MATERIAL MANAGEMENT in FINACCT

Work Flow: Material Management is a business requirement internal to an organization.

a. It starts with Material Issue Request from multiple departments like projects site, mechanical, production, and others.
b. Store department only can check the availability status of requested materials in required quantity in several locations. If there is not enough quantity available, store department can ask for approval to purchase department for raising purchase requisition for the missing materials in that location.
c. Purchase department gets notified by this request via email as configured in the purchase user details. Purchase department can add purchase requisition from the same material request report directly from the already registered supplier. It can also go through the process of sending quotations to multiple vendors and evaluating their offerings and finalizing one vendor to proceed with purchase approval.
d. Purchase user can send the request for approval of PO to other purchase user with higher approval authority and permission.
e. Purchase user with higher authority approves the given PO from the selected vendor for a given delivery date. Purchase order gets created in the system.
f. With the supplier delivery of goods, goods entry record (GIN Record) is added at the premise gate with transport details and items details such as description, quantity etc.
g. For a given GIN record, Goods Receipt Note (GRN) is added in the system with proper goods details and quantity.
h. Based on the availability of Goods Received, Store department user can issue materials to the requesting department or location.

FinAcct allows separate users from each department to interact, collaborate and follow the above process with ease. Each user based on the authority and scope can be configured using FinAcct user management modules to have separate access permissions like purchase, sales. Inventory transactions, special access like PO Approval, Material Issue etc. For example, Sales department can check purchase related details like PO, GRN. Similarly, store department also can check Purchase requisition to PO record workflow if configured so. Production and Mechanical department can request for issuing materials to store department. Store user can interact with purchase user for requisition approval and PO approval.

1. **Material Issue Request**

The user will go to Inventory tab at the top and then click on Transaction and then Material link to initiate the material issue request process.

The following figure Fig1. Shows the details of material issue request transactions. The user needs to make sure From Location and Store location should be selected for successful material issue request. Items should be selected by clicking on Add Item button. After successful posting of issue request, user is redirected to the report of issue requests in list view as shown on Fig 2.
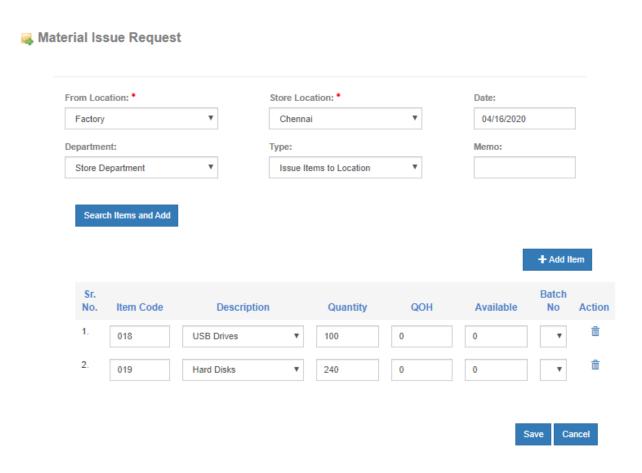
Material Issue Request

From Location: *	Store Location: *	Date:
Factory ▼	Chennai ▼	04/16/2020

Department:	Type:	Memo:
Store Department ▼	Issue Items to Location ▼	

Search Items and Add

+ Add Item

Sr. No.	Item Code	Description	Quantity	QOH	Available	Batch No	Action
1.	018	USB Drives ▼	100	0	0	▼	🗑
2.	019	Hard Disks ▼	240	0	0	▼	🗑

Save **Cancel**

Fig 1. Material Issue Request Form

ID	Date	Location	Department	Stock Id	Stock	Qty	Status	More
67	16 Mar 2020	Chennai	Store Department	023	Redmi	5.0	Fully Issued	⋮
66	12 Mar 2020	Chennai	Store Department	MBL321	One+ 7	2.0	Fully Issued	⋮
65	25 Jan 2020	Factory	Store Department	016	Laptop	25.0	Pending	☑ Edit
64	13 Jan 2020	Factory	Store Department	018	USB Drives	10.0	Pending	⊙ Check Details
63	13 Jan 2020	Mumbai		002	Milk powder vannila	1.0	Pending	✔ Processed
62	13 Jan 2020	Mumbai		CB_1	Shoe Box	3.0	Pending	✖ Delete
61	13 Jan 2020	basavangudi		002	Milk powder vannila	1.0	Pending	⋮
60	13 Jan 2020	Chennai		002	Milk powder vannila	1.0	Pending	⋮
59	11 Jan 2020	Chennai		008	Salt	35.0	Pending	⋮
26	18 Sep 2019	Delhi	Chennai	032	Cloths	10.0	Pending	⋮

Fig 2. List view of material issue request records

Store user and other user need to check this details of all the issue requests and take further actions on it. Store user always checks the details of all the items and their quantity against their available quantities in a particular locations. If the Quantity On Hand (QOH) is more than the requested quantity, user can initiate the material issue or transfer process as requested in the request data.

