



Materials Management Knowledge Transfer Session

GOODS RECEIPT / GOODS ISSUE

June 17, 2009

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Agenda

- ④ Key Terms
- ④ Roles and Responsibilities
- ④ Receipt and Issue Overview
- ④ Receipt Against a Purchase Order
- ④ Receipt of Used/Reclaimed Material
- ④ Material Issues
- ④ Material Scrapping
- ④ Material Transfers
- ④ Next Steps
- ④ Questions



Key Terms

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Key Terms cont.

SAP Term	Description
Inventory	Materials that are managed on a quantity and price basis or quantity only in storerooms and expensed at time of consumption.
ECC (Enterprise Central Component) vs. SRM (Supplier Relationship Management)	SRM: Used for Non Inventory purchase orders Used for creation of “shopping cart” for inventory and non-inventory requests ECC: Used for all inventory procurement

Key Terms cont.

SAP Term	Description
Plant	An organizational unit for dividing an enterprise according to production, procurement, maintenance, and materials planning. A place where materials are produced, or goods and services are provided.
Storage Location	A location at which inventory is stored
Internal Vendor	A division or agency within the state of South Carolina who provides a good or service to other agencies. Internal Vendors are used to facilitate transfers of material where an STO is required.

Key Terms cont.

SAP Term	Description
Material Number	<p>A 6-digit system assigned number that uniquely identifies a material in SAP.</p> <p>As a rule, a material master record must exist for each material managed in an enterprise. This record is stored under the material number.</p>
Material Group	<p>Key that is used to group together materials with similar attributes.</p>
Scrapping	<p>Goods issue of material that can no longer be used. For example, if a material has deteriorated in quality or become obsolete</p>

Key Terms cont.

SAP Term	Description
MRP (Materials Requirements Planning)	Material Requirements Planning is a term for procedures in requirements planning that take into account current inventory levels, projected demand and planned replenishment (i.e. existing purchase requisitions and purchase orders.) Our primary use of MRP will be reorder point planning.
Stock Transfer Order (STO)	Internal purchase order that facilitates the transfer of stock from a warehouse to a plant

Key Terms cont.

SAP Term	Description
Stock in Transit	Quantity of a material that has already been withdrawn from storage at the issuing plant on the basis of a stock transport order, but has not yet arrived at the plant to which it is being transferred (receiving plant)
Stock in Transfer	Quantity of a material which a physical stock transfer using the two-step procedure, has already been taken out of stock at the point of issue but has not yet arrived at the point of receipt.

Key Terms cont.

SAP Term	Description
Goods Issue	Goods movement in which a material withdrawal, goods issue, material consumption or goods shipment is posted to a customer. A goods issue leads to a decrease of stock.
Goods Receipt	Goods movement in which the receipt of goods from both an external vendor and from production is posted. A goods receipt leads to an increase in stock.
WBS Element	Used to accumulate and monitor costs for a particular project
Internal Order	Cost collector that represents the activity being performed



Roles and Responsibilities

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Roles and Responsibilities

🌀 Agency Inventory Receiver

- Responsible for entering materials receipts in SCEIS for inventory and non-inventory items for:
 - External Purchase Orders
 - Internal Purchase Orders
 - Used/Reclaimed Materials
 - Material Transfers
- Print goods receipts as required

Roles and Responsibilities cont.

🌀 Agency Inventory Issuer

- Responsible for creating goods issues and material transfers for inventory items
- Ability to pick, pack, check, and ship material for goods movement
- May assist in the count and recount of physical inventory



Receipt and Issue Overview

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Notice



The system processes being implemented in SCEIS are not designed to supersede the South Carolina Procurement Code and Regulations.

Receipt Overview

- The goods receipt function is for receiving goods and services against the following items:
 - Purchase Order from an external vendor
 - Purchase Order from an internal vendor (STO)
 - Receipt of material transfers (Non STO)
 - Receipt of used and reclaimed materials

Receipt Overview cont.

-
- Receipt transactions for inventory items will immediately increase the inventory on-hand quantity
 - Unless it is a Non-Valuated Material (Used/Reclaimed) the Inventory value is immediately increased when a goods receipt is entered
 - Goods Receipt is a part of the three way match required for payment processing to external vendors.

