO.

<u>Result</u>: The Create Release PO dialog box opens.


</td></tr>
<tr><td>8</td><td>Generate an autonumber for the PO and accept the default description.

Write the new PO number here ____________.</td></tr>
<tr><td>9</td><td>Select items 3, 4, and 5 by checking their Select Record boxes. In the GL Debit Account field, enter 6220-300-000.</td></tr>
<tr><td>10</td><td>Click OK, then save your record.</td></tr>
</table>

continued on next page

Creating an RFQ and PO from a Contract continued

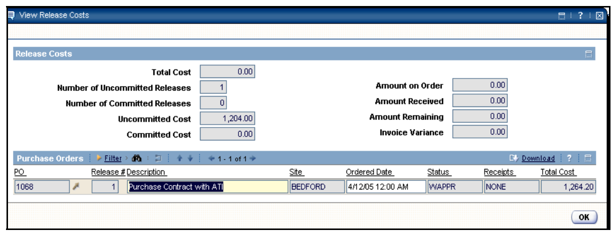
Create a Release PO from a Contract

continued

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>11</td><td>

Use the **View Release Costs** option on the **Select Action** menu of the **Purchase Contracts** application to check PO releases.

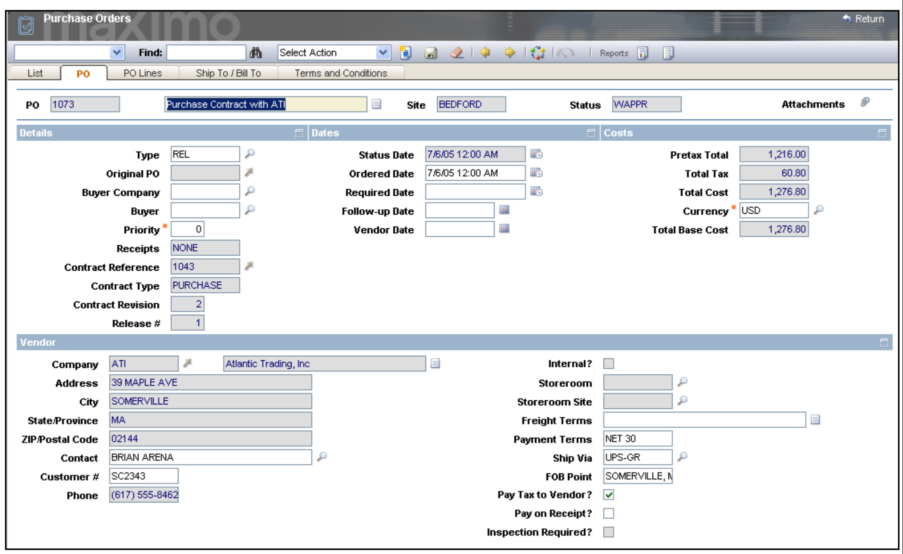
Result: The View Release Costs dialog box should look similar to this:



</td></tr>
<tr><td>12</td><td>

Click the **Detail Menu** button next to the PO number, and select **Go to Purchase Orders**.

Result: Maximo displays your PO.



</td></tr>
</table>

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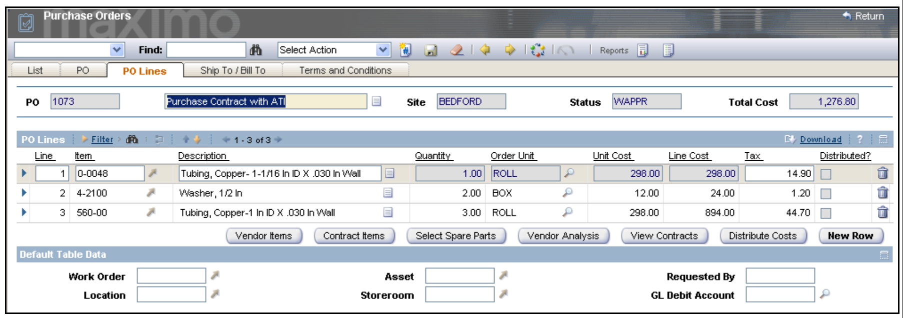
Creating an RFQ and PO from a Contract continued

Create a Release PO from a Contract

continued

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>13</td><td>View the PO Lines tab to verify the items selected for the released PO.

<u>Result</u>: Your screen should look similar to the screen below.


</td></tr>
<tr><td>14</td><td>Click on the Return hyperlink at the top right-hand corner of the screen to return to the View Release Costs dialog box. Leave this dialog box open; we will be discussing it next.</td></tr>
</table>

continued on next page

Creating an RFQ and PO from a Contract continued

View Release Costs

The **View Release Costs** action displays a page containing the cost information in the top section of the page, and, in the lower section, a list of all release purchase orders against the blanket contract and their total cost. This page is actually a summary of all planned and committed costs against a maximum volume, or blanket type contract. All costs are displayed in the contract's default currency. The **Release Costs** fields are calculated at the time they are displayed.

View Invoice Lines

The **View Invoice Lines** action in Contract applications allows users to view in one screen all of the invoice lines associated with a contract.

Chapter Summary

Purchase Contract Application	The Purchase Contracts application is new in Maximo. You use the Purchase Contracts application to create, modify, and view contracts with outside vendors. You can provide detailed information about a contract's contact information, and shipping and financial terms.
Creating a Purchase Contract	When you create a new contract, Maximo automatically numbers the Contract number field. You must enter a unique identifier for the contract if your system does not have the Autonumber feature applied.
Copy PR Lines to a Contract	Use the Copy PR Lines to Contract action to use existing PR lines as a source for new contracts.
Copy PO Lines to a Contract	Use the Copy PO Lines to Contract action to use existing PO lines as templates for new contracts.

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Chapter Summary continued

Authorize Sites	The Authorize Sites action indicates that the contract can be used by one or more sites. When you add a site to the Authorized Sites list of a contract, that contract can be referenced and used by that site. Only sites belonging to the same company and item set can be authorized to use the contract.
Associate SLAs	Use the Associate SLAs (Service Level Agreements) action to link, or associate, agreements to a contract. An SLA is a written agreement between a service provider and its customers that generally describes one or more commitments and the escalations, actions, and/or notifications associated with each commitment.
Associating Commodities to a Contract	Use the Associate Commodities action to create or change the association of commodity groups and codes with a particular contract. You can associate or remove any commodities on a contract as long as the contract is not in a REVISED, CLOSED, or CANCELED status.
Applying a Price Adjustment to a Contract	Use the Apply Price Adjustment action to change the price of a line item. The change can be positive or negative.

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Chapter Summary continued

Revising a Purchase Contract	Use the Revise Contract action to edit a contract that has been approved. The contract must have an APPR status before the revision.
Creating an RFQ from a Contract	Use the Create RFQ action to create an RFQ from an existing contract that is due for renewal. You can do this with a contract in any status and not affect the current contract in any way. The RFQ contains all of the vendor information from the contract, as well as a listing of all the line items. The terms and conditions from the contract are copied to the vendor terms if there is a vendor on the contract. If there is no vendor on the contract, the terms are copied to the RFQ terms.
Creating a Release PO from a Contract	Use the Create Release PO action in Contract applications to create a new release type purchase order that has all the properties, information and terms and conditions of an existing contract. Releases can be created only from contracts that are currently in an APPR status, whose start and end dates include the current date, and whose sum of all costs for all releases does not exceed the committed costs of the contract.
Changing the Status of a Contract	You can change the status of the contract as it moves toward completion either manually through the Change Status action, or by performing tasks that trigger Workflow to move the contract forward through the status changes. When you create a contract, Maximo sets the status of the contract to DRAFT. A contract cannot be approved until you specify a vendor, at least one authorized site, and a start date. The company, items, and sites that you referenced on the contract must all be currently active.

Workshop

Creating a New Purchase Contract

Scenario: A purchasing agent needs to create a contract for the purchase of tires to be used for maintenance vehicles. The agent must add contract lines to the contract, authorize sites, associate a commodity code, do price adjustments, and edit and approve the contract. The agent must then create an RFQ and a release PO from the approved contract.

Step	Action
1	Create a new purchase contract using the following data: **Field** — **Value** **Description** — Purchase Contract for Tires for Maintenance Vehicles **Buyer** — Wilson **Company** — GOODYEAR Accept the default contract number and write it here: ________.
2	Copy the PO lines from PO **1065** to the contract. Note: If you are in a single-database environment, your instructor will give you another contract number.
3	Enter 150.00 as the unit cost.
4	Authorize the **BEDFORD**, **MCLEAN**, and **TEXAS** sites to have access to this contract.
5	Associate the commodity group **TIRE**.
6	Apply a 10% price reduction for the tires.
7	Approve the contract.
8	After reviewing the contract, you determine that you need to change the quantity to 50. Create a revision with the description Quantity Revision.
9	Approve the revised contract and save it.
10	Create an RFQ from the contract using GL Account 3220-300-000. Write your RFQ number here: _______.

NOTES:

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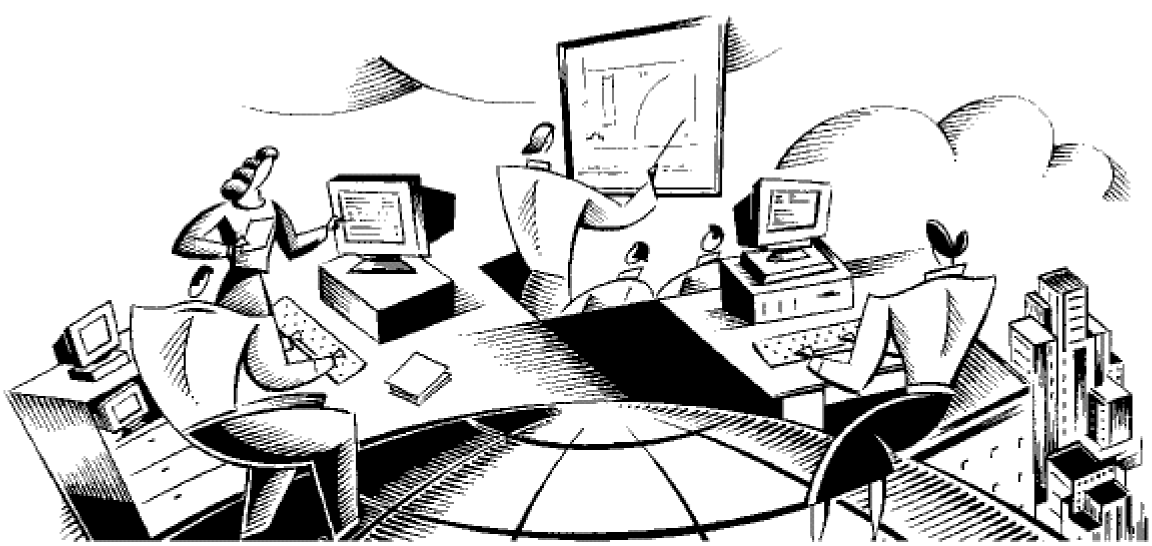
Purchasing with MXES

Chapter 5: Terms and Conditions



In This Chapter This chapter contains the following topics:

Chapter Overview

Introduction

The **Terms and Conditions** application is accessed through the **Contracts** module. It is mainly used to enter, maintain, and display a library of terms and conditions that can be associated with purchasing documents or contracts. These terms contain information such as liability concerns, shipping and handling details, or delivery time expectations.

The **Terms and Conditions** tabs in the applications of the **Purchasing** and **Contracts** modules serve as links to the terms entered in the **Terms and Conditions** application. From the tabs, you can select a term from the library to associate with that purchasing or contract record.

Chapter Focus

This chapter focuses on how users can associate terms and conditions with a type, and optionally add terms and conditions manually to an individual contract.

Learning Objectives

When you have completed this chapter, you should be able to:

- define how terms and conditions are used in Maximo,
- create a term,
- set a term to default on POs,
- modify terms, and
- associate terms and conditions to a master contract.

Terms and Conditions

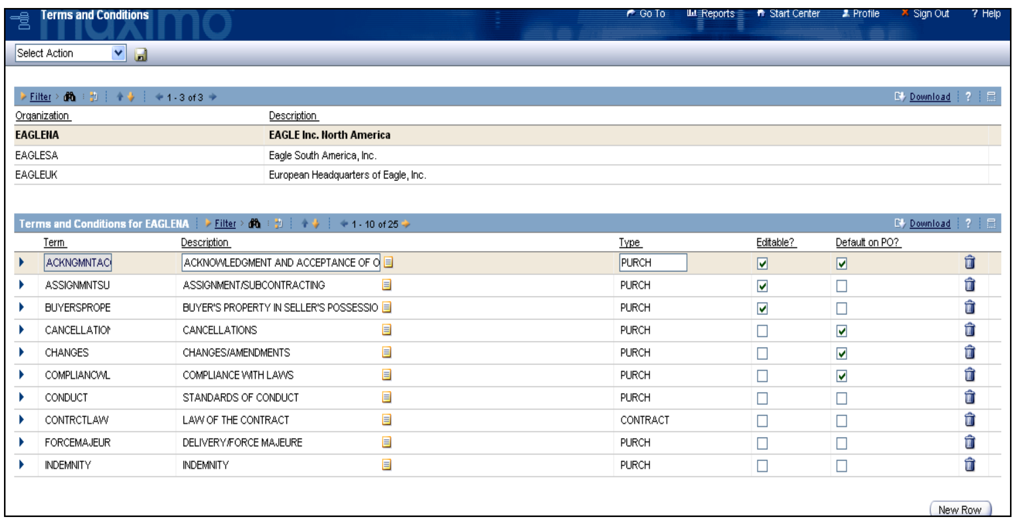
About Terms and Conditions

In Maximo, terms and conditions are entered and maintained in a library for easy searching and access. These terms are what vendors comply with, and can contain details about warranties, shipping and handling, or invoicing.

The terms and conditions in the library can be added to or associated with a purchasing document or a contract via the **Terms and Conditions** tab in each of the applications in the **Purchasing** and **Contracts** modules. You can enter additional terms applicable to only that purchasing or contract record on the Terms and Conditions tab. The term(s) will be saved to that record, but not to the library.

In the Application

You can access the Terms and Conditions application from the Contracts or the Purchasing modules.



Term Types

A *term type* is a user-defined value that is associated with a term in the Terms and Conditions application. The term type allows you to filter all records in the Terms and Conditions library by searching on the Type field.

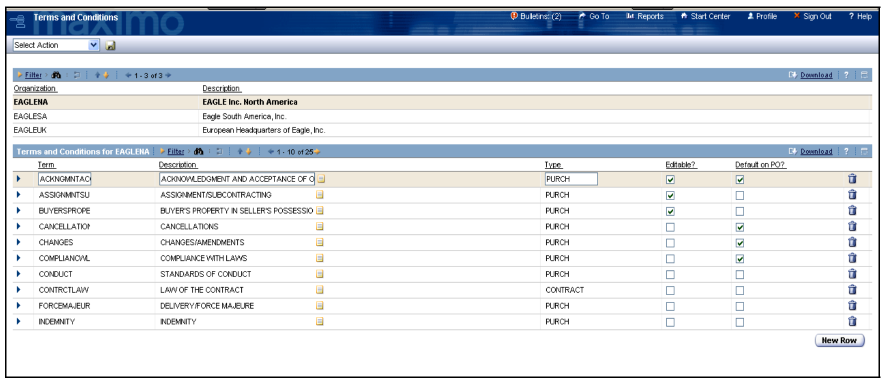
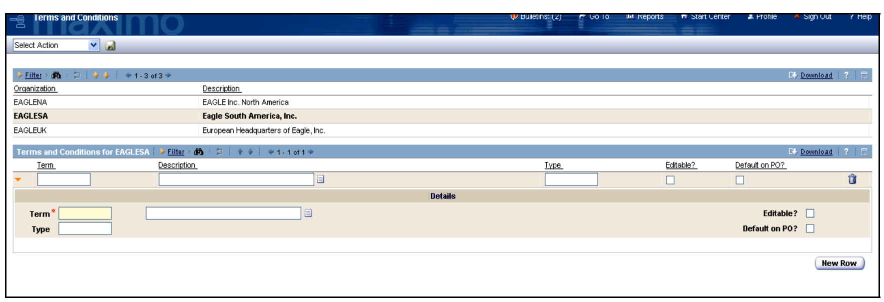
Defining a term type is optional.

Creating a Term

Creating a Term

In the Terms and Conditions application, in the Organization table window, select the organization for which you want to define a term.

Scenario: For the Eagle North America Organization (EAGLENA), we will create a new Terms and Conditions record for banking transactions.

Step	Action
1	Go to the **Terms and Conditions** application in the **Contracts** module. Result: Your screen should look similar to this one: 
2	Click on the **EAGLENA** row to highlight it.
3	Click **New Row**. Result: The Details window opens. 

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Creating a Term continued

Creating a Term continued

Step	Action
4	Enter the following data: **<u>Field</u>** — **<u>Value</u>** **Term** — BANKTERMS **Description** — Terms and Conditions for Banking Transactions **Editable**? — [*Checked*]
5	**Save** the record.

Modifying an Existing Term

Modify an Existing Term

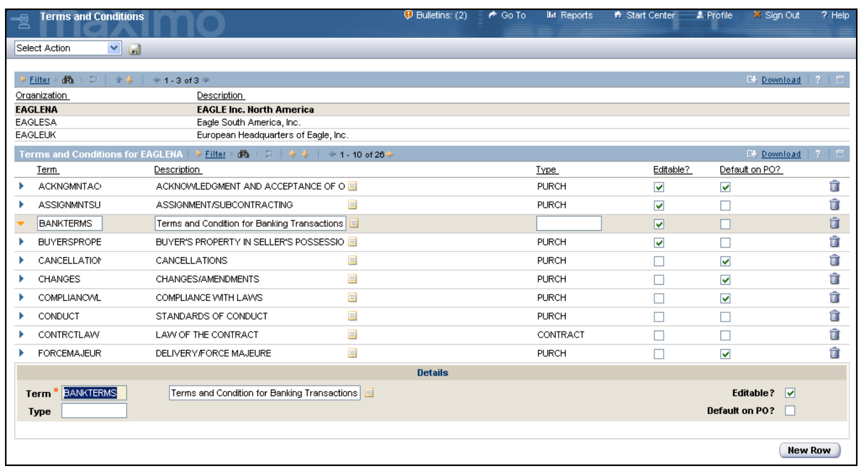
You can modify an existing term in the Terms and Conditions application at any time.

<u>Scenario</u>: For the BANKTERMS terms and condition we created for EAGLENA, we will now add a long description.

Follow the steps below to modify an existing term:

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>1</td><td>Go to the Terms and Conditions application. In the Organization table window, select EAGLENA. If you are continuing from the previous exercise, skip this step.</td></tr>
<tr><td>2</td><td>Click the View Details ▶ icon on the left side of the BANKTERMS row.

<u>Result</u>: The Details window opens.


</td></tr>
</table>

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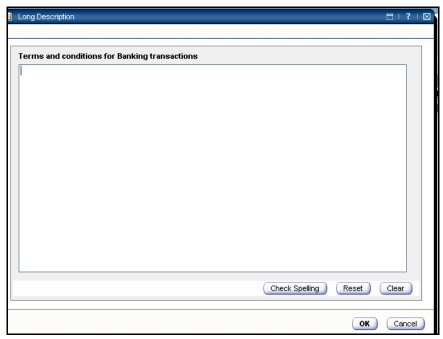
Modifying an Existing Term continued

Modify an Existing Term

continued

Step	Action
3	Click the **Long Description** icon to the right of the **Description** field. Result: The Long Description window opens. 
4	In the **Long Description** field, enter the following terms and conditions text: On Telegraphic Transfers Application The bank shall not be liable for any loss or damage sustained by the applicant or any other person by reason of the error or delay of telegraph or cable companies transmitting the telegraphic transfer message….
5	After entering the text, click **OK** and then **save** your record.

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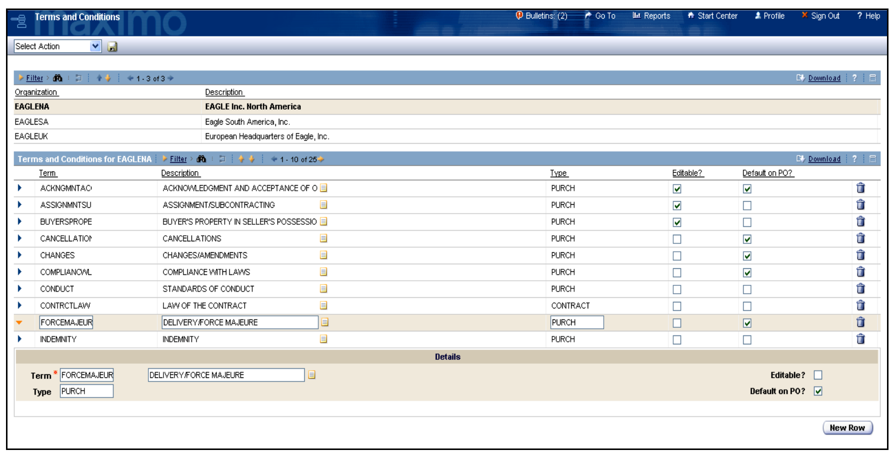
Modifying an Existing Term continued

Set a Term to Default on POs

You can specify that certain terms in the Terms and Conditions application will default on all POs that are created in Maximo.

Follow the steps below to set a term to default on POs:

Step	Action
1	In the **Terms and Conditions** application, select **EAGLENA** in the **Organization** table window.
2	In the **Terms and Conditions** table window for that organization, click the **View Details** icon to display the term's details for **FORCEMAJEUR**.
3	Check the **Default on PO?** check box. Result: Your screen should look similar to the screen below. 
4	**Save** your record.

Viewing Terms Associated with an Organization

View Terms Associated with an Organization

Terms in the Terms and Conditions application are associated with particular organizations in the database. You can view terms from only one organization at a time.

In the Terms and Conditions application, in the Organization table window, click the name of the organization for which you want to view terms. Maximo will display the terms for that organization.

Chapter Summary

Terms and Conditions Application

You use the Terms and Conditions application to enter and maintain a library of terms and conditions that can be added to a purchasing document or contract. These terms can contain information such as liability concerns, shipping and handling details, or delivery time expectations.

Term Types

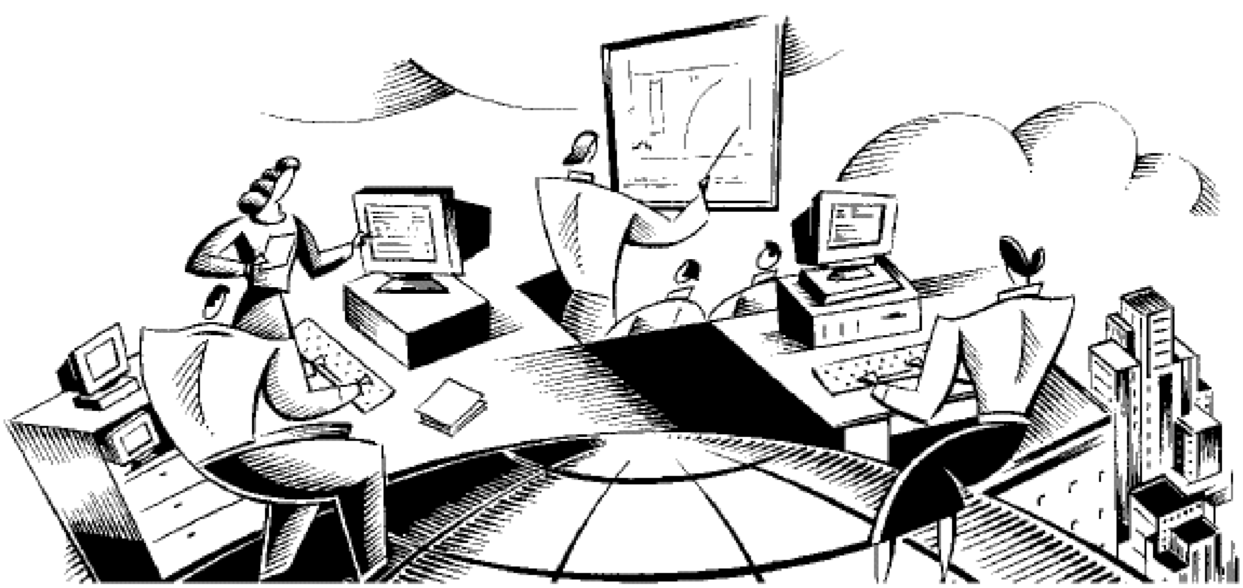
A *term type* is a unique associated value of a term (very much like codes in Maximo) that a user enters in the **Type** field to filter the records in the Terms and Conditions library.

Defining a term type is optional.

NOTES:

Purchasing with MXES

Unit 3: Transactions



In This Unit

This unit contains the following chapters:

Chapter	Topic
6	Reordering
7	Purchase Requisitions
8	Request for Quotations
9	Purchase Orders
10	Receiving
11	Invoices

Unit Overview

Unit Focus

Because the ordering of materials and services is accomplished through the creation and sending of purchase orders, this unit focuses on purchase orders.

Learning Objectives

When you have completed this unit, you should be able to:

- create a purchase order from a purchase requisition (PR);
- create a purchase order from a request for quotation (RFQ);
- create a purchase order from a desktop requisition;
- create a pricing agreement purchase order (PO);
- create a change order;
- receive materials and services; and
- describe the Invoices application.

continued on next page

Unit Overview continued

Methods for Creating a Purchase Order

You can use a number of different methods to create a purchase order. You can create one from:

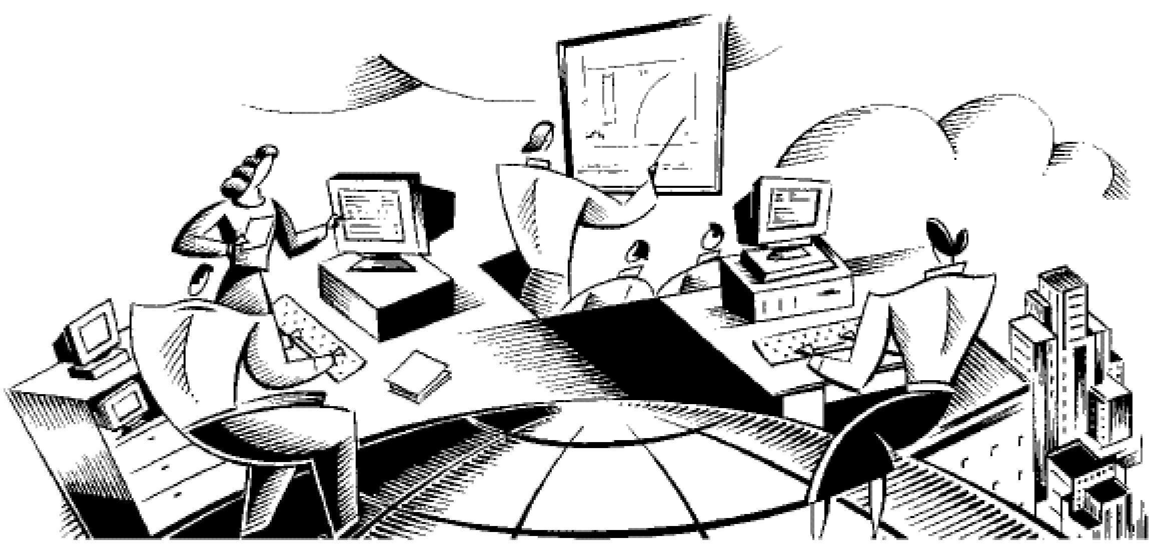
- a PR
  - in the Purchase Requisitions application
  - in the Purchase Orders application
- an RFQ
  - in the Request for Quotations application
  - in the Purchase Orders application
- the inventory reorder routine in the Inventory application
- a new PO record in the Purchase Orders application

Definitions

We will use the following key terms in this unit:

Key Term	Definition
Purchase order or *pricing agreement*	A PO that reflects an agreement with a vendor on the prices of specific items from that vendor
Change order	A duplicate PO generated from an approved or printed PO that allows changes to be made to the original order while preserving an audit trail

Chapter 6: Reordering



In This Chapter This chapter contains the following topics:

Chapter Overview

Introduction

This chapter introduces you to the knowledge and the skills needed to understand and use the Maximo reordering applications and functions. It also explains how knowledge of reordering will enhance your effectiveness when using the Maximo Purchasing module. Understanding how Maximo automates certain reorder processes will improve your work processes and make you a more effective buyer.

Learning Objectives

When you have completed this chapter, you should be able to:

- describe how inventory reorder fits into the purchasing process;
- run the Reorder option from the Inventory application;
- describe the conditions for which inventory items get reordered;
- determine reorder points;
- reorder direct-issue items;
- reorder items from internal and external vendors; and
- clear reorder locks.

continued on next page

Chapter Overview continued

Chapter Scenario Premise

You create a purchase requisition (PR) in one of the following ways:

- Requisitioning for materials and services using the **Desktop Requisitions** module or the **Purchase Requisitions** application
  or
- Reordering for a storeroom replenishment or work orders only using the **Reorder** action in the **Inventory** application

You create a PO in one of the following ways:

- Creating requisitions
- Running the Reorder function
- Awarding RFQs
- From the PO application

The scenario premise for this chapter will be reordering for storeroom replenishment using the **Reorder** action in the **Inventory** application.

Reorder Theory

Introduction

As inventory balances decrease in the storerooms, we need to replenish these balances. Maximo Purchasing and Inventory modules provide a way to track requests for and purchases of materials, and a way to maintain storeroom inventories.

Other Reorder Variables

The reorder point for an item is ideally based on the following four reorder variables:

Variable	Description
Reorder Point (ROP)	The point at which items should be reordered so that the item balance does not fall below the number designated as safety stock during the lead time for the order.
Safety Stock	The minimum number of the item that you must have on hand at all times.
Economic Order Quantity (EOQ)	The number of an item that should be reordered at one time, usually based on the vendor's price for a particular quantity ordered. For example, buying a case of an item can cost less per item than buying the items individually.
Lead Time (Days)	The amount of time it takes between placing an order and receiving it.

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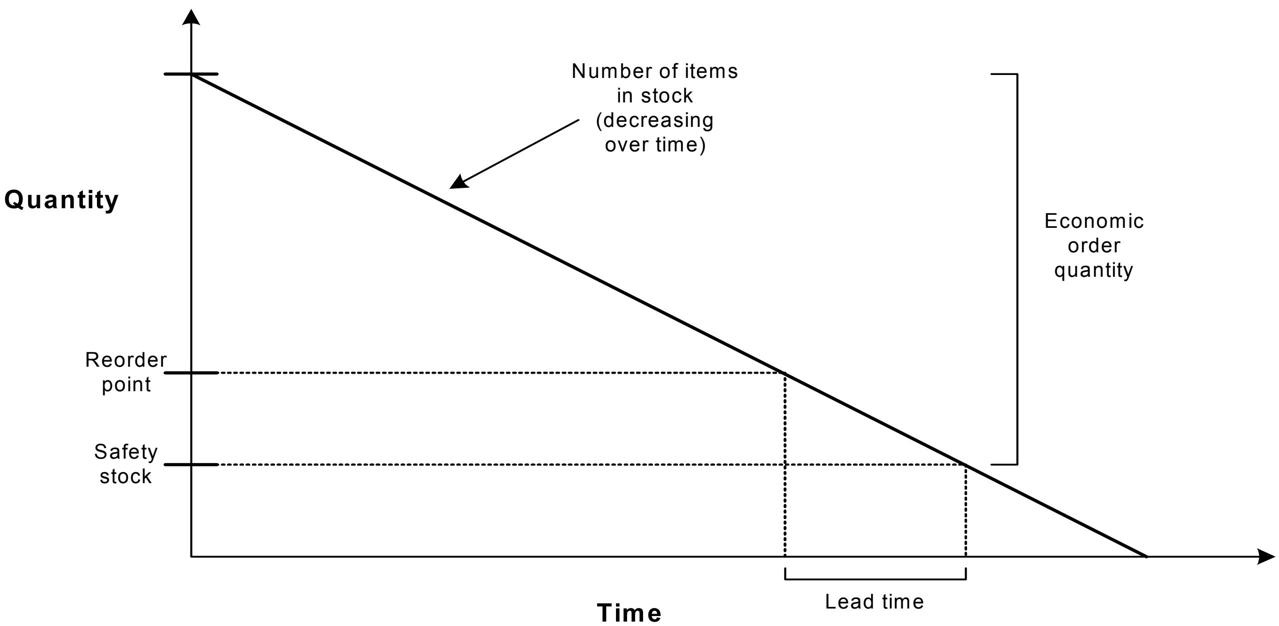
Reorder Theory continued

Determining the Reorder Point

The following graph shows how the reorder variables relate to one another in an ideal ordering situation.



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Reorder Theory continued

Reorder Philosophy

Many companies are moving to a just-in-time system to reduce their inventory levels and associated carrying costs. When using a just-in-time system for maintenance, you should base your purchasing and stock levels on upcoming work, rather than on past usage. Because parts and equipment can become obsolete and your company's processes can change, looking back might not be as useful as looking forward when considering your inventory needs.

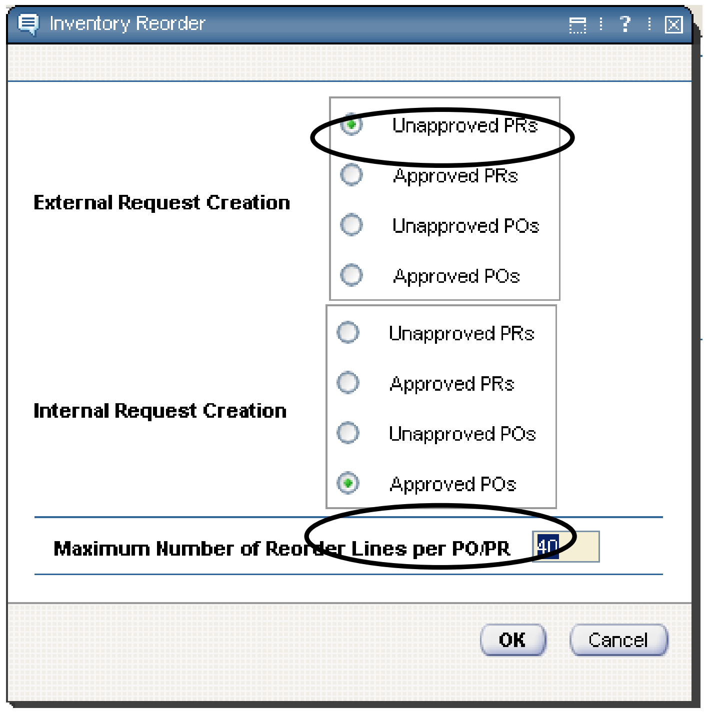
Maximo can accommodate a just-in-time system by allowing you to set reorder quantities. Using the Preventive Maintenance application to plan upcoming maintenance and inspection work can also help you determine what items will be needed in the future.

Organizational Reorder Options

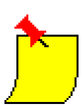
Organizational Reorder Options

Use the **Reorder** action in the **Organizations** application to specify whether Maximo will create an approved or unapproved PR or PO when a reorder request is generated.

You set the default separately for reorder requests directed at external vendors and internal supply rooms.



Tip: Reorder

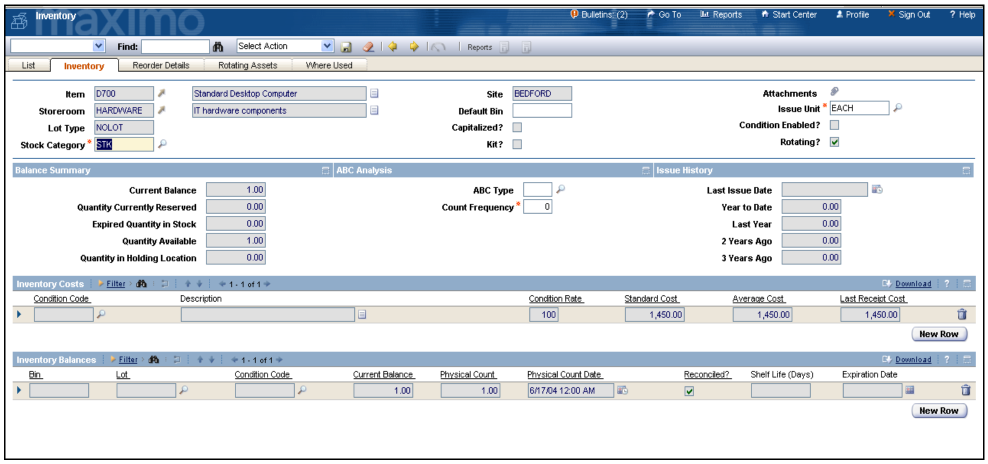


- Setting up and using Reorder in Maximo will reduce "stockouts" and also allow for improved purchase planning.
- Satellite stores reordering from the Primary - hub storeroom will allow you to consolidate purchasing through the hub storeroom.

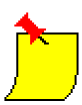
Revisiting the Inventory Application

Introduction

The **Inventory** application allows a user to enter, display, and update information on each inventory item. Special order and non-stocked items as well as stocked items can be tracked. You can track vendors that supply an item, and item balances down to the bin and lot level for each storeroom.



Reorder Cron Task



From the **Inventory** application you can manually execute the Reorder function, or a cron task can be set up for automatic inventory reorder. For more information about configuring the reorder cron task, refer to the *System Administrator's Guide*.

<u>Note</u>: For this chapter, we will manually execute the Reorder action using the **Reorder** option on the **Select Action** menu.

