



QAD Enterprise Applications
Standard Edition

Training Guide

Purchase Order Management

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About This Course

Course Description

QAD designed this course to cover the basics of preparing to implement the Purchase Order Management functions of QAD Enterprise Applications. The course includes:

- An introduction to the Purchase Order module
- An overview of key business issues
- Setting up the Purchase Order module
- Operating the Purchase Order module
- Setup and processing Blanket Orders and Requisitions
- References to other QAD materials
- Activities and exercises throughout the course
 - Students practice key concepts and processes in the Purchase Order module

Course Objectives:

By the end of this course students should learn how to:

- Analyze some key business decisions before setting up the Purchase Order module
- Set up and operate the Purchase Order module

Audience

- Implementation consultants, members of implementation teams, and key users
- Purchasing Managers

Prerequisites

- *Initial QAD Enterprise Applications Setup* training course
- Basic knowledge of QAD Enterprise Applications, as it is used in your business
- Working knowledge of the manufacturing industry in general

Note It is recommended that students unfamiliar with QAD Enterprise Applications work through the User Interface Guide before attending this class.

Course Credit

- This course is designed to be taught in one full day, valid for 6 credit hours

QAD Web Resources

The QAD website provides product and company overviews. The Print Solution option on the opening page provides a means of compiling desired content into a document specialized to your industry, business implementation, and needs.

<http://www.qad.com/>

From QAD's main site, you can access QAD's Learning or Support sites.

Chapter 1

Introduction to Purchase Orders

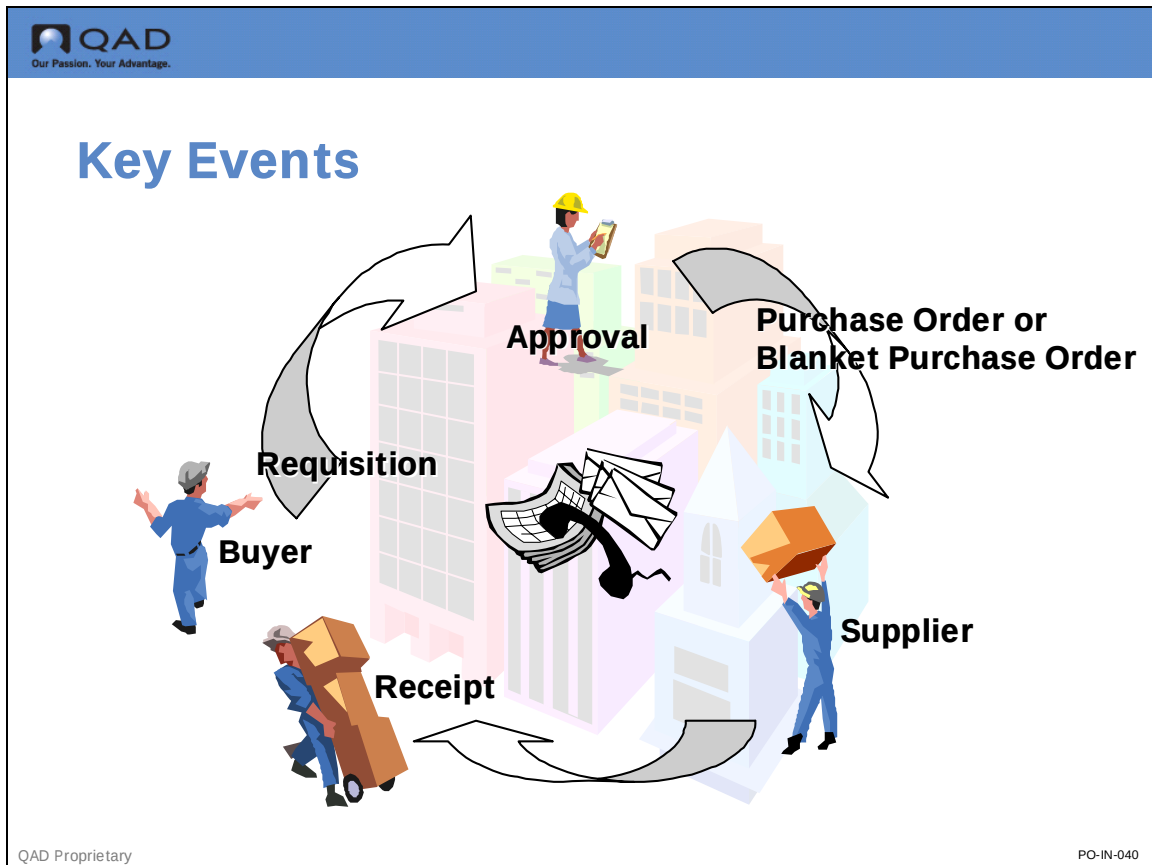
Course Overview



Course Overview

- ▲ Introduction to Purchase Orders
- ▲ Business Considerations
- ▲ Set up Purchase Orders
- ▲ Process Purchase Orders
- ▲ Using Requisitions
- ▲ Using Blanket Purchase Orders

Purchase Orders



Requisition

A requisition is a way of communicating demand for purchased materials. It says you need this many of this item at this site on this date. It also says which site negotiates the purchase. Requisitions are usually generated by MRP, but can be entered manually.

Purchase Order (PO)

- Authorization to purchase specified items at a set price by an agreed upon date
- Contract to pay for the items under the terms and prices of the PO

Blanket Purchase Order

- A blanket order says you have agreed to purchase a certain quantity of an item over a certain period of time (the exact delivery dates to be determined later), and that you have agreed to pay according to the terms and prices specified
- Blanket orders are usually negotiated in advance of the demand and cover a longer time period, perhaps the annual requirement for a key component, with a price based on a volume commitment

Blanket orders monitor the quantity purchased and offer an opportunity to negotiate for a good price

Terminology



Terminology

- ▲ Requisition
- ▲ Purchase order
- ▲ Blanket Order
- ▲ Supplier
- ▲ Supplier Item



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Requisition. A statement that someone needs a certain amount of an item by a certain time. The requisition lists what items are needed, how many, where, and when.

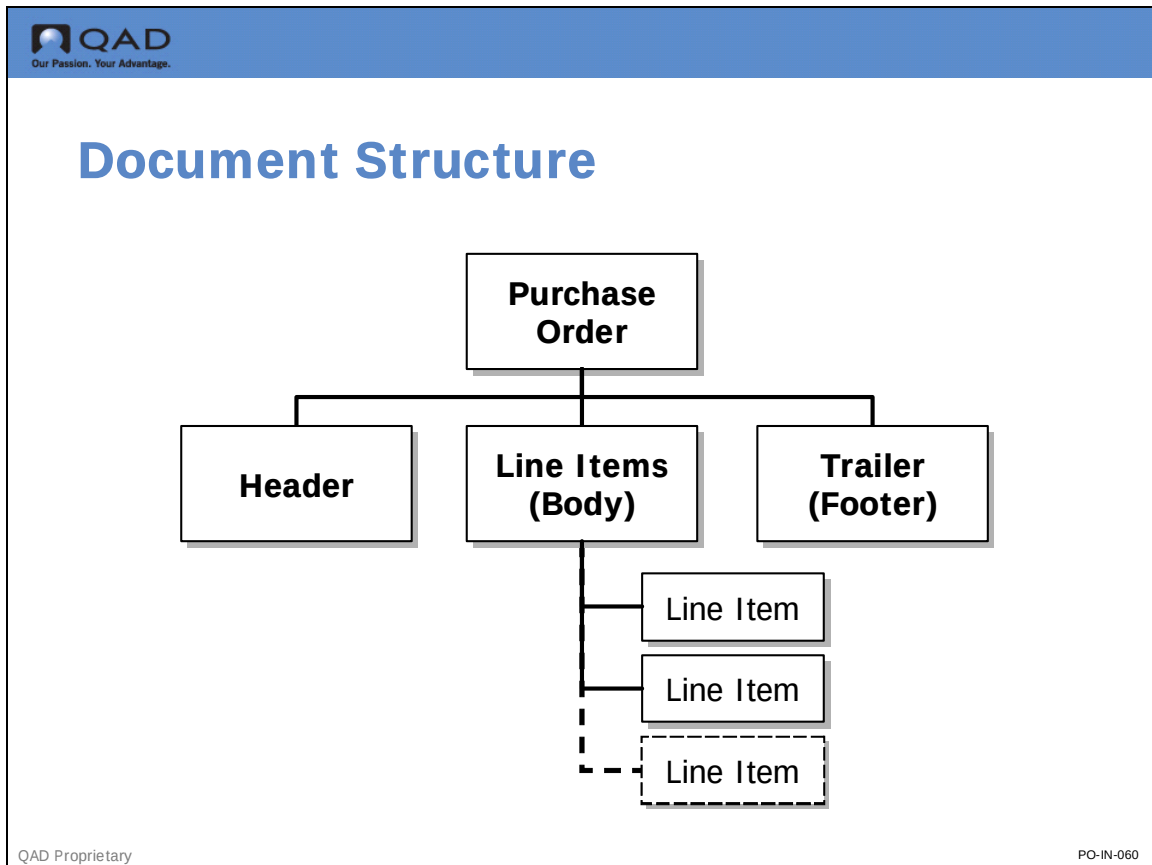
Purchase Order (PO). A contract with a supplier to purchase a specific quantity of items to be delivered at an agreed upon date for a set price. A purchase order should include order quantity, description, price, discounts, payment terms, transportation terms, and all other terms pertinent to the purchase and its execution.

Blanket Purchase Order. A long-term commitment to a supplier for products against which short-term releases will be generated to satisfy requirements. When a need arises, a release is made against the blanket order to generate a purchase order.

Supplier. 1. Provider of goods or services.
2. Individual seller with whom the buyer does business, as opposed to vendors, which is a generic term referring to all sellers in the marketplace.

Supplier Item. The item number the supplier uses to identify their item.

Sections



Header

The header includes generic information that applies to the entire order, including:

- PO site
- Contract terms
- Supplier data
- Delivery date

Completing the header causes the PO to be stored on the system even if no other information is entered for the order

Line Items

The line item's frames include all items on the order and contain information about the ordered items, such as:

- Quantity
- Price
- Any exceptions to the header data (a different due date or a different site, for example)

The PO site on the line items can be changed if that item is being purchased for a site other than the one on the header

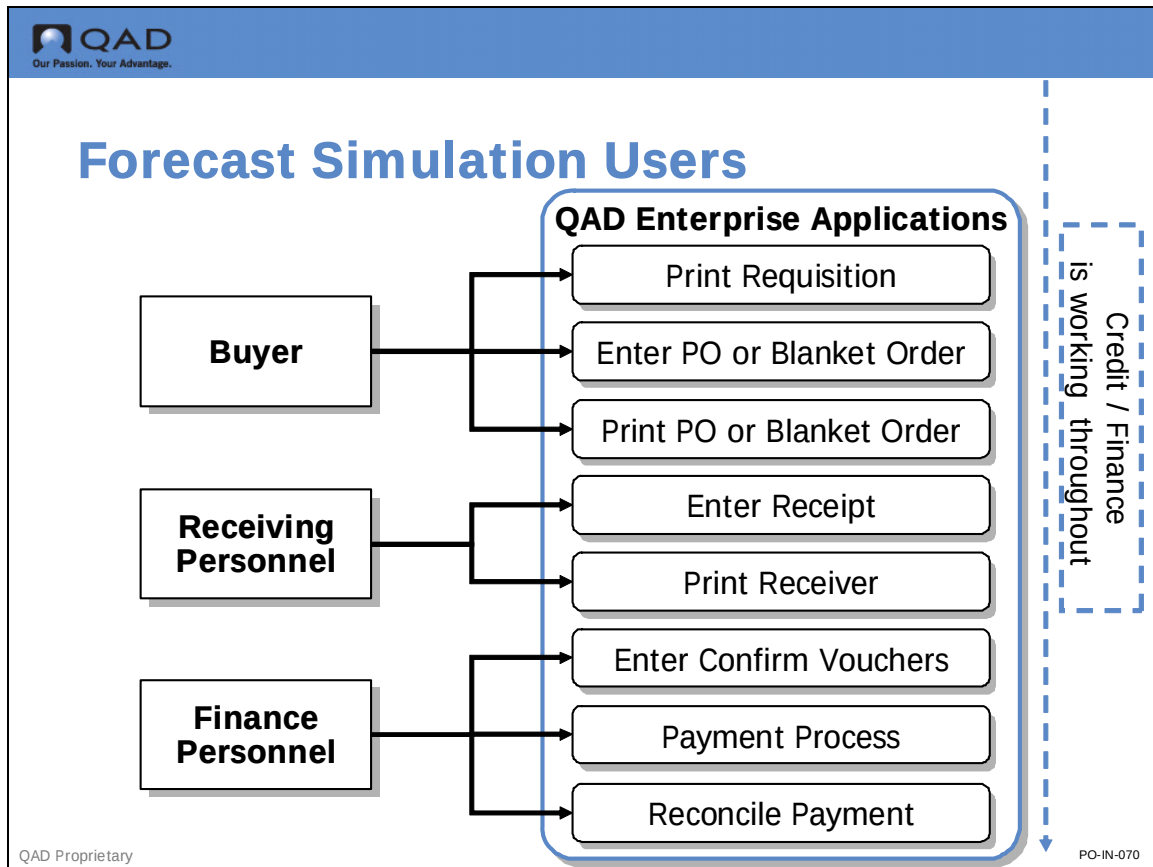
Trailer

The trailer frame contains tax, shipping and status information and presents the total for the entire order and any applicable

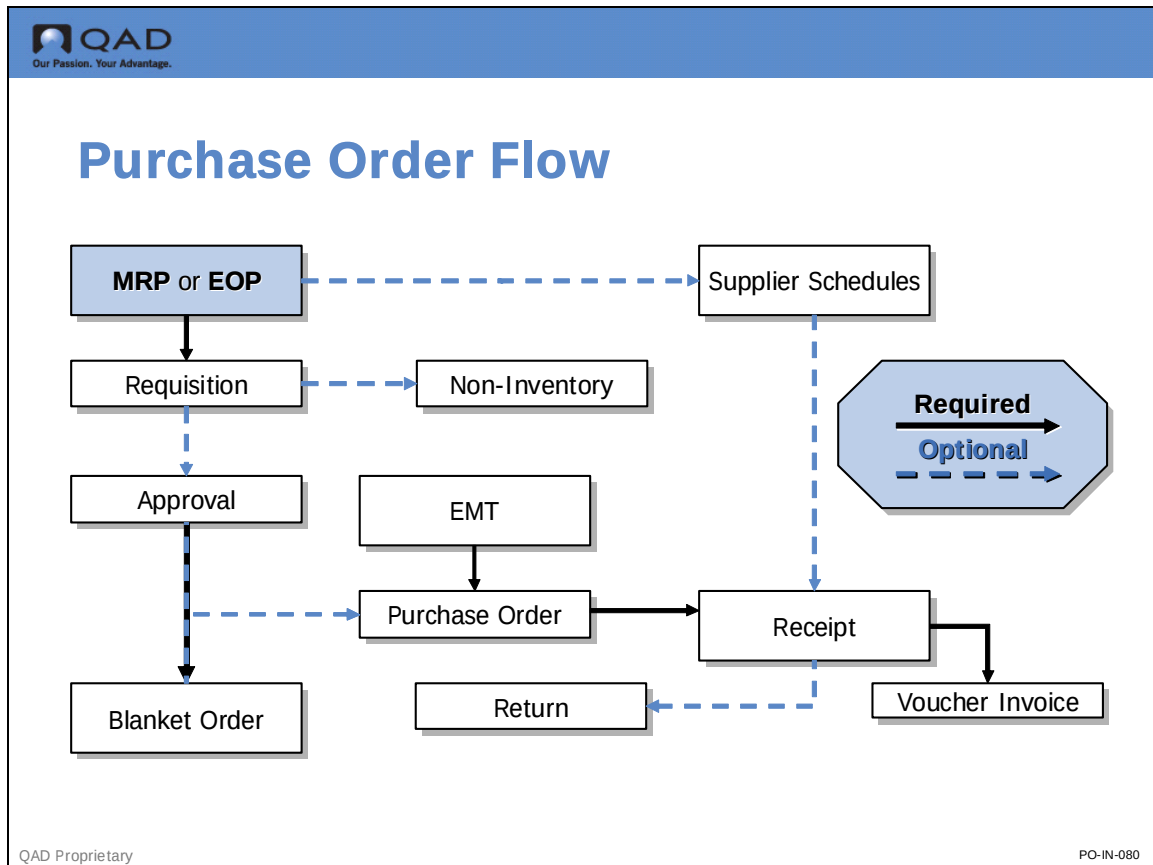
- Taxes
- Discounts
- Special charges

See in this training guide: *Purchase Order Sections* on page 89

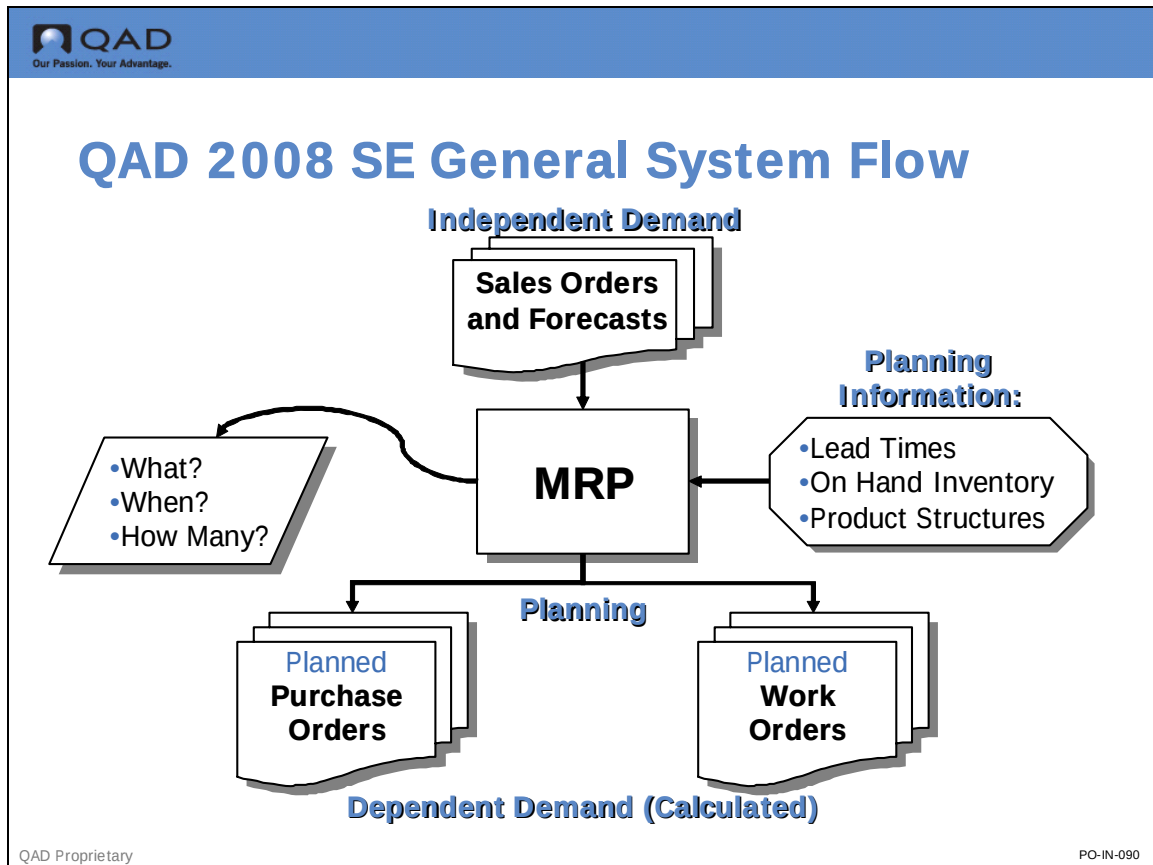
How POs Are Used



Purchase Order Flow



General System Flow



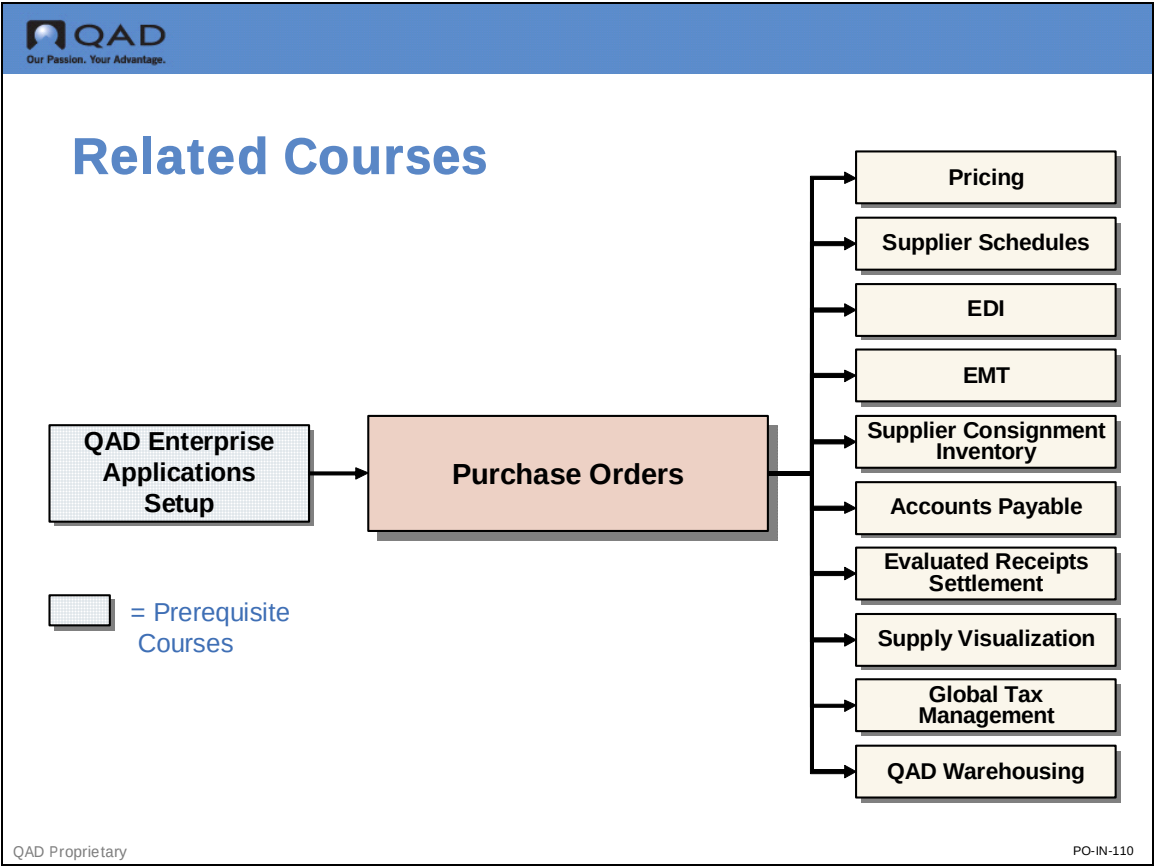
Course Objectives



Course Objectives

- ▲ Identify some key business issues to consider before setting up Purchase Orders in QAD Enterprise Application 2008 SE
- ▲ Set up Purchase Orders in QAD 2008 SE
- ▲ Process Purchase Order in QAD 2008 SE
- ▲ Use Requisitions
- ▲ Use Blanket order Purchases

Related Courses



Course Overview



Summary

- ▲ Introduction to Purchase Orders
- ▲ Business Considerations
- ▲ Set Up Purchase Orders
- ▲ Process Purchase Orders
- ▲ Using Requisitions
- ▲ Using Blanket Purchase Orders

Chapter 2

Business Considerations



Business Considerations

- ✓ Introduction to Purchase Orders
 - ▲ Identify some key business considerations before setting up Purchase Orders in QAD Enterprise Applications 2008 Standard Edition
 - ▲ Set up Purchase Orders in QAD 2008 SE
 - ▲ Process Purchase Orders in QAD 2008 SE
 - ▲ Use Requisitions
 - ▲ Use Blanket Purchase Orders



Business Considerations

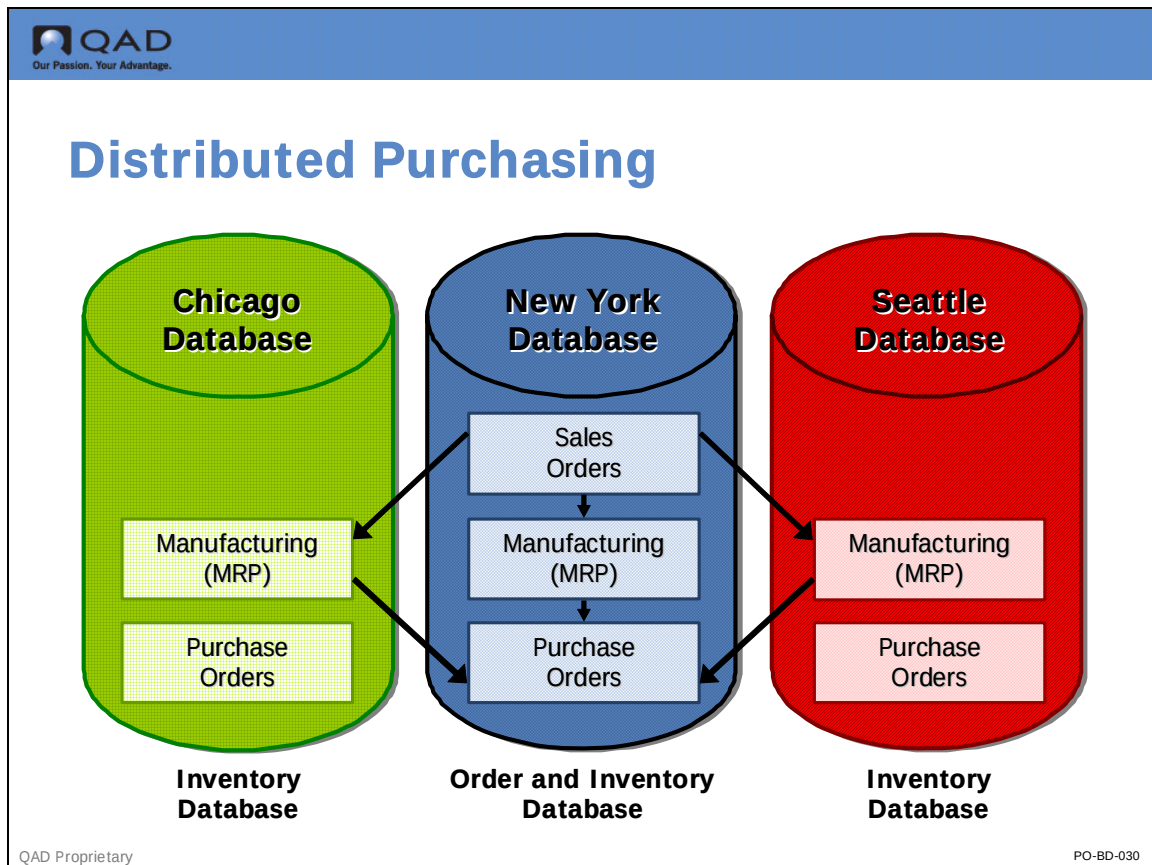
- ▲ Distributed Purchasing
- ▲ Requisitions
- ▲ Blanket Orders
- ▲ Supplier Schedules
- ▲ Non-inventoried Items
- ▲ EDI
- ▲ Canceling Backorders
- ▲ Overshipments
- ▲ PO Pricing Tables
- ▲ Inspection/Review Requirements
- ▲ Subcontracting

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PO-BD-020

There are several business issues to take into consideration before setting up Purchase Order Management. This section does not discuss all potential issues, but presents some issues to generate thought and discussion.

Distributed Purchasing



- Allows purchasing for multiple sites, even across multiple databases
- Lets you save money through volume purchases
- Allows local plants to purchase locally when necessary or economical

Setup Implications

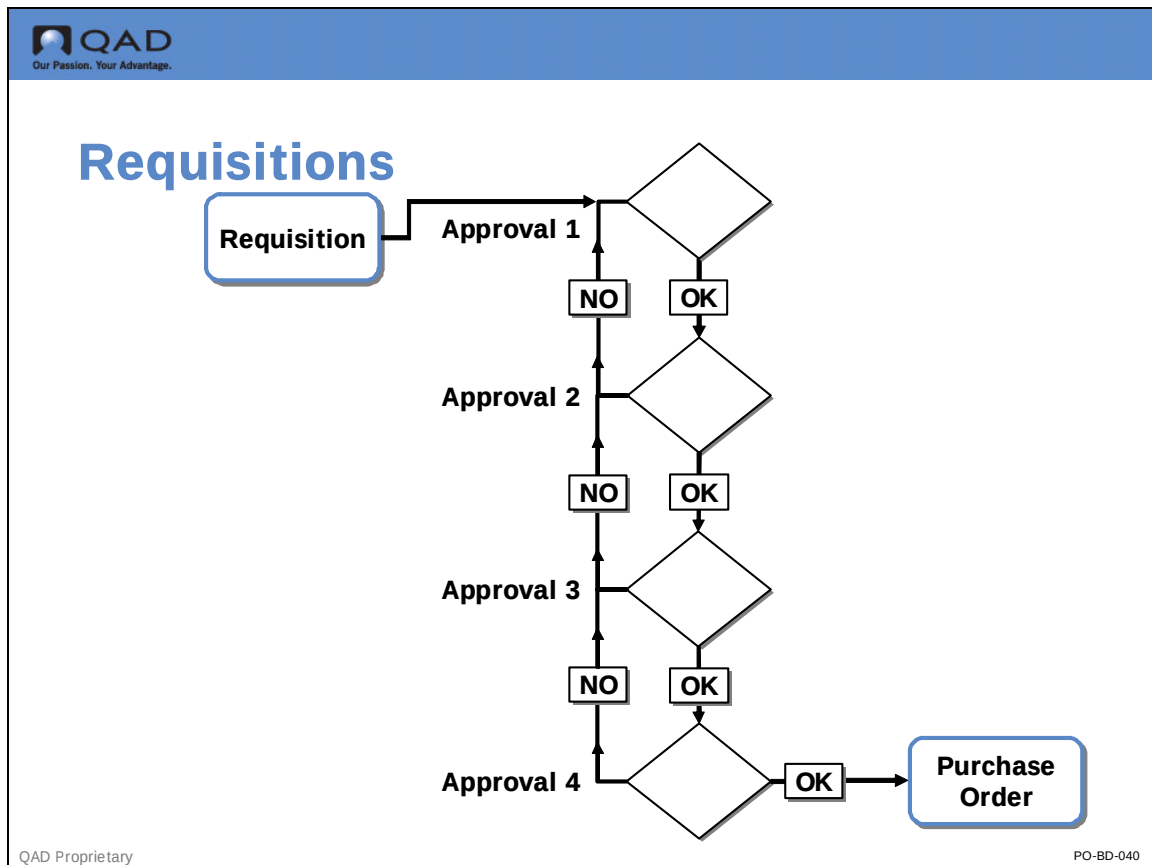
PO and requisition numbering schemes must be unique across all databases

- Usually accomplished through the use of prefixes

Site names must be unique across all databases and must have matching address codes

- For example, the address code for site 7000 is also 7000

Requisitions



- Can require approvals

Why Consider?

- To track and limit spending
- To control spending by amount, product line, site, and GL account
- For conversion of MRP planned orders
- To give visibility to outstanding requests for purchase activity
- To automatically update purchase details by MRP

Limitations

- Cannot be used for subcontract purchases or supplier schedules
- Do not specify a supplier or invoice directly
- Take more time through the approval process (if in use)
- Only one requisition is allowed per PO line

Setup Implications

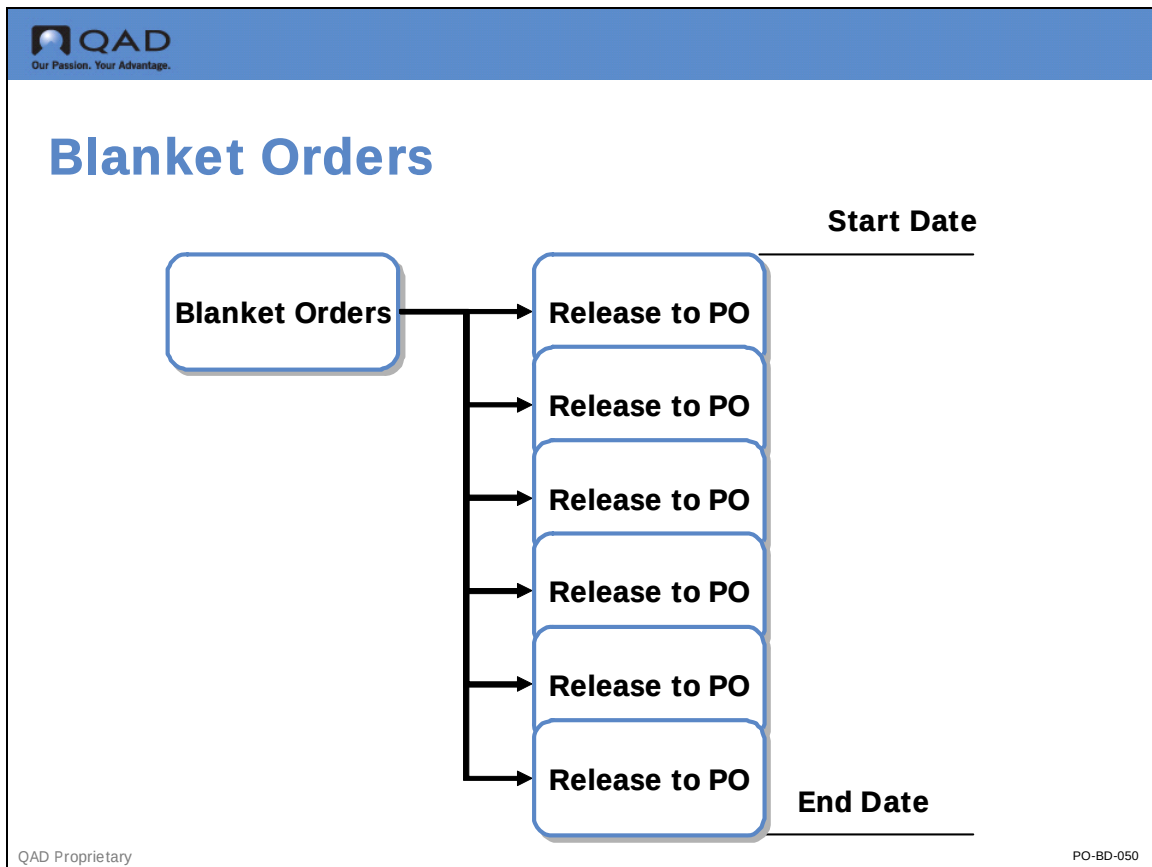
- If you require all line items on POs to come from approved requisitions, the approval field must be set to Yes in the Purchasing Control

Otherwise, you may use requisitions with the approval field set to No

- Creation of approval codes and levels

See in this training guide: *Requisitions* on page 121

Blanket Orders



Blanket Orders are agreements to purchase items at a set price between two dates, with delivery dates to be determined.

