QUICK REFERENCE GUIDE

Create and Process a Contract Encumbering Order Requisition

January 12, 2016

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This reference guide describes how to create a Contract Encumbering Order (CEO) requisition to pre-encumber funds for a contract that will result in a CEO purchase order. A requisition is an internal document that agencies use to request a purchase. The pre-encumbrance is created through the budget check process in SWIFT. Requisitions are not dispatched to vendors. There are two types of requisitions: Contract Encumbering Order Requisitions and Open Market Requisitions.

This guide provides an overview on Contract Encumbering Order Requisitions. It also describes the steps to process Contract Encumbering Order (CEO) Requisitions.

For information about Open Market Requisitions, see the **Create and Process an Open Market Requisitions Quick Reference Guide** located on the SWIFT Training and Support Resources: http://mn.gov/mmb/accounting/swift/training-support/reference-guides/epro.jsp

Overview of Contract Encumbering Order Requisitions

Contract Encumbering Orders (CEO) pre-encumber funds. This means that they set aside the funds for a specific purchase. There is no legal obligation to spend it. CEO requisitions are typically used for Building Construction Contracts, Other Construction Contracts or Roadway Construction Contracts. Upon award of a CEO requisition, a CEO purchase order is created and the CEO requisition's pre-encumbrance balance is relieved.

Steps to Create and Process a Contract Encumbering Order Requisition.

- **Step 1: Create a CEO Requisition.**
  In order to create the contract, SWIFT requires that you start with a requisition and pre-encumber the funds.

- **Step 2: Edit the CEO Requisition to Add Contract and Approval Information.**
  After the requisition is successfully completed, SWIFT requires that you create the contract for this purchase. Once the contract is in an Approved status, return to the requisition and reference the contract on it.

- **Step 3: Convert the CEO Requisition into a Purchase Order to Establish the Encumbrance.**
  Use the requisition to build a purchase order.

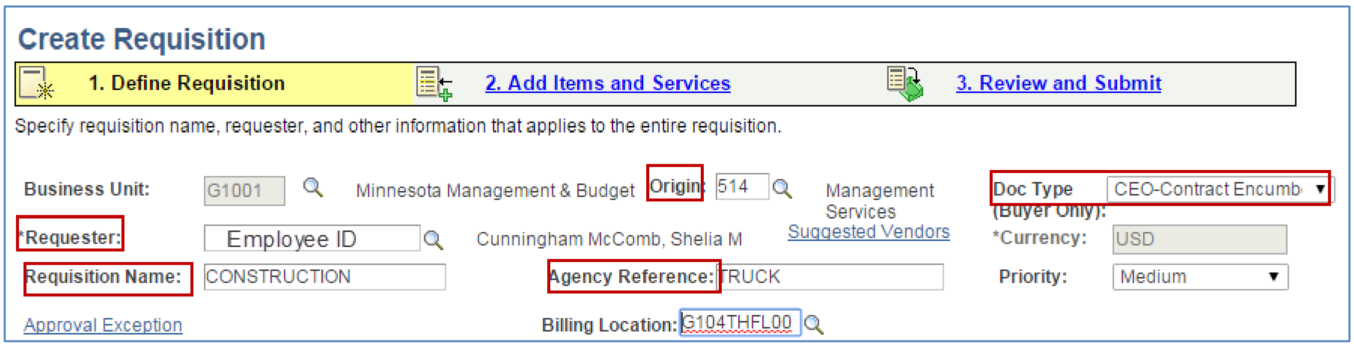
- **Step 4: Validate and Dispatch the CEO Purchase Order**.
  After the purchase order is successfully created, budget checked, dispatched and finalized, the pre-encumbrance on the requisition is relieved and the encumbrance is created on the purchase order.

Step 1: Create a CEO Requisition.

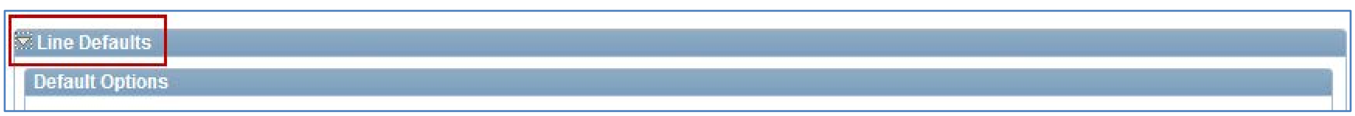
1. Define the Requisition.

This page allows you to specify the requisition name, requester and other information that applies to the entire requisition. Adding information here carries throughout the requisition (e.g., ChartFields or Ship To).
Navigation: eProcurement, Create Requisition

- On the **Create Requisition/Define Requisition** tab, enter the following fields.
  - o *Business Unit*: Validate the default or enter a business unit.
  - o *Requester*: Defaults to the person entering the requisition, but can be changed.
  - o *Requisition Name*: Create a name that helps you organize it. It does not appear on the purchase order.
  - o *Origin*: This code represents which division, area or unit in the business unit that originated this requisition.
  - o *Agency Reference*: Carries over to the purchase order and prints on it.
  - o *Billing Location*: Where invoices are sent for this business unit.
  - o *Doc Type*: **CEO**

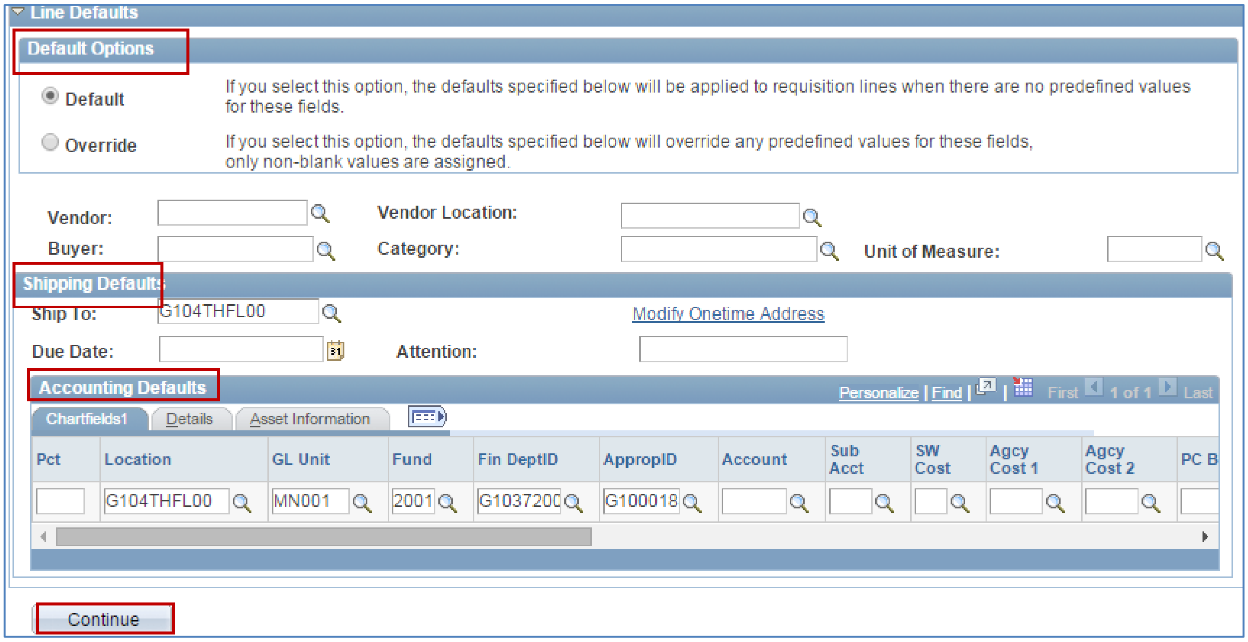


- Expand the **Line Defaults** section.



- On the **Line Defaults** section, you can enter shipping and accounting information. Entering the values in Line Details section and selecting the “Override” *Default Option* will populate those values on each line of the requisition.
  - o *Default Options*:
    - ▪ Selecting “Default” will apply any defaulted values into any blank fields from the **Line Defaults** section to all lines of the requisition. It will not override values that already exist.
    - ▪ Selecting “Override” will override any defaulted values with the values entered in the **Line Defaults** to all lines of the requisition. **NOTE:** This option may be helpful with requisitions with multiple lines and the same shipping and accounting information.
  - o *Shipping Defaults:*
    - ▪ The *Ship To* value is required. Enter it here.
    - ▪ You can also add the *Due Date* and *Attention* fields as needed.
  - o *Accounting Defaults:*
    - ▪ The ChartFields values are required. Enter them here if you want them carried throughout the requisition.
    - ▪ You can also add the *Details* and *Asset Information* as needed by your agency.