Clearing Reorder Locks

Reorder Locks

When a user runs the reorder process (even in preview mode), Maximo places a lock on the process against the storeroom from which an item is being reordered. This is to prevent other users from running Reorder against the same storeroom at the same time.

Preview Mode

Occasionally, users running the reorder process in preview mode might inadvertently lock reorder even though they are no longer using the process, preventing themselves and others from running reorder against a certain storeroom. This can happen if you are running the reorder process in preview mode and

- the Maximo server times out while the reorder process is running or at the preview results screen
- in the preview results screen, the user times out the session by leaving the screen for the timeout duration, or
- in the preview results screen, the user clicks the Back button on the browser (or any other browser navigation button)

Methods for Clearing Reorder Locks

To clear reorder locks, choose any of the following methods:

- Use the Clear Reorder Locks action on the Select Action menu.
- Restart the Maximo server. Maximo automatically clears all reorder locks when the server is restarted.
- Let Maximo automatically clear the locks, based on the setting specified in the mxe.reorder.previewtimeout property in the mxserver.properties file. The default time for this property is 30 minutes, but this setting is configurable. The time when a lock is created is recorded by the database. Maximo automatically looks for any locks that exist for the current user signed in and compares the time the locks were created with the time setting in the mxe.reorder.previewtimeout property. If the time setting specified in the mxe.reorder.previewtimeout property has been reached, Maximo automatically clears the locks. For example, if a reorder lock was created at 5:00 and the setting specified in the mxe.reorder.previewtimeout property is 30 minutes, Maximo automatically clears the lock at 5:30; that is, 30 minutes from the time the lock was created.

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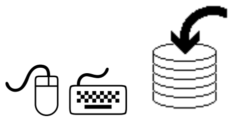
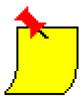
Clearing Reorder Locks continued

Clear Reorder Locks



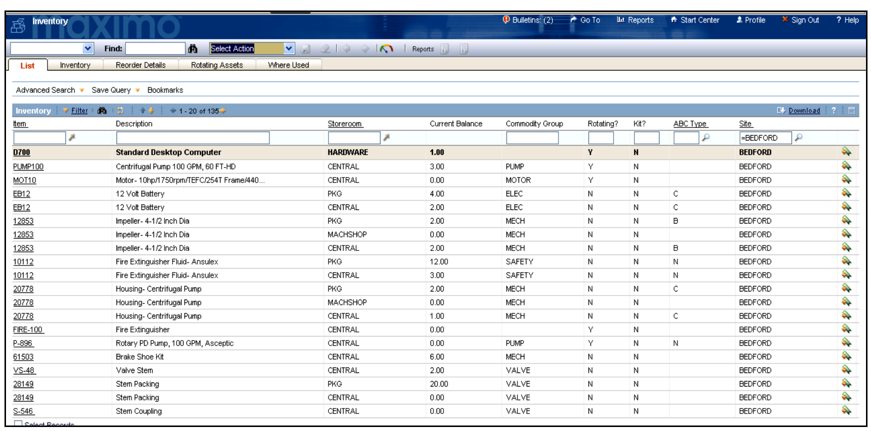
Scenario: You as the Central storeroom supervisor are in the process of reordering items. Your first action is to clear all reorder locks made on all items in the storeroom prior to reordering the items.

Use the following steps to clear reorder locks.



Note: This option clears only Preview mode reorder locks, created by the currently signed-in user. Users running the full reorder process will not be affected.

Step	Action
1	Go to the **Inventory** application of the **Inventory** module. Result: Your screen opens to the List tab.
2	Click the **Filter Table** icon to display the list of existing inventory. Result: Maximo displays the Inventory list.



Item	Description	Storeroom	Current Balance	Commodity Group	Rotating?	Kit?	ABC Type	Site
								=BEDFORD
D700	**Standard Desktop Computer**	**HARDWARE**	**1.00**		**Y**	**N**		**BEDFORD**
PUMP100	Centrifugal Pump 100 GPM, 60 FT-HD	CENTRAL	3.00	PUMP	Y	N		BEDFORD
MOT10	Motor- 10hp/1750rpm/TEFC/254T Frame/440...	CENTRAL	0.00	MOTOR	Y	N		BEDFORD
EB12	12 Volt Battery	PKG	4.00	ELEC	N	N	C	BEDFORD
EB12	12 Volt Battery	CENTRAL	2.00	ELEC	N	N	C	BEDFORD
12853	Impeller- 4-1/2 Inch Dia	PKG	2.00	MECH	N	N	B	BEDFORD
12853	Impeller- 4-1/2 Inch Dia	MACHSHOP	0.00	MECH	N	N		BEDFORD
12853	Impeller- 4-1/2 Inch Dia	CENTRAL	2.00	MECH	N	N	B	BEDFORD
10112	Fire Extinguisher Fluid- Ansulex	PKG	12.00	SAFETY	N	N	N	BEDFORD
10112	Fire Extinguisher Fluid- Ansulex	CENTRAL	3.00	SAFETY	N	N	N	BEDFORD
20778	Housing- Centrifugal Pump	PKG	2.00	MECH	N	N	C	BEDFORD
20778	Housing- Centrifugal Pump	MACHSHOP	0.00	MECH	N	N		BEDFORD
20778	Housing- Centrifugal Pump	CENTRAL	1.00	MECH	N	N	C	BEDFORD
FIRE-100	Fire Extinguisher	CENTRAL	0.00		Y	N		BEDFORD
P-896	Rotary PD Pump, 100 GPM, Asceptic	CENTRAL	0.00	PUMP	Y	N	N	BEDFORD
61503	Brake Shoe Kit	CENTRAL	6.00	MECH	N	N		BEDFORD
VS-48	Valve Stem	CENTRAL	2.00	VALVE	N	N		BEDFORD
28149	Stem Packing	PKG	20.00	VALVE	N	N		BEDFORD
28149	Stem Packing	CENTRAL	0.00	VALVE	N	N		BEDFORD
S-546	Stem Coupling	CENTRAL	0.00	VALVE	N	N		BEDFORD

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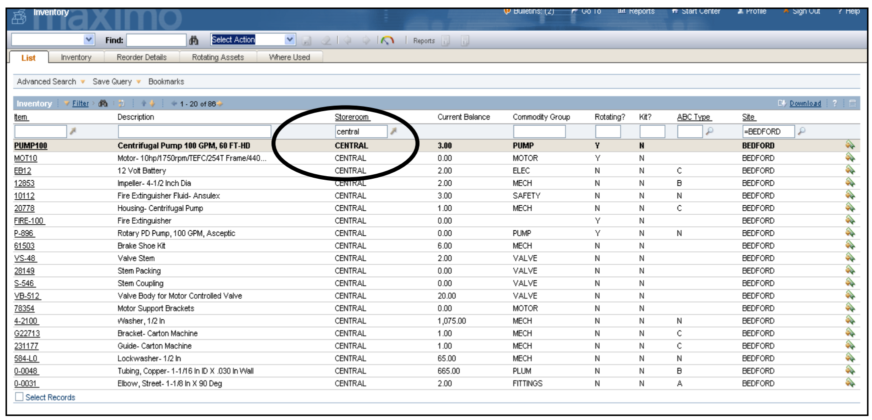
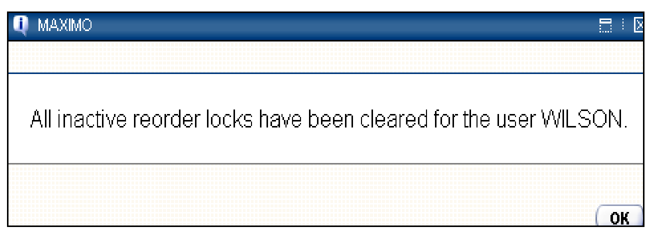
Clearing Reorder Locks continued

Clear Reorder Locks

continued.

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>3</td><td>In the Storeroom filter field, enter Central and then click on the Filter Table icon again.
<u>Result</u>: The list now shows the inventory items for the Central storeroom only.


</td></tr>
<tr><td>4</td><td>On the Select Action menu, select Reorder > Clear Reorder Locks.
<u>Result</u>: Maximo displays a message stating that the locks have been cleared.


</td></tr>
<tr><td>5</td><td>Click OK.</td></tr>
</table>

Reordering Items

Introduction

Maximo uses the **Stock Category** field as part of the reorder process, as a means of determining which items should be reordered on a regular basis.

Stocked, Non-Stocked, and Special Order Items

Maximo recognizes three categories of inventory items:

- Stocked (STK)
- Non-stocked (NS)
- Special order (SP)

If your system has been set up to allow you to create special order items, you can create them in the Purchasing module.

Stocked Items

This is the default value for a new item added to a storeroom. A *stocked* item is an item that you stock on a regular basis and want to keep on hand because it has a regular turnover rate and is frequently needed. Stocked items are automatically included in the Maximo reorder process. Stocked items have reorder criteria (for example, a reorder point and an economic order quantity) that is specific to each storeroom location.

Examples of stocked items include bearings, gaskets, valves, and belts.

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Reordering Items continued

Non-Stocked Items

Non-stocked items are items you do not stock on a regular basis, need only occasionally, or do not want to maintain in your storerooms throughout the year. Non-stocked items are not automatically reordered, but because you order these items as needed, you want to retain the item records in the database. These records are useful both for cost tracking purposes and for future reference (for example, the vendor's name or the price).

Examples of non-stocked items include items needed once a year for inspections, or items that are stocked only during certain seasons of the year. For example, each spring you replace your air filters. Because you need the air filters only once a year, you do not stock them in your storerooms—you order them just before they need to be replaced. But because you order the air filters every year, you want to keep the record for the item in your database for reference next spring.

Special Order Items

Special order items are typically items that are ordered only once, often for unexpected needs or for a one-time work order. These items are not kept in stock and you do not expect to order them again, thus you do not need a permanent record of the item in your database. In most cases, after the item is received, you want to delete special order item records from the database.

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Reordering Items continued

Reordering Select Action

Reordering is done separately for each individual storeroom. Your system administrator can use the Cron Task Setup application to create a cron task to automatically reorder items, or you can reorder items manually using one of the reorder actions available from the Inventory Select Action menu:

Use this action…	To…
Reorder Items	Reorder one or more inventory items. All items selected must be from the same storeroom location.
Reorder Direct Issue Itms/Svcs	Reorder items or service items listed on approved work orders.
Clear Reorder Locks	Remove a lock on the reorder process logged against your user name.

Reorder Stocked Items

The **Reorder Items** action from the Select Action menu is used to reorder items that are listed on approved work orders and are issued without being received into inventory.

Reorder Options

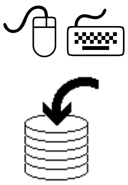
You can choose selected inventory items to reorder. All items selected must be from the same storeroom location.

Reorder options are as follows:

- **Ignore Reorder Point?**: The item is ordered even if the available balance is above the reorder quantity.
- **Consider Contracts When Creating PRs/POs?**: Release purchase orders are created from existing blanket contracts. Prices and details from the contracts are included when PRs and POs are created.
- **Reorder Direct Issue Items and Services?**: Include direct issue items on approved work orders in reordering calculations.
- **All Items in Storeroom?**: Overrides any item selections and makes the Storeroom field editable.
- **Run in background mode?**: Runs the reorder process in background mode and sends notification via e-mail when complete.

Reordering Items continued

Reordering Items



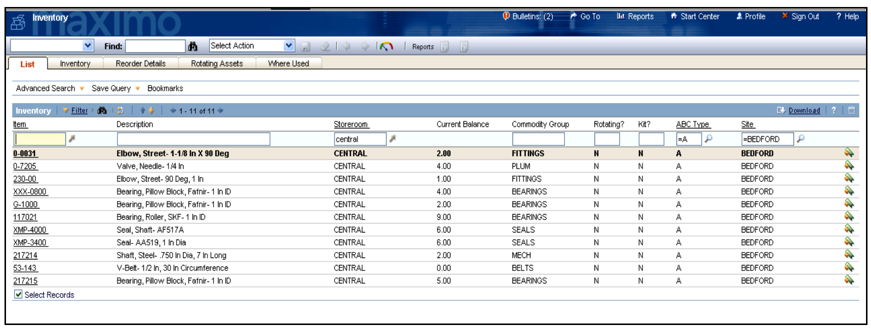
Use the **Reorder Items** dialog box to reorder stocked items, direct issue items and services, or both. You can reorder a single item, a list of selected items from the same storeroom, or all of the items in a storeroom.

Scenario: Using Maximo, a monthly analysis of A type items in Central storeroom reveals two items with current balance below 2 units. As the Central storeroom supervisor, you need to reorder the stock items.

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>1</td><td>

Continuing from the previous exercise, on the **List** tab of the **Inventory** application, filter for **A** items (**ABC Type** field) in the **Central** storeroom.

Result: Your screen should show the list of A type items in the Central storeroom.



</td></tr>
<tr><td>2</td><td>Use the Select Record box to select the items with a current balance below 2.</td></tr>
</table>

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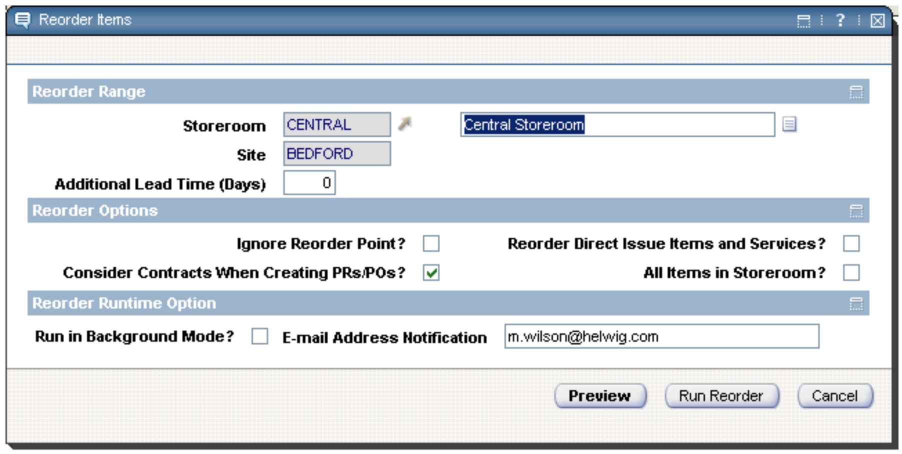
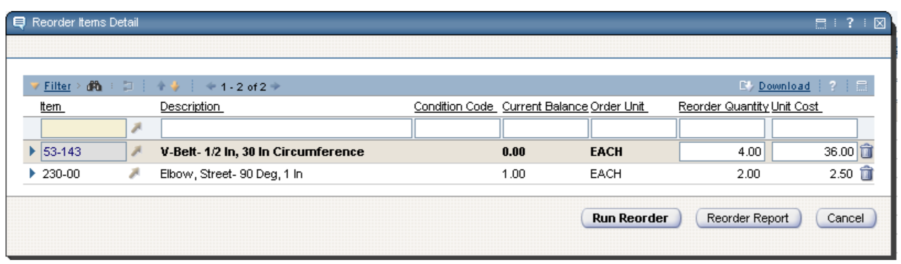
Reordering Items continued

Reordering Items

continued

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>3</td><td>On the Select Action menu, choose Reorder > Reorder Items.
<u>Result</u>: The Reorder Items dialog box opens.

</td></tr>
<tr><td>4</td><td>Clear the Run in Background Mode? check box and then click Preview.
<u>Result</u>: The Reorder Items Detail box opens.


Write the item numbers here: ______________________________</td></tr>
</table>

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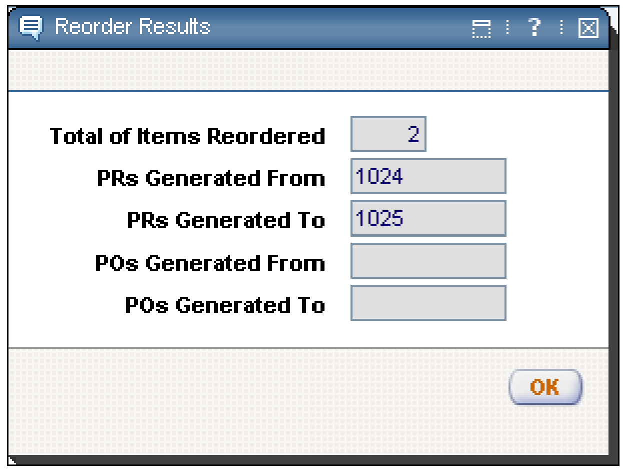
Reordering Items continued

Reordering Items

continued

Step	Action
5	Click the **Run Reorder** button. Result: A Reorder Results notice box opens.  Write your new PR numbers here: _________ and _________.
6	Click **OK**. Result: Your screen returns to the List tab. Note: Running the Reorder Items option should create a PR with a status of Waiting for Approval. This is the default mode.
7	Go to the **Purchase Requisitions** application and search for the PRs created for the reordered items.

Reordering Direct Issue Items/Services

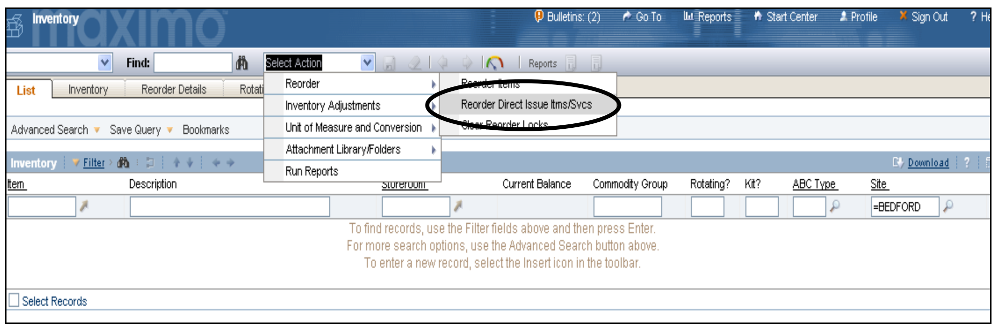
Direct Issue Item

A *direct issue item* is an item that you have ordered that will be issued immediately upon receipt to an asset, location, or work order, rather than stocked in the storeroom. These items might be special order items, or regular stock that is needed immediately to complete maintenance work.

Note: Service item records are always direct issue items because they are issued directly upon receipt. Direct issue items are managed in the Receiving application, not in the Issues and Transfers application.

Reorder Direct Issue Items/ Services

Choose **Reorder Direct Issue Items/Services** from the **Select Action** menu to reorder items and services that are listed on approved work orders and are issued without being received into inventory.



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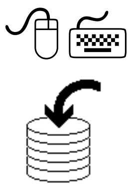
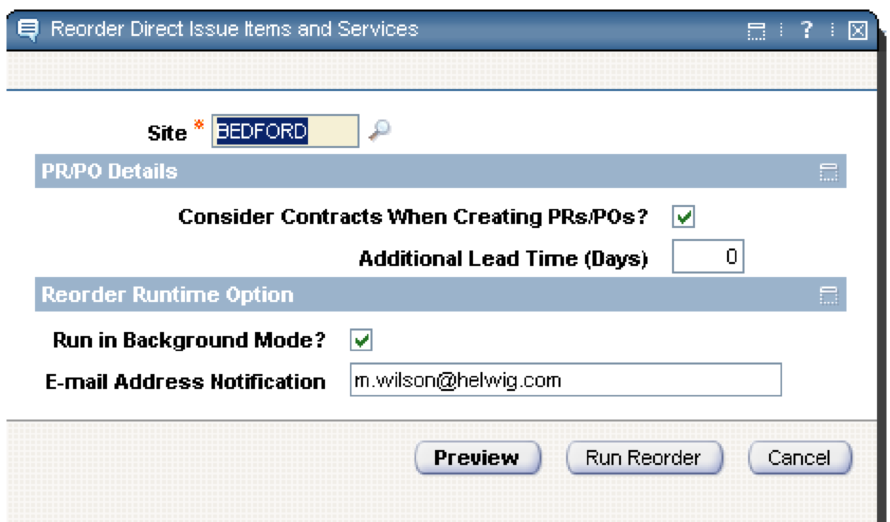
Reordering Direct Issue Items/Services continued

Reordering Direct Issue Items/Services



Scenario: As the inventory supervisor for the BEDFORD site, you need to reorder all outstanding direct issue material/service requests immediately. Follow the procedure below to reorder the items.

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>1</td><td>Open the List tab of the Inventory application. Click the Filter Table icon.
Result: Maximo displays an item inventory list for the Bedford site.</td></tr>
<tr><td>2</td><td>From the Select Action menu, select Reorder > Reorder Direct Issue Itms/Svcs.
Result: The Reorder Direct Issue Items and Services dialog box opens.

</td></tr>
</table>

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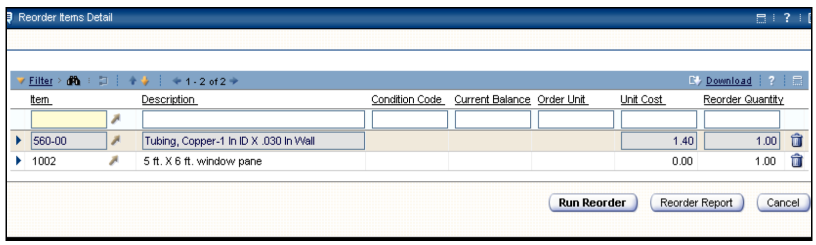
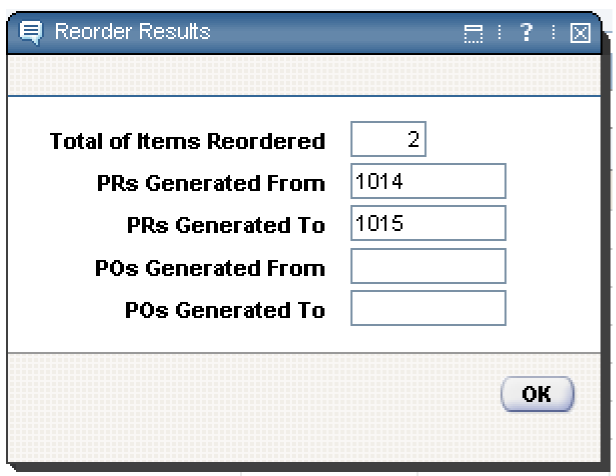
Reordering Direct Issue Items/Services continued

Reordering Direct Issue Items/Services

continued

Step	Action
3	Clear the **Run in Background Mode?** check box.
4	Click **Preview**. Result: A Reorder Items Detail dialog box displays the list items to be reordered. 
5	Click **Run Reorder**. Result: Maximo displays the Reorder Results box.  Write the numbers of the PRs Generated here: __________________.

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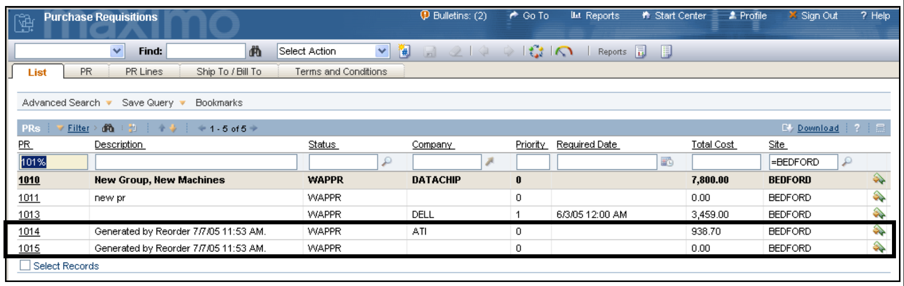
Reordering Direct Issue Items/Services continued

Reordering Direct Issue Items/Services

continued

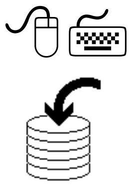
<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>6</td><td>Click OK to close the window.
Result: The screen returns to the List tab.</td></tr>
<tr><td>7</td><td>To check for and view the created PR, go to the Purchase Requisition application and filter for the PRs created in step 5.
Result: Maximo displays the generated PRs.



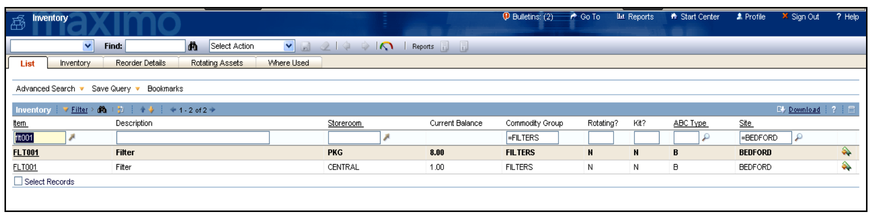
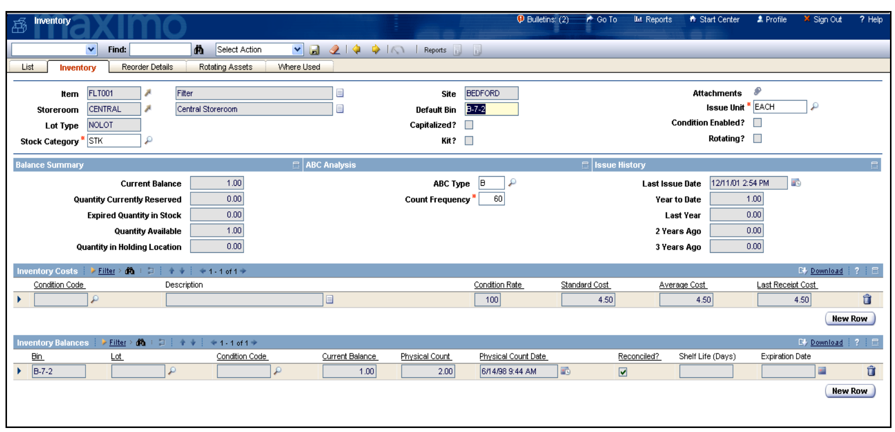
</td></tr>
</table>

Reordering Selected Items

Reordering Selected Items for Direct Issue



Scenario: A maintenance scheduler has notified the Central storeroom of a material request for 10 units of filter FLT001 to be used for a CM work order. The current balance for FLT001s cannot meet the request. As the storeroom supervisor, you need to reorder the items and issue them directly to the site.

Step	Action
1	From the **List** tab of the **Inventory** application, search for and display the **FLT001** item. Result: Maximo displays two line items. 
2	Choose the line item for the **Central** storeroom. Result: Maximo displays the inventory summary for FLT001. 

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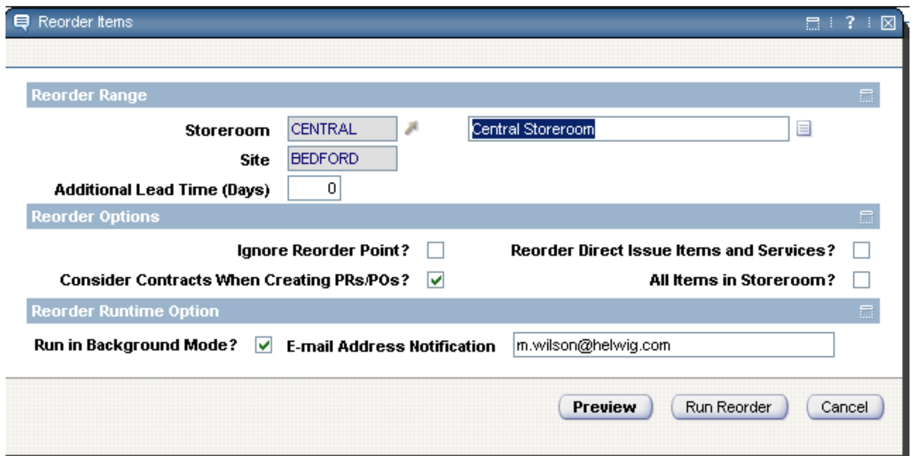
Reordering Selected Items continued

Reordering Selected Items for Direct Issue

continued

Step	Action
3	On the **Select Action** menu, choose **Reorder > Reorder Items**. Result: The Reorder Items dialog box opens. 
4	Check the **Reorder Direct Issue Items and Service?** check box to specify that the items will be issued directly to the site or location.
5	Clear the **Run in Background Mode?** check box so that the **Reorder Results** notice box will be displayed.

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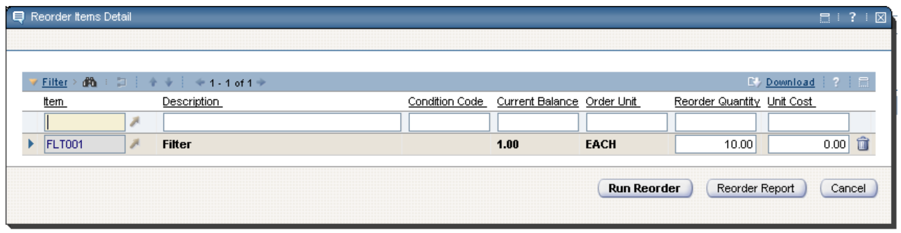
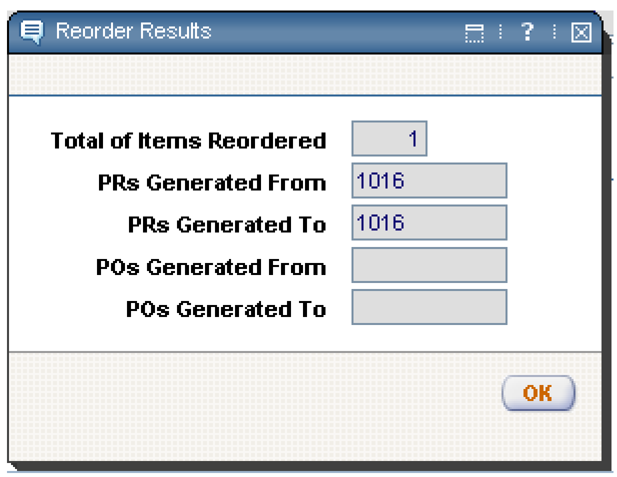
Reordering Selected Items continued

Reordering Selected Items

continued

Step	Action
6	Click **Preview**. Result: The Reorder Items Detail box opens. 
7	Change the **Reorder Quantity** to 100 and enter 1.00 for the **Unit Cost**.
8	Click **Run Reorder**. Result: Maximo displays a Reorder Results notice box.  Write the PR number generated here:____________

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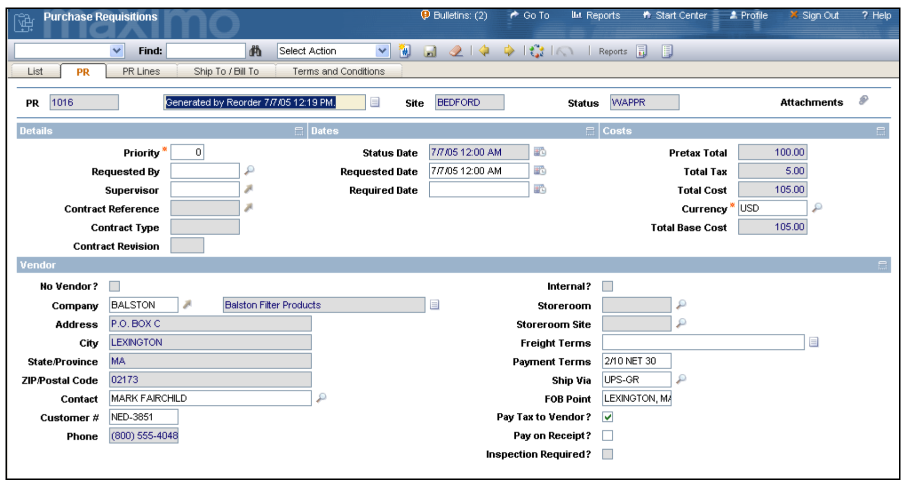
Reordering Selected Items continued

Reordering Selected Items

continued

Step	Action
9	Click **OK** to close the notice box. Result: The screen returns to the Inventory tab.
10	In the **Purchase Requisitions** application, search for and select the PR number you entered in step 8. Result: Maximo displays the generated PR on the PR tab.



Chapter Summary

Chapter Overview

This chapter introduced you to the knowledge and skills needed to understand and use the Maximo reordering applications and functions. It also explained how knowledge of reordering will enhance your effectiveness when using the Maximo Purchasing module. Understanding how Maximo automates certain reorder processes will improve your work processes and make you a more effective buyer.

Reorder Theory

As inventory balances decrease in the storerooms, we need to replenish these balances. Maximo Purchasing and Inventory modules provide a way to track requests for and purchases of materials and a way to maintain storeroom inventories.

Organizations Inventory Settings

Use the Reorder action to specify whether Maximo creates an approved or unapproved PR or PO when a reorder request is generated.

You set the default separately for reorder requests directed at external vendors and internal supply rooms.

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Chapter Summary continued

Revisiting the Inventory Application	Use the Inventory application to enter, display, and update information on each inventory item. Special order and non-stocked items, as well as stocked items, can be tracked. You can track vendors that supply an item, plus item balances down to the bin and lot level for each storeroom.
Reordering Direct-Issue Items	Choose Reorder Direct Issue Items/Services from the Select Action menu to reorder items that are listed on approved work orders and are issued without being received into inventory.
Reordering Selected Items	You can choose multiple inventory items to reorder. All items selected must be from the same storeroom location.

Workshop

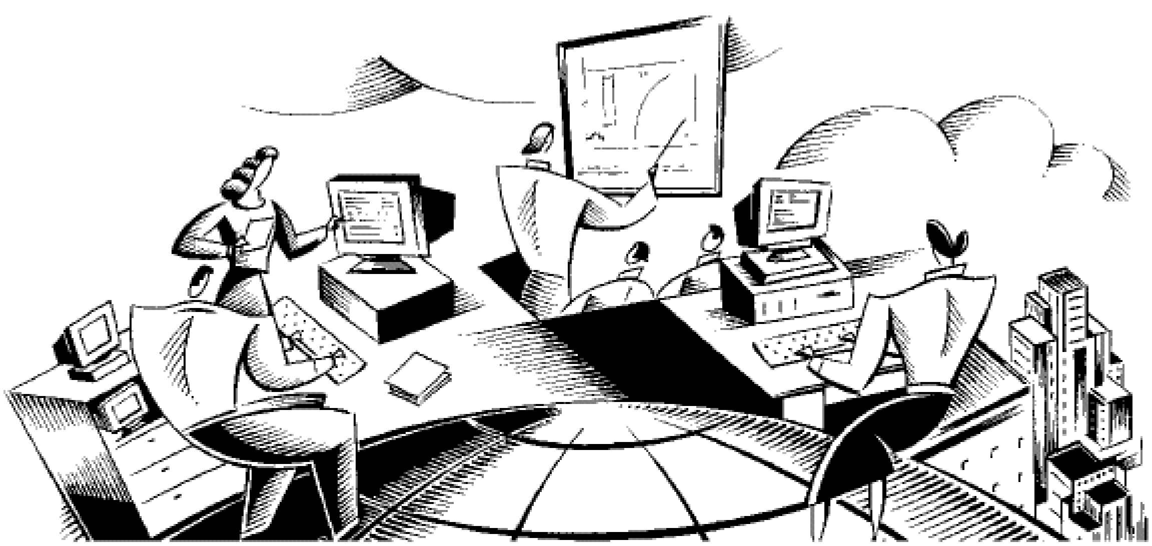
Reordering Workshop

You will now act as the storeroom supervisor. A Maximo report on the Central storeroom revealed a low inventory level for the commodity group FITTINGS. For those items with current balances of 2 or fewer, reorder them manually.

Step	Action
1	In the **Inventory** application, conduct a search using the following information: **Field** — **Value** **Storeroom** — CENTRAL **Commodity Group** — FITTINGS
2	Select the items with current balances below 3.
3	Reorder those items, clearing the **Run in Background Mode?** check box, and checking the **Ignore Reorder Point?** check box.
4	Write the PR numbers generated here: ____________
5	View the generated PRs.

NOTES:

Chapter 7: Purchase Requisitions



In This Chapter

This chapter contains the following topics:

Chapter Overview

Introduction

You use the **Purchase Requisitions** application to create purchase requisitions for items, supplies, and services. A *purchase requisition* (PR) is a written request issued internally to a purchasing department to order items or services.

Maximo allows you to create two types of PRs:

- *Internal* PRs request the transfer of materials from another company storeroom.
- *External* PRs request the purchase of the necessary materials from an outside vendor. You can specify the vendor, if known.

Chapter Focus

This chapter focuses on the new features added to and changed in the PR application.

