



## Financial Management Modernization Initiative (FMMI)

FMMI 207 – FMMI Purchasing Overview





# Course Outline



- **Introduction Module**
- Module 1 – Purchasing Overview
- Module 2 – Vendor Master Data
- Module 3 – Purchase Requisitions
- Module 4 – Purchase Orders
- Module 5 – Goods Receipt
- Module 6 – Purchasing Reports
- Course Summary
- Course Evaluation



# Welcome to FMMI Purchasing Overview



- The Purchasing course will provide you an introduction to the process, coordination, and information needed to understand the Purchasing process in FMMI. The course introduces you to:
  - End-to-End Purchasing process
  - Key Terminology
  - FMMI User Roles and their responsibilities
  - Purchasing touchpoints with other process areas
  - Purchasing related reports



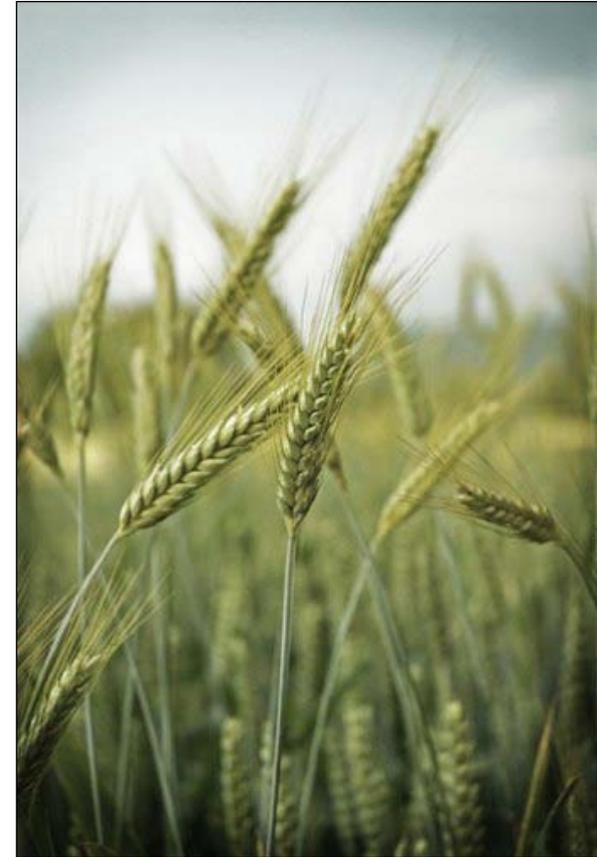


# Course Objectives



After completing this course, you will be able to:

- Explain key Purchasing terminology and business concepts
- Explain the high level Purchasing process and sub-processes
  - Vendor Master Data sub-processes
  - Purchase Requisition sub-process
  - Purchase Order sub-processes
  - Goods Receipt sub-processes
- Explain the FMMI roles required to perform the Purchasing process
- Explain how other business areas interact with the Purchasing process
- Provide examples of the FMMI standard reports





# Introduction Module Overview



Before you get started with the course modules, review the next slides. The next slides include:

- Business Process Flow Reference Guide
- Review of the content covered in FMMI 101 – Introduction to FMMI
- Review of the FMMI Curriculum



# Introduction to FMMI (100 Level) Review



As a prerequisite to the 200 Level courses, you participated in the FMMI 101 - Introduction to FMMI course. FMMI 101 provided a high-level overview of the FMMI project, changes and impacts of the implementation, and benefits of the new system.

After completing the 100 Level course, you learned to:

- Summarize the FMMI program objectives
- Explain the benefits and advantages FMMI provides
- Describe an Enterprise Resource Planning (ERP) solution
- Explain new business processes and concepts
- Explain the key implementation timeline and milestones
- Explain what organizations are impacted by each release of FMMI

The 200 Level Process Overview courses takes a step further and provides you a high-level overview of FMMI's new terminology and business processes.

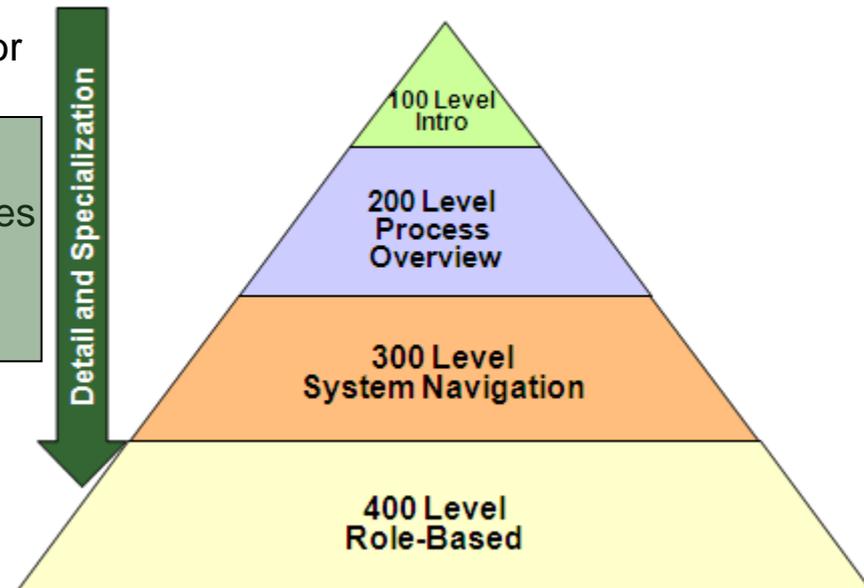


# Your Curriculum



The FMMI Training curriculum outlines the training required for FMMI User Roles. The training courses provide an understanding of the FMMI program and application(s) and the USDA financial processes.

- **Introduction to FMMI (100 Level)**
  - Overview of the FMMI project
  - Instructor-led course, delivered in an auditorium or via teleconference
- **Process Overview (200 Level)**
  - High-level view of USDA's core financial processes
  - Web-based course, delivered via AgLearn Learning Management System
- **System Navigation (300 Level)**
  - Hands-on practice navigating the FMMI system
  - Instructor-led course, delivered in a computer-based classroom
- **Role-Based (400 Level)**
  - Hands-on training and detailed introductions on how to process transactions in the FMMI system
  - Instructor-led course, delivered in a computer-based classroom





# Introduction Module Summary



Congratulations! You have completed the introduction module. The next few modules will provide you with an overview of the Purchasing process in FMMI.

Select the **Exit** button to leave this module and return to the course menu.





# Course Outline



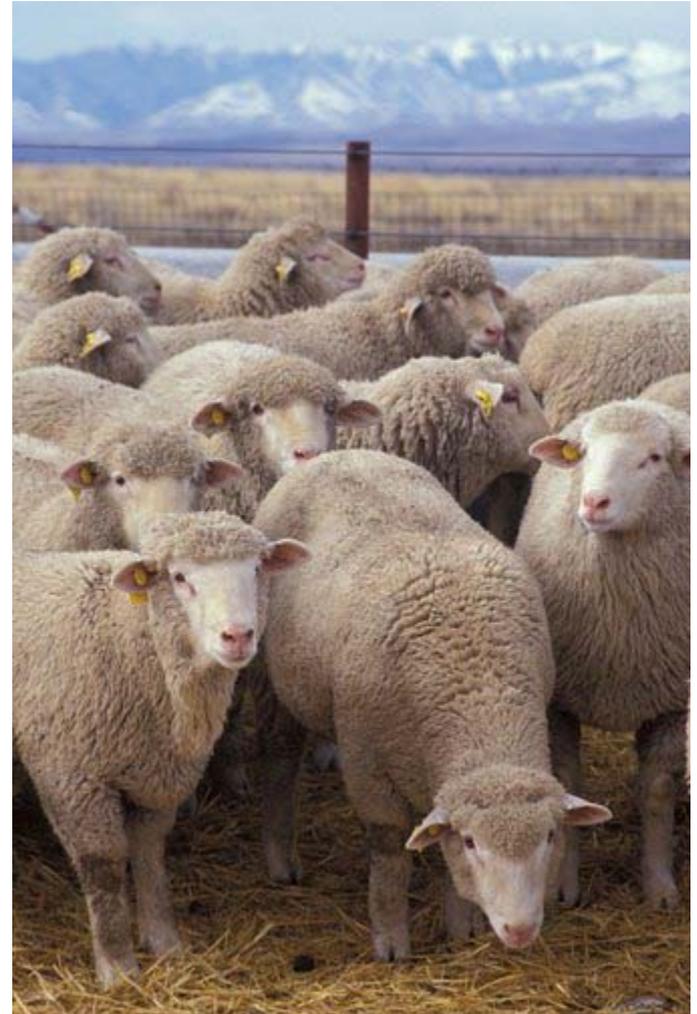
- Course Introduction
- **Module 1 – Purchasing Overview**
- Module 2 – Vendor Master Data
- Module 3 – Purchase Requisitions
- Module 4 – Purchase Orders
- Module 5 – Goods Receipt
- Module 6 – Purchasing Reports
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# Welcome to Module 1: Purchasing Overview



- This module will provide you an overview of the Purchasing process
- Proceed to each new page by clicking the **Next** button when you have finished reading the content on a page
- To view a full list of the topics covered in this module, click the **Menu** button on the top right corner of the course
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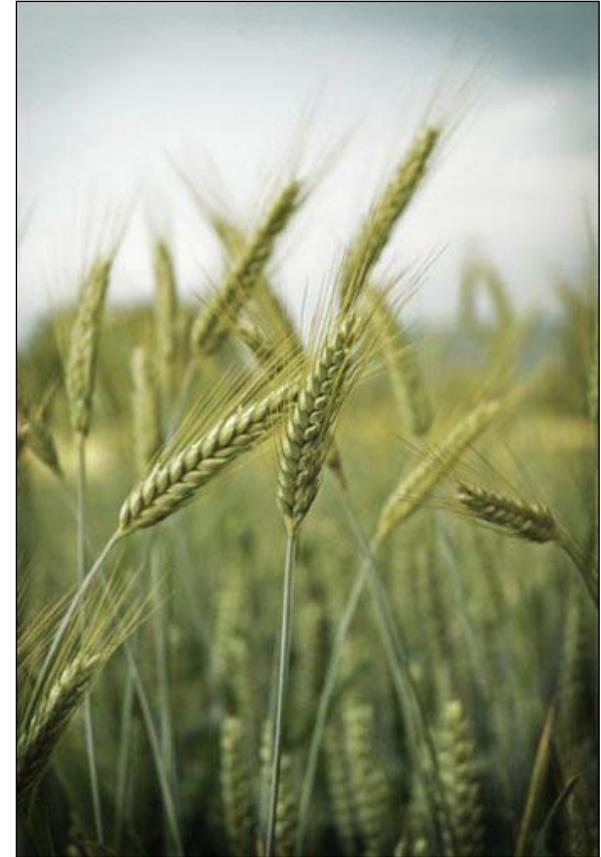


