Purchase Orders

Last Modified on 12/08/2023 8:45 am CST

Overview

Track the ordering of product through the system at *Inventory / Purchase Order*. For regular purchases, this is an optional step. However, if prepaying a vendor for specific product, a prepaid Purchase Order is used to track the payment to the vendor and the receipt of the product.

Selecting **Start With** is helpful when adding several similar Purchase Orders. Enter one Purchase Order then use that as a template for entering the remaining loads changing the ticket number, quantity, etc. **Start With** is found on the *Select A Purchase Order* screen at *Inventory / Purchase Order*.

Purchase Orders are often used for prepaying a Vendor for specific Products.

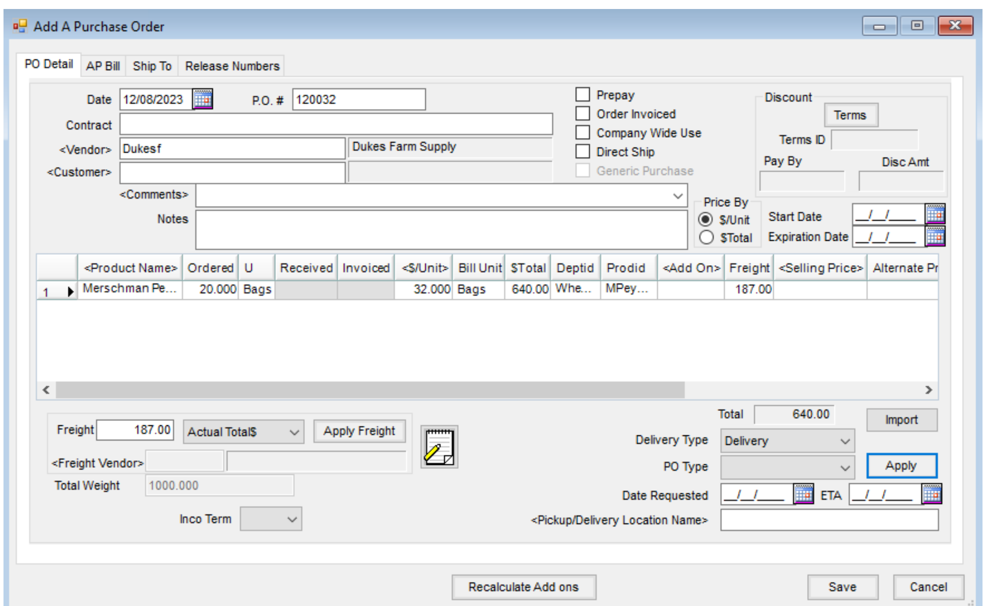
When a file is created for an electronic Purchase Order, the Estimated Freight *Vendor ID*, *Name*, *Type*, and *Amount* are included in the file.

Purchase Orders are optional but recommended when Prepaying the vendor for product at a specific price. This process helps track prices quoted and product received and invoiced.

See here for the process of including Add-On Charges on transactions.

Add a Purchase Order Window

PO Detail



- **Date** – This date is when the order was placed.
- **P.O. #** – This number can either be automatically incremented or entered manually. Choose the preferred

numbering option at *Setup / Locations* on the *Preferences* tab.

- **Contract –** A vendor contract number may be entered if the Purchase Order is a part of or fulfills a vendor contract.
- **Vendor –** Double-click to display the *Vendor Selection* screen.
- **Customer –** If this order is for a specific customer, optionally select that customer. If the *Direct Ship* option is selected, choosing a customer is required.
- **Comments –** Optionally enter any comments. By selecting the chevron at the end of the *Comments* field, saved comments may be chosen.

  Note: To add a new comment to the list of saved comments, double-click the *<Comments>* label.
- **Notes –** Additional notes may be entered. When using the *Direct Ship* option, the notes entered in this area transfer to the Delivery Ticket.
- **Prepay –** Indicate if this PO is prepaid.
- **Order Invoiced –** This option is set automatically when the Product is completely invoiced. It can be manually set on orders that are complete but may have fallen short of the original quantity.
- **Company Wide Use –** This option is used by multi-site companies, particularly those working in a single database. Select this option if the Product ordered could be delivered to other locations within the company (therefore not an exact Product match at the Department level).
- **Direct Ship –** For orders that ship directly from the Vendor to the Customer, this option may be selected. Selecting this option requires that a customer be selected in the *Customer* area. When receiving is done against a Direct Ship Purchase Order, a loaded Delivery Ticket is created including the pricing for the specified customer.
- **Generic Purchase** – Prepaid Purchase Orders can be marked as a *Generic Purchase.* This allows a Purchase Order and Bill to be generated and the money to be used on Products as necessary. When a Generic Purchase Order is selected on a Purchase Invoice, the Purchase Order is selected in addition to the Product that was received.
- **Price By –** Choose which column is the known dollar figure and which will be calculated. The chosen column can be edited and the other will be calculated. If *$/Unit* is selected, then enter the unit price or double-click in that column to display the pricing levels to choose from for that line item.
- **Discount –** If discounts are offered on the Purchase Order, select **Terms** once the Products are entered. Use a predefined discount option or enter the discount information directly. Either a flat percentage or graduated discount (up to five levels) may be used. Key in a percentage or flat dollar amount of discount. If the vendor has a standard discount structure, it can be set up at *Hub / Setup / Payment Terms.* The vendor default can additionally be set in the *Terms Code* at *Accounting / File / Open / Vendor* on the *Profile* tab. Any discounts used are prorated across all items on the Purchase Order based on percent of total dollars.
- **Freight** – If the freight charge is part of the bill from the product vendor, select either *Actual Total$* or *Actual $/Unit.* If the freight charge will be billed through a third party, select *Estimated Total$* or *Estimated $/Unit.* In

either case, when the freight is applied, it prorates over all line items on the Invoice based on the total cost. If the products have mixed Inventory Units, prorate the cost manually by scrolling in the grid to the right and overriding the freight amounts.

- **Total Weight** – The total weight of all products on the Purchase Order is displayed as information only to aid in calculating freight for the transaction.
- **Inco Term** – Optionally select the *Inco Term* code applicable to this Purchase Order. If selected, the Inco Terms are included in the electronic PO file. Inco Term codes are established at *Setup / Inventory / Inco Terms*.
- **Quote Icon** – If quotes exist on the Vendor file, this icon displays as either white or red.
- **Import** – Select **Import** to open the *Import Purchase Order* window. The import must have a Product Attribute set up and then selected here. The file layout must be a tab delimited file with the following layout:

```
Agvance Product ID  Product Name  Status (Not Used)  $/unit  quantity  Not Used
urea                urea          Pending              5000      2000         0
```

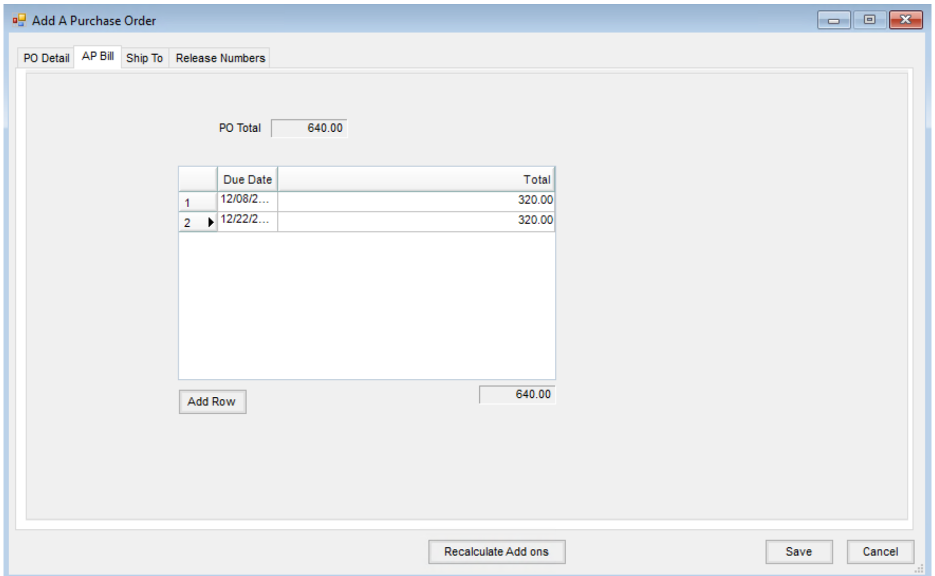
- **Delivery Type** – Select whether this Purchase Order will be delivered or picked up.
- **PO Type** – Optionally select the PO type.
- **Date Requested** – Entering the date the Product is requested is optional. This date is included in the electronic PO file.
- **ETA** – Optionally enter an Estimated Time of Arrival date. This can be edited after the Purchase Order is saved.
- **Pickup/Delivery Location Name** – Double-click to optionally select a Pickup or Delivery Location name. These pickup and delivery location names are established at *Setup / Preferences* on the *Inventory Purchase* tab by selecting **P.O. Pickup / Delivery Locations**.
- **Reconcile Seed** – When editing a Purchase Order, this is available. Using this on a Purchase Order associated with Grower Order searches the Grower Orders and displays the amount for each product on the Purchase Order.
- **Accept Seed Amounts** – This is only available when editing a Purchase Order. Once the quantities are displayed by selecting **Reconcile Seed**, the amounts may be verified and this can be selected to accept the quantities and overwrite the PO quantities with the new quantities found on the Grower Orders.
- **Recalculate Add ons** – When product information changes, this is used to recalculate the add-on charges on all line items.
- **Select PO Message** – For vendors set up for Delivery Confirmation messages in B2B at *Setup / Purchase Order Confirmation Message*, choose this to view and import previously downloaded messages as well as retrieve new messages from the FTP site. Choose to **Accept** a Delivery Confirmation on the *Select PO Message* window and save the Purchase Order or **Reject** to not create a Purchase Order. A message will be sent to the FTP site to return to the vendor the status of the order or to inform of the rejection.

Product Grid

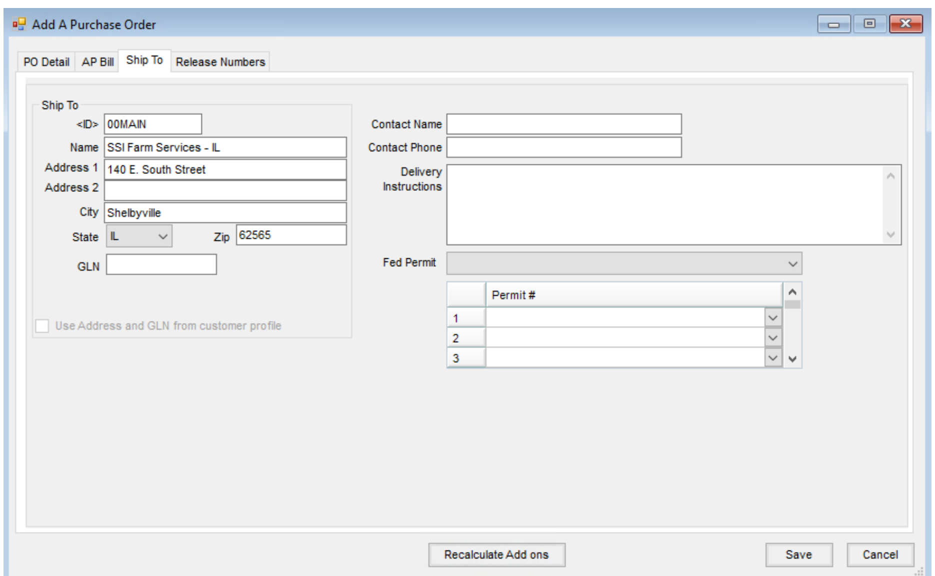
- **Product Name –** Double-click in the *<Product Name>* column to bring up the *Select Product* screen. Choose the items for the Purchase Order.
- **Ordered –** Enter the quantity ordered in Inventory Units.
- **Received –** When viewing an existing PO, this column displays the quantity already received against it.
- **Invoiced –** This shows the quantity already entered on Purchase Invoices when viewing an existing PO.
- **$/Unit –** Enter the price per billing unit here. If the Purchase Order is set to price by *$/Unit*, type the price in this column or double-click to select the cost from a list of costs on the Product file.
- **Bill Unit –** This displays the Billing Unit for the Product.
- **$ Total –** This equals *$/Unit * Ordered quantity*. If the Purchase Order is set to price by *$Total*, key the total cost of each line item into this column. If set to price by *$/Unit*, this amount calculates upon selecting **Apply**.
- **Deptid –** This displays the Department ID for the product.
- **Prodid –** The Product ID is displayed.
- **Add-On –** If Add-On charges apply to the line item, they either automatically default here or may be manually added.
- **Freight –** If there is freight information in the bottom left *Freight* area, the freight cost for each line item appears in this column. This amount may be edited if necessary.
- **Selling Price –** For Direct Ship Purchase Orders, the selling price is entered in this area. This price will be transferred to the customer Delivery Ticket.
- **Alternate Product ID –** If an alternate Product ID exists on a Product, this ID can optionally display on the PO.
- **EPA Num** – If an EPA number exists on the Product, the number is displayed in this column.
- **PO Request # –** If this Product originated on a Purchase Order Request, after the approved PO Request is selected, the PO Request number displays in this column.
- **Total Weight –** The total weight of the Product (*Amount * Unit Weight from Product profile*) is displayed.

A/P Bill

If the Purchase Order is marked as prepaid, then information on the *A/P Bill* tab will be active. Select **Add Row** to enter the *Due Date* and *Total* amount for the Bill(s) to be created for the Prepay amount.



Ship To



- **ID –** If a customer is selected on the *PO Detail* tab and the *Use Address and GLN from customer profile* is selected, the address from the Customer file defaults. If the order is shipping to a company location, double-click to select the *ID* for the location receiving the product, or the name and address may be manually entered. The *Ship To* address entered prints on the Purchase Order document.
- **GLN –** If a customer is selected on the *PO Detail* tab and the *Use Address and GLN from customer profile* is selected, the Customer's GLN from the Customer file defaults into this area or the GLN may manually be entered.
- **Use Address and GLN from customer profile –** Select this option if the *Ship To* name, address, and GLN should default from the Customer file when a Customer is selected on the *PO Detail* tab.
- **Contact Name –** The contact name for the Purchase Order may be entered here. This information is included

in the electronic file if created.

- **Contact Phone** – The contact phone number for the Purchase Order may be entered here. If an electronic file is created for the Purchase Orders, the phone number is included in the file.
- **Delivery Instructions** – Enter any delivery instructions in this area. They are included if an electronic file is created.

Direct Ship

- **Fed Permit** – Purchase Orders marked as *Direct Ship* on the *PO Detail* tab will have the Customer's federal permit and/or state permits. Multiple permits can be selected from the *Permit #* drop-down(s) in the grid.

Release Numbers

Release Numbers may optionally be entered for the items on the Purchase Order.

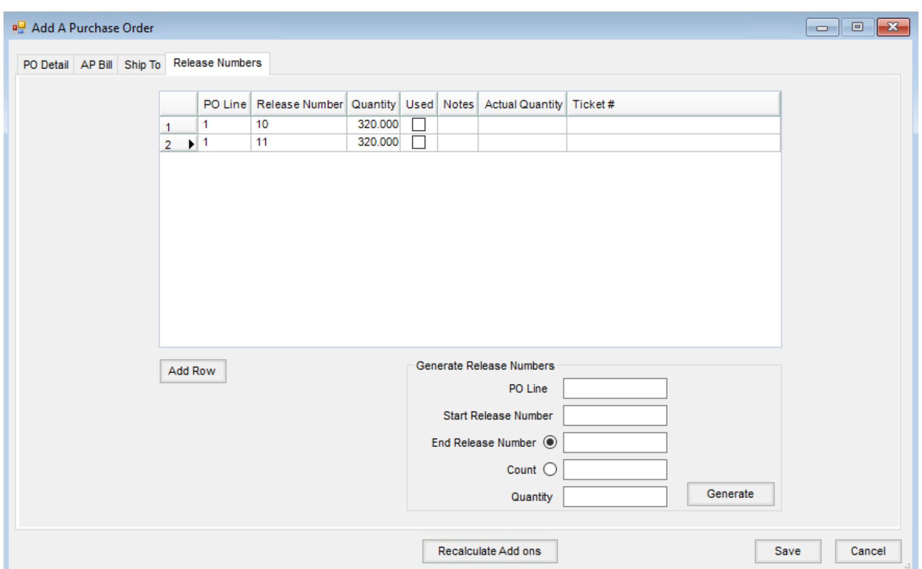
Select **Add Row** to add a Release Number. When the Purchase Order contains multiple line items, enter the*PO Line* the Release Number references. Enter the *Release Number* and specify a *Quantity*.

Mark the row as *Used* when the load is received. Optionally add a *Note* to each row.

Use the *Generate Release Numbers* area to generate many Release Numbers at a time.

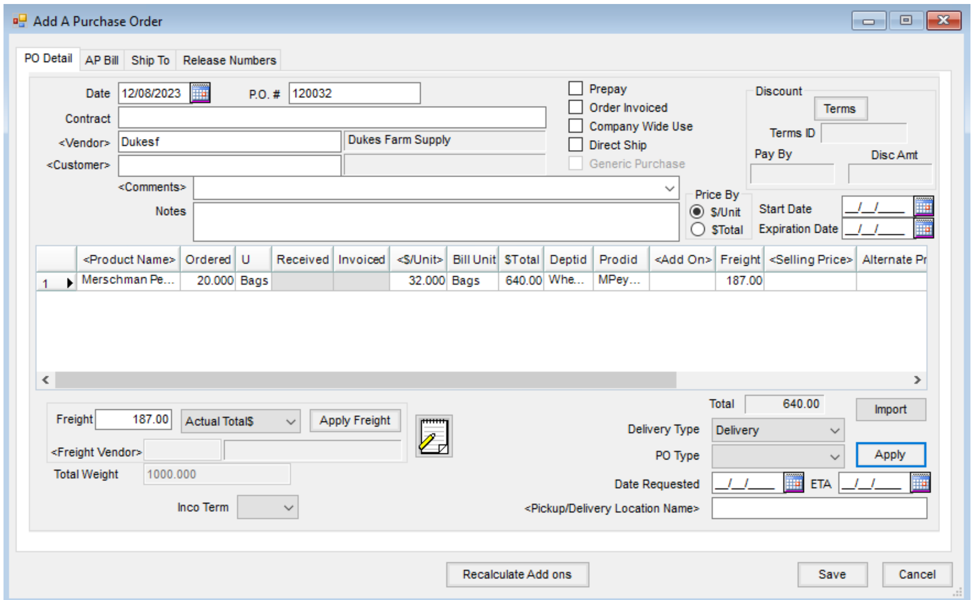
Note: Release Numbers may not be duplicated per vendor. If duplicate Release Numbers are entered upon saving, a message will display informing which lines are duplicates. After changing the duplicated values, the Purchase Order can be saved.

If a Purchase Order with a Release Number is selected when adding a Purchase Receipt, the Release Number is automatically marked as *Used* and the *Actual Quantity* and *Ticket #* (Purchase Receipt number) are populated in the grid below.



Purchase Order Process

Purchase Orders are recommended when ordering Products at a specific price.



1. Navigate to *Inventory / Purchase Orders*.
2. On the *Select a Purchase Order* window, choose **Add**.

   Note: Create a new Purchase Order using information from an existing Purchase Order by highlighting that order and selecting **Start With**.
3. Highlight the vendor and choose **Select**.
4. If the product might be received at other locations within the organization, select the *Company Wide Use* option.
5. On the *Add a Purchase Order* window, select the Products ordered by double-clicking the *Product Name* column heading. Select the Products, enter the *Quantity*, and choose **Done**.
6. Choose the *Price By* type and enter the price by *$/Unit* or *$Total*. Select **Apply**.
7. If creating a prepaid Purchase Order, select the *Prepay* option. Agvance will automatically create a single A/P Bill with a single due date when the Purchase Order is saved.

   Note: To create multiple A/P Bills with varying due dates on the *AP Bill* tab, select **Add Row** and add a row to represent each A/P Bill.
8. Enter the *Freight* amount if applicable. From the drop-down, select *Actual $/Unit*, *Actual Total$*, *Estimated $/Unit*, or *Estimated Total$*. If using an estimated option, double-click in the *Freight Vendor* field to choose the Vendor. Select **Apply Freight** to distribute the cost.
9. Select **Save** and optionally print the Purchase Order.

Posting Notes

- **Purchase Order** – The Purchase Order is saved.
- **Purchase Order Counter** – If set to automatically number at *Setup / Location / Preferences*, the counter is incremented by one.

Prepay Purchase Orders Only

- **Unpaid Bill** – An unpaid Bill is created to be prepaid. It is suggested to go to *A/P / Pay Bills* to write the check for the Vendor.
- **Terms** – Terms used for a prepaid Purchase Order are carried forward to the A/P Bill created.
- **Vendor Balance** – The Purchase Order affects both the Regular (with the unpaid Bill to be prepaid) and Prepay balance (showing the credit on account) of the selected Vendor.
- **General Ledger** – A payable-type Vendor Journal Entry is made and the G/L account balances are updated.
- **First Journal Entry** – This entry affects the Vendor's Prepay balance. The entry to Purchase accounts cancels out the effect of the second JE. Cost will eventually be posted when the Product is invoiced.

Vendor Journal Entry	Debits	Credits
Total of Product on PO	Accounts Payable (for this location)	
Purchase account for total of each department's POs.		Purchase accounts

- **Second Journal Entry** – A result of the unpaid Bill, the Vendor Regular balance will be cleared when the check is cut.

Vendor Journal Entry	Debits	Credits
Total of Product on PO		Accounts Payable (for this location)
Purchase account for total of each department's POs.	Purchase accounts	

Voids

- **Purchase Order** – The PO is marked as *Void.*
- **Prepay Purchase Orders Only** – All the posting that occurred with the original entry is reversed with new and opposite entries.

Company-Wide Purchase Orders

Multi-locations working in a single database might benefit from the *Company Wide Use* option. Corresponding departments of inventory for the various locations must be linked with a common Category and the Products must have matching Product IDs in order for this Company-Wide function to work.

1. When adding the Purchase Order, if the material will be delivered to various company locations, choose the *Company Wide Use* option.
2. As Product is received against the PO, select the receiving Location's department of inventory for the Products that this particular delivery updates. The program relieves the original Purchase Order and brings the inventory into the Location's department selected on the Purchase Receipt. If the Product is set with automatic Add-on Charges, these additional charges may need to be reselected to ensure correct posting.