



ACCT-361: Assignment #1

Business Process Modeling: Document Flow Chart

Give yourself enough time to complete this assignment. It is estimated to be about four hours to complete this assignment. To do well on the midterm, you must think this through on your own.

Narrative for the Document Flow Chart

St. Francis Olive Co. purchases Olive Oil from four vendors in Italy to be resold in their stores throughout the world. The following narrative describes the business processes St. Francis Olive Oil Co. uses for the acquisition of inventory items.

St. Francis has a purchasing department centrally located at company headquarters in Assisi, Italy. The acquisition/payment process begins when an Inventory manager determines a need for inventory at his/her location. The manager enters the requested items directly into the ERP system to generate a purchase requisition form.



Begin your Flowchart from this point:

Tuscan Organic Extra Virgin Olive Oil - 500ml bottle 14.00€	
Tuscan Organic Extra Virgin Olive Oil - 750ml bottle 19.50€	
Pack of 3 500 ml bottles of Tuscan Organic Extra Virgin Olive Oil 40.50€	
Pack of 3 750 ml bottles of Tuscan Organic Extra Virgin Olive Oil 57.00€	
5 L can Organic Extra Virgin Olive Oil 80.00€	
Pack of 6 500 ml bottles of Tuscan Organic Extra Virgin Olive Oil 81.00€	
Pack of 6 750 ml bottles of Tuscan Organic Extra Virgin Olive Oil 114.00€	

A purchasing clerk at the company headquarters checks the system for open requests. Based on the system's purchase requisitions, the purchasing clerk prepares each purchase order using the ERP system. A request may need to be split into more than one order as not all vendors supply every item. To obtain volume discounts, the clerk combines all requests for similar items into one purchase order. Each purchase order instructs the vendor to ship the inventory items directly to the appropriate stores. The computer process accesses the vendor and inventory master files and updates the purchase order transaction file. One copy of the purchase order is subsequently printed and forwarded to receiving.

Each store location has a receiving dock manned by warehouse workers. When a delivery comes in from a vendor, a warehouse worker inspects the items and manually creates a receiving report. The employee compares each receiving report to the corresponding purchase order for quantity or item differences. If there is a difference, the employee works with a store manager to resolve the discrepancy. The employee subsequently signs the receiving report and purchase order and keys the data into the system to update the receive goods transaction file. The signed receiving report and purchase order are then filed in the department numerically.