Learning Objectives

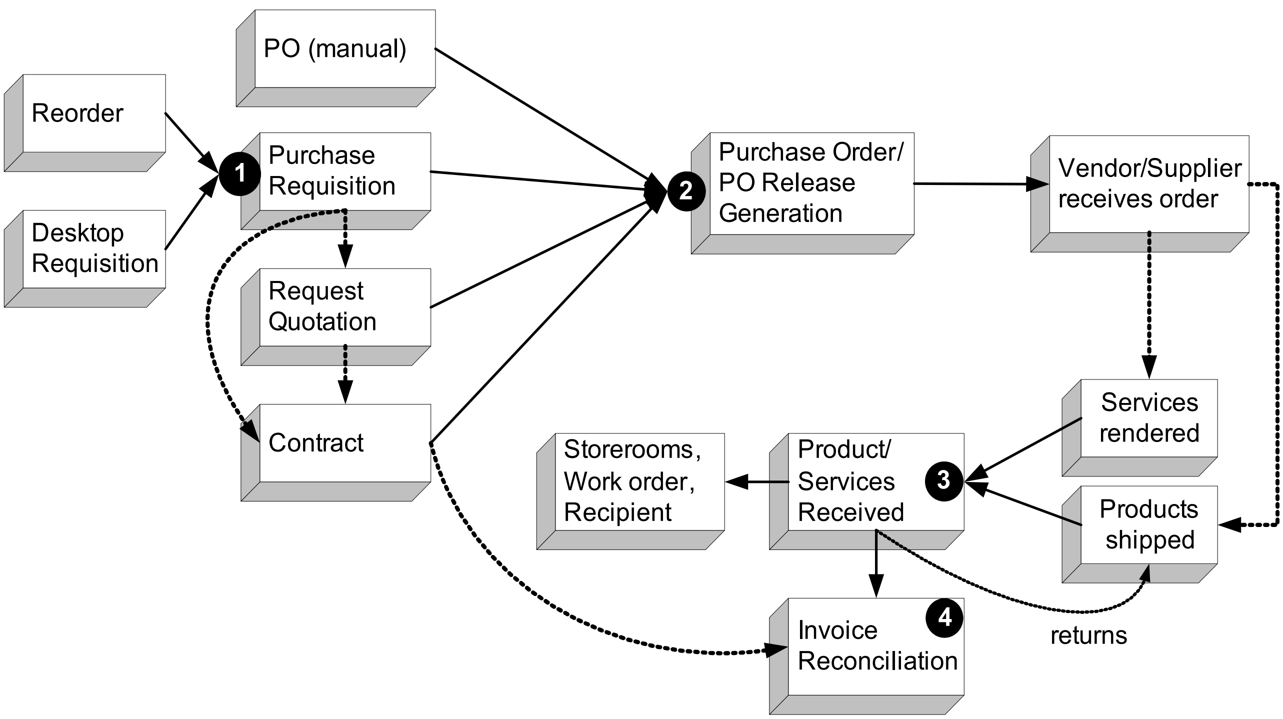
When you have completed this chapter, you should be able to:

- create a requisition using the Purchase Requisitions and Desktop Requisitions applications to obtain items and parts;
- create a purchase order (PO) from a purchase requisition (PR) and a materials requisition (MR);
- approve a PO;
- receive items and services; and
- reconcile vendor invoices.

Chapter Overview continued

Chapter Scenario Premise

The scenario premise for this chapter will be to use the **Purchase Requisitions** and **Desktop Requisitions** applications to generate requisitions for material and service items and then process them through the procurement lifecycle.



PR Statuses

Status Process of a Purchase Requisition

A PR can have four possible statuses:

- **Waiting for Approval** (WAPPR) is the default status that a purchase requisition is assigned upon creation. Some default fields are read-only.
- **Approved** (APPR) status is available only if your business rules require approvals. Approvals for PRs and PR line items that you transfer to POs are not required in the default Maximo configuration.
- **Closed (CLOSE)** status indicates that all the PR's line items have been assigned to one or more purchase orders. All fields are read-only, and the record can no longer be modified.

  If a user has attempted to close a PR and a line item that has not yet been assigned, Maximo displays an alert message. Your system administrator can set Maximo to automatically close PRs after you have transferred all the line items to POs, RFQs, or contracts.
- **Canceled (CAN)** status is available if the current PR status is Approved (APPR) and if none of its line items have been assigned to a purchase order. All fields are read-only, and the record can no longer be modified.

Working with PRs

Tabs and Functions

The Purchase Requisitions application has the following tabs:

Use this tab…	To…
List	Search for PR records.
PR	Create, view, and modify purchase requisitions.
PR Lines	Store line items for a PR. Each line item has information such as item number, quantity, unit cost, required date, or category for the item.
Ship To/Bill To	View, enter, and modify shipping and billing addresses associated with the purchase requisition.
Terms and Conditions	Associate new or existing information such as liability concerns, shipping and handling details, or delivery time expectations with PRs.

continued on next page

Working with PRs continued

Fields on the PR Tab

The table below describes many of the fields on the PR tab and how they affect the PR.

Location	Field	Description
Top	**PR**	Displays the automatically generated PR number for the record being viewed.
	Status	Displays the current status of the PR.
Details Frame	**Priority**	• Used to determine the order in which Maximo turns PRs into purchase orders (POs). • Values from 0–99 are valid, but we recommend that you limit your range of values to 0–9, where 0 designates the lowest priority. • The default is 0.
	Requested By	• The user requesting a purchase. • Defaults to the username of the person signed in at the time of the PR record insertion.
	Supervisor	• The person responsible for approving the work. For example, this could be the person who will oversee the services provided by a contractor. • The default supervisor on any purchase order line items generated from this requisition.
	Contract Revision	• The last person to make changes to a PR. • Defaults to the username of the person signed in when they save a PR record.

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Working with PRs continued

Fields on the PR Tab continued

Location	Field	Description
Dates Frame	**Status Date**	Date of the last status change.
	Required Date	The date that you need the materials (optional).
	Requested Date	• Date of request. • Defaults to the system date at the time of the PR record insertion.
Vendor Frame	(all fields)	• A suggested vendor for purchasing to use on the PO for the requested line items. • Defaults to information from the Companies application. • You can change most defaults.
	Internal?	• Yes (checked) indicates an internal vendor. • No (not checked) indicates an external vendor. Note: A storeroom is an internal vendor.
	Pay Tax to Vendor?	• Yes (checked), the default, means that the vendor has authorization to collect taxes and that you should pay any tax amount to the vendor. • No (not checked) means that there is no tax, or that you are responsible for paying tax directly to the government.
	Pay on Receipt?	Yes (checked) indicates that you have a *payment on receipt* agreement with the company.

continued on next page

Working with PRs continued

Fields on the PR Tab continued

<table>
<tr><th>Location</th><th>Field</th><th>Description</th></tr>
<tr><td>Costs Frame</td><td>Pretax Total</td><td>Total cost for the goods on the PR, excluding taxes.</td></tr>
<tr><td></td><td>Total Tax</td><td>Total tax applied to the PR.
Maximo calculates the amount, based on the line items entered on the PR Lines tab, if:
the Pay Tax to Vendor? check box is selected
the Pay Tax to Vendor? check box is not selected and there is a default Unpaid Tax GL Account set in the Tax Options dialog box of the Application Setup application</td></tr>
<tr><td></td><td>Total Cost</td><td>Total cost for the PR, including taxes.
Maximo calculates this amount based on the line items on the PR.</td></tr>
<tr><td></td><td>Currency</td><td>Currency used for the PR.
Defaults to the vendor’s currency.
The Total Cost field is in the designated currency.</td></tr>
<tr><td></td><td>Total Base Cost</td><td>Total cost of the PR, in your company’s base currency.
If you have not approved the PR, Maximo calculates the value in this field at the exchange rate in effect at the time you created the PR.
After you approve the PR, Maximo calculates the value in this field at the exchange rate in effect at the time of approval.</td></tr>
</table>

Creating a Purchase Requisition

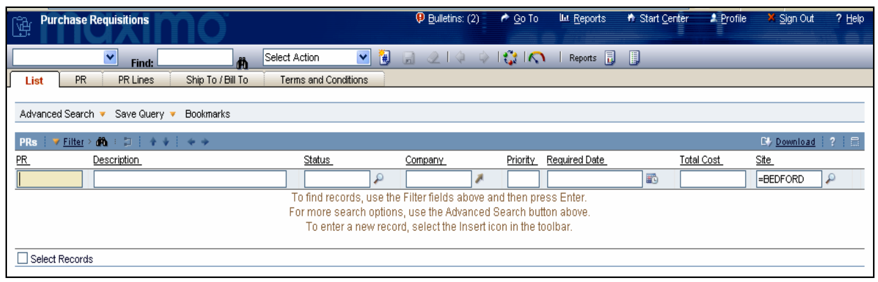
Creating a Purchase Requisition

In this and the following exercise we will create a PR for materials and services. Specifically, we will request the purchase of landscape services for our company.

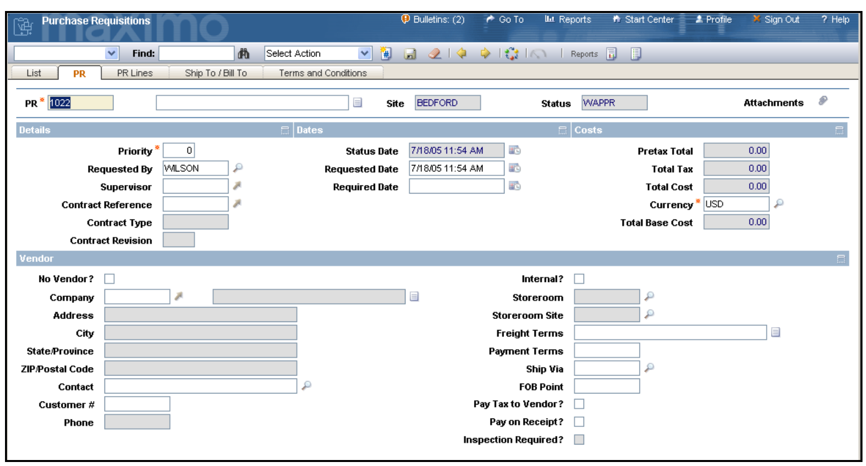
Follow these steps to create a PR using the Purchase Requisitions application.

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>1</td><td>Go to the Purchase Requisitions application (found in the Purchasing module).

<u>Result</u>: The Purchase Requisitions application opens to the List tab.


</td></tr>
<tr><td>2</td><td>Click the New Purchase Requisition icon.

<u>Result</u>: A new PR record is generated with an automatically assigned number.



Record your PR number here: ____________

<u>Note</u>: Your PR number might differ from the one shown above.</td></tr>
</table>

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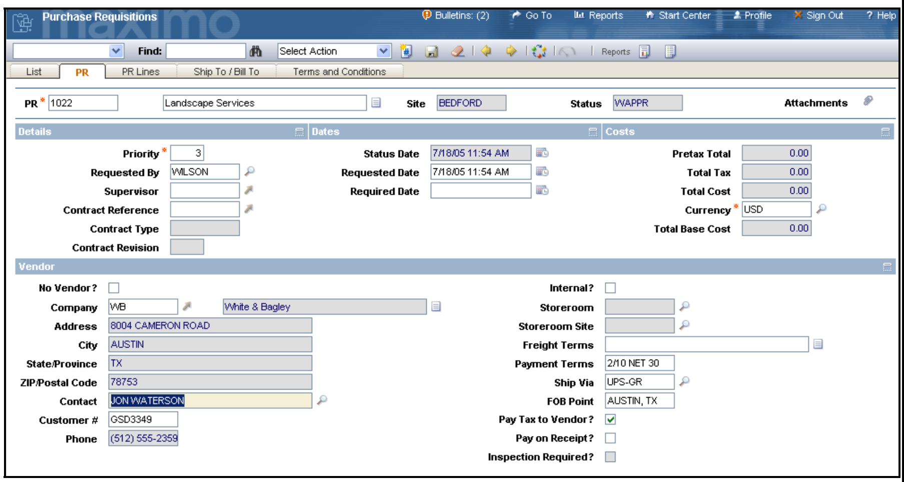
Creating a Purchase Requisition continued

Creating a Purchase Requisition

continued

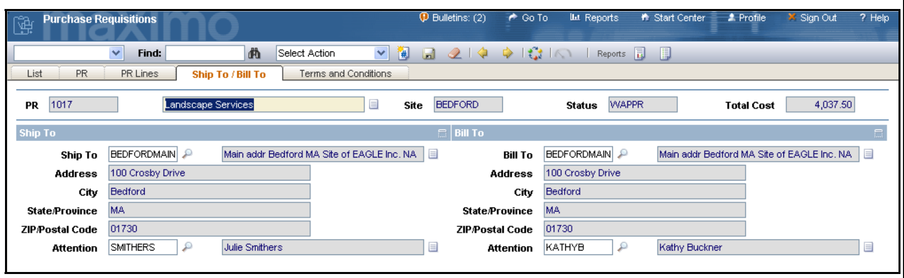
Step	Action
3	Enter the following information. Hint: Use the Detail menu icon if necessary. **Field** / **Value** **(Description)** Landscape Services **Priority** 3 **Company** WB Result: Your screen should look similar to the one below:   Note: The Company default information automatically populates the company detail fields when the company name is entered.
4	**Save** your record but do not close your screen.

continued on next page

Creating a Purchase Requisition continued

Creating a Purchase Requisition

continued

Step	Action
5	Click on the **Ship To/Bill To** tab and enter the following information: **<u>Field</u>** — **<u>Value</u>** **Ship To** — [*Keep default data*] **Ship To Attention** — Smithers **Bill To** — [*Keep default data*] **Bill To Attention** — KATHYB
6	**Save** your record. <u>Result</u>: Your screen should be similar to the one shown below. 
	<u>Note</u>: The next exercise will start from here.

Adding PR Lines

Add PR Lines

To specify individual items or services in a purchase requisition, you use the PR Lines tab.

A PR line can be for any of the following:

- item from inventory
- material not from inventory
- tool
- service
- standard service
- special order (if your administrator makes this option available)

After the purchase requisition has been approved, you can assign its line items to one or more purchase orders. A purchase requisition can be closed when all its line items have been assigned to a purchase order.

continued on next page

Adding PR Lines continued

Fields on the PR Lines Tab

The following table describes some of the fields in the line item details contained on the **PR Lines** tab and how they affect the PR.

Field	Description
Line	Number of the line whose details are being entered or modified.
Item	Number of the selected item as identified in Inventory.
Description	Code for the item's manufacturer.
Quantity	Quantity of the item being ordered.
Order Unit	Standard unit for ordering the item, such as dozen or case. Can be a value from a default list or a new unit.
Unit Cost	Cost of one unit of item.
Line Cost	Quantity multiplied by unit cost.
Tax	Amount of tax payable for the line item. You can change this value; however, Maximo will overwrite your entry if future changes to related fields cause it to recalculate the tax value.
Distributed?	Specifies whether the line item cost is distributed among multiple GL accounts. The check box is read-only. The box is automatically selected if you use the Distribute Costs dialog box to distribute the line item cost among multiple GL accounts. By default, the check box is cleared.
Work Order	Number of the work order associated with the line items.
Location	Location where the item or service will be used.

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Adding PR Lines continued

Fields on the PR Lines Tab

continued

Field	Description
Asset	Identifies the equipment to which costs for the service should be charged.
Storeroom	Storeroom location of the item. This field is required if the Issue on Receipt? box is cleared. If you enter a new location for this item, the item will be added to that location at the time of receipt.
Requested By	Identifies the person who asked for this PR. The default is the current login ID.
GL Debit Account	Account code for the GL account debited with the cost of this line item.

Buttons on the PR Lines Tab

The following table describes the buttons in the line item details on the **PR Lines** tab.

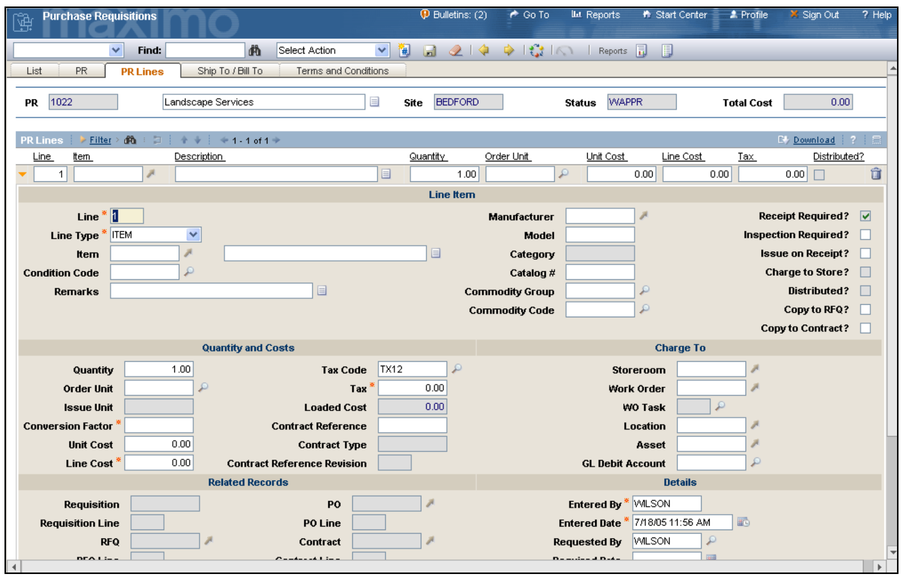
Use this button…	To…
Vendor Items	Choose from a list of items associated with this vendor.
Select Spare Parts	Choose from a list of spare parts for a particular asset.
Contract Items	Choose from a list of items that appears on contracts with this vendor.
View Contracts	View all contracts associated with that item.
Distribute Cost	Distribute the cost of the line item to multiple GL debit accounts.
New Row	Add another PR line.

continued on next page

Adding PR Lines continued

Adding PR Lines

Follow the steps below to add PR lines:

Step	Action
1	Continuing from the previous exercise, go to the **PR Lines** tab.
2	Click **New Row**. Result: The PR line row expands. 
3	For line 1, enter the following information. Hint: Use the Navigation Bar to view all details. **Field** — **Value** **Line Type** — Material **Item Description** — Landscaping Materials **Quantity** — 1 **Order Unit** — EACH **Conversion Factor** — 1 **Unit Cost** — 3000 **GL Debit Account** — 6100-400-000

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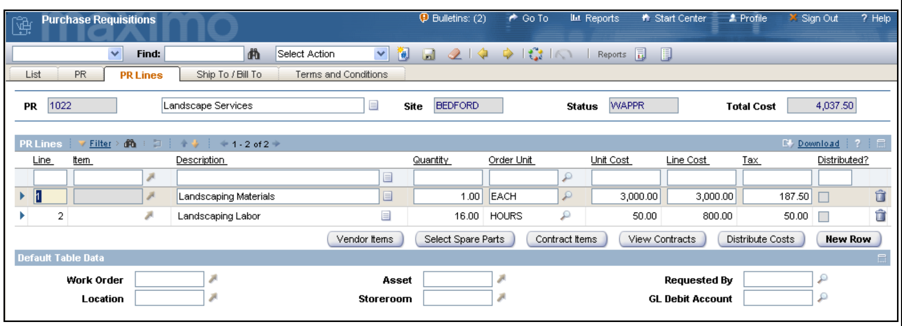
Adding PR Lines continued

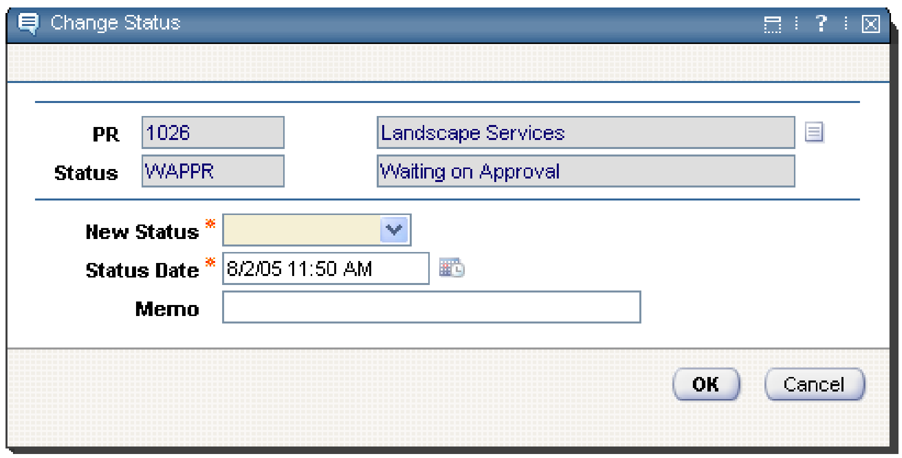
Adding PR Lines continued

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>4</td><td>Click New Row.</td></tr>
<tr><td>5</td><td>For line 2, enter the following information.
Hint: Use the Navigation Bar to view all details.
Field — Value
Line Type — Service
Item Description — Landscaping Labor
Quantity — 16
Order Unit — HOURS
Conversion Factor — 1
Unit Cost — 50
GL Debit Account — 6100-400-000</td></tr>
<tr><td>6</td><td>Save the record.
Result: Your PR Lines section table window should look similar to the graphic below.

Note: Do not close your window. The next exercise starts from here.</td></tr>
</table>

Changing the Status of a PR

Changing the Status of a PR

When you create a purchase requisition, its status is set to Waiting for Approval (WAPPR). You can change the status of the PR as it moves toward completion.

Step	Action
1	Continuing from the previous exercise, go back to the **PR** tab.
2	Click the **Change Status** icon. (You could also select **Change Status** from the **Select Action** menu.) Result: The Change Status dialog box opens. 
3	Change the PR status to **Approved**.
4	Click **OK** to apply the status change. Result: The dialog box closes and the status is updated to APPR.
5	**Save** your record. Note: Do not exit the application.

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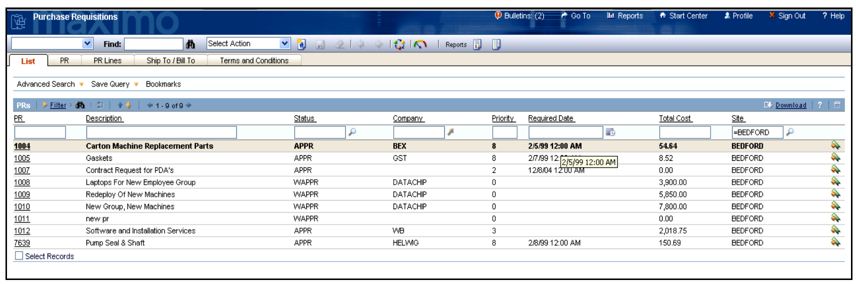
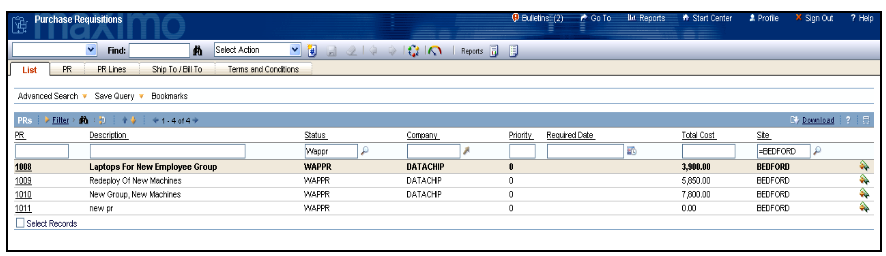
Changing the Status of a PR continued

Changing the Status of Multiple PRs

There might be times when you want to approve multiple PRs at the same time. In the following exercise, we have three PRs that have the same vendor. We want to order the items, so we are going to approve all three PRs at the same time.

Follow these steps to change the status of multiple PRs.

Step	Action
1	In the **Purchase Requisitions** application, display the **List** tab with the appropriate **Filter** fields open. Result: Your screen should look similar to the graphic below. 
2	Enter WAPPR in the **Status** filter field, then click the **Filter Table** icon to filter for all existing PRs with Waiting for Approval status. Result: The List tab displays all records with the status of WAPPR. 

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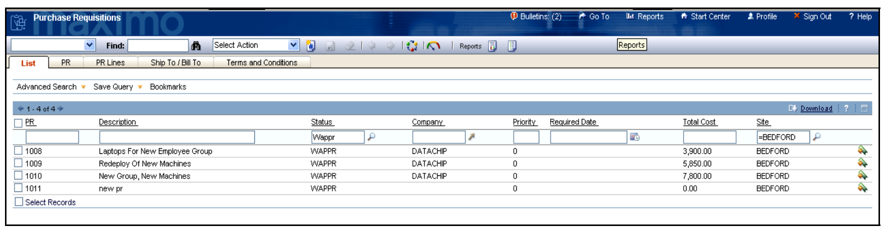
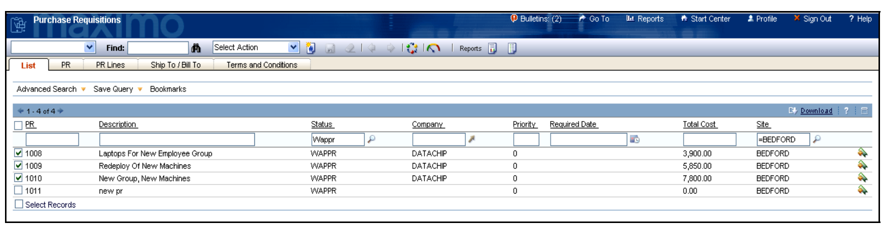
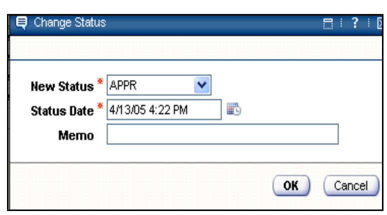
Changing the Status of a PR continued

Changing the Status of Multiple PRs

continued

Step	Action
3	Click the **Select Records** box on the bottom left of the list. Result: Maximo refreshes the screen, displaying select boxes on the left side of every row. 
4	Select PRs **1008**, **1009**, and **1010** by clicking on the corresponding select boxes. Result: There are now check marks in the select boxes of the selected rows. 
5	Use the **Change Status**  icon to open the Change Status dialog box, then change the status of the selected PRs to **Approved**. Result: The Change Status dialog box looks similar to this example: 

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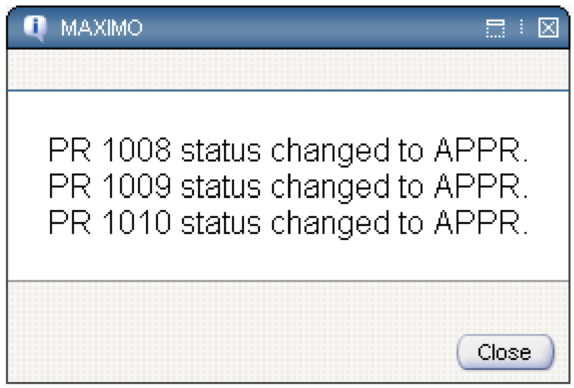
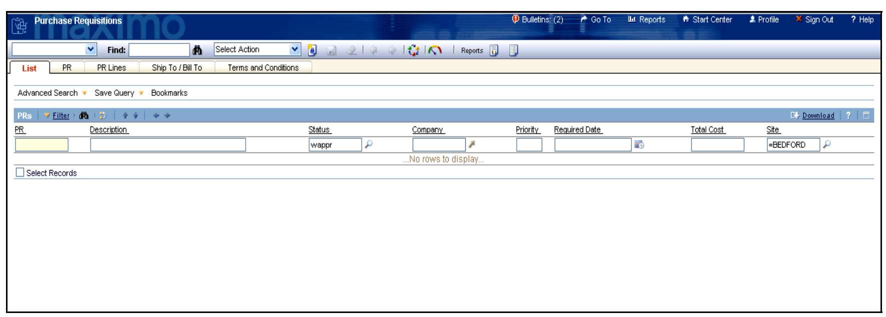
Changing the Status of a PR continued

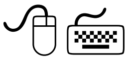
Changing the Status of Multiple PRs

continued

Step	Action
6	Click **OK** to apply the status changes. Result: Maximo displays a list of PRs whose statuses were changed. 
7	Click **Close** to close the notice box. Result: The screen returns to the List tab and the selected PRs are all deleted from the list. 

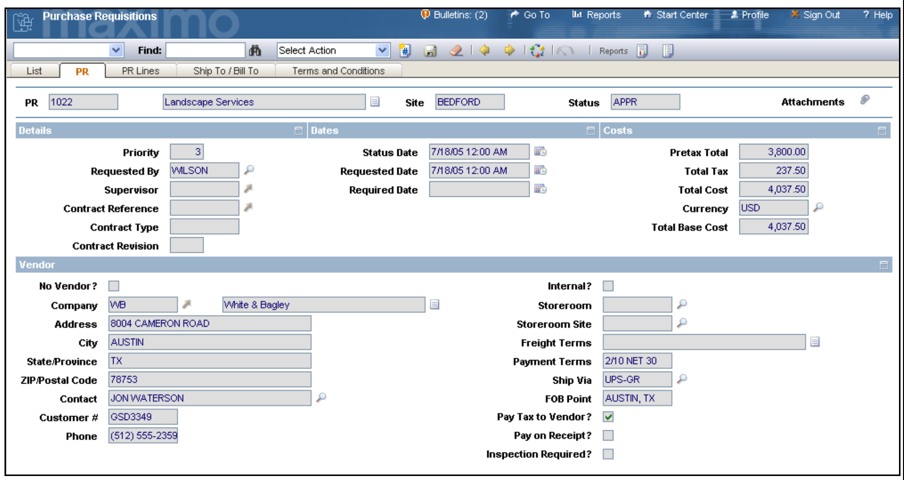
Duplicating a PR

Duplicating a PR



Instead of creating a new PR from scratch, sometimes it is faster to duplicate an existing contract and then modify it to conform to the new specifications.

Follow the steps below to duplicate a PR.

Step	Action
1	Access the **Purchase Requisitions** application in the **Purchasing** module.
2	Search for and select the **PR** you created earlier in this chapter. Result: Your screen should look similar to the graphic below. 

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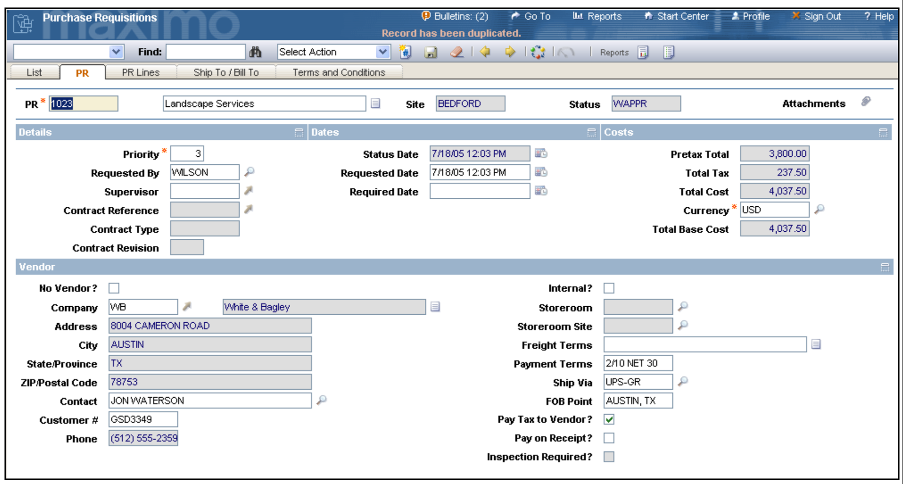
Duplicating a PR continued

Duplicating a PR continued

Step	Action
3	Select **Duplicate Purchase Requisition** from the **Select Action** menu. Result: A duplicate PR record is created with a preassigned PR number. 
4	Change the description of the new PR to Duplicate PR of Landscaping Services.
5	**Save** your record. Result: Your duplicate PR is saved. Record your duplicate PR number here: __________ Note: Your new PR status is set to WAPPR.

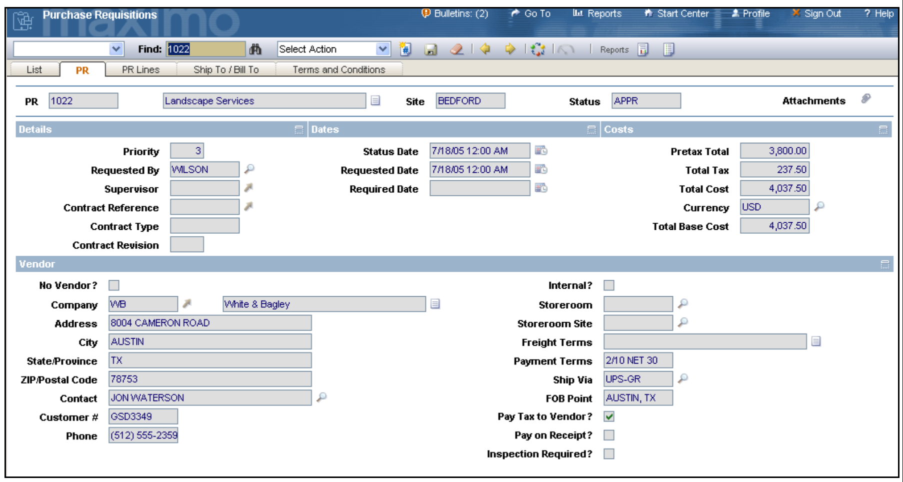
Creating a PO from a PR

Creating a PO from a PR

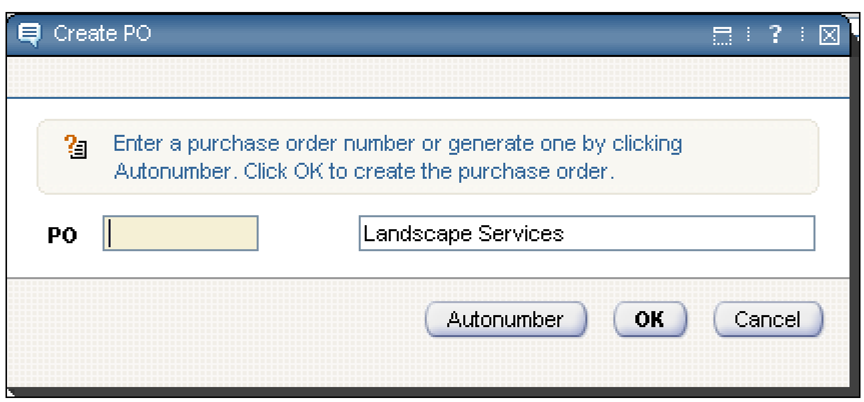
Use the Create PO action to create a PO from a purchase requisition record. The PR must have at least one line item that has not been assigned to a PO. If all line items on a PR are assigned to POs, you cannot create a PO from this PR. In addition, you must have authorization from your system administrator to use the Create PO action.

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>1</td><td>In the Purchase Requisitions application, open the first PR you created in this chapter.

<u>Result</u>: Your screen should look similar to the screen below.


</td></tr>
<tr><td>2</td><td>Select the Create PO option from the Select Action menu.

<u>Result</u>: The Create PO dialog box opens.


</td></tr>
</table>

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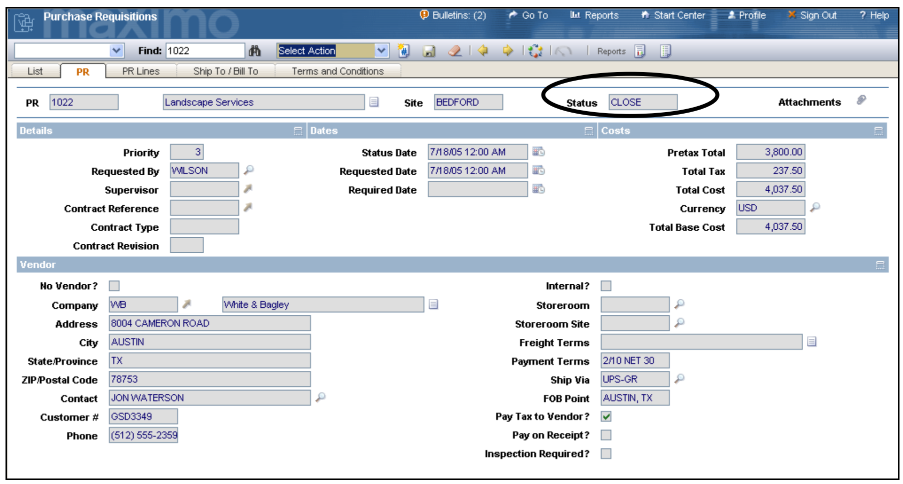
Creating a PO from a PR continued

Creating a PO from a PR

continued

Step	Action
3	Click the **Autonumber** button to automatically assign a number for the PO. Write the PO number generated here: _________, and then click **OK**. <u>Result</u>: The screen returns to the PR tab with the PR status changed to CLOSE. 
4	Click on the **PR Lines** tab.
5	Click on the **View Details** ▶ icon next to **Line 1**.

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Creating a PO from a PR continued

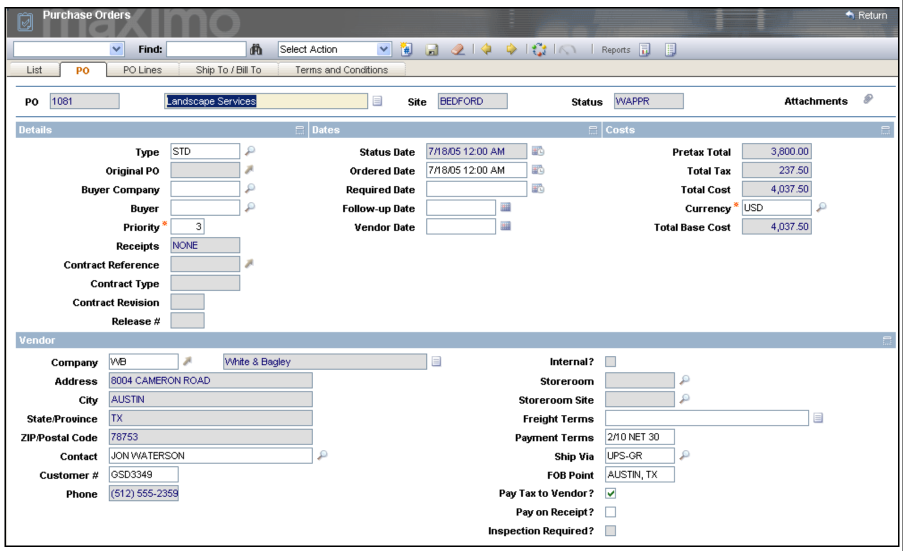
Creating a PO from a PR

continued

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>6</td><td>

In the **Related Records** section of the screen, click on the **Detail Menu** icon next to the **PO** field, and select **Go To Purchase Orders**.

