

Purchasing Key Terms

Introduction to Purchasing in ARC

Below you can find a list of terms and definitions that you will come across throughout the Purchasing curriculum:

Term	Definition	Example
Autosourcing	<p>An automatic process that turns a requisition into a Purchase Order.</p> <p>This process runs without the need for user interaction on a regular schedule in the background to identify approved and budget checked requisitions to become approved purchase orders.</p>	<p>A user entered a requisition transaction and budget checked it to a valid status. The requisition got approved the next day.</p> <p>The Autosourcing job picks up the requisition transaction and creates a purchase order in 'Approved' status.</p> <p>The purchase order will then be budget checked by another background job to create the encumbrance. Once budget checked, the dispatch job will send the purchase order to the Procurement Buyers for review and for the final dispatch to the supplier.</p>
Budget Checking	Enables you to control commitments and expenditures automatically by checking them against predefined, authorized budgets.	Budget checking a requisition to ensure that there are available funds.
Category Code	Line item commodity code that describes the good or service you are purchasing. It is a subset of Item Catalog.	Pencils, Office tables, etc.
Contract	Represents a binding Agreement between the University and a supplier such as an Agreement, Purchase Order, Task Order, hotel, etc.	Medical billing contract.
Electronic Document Management (EDM)	Ability to scan and view documents through the Requisition/Purchase Order pages.	Supporting documents for transactions.

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Encumbrance	Amount which has been budgeted to spend in accordance with a Purchase Order.	Purchase Order.
Expenditure	Amount for which there has been an expenditure of funds.	Purchased computer equipment.
Fixed Term Purchase Order	A purchase order that has a term date attached to it.	Service Contract with a term date of: Start Date: 12/01/12 End Date: 12/31/12
Item Catalog	Group of commodity codes.	Office Supplies, Furniture, etc.
Inquiry Pages	ARC pages that provide inquiry access only.	PeopleSoft Requisition inquiry page.
2-way Matching	Process that compares vouchers with purchase orders. This ensures that you pay for only the goods and services that you order and receive.	Purchase Orders = Vouchers.
3-way Matching	Process that compares vouchers, purchase orders, and receiving documents for a specific Purchase Order. This ensures that you pay for only the goods and services that you order and receive.	Purchase Orders = Receipts = Vouchers.
Pre-encumbrance	Part of budget checking, amount expected to spend, but have not yet obligated funds.	Requisition.
Purchase Order (PO)	Based on a request by a Department indicating good/service, catalog number, price, quantity, and when accepted by supplier, forms a binding contract.	One-time copy machine repair.

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PO value	Represents actual value of good or service being requested by a customer.	Encumbrance.
Receiving	A system record of goods received from purchase orders.	Receipt.
Security	Level of access to ARC pages and data that users have.	Access to create a Requisition in the eProcurement module.
UwPA (University-wide Purchasing Agreement)	Strategic contract negotiated by Purchasing for use by the University community.	UwPA contract with Dell.
Workflow	Automatic, rule-based routing to pre-determined approvers based on criteria such as role, department, commodity, account, and dollar amount.	Requisition submittal and approval by 2 different people.