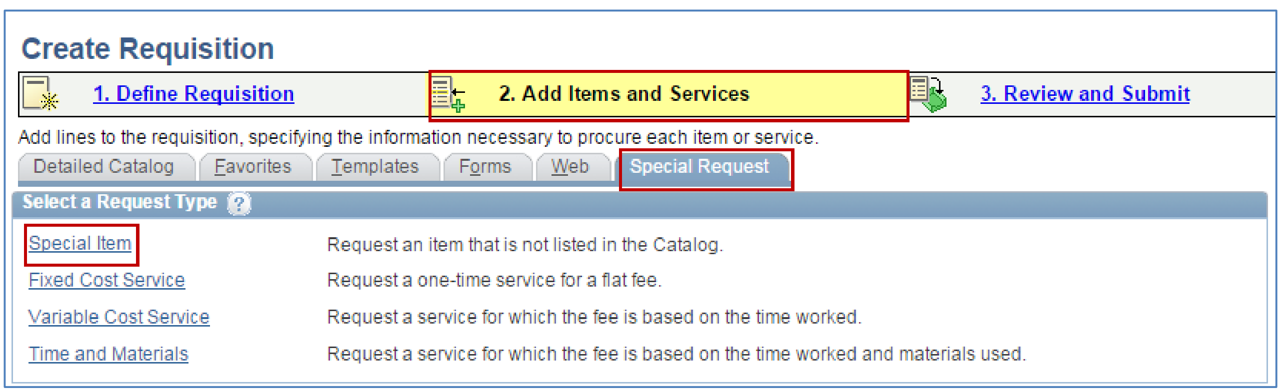
When you are done with the **Define Requisition** page, click the **Continue** button.



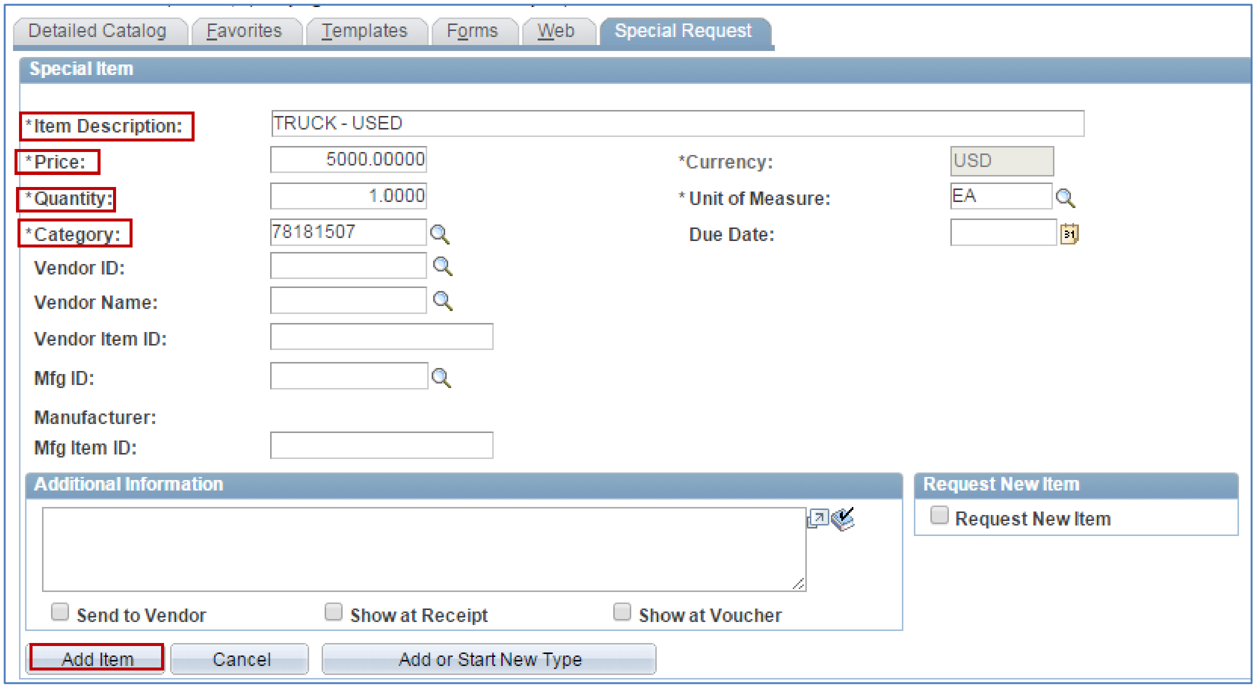
2. Add Items and Services.

Use this page to add lines and specify the information needed to procure each item or service. Adding accounting and distribution information here stays at the individual line level not the entire requisition.

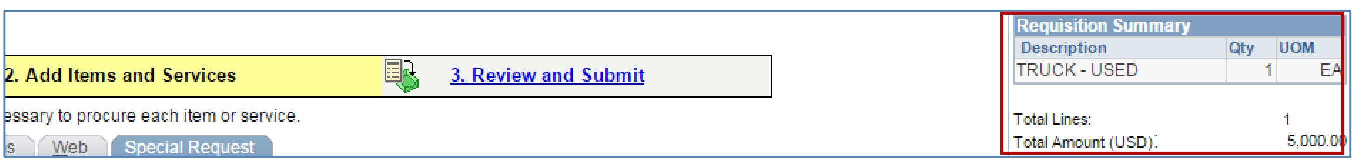
- On the **Add Items and Services** page, click on the **Special Request** tab. Select the **Special Item** link.



- Enter the *Item Description, Price, Quantity, Category* and *Unit of Measure*. **NOTE:** The *Account* in the ChartFields will default based on the *Category* chosen.
- The remaining fields are optional in SWIFT. They can be entered as needed for the requisition.
- Click the **Add Item** button to add the line to the requisition.
- Repeat to add as many lines as required.



- The **Requisition Summary** at the top right of the page displays all items that were added.



3. Review and Submit the Requisition.

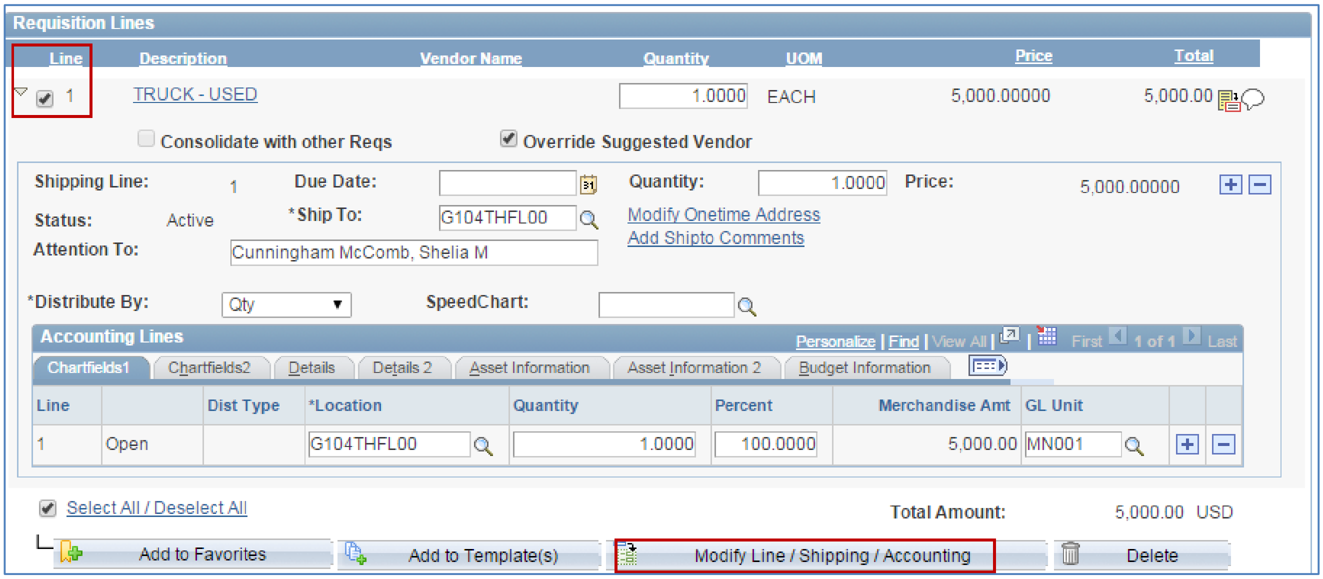
Use this page to see schedule and distribution information for the requisition. You can also update items that you previously entered on the **Define Requisition** page.