- Works well for stock items when the delivery dates are not regular
- MRP does not consider blanket orders
 - MRP considers the stock only when it is released to a purchase order

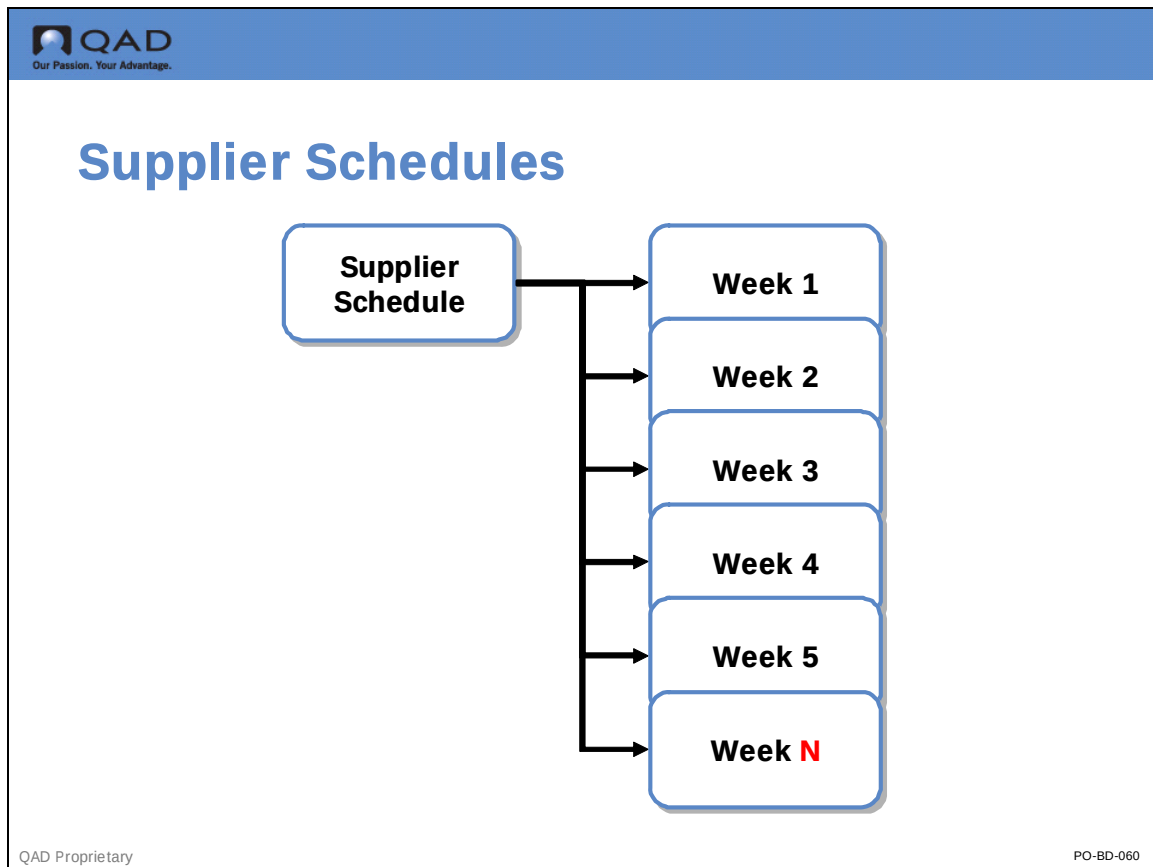
Setup Implications

If you have sufficient space in your PO numbering series, you can take advantage of the way the system assigns PO numbers

- If you have sufficient space in your PO numbering series, the blanket will append up to 3 digits to its blanket order, providing a link between the PO and the Blanket PO that is apparent in the order number
- If you do not leave a space in the numbering series, the release will simply get next available PO number (and no visible link exists)

See in this training guide: *Blanket Purchase Orders* on page 139

Supplier Schedules



- Allow you to schedule frequent and regular deliveries from the same supplier
- Specify dates and even hours of delivery for the near term
- Generate cumulative purchase orders

Why Consider?

- To plan and track significant supplier deliveries in detail
- To communicate forecast details to your suppliers
- To use EDI to transfer schedule information to suppliers
- To allow MRP to automatically update supplier schedules with minimal manual intervention

Setup Implications

- Creation of Supplier Schedule records

Order Types

 Purchase Orders/Blanket Orders/ Supplier Schedules			
	Purchase Orders	Blanket Orders	Supplier Schedules
Delivery Dates	Single for order/item	Multiple	Multiple
MRP	Yes	No	Yes
Receipts	Yes	No	Yes
Duration	One time	Short/medium	Medium/long term
Elements	Header Line Items Trailer	Header Line Items Trailer Pos	Header Planning Schedule Shipping Schedule Trailer

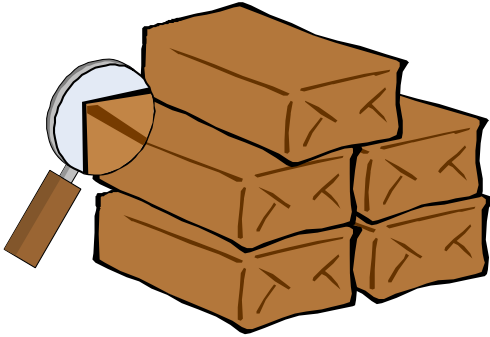
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PO-BC-070

Non-Inventory (Memo) Items



Non-Inventory Items



QAD Proprietary PO-BD-080

You can track these purchases (for example, office supplies, shipping supplies, etc.)

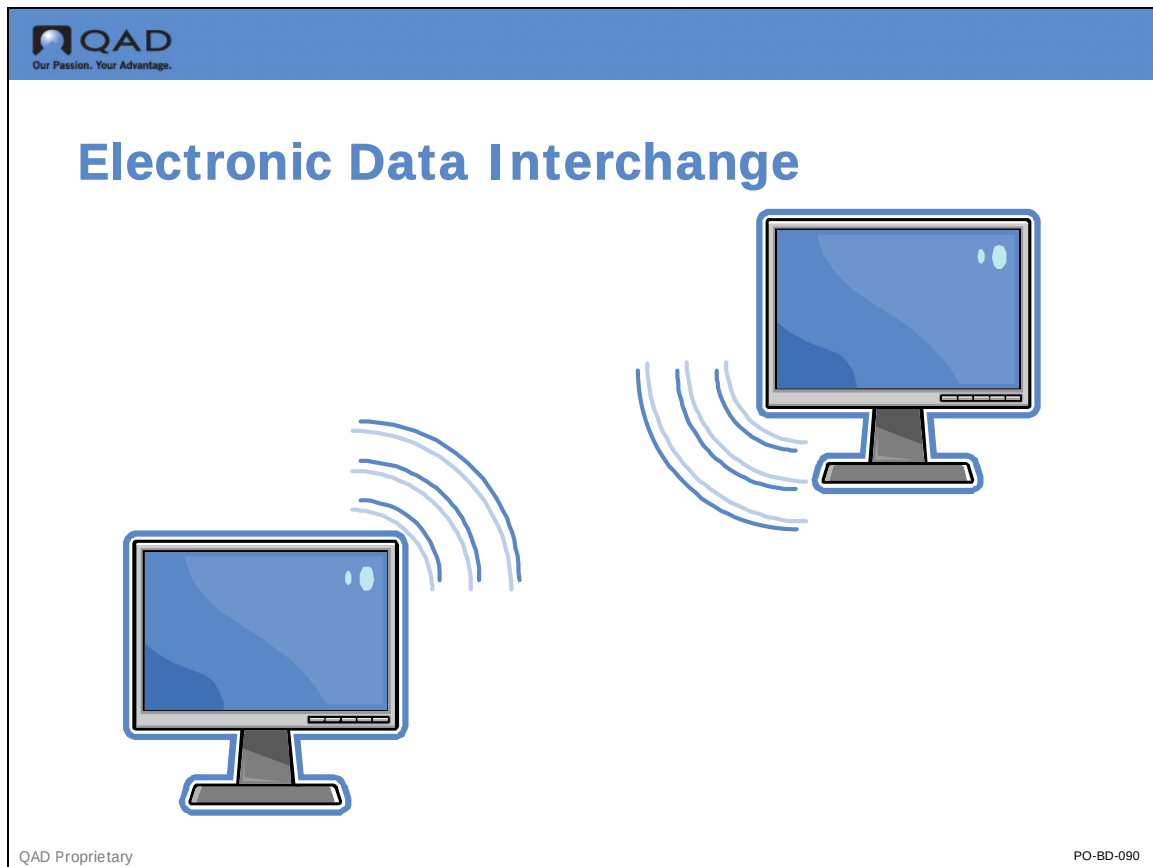
GL Considerations

- You expense or capitalize these purchases on receipt, depending on the purchases account for the line items

Setup Implications

- Must use single-line mode to enter correct account and cost center to debit
- May use Requisition Approvals and GL Account Security to ensure that incorrect accounts are not used

Electronic Data Interchange (EDI)



EDI Allows You To

- Import and export standard business transaction documents with your suppliers and customers using value added networks (VANs) or e-mail systems

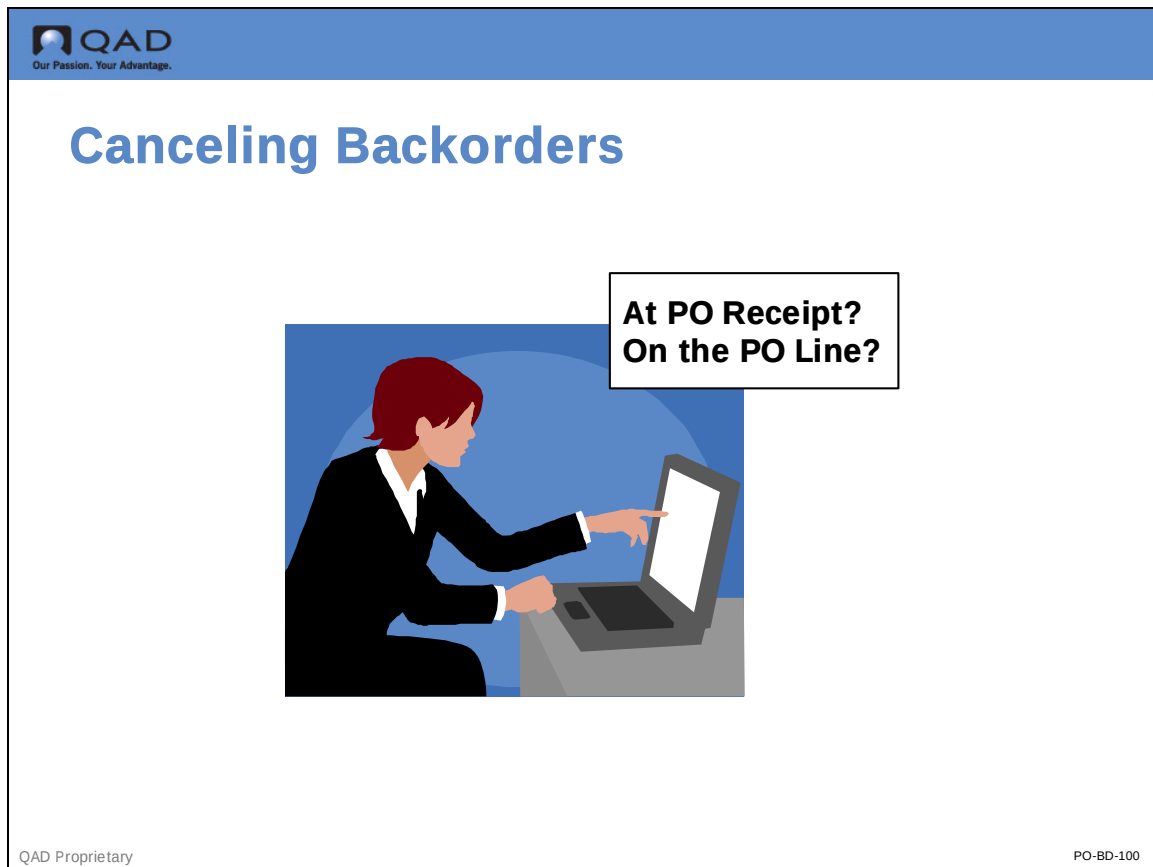
Why Consider?

- Reduce or eliminate paperwork involved in the supply chain

Setup Implications

- EDI software needs to be set up

Canceling Backorders



You can cancel backorders in two ways:

- At the time of receipt
- In purchase order maintenance, which is more time consuming

What is the difference?

- Enabling cancellation at receipt is easier, but allows the operator to cancel any quantities

Setup Implications

- To allow cancellation at receipt, set Cancel Backorders in the Purchasing Control to Yes

See in this training guide: *Cancel Backorders* on page 64

Overshipments



Overshipments



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PO-BD-110

You limit acceptance of overshipments in two ways:

- 1 Through a tolerance percentage, limiting them, for example, to 5%
- 2 Through a tolerance cost, limiting it, for example, to \$100.00

The two tolerances work together so that the receipt has to be acceptable by both criteria:

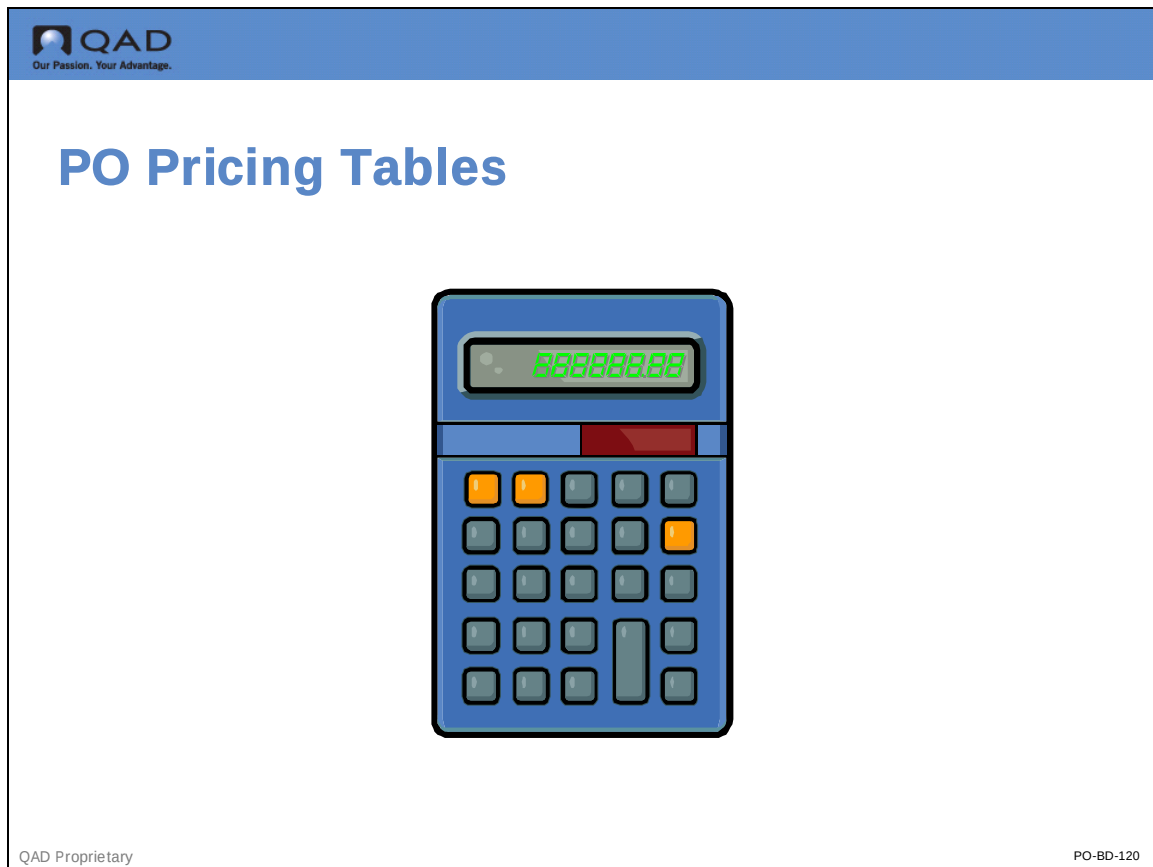
- With POs, the system gives you a hard error and you cannot receive if both criteria are not met
- With supplier schedules, if criteria are not met the system gives you a warning only, allowing you to receive in excess of tolerance

Setup Implications

- Set values in the Tolerance Percent and Tolerance Cost field in the Purchasing Control
- If over tolerance, you may also change the PO quantity and then receive

See in this training guide: *Tolerance Percent / Tolerance Cost* on page 64

Pricing Tables



Pricing Tables allow you to store extra pricing structure for items for these reasons:

- Prices in other than the base currency
- Prices for different units of measure, such as a better price for a case than for a unit
- Discounts at different quantity levels
- Prices calculated as a percentage markup over GL cost

Why Consider?

- Refines your pricing and saves money
- Speeds up PO maintenance and reduces purchase price variance errors

Setup Implications

- Associate price lists with suppliers and set up defaults for purchase orders

Discussed in the following Training Guide: List and Discount Table Pricing

Inspection and Review



Inspection & Review



- ▲ Multi Inspection Lessons
- ▲ Lead Times
- ▲ Compliance
- ▲ Vendor Certification
- ▲ Use Quality Module

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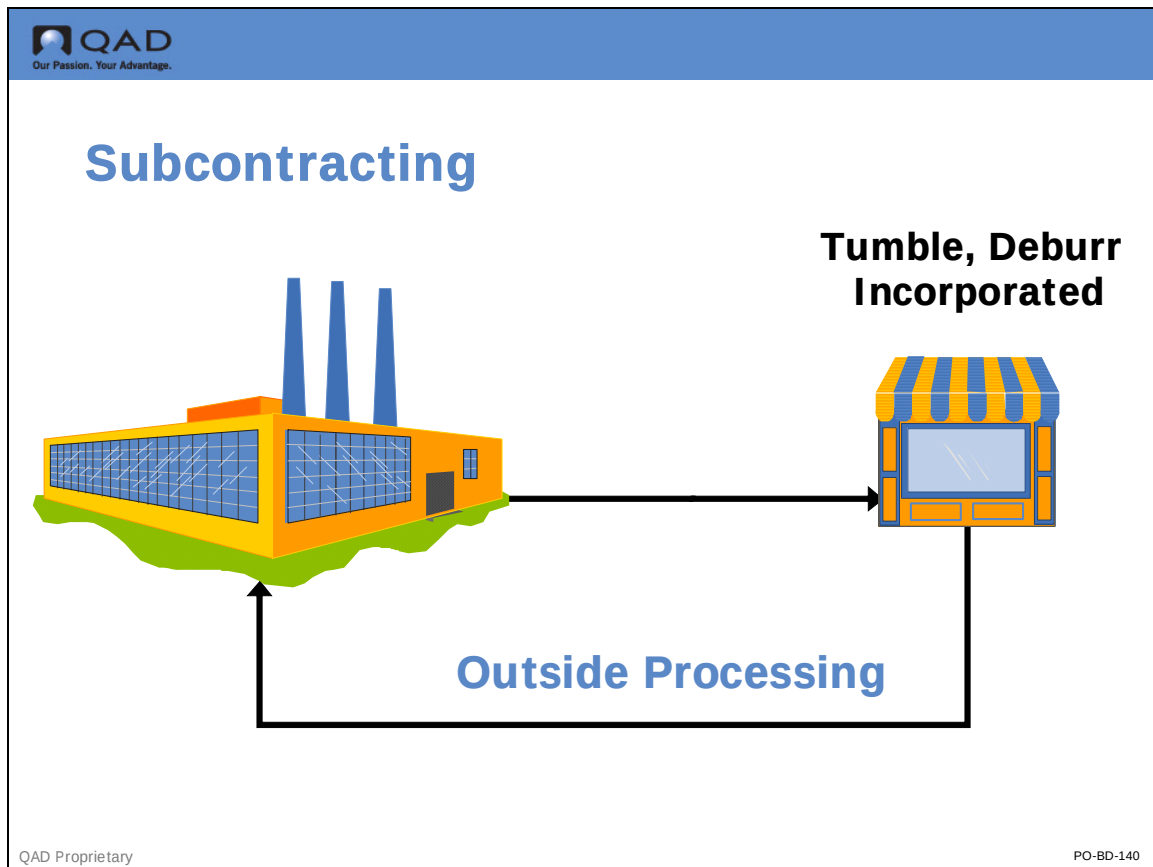
PO-BD-130

- Do you have a Vendor Certification Program?
- Are inspection items available for allocations?
- Do you have multiple inspection locations?
- Are you using the Quality Management module?
- Are you using the Compliance module?

Setup Implications

- Set Purchasing Control Inspection Location field to the default inspection location
- In Item Inventory Data Maintenance you can set the PO Receipt status to a code established in Inventory Status Code Maintenance
- In Item Planning Maintenance, set Inspection to Yes and enter an inspection lead time

Subcontracting



Subcontracting allows you to:

- Track manufacturing operations performed by suppliers

What is the impact on purchasing?

- Purchase order line items of type S must refer to operation and work order

Focusing Activity and Review



Review

- ▲ Processes and Procedures
- ▲ Reporting Requirements
- ▲ Customer Expectations
- ▲ Product Configuration

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PO-BD-150

Individually, or in small groups, examine your company (or a client's company) against the business issues discussed in this chapter. Consider the following:

- 1 The business expectations given this type of company
- 2 Additional information you may need to elicit to successfully implement QAD Enterprise Applications' purchasing module for this company

Do not look ahead in this training guide or at the QAD Enterprise Applications software. The purpose of this exercise is to help you (and your group) focus on what is important to this company. (Hint: There are no right or wrong answers.)

Your instructor may ask you to list your requirements on an easel or white board to make it easier to share your findings with the whole class.

After you have had a chance to brainstorm your requirements (15 to 20 minutes), your instructor may ask each group to quickly review its findings, and may compile a master list for your class.

Summary



Summary

- ✓ Introduction to Purchase Orders
- ✓ Business Considerations
 - ▲ Set up Purchase Orders
 - ▲ Process Purchase Orders
 - ▲ Using Requisitions
 - ▲ Using Blanket Purchase Orders

Chapter 3

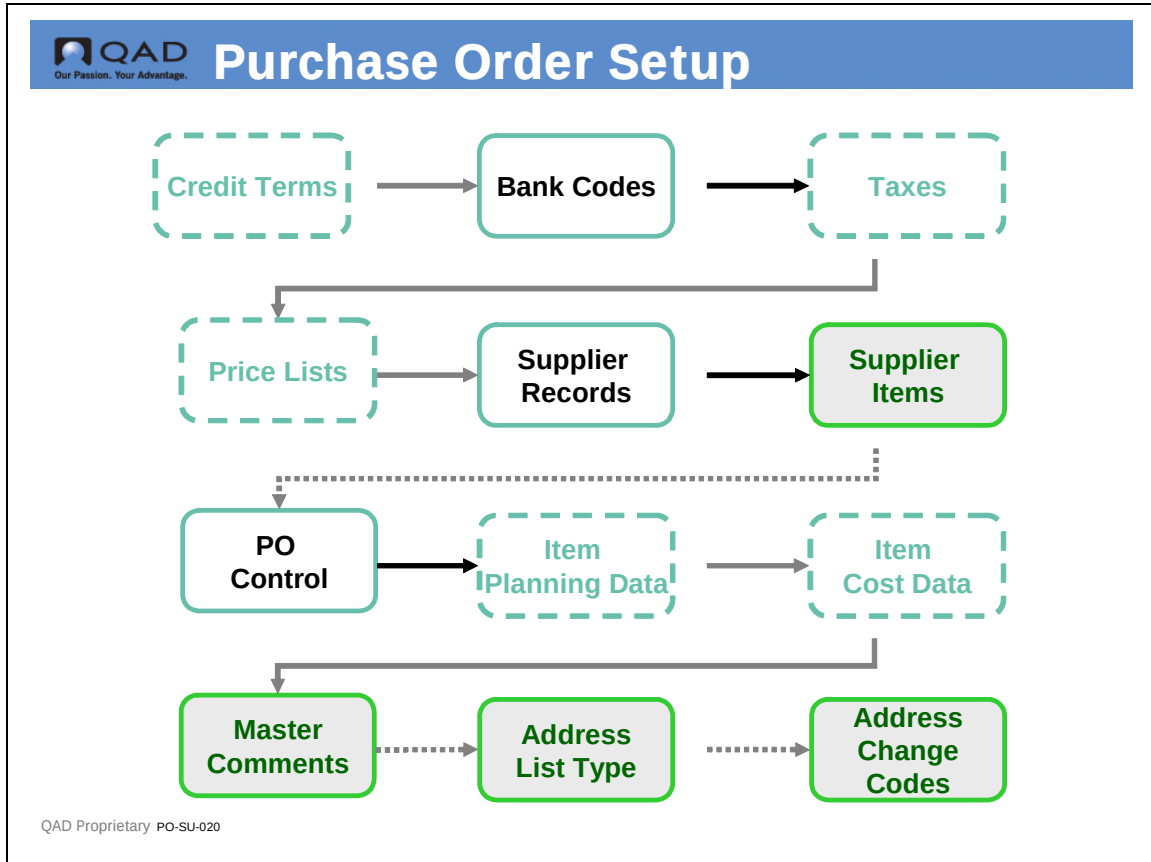
Purchase Order Setup



Set up Purchase Orders

- ✓ Introduction to Purchase Orders
- ✓ Business Considerations
- Set up Purchase Orders in QAD Enterprise Applications 2008 Standard Edition
 - Process Purchase Orders in QAD 2008 SE
 - Use Requisitions
 - Use Blanket Purchase Orders

QAD Proprietary PO-SU-010



This illustration is a suggested setup sequence of master data for Purchase Order Management. It is based on information that flows from one master data to another and prerequisites that need to be accomplished before setting up data.

Reading the illustration:



Boxes with solid lines are required for set up and are covered in this course.

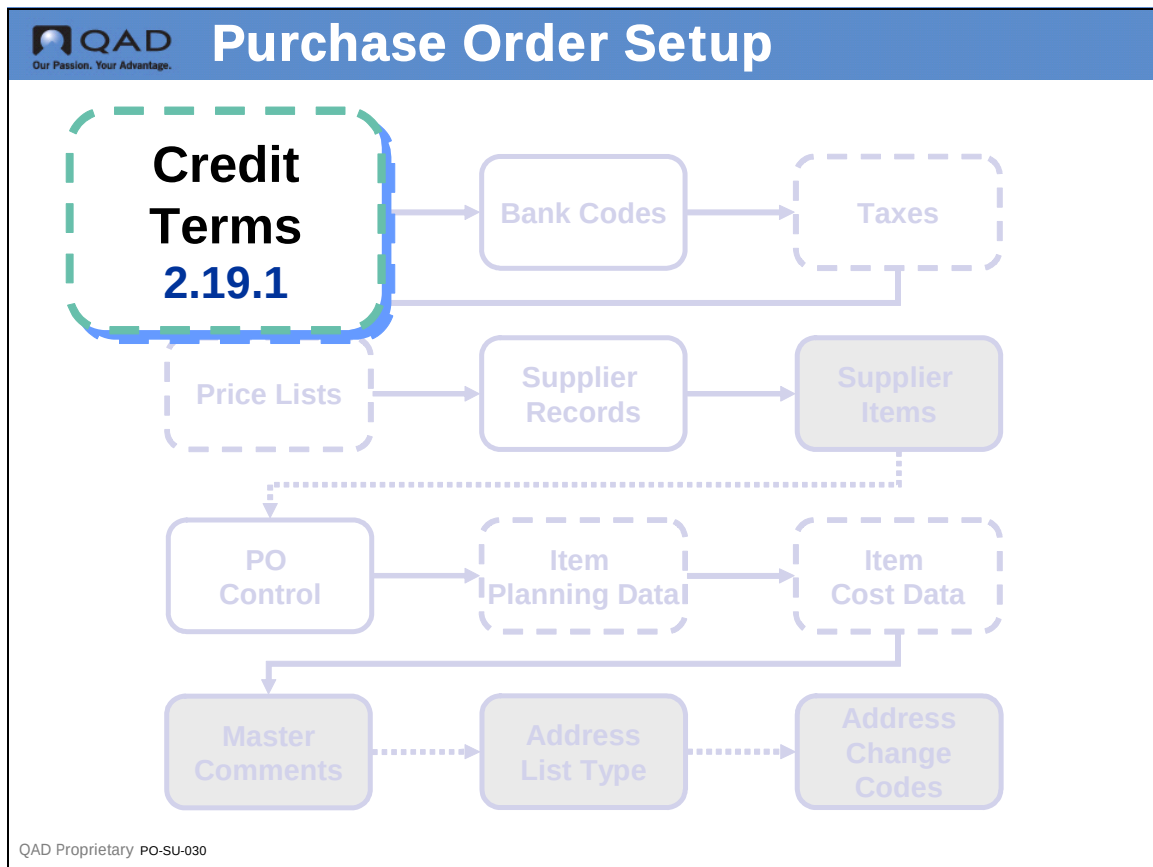


Shaded boxes reflect optional steps, but are covered in this course.



Boxes with dotted lines are required, but are covered at length in another course.

Credit Terms



Credit Terms Maintenance


Our Passion. Your Advantage.

2.19.1 – Credit Terms Maintenance

Credit Terms Maintenance x

Credit Terms Maintenance: GoTo ▼ | Actions ▼

Terms Code:

Description:

Multiple Due Dates: ☐

Disc Pct:

Due Days:

Base Date:

Disc Days:

Minimum Due Days:

Base Days:

Disc Date From:

Due Date From:

Grace Days:

Discount Date:

Due Date:

Terms Interest Pct:

Daily Overdue Int Pct:

QAD Proprietary PO-SU-040

- Credit terms are shared by all orders
- Credit terms codes define and are used to calculate the due date and discount dates
- Credit terms can be assigned to suppliers as their default
- Credit terms are alphanumeric: COD, N30...

See in the following Training Guide: Accounts Payable and Accounts Receivable

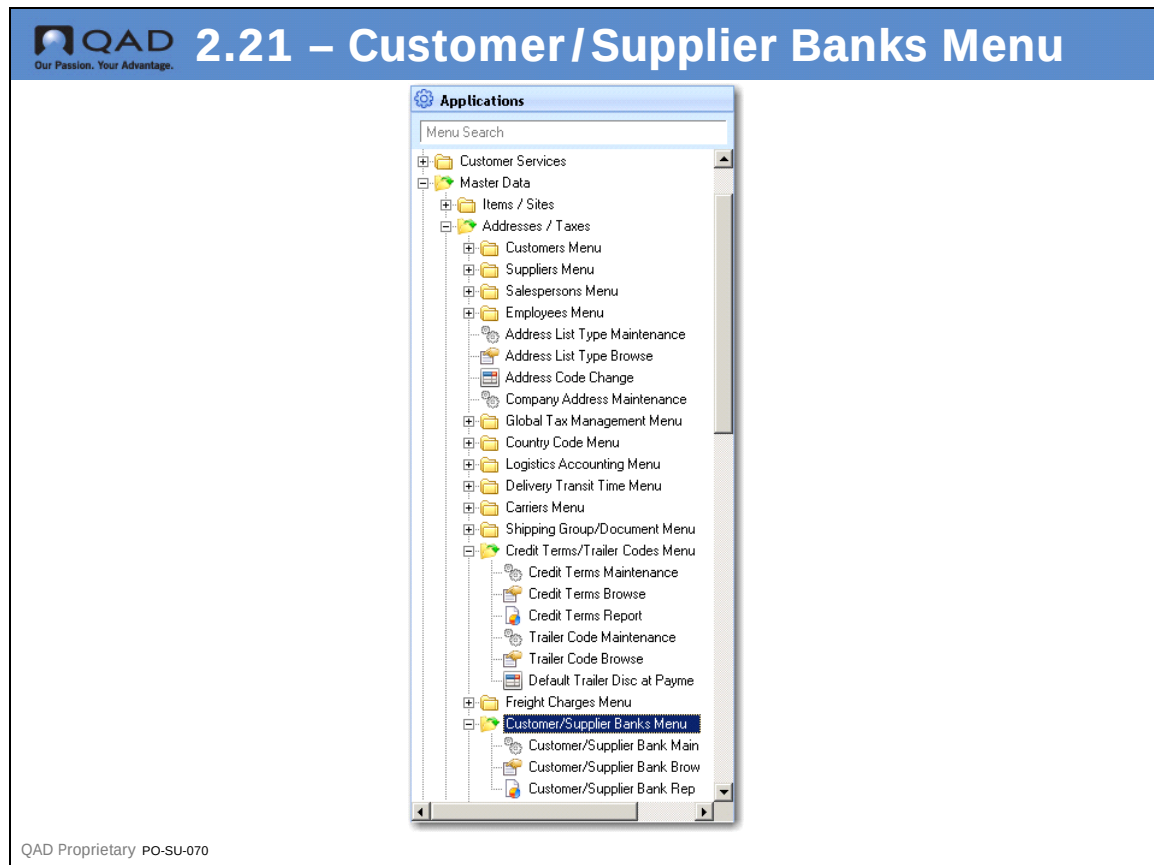
Exercise: Credit Terms

Important The data used in these exercises may not be the same as the data shown in the screen captures in this lesson.