Issue Overview

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- Inventory issue function is used to issue/transfer materials from inventories

 - An issue is used in many processes:
 - Material Consumption
 - Material Scrapping
 - Material Transfer

 - Material Issue transactions for inventory items will immediately reduce the inventory on-hand quantity and inventory dollar value

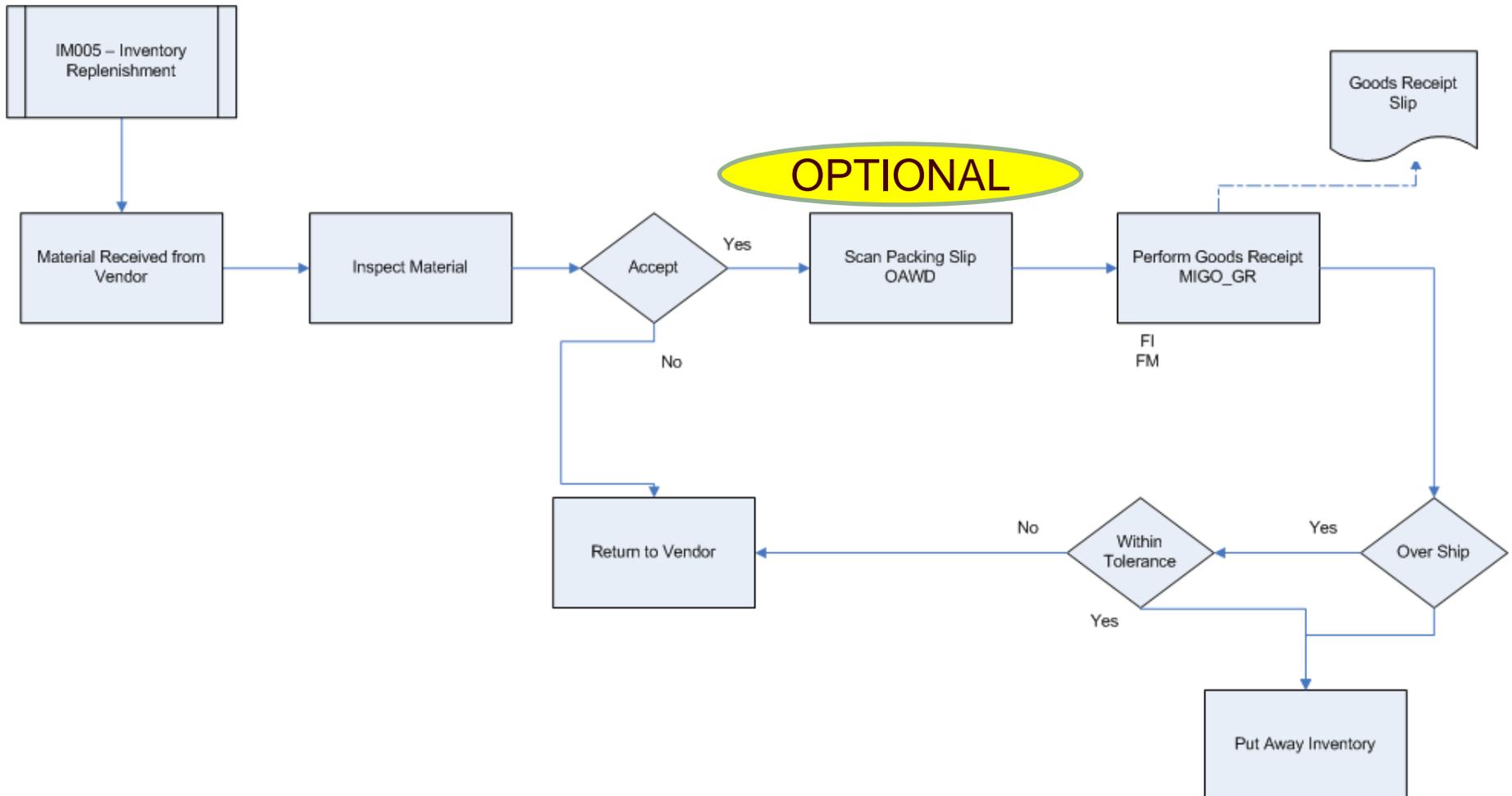


Receipt Against Purchase Order

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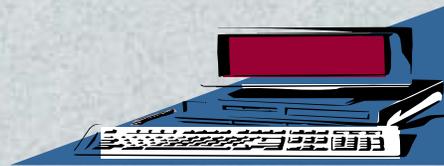
Goods Receipt for PO



ME23N - Display a Purchase Order

Purpose	Display a Purchase Order
Triggers	Material is delivered. Verify quantity ordered.

