## Document Control

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<tr>
<th>Document Name</th>
<th>Subcontracting Procedure Training Document</th>
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</thead>
<tbody>
<tr>
<td>Author</td>
<td>Ha Tran</td>
</tr>
<tr>
<td>File Name &amp; Path</td>
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<tr>
<td>Created</td>
<td>18-Nov-04</td>
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<table>
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<tr>
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<th>Revision Date</th>
<th>Revision Description</th>
<th>Author</th>
<th>Sign-off</th>
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<td>18-Nov-04</td>
<td></td>
<td>Ha Tran</td>
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### Document Approval

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### Distribution List

<table>
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</tbody>
</table>
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Overview

Subcontracting is the process in which a material or product consisting of certain components is procured from a vendor, whereby these components are provided by the ordering enterprise, either directly or through a third party (another vendor).

The material the subcontractor is to manufacture can be requested in a purchase requisition and ordered via a purchase order or scheduling agreement item of the category L (subcontracting). Item category L enables the enterprise to create sub-items covering the components to be provided to the subcontractor.

The individual component items can be:

- Entered manually, or
- Generated via the BOM explosion, if a BOM exists for the ordered material.

For a purchase requisition for subcontracting with a source to be generated from within materials planning, the following prerequisites must be satisfied:

- A special procurement key for subcontracting must be set in the material master record (MRP View 2).
- At least one source of supply (subcontracting info record or outline purchase agreement with subcontracting item) must exist.
- The MRP-Relevant indicator must have been set for a source of supply in the source list. If several sources of supply exist, a quota arrangement with the special procurement type L for subcontracting can be created.
- A BOM containing the components to be provided must exist.

If a requirement arises for a material, a requisition with the item category L (subcontracting) or a planned order with the special procurement key “Subcontracting” is generated during the planning run. The item category L is assigned to the planned order when it is converted into a purchase requisition.

In the planning run, the system explodes the BOM and generates dependent requirements for the components. The dependent requirements are included in the next requirements calculation as specially designated dependent requirements (MRP element SubReq)

To achieve targeted control of the provision of components to the subcontractor, the latter can be defined as an MRP area for subcontractor. An MRP area is an organizational unit for which separate materials planning can be carried out. In the case of requirement under-coverage (shortage situation: not enough stock to cover the requirement), a stock transfer reservation is generated for the components in the MRP area. A reservation is created in the plant.

If a separate MRP area has not been set up for the related subcontractor, the enterprise can determine whether the components needed for the subcontracting item are available in the vendor’s warehouse.

In the Subcontracting Stocks per Vendor transaction, the enterprise can also post the goods issue for the necessary components to be provided to the subcontractor, or create a delivery (outward delivery via shipping).

The goods receipt for the requested material is entered with reference to the subcontracting item. At the same time, consumption of the components is posted. It should be noted that the quantity of components actually needed to make the ordered product may differ from the quantity shown in the PO as provided for that purpose.

If an invoice is expected, it is likewise entered with reference to the purchase order. Subsequent adjustment can be made for an excess or under-consumption of subcontracting components.
Check stocks of materials provide to subcontractor:

SAP Menu → Logistics → Materials Management → Purchasing → Purchase Order → Reporting → SC Stocks per Vendor.

Subcontracting in Purchasing

A purchase requisition item for subcontracting can be created either manually or automatically from within requirements planning. If the components to be provided are already known in the requisition – either due to the BOM explosion or following manual entry – a dependent requirement is automatically generated for each component.

It is not necessary to specify the components to be provided in the purchase requisition. The components are not automatically included in the purchase requisition if a special procurement key for subcontracting has been defined in the material master record (MRP view 2) and if no BOM has been created for the material. If this material is subject to materials planning, the system creates a requisition item of the category L without the components to be provided being known. However, these components must be added when the requisition is converted into a PO at the latest.

It is possible to store conditions and enter vendor-dependent purchasing data for subcontracting in a subcontracting info record or in an outline purchase agreement (contract or scheduling agreement).

In an outline agreement, an item of category L is created for the material to be manufactured, without specification of the components to be provided to the subcontractor. The fact that the components should not be entered in the outline purchase agreements until a contract release order is created, ensures that the current BOM is always pulled. Similarly, in the case of a scheduling agreement, the components are pulled at the time the delivery schedule lines are created. For this reason, the use of a bill of material (BOM) is advisable in the case of outline agreements (contracts and scheduling agreements).