Instructions: Set up credit terms for use with suppliers (on purchase orders) and customers (on invoices).

- 1 First review the credit terms that already exist in the database
 - a Then add a new credit term:
 - Terms Code:2/15N45
 - Description:2% DISC IN 15/ DUE 45
 - Multiple:NO
 - Disc %:2
 - Disc Days:15
 - Disc Date:from Invoice date
 - Due Days:45
 - Due Date:from Invoice date
- 2 Add these four credit terms:
 - a 2/10P15: Terms are 2% Discount if paid within 10 days
Entire invoice amount due at the end of the month with a minimum of 15 days
 - b N20: Entire invoice amount due 20 days from the date of the invoice
 - c EOM20: The entire invoice is due on the 20th day of the next month
 - d 50/50 (optional): Half of the invoice amount is due upon receipt of the invoice (credit term code 0) and the balance is due in 20 days (credit term N20)
 - Set Multiple Due Dates = Yes
 - Click Next
 - Enter the credit term you are referencing (0) in the Dating Code Field, and 50 in the % Due field
 - Repeat this for Seq 2 and credit term N20
 - Click Back
 - Use Credit Terms Maintenance (2.19.1)

Customer/Supplier Banks Menu



QAD 2008 SE enables you to set up customer and supplier bank information

- Customer banks are banks your customers use to pay your company
- Supplier banks are banks your suppliers use to receive payments from your company

Bank maintenance supports EDI transfers and draft management. At least one Bank code must be defined before using Accounts Receivable, Accounts Payable, or Cash Management functions

Bank codes determine where to post and how to process various transactions. Multiple Bank codes can reference the same General Ledger Cash Account, provided the account is held in Base Currency or its Currency matches the Currency entered for the Bank

You can use different General Ledger accounts for each Bank to maintain separate balances by currency and account

Multiple bank codes can be assigned to the same physical bank account, one for manual checks and one for automatic. The multiple currency module must be installed to use non-base currencies

This module establishes currencies, exchange rates, and bank codes

Checking and Draft Accounts

When bank account validation has been specified in the System/Account Control File (36.1), the system verifies whether the bank account code for supplier addresses is valid.

- If not valid, it displays a warning

Invalid bank accounts are not listed on electronic funds transfer reports (or tables) For electronic funds transfers in Accounts Payable (check form 3 or 4), at least one of the bank accounts you enter should be valid

Customer/Supplier Bank Maintenance

2.21.1 – Customer / Supplier Bank Maintenance – Address

Customer/Supplier Bank Maint x

Customer/Supplier Bank Maint: GoTo v Actions v

Bank Address

Bank:

Name:

Address:

Address:

Address:

City: State: Post: Format:

Country: County:

Attention: Attn:

Telephone: Ext: Tel: Ext:

Fax/Telex: Fax/Telex: Added:

QAD Proprietary PO-SU-080

Address

Names and addresses for customer bill-to's, sold-to's, ship-to's, docks, suppliers, remit-to's, salespersons, end-users, your company banks, customer/supplier banks, and company addresses are stored in one central place.

Attention

The first Attention field records the name of the primary contact person at this address.

- This contact name prints on a variety of reports and documents, including the Customer Master Reports (2.1.4) and Supplier Master Reports (2.3.4) and the AR Balance Report (27.20)
 - This does not print in the window area of an envelope on printed forms
- If you wish to have "Attention:" appear as part of the address, enter it in address line 1, 2, or 3

Tax Info



2.21.1 – Customer/Supplier Bank Maintenance – Tax Info

Customer/Supplier Bank Maint x

Customer/Supplier Bank Maint: GoTo v Actions v

Bank Address

Bank: B.O.A

Name: Bank of America

Address:

Address:

Address:

City:

State:

Post:

Format: 0

Country: United States of America

usa

County:

Attention:

Attn:

Telephone:

Ext:

Tel:

Ext:

Fax/Telex:

Fax/Telex:

Added: 04/27/1995

Tax IDs

Sort Name: Bank of America

Tax ID - Federal:

Tax ID - State:

VAT Reg Nbr:

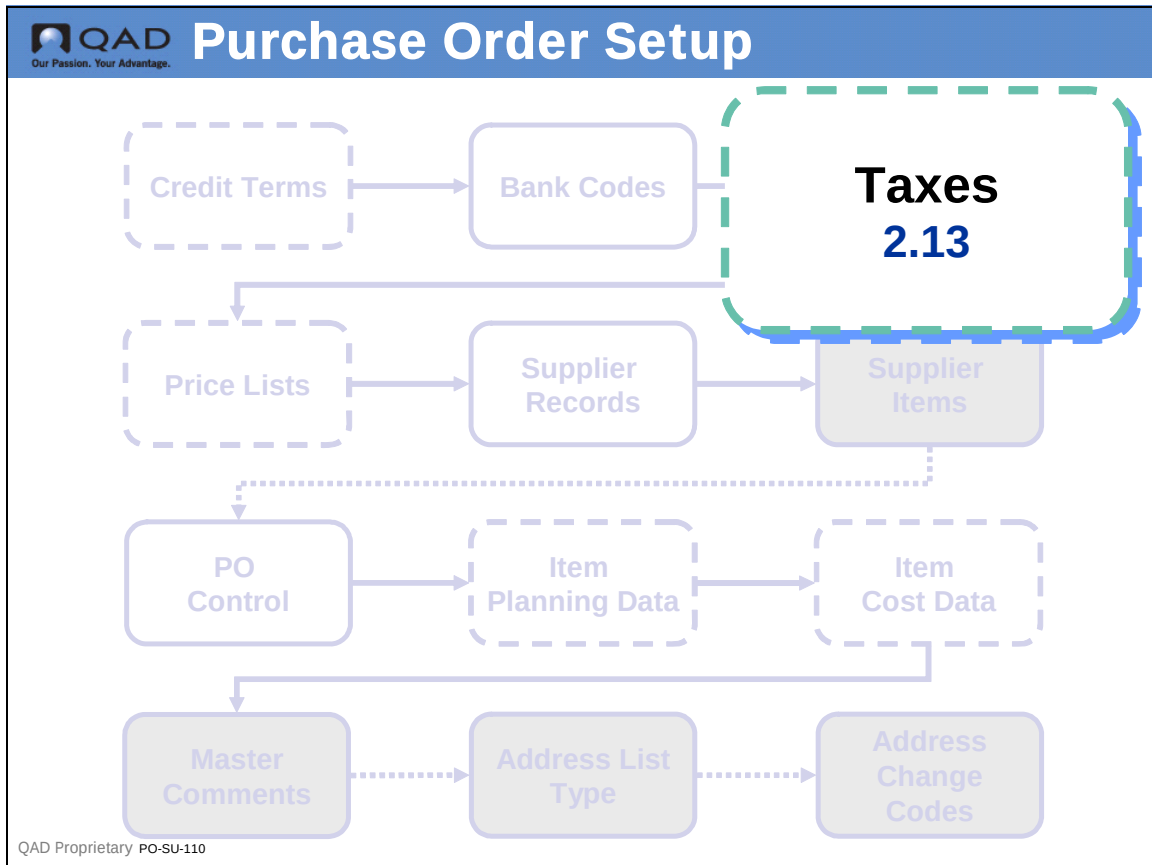
QAD Proprietary PO-SU-100

Tax ID information prints on tax reports and other selected documents, such as orders and invoices, where it is required by law.

- In some countries, you can use the same tax IDs for all company locations in the country, state, or province
- In others, you must set up a separate address record so that you can specify a separate tax ID for each address and site

Example In Canada, all ship-to addresses for the same customer use the same tax ID, but in Brazil, each ship-to address has a separate tax ID.

Taxes



Sales (Use) Tax



Our Passion. Your Advantage.

Sales Tax

Global Tax Management

- ♦ GTM 2.13
- ♦ GTM Control 2.13.24

Items/Sites

- ♦ Taxable 1.2.1
- ♦ Tax Code 1.4.1

Customers/Suppliers

2.1.1/2.3.1

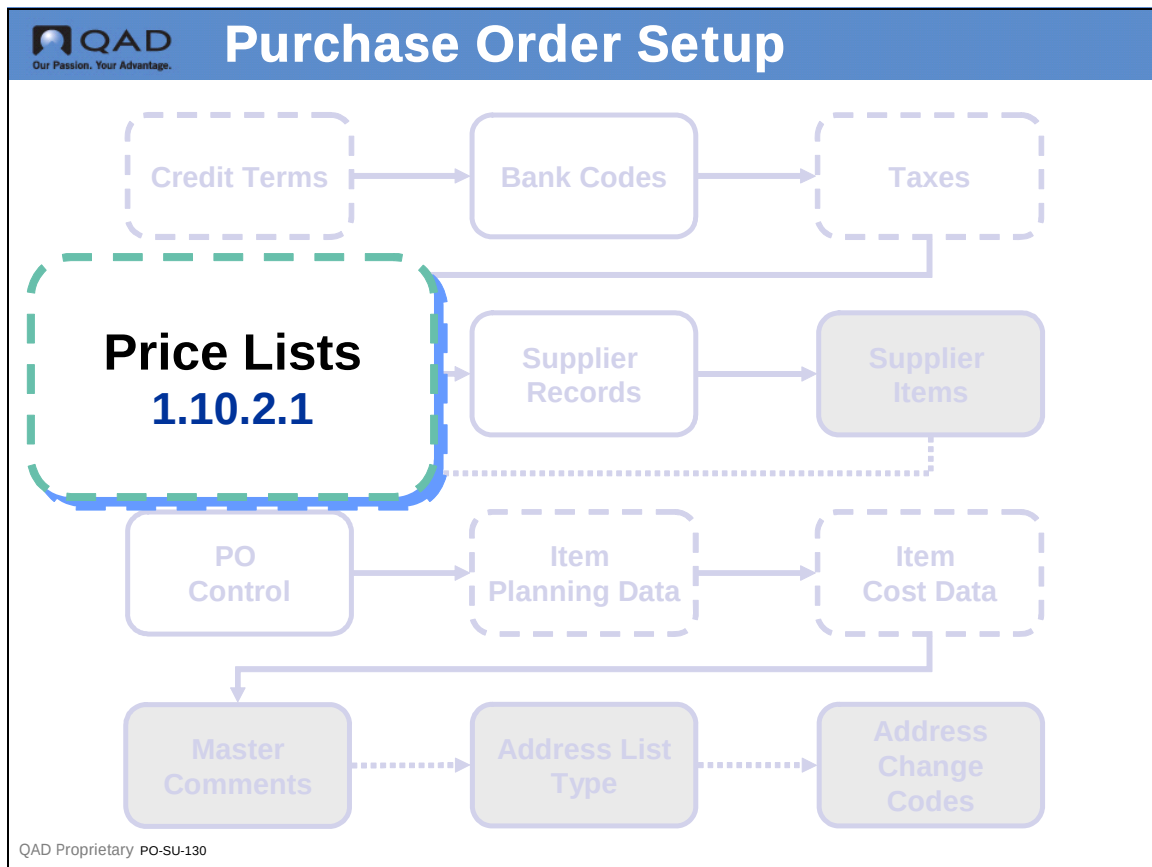
- ♦ Tax Code

QAD Proprietary PO-SU-120

Global Tax Management (GTM)

- A tax processing system that addresses factors that vary considerably between countries:
 - Types of taxes
 - Formulas used to calculate taxes
 - When taxes are assessed

Price Lists



Price List Maintenance

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1.10.2.1 – Price List Maintenance

Price List Maintenance X

Price List Maintenance: GoTo ▾ Actions ▾

Price List: 50
Product Line:
Item Number:
Unit of Measure:
Start:
Expire Date: 08/31/2007
Amount Type: d

Currency: USD

P-Price D-Discount M-Markup% L-List

Item Master List Price:
Total This Level GL Cost:
Total GL Cost:

Stock UM:
Site:

Min Qty	Disc Pct	Min Qty	Disc Pct	Min Qty	Disc Pct
10	1.0	0	0.0	0	0.0
50	5.5	0	0.0	0	0.0
100	10.0	0	0.0	0	0.0
0	0.0	0	0.0	0	0.0
0	0.0	0	0.0	0	0.0

QAD Proprietary PO-SU-140

Associate price lists with suppliers in Supplier Maintenance (2.3.1) to provide defaults for purchase orders. Use these price lists for purchase orders and returns to supplier which follow the same processing as purchase orders.

The price list on the supplier item record is not used for pricing unless it is entered in the PO header.

Only one price structure can be applied to each order. You cannot set up a price list with base prices in a foreign currency and then access another price list to apply quantity discounts to those foreign currency prices.

Use price lists to set up fixed prices in other than the base currency.

You can enter one set of prices and then use Price List Copy (1.10.1.8) to generate the others.

Different price structures can be entered for specific units of measure.

Example If you buy a case (CS) you get a better price than if you buy only one unit (EA).

The GL Cost fields are display-only

Discussed in the following Training Guide: List/Discount Table Pricing

Note The price list function works a bit differently in supplier schedules than it does for normal purchasing.

Supplier Records


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2.3.1 – Supplier Maintenance: Address and Data

Supplier Maintenance
GoTo - Actions -

Supplier Address

Supplier: 5055000 Temporary: ☐

Name: The Office Supply Store

Address: 123 Oak Street

Address:

Address:

City: Mt. Laurel State: NJ Post: 06054 Format: 0

Country: United States of America USA County:

Attention: [2]:

Telephone: Ext: [2]: Ext:

Fax/Telex: [2]: Added: 02/12/1994

Supplier Data

Sort Name: The Office Supply Store

Type:

Pur Acct: 8200

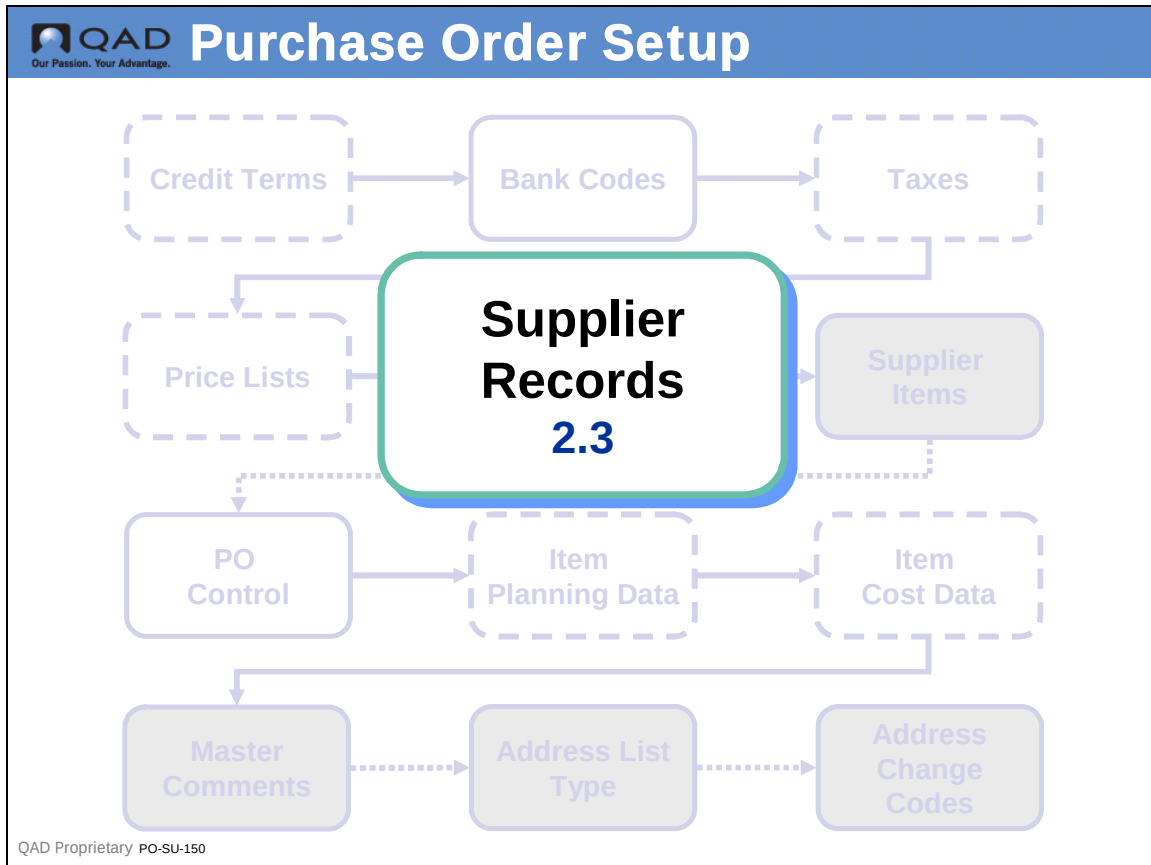
AP Account: 2100

Ship Via:

Remarks:



Supplier Maintenance



This program records supplier data

Some supplier data is static and is used only for reporting purposes

- Static data includes addresses and remarks

Other supplier data is control data that determines how supplier orders and accounts are processed

- Control data includes accounts payable and currency information

Supplier Address

- Temporary addresses can be archived after AP has been cleared

Note Changes to address data made after an address has been used may affect your ability to trace address information:

- Only the address code is stored in the order
- Address data is recalled as needed
- Based on your business practices, if a supplier address changes you may want to assign a new address instead of changing the existing one

Supplier Data

Sort Name. Name used when sorting addresses for reports and inquiries. This defaults from the supplier name entered when the supplier is first added

Type. Selects groups of suppliers for reporting, particularly for purchase order reports. Validated against predefined values entered in Generalized Codes Maintenance (36.2.13), if any

Ship Via. •Default on all purchase orders and blanket orders for this supplier

May be changed manually during order entry

- Prints on formal documents such as purchase orders, blanket orders, receivers, and return documents
- Validated against predefined values entered in Generalized Codes Maintenance (36.2.13) , if any

Remarks. •General remarks pertaining to this supplier, usually to the order or shipping process

- Default remarks on all purchase orders and blanket orders for this supplier

Can be changed manually during order entry.

- Print on formal documents such as purchase orders, blanket orders, receivers, and return documents

Supplier Pricing Data


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2.3.1 – Supplier Maintenance: Pricing Data

Supplier Maintenance
GoTo - Actions -

Supplier Address

Supplier: 5055000 Temporary: ☐
 Name: The Office Supply Store
 Address: 123 Oak Street
 Address:
 Address:
 City: Mt. Laurel State: NJ Post: 08054 Format: 0
 Country: United States of America USA County:
 Attention: [2]:
 Telephone: Ext: [2]: Ext:
 Fax/Telex: [2]: Added: 02/12/1994

Supplier Pricing Data

Buyer: 
 Price Table: 
 Discount Table: 
 Fixed Price: ☒

QAD Proprietary PO-SU-170

The price and discount tables created in Price List Maintenance (1.10.2.1) and entered here become the defaults for the supplier on each new purchase order.

Note You may want to use the supplier code as the code for Price Tbl or Disc Table so that you know which supplier the table is for.

See in this training guide: *Price List Maintenance* on page 47

Enterprise Material Transfer (EMT) Data

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2.3.1 – Supplier Maintenance: EMT Data

Supplier Maintenance x

Supplier Maintenance: GoTo Actions

Supplier Address

Supplier: 5055000 Temporary: ☐
Name: The Office Supply Store
Address: 123 Oak Street
Address:
Address:
City: Mt. Laurel State: NJ Post: 08054 Format: 0
Country: United States of America USA County:
Attention: [2]:
Telephone: Ext: [2]: Ext:
Fax/Telex: [2]: Added: 02/12/1994

Enterprise Material Transfer Data

Send SO Price: ☐ SO Price Reduction: 0.00%
Send Credit Held SO: ☐ Use SO Reduction Price: ☐
Auto EMT Processing: ☐
Automatic PO Receipt: ☐

QAD Proprietary PO-SU-180

Use this frame to establish your defaults for EMT order processing at the primary business unit and the secondary business unit sites.

Discussed in the following Training Guide: Enterprise Material Transfer (EMT)

Supplier Terms Data

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2.3.1 – Supplier Maintenance: Terms Data

Supplier Maintenance x

Supplier Maintenance: GoTo v Actions v

Supplier Address

Supplier: 5055000 Temporary: ☐

Name: The Office Supply Store

Address: 123 Oak Street

Address:

City: Mt. Laurel State: NJ Post: 08054 Format: 0

Country: United States of America USA County:

Attention: [2]:

Telephone: Ext: [2]: Ext:

Fax/Telex: [2]: Added: 02/12/1994

Supplier Terms Data

Cr Terms: 30 Taxable: ☐ Tax ID: TID Notice: ☐

Disc Pct: 0.00% Prepayment Balance: 0.00

CoC Number: Debtor Number:

Partial OK: ☐ Tax Report: ☐

Payment Hold: ☐ Pay Specification: ☐

DB Number:

QAD Proprietary PO-SU-190

The credit term code created in Credit Terms Maintenance (2.19.1) and entered here becomes the default on purchase orders and invoices for this supplier.

See in this training guide: *Credit Terms Maintenance* on page 37 and *Header* on page 90

Discussed in the following Training Guide: Accounts Payable

Bank Accounts



2.3.1 – Supplier Maintenance: Bank Accounts

Supplier Maintenance x

Supplier Maintenance: GoTo ▾ Actions ▾

Supplier Address

Supplier: 5055000 Temporary: ☐

Name: The Office Supply Store

Address: 123 Oak Street

Address:

Address:

City: Mt. Laurel State: NJ Post: 08054 Format: 0

Country: United States of America USA County:

Attention: [2]:

Telephone: Ext: [2]: Ext:

Fax/Telex: [2]: Added: 02/12/1994

Bank Accounts

Bank	Acct Type	EDI	Branch	Bank Account	Begin Date	End Date
						

QAD Proprietary PO-SU-200

Entry of bank accounts here is optional; use them with EFT/EDI.

Remit-to Supplier Maintenance

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2.3.13 – Remit-to Supplier Maintenance

Remit-To Supplier Maintenance x

Remit-To Supplier Maintenance: GoTo v Actions v

Supplier Address

Supplier: 5001000
 Name: METAL SUPPLY COMPANY
 Address: 720 EAST COLLEGE AVENUE
 Address: BUILDING B-2
 City: LOS ANGELES State: CA Post: 90293 Format: 0
 Country: United States of America USA County:
 Attention: MR. RICHARD AVERY Telephone: 213-923-0392 Ext:

Supplier Remit-To

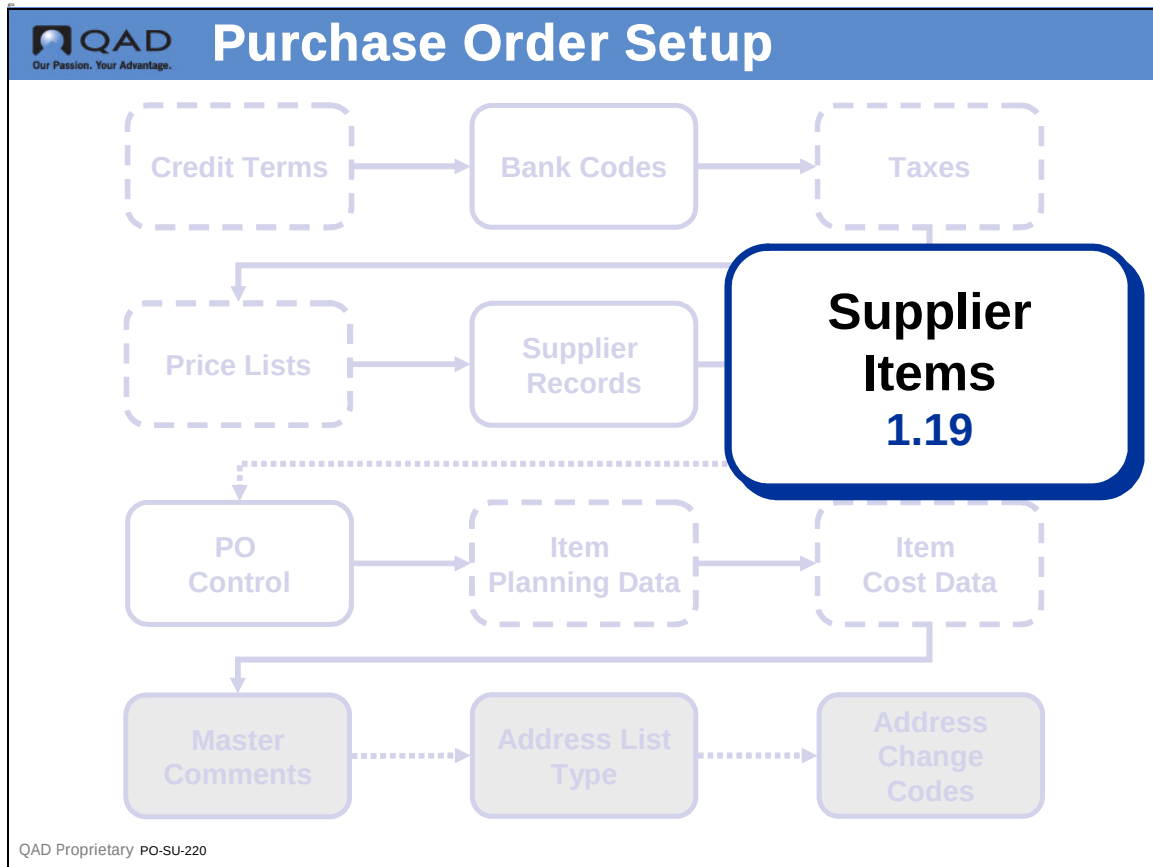
Code: 50010001
 Name: METAL SUPPLY COMPANY
 Address: ATTN: ACCOUNTS RECEIVABLE
 Address: 720 EAST COLLEGE AVENUE
 Address: P.O. BOX 509
 City: LOS ANGELES State: CA Post: 90293 Format: 0
 Country: United States of America USA County:
 Attention: MS. HOLLY FAIRCHILD
 Telephone: Ext:

QAD Proprietary PO-SU-210

- Remit-to addresses designate the name and address that all supplier payments are to be sent to
 - Multiple suppliers may reference the same remit-to address
 - The remit-to address is necessary *only* when it is different from the supplier address
- You can enter the remit-to address directly in Supplier Remit-to Maintenance (2.3.13)
- If a remit-to has been attached to a supplier, all payments will reference this address
 - You cannot override it manually

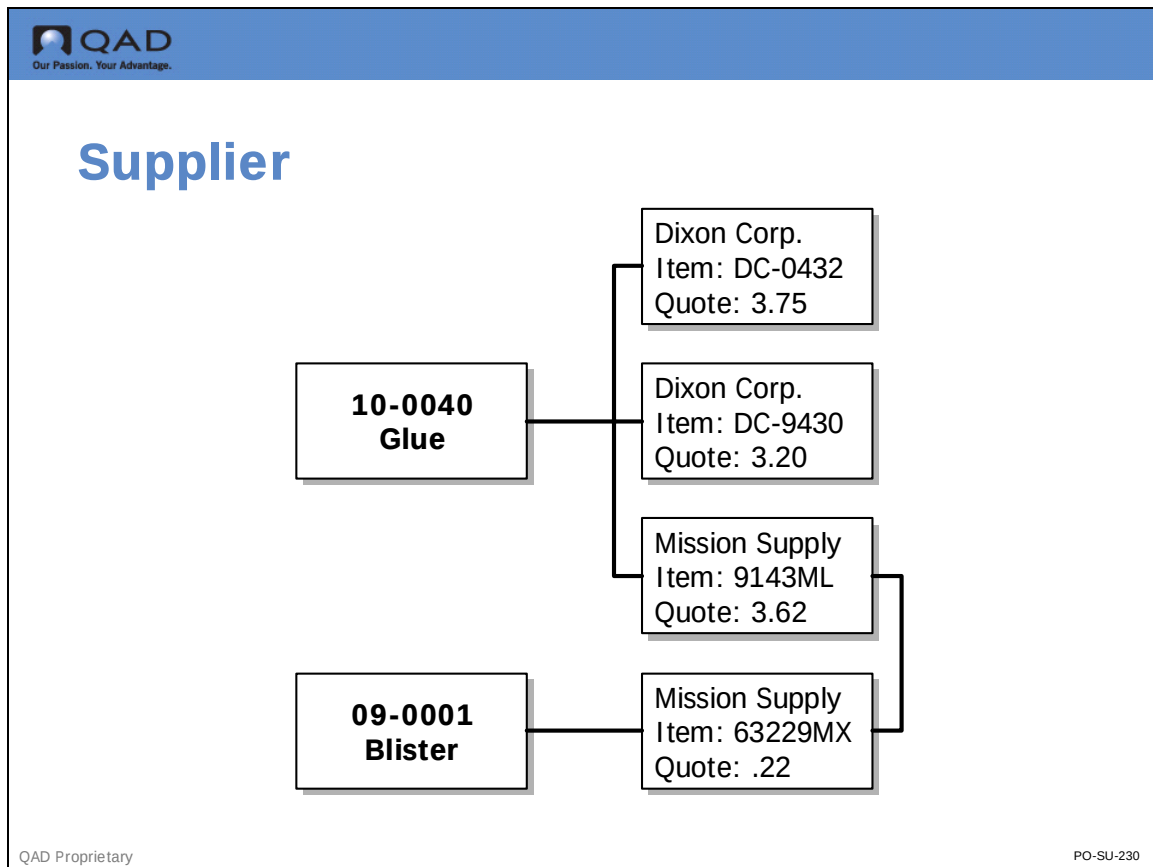
Note Only one remit-to per supplier is available.

Supplier Items



This is an optional process.

Supplier Items: Diagram



Supplier Item Maintenance (1.19) cross-references both the supplier item number and the original manufacturer item number to your item number. It also keeps track of the quoted price and lead time.

Supplier Item Maintenance


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1.19 – Supplier Item Maintenance

Supplier Item Maintenance X

Supplier Item Maintenance: GoTo ▾ Actions ▾

Item Number: 02-0005	MECHANICAL PENCIL
Supplier: 5055000	The Office Supply Store
Supplier Item: OSP3684	
Unit of Measure: EA 	
Supplier Lead Time: 0	
Use SO Reduction Price: ☐	0.00%
Currency: USD 	
Quote Price: 0.00	
Quote Date: 08/31/2007 	
Quote Qty: 0.0	
Price List: 	
Manufacturer: 	
Manufacturer Item: 	
Comment:	

QAD Proprietary PO-SU-240

Whenever you enter an item number not defined in your item master, the system checks to see if it is a supplier item.

If a match is found, your internal number is displayed on the order line. The item number you entered is also displayed in the Supplier Item field

Both are printed on all communications to the supplier

Also, the supplier item number displays on the Purchase Order Receipts (5.13.1) screen, in case your supplier's packing list neglected to include your item numbers

Field Definitions

Item Number. Your internal item number related to this supplier item number

Supplier. The address code identifying this item's supplier

Supplier Item. The item number this supplier uses to identify this item

Supplier Lead Time. The quoted supplier lead time expressed in calendar days

- Does not include inspection time.