If there is not enough quantity of any or all of the items, the system will automatically show the user option of raising purchase requisition subject to their approval from Purchase user. More Action item will pop up the action link for Requisition Approval or Material Issue as shown in the following figures.

62	13 Jan 2020	Mumbai		CB_1	Shoe Box	3.0	Pending	⋮
61	13 Jan 2020	basavangudi		002	Milk powder vannila	1.0	Pending	☑ Edit
60	13 Jan 2020	Chennai		002	Milk powder vannila	1.0	Pending	⊙ Check Details
59	11 Jan 2020	Chennai		008	Salt	35.0	Pending	☺ Requisition Approval
26	18 Sep 2019	Delhi	Chennai	032	Cloths	10.0	Pending	✖ Delete
13	17 Jul 2019	Factory		0150	Plug	500.0	Pending	⋮

Fig 3. Check Details and Requisition Approval action

66	12 Mar 2020	Chennai	Store Department	MBL321	One+ 7	2.0	Fully Issued	⋮
65	25 Jan 2020	Factory	Store Department	016	Laptop	25.0	Pending	
64	13 Jan 2020	Factory	Store Department	018	USB Drives	10.0	Pending	
63	13 Jan 2020	Mumbai		002	Milk powder vannila	1.0	Pending	
62	13 Jan 2020	Mumbai		CB_1	Shoe Box	3.0	Pending	⋮

☑ Edit
⊙ Check Details
✔ Processed
✖ Delete

Fig 4. Material Issue action

The following figure shows up when Check details of any issue request item is initiated.

Material Issue Details

| Date | 13/01/2020 | Store Location | Delhi | From Location | Factory | Department | Store Department |

Items to be issued

Item Code	Description	Issue Qty	QOH	Qty Available	Action
018	USB Drives	10.0	0.0	0	Requisition
017	Keyboard	10.0	5.0	0	Requisition

Requisition Approval Requisition Cancel

Fig 5. Material Issue Request Details Check

As mentioned above, there are options of adding item-wise indents for each request items (click on Requisition button against each row of item) or single Indent for the whole request (Click on Requisition).

When **Requisition approval** action is triggered, ERP system will send email notification to purchase user who has permission of adding Purchase Requisition. He will check the email content and create the purchase requisition from material issue request details page. The Requisition creation transaction form looks like the below screenshot with required stock items and their required quantity already populated. All the purchase user needs to do is to approve the details and create requisition.
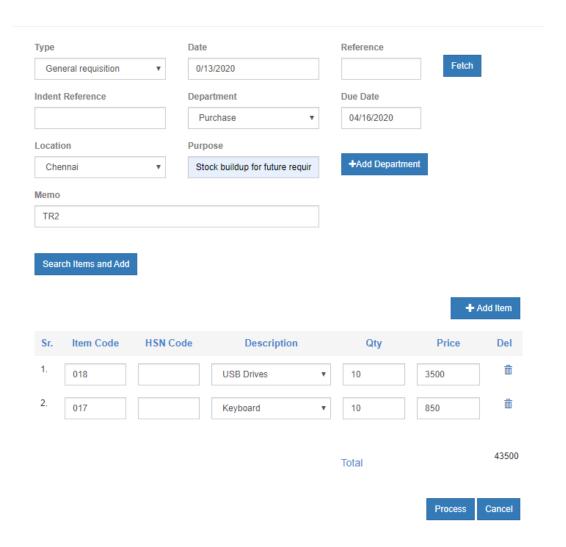
📄 Purchase Requisition

Type	**Date**	**Reference**	
General requisition ▼	0/13/2020		Fetch
Indent Reference	**Department**	**Due Date**	
	Purchase ▼	04/16/2020	
Location	**Purpose**		
Chennai ▼	Stock buildup for future requir	+Add Department	

Memo

TR2

Search Items and Add

+ Add Item

Sr.	Item Code	HSN Code	Description	Qty	Price	Del
1.	018		USB Drives ▼	10	3500	🗑
2.	017		Keyboard ▼	10	850	🗑

Total	43500

Process   Cancel

Fig 6. Purchase Requisition approval from Material Issue request

2. Material Issue

This is the actual goods transfer from specified location to Store location or other location as requested in the material issue request. When Material Issue link from the Action dropdown is selected, Material Issue transaction form shows up with item details and quantity already populated as shown in the following screenshot.