# Objectives



After completing this module, you will be able to:

- Explain the Purchasing process
- Explain the key Purchasing terminology and business concepts
- Describe the purpose and use of FMMI user roles in the Purchasing process
- Define the Purchasing Organizational Hierarchy
- Explain the interactions between the Purchasing process and other business areas within FMMI
- Provide examples of the FMMI standard reports





Review the following terms and definitions before beginning the Purchase Overview module:

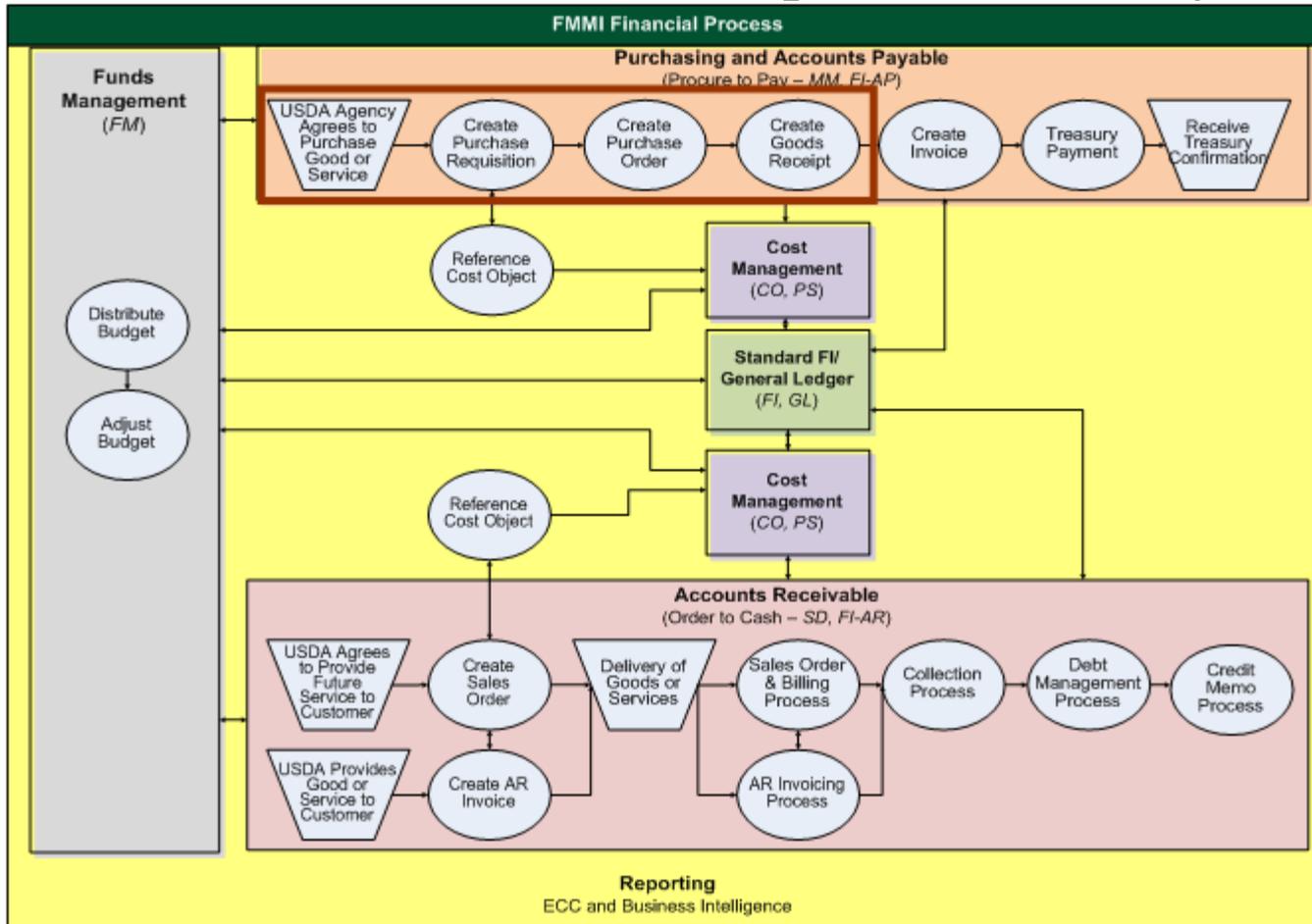
- **Purchase Requisition**: A recorded request for the purchase of goods and/or services that results in a commitment of funds
- **Purchase Order**: Formal notification to the vendor requesting a specific good or service; results in the obligation of funds
- **Goods Receipt**: A document representing the actual quantity of materials received against the order



# FMMI Financial Process Flow



This process flow illustrates the FMMI Financial end to end process. The highlighted area illustrates where Purchasing fits in the entire process.



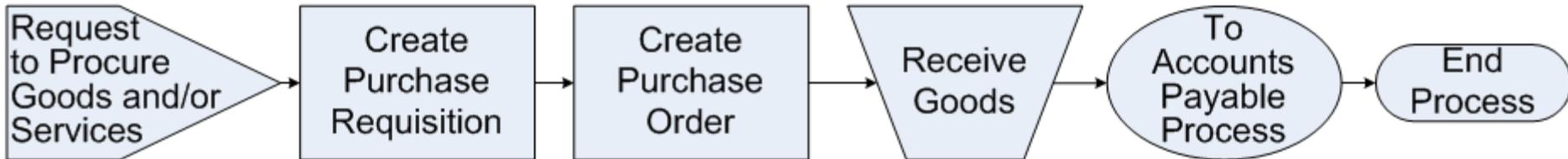


# Business Process Flow



This process flow outlines the key activities related to the end-to-end Purchasing process:

## Purchasing Process Overview





The following business concepts pertain to the Purchasing process

- The Purchasing process encompasses the creation of the following documents:
  - Purchase Requisitions
  - Purchase Orders
  - Goods Receipts
- Request to procure goods or services is received in one of two ways:
  - Automatically loaded through outside interfaces
  - Manually entered into FMMI by the Purchasing Processor
- Posting and payment of invoices related to purchases occurs in the Accounts Payable process



# FMMI User Roles



- Role Alignment is the process of defining FMMI User Roles required to obtain system access to perform the FMMI business processes
- Once roles are defined, FMMI users are aligned to the them
- Proper role definition and alignment:
  - Ensures that the people have access to perform the tasks to needed achieve FMMI business benefits
  - Ensures proper segregation of duties
  - Ensures FMMI users receive proper training
- An individual user may be assigned one or more FMMI roles based on their responsibilities
- FMMI user roles are explained further in the upcoming modules





# Purchasing Overview



The following concepts pertain to the Purchasing process:

- Procurement of the goods and services that USDA needs is accomplished using several sophisticated systems:
  - Integrated Acquisition System (IAS)
  - SmartPay 2 (Purchase Cards)
  - Telephone Vendor and Utility Vendor (TELE/UTVN)
  - GovTrip
- Goods and services can also be purchased outside of these systems and recorded manually in the Purchasing area. In FMMI this is referred to as “direct entry”
- Regardless of the entry method, FMMI creates the accounting documents for the all the purchasing transactions
- Purchasing is part of the FMMI Materials Management (MM) module



# Purchasing Organizational Hierarchy



Purchasing in FMMI utilizes an organizational hierarchy to designate the origin of procurements. The organizational hierarchy is as follows:

- **Purchasing Organization** - A single Purchasing Organization, 'USDA', is established enabling agencies and staff offices to share a single Vendor Master record
- **Purchasing Group** - A buyer or group of buyers responsible for specific purchasing activities. There are 11 purchasing groups associated with Agencies and Mission Areas. Please reference the next page for a list of the purchasing groups
- **Plant** - In FMMI the agencies and staff offices are represented by plants, 30 plants will be created representing 29 Agencies/Staff Offices plus CCC



# Purchasing Groups



Below is a list of the 11 purchasing groups associated with the Agencies and Mission Areas:

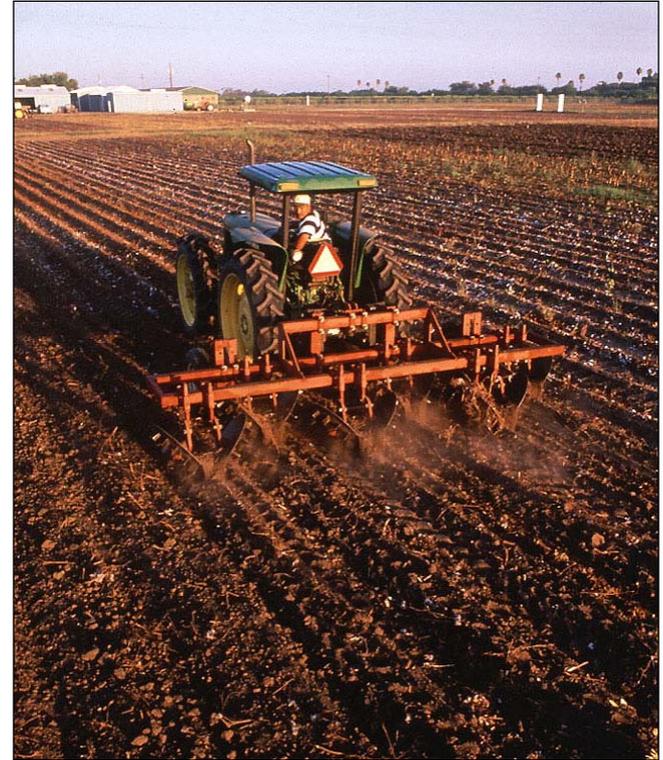




# Touchpoints



- Touchpoints are those instances where one process, sub-process or activity interacts with another process, sub-process or activity
- Purchasing interacts with the following processes:
  - Funds Management
  - Accounts Payable
  - Cost Management
  - General Ledger
  - Accounts Receivable