<u>Result</u>: You are taken to the Purchase Orders application and the PO you just created.



</td></tr>
<tr><td>7</td><td>Return to the PR by clicking on the Return hyperlink in the upper right corner of the screen.</td></tr>
</table>

Creating a Contract from a Record

Introduction

You can create a contract from an approved PR, RFQ, PO, or invoice using the Create Contract option on the Select Action menu.

Creating a Contract from a Record

Follow the steps below to create a contract from a record.

Step	Action
1	In the **Purchase Requisitions** application, open the duplicate PR you created earlier in this chapter.
2	Change the status of your PR to **Approved**. Result: The status is changed to APPR.

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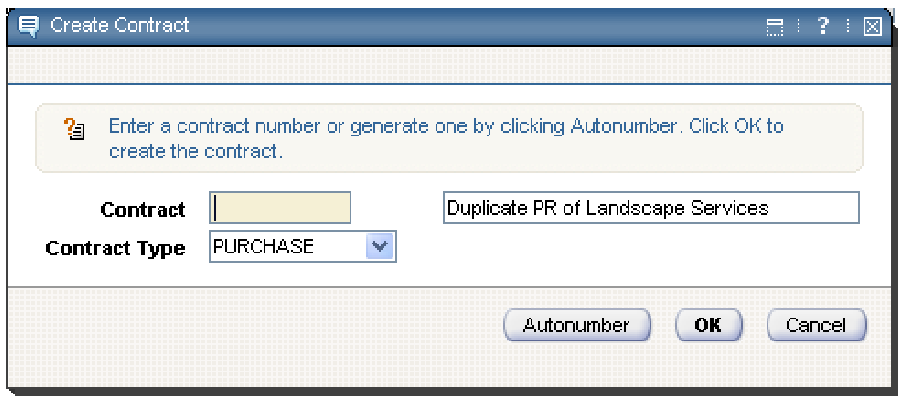
Creating a Contract from a Record continued

Creating a Contract from a Record

continued

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>3</td><td>Select the Create Contract option from the Select Action menu.
<u>Result</u>: The Create Contract dialog box opens.

</td></tr>
<tr><td>4</td><td>In the Create Contract dialog box, click Autonumber to assign a contract number.
Record your contract number here: _________.</td></tr>
</table>

continued on next page

Creating a Contract from a Record continued

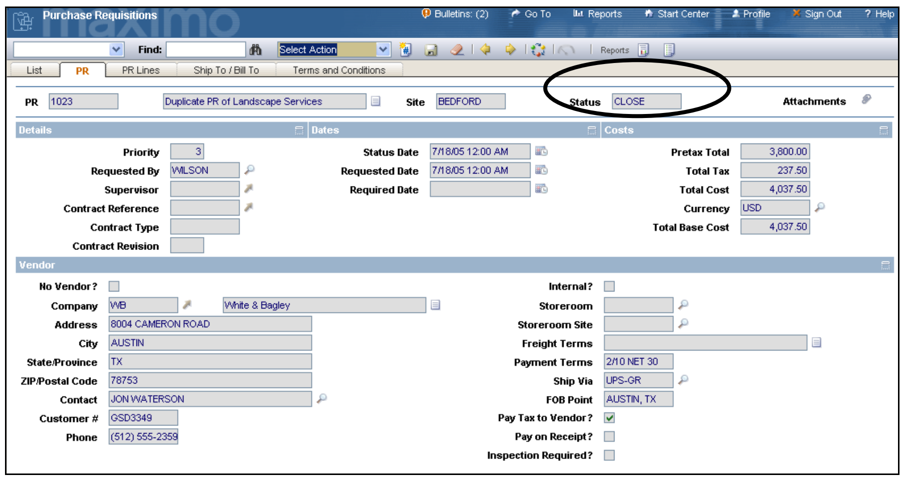
Creating a Contract from a Record

continued

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>5</td><td>

Click **OK**.

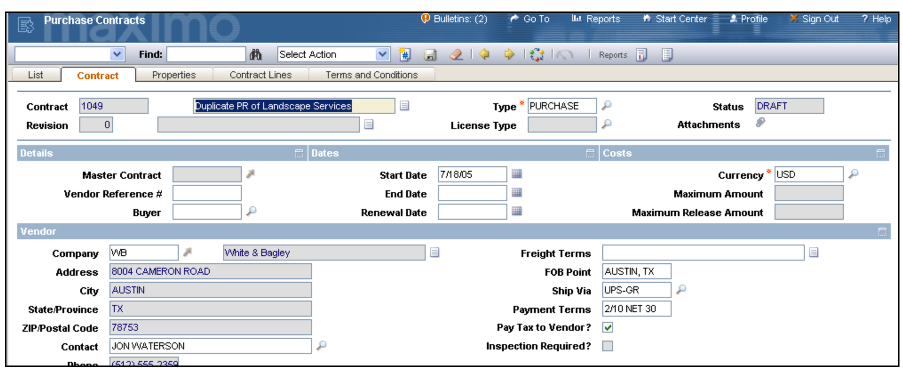
Result: Your screen returns to the PR tab with a status of CLOSE.



</td></tr>
<tr><td>6</td><td>

Go to the **Purchase Contracts** application and open your new contract.

Result: Your screen should look similar to the graphic below.



</td></tr>
</table>

Viewing Contracts

View Contracts for PR Line Items

To view specific contract lists for PR line items, access the View Contracts dialog box by clicking the View Contracts button at the bottom of the PR Lines section on the PR Lines tab.

If you do not have a specified vendor for the PR, the dialog box lists all vendors with whom you have a contract for that line item. If there is a specified vendor for the PR, the View Contracts dialog box displays contracts only for that item/vendor combination.

After you select a contract from the dialog box, Maximo copies the vendor information to the Vendor area of the PR tab. You can no longer change the vendor if the existing vendor has a contract for an item on another line of the PR, nor can you select a vendor for a line if the vendor details do not match the details on any other line listing an agreement with this vendor.

continued on next page

Viewing Contracts continued

View Contract Items

The Contract Items dialog box displays a list of items under contract with a specified vendor when adding PR lines. You can use the Contract Items dialog box only when you have specified a vendor on the PR tab.

Select Items from Vendor List

In some purchasing and contract applications, you can use the Vendor Items dialog box to select items supplied by a vendor when entering a line item for that specific vendor. You can access the Vendor Items dialog box from several applications.

Distribute Costs

Maximo allows you to distribute the costs of a purchase record line item across multiple GL accounts. For example, if your department ordered and received a new laser printer that the packaging department will also use, you can specify two GL accounts for the printer—one for each department's GL.

A purchasing record or requisition line item must meet the following conditions if the costs are to be distributed:

- The line item is a direct issue item or service.
- None of its items have been received.
- The service line is not prorated.

The Distribute Costs dialog box is available from several Purchasing and Desktop Requisitions applications.

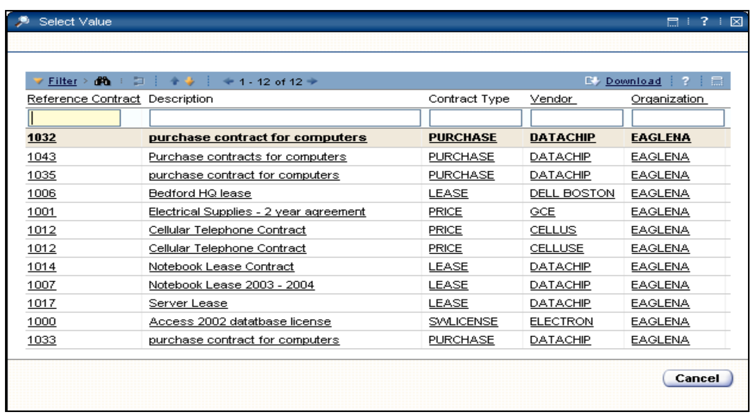
Referencing a Contract on a PR

Introduction

You can reference a contract on a PR to take advantage of prearranged pricing with a specific vendor. You can reference a contract on a PR in several ways.

Reference a Contract on the PR Header

Follow the steps below to reference a contract on the PR header:

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>1</td><td>In the Purchase Requisitions application, click New Record.
Write your new PR number here: _________</td></tr>
<tr><td>2</td><td>In the Contract Reference field, click the Detail Menu icon and choose Select Value.
<u>Result</u>: The Select Value dialog box displays a list of available contracts for reference.

Select Value
Filter 1 - 12 of 12 Download
<table>
<tr><th>Reference Contract</th><th>Description</th><th>Contract Type</th><th>Vendor</th><th>Organization</th></tr>
<tr><td>1032</td><td>purchase contract for computers</td><td>PURCHASE</td><td>DATACHIP</td><td>EAGLENA</td></tr>
<tr><td>1043</td><td>Purchase contracts for computers</td><td>PURCHASE</td><td>DATACHIP</td><td>EAGLENA</td></tr>
<tr><td>1035</td><td>purchase contract for computers</td><td>PURCHASE</td><td>DATACHIP</td><td>EAGLENA</td></tr>
<tr><td>1006</td><td>Bedford HQ lease</td><td>LEASE</td><td>DELL BOSTON</td><td>EAGLENA</td></tr>
<tr><td>1001</td><td>Electrical Supplies - 2 year agreement</td><td>PRICE</td><td>GCE</td><td>EAGLENA</td></tr>
<tr><td>1012</td><td>Cellular Telephone Contract</td><td>PRICE</td><td>CELLUS</td><td>EAGLENA</td></tr>
<tr><td>1012</td><td>Cellular Telephone Contract</td><td>PRICE</td><td>CELLUSE</td><td>EAGLENA</td></tr>
<tr><td>1014</td><td>Notebook Lease Contract</td><td>LEASE</td><td>DATACHIP</td><td>EAGLENA</td></tr>
<tr><td>1007</td><td>Notebook Lease 2003 - 2004</td><td>LEASE</td><td>DATACHIP</td><td>EAGLENA</td></tr>
<tr><td>1017</td><td>Server Lease</td><td>LEASE</td><td>DATACHIP</td><td>EAGLENA</td></tr>
<tr><td>1000</td><td>Access 2002 datatbase license</td><td>SWLICENSE</td><td>ELECTRON</td><td>EAGLENA</td></tr>
<tr><td>1033</td><td>purchase contract for computers</td><td>PURCHASE</td><td>DATACHIP</td><td>EAGLENA</td></tr>
</table>
Cancel</td></tr>
</table>

continued on next page

Referencing a Contract on a PR continued

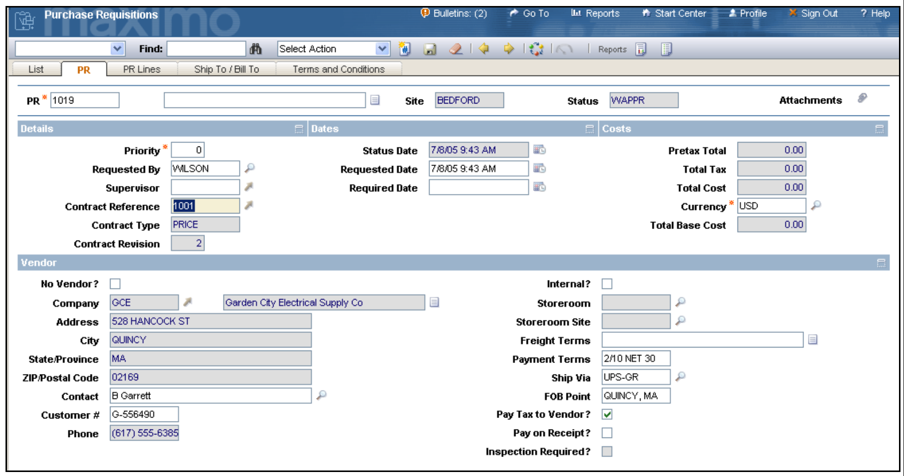
Reference a Contract on the PR Header

continued

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>3</td><td>

Select **Reference Contract 1001**.

Result: The information on the Reference Contract populates the field of the new PR.



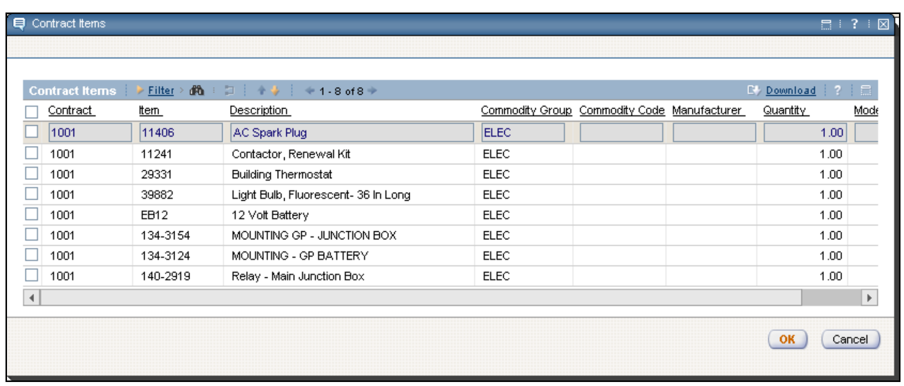
</td></tr>
<tr><td>4</td><td>

Enter Electrical Supplies in the **Description** field, and then **save** the record.

</td></tr>
<tr><td>5</td><td>

Go to the **PR Lines** tab and click **Contract Items**.

Result: The Contract Items dialog box opens.



</td></tr>
</table>

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Referencing a Contract on a PR continued

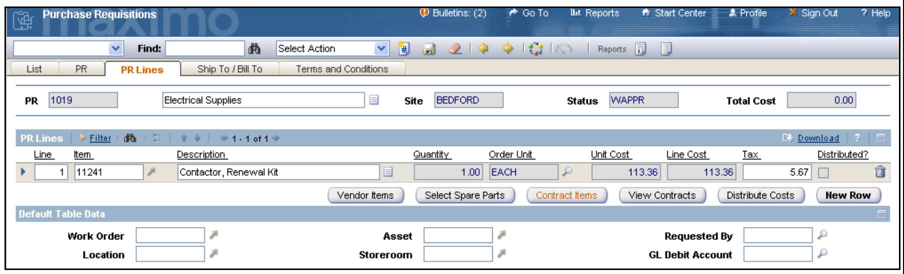
Reference a Contract on the PR Header

continued

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>6</td><td>

Click in the check box for item **11241** (Contractor, Renewal Kit) and click **OK**.

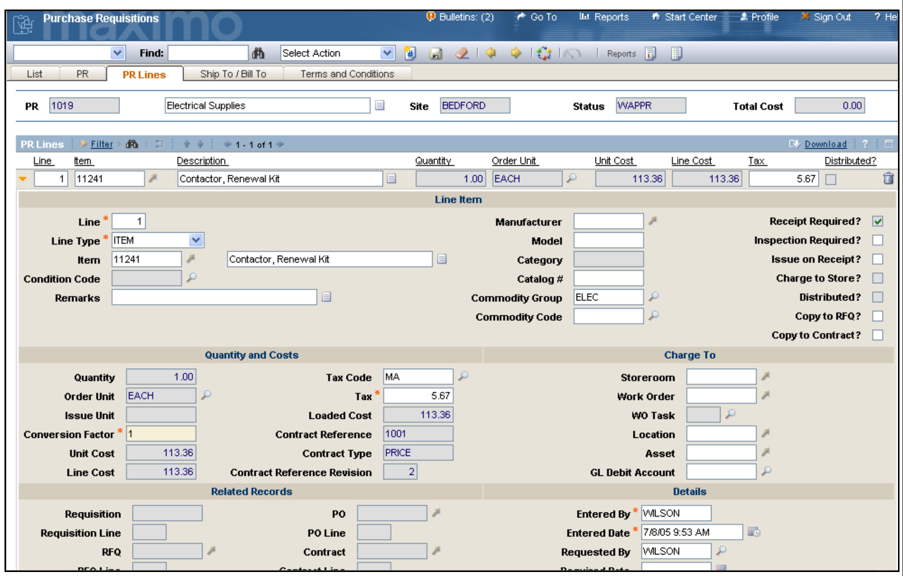
<u>Result</u>: The dialog box closes and a new line item is added to the PR lines pane.



</td></tr>
<tr><td>7</td><td>

Click the **View Details** icon. In the **Conversion Factor** field, enter the value of 1.

<u>Result</u>: Your screen should look similar to the graphic below.



</td></tr>
<tr><td>8</td><td>

Save your record.

</td></tr>
</table>

Chapter Summary

Chapter Overview

A *purchase requisition* (PR) is a written request issued internally to a purchasing department to order items or services.

You use the Purchase Requisitions application to create purchase requisitions for items, supplies, and services, or to create a purchase order (PO) from a purchase requisition.

Your purchasing department uses the purchase requisition to create either a request for quotation (RFQ) for the items or services, or a PO after the purchase is approved.

Status Process of a Purchase Requisition

After a purchase requisition has been created, it usually must receive some type of approval. Every purchase requisition in Maximo has a status that indicates its position in the PR processing cycle.

A purchase requisition can have the status of Waiting on Approval, Approved, Closed, or Canceled. An approved PR can be canceled only if none of its line items have been assigned to a purchase order.

continued on next page

Chapter Summary continued

Creating a PR

Creating a purchase requisition consists of creating the PR and adding line items. You can create PRs from the Purchase Requests, Purchase Orders, Request for Quotations, and Contracts applications. In addition, you can create PRs from the Inventory application using the Reorder Items action.

Adding PR Lines

When you create a purchase requisition, you list each item, material, or service to be purchased on a separate line on the PR Lines tab.

Duplicating a PR

After creating a PR, you can duplicate it by selecting Duplicate Purchase Requisition from the Select Action menu.

Creating a PO from a PR

Use the Create PO dialog box to create a PO from a purchase requisition record. The PR must have at least one line item that has not been assigned to a PO.

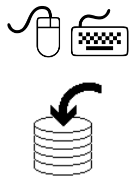
Viewing Contracts

You can use the Contract Items button to view a list of items listed on contracts with the vendor specified in the Company field on the PR.

You can create contracts based on information contained on purchase requisitions.

Workshop

Workshop Exercise



<u>Scenario</u>: A purchasing agent needs to order new computers for use in Maximo initial deployment. The agent needs to create a new PR, enter item lines and service lines, and then associate existing terms and conditions to it prior to approval. Upon approval, the agent will create a contract and a PO from the approved PR.

Step	Action
1	Create a new purchase requisition using the following information: **<u>Field</u>** — **<u>Value</u>** **Description** — New desktop computer **Priority** — 5 **Company** — DATACHIP

continued on next page

Workshop continued

Workshop Exercise

continued

Step	Action
2	Enter the following lines: **Line 1** **Field** / **Value** **Item** D600 **Quantity** 4 **Conversion Factor** 1 **Unit Cost** 1,230 **GL Debit Account** 6200-300-000 **Storeroom** HARDWARE **Line 2** **Field** / **Value** **Item** D650 **Quantity** 15 **Conversion Factor** 1 **Unit Cost** 1950 **GL Debit Account** 6200-300-000 **Storeroom** HARDWARE **Line 3** **Field** / **Value** **Line Type** Service **Description** Installation of Maximo Computer **Quantity** 1 **Order Unit** Hours **Unit Cost** 500 **GL Debit Account** 6200-300-000 **Storeroom** HARDWARE

continued on next page

Workshop continued

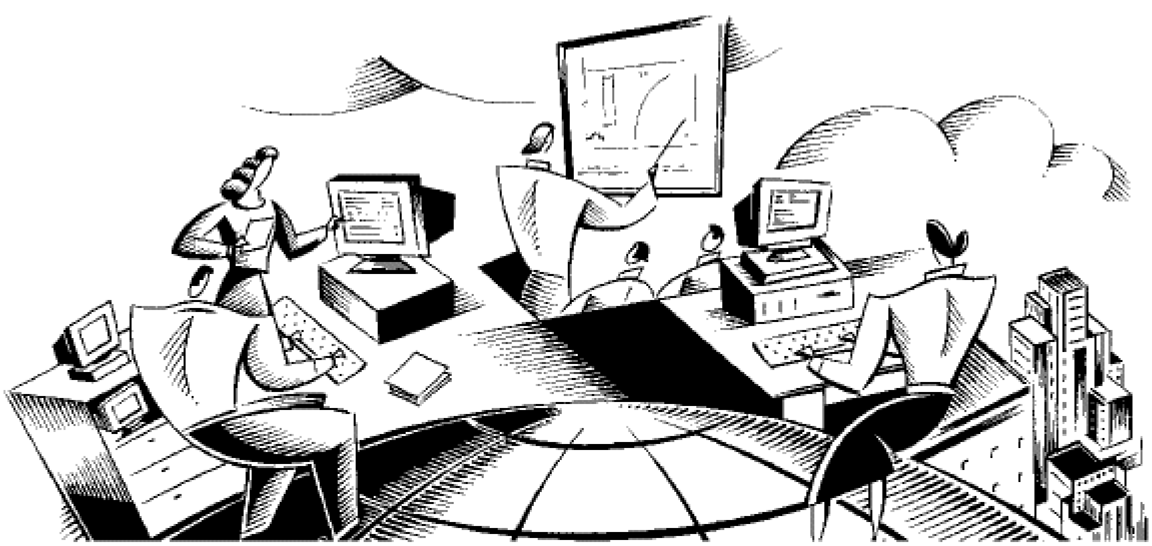
Workshop Exercise

continued

Step	Action
3	Enter the following terms and conditions: INSPECTION WARRANTIES
4	Approve the PR.
5	Create a contract from the PR you just created.

NOTES:

Chapter 8: Request for Quotations



In This Chapter

This chapter contains the following topics:

Chapter Overview

Introduction

A *request for quotation* (RFQ) is a request that you send out to one or more potential suppliers. To list a vendor on the RFQ, the vendor must have a record in the Companies application. In the RFQ application, you can specify line items, required delivery dates, and other conditions you want the vendor to meet for the delivery of an item or service.

Chapter Focus

This chapter focuses on how to create RFQs and enter vendor quotations.

Learning Objectives

When you have completed this chapter, you should be able to:

- create an RFQ,
- insert RFQ lines,
- copy PR lines to an RFQ,
- change the status of an RFQ,
- describe different statuses of an RFQ,
- add vendors,
- select terms for a vendor,
- create a PO for a quotation line, and
- award an RFQ.

The RFQ Application

Introduction

When you receive the quotations from the vendors, you enter them into the **Request for Quotations** application one at a time. At the end of the process, you review the quotations and award one quotation for each RFQ line. The quotations are then converted to one or more purchase orders or contracts, depending on the procurement flow within your organization.

You can create an RFQ for any of the following circumstances:

- The stock count of a stocked item drops below a certain level and you must place another bulk order.
- A requisition is received for an item or service that requires a quotation each time due to item price or other requirements.
- Someone at your site requests a quote for an item or service. It can be for a normally stocked item or for an item not normally ordered, such as a special order or non-stocked item.
- You need to do commodity bulk buying for a certain period of time. This is typically for many items with common commodity codes. The quotation might not be copied to a PO immediately, but the pricing is set.

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The RFQ Application continued

RFQ Statuses

Changing statuses on RFQs affects field functionality and access to various actions.

The RFQ statuses are as follows:

Status	Description
Cancel (CANCEL)	Indicates a canceled RFQ. Use the CANCEL status to cancel a current RFQ or a selected set of RFQs. You can cancel an RFQ only if there have been no quotations awarded (that is, the CANCEL status is not available after a quotation has been converted to a PO). A canceled RFQ is stored as a history record and cannot be modified.
Closed (CLOSE)	Indicates a closed RFQ, one whose quotation lines have been awarded. After an RFQ is closed, it is stored as a history record and cannot be modified.
Completed (COMP)	Indicates when all quotations have been received from vendors. In this status all fields except the fields on the Quotation Lines and Terms and Conditions tabs are read-only.
In Progress (INPRG)	The default status when you create an RFQ. It should remain in INPRG status until you have entered all RFQ information and RFQ lines. In this status, you have the ability to modify most tabs and fields on the RFQ, with the exception of the Quotation Lines table. The RFQ must be saved as INPRG prior to changing to another status. The status INPRG is always available (except in COMP and CLOSE status) to allow you to edit the RFQ.
Ready to Be Sent (READY)	Indicates that the RFQ is ready to be sent out to the vendors. In this status, you do not have the ability to change the RFQ—all tabs are read-only.
Sent to the Vendor (SENT)	Indicates that the RFQ has been sent to vendors. The SENT status causes fields on the RFQ and RFQ Lines tabs to be read-only while fields on the Vendors tab can be modified. You can also modify the Quotations and the Terms and Conditions tabs.

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The RFQ Application continued

RFQ Tabs and Functions

The Request for Quotations application contains the following tabs:

Use this tab…	To…
List	Search the database for a specific record or group of records that meet your criteria.
RFQ	Enter general header information about the RFQ.
RFQ Lines	Enter the line items or services that require quotations from one or more vendors.
Vendors	Enter the vendors to whom the request for quotation is to be sent, as well as terms and conditions received from each vendor.
Quotations	Enter quotation information from the vendors responding to your RFQ.
Terms and Conditions	Associate new or existing terms with an RFQ.

Creating RFQs

Creating a New RFQ

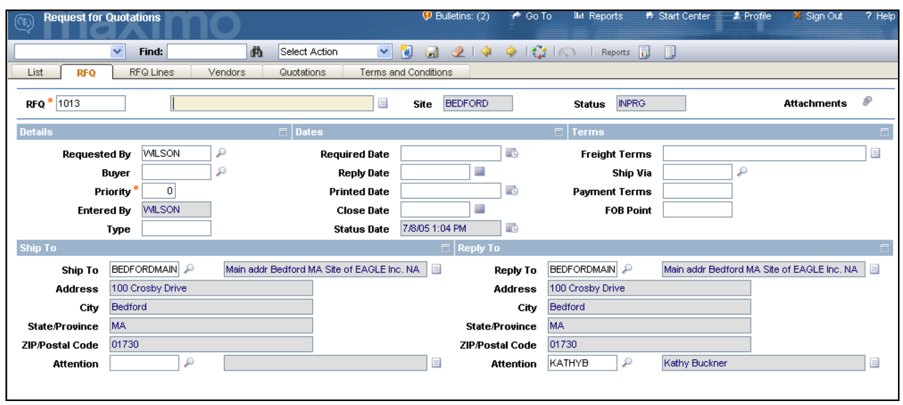
Create a request for quotation, or RFQ, when you want to list one or more items or services for which you want potential vendors to provide quotations. The quotation should provide pricing and other line-item-specific information, such as manufacturer and delivery time.

When you have the quotations in hand, you can enter them into the Quotation Lines table on the Quotations tab, and compare them before awarding line items to vendors and creating actual POs.

Use the following steps to create a new RFQ.

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>1</td><td>Open the Request for Quotations application from the Purchasing module and then click the New Record icon.

<u>Result</u>: The RFQ tab displays an automatically numbered RFQ record ready for input.



Write your new RFQ number here: _________</td></tr>
<tr><td>2</td><td>Enter the following data:

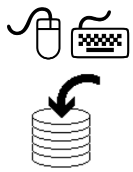
<u>Field</u> — <u>Value</u>
Description — Items needed for WO 1006
Priority — 3</td></tr>
<tr><td>3</td><td>Save your record.

<u>Note</u>: Do not exit the application.</td></tr>
</table>

continued on next page

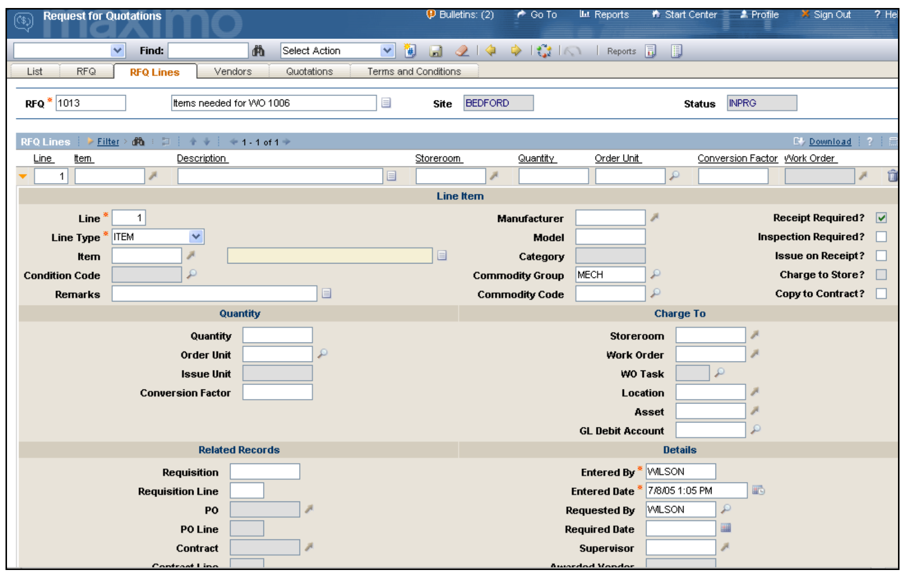
Creating RFQs continued

Inserting RFQ Lines



You can insert line items on the **RFQ Lines** tab manually or by copying lines from a PR.

Follow the steps below to add PR lines to an RFQ.

Step	Action
1	Go to the **RFQ Lines** tab and click **New Row**. Result: The RFQ lines detail opens for data input. 
2	Enter the following data: **Field** — **Value** **Item** — 4-2100 **Quantity** — 6 **Order Unit** — EACH **Conversion Factor** — 1 **GL Debit Account** — 6700-300-000

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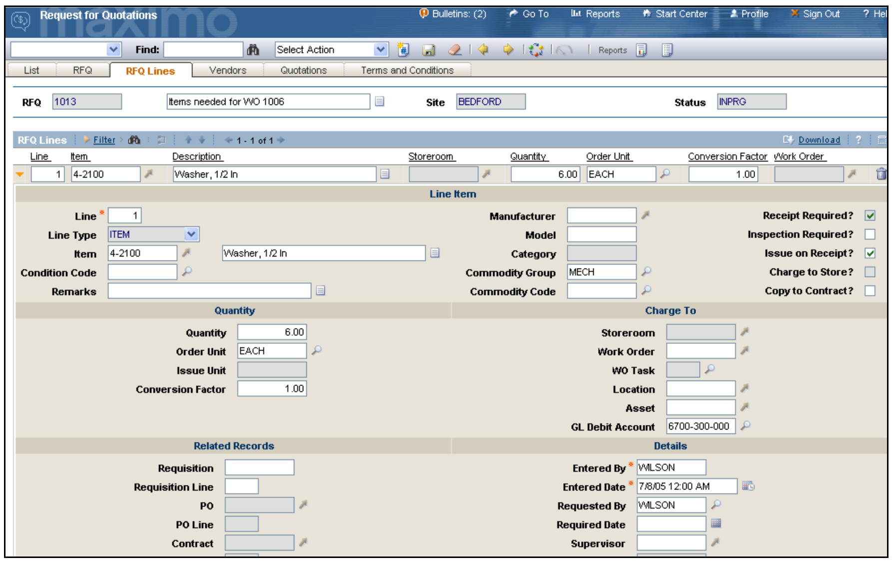
Creating RFQs continued

Inserting RFQ Lines

continued

Step	Action
3	**Save** your record. Result: Your screen should look similar to the graphic below.  Note: Do not close the screen.

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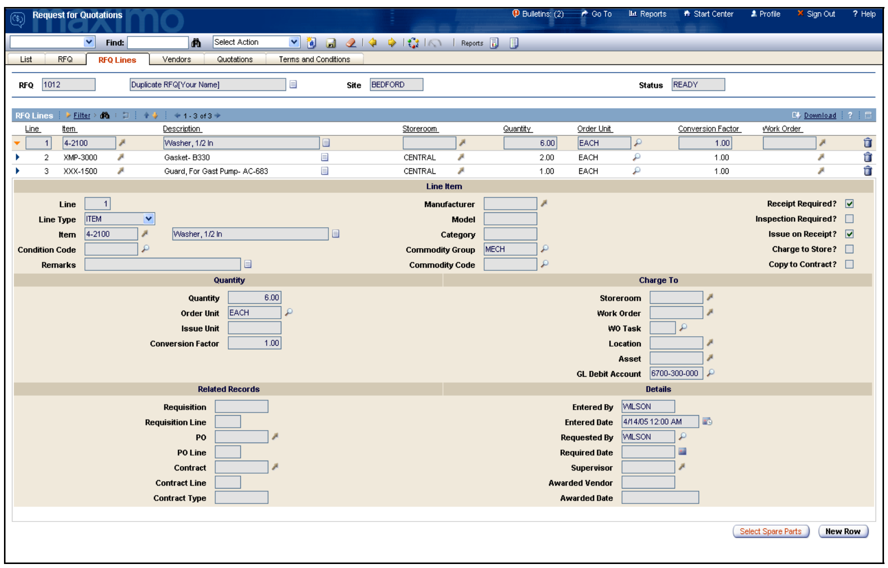
Creating RFQs continued

Selecting Asset Spare Parts

The **Select Spare Parts** button is a shortcut to the list of associated spare parts for the specified item. Use it for easy selection of spare parts when adding item lines for RFQs. Maximo displays a dialog box with a list of associated spare parts for that item and you can do multiple selections.

Step	Action
1	Continuing from the previous exercise, make sure you are on the **RFQ Lines** tab. Result: Your screen should look similar to the graphic below. 

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Creating RFQs continued

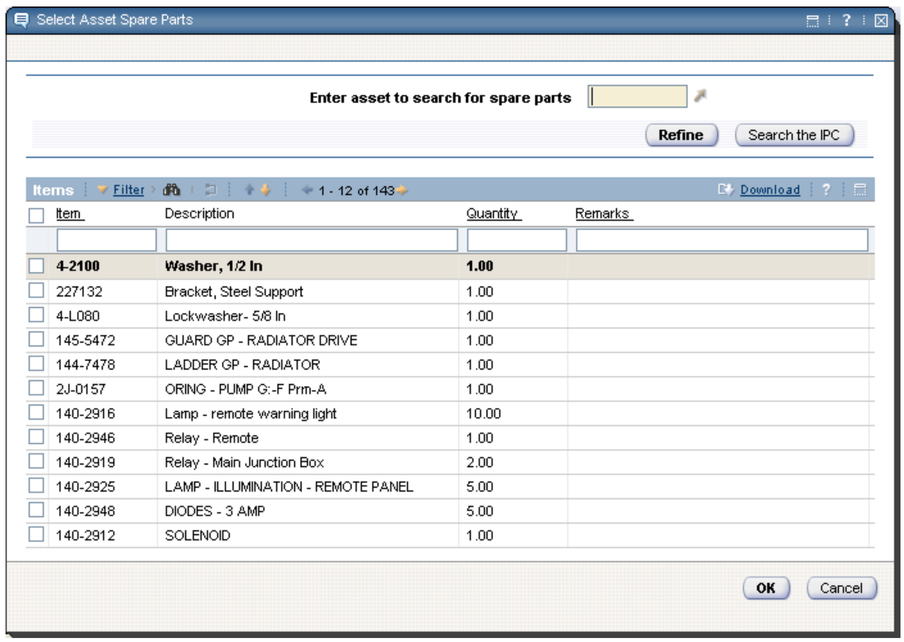
Selecting Asset Spare Parts

continued

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>2</td><td>

Click the **Select Spare Parts** button on the bottom right of your screen.

Result: The Select Asset Spare Parts dialog box opens.



</td></tr>
<tr><td>3</td><td>

In the **Enter asset to search for spare parts** field, enter asset 11430 and then click **Refine**.

Result: The list is narrowed down.

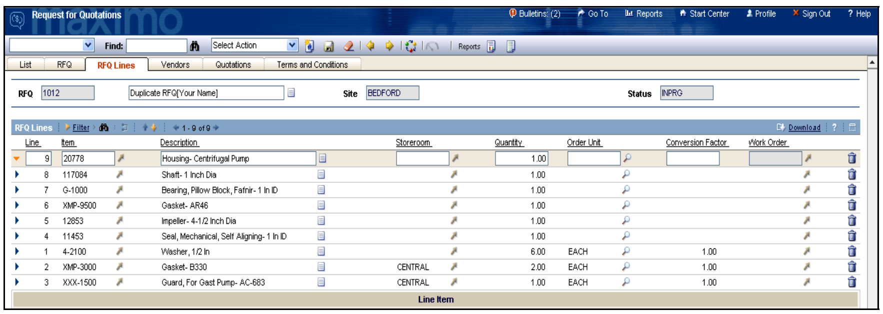
</td></tr>
</table>

continued on next page

Creating RFQs continued

Selecting Asset Spare Parts

continued

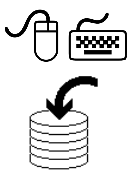
Step	Action
4	Click the **Item** check box to select all records.
5	Click **OK**. Result: New lines are added to your RFQ lines. 
6	**Save** your record. Do not exit.