Demonstration



MIGO - Create a Goods Receipt

Purpose	Create a Goods Receipt.
Triggers	Use movement type 101 for the goods receipt against a PO.



MIGO - Reverse a Goods Receipt

Purpose	Reverse a Goods Receipt .
Triggers	Data Input Error. Correction required to reduce quantity received.



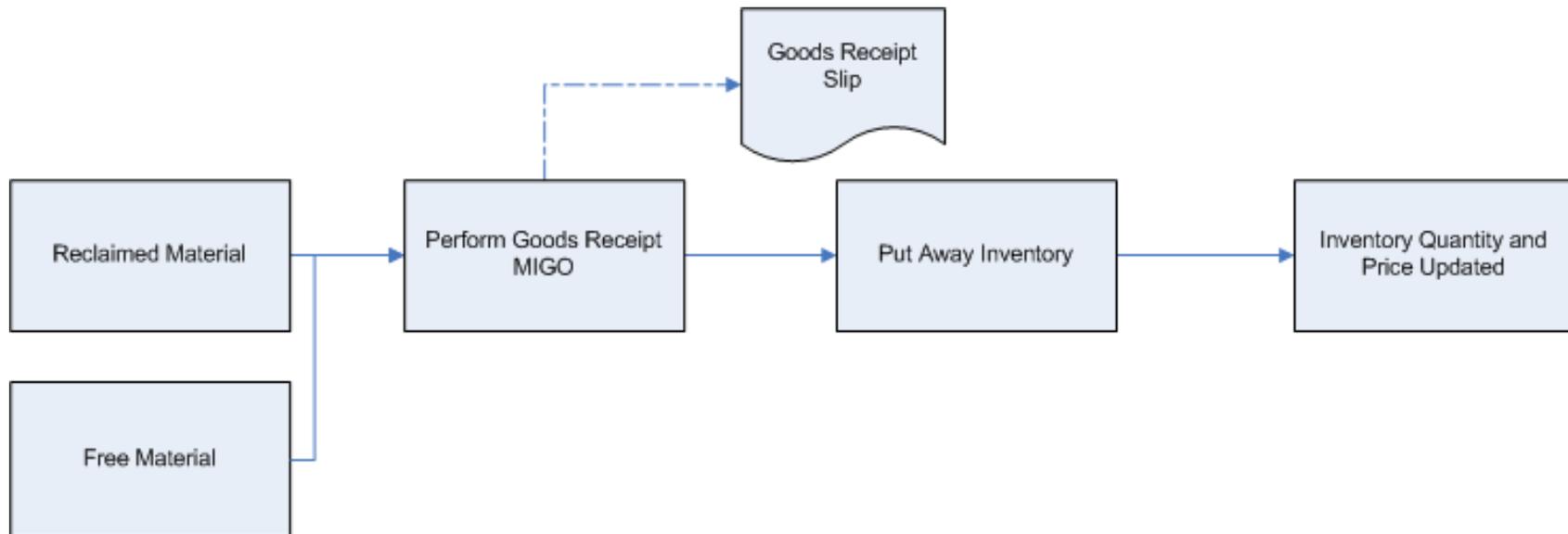


Receipt for Free/Reclaimed Material

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Goods Receipt for Free / Reclaimed Material



MIGO - Create a Goods Receipt

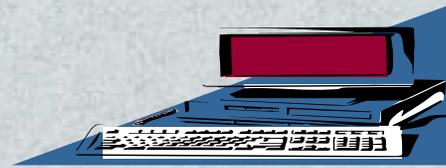
Purpose	Create a Goods Receipt, Movement Type (MVT) 501.
Triggers	Asphalt becomes available from a project and the decision is made to put the material in inventory for future use.



MIGO - Reverse a Goods Receipt

Purpose	Reverse a Goods Receipt, Movement Type (MVT) 502.
Triggers	Quantity entered in error. Reduce amount of Goods Receipt.