- Click on the **Review and Submit** tab at the top of the requisition page.
- Add, review or change information on this page.
- On the header, you can update the *Requester, Origin, Requisition Name, Doc Type* and *Suggested Vendors.*

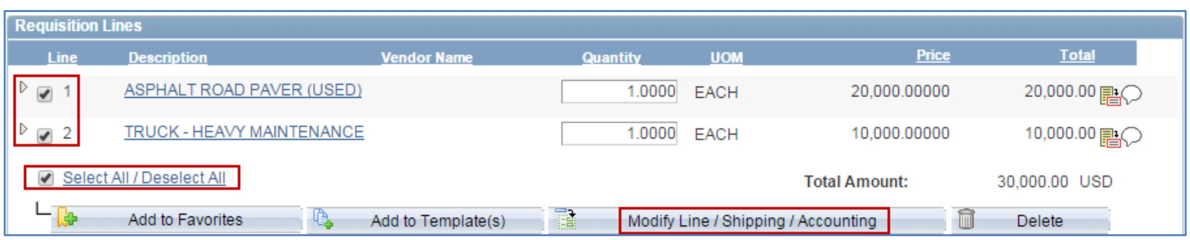
- To update the requisition, click on the **Line Detail** icon to expand the requisition line. This icon is located on the far right of the requisition lines section.

Update the requisition as needed.

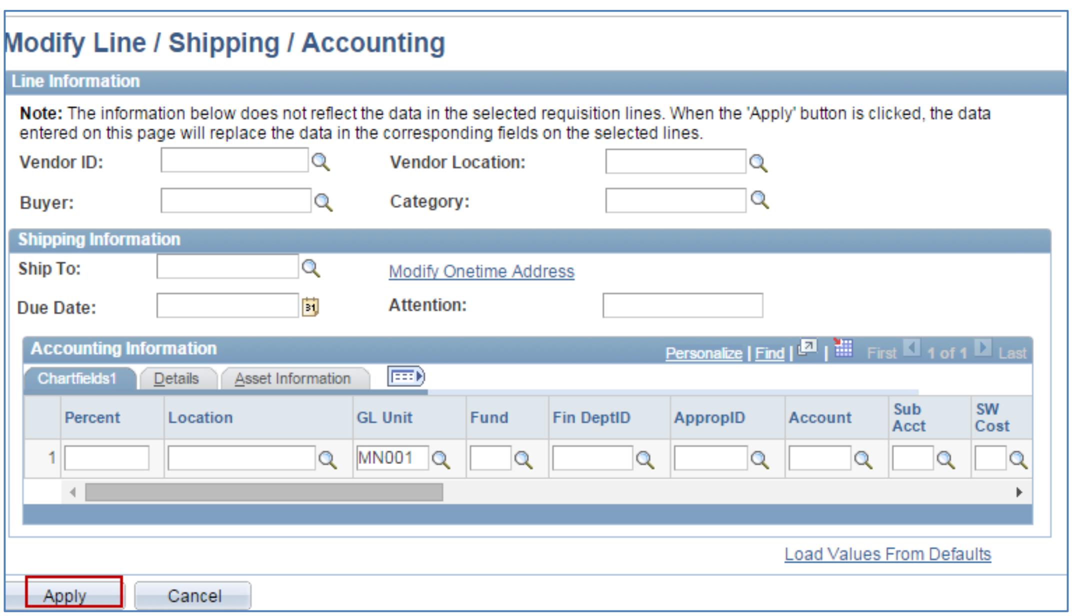
- **Individual Lines:** Click on the **Line Detail** icon to expand the requisition line. You can review the information on this line.



- **All Lines:** Click on the box on each line or click the **Select All** button. Then click on the **Modify Line/Shipping/Accounting** button.

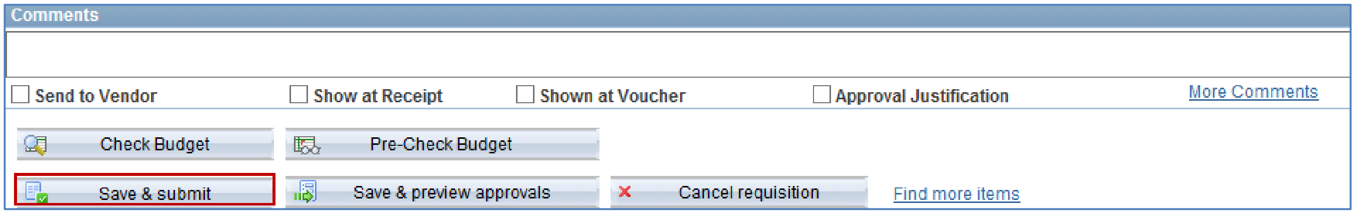


On the **Modify Line/Shipping/Account** page, update the values as needed. Click the **Apply** button.

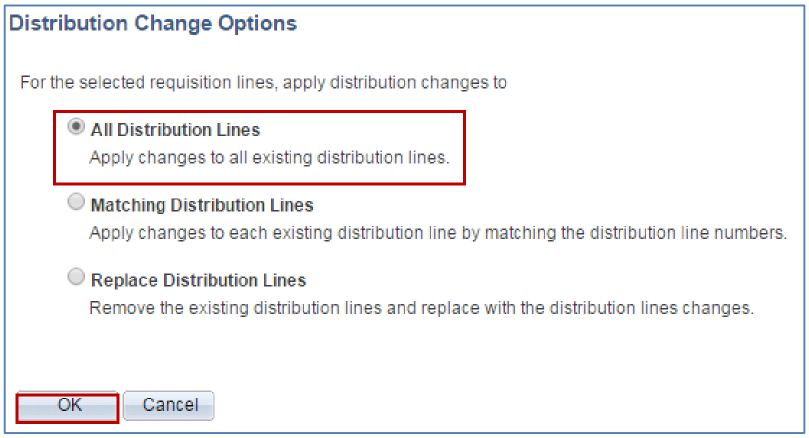


4. Save and Submit the Requisition.

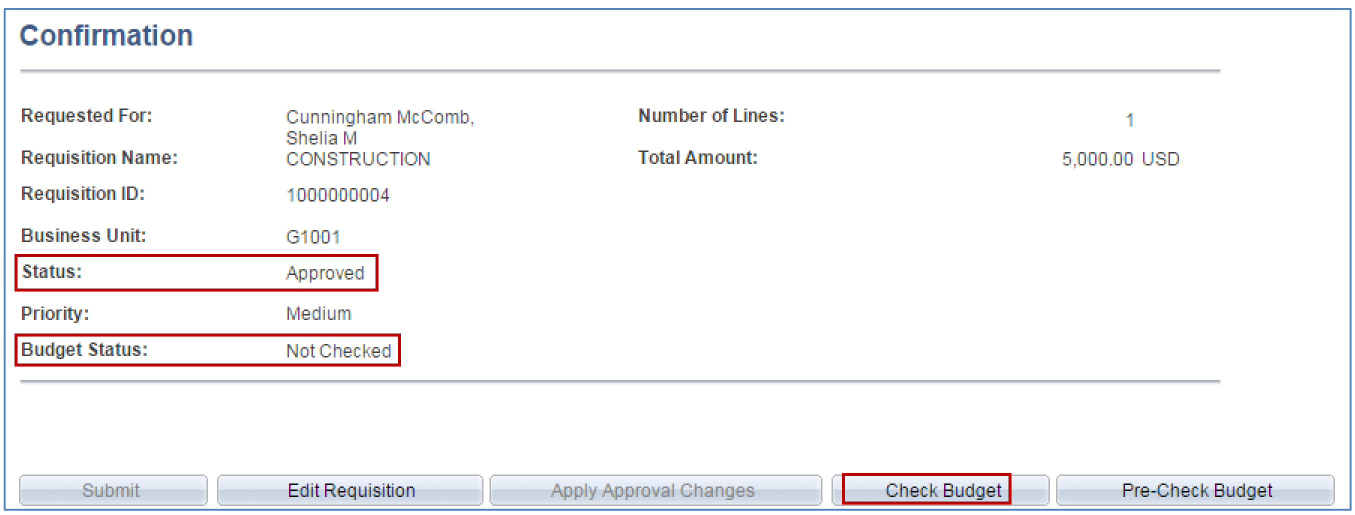
- At the bottom of the requisition, click on the **Save & Submit** button.