Working with Vendors

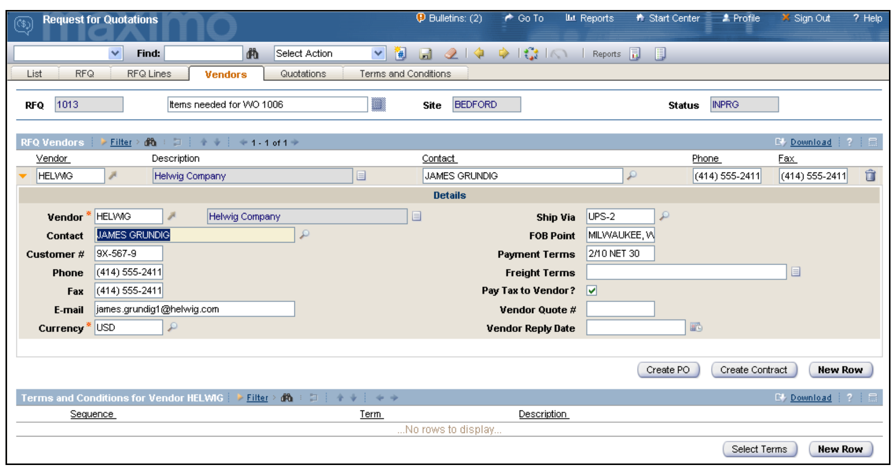
Introduction

When you create an RFQ, you typically list the vendor or vendors to whom you will send the RFQ. If you intend to enter quotations from vendors on the Quotations tab later, you *must* enter the vendors on the Vendors tab before changing the status to SENT. (The RFQ status must be INPRG in order to add vendors.)

Adding Vendors to an RFQ



Follow the steps below to add vendors to an RFQ using the New Row button.

Step	Action
1	Continuing from the previous exercise, go to the **Vendors** tab.
2	Click **New Row** in the **RFQ Vendors** section of the screen and enter HELWIG in the **Vendor** field. Result: HELWIG data populates the vendor detail fields. 
3	**Save** your record.

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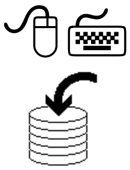
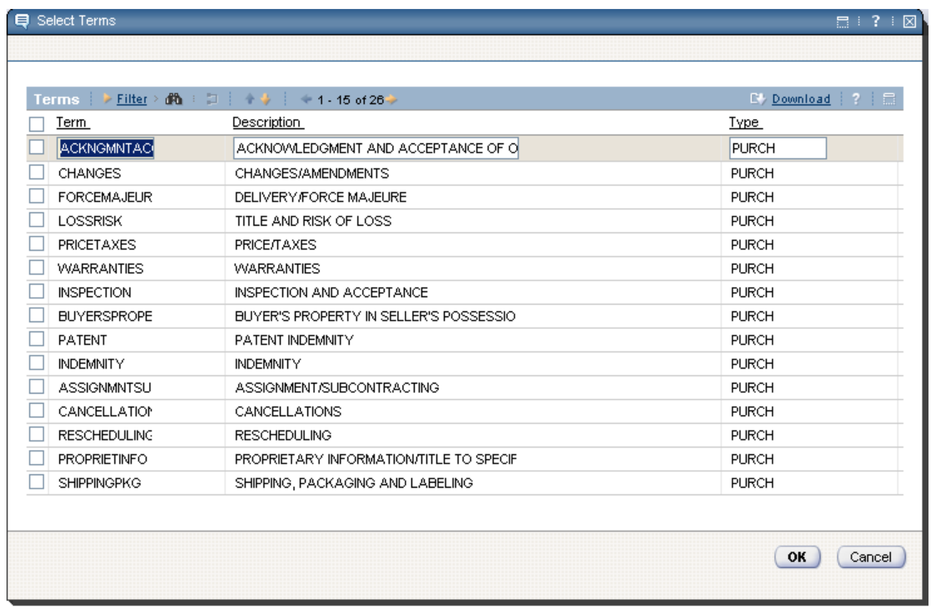
Working with Vendors continued

Selecting Terms for a Vendor



In the **Request for Quotations** application, you can use the **Select Terms** dialog box on the **Terms and Conditions** tab to associate terms from the Terms and Conditions library with a specific vendor.

Follow the steps below to select terms for a vendor:

Step	Action
1	Continuing from the previous exercise, click the **Select Terms** button in the **Terms and Conditions for Vendor** pane. Result: The Select Terms dialog box opens. 

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Working with Vendors continued

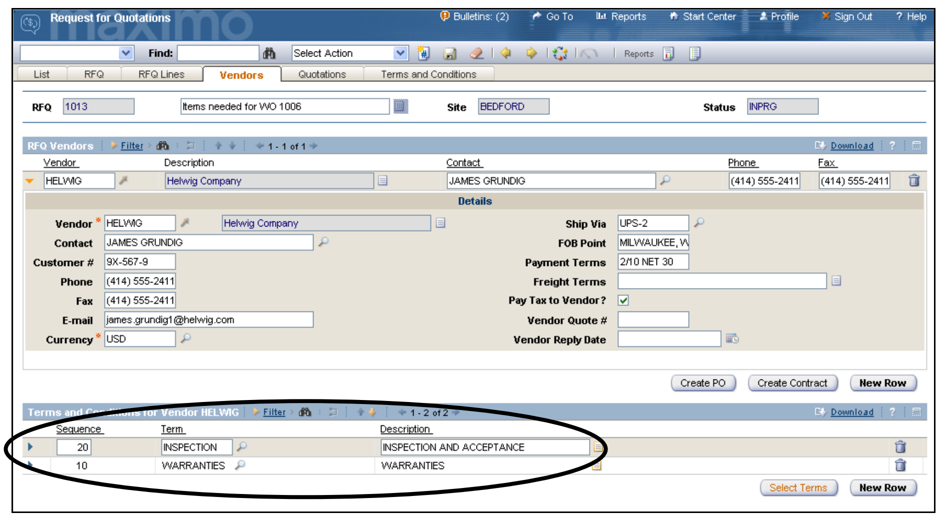
Selecting Terms for a Vendor

continued

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>2</td><td>Select the WARRANTIES and INSPECTION terms and then click OK.

<u>Note</u>: Any changes to vendor information that you enter here do not change the vendor’s record in the Companies application. The data you enter here is specific to the RFQ. To change vendor information permanently, edit the company information in the Companies application.

<u>Result</u>: The new terms are now associated with the HELWIG vendor.

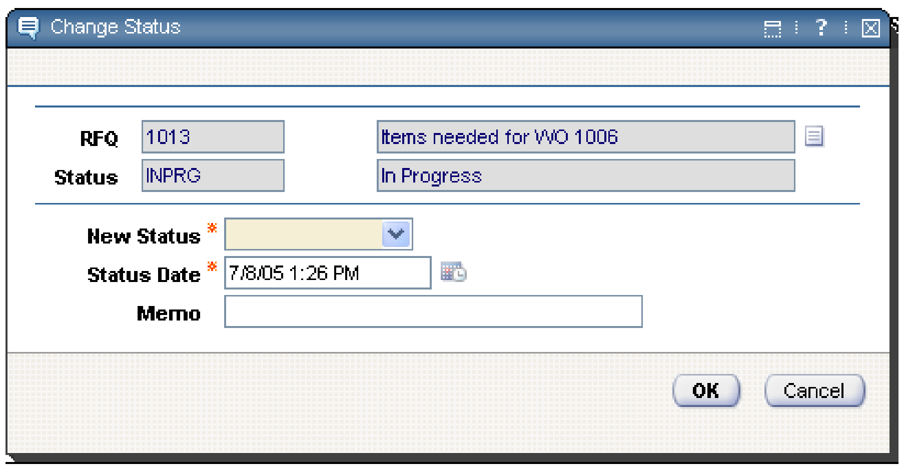

</td></tr>
<tr><td>3</td><td>Save your record.</td></tr>
<tr><td>4</td><td>Insert another vendor with the name GST.</td></tr>
</table>

Changing the RFQ Status

Changing the Status of RFQs

When you create an RFQ, Maximo automatically sets its status to In Progress (INPRG). You can change the status of the RFQ as it moves along in its quotation cycle.

Follow the steps below to change the status of RFQs:

Step	Action
1	With your RFQ open, click the **Change Status** icon. Result: The Change Status dialog box opens. 

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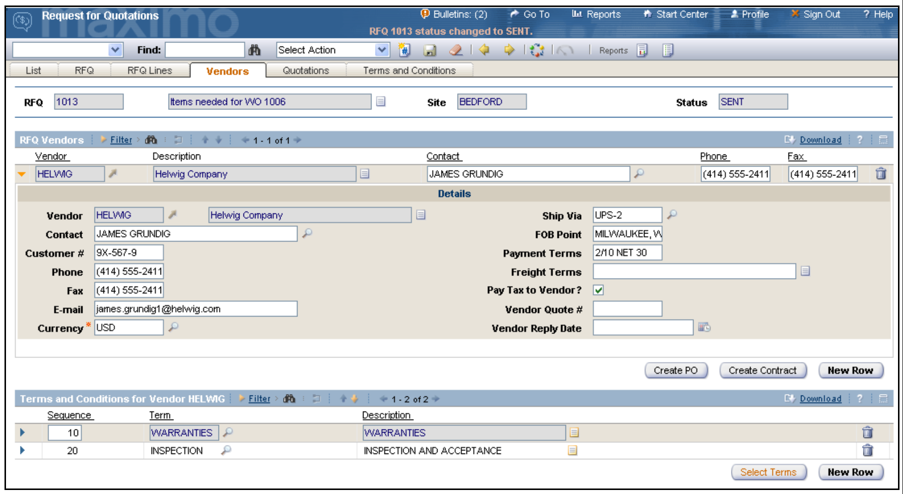
Changing the RFQ Status continued

Changing the Status of RFQs

continued

Step	Action
2	In the **New Status** field, select the **Sent to the Vendor** status. Then click **OK**. <u>Result</u>: The screen returns to the RFQ tab with a SENT status. 
3	**Save** the record.

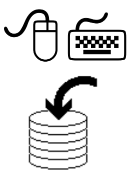
Quotation Lines

Introduction

After you create an RFQ and send it to the vendors listed on the RFQ, you typically receive responses with quotes for one or more of your RFQ lines from each vendor. The quotations might arrive by mail, fax, e-mail, or telephone.

After you receive the quotations, enter them on the Quotations tab in order to have a complete record of the quotations. After you enter all quotations, you can compare them and award the lines based on the comparison.

Entering Quotation Lines

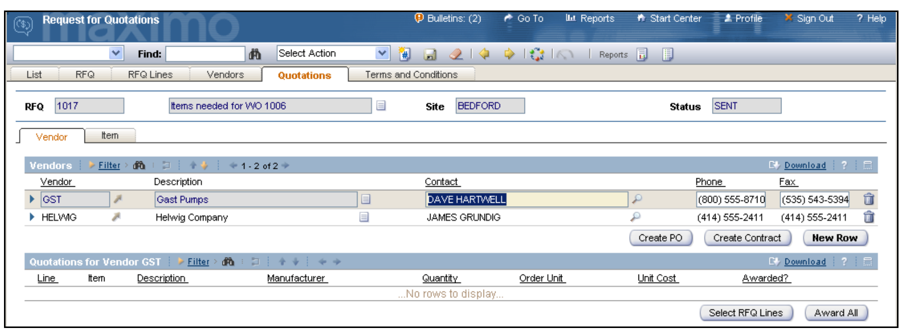


After you award quotation lines to a vendor, you can create a PO for that vendor for those line items. The RFQ must be in SENT or COMP status for you to award quotation lines and create a PO.

Follow the steps below to create a PO from quotation lines:

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>1</td><td>With the RFQ from the previous exercise open, click on the Quotations tab.

<u>Result</u>: Your screen should look similar to the graphic below.


</td></tr>
</table>

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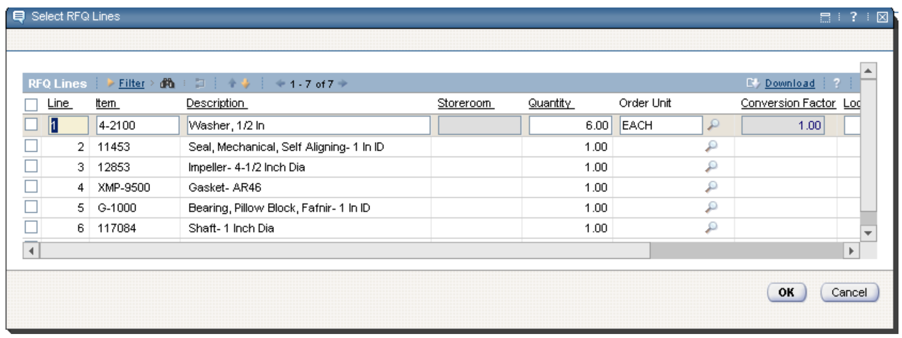
Quotation Lines continued

Entering Quotation Lines

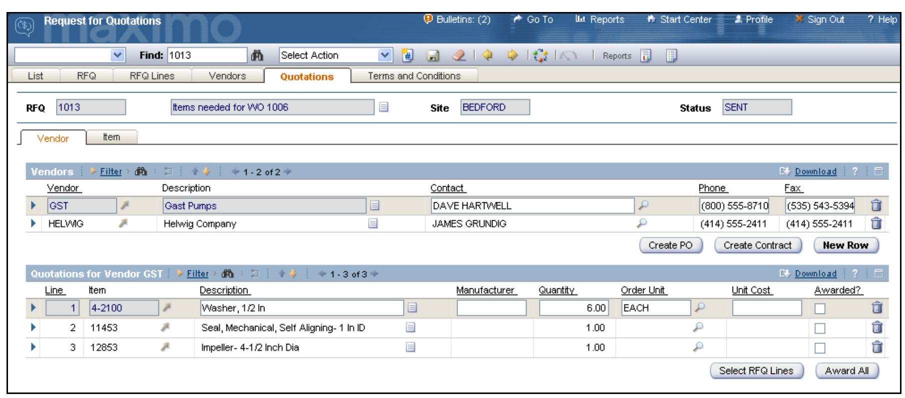
continued

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>2</td><td>Highlight the GST vendor row, and on the Quotations for Vendor GST pane, click Select RFQ Lines.

<u>Result</u>: The Select RFQ Lines dialog box opens.


</td></tr>
<tr><td>3</td><td>Check the Select Records check boxes for items 1, 2, and 3 and then click OK.

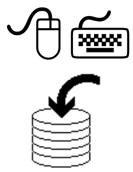
<u>Result</u>: Three item lines appear for vendor GST.


</td></tr>
<tr><td>4</td><td>For each of the items, enter EACH in the Order Unit field. In the Unit Cost field, enter the following data:

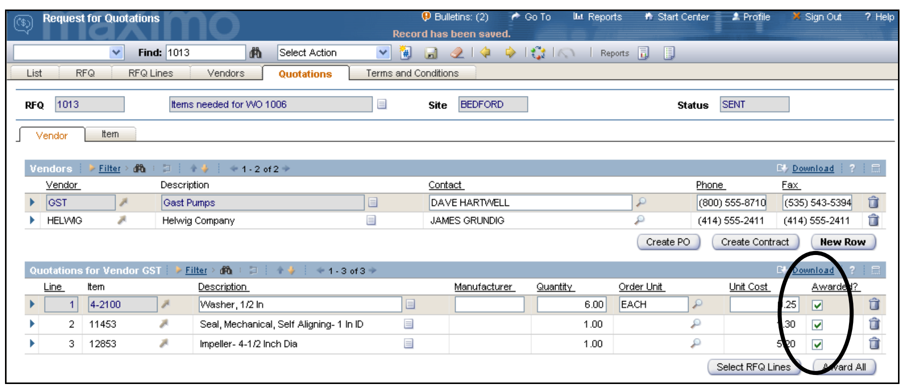
Item 1 0.25
Item 2 1.30
Item 3 5.20</td></tr>
<tr><td>5</td><td>Save your record.</td></tr>
</table>

Quotation Lines continued

Awarding Line Items to a Vendor



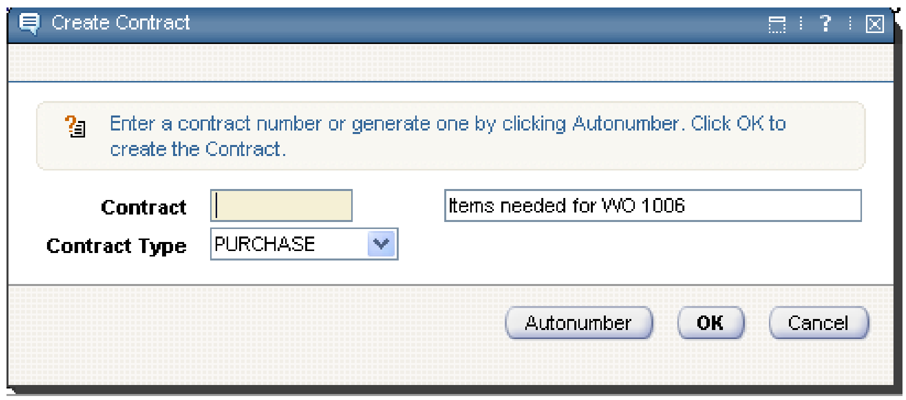
For our exercise, vendor Helwig did not submit any quotation, so we will award all the line items to vendor GST.

Step	Action
1	Continuing from the previous exercise, in the **Awarded?** column of the **Quotations for Vendor GST** pane, put a check mark in all the boxes.
2	**Save** your record. Result: Your screen should look similar to the graphic below. 

Creating a Contract from an RFQ

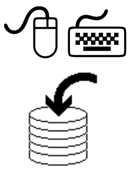
Creating a Contract from an RFQ

Follow the steps below to create a contract from an RFQ:

Step	Action
1	For vendor **GST**, create a contract by clicking **Create Contract**. Result: The Create Contract dialog box opens. 
2	Click **Autonumber** to assign a contract number. Write the contract number here: __________
3	Click **OK**. Result: The screen returns to the Quotations tab.
4	Change the status to **Completed**.

Creating a PO from an RFQ

Creating a PO from an RFQ



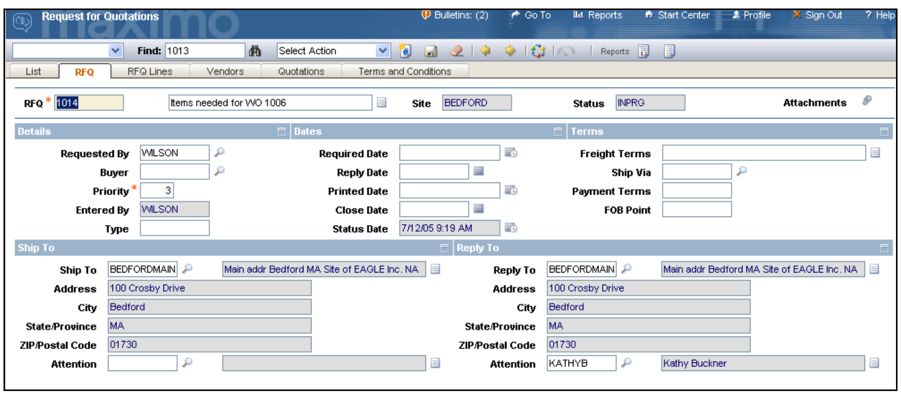
After you award quotation lines to a vendor, you can create either a contract or a PO for the line items awarded to the vendor. The RFQ must be in SENT or COMP status for you to award quotation lines and create a PO.

Follow the steps below to create a PO from quotation lines. Because we already created a contract for the awarded line items, we will first duplicate the RFQ, then create a PO from the duplicate.

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>1</td><td>Duplicate the RFQ from the previous exercise by selecting Duplicate RFQ from the Select Action menu.

<u>Result</u>: Maximo creates a new RFQ.

Write the number here: _______


</td></tr>
<tr><td>2</td><td>Change the status to SENT.</td></tr>
</table>

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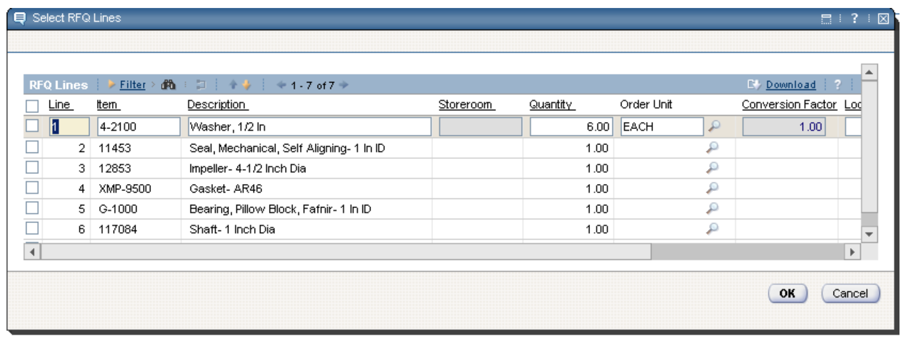
Creating a PO from an RFQ continued

Creating a PO from an RFQ

continued

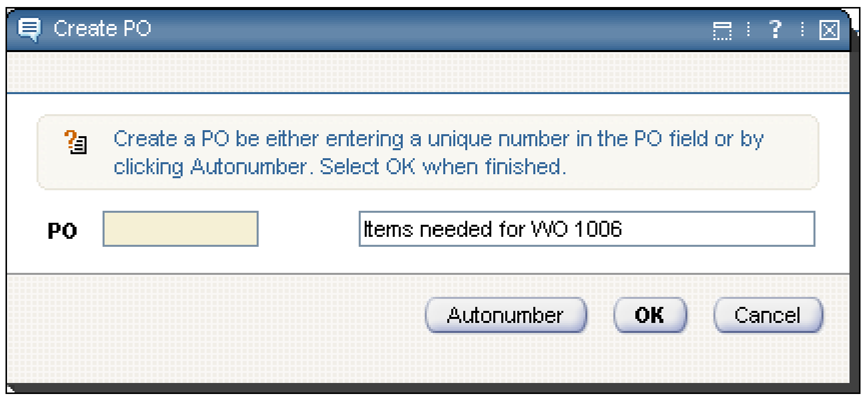
Step	Action
3	Click on the **Quotations** tab.
4	Highlight the **GST** vendor row, and on the **Quotations for Vendor GST** pane, click **Select RFQ Lines**. Result: The Select RFQ Lines dialog box opens. 
5	Click in the box next to Line to select all the lines.
6	Click **OK**. Result: The items are added under the Quotations for Vendor GST.
7	For each of the items, enter EACH in the **Order Unit** field. In the **Unit Cost** field, enter the following data: **Item 1** 0.25 **Item 2** 1.30 **Item 3** 5.20 **Item 4** 3.00 **Item 5** 1.15 **Item 6** 2.20 **Item 7** 25.00
8	**Save** the record.

continued on next page

Creating a PO from an RFQ continued

Creating a PO from an RFQ

continued

Step	Action
9	Award all the line items to GST and save the record.
10	With GST still highlighted, click **Create PO** in the **Vendors** pane. Result: The Create PO dialog box opens. 
11	Click **Autonumber**. Write the number of your PO here: ________
12	Click **OK**. Result: The PO is created.

Chapter Summary

RFQ Application

A *request for quotation* (RFQ) is a request that you send out to one or more potential suppliers. To list a vendor on the RFQ, the vendor must have a record in the Companies application. In the RFQ application, you can specify line items, required delivery dates, and other conditions you want the vendor to meet for the delivery of an item or service.

Creating a New RFQ

Create an RFQ when you want to list one or more items or services for which you want potential vendors to provide quotations. The quotation should provide pricing and other line-item-specific information, such as manufacturer and delivery time.

Duplicating RFQs

One way to create a new RFQ is to duplicate an existing one, and then modify it as needed.

Copying PR Line Items to RFQs

The Copy PR Line Items to RFQ dialog box lets you copy one or more PR line items to a new or existing RFQ. It provides a quick way to enter line items on an RFQ without manually entering all the line detail information. You can copy lines from PRs that you entered yourself and from PRs entered by other users.

Working with Vendors

When you create an RFQ, you typically list the vendor or vendors to whom you will send the RFQ. If you intend to enter quotations from vendors on the Quotations tab later, you *must* enter the vendors on the Vendors tab before changing the status to SENT. (The RFQ status must be INPRG in order to add vendors.)

Quotation Lines

After you create an RFQ and send it to the vendors listed on the RFQ, you typically receive responses with quotes for one or more of your RFQ lines from each vendor. The quotations might arrive by mail, fax, e-mail, or telephone.

After you receive the quotations, enter them on the Quotations tab in order to have a complete record of the quotations. After you enter all quotations, you can compare them and award the lines based on the comparison.

Workshop

Workshop

Scenario: You as a purchasing agent need to create a new RFQ for the purchase of a new hydraulic cylinder pump. The RFQ should specify detailed item lines, quotation lines, and vendors. After reviewing the RFQ, send it to the vendors. Then, start entering the returned quotations and awarding line items to vendors. Finally, create a contract and a PO for specific line items.

Step	Action
1	Create a new RFQ using the following data: **Field** — **Value** **Description** — RFQ for Hydraulic Cylinder Pump **Priority** — 5
2	Add item **XMP-3500** to the item line. Specify the order unit as EACH.
3	Designate vendors for this RFQ. Open the **Vendors** tab and add the **Cummins Supply Company** and the **Transatlantic Trading Company**.
4	For the **Cummins Supply Company** vendor, add the following **Terms and Conditions**: ACKNGMNTAC WARRANTIES INSPECTION
5	Change the status to **SENT**.

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Workshop continued

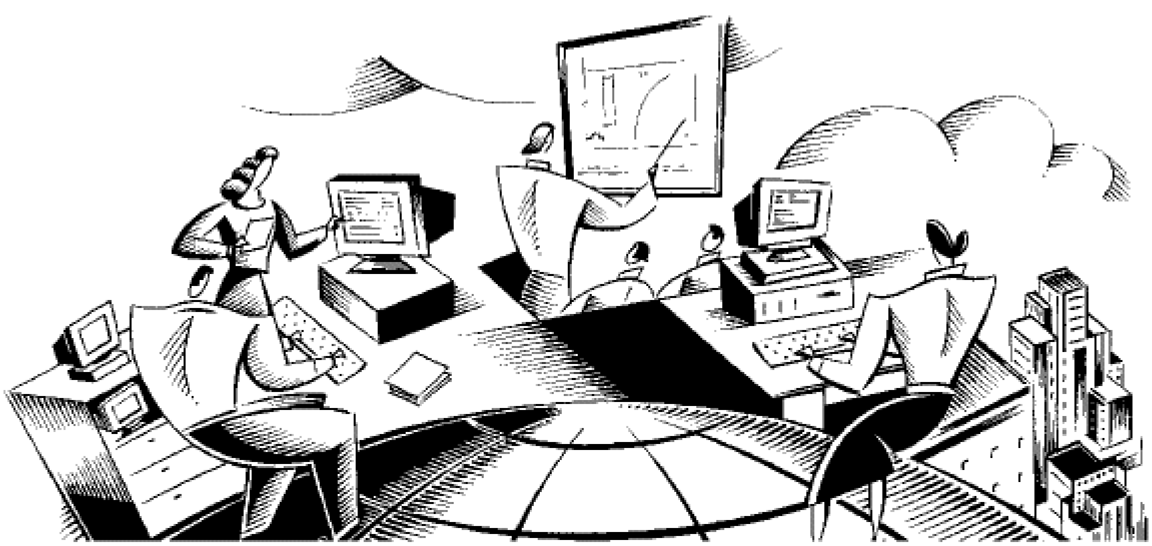
Workshop continued

Step	Action
6	After reviewing the RFQ, your purchasing supervisor approves it and instructs you to send the RFQ to the vendors. After a few days, the quotations have returned and you need to input them in Maximo. Assign the line item to each of the vendors and enter the following quotation information: **Vendor** — **Unit Cost** **Cummins Supply Company** — 435.00 **Transatlantic Trading Company** — 385.00
7	Award the quotation to **Transatlantic Trading Company**, then **save** the record.
8	Create a PO for the item awarded to Transatlantic Trading Company.

NOTES:

Purchasing with MXES

Chapter 9: Purchase Orders



In This Chapter

This chapter contains the following topics:

Chapter Overview

Introduction

Because many of the requests for materials and services result in the creation of purchase requisitions (PRs), you need to be able to create purchase orders (POs) from PRs.

Chapter Focus

This chapter focuses on creating POs from PRs and understanding some of the relevant options available in the Purchasing module.

Learning Objectives

When you have completed this chapter, you should be able to:

- create a PO from line items on multiple PRs,
- perform a vendor analysis,
- approve a PO,
- create a PO from one PR, and
- create a change order.

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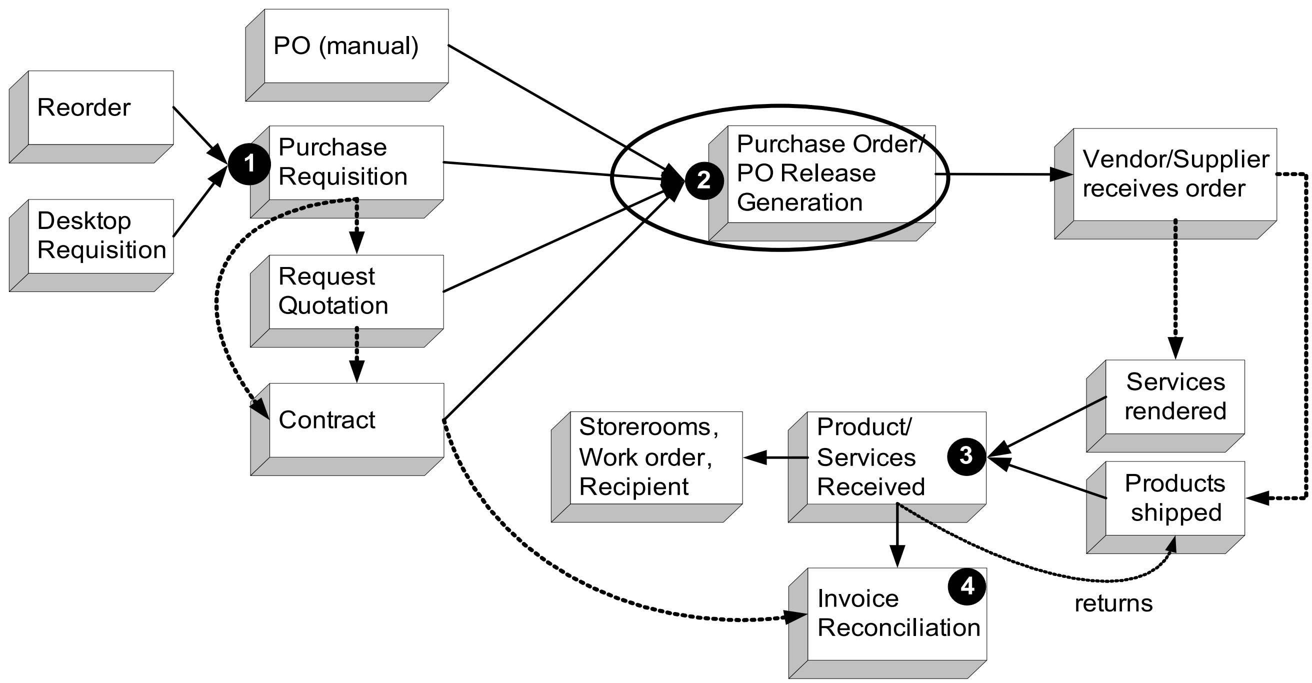
Chapter Overview continued

We Are Here: PO Creation and Approval

A PO is created from Requisitions, Reordering Function, Request for Quotations, Purchase Contracts, or from scratch, and then goes through an approval process.



The Purchase Orders Application

Introduction

A PO is an authorized order from a purchasing agent or department to an internal supplier or external vendor. You can use the **Purchase Orders** application to create purchase orders from PRs, from material requisitions (MRs), or from service requests (SRs). You can also create POs with the **Requests for Quotations** (RFQs) application, and with **Internal Reorder Request** if the default is set to create POs.

Methods to Create POs

There are different methods to create a purchase order. You can create a purchase order:

- from a purchase requisition (PR),
- from the Inventory Reorder option,
- from scratch using the Purchase Orders application,
- from the Request for Quotations (RFQ) application, and
- from the Purchase Contracts application using the Create Release PO option.

The Purchase Orders application also allows you to generate an internal PO against another storeroom. A storeroom-to-storeroom purchase can be thought of as a “transfer order” or an “internal PO” because Maximo uses the Purchase Orders and Issues and Transfers applications to track these types of item movements.

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The Purchase Orders Application continued

PO Statuses

Changing the status of a purchase order affects field functionality and access to various action pages. The PO statuses are as follows:

Status	Description
Approved (APPR)	Approved status is available only if the current PO status is WAPPR or INPRG. All fields are read-only. To approve a PO, you must have a monetary approval limit equal to or greater than the total cost of the PO. After a PO has been approved, you cannot edit any of its fields.
Canceled (CAN)	Canceled status is available if the current PO status is APPR. You cannot cancel an approved PO if one or more PO line items have been received.
Closed (CLOSE)	Closed status indicates that all the PO line items have been received. After a PO is closed, it is stored as a history record and cannot be modified.
In Progress (INPRG)	In Progress status indicates that a PO still needs to be modified before it can be approved.
Waiting on Approval (WAPPR)	Waiting on Approval is the status that a PO is assigned when it is created. Some default fields are read-only.

Note: When you create a PO, Maximo gives the PO a status of Waiting on Approval (WAPPR). Only a user with an approval limit equal to or greater than the purchase order amount can approve a purchase order.

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The Purchase Orders Application continued

Editing POs

You can edit a PO when its status is WAPPR. For example, you can change vendors, change PO tab information, add or delete PO lines, and change quantities.

PO Tabs and Functions

The Purchase Orders application contains the following tabs:

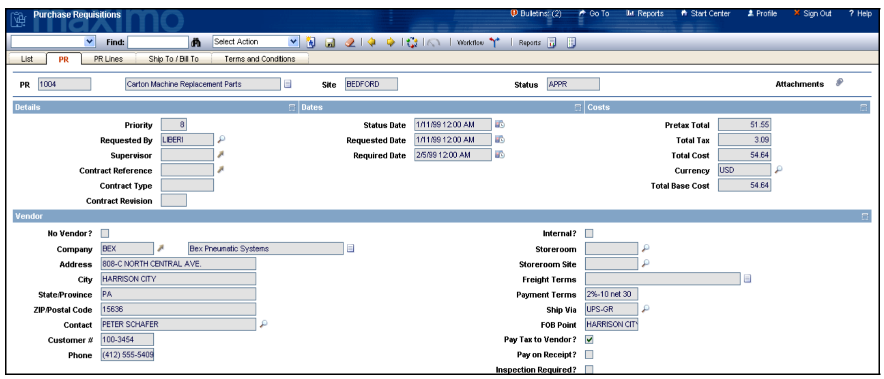
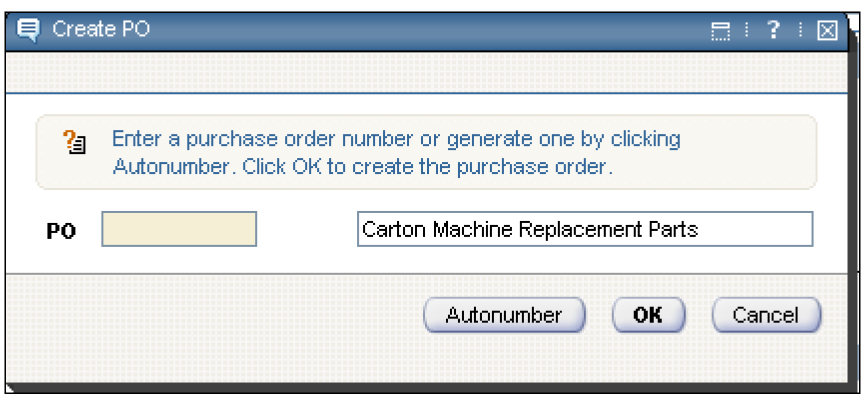
Use this tab…	To...
List	Search for PO records.
PO	Create, view, and modify POs, either from PRs or from scratch.
PO Lines	Enter line items on the PO. This tab also contains summary information from the Material Receipts and Service Receipts tabs.
Ship To/Bill To	Specify shipping information that will be used as a default on each PO line, and billing information for the entire order.
Terms and Conditions	View terms associated with the PO from the contract, PR, or RFQ, or as a default.

Creating Purchase Orders

Exercise: Creating a PO Using the PR Application

In this exercise we will use the **Purchase Requisitions** application to create a PO from an approved PR.

Scenario: You as the purchasing agent need to initiate the PO creation for the approved PR for Carton Machine Replacement Parts [*Your Name*].

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>1</td><td>From the Purchase Requisitions application, search for and select the Carton Machine Replacement Parts PR. (If you are in a single-database environment you will duplicate this PR.)
Result: Your screen should look similar to the graphic below.
</td></tr>
<tr><td>2</td><td>Select the Create PO option from the Select Action menu.
Result: The Create PO dialog box opens.