For reference only and may appear on some selected reports and inquiries

- In particular, prints on the purchase requisition for the buyer's use

Use SO Reduction Price. •Used in the Enterprise Material Transfer (EMT) order processing environment

- Indicates whether to use a percentage to calculate the transfer price from an external sale order price

Quote Price. The price per unit the supplier quoted for this item

Quote Date. •The date the supplier quoted you this price

- The default is the system date
- For reference only and may appear on reports and inquiries

Quote Qty. The minimum quantity you must order to be eligible for the quoted price

Price List. The code for the price list associated with this supplier item

- For reference only and may appear on reports and inquiries

Manufacturer. This is the code identifying the original manufacturer of this item, if different from the supplier

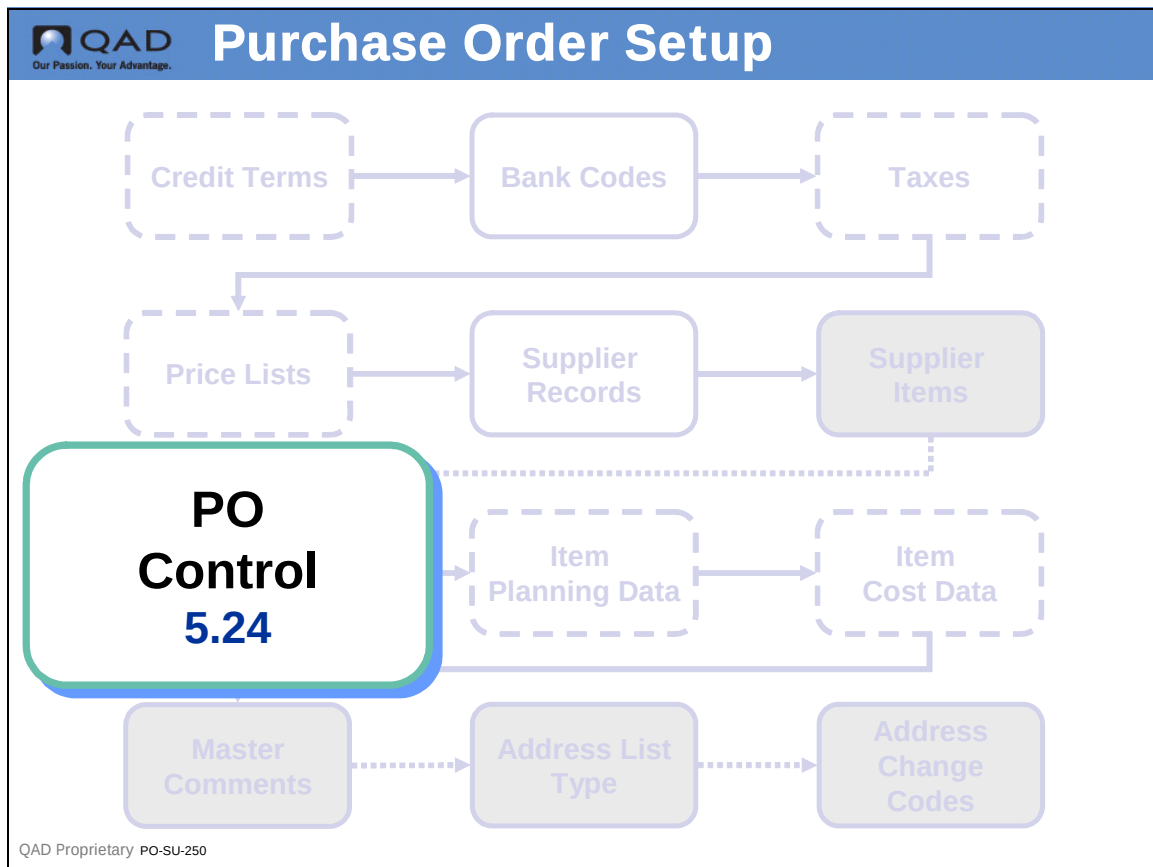
It is validated against predefined values entered in Generalized Codes Maintenance (36.2.13), if any

- For reference only and may appear on reports and inquiries

Manufacturer Item. •The original manufacturer's item number for this item

- For reference only and may appear on reports and inquiries

PO Control



Purchasing Control



Our Passion. Your Advantage.

5.24 – Purchasing Control

Purchasing Control x

Purchasing Control: GoTo Actions

Bill To: 10000000

Ship-To: 10000000

PO Prefix: P00

Next Purchase Order: 00010000

Receiver Prefix: R00

Next Receiver: 00010000

Sort PO By: Site

Receive All: ☒

Price Table Required: ☐

Disc Table Required: ☐

Apprvd Reqs for POs: ☐

Inspection Location: inspect

Receiver Type: 2

Sequential Receiver: ☒

Tolerance Percent: 10.00

Tolerance Cost: 100.00

Ln Format S/M: Single

PO Header Comments: ☐

PO Line Comments: ☐

Cancel Backorders: ☐

Keep Booking History: ☐

ERS Processing: ☐

ERS Option: 1

Type: 0 - Do not print receivers
1 - Print for each shipment
2 - Print for each item/shipment
(Acceptance Limit For Overshipments)

QAD Proprietary PO-SU-260

Use this table to control purchasing operations and options.

Note Always use PO and receiver prefixes for distributed (multiple databases) purchase orders so that purchase order and receiver numbers are unique.

Field Definitions

Bill-To. Whenever you add a purchase order or blanket order, the bill-to address defaults to the bill-to address code from the Purchasing Control. The bill-to address prints on the purchase order.

If you have several bill-to addresses (for example, one for each entity), you may choose to leave the default bill-to address in the Purchasing Control blank, forcing the operator to enter the appropriate bill-to address code on each individual order. Each billing address should be set up in Company Address Maintenance (2.12)

Ship-To. Whenever you add a purchase order or blanket order, the ship-to address defaults to the ship-to address code from the Purchasing Control. You can change the ship-to address on each order, as needed.

The address for each site should be set up in Company Address Maintenance (2.12), with the address code equal to the site code.

When a purchase order is entered with line items referencing different sites, multiple purchase order documents can be printed, one for each site. The system accesses the site address based on the purchase order line item site.

PO Prefix / Next Purchase Order. Each purchase order or blanket order entered must be assigned a unique purchase order number. You may enter one manually or let the system assign the next number.

Leave the purchase order number field blank for a system assigned number.

The system records this next purchase order number in the Purchasing Control (5.24) and increments it automatically.

Note The system generates a purchase order for each blanket order released. The PO number equals the blanket order number followed by a sequential release number. For example, blanket order 123456 generates POs 12345601, 12345602, and so on.

Receiver Prefix / Next Receiver. When you receive or return purchased items, a receiving record (receiver) is created for verification against the supplier's invoice when it is entered into Accounts Payable. Each receiver is assigned a unique receiver number, entered manually or system assigned.

Leave the receiver number field blank for a system assigned number. This next receiver number is recorded in the Purchasing Control (5.24) and incremented automatically by the system.

Receiver number selects specific information to appear on reports and inquiries.

Receiver numbers are alphanumeric and will sort in that sequence.

Example Receivers 10, 20, and 100 will sort in the sequence 10, 100, 20.

Start with a large number (such as 1000000) so that receivers will sort in the sequence they are entered

Because there may be multiple receivers for any given purchase order, use two different ranges of numbers for receivers and purchase orders

Sort PO By. Orders may be printed in sequence by site (default) or by purchase order line. When orders are printed by site, an order document is printed for each order/site combination

Example If line item 1 is for site 1000 and line item 2 is for site 2000, you would get two printed order documents, one for each site.

If orders are not printed by site, using this same example, you would get one printed document listing all the line items regardless of site

Print by Line if you have set the ship-to by order line. In this case, a PO prints for each unique ship-to using the correct ship-to address.

Note When you choose to sort by Site, the system automatically picks up whatever address there is on file with the address code equal to the site code, even if this address is actually a customer or salesperson. Be sure to enter the address for each site into Company Address Maintenance (2.12). Set the address code equal to the site code.

Receive All. Displays as the default Receive All setting when you process a purchase order receipt. It may be changed manually on any receipt transaction

Yes = The system sets the quantity to receive equal to the quantity open on each purchase order line

Note This does NOT include subcontracted line items; set these quantities manually.

If all lines were shipped complete, the receipt can be processed with a minimum of keystrokes, significantly speeding up processing; without care, however, this can lead to over-receipts. Train your receiving staff to carefully verify the receipt quantity displayed on the screen against the shipment quantity on the supplier packing list. If there are exceptions, they must be entered manually

No = the system leaves the quantity to receive as zero. You must enter the quantity to receive on each line

Price Table Required. Yes = items must have an existing price list. Only items from an existing price list can be entered, and only if the price list, item, unit of measure, and currency match

No = items can be entered whether or not a price list exists. Prices can be overridden unless the field is password-protected

Note By requiring price tables, you can control which items may be ordered or purchased to/from and your customer/supplier units of measure (such as case quantities).

Disc Table Required. Yes = only items from an existing discount table can be entered, and only if the price list, item, unit of measure, and currency match

No = items can be entered whether or not a discount table exists

Apprvd Reqs for POs. • Specifies whether purchases must be approved prior to entering a purchase order

- Yes = you are using purchase approvals.

Prior to entering a purchase order, a requisition is entered, printed, and approved. The system calculates a required approval level for any purchase requisition, whether it is manually generated or created by MRP. Requisitions requiring approval may not be referenced on a purchase order or blanket order until they have been approved.

Note Approval codes may have up to four levels of people required to approve a purchase requisition, depending on the purchase cost. Approval amounts may be calculated by site, product line, person requesting, and purchase account (for non-inventory items).

Approval information is printed on requisitions waiting to be approved. When approvals are entered, an appropriate approval code must be recorded

- No = approval code exists for the site, product line, purchases account, or requested by entered on the PO, you will not be required to go through the approval process. It is not necessary to use purchase approvals for everything you buy. Only set up approval codes for things that require an approved requisition prior to purchasing

Example You may require approvals on all capital equipment purchases but not raw materials.

Inspection Location. Only applies to purchase order line items flagged as Inspection Required = Yes. This defaults from the item planning data for each item

Receiver Type. Indicates whether receiving documents are printed and controls how many receivers are created for each receipt

Sequential Receiver. Yes = ensures that receiver numbers occur in sequence. This prevents anyone else from creating purchase orders while a receipt is being processed

Tolerance Percent / Tolerance Cost. •If an overshipment is out of tolerance range (over the defined cost or percentage allowed) an error displays and the receipt cannot be processed

- To receive the additional quantity, go back and increase the quantity on the purchase order or temporarily change the tolerance
- Applies to whole database

Ln Format. •Single = you can display and maintain detailed information for each line item

This is the default setting

You must use Single line format to access and change this information

- Multi = you can enter basic information--item, quantity, and price, for up to 12 lines on a single screen

Dates, site, location, tax status, and GL accounts simply default

Note When you first implement the system, use Single line entry mode. It requires only one additional keystroke per line and gives you much more functionality.

PO Header Comments / PO Line Comments. Yes = the transaction comment screen displays for the user to enter comments, which may be flagged as printing or non-printing

No = if you normally do not use comments, use this setting to avoid being prompted each time with the comment entry screen

Cancel Backorders. •Yes = the system allows you to flag this backorder quantity as canceled at the time you process the receipt. This means that any backorder can be cancelled, regardless of the quantity.

Example With an order for 1000 against which you receive only 5, if the operator specifies Cancel Backorder when processing this receipt, the remaining order for 995 will be flagged cancelled.

- No = you can only cancel a backorder through Purchase Order Maintenance (5.9), manually setting the line item status to X. The order quantity will remain open until it is received completely or cancelled.

Keep Booking History. Yes = the system keeps an audit trail of all incoming purchase orders, including new orders added or existing orders changed. A record is kept in transaction history and identified as type ORD-PO with the item, order quantity, price, cost, date, user ID, and other information. A transaction history record is kept for all additions and changes.

Example If you enter a line item with a quantity of 100 but you meant to enter a quantity of 10, the system tracks the booking for the initial quantity of 100. When you correct the mistake, the system creates two more booking history entries, one for -100 and another for the correct quantity of 10.

Note You may end up with many booking history records. Examine the booking history reports available and decide whether you really plan to use them before you consume space with booking history.

ERS Processing. •Yes = a window allowing update of the ERS Option and the ERS Price List Option will appear during entry of the order header and during entry of each order line during Purchase Order Maintenance 5.9, Blanket Order Maintenance (5.3.1), and Scheduled Order Maintenance (5.5.1.13)

The ERS Option will default to the value entered in Purchasing Control maintenance

The ERS conversion utility must be run and complete successfully for this flag to remain set to Yes. If the ERS conversion utility is not run or does not complete successfully, the flag will be reset to No

- No = ERS is not enabled

The window allowing update of the ERS Option and ERS Price List Option will not appear

The ERS Option does not serve as a default

ERS Option. •Sets the default for the order header. The order header will then determine how the order lines are defaulted

Yes = a window allowing update of the ERS Option and the ERS Price List Option will appear during entry of the order header and during entry of each order line during Purchase Order Maintenance 5.9, Blanket Order Maintenance (5.3.1), and Scheduled Order Maintenance (5.5.1.13)

- 0 = the ERS option on the lines of the order should be determined at the time ERS processor is run
- 1 = ERS processing will not occur for this order

Note When determining the ERS option for a purchase order line, the system looks for a corresponding ERS Maintenance record or combination of ERS Maintenance records.



5.24 – Purchasing Control

QAD Proprietary PO-SU-270

Price by PO Line Due Date. • Determines whether or not due date and credit terms interest can be modified for each line item

- Yes = a popup window appears containing two fields: Due Date and Credit Terms Int
 Due Date defaults from the PO header due date and is used for price table and discount table lookups
 Credit Terms Int defaults from the PO header credit terms interest rate
 Both fields can be modified for each line item
- No = the popup window does not display
 Pricing calculations use the PO header values

PO Interest Applied Acct . • The general ledger account code recording the applied credit terms interest for a purchase order

Account code is just one component of an account number defined in the GL

- Allows you to separately track the interest component of purchasing and sales in hyperinflationary currencies

If you do not deal with hyperinflationary currencies, you should set the PO Interest Applied Acct equal to PO Interest Accrued Acct and the Terms Interest Pct in Credit Terms Maintenance (2.19.1) to 0%

Note If you turn on account verification in the System/Account Control, the system will verify that accounts entered in other modules, such as sales or purchasing, are correct.

Next Fiscal Batch. •Batch numbers are used to identify a group of transactions that were entered all at the same time, such as a batch of invoices, vouchers, or PO Receipts (fiscal)

- Batch number is not required to modify a transaction

If you leave batch number blank and enter an existing reference number the system displays the batch number for you

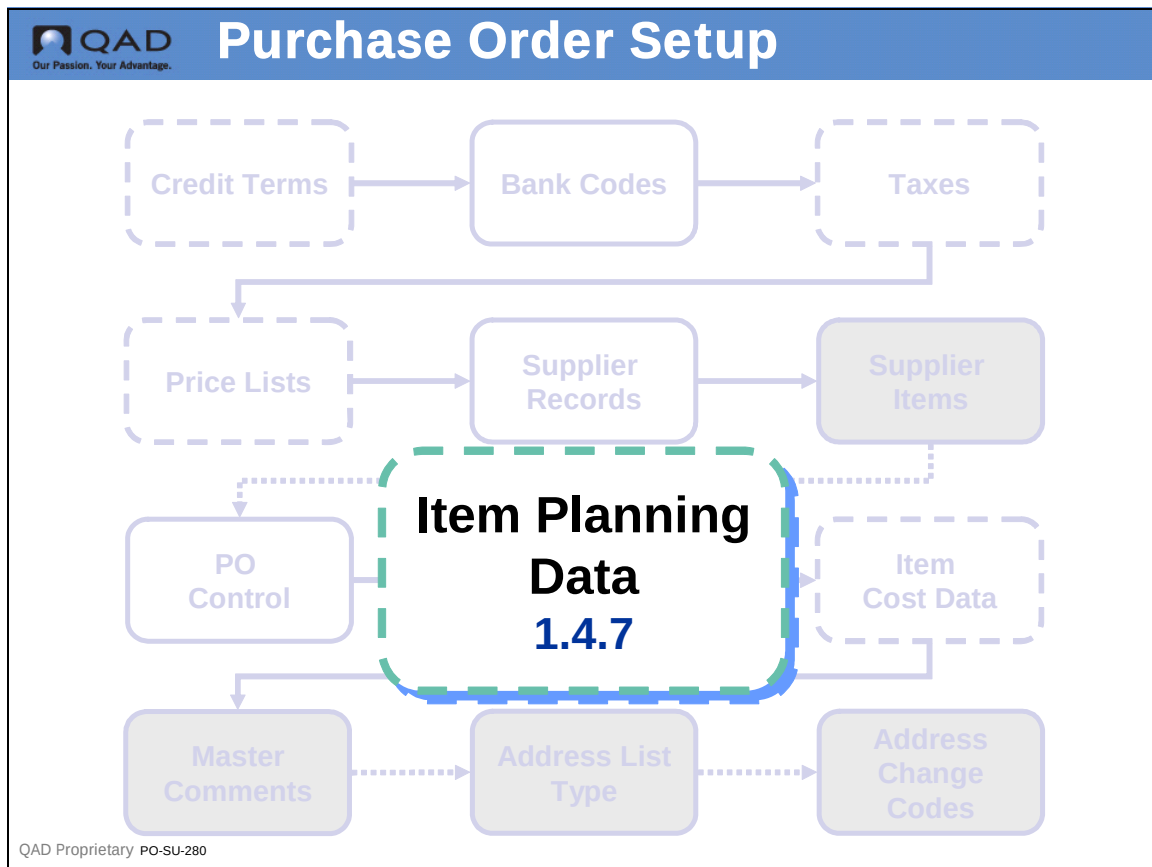
Require Acknowledgment. •Yes = the system generates an acknowledgment. This is the default.

Generate Date Based Release ID. •Affects Supplier Schedule Update from MRP. When set to Yes, a newly-created release gets a release number with a format of YYYYMMDD-nnn, otherwise it gets the usual 6-digit serial number.

If it runs on July 16, 2001, for the first time, the release number is: 20010716-001

If it runs again on July 16, 2001, it sees that 20010716-001 already exists, so it increments the last 3 digits, e.g.: 20010716-002

Item Planning Data



Item Planning Maintenance

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1.4.7 – Item Planning Maintenance

Item Planning Maintenance x

Item Planning Maintenance: GoTo ~ Actions ~

Item Number: 02-0005
Unit of Measure: EA

Description: MECHANICAL PENCIL
(SMM) BLISTER PACKED

Item Planning Data

Mstr Sched: ☒
Plan Orders: ☒
Time Fence: 0
MRP Required: ☒
Order Policy: POQ
Order Qty: 1,000
Batch Qty: 1.0
Order Period: 7
Safety Stock: 0
Safety Time: 0
Reorder Point: 0
Rev:
Issue Policy: ☒

Buyer/Planner: PL
Supplier:
PO Site: train
Purchase/Manufacture: M
Configuration Type: ATO
Inspect: ☐
Ins LT: 0
Mfg LT: 1
ATP Enforcement: NONE
Family ATP: ☐
Run Seq 1:
2:

Phantom: ☐
Minimum Order: 0
Maximum Order: 0
Order Multiple: 1,000
Op Based Yield: ☐
Yield Percent: 100.00%
Cum LT: 17
Run Time: 0.010
Pur LT: 0
Setup Time: 1.000
EMT Type: NON-EMT
Auto EMT Processing: ☐
Network Code:
Routing Code:
BOM/Formula:

QAD Proprietary PO-SU-290

This section covers Item Planning Data. This data is important in many modules in QAD Enterprise Applications. In Purchasing, buyer/planners normally maintain this data.

- Item planning data controls planning and manufacturing functions
- If an item is used at multiple sites, planning data can be set up differently for each site using Item-Site Planning Maintenance (1.4.17)
- The buyer (buyer/planner) normally maintains this screen for purchased items (Pur/MFG = P)

Field Definitions

Plan Orders. •Indicates whether Material Requirements Planning (MRP) should create planned orders for this item

- Planned orders are orders with a suggested order quantity and due date calculated by MRP to meet planned future demand

Order Policy. •A code controlling the MRP process for this item/product

- Operates in combination with the Plan Orders flag

If Order Policy = [blank], MRP does not plan this item, regardless of the Plan Orders flag

If Order Policy is not blank, MRP plans the item

- Order policies may be:

POQ, Period Order Quantity: A planned order is created to cover the requirements for a specified number of calendar days

FOQ, Fixed Order Quantity: Planned orders are created with the order quantity specified in the Order Qty field

LFL, Lot for Lot: A separate MRP planned order is created to satisfy each net requirement

OTO, One Time Only: A single order is created with an order quantity of one

Would not be used for inventory items, but could be used to plan project activities and milestone events that happen only once

Any other non-blank value is processed as LFL

Order Qty. •The normal order quantity for this item or base process

Order Period. •Operates only if the Order Policy = POQ

- The number of calendar days to cover by one MRP planned order
The default is 7 days
- If there are any, it will be validated against predefined values entered in Generalized Codes Maintenance (32.6.3)

Safety Stk. •The quantity of this item to be maintained in inventory as protection against fluctuation in demand and/or supply

Safety Time. •The number of working days early that MRP plans to receive orders for this item, as a hedge against late deliveries

Reorder Point. •The inventory level at which this item should be reordered

Rev. •An optional code identifying the engineering revision of this item

- If there are any, it will be validated against predefined values entered in Generalized Codes Maintenance (32.6.3)

Buyer/Planner. •An optional code identifying the person responsible for planning and ordering this item

- If there are any, it will be validated against predefined values entered in Generalized Codes Maintenance (32.6.3)

Supplier. •An optional code identifying the normal or preferred supplier for this item

PO Site. •Where the purchase order for this item is to be generated

- Determines which purchasing department takes action on this requisition
- If not using distributed purchasing, this field may be left blank

Pur/Mfg. •Code indicating if an item is manufactured, purchased, or configured to order

- Other special item codes identify items used for planning purposes only
- If there are any, it will be validated against predefined values entered in Generalized Codes Maintenance (32.6.3)
- Purchase/manufacture code controls how the system explodes forecasts, plans and creates orders, and calculates costs for the item
- Code options include the following.

P (Purchased): Item is normally purchased

D (DRP): Item is usually supplied internally from another site

M (Manufactured): Item is normally manufactured

R (Routable): A special type of manufactured item, made only when needed by an upper level assembly

C (Configured): The item is configured to order

F (Family): A special type of item used for planning

Never actually made or stocked

For multilevel master scheduling

Family items are set up with a planning bill

Pur LT. •The normal or average number of calendar days it takes to complete a purchasing cycle for this item, from the date the need for a purchase is recognized to the date the item is received

- Does not include inspection time

Inspect. •Indicates whether this item is to be inspected after receipt

Ins LT. •The normal or average number of working days needed to inspect this item after it is received

Min Ord. •The minimum quantity of this item to be ordered on a single order

Max Ord. •The maximum quantity of this item to be ordered on a single order

- Default is zero, which means there is no maximum.
- Does not prevent you from ordering more than this quantity

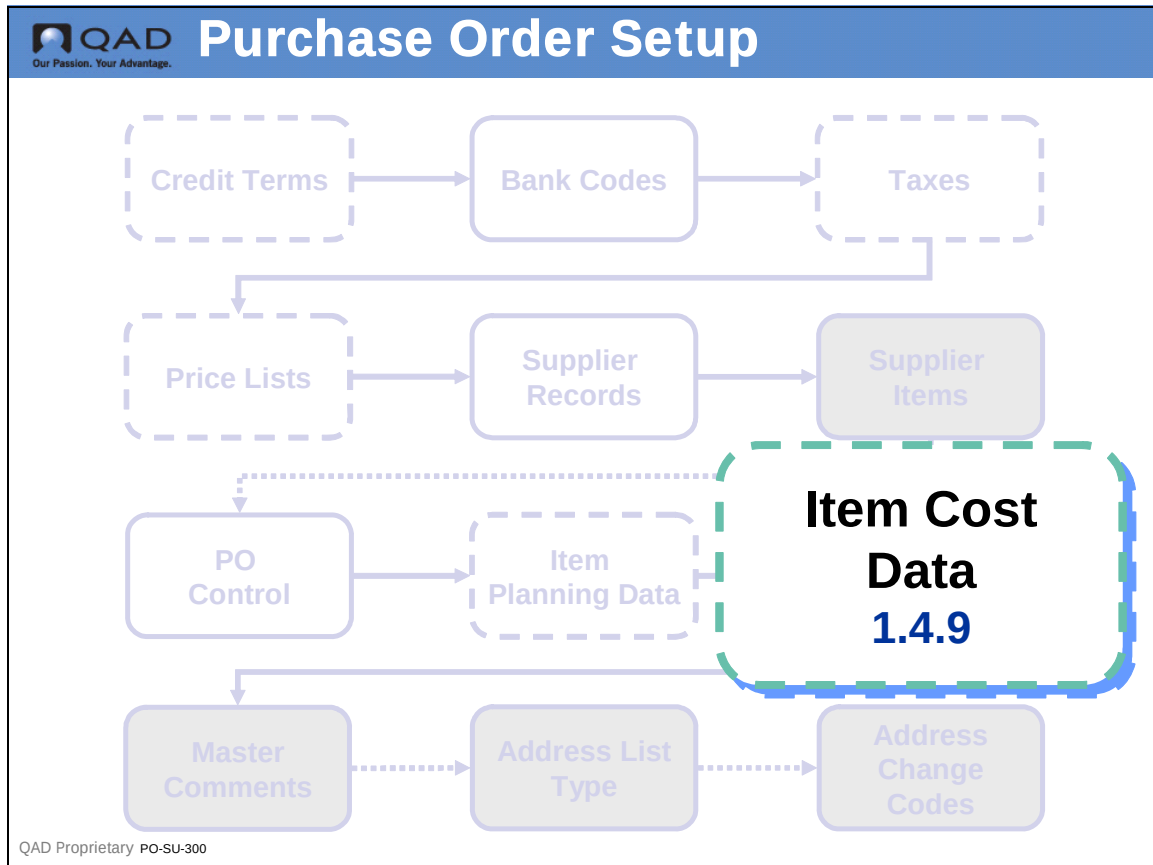
Ord Mult. •The multiple in which orders for this item are placed

- The default is zero, which means there is no multiple

Yield%. •The percentage of any order expected to be in usable condition

- Default is 100%

Item Cost Data



Item Cost Maintenance


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1.4.9 – Item Cost Maintenance: GL Cost Data

Item Cost Maintenance x

Item Cost Maintenance: GoTo v Actions v

Item Number: 02-0005
Unit of Measure: EA

Description: MECHANICAL PENCIL
(5MM) BLISTER PACKED

Totals

Totals:	0.39	0.57	0.96	01/06/97	
---------	------	------	------	----------	--

GL Cost Data (Site: train / Set: Standard)

Element	This Level	Lower Level	Total	Pri	Category	A/O
Material	0.00	0.51	0.51	☒	Material	☐
Labor	0.11	0.02	0.13	☒	Labor	☐
Burden	0.28	0.04	0.32	☒	Burden	☐
Overhead	0.00	0.00	0.00	☒	Overhead	☐
Subcontr	0.00	0.00	0.00	☒	Subcontr	☐

QAD Proprietary PO-SU-310

GL Cost Data

- Item Cost Maintenance (1.4.9) maintains the price, tax status, and cost for items. Every item has at least two cost sets:
 - GL
 - Current
- The GL cost is the default price on a purchase order if there is no supplier item or price list price
- Other cost sets can be maintained in the Cost Management module
- If an item is used at multiple sites, you can enter different costs for each site using Item-Site Cost Maintenance (1.4.18). Price and tax status are the same for an item at all sites
- Functions that create general ledger transactions use the item GL cost of the item. Standard cost is the default, but you can change it to average cost using Cost Set Maintenance (30.1)
- You can change standard costs manually. The system maintains GL method average costs as it processes inventory transactions.
- For sites using standard cost. Any difference between the standard cost (minus this-level overhead) and the purchase order price is posted to purchase price variance.
- For sites using average cost. The GL cost is re-calculated on each receipt.

- Purchase Price Variance (PPV) calculated by the system during PO receipts uses material cost only
- Overhead is accrued during PO receipts and generally represents fixed overhead, or costs such as freight, etc.
- If there is no price list/supplier item/price on a part, this level material cost from the GL cost set (standard) will default as the purchase unit cost
- Any difference between the purchase cost and the GL cost will be treated as a PPV at PO receipt, excluding any this level overhead amounts

Current Cost Data



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1.4.9 – Item Cost Maintenance: Current Cost Data

Item Cost Maintenance x

Item Cost Maintenance: GoTo Actions

Item Number: 02-0005

Description: MECHANICAL PENCIL
(SMM) BLISTER PACKED

Unit of Measure: EA

Totals

Totals:

0.39

0.57

0.96

☐ 01/06/97

☐

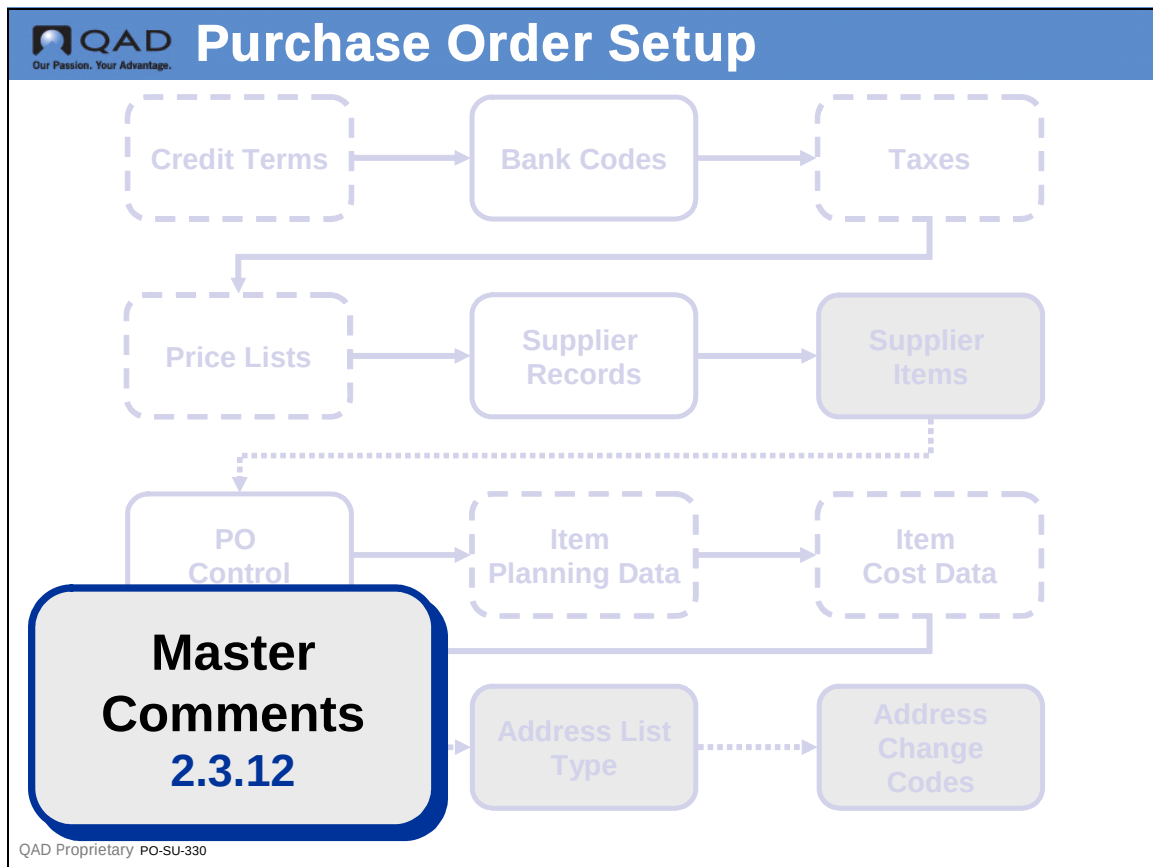
GL Cost Data (Site: train / Set: Standard)

Element	This Level	Lower Level	Total	Pri	Category	A/O
Material	0.00	0.51	0.51	☒	Material	☐
Labor	0.11	0.02	0.13	☒	Labor	☐
Burden	0.28	0.04	0.32	☒	Burden	☐
Overhead	0.00	0.00	0.00	☒	Overhead	☐
Subcontr	0.00	0.00	0.00	☒	Subcontr	☐
				☐		☐

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- You can use current costs for comparison in combination with standard or average costing
- The system keeps current costs by GL average or last purchase or manufacturing cost
- The current cost may be set to the new average or last cost with each receipt

Master Comments



Master Comment Maintenance


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2.3.12 – Master Comment Maintenance

Master Comment Maintenance x

Master Comment Maintenance: GoTo ▾ Actions ▾

Master Comments

Master Reference: 1001000
Type:

Language:
Page: 1

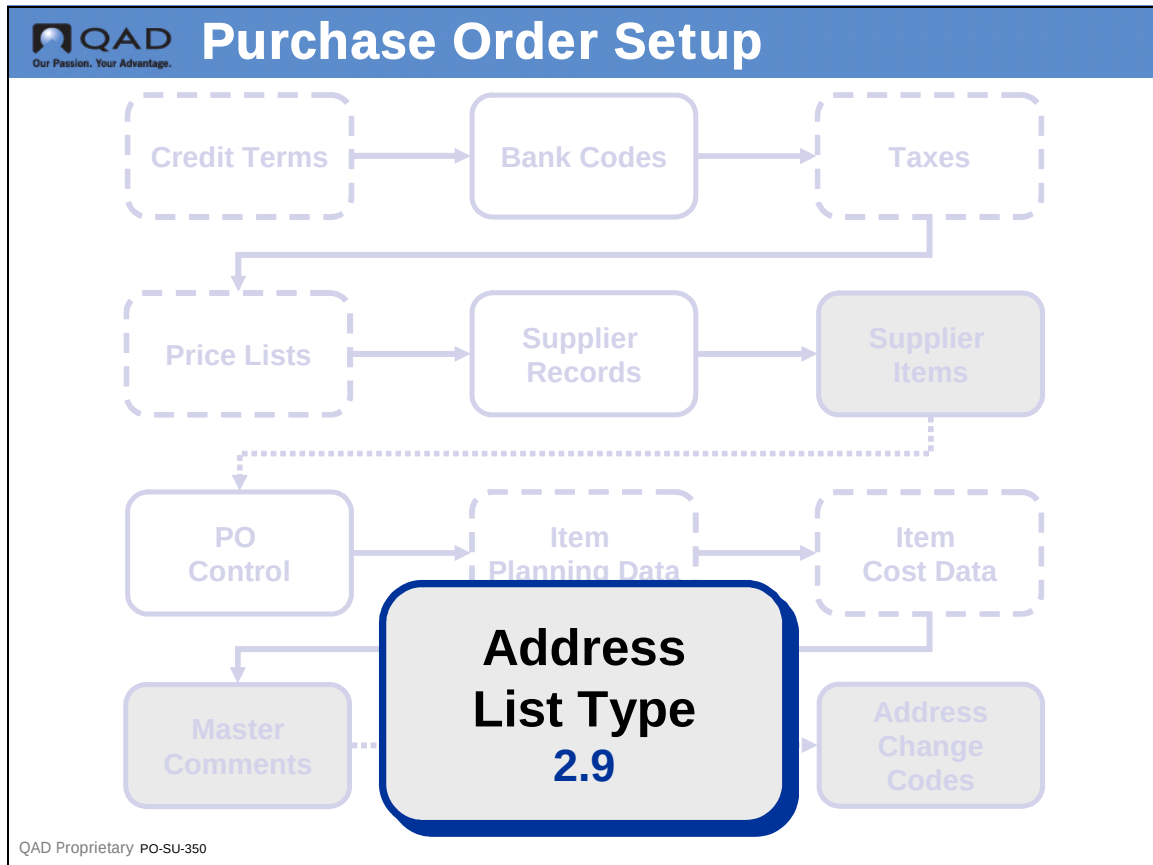
Please refer to sales order number and customer code on all requests for information about shipments, account balances, or dedicated capacity. The following are notes made during the processing of this order:
1.
2.