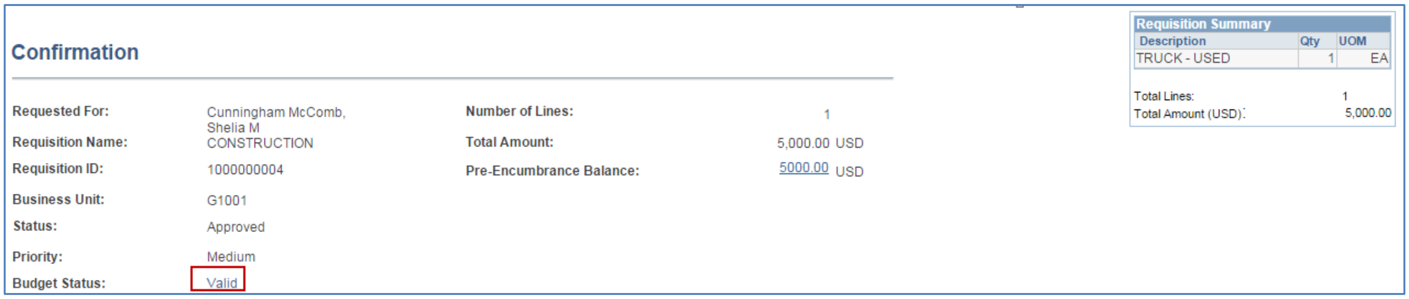
- If you updated this requisition, SWIFT will display the **Distribution Change Options** page. To keep the default of *All Distribution Lines*, click **OK**.



- SWIFT will display a **Confirmation** page displaying the Requisition ID. Click the **Check Budget** button.



- The *Budget Status* will show as “Valid” on the **Confirmation** page if the budget check is successful. If the *Budget Status* does not show as “Valid”, click the **Edit Requisition** button to return to the requisition. Correct the errors and save, then click the **Check Budget** button to run budget check.



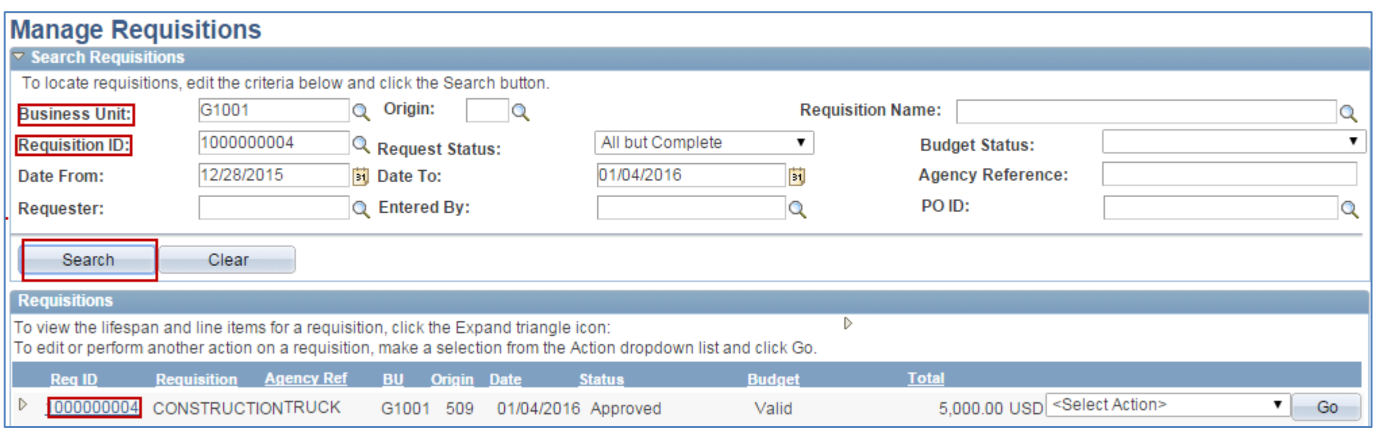
- When the requisition is in an “Approved” status and a *Budget Status* of “Valid”, the pre-encumbrance is created and the CEO requisition is ready for further processing.

Step 2: Edit the CEO Requisition to Add Contract Information.

Tie the contract to the requisition using the **Manage Requisition** feature. This feature provides you with the ability to review, edit, approve, or cancel requisitions. You can view requisitions in any status. You can only edit active requisitions that have not been sourced and do not have a status of “Complete” or “Canceled”.

1. Locate the Contract that References the CEO Requisition.

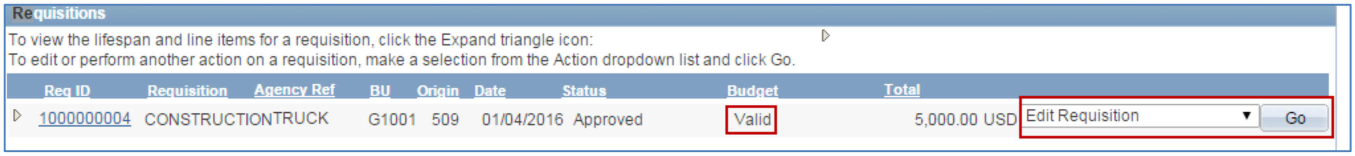
- The next step in the process is to initiate and process the contract. The contract needs to be entered into SWIFT and must be in an “Approved” status. Return to the CEO requisition and edit it to create the tie between the requisition and the contract.
- Navigation: eProcurement, Manage Requisitions.
- On the **Manage Requisitions** page, enter the *Business Unit* and *Requisition ID* or another field and click on **Search**.



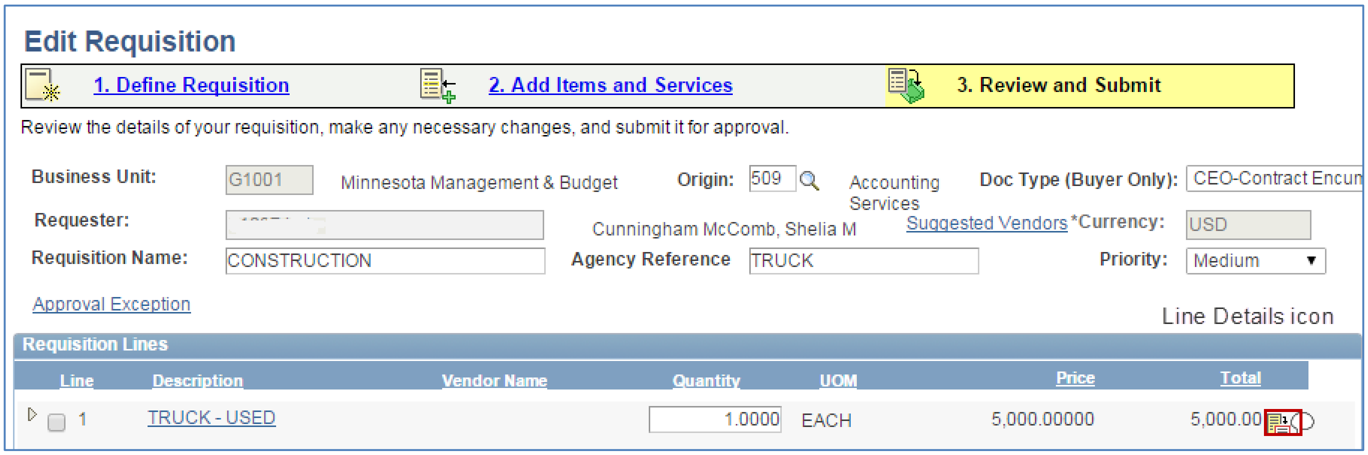
- On the **Requisitions** page, click on the box next to the *Req ID* of the item you wish to update. It will open up the requisition. You can update it two ways:

(1) If the requisition *Status* is “Open”, click on the *Req ID*.