It can also be possible to utilize the source determination facility with source lists and/or quota arrangements in the subcontracting process if subcontracting info records or outline agreements have been created. In the quota arrangement, it is mandatory to enter the special procurement type L (subcontracting).

In connection with the subcontracting process in purchasing, it is necessary to note the following:

- If the PO or schedule line quantity is changed, the quantities of the components to be provided are changed proportionally provided that the Fixed Quantity indicator has not been set.
- If the delivery date is changed, only the date on which the components are required is recalculated; the components themselves are not re-determined from the BOM. If the components are to be re-determined, a new BOM explosion must be carried out.

Features of Procurement via Subcontracting

The item category L (subcontracting) determines that subcontracting components have to be provided for the manufacture of a material that is to be ordered. Information on other item-category-dependent controls is available in Customizing for purchasing under External Representation of Item Categories.

Noted that item categories cannot be changed or redefined.

The use of item category L has the following effects on a PO item:

- The PO item can be created with our without a material master record. If a PO item is created with material number, specification of an account assignment category is optional.
• The indicators for goods receipt and invoice receipt are set on the basis of the Purchase Order Item Linked indicator.
• The GR indicator cannot be changed. This means that a goods receipt must be posted against the purchase order. However, the IR indicator can be unset.
• The indicator for non-valuated goods receipt is not proposed; neither can it be set manually.

Noted the controls that are dependent on the item category have a higher priority than the corresponding controls based on the account assignment category.
Business Process Procedure

1. Creation of BOM Item

1.1. Access transaction by

| Via Menu | Logistics ➔ Production ➔ Master Data ➔ Bills of Material ➔ Bill of Material ➔ Material BOM ➔ Create |

| Via Transaction Code | CS01 |

![Fig-01](image_url)

Key T-Code: CS01
1.2. On “Create material BOM: Initial Screen” screen, fill in the data as below:

![Create material BOM: Initial Screen](image)

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Description</th>
<th>R/O/C/D</th>
<th>User Action and Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Material</td>
<td>Alphanumeric key uniquely identifying the material</td>
<td>R</td>
<td>Enter the material number</td>
</tr>
<tr>
<td>Plant</td>
<td>Key uniquely identifying a plant</td>
<td>R</td>
<td>Enter the plant number</td>
</tr>
<tr>
<td>BOM usage</td>
<td>Key defines the area where a BOM can be used</td>
<td>R</td>
<td>Enter the BOM usage</td>
</tr>
<tr>
<td>Alternative BOM</td>
<td>Identifies one BOM in a BOM group</td>
<td>O</td>
<td>Enter the alternative BOM</td>
</tr>
<tr>
<td>Change number</td>
<td>Number used to uniquely identify a change master record</td>
<td>O</td>
<td>Enter the change number</td>
</tr>
<tr>
<td>Valid from</td>
<td>Specifies the start date for the validity period of an object</td>
<td>R</td>
<td>Enter the valid date</td>
</tr>
</tbody>
</table>

**Legend:**  
R = Required, O = Optional, C = Conditional, D = Display  
Press “ENTER” which will lead to the General Item Overview
1.3. On “Create material BOM: General Item Overview” screen, fill in the data as below:

![Create material BOM: General Item Overview](image)

<table>
<thead>
<tr>
<th>Field Name (Item category)</th>
<th>Description</th>
<th>R/O/C/D</th>
<th>User Action and Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ict</td>
<td>Categorization of the items in a BOM according to set criteria</td>
<td>R</td>
<td>Enter the item category</td>
</tr>
<tr>
<td>Component</td>
<td>Material number of the components that you enter, change or display as part of the BOM</td>
<td>R</td>
<td>Enter the component</td>
</tr>
<tr>
<td>Quantity</td>
<td>Quantity of the component</td>
<td>R</td>
<td>Enter the quantity</td>
</tr>
<tr>
<td>Un</td>
<td>The unit for the component quantity</td>
<td>R</td>
<td>Enter the unit</td>
</tr>
</tbody>
</table>

Legend:  R = Required,  O = Optional,  C = Conditional,  D = Display
1.4. On “Create material BOM: Item: All data” screen, maintain information as specified in the table below:

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Description</th>
<th>R/O/C/D</th>
<th>User Action and Values</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>In case, the BOM component (raw material) is to be produced from</td>
</tr>
</tbody>
</table>