# Learning Checkpoint Question and Answer (Q&A)



- The questions on the following pages will test your understanding of key concepts in this module
- While there is no minimum passing score, ensure you have a strong understanding of each concept before continuing
- If you answer the questions incorrectly, please be sure to reference the course if you need more explanation about key concepts
- At any time you can review information from this module by clicking **Menu** and selecting a page from the **Menu** pop-up





# Learning Checkpoint Question and Answer (Q&A)



1. **True/False:** Posting and payment of invoices related to purchases occurs in the Accounts Payable process
  
2. **Multiple Choice:** Procurement of the goods and services that the USDA needs is accomplished using several sophisticated systems, except:
  - a. Integrated Acquisition System (IAS)
  - b. SmartPay2 (Purchase Cards)
  - c. **Databased Commitment Accounting System (DCAS)**
  - d. GovTrip (eTravel for Government)
  
3. **True/False:** Request to procure goods or services can only be received through manually entry into FMMI



# Learning Checkpoint Question and Answer (Q&A)



- 4. Multiple Choice:** Purchasing involves the creation of which of the following items? (Select All That Apply)
- a. *Purchase Requisitions*
  - b. Sales Order
  - c. *Purchase Orders*
  - d. *Goods Receipts*
- 5. Multiple Choice:** Which of the following process areas does not have a direct interaction with the Purchasing process?
- a. *Accounts Receivable*
  - b. Funds Management
  - c. Accounts Payable
  - d. Cost Management
  - e. General Ledger



# Module Summary



In this module, you have learned to:

- Explain the Purchasing process
- Explain the key Purchasing terminology and business concepts
- Describe the purpose and use of FMMI user roles in the Purchasing process
- Define the Purchasing Organizational Hierarchy
- Explain the interactions between the Purchasing process and other business areas within FMMI
- Provide examples of the FMMI standard reports





# Purchasing Overview Module Completion



Congratulations! You have completed Module 1 – Purchasing Overview. The next module will provide you an overview of Vendor Master Data.

Select the **Exit** button to leave this module and return to the course menu.





# Course Outline



- Introduction Module
- Module 1 – Purchasing Overview
- **Module 2 – Vendor Master Data**
- Module 3 – Purchase Requisitions
- Module 4 – Purchase Orders
- Module 5 – Goods Receipt
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## Welcome to Module 2: Vendor Master Data



- This module will provide you an overview of Vendor Master Data
- Proceed to each new page by clicking the **Next** button when you have finished reading the content on a page
- To view a full list of the topics covered in this module, click the Menu button on the top right corner of the course
- When you are finished with the Module, click **Exit** to mark the module complete and return to AgLearn



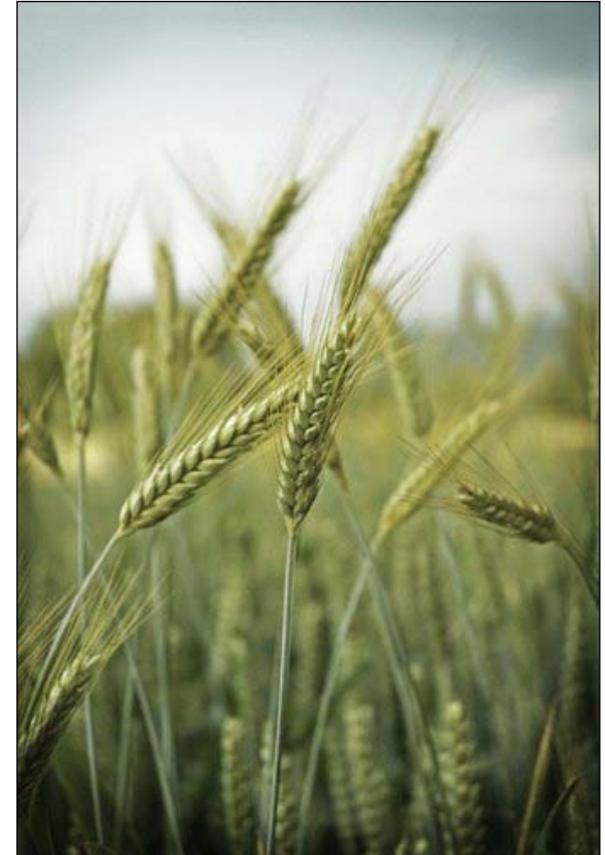


# Objectives



After completing this module, you will be able to:

- Explain the Vendor Master data sub-process
- Explain the key Vendor Master Data terminology and business concepts
- Describe the FMMI roles associated with the Vendor Master Data sub-process
- Distinguish the difference between Vendor Master Data and Transactional Data
- Identify components of Vendor Master Data
- Describe key business concepts and changes related to Vendor Master Data
- Explain the interactions between the Vendor Master Data sub-process and other business areas within FMMI





# Key Terminology



Review the following term and definition before beginning the Vendor Master Data module:

- **Vendor Master Data**: Records that contain vendor specific information. Includes such information as the vendor's name, payment terms, and delivery instructions



# FMMI User Roles



The FMMI Create and Maintain Vendor Master Data sub-process includes the following roles:

Role Name	Definition
Vendor Master Data Maintainer	<ul style="list-style-type: none"><li>Responsible for creating, changing, and blocking/unblocking vendor master data records</li><li>Loading and posting CCR data</li><li>Maintaining GovTrip pseudo code</li><li>Maintaining TELE/UTVN vendors</li></ul>
Vendor and Customer Master Data Evaluator	<ul style="list-style-type: none"><li>Ability to view customer and vendor master data records</li><li>Ability to access Personally Identifiable Information (PII)</li></ul>





# FMMI User Roles continued



The FMMI Create and Maintain Vendor Master Data sub-process includes the following roles:

Role Name	Definition
Commercial Vendor/Customer Master Data Evaluator	<ul style="list-style-type: none"> <li>Ability to view commercial vendor and customer master data records</li> </ul>
Employee Vendor/Customer Master Data Evaluator	<ul style="list-style-type: none"> <li>Ability to view employee vendor and customer master data records</li> </ul>
Invitational Travelers Vendor Master Data Evaluator	<ul style="list-style-type: none"> <li>Ability to view invitational traveler vendor master data records</li> </ul>





# FMMI User Roles continued



The FMMI Create and Maintain Vendor Master Data sub-process includes the following roles:

Role Name	Definition
Vendor and Customer Master Data Requestor	<ul style="list-style-type: none"><li>▪ Responsible for requesting additions or changes to vendor and customer master data</li><li>▪ Requires approval before changes are applied</li></ul>
Vendor and Customer Master Data Approver	<ul style="list-style-type: none"><li>▪ Reviews and approves/rejects requests made by Vendor and Customer Master Data Requestor</li></ul>

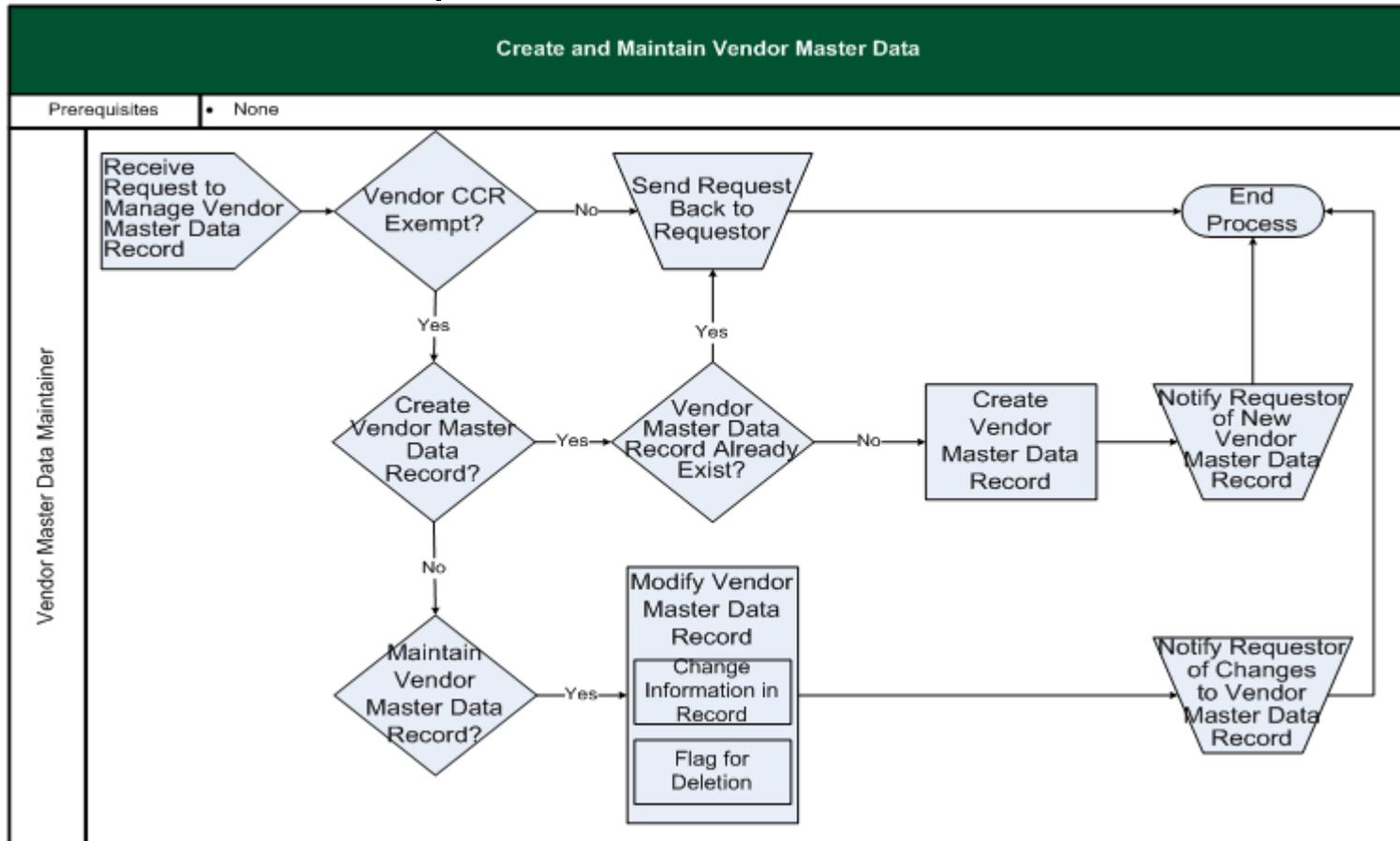




# Business Process Flow



This process flow outlines the key activities related to Vendor Master Data Maintenance sub-process:





