

Purchase Requisition: What Is It, Form Templates, and Why You Need Software



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Before a purchase is made, it must be requested and approved. Purchase requisitions are the document and process that almost all companies use to make this happen.

In this article, we'll do a deep dive into what purchase requisitions are and how you can optimize the requisition process with software. We'll also throw in a template you can use (for free).

What Is a Purchase Requisition?

A purchase requisition is an internal document employees or other team members use to request a business purchase. It is sent to the appropriate approvers, either the department managers or purchasing staff.

Requisitions play an important role. Procurement teams use them to make a decision on whether or not the purchase fulfills a business need and is within budget.

If yes, they approve the requisition and start the process of creating a purchase order based on the information it contains.

The finance department also uses purchase requisitions to coordinate reporting with the accounting department.

There is sometimes confusion about the difference between purchase requisitions vs purchase orders. A purchase requisition is purely to get internal approval to make a purchase.

A purchase order (PO) is created after approval is granted. POs are external documents that are sent to vendors to formally purchase goods or services.

What Does a Purchase Requisition Include?

A purchase requisition includes all of the information needed to make the purchase, which makes it easy to turn into a purchase order once approved.

It's essentially an order form, but it must go through internal approval before going to the vendor. This information includes:

- Vendor details (name, address, phone, email, primary contact)
- Order details (department, payment terms, currency for international orders)
- Delivery details (address, phone, receiver, expected delivery date)
- Product details (item code, name, price, quantity)
- Notes that can be used to justify the purchase or explain the business

case



Purchase Requisition

PR-0001345

Status

Forwarded For Approval

Requestor:

John Smith
jsmith@planergy.com

Location/Shipping Address:

Planergy, 550 Cochituate
Rd. Suite 25, Framingham,
MA 01701, USA.

#	Name	Category	Quantity	Unit	Item Price	Total
1	Apple iPad - 64GB, Silver	Office Equipment	3	Each	350.00	1,050.00
2	Apple iPad Magic Keyboard	Office Equipment	2	Each	429.00	858.00
					TOTAL USD	\$1908.00

Notes

For new hires in the warehouse starting in September.

Receiver

Full Name _____

Signature _____



Using purchase requisition software easier to generate and share this information than using spreadsheets or Excel.

That's because the necessary information is automatically asked for and instantly shared via email or notification to the appropriate approvers.

Paper and spreadsheets are more likely to take longer to fill out and get ignored once they are.

What is a Purchase Requisition Form?

A purchase requisition form is a form that staff use to fill out the relevant information for a purchase request. This can be a piece of paper, a spreadsheet or word document, or an automated online software form.

This form is sometimes referred to as a purchase request, PR, or purchase request form.

This is where the information for the requisition is filled out, and it is the document that the approver will receive. If the form is not approved, it will get sent back to the requester for more information or a reason for rejection.

If it's approved, it will move forward to the purchasing team and be used to create a purchase order with a unique purchase order number.

Just like purchase orders, requisition forms have a unique requisition number. This enables finance teams to look up each request, who requested it, who approved it, and so on. Information like this is useful for reporting and auditing.

Software enables requisitions to be searched for much more quickly than paper forms, scanned documents, or spreadsheet files.

What Is a Purchase Requisition Template?

A purchase requisition template is a document that your organization uses as a model to create your own purchase requisition form. In a manual process this can be a Word or Excel template, like these examples.

The image below is the default template that PLANERGY uses for purchase requisitions. It prompts the user to fill out all the necessary information, add notes for internal teammates and vendors, and even attach documents if needed.

There are also options to add additional custom fields throughout the form for any additional custom tracking or reporting requirements.

The screenshot shows the PLANERGY Spend Management interface for creating a new purchase order. The form is titled 'Purchase > New Order' and includes a navigation sidebar on the left with options like 'HOME', 'NEW SOMETHING', 'NEW ORDER', 'NEW ONLINE CATALOG ORDER', 'YOUR ORDERS', 'WAITING FOR APPROVAL', 'APPROVED', 'REJECTED', 'RECEIVING', 'RECONCILE DELIVERY', 'REPORTS & SEARCHES', 'PURCHASE ORDER SEARCH', 'ADVANCED REPORTING', 'SUPPORT', and 'HELP'. The main form area is divided into several sections: 'Select Company' (PLANERGY - PC001), 'Supplier details' (fields for Supplier Name, Address, Phone, Email, Alt), 'Order details' (fields for Department, Terms, Currency), 'Delivery details' (fields for Delivery address, Phone, Fed by, Ship Date), 'Custom Fields' (field for Place Order Date), 'Documents' (upload area for PDF & ZIP), and 'Notes' (Internal notes and Supplier notes). At the bottom, there is a 'Product details' section with a table for item details and a 'Total' field showing 0.00. The table has columns for Item code, Item name, Cost Code, Item price, Disc. (%), Qty, and Total. The 'Total' field has a dropdown arrow and a plus/minus icon.

Item code	Item name	Cost Code	Item price	Disc. (%)	Qty	Total
Item code	Item name	Cost Code	Item price	Disc. (%)	Qty	0.00
						Total: 0.00

Your purchasing department can use this document as a template to create a form with all the information you need for your purchase requisition forms.

If you use PLANERGY for purchasing, this form will pop up for users when making a purchase request. The form can be customized with additional fields and logic to suit your company's needs.

After they fill it out and submit it, it will automatically go out for approval. Once approved, this information is then used to automatically generate a PO.

What Is Purchase Requisition Software and What Are the Benefits?

Purchase requisition software is a software program that can initiate a purchase request for internal approval, then turn that requisition into a purchase order.

This can also be called purchasing software or purchase order software, since it would be strange if software did purchase requisitions only, since the natural flow is to turn that requisition into a PO.

Not all purchasing software is created equal. The best systems are user-friendly, flexible to meet varying needs, able to automate approval workflows, and provide spend and budgeting reports.

Because the purchase requisition workflow is a part of the procurement process,

requisition software is included in procure-to-pay software that includes the entire process from sourcing to accounts payable.

There are numerous benefits to switching from paper forms and Excel spreadsheets to software for your purchase requisition process.

▪ **Cost Savings**

For most organizations, the primary benefit of requisition software is cost savings.

Getting employees to stop wasting time with manual purchasing processes and automating approval flows creates an average savings of 10% of annual spend, reduces 80% of time spent on data entry, and leads to a 30% faster financial close.

▪ **A Streamlined Process**

Using paper forms and Excel sheets leads to delays and mistakes that automation can fix.

Switching to an automated process that prompts users for all the information they need and then automatically routes to the approver eliminates these issues and generates significant time and cost savings.

▪ **Guided Buying**

Procurement software systems can set up 'guided buying environments' where employees can select from a pre-populated list of preferred suppliers with spending limits.

This ensures that they're only sending requests to make purchases from the best vendors at the best prices and terms, leading to more savings and better spend management.

▪ **Fast Approval Process**

One of the big problems with purchase requisitions is that they end up in

a pile on someone's desk or buried in their inbox.

With software, the appropriate approvers automatically get notified and reminded so employees don't have to waste their time chasing people to approve their requests.

▪ **Integration with other Processes and Systems**

Because requisitions are just part of the process, it's important they are integrated into the greater whole. With software, they seamlessly become purchase orders after getting approved.

The software can also integrate with accounting systems so orders are automatically included in financial reports.

▪ **Budgeting and Spend Control**

Using an integrated system makes it much easier to track requests against budgets.

When a request comes in, approvers can instantly weigh it against the remaining budget all in one system. They can also track what types of spend are going over budget and easily make adjustments.

▪ **Staying Audit-Ready**

All purchases start with a requisition and should be tracked accordingly. Purchasing software automatically logs all the data from key documents to an audit trail.

This information makes doing a financial audit much faster and easier, as it's all instantly available.

Purchase Requisition Software Benefits



Switching from manual to automated purchasing processes creates an average savings of 10% of annual spend, reduces 80% of time spent on data entry, and leads to a 30% faster financial close.

Software Makes Requisitions a Streamlined Part of Your Greater Process

The procure-to-pay process is comprised of many steps. Requisitions are near the beginning of the process, coming after sourcing and vetting suppliers, but before making actual purchases.

As such, requisitions should be a streamlined part of this greater process. Software is how you make that happen.

With an e-procurement system, requisitions can be made for goods and services from pre-approved suppliers, automatically tied to budgets, and seamlessly turned into a purchase order once approved.

Time and money are saved by getting your team out of the manual processes that drag so many companies down.

Business needs are constantly in flux, and a flexible system like PLANERGY can handle new types of requisitions as well.

Once these new requests are made for the first time, they can become a routine part of the streamlined system when they come up again.

For organizations struggling to come up with a better way to empower employees to request purchases, software that handles the entire procurement process from start to finish (with requisitions as a part of that) is the way to go.

What's your goal today?

1. Use PLANERGY to manage purchasing and accounts payable

We've helped save billions of dollars for our clients through better spend management, process automation in purchasing and finance, and reducing financial risks. To discover how we can help grow your business:

- Read our case studies, client success stories, and testimonials.
- Visit our Purchase Order Software page to see how PLANERGY can digitize and automate your purchase order process saving you time and money.
- Learn about us, and our long history of helping companies just like yours.

[Book a Live Demo](#)

2. Download our "Indirect Spend Guide"

Download a free copy of our guide to better manage and make savings on your indirect spend. You'll also be subscribed to our email newsletter and notified about new articles or if have something interesting to share.

[download a free copy of our guide](#)

3. Learn best practices for purchasing, finance, and more

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