</td></tr>
</table>

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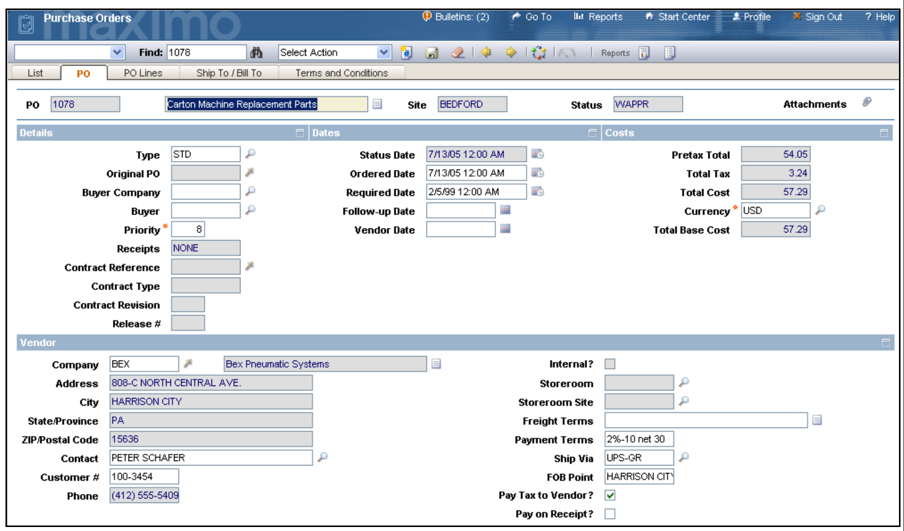
Creating Purchase Orders continued

Exercise: Creating a PO Using the PR Application

continued

Step	Action
3	Click **Autonumber**. Result: A PO number is automatically generated in the PO field. Record your PO number here: ____________
4	Click **OK**. Result: You are brought back to the PR tab and the status of the PR is CLOSE.
5	Go to the **Purchase Orders** application and retrieve the PO created in the previous step. Result: Your PO status should be WAPPR. 

Adding PO Lines

Introduction

After creating a PO, you add line detail to it. There are several ways to add line items to a PO. You can enter line items manually, copy them from a purchase requisition, or create them from a request for quotation (RFQ). This topic discusses entering line items manually.

Required Fields

Required fields are those fields on a Maximo record that must contain a value in order for the record to be saved. For example, all Maximo records require an identifier—a work order number for work orders, an item number or name for inventory items, and so on. Most records have one or more additional required fields. These required fields are marked by an asterisk (*).

When you create a new record, some of the required fields might be filled in by default. The default information might be provided by your system administrator, or it might be associated with your own user record (your record in the Labor application). Some required fields with default information can be edited, while others are read-only.

If you try to save a record with blank required fields, Maximo displays a message notifying you that required information is missing.

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Adding PO Lines continued

Adding PO Lines

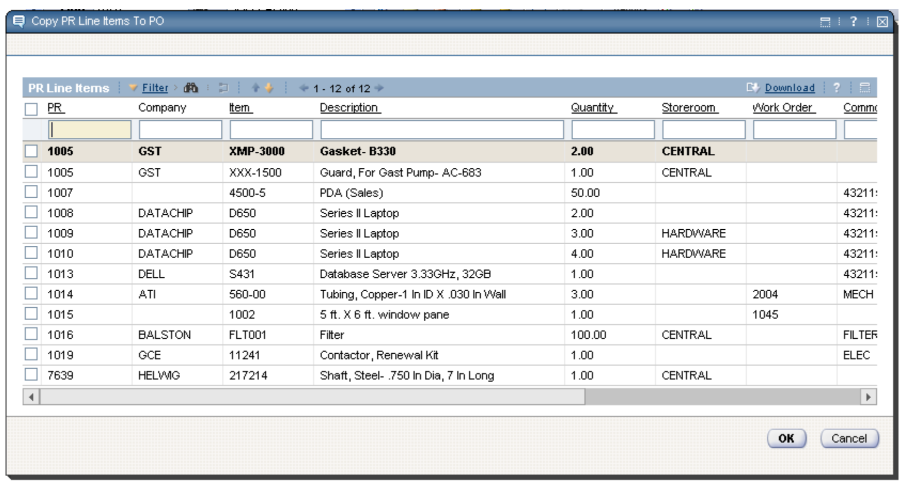
Scenario: We will copy PR lines into the PO you created and also input PO lines manually using the **New Row** and the **Select Spare Parts** buttons.

Copying PR Line Items to POs

You can copy PR line items to a PO using the Copy PR Line Items dialog box in the Purchase Orders application.

If you have access to multiple sites, you can use the dialog box to combine PRs from multiple sites onto a single PO.

Follow the steps below to copy PR line items to a PO:

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>1</td><td>Continuing from the previous exercise, go to the PO Lines tab.</td></tr>
<tr><td>2</td><td>On the Select Action menu, select Copy PR Line Items to PO.
Result: The Copy PR Line Items to PO dialog box opens.

</td></tr>
<tr><td>3</td><td>Filter for the HELWIG company and select the filtered item(s).</td></tr>
<tr><td>4</td><td>Click OK.
Result: The item(s) is added to the PO lines.</td></tr>
</table>

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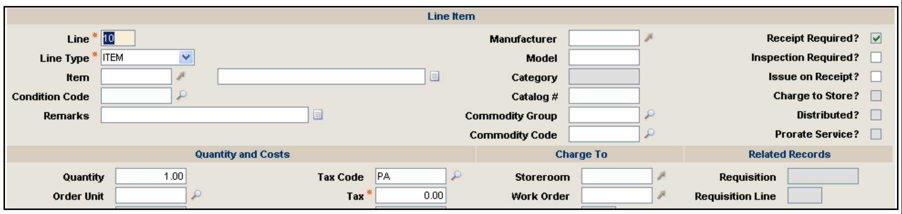
Adding PO Lines continued

Copying PR Line Items to POs

continued

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>5</td><td>Save your record.</td></tr>
<tr><td>6</td><td>On the PO Lines tab, click New Row.
<u>Result</u>: The detail section opens to accept data for a new row.

</td></tr>
<tr><td>7</td><td>In the Item field, enter G22713 for Bracket-Carton Machine.
<u>Hint</u>: Use the Detail menu.
<u>Result</u>: The detail field is populated with the G22713 default information.</td></tr>
<tr><td>8</td><td>Enter the following additional information:
<u>Field</u> — <u>Value</u>
Order Unit — EACH
Conversion Factor — 1
Unit Cost — 3.00
GL Debit Account — 6700-300-000</td></tr>
<tr><td>9</td><td>Save your record.</td></tr>
</table>

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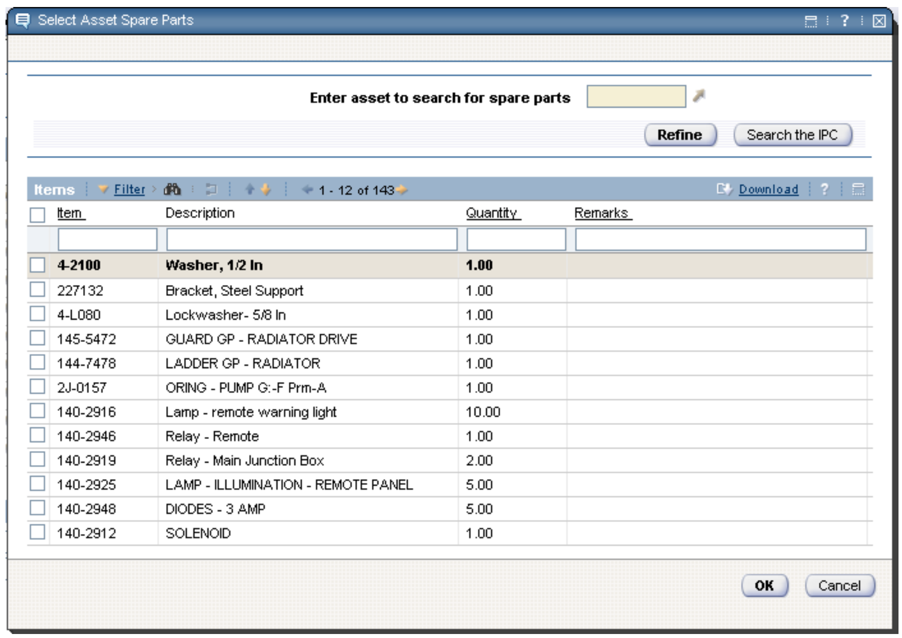
Adding PO Lines continued

Copying PR Line Items to POs continued

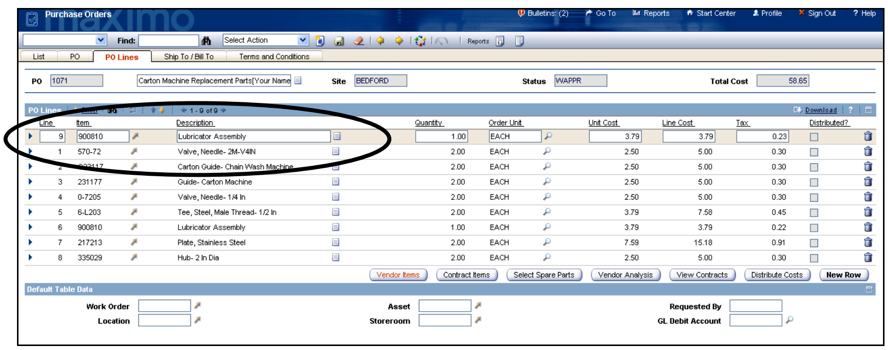
<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>10</td><td>Click Select Spare Parts.
Result: The Select Spare Parts dialog box opens.


</td></tr>
<tr><td>11</td><td>Search for and select item 4-2100.</td></tr>
<tr><td>12</td><td>Click OK.
Result: The item is added to the PO line.</td></tr>
<tr><td>13</td><td>Enter the following additional information for the item:
<table>
<tr><th>Field</th><th>Value</th></tr>
<tr><td>Order Unit</td><td>EACH</td></tr>
<tr><td>Conversion Factor</td><td>1</td></tr>
<tr><td>GL Debit Account</td><td>6700-300-000</td></tr>
</table></td></tr>
<tr><td>14</td><td>Save your record.</td></tr>
</table>

Selecting Items from the Vendors List

Selecting Items from the Vendors List

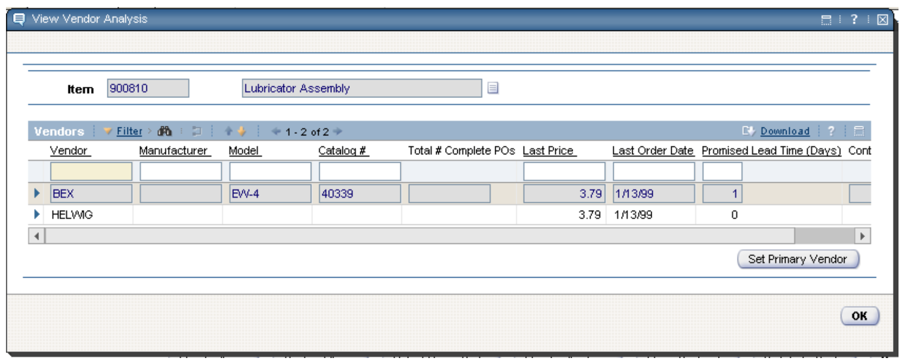
In certain purchasing and contract applications, when entering a line item for a specific vendor, you can use the Vendor Items dialog box to select items supplied by that vendor. You can open the Vendor Items dialog box by clicking the Vendor Items button on the PO line pane of the PO Lines tab.

Step	Action
1	Continuing from the previous exercise, click **Vendor Items**. Result: The Vendor Items dialog box opens.
2	Select the **Lubricator Assembly**. Click **OK**. Result: Line 12 is added on the PO Lines pane. 
3	Enter the following data for the item: **Field** — **Value** **Conversion Factor** — 1 **GL Debit Account** — 6200-300-200
4	**Save** your record.
5	Check the rest of the line items and, if necessary, enter the same Conversion Factor and GL Debit Account information as in step 3. Note: The additional data we entered is required for processing the record to its cycle completion.

Vendor Analysis

Viewing Vendor Analysis

Maximo allows you to analyze a vendor's performance. View vendor information for a selected item and set the primary vendor for one or more storerooms using the Purchase Orders application.

Step	Action
1	Continuing from the previous exercise, click **line 1** and then click **Vendor Analysis**. Result: The View Vendor Analysis dialog box opens. 

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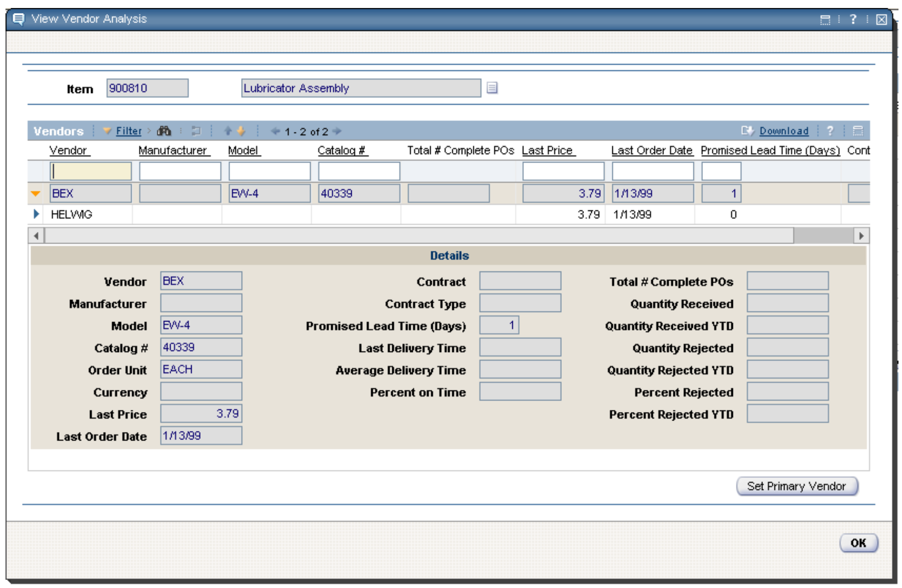
Vendor Analysis continued

Viewing Vendor Analysis

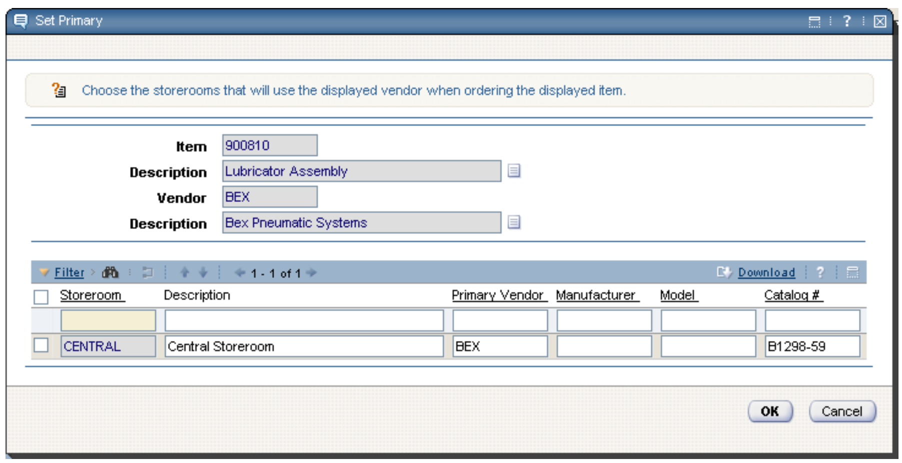
continued

Step	Action
2	Click the **View Detail** button of the first row. <u>Result</u>: The box expands to show the detail information for the first vendor. 
3	After viewing the information, click **OK** to close the **View Vendor Analysis** box.

Setting a Primary Vendor

Setting a Primary Vendor

In the previous exercise you reviewed vendor analysis data. Now you can select a primary vendor for the items and choose the storeroom(s) that will use that primary vendor when ordering the items. You do this from the View Vendor Analysis dialog box.

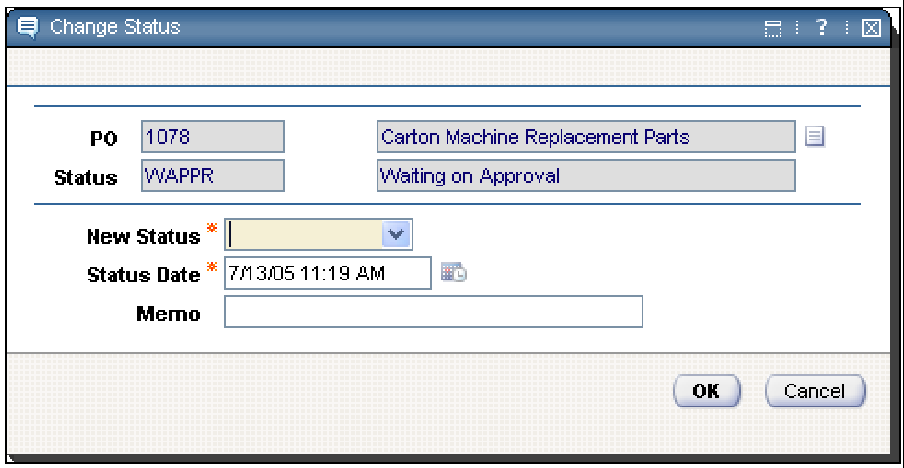
Step	Action
1	Continuing from the previous exercise, click item **900810** and then click the **Vendor Analysis** button. Result: The View Vendor Analysis dialog box opens.
2	Click **Set Primary Vendor**. Result: The Set Primary dialog box opens.  Note: Maximo presets the primary vendor of the item for the default storeroom.
3	Select the vendor by clicking on the **Select Row** box, then click **OK**. Result: The dialog box closes and the screen returns to the PO Lines tab.
4	Do the same for all line items to assign primary vendors for every item.
5	**Save** your record. Note: Do not close your window.

Changing the Status of a PO

Changing the Status of a PO

When you create a purchase order, the status of the PO is set to Waiting on Approval (WAPPR). After review by the approving officer, the PO status has to be changed as it moves through its cycle.

Follow the steps below to change the status of a PO:

Step	Action
1	Click the **Change Status** icon. Result: The Change Status dialog box opens. 
2	Change the status to **Approved**.
3	Click **OK**. Result: The PO has an APPR status. Note that most of the fields are read-only (gray).
4	**Save** your record.

continued on next page

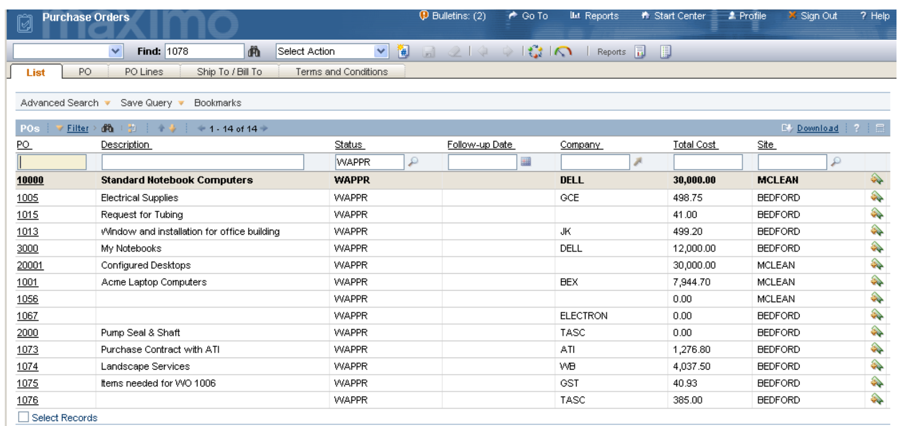
Changing the Status of a PO continued

Changing the Status of Multiple POs

You can change the status of multiple POs at the same time.

Follow the steps below to change the status of multiple POs:

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>1</td><td>In the Purchase Orders application, click the List tab with the appropriate Filter applied to display all available PO records.</td></tr>
<tr><td>2</td><td>On the Status filter field, enter WAPPR to filter for all PO records with Waiting on Approval status.

<u>Result</u>: Your screen should look similar to the graphic below.


</td></tr>
<tr><td>3</td><td>Click the Change Status icon. (You can also use the Change Status action from the Select Action menu.)

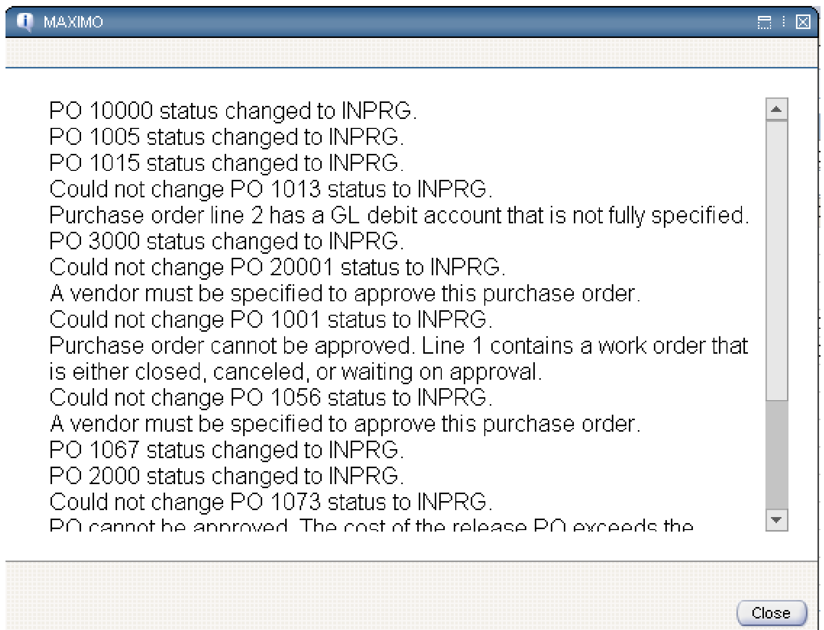
<u>Result</u>: The Change Status dialog box opens.</td></tr>
</table>

continued on next page

Changing the Status of a PO continued

Changing the Status of Multiple POs

continued

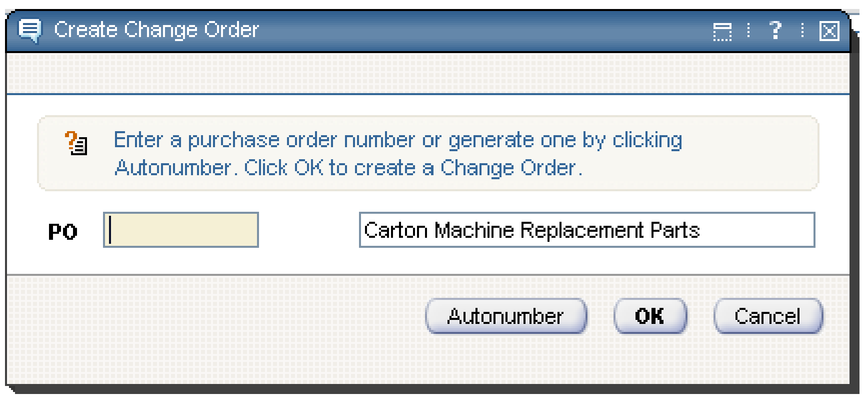
Step	Action
4	Change the Status to **In Progress** and click **OK**. Result: Maximo displays a notice similar to the following example. 
5	Click **Close**.

Creating a Change Order

Creating a Change Order

A change order is created when you want to change information, such as quantity or vendor, on a PO that has already been approved or printed. The PO must be a standard PO with a status of Approved (APPR) or In Progress (INPRG). No line items should have been shipped or received.

When you create a change order, Maximo duplicates the PO and changes the status of the original PO to Canceled. You will no longer be able to modify the original PO.

Step	Action
1	In the **Purchase Orders** application, display the PO you created earlier in this chapter.
2	From the **Select Actions** menu, select **Create Change Order**. Result: The Create Change Order dialog box opens. 

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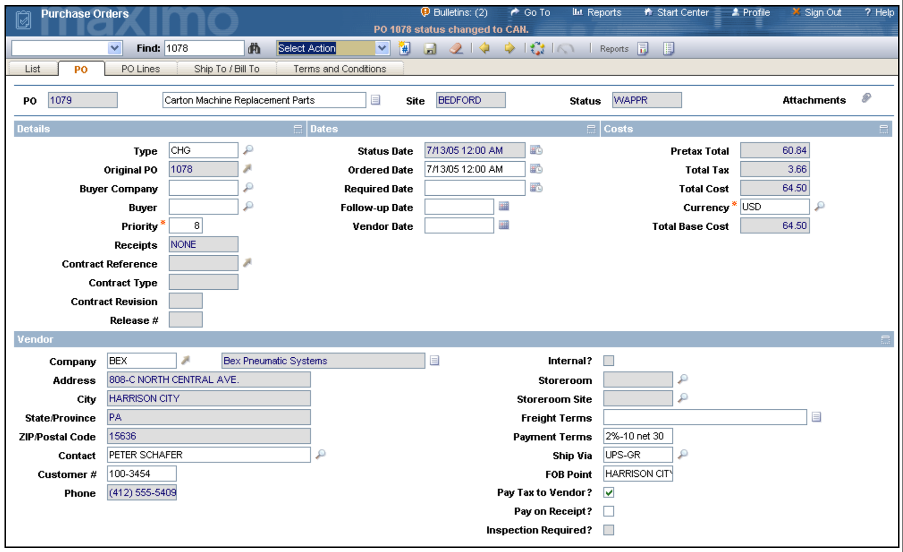
Creating a Change Order continued

Create a Change Order

continued

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>3</td><td>Click Autonumber to assign a PO number, then click OK.

<u>Result</u>: Maximo displays a new PO record with a status of Waiting on Approval.


</td></tr>
<tr><td>4</td><td>Save your record.

Write the new PO number here: __________</td></tr>
<tr><td>5</td><td>Click on the PO Lines tab.</td></tr>
<tr><td>6</td><td>Delete PO lines 6 and 9 by clicking the Mark Row for Delete icon.</td></tr>
<tr><td>7</td><td>Save your record.</td></tr>
<tr><td>8</td><td>Approve the PO.</td></tr>
</table>

Chapter Summary

Introduction

Use the Purchase Orders application to create purchase orders. A purchase order (PO) is an authorized order from a purchasing agent or department to an internal supplier or external vendor.

You can create POs in three ways:

- Directly from the Purchase Orders application
- From purchase requisitions (PRs)
- From requests for quotations (RFQs)

You also use this application to create change orders.

Creating Purchase Orders

A purchase order can list items or services for one vendor or supplier only. You can combine multiple purchase requisitions for the same vendor on a single PO.

Copying PR Line Items to POs

You can copy PR line items to a PO using the Copy PR Line Items dialog box in the Purchase Orders application.

If you have access to multiple sites, you can use the dialog box to combine PRs from multiple sites into a single PO.

continued on next page

Chapter Summary continued

Selecting Items for Vendors List	In certain purchasing and contract applications, when entering a line item for a specific vendor, you can use the Vendor Items dialog box to select items supplied by that vendor. The Vendor Items dialog box is accessible from several applications.
Vendor Analysis	Maximo allows you to analyze a vendor's performance. In the Purchase Orders application, you can view vendor information for a selected item and set the primary vendor for one or more storerooms.
Setting Primary Vendor	When you review vendor analysis data, you can select a primary vendor for an item and choose the storeroom(s) that will use the primary vendor when ordering an item. You do this from the View Vendor Analysis dialog box.

Workshop

Workshop Exercise

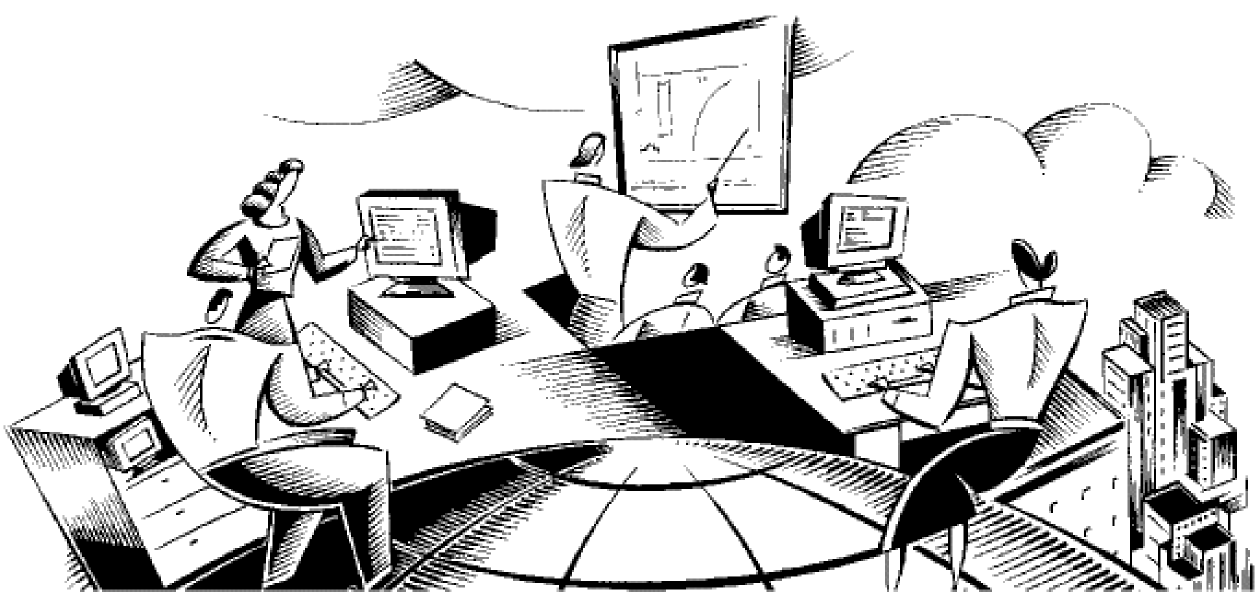
Scenario: In this exercise we will create a new PO for some pumps.

Step	Action
1	Create a new PO.
2	Enter the following information for your new PO: **Field** — **Value** **Description** — Order new pumps **Company** — WB
3	Enter the following line on the PO: **Field** — **Value** **Item** — PUMP100 **Quantity** — 3 **Order Unit** — EACH **Unit Cost** — 1250 **GL Debit Account** — 6220-200-300 **Commodity Group** — 40151500 **Commodity Code** — 40151503
4	Approve the PO.
5	Create a change PO. Change the **Quantity** from 3 to 5.
6	Approve the PO.

NOTES:

Purchasing with MXES

Chapter 10: Receiving



In This Chapter

This chapter contains the following topics:

Chapter Overview

Introduction

When vendors ship materials to your company, you need to be able to record their receipt in the database.

Chapter Focus

This chapter focuses on recording the receipt of materials and services against your purchase orders using the Receiving application from the Purchasing module.

Learning Objectives

When you have completed this chapter, you should be able to:

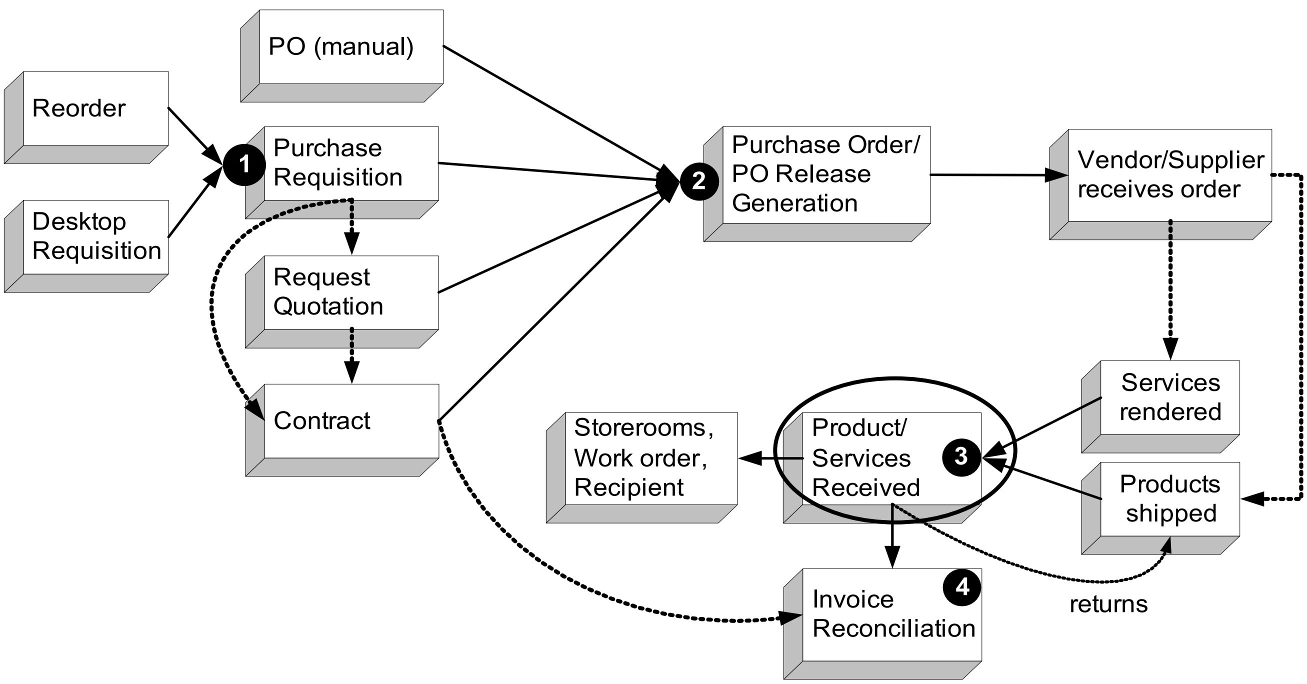
- receive materials,
- approve a receipt for which inspection is required,
- receive a service,
- receive partial shipments, and
- transfer materials for receipt against an internal purchase order (PO).

continued on next page

Chapter Overview continued

We Are Here: Product Received and/or Services Rendered

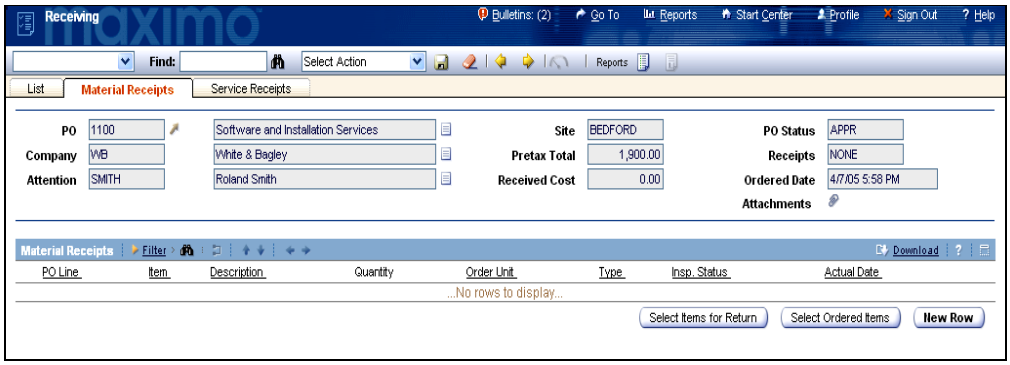
Services are rendered and materials are received using the **Receiving** application. If applicable, inspections are performed; if necessary, returns are made. Ordered items are moved to storerooms, work locations, recipients, and so forth.



Overview of the Receiving Application

Revisiting the Receiving Application

You use the **Receiving** application to receive materials and services from purchase orders. You can search for and receive existing PO line items from the Select Ordered Items and the Select Ordered Services pages, accessible from the Material Receipts and Service Receipts tabs, or you can manually enter received items on the Receipts tabs.



Definition: Receipt

A *receipt* is a type of transaction in Maximo that indicates that a vendor has delivered materials or performed a service. A receipt transaction affects more than one application in Maximo.

For example, a standard receipt of material for a storeroom affects the PO that called for the order of the material in the Purchase Orders application, and the item balances in the Inventory application.

Two Types of Receipts in Maximo

In Maximo there are two kinds of receipts:

- *Material* receipts refer to data associated with items used for work done on site by your company's employees, such as quantities and lot numbers. When inventory items are received against a PO, the quantities in inventory are updated, and an inventory transaction is generated.
- *Service* receipts refer to data associated with any service provided by a vendor or contractor, such as asset repairs. The service can be performed on site or off site. You specify service purchases in terms of a quantity and a unit cost, or as a single lump-sum amount.

continued on next page

Overview of the Receiving Application continued

Tabs and Functions

The **Receiving** application has the following tabs.

Use this tab…	To…
List	Search for receipt records.
Material Receipts	Record receipt of any materials, including stocked items, special order items, and material for direct issue to a work order.
Service Receipts	Record the receipt of any services ordered on a PO.

Receiving Materials

Selecting Ordered Items

If you want to select ordered items, check the box for each receipt you want to approve, or check the box in the table header to select all of the receipts.

Partial Receipts

Sometimes a vendor sends only a partial shipment of the materials on a PO. We therefore need to be able to record partial receipts.

After a partial shipment of materials from a vendor, two things can happen:

- You receive the balance of materials at a later date to complete the shipment.
- You do not expect to receive the balance from the vendor and want to indicate that the receipts are complete, although the received quantity is less than the ordered quantity.

Receiving a Partial Shipment

To receive a partial shipment of materials, you follow the same steps as when you receive a complete shipment, with two exceptions:

- On the **Select Ordered Items** page, choose only those lines for which you have received items.
- Before saving the receipt record, change the quantities on the **Material Receipts** tab to the amount actually received.

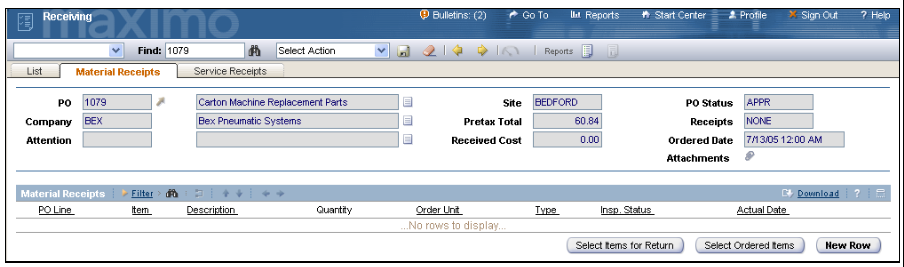
continued on next page

Receiving Materials continued

Receiving Material

You use the Material Receipts tab to enter information about items received on an approved PO. You can copy all the PO line items to the Material Receipts table window if the entire order has been received, or you can enter partial receipts.