# Key Business Concepts



The following business concepts pertain to the Vendor Master Data process:

- Vendor master data records contain detailed vendor information
- FMMI requires a Vendor Master Data record for each vendor
- Central Contract Registry (CCR) is the primary source of Vendor Master Data
- The Vendor Master Data Maintainer creates and modifies all Vendor Master Data records that are not interfaced through CCR
- The FMMI PVND process manages CCR-exempt vendors and their entry into FMMI



# Understanding Master Data and Transactional Data



- Vendor Master data is the central file that serves as the sole source for all vendors providing goods or services. The Vendor Master Data record includes the vendor name, vendor address, payment terms, banking information, and taxpayer ID
- Transactional Data represent the actual requisitioning and ordering of goods and services. To place a specific purchase order with a vendor, that vendor must exist on the Vendor Master



# Vendor Master Data



Vendor Master Data is a central file containing vendor-specific information. Below is a list of key elements of Vendor Master Data:

- Vendors doing business with the Federal Government must be registered and maintained in the Central Contractor Registry (CCR)
- FMMI uses CCR as the primary source of Vendor Master Data. However, there are exceptions, such as small farms, which are manually entered in FMMI
- FMMI Vendor Master Data records are centrally maintained
- If a vendor does not currently exist in FMMI, the vendor must first register in CCR. However, if the vendor is CCR exempt, then a request for a vendor creation is sent to the Vendor Master Data Maintainer



# Vendor Master Data



Vendor Master Data is a central file containing vendor specific information. Below is a list of key elements of Vendor Master Data:

- Vendors doing business with the Federal Government must be registered and maintained in the Central Contractor Registry (CCR).
- FMMI uses CCR as the primary source of Vendor Master Data. However, there are exceptions, such as small farms, which are manually entered in FMMI
- FMMI Vendor Master Data records are centrally maintained
- If a vendor does not currently exist in FMMI, the vendor must first register in CCR. However, if the vendor is CCR exempt, then a request for a vendor creation is sent to the Vendor Master Data Maintainer

The Central Contractor Registry (CCR) will be the primary source for commercial vendors.

- Agencies will be responsible for determining whether vendor must register and enforce registration requirements
- Vendors must keep their registration current including banking information for EFT payment. No transactions will process for vendors with expired registrations
- Vendors register & update through the CCR website: [WWW.CCR.GOV](http://WWW.CCR.GOV)



# Vendor Master Data Continued



Agencies can submit vendor requests but only if the vendor is CCR exempt.

- Exemptions reasons: Individual grantees, foreign vendors, classified contracts, emergency/military purposes
- If not exempt, the Master Data Maintenance team will not set up the vendor
- Agencies request a new vendor master data file through the PVND process
- Proper security is required to submit vendor requests through the PVND process



# Vendor Master Data Maintainer



The Vendor Master Data Maintainer manages and maintains the CCR Exempt Vendor Master Data records. All request to create, modify or flag exempt records for deletion are routed to the Vendor Master Data Maintainer

- **Create:** Majority of the Vendor Master Data records are received through CCR. However, as discussed on the previous page, instances might occur requiring the manual creation of the Vendor Master Data record
- **Update/Change:** Request for modifications to a Vendor Master Data record can be triggered from changes to the vendor's personal or banking information (i.e. change in banking account number)



# Vendor Master Data Maintainer (continued)



- **Block/Unblock:** A vendor account can be blocked for purchasing/posting (payment). This vendor account block can be canceled at any time, by simply removing the relevant block indicator
- **Flag for deletion:** The Vendor Master Data Maintainer does not have the ability to actually delete a Vendor Master Data record, however they are responsible for flagging the record for deletion



# Vendor and Customer Master Data Evaluator



The Vendor and Customer Master Data Evaluator has access to view Customer and Vendor Master Data records. Personally Identifiable Information (PII) is contained in customer and vendor master data records. These records contain:

- Customer/Vendor Name
- Address
- Tax ID Number (TIN)
- Social Security Number (SSN)
- bank account information.



## Additional Evaluator Roles



In addition to the Vendor and Customer Master Data Evaluator, the following roles exist in FMMI:

- **Commercial Vendor/Customer Master Data Evaluator:** The Commercial Vendor/Customer Master Data Evaluator has access to view Customer and Vendor Master Data records for commercial vendors. Some of the records may contain some sensitive data which is available based on individual authorization. These records contain information on the customer / vendor name, address, Tax ID Number (TIN), Social Security Number (SSN), and bank account information.



## Additional Evaluator Roles (continued)



- **Employee Vendor/Customer Master Data Evaluator:** The Employee Vendor/Customer Master Data Evaluator has access to view Customer and Vendor Master Data records for USDA employees. Some of the records may contain some sensitive data which is available based on individual authorization.
- **Invitational Travelers Vendor Master Data Evaluator:** The Invitational Travelers Vendor Master Data Evaluator has access to view Vendor Master Data records. Some of the records may contain some sensitive data which is available based on individual authorization.



# Vendor and Customer Master Data Requestor



The Customer and Vendor Master Data Requestor creates and manages requests referencing customer and vendor master data. This role:

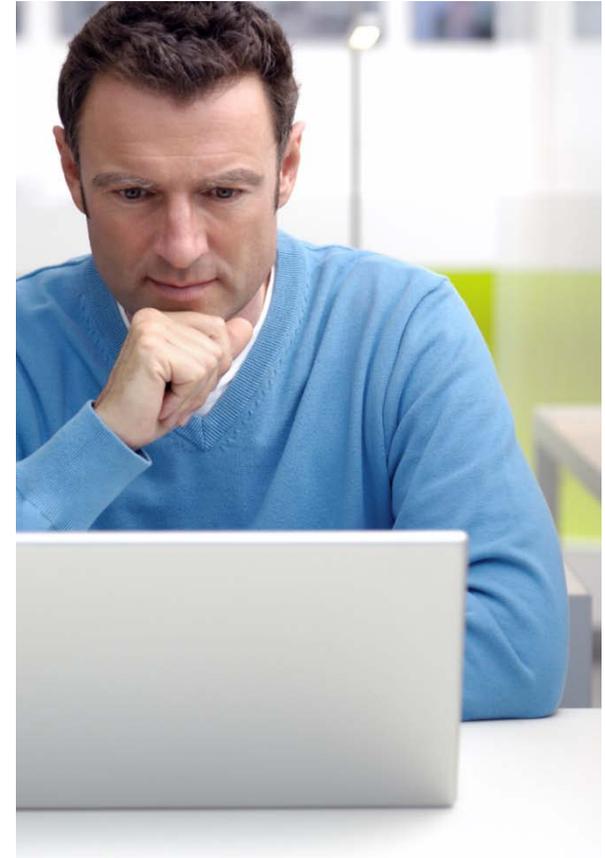
- **Creates:** new requests to make adjustments to the data tables for customer and vendor master data.
- **Manages:** the requests for adjusting the data tables for customer and vendor master data.



# Vendor and Customer Master Data Approver



The Vendor and Customer Master Data Approver approves the requests referencing customer and vendor master data. This role approves new requests to make adjustments to the data tables for customer and vendor master data. The Customer and Vendor Master Data Approver also manages the reports for request history and queries for customer and vendor master data.





# Touchpoints



The following table outlines the key touchpoints between the Vendor Master Data sub-process and other business areas within FMMI.

Process	Touchpoint
Purchasing – <ul style="list-style-type: none"> <li>■ Create Purchase Requisition</li> <li>■ Create Purchase Order</li> <li>■ Create Goods Receipt</li> </ul>	<ul style="list-style-type: none"> <li>■ The Purchase Requisition, Purchase Order, and Goods Receipts processes all rely on the information contained within the Vendor Master Data record</li> <li>■ The Vendor Master Data record is required in order to create the purchase requisition, purchase order, and goods receipt</li> </ul>
Accounts Payable - <ul style="list-style-type: none"> <li>■ Invoicing</li> <li>■ Payments</li> </ul>	<ul style="list-style-type: none"> <li>■ The banking information contained in the Vendor Master Data record is required in order to process an invoice and execute a payment</li> </ul>



# Learning Checkpoint Question and Answer (Q&A)



- The questions on the following pages will test your understanding of key concepts in this module
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# Learning Checkpoint Question and Answer (Q&A)



1. **True/False:** Transactional Data is a central file that serves as the sole source of vendor information (**True**)
  
2. **True/False:** All FMMI users can create Vendor Master Data records (**False**)
  
3. **Multiple Choice:** Which of the following is true (Select All That Apply)
  - a. *Vendor Master Data records are maintained centrally*
  - b. *Vendor Master Data records contain vendor banking information*
  - c. *Central Contractor Registry (CCR) is primary source for commercial vendors*
  - d. All Vendor Master Data records are created by the Vendor Master Data Maintainer



# Learning Checkpoint Question and Answer (Q&A)



4. **True/False:** The Vendor Master Data Maintainer cannot change a Vendor Master Data record (**False**)
5. **True/False:** The Vendor Master Data Maintainer is responsible for creating all vendor master data records (**False**)



# Module Summary



In this module, you have learned to:

- Explain the process flow of Vendor Master data business activities
- Explain the key Vendor Master Data terminology and business concepts
- Describe the FMMI roles associated with the Vendor Master Data sub-process
- Distinguish the difference between Vendor Master Data and Transactional Data
- Identify components of Vendor Master Data
- Describe key business concepts and changes related to Vendor Master Data
- Explain the interactions between the Vendor Master Data sub-process and other business areas within FMMI





# Vendor Master Data Module Completion



Congratulations! You have completed Module 2 – Vendor Master Data. The next module will provide you an overview of the Purchase Requisition process.

Select the **Exit** button to leave this module and return to the course menu.