Fig-04

Fig-05
<table>
<thead>
<tr>
<th>Field Name</th>
<th>Description</th>
<th>R/O/C/D</th>
<th>User Action and Values</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>other plant or externally procured (from consignment stock, for instance), then click on the drop down menu and select the special procurement type for BOM item</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Click on icon to return to ‘General Item Overview’ screen. In case, it is required that the Alternative Long Text or ‘BOM Text’ are requested to be maintained, then click on icon</td>
</tr>
</tbody>
</table>

**Legend:**  
R = Required,  
O = Optional,  
C = Conditional,  
D = Display
1.5. On “Create material BOM: Header Overview” screen, click on icon to save this BOM item:

![Fig-06](image)

![Fig-07](image)
2. Maintenance of the Material Master Record for BOM Header

2.1. Access transaction by

<table>
<thead>
<tr>
<th>Via Menu</th>
<th>Logistics → Materials Management → Material Master → Material → Change → Immediately</th>
</tr>
</thead>
</table>

**Via Transaction Code**

| MM02 |

**Fig-08**

Key T-Code: MM02
2.2. On “Change Material (Initial Screen)” screen, fill in the data as below:

![Select view(s) Data](image)

**Legend:** R = Required, O = Optional, C = Conditional, D = Display

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Description</th>
<th>R/O/C/D</th>
<th>User Action and Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Material</td>
<td>Alphanumeric key uniquely identifying the material</td>
<td>R</td>
<td>Enter the material number</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Press ‘ENTER’ or click on <strong>Select view(s)</strong> icon to select appropriate logical screen</td>
</tr>
</tbody>
</table>

**Fig-09**
2.3. On the pop up screen, maintain information as specified in the table below:

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Description</th>
<th>R/O/C/D</th>
<th>User Action and Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic Data 1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic Data 2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Classification</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales: Sales Org. Data 1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales: Sales Org. Data 2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales: General/Plant Data</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign Trade: Export Data</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales Text</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchasing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign Trade: Import Data</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase Order Text</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MRP 1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MRP 2</td>
<td></td>
<td></td>
<td>Select ‘MRP 2’ and ‘MRP 4’ and then click on icon to access directly to the related view</td>
</tr>
<tr>
<td>MRP 3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MRP 4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Work Scheduling</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Plant Data / Storage 1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Plant Data / Storage 2</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Legend:  R = Required, O = Optional, C = Conditional, D = Display
2.4. On the pop up screen, fill in the data as below:

![Organizational Levels](image)

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Description</th>
<th>R/O/C/D</th>
<th>User Action and Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plant</td>
<td>Key uniquely identifying a plant</td>
<td>R</td>
<td>Enter the plant number</td>
</tr>
<tr>
<td>Stor. location</td>
<td>Number of the storage location at which the material is stored</td>
<td>O</td>
<td>Enter the storage location number</td>
</tr>
</tbody>
</table>

**Legend:** R = Required, O = Optional, C = Conditional, D = Display
2.5. On “Change Material XXXXXXXXXX (SEA-Semi-Finished Product)” screen, fill in the data as below:

![Image of Change Material screen]

**Fig-12**

<table>
<thead>
<tr>
<th><strong>Field Name</strong></th>
<th><strong>Description</strong></th>
<th><strong>R/O/C/D</strong></th>
<th><strong>User Action and Values</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Special procurement</td>
<td>Special procurement type</td>
<td><strong>R</strong></td>
<td>Select ‘30’ to indicate that this is for subcontracting process</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Press ‘ENTER’ to continue branching to ‘MRP 4’ view of the material master</td>
</tr>
</tbody>
</table>

**Legend:**  
R = Required, O = Optional, C = Conditional, D = Display
2.6. On “Change Material XXXXXXXXXXXX (SEA-Semi-Finished Product)” screen, fill in the data as below:

![Diagram of Change Material screen](image)

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Description</th>
<th>R/O/C/D</th>
<th>User Action and Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section method</td>
<td>Indicator determining the selection of the alternative BOM when requirements are exploded in material requirements planning</td>
<td>R</td>
<td>Select ‘2’</td>
</tr>
</tbody>
</table>

Legend:  
R = Required, O = Optional, C = Conditional, D = Display
2.7. On the pop up screen, fill in the data as below:

![Production Version Overview](image)

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Description</th>
<th>R/O/C/D</th>
<th>User Action and Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Version</td>
<td>Key which determines the various production techniques according to which a material can be manufactured</td>
<td>R</td>
<td>Enter the production version</td>
</tr>
<tr>
<td>Text</td>
<td>Short text on the production version</td>
<td>R</td>
<td>Enter the text field</td>
</tr>
<tr>
<td>Valid from</td>
<td>Date as which the production version is valid</td>
<td>R</td>
<td>Enter the valid date</td>
</tr>
<tr>
<td>Valid to</td>
<td>Date up until which the production version is valid</td>
<td>R</td>
<td>Enter the valid date</td>
</tr>
</tbody>
</table>