Demonstration



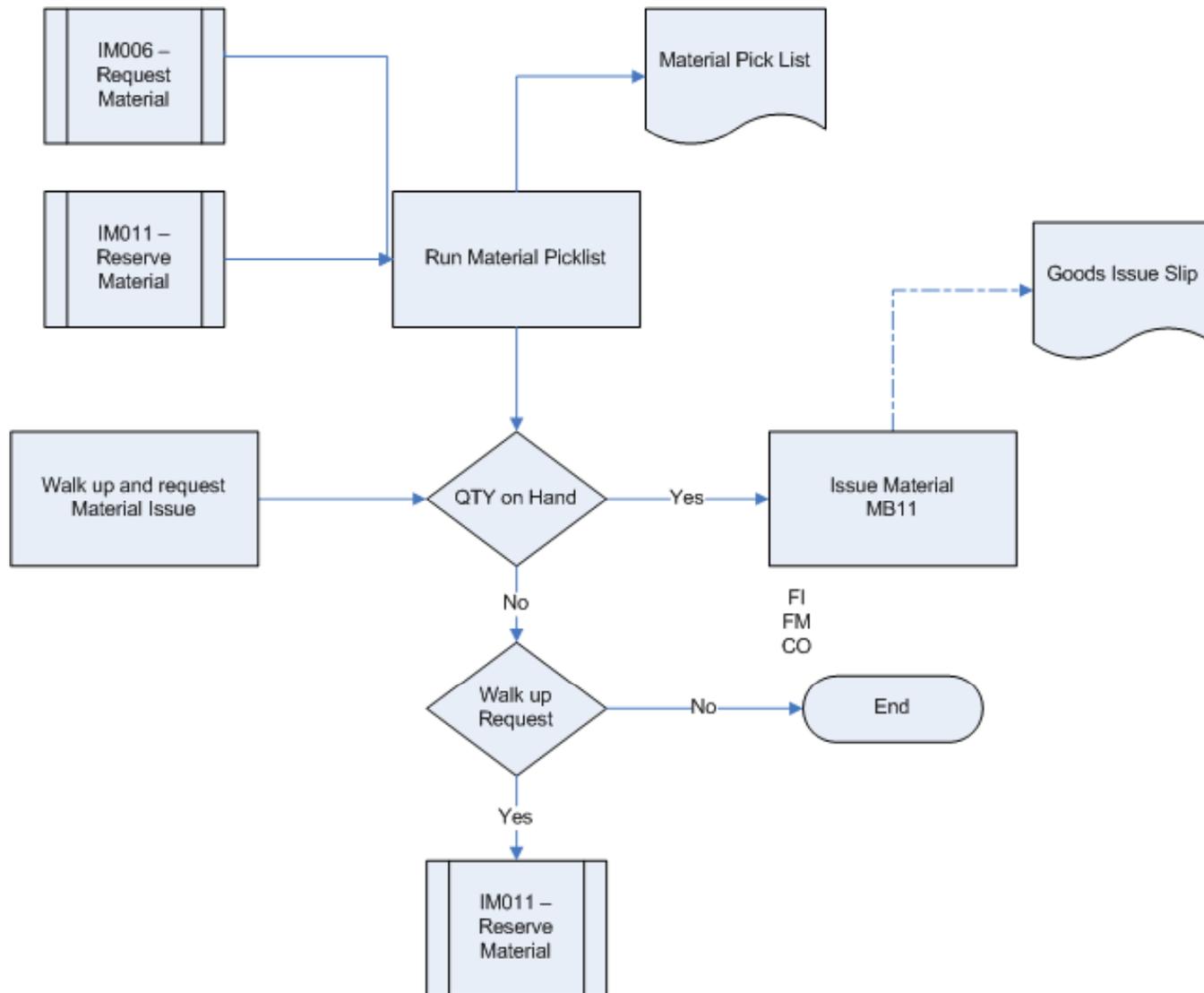


Goods Issue

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Goods Issue



Walk up Request for Goods Issue



SOEIS		MATERIALS REQUISITION					Plant: F030	
							SLoc: 001	
							Request Date: 5/19/2009	
EX:	Mvt Type (see below): 261	Material: 311201	Qty: 1	Internal Order: 88343	Fund: 1058207813	Cost Center: 7840420000	Functional Area:	Entry Date: 7/4/2007
Description: BATTERY 12V GRPU1 155-200CCA		Received By:		Entered By:		Material Document #		
G/L Account:	Grant:	WBS Element (Project)		Serial Number:		Personnel Number:	Vehicle ID:	
1	Mvt Type (see below): 201	Material: 100891	Qty: 5	Internal Order:	Fund: 10020000	Cost Center: E160B00019	Functional Area: 9999_9999	Entry Date:
Description: Rubber Bands #20		Received By: Fred Smith		Entered By:		Material Document #		
G/L Account: 5033050000	Grant: Not Relevant	WBS Element (Project)		Serial Number:		Personnel Number:	Vehicle ID:	
2	Mvt Type (see below):	Material:	Qty:	Internal Order:	Fund:	Cost Center:	Functional Area:	Entry Date:
Description:		Received By:		Entered By:		Material Document #		
G/L Account:	Grant:	WBS Element (Project)		Serial Number:		Personnel Number:	Vehicle ID:	
3	Mvt Type (see below):	Material:	Qty:	Internal Order:	Fund:	Cost Center:	Functional Area:	Entry Date:
Description:		Received By:		Entered By:		Material Document #		

MIGO - Create a Goods Issue

Purpose	Create a Goods Issue for a walk up request for supplies Movement Type (MVT) 201.
Triggers	A walk up request for some material that is needed for a construction project.



MIGO - Reverse a Goods Issue

Purpose	Reverse a Goods Issue, Movement Type (MVT) 202.
Triggers	An incorrect quantity was issued and a correction needs to be made.



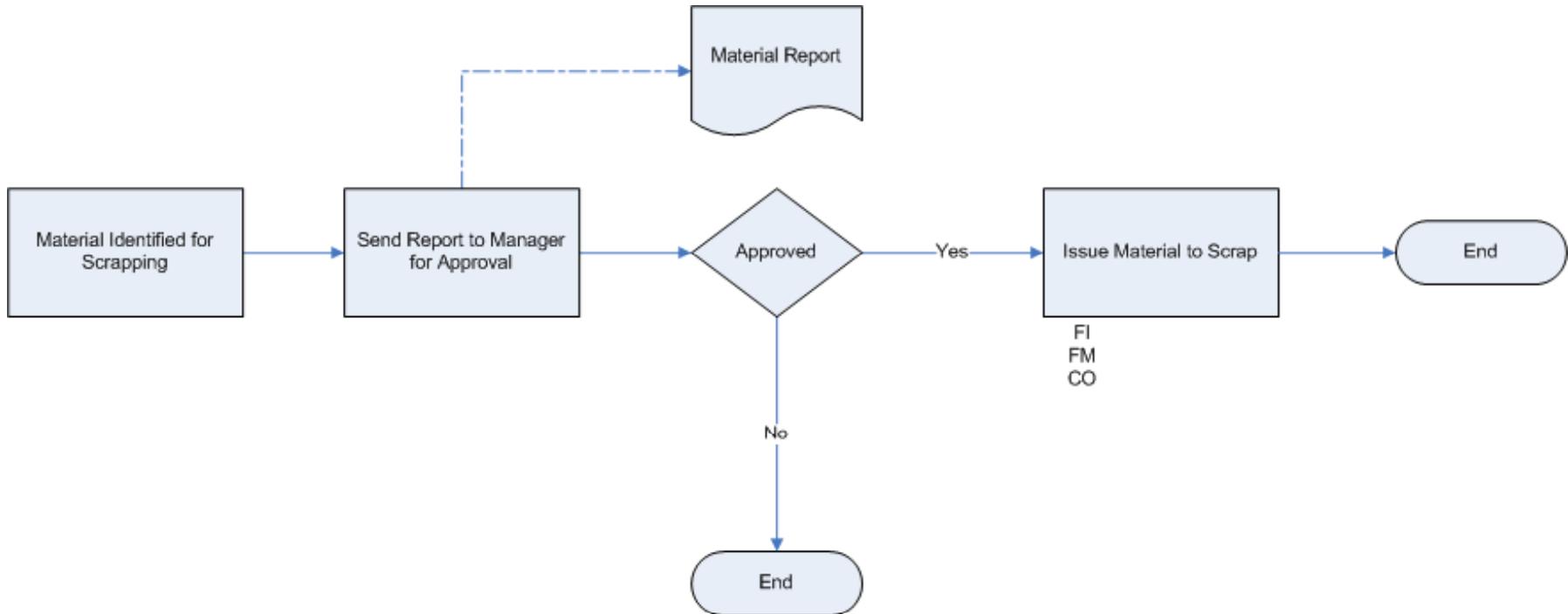


Material Scrapping

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Material Scrapping



MIGO - Create a Goods Issue to Scrapping

Purpose	Create a Goods Issue for scrapping, Movement Type (MVT) 551.
Triggers	Material Identified for scrapping.





Material Transfers

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Material Transfer – Sloc to Sloc



☉ Perform One-step inventory transfer

- Movement type 311 will perform both Goods Issue and Goods Receipt at the same time
- Results:
 - Reduced stock on hand in sending storage location
 - Increased stock on hand in receiving storage location
 - Value of the transferred material remains unchanged since both the sending and receiving storage locations are in the same plant

Material Transfer – Plant to Plant



☉ Perform Two-step inventory transfer

- Issuing plant utilizes movement type 303 for issue
- Receiving plant utilizes movement type 305 for receipt
- Results:
 - Good issue reduces the available stock on hand at the issuing plant
 - Goods issue quantity is now **‘in transfer’** between the two plants
 - Receiving plant’s budget is charged at time of goods issue at sending plants moving average cost times quantity issued
 - Receiving plant must conduct a receipt transaction to place items into storage, increasing stock on hand and decreasing the **‘in-transfer’** quantity.
 - **Stock in-Transfer** is not considered for Inventory Replenishment (MRP) purposes

MB1B - Material Transfer – Sloc to Sloc

Purpose	Create a material transfer from Storage location to Storage Location, Movement Type (MVT 311) – One Step.
Triggers	County storage location requires material from another storage location within a county.



MB1B - Material Transfer – Plant to Plant Goods Issue

Purpose	Create a material transfer issue with a Goods Issue Slip from Plant to Plant without a Stock Transport Order, Movement Type (MVT) 303.
Triggers	Material required from another plant.



MB1B - Material Transfer – Plant to Plant Goods Receipt

Purpose	Create a material transfer receipt from Plant to Plant without an Stock Transport Order), Movement Type (MVT) Type 305.
Triggers	Material required from another plant.



🌀 Agency Inventory Receiver

- Responsible for entering Goods Receipts in a timely manner for:
 - External purchase orders
 - Internal purchase orders
 - Used/Reclaimed Materials
 - Material Transfers

Course Summary cont.

🔄 Agency Inventory Issuer

- Responsible for performing Goods Issues for:
 - Material Consumption
 - Material Scrapping
 - Material Transfers

🔄 Receiving

- All inventory replenishment orders will now be SAP External Purchase Orders (POs) or Internal Stock Transfer Orders (STOs)
- A SAP purchase order will be required to perform a receipt from any external vendor
- Goods Receipt is a part of the three way match required for processing payment to external vendors

Course Summary cont.

🔄 Issuing

- All material issues will be budget relevant except for used/reclaimed material and scrapping
- There will be a hard stop to a goods issue if the account that is charged does not have sufficient budget available when the issue is budget relevant

Course Summary cont.

🔄 Scrapping

- Material scrapping will be used to remove materials from inventory when:
 - Obsolete
 - Damaged
 - No longer needed
- Scrapping Material movements will not be budget relevant (Statistical Only)

☉ Material Transfers: Storage Location to Storage Location

- Perform One-step inventory transfer
- Goods issue movement type 311 will perform both Goods issue and Goods receipt at the same time
- Results:
 - Reduced stock on hand in sending storage location
 - Increased stock on hand in receiving storage location
- Value of the transferred material remains unchanged since both the sending and receiving storage locations are in the same plant

Course Summary cont.

☉ Material Transfers: Plant to Plant

- Can only be performed using a two-step inventory transfer **without an STO**
- Issuing Plant will perform a Goods issue with movement type 303
- Receiving Plant will perform a goods receipt with movement type 305

☉ Material Transfers: Plant to Plant

– Results:

- Good Issue reduces the available stock on hand at the sending plant
- Goods Issue quantity is now **‘in transfer’** between the two plants
- Receiving plant’s budget is charged at time of Goods Issue at sending plant’s moving average cost times quantity issued
- Receiving plant must conduct a receipt transaction to place items into storage, increasing stock on hand and decreasing the **‘in-transfer’** quantity
- **Stock in-Transfer** is not considered for Inventory Replenishment (MRP) purposes

Any Questions?



Self-Study – Materials Management



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- Post-work for Goods Issue/Goods Receipt Session
 - Review session content
 - Conduct Survey Monkey Knowledge Check for Goods Issue/Goods Receipt Session
 - Review Frequently Asked Questions (FAQs)
 - Review demonstration documentation / workbook materials

Refer to www.sceis.sc.gov. Click on *Knowledge Transfer Program*, then *Materials Management Knowledge Transfer*

Next Steps

- Inventory Management – Physical Inventory
 - June 24, 2009 at 9:00 a.m. – 11:00 a.m., SCEIS 201

Contact us



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