Material Issue

To Location:	Reference:	Date:
Delhi ▾	RAJ_GD/2020/181	4/16/2020

Reason:	Mode Of Receipt:	Receipt Ref:
	Road ▾	

Challan No:	Vehicle No:	Out Time: (HH:MM)
		18:08

EWB Applicable:	Project:
No ▾	Not Applicable ▾

Search Items and Add

+ Add Item

Sr.	Code	Description	Location	Qty	QOH	Batch	Status	Action
1.	BRST02	Brass ▾	Cher ▾	2.0		▾		🗑

Add   Cancel

Fig 7. Material Issue Transaction

After successfully adding the Material Issue transaction, user will be redirected to the Goods Issue report that shows the Date wise Goods Issue transactions from where user can take report in PDF format. The below screenshot explains the above.

Ref	Date	Location	Qty Sent	Amount	Tax	More
RAJ_GD/2019/173	19 Mar 2020	Sivakasi	5.0	37,793.11	4,535.17	⋮
RAJ_GD/2019/168	17 Mar 2020	basavangudi	2.0	56,000.00	10,080.00	⋮
RAJ_GD/2019/164	17 Mar 2020	Sivakasi	5.0	37,793.11	4,535.17	⋮ 🖉 Update
RAJ_GD/2019/162	16 Mar 2020	Sivakasi	5.0	40,000.00	4,800.00	✖ Delete
RAJ_GD/2019/159	16 Mar 2020	Sivakasi	5.0	37,793.11	4,535.17	⋮ 🖹 Export
RAJ_GD/2019/156	16 Mar 2020	Sivakasi	5.0	37,793.11	4,535.17	⋮
RAJ_GD/2019/154	12 Mar 2020	basavangudi	2.0	56,000.00	10,080.00	⋮

Fig 8. Goods Issue report

User can modify and delete the Goods Issue details by clicking on Update and Delete action from Action dropdown. Export link will help the user to generate PDF formatted report of Material Issue details.
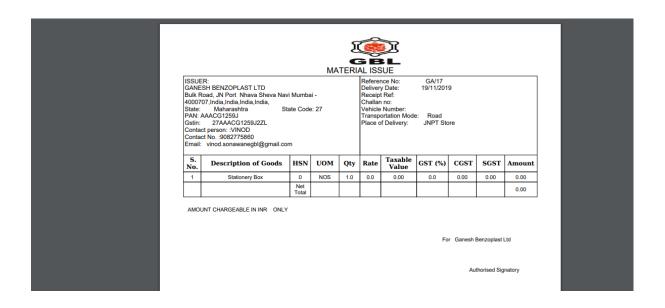

Fig 9. Goods Issue export

Material Return:

After Goods are issued to store location to field locations, they may have to be returned for repair purpose because of faulty status or surplus goods may be transferred back to store location. Material return transaction shown below helps track the inventory of goods.

🖼 Material Return

To Location:	**Reference:**	**Date:**
Factory ▾	RAJ_GR/2020/43	04/16/2020
Reason:	**Mode Of Receipt:**	**Receipt Ref:**
Faulty Items	Road ▾	
Challan No:	**Vehicle No:**	**In Time: (HH:MM)**
		21:52
EWB Applicable:	**Project:**	
No ▾	Not Applicable ▾	

Search Items and Add

+ Add Item

Sr.	Code	Description	Location	Qty	QOH	Status	Issue Ref	Delete
1.	018	USB Drives ▾	Chennai ▾	15		Faulty	RAJ_GD/ ▾	🗑
2.	019	Hard Disks ▾	Delhi ▾	10		Faulty	RAJ_GD/ ▾	🗑

Add **Cancel**

3. **Purchase Requisition to Goods Received Note**

After requisition is created by purchase user, they can create multiple quotations for different suppliers and then evaluate the best supplier for final purchase order approval and creation. The following screenshot helps the user to create multiple quotations and evaluation workflow. User should go to requisition reports from Inventory->Report->Purchase->Requisition.

Fig 10. Requisition report

If requisition is added by user other than purchase user, they can request to purchase user with higher authority for PO approval using Request PO Approval link under more action dropdown. This will send notification to the concerned purchase user about the PO approval with requisition record id. Purchase user can check the same requisition record and can approve it and create purchase order by clicking on Approve PO button. User can go for creating multiple supplier quotations from Add quotation link as shown above.