**Legend:**  
R = Required, O = Optional, C = Conditional, D = Display
2.8. On the pop up screen, maintain information as specified in the table below:

![Production Version Details](image)

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Description</th>
<th>R/O/C/D</th>
<th>User Action and Values</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Maintain all related information/data and then click on Continue icon twice to return to ‘MRP 4’ view of the material master record</td>
</tr>
</tbody>
</table>

**Legend:** R = Required, O = Optional, C = Conditional, D = Display
2.9. On “Change Material XYYYYYYYY (SEA-Semi-Finished Product)” screen, click on icon to update the change in both these MRP Views.

Fig-16

Fig-17
3. Create Subcontract Purchasing Info Record

3.1. Access transaction by

<table>
<thead>
<tr>
<th>Via Menu</th>
<th>Logistics → Materials Management → Purchasing → Master Data → Info Record → Create</th>
</tr>
</thead>
<tbody>
<tr>
<td>Via Transaction Code</td>
<td>ME11</td>
</tr>
</tbody>
</table>

Key T-Code: ME11

Fig-18
3.2. On “Create Info Record: Initial Screen” screen, fill in the data as below:

![Create Info Record: Initial Screen](image)

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Description</th>
<th>R/O/C/D</th>
<th>User Action and Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vendor</td>
<td>Alphanumeric key uniquely identifying a vendor</td>
<td>R</td>
<td>Enter the vendor number</td>
</tr>
<tr>
<td>Material</td>
<td>Alphanumeric key uniquely identifying the material</td>
<td>R</td>
<td>Enter the material number</td>
</tr>
<tr>
<td>Purchasing org</td>
<td>Denotes the purchasing organization</td>
<td>O</td>
<td>Enter the purchasing organization</td>
</tr>
<tr>
<td>Plant</td>
<td>Specifies the key for a production facility of branch office within the company</td>
<td>O</td>
<td>Enter the plant number</td>
</tr>
<tr>
<td>Info record</td>
<td>Specifies the number that uniquely identifies a purchasing info record</td>
<td>O</td>
<td>Enter the info record</td>
</tr>
<tr>
<td>Info category</td>
<td>Indicator</td>
<td>R</td>
<td>Flag on button Subcontracting</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Press “ENTER” to branch directly to ‘General Data’ Tab View of Subcontract Purchasing Info Record</td>
</tr>
</tbody>
</table>

**Legend:**  
R = Required, O = Optional, C = Conditional, D = Display
3.3. On “Create Info Record: General Data” screen, fill in the data as below:

![Create Info Record: General Data](image)

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Description</th>
<th>R/O/C/D</th>
<th>User Action and Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reminder 1, 2, 3</td>
<td>Number of days presenting the time interval at which reminders or urging letters/messages are to be issued to the vendor</td>
<td>R</td>
<td>Enter the number&lt;br&gt;A negative number of days means that a reminder is to be issued to the vendor n days prior to a certain date.&lt;br&gt;A positive number of days means that a letter or message urging delivery of submission of a quotation etc. is to be issued n days after the due date.</td>
</tr>
<tr>
<td>Order Unit</td>
<td>Specifies the unit of measure in which the material is ordered</td>
<td>R</td>
<td>Enter the order unit&lt;br&gt;Press “ENTER” again to get access to Purchasing Organization Data 1 for supplementary entry</td>
</tr>
</tbody>
</table>

Legend: R = Required, O = Optional, C = Conditional, D = Display
3.4. On “Create Info Record: Purch. Organization Data 1” screen, maintain information as specified in the table below:

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Description</th>
<th>R/O/C/D</th>
<th>User Action and Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Field Name</td>
<td>Description</td>
<td>R/O/C/D</td>
<td>User Action and Values</td>
</tr>
<tr>
<td>Vendor</td>
<td>24000001</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Material</td>
<td>1400000000023</td>
<td>CEMENT TYPE 1-40 CSV-HISANTARA</td>
<td></td>
</tr>
<tr>
<td>Material group</td>
<td>010001</td>
<td>RFC, Type 1</td>
<td></td>
</tr>
<tr>
<td>Purchasing org.</td>
<td>L198</td>
<td>Subcontracting</td>
<td></td>
</tr>
</tbody>
</table>

If additional pricing conditions are required to be maintained/extended, then click on \( \text{Conditions} \) icon to update.