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- Master comments store and organize text about an item, and they can also be copied into documents such as purchase orders, sales quotations, and sales orders
- Use the supplier code in Master Reference with blank Type for default PO Header comments
- Use the item code in Master Reference with blank Type for default PO Line comments

Discussed in the following Training Guide: Initial QAD Enterprise Applications Setup

Address List Type



Address List Type Maintenance


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2.9 – Address List Type Maintenance

Address List Type Maintenance ✕

Address List Type Maintenance:
GoTo ▾
Actions ▾

Address: 10000001

Name: QUALITY PRODUCTS COMPANY

Sort Name: QUALITY PRODUCTS COMPANY

City: Los Angeles State: CA

Address List Types

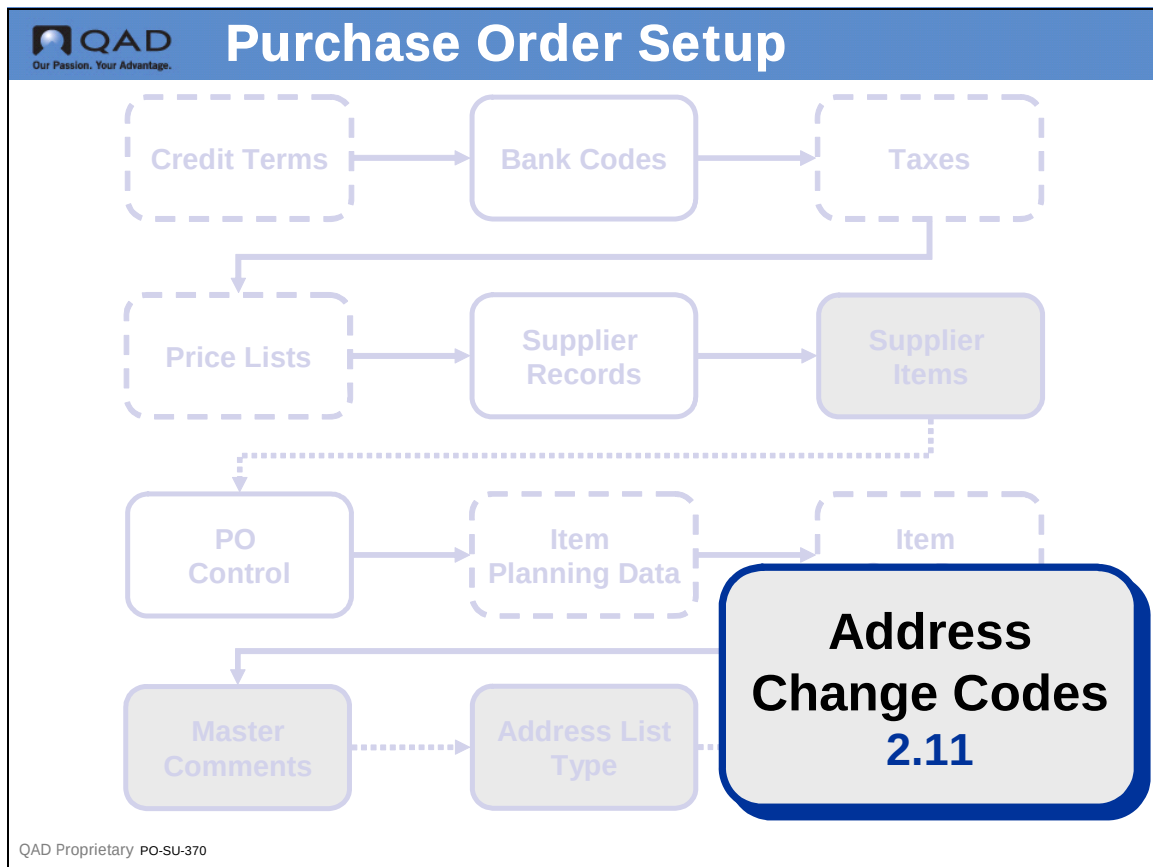
company

List Type:

QAD Proprietary PO-SU-360

- Not specifically used in purchasing, although you may want to use this function for your own categorizing of suppliers
- All addresses are stored in a common table and each one has a system-assigned list type code
- To group addresses in other ways, you can manually assign any number of additional list type codes to any address

Address Change Codes



Address Code Change



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2.11 – Address Code Change

Address Code Change

Address Code Change: GoTo Actions

Old Address:

New Address:

List Type:

List Type:

Output:

Batch ID:

QAD Proprietary PO-SU-380

This procedure identifies an address code to be replaced throughout the system with a new address code.

Used for two purposes:

- To change an address code if a company changes its name or if your business changes its coding scheme
- To merge one address with another existing business entity, as when one business acquires another

Discussed in the follwing Training Guide: Initial QAD Enterprise Applications Setup

Exercise: Supplier Codes, Addresses, Items, and Master Comments

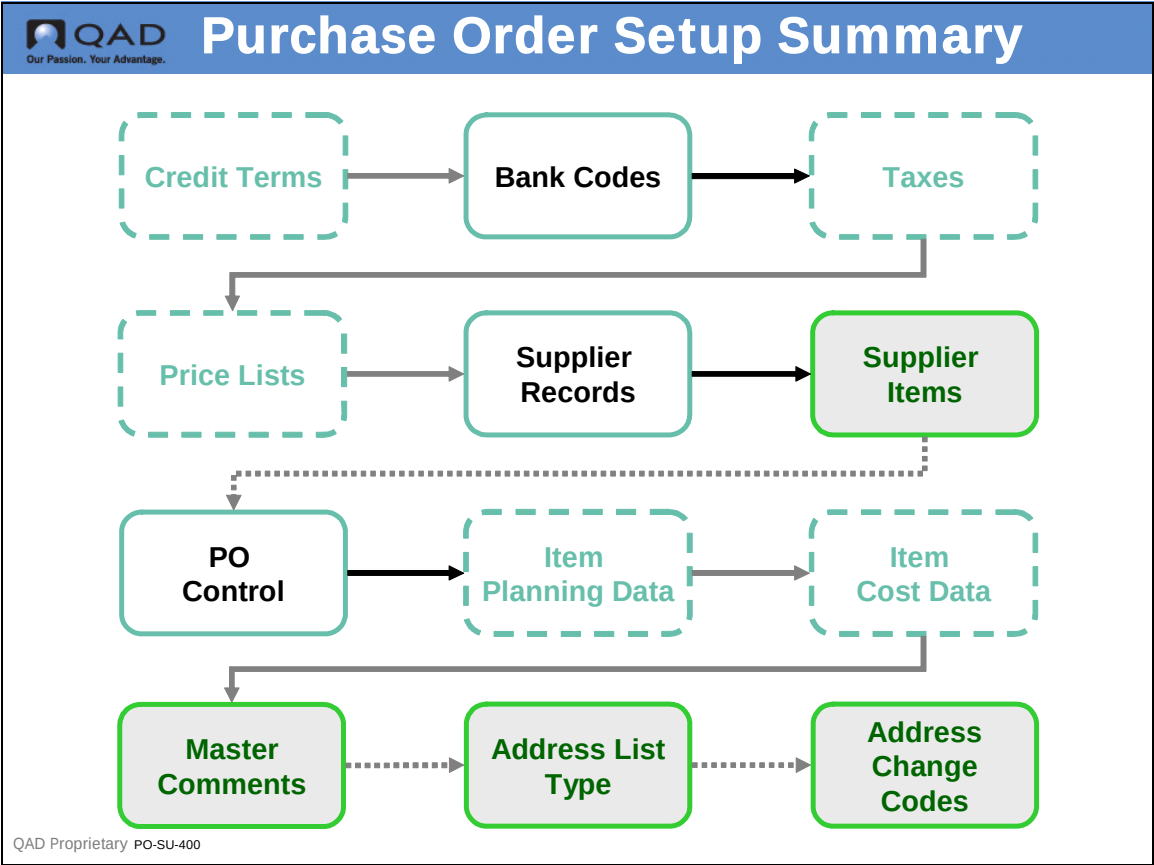
Instructions: Set up supplier information. First, review the data in the database and then create a supplier.

- 1 Review the suppliers that were already added into the database
 - a Add a new supplier as a permanent supplier
Use supplier code 5000
 - b Assign the credit terms code 2/45-60 to this supplier in the Supplier Terms Data frame
 - c Note that the same credit terms are used for both sales and purchasing
Purchases from this supplier are not taxable
Use Supplier Maintenance (2.3.1)
- 2 Checks sent to this supplier should be directed to another address
 - a Record this information using remit-to address code 50001
Use Remit-to Supplier Maintenance (2.3.13)
- 3 You purchase blister packaging (09-0001) from supplier 5000
 - a This supplier refers to blister packaging using item number BP9001 and has requested that you refer to their number on all orders
It takes them only one day to deliver
 - b They quoted you a price of .024 EA on the condition that you purchase at least 10,000 EA at one time
Use Supplier Item Maintenance (1.19)
- 4 Set up a master comment (Master Reference) for supplier 5000:

Master Reference:5000
Type:<blank>
Language:<blank>
Page:<accept default>
Comment Lines: “Please refer to contract number 5602-A when requesting account information.”

 - a You can use this comment later when accessing data for this supplier.
Use Master Comment Maintenance (2.3.12)

Purchase Order Setup Summary





Summary

- ✓ Introduction to Purchase Orders
- ✓ Business Considerations
- ✓ Set up Purchase Orders
 - Process Purchase Orders
 - Using Requisitions
 - Using Blanket Purchase Orders

QAD Proprietary PO-SU-410

Chapter 4

Purchase Order Processing

Process Purchase Orders

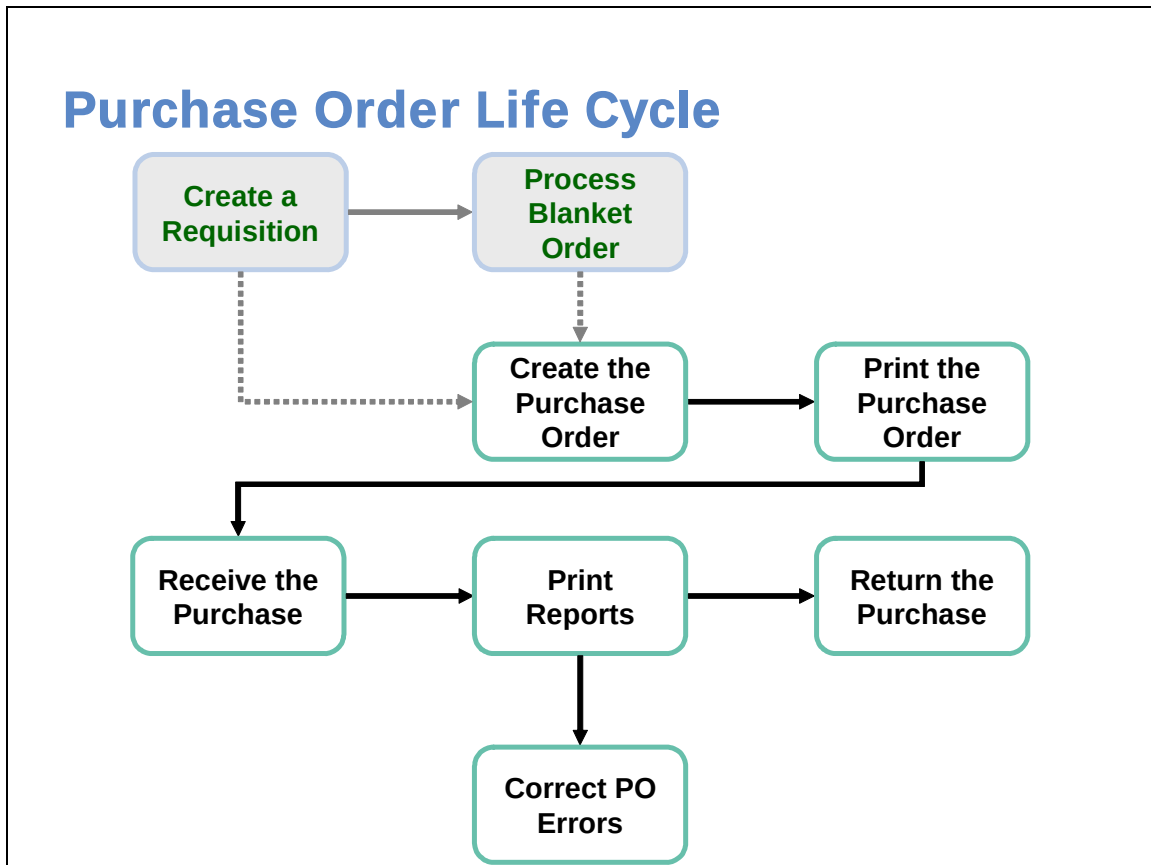


Process Purchase Orders

- ✓ Introduction to Purchase Orders
- ✓ Business Considerations
- ✓ Set up Purchase Orders
- **Process Purchase Orders**
- Using Requisitions
- Using Blanket Purchase Orders

QAD Proprietary PO-PR-010

Purchase Order Life Cycle



Requisitions and Blanket Orders are covered in other sections of this training guide.

See in this training guide: *Requisitions* on page 121 and *Blanket Purchase Orders* on page 139

This illustration is a suggested processing sequence of master data for Purchase Order Management. It is based on information that flows from one master data to another and prerequisites that need to be accomplished before setting up a table. Reading the illustration:



Boxes with solid lines are required for setup and are covered in this course.

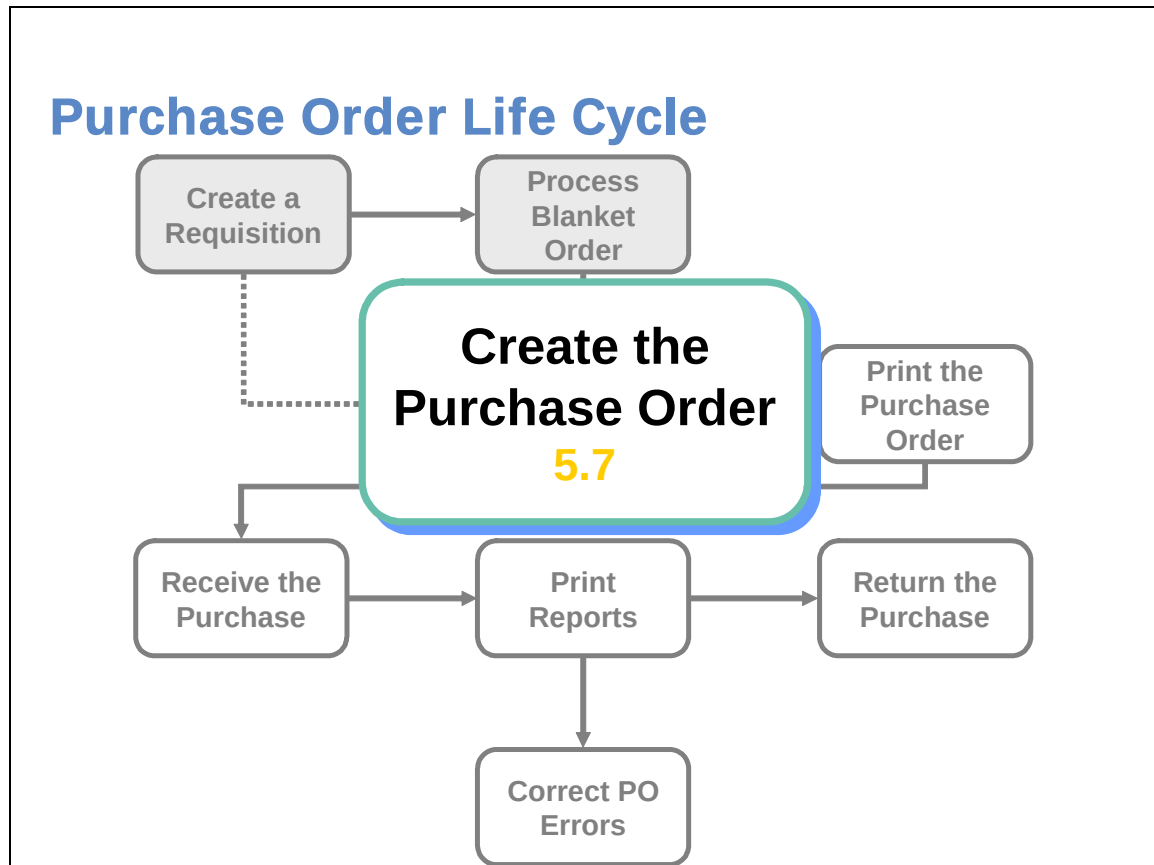


Shaded boxes reflect optional steps, but are covered in this course.



Boxes with dotted lines are required, but are covered at length in another course.

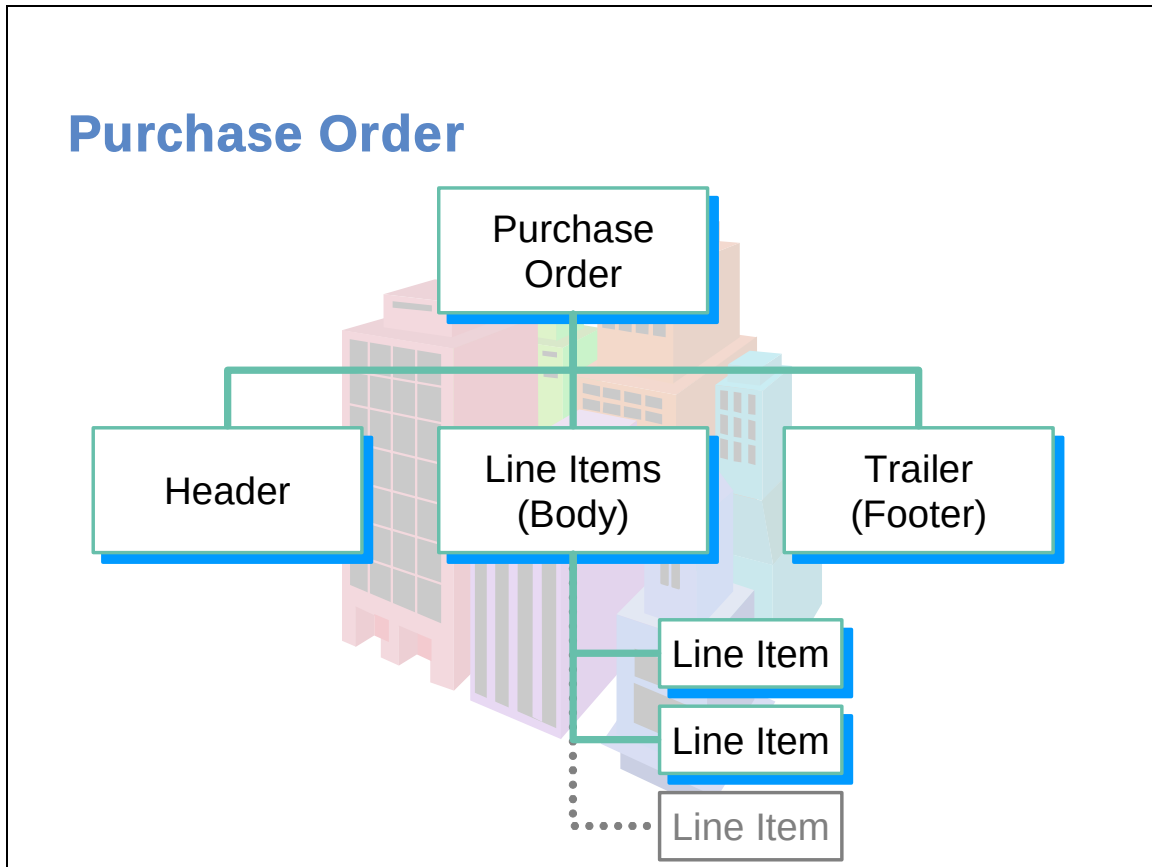
Create the Purchase Order



- A purchase order (PO) is a response to a demand for materials, for example a requisition or an MRP action message
- In general, POs are entered, printed, received, and closed or canceled
- Complete receiving history is maintained for matching with accounts payable
- Purchase Orders can be entered manually or created by processing a release against a blanket order
- Open POs or line items have a <blank> status code and are considered a firm source of supply for inventory items by MRP
- QAD 2008 SE generates action messages if a line item should be canceled, decreased, increased, or expedited

Note Before entering purchase orders, it is useful to print the Purchase Requisition Report (5.1.6), which lists all the requisitions for the site. The requisitions can then be used during the creation of the PO lines.

Purchase Order Sections



Purchase Orders and Blanket Purchase Orders have three sections.

- 1 The header contains PO site, contract terms, supplier data, and the delivery date.
- 2 The line items contain information about the ordered items, such as quantity and price.
Any exceptions to the header data, such as a different due date or a different site
The PO site on the line items can be changed if that item is being purchased for a site other than the one on the header
- 3 The trailer contains tax, shipping and status information.

Purchase Order Maintenance

5.7 – Purchase Order Maintenance: Header

Purchase Order Maintenance x

Purchase Order Maintenance: GoTo Actions

Purchase Order: P0010000 Supplier: 5055000 Ship-To: 10000000

Supplier			Ship To		
The Office Supply Store 123 Oak Street Mt. Laurel NJ 08054 United States of America			QUALITY PRODUCTS COMPANY Corporate Headquarters 9000 World Way Los Angeles CA 89000 United States of America		

Order Date: 08/28/2007 Price Tbl: Disc Tbl: Confirming: ☒ Imp/Exp: ☐
 Due Date: 08/31/2007 Buyer: Ln Disc: 0.00% Currency: USD Language: US
 Bill To: 10000000 Site: train Taxable: ☐ Fixed Price: ☒ Consign: ☐
 Sales/Job: Project: Credit Terms: 30 Entered By: mfg
 Contact: Requested By: 0.00
 *Remarks: Ship to Quality Products Comments: ☐

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Header

- The order header includes the Supplier, Ship-To, Credit Terms, Currency, Exch Rate, and other general order information
- If requisitions are being used and the PO header Due Date is blank, the Requisitions Need Date in Purchase Requisition Maintenance (5.1.4) defaults as the PO line Due Date
- Once you enter the header, the order is stored even if you do not enter any line items

Line Items - Single-Line Mode

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5.7 – Purchase Order Maintenance: Line Items - Single-Line Mode

Purchase Order Maintenance x

Purchase Order Maintenance: GoTo Actions

Purchase Order: P0010000 Supplier: S055000 Ln Format S/M: Single

Ln	Site	Req	Item Number	Qty Ordered	UM	Unit Cost	Disc%
2	T10000		02-0010	1,000.0	EA	0.2375	0.00%

Qty Received: 1,000.0 Due Date: 10/02/2007 CRT Int: 0.00

Qty to Rel: 0.0 Pur Acct: 5100 0100

Single Lot: ☐ Performance Date: 08/31/2007 Project:

Location: 200 Need Date: 08/31/2007 Type:

Revision: Sales/Job: Taxable: ☐

Status: c Fixed Price: ☒ Inspect Req: ☐ Cmnts: ☐

Supplier Item: UM Conversion: 1.0000

Manufacturer: Stock UM Quantity: 1000.0 EA

Description: ERASER REFILL PACK Update Avg/Last Cost: ☒ Extended Net Cost: 237.50

QAD Proprietary PO-PR-060

- If you enter your item number, QAD 2008 SE displays the GL material cost
- If you enter the supplier's item number, the system accesses data in Supplier Item Maintenance (1.19) and Price List Maintenance (1.10.2.1) and displays the Purchase Cost quoted for that order quantity
- If a supplier item record is in the table for the supplier and item number, the price is obtained from the supplier item
- The price is only obtained from the price list if the price list code is entered on the PO
- You can enter one line at a time or multiple lines; the default is established in the Purchasing Control File (5.24)

Single-line entry allows you to enter more details, such as dates, site, location, tax status, and GL accounts

You can change the method during order entry by entering S or M in the Ln Format field

Line Items - Single-Line Mode

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5.7 – Purchase Order Maintenance: Line Items - Single-Line Mode

Purchase Order Maintenance x

Purchase Order Maintenance: GoTo - Actions -

Purchase Order: P0010001 Supplier: 5000 Ln Format S/M: Single

Ln	Site	Req	Item Number	Qty Ordered	UM	Unit Cost	Disc%
1	train		09-0001	10,000.0	EA	0.024	0.00%

Qty Received: 0.0 Due Date: 10/01/2007 CRT Int: 0.00
 Qty to Rel: 0.0 Pur Acct: 5100 0600
 Single Lot: ☐ Performance Date: Project: Type: s "S" (subcontract)
 Location: 100 Need Date: Cmnts: ☐
 Revision: ☐
 Status: ☐
 Supplier Item: BP9001 Work Order:
 Manufacturer: ID:
 Description: PACKAG Operation: 0
 Subcontract Type:
 Lot/Serial:
 q:
 y: 10000.0
 t: 240.00

QAD Proprietary PO-PR-070

Note For subcontracting operations, you set the line Type = S (in single-line entry). The system then requests the work order and operation numbers.

- Note the following for memo (non-inventory) items:

Set Type to any value other than blank or S for a non-inventory line

On receipt, the purchase account and cost center from the line are debited

The purchase account and cost center default from the supplier, or from the product line if a valid item code is entered

You can use Requisition Approvals to restrict use of the default account

Line Items - Multi-Line Mode


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5.7 – Purchase Order Maintenance: Line Items - Multi-Line Mode

Purchase Order Maintenance ×

Purchase Order Maintenance: GoTo ▾ Actions ▾

Purchase Order: P0010000
Supplier: 5055000
Ln Format S/M: Multi

Ln	Site	Req	Item Number	Qty Ordered	UM	Unit Cost	Disc%
3	T10000		02-0010	10.0	EA	0.2375	0.00%
	train		02-0010	1,000.0	EA	0.2375	0.00%

QAD Proprietary PO-PR-080

- Unlike single-line entry, Multi-line entry does not allow you to enter details such as dates, site, location, tax status, and GL Accounts

In multi-line entry, these fields contain the defaults for these fields

- In multi-line entry, you can enter 12 lines per screen

Trailer

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5.7 – Purchase Order Maintenance: Trailer

Purchase Order Maintenance x

Purchase Order Maintenance: GoTo Actions

Purchase Order: P0010000 Supplier: 5055000 Ship-To: 10000000

Currency: USD Line Total: 0.00
Total Tax: 0.00
Total: 0.00

Tax Date: 08/31/2007
View/Edit Tax Detail:

Revision: 0 Amount Prepaid: 0.00
Print PO: ☒ Status: c
EDI PO: ☐ Close Date: 08/31/2007
AP Account: 2100 FOB:
Deliver To: Ship Via:

QAD Proprietary PO-PR-090

Once all line items are entered, QAD 2008 SE displays trailer information, totaling line items and calculating taxes.

Revision. •When a purchase order is first entered, revision defaults to zero

Each time a purchase order is changed, increase the revision number by 1

A new copy of the purchase order document can be printed listing the current purchase order information along with the revision number.

When a revised purchase order is printed, it lists all of the purchase order line items, but does not highlight changes

To avoid confusion, highlight the changes yourself or enter comments describing the changes made.

Print PO. •Each purchase order and blanket order has its own print flag

If Print PO = Yes, the order should be printed

If Print PO = No, the order has already been printed

The Purchase Order Print (5.10) or Blanket Order Print (5.3.5) functions automatically set this flag to No.

If you want to skip printing this order, set this flag to No manually.

Normally a formal printed document should only print once

The print flag prevents the document from reprinting by mistake.

To reprint it intentionally, change the print flag back to Yes using the maintenance function.

EDI PO. •The EDI PO field defines whether the purchase order will be exported by EDI Purchase Order Export (35.15)

Status. •With status code, QAD 2008 SE decides whether to include a purchase order on reports and inquiries, and whether to consider open line item quantities as sources of supply for planning purposes

Status = blank means the purchase order is open

It is included on all open order reports, and line item quantities are considered by planning.

Status = X means the purchase order is cancelled and not considered by planning

Line items may or may not have had anything received against them.

No further receipts may be processed against this order.

Status = C means the purchase order is closed

This is automatically set when all line items have either been cancelled or received in full (or, for blanket PO's, released in full).

No further receipts may be processed against this order.

Closed and cancelled (status C or X) orders may be deleted using the Purchase Order Delete/Archive function.

If an order or line item has been closed, it can be reopened by changing the status.

Returns to supplier can be processed even after an order or line item has been closed or cancelled.

FOB. •Free on board (FOB) prints on formal documents such as Purchase Orders, Blanket Orders, and the Purchase Return Document

- FOB also displays on many purchasing inquiries and reports

Validated against predefined values entered in Generalized Codes Maintenance (36.2.13), if any

Indicates the FOB point for receipts made against this order

Ship Via. •Supplier ship via is the default ship via on all purchase orders and blanket orders for this supplier

It may be changed manually during order entry

Validated against predefined values entered in Generalized Codes Maintenance (36.2.13), if any

The ship via prints on purchase orders, blanket orders, receivers, and return documents

Exercise: Purchase Order Entry

Important The data used in this exercise may not be the same as the data shown in the screen captures in this lesson.

Instructions: In this exercise you enter a purchase order using the supplier you set up.

- 1 Enter a purchase order for blister packaging as follows:

Purchase Order:default
Supplier:5000
Ship-to:10000000
Due Date:(Select Tomorrow's date)
Site:Train
Site:Train
Item Number:BP9001
Qty Ordered:10,000

Note Once you enter the supplier item number, the system automatically retrieves your item number and the supplier-quoted price.

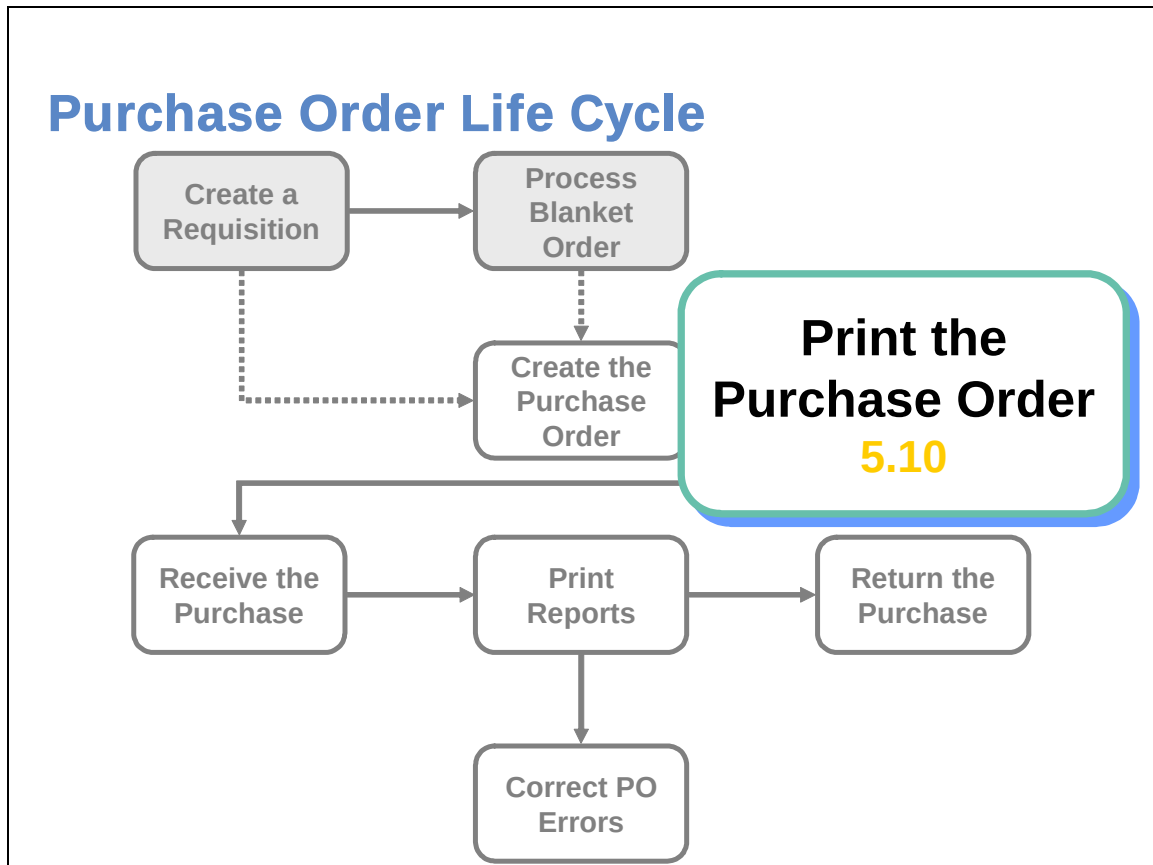
Use Purchase Order Maintenance (5.7)

- 2 Print the purchase order and verify that you entered the information correctly.

a Update PO print flag = Yes

Use Purchase Order Print (5.10)

Print the Purchase Order



Purchase Order Print

5.10 – Purchase Order Print

Purchase Order Print: GoTo Actions

Purchase Order: To:
 Supplier: To:
 Buyer: To:
 Order Date: To:
 Language ID: To:

Open PO's Only: ☒
 Unprinted PO's Only: ☒
 Include Scheduled Order: ☐
 Print Bill-To Address: ☒
 Include EMT Orders: ☐

Print Features and Options: ☐
 Include Retained Taxes: ☒
 Sort PO By: Site
 Form Code: 1
 Update: ☒

Message:

Output:
 Batch ID:

QAD Proprietary PO-PR-120

- Since a purchase order or blanket order is a legal document, it usually should be printed only once

To make sure of this, once an order has been printed, the Print PO flag in Purchase Order Maintenance (5.7) is updated by the system

If Unprinted PO's Only = Yes, only orders which have not yet been printed are printed

If you need to reprint an order, set Unprinted PO's Only = No

The order document is printed with the message *** DUPLICATE ***

If you need to reprint an exact copy of an order without the *** DUPLICATE *** message, you must use the maintenance function and reset the print flag to No manually

- If an existing PO is changed, its revision number is updated and the PO can be reprinted
- Date change information is noted in the PO Change History Report (5.9.21)

This report lists various changes made to POs, such as revisions, item, quantity, and price changes, but date changes are not included

This data is recorded in the system only if you set the Keep Booking History field to Yes in the Purchasing Control File (5.24)

Date change information applies to PO Change History Browse (5.9.20) and PO Change History by Item (5.9.22)

Only the effective date is kept; that is, the date the change occurred, not any changes to due date, perform date, need date, etc.