The first step is to input item lines for receipts into the record. You can accomplish this using the New Row button or the Selected Ordered Items button. In this exercise, we will use the Select Ordered Items button.

Step	Action
1	In the **Receiving** application, retrieve the change order PO you created for carton machine replacement parts on page 9-20. Result: Your screen should look similar to the screen below. 
2	Click **Select Ordered Items**. Result: The Select Ordered Items dialog box opens.
3	Click to select the check boxes next to line items **1–8** for the Central storeroom.
4	Click **OK**. Result: All PO lines are copied into the Material Receipts pane.
5	**Save** the record. Result: Because we received only some of the ordered items, the Receipts status is PARTIAL. Note: If you didn't receive the entire quantity of an item, before saving the receipt record, you would change the quantities on the Material Receipts tab to the amount actually received.

continued on next page

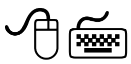
Receiving Materials continued

Receiving the Balance

When you receive a partial shipment, you might receive the balance of the order later.

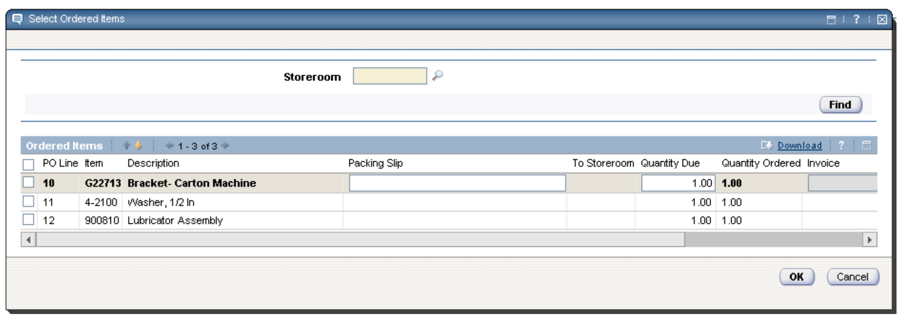
The process for this is similar to the process for receiving all of the materials you ordered.

Completing Partial Receipts



Scenario: The PO in the previous exercise has been partially received. The rest of the items have now arrived and they are in complete order.

Follow the steps below to complete the receipt.

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>1</td><td>Continuing from the previous exercise, click Select Ordered Items.
Result: The Select Ordered Items dialog box opens.

</td></tr>
<tr><td>2</td><td>Select all the remaining items listed and then click OK.
Result: The dialog box closes and the screen returns to the Material Receipts tab.</td></tr>
<tr><td>3</td><td>Save your record.
Result: The status of your receipts is now COMPLETE.</td></tr>
</table>

Receiving a Service

Introduction

It is a best practice to invoice a service because you cannot have a variance on a service after it is received. However, if your company wants to receive services through the Receiving application, we will explore how this is done here.

You indicate the receipt of a service on a PO in the same way that you indicate the receipt of material. A service, however, always requires approval. Generally, this is done after the service has been inspected and deemed satisfactory.

Selecting Ordered Services

You use the Select Ordered Services dialog box to select total or partial receipts on a PO. Maximo copies the selected services to the Service Receipts table.

Note

If you want to return/reject services, you must create a negative receipt line on the Service Receipts tab. To do this, click **New Row** and then enter the receipt line with a negative quantity. You can then enter a value in the **Rejected Code** field to explain the reason for the return/reject.

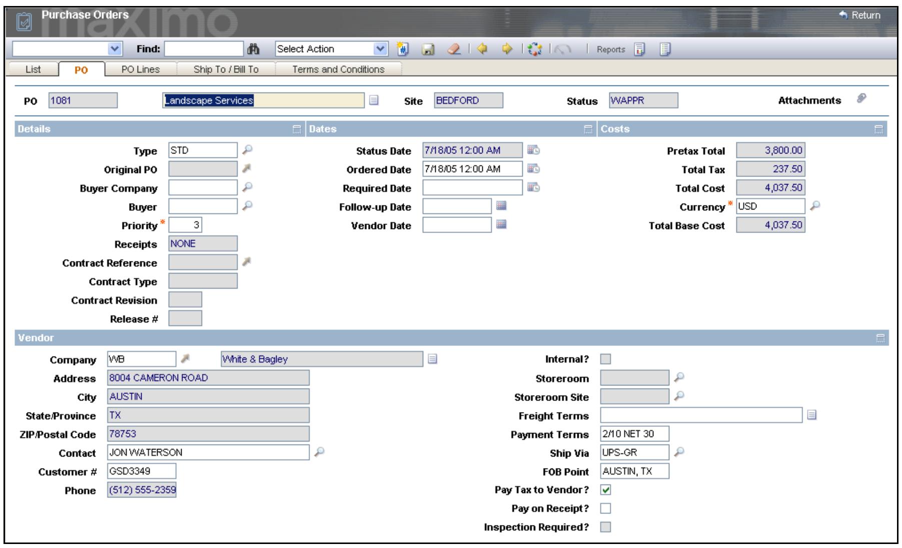
For example, say you receive a total of six services but two of them are unsatisfactory. Receive all six via the Select Orders Services dialog box. Then click **New Row** and enter a new receipt line, this time with a **Quantity** of negative two (-2), and the appropriate reason in the **Rejected Code** field.

continued on next page

Receiving a Service continued

Receiving a Service

<u>Scenario</u>: We will receive the services done for the landscaping.

Step	Action
1	First we have to create a PO with a status of In Progress to be used for this exercise. Go to the **Purchase Orders** application and retrieve the PO you created on page 7-23, for landscape services. <u>Result</u>: Your screen should look similar to the graphic below. 
2	Click on the **PO Lines** tab, then click the **View Details** icon for item **2**. Check the **Inspection Required?** check box.
3	Change the status of your PO to **In Progress** and then **save** your record.

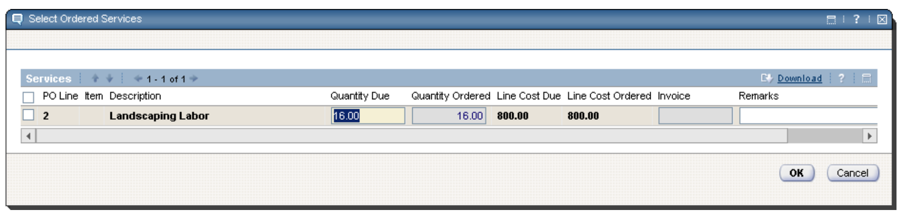
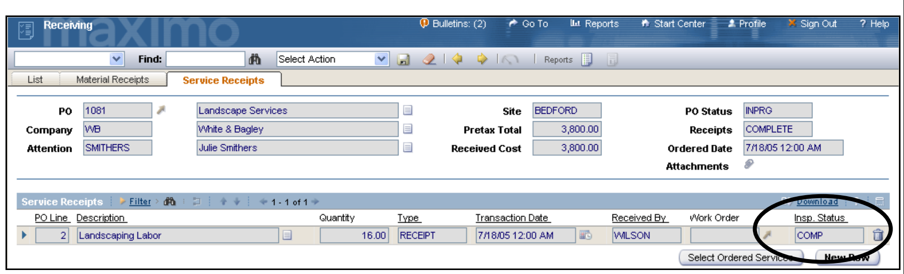
continued on next page

Receiving a Service continued

Receiving a Service

continued

Scenario: You have inspected the landscape services and have found everything satisfactory. You are now going to receive the service into Maximo with the Materials Receipts application.

Step	Action
4	Go to the **Receiving** application. Search for and select the PO from step 1.
5	Click on the **Service Receipts** tab and then click **Select Ordered Services**. Result: The Select Ordered Services dialog box opens. 
6	Check the **Select Record** box to select the item and then click **OK**. Result: The item line is copied into the Service Receipts pane.
7	**Save** your record.
8	On the **Select Action** menu, choose **Change Inspection Status**. Result: The Change Inspection Status dialog box opens.
9	Click on the **Service Receipts** tab.
10	Check the **Select Record** box for the service and then click **OK**. Result: The Inspection Status is now Complete. 

Inspection Statuses

Introduction

When an inspection is required upon receipt of an item or service, the statuses described in this section tell you where the line item is in the inspection process. You can change an item's inspection status via the Change Inspection Status dialog box.

Inspection Statuses

The following table describes the line item inspection statuses.

This status…	Indicates that…
Waiting for Inspection (WINSP)	The line item is in the process of being received, but has not yet been entered into inventory. The line item is currently in a holding location, where it will stay until an inspection is completed. When an inspection has been completed, the line item will go to either WASSET or COMP status, depending on whether or not it is a rotating item.
Waiting for Serialization (WASSET)	The line item is a rotating item that is awaiting serialization (waiting to have an asset number assigned to it). If the line item requires inspection, the inspection has already taken place if its status is WASSET. The item is still in the holding location, and has not yet been sent to its appropriate storeroom or direct-issue location. After the item has been serialized via the Receive Rotating Items dialog box, its status will be COMP.
Complete (COMP)	The line item has been received and, if necessary, inspected and/or serialized. When Maximo changes the status of the line item to COMP, it also creates a transfer transaction, which transfers the item to its appropriate storeroom or direct-issue location. If the line item is not rotating and does not require inspection, the status goes directly to COMP upon receipt.

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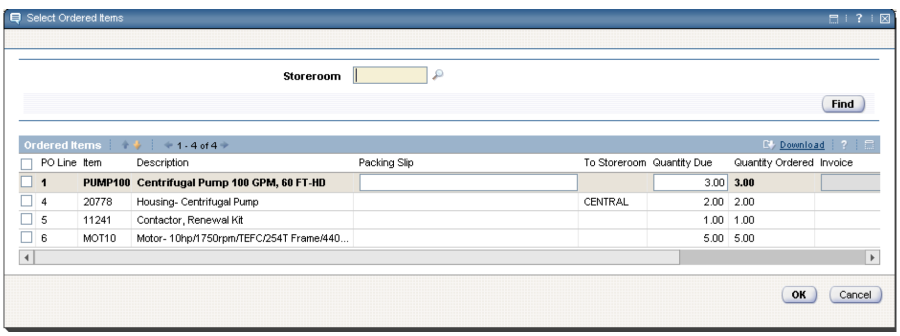
Inspection Statuses continued

Changing the Inspection Status

Scenario: Normally the materials need inspection before they are issued to the storeroom. Thus they are received first in a receiving area, where they will be inspected. As the receiving area supervisor, you have inspected the items and found everything to be satisfactory. You will now change the inspection status to Complete.

Step	Action
1	In the **Receiving** application, retrieve PO **1066**. Note: If you are in a shared-database environment, you will need to duplicate this PO first.
2	Click **Select Ordered Items**. Result: The Select Ordered Items dialog box opens. 
3	Select all the items and then click **OK**. Result: The item line is copied to the Material Receipts pane. Note: Notice all of the inspection statuses.
4	**Save** your record.

continued on next page

Inspection Statuses continued

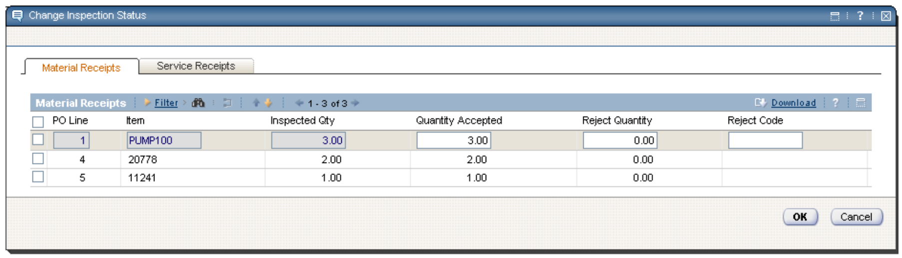
Changing the Inspection Status

continued

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>5</td><td>

From the **Select Action** menu, choose **Change Inspection Status**.

Result: The Change Inspection status dialog box opens.

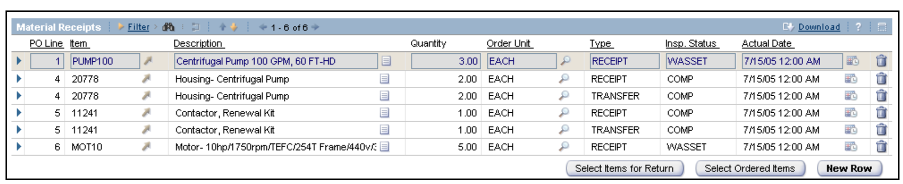


Note: Only three items with the status of WINSP appear because the other item on this PO has a status of WASSET.

</td></tr>
<tr><td>6</td><td>

Check the **Select All Records** box and then click **OK**.

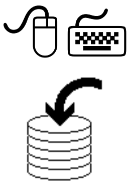
Result: A new row appears on the Material Receipts pane indicating that PO line items 4 and 5 are inspected and transferred to the storeroom. Line items 1 and 6 are still awaiting asset numbers.



</td></tr>
</table>

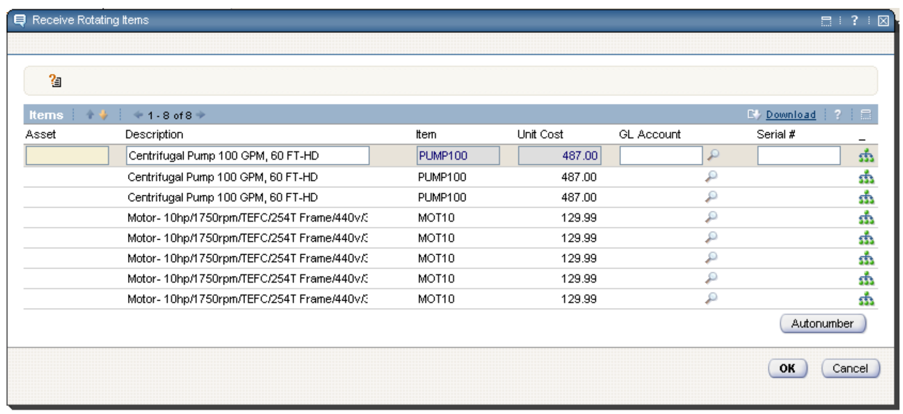
Receiving Materials to Be Inspected

Receiving Rotating Items with Inspection



In Maximo, each rotating item goes into Inventory with an item number and is also tracked in the Assets application with an asset number.

To enter line items for rotating items on the **Material Receipts** tab, use the **Receive Rotating Items** option from the **Select Action** menu. You can enter asset identifiers for specific rotating assets, or automatically number all of the rotating items.

Step	Action
1	Continuing from the previous exercise, select **Receive Rotating Items** from the **Select Action** menu. Result: The Receive Rotating Items dialog box opens. 
2	Enter 6100-400-200 in the **GL Account** field.
3	Click **Autonumber** to assign asset numbers to all of the items.

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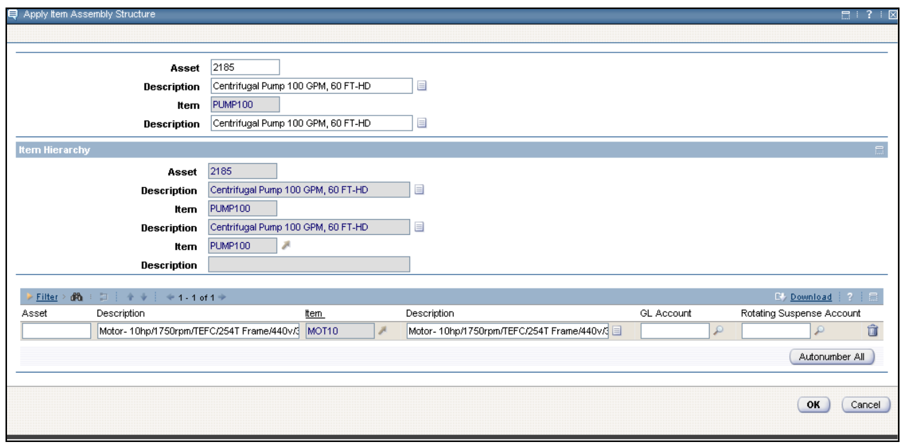
Receiving Materials to Be Inspected continued

Receiving Rotating Items with Inspection

continued

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>4</td><td>Because pumps consist of subassemblies, we will apply the Item Assembly Structure option to the first item on the list. Do this by clicking the icon on the right side of the row.

<u>Result</u>: The Item Assembly Structure dialog box opens.


</td></tr>
<tr><td>5</td><td>Click Autonumber All to assign an asset number to the subassembly, then click OK.</td></tr>
<tr><td>6</td><td>Repeat steps 4 and 5 for the remaining pumps.</td></tr>
</table>

continued on next page

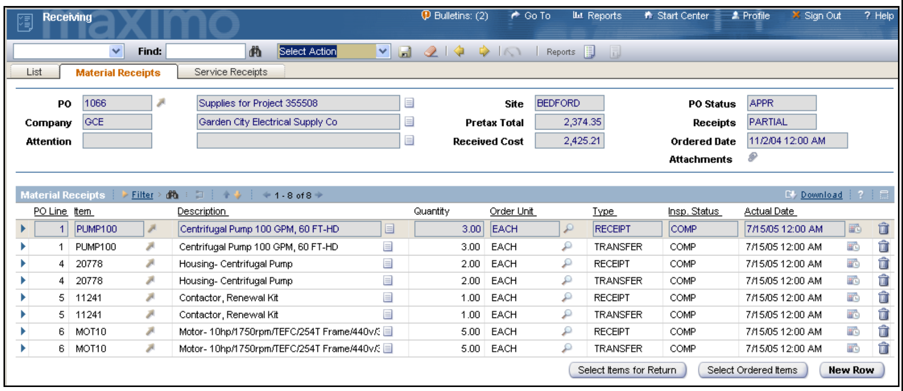
Receiving Materials to Be Inspected continued

Receiving Rotating Items with Inspection

continued

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>7</td><td>When you have finished applying item assembly structures to all of the pumps, click OK in the Receive Rotating Items dialog box.

<u>Result</u>: You are returned to the Material Receipts tab with the inspection statuses changed to COMP.


</td></tr>
<tr><td>8</td><td>Save your record.</td></tr>
</table>

Completing Receipts for Less than the Ordered Quantity

Introduction

Maximo allows you to indicate that PO lines are complete even though the amount received is less than the amount ordered. This should be done when you do not expect to receive the originally ordered quantities.

Completion of Receipts

For a PO to be complete, all of the PO lines must be complete.

The **PO Lines** tab in the **Purchase Orders** application has a **Receipts** field, which indicates whether the material or services for the PO line have been received.

The value in the **Receipts** field of the Purchase Orders application correlates to the **Receipt Status** field in the Receiving application.

- Before any receipts have been made, these fields indicate NONE.
- When some items have not been received, the fields indicate PARTIAL.
- When some items have not been received but the purchase order receipts are manually complete, the fields indicate COMPLETE.

Manually Completing a PO Line

To manually complete a PO line, you must go to the originating PO record in the Purchase Orders application, select **Complete Receipts**, and work through a number of steps.

The following exercise shows how to do this.

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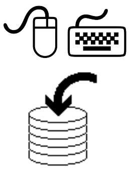
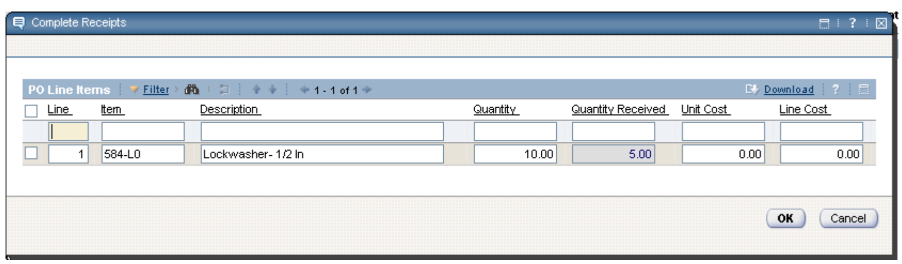
Completing Receipts for Less than the Ordered Quantity continued

Completing Receipts for Less than the Ordered Quantity



For this exercise we will use the partially received Pump PO from the previous exercise.

Scenario: You have received 5 of the items ordered on PO 1023. However, the vendor has notified you (the purchasing agent) that they could provide only 5 out of the 10 items ordered in PO 1023. The item is discontinued, so they will not be able to fill the order in the future. Therefore, you need to complete the receipt for the 5 that you have received.

Step	Action
1	In the **Receiving** application, search for and select PO **1023**.
2	Click **Select Ordered Items**.
3	Select the item and click **OK**.
4	Click **View Details**.
5	Change the number in the **Quantity** field from 10.00 to 5.00.
6	**Save** the record.
7	Click the **Detail Menu** button next to the **PO** field and select **Go to Purchase Orders**.
8	Choose **Complete Receipts** from the **Select Action** menu. Result: The Complete Receipts page opens. 

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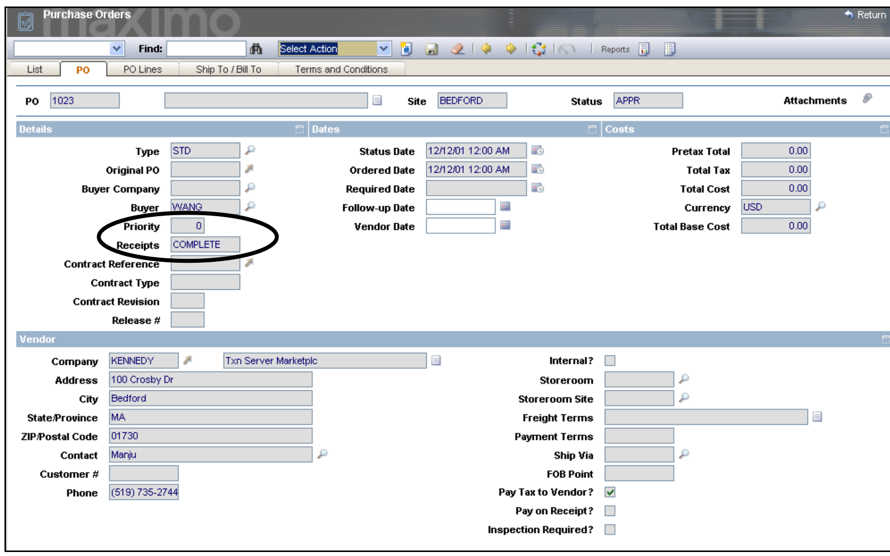
Completing Receipts for Less than the Ordered Quantity continued

Completing Receipts for Less than the Ordered Quantity

continued

Step	Action
9	Select the line item and click **OK**. Result: The dialog box returns to the PO tab screen.
10	**Save** the record. Result: The Receipts status is now COMPLETE. 

Receiving to the Completed PO Line

Note: If the vendor later ships the balance of a PO line item that you indicated was complete, you can still receive the item against this PO.

You can record this receipt even if you have invoiced and closed the PO.

Chapter Summary

Receiving Materials	You receive materials using the **Material Receipts** tab, and you use the **Select Ordered Items** button to select from the list of items that you ordered on the PO.
Receipts and Other Applications	Receiving material on a PO affects other functions as follows: • If you order an item for a storeroom, the receipt of the item increases the balance in the storeroom. • If you order the item for direct issue to a work order, the receipt records the item as actual material used on the work order.
Partial Receipts	You change the quantity on a material receipt line to a smaller amount to indicate a partial shipment. You can receive the balance of the order at a later time, or you can indicate that the PO line is complete if you do not expect to receive the balance from the vendor.
Inspection of Material Receipts	If you mark a PO line as requiring inspection, the receipt does not affect other applications until you approve it. To approve a receipt, select **Approve Material Receipts** from the **Select Action** menu.
Receiving a Service	Record the receipt of a service on the **Service Receipts** tab. A service always requires approval using the **Approve Service Receipts** option from the **Select Action** menu.

continued on next page

Chapter Summary continued

Service Receipts in Labor Reporting

Maximo allows maintenance employees to record the receipt of services in the Labor Reporting application.

As a purchasing employee, you can view these receipts on the POs.

Internal Receipts

An internal PO uses a storeroom as a vendor.

There are two methods of recording internal receipts:

- You can record the receipt using the Receiving application.
- You can use the Issues and Transfers application to transfer an item from the storeroom that is the internal vendor on the PO to the storeroom requesting the items.

Workshop

Introduction

In this workshop you will practice creating a PO and receiving materials and services.

Workshop Exercise

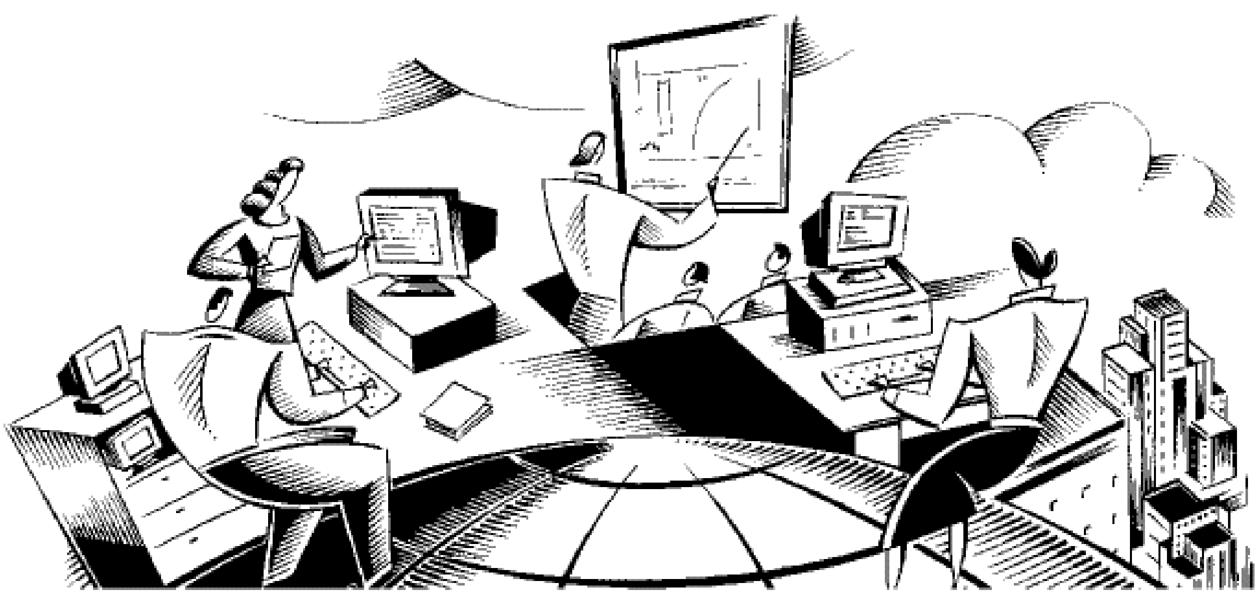
You will need to complete the following steps before proceeding with the workshop exercise.

Step	Action
1	Create a PO for vendor Thermo King with 3 line items: • Item 11453 (quantity of 1) • Rotating Item MOT10 (quantity of 2) • Standard Service: Installation (8 hours) All have a conversion factor of 1.
2	Check Inspection Required? for each line item.
3	Approve the PO.
4	Receive the item.
5	Receive the rotating item.
6	Receive the service.
7	Complete inspections.

NOTES:

NOTES:

Chapter 11: Invoices



In This Chapter

This chapter contains the following topics:

Chapter Overview

Introduction

As a result of purchasing materials and services, your company receives invoices from vendors.

Maximo allows you to enter vendor invoice information, match that information against the purchase order (PO) and receipt of materials and services, and then approve the invoice so it can be passed on to your accounts payable system.

Chapter Focus

This chapter focuses on using Maximo to process invoices for materials and services that you have received.

Learning Objectives

When you have completed this chapter, you should be able to:

- enter an invoice;
- copy line items from material receipts, service receipts, or POs;
- perform a three-way match;
- distribute the cost of a line item among various GL accounts;
- approve an invoice;
- close a PO from the Invoices application;
- state PO limits and invoice tolerances associated with approving invoices;
- enter multiple POs on an invoice; and
- create an invoice with multiple vendors.

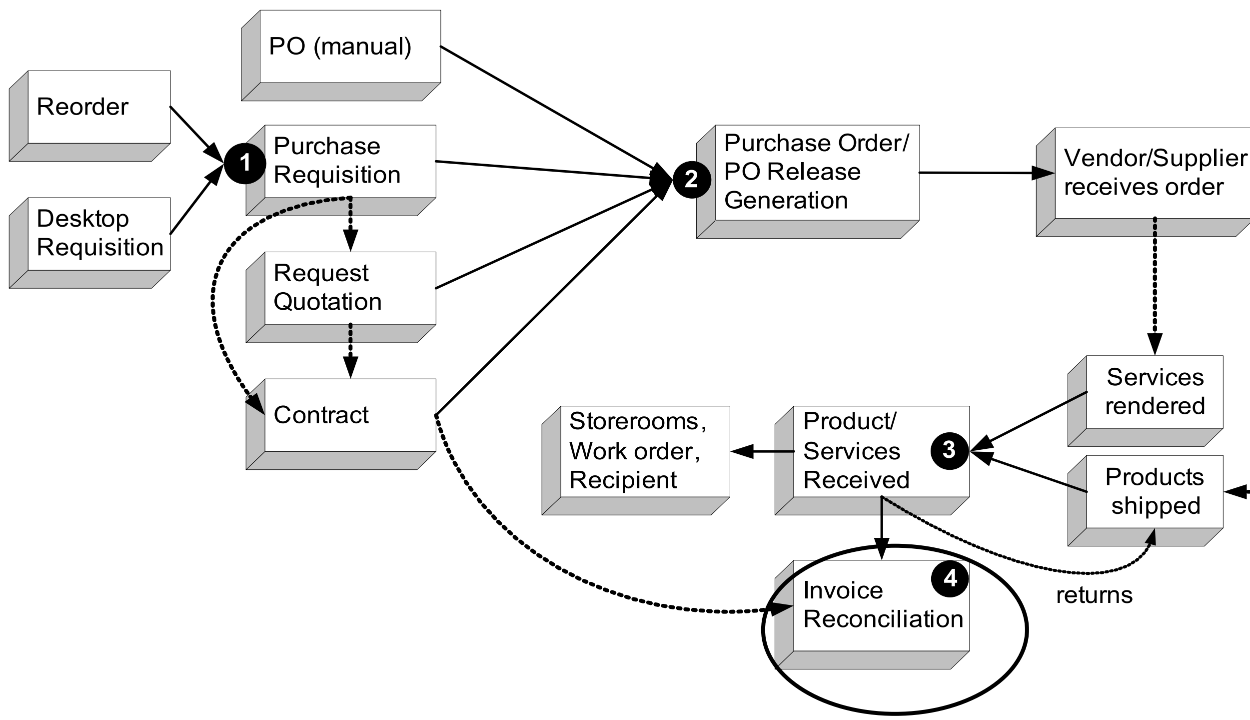
continued on next page

Chapter Overview continued

We Are Here: Invoice Reconciliation

As a result of purchasing materials and services, your company receives invoices from vendors. Maximo allows you to enter vendor invoice information, match that information against the PO and receipt of materials and services, and then approve the invoice so it can be passed on to your accounts payable system.

This section focuses on using Maximo to process invoices for materials and services that have been received. As a purchasing employee, you will receive invoices from vendors for items and services that you have received.



Introduction to the Basic Invoice Process

Introduction

When your company receives an invoice from a vendor, you must check the information on that invoice against the actual materials and/or services that are on the PO.

You must enter and account for extra costs, and then you must approve the invoice and forward it to accounts payable.

Basic Invoice Process

The basic invoice process consists of the following three steps. (Step 1 starts the process, but your work in Maximo consists of steps 2 and 3.)

1. Receive the invoice from the vendor.
2. Enter the vendor invoice information.
3. Match the vendor invoice to the POs so that you can approve it and route it to accounts payable.

Step 2 includes entering charges that might not have been on the PO, such as shipping and handling charges.

Step 3 includes copying received materials and services to the Invoice Lines tab.

Overview of the Invoices Application

Invoices Application

The Invoices application lets you record invoices, as well as debit and credit notes from vendors, and match invoice details against purchase orders (POs) and receipts. It also lets you create invoices for which there are no receipts.

Entering invoices in Maximo lets you match the invoice information against POs and receipts of materials and services, so that the invoice can be approved and routed to accounts payable.

Three Types of Invoices

The invoice you create in Maximo will be one of these invoice types:

Invoice Type	Description
Single PO	An invoice related to a single purchase order—you enter information such as the invoice number, corresponding PO number, any receipts recorded for the PO, and information specific to the invoice.
Multi POs	An invoice related to many purchase orders—you enter general invoice data on the Invoice tab, then list the related POs on the Invoice Lines tab.
No PO	An invoice without a related purchase order—typically, such an invoice represents a bill for which there is no purchase requisition or purchase order. Invoice-specific information is entered into the application.

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Overview of the Invoices Application continued

Invoice Statuses

Changing statuses on invoices affects field functionality and access to various action pages.

The invoice statuses are as follows:

Status	Description
Approved (APPR)	This status is available only if the current invoice status is Entered, Waiting on Approval, or Hold. If you change the status directly to Paid without approving the invoice first, Maximo automatically validates the invoice for approval criteria. An approved invoice is stored as a history record; for invoices in history, you can change only the **Check Code**, **Check Number**, and **Paid** fields.
Cancel (CANCEL)	This status is available only on the Change Status dialog box if the current invoice status is Entered, Waiting on Approval, or Hold. You cannot cancel an approved invoice. A canceled invoice is stored as a history record and cannot be modified.
Invoice Entered (ENTERED)	This is the default status when you create an invoice. A newly entered invoice has some fields filled in by default; some of these are read-only. An invoice with Entered status can be edited. After the status of an invoice is changed from Entered via the Change Status dialog box, the Entered status is no longer available.
Hold (HOLD)	This status is available only if the current invoice status is Entered or Waiting on Approval. You can change the invoice status to Hold if the invoice should not be approved or paid yet. For example, if you have received an invoice but not yet received the items, or if there is a discrepancy between the invoice and receipts, you can place the invoice on Hold status. An invoice on hold can be edited.

continued on next page

Overview of the Invoices Application continued

Invoice Statuses continued

Status	Description
Paid (PAID)	This status is available only if the current invoice status is Entered, Waiting on Approval, Approved, or Hold. If you change the status directly to Paid without approving the invoice first, Maximo automatically approves the invoice. A paid invoice is stored as a history record and cannot be modified.
Schedule (SCHED)	This status indicates that the invoice is part of a payment schedule, set up for a specific contract. Invoices with this status can be created only from the Contracts applications. A Scheduled invoice can be changed to any status except Entered.
Waiting on Approval (WAPPR)	This status is available only if the current invoice status is Entered or Hold. This status indicates that invoice information has been entered and is ready for review and approval by the appropriate level of staff. An invoice waiting for approval can be edited.

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Overview of the Invoices Application continued

Tabs and Functions

The following table describes the tabs in the Invoices application and their function.

Use this tab…	To…
List	Search for invoice records.
Invoice	Enter general header information about the invoice. This includes an optional description of the invoice, the status, and the PO number and/or vendor (the remit-to company).
Invoice Lines	Enter or view the line items for materials and services you have been invoiced for. You can enter the line items manually, or use the Copy PO Lines button.
Terms and Conditions	Associate new or existing terms with a purchase order.

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Overview of the Invoices Application continued

Fields on the Invoice Tab

There are several important fields on the Invoice tab. The table below describes these fields.

Field	Description
Vendor Invoice	Indicates the number of the invoice that the vendor uses.
Status	Displays the invoice's status, which can be any of the following: • APPR (approved) • CANCEL (invoice has been canceled) • ENTERED (entered) • HOLD (hold for approval) • PAID (invoice has been paid) • WAPPR (waiting for approval)
PO	Indicates the purchase order with line items that appear on this invoice. The specified PO must have one of these status settings: • APPR (approved) • CLOSE (closed) • INPRG (in progress) Note: You do not have to enter a PO number. In some cases, a vendor's invoice may reference more than one PO.
Type	Indicates the type of document being entered: • CREDIT (credit note) • DEBIT (debit note) • INVOICE (invoice—the default)

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Overview of the Invoices Application continued

The Invoice Lines Tab

You use the **Invoice Lines** tab to enter or view the line items for materials and services for which you have been invoiced. You can enter the line items manually, or use the **Copy PO Lines** button. You can enter lines from a single PO, or from multiple POs if the POs are for the same vendor.

This tab also contains cost and charge account information.

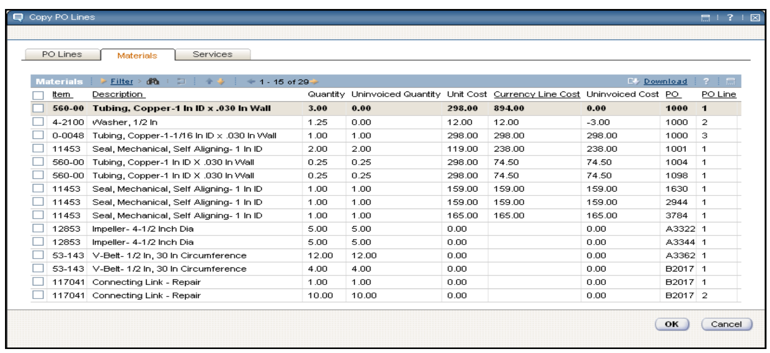
To Add or Modify Materials

The **Contract Reference** field should be left blank before adding **Materials** or **Line Items** to an invoice line. An established contract reference prohibits adding of materials to invoices. Select the materials to be added from the **Copy PO Lines** dialog box on the **Invoice Lines** tab.