Quotation form is shown below.

The details of items come automatically populated from requisition record. User needs to select Supplier name and other details like reference, Due Date etc. Once quotations are added from multiple vendors, user can evaluate them in the following way.

Evaluation Of Quotation for Requisition No 128

Reference	RAJ_PI/2019/89		Date	2020-02-18 00:00:00.0		Type
Department			Purpose	GP		

Date	Supplier	Total Value	Rating	Delivery Date	State	Action
18 Feb 2020	Rashmi	230400.0		25 Feb 2020	Evaluation	⊕ Approve PO
18 Feb 2020	Dell co pvt ltd	230400.0	4.0	29 Apr 2020	Evaluation	⊕ Approve PO

Fig 12. Evaluate multiple quotations of requisition and PO approval

Based in several factors like Total quotation value, supplier rating, Delivery date, user can select a particular requisition and approve PO by clicking on Approve PO button. This will open purchase order transaction from. User can verify the PO details and save the record.

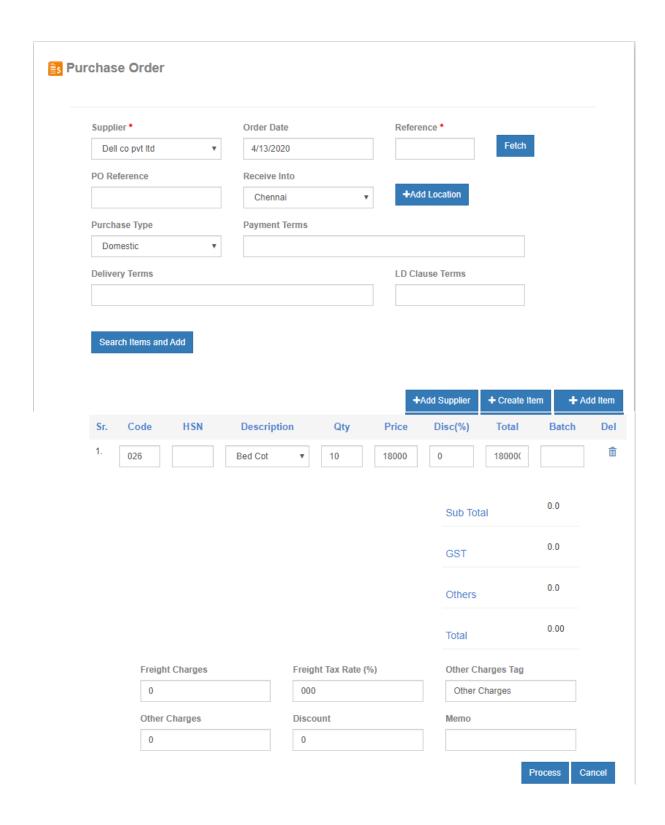The following screenshot explains how purchase order is processed.

Fig 13. Purchase Order approval transaction

User needs to get unique reference no. by clicking on Get Reference button for every purchase order transaction. After purchase order is processed, user is redirected to outstanding purchase order list view as shown below.
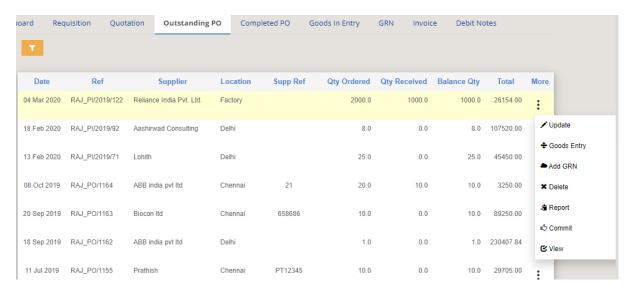
Fig 14. Outstanding purchase order reports

Goods Entry

From this record list, user can initiate the Goods IN Note (GIN or Goods Entry) or directly Goods Receipt Note (GRN) as shown from action dropdown. Goods Entry action opens the Goods Entry Transaction form as shown below.