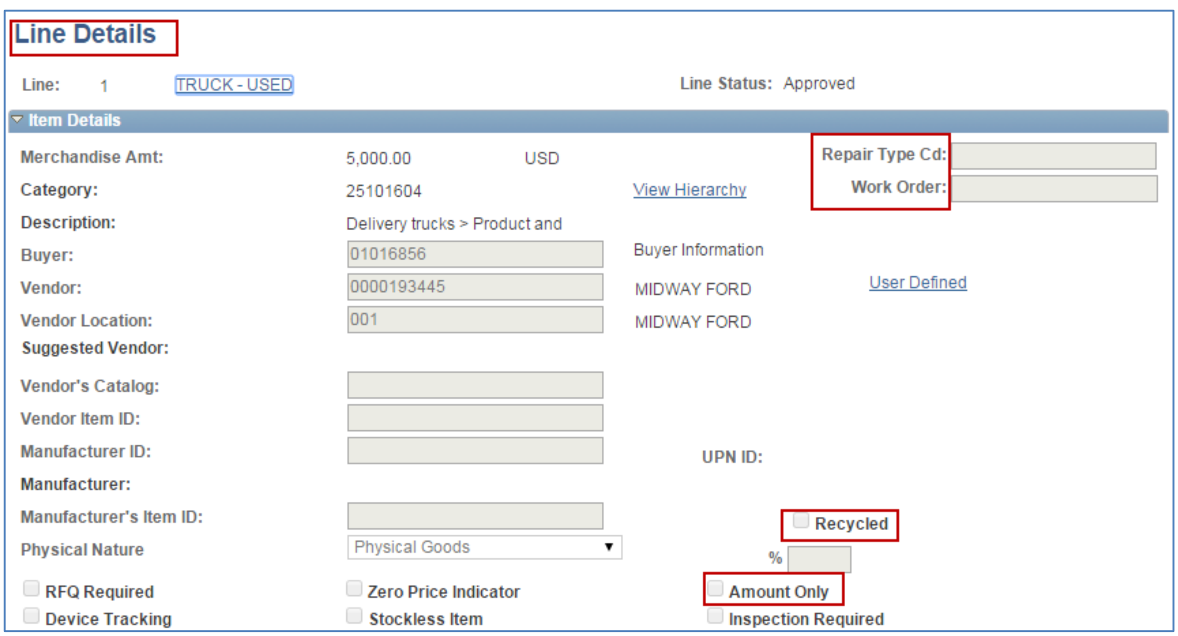
(2) If the requisition *Status* is “Approved”, select “Edit Requisition” on the **Select Action** box. Click **Go**.



- The **Edit Requisition** page is displayed. On the **Edit Requisition** page, click the **Line Details** icon to add the contract information to that line.

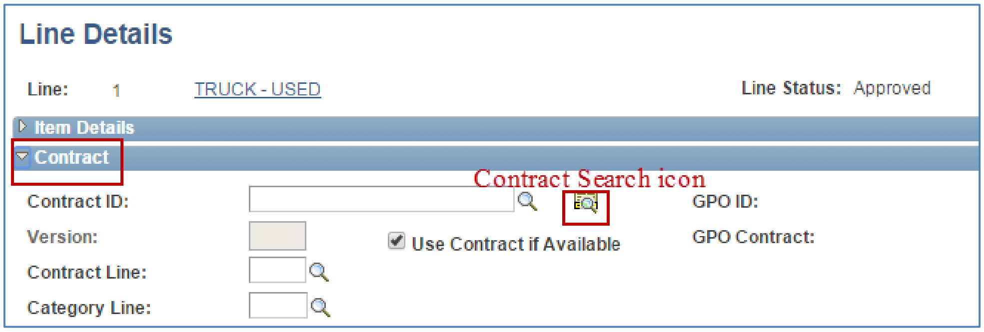


- The **Line Details** page is displayed. Add *Repair Type CD, Work Order, Amount Only* and *Recycled as* needed.

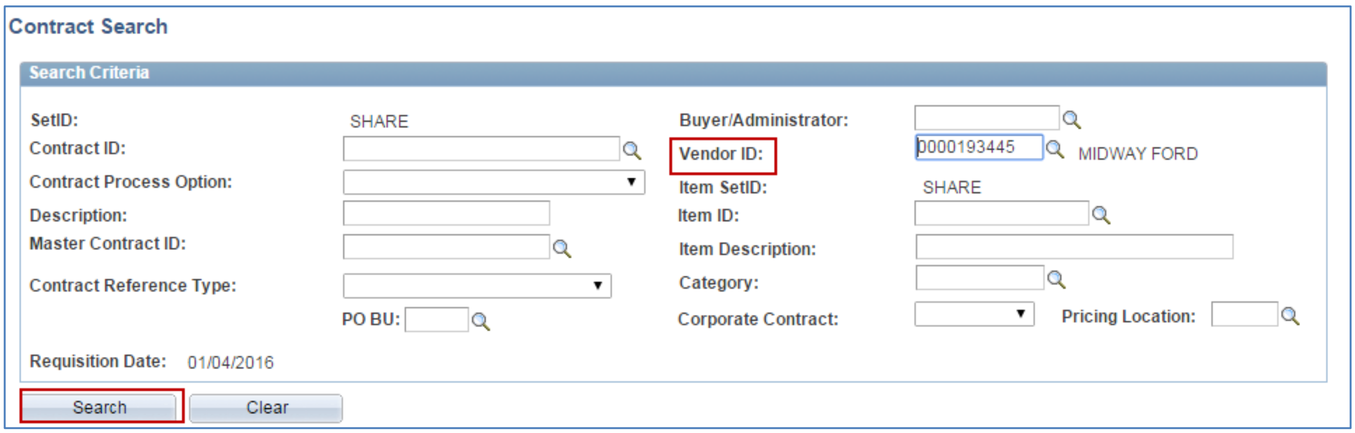


2. **Add the Contract Information to the Requisition.**

- On the **Line Details** page, open the **Contract** section. Click on the **Contract Search** button.

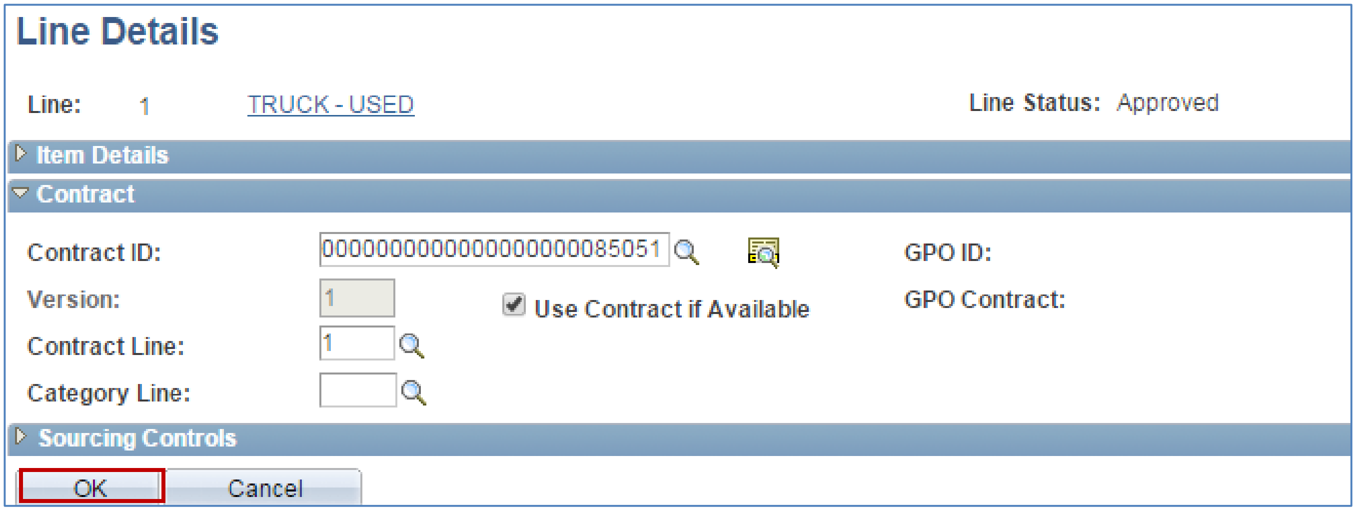


- On the **Contract Search** page, enter the search information (e.g., *Vendor ID*). Click on **Search**.

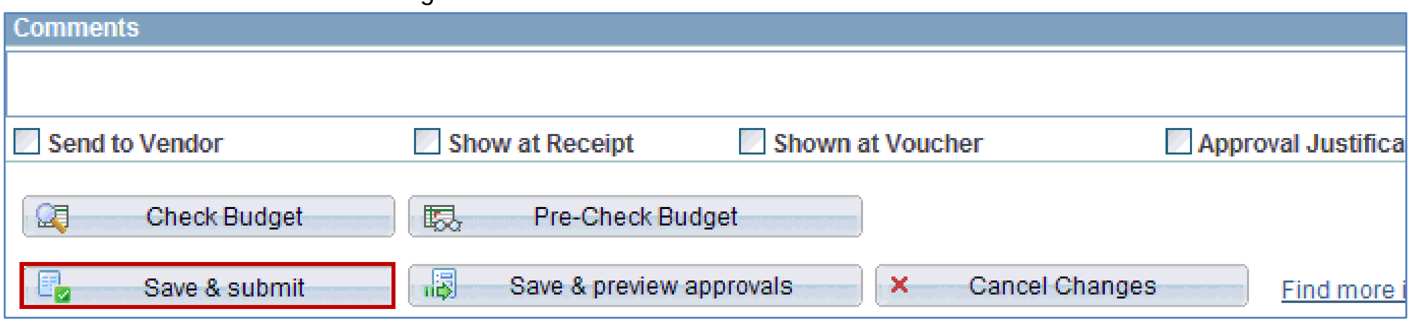


- **On the Contract** Details page, click the **Select** checkbox next to the line of the desired contract. Click **OK** at the bottom of the page.