Materials Tab

This tab displays a subset of the line item data from the Receiving application's Material Receipts tab.

The **Materials** tab is on the Copy PO Lines page. Click the Copy PO Lines button at the bottom of the Invoice Lines tab page. Maximo displays the Copy PO Lines dialog box with the **Materials** tab in the middle.



Item	Description	Quantity	Uninvoiced Quantity	Unit Cost	Currency Line Cost	Uninvoiced Cost	PO	PO Line
560-00	**Tubing, Copper-1 In ID x .030 In Wall**	**3.00**	**0.00**	**298.00**	**894.00**	**0.00**	**1000**	**1**
4-2100	Washer, 1/2 In	1.25	0.00	12.00	12.00	-3.00	1000	2
0-0048	Tubing, Copper-1-1/16 In ID x .030 In Wall	1.00	1.00	298.00	298.00	298.00	1000	3
11453	Seal, Mechanical, Self Aligning- 1 In ID	2.00	2.00	119.00	238.00	238.00	1001	1
560-00	Tubing, Copper-1 In ID X .030 In Wall	0.25	0.25	298.00	74.50	74.50	1004	1
560-00	Tubing, Copper-1 In ID X .030 In Wall	0.25	0.25	298.00	74.50	74.50	1098	1
11453	Seal, Mechanical, Self Aligning- 1 In ID	1.00	1.00	159.00	159.00	159.00	1630	1
11453	Seal, Mechanical, Self Aligning- 1 In ID	1.00	1.00	159.00	159.00	159.00	2944	1
11453	Seal, Mechanical, Self Aligning- 1 In ID	1.00	1.00	165.00	165.00	165.00	3784	1
12853	Impeller- 4-1/2 Inch Dia	5.00	5.00	0.00		0.00	A3322	1
12853	Impeller- 4-1/2 Inch Dia	5.00	5.00	0.00		0.00	A3344	1
53-143	V-Belt- 1/2 In, 30 In Circumference	12.00	12.00	0.00		0.00	A3362	1
53-143	V-Belt- 1/2 In, 30 In Circumference	4.00	4.00	0.00		0.00	B2017	1
117041	Connecting Link - Repair	1.00	1.00	0.00		0.00	B2017	1
117041	Connecting Link - Repair	10.00	10.00	0.00		0.00	B2017	2

To Allocate Materials

After you make changes to an invoice, save the record changes. This allows you to use **Allocate Services** from the **Select Action** menu to change the allocation of materials to line numbers *if* the **Prorate Service** check box is checked and *if* you want to allocate the materials manually rather than allowing Maximo to equally allocate the costs of services to other invoice lines.

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Overview of the Invoices Application continued

Approving an Invoice

Before an invoice can be approved, Maximo verifies that it meets the following conditions:

- If the invoice will be paid in foreign currency (as indicated in the Currency field), there must be an active exchange rate for that currency (in the Currency application) on the date of approval. If there is not, the invoice cannot be approved. (If the exchange rate has changed since you created the invoice, Maximo updates the Total Base Cost field upon approval.)
- The prices on the invoice must fall within a specified range of the prices on the purchase order (PO). Your system administrator can define the amount by which the invoice price can vary from the PO price and still be approved via the Limits and Tolerances tab in the Security Groups application.
- Standard service costs added to the invoice (such as freight charges or installation fees) must also fall within set limits (also set via the Limits and Tolerances tab in the Security Groups application).
- Line items that must be received prior to invoice approval—that is, those whose **Receipt Required?** check box on the Invoice Lines tab is selected—are checked to ensure that the receipts have been entered into Maximo.

Once these conditions are met, Maximo calculates any price differences between the invoice and the PO. Price differences could be due to a change in the active exchange rate, or a difference between what the vendor charged and the original PO price, or both. Maximo handles price differences in one of two ways:

- For issue-on-receipt items (items not purchased for inventory), the price difference is always applied to the work order, location, equipment, or GL account specified on the PO or Invoice Lines tab.
- For inventory items, the Average Cost field is updated.

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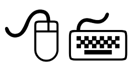
Overview of the Invoices Application continued

The Invoice Tab

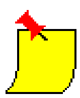
After you receive an invoice from a vendor, you need to enter the information from the invoice into Maximo.

You begin this process on the Invoice tab.

Entering Information on the Invoice Tab



Scenario: Your company has purchased and received materials from Helwig. Now, Helwig has sent you an invoice for this purchase. Invoice 158 from Helwig is for $1469.49. Use the following steps to complete the invoice process.



Note: If you are in a single-database environment, you will need to duplicate the PO before completing the exercise.

Step	Action
1	Open the **Invoices** application from the **Purchasing** module. Result: The Invoices application opens.
2	Click **New Invoice** to create a new record, then enter the following information: **Field** **Value** **Description** Invoice for Materials from Helwig **PO** 1025 Record your invoice number here: ____________

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Overview of the Invoices Application continued

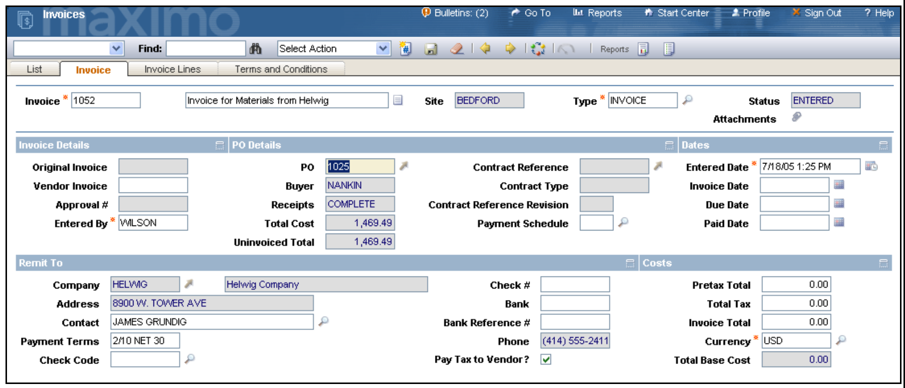
Entering Information on the Invoice Tab

continued

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>3</td><td>

Press the **Tab** key to move your cursor out of the **PO** field.

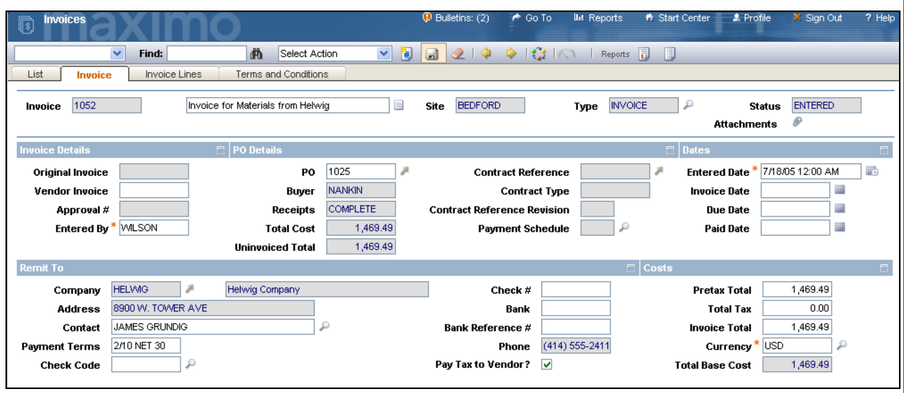
Result: The Invoice tab displays information from the selected PO.



</td></tr>
<tr><td>4</td><td>Enter 1469.49 in the Invoice Total field.</td></tr>
<tr><td>5</td><td>

Save the record.

Result: Your Invoice tab should look similar to the one below.



</td></tr>
</table>

Performing a Three-Way Match and Copying Received Items

Three-Way Match

A *three-way match* is a match of a line item on a purchase order, a receipt, and an invoice. It is used when the **Receipt Required?** check box on the PO line item is checked.

Basic Process for Invoice Reconciliation

The basic invoice process consists of four steps. Step 1 starts the process, but your work in Maximo consists of steps 2, 3, and 4.

1. Receive the invoice from the vendor.
2. Create/enter the vendor invoice information into Maximo.
3. Match the vendor invoice to the POs so that it can be approved and routed to accounts payable.
4. Approve the invoice and route it to accounts payable.

Performing a Three-Way Match and Copying Received Items

In this part of your work with the Helwig invoice, you will use the **Copy PO Lines to Invoice** dialog box to match the transactions on the PO to the invoice from Helwig.

This will be a three-way match of PO line item, PO materials receipt, and invoice line item.

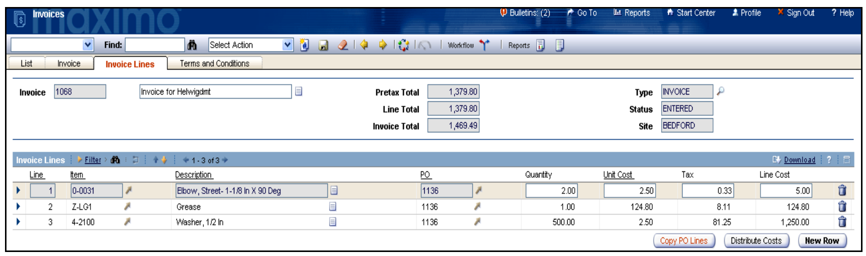
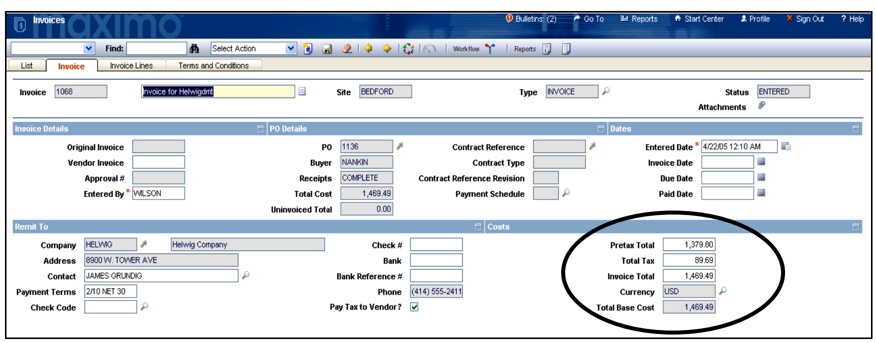
Step	Action
1	Continuing from the previous exercise, open the **Invoice Lines** tab and click the **Copy PO Lines** button. Result: The Copy PO Lines dialog box opens. Note: Because the invoice amount matches the PO exactly, Maximo automatically performs the trial match and displays those lines in the dialog box that match the PO.

continued on next page

Performing a Three-Way Match and Copying Received Items continued

Performing a Three-Way Match and Copying Received Items

continued

Step	Action
2	Select all of the check boxes to the left of each of the listed items, and then click **OK**. Result: The Invoice Lines tab displays the added lines. 
3	**Save** the invoice and click on the **Invoice** tab. Result: The Pretax Total and Total Tax fields in the Costs frame on the Invoice tab should add up to the amounts indicated on the PO lines, similar to the following graphic. 

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Performing a Three-Way Match and Copying Received Items continued

Copy PO Lines to the Invoice Dialog Box

In the previous exercise you used the **Copy PO Lines** dialog box to match and copy received materials from the PO to the invoice. You also use this dialog box to copy received services.

The associated tabs are described below.

This tab…	Displays…
PO Lines	All line items from the PO
Materials	Materials that have been received
Services	Services that have been received

continued on next page

Performing a Three-Way Match and Copying Received Items continued

Matching Is for One PO Only

- You use the invoice matching process to match one invoice to one PO.
- You cannot use the invoice matching process for multiple invoices or POs.

For One PO, Enter Invoice Total or Pretax Total

If you have only one PO for an invoice, you can enter the amount of the invoice in the **Pretax Total** or **Invoice Total** field (whichever is applicable) on the **Invoice** tab. Then you can use the invoice matching process to create the lines on the **Invoice Lines** tab.

In this example, you entered the total amount of the invoice in the **Invoice Total** field on the **Invoice** tab. Later in this chapter, you will enter an invoice amount for a service in the **Pretax Total** field on the invoice.

For Multiple POs, Use Invoice Lines Tab

If you have multiple POs for an invoice, leave the **Pretax Total** and **Invoice Total** fields blank on the **Invoice** tab, and use the **Invoice Lines** tab to create the details of the invoice.

Approving the Invoice

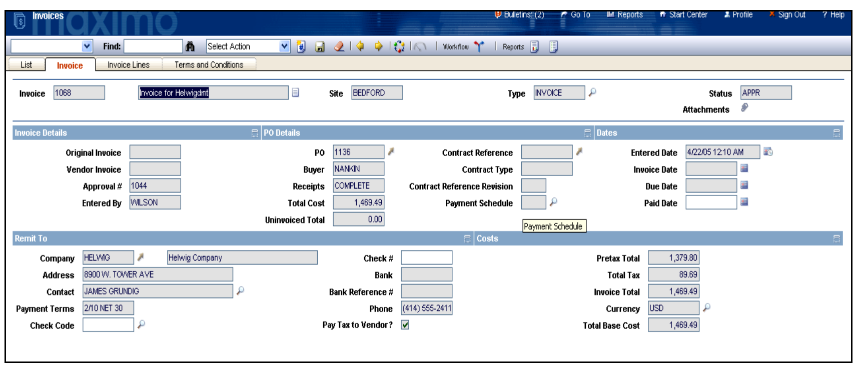
Introduction

Now that you have created the invoice and copied the matching line items, you need to approve it.

Approving the Invoice

Approving an invoice is like approving a PR or PO. In this brief exercise, follow these steps to approve the Helwig invoice.

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>1</td><td>With your invoice from the previous exercise open, click the Change Status icon.</td></tr>
<tr><td>2</td><td>Change the status to Approved and then click OK.
Result: Your screen should look similar to the screen below.



Note: Optionally, if all receipts have been completed for this invoice and those receipts have been fully invoiced, then you could close the PO by checking the Close PO box in the Status Change dialog box.</td></tr>
</table>

Invoice for Service

Introduction

Dealing with an invoice for services is similar to dealing with an invoice for materials.

To receive an invoice for a service, follow this simple three-step process:

1. Receive the invoice.
2. Enter information into Maximo.
3. Approve the invoice.

Entering Information

In this exercise you will create an invoice on which you will enter information from the vendor's invoice. If you are in a single-database environment, you will need to duplicate the PO and receive the items from the duplicate PO.

Step	Action
1	In the **Purchase Orders** application, search for PO **1013**.
2	Enter 6700-300-350 on the **GL Debit Account** for both items.
3	**Save** and **approve** your record.
4	**Receive** all the items.
5	**Save** the record.
6	Go to the **Invoices** application and create a new invoice for PO 1013.

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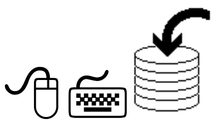
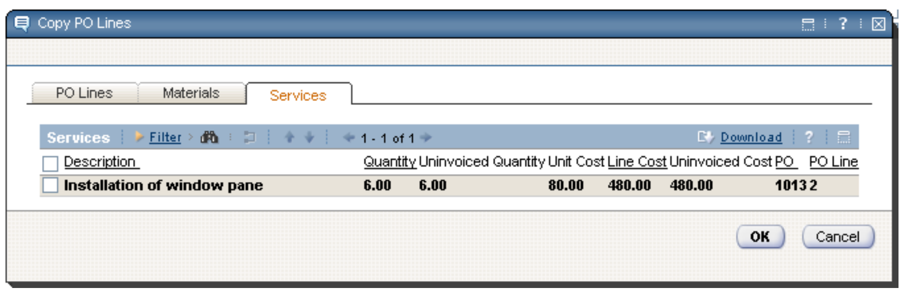
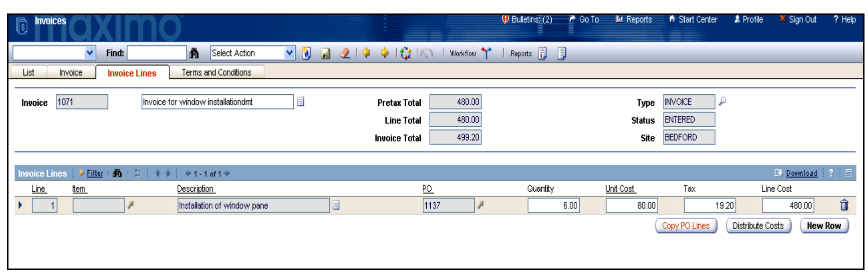
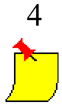
Invoice for Service continued

Copying the PO Line Item to the Invoice



Now you need to copy the line item for the window installation service from the **Copy PO Lines** page to the **Invoice Lines** tab.

Step	Action
1	With the invoice for the window installation open, display the **Invoice Lines** tab, then click **Copy PO Lines**. Result: The Copy PO Lines page opens.
2	Click on the **Services** tab of the **Copy PO Lines** page. Result: The service receipt for the PO opens. 
3	Select the check box for the displayed service item (installation of window), and then click **OK**. Result: The line is copied to the Invoice Lines tab. 
4 	**Save** the invoice record. Note: The next exercise begins at this point in the process, so keep this window open.

Distributing Costs

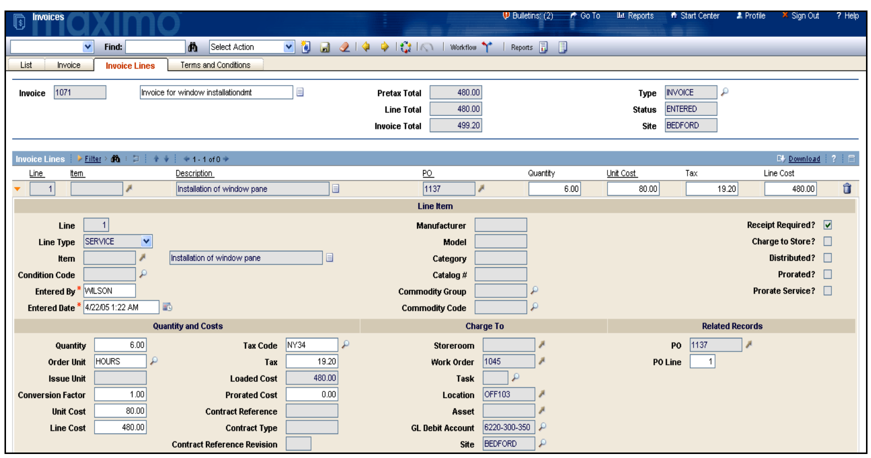
Introduction

When you need to charge a line item to more than one GL account, work order, or location, you need to distribute its costs. For example, if your department paid for a new laser printer that the packaging department will also use, you can specify two GL accounts for the printer, one for each department's GL.

Distributing Costs

In this exercise you will distribute the cost of the window inspection as follows:

- 50% to GL Debit Account 6220-300-000
- 50% to GL Debit Account 6220-200-300

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>1</td><td>With the invoice for the window installation open, display the Invoice Lines tab.</td></tr>
<tr><td>2</td><td>Click the View Details button to the left of the single line to display its details.
<u>Result</u>: Maximo displays the details for the line.

</td></tr>
</table>

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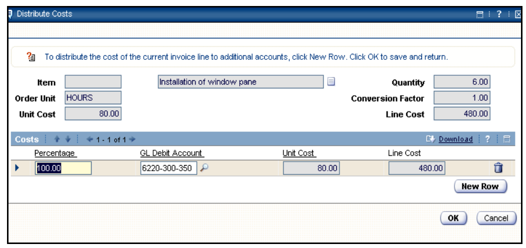
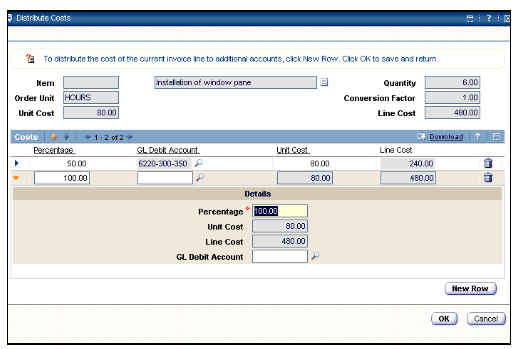
Distributing Costs continued

Distributing Costs

continued

Step	Action
3	Click **Distribute Costs**. Result: Maximo displays the Distribute Costs page. 
4	Enter 50 in the **Percentage** field.
5	Click **New Row**. Result: Maximo displays the details for a new percentage row. 
6	In the new **Details** section, enter 50 into the **Percentage** field and 6220-300-000 into the **GL Debit Account** field. Then click **OK**. Result: The details for the percentage lines close.

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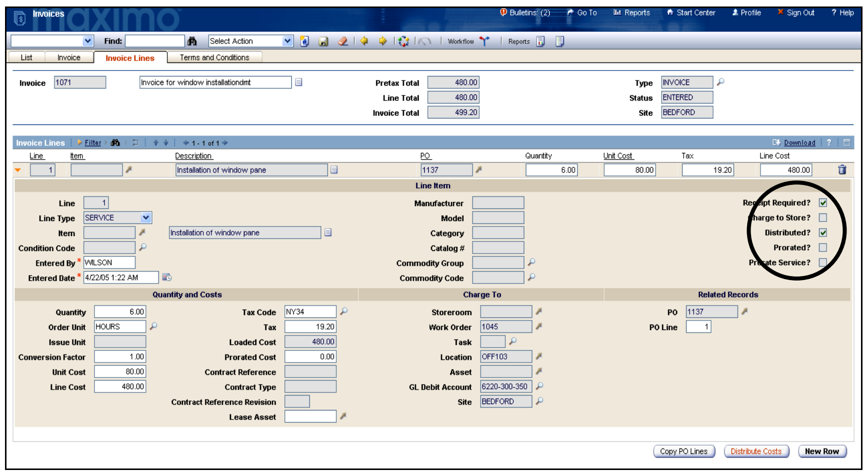
Distributing Costs continued

Distributing Costs

continued

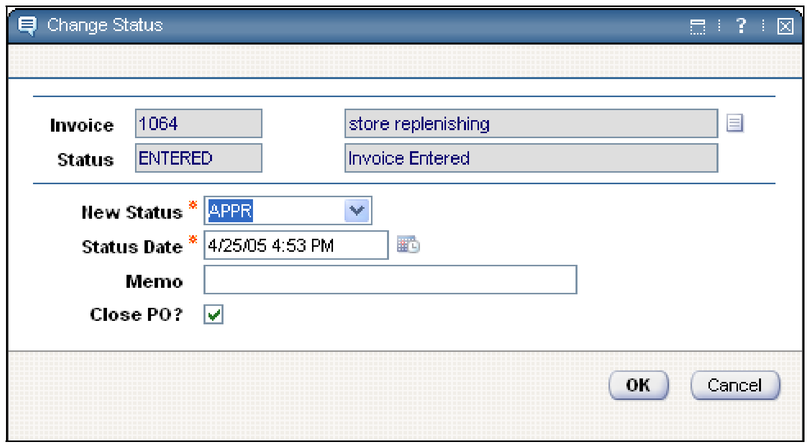
Step	Action
7	**Save** the invoice record. Result: The Invoice Lines tab displays the line with a check mark in the Distributed field, similar to the following graphic. 
8	Approve your invoice.

Closing the PO

Closing the PO

A Closed PO status indicates that all of the PO's line items have been received. After a PO is closed, it is stored as a history record and cannot be modified.

To close a PO from the Invoice line, click on the **Change Status** icon from the toolbar. Change the status of your invoice line, and select the **Close PO?** check box. Click **OK** to close the dialog box.



Entering Multiple POs on an Invoice

Introduction

The Invoices application is designed to help the user keep track of vendor invoices upon receiving them. A single invoice can contain more than just one PO, depending on its type. This section discusses how to enter more than one PO on an invoice.

Entering Multiple POs on an Invoice

Multiple purchase orders (POs) and their line items can be entered on a single invoice. For example, you might have used separate POs to order various items from a vendor, and you received all the items in a single shipment with a single invoice from the vendor.

In most cases, it is easiest to enter the vendor on the Invoice tab, and then use **Copy PO Lines** on the Invoice Lines tab to copy lines from multiple POs for that vendor.

Invoice lines for line items can also be entered from multiple POs manually.

Creating an Invoice with No PO

Introduction

An *invoice* is a bill from a vendor for delivered products or services. Entering invoices in Maximo lets you match the invoice information against purchase orders and receipts of materials and services, so that the invoice can be approved and routed to accounts payable.

Creating an Invoice with No PO

Scenario: You have received an invoice in the amount of $95.09 for a postal service from FedEx. You have no PO for this bill.

To create an invoice without a PO associated with it, follow the steps below.

Step	Action
1	In the **Invoices** application, click **New Invoice**. Enter the following data: **Field** — **Value** **Description** — FEDEX invoice **Company** — FEDEX Write your invoice number here: ________
2	Click the **Invoice Lines** tab.
3	Click **New Row** and enter the following data: **Field** — **Value** **Conversion Factor** — 1 **GL Debit Account** — 6200-300-000
4	**Save** your record. Result: You have now initiated an invoice record.

Returns

Introduction

You use the **Issues and Transfers** application to return items or tools. You can return previously issued items to a storeroom; for example, if some of the parts on a work order were unused. You cannot return rotating assets that have been modified (moved or worked on) since their original issue. You can also return items that do not have a previous issue transaction. There are times when purchased materials are returned to a vendor for credit. This section shows you how to handle this type of transaction in Maximo.

Creating a Credit for Returned Items

When the **Pay on Receipt?** check box has been selected for the originating purchase order, a CREDIT invoice is automatically created when returning PO items.

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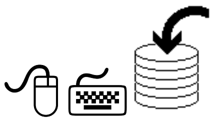
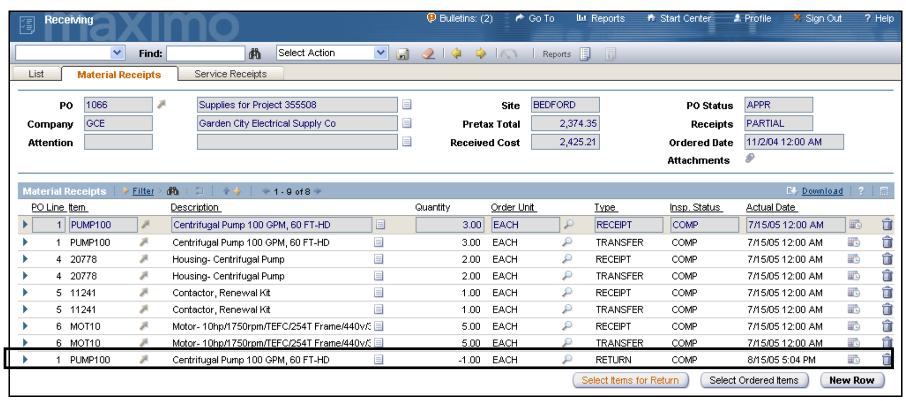
Returns continued

Creating a Credit for Returned Items



Use the following steps to create a credit-type invoice for returned items.

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>1</td><td>In the Receiving application, open the Material Receipts tab for PO 1066. (If you are in a single-database environment, your instructor will give you a different PO.)
Result: The Material Receipts tab displays the previously received item for the purchase order</td></tr>
<tr><td>2</td><td>Click Select Items for Return.
Result: The Select Items for Return page opens.</td></tr>
<tr><td>3</td><td>Select the check box to the left of PUMP100 (this is the item to be returned).</td></tr>
<tr><td>4</td><td>Change the Quantity to Return from 3.00 to 1.00, then click OK.</td></tr>
<tr><td>5</td><td>Click OK.
Result: The Material Receipts tab displays the return on another line with a negative value in the Quantity column.

</td></tr>
<tr><td>6</td><td>Save your receipt.</td></tr>
</table>

continued on next page

Returns continued

Lump Sum Credit

You might receive a lump sum credit from a vendor. To record this, create a credit-type invoice as you did in the case of the credit for returned items.

Recording a Lump Sum Credit

To record a lump sum credit, follow these steps.

Step	Action
1	Open the **Invoices** application and create a new invoice with the following information: __**Field**__ __**Value**__ **Company** ATI **PO** [*Leave blank*] **Type** CREDIT **Description** Invoice Credit from ATI *xx*
2	**Save** the record.
3	Display the **Invoice Lines** tab, and then click **New Row**. __Result__: Maximo displays the details for a new row, ready for input.

continued on next page

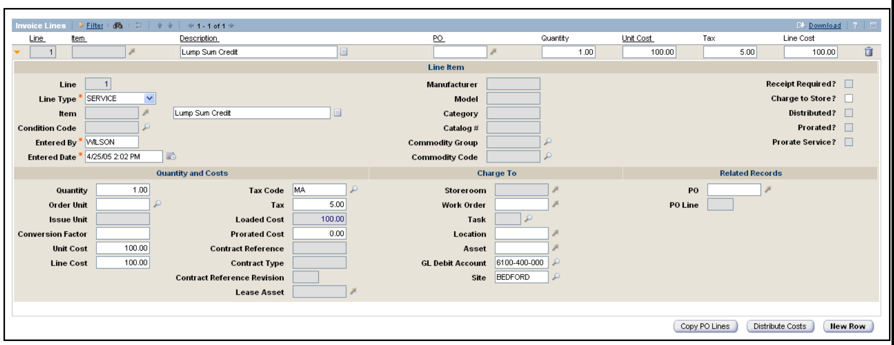
Returns continued

Recording a Lump Sum Credit

continued

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>4</td><td>Enter the following information:

<u>Field</u> — <u>Value</u>
Description — Lump Sum Credit
Line Cost — 100
Tax — 5
<u>Note</u>: Remember the Tax amount is calculated and a required field, so a value must appear here.
GL Debit Account — 6100-400-000

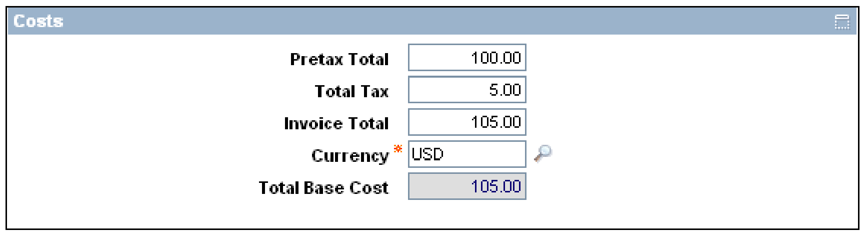
<u>Result</u>: The detail for the new line should look similar to the following graphic.

</td></tr>
<tr><td>5</td><td>Click the Close Details icon.
<u>Result</u>: The line details close.</td></tr>
<tr><td>6</td><td>Save the invoice record.</td></tr>
</table>

continued on next page

Returns continued

Recording a Lump Sum Credit

continued

Step	Action
7	Display the **Invoice** tab. Result: The Costs section reflects the information that you entered on the Invoice Lines tab. 
8	Approve the invoice.

continued on next page

Returns continued

Debit-Type Invoice

You might receive an invoice from a vendor to correct earlier prices. Record these invoices as *debit-type invoices*.

Creating a Debit-Type Invoice

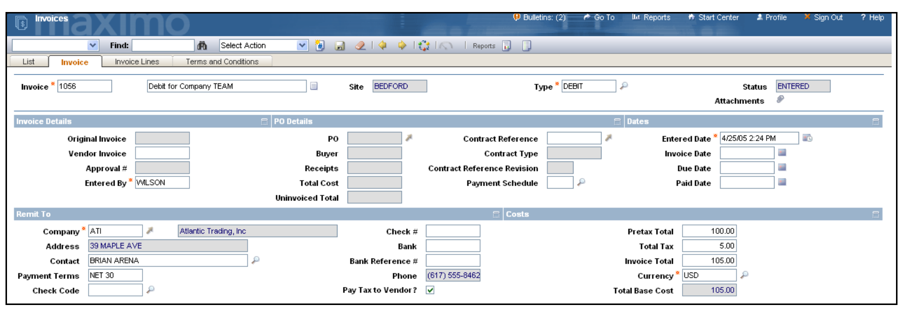
Create a debit-type invoice just as you would a credit-type invoice: Create an invoice, then change the value in the **Type** field on the **Invoice** tab to DEBIT.

continued on next page

Returns continued

Creating a Debit-Type Invoice

Follow these steps to create a debit-type invoice.

Step	Action
1	Open the **Invoices** application, create a new record, and enter some descriptive information on the **Invoice Description** tab.
2	Leave the **PO** field blank.
3	In the **Type** field, enter DEBIT.
4	**Save** the invoice record.
5	Now enter this debit as a line item. Display the **Invoice Lines** tab, and click **New Row**.
6	Enter a **description**, and then enter $100.00 in the **Line Cost** field.
7	Because this debit includes taxes, enter 5 in the **Tax** field.
8	Enter 6200-200-300 in the **Debit GL Account** field for this line.
9	Click **Close Details** and **save** your record.
10	Display the **Invoice** tab, then **save** and approve the invoice. Result: Your invoice should look similar to the following graphic. 

Chapter Summary

Basic Invoice Process

The basic invoice process consists of the following three steps:

1. Receive the invoice from the vendor.
2. Enter vendor invoice information.
3. Match the vendor invoice to the POs so that you can approve it and route it to accounts payable.

Invoice Tab

You begin step 2 in the invoice process by entering information on the **Invoice** tab.

Enter the vendor invoice number, a description of the invoice, a PO number (if applicable), and a pretax total or an invoice total.

Invoice Lines Tab

In step 3 of the invoice process, use the **Invoice Lines** tab to copy PO lines to the invoice and add charges not on the PO, such as service charges.

Matching and Copying PO Lines

You need to match the invoice to the PO (if applicable). Do so by using the **Copy PO Lines** page.

After matching the lines, copy them to the **Invoice Lines** tab.

Approving the Invoice

Finally, you need to approve the invoice.

Maximo will not allow you to approve an invoice that exceeds the tolerances (limits) set by your system administrator.

Invoice for Service

Dealing with an invoice for services is similar to dealing with an invoice for materials: you receive the invoice, enter the information, and approve the invoice.

continued on next page

Chapter Summary continued

Closing the PO	A Closed PO status indicates that all of the PO's line items have been received. After a PO is closed, it is stored as a history record and cannot be modified.
Entering Multiple POs on an Invoice	The Invoices application is designed to help the user keep track of vendor invoices upon receiving them. A single invoice can contain more than just one PO, depending on its type.
Creating an Invoice with Multiple Vendors	By entering company branches in Maximo, you can associate multiple company records with a parent record and use the parent company's remit-to information on an invoice.
Returns	You use the Issues and Transfers application to return items or tools. You can return previously issued items to a storeroom; for example, if some of the parts on a work order were unused. You cannot return rotating assets that have been modified (moved or worked on) since their original issue. You can also return items that do not have a previous issue transaction. There are times when purchased materials are returned to a vendor for credit.

Workshop

Workshop Exercise 1

In these exercises you will create a PO and deal with the receipts and invoice for the PO.

Step	Action
1	Create a PO to order an impeller, rugs, tarps, and electrician's services from the A. W. Chesterton Company. Include costs for each item and service. Record the total cost for all the items and services: __________
2	Record the receipt of the materials and service.
3	Record the invoice you received from Chesterton. The invoice total amount should be $50 more than your PO for freight charges.
4	Distribute the freight costs as follows: 10% to GL Account 6220-300-200 90% to location 6400-300-000
5	Save and approve the invoice. Look at the lines to see how Maximo apportioned the variance.
6	Open the Purchase Orders application and review the PO.

continued on next page

Workshop continued

Workshop Exercise 2

This collection of problems will help familiarize you with using Maximo to deal with a variety of invoicing situations.

Step	Action
1	You have received a freight bill from DHL for the month of March. The total is $68.25. Create an invoice for it, and distribute the costs as follows: 40% to GL Account 6400-300-200 60% to 6400-300-000
2	Create a PO to ATI for 10 rolls of copper tubing, a seal, and 50 washers. Create another PO to ATI for 40 rolls of copper tubing, a ventilator, and gaskets. Both POs are for the construction of executive toilets. Process the receipt of all of the copper tubing. Enter and approve an invoice for the copper tubing.
3	Receive 50 washers from ATI. One week later, return 10. Then create and approve an invoice for the receipt and a credit for the return.
4	Create and approve an invoice that is a debit from the A.W. Chesterton Company and approve an invoice for the receipt and a credit for the return.
5	Redistribute the costs on the invoice for DHL as follows: 100% to GL Account 6400-300-200

NOTES:

NOTES:

Educational Services
Student Feedback Form

Name: ______________________ **Instructor:** ______________________
Class: ______________________ **Date:** ______________________

	Excel-lent	Very Good	Good	Fair	Poor	Very Poor
1. The course structure and style was:						
2. The course content was:						
3. The workshops as a whole were:						
4. The length of the course was :						
5. Course organization was:						
6. Relevance and usefulness of course content was:						
7. Opportunity for practicing what was learned was:						
8. Amount you learned in the class was:						
9. The instructor's effectiveness in teaching the subject matter was:						
10. Use of class time was:						
11. Instructor's use of examples and illustrations was:						
12. Instructor's ability to answer student questions was:						
13. Instructor's ability to present alternative explanations when needed was:						
14. Tailoring of instruction to varying student skill levels was:						
15. Instructor demonstrations were:						
16. Instructor's ability to solve unexpected problems was:						

17. Which aspects of this course were most effective? ______________________________

18. Which aspects of this course detracted from your learning? ______________________________

19. What suggestions do you have for improving this course? ______________________________

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Fax: (781) 280-2201

Thank You!

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