Otherwise, click on \( \text{Post} \) icon to post this Subcontracting Purchasing Info Record

Legend: R = Required, O = Optional, C = Conditional, D = Display
4. Creation of Subcontracting Purchasing Order

4.1. Access transaction by

<table>
<thead>
<tr>
<th>Via Menu</th>
<th>Logistics → Materials Management → Purchasing → Purchase Order → Create → Vendor/Supplying Plant Known</th>
</tr>
</thead>
<tbody>
<tr>
<td>Via Transaction Code</td>
<td>ME21N</td>
</tr>
</tbody>
</table>

![Key T-Code: ME21N](image)

Fig-22
4.2. On “Create Purchase Order” screen, fill in the data as below:

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Description</th>
<th>R/O/C/D</th>
<th>User Action and Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchasing org.</td>
<td>Denotes the purchasing organization</td>
<td>R</td>
<td>Enter the purchasing organization</td>
</tr>
<tr>
<td>Purch. group</td>
<td>Key for a buyer or a group of buyer, who is/are responsible for certain purchasing activities</td>
<td>R</td>
<td>Enter the purchasing group</td>
</tr>
<tr>
<td>Company code</td>
<td>An organization unit within financial accounting</td>
<td>R</td>
<td>Enter the company code</td>
</tr>
<tr>
<td>I (Item category in purchasing document)</td>
<td>Key define how the procurement of a material or service item is controlled</td>
<td>R</td>
<td>Enter the item category</td>
</tr>
<tr>
<td>Material</td>
<td>Uniquely identifies a material</td>
<td>R</td>
<td>Enter the material number</td>
</tr>
<tr>
<td>PO quantity</td>
<td>Quantity ordered by the buyer, to be supplied by the vendor</td>
<td>R</td>
<td>Enter the PO quantity</td>
</tr>
<tr>
<td>OUn (Order unit)</td>
<td>Specifies the unit of measure in which the material is ordered</td>
<td>R</td>
<td>Enter the order unit</td>
</tr>
<tr>
<td>C (Category of delivery date)</td>
<td>Indicates whether the delivery date is to be entered and displayed as a calendar day, week or month</td>
<td>R</td>
<td>Enter the category of delivery date</td>
</tr>
<tr>
<td>Field Name</td>
<td>Description</td>
<td>R/O/C/D</td>
<td>User Action and Values</td>
</tr>
<tr>
<td>------------------</td>
<td>-----------------------------------------------------------------------------</td>
<td>---------</td>
<td>------------------------</td>
</tr>
<tr>
<td>Deliv. date</td>
<td>Date on which the goods are to be delivered or the service is to be performed</td>
<td>R</td>
<td>Enter the delivery date</td>
</tr>
<tr>
<td>Deliv. date</td>
<td>(Delivery date)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net price</td>
<td>Net price per price unit</td>
<td>R</td>
<td>Enter the net price</td>
</tr>
<tr>
<td>Currency</td>
<td>Currency key for amounts in the system</td>
<td>R</td>
<td>Enter the currency</td>
</tr>
<tr>
<td>Per (Price unit)</td>
<td>Specifies how many units of the purchase order price unit the price is valid for</td>
<td>R</td>
<td>Enter the price unit</td>
</tr>
<tr>
<td>OPUn (Order price unit)</td>
<td>Indicates the unit of measurement to which the purchase order price relates</td>
<td>R</td>
<td>Enter the order price unit</td>
</tr>
</tbody>
</table>

Legend:  R = Required,  O = Optional,  C = Conditional,  D = Display

Press ‘ENTER’
4.3. On “Create Purchase Order” screen, maintain information as specified in the table below:

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Description</th>
<th>R/O/C/D</th>
<th>User Action and Values</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>To view the BOM component, click</td>
</tr>
</tbody>
</table>

Fig-24

Fig-25
<table>
<thead>
<tr>
<th>Field Name</th>
<th>Description</th>
<th>R/O/C/D</th>
<th>User Action and Values</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>on icon</td>
<td>Click on icon to post the subcontract PO</td>
</tr>
</tbody>
</table>

**Legend:** R = Required, O = Optional, C = Conditional, D = Display

---

**Create Purchase Order:**

![Create Purchase Order screenshot](image)

---

**Fig-26**

---

**Subcontracting Procedure Training Document**

This document is for Super Users Training on 17 – 21 January, 04
5. Performance of Stock Transfer of BOM Components to the Vendor/Subcontractor

5.1. Access transaction by

<table>
<thead>
<tr>
<th>Via Menu</th>
<th>Logistics → Materials Management → Inventory Management → Goods Movement → Transfer Posting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Via Transaction Code</td>
<td>MB1B</td>
</tr>
</tbody>
</table>

![Fig-27](image)

Key T-Code: MB1B
5.2. On “Enter Transfer Posting: Initial Screen” screen, fill in the data as below:

**Fig-28**

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Description</th>
<th>R/O/C/D</th>
<th>User Action and Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Document date</td>
<td>The date on which the original document was issued</td>
<td>R</td>
<td>Enter the document date</td>
</tr>
<tr>
<td>Posting date</td>
<td>Date which is issued when entering the document in Financial Accounting or Controlling</td>
<td>R</td>
<td>Enter the posting date</td>
</tr>
<tr>
<td>Material slip</td>
<td>Specifies the identifier on an external document</td>
<td>R</td>
<td>Enter number of external material slip</td>
</tr>
<tr>
<td>Doc. header text</td>
<td>Explanations or notes which apply to the document</td>
<td>O</td>
<td>Enter the document header text</td>
</tr>
<tr>
<td>Movement type</td>
<td>Specifies a key for the type of goods movement</td>
<td>R</td>
<td>Enter the movement type</td>
</tr>
<tr>
<td>Plant</td>
<td>Key uniquely identifying a plant</td>
<td>R</td>
<td>Enter the plant number</td>
</tr>
<tr>
<td>Storage location</td>
<td>Number of storage location at which the material is stored</td>
<td>R</td>
<td>Enter the storage location number</td>
</tr>
<tr>
<td>Special stock</td>
<td>Specifies the special stock type</td>
<td>O</td>
<td>Enter the special stock type</td>
</tr>
<tr>
<td>Reason for movement for movement</td>
<td>Specifies a key you can use to call up a standard text stipulating the reason</td>
<td>O</td>
<td>Enter the reason for movement</td>
</tr>
</tbody>
</table>
5.3. On “Enter Transfer Posting: New Items” screen, fill in the data as below

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Description</th>
<th>R/O/C/D</th>
<th>User Action and Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vendor</td>
<td>Alphanumeric key uniquely identifying a vendor</td>
<td>R</td>
<td>Enter the vendor number</td>
</tr>
<tr>
<td>Receiving plant</td>
<td>Indicates the receiving or issuing plant</td>
<td>R</td>
<td>Enter the receiving plant</td>
</tr>
<tr>
<td>Material</td>
<td>Alphanumeric key uniquely identifying the material</td>
<td>R</td>
<td>Enter the material number</td>
</tr>
<tr>
<td>Quantity</td>
<td>Specifies the quantity to be moved in the unit of entry</td>
<td>R</td>
<td>Enter the quantity</td>
</tr>
</tbody>
</table>

Legend: R = Required, O = Optional, C = Conditional, D = Display
6. Performance of Goods Receipt for BOM Header with reference to Subcontract PO

6.1. Access transaction by

<table>
<thead>
<tr>
<th>Via Menu</th>
<th>Logistics → Materials Management → Inventory Management → Goods Movement → Goods Movement (MIGO)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Via Transaction Code</td>
<td>MIGO</td>
</tr>
</tbody>
</table>

![SAP Easy Access Menu](image)

**Key T-Code: MIGO**

Fig-30
6.2. On “Goods receipt Others” screen, select **Purchase order** in the drop down menu:

![Fig-31]
6.3. On “Goods receipt Purchase order” screen, fill in the data as below:

![Image of SAP Goods Receipt Purchase Order screen]

**Fig-32**

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Description</th>
<th>R/O/C/D</th>
<th>User Action and Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delivery note</td>
<td>Number of the document issued by the vendor or by production containing information on the delivered goods</td>
<td>R</td>
<td>Enter the delivery note</td>
</tr>
<tr>
<td>Storage location</td>
<td>Number of storage location at which the material is stored</td>
<td>R</td>
<td>Enter the storage location number</td>
</tr>
<tr>
<td>Purchasing document number</td>
<td>Alphanumeric key uniquely identifying purchasing document</td>
<td>O</td>
<td>Enter the purchasing document number</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Click on icon to post the stock transfer document</td>
</tr>
</tbody>
</table>

Legend:  
R = Required,  
O = Optional,  
C = Conditional,  
D = Display