Fig 15. Goods Entry transaction

Item details are filled as per the details of purchase orders, but quantity for each item is set as they are received at the gate. Transport details like receipt ref, Challan

no and Vehicle No. are entered in Goods Entry record. After Goods Entry is added, user can check the GIN record in Goods Entry report in the link Inventory->Report->Purchase->Goods Entry (shown in the following figure).
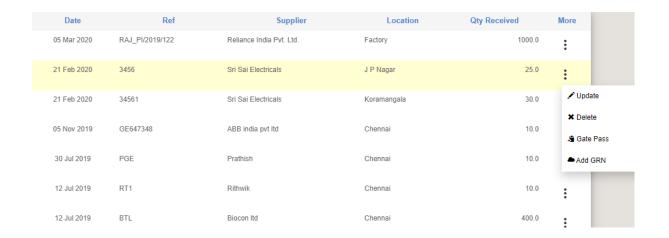
Date	Ref	Supplier	Location	Qty Received	More
05 Mar 2020	RAJ_PI/2019/122	Reliance India Pvt. Ltd.	Factory	1000.0	⋮
21 Feb 2020	3456	Sri Sai Electricals	J P Nagar	25.0	⋮
21 Feb 2020	34561	Sri Sai Electricals	Koramangala	30.0	✏ Update
05 Nov 2019	GE647348	ABB india pvt ltd	Chennai	10.0	✖ Delete
30 Jul 2019	PGE	Prathish	Chennai	10.0	🛂 Gate Pass
12 Jul 2019	RT1	Rithwik	Chennai	10.0	☁ Add GRN
12 Jul 2019	BTL	Biocon ltd	Chennai	400.0	⋮

Fig 16. Goods Entry reports

GRN

GRN record can also be added from Gates entry record as shown in the above. Add GRN link from the action dropdown initiates GRN Transaction form is shown below.
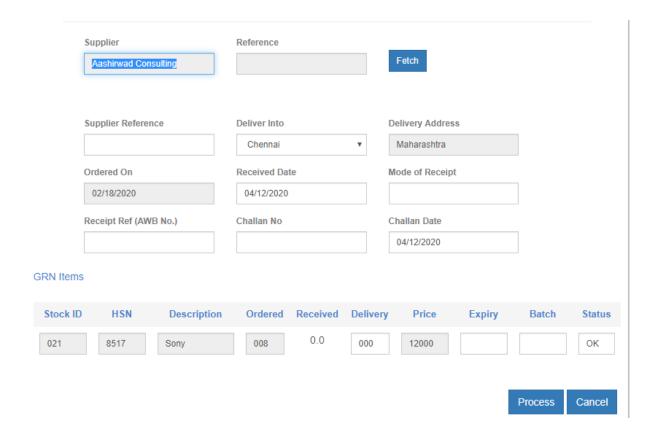
Fig 17. Goods Receipt Note Transaction

You need to add the quantity of received amount in the Delivery box for each items received. After successfully processing the records, user is redirected to GRN record list. User can add purchase invoice from this GRN record by clicking on Invoice Add button as shown in the following screenshot. User can also view the details of GRN record and initiate quality inspection of the item lot by clicking on the Inspection Add button from the GRN View report.

Fig 18. GRN reports

GRN 7199

Supplier	Raman	**Reference**	RAJ_GRN/2020/733			**Supplier Reference**		RAM1
Ordered Date	16 Apr 2020	**Due Date**				**Supplier Currency**		INR

Items Received

Item	Description	Qty Orderd	Qty Received	Units	Price	Total Value	Qty Invoiced	Inspection
025	Nokia	1.0	1.0		8,000.00	8,000.00	0.0	+ Add
022	Samsung Galaxy	1.0	1.0		9,000.00	9,000.00	0.0	+ Add
021	Sony	1.0	1.0		12,000.00	12,000.00	0.0	+ Add
024	Lenovo	1.0	1.0		7,000.00	7,000.00	0.0	+ Add
						Total	36,000.00	

Update   Cancel

Fig 19. GRN details view and Quality Inspection

4. User Management

Admin should manage access permission for each user based on location or department. There are access permissions for purchase, sales, inventory and other transactions and their reports. There are some special permissions like PO Approval, Material Issue. Purchase users should have PO Approval permission other than purchase user. Store user only should have the Material Issue permission.
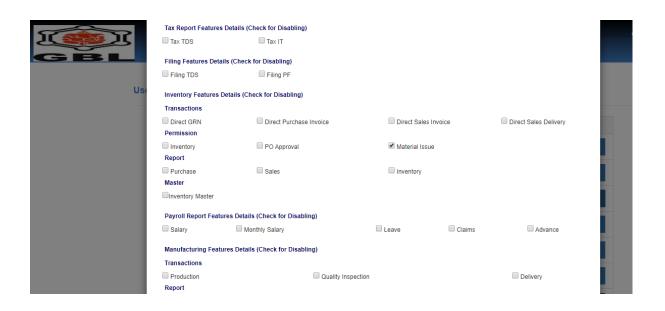

Fig 20. User Management