# Course Outline



- Introduction Module
- Module 1 – Purchasing Overview
- Module 2 – Vendor Master Data
- **Module 3 – Purchase Requisitions**
- Module 4 – Purchase Orders
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# Welcome to Module 3: Purchase Requisitions



- This module will provide you an overview of Purchase Requisitions
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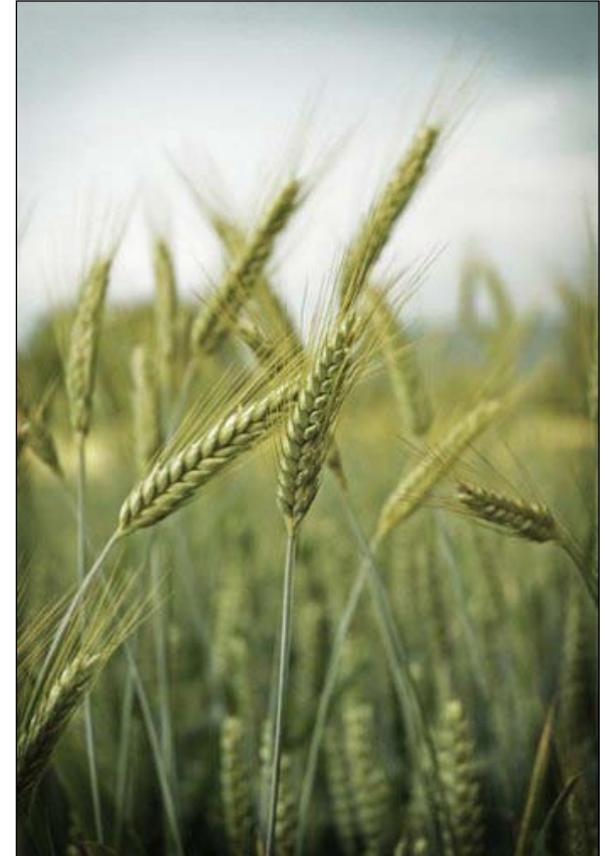


# Objectives



After completing this module, you will be able to:

- Explain the process flow of Purchase Requisition business activities
- Explain the key Purchase Requisition terminology and business concepts
- Describe the FMMI roles associated with the Purchase Requisition sub-process
- Explain the interactions between the Purchase Requisition sub-process and other business areas within FMMI





Review the following terms and definitions before beginning the Purchase Order module:

- **Commitment**: Reserving funds for a specific purchase. Occurs once the Purchase Requisition is created
- **Purchase Requisition**: A recorded request for the purchase of goods and/or services that results in a commitment of funds



# FMMI User Roles



The FMMI Purchase Requisition sub-process includes the following roles:

Role Name	Definition
Purchase Requisition Processor	Responsible for creating, changing, displaying and canceling purchase requisitions in FMMI
Purchase Requisition Approver	Responsible for releasing (approving/rejecting) the purchase requisitions in FMMI

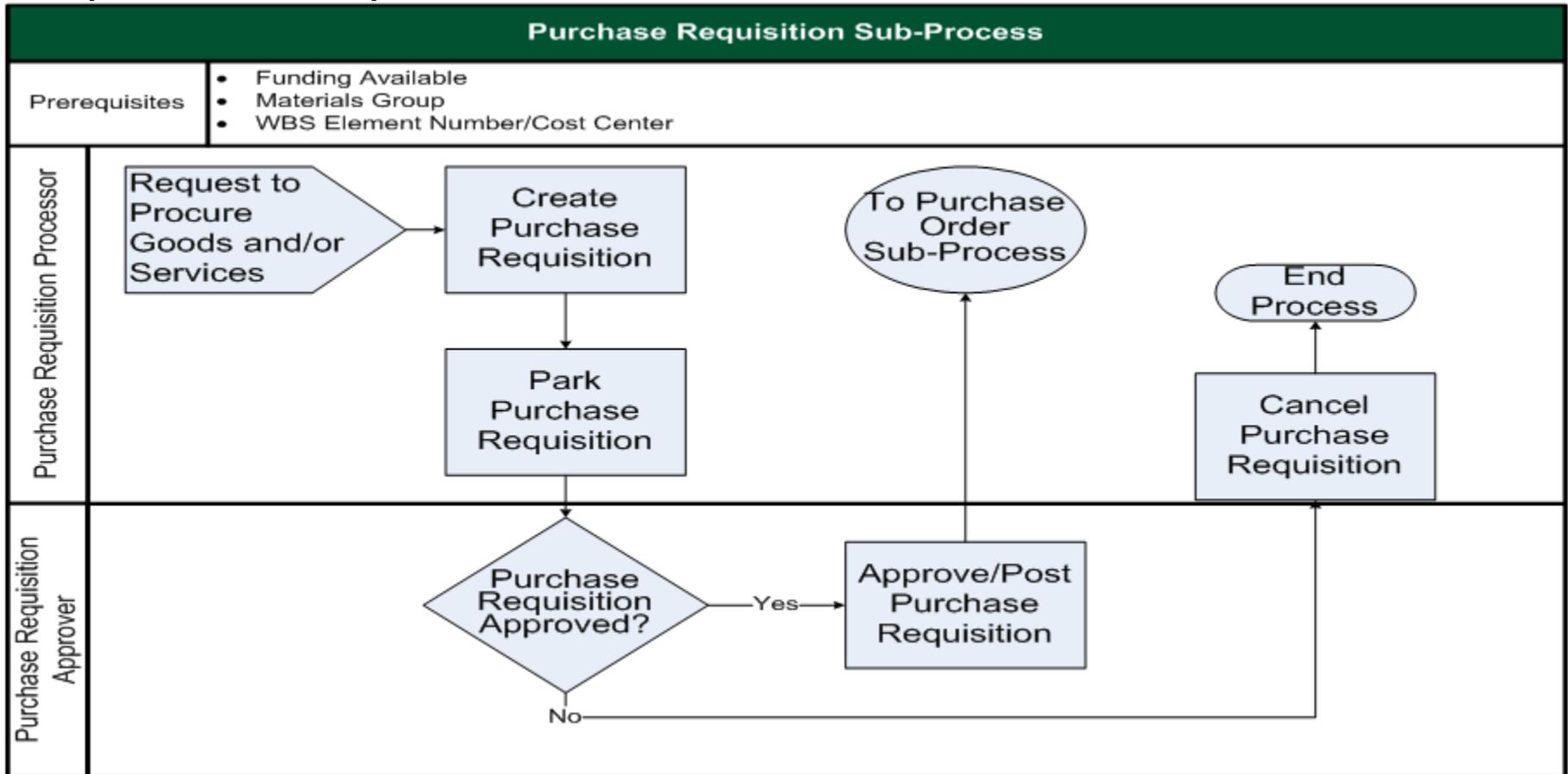




# Business Process Flow



This process flow outlines the key activities related to the Purchase Requisition sub-process:





# Key Business Concepts



The following business concepts pertain to the Purchase Requisition process.

- Purchase Requisitions are the first step in the Purchasing process
- FMMI validates the availability of funds prior to processing request for the procurement of goods and services
- Purchase Requisitions are entered either manually or interfaced into FMMI entered from the Integrated Acquisition System (IAS)
- All Purchase Requisitions must be approved by the Purchase Requisition Approver
- The Purchase Order sub-process utilizes Approved Purchase Requisitions



# Purchase Requisition



The Purchase Requisition process in FMMI can be defined as follows:

- Purchase requisitions can be created in the Integrated Acquisition System (IAS) or they can be manually entered in FMMI
- Purchase requisitions entered in IAS are approved and validated for accuracy prior to being interfaced into FMMI
- The creation of a Purchase requisition automatically posts a commitment to the General Ledger. The commitment reserves the funds that can be obligated through a subsequent purchase order
  - Equivalent FFIS transaction codes are the “RQ” and “IQ”





# Purchase Requisition Continued



- Changes to the purchase requisition results in either the reservation of additional funds or the release of previously reserved funds (depends on the nature of the change)
- Canceling or closing a purchase requisition releases any non-obligated funds. Once the Purchase Requisition is closed/canceled, it cannot be used to create a purchase order
- A purchase requisition can contain multiple line items.
  - The line item contains the quantity and delivery date of the material supplied or the service performed
  - Costs are apportioned among various controlling objects such as WBS Element Numbers, Cost Centers, etc.



# Purchase Requisition Continued



- FMMI invokes funds commitment and does not allow the creation of a requisition if there are insufficient funds
- The requisition includes the recommended vendor(s), however the procurement officer is not bound to those vendors
- The Purchase Requisition Processor modifies or deletes all rejected Purchase Requisitions





# Purchase Requisition Approval



The Purchase Requisition Approver approves all Purchase Requisitions after they are received into FMMI

- The Purchase Requisition Approver only approves or rejects requisitions submitted by the Purchase Requisition Processors
  - They cannot originate or modify purchase requisitions
- Rejected purchase requisitions are sent back to the Requisition Processor for revision or deletion
- Approved purchase requisition creates a commitment to the General Ledger
  - Approved purchase requisitions can be obligated by the buyer with a purchase order



# Touchpoints



The following table outlines the key touchpoints between the Purchase Requisition sub-process and other business areas within FMMI.

Process	Touchpoint
Funds Management – Funds Distribution	<ul style="list-style-type: none"> <li>Creates commitment of funds</li> </ul>
General Ledger – Manage General Ledger Postings	<ul style="list-style-type: none"> <li>Post commitment of funds to General Ledger</li> </ul>
Purchasing – Purchase Order	<ul style="list-style-type: none"> <li>Purchase Order is created based on the information indicated within the Purchase Requisition</li> </ul>
Accounts Payable – Invoicing	<ul style="list-style-type: none"> <li>During a 3 way match, FMMI validates the invoice against the information contained in the Purchase Requisition</li> </ul>



# Learning Checkpoint Question and Answer (Q&A)



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- While there is no minimum passing score, ensure you have a strong understanding of each concept before continuing
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- At anytime you can review information from this module by clicking **Menu** and selecting a page from the **Menu** pop-up.





# Learning Checkpoint Question and Answer (Q&A)



1. **True/False:** Rejected Purchase Requisitions must be modified by the Purchase Requisition Approver (**False**)
2. **True/False:** Posting are made to the General Ledger once the requisition is created (**True**)
3. **True/False:** A purchase requisition can only be entered into FMMI via IAS (**False**)



# Learning Checkpoint Question and Answer (Q&A)



4. **Multiple Choice:** The Purchase Requisition Processor is responsible for which of the following activities (Select All That Apply):
  - a. *Creating a Purchase Requisition*
  - b. *Canceling a Purchase Requisition*
  - c. Approving a Purchase Requisition
  - d. *Modifying a Purchase Requisition*
  
5. **True/False:** Purchase Requisitions interfaced through IAS are validated and approved prior to entering FMMI (**True**)



# Module Summary



In this module, you have learned to:

- Explain the Purchase Requisition sub-process
- Explain the key Purchase Requisition terminology and business concepts
- Describe the FMMI roles associated with the Purchase Requisition sub-process
- Explain the interactions between the Purchase Requisition sub-process and other business areas within FMMI





# Purchase Requisitions Module Completion



Congratulations! You have completed Module 3 – Purchase Requisitions. The next module will provide you an overview of the Purchase Order process

Select the **Exit** button to leave this module and return to the course menu.





# Course Outline



- Introduction Module
- Module 1 – Purchasing Overview
- Module 2 – Vendor Master Data
- Module 3 – Purchase Requisitions
- **Module 4 – Purchase Orders**
- Module 5 – Goods Receipt
- Module 6 – Purchasing Reports
- Course Summary
- Course Evaluation



# Welcome to Module 4: Purchase Orders



- This module provides you an overview of Purchase Orders
- Proceed to each new page by clicking the **Next** button when you have finished reading the content on a page
- To view a full list of the topics covered in this module, click the Menu button on the top right corner of the course
- When you are finished with the Module, click **Exit** to mark the module complete and return to AgLearn





# Objectives



After completing this module, you will be able to:

- Explain the Purchase Order sub-process
- Explain the key Purchase Order terminology and business concepts
- Describe the FMMI roles associated with the Purchase Order sub-process
- Explain the interactions between the Purchase Order sub-process and other business areas within FMMI





# Key Terminology



Review the following terms and definitions before beginning the Purchase Order module:

- **Obligation** : Reserving funds for a specific purchase (the purchase Order obligates the funds)
- **Purchase Order** : Formal notification to the vendor requesting a specific good or service; results in the obligation of funds
- **Purchase Order with Reference**: A Purchase Order entered in FMMI referencing a Purchasing Requisition
- **Purchase Order without Reference**: A Purchase Order entered in FMMI without referencing a Purchase Requisition



# FMMI User Roles



The FMMI Purchase Order sub-process includes the following roles:

Role Name	Definition
Purchase Order Processor	The Purchase Order Processor is responsible for creating, changing, deleting purchase requisitions in FMMI.
Purchase Order Approver	Responsible for releasing (approving/rejecting) the purchase orders in FMMI.

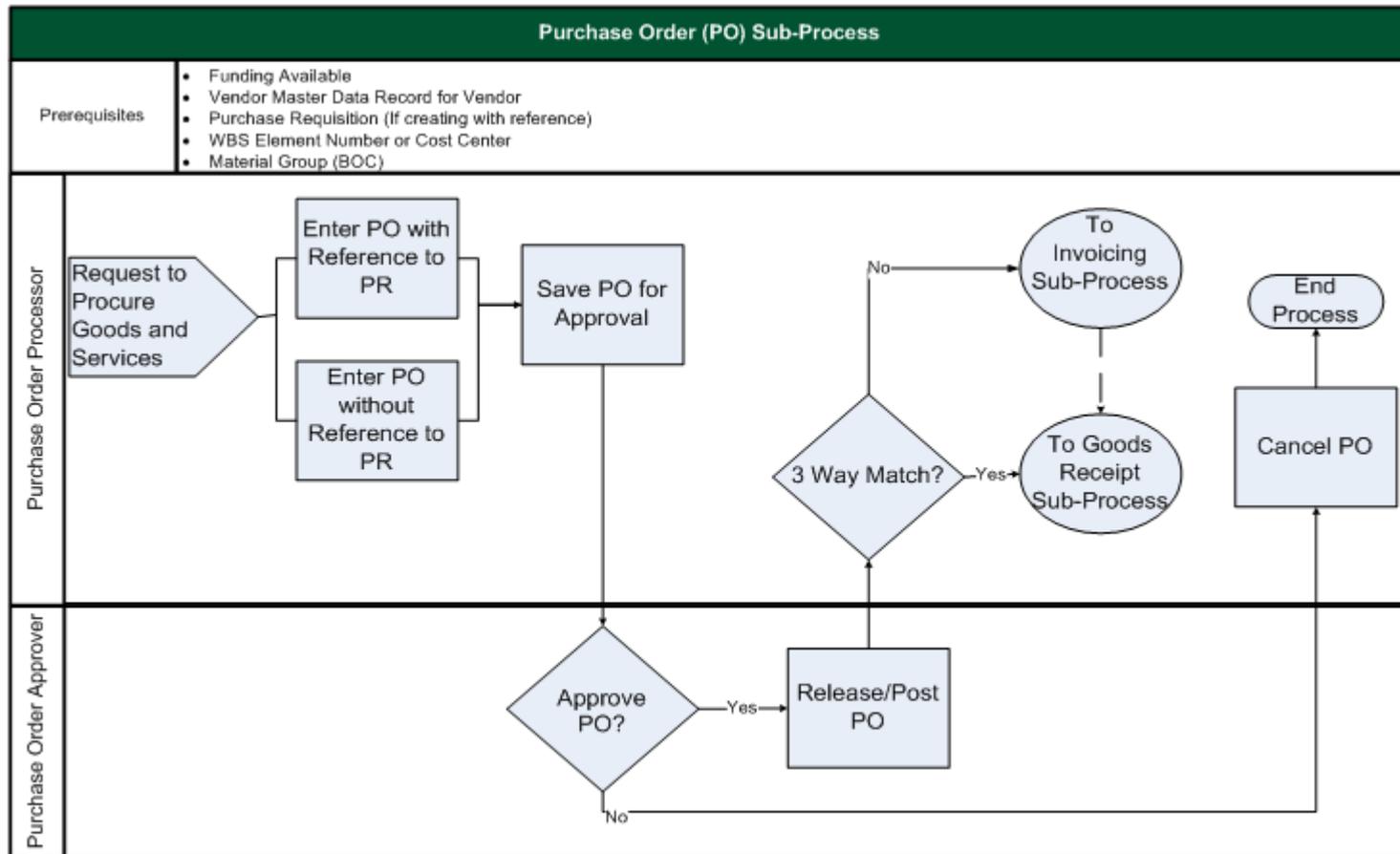




# Business Process Flow



This process flow outlines the key activities related to Purchase Order sub-process:





# Key Business Concepts



The following business concepts pertain to the Purchase Order sub-process.

- The creation of a purchase order is not dependent on the existence of a purchase requisition
  - Purchase orders can be created with or without reference to a purchase requisition
- FMMI receives purchase orders through manual entry in FMMI or interfaced from IAS
- FMMI validates the availability of funds prior to processing request for the procurement of goods and services
- All purchase orders must be approved by the Purchase Order Approver



# Purchase Order Process



Purchase Orders in FMMI can be defined as follows:

- The Purchase Order is the request or instruction to a vendor to supply certain materials or render/perform certain services. It formalizes USDA's intent to purchase specific quantities of materials/services at a specified prices
- Purchase Orders can be created in an interfacing system such as IAS or they can be manually entered in FMMI
- FMMI performs edit checks such as funds availability for Purchase Orders entered in an interfacing system when received.





# Purchase Order Process



- A purchase order generally contains key information such as:
  - Delivery date
  - Shipping address
  - Terms of payment (usually set by the vendor)
  - List of services/products (often including specifications and reference for the items to be purchased; indicating the quantities, prices, etc.)
- The purchase order number is sequentially assigned by the FMMI system
- In the Accounts Payable process, purchase orders and goods receipts are matched with invoices before payment is sent to the vendor

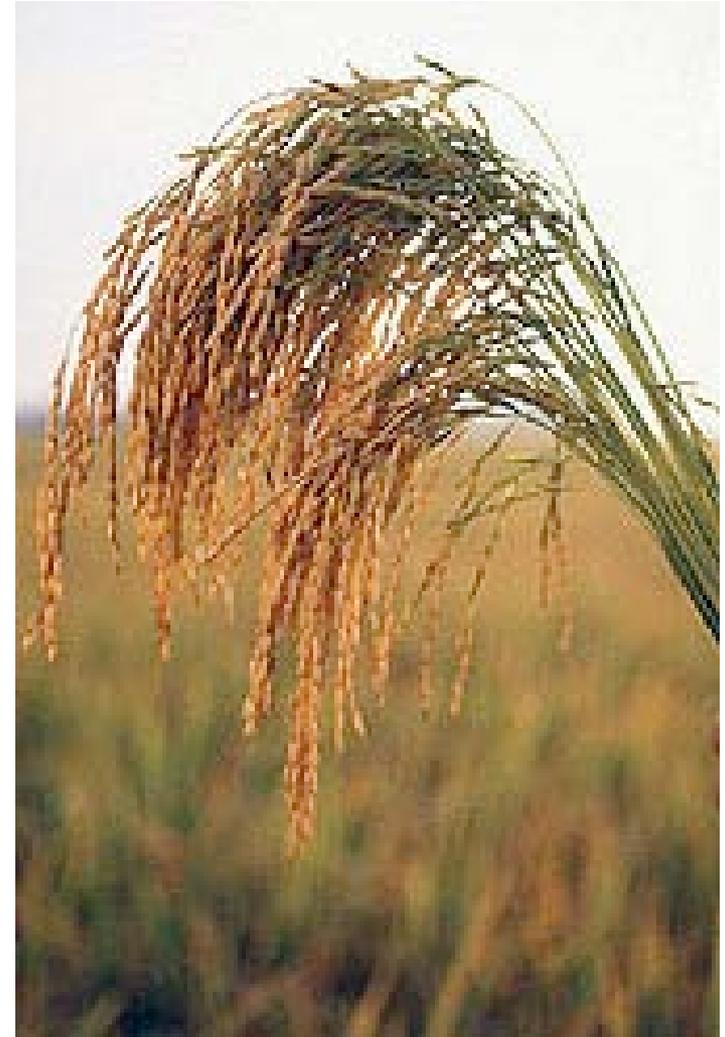


# Referencing a Purchase Requisition



In FMMI, a purchase order can be created with or without reference to a purchase requisition.

- When an order is created with reference to a purchase requisition, it reduces the corresponding commitment and posts an obligation
  - Information from the Purchase Requisition is pulled into the Purchase Order
- If a purchase order is created without reference to purchase requisition, it reduces the budget authority and records an obligation





# Touchpoints



The following table outlines the key touchpoints between the Purchase Order sub-process and other business areas within FMMI.