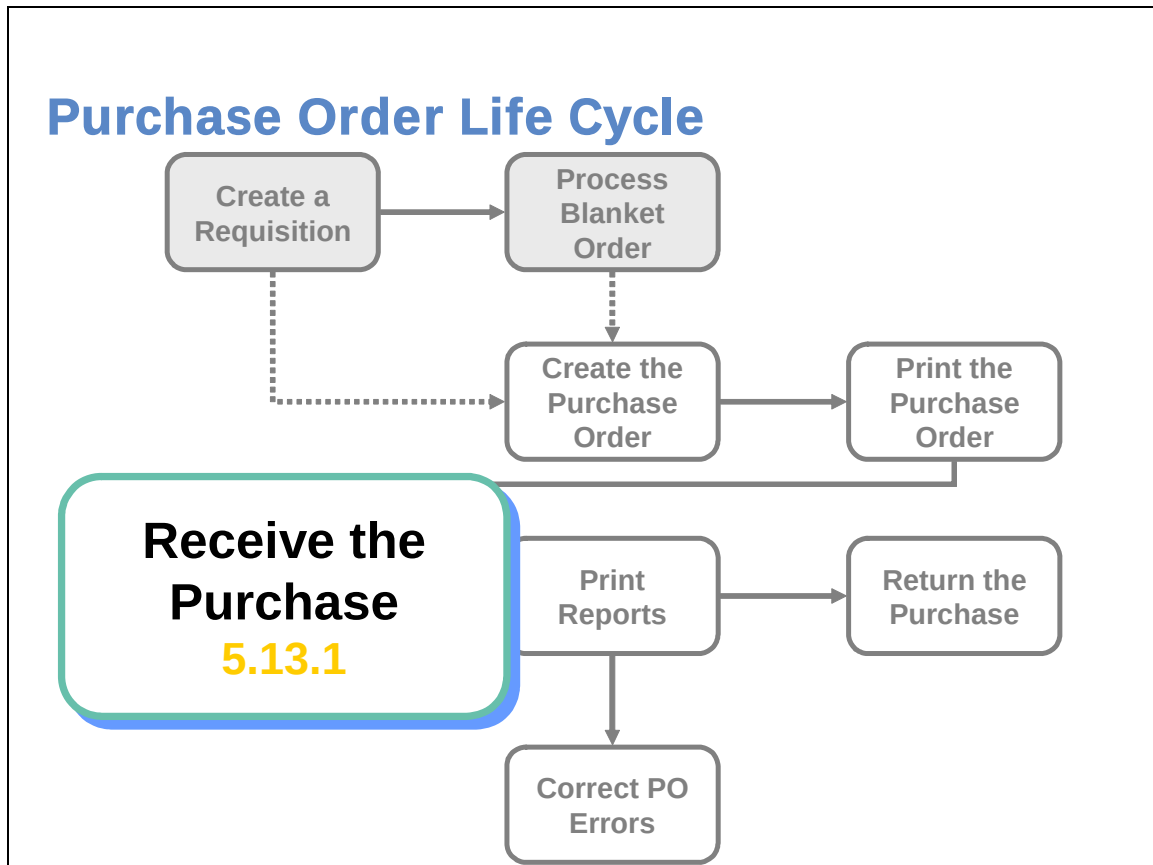
Note You can also see the transaction in Transaction History (3.21.1)

Printed Purchase Order

QUALITY PRODUCTS COMPANY	PURCHASE ORDER
Corporate Headquarters	
9000 World Way	Order Number: P0010000 Revision: 0
Suite 101	Order Date: 09/02/03 Page: 1
Los Angeles, CA 89000	Print Date: 09/02/03
United States of America	
Supplier: 6002000	Ship To: 10000
CANADA'S BEST PACKAGING	Quality Products Inc.
20 ST. JAMES WAY	Manufacturing Division
LOT A-2	One World Way
VANCOUVER, BC P2R 8S9	Consolidated Business Plaza
Canada	San Diego, CA 92130
	United States of America
ATTENTION: MR. TED JOHNSON	
Confirming: yes	Supplier Telephone: 604-923-9292
Buyer: KT	Contact: JOANNE CAMERON
Credit Terms: 30	Ship Via:
DUE 30 DAYS FROM INVOICE	FOB:
Remarks: CUSTOMS DOCUMENTS MUST BE INCLUDED	

Ln	Item Number	T	Due Date	Qty	Open UM	Unit Cost	Extended Cost
1	02-0020	N	09/02/03	1000.0	EA	0.20	200.00
	Type: Subcontract						
	LEAD REFILL PACK						
2	02-0010	N	09/02/03	1000.0	EA	0.2375	237.50
	ERASER REFILL PACK						
3	10-0040	N	09/02/03	10.0	GM	0.50	5.00
	GLUE						

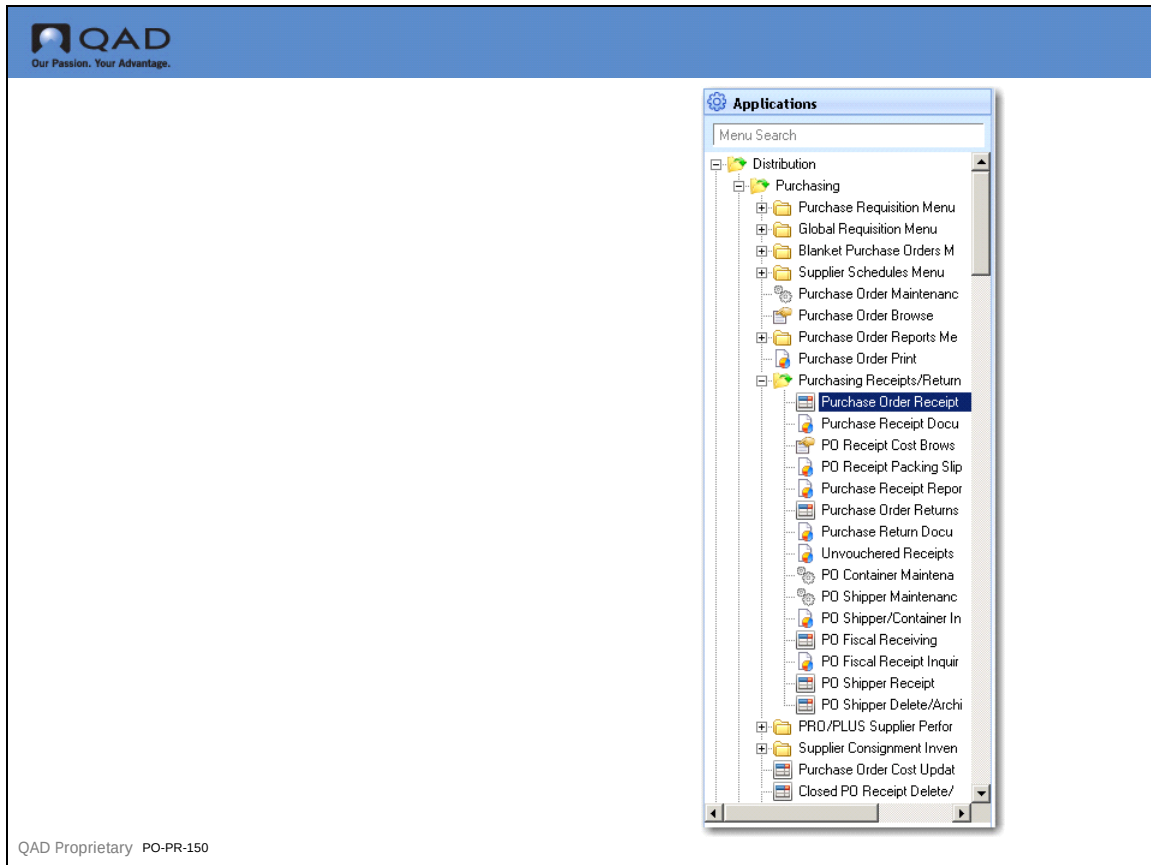
Receive the Purchase



Annotation 1 Created by Bengt Johansson on 4/8/08 9:44:59 AM

Annotation 2 TODO: Need to update this flow with an alternate flow describing how receipts are made when using PO shippers (ASNs). This should include inbound EDI of the ASN.

Purchasing Receipts/Returns Menu



PO receipts and returns are accessible from the same menu

- Purchase Order Receipts (5.13.1): use this program to receive POs and shippers
- PO Shipper Receipt (5.13.20): use this program to receive shippers

This menu also lets you edit and maintain shippers and containers. These are normally tied to an advanced shipping notice (ASN) sent to you through EDI.

- Shippers contain containers and can be received in their totality
- Containers can contain other containers as well as items

Purchase Order Receipts

Header

5.13.1 – Purchase Order Receipts: Header

Purchase Order Receipts x

Purchase Order Receipts: GoTo Actions

Order: P0010000 Supplier: 5055000 Status: Effective: 09/18/2007

Packing Slip:

Receiver: The Office Supply Store

Move to Next Operation: ☒

Receive All: ☒

Comments: ☐

Ship Date:

QAD Proprietary PO-PR-160

- Record the PO number, the packing slip number (optional), and assign a receiver number
- Leave the receiver number blank if you want QAD 2008 SE to assign the next number automatically
- You can move subcontracted items to the next operation, set the quantity default to zero or the quantity ordered number, and choose to attach comments to receiver

Receivers. •Receipts generate receivers that may be used by Accounts Payable or to attach to items as travelers

- Receivers do not have to be printed if you do not use them; however, you will want to delete/archive them occasionally
- Receivers are created automatically and verify the supplier's invoice when it is entered into Accounts Payable
- The purchase price shown on the receiver can be used to update the current cost of an item
- GL transactions for the item are performed at standard cost
- QAD 2008 SE tracks both vouchered and nonvouchered purchase receipts

Both should be archived or deleted periodically

Receive All. • Indicates whether the purchase order is received complete, with all line items delivered in one shipment from the supplier

- This field defaults from the Receive All flag in the Purchase Order Control
- It may be changed manually on any receipt transaction.

Three variances are tracked:

- 1 When an item is received, there may be a variance between the PO price and the GL cost. This is posted to the PO price variance account.
- 2 When an item is invoiced, there may be a variance between the PO price and the invoice price. This is posted to an Accounts Payable rate variance account.
- 3 When an item is invoiced, there may be a variance between the quantity received and the quantity invoiced. This is posted to an Accounts Payable usage variance account.

Line Items

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5.13.1 – Purchase Order Receipts: Line Items

Purchase Order Receipts x

Purchase Order Receipts: GoTo v Actions v

Order: P0010000 Supplier: 5055000 Status: Packing Slip:

Ln	Item Number	UM	Qty Open	UM	Receipt Qty	UM	Project	Due Date	T
1	02-0005	EA	100.0	EA	100.0	EA		08/31/2007	
2	02-0010	EA	1,000.0	EA	1,000.0	EA		08/31/2007	
3	02-0010	EA	10.0	EA	10.0	EA		08/31/2007	

Line: 2 Unit of Measure: EA Site: T10000 Loc: 200

Quantity: 0.0 ID: Lot/Ser: Packing Qty: 0.0 OP: Reference: Cancel B/O: ☐ Supplier Lot: Item Number: 02-0010 Multi Entry: ☐ Chg Attribute: ☐ Supplier Item: Cmmts: ☐

QAD Proprietary PO-PR-170

- For each item, record the quantity received, the site and location information, and whether to cancel any backordered quantity

When a line item is fully received, it is flagged closed (Status = C) in Purchase Order Maintenance (5.7)

Partially received line items can be canceled (Status = X) during Purchase Order Receipts if Cancel Backorders = Yes in the Purchasing Control File (5.24)

- MRP does not consider closed or canceled lines, and you cannot process receipts or returns against them

Instead, you must reopen them by changing the Status flag

- Once all lines on a PO are closed or canceled, the PO Status is set to [C]losed and it can be deleted and archived

Note You can process a return against a PO with the original line closed, without having to change the line status. If specified, the RTS function will reopen a closed PO and create a new line on it for the items being returned.

- You can record receipts against both purchase orders and supplier schedules in Purchase Order Receipts (5.13.1)

More than one line item can be processed in a single transaction

You can correct errors made in receiving by entering negative quantities in Purchase Order Receipts (5.13.1); however, you may have to reopen a purchase order line to do this

- If the cumulative quantity received for a scheduled order line exceeds the maximum order quantity for that line, the system displays a warning message
- When you record a receipt, the system records three history records:

- Purchase receipts

- Inventory transactions

- Inventory GL costs

These records are used for accounts payable, variance reporting, and supplier performance reports

If you receive deliveries from more than one supplier on the same day for the same order, you should enter separate receipts to simplify vouchering in Accounts Payable

PO Shipper Receipt

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PO Shipper Receipt

PO Shipper Receipt x

PO Shipper Receipt: GoTo Actions

Supplier: 6002000 CANADA'S BEST PACKAGING

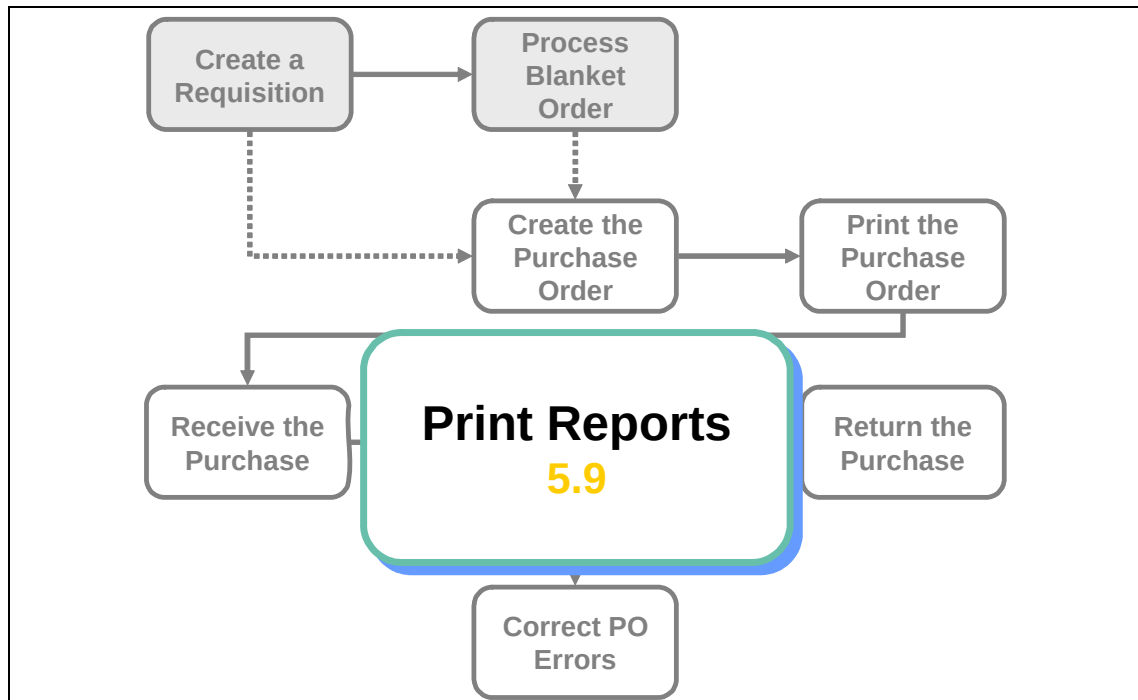
Shipper ID: 20 ST. JAMES WAY

QAD Proprietary PO-PR-180

This is an optional process.

- Confirm Shipper takes a supplier's shipper, or advance shipping notice, and receives that shipment into inventory
- You can receive a shipment either here or in Purchase Order Receipts (5.13.1)

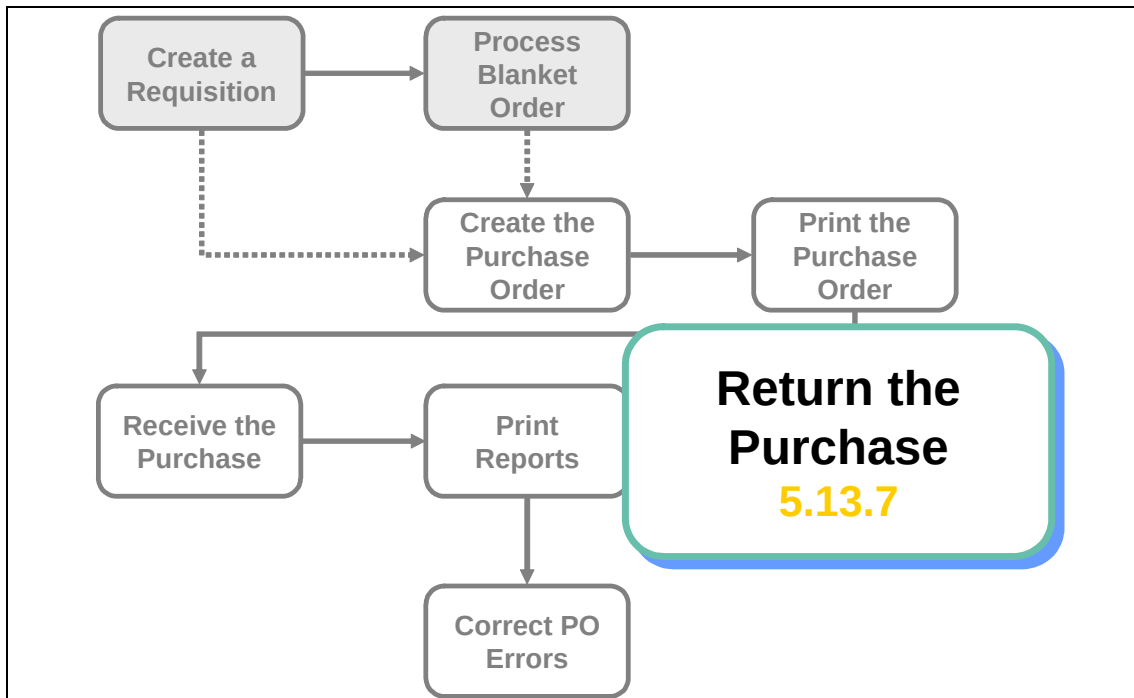
Print Reports



Purchase Order Reports Menu

- You can list POs in three sort sequences:
 - Purchase Orders by Order Report
 - Purchase Orders by Supplier Report
 - Purchase Orders by Item Report
- The PO Commitment Report lists commitments to suppliers for open PO items
- The PO Supply Schedule lists items due to be received
- The Receipt Transactions Browse (5.9.13) and Receipt Transactions Report (5.9.14) contain PO receipt information
- The Supplier Performance Report shows all performance data
- The PO Change History Browse (5.9.20) and PO Change History Reports (5.9.21) contain all PO change data, provided you direct the system to retain this history, by setting the Keep Booking History flag to Yes in the Purchasing Control (5.24)

Return the Purchase



There are two ways to return goods to a supplier. If the purchase order still exists, use Purchase Order Returns (5.13.7). Or use Purchase Order Maintenance (5.7) to enter a new line or order for the items to be returned. Use negative numbers to indicate returned quantities. Receive items in Purchase Order Receipts (5.13.1).

This guide discusses the return of goods to the supplier using Purchase Order Returns (5.13.7).

If you are using the Service/Support Management module, the Return to Supplier functions (11.7.3) are used to return items to the supplier for service.

Discussed in the following Training Guide: Service/Support Management (SSM)

- A purchase order return indicates that you are returning materials to a supplier
 - The material can be taken from inspection, inventory, or work in process (WIP)
 - Receiving history is generated for matching against the supplier invoice in Accounts Payable
- You can process returns against any PO, open or closed, returning up to the received quantity
 - If you want to replace items, enter a replacement order in Purchase Order Maintenance (5.7) or increase the quantity on an open PO

Note Returns affect the Supplier Performance Report (5.15).

Annotation 3 TODO: Each PO return can be assigned a reason code that can be used in reporting. Reason Codes are defined in Reason Code Maintenance 36.2.17 (insert URL link) <qadsh://menu/invoke?menu-key=A.5&menuitem-key=36.2.17>

- Subcontract items are returned out of WIP
 - The return updates the quantity completed at the WO operation.

- A complete audit trail of all inventory transactions is maintained in transaction history (tr_hist), which can be reviewed using Transactions Detail Inquiry (3.21.1)
Each transaction is identified by a transaction number and a transaction type (ISS-PRV)
- All general ledger transactions are stored in the unposted transaction table until they are posted
Unposted transactions can be reviewed using Unposted Transaction Inquiry (25.13.13)
Transactions created in modules other than GL can be reviewed and deleted using GL Transaction Delete/Archive (36.23.2)
The GL entries are the reverse of those created by Purchase Order Receipts (5.13.1)
If you process an incorrect quantity in this transaction, you can reverse it by processing the same transaction again with a negative quantity
After you reverse the original entry entirely, process this transaction again with the correct quantity to maintain a complete audit trail

Note Do not use a negative Purchase Order Receipt to process a return; it does not update supplier performance history.

Purchase Order Returns

Purchase Order Returns x

Purchase Order Returns: GoTo Actions

Purchase Order: p0010001 Supplier: 5000 Status: Effective: 09/17/2007

RTV Nbr: Ship-From: 10000000 Ship-To: 5000

The Office Supply Store The Office Supply Store

Return All: Return to Replace: Comments: Move to Next Operation:

Header

Purchase Order. •Specify the PO number

Status. •A code identifying the status of this purchase order

With status code, QAD 2008 SE decides whether to include a purchase order on reports and inquiries, and whether to consider open line item quantities as sources of supply for planning purposes

- Blank = the purchase order is open

It is included on all open order reports and line item quantities are considered by planning

- X = cancelled

Line items may or may not have had any quantity received against them

The order is cancelled and not considered by planning

No further receipts may be processed against this order

- C = closed

Status is set to [C] automatically when all line items have either been cancelled or received in full (or, for blanket PO's, released in full)

No further receipts may be processed against this order

- Closed and cancelled orders may be deleted using the Purchase Order Delete/Archive function
- If an order or line item has been closed, it can be reopened by changing the status

Returns to supplier can be processed even after an order or line item has been closed or cancelled

Return All. •Yes = all items received on a PO are to be returned

This sets the Quantity to Return to the Quantity Received for each line item on the PO, streamlining the return process

Return lines are set up with items taken out of the site and location (or work order) specified on the PO

If you are returning from a different place, type in the return information for that line

Lot/serial numbered items must always be manually returned to record the correct lot/serial number

Return to Replace. •No = a return for credit

- Yes = the item is to be replaced

QAD 2008 SE adds a new line to the original PO for the returned quantity

All fields on the new PO line default to the values for the returned line item except that Order Quantity shows the quantity returned, and Qty Received is set to zero

The line number is set to the highest line on the PO plus one

The new line updates quantity on order, MRP, and transaction history just like any other PO line

When you process a voucher against the supplier invoice, the quantity returned appears in the receiver window as a negative quantity offset against the original PO line

The Return for Replacement field will reopen a closed PO but does not work if the original PO has been deleted

Comments. • You can enter information about the return on a comment screen

In general, to move from one screen to the next you press Go, except when you are entering comments

Since multiple pages of comments can be entered, the system will keep prompting you to enter more until you signal that you are done by pressing End

RTV Nbr. • Number must be unique

RTV Number is a form of receiver number

- Enter a receiver number on the receipt transaction only if Receiver Type is set to 0 or 1 in the Purchasing Control (5.24) file
- Some companies use different receiver numbers when recording returns

Make sure that codes are entered consistently by entering the allowed codes into Generalized Codes Maintenance (36.2.13)

The system verifies entered codes against these predefined values, preventing incorrect codes from being entered

Line Items

Purchase Order Returns x

Purchase Order Returns: GoTo Actions v

Purchase Order: P0010000 Supplier: 5055000 Status: RTV Nbr:

Purchase Order Line Items

Ln	Item Number	UM	Net Received	UM	Return Qty	UM	Project	Due Date	T
2	02-0010	EA	1,000.0	EA	0.0	EA		08/31/2007	
3	02-0010	EA	10.0	EA	0.0	EA		08/31/2007	

Line: 2 UM: EA Site: T10000 Loc: 200

Quantity: 0.0 ID: Lot/Serial: Reference:

Packing Qty: 0.0 OP: 0 Multi Entry: ☐

Item Number: 02-0010 Reason: Cmnts: ☒

Supplier Item:

- At the top of the screen, the line items and the Quantity Received for each are shown
- At the bottom, enter the quantity to return for each line item and specify the Site, Location, Lot/Serial, and Ref

Lot/serial numbered items must always be manually returned to record the correct lot/serial number

Be sure to enter the same site, location, lot/serial, and lot reference numbers as you entered on the original transaction

If you are returning from a different place, type in the return information for that line

- If Return All = Yes in the header, return lines are set up with items taken out of the site and location (or work order) specified on the PO
- You can enter a reason code and comments for each line item returned
- Subcontract items are returned out of WIP

The return updates the quantity completed at the WO operation

Issue Detail

Purchase Order Returns x

Purchase Order Returns: GoTo v | Actions v |

Purchase Order: P0010000 Supplier: 5055000 Status: RTV Nbr:

Purchase Order Line Items

Ln	Item Number	UM	Net Received	UM	Return Qty	UM	Project	Due Date	T										
2	02-0010	EA	1,000.0	EA	0.0	EA		10/02/2007											
3	Issue Detail - Site: T10000 Quantity: 0 EA																		
<table border="1"> <thead> <tr> <th>Location</th> <th>Lot/Serial</th> <th>Ref</th> <th>Supplier Lot</th> <th>Quantity</th> </tr> </thead> <tbody> <tr> <td>200</td> <td></td> <td></td> <td></td> <td>1,000.0</td> </tr> </tbody> </table>										Location	Lot/Serial	Ref	Supplier Lot	Quantity	200				1,000.0
Location	Lot/Serial	Ref	Supplier Lot	Quantity															
200				1,000.0															
Quantity: 0.0 ID: Lot/Serial: Packing Qty: 0.0 OP: 0 Reference: Item Number: 02-0010 Multi Entry: ☒ Supplier Item: Reason: Cmnts: ☒																			
<table border="1"> <thead> <tr> <th>Location</th> <th>Lot/Serial</th> <th>Ref</th> <th>Supplier Lot</th> <th>Quantity</th> </tr> </thead> <tbody> <tr> <td>T 200</td> <td></td> <td></td> <td></td> <td>1,000.0</td> </tr> </tbody> </table>										Location	Lot/Serial	Ref	Supplier Lot	Quantity	T 200				1,000.0
Location	Lot/Serial	Ref	Supplier Lot	Quantity															
T 200				1,000.0															

- If you set Multi Entry to Yes, another screen pops up for you to enter a list of sites, locations, lot/serial, and lot reference numbers, and a quantity for each one

Exercise: Receipts and Returns

Important The data used in this exercise may not be the same as the data shown in the screen captures in this lesson.

Instructions: In this exercise you receive and return purchased items. You also look at how a purchase receipt affects inventory, receivers, and the general ledger.

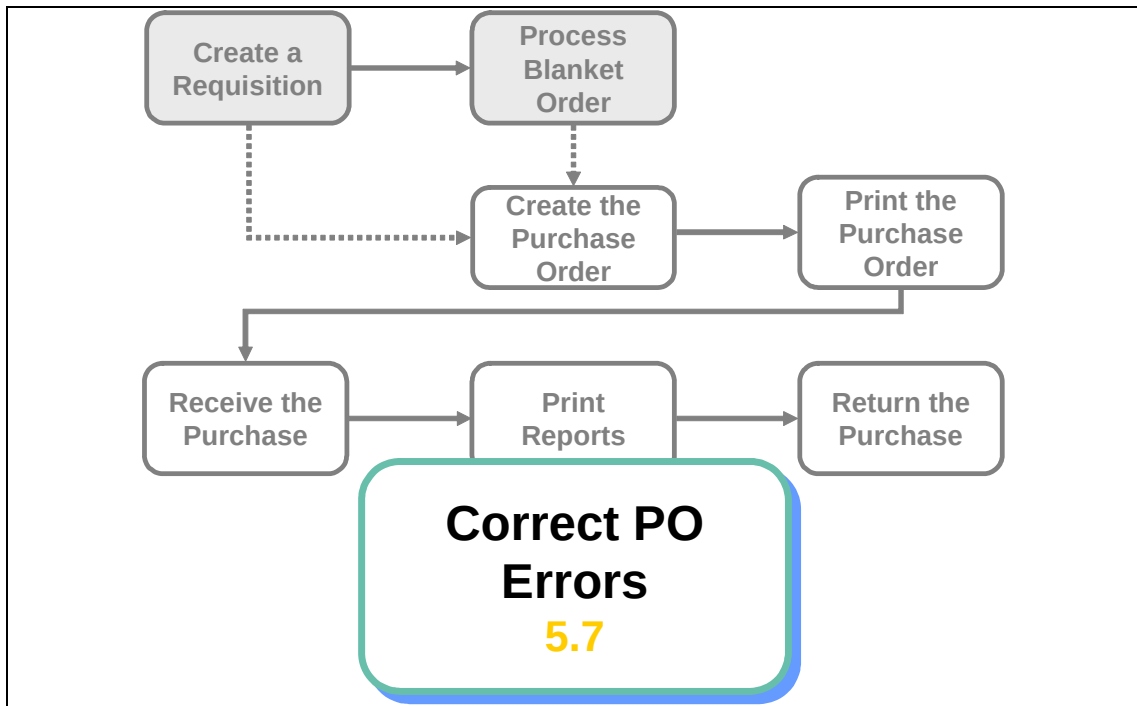
- 1 Receive a quantity of 7,550 of the items on the purchase order you just entered. (Make sure Receive All is set to No.)
Since the order has not been filled, it remains open on the system with the quantity remaining to be received.
Use Purchase Order Receipts (5.13.1)
- 2 Review the effect the receipt had on the inventory balance of your item (09-0001 from the first exercise)
 - a Note the balance:
Use Stock Availability Browse (3.17)
- 3 We made a mistake when entering the receipt quantity. It should have been 7500, not 7550. Correct this by entering a receipt for -7550 against the original purchase order.
Use Purchase Order Receipts (5.13.1)
- 4 Check the inventory balance to verify that it worked
Use Stock Availability Browse (3.17)
- 5 Receive a quantity of 7500 of the items on the purchase order you entered. (Again, make sure Receive All is set to No.)
Use Purchase Order Receipts (5.13.1)
- 6 Review the receivers that were created. You should have three receivers, one negative and two positive, each with its own receiver number.
Use PO Receipt Cost Browse (5.13.3)
- 7 A quantity of 500 of the items received were found to be defective. These were returned to the supplier. They will not be replaced.
 - a Record this using the Purchase Order Returns transaction
 - b Ship from train

Note You can enter comments to describe the reason for the return. These can be printed on the return document.