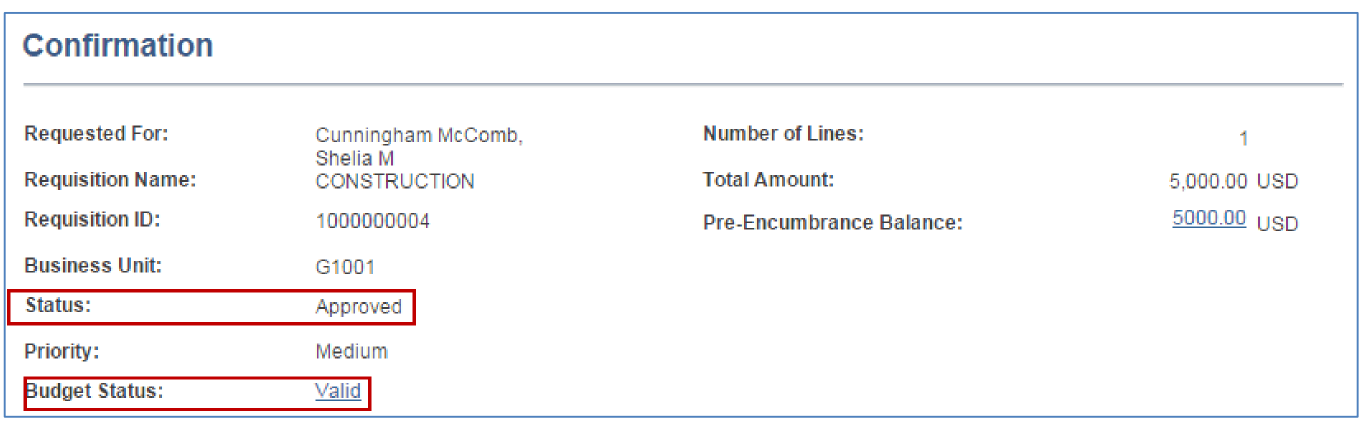
- The **Line Details** page is displayed for the line you selected. Open up the **Contract** section. Confirm or add the *Contract ID* from the contract that was created for this requisition. Scroll to the bottom of the page and select **OK.**



- The **Edit Requisition** page displays.
  - o Update any remaining lines to add contract information following the steps previously described.
  - o Click the **Save and Submit** button to save the updated requisition. The requisition does not need a second budget check.



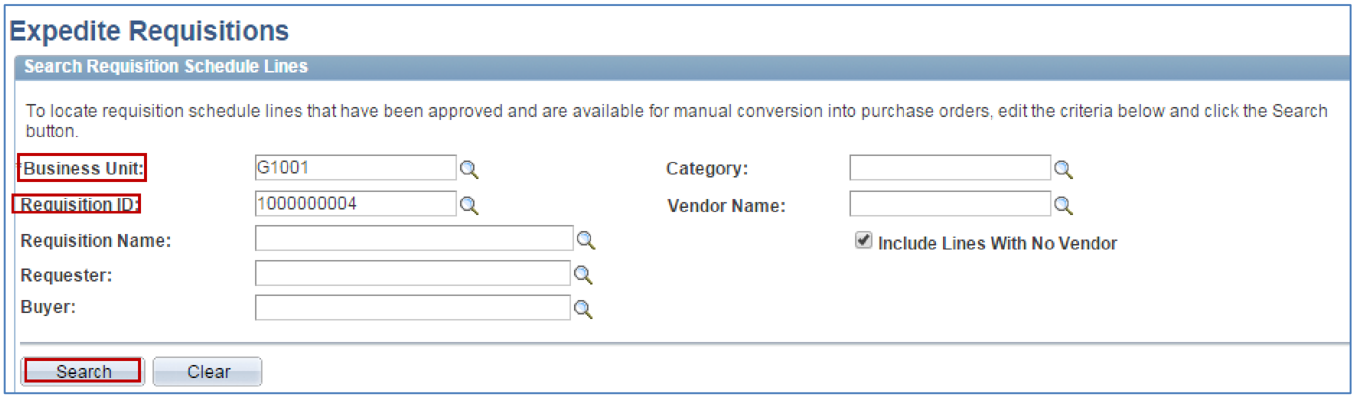
- A confirmation page is displayed. The *Status* is “Approved” and the *Budget Status* is “Valid”. You are ready to expedite or process the CEO purchase order.



Step 3: Convert the CEO Requisition into a Purchase Order to Establish the Encumbrance.

1. **Use the Expedite Requisitions Search page to locate the requisition.**

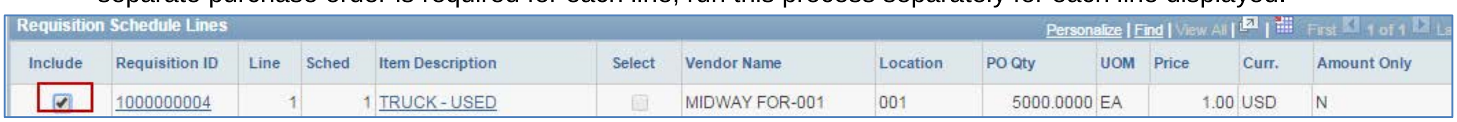
- **Navigation**: eProcurement, Buyer Center, Expedite Requisitions
- Enter the *Business Unit* and *Requisition ID*. Click on **Search**.



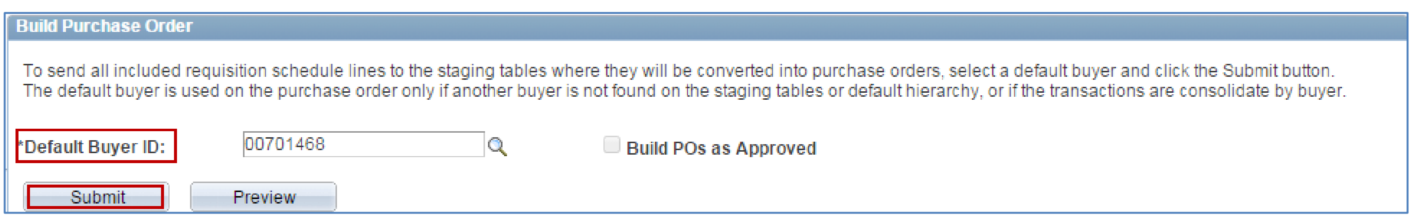
- All eligible requisition lines are displayed.
  - o The requisition must be in an “Approved” status.
  - o It must have a “Valid” budget check.
  - o The contract must be in an “Approved” status.

2. **Build the Purchase Order.**

- On the *Requisition Schedules Lines* section, check the **Include** boxes on all of the lines you want to expedite.
- **NOTE:** The requisition will build a single purchase order for each instance of the expedite process. If a separate purchase order is required for each line, run this process separately for each line displayed.



- On the **Build Purchase Order** section, make sure a buyer is specified. Click on **Submit.**



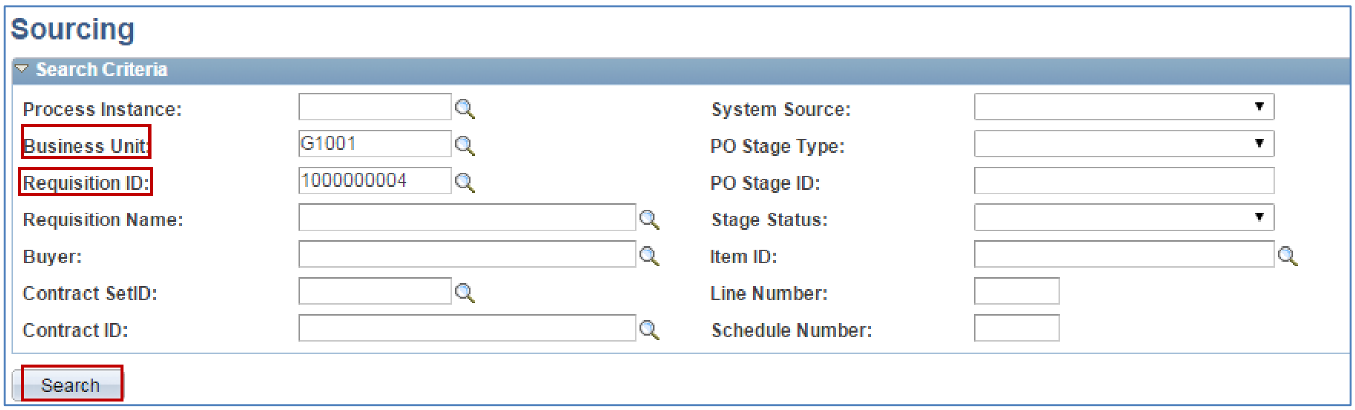
The requisition has been converted (i.e., expedited). You are ready to create the purchase order.

Step 4: Validate and Dispatch the CEO Purchase Order.

This type of purchase order is used to set up an "umbrella amount" of money against existing Building Constructions (BCC) or Other Construction (OCC) contracts. It may also be used against Roadway Construction (RWC) contracts.

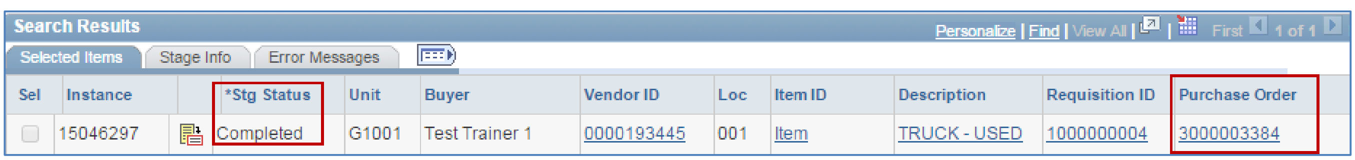
1. Verify that the Requisition has been Sourced.

- **Navigation:** Purchasing, Purchase Orders, Stage/Source Requests, Sourcing Workbench
- Search for the requisition using the *Business Unit* and other information about the requisition (e.g., *Requisition ID)*.



The **Search Results** section will display the purchase order.

- The *Stg (Staging) Status* should be "Completed".
- The last column displays the *PO ID*.
- Click on the *Purchase Order* number, SWIFT will open up a new tab, **Add/Update POs**.



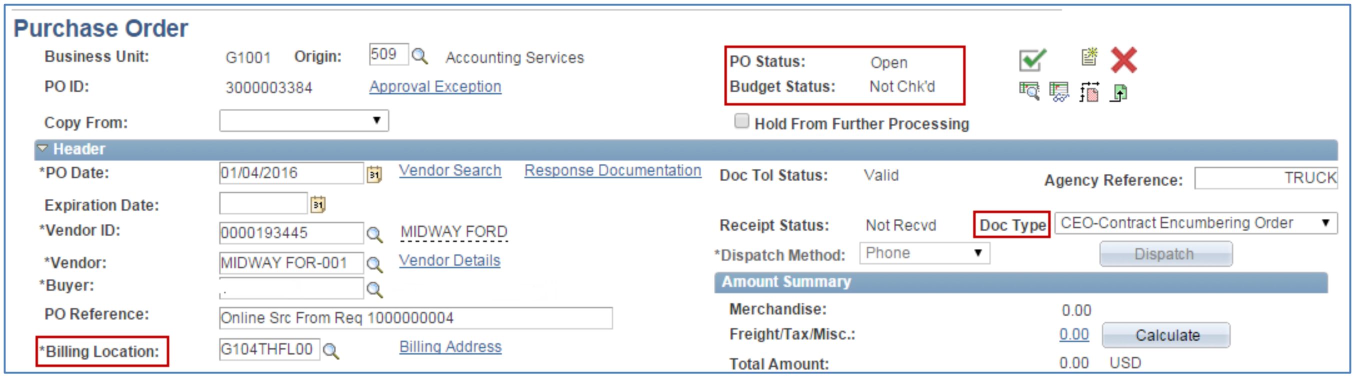
- Select the **Add/Update POs** page. Most of the purchase order has been created.

2. Update the Purchase Order.

Review the purchase order and update the fields as needed.

a. Review Header Information.

- Make sure that the *Document Type* is "CEO".
- Update the *Billing Location* if needed (on the main **Purchase Order** page).

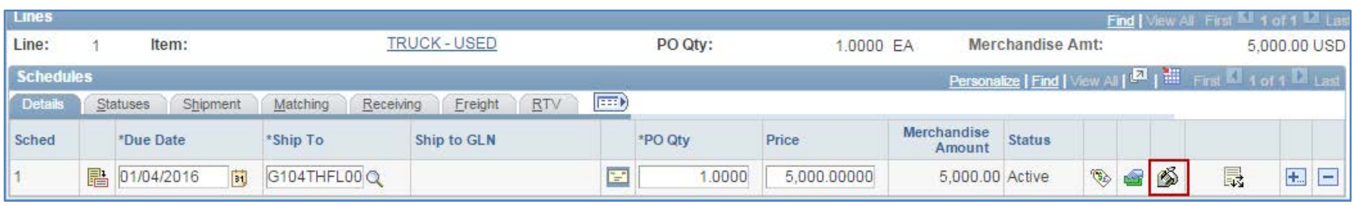


b. Review the Lines Section.

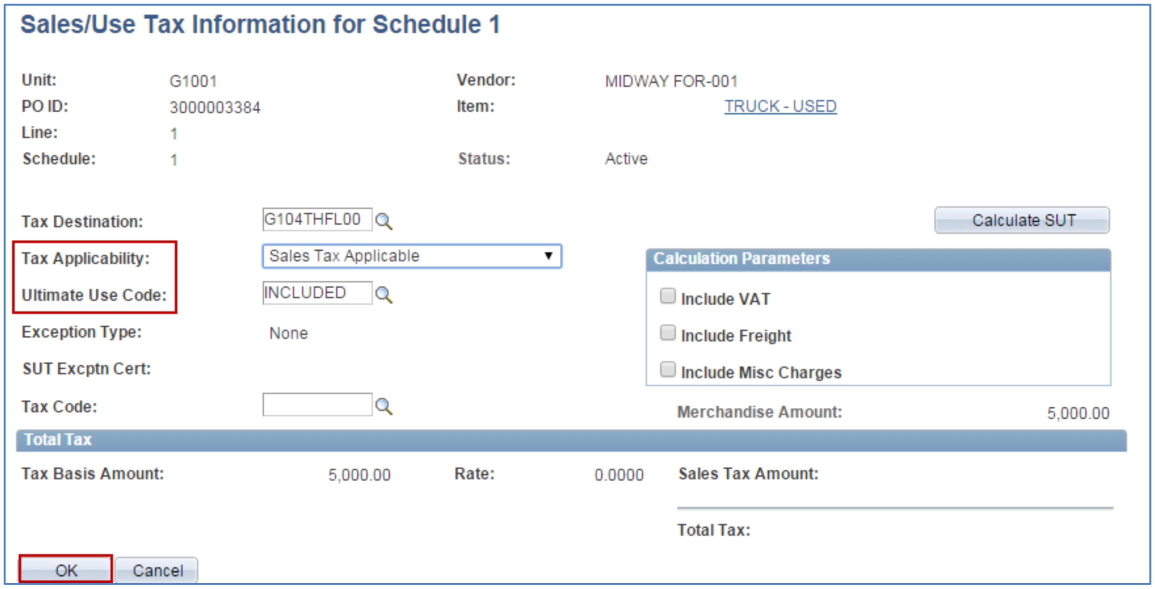
- Verify the *PO Qty, Category* and *Price* as needed for each line of the purchase order.
- Click on the **Schedules** icon.

c. Add or Update Schedules Information.

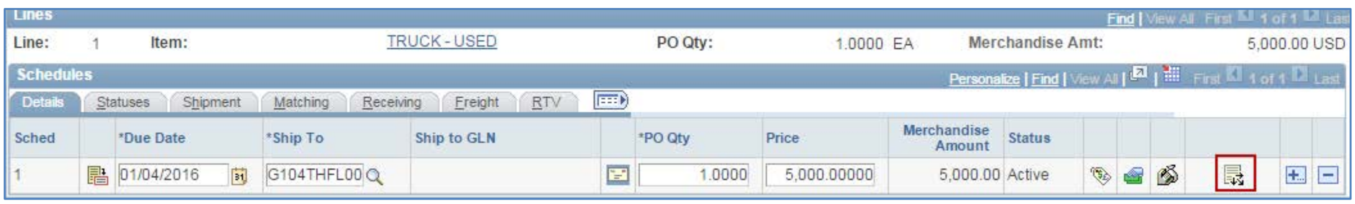
- Confirm that the **Schedules** information is correct for each line of the purchase order.
- Check the **Sched Sales/Use Tax** icon to confirm that the tax information is correct.



- On the **Sales/Use Tax Information** page, confirm the *Tax Applicability* and *Ultimate Use* Code is correct for each line of the purchase order. The *Tax Applicability* field defaults to "Item is Exempt". Update this page as needed for sales and use taxes. Click **OK**.



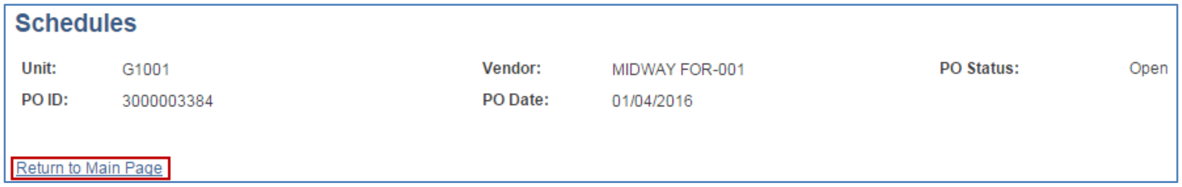
SWIFT returns you to the **Schedules** page. Click on the **Distribution/ChartFields** icon.



d. Add Distribution Information.

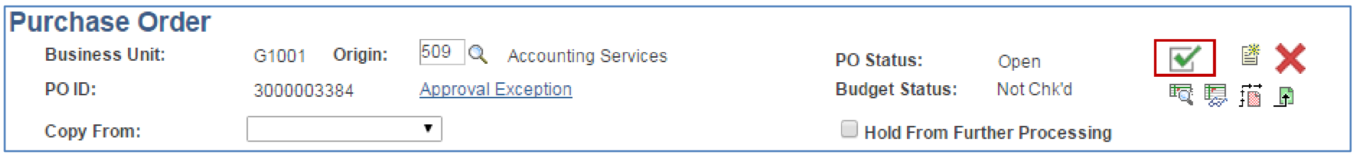
- You may need to update information on the **Distributions for Schedules** page for each line of the purchase order. When you are sure that these fields are accurate, click on the **OK** button.

- SWIFT returns you to the **Schedules** page. Click on the **Return to Main Page** link.

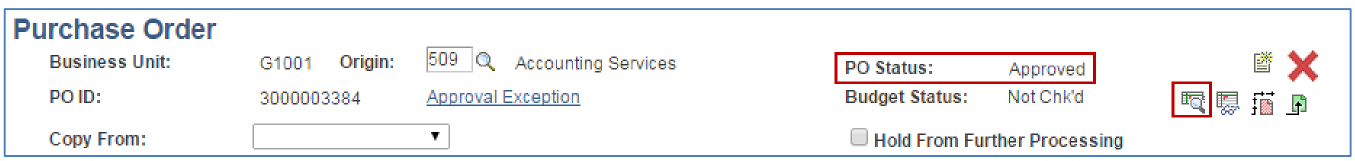


e. Process the Purchase Order.

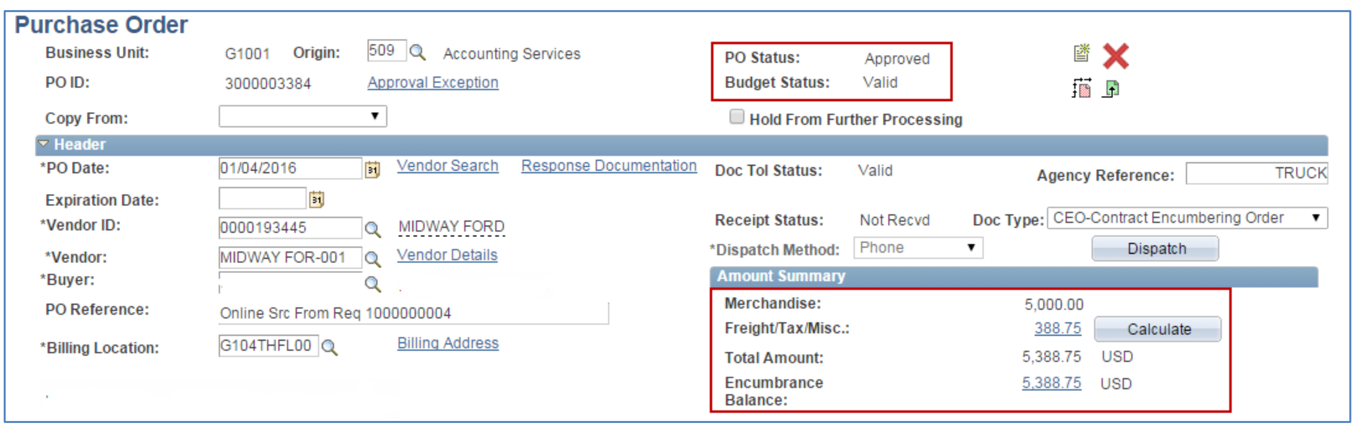
- **Save the purchase order.** On the bottom of the purchase order, click the **Save** button.
- **Approve the purchase order.** On the header of the purchase order, click the **Approve PO** button. **NOTE:** your agency may have internal approval processes prior to submitting purchase orders in SWIFT. Once appropriate approvals have been made, the PO Status will show “Approved”.



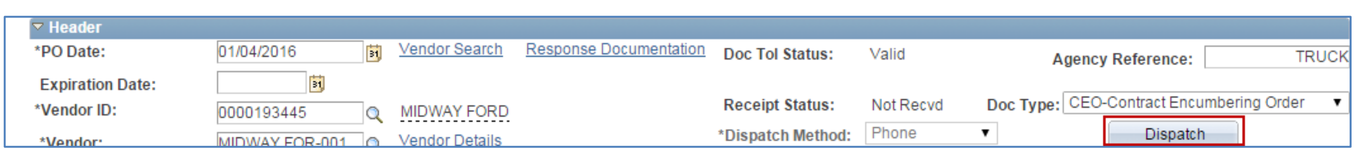
- Once the *PO Status* shows as “Approved”, **budget check the purchase order**. Click the **Budget Check** icon.



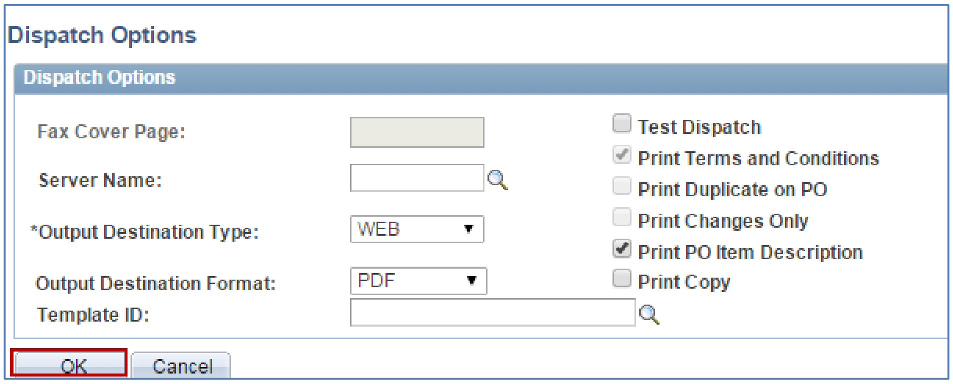
- Once the purchase order passes budget check, the *Budget Status* shows as “Valid”. **Note:** If you added freight or taxes, the *Amount Summary* fields will be updated.



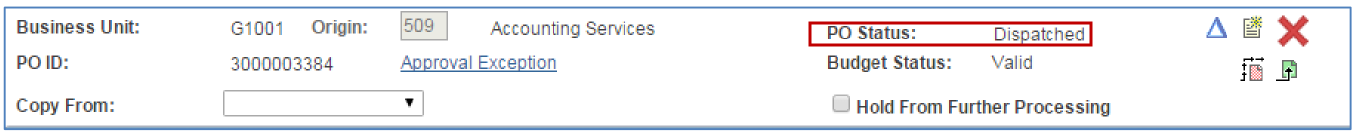
- **Dispatch the purchase order.** On the header, click the **Dispatch** button.



- The **Dispatch Options** page is displayed. Keep the defaults. Click **OK**.



- SWIFT displays a message if you wish to receive confirmation that the purchase was processed. Click **Yes** if you want to wait for it to process.
- When the purchase order has been dispatched, the *PO Status* is “Dispatched”.



You have successfully created and processed a Contract Encumbering Order requisition.