Process	Touchpoint
Purchasing – Goods Receipt	<ul style="list-style-type: none"> <li>Validates goods/services received against the Purchase Order</li> </ul>
Accounts Payable – Invoicing	<ul style="list-style-type: none"> <li>Utilizes the Purchase Order to verify and validate the data contained in the Invoice (applicable if the invoice is blocked/parked during the 3-way matching process)</li> </ul>
Funds Management – Funds Distribution	<ul style="list-style-type: none"> <li>Identifies and allocates available funds accordingly throughout the various agencies. Determines availability of funds</li> </ul>
General Ledger – Manage General Ledger Postings	<ul style="list-style-type: none"> <li>Post obligation of funds to the General Ledger</li> </ul>



# Learning Checkpoint Question and Answer (Q&A)



- The questions on the following pages will test your understanding of key concepts in this module
- While there is no minimum passing score, ensure you have a strong understanding of each concept before continuing
- If you answer the questions incorrectly, please be sure to reference the course if you need more explanation about key concepts
- At any time you can review information from this module by clicking Menu and selecting a page from the Menu pop-up





# Learning Checkpoint Question and Answer (Q&A)



1. **True/False:** A purchase order can be created without reference to a purchase requisition (**True**)
  
2. **True/False:** Purchase Orders can only be created and received through the Integrated Acquisition System (IAS) (**False**)
  
3. **Multiple Choice:** The Purchase Order Processor is responsible for performing the following activities, with the exception of:
  - a. Creating a Purchase Order
  - b. *Releasing a Purchase Order*
  - c. Changing a Purchase Order
  - d. Canceling a Purchase Order



# Learning Checkpoint Question and Answer (Q&A)



4. **True/False:** The Purchase Order Approver is responsible for updating parked purchase orders (**False**)
  
5. **True/False:** Accounts Receivable is a direct touchpoint of the Purchase Order sub-process (**False**)



# Module Summary



In this module, you have learned to:

- Explain the Purchase Order sub-process
- Explain the key Purchase Order terminology and business concepts
- Describe the FMMI roles associated with the Purchase Order sub-process
- Explain the interactions between the Purchase Order sub-process and other business areas within FMMI





# Purchase Orders Module Completion



Congratulations! You have completed Module 4 – Purchase Orders. The next module will provide you an overview of the Goods Receipt process

Select the **Exit** button to leave this module and return to the course menu.





# Course Outline



- Introduction Module
- Module 1 – Purchasing Overview
- Module 2 – Vendor Master Data
- Module 3 – Purchase Requisitions
- Module 4 – Purchase Orders
- **Module 5 – Goods Receipt**
- Module 6 – Purchasing Reports
- Course Summary
- Course Evaluation



# Welcome to Module 5: Goods Receipt



- This module will provide you an overview of Goods Receipt
- Proceed to each new page by clicking the **Next** button when you have finished reading the content on a page
- To view a full list of the topics covered in this module, click the Menu button on the top right corner of the course
- When you are finished with the Module, click **Exit** to mark the module complete and return to AgLearn



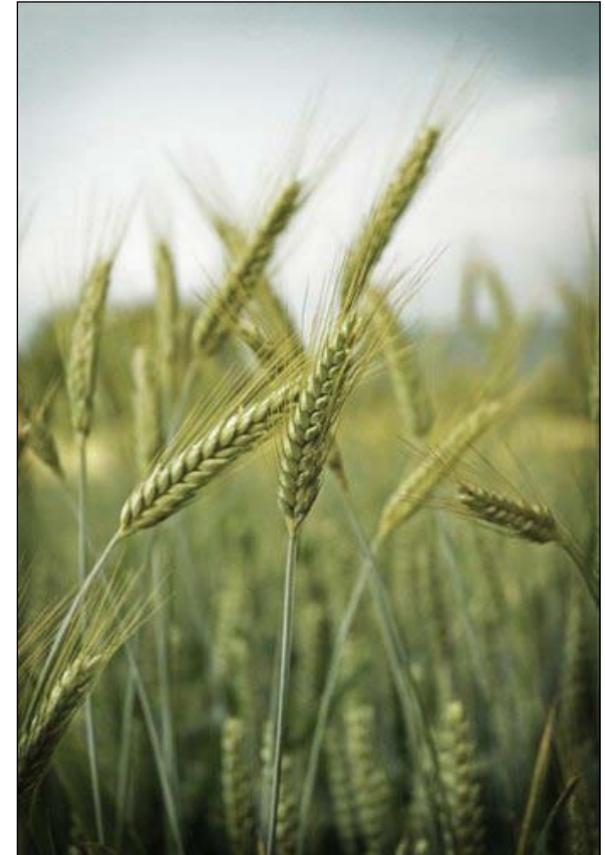


# Objectives



After completing this module, you will be able to:

- Explain the Goods Receipt sub-process
- Explain the key Goods Receipt terminology and business concepts
- Describe the FMMI roles associated with the Goods Receipt sub-process
- Explain the interactions between the Goods Receipt sub-process and other business areas within FMMI





# Key Terminology



Review the following terms and definitions before beginning the Goods Receipt module:

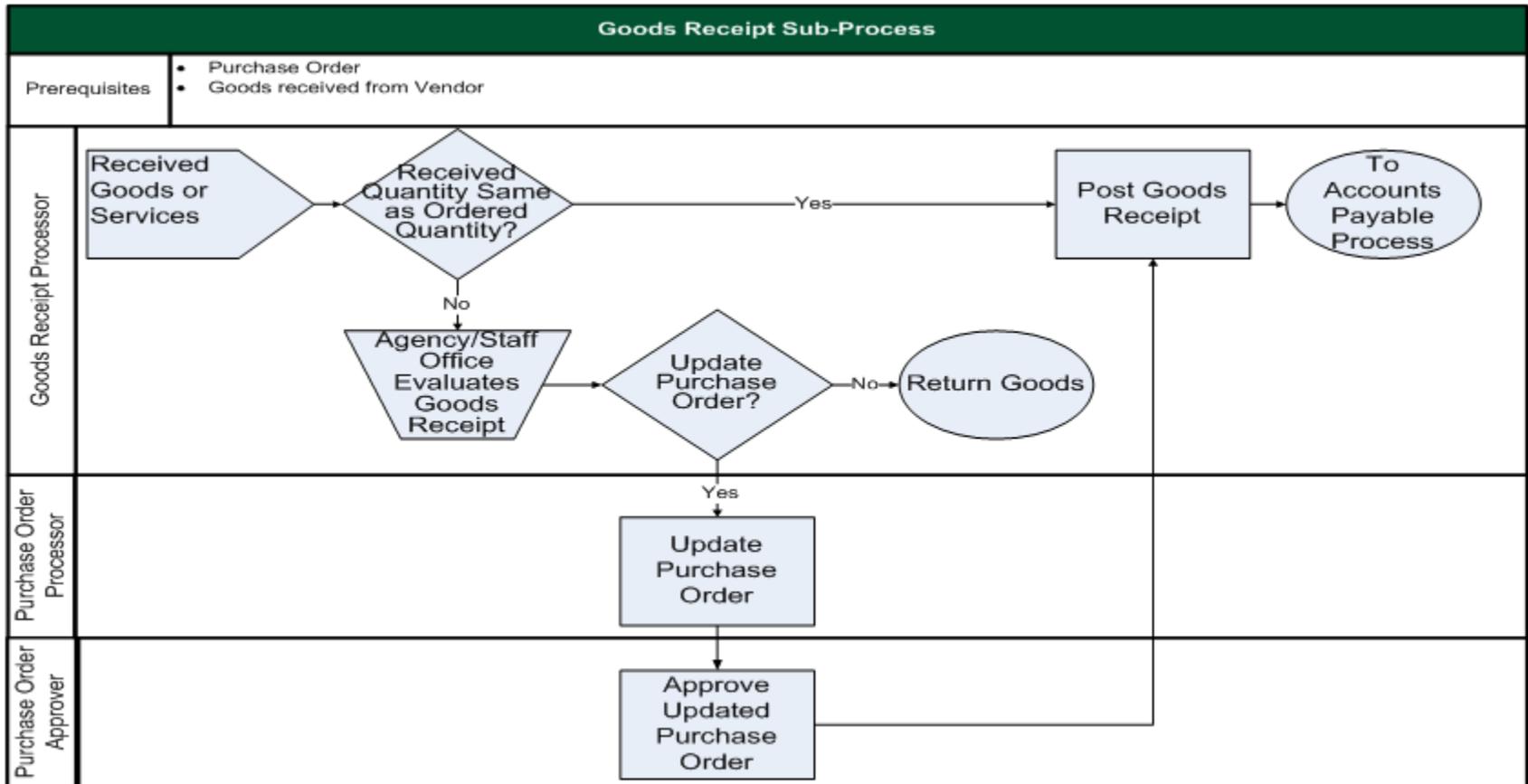
- **Goods Receipt** : A material document created for the receipt and/or acceptance of goods or services
- **Tolerance** : The predetermined allowance between the quantity of goods received and the quantity of goods ordered and reflected on the Purchase Order



# Business Process Flow



This process flow outlines the key activities related to Goods Receipt sub-process:





# Key Business Concepts



The following business concepts pertain to the Goods Receipt process.

- FMMI tolerance checks will not allow quantities received to exceed quantities ordered
- The actual Goods Receipt date is required and is key to deriving the payment date
- Subsequent invoices sent by the vendor for goods delivered must reconcile to a posted Goods Receipt in order to process



# FMMI User Roles



The FMMI Goods Receipt sub-process includes the following roles:

Role Name	Definition
Good Receipt Processor	The Goods Receipt Processor is responsible for recording and canceling goods receipt and posting return delivery.
Purchase Order Processor	If the goods received are over the delivery tolerance and the Agency and Staff Office evaluate the GR and decide to modify the PO. The Purchase Order Processor is responsible for updating the value of the Purchase Order.
Purchase Order Approver	The PO Approver is responsible for approving the updated PO.





# Goods Receipt



The Goods Receipt process begins once the goods or services are received

- Goods Receipts are created in the Integrated Acquisition System (IAS) or they can be manually entered in FMMI
- Goods Receipts entered in IAS are interfaced to FMMI
- Goods receipt posted in FMMI reference a Purchase Order, allowing the transaction to pull key data from the Purchase Order
- Entering a goods receipt in FMMI reduces the corresponding obligation





# Goods Receipt Delivery Tolerance



Upon receipt of the goods the Goods Receipt Processor is responsible for checking the quantity received against the quantity indicated on the Purchase Order

- During this assessment the Goods Receipt Processor verifies if the if the delivery is within the allotted tolerance
  - In FMMI, the delivery tolerance limit is “0”; allowing no overages. Agency and Staff offices are notified of deliveries outside of the tolerance level.
- IAS transactions are subjected to the same tolerance check as transactions entered directly into FMMI



# Touchpoints



The following table outlines the key touchpoints between the Goods Receipt sub-process and other business areas within FMMI.

Process	Touchpoint
General Ledger – Manage General Ledger Postings	<ul style="list-style-type: none"><li>▪ Post to the General Ledger</li></ul>
Purchasing – Purchase Orders	<ul style="list-style-type: none"><li>▪ Responsible for reviewing, investigating, and updating (if applicable) the Purchase Order if the delivery tolerance level is under or over the allotted limit</li></ul>
Accounts Payable – Invoicing	<ul style="list-style-type: none"><li>▪ Utilizes the Goods Receipt to verify and validate the data contained in the Invoice (applicable if the invoice is blocked/parked during the 3-way matching process)</li></ul>



# Learning Checkpoint Question and Answer (Q&A)



- The questions on the following pages will test your understanding of key concepts in this module
- While there is no minimum passing score, ensure you have a strong understanding of each concept before continuing
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# Learning Checkpoint Question and Answer (Q&A)



1. **True/False:** FMMI is configured to allow an over delivery tolerance limit of zero. (True)
2. **Multiple Choice:** The Goods Receipts process involves which of the following roles?
  - a. Goods Receipt Processor
  - b. Purchase Order Processor
  - c. Purchase Order Approver
  - d. All of the Above
3. **Multiple Choice:** Entering a goods receipt in FMMI reduces the amount on which of the following documents?
  - a. Sales Order
  - b. Commitment
  - c. Invoice
  - d. Obligation



# Learning Checkpoint Question and Answer (Q&A)



4. **True/False:** Only manually entered transactions are subjected to tolerance checks. (False)
  
5. **True/False:** Accounts Payable is a direct touchpoint of the Goods Receipt sub-process (True)



# Module Summary



In this module, you have learned to:

- Explain the Purchase Order sub-process
- Explain the key Purchase Order terminology and business concepts
- Describe the FMMI roles associated with the Purchase Order sub-process
- Explain the interactions between the Purchase Order sub-process and other business areas within FMMI





# Goods Receipt Module Completion



Congratulations! You have completed Module 5 – Goods Receipt. The next module will summarize the topics covered in the Purchasing course

Select the **Exit** button to leave this module and return to the course menu.





- Introduction Module
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- **Module 6 – Purchasing Reports**
- Course Summary
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# Welcome to Module 6: Purchasing Reports



- This module provides you an overview of the Purchasing Reporting process
- Proceed to each new page by clicking the **Next** button when you have finished reading the content on a page
- To view a full list of the topics covered in this module, click the Menu button on the top right corner of the course
- When you are finished with the Module, click **Exit** to mark the module complete and return to AgLearn



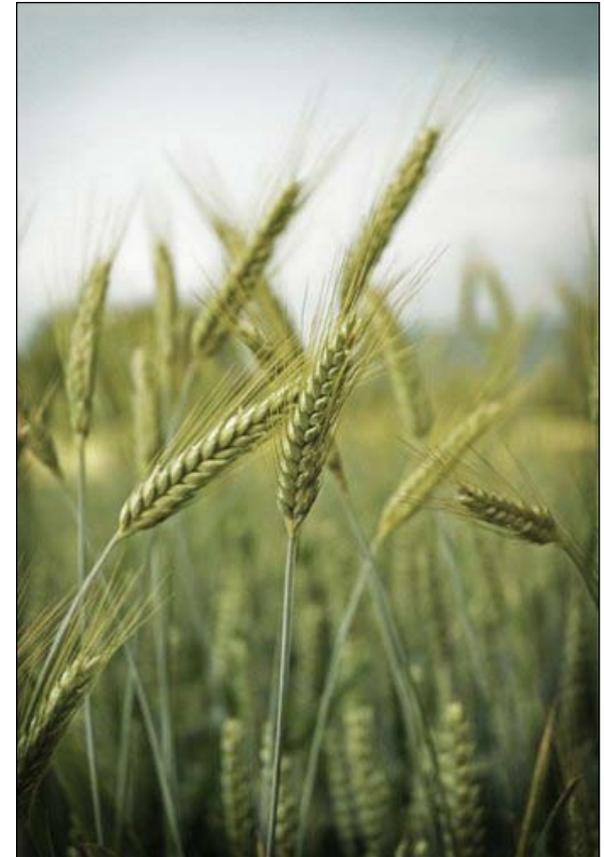


# Objectives



After completing this module, you will be able to:

- Identify the Purchasing reports key terminology
- Describe the roles and responsibilities for executing the Purchasing reports
- Explain the purpose of the Purchasing reports within the FMMI system





# Key Terminology



Review the following terms and definitions before beginning the Purchasing Reports module:

- **Budget Object Class (BOC)**: A 4-digit budget object class naming structure defined for revenues and expenses. The object class code is part of the General Ledger structure.
- **Business Intelligence Reporting (BI)**: FMMI Business Intelligence Reporting is a collection of technologies, applications, and practices that provide decision support capabilities through efficient, quality, and fact based analytics, metrics, and reporting.



# FMMI User Roles



The FMMI Purchasing Reports process includes the following role:

Role Name	Function
Purchasing Reporter	<ul style="list-style-type: none"><li>Executes Purchasing-related reports based on a set of parameters in FMMI</li></ul>
Purchasing BI Reporter	<ul style="list-style-type: none"><li>The Purchasing BI Reporter executes non-payroll and non-reconciliation BI (Business Intelligence) reports in FMMI.</li></ul>





# FMMI Purchasing Reports



- This section outlines the reports in the General Ledger process area.
  - **Run Purchase Order List Display by Vendor Report**: The Purchase Order List Display by Vendor Report allows the user to view a list of all purchase orders within FMMI based on desired criteria. This report is beneficial if the user wants to view all purchase orders based on a particular document status (open, pending approval, purchase orders with partial receipt of goods/services, closed, etc)
  - **Run Purchase Order List Display by Material Group Report** : The Purchase Order List Display by Vendor Report allows the user to view a list of all purchase orders within FMMI based on desired criteria. This report is beneficial if the user wants to view all purchase orders based on a particular BOC



# FMMI Purchasing Reports



- This section outlines the reports in the General Ledger process area.
  - **Run Vendor Address List Report**: This report provides details of vendor address data
  - **Run Display Changes to Vendor Report**: This report is used by Purchasing Reporters to display changes to the vendor master record data across accounts
  - **Run Vendor List Report**: The Vendor List is used to display and print vendor master data records. It can be used for information and documentation purposes
  - **Run Purchase Requisition List Display Report**: This report allows the user to view a list of all purchase requisitions within FMMI based on desired criteria. The report is beneficial if the user wants to view all purchase requisitions based on a particular status



# FMMI Purchasing Reports



- This section outlines the reports in the General Ledger process area.
  - **Run Purchasing List of Vendors Report**: Report provides vendor details based on criteria set on the execution screen
  - **Run Vendor Analysis: Purchasing Values Report**: This report shows details for vendor based on PO, Invoice and Goods Receipt amount
  - **Run Purchase Requisitions per Account Assignment Report**: The Run Purchase Requisitions per Account Assignment Report shows details for purchase requisitions based on the account assignment set up for the requisition



# Learning Checkpoint Question and Answer (Q&A)



- The questions on the following pages will test your understanding of key concepts in this module
- While there is no minimum passing score, ensure you have a strong understanding of each concept before continuing
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# Learning Checkpoint Question and Answer (Q&A)



1. **True/False:** The Chart of Accounts Report displays the G/L account numbers and their respective long text description. **(True)**
  
2. **Multiple Choice:** Which of the following user roles executes G/L-related reports based on a set of parameters in FMMI?
  - a. General Ledger Master Data Maintainer
  - b. General Ledger Administrator
  - c. **Financial Reporter**
  - d. General Ledger Approver
  - e. All of the Above
  
3. **True/False:** The G/L Chart of Accounts by Company Code Report displays a list of changes made to G/L accounts. **(True)**



# Learning Checkpoint Question and Answer (Q&A)



4. **True/False:** Trial Balance by Fund at G/L Account Level Report displays a trial balance for selected G/L accounts at the full account level (USSGL + Sub-Account + BOC/RSC). **(False)**
5. **Multiple Choice:** Which of the following reports displays information about disbursements, collections, and receipts?
- a. Recurring Entry Documents Report
  - b. Line Item of Payroll Entries Report
  - c. Chart of Accounts Report
  - d. G/L Chart of Accounts
  - e. **SF-224 Report**



# Module Summary



In this module, you have learned to:

- Identify the Purchasing reports key terminology
- Describe the roles and responsibilities for executing Purchasing reports
- Explain the purpose of Purchasing reports within the FMMI system





# Course Outline



- Introduction Module
- Module 1 – Purchasing Overview
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- Module 4 – Purchase Orders
- Module 5 – Goods Receipt
- Module 6 – Purchasing Reports
- **Course Summary**
- Course Evaluation



# Course Summary



In this course, you have learned to:

- Explain key Purchasing terminology and business concepts
- Explain the high level Purchasing process and sub-processes
  - Vendor Master Data sub-processes
  - Purchase Requisition sub-process
  - Purchase Order sub-processes
  - Goods Receipt sub-processes
- Explain the FMMI roles required to perform the Purchasing process
- Explain how other business areas interact with the Purchasing process
- Provide examples of the FMMI standard reports



# Course Outline



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# Course Evaluation



- In our efforts to continuously improve FMMI Training, please complete the course evaluation
- The FMMI team uses the results of evaluations to determine the overall effectiveness of the training program and to identify improvements for future sessions
  - Your answers will remain confidential but you may also provide your name if desired
- The evaluation can be accessed at the following link:

[Course Survey](#)