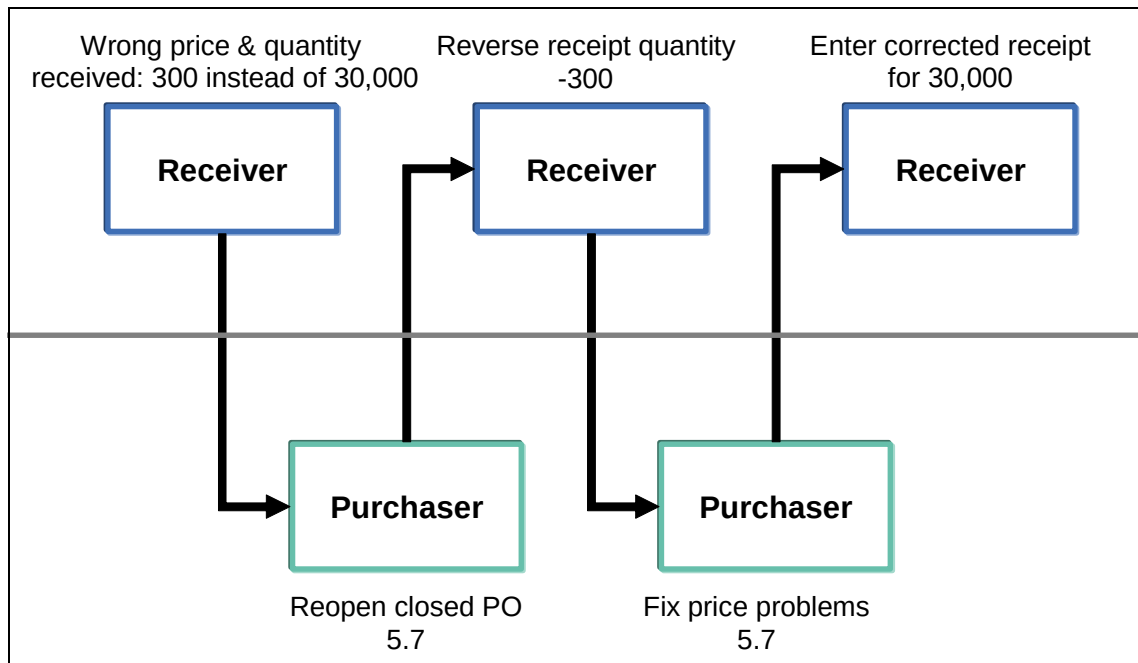
- c Press End after recording comments
 - d Select the line number to move to the quantity
Use Purchase Order Returns (5.13.7)
- 8 Print the return document
Use Purchase Return Document Print (5.13.8)

- 9 Returns to supplier have the same effect as corrections (negative receipts) have on inventory and receivers. However, the return will be treated differently on the Supplier Performance Report.
 - a Print the report for supplier 5000
Use Supplier Performance Report (5.9.18)
- 10 Select the latest transaction
 - a Press Go until the ISS-PRV transaction appears
 - b Write down the GL reference number
Use Transactions Detail Inquiry (3.21.1.)
- 11 Review the GL transactions created by your receiving activity
 - a Enter the GL reference number you noted in the last step in the GL Reference field
 - b What amount was posted to account 2200?
Use Unposted Transaction Inquiry (25.13.13)

Correct PO Errors



PO Corrections Flow



Correcting these errors involves employees in both receiving and purchasing.

Important If you need to correct a transaction within the system, completely reverse out the incorrect transaction (in this case, receive a negative amount) and then enter the correct transaction. If you only enter the difference between the two quantities, the audit trail is more difficult to follow.

Purchase Order Maintenance

The screenshot shows the 'Purchase Order Maintenance' window for Purchase Order: P0010000 and Supplier: 5055000. The interface includes a table of line items and a detailed view of the selected line item (Ln 2).

Ln	Site	Req	Item Number	Qty Ordered	UM	Unit Cost	Disc%
2	T10000		02-0010	10.0	EA	0.2375	0.00%

Annotations in the screenshot:

- Line Mode**: Points to the 'Ln Format S/M:Single' field.
- Unit Cost**: Points to the 'Unit Cost' field in the table, which contains the value 0.2375.
- Fix line borders here**: Points to the 'Location' field, which contains the value 100.
- Set status to blank here**: Points to the 'Status' field, which contains the value 'C'.

Other fields visible in the detailed view include: Qty Received: 1,000.0, Due Date: 10/02/2007, CRT Int: 0.00, Pur Acct: 5100, Performance Date: 08/31/2007, Project, Type, Taxable, Inspect Req, Cmnts, Supplier Item, Manufacturer, Description: ERASER REFILL PACK, Stock UM Quantity: 10.0, Update Avg/Last Cost, and Extended Net Cost: 2.38.

- Ln Format must be single to correct these errors
- Reopen the PO by setting the Status field to blank (C = closed, X = canceled)

The line item is automatically closed when the quantity is completely received

It may be closed when only a partial amount is received if you set the Cancel Backorders field to Yes in the PO Control

- Fix any costing errors in the Unit Cost field

Annotation 4 The text in the red box pointing to the unit cost makes not sense. Seems it should say something like "correct price errors here". In general it seems to me much more detail is needed on this subject. Perhaps a couple of examples.



Summary

- ✓ Introduction to Purchase Orders
- ✓ Business Considerations
- ✓ Set up Purchase Orders
- ✓ Process Purchase Orders
 - Using Requisitions
 - Using Blanket Purchase Orders

Chapter 5

Requisitions



Requisitions

- ✓ Identify some key business considerations before setting up Purchase Orders in QAD Enterprise Applications 2008 Standard Edition
- ✓ Set up Purchase Orders in QAD 2008 SE
- ✓ Process Purchase Orders in QAD 2008 SE
 - Use Requisitions
 - Use Blanket Purchase Orders

Set up Requisitions

- Purchasing Control
- Purchase Approvals Maintenance

Enter a Requisition

- Purchase Requisition Maintenance

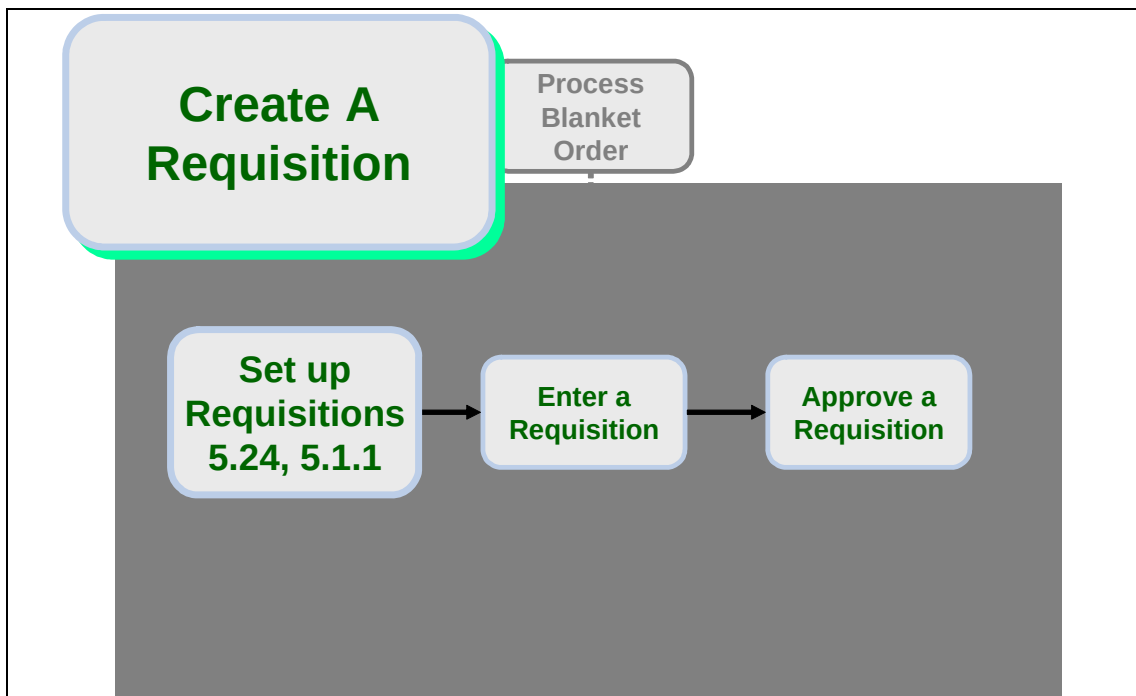
Approve a Requisition

- Req Approval Document Print
- Requisition Approval Maintenance
- Approved Requisition Print

Exercise: Requisitions

Summary

Set up Requisitions



Annotation 5 Need to distinguish between requisitions and Global Requisitions, covered by other training materials. This text should point out limitations of requisitions and advantages of Global Requisitions.

Requisitions are optional.

- Planned Purchase Orders, which come out of MRP, become requisitions when approved by a planner
- Requisitions can also be created manually
- In both cases, they can then go through an approval process

Purchasing Control

The screenshot shows the 'Purchasing Control' window with the following fields and values:

- Bill To: 10000000
- Ship-To: 10000000
- PO Prefix: P00
- Next Purchase Order: 00010002
- Receiver Prefix: R00
- Next Receiver: 00010002
- Sort PO By: Site
- Receive All: ☒
- Price Table Required: ☐
- Disc Table Required: ☐
- Apprvd Reqs for POs: ☐
- Inspection Location: inspect
- Receiver Type: 2
- Sequential Receiver: ☒
- Tolerance Percent: 10.00
- Tolerance Cost: 100.00
- Ln Format S/M: Single
- PO Header Comments: ☐
- PO Line Comments: ☐
- Cancel Backorders: ☐
- Keep Booking History: ☐
- ERS Processing: ☐
- ERS Option: 1

Below the fields, there is a legend for the 'Type' field:

- Type: 0 - Do not print receivers
- 1 - Print for each shipment
- 2 - Print for each item/shipment

Below the legend, there are two notes:

- (Acceptance Limit For Overshipments)
- (Acceptance Limit For Overshipments)

Approved Reqs for POs. • Specifies whether purchases must be approved prior to entering a purchase order

- Yes = you are using purchase approvals

Prior to entering a purchase order, a requisition is entered, printed, and approved

The system calculates a required approval level for any purchase requisition, whether it is manually generated or created by MRP

Requisitions requiring approval may not be referenced on a purchase order or blanket order until they have been approved

- Approval codes may have up to four levels of people required to approve a purchase requisition, depending on the purchase cost

Approval amounts may be calculated by site, product line, person requesting, and purchase account (for non-inventory items)

- Approval information is printed on requisitions waiting to be approved

When approvals are entered, an appropriate approval code must be recorded

- It is not necessary to use purchase approvals for everything you buy

Only set up approval codes for things that require an approved requisition prior to purchasing

For example, you may require approvals on all capital equipment purchases but not on raw materials

- If no approval code exists for the site, product line, purchases account, or requested by entered on the PO, you will not be required to go through the approval process

Purchase Approvals Maintenance

Purchase Approvals Maintenance X

Purchase Approvals Maintenance: GoTo Actions

Approval Code: 10

Description: Manager Approval

Site: 10000

Product Line:

Purchases Acct:

Requested By:

Maximum Amount	Approver
0.00	
0.00	
0.00	
0.00	

- Purchase approval codes allow you to control the amount of money a person can spend
 - Codes defining sets of spending levels may differ by Site and Product Line
 - For noninventory purchases they may differ by the General Ledger Purchases Acct and Requested By
- If purchase approval codes exist, they are automatically assigned to purchase requisitions
- For inventory requisitions, the system assigns an Approval Code by looking for a match in the following order:
 - Site, Purchases Acct/CC <blank>, the Product Line of the item, and Requested By
 - Site, Purchases Acct/CC <blank>, the Product Line of the item, and Requested By <blank>
 - Site, Purchases Acct/CC <blank>, the Product Line of the item <blank>, Requested By
 - Site, Purchases Acct/CC <blank>, the Product Line of the item <blank>, Requested By <blank>
- If no match is found, no Approval Code is assigned; the requisition is flagged as Approved
- For noninventory requisitions, the system looks for a match as follows:
 - Site, Purchases Acct/CC, the Product Line of the item <blank>, Requested By
 - Site, Purchases Acct/CC, the Product Line of the item <blank>, Requested By <blank>
 - Site, Purchases Acct/CC <blank>, the Product Line of the item <blank>, Requested B
 - Site, Purchases Acct/CC <blank>, the Product Line of the item <blank>
- If no match is found, the system approves the requisition.
- If an Approval Code is assigned, the requisition cannot be referenced on an order until it is approved in Requisition Approval Maintenance (5.1.16)
 - The amount determines the person who should approve it
 - Since clerks often enter the actual approval, the system saves both the approver code and the user ID of the person who enters the approval
- If an approval code exists and Approvals Required = Yes in the Purchasing Control File (5.24), the purchase order must reference an approved requisition

If Approvals Required = No, a purchase order without a requisition can be entered

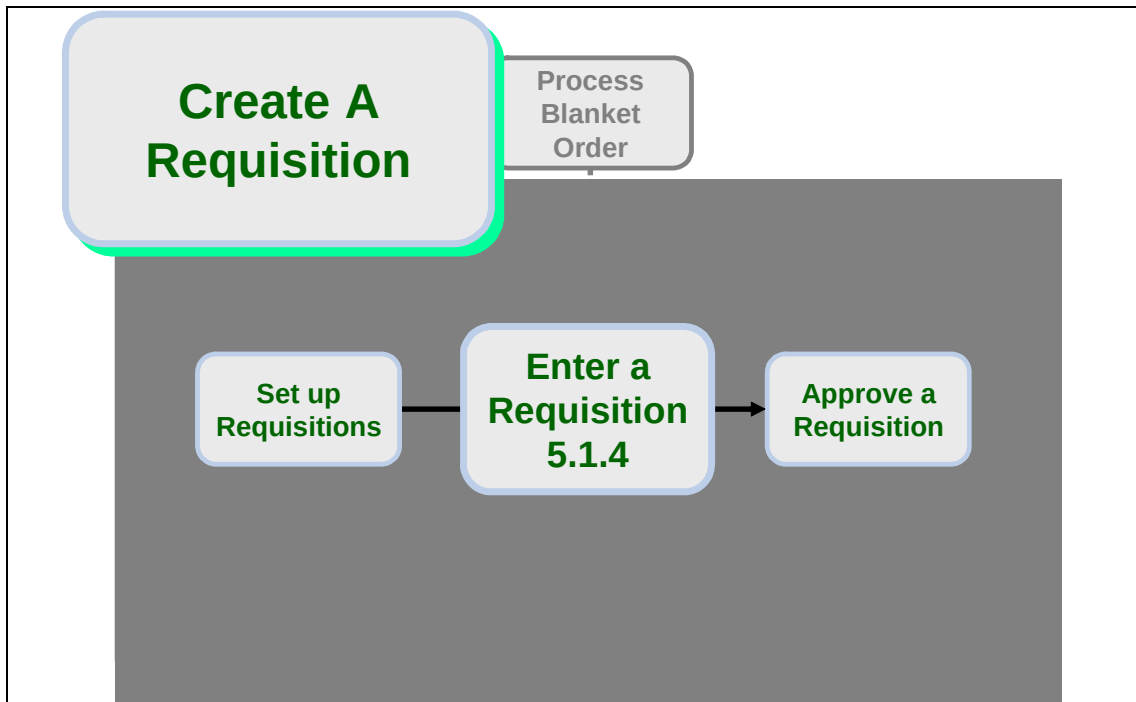
If requisitions are used, only approved requisitions can be entered in the purchase order

- If approvals are needed only for some sites, or some product lines, set up approval codes for those only

The requisition approval is not a control; it is simply a way of recording and tracking who approved a requisition

Controls for requisition approval are provided using formal procedures outside of the system

Enter a Requisition



- A requisition is a way of communicating demand for purchased materials
- It records the need for a specified quantity of an item at a specified site on a specified date
- PO Site specifies which site negotiates the purchase

Annotation 6 Requisitions are usually generated by MRP through Planned Purchase Order Approval (23.11) (insert URL link to this program), but can be entered manually

- Requisitions are usually generated by MRP, but can be entered manually
- A requisition generated by MRP has an Item Number, Site, Qty, Release Date, and Need Date
 - MRP calculates both the Qty and Need Date, setting the Release Date to the Need Date less the purchasing lead time for the item
 - PO Site defaults from the item master
- On manual requisitions, the Item Number, Site, Qty, and Need Date are required
- MRP generates a requisition when you approve an MRP planned purchase order
 - MRP then treats it as a firm planned order
 - If a release date passes without an order, MRP issues an action message
- New requisitions are approved, printed, and referenced on a purchase order
 - The purchase order quantity consumes the requisition quantity until it is zero; then the requisition is deleted
 - Requisitions should be deleted if they cannot be filled
- The referencing of requisitions can be controlled through purchase approvals
 - If Approvals Required = Yes in Purchasing Control (5.24) file, purchase orders must reference approved requisitions: the requisition number can't be blank

When approvals are used, each new requisition is assigned an Approval Code based on the Site, Product Line of the item, Requested By, and Extended Amount

The Approval Code is the name of the authorized approver

To approve a requisition, run Requisition Approval Maintenance (5.1.16), supplying the Approval Code

- Requisitions have no financial effects
 - Pur Acct is not used on requisitions for inventory items
- On requisitions for noninventory items, you must enter all information, including the Unit Cost and the Purchases Account, which are used to determine approval level
 - The Purchases Account is passed to the PO and debited by Purchase Order Receipts (5.13.1)
- You do not have to use approvals
 - Simply do not set up any approval codes
- Requisitions are not used with supplier schedules

Note Companies seeking economies of scale may wish to pass requisitions from many sites to a central purchasing site, possibly on another database.

Simply specify a PO Site on the requisition

When Approved Requisition Print (5.1.17) is run at the PO Site, it sweeps through all sites, including sites on other databases, and prints all requisitions specifying that PO Site

The purchase order entered at the PO Site can then reference the requisitions from the remote sites (the databases must be connected)

These requisitions are consumed, and MRP is updated

When the items are received, inventory is updated in the remote database, but the receiver is created for matching on the PO Site database

- Requisitions may be referenced on blanket orders and regular purchase orders
 - When a requisition is referenced on a purchase order, the requisition quantity is reduced by the quantity ordered
 - When a requisition quantity is satisfied by purchase orders, the requisition is automatically deleted
 - Subsequent references to that consumed requisition are treated as though the requisition were non-existent
 - A requisition recorded on a blanket order is not reduced or deleted until the blanket order is released to create a purchase order
- Requisitions do not specify a supplier or a price
 - For this, consider using blanket orders instead

Purchase Requisition Maintenance

Purchase Requisition Maintenance x

Purchase Requisition Maintenance: GoTo v Actions v

Requisition Number: 1001

Item Number: 30-1000 BATTERIES, LONG-LIFE

Site: train

Quantity: 50

Unit of Measure: EA

Unit Cost: 0.00

Release Date: 09/12/2007 v

Need Date: 09/19/2007 v

Requested By:

Pur Acct: 5100 0200

PD Site: T10000

Print Requisition: ☒ Comments: ☐

Approvals

Approval Code: Extended Amount: 0.00

Approved: ☐ Print Approval: ☒

Approved By: Approved Entered By:

Requisition. • Requisition number uniquely identifies a purchase requisition--an authorization to purchase a particular item or product in a specific quantity for a specific due date

Requisitions may be entered manually or they may be created by approving MRP planned orders

- Requisition number selects specific information to appear on reports and inquiries
- Some companies assign specific ranges of requisition numbers to each buyer or department

Make sure that codes are entered consistently by entering the allowed codes into Generalized Codes Maintenance (36.2.13)

The system verifies entered codes against these predefined values, preventing incorrect codes from being entered

Item Number. • The item that this requisition is for

- Requisitions may be entered for non-inventory or inventory items

Non-inventory requisitions may be for items such as office supplies

In the Item Number field, you can enter the brand, catalog number, or even a short description such as "Pencils" or "Copy Paper"

The unit cost of the item can be recorded and comments can enter a detailed description of the item

If an inventory item is entered, its description is displayed

If a non-inventory item is entered, the description "Item not in inventory" displays

Site. • The site that needs the requisitioned items

- Site codes identify areas where inventory is manufactured or stored: an off-site storage area, a distribution center, a warehouse, a manufacturing facility, or any combination of these

- When a purchase order or blanket order is entered for this requisition, the line item site is set to the site on the requisition

This is the site to deliver the purchase items to

- Site is also used when calculating requisition approval levels based on the requisition amount
Different approvals may be required for each site, product line, person requesting, and purchase account (for non-inventory items)
- Requisitions, approvals, orders, and other purchasing documents and reports may be selected and sorted by site code

Qty. •The quantity of this item needed at this site by the need date specified

- If the requisition is created using the Planned Purchase Order Approval (23.11) function in MRP, the requisition quantity defaults to the MRP planned order quantity
- Quantity and cost determine the approval level required for this requisition
The level depends on the purchase amount--the requisition quantity multiplied by the unit cost
For inventory items, the unit cost is taken from the Item/Site GL material cost
For non-inventory items, the unit cost is taken from the requisition

- Requisition quantity and cost print on all requisition reports and documents

UM. •Validated against predefined values entered in Generalized Codes Maintenance (36.2.13), if any

- If a non-inventory item is entered unit of measure defaults to blank
Otherwise it defaults to the item unit of measure
- The unit of measure for the requisition quantity is usually the purchasing unit of measure
This is not always the same as the item unit of measure
- When a purchase order or blanket order references this requisition, the line item unit of measure defaults to the requisition unit of measure
If left at this value, the purchase order and receipt transaction use this unit of measure
- When an inventory transaction references a unit of measure other than the item unit of measure, the system looks for a conversion factor

Example The item may be held in inventory in the unit of measure [EA] but sold by the [CS], case. A unit of measure conversion can be set up to define the number of [EA] held in a case. If a [CS] holds 25 [EA], the Alternate UM is [CS] and the UM conversion is 25.

Unit Cost. •The normal price you expect to pay for one unit of this item, expressed in the unit measure entered on the requisition

- Quantity and cost determine the approval level required for this requisition
The level depends on the purchase amount—the requisition quantity multiplied by the unit cost
For inventory items, the unit cost is taken from the Item/Site GL material cost
For non-inventory items, the unit cost is taken from the requisition
- Requisition quantity and cost print on all requisition reports and documents
- Unit cost is entered manually only for non-inventory items

When a purchase order is entered for the requisition, the suggested unit cost displays on the line item as the line item unit cost

It may be changed manually

Release Date . •Release date is when a purchase order should be released for this requisition to get delivery of the items when they are needed

- For requisitions created using the Planned Purchase Order Approval (23.11) function, release date is set to the need date less the purchasing lead time for the item
- For requisitions entered manually, release date defaults to system date

Enter a ? to calculate release date as need date less the purchasing lead time

- If this date arrives and a purchase order has not been entered referencing this requisition, MRP prints a “Past Due Release” action message

This MRP action message helps ensure you release purchase orders early enough, a reason to keep your item purchasing lead times up to date

Need Date. •Need date is when the requisitioned items need to be delivered

- For requisitions created using the Planned Purchase Order Approval (23.11) function, need date is set to the due date of the MRP planned order
- For requisitions entered manually, need date is set to system date plus the purchasing lead time for the item

Enter a ? to calculate need date as the release date plus the purchasing lead time for the item

- If the need date arrives and a purchase order has not been entered referencing this requisition, MRP prints a “Past Due” message for this requisition

The requisition also appears on the Past Due Release Report and Inquiry

This MRP action message helps ensure you release purchase orders early enough, a reason to keep your item purchasing lead times up to date

Requested By. •A code identifying the person who requested the purchase

- The system may use this field when calculating purchase approval codes

Pur Acct. •This is the general ledger account code which is normally used to record purchases of non-inventory (expense) items

- The system calculates purchase approval codes for non-inventory requisitions using this account
- The expense account entered on the requisition displays as the default on the purchase order or blanket order line item

PO Site. •If this requisition is for an inventory item, the PO site defaults to the PO site entered for the item

For a non-inventory item, the PO site defaults to the deliver-to site entered on the requisition

- The PO site is where the purchase order for this item is to be generated
- The PO site entered on the requisition determines which purchasing department takes action on this requisition

With distributed purchasing, some items may be purchased at one site for all other sites, allowing your company to take advantage of price breaks or quantity discounts on purchases for the entire company

- When the Requisition Print function is run at the PO site, it picks up all requisitions with this site, regardless of what physical database they are on

When an order is entered referencing this requisition, the system decreases or deletes the requisition from the database it was entered on

Note If you are not using distributed purchasing, the PO site should always be the same as the item (deliver-to) site.

Print Requisition. •Yes = the requisition should be printed

- No = the requisition has been printed

The Requisition Print function automatically sets this flag to No

To skip printing this requisition, set this flag to No manually

Note Normally a formal printed document should print once. The print flag prevents the document from reprinting by mistake. To reprint it intentionally, change the print flag back to Yes using the maintenance function.

Approval Code. •An approval code identifying the type of approval required for this purchase requisition

- The system calculates a required approval level for any purchase requisition, whether it is manually generated or created by MRP

Requisitions requiring approval may not be referenced on a purchase order or blanket order until they have been approved

- Approval codes may have up to four levels of people required to approve a purchase requisition, depending on the purchase cost

Approval amounts may be calculated by site, product line, person requesting, and purchase account (for non-inventory items)

- Approval information is printed on requisitions waiting to be approved

When approvals are entered, an appropriate approval code must be recorded

- The approval code used to approve the requisition must be at a level at least as high as that required to approve the requisition

Otherwise the requisition is not flagged as approved

- It is not necessary to use purchase approvals for everything you buy

Only set up approval codes for things that require an approved requisition prior to purchasing--you may require approvals on all capital equipment purchases but not raw materials

If no approval code exists for the site, product line, purchases account, or requested by entered on the PO, you will not be required to go through the approval process

Approved. •Yes = the requisition has been approved using Requisition Approval Maintenance (5.1.16) function

- Only approved requisitions can be printed and referenced on a purchase order or blanket order

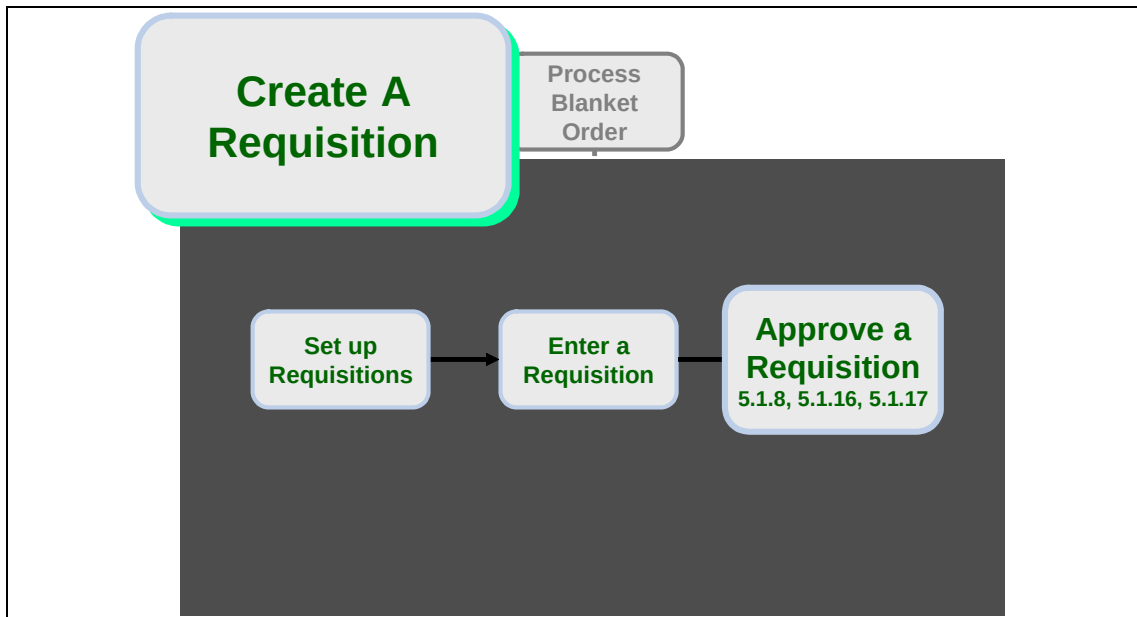
Approved By. •A code identifying the person who approved this purchase requisition

- The person who entered the approval may not be the person who actually approved the requisition

The system tracks both for auditing purposes

- Normally the person who approves the requisition should be the person authorized for this approval amount and approval code

Approve a Requisition



Req Approval Document Print

Req. Approval Document Print

Req. Approval Document Print: GoTo Actions

Item Number: To:

Requisition: To:

Need Date: To:

Requested By: To:

Approval Code: To:

Buyer/Planner: To:

Print Comments: ☒

Update: ☒

Note: Only those requisitions with 'Print Approval' of yes will print

Output:

Batch ID:

- Before a purchase takes place, it may need to be approved; an approval document helps manage this process
- Requisitions are listed by Approval Code, then each requisition prints with a space for approval signatures
- When using requisitions and approvals to control the purchasing process, approval documents are printed and circulated for review and sign-offs
- Once the required signatures are gathered, the requisition is approved and sent to purchasing
- When an unapproved requisition prints, the system sets Print Approval to No
Unless you reset this flag, the requisition will not print on the next approval document
- To reprint an unapproved requisition, if the requisition information has changed, set Print Approval to Yes in Purchase Requisition Maintenance (5.1.4)

Requisition Approval Maintenance

Requisition Approval Maintenance: GoTo Actions

Approval Code: 10 Approver: Unapproved Only: ☒

- Recording a Requisition approval indicates that the approver have reviewed the requisition and approved it for purchase
- There are three parts to the screen:
 - First frame: select the requisitions to review: all those for a particular Approval Code or Approver
 - Middle frame: displays the selected requisitions
 - Bottom frame: specify which requisitions you approve
- The purchase approval cycle goes through the following steps:
 - Requisitions are entered
 - An approval code is assigned automatically based on the Site, Product Line, Requested By, and Purchases Acct
 - Unapproved requisitions are printed and circulated for management approval
 - Approvals are recorded
 - Approved requisitions are printed
 - Purchase orders are entered
- Multiple levels of approvals may be required, depending on the Requisition Amount
- When approvals are entered, the system keeps track of just the last one
- Only when the highest required approval is entered is the requisition flagged as Approved, and only then can you enter a PO for this requisition.
- If you enter an approval by mistake, use Purchase Requisition Maintenance (5.1.4) to remove it
- This function should be password controlled

Approved Requisition Print

Approved Requisition Print x

Approved Requisition Print: GoTo Actions

PO Site: Train

Item Number: To:

Requisition: To:

Need Date: To:

Supplier: To:

Buyer/Planner: To:

Print Suppliers: ☒

Print Comments: ☒

Show Blanket PDs: ☒

Approval Code:

Print Approved: ☒

Print Unapproved: ☒

Note: Only those requisitions with 'Print Requisition' of yes will print.

Output: page

Batch ID:

- Allows Purchasing to review all requests prior to issuing a PO
- This is particularly helpful when multiple sites are submitting requests
- Requisitions are listed by Item Number
- Optionally, can also include a list of supplier quotes and a list of any open blanket orders
- When using approvals, requisitions are printed by Purchasing only after they have been approved

They are printed at the PO site: where the PO is to be entered

Approved Requisition Print lists all requisitions for the designated PO site, including requisitions entered at other sites in the network

Approved Requisition Print sweeps all connected databases looking for requisitions

- When a requisition prints, QAD Enterprise Applications sets Print Requisition = No in Purchase Requisition Maintenance (5.1.4). Unless you reset this flag, the requisition will not print again
- To reprint a requisition, set Print Requisition = Yes in Purchase Requisition Maintenance (5.1.4)

Exercise: Requisitions

Important The data used in this exercise may not be the same as the data shown in the screen captures in this lesson.

Process Requisitions

Instructions: In this exercise you enter and approve a requisition.

- 1 Check to be sure that approved requisitions are required for PO. If they are not, change the Purchasing Control so that they are.

Use Purchasing Control File (5.24)

- 2 Set up an approval code for:

Site:train

Product Line:1000

Maximum Amount:\$500,000

Approver:Yourself

Use Purchase Approvals Maintenance (5.1.1)

- 3 Create a requisition for:

Item Number:02-0005

Site:train

Qty:100

Approval Code:The code you created above

Use Purchase Requisition Maintenance (5.1.4)

- 4 Approve the requisition you just created.

Use Requisition Approval Maintenance (5.1.16)

- 5 Print the approved requisition.

Use Approved Requisition Print (5.1.17)

- 6 Change the approved requisitions for PO flag back to no for future exercises

Use Purchasing Control (5.24)

Chapter 6

Blanket Purchase Orders

Blanket Purchase Orders



Use Blanket Orders

- ✓ Identify some key business considerations before setting up Purchase Orders in QAD Enterprise Applications 2008 Standard Edition
- ✓ Set up Purchase Orders in MFG/PRO
- ✓ Process Purchase Orders in MFG/PRO
- ✓ Use Requisitions
 - Use Blanket Purchase Orders

Introduction to Blanket Purchase Orders

- Blanket Order Flow
- Blanket Order Maintenance: Header 1 of 2
- Blanket Order Maintenance: Header 2 of 2
- Blanket Order Maintenance: Line Items
- Blanket Order Maintenance: Trailer

Print Blanket Order

- Blanket Order Print

Release Blanket Order

- Blanket Order Release to PO (Optional)

Exercise: Blanket Orders

Introduction

- A blanket order is an agreement to purchase items at a specific price during a defined time period, with the actual delivery dates to be determined
- A blanket order assumes that you and the supplier have a long-term relationship
- Blanket orders are useful when you place periodic (daily, weekly, monthly) or recurring orders for the same item

- Blanket orders are usually negotiated in advance of the demand and cover a rather long time period, such as the annual requirement for a key component, with a price based on a volume commitment

Blanket orders monitor the quantity purchased and offer an opportunity to negotiate a good price

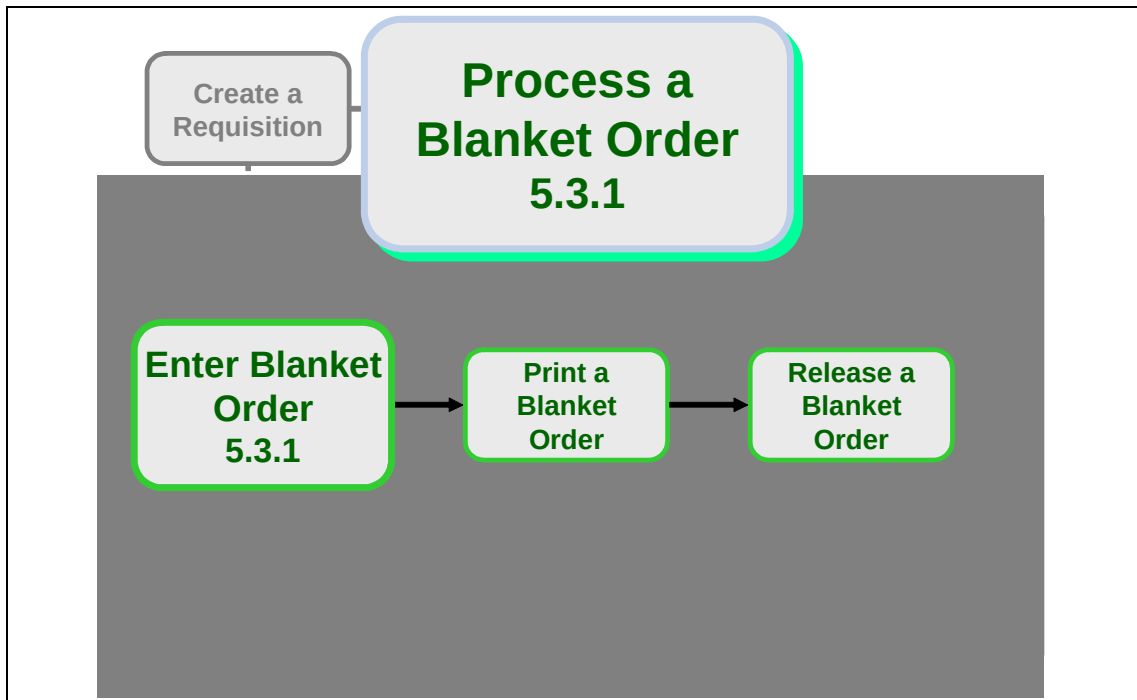
- In general, blanket orders are entered, printed, and released to purchase orders (POs)
Multiple releases can be processed for any blanket order line item, and you specify the quantity to release and the due date
Each release generates a purchase order; all receipts are processed against this PO
- Blanket orders are used for multiple deliveries of stock rather than make-to-order items

Example A manufacturer of circuit boards might buy solder at irregular intervals but always from the same supplier. A blanket order for 12 months, could be set up with the supplier, and each month an order for solder would be released. The amount of solder needed would be specified at the time each order is released.

- The system uses the blanket order as a template to create a purchase order when a release is made
MRP ignores blanket orders and you cannot process receipts against them
However, once the blanket order is released, the resulting purchase order is treated exactly as any other purchase order
- You do not have to specify order and line item due dates during order entry
If you leave these fields blank, the system will assign these automatically when you release the blanket order
- To release a blanket order to a purchase order, the Release field must be set to Yes and the quantity to release must be entered for each line item
If you are releasing orders by cycle code, the blanket order must also have a cycle code
- When blanket orders are released to purchase orders, the system assigns a PO number by appending a release number to the blanket order number
For example, the first purchase order for blanket order 12004 would be 12004001, the second would be 12004002, and so on
- If a purchase order line item is canceled or deleted, the open quantity on the corresponding blanket PO is automatically adjusted
When a receipt is posted against a regular PO, the corresponding blanket order receipt quantity, if any, is also updated
The system closes blanket orders when the order is fully released or when all the lines are closed or canceled
- Blanket orders have no effect on the General Ledger

Note For close supplier partnerships and recurring deliveries, you can use supplier schedules rather than blanket orders. Generated by MRP, these can provide your supplier with visibility into the projected timing of your requirements.

Blanket Order Flow



Blanket Order Maintenance

Blanket Order Maintenance x

Blanket Order Maintenance: GoTo Actions

Purchase Order: P0010004 Supplier: 5004000 Ship-To: 10000000

Supplier

PLASTIC SUPPLY CORPORATION
A DIVISION OF HUGHES INTL.
18 KILGORE ROAD
OXNARD CA 90293
United States of America

Ship To

QUALITY PRODUCTS COMPANY
Corporate Headquarters
9000 World Way
Los Angeles CA 89000
United States of America

Order Date: 09/17/2007

Due Date:

Buyer: KT

Bill To: 10000000

Sales/Job:

Contract:

Contact: ADRIAN JACKSON

Remarks: INCLUDE TEST CERTIFICATION FOR ALL LOT

Price Tbl:

Disc Tbl:

Ln Disc: 0.00%

Site:

Project:

Confirming: ☒

Currency: USD

Taxable: ☐

Fixed Price: ☒

Credit Terms: 30

Entered By: mfg

Requested By:

Imp/Exp: ☐

Language: US

Consign: ☐

0.00

Comments: ☐

Header

- Once you enter the header, the order is stored on the system even if you do not enter any line items
- The order header includes the Supplier, Ship-To, Credit Terms, Currency, Exch Rate, and other general order information
- You are prompted to enter comments only if the Comment flag = Yes on the header or line item frames

Unlimited comment text can be entered, with up to 99 pages, each designated as printing or non-printing

Blanket Order Maintenance x

Blanket Order Maintenance: GoTo Actions

Purchase Order: P0010004 Supplier: 5004000 Ship-To: 10000000

Supplier			Ship To		
PLASTIC SUPPLY CORPORATION			QUALITY PRODUCTS COMPANY		
A DIVISION OF HUGHES INTL.			Corporate Headquarters		
18 KILGORE ROAD			9000 World Way		
OXNARD	CA	90293	Los Angeles	CA	89000
United States of America			United States of America		

Blanket Start: 09/17/2007
 Blanket End:
 Est Value: 0.00
 Release: ☐
 Recurr: ☐

Cycle Code:

Blanket Order: P0010004
 Rel: 0
 Type: B

- Set up a blanket order in either of two ways:

Irregular: when deliveries are irregular or of varying quantities, set Release = No and Recurr = No

When you need a delivery, set Release = Yes and enter the Receipt Qty in Blanket Order Maintenance (5.3.1), then run Blanket Order Release to PO (5.3.6)

Recurring: when deliveries are regular, recurring, and of the same size, set Recurr = Yes and Release = Yes and Receipt Qty to the normal delivery size

Cycle Code. • Specifies the frequency with which purchase orders are released from this blanket order

MO = monthly releases

WK = weekly releases

DA = daily releases

This field may also be left blank

- When a delivery is to be released against an outstanding blanket order, the system can automatically generate the purchase order from the blanket order

When you need a delivery, set Release = Yes and enter the Receipt Qty in Blanket Order Maintenance (5.3.1), then run Blanket Order Release to PO (5.3.6)

It only considers blanket orders flagged with Release = Yes and the specified Cycle Code, if any

- Purchase orders are released with all the blanket order information
- Purchase order line items are created for any blanket order line with a non-zero Quantity to Release

Line Items

Blanket Order Maintenance X

Blanket Order Maintenance: GoTo Actions

Purchase Order: P0010004 Supplier: 5004000 Ln Format S/M: Single

Ln	Site	Req	Item Number	Qty Ordered	UM	Unit Cost	Disc%
1	train		05-0005	5,000,000.0	EA	0.075	0.00%

Qty Received: 0.0 Due Date: CRT Int: 0.00

Qty to Rel: 0.0 Pur Acct: 5100 0600

Single Lot: ☐ Performance Date: Project:

Location: 100 Need Date: Type: B

Revision: Sales/Job: Taxable: ☐

Status: Fixed Price: ☒ Inspect Req: ☐ Cmnts: ☐

Supplier Item: UM Conversion: 1.0000

Manufacturer: Stock UM Quantity: 5000000.0 EA

Description: BARREL Update Avg/Last Cost: ☒

Extended Net Cost: 375,000.00

- If you fill in the optional Req number, the system fills in the Item Number, Qty Ordered, UM, and Purchase Cost
- If you enter your item number, the system displays the GL material cost
- If you enter the supplier's item number, the system accesses data in Supplier Item Maintenance (1.19) and Price List Maintenance (1.10.1.1) to display the Purchase Cost quoted for that order quantity
- You can enter line items in single- or multiple-line mode
 - Specify the default in Purchasing Control File (5.24)
 - More data, such as Due Date and Location, can be entered in single-line mode, but multiple-line entry is quicker
 - You can switch between the two within an order.
- Blanket orders can be for inventory or non-inventory items, but not for subcontracting
- Delivery receipts can be processed only against a PO, not a blanket order
- When you need delivery, enter the quantity to release for each line in Blanket Order Maintenance (5.3.1) and set Release = Yes and run Blanket Order Release to PO (5.3.6)

Trailer

Blanket Order Maintenance x

Blanket Order Maintenance: GoTo Actions

Purchase Order: P0010004 Supplier: 5004000 Ship-To: 10000000

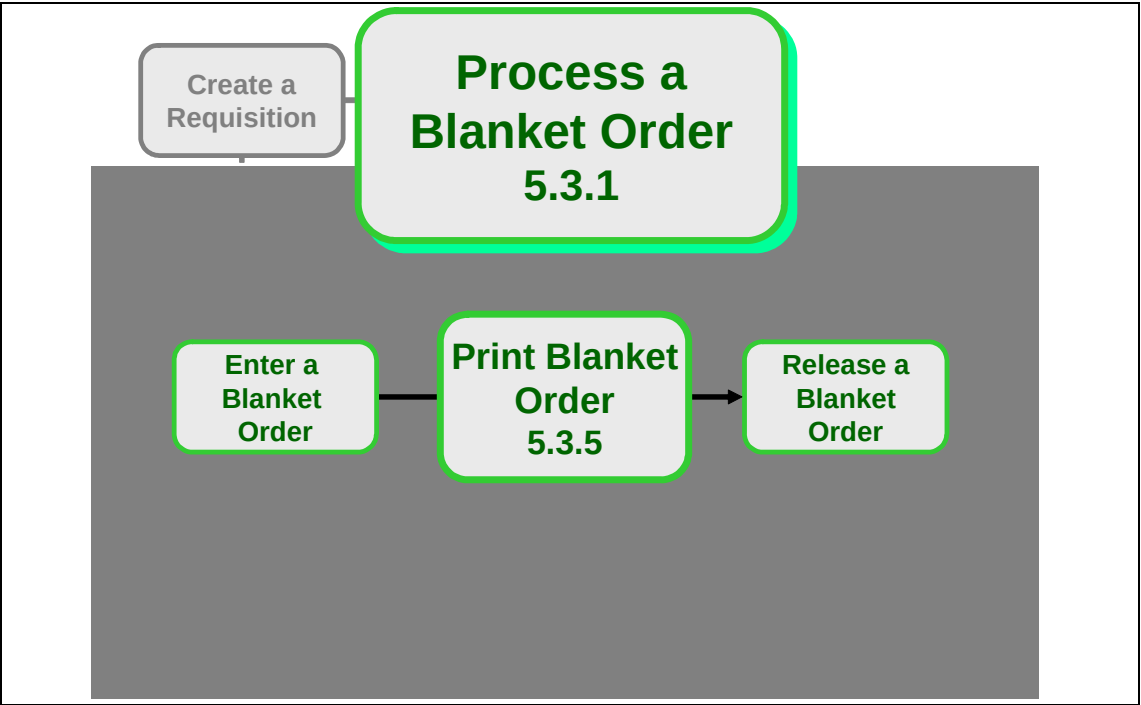
Currency: USD Line Total: 375,000.00
Total Tax: 0.00
Total: 375,000.00

Tax Date: 09/17/2007
View/Edit Tax Detail: 

Revision: Amount Prepaid:
Print PO: ☒ Status:
EDI PO: ☐ Close Date:
AP Account:    FOB:
Deliver To: Ship Via: 

- Once all line items are entered, the system displays trailer information, totaling line items and calculating taxes

Print Blanket Order



Blanket Order Print

Blanket Order Print x

Blanket Order Print: GoTo Actions

Blanket Order:		To:	
Supplier:		To:	
Buyer:		To:	
Blanket Start:		To:	
Language:		To:	
Cycle Code:		To:	
Entered By:		To:	
Requested By:		To:	

To Be Released Only: ☒

Unprinted PO's Only: ☒

Print Bill-To Address: ☒

Include Retained Taxes: ☒

Sort by Site: ☐

Form Code:

Update: ☒

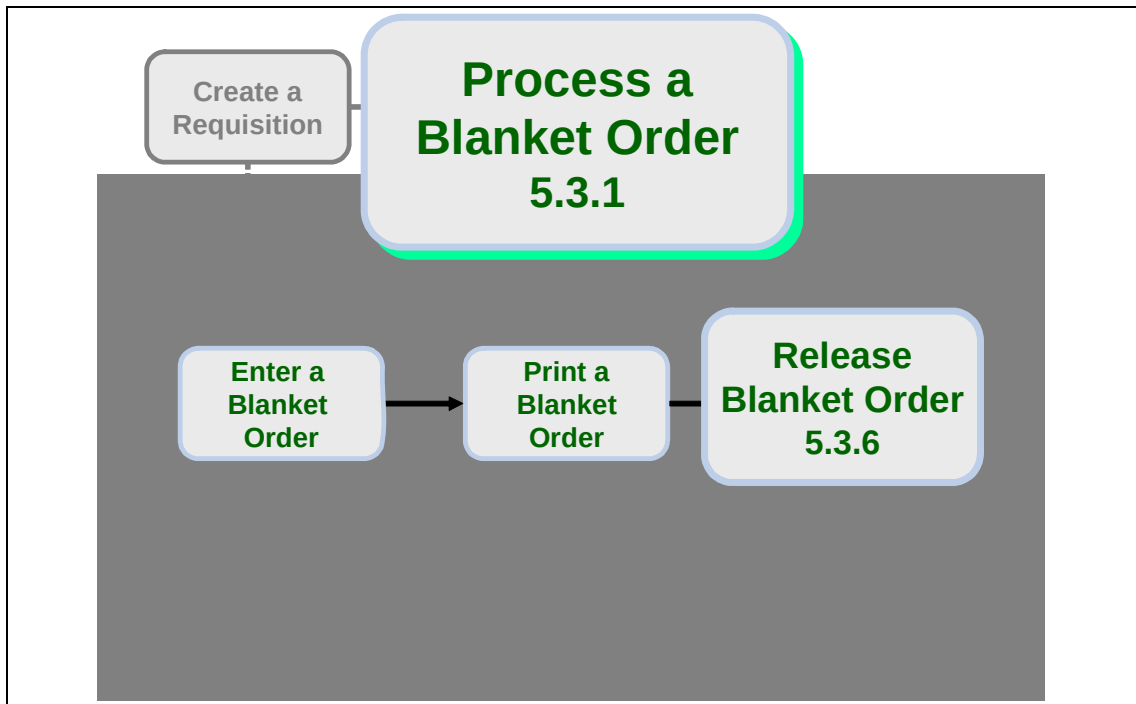
Message:

Output:
Batch ID:

Printing a blanket order works just like printing a regular purchase order using Purchase Order Print (5.10).

Please see in this training guide: *Print the Purchase Order* on page 97

Release Blanket Order



- Blanket Order Release to PO (5.3.6) generates purchase orders for open blanket orders that are ready for release
- This function should be password-controlled

Blanket Order Release to PO (Optional)

- The system generates a purchase order for each blanket order released
The PO number equals the blanket order number followed by a sequential release number: blanket order 123456 generates POs 12345601, 12345602, and so on
- When a delivery is to be released against an outstanding blanket order, the system can automatically generate the purchase order from the blanket order
- The Blanket Order Release to PO (5.3.6) function creates orders based on the blanket order Release, Cycle Code, and line item Quantity to Release values
It only considers blanket orders flagged with Release = Yes and the specified Cycle Code, if any
- The PO information is taken from the blanket order
- Purchase order line items are created for any blanket order line with a non-zero Quantity to Release
- Line item Qty Ordered is set to the Quantity to Release, and Due Date is set to the Due Date on the release
If a due date is entered on the blanket PO line then that due date is used on the released PO
- If a line item is closed or cancelled, Blanket Order Release to PO (5.3.6) does not release orders for those items
- When you need delivery, enter the quantity to release for each line in Blanket Order Maintenance then set Release to Yes and run Blanket Order Release to PO (5.3.6)
- The number of releases and the total quantity released is maintained on the blanket order
- Each release checks that the total quantity released does not exceed the blanket order quantity

Note If you release an item by mistake, use Purchase Order Maintenance (5.7) to cancel or delete the line. This adjusts the quantity open on the blanket order. Do not change the line item quantity on the PO, since this does not update the blanket order.

Blanket Orders Exercises

Important The data used in this exercise may not be the same as the data shown in the screen captures in this lesson.

Blanket Orders

Instructions: In this exercise you enter a blanket order and release some items. Blanket orders are used to record purchase agreements such as yearly contracts for your suppliers to supply a given quantity of raw material at a given price. During the year you then release delivery requests against this contract, automatically creating a purchase order.

- 1 Quality Pencil Company has negotiated a contract with Plastic Supply Corporation (supplier 5004000). They have agreed to purchase 5,000,000 plastic pencil barrels (item 05-0005) over the next 12 months. In return, PSC has agreed to a price of .075 EA, a significant savings over their regular price of .12 EA.

a Record this contract as a blanket order. (Use site train, Release = No.)

Note Blanket Order Maintenance

- 2 Print the blanket order (To Be Released Only = No) and verify the information.

Note Blanket Order Print

- 3 Quality Pencil needs 20,000 plastic barrels next Monday. Modify the blanket order so that they can make this delivery release as follows:

Set Release to Yes (in the header)

The line item Qty To Rel to 20,000

Revision to 1

Line item Due Date to next Monday.

Note Blanket Order Maintenance

- 4 Release the delivery for the blanket order and the appropriate due date.

Note Blanket Order Release to PO

- 5 Look at the purchase order that was created by the release (PO number followed by three-digit numeric code).

a Notice that all the information was maintained along with the correct line item quantity and unit cost.

b Once the blanket order has been released to purchasing, it is handled exactly the same way as a regular purchase order.

Note Purchase Order Maintenance

- 6 Review the blanket order. Notice the quantity ordered is still 5,000,000. However, the quantity open has been decreased by 20,000.

Note Blanket Order Browse/Inquiry

7 Receive the purchase order created by the release.

Note Purchase Order Receipts

8 Review the blanket order again. Notice the quantity received has been updated.

Note Blanket Order Browse/Inquiry.

Appendix A

Workshops and Study Questions

Setup/Implementation

Setup Workshop

Instructions: Pick one of the companies you have been working with so far, kitchen products or beverages, whichever you like. List the raw materials and components that you want to set up. These are the items that you need to purchase.

- 1 First, make sure that each of the items are set up with the appropriate planning information. In particular, what fields do you need to check?
- 2 See if you have any open sales orders for your finished items. (If not, plug in a forecast.)
 - a Run Selective MRP for your product line. This should generate some requirements for your purchased items.
 - b Take a look at the Planned Order Browse/Inquiry.
- 3 Approve one of the planned purchase orders. Look at this in the Purchasing menu. Where did you look?
- 4 Add a new supplier for this item.
 - a What if you send payments to a different address?
 - b Where do you enter this?
- 5 This supplier supplies you with at least two of your component items. Set this up in the system. Enter both a quote quantity and cost.
- 6 Enter a purchase order for this supplier. Order exactly 1,000 units. (Do not specify a requisition.)
 - a Enter the supplier's item number on the PO line.
 - b What happened?
- 7 Enter another purchase order and specify a requisition.
 - a After you finish, take a look at the requisition.
 - b What happened?
- 8 Purchasing can also be used for non-inventory activities. Assume you are refurbishing your office. Add a new supplier and enter a purchase order for some new furniture.
 - a What is the line item type on the purchase order?
- 9 You are now establishing data entry procedures for purchasing non-inventory items. Look at the purchase order line item detail screen.
 - a Which fields would be handled differently for non-inventory purchases?
 - b Of these, which should you make sure are entered on this type of PO?

Study Questions for Setup

- 1 What are the two sources of a requisition?

- 2 How would you set up the system if you wanted to use requisition approvals at one site and not at another, when running both in the same database?

- 3 When you enter a purchase order, where does the line item unit cost come from? List three sources and when they are used.

- 4 Overshipment tolerances apply to all product lines and sites in a database.
 True or False
 Why?

- 5 A purchase order line item of type S identifies a _____ purchase. This type of purchase order normally specifies the _____.

- 6 If you are not using Accounts Payable, you should set the Receiver Type to zero in the Purchasing Control.
 True or False
 Why?

Processing

Processing Workshop

- 1 Select the order you entered in step 6 of the previous workshop. (This should be an order for 1,000 units. If you do not have one, enter a new one.)
 - a Receive 999 units and cancel the backorder.
 - b How did you do this?

- 2 You made a mistake, you processed a receipt for 999 units, but it should have been 99.
 - a Fix it.
 - b What did you have to do?

- 3 Of the 99 units you received, 25 of them did not pass inspection.
 - a Send them back to the supplier.
 - b What function did you use?
- 4 Receive the items for your office (from step 8 of the previous workshop).
 - a Review the receivers and verify the GL transactions.
- 5 Receive all of the other purchase orders for your raw materials.
 - a What location did the system assume you would receive these into?
 - b Where did this come from?
- 6 If you get a chance, go into Accounts Payable and enter the supplier invoice for your furniture. Use Voucher Maintenance and enter your PO number. Notice that this brings in all of the PO information—supplier, terms, and so on.
 - a On the receiver screen, do a lookup browse at Receiver number and a list of all your receipts appears.
 - b Try vouchering one or two lines.
 - c Notice the variances that appear if you voucher a different quantity than was received or at a different price than was on the PO.

Study Questions for Processing

- 1 Purchase order receipts processed for line item Type M (memo) or S (subcontract) do not affect inventory.
 Receipts of line item type M increase the balance (debit) in the GL _____ account.
 Receipts of line item Type S normally increase the balance (debit) in the GL _____ account.
- 2 Items can be received into only one site at a time. If you need to receive into another site, you need to process another Purchase Order Receipts transaction.
 True or False
 Why?
- 3 Processing a negative receipt in Purchase Order Receipts automatically generates a return document to send to your supplier.
 True or False
 Why?
- 4 How do you process a return to supplier if the purchase order has been closed?
- 5 Returning items against a PO automatically reopens the PO and flags the returned quantity as “on order.”
 True or False
 Why?

- 6 What is a PO price variance? How is it calculated? When is it created?
- 7 If the unit cost on a subcontract purchase order differs from the standard subcontract cost on the work order routing, the difference is posted as a PO price variance.

True or False

Why?

Blanket Order Workshop

Exercise 1

Instructions: In this exercise you enter blanket order and release a part of the blanket order to a PO.

- 1 Make sure that you do not need to use approved requisitions to generate a PO.
- 2 Create a blanket order for:
 - Supplier:5004000
 - Blanket Start:one month ago
 - Blanket End:one month from today
 - Release:no
 - Recur:no
 - Cycle Code:blank
 - Site:train
 - Item Number:02-0005
 - Qty Ordered:1000
- 3 Print the blanket order you just created.
 - To Be Released Only:no
- 4 Generate a PO from the blanket order you just created to release 100 of item 02-0005.
Use Blanket Order Maintenance and Blanket Order Release to PO
- 5 Review the purchase order that you created.
 Note: this is *not* the same order number as your blanket order.
 Verify that the data from your blanket order has been copied to the purchase order.
Use Purchase Order Maintenance

Exercise 2

- 1 Enter a blanket order.
- 2 Prepare the blanket order for release. What fields did you have to enter in Blanket Order Maintenance to do this?

- 3 Release the blanket order. Look at the resulting purchase order. Note the purchase order number it was assigned.

Blanket Order Study Questions

- 1 What two fields do you need to check before you can release a blanket order to an order?
- 2 Blanket purchase orders are just like requisitions. MRP treats them as firm planned orders.
True or False
Why?
- 3 The first time you release a purchase order from blanket order number BP3, the purchase order number is set to _____.
- 4 Once the blanket order quantity has been released, no more releases can be processed against it.
True or False
Why?
- 5 You work with one supplier who provides all of your printed product manuals. Usually you use about 12,000 units a year, and they have quoted you a fixed price based on this volume. Manuals are not planned by MRP, they are just set up on a reorder point. Although sometimes your needs change, usually you order 2,000 every two weeks.
What fields in Blanket Order Maintenance identify this situation?

Answers to Workshops and Study Questions

Setup Workshop

- 1 Pur/Mfg should be set to P for purchased items. In addition, you enter the purchasing lead time and the purchasing (PO) site. If the item needs to be inspected, you should set Ins Req'd = Yes and enter an inspection lead time. Minimum, Maximum, and Order Multiple may also apply depending on the type of product, as does Reorder Point.
- 2 Use Purchase Requisition Browse/Inquiry. The requisition number should be the planned order number, unless you changed it during the approval.
- 3 Use Supplier Maintenance and Supplier Remit-to Maintenance.
- 4 Use Supplier Item Maintenance.
- 5 When you entered the supplier item number, the system retrieved your item number and the supplier's quoted cost.
- 6 When a requisition is referenced on a purchase order, the system subtracts the purchase order quantity from the requisition quantity. If the purchase order quantity is greater than or equal to the requisition quantity, the requisition is deleted automatically.
- 7 Line item type M for Memo indicates a non-inventory purchase.
- 8 Like any other PO, you need to enter the item, quantity, unit of measure, and unit cost. Since the purchase is non-inventory, the location information is not really needed. The key here is that you should always enter the appropriate GL expense account in the Purchases field for this type of PO.

Setup Study Questions

- 1 Requisitions can be entered manually or created by approving an MRP planned purchase order.
- 2 First, you need to set Approvals Required = Yes in the Purchasing Control. Then, set up approval codes for only the one site. Do not set up any for the other site.
- 3 Line item unit cost defaults from:
 - Price list and discount table specified in the supplier item table
 - Supplier item quote cost, if no price list is specified and if the order quantity exceeds the quote quantity
 - GL material cost for the item
- 4 True.
- 5 A purchase order line item of type S identifies a SUBCONTRACT purchase. This type of purchase order normally specifies the WORK ORDER (NUMBER, ID, and OPERATION).
- 6 False. Receivers are created regardless of whether or not you are using Accounts Payable. Receiver Type indicates whether you print them.

Processing Study Questions

- 1 Purchase order receipts processed for line item type M or S do not affect inventory.
 - a Receipts of line item type M decrease the balance (credit) in the GL EXPENSED ITEM RECEIPTS account and increase the balance (debit) in the PURCHASE EXPENSE account on the PO line.
 - b Receipts of line item type S normally increase the balance (debit) in the GL WORK IN PROCESS account.
- 2 False. Multiple sites, locations, lot/serial numbers, and lot references can be specified on any line item receipt.
- 3 False. The Purchase Order Returns transaction generates a return document that can be printed using Purchase Return Document Print.
- 4 Purchase Order Returns can be processed only against open orders. If the PO is closed, the system prompts you to reopen it; then process the return against it.
- 5 False. You have to put the items on order manually. The system does not assume you will be replacing them.
- 6 PO price variance is calculated as the difference between the PO cost and the GL cost, multiplied by the number of items received. It is only calculated for inventory items, and is created at the time of PO receipt.
- 7 False. This creates a subcontract rate variance, not a PO price variance.

Processing Workshop

- 1 You can cancel the backorder during the PO Receipt or you can go into Purchase Order Maintenance and change the line item status to X, for canceled.
- 2 Since the line item was canceled, if it was the only line item on the order, the whole order is canceled. The first thing you must do is reopen the purchase order. After that, you must fix your error. The best way is to reverse the original entry by processing a negative receipt (-999). Then receive the correct quantity of 99.
Do not use a Purchase Order Return to Supplier to correct this error, since this would look bad on the supplier performance report, and you would not want that.
- 3 Use Purchase Order Returns.
- 4 Use Purchase Receipt Browse/Inquiry and the Transactions Detail Browse/Inquiry.
- 5 Items and PO lines set up as Inspection Required = Yes are received into the inspection location specified in the Purchasing Control. If inspection is not required, the location defaults to the location on the PO line, which defaults from the location entered in Item Inventory Data Maintenance.

Blanket Order Workshop (Exercise 2)

- 1 Release = Yes and Quantity to Release.

Blanket Order Study Questions

- 1 Quantity to release should be entered and the Release flag set to Yes.
- 2 False. Blanket orders are not considered by MRP.
- 3 The first time you release a purchase order from blanket order number BP3, the purchase order number is set to BP3001.
- 4 True. Once the quantity has been reached, no more releases can be processed until the open quantity is increased inside the blanket order.
- 5 Usually you set up this type of quote as Recurring = Yes, with Blanket Order Quantity [12000] and Quantity to Release [2000]. You can also set Release = Yes, and since releases are to be on a regular basis (biweekly), you can set Cycle Code = BI.

Appendix B

General Ledger Effects in Purchase Orders

Function	Notes	DR / CR	Account	Defaults From
5.13.20 or 5.5.5.11 PO Shipper Receipts	Inventory items	DR	Inventory	1.2.13 ^{aa}
		CR	PO Receipts	1.2.1
		CR	Applied Overhead	1.2.1
		DR/CR	PO Price Variance	1.2.1
		DR/CR	Purchase Gain/Loss (Multiple currencies only)	26.1
	Subcontract items, work order specified	DR	Cost of Production	1.2.1
		CR	PO Receipts	1.2.1
		DR	Work in Process	16.1
		CR	Cost of Production	1.2.1
		DR	Subcontract Usage Variance	16.1
		CR	Work in Process	16.1
	Subcontract items, work order not specified	DR	Cost of Production	1.2.1
		CR	PO Receipts	1.2.1
	Non-inventory Items	DR	Purchases	5.7
		CR	Expensed Item Receipts	36.1
5.13.7 PO Returns	Inventory Items	DR	PO Receipts	1.2.1
		DR	Applied Overhead	1.2.1
		CR	Inventory	1.2.13 ^{aa}
		DR/CR	PO Price Variance	1.2.1
		DR/CR	Purchase Gain/Loss (Multiple currencies only)	26.1
	Subcontract items, work order specified	DR	PO Receipts	1.2.1
		CR	Work in Process	16.1
		DR/CR	Subcontract Usage Variance	1.2.1

Function	Notes	DR / CR	Account	Defaults From
	Subcontract items, work order not specified	DR	PO Receipts	1.2.1
		CR	Cost of Production	1.2.1
	Non-Inventory Items	DR	Expensed Item Receipts	36.1
		CR	Purchases	5.7

aa The GL account defaults from the inventory item/site account in Inventory Account Maintenance if one is set up; otherwise, from Product Line Maintenance.

Appendix C

Purchase Order Reports

Menu	Report	Function/Purpose
5.9.1	PO by Order Report	This report lists the purchase orders by number. It includes all items, quantities, and costing information, as well as the current status.
5.9.2	PO by Supplier Report	This report lists the purchase orders by supplier. It includes the same information as 5.9.1.
5.9.3	PO by Item Report	This report lists the purchase orders by item numbers. It includes the same information as 5.9.1.
5.9.4	PO Commitment Report	This report lists PO commitments to suppliers for open PO line items. It prints commitment amounts split into eight columns (buckets) according to your parameters. The first bucket, prior periods, is a total for commitments prior to the start date. The next six buckets are for periods after the start date, and the last bucket is the total of commitments beyond the sixth bucket. Periods may be Days, Weeks, Months, or GL calendar Periods, and you can have more than one period per column.
5.9.6	PO Supply Schedule	This report lists, by supplier, items due to be received. It prints quantities in eight columns (buckets) according to your parameters. The first bucket, prior periods, is a total for items due to be received prior to the start date. The next six buckets are for periods after the start date, and the last bucket is the total of commitments beyond the sixth bucket. Periods may be Days, Weeks, Months, or GL calendar Periods, and you can have more than one period per column.
5.9.13	Receipt Transactions Inquiry	Displays PO receipts by supplier and receiver number; it includes quantities, costs, and variances.
5.9.14	Receipt Transactions Report	This report lists PO receipts by supplier and receiver number; it includes quantities, costs, and variances
5.9.18	Supplier Performance Report	This report shows supplier performance, with early, late, and on-time deliveries, as well as percentage returned. On-time deliveries are based on the perform date on PO line item, the date the delivery was actually received, and the tolerance of days early and days late you specify on the report.
5.9.20	PO Change History Inquiry	Displays all changes made to POs, such as revisions, pricing changes, and so forth. This data is recorded in the system only if you set the Keep Booking History field to Yes in the PO Control.
5.9.21	PO Change History Report	This report lists various changes made to POs, such as revisions; item, quantity, and price changes, and so forth. (Note that date changes are <i>not</i> included.) This data is recorded in the system only if you set the Keep Booking History field to Yes in the PO Control.
5.9.22	PO Change History by Item	This report lists, in item number sequence, all changes made to POs, such as revisions, pricing changes, and so forth. This data is recorded in the system only if you set the Keep Booking History field to Yes in the PO Control.

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