Procurement for Services and Non-Stock
REL9EM19

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Overviews

The purchasing department is an integral part of processing purchase orders, credit orders, and returns. Procurement involves order entry through actual payment of the goods and services that you receive.

This section provides overview information about the procurement industry as well as information about how the J. D. Edwards Procurement system operates.
Industry Overview

Procurement is the process of obtaining products and services from suppliers. It includes decisions about how much and when to purchase goods and services, the actual purchasing of goods and services, and the process of receiving the requested goods or services. The purchasing cycle ensures that the appropriate quantity and quality of equipment, material, supplies, or services are acquired at the best price and from the most appropriate source. Procurement involves and affects more departments than just the purchasing department. An integrated procurement system provides the purchasing professional with links to information across all of an organization’s functions and departments. Some of the links include activities and information, including receiving transactions, order revision data, supplier profiles, accounts payable status, special order processing, and the tracking of incoming purchases through receipt routing.

Industry Environment and Concepts for Procurement

Ideally, the procurement process in any organization has processes and procedures that increase internal customer response and reduce nonvalue-added activities. An effective enterprise resource planning system that integrates all aspects of the organization, provides the buyer with up-to-date information, which reduces the administrative time spent finding information. This time can then be spent developing new sources of supply, building relationships with current suppliers, and researching new ways to improve the procurement process.

Order Generation

The procurement process begins when the need arises for items or services. This need is typically presented to the purchasing department in the form of a requisition. A requisition is a document that identifies to the buyer what is needed, when it is needed, and the approximate or actual cost associated with the item or service requested. The requisition can then be used to generate a quote for suppliers to bid on or to generate a purchase order. The purchase order that is created from the requisition is the written contract between the buyer and the seller for the purchase of items or services at an agreed price and delivery date.

Purchasing Methods

Most purchasing organizations use the following methods:

- Inventory
- Non-inventory
- Subcontracting

Purchasing for inventory includes items intended for resale, raw materials, and manufactured items. These items require full integration between the Procurement system and the Inventory Management system. This kind of system integration validates that the item exists in inventory. Information included about the inventory item might include cost, description, supplier, and units of measure. An example of an inventory item for a manufacturer of computer hardware would be printed circuit boards.
Purchasing for non-inventory includes goods, materials, and services that are used internally or are subsequently charged to outside parties. Typically, these items and services are recorded in general ledger accounts. Examples of non-inventory items include office supplies, maintenance, repair, and operating supplies (MRO), and building services.

Subcontract purchasing is associated with outside operations performed by suppliers, or internal projects requiring a number of suppliers to charge their services to a common job number. One example would be a plating operation performed by an outside supplier on a steel part that was produced by your organization.

**Receipt Processing**

Once a supplier ships items to your warehouse based on the specifications outlined on a purchase order, the receiving department needs to receive those items. Items are received and services are performed daily in your organization. When a shipment is received, you typically route it to several operations that ensure that the shipment is:

- Unloaded and checked
- Verified for the quantity due against the quantity received
- Entered in the system with the quantity against the corresponding purchase order

To ensure a high level of customer satisfaction within the organization, the receiving department should notify the person who requisitioned the order or the buyer or both that the goods requested have been received.

**Special Order Processing**

During the day-to-day activities within a purchasing department, special needs exist that require different types of documents. The different types of documents include:

- Blanket purchase orders
- Quote orders
- Change orders

You use blanket orders when your organization repeatedly purchases an item or service. You create a blanket order based on a specified amount or quantity that has been projected to be used over a period of time, typically one year. As required, quantities are released from the blanket order and the system creates a purchase order. You use a blanket order to reduce the administrative costs associated with processing purchase orders and to streamline the procurement process. An example of a blanket order is 1,200 cases of shop towels used by the maintenance department throughout the year. The buyer then releases quantities of approximately 100 cases per month.

You use quote orders when you want to solicit a competitive bid for an item from a number of suppliers. The Request for Quote (RFQ) includes the quantity, specifications, delivery date, and response date needed. After suppliers return the RFQ, the buyer evaluates the information and awards the purchase order to the supplier that best meets the specifications of cost, delivery, and quality outlined in the RFQ. Quote orders can be directly generated from requisitions and, in turn, purchase orders can be generated directly from quote orders.

Change orders enable a buyer to change the original purchase order or contract. Change orders are important because they provide an audit trail about changes to the original purchase order or contract.
Approval Processing

Approval processing refers to the steps that a requisition or purchase order goes through to gain the appropriate authorization to purchase the goods or services specified. The process of requiring approvals at the requisition level or purchase order level is becoming more common. Depending on the amount of the requisition or purchase order, different people in the organization need to approve the order at different levels.

Supplier Management

A key step in building a strong supply chain for your organization is developing ongoing partnerships with your suppliers. Some of the tools available to develop these relationships include:

- Performance analysis
- Supplier price comparison information
- Certified supplier status
- Agreed-upon terms
- Item catalog costing

To monitor your suppliers' performance, you should consider the following key areas:

- Cost
- Delivery
- Quality

You determine cost based on the supplier with the best value and not on the supplier with the lowest cost. Delivery analysis is based on the number of days late as well as the number of days early that are agreed upon. Quality analysis evaluates whether the supplier has met the specifications for the items included on the purchase order after they have been received.

Procurement Overview

The J.D. Edwards Procurement system accommodates a diverse range of purchasing activities for:

- Replenishing inventory
- Acquiring materials used to complete projects
- Charging purchased goods and services to specific departments, jobs, or cost centers

Procurement involves order entry through actual payment for the goods and services that you receive. You must carefully plan the cycle through which you intend to process your orders and set up the Procurement system accordingly. Setup issues include order types, line types, and order activity rules.

You can perform activities that are specific to your procurement operation, such as special order processing, approval processing, and supplier management. A variety of features are available to help you process orders quickly and effectively. Extensive review and reporting capabilities can help you make decisions about current and future purchasing strategies.
System Integration

The Procurement system works in conjunction with J.D. Edwards accounting, job cost, distribution/logistics, and manufacturing systems to cover all aspects of processing purchase orders. The Procurement system accommodates Electronic Data Interchange (EDI) so that you can send and receive documents electronically.

For additional information, review the following topics:

- General Accounting and Accounts Payable
- Address Book
- Manufacturing
- Distribution/Logistics
- Job Costing
- Electronic Data Interchange (EDI)
- E-Procurement Powered by Ariba

General Accounting and Accounts Payable

The Procurement system integrates with the General Accounting and Accounts Payable systems. With the use of automatic accounting instructions (AAIs) and user-input account numbers, the system relays pertinent transaction information to your accounting systems.

The Procurement system retrieves supplier payment information, tax information, and so forth from the Accounts Payable system.

Address Book

The Procurement system coordinates with the Address Book system to retrieve:

- Supplier address information
- Ship-to address information
- Warehouse address information
- User identification information

Manufacturing

The Procurement system can interact with several J.D. Edwards manufacturing systems to help process parts availability, work orders, forecasting and planning, product costing, and so forth.
Distribution/Logistics

Your company might integrate the J.D. Edwards Procurement system with the J.D. Edwards Inventory Management system. This integration involves the validation and exchange of information that pertains to inventory items.

Other J.D. Edwards distribution/logistics systems with which the Procurement system integrates include:

- Warehouse Management
- Sales Order Management
- Enterprise-Wide Profitability Solution
- Forecasting
- Distribution Requirements Planning
- Advanced Pricing

Job Costing

The Procurement system can also interact with the J.D. Edwards Job Cost system to view subcontract commitments. Using job status inquiry, you can view your job and project commitment details on an account-by-account basis.

Electronic Data Interchange (EDI)

EDI is the computer-to-computer exchange of business transactions, such as purchase orders, invoices, and shipping notices, in a standard format.

The Electronic Commerce system consists of J.D. Edwards System 47, which is the application interface containing interface files, tables, and programs. System 47 works with third-party translation software that translates EDI standard data into a J.D. Edwards flat file format so that the J.D. Edwards application software can manage the data.

When you receive documents, your third-party translation software:

- Retrieves the data via network communications
- Translates the data from EDI standard format to J.D. Edwards application table format
- Moves the translated data into the J.D. Edwards EDI flat files

The inbound conversion program moves the translated data into the J.D. Edwards EDI interface tables. The J.D. Edwards Electronic Commerce system then moves the data into the appropriate application tables. When you send documents, the system performs the procedures in reverse order.
The EDI documents that J.D. Edwards currently supports for the purchasing system are listed in the following table. The table includes corresponding codes for ANSI and EDIFACT, which are EDI standard cross-industry terms.

<table>
<thead>
<tr>
<th>TRANSACTION</th>
<th>ANSI</th>
<th>EDIFACT</th>
<th>Inbound To</th>
<th>Outbound From</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase Order</td>
<td>850</td>
<td>ORDERS</td>
<td>Sales</td>
<td>Procurement</td>
</tr>
<tr>
<td>Purchase Order Acknowledgement</td>
<td>855</td>
<td>ORDRSP</td>
<td>Procurement</td>
<td>Sales</td>
</tr>
<tr>
<td>Invoice</td>
<td>810</td>
<td>INVOIC</td>
<td>Accounts Payable (A/P), Procurement</td>
<td>Sales</td>
</tr>
<tr>
<td>Receiving Advice</td>
<td>861</td>
<td>RECADV</td>
<td>Procurement, Sales</td>
<td>Procurement</td>
</tr>
<tr>
<td>Purchase Order Change</td>
<td>860</td>
<td>ORDCCHG</td>
<td>Sales</td>
<td>Procurement</td>
</tr>
<tr>
<td>Purchase Order Response Message</td>
<td>865</td>
<td>ORDRSP</td>
<td>Procurement</td>
<td>Sales</td>
</tr>
</tbody>
</table>

Features, Terms, and Concepts

Purchasing for Inventory

Your company might manage an inventory or stock-based operation, which includes:

- Retail items for sale to customers
- Items for internal consumption
- Manufactured items
- Repair and maintenance items

You must use the purchasing for inventory method to purchase goods for a stock-based environment. This method enables full integration between the Procurement system and the Inventory Management system. You purchase items based on the item numbers that exist in the Inventory Management system. The Procurement system:

- Validates that items exist in the Inventory Management system
- Retrieves item information such as item descriptions, units costs, and units of measure from the Inventory Management system
- Updates item information such as on-hand balances, and unit costs in the Inventory Management system

In a stock-based environment, item costs are classified as inventory on the balance sheet until you issue the items out of inventory. If you sell the items, they become cost of goods sold. If you use the items internally, you determine the expense account to which to charge the items at the time of issuance.
Purchasing for Non-Inventory

Your company might purchase goods, materials, or services that are used internally or are subsequently charged to outside parties. Purchases might apply to:

- Jobs
- Projects
- Internal consumption
- Repair and maintenance
- Parts chargeable on a work order

You use the purchasing for non-inventory method to charge purchases against general ledger account numbers. Each account number can represent a job or project. This method accommodates non-stock, and services and expenditures based environments.

You can also use the purchasing for non-inventory method to purchase items that exist in the Inventory Management system. The Procurement system validates item numbers and retrieves item descriptions and costs from the Inventory Management system, but does not update item balance information.

Tracking commitments or encumbrances is a common practice in non-stock and services and expenditures based environments. A commitment or encumbrance is the recognition of a future obligation. If you purchase against general ledger account numbers, you can have the system track commitment or encumbrance amounts when you enter purchase orders.

Subcontracting

You use the subcontracting method to manage the daily and long term details of contracts, payments, and commitments that are associated with your jobs. In addition, you can do any of the following:

- Create and maintain contracts for the subcontractors on your jobs
- Establish payment guidelines and make payments against your contracts
- Track the costs you have paid against a job and the costs you are committed to in the future
- Make inquiries on contract information
- Input change orders for your contract commitments
- Generate status reports for your contracts and commitments

When you create a new contract, you enter subcontractor information, the work to be done, contract commitments, dates, log items, and so on. For existing contracts, you can enter commitment change orders and track the completion of submittals and transmittals.

You can also enter and release progress payments or hold progress payments. Progress payments are payments that you make to your subcontractors as their jobs progress.
Procurement Environments

The Procurement system provides four different environments in which you can perform your purchasing activities:

- Stock based
- Non-stock based
- Services and expenditures based
- Subcontract based

The stock-based environment is designed to accommodate those who purchase for inventory. The non-stock and the services and expenditures based environments accommodate those who purchase against general ledger account numbers. The subcontract-based environment accommodates those who procure goods and services through subcontracts.

You choose the environment that is most conducive to your operation. For example, the stock-based environment enables you to perform activities common to inventory operations, such as supplier management and rebate processing. The non-stock and the services and expenditures based environments enable you to track commitments and encumbrances. The subcontract-based environment enables you to enter subcontracts and changes to the subcontract.

Many activities are common to all four environments. However, the menus and forms for each are set up differently to accommodate processes and procedures specific to each environment.

The environments you use depend entirely on your organization. Some organizations may choose to use all environments, while other organizations may choose to use only one environment.

Order Processing Cycle

The purchase order processing cycle consists of three primary steps:

- Creating an order
- Receiving the goods or services
- Creating a voucher to pay for the goods or services

After you enter an order, you can enter receipt information in the system (formal receiving process) to receive the goods or services. If you follow informal receipt processing, you must compare invoice information to the original purchase order to create a voucher. If you purchase for inventory, you must use the formal receiving process. If you purchase against general ledger (G/L) account numbers, you can use either the formal or informal receiving process.
The method you use to create vouchers depends on your receiving process. If you use the formal receiving process, you can create vouchers:

- Individually by verifying that invoice information matches receipt information
- In batch mode using existing receipt records

Each time you enter an order, you must provide details about the items and services that you want to order. For each item or service, you must enter a line of detail that describes the item or service, including the quantity and cost.

You must specify a line type for each detail line. The line type indicates how the system manages information on the detail line. For example, you might have a line type of S (for stock items) to indicate that the system is to replenish the quantity of the item in the Inventory Management system and reflect the cost in the general ledger and the Accounts Payable system.

You must set up order processing cycles to indicate how the system is to process the detail lines for each order type (purchase orders, requisitions, blanket orders, and so forth). For example, you can set up the processing cycle for inventory purchase orders as follows:

- Enter purchase order
- Print purchase order
- Print purchase receiver
- Receive goods or services
- Create voucher

You use order activity rules to define the operations the system performs for a processing cycle and to indicate the progression of the steps.

You must set up order activity rules for every combination of order type and line type. You use user defined status codes to set up the order activity rules. Each status code represents a step in the processing cycle, for example printing the order.
Each detail line of an order contains a pair of status codes. These codes identify the last status and the next status to which the system advances the line. The last status code represents the last operation performed on the order. The next status code represents the next step in the processing cycle.

For each processing cycle you set up, you must specify the order type and line type to which it applies. For example, the processing cycle shown above might only apply to purchase order detail lines to which you assign a line type of S.
Optional Procurement Activities

Optional procurement activities you can perform include:

- Creating multiple orders simultaneously
- Ensuring that orders are approved before processing
- Creating special orders such as requisitions and blanket orders
- Obtaining and comparing price quotes for items and services
- Tracking revisions to orders
- Creating change orders
- Monitoring items from the moment they leave a supplier's warehouse
- Managing relationships between suppliers and items
- Checking budgets
- Processing approvals
Non-Stock Item Information
Setting Up Non-Stock Items

You can define information for items that you do not account for as part of your inventory. You add and maintain non-stock item information only at the item level, not at the branch/plant level. The Non Stock Item Revisions form is similar to the Item Master Revisions form. However, it contains only those fields that pertain to non-stock items.

Operating Resources are the non-stock goods and services and other internal business processes a company manages that are necessary for the day-to-day operations of an enterprise. Examples of operating resources include:

Goods
- Maintenance, repair, and operating supplies
- Capital equipment
- Vehicle fleet
- Computer equipment and software
- Office equipment and supplies
- Magazines and books
- Marketing and promotional materials
- Real estate

Services
- Maintenance
- Advertising
- Capital services
- Contracts
- Printing
- Recruiting and outplacement

You can access additional forms that allow you to define and maintain further information about a non-stock item, including:

- Default units of measure
- Multiple language descriptions
- Text messages

For each non-stock item that you set up, the system creates a record in the Item Master table (F4101).

To set up non-stock items

From the Non-Stock Purchasing System Setup menu (G43B41), choose Non-Stock Item Master.

1. On Work With Non Stock Items, click Add.
2. On Non Stock Item Revisions, complete the following fields:
   - Product Number
   - Catalog Number
   - Description
   - G/L Class
   - Unit of Measure
   - Line Type
   - Stocking Type
   - Buyer Number
   - Preferred Carrier
   - Commodity Class
   - Commodity Sub Class
   - Master Planning Family
   - Landed Cost Rule

   For non-stock items, the stocking type is always N (non-stock).

3. Complete the following fields and click OK:
   - Buyer Number
   - Preferred Carrier
   - Commodity Class
   - Commodity Sub Class
   - Master Planning Family
   - Landed Cost Rule
**Entering Item Units of Measure Information**

You must provide the system with the item units of measure that are most common to each of your distribution processes, such as sales, purchasing, and so on. For example, you might purchase an item in pallets, stock it in boxes, and ship it in individual containers.

If you work with an item in multiple units of measure, you must specify how to convert one unit of measure to another. For example, if you stock items in boxes and crates, you must specify the number of individual items in a box and the number of boxes in a crate.

In some instances, the system must work with an item in its smallest (primary) unit of measure. The item conversions you specify must enable the system to trace all units of measure back to the primary unit of measure.

You can set up unit of measure conversions that are specific to an item or to an item and branch/plant combination. You specify whether item conversions are specific to a branch/plant in System Constants. You can also set up units of measure that are standard for all items.

You must set up all units of measure for an item in the Item Unit of Measure Conversion Factors table (F41002) or the Unit of Measure Standard Conversion table (F41003). The system verifies the item unit of measure conversions before using standard unit of measure conversions.

▶ **To enter default units of measure for items**

*From the Inventory Master/Transactions menu (G4111), choose Item Master.*

After you enter basic item information, such as the item identifier and the item's primary unit of measure, you must provide the system with more specific unit of measure information for the different distribution processes.

1. On Work With Item Master Browse, enter the item number and click Find.
2. Choose the row that contains the item for which you want to enter default unit of measure information.
3. From the Row menu, choose Item Revisions.
4. On Item Master Revisions, click the Weights and Measures tab.
5. Complete the following fields and click OK:
   - Unit of Measure
   - Secondary
   - Purchasing
   - Pricing
   - Shipping
   - Production
   - Component
   - Weight
   - Volume
For bulk items, gallons (GA) defaults unless you enter a different value.

After you complete these steps, follow the steps to define item unit of measure conversions.

► To define item unit of measure conversions

After you enter the default unit of measure information, you must provide the system with unit of measure conversion information if the item has multiple units of measure (for example, an item that you stock in boxes and in crates).

1. On Work With Item Master Browse, enter the item number and click Find.
2. Choose the row that contains the item for which you want to define item unit of measure conversions.
3. From the Row menu, choose Item Revisions.
4. On Item Master Revisions, choose Conversions from the Form menu.
   You can only update conversion information for items that already exist in the system. For new items, you must click OK to save the item, and then select the item on Work With Item Master Browse, and returned to Item Master Revisions.

5. On Work With Item Unit of Measure Conversions, click Add.
6. On Item Unit Of Measure Conversions, complete the following fields and click OK:
   - Item Number
   - From UoM
   - Quantity
   - To UoM

7. Click Cancel to return to Work With Item Unit of Measure Conversions.

**Entering Item Cost Information**

You must provide cost information for items in order to track inventory costs. Cost information determines:

- Whether the system maintains one overall cost for the item or a different cost based on branch/plant
- Which cost method the system uses to track inventory costs
- Which cost method the system uses for purchase orders

You can also add prorated setup costs for manufacturing.

For each cost method you assign to an item, you must also specify a cost. For example, to use the last-in cost method for an item, you must enter an initial cost for that cost method. The system updates the last-in cost based on the cost of the item as of the last receipt date.
The system stores inventory cost records in the Item Cost File table (F4105).

**Assigning a Cost Level to an Item**

You determine whether the system maintains one overall cost for an item or a different item cost for each branch/plant. You can also define a different cost for each location and lot within a branch/plant. The level where you assign a cost to an item determines whether the system maintains costs at the lot, location, branch/plant, or master level. The cost level also determines how you locate the item to assign cost methods and enter item costs. For example, you can locate the item based on the:

- Item
- Item and branch/plant
- Item, branch/plant, and location

You can also indicate from which table the system is to retrieve a cost for an item when you enter a purchase order. The purchase price level you specify for an item indicates which of the following costs to use:

- The inventory cost for the item, which is stored in the Item Cost File table (F4105)
- The supplier's cost for the item, if supplier costs are set up in the Supplier Price/Catalog File table (F41061)

**To assign a cost level to an item**

*From the Inventory Master/Transactions menu (G4111), choose Item Master.*

1. On Work With Item Master Browse, enter the item for which you want to assign cost levels and click Find.
2. Choose the row that contains the item and description.
3. From the Row menu, choose Item Revisions.
4. On Item Master Revisions, complete the following fields and click OK:
   - Inventory Cost Level
   - Purchase Price Level

**Assigning a Cost Method to an Item**

You must specify the cost method that the system uses to determine an item's cost for:

- Sales and costs of goods sold
- Purchase orders
For example, you can use the weighted average cost method to determine the cost of goods sold for an item, and the last-in cost method to determine the item’s unit cost for purchase orders. You can enter cost methods for items when you enter either item master information or item branch information.

The system provides eight predefined cost methods. You can define your own cost methods with user defined codes, although J.D. Edwards reserves cost methods 01 through 19.

If you do not enter an item cost for the cost methods that you assign to sales, inventory, or purchasing, the system displays a warning message. If you ignore the warning, the system assigns a zero cost for the cost method.

**To assign a cost method to an item**

*From the Inventory Master/Transactions menu (G4111), choose Item Master.*

1. On Work With Item Master Browse, enter the item for which you want to assign cost methods and click Find.
2. Choose the row that contains the item and description.
3. From the Row menu, choose Cost Revisions.
4. On Work With Item Cost, choose the row that contains the branch/plant where the item is located.
5. From the Row menu, choose Cost Revisions.
6. On Cost Revisions, complete the following fields under the Costing Methods heading and click OK:

- Sales/Inventory
- Purchasing

**Entering Item Costs**

You establish costs for an item by entering an amount for each cost method. When you review costs for the item, the system displays only those methods for which you entered an amount.

You can change the amount for any cost method at any time. For example, if you change the amount for the cost method that you use to track costs of goods sold, the system applies the new amount to the on-hand quantity of the item. It also creates journal entries to record the difference between the old and the new amounts.

Certain programs update the amount for cost methods 01 through 08. For example, the system updates last-in and weighted average amounts as follows:

- For last-in, or cost method 01, the system interactively updates this amount based on the last cost of the item at the time of receipt.
- For weighted average, or cost method 02, the system calculates and updates this amount by adding transaction quantities together, adding transaction costs together, and dividing the total cost by the total quantity. You cannot use the weighted average cost method (02) for the sales/inventory cost method with stocking types C or R.
- For actual cost, or cost method 09, the system calculates the cost of the product built on a work order or rate schedule based on the actual hours used and the actual quantity of parts issued. The system updates the cost based on the most current information. You cannot use actual cost method (09) for the sales/inventory cost method with stocking types C or R.

The system also updates the following costs:

- Last-in, purchasing, and lot costs are updated by the PO Receipts program (P4312).
- Purchasing cost is updated by the Voucher Match program (P4314).

If you create additional cost methods, you must update their amounts manually.

You can delete a cost method for an item if it is no longer applicable. If you try to delete your sales, inventory, or purchasing cost method, the system displays a warning message. The system does not delete the cost method, but assigns a zero cost for the cost method.
To enter item costs

From the Inventory Master/Transactions menu (G4111), choose Item Master.

1. On Work With Item Master Browse, enter the item for which you want to enter item costs and click Find.
2. Choose the row that contains the item and description.
3. From the Row menu, choose Cost Revisions.
4. On Work With Item Cost, click Add to enter the item cost.
5. On Cost Revisions, complete the following fields and click OK:
   - Item Number
   - Branch/Plant
   - Cost Method
Supplier Management

You can manage the relationships that you have with suppliers and the items that they provide. You enter initial information about each item that you purchase from a supplier and the system monitors delivery, quality, and cost performance on behalf of the supplier. You can compare performance information to determine the best suppliers from whom to make purchases.
Entering Supplier Master Records

Before you enter a voucher and issue payment to a supplier, you must create a supplier master record for that supplier. The supplier master record is the central storage place for all supplier information. When you create a supplier record, you set up address book and mailing information, as well as information about how the system processes vouchers and payments for that supplier. You use the Address Book Revisions program (P01012) and the Supplier Master programs (P04012) to create a supplier record.

The information that you enter in a supplier record is stored in the following tables:

<table>
<thead>
<tr>
<th>Table Name</th>
<th>Information Stored</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address Book Master (F0101)</td>
<td>Alpha name and factor/special payee</td>
</tr>
<tr>
<td>Address Book- Who’s Who (F0111)</td>
<td>Mailing name</td>
</tr>
<tr>
<td>Supplier Master (F0401)</td>
<td>Supplier information</td>
</tr>
<tr>
<td>Address Book - Contact Phone Numbers (F0115)</td>
<td>Telephone number</td>
</tr>
<tr>
<td>Address by Date (F0116)</td>
<td>Mailing address information</td>
</tr>
<tr>
<td>Bank Transit Master (F0030)</td>
<td>Bank account information</td>
</tr>
</tbody>
</table>

You need to maintain only one address book number for each supplier throughout the various systems. For example, if you use the Supplier Ledger Inquiry form to review information or if you run reports such as A/R and A/P Netting, the system uses the same address book number.

You can create a supplier record from either of the following forms:

- Work With Addresses
- Work With Supplier Master

**Note**

The Supplier Master program contains a processing option that allows you to specify a version of the Address Book Revisions program to use when creating supplier master records using the Supplier Master program. Be sure the version that you specify in the Supplier Master processing option is the same as the versions of the Address Book program that you use to enter new address book information.
To enter supplier address and mailing information

When you create a new supplier record, you first enter address book information that identifies the supplier, such as the mailing name and address. The system uses this identification information as default information when you enter vouchers and payments. You can access the Address Book Revisions program (P01012) from the Supplier Master Information program (P04012).

*From the Supplier & Voucher Entry menu (G0411), choose Supplier Master Information.*

1. On Work With Supplier Master, click Add.
2. Enter a supplier number and click OK.

   If there is already an address book record for the supplier, the Supplier Master Revision appears. Go to the task To enter supplier master information.

3. On Address Book Revision, on the Address Book tab, complete the following fields to identify the supplier:
   - Alpha Name
   - Search Type

4. Complete the following optional fields:
   - Address Number
   - Long Address Number
5. Click the Mailing tab and complete the following fields to enter mailing information:

- Mailing Name
- Address Line 1
- Address Line 2
- Address Line 3
- Address Line 4
- City
- State
- Postal Code
- Country
- County
6. On the Additional tab, complete the following field:
   - Payables Y/N/M
     
     If you have entered all necessary information, proceed to Step 9.

7. Click any of the following options, if necessary:
   - Receivables Y/N
   - Employee Y/N
   - User Code
   - AR/AP Netting (Y)
   - Subledger Inactive Code

8. Complete the following optional fields:
   - Person/Corporation Code
   - Tax Exempt Certificate
   - Add'l Ind Tax ID
   - Credit Message
• E-mail Preference
• Language
• Industry Classification

9. Click OK to save the address book record.

► To enter supplier master information

After you enter address book information for a new supplier, you enter supplier master information. The system uses this as default information when you enter vouchers.

From the Supplier & Voucher Entry menu (G0411), choose Supplier Master Information.

1. On Work With Supplier Master, to locate the address book record, complete one of the following fields and click Find:
   • Alpha Name
   • Address Number

2. Choose the record and click Select.

3. On Supplier Master Revision, click the Vouchers tab and complete the following optional fields:
   • Credit Message
   • Payment Terms - A/P
• Payment Instrument
• Factor/Special Payee
• Parent Number
  The parent/child relationship that is created by entering a value in this field is used for reporting purposes only in the Accounts Payable system. Voucher and payment processing do not use the parent number field or a parent/child relationship.
• Approver Number
• Hold Payment
  The Hold Payment code applies only to the supplier on a voucher. The hold payment code does not apply when the supplier is a payee on a different supplier's account.
• Float Days
4. If applicable, turn on the following option:
  • Pre-Note Code
5. Turn on one of the following multiple payments options:
  • Yes
  • No
  • Contract
6. Click the G/L Distribution tab and complete the following optional fields:
  • G/L Offset
  • Model JE Doc Type/No/Co
  • Default Expense Account
7. Click the Tax Information tab and complete the following fields to enter tax information:
  • Tax Expl Code
  • Tax Rate / Area
8. To enter 1099 information, complete the following fields:
  • Person/Corporation
  • Tax ID
  • Add'l Ind Tax ID
9. To enter withholding information, complete the following fields.
   - Tax Authority
   - Percent

10. If you need to enter 1099 information, choose A/B Revision from the form menu.
     The Address Book Revision form appears. Complete the steps to enter information for 1099 reporting.

11. If you need to enter bank account information, complete the steps to assign bank accounts to suppliers

12. If you do not need to enter 1099 information or bank account information, click OK.

**Setting Up Supplier and Item Information**

The system processes an order based on the items that you purchase and the supplier from whom you make the purchases. For example, you can define purchasing instructions for a supplier so that each time you enter an order, the system retrieves default values for that supplier.

You can specify the items that you purchase from a supplier to create supplier and item relationships. For each item, you can enter information such as whether the supplier is certified to sell the item. If a supplier is not certified to sell an item, the system does not let you enter the item on a purchase order for the supplier.

You can review information about the quality of a supplier's services, including delivery performance and the condition of items upon receipt. To ensure that this information is accurate, you must set up guidelines so that the system can recognize on-time deliveries and items in acceptable condition.

You can review a summary of performance information to compare suppliers' costs and services for a certain item. Before you can review this information, you must define performance factors that might include the number of returned items, last-in costs, average leadtimes, and so on.

**Defining Supplier Purchasing Instructions**

The system processes an order based on the items that you purchase and the supplier from whom you make the purchases. You can define purchasing instructions for a supplier so that each time you enter an order for the supplier, the system retrieves default values such as a landed cost rule, a price rule, a print message, and so on.

You can use purchasing instructions to specify item restrictions for a supplier. Item restrictions determine which items you can or cannot purchase from a supplier. If you restrict the purchase of certain items, you cannot enter the items on a purchase order for the supplier.

You can define purchasing instructions for a ship-to address as well as a supplier. The system retrieves the carrier for a purchase order, as well as delivery instructions, based on purchasing instructions that are set up for the ship-to address.
You also can enter Advanced Pricing information by entering an adjustment schedule when you are defining purchasing instructions. Before you enter Advanced Pricing information, verify that you have activated the pricing constants.

You can activate the Advanced Pricing system for a supplier when you are defining purchasing instructions.

You also can specify limitations for a supplier, such as minimum and maximum order amounts for a supplier. You can also specify whether you can create vouchers based on receipt information.

You also can specify whether the system prints only prices on a purchase order, or both prices and adjustments.

Changes you make to purchasing instructions do not affect orders that you already created.

► To define supplier purchasing instructions

From the Supplier Management menu (G43A16), choose Purchasing Instructions.

1. On Work With Supplier Master, complete the following fields to locate a certain supplier and click Find:
   - Alpha Name
   - Search Type

2. Choose the supplier and click Select.

3. On Supplier Master Revision, choose the Purchasing 1 tab and complete the following fields:
   - Carrier Number
   - Supplier Price Group
   - Landed Cost Rule
   - Freight Handling Code
   - Hold Orders Code
   - Order Template
   - Print Message
   - Adjustment Schedule

4. On Supplier Master Revision, choose the Purchasing 2 tab and complete the following fields:
   - Invoice Copies
   - Item Restrictions
   - Max Order Value
   - Min Order Value
   - Volume Display U/M
- Weight Display U/M
- Delivery Instructions
- Price Pick List
- Evaluated Receipt
- Rebate Level
- Rebate Active

5. To enter additional information about item restrictions for a supplier, choose Item Restrictions from the Form menu.

6. On Item Restriction Revisions, complete the following field for each item that you want to include or exclude for the supplier, and click OK:
   - Item Number
Order Entry

Each time you want to purchase goods or services, you must enter an order. You enter orders to specify details about the goods or services you are purchasing, to indicate the supplier from whom you are purchasing, and to specify other pertinent information.

An order consists of two parts:

- Header information - general information that relates to the entire order, such as the supplier name and order dates
- Detail information - line-by-line details about the items or services you want to order, such as item numbers, quantities, and costs

You can enter header information and detail information separately. Depending on your volume of orders and the amount of header information you need to enter, you use processing options to choose one of the following methods to enter orders:

- Enter header information first, followed by detail information
- Enter detail information only, allowing the system to apply limited default values for header information

Several tools are available to help you create orders. These tools allow you to generate multiple orders at the same time, locate item and supplier information, and so forth.

You can have the system check orders to verify that costs do not exceed budget limits. You can place an order on hold if it exceeds budget or for any other reason. You can review up-to-date commitment, budget, log, and order hold information.

After you generate orders, you can make changes to the orders and print the orders.

The system maintains header and detail information in two separate tables:

- Purchase Order Header (F4301)
- Purchase Order Detail File (F4311)
Entering Order Header Information

To generate an order, you must provide information about the supplier who is to fill the order, the branch/plant that is requesting the order, and the shipping address for the order. This information is called order header information.

The header information that you enter determines how the system processes the order. For example:

- Supplier information determines the address to which the order is sent, the payment terms for the order, and so forth.
- Origination information determines the business unit accountable for the order and the address to which the goods and services are to be delivered.
- Tax information determines how the system calculates taxes for the order.

Header information also includes the date the order is placed, the date the order is due, and reference information, such as the user entering the order.

Using the processing options for Order Entry, you can display a header form before the detail form. Depending on how you set the processing options, certain fields can display on the header form. If you choose to bypass the header form, you must enter limited header information on the detail form. Based on the supplier and branch/plant that you enter, the system applies default values to the fields on the header form.

If you purchase goods or services from international suppliers, you might need to enter order amounts in different currencies, such as Canadian dollars, Japanese yen, and the euro. Before you can do this, you must enter the following types of information on the header form:

- Whether the supplier uses a foreign currency
- The type of currency that the supplier uses (which defaults from the Supplier Master Information form)
- The base currency for your company
- The exchange rate for the currency (one of the predefined rates from the Multi-Currency Processing system)

You also can enter Advanced Pricing information by entering an adjustment schedule on the Additional Information form, which you can access from the Supplier Master Revision form. Before you enter Advanced Pricing information, verify that you have activated the pricing constants.

To use approval processing, which requires that orders be approved before continuing through the procurement cycle, you can set the approval processing options for Order Entry. If you use approval processing, the name of the approval route appears on the header form. Verify that the name of the approval route is correct when you set the processing options, because you cannot change the name after you enter an order.

To enter a special order, such as a requisition, blanket order, or quote order, you use a combination of processing options, order activity rules, and line types in the order entry program.
Entering Supplier Information for an Order

You might have different arrangements with each of your suppliers in regard to terms of payment, freight handling, invoice methods, and so forth. When you enter order header information, you must specify the supplier from whom you are requesting the order and any specific arrangements to which you and the supplier have agreed.

You can set up procurement instructions to specify the arrangements that you have with each of your suppliers. When you enter a supplier on an order, the system retrieves the instructions for that supplier. You can modify the instructions to suit a specific order.

To enter a supplier for an order, the supplier must exist in the Address Book system. If this is not the case, you can enter the supplier in the Address Book system when you enter order header information. You can also enter master information for the supplier if the information does not already exist.

► To enter supplier details

From the Purchase Order Processing menu (G43A11), choose Enter Purchase Orders.

1. On Work With Order Headers, click Add.
   The Order Header form appears if you have set the processing option to display header information before detail information.

2. On Order Header, complete the following fields:
   - Branch/Plant
   - Supplier

3. From the Form menu, choose Additional Info.
4. On Order Header - Additional Information, complete the following fields and click OK:
   - Print Message
   - Freight Handling Code
   - Cost Rule
   - Send Method
   - Evaluated Receipt
   - Payment Terms
   - Supplier SO
   - AIA Document

If you have set up purchasing instructions for a supplier, the system supplies default values for several fields above based on the supplier you enter for the order. You can access the Work With Supplier Master form through the Supplier Master form exit on the Order Header form.
To enter supplier address information

From the Purchase Order Processing menu (G43A11), choose Enter Purchase Orders.

1. On Work With Order Headers, click Find to locate your order.

2. Choose the order and click Select.

3. On Order Header, choose Address Book from the Form menu.

4. On Work With Addresses, click Add to open Address Book Revision.

5. On Address Book Revision, on the Address Book tab, complete the following fields:
   - Alpha Name
   - Search Type
   - Tax ID

6. Click the Mailing tab and complete the following fields:
   - Mailing Name
   - Address Line 1
   - Address Line 2
   - Address Line 3
   - Address Line 4
   - City
   - State
   - Country
   - Postal Code
   - Effective Date

7. Click the Additional tab and complete the following field:
   - Payables Y/N/M

8. Click the Related Address tab and complete the following fields:
   - Parent Number
   - 1st Address Number
   - 2nd Address Number
   - 3rd Address Number
   - 4th Address Number
   - Factor/Special Payee

9. Click the Cat Code 1-10 tab and complete the following field:
   - Category Code 01
10. Click the Cat Code 11-30 tab and complete the following field and click OK:
   • Category Code 11

11. On Order Header, return the address book number you created to the following field:
   • Supplier

12. To set up the master information for the new supplier, choose Supplier Master from the Form menu, complete the steps to set up the supplier, and then click OK.

13. On Order Header, complete the steps to enter supplier details.

► To enter a temporary address for a supplier

From the Purchase Order Processing menu (G43A11), choose Enter Purchase Orders.

This type of address change applies only to the order you are entering. You can also enter a temporary address change for the ship-to entity.

1. On Work With Order Headers, click Find to locate your order.
2. Choose the order and click Select.
3. On Order Header, choose Order Addresses from the Form menu.
4. On Order Address Information, complete any of the following fields:
   • Address Line 1
   • Address Line 2
   • Address Line 3
   • Address Line 4
   • Postal Code
   • City
   • State
   • Country
   • County
5. Depending on the address number that you want to be temporary, choose either of the following options and then click OK:

- Supplier
- Ship To

**Entering Origination Information for an Order**

You generate an order for a specific branch/plant, business unit, project, or job within your company. In most instances, goods are shipped to the same branch/plant that requests the order. However, you might want to ship the goods to another location.

You must specify the branch/plant, business unit, project, or job for which you are placing an order. When you enter a branch/plant, the system retrieves the ship-to address from Branch/Plant Constants provided that the ship-to address exists in the address book. If you want to ship the order to a different shipping address, you can override the ship-to address number.

You can enter instructions for the delivery of an order. For example, you can specify that goods be delivered to a certain dock at the warehouse. You can have the system retrieve default delivery instructions set up for the ship-to address in the Supplier Master table (F0401).

► To enter origination information for an order

*From the Purchase Order Processing menu (G43A11), choose Enter Purchase Orders.*

1. On Work With Order Headers, click Add.
   The Order Header form appears if you have set processing options to display header information prior to detail information.

2. On Order Header, complete the following fields:
   - Supplier
   - Branch/Plant
   - Ship To

3. From the Form menu, choose Additional Info.
4. On Order Header - Additional Information, complete the following field and click OK:
   - Delivery Instructions Line 1

5. On Order Header, click OK.
6. On Order Detail, click Cancel.
7. On Work With Order Headers, click Cancel.
Entering Dates for an Order

When you enter an order, you might request that the supplier deliver the order by a specific date. If the supplier cannot deliver the order by the date you request, you can specify the date that the supplier promises to deliver the order. In addition, you can specify the date that you place the order and the date that the order expires.

The system automatically creates a corresponding direct ship purchase order when a direct ship sales order is created in Sales Order Management. If you change the date that the supplier promises to deliver for the direct ship purchase order, the system automatically changes the delivery date on the corresponding sales order.

To enter dates for an order

From the Purchase Order Processing menu (G43A11), choose Enter Purchase Orders.

1. On Work With Order Headers, click Find.
2. Choose the order and click Select.
   The Order Header form appears if you have set processing options to display header information prior to detail information.
3. On Order Header, complete the following date fields as appropriate, and click OK:
   • Order Date
   • Requested
   • Promised Delivery
   • Cancel Date
   If you do not enter an order date, a scheduled pick date, or a requested date, the system enters the current system date. If you do not enter a scheduled pick date, the system enters the requested date.

Entering Tax Information for an Order

In most business environments, you are required to pay taxes on the items you purchase. You can have the system calculate taxes for an order based on the tax information that you enter for the order.

The system provides default values for tax fields based on the master information that you have set up for the supplier. You can use the Purchase Order program (P4310) processing options to specify that the system retrieve the default value for the tax rate area from the master information for the ship-to address.

If you are using the Vertex Quantum Sales and Use Tax system in conjunction with J.D. Edwards software, the system retrieves default GeoCodes to determine the tax rate to apply to the order.

Assuming that an order has more than one item, you can change tax information to accommodate each item or service. Then taxes are applicable for the item or service only if you have specified that the detail line is taxable.
To enter tax information for an order

*From the Purchase Order Processing menu (G43A11), choose Enter Purchase Orders.*

1. On Work With Order Headers, click Find.
2. Choose the order and click Select.

   The Order Header form appears if you have set processing options to display header information prior to detail information.

3. On Order Header, complete the following fields, and then click OK:
   - Tax Expl Code
   - Tax Rate/Area
   - Certificate

*Note*

You can override the tax information when you enter the purchase order or match it to the voucher.

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Entering Reference Information for an Order

At some point, you might need to include additional information in an order. For example, you might want to include:

- The individual who placed the order
- The buyer responsible for procuring items and services on the order
- The company responsible for delivering the order
- A confirmation number, document number, or job number for the order
- Miscellaneous notes

You can enter reference information for an order when you enter header information. The reference information is primarily for informational purposes.

You can attach miscellaneous notes to an order as notes to be printed on the order.

To enter reference information for an order

*From the Purchase Order Processing menu (G43A11), choose Enter Purchase Orders.*

1. On Work With Order Headers, click Find.
2. Choose an order and click Select.

   The Order Header form appears if you have set processing options to display header information prior to detail information.
3. On Order Header, complete the following fields:
   - Carrier
   - Buyer
   
   The system enters an address number in the Ordered By field based on the system user who is entering the order.

4. From the Form menu, choose Additional Info.

5. On Order Header - Additional Information, complete the following field and click OK:
   - Reference

6. On Order Header, choose Attachments from the Form menu.

7. On Media Object Viewer, click Text.

8. Enter the appropriate text and click Save.

9. On Order Header, click OK.

**Entering Order Detail Information**

After you enter header information for an order, such as the supplier to fill the order and the branch/plant requesting the order, you must enter information about each item or service that you want to procure on the Order Detail form. For each item or service, you must enter a line of detail that describes:

- The item or service that you want to procure
- The quantity that you want to procure
- The cost of the item or service

Depending on your business objectives, you can use the following methods to enter order detail lines:

- By item number
- By general ledger account number

If you run an inventory operation in which you stock items for resale, internal use, or manufacturing purposes, you must enter detail lines by item number. If you purchase goods or services for internal use or for use on a certain job or project, you can enter detail lines by account number, item number, or both.

If the supplier has an Internet home page set up with items that it offers, you can preview supplier information in the electronic catalog before entering the order detail information. On the Order Detail form, you can use a form exit to preview supplier information.

The system provides default values for detail lines based on the header information on an order. You can add and change the information for each detail line based on what is relevant to your purchasing process. For example, if you purchase items for inventory, you must specify the unit of measure for the item. You can also specify the location where the item is stored upon receipt, and the weight, volume, lot, and manufacturing information for the item. You also can attach notes, or narrative text, to each detail line.
You can enter tax information for each detail line to have the system calculate taxes on the goods or services you are purchasing. If the supplier provides a discount on the order, you can enter the terms of the discount. By assigning reporting codes to a detail line, you can group items for reporting purposes.

If the supplier uses a different currency than your company's base currency, you must enter costs in foreign currency.

You can replace an existing item on a detail line with a substitute or replacement item. For example, if the supplier is out of the item you entered on a detail line, you can review a list of alternative items and choose a replacement item.

For an existing order, you can use the Order Detail form to review summary information such as items, account numbers, order quantities, prices, extended volumes and weights, total tax amount, and total dollar amount.

You might need to cancel a detail line if you no longer want to purchase the items or services that the line contains. When you cancel a line, the system closes the line and assigns it a last status of 980 (canceled order entry) and a next status of 999, which indicates that the purchasing process for the line is complete. If you want the closed line to appear when you are reviewing the order, you can set the processing options for Order Entry. If you want the closed line deleted from the system, you must run a purge.

The system provides four grid formats as tabs on the Order Detail form. Each tab displays the columns in the detail area of the form in a different order. In this guide, the stock based environment and forms are shown as examples.

**Entering Detail Lines by Item Number**

If you work in an environment in which you stock items for resale, internal use, or manufacturing purposes, you enter the item numbers set up in the Inventory Management system to make purchases. After you enter an item number on a detail line, the system:

- Validates that the item exists in the Inventory Management system
- Retrieves information for the item from the Inventory Management system

The system retrieves information, such as the cost, description, and unit of measure for the item and enters it on the detail line. You can override these values and specify additional information, such as a storage location, a lot number, an asset identifier, manufacturing details, and landed cost rules.

The system automatically creates a corresponding direct ship purchase order when a direct ship sales order is created in Sales Order Management. If you change the cost values for the direct ship purchase order, the system automatically changes the cost values on the corresponding sales order.

After you enter all detail lines on the purchase order, the system displays a warning message if the value of the order either exceeds the maximum order value or is below the minimum order value that is specified for the supplier in the purchasing instructions.

You determine how the system processes information on each detail line. For example, you can direct the system to update the availability of an item in the Inventory Management system upon receipt. As another example, you can have the system retrieve the unit cost of the item you are ordering provided you assign a line type (such as Y, B, or D) to the detail line that tells the Procurement system to interface with the Inventory Management system.
You must enter a line type for each detail line to indicate how the transaction works with other J.D. Edwards systems.

Another example of how the detail line information that you enter affects other systems is general ledger (G/L) information. The G/L class code that you enter for a detail line determines the inventory account and the received not vouchered account for which the system creates journal entries. The system creates these entries when you enter a receipt.

If you work in a non-inventory environment, you might frequently purchase items for use in a specific job or project. Even in an inventory environment, you might purchase items that you do not account for as part of your inventory, such as office supplies. In either of these cases, you can enter item numbers to purchase non-stock items provided that you specify a line type of N or B to indicate that the transaction does not affect the Inventory Management system.

► To enter detail lines by item number

From the Purchase Order Processing menu (G43A11), choose Enter Purchase Orders.

1. On Work With Order Headers, click Add.

   If you have set processing options to bypass the header form, Order Detail appears. Otherwise, you must enter header information on Order Header before you can proceed to Order Detail.

2. On Order Detail, enter header information on the Order Detail tab, as needed.

3. Choose the Line Defaults tab and enter information, as needed.
4. For each item complete a row with the following fields:
   - Item Number
   - Quantity Ordered

5. For each item, complete the following fields, as required:
   - Tr. UoM
   - Unit Cost
   - Extended Cost
   - Pu. UoM
   - Ln Ty
   - Description
   - Account Number
   - Last Status
   - Next Status
   - G/L Offset

   **Note**
   You can click the Search button in the Tr. UoM field and Pu. UoM field to access the Unit of Measure Lookup form, where you can choose from a list of valid units of measure for the item that you are entering on the purchase order.

6. From the Row menu, choose Additional Info 1.
7. On Order Detail - Page I, complete the following fields and click OK:
   - Location
   - Asset ID
   - Print Message

8. On Order Detail, choose Additional Info 2 from the Row menu.
9. On Order Detail - Page II, complete the following fields and click OK:
   - Report Code 1
   - Extended Weight
   - Extended Volume
   - Freeze Code

10. On Order Detail, click OK.
Entering Detail Lines by Account Number

If you work in an environment in which you purchase services or goods for internal use or for use in a certain job or project, you can charge purchases against general ledger account numbers. You enter a detail line for each account number against which you are purchasing. This allows the general ledger to reflect expenses by job or project.

When you enter detail lines by account number, you can have the system perform commitment and budget tracking. For example, a certain account number represents your office supply expenses. Each time you purchase goods against the account number, you can have the system:

- Track the amount and quantity of office supplies that you are committed to purchase
- Validate that the cost of the supplies does not exceed the budget for office supplies

You determine how the system processes information on each detail line. For example, you can require that the system process a line based on both an account number and an item number. You must enter a line type for each detail line to indicate how the transaction works with other J.D. Edwards systems.

If you work in a non-inventory environment, you might frequently purchase items for use in a specific job or project. Even in an inventory environment, you might purchase items that you do not account for as part of your inventory, such as office supplies. In either of these cases, you can enter item numbers to purchase non-stock items provided that you specify a line type of N or B to indicate that the transaction does not affect the Inventory Management system.

If you are making an account-based entry, you must enter an inventory interface of A or B.

If you are entering a lump sum for a detail line, you must enter an inventory interface of A or N.

A final example of how the detail line information that you enter affects other systems is general ledger information. The system tracks purchasing expenses in the general ledger based on the G/L class code that you enter for a detail line. The G/L class code determines the received not vouchered account to which the system applies a credit if you enter a formal receipt.
To enter detail lines by account number

Use one of the following navigations:

From the Services/Expenditures PO Processing menu (G43C11), choose Enter Purchase Orders.

From the Subcontract Processing menu (G43D11), choose Enter Subcontract Orders.

1. On Work With Order Details, click Add.
   If you have set processing options to bypass the header form, Order Detail appears. Otherwise, you must enter header information on Order Header before you can proceed to Order Detail.

2. On Order Detail, enter header information, as necessary.

3. Click the Line Defaults tab and complete the following applicable fields:
   - Account Number
   - Project Cost Center
   - Subsidiary
   - Obj Acct

4. Complete the following fields in the detail area, as required, and click OK:
   - Unit Cost
   - Quantity Ordered
   - Tr. UoM
   - Unit Cost
   - Extended Cost
   - Pu. UoM
   - Ln Ty
   - Description 1
   - Description 2
   - Subledger
   - Subledger Type
   - Last Status
   - Next Status
   - G/L Date
   - G/L Offset
Note
You can click the Search button in the Tr. UoM field and Pu. UoM field to access the Unit of Measure Lookup form, where you can choose from a list of valid units of measure for the item that you are entering on the purchase order.

Entering Tax Information for a Detail Line

You can enter tax information that is specific to a detail line. This tax information determines whether taxes apply to the items or services on the detail line, and how the system calculates the taxes.

The system retrieves default tax information for each detail line based on the tax information that you entered for the order. If tax information for the detail line differs from that for the rest of the order, you can change the tax information to accommodate the detail line.

If you are using the Vertex Quantum Sales and Use Tax system in conjunction with J.D. Edwards' software, the system retrieves default GeoCodes to determine the tax rate to apply to the order.

To enter tax information for a detail line

From the Purchase Order Processing menu (G43A11), choose Enter Purchase Orders.

1. On Work With Order Headers, click Add.
2. On Order Detail, complete the following fields:
   • Branch/Plant
   • Supplier
3. Select a detail line and choose Additional Info 1 from the Row menu.
4. On Order Detail - Page I, complete the following fields and click OK:
   • Taxable
   • Expl Code
   • Rate/Area

Entering Discount Terms for a Detail Line

You can enter discount terms on a detail line to have the system calculate a discount on the items that you purchase. For example, a supplier might offer a 10 percent discount on certain items.

You can enter a specific discount factor for a detail line. The system enters a cost for the item on the detail line based on the discount factor. For example, to specify a 10 percent discount for an item, you enter a discount factor of 0.90. If the unit cost for the item is usually 10.00, the system enters a unit cost of 9.00.
You can also specify a discount for an item based on a price rule. The system applies a
discount to the unit cost of the item based on the discount set up for the price rule. The
system retrieves a default price rule for an item if:

- You have attached a price rule to branch/plant information for the item.
- You have attached the price rule to the supplier from whom you are purchasing the
  item (or to the price group for the supplier).

► To enter discount terms for a detail line

*From the Purchase Order Processing menu (G43A11), choose Enter Purchase Orders.*

1. On Work With Order Headers, click Add.
2. On Order Detail, complete the following fields:
   - Branch/Plant
   - Supplier
3. Select a detail line and choose Additional Info 1 from the Row menu.
4. On Order Detail - Page I, complete the following fields and click OK:
   - Discount Factor
   - Item Price Group
   - Pricing Cat. Level

**Duplicating an Order**

To avoid entering the same information for multiple orders, you can duplicate an order. You
can also duplicate an order to create a new type of order from an existing order, for example,
to create an order from a requisition. You cannot duplicate orders on hold.

You can also duplicate an order to create a certain type of order from the original order. You
set the processing options for Order Entry to specify the order type code for the duplicate
orders. For example, you enter the order type code for purchase orders (usually OP) if you
want the system to create a purchase order every time you duplicate a requisition. You must
also specify the status codes for detail lines on the duplicate order, and you must indicate
whether the system duplicates notes that are attached to the original order.

► To duplicate an order

*From the Purchase Order Processing menu (G43A11), choose Enter Purchase Orders.*

*Alternately, from the Subcontract Processing menu (G43D11), choose Enter Subcontract
Orders.*

1. On Work With Order Headers, click Find to locate the order you want to duplicate.
2. Select the order from the detail line and click Copy.
3. On Order Detail, change the order dates and other information, as necessary. Note that if you want to add a new line to the order, you must first scroll through all existing detail lines to the first blank line to ensure that the system assigns the correct number to each detail line.

4. Click OK.

**Processing Options for Purchase Orders (P4310)**

**Defaults Tab**

These processing options allow you to enter default information that the system uses for purchase order processing.

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1. **Order Type**

Use this processing option to identify the type of document. This user defined code (00/DT) also indicates the origin of the transaction. J.D. Edwards has reserved document type codes for vouchers, invoices, receipts, and time sheets, which create automatic offset entries during the post program. (These entries are not self-balancing when you originally enter them.) The following prefixes for document types are defined by J.D. Edwards, and J.D. Edwards recommends that you do not change them:

- **P**_ Accounts Payable documents
- **R**_ Accounts Receivable documents
- **T**_ Payroll documents
- **I**_ Inventory documents
- **O**_ Purchase Order documents
- **J**_ General Accounting/Joint Interest Billing documents
- **S**_ Sales Order Processing documents

You must enter a value that has been set up in user defined code table 00/DT.

2. **Line Type**

Use this processing option to specify how the system processes lines on a transaction. The line type affects the systems with which the transaction interfaces (General Ledger, Job Cost, Accounts Payable, Accounts Receivable, and Inventory Management). The line type also specifies the conditions for including a line on reports and in calculations. Some examples of valid values, which have been defined on the Line Type Constants Revisions form (P40205), are:

- **S** Stock item
- **J** Job cost, subcontracts, or purchasing to the General Ledger
- **B** G/L account and item number
- **N** Non-stock item
- **F** Freight
- **T** Text information
- **M** Miscellaneous charges and credits
- **W** Work order

3. **Beginning Status**
Use this processing option to indicate the beginning status, which is the first step in the order process. You must use a user defined code (40/AT) that has been set up on the Order Activity Rules form for the order type and the line type that you are using.

4. Override Next Status

Use this processing option to specify the next status code for all new or modified purchase order lines. You enter next status codes for combinations of order type and line type by using the Order Activity Rules program (P40204). If you leave this processing option blank, the system uses the next status code in the order activity rules as the default value.

Note: Do not use this processing option if you are using approval processing.

5. Unit of Measure

Use this processing option to indicate the unit of measure that will default into the Transaction Unit of Measure field. The unit of measure that you enter overrides any value that is currently in the Transaction Unit of Measure field.

Note that if you choose an item from a catalog in Purchase Order Entry (P4310), the unit of measure in the catalog overrides the default.

6. Line Number Increment

Use this processing option to automatically number the order lines by the increment that you choose. You should choose to increment by whole numbers, since other processes, such as kit entry, create decimal increments.

7. Default Tax Rate/Area

Blank = Supplier
1 = Ship To

Use this processing option to specify where the system locates default tax rate/area information to use as the default during order entry.

1 The system uses the default tax rate/area from the address book number for the Ship To. The information that the system uses is located in the tax information section of the Supplier Master table (F0401).

Blank The system uses the tax rate/area that is associated with the address book number for the Supplier.

The system retrieves the tax explanation code from the Supplier address book number record in the Supplier Master table (F0401).

Note that if this is the version that is being called from the Order Release program, then the tax information comes from the Supplier Master table (F0401) and not from the original order.
8. Transaction Unit of Measure
   Blank = Purchasing Unit of Measure
   1 = Primary Unit of Measure

Use this processing option to specify where the system locates transaction unit of measure information to use as the default during order entry.

   1   The system uses the primary unit of measure from the Item Master table (F4101) as the default for the transaction unit of measure.

   Blank The system uses the purchasing unit of measure from the Item Master table (F4101). The transaction unit of measure directly relates to the number that you have entered in the Quantity field on the Purchase Order Entry form.

If you choose an item from a catalog in Purchase Order Entry, the unit of measure in the catalog overrides that value that you enter in this field.

If you have entered a value in the Unit of Measure field, you should not enter a value in this field.

9. Landed Cost Rule

Use this processing option to specify the landed cost rule for the system to use on all orders that have been entered using this version.

If you leave this field blank, the system uses the landed cost rule from the Ship To information that is stored in the Address Book.

10. Header to Detail
   Blank = Manually load header changes to detail
   1 = Auto load header changes to detail

Use this processing option to specify whether the system updates information in the detail lines when you change header information.

   1   The system automatically loads header changes to the detail lines.

   Blank You must use the Populate form exit on the Order Header form to manually apply header to detail changes.

Use the Define form exit on the Order Header form to choose which fields on the Order Detail form you want to update with changes to header information.

After you make changes to the header information, the Order Detail form appears. Remember to click OK to record the changes that you have made on the Order Detail form. If you click Cancel, your changes will be lost.
11. Work Order Status

Use this processing option to specify the new work order status when the purchase order quantity or promise date changes.

This processing option pertains to purchase orders that have been created for outside operations by processing work orders with the Order Processing program (R31410). If you change the quantity or promise date after the system creates a purchase order, the system updates the work order status to the value that you have entered in this field.

If you leave this field blank, the system does not change the work order status.

12. Account Description
   Blank = Business unit, object, subsidiary
   1 = Business unit, subsidiary

Use this processing option to specify where the system locates the account description to use as the default in order entry.

1   The system retrieves the account description from the account that consists of the business unit and the subsidiary. Typically, the account is a non-posting header account. Note that the object account will not be used when the system retrieves the account description.

Blank The system retrieves the account description from the account that consists of the business unit, object, and subsidiary.

13. Line Sequence
   Blank = Assigns unique line number continuously.
   1 = Starts the sequencing process over for each change order.

Use this processing option to specify how the system assigns line numbers on a change order.

1   The system starts the sequencing process over for each change order. If you enter 1, the system retains and increments the line number sequence within each individual change order, but for the next change order, the system starts over with the line number sequencing.

Blank The system assigns unique line numbers on a continuous, incremental basis. When there are multiple change orders, the system assigns line numbers on a continuous, incremental basis rather than starting over with line number sequencing for each change order.

14. Cost Rule Selection
   Blank = Supplier
   1 = Ship To
Use this processing option to specify where the system locates default cost rule selection information to use as the default during order entry. Note that if this is the version that is being called from the Order Release program, then the cost rule information comes from the Supplier Master table (F0401) and not from the original order. Valid values are:

1
The system uses the default cost rule selection from the address book number for the ship to. The information that the system uses is located in the cost rule information section of the Supplier Master table (F0401).

Blank
The system uses the cost rule selection that is associated with the address book number for the supplier. The system retrieves the cost rule explanation code from the supplier address book number record in the Supplier Master table (F0401).

Display Tab
These processing options control the types of information that the system displays.

1. Suppress Closed Lines
   Blank = Do not suppress
   1 = Suppress

   Use this processing option to specify if closed lines should be suppressed. Valid values are:

   1
   The system suppresses closed or cancelled lines. If you suppress closed or cancelled lines, any line with a status of 999 will not appear in the detail area. However, the record for the line remains in the Purchase Order Detail table (F4311).

   Blank
   The system does not suppress closed or cancelled lines.

2. Status Code Protection
   Blank = Do not protect
   1 = Protect

   Use this processing option to specify whether you can change status codes. Valid values are:

   1
   Status codes cannot be changed. You can review the codes, but you cannot change them. Regardless of the status code, the system protects the last and next status when you have activated status code protection.

   Blank Status codes can be changed.
3. Order Type Protection
Blank = Do not protect
1 = Protect

Use this processing option to specify whether you can change order types.

1
The order type (also known as the document type) cannot be changed. You can review the order type, but you cannot change it.

Blank
You can change the order type.

4. Kit Display
Blank = Parent line
1 = Component lines

Use this processing option to specify whether the system displays kit component lines or only the parent line. Valid values are:

1
The system displays kit component lines. You must first create the purchase order and then inquire upon the purchase order to display the kit component lines.

Blank
The system displays only the parent line. However, both the parent line and all component lines are written to the Purchase Order Detail table (F4311).

5. Cost Protection
Blank = Display cost fields
1 = Disable cost fields
2 = Hide cost fields

Use this processing option to specify whether you can change costs. Valid values are:

1
The costs fields appear on the form, but cannot be changed.

2
The system hides cost information. The Cost field does not appear, although the system still writes the cost information to the Purchase Order Detail Table (F4311). The system uses cost information from the costs tables as the default. Examples of the costs tables are the Item Cost table (F4105) and the supplier Price/Catalog table (F41061). The cost table that the system uses for the default information depends on the way that your system is set up.
Blank
The cost fields appear on the form and can be overridden.

6. Detail Line Protection

Use this processing option to specify the next status at which detail lines are protected from being changed. The entire detail line is protected when the next status is greater than or equal to this status. If you leave this field blank, the system does not protect detail lines from being changed.

7. Free Goods Catalog
Blank = No Warning
1 = Issue Warning

Use this processing option to specify if you want Free Goods Catalog Warnings displayed. Valid values are:

Blank
No Warning

1
Issue Warning

8. Order Header Protection
Blank = Do not protect
1 = Protect

Use this processing option to determine whether order header information is read-only or can be modified. Valid values are:

Blank
Order header information can be changed.

1
Order header information is read-only.

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**Interfaces Tab**

These processing options allow you to enter interface information.

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1. Business Unit Validation
Blank = Business Unit Master table
1 = Inventory Constants table

Use this processing option to specify how the system validates the branch/plant. Valid values are:
1
The system validates the branch/plant against the Inventory Constants table (F41001). If you are performing stock purchasing, enter 1 for this processing option. When you enter 1, the system uses the address book number in the Inventory Constants table (F41001) as the default for the Ship To address book number.

Blank
The system validates the branch/plant against the Business Unit Master table (F0006). Typically, you use this processing option when you are performing services expenditure purchasing. When you leave this processing option blank, the Ship To address book number defaults from the address book number in the Business Unit Master table (F0006). You can access the Business Unit Master table through the Revise Single Business Unit program.

2. PBCO Warning
   Blank = Issue warning
   1 = Do not issue warning

Use this processing option to specify whether you want to receive a PBCO (Post Before Cutoff) warning. Valid values are:

1
Do not issue the PBCO warning. Typically, you use this value when you are performing services or expenditure-type purchasing.

Blank
The system compares the G/L date on the purchase order to the general accounting period for the company and business unit that are on the purchase order. The PBCO warning ensures that you are not recording purchases in a prior general accounting period.

3. PACO Warning
   Blank = Issue warning
   1 = Do not issue warning

Use this processing option to specify whether you want to receive a PACO (Post After Cutoff) warning. Valid values are:

1
Do not issue the PACO warning.

Blank
The system compares the G/L date on the purchase order with the current period in the General Accounting Constants for the company and business unit that are on the purchase order. The PACO warning occurs when you try to create a purchase order with a G/L date that exceeds two periods beyond the current G/L period.

4. Quantity Update
   Blank = Quantity on PO
   1 = Quantity on Other POs
Use this processing option to specify which quantity fields the system updates. Before you set this processing option, always check the way that you have defined availability in the Branch/Plant Constants program. Valid values are:

1
Update the Quantity On Other POs field (alias OT1A) in the Item Branch or Location tables. Use this value when you are entering requisitions, quotes, blanket orders, or other order types for which you do not want to affect your current on-purchase order quantity.

Blank
The system updates the Quantity on PO field (alias PREQ).

5. Supplier Analysis
Blank = Do not capture
1 = Capture

Use this processing option to indicate whether you want the system to capture supplier analysis information. Valid values are:

1
The system records information such as item numbers, dates, and quantities for every purchase order in the Supplier/Item Relationships table (F43090). To make supplier analysis most effective, enter 1 for this processing option and set the processing options for the Purchase Order Receipts program (P4312) and the Voucher Match program (P4314) to capture the same information.

Blank
The system does not capture supplier analysis information.

6. Edit Supplier Master
Blank = Do not edit
1 = Edit

Use this processing option to determine whether the system validates the supplier number against the Supplier Selection File table (F4330). Valid values are:

Blank
The system does not validate the supplier number.

1
The system validates the supplier number.

7. Financial AAIs
Blank = Branch/Plant
1 = Job
2 = Project
3 = Business Unit
Use this processing option to specify whether to use financial AAIs or distribution AAIs. Additionally, the system uses this processing option to determine which description appears for the Business Unit field (MCU) that appears on the Order Header form and the Order Detail form. For example, if you leave this processing option blank, the MCU field displays the description Branch/Plant. Valid values are:

Blank
Branch/Plant.

1
Job. The system uses the financial AAIs CD, CT, or CR.

2
Project. The system uses distribution AAIs.

3
Business Unit.

**Processing Tab**

These processing options control how the system processes information.

1. New Supplier Information
   Blank = Manually access Address Book Revisions
   1 = Auto display Address Book Revisions

Use this processing option to specify whether you can add new supplier information through the Address Book Revisions program (P0101). Valid values are:

1
Automatically access the Address Book Revisions program (P0101). You can add a supplier as you need to, rather than having to stop the task that you are performing to add a supplier. Consider your security restrictions for your Address Book records. You may not want to provide all users with the ability to enter supplier address book records.

Blank
The system does not access the Address Book Revisions program (P0101).

2. Order Templates
   Blank = Do not display
   1 = Display

Use this processing option to specify whether you want to review order templates. Valid values are:
1
Automatically display available order templates. If you set this processing option to automatically displays available order templates and you access the Order Header form, the system displays the order templates before displaying the Order Detail form. If you access the Order Detail form first, the system displays the order templates when you move your cursor to the detail area for the first time.

Blank
Do not display available order templates.

3. Subsystem Printing
Blank = Do not print
1 = Print

Use this processing option to specify whether you want to automatically print a purchase order using the subsystem. Valid values are:

1
Automatically print the purchase order by using the subsystem. Note that you need to submit the version of the Purchase Order Print program (R43500) that is designated for subsystem processing.

Blank
Do not print a purchase order by using the subsystem.

4. Blanket Releases
Blank = Do not process
1 = Process and search all
2 = Process and search with Branch Plant

Use this processing option to specify whether the system automatically processes blanket releases. Valid values are:

Blank
The system does not automatically process blanket releases.

1
The system automatically processes blanket releases for all branch/plants. If more than one blanket order exists for the supplier/item combination, the system displays a checkmark in the row header that is located in the detail area and an "X" in the Blanket Exists column. To select a blanket order, choose the appropriate option from the Row menu.

2
The system automatically processes blanket releases for a specific branch/plant. If there is more than one blanket order for the supplier/item combination, then the system displays a check mark in the row header that is located in the detail area and an "X" in the Blanket Exists column. To select a blanket order, choose the appropriate option from the Row menu.
5. Header Display
Blank = Display Order Detail
1 = Display Order Header before Order Detail

Use this processing option to specify whether the Order Header form appears before the Order Detail form. Valid values are:

1
Display the Order Header form before the Order Detail form.

Blank
Display the Order Detail form.

6. Agreement Search
Blank = Do not search
1 = Assign one if there is only one
2 = Display all
3 = Assign agreement with the earliest expiration date

Use this processing option to indicate how the system searches for agreements. This processing option applies only if you are using the Procurement system in conjunction with the Agreement Management system. Valid values are:

Blank
Do not search for agreements.

1
Assign an agreement if there is only one agreement in the system. If the system finds multiple agreements, the system displays a check mark in the row header that is located in the detail area and an "X" in the Agreement Exists column. You must use a row exit to select an agreement.

2
Display all agreements.

3
Search for the agreement that has the earliest expiration date.

7. Base Order Protection
Blank = Do not protect
1 = Protected

Use this processing option to specify whether base order information can be changed. The base order is the original contract or order. The base order detail lines are identified as change order number 000. Typically, you use this processing option to prevent changes from being made to the original order. Valid values are:
1
The base order information cannot be changed.

Blank
You can change the base order information.

8. Business Unit
Blank = Different
1 = Same

Use this processing option to require that the values for the branch/plant and G/L account business unit are the same. Valid values are:

1
The values for the G/L account business unit and the header business unit (branch/plant, job, and so on) are the same.

Blank
The values for the G/L account business unit and the header business unit can be different.

9. Exclusive Adjustment Hold

Use this processing option to place the order on hold if you apply advanced pricing to the item and have chosen mutually exclusive adjustments for the item's adjustment groups.

**Duplication Tab**

These processing options allow you to enter default information that the system uses for duplicate orders.

1. Duplicate Order Type

Use this processing option to identify the type of document. This user defined code (00/DT) also indicates the origin of the transaction. J.D. Edwards has reserved document type codes for vouchers, invoices, receipts, and time sheets, which create automatic offset entries during the post program. (These entries are not self-balancing when you originally enter them.) The following prefixes for document types are defined by J.D. Edwards, and J.D. Edwards recommends that you do not change them:

P
Accounts Payable documents

R
Accounts Receivable documents
T
Payroll documents

I
Inventory documents

O
Purchase Order documents

J
General Accounting/Joint Interest Billing documents

S
Sales Order Processing documents

You must enter a value that has been set up in user defined code table 00/DT.

2. Beginning Status Code

Use this processing option to indicate the beginning status, which is the first step in the order process. You must use a user defined code (40/AT) that has been set up on the Order Activity Rules form for the order type and the line type that you are using.

3. Next Status Code (Optional)

Use this processing option to indicate the next step in the order process. You must use a user defined code (40/AT) that has been set up on the Order Activity Rules form for the order type and the line type that you are using. The override status is another allowed step in the process.

4. Copy Selection
   Blank = Do not copy
   1 = Line text
   2 = Line and order text
   3 = Order text

Use this processing option to specify the information that the system copies. You must activate this processing option if you want the system to copy line attachment text and order attachment text when generating quotes or requisitions into purchase orders. Valid values are:

1
Copy only line text.

2
Copy line text and order text.

3
Cross Ref Tab

These processing options allow you to enter cross-reference codes.

1. Substitute Items

Use this processing option to specify the default cross-reference code that the system uses for retrieving substitute items. The value that you enter is used as the default on the Substitute Item Search and Select form.

If there is more than one substitute item, the system displays a check mark in the row header that is located in the detail area and an "X" in the Substitute Exists column.

2. Obsolete Items

Use this processing option to specify the cross-reference code for retrieving item replacements for obsolete items. The value that you enter is used as the default on the Substitute Item Search and Select form.

If there is more than one replacement item, the system displays a check mark in the row header that is located in the detail area and an "X" in the Replacement Exists column.

3. Promotional Items

Use this processing option to specify the cross-reference code that the system uses to retrieve promotional items.

Order Inquiry Tab

These processing options allow you to enter status and date information.

1. From Status Code

Use this processing option to specify the first code in the range of status codes for order detail lines.

Note that the system uses this status as the default on the Additional Selection form.

2. Thru Status Code

Use this processing option to specify the last code in the range of status codes for order detail lines. Note that the system uses this status as the default on the Additional Selection form.
3. Last Status
Blank = Next Status Code
1 = Last Status Code

Use this processing option to specify whether the system uses the last status or next status for the Open Order Inquiry program (P4310). Valid values are:

1
The system uses the last status code as the default for the from and thru status codes.

Blank
The system uses the next status code as the default for the from and thru status codes.

4. Date
Blank = Requested Date
1 = Transaction Date
2 = Promised Date
3 = Original Promised Date
4 = Receipt Date
5 = Cancel Date
6 = G/L Date

Use this processing option to specify the date that the system checks to ensure that the date is within the date range. Valid values are:

1
The system checks the Transaction Date.

2
The system checks the Promised Date.

3
The system checks the Original Promise Date.

4
The system checks the Receipt Date.

5
The system checks the Cancel Date.

6
The system checks the G/L Date

Blank
The system checks the Requested Date.
Versions Tab
These processing options control which version of various programs the system uses.

1. Supply/Demand Inquiry (P4021)

Use this processing option to define the version that the system uses when you are using the Supply/Demand Inquiry program. When you choose a version, review the version's processing options to ensure that the version meets your needs.

2. Supplier Analysis (P43230)

Use this processing option to define the version that the system uses when you are using the Supplier Analysis program.

When you choose a version, review the version's processing options to ensure that the version meets your needs.

3. Supplier Master (P04011)

Use this processing option to define the version that the system uses when you are using the Supplier Master program.

When you choose a version, review the version's processing options to ensure that the version meets your needs.

4. PO Print on Demand (R43500)

Use this processing option to define the version that the system uses when you are using the Purchase Order Print On Demand program. The system uses the version that you choose to print an order when you access the appropriate row exit on a form.

When you choose a version, review the version's processing options to ensure that the version meets your needs.

5. Item Availability Summary (P41202)

Use this processing option to define the version that the system uses when you are using the Item Availability program.

When you choose a version, review the version's processing options to ensure that the version meets your needs.

6. Approval Review (P43081)

Use this processing option to define the version that the system uses when you are using the Approval Review program.

When you choose a version, review the version's processing options to ensure that the version meets your needs.

7. Receipt Routing (P43250)

Use this processing option to define the version that the system uses when you are using...
the Receipt Routing program.

When you choose a version, review the version's processing options to ensure that the version meets your needs.

8. Open Receipts (P43214)

Use this processing option to define the version that the system uses when you are using the Open Receipts program.

When you choose a version, review the version's processing options to ensure that the version meets your needs.

9. Revision Audit Summary (P4319)

Use this processing option to define the version that the system uses when you are using the Revision Audit Summary program.

When you choose a version, review the version's processing options to ensure that the version meets your needs.

10. Purchase Ledger (P43041)

Use this processing option to define the version that the system uses when you are using the Purchase Ledger program.

When you choose a version, review the version's processing options to ensure that the version meets your needs.

11. Open Order Inquiry (P4310)

Use this processing option to define the version that the system uses when you are using the Open Order Inquiry program.

When you choose a version, review the version's processing options to ensure that the version meets your needs.

12. Financial Status Inquiry (P44200)

Use this processing option to define the version that the system uses when you are using the Financial Status Inquiry program.

When you choose a version, review the version's processing options to ensure that the version meets your needs.

13. Inbound Transportation (P4915)

Use this processing option to define the version that the system uses when you are using the Inbound Transportation applications.

When you choose a version, review the version's processing options to ensure that the version meets your needs.
14. Preference Profile (R40400)

Use this processing option to determine which version of the Preference Profiles program (P42520) the system uses to process orders based on preferences that are activated on the Preference Selection form. If you leave this processing option blank, the system uses version ZJDE0001.

15. Configurator (P32942)

Use this processing option to determine which version the system uses when you are using the configurator program. When you choose a version, review the version's processing options to ensure that the version meets your needs.

16. Blanket Release (P43216)

Use this processing option to specify which version that the system uses with the Blanket Order Release program (P43060).

Currency Tab

These processing options allow you to enter currency information.

1. Tolerance

Use this processing option to specify a currency tolerance limit percentage to ensure that the currency amount does not fluctuate by an amount greater than the tolerance percentage as compared with the Currency Exchange Rates table (F0015).

If you work with multiple currencies, create a separate version of this program for each currency. The amount you specify in this processing option is currency specific.

2. Currency Code

Use this processing option to specify the currency code in which to view "as if" amounts. This allows you to view domestic or foreign amounts in a currency other than the currency in which the amounts were originally entered.

If you leave this processing option blank, the system displays "as if" amounts in the currency in which they were originally entered.

Note: "As if" currency amounts are stored in a temporary memory, and are not written to a table.

3. As of Date

Use this processing option to specify an "as of" date for the "as if" Currency Code processing option. The system uses this date to retrieve the exchange rate from the Currency Exchange Rates table (F0015).
If you specify a currency code in the Currency Code processing option and leave this processing option blank, the system uses the system date.

Note: A valid exchange rate between the domestic or foreign currency and the "as if" currency must exist in the F0015 table, based on the "as of" date.

**Approvals Tab**

These processing options allow you to enter approval processing information.

1. Route Code
   - Blank = Do not perform
   - 1 = Originator's address
   - 2 = Originator's user profile
   - 3 = Branch/Plant
   - 4 = Default location

Use this processing option to specify which code the system uses for approval processing.

The Approval Route Code of your choice.

1. Use the Originator's address as the default value.
2. Use the Originator's user profile as the default value.
3. Use the Branch/Plant route code as the default value.
4. Use the Default Locations route code as the default value.
   - Blank The system does not perform approval processing.

2. Awaiting Approval Status

Enter the next status for the system to use when the order enters the approval route.

3. Approved Status

Enter the next status for the system to use when the order is automatically approved.

4. Reapprove Changed Lines
   - