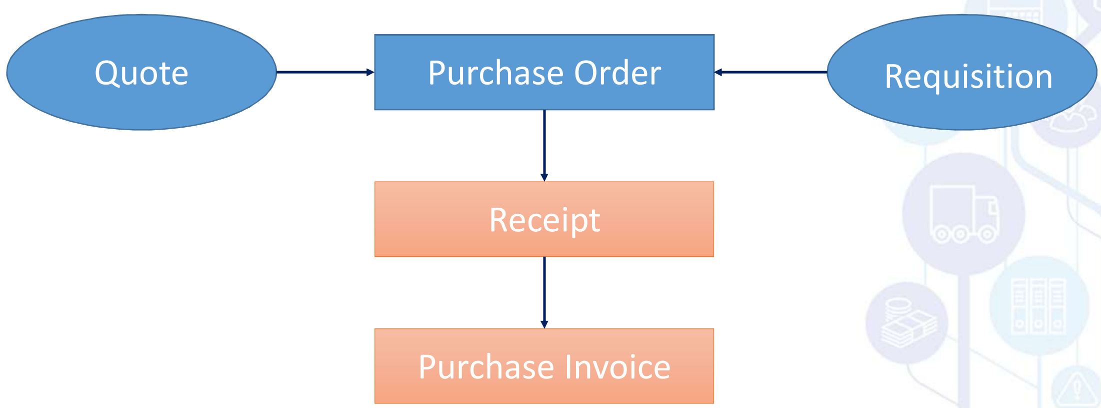
Product Training

Purchase Orders

Where "Lean" principles are considered common sense and are implemented with a passion!

winman ADVANCED ERP SYSTEMS

Purchasing



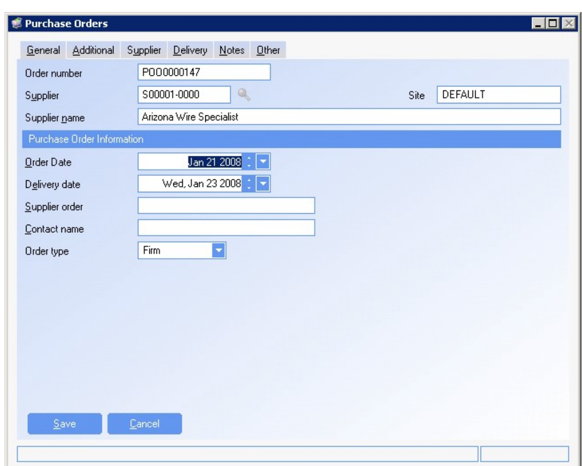
Purchase Orders

A purchase order, quotation or requisition can only be created for a supplier set up in the supplier master. Quotations and requisitions can be converted to purchase orders but only firm purchase orders can be received.

Purchase orders consist of one purchase order header and at least 1 line item. The purchase order header contains information for the entire order such as the purchase order number or supplier. The lines contain information for each item on the purchase order such as the item and quantity.

Purchase Order Header

General Tab

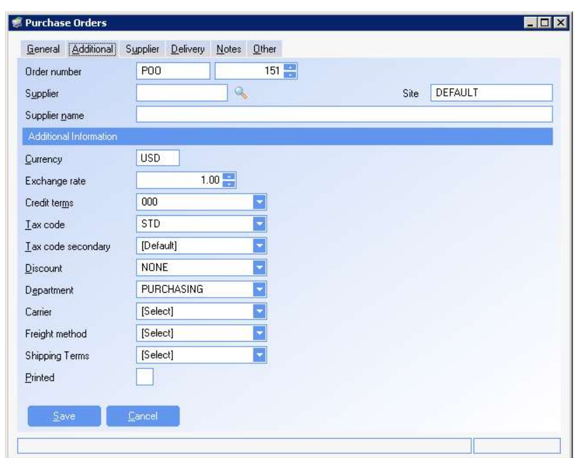


Purchase Order Header

- **Order Number** – Select the prefix for the order. The next number will automatically come up.
- **Site** – If using multi-site the site will be the site that the user is logged into. If the user is logged into All Sites, the user can select which site the order is assigned to.
- **Supplier** – The supplier that the purchase order is for. When entering a supplier, the name or supplier number can be entered. If an exact match is not found, a listing of all suppliers meeting the criteria will come up and can be selected from. Only active suppliers can be selected. When using multi-site, only suppliers for the site that the order is being placed for can be selected.
- **Order Date** – The date that the order is taken. Defaults to the date the order header is created on.
- **Delivery Date** – The date the order is expected to be received. This defaults to the day the order is created but can be amended.
- **Supplier Order** – The sales order number from the supplier.
- **Contact Name** – The contact name from the supplier master. This can be amended and is found on the purchase order prints.
- **Order Type** – An order type can be New, Requisition or Quote. A quote or requisition is a placeholder for a purchase order and is not supply for MRP. A firm order is supply and MRP will account for it.

Purchase Order Header

Additional Tab



Purchase Order Header

- **Currency –** The currency of the supplier selected. This can not be changed at any time.
- **Exchange rate –** If the supplier is in a foreign currency, the rate of conversion for the purchase order. This rate will also be used for the purchase invoice when it is created. The default exchange rate is the standard rate as found in the currencies module.
- **Credit Terms –** The credit terms used for the purchase invoice generated for the purchase order. The credit terms calculate the due date for the invoice. This is defaulted from the supplier master but can be amended for the purchase order.
- **Tax code –** The tax code for the purchase order used to calculate the tax value and determine the taxing authority. This is defaulted from the supplier master but can be amended for the purchase order.
- **Tax code secondary -** The secondary tax code for the purchase order used to calculate the tax value and determine the taxing authority. Used when a second taxing authority requires tax to be collected. This is defaulted from the supplier master but can be amended for the purchase order.
- **Discount –** The default discount structure that is to be used for the order. This is defaulted from the supplier master but can be amended for the sales order.

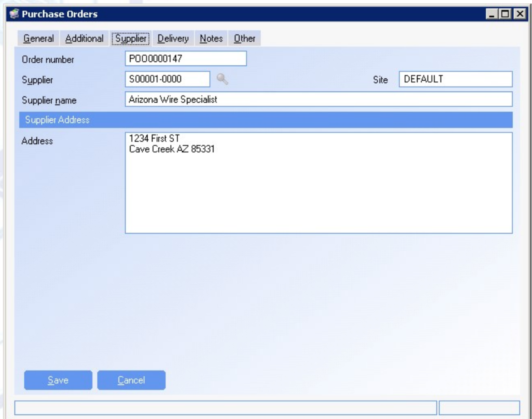
Purchase Order Header

- **Department –** Department responsible for the order and is defaulted from the supplier. Sometimes this field is used to store the Buyer.
- **Carrier –** The carrier for the purchase order; the default carrier found in suppliers is the default.
- **Freight Method –** The Freight method for the purchase order; the default freight method found in suppliers is the default.
- **Shipping terms –** The shipping term for the purchase order; the default shipping term found in suppliers is the default.
- **Printed –** automatically checked if the purchase order has been printed to printer.

SYSTEM SETTING:
The default length of the purchase order number is 10 characters. The length of the purchase order number can be changed using the Purchase Orders system option **Purchase order identifier length**. Enable the profile and set the value to the number of characters required for the purchase order number. Maximum number of characters allowed is 15.

Purchase Order Header

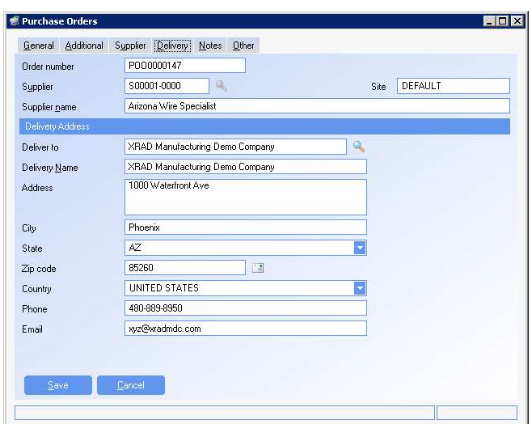
Supplier Tab



The supplier address and information for reference only. If any information needs to be changed, it must be done in the supplier master.

Purchase Order Header

Delivery Tab



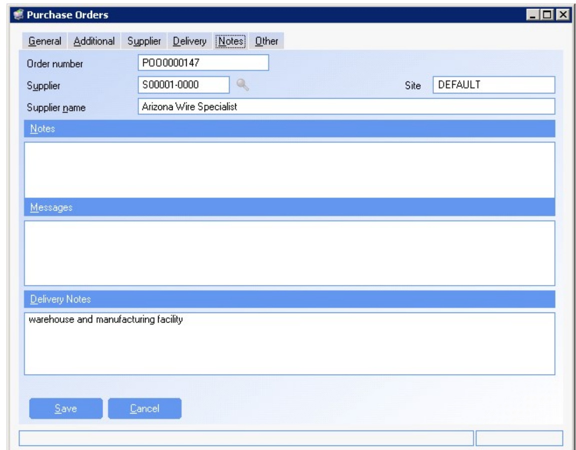
The default delivery address from the customer. The delivery address can be changed for drop ship addresses.

SYSTEM SETTING:
The delivery address can also be used on line items. Use the Purchase Orders system option **Delivery Addresses on Purchase Order Lines**. Enable the option and set the value to Y to have delivery addresses per line.
NOTE: Adding delivery addresses to lines adds much complexity and is not recommended.

Purchase Order Header

Notes Tab

Add notes for internal reference and messages for information on prints

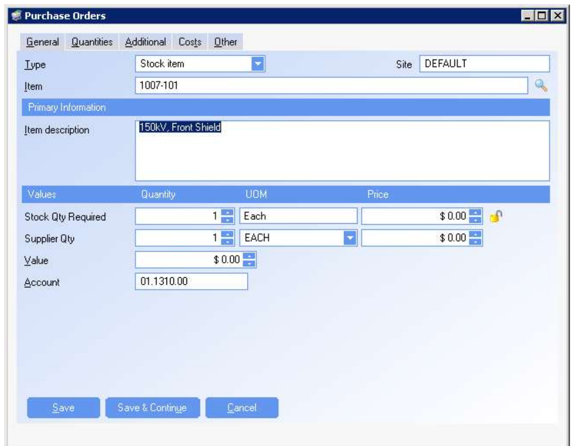


Purchase Order Items

Multiple purchase order items can be added to a single purchase order. Purchase order items are added to a purchase order by selecting the action “Add Item”.

Purchase Order Items

General Tab



Purchase Order Items

General Tab

- **Item types to add to a purchase order include;**
  a) **Stock Item –** From products
  b) **Free Text –** Manually keyed in
  c) **Sundry –** From Sundries
  d) **Freight –** From Freight methods

SYSTEM SETTING:
A system setting can be used to prevent modification of the description. Use the Purchase Orders system option **Allow modification of purchase order item descriptions.** Enable the profile and set the value to N to prevent modifications to the description field.

- **Item –** The item to be added to the purchase order. When using a stock item, sundry item or freight item the item must exist in the related table to be added. When using a free text item, what is keyed by the user will be the item.

- **Description –** When using a stock item, sundry, or freight item, the description from the item will default. The description can then be amended. For free text items, the user will need to key in a description.

- **Stock quantity –** The order quantity in the unit of measure of the item. When the supplier unit of measure is different than the stocking unit of measure the stock quantity is the supplier quantity multiplied by the unit of measure conversion factor.

Purchase Order Items

General Tab

SYSTEM SETTING:
The supplier price field is used to enter the price in the UOM price it is being bought from the supplier. This field can be set to read-only and not used if required. Use the Purchase Orders system option **Makes supplier price field on purchase order item read-only.** Enable the option and set the value to Y to prevent users from using this field.

- ❑ **Stock UOM –** The unit of measure for the item as found in the product or sundry master. This can not be amended.
- ❑ **Stock Price**
  - ❑ **Sundries –** The standard cost per item of the default unit of measure for the sundry in the sundry master
  - ❑ **Freight Items –** The standard cost for the freight method in the freight method master
  - ❑ **Free Text items –** Must be keyed by the user
  - ❑ **Products –** If a related supplier cross reference record exists the price will default from the Normal Cost for that supplier and check for any quantity break pricing if applicable, if no supplier cross reference record exist it then defaults from the Material Cost of the Product.
- ❑ **Supplier Quantity –** The quantity of the item in the supplier's unit of measure. The supplier quantity is the stock quantity divided by the unit of measure factor for the supplier unit of measure.
- ❑ **Supplier Unit of Measure –** The unit of measure that the supplier is buying the good in. The default is the stocking unit of measure but can be changed to any of the unit of measure factors that have been set up for the stocking unit of measure.

Purchase Order Items

General Tab

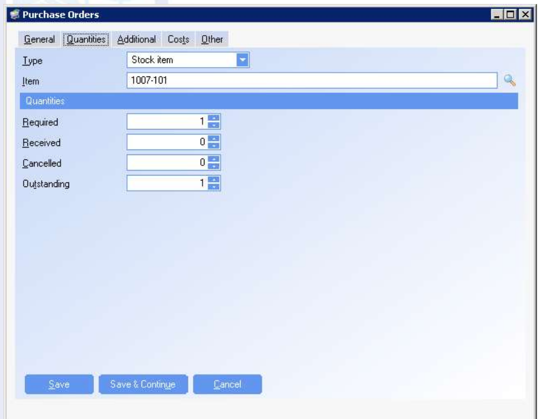
- ❑ **Value – The value of the line. This is a calculated field that is calculated by;**
  - ➢ **Price X Quantity – discount**
- ❑ **Account –** The expense account which is determined by the item type.
  - ➢ **Free Text Item –** The default free text account from the supplier master is the default account but can be changed by the user.
  - ➢ **Sundry –** The cost account from the sundry master but can be changed by the user.
  - ➢ **Freight item –** The cost account from the freight methods master but can be changed by the user.
  - ➢ **Product –** The inventory account for the item as found in products.

SYSTEM SETTING:
The GL accounts for free text, sundry and freight items have default accounts. The default accounts can provide extra filters for any or all of these types of items. Use the Purchase Orders system option **Set the purchase item types you wish to filter the accounts for (N=free text, F=freight, S=Sundry).** Enable the option and enter the letters representing the items to be filtered into the value field.

Note: It most cases this should be set to FS for freight and sundry items. Use the Purchase Orders system option **Filter purchase item account based on N = nothing, T = type, D = division & type** to determine how the filter will be applied. Enable the option and in the value field use N, T or D based on the options described in the description. Note: In most cases this should be set to T.

Purchase Order Items

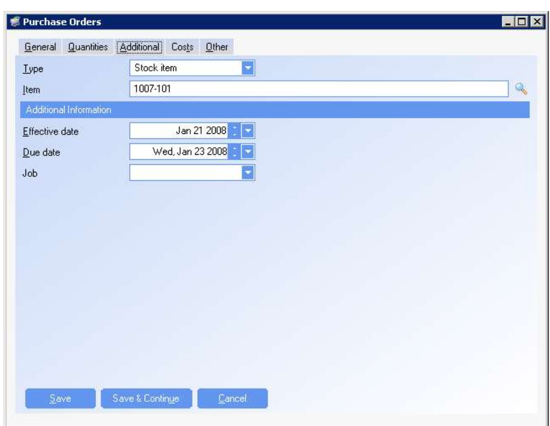
Quantities Tab



- ❑ **Required –** The order quantity
- ❑ **Received –** The quantity that has been received on a goods receipt
- ❑ **Cancelled –** The cancelled quantity
- ❑ **Outstanding –** A calculated value;
- ❑ **Quantity Required –** Quantity Received – Quantity Cancelled = Quantity Outstanding

Purchase Order Items

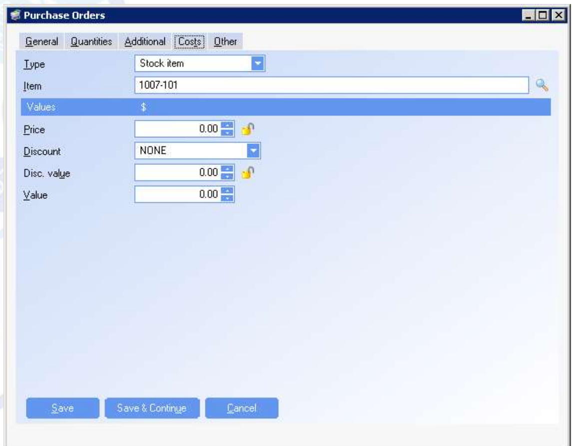
Additional Tab



- ❑ **Effective Date –** The order date of the line. Defaulted from the purchase order header.
- ❑ **Due Date –** The due date of the item or when the item is expected to be received. Defaulted from the purchase order header.
- ❑ **Job –** When using the Jobs module this, this would be the job that the line is being created for.

Purchase Order Items

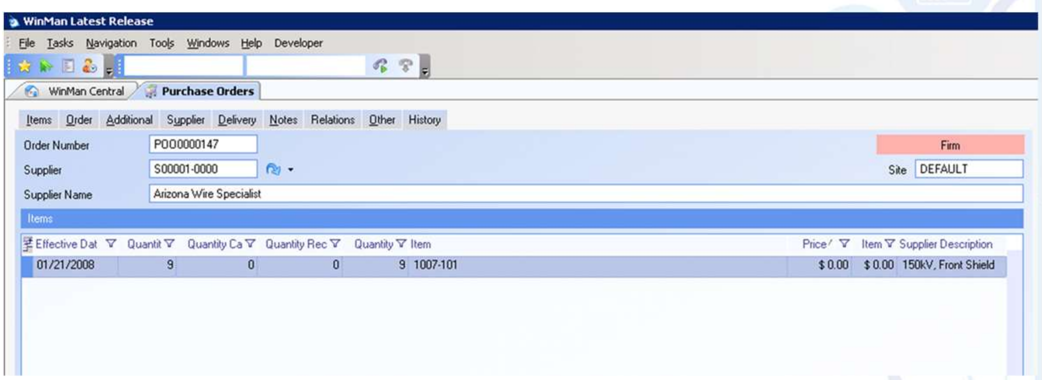
Costs Tab



- **Price –** The price of the item
- **Discount –** dropdown of available discounts. Discount will be defaulted to the discount from purchase order prefix, supplier cross reference, products and then purchase order header. If a discount is found in the order above, no other discounts will be checked. For example, if no purchase order prefix discount is found, a check will be done on supplier cross reference, and if one is found, then products and the purchase order header will be ignored.
- **Discount Value –** The discount value as determined from the discount.
- **Line Value –** (The price X quantity) – Discount Value

Purchase Order Header

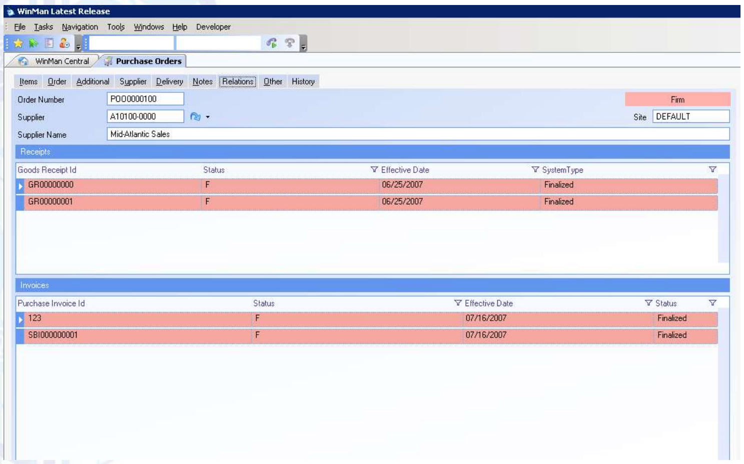
History Tab



History tab will show all modifications to purchase order line items

Purchase Order Header

Relations Tab



- The relations tab displays receipts and purchase invoices that have been created for a purchase order.
- Right click on line item to drill down to related transaction.

Purchase Order Actions

‘Firm’

Firming a purchase order sets the order to be processed. A sales order must be firmed before it can be received and must be firmed before MRP will see it as supply.

Firm will also convert a requisition or quote to a firm purchase order

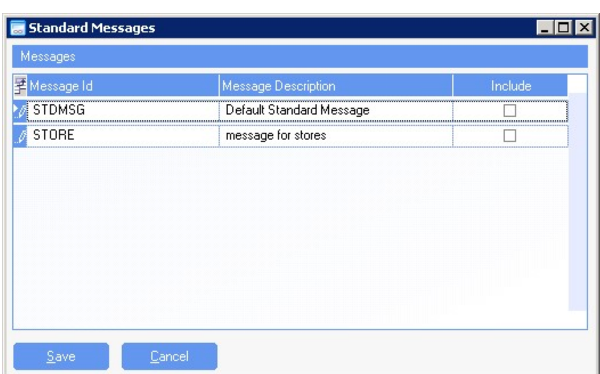
Purchase Order Actions

‘Copy Order’

Copy order will make a copy of the current order. The user will be prompted for a purchase order prefix, supplier order number and due date. All other order details will be copied.

Purchase Order Actions

‘Add Message’



Add message allows multiple standard messages to be added to the purchase order. Standard messages will appear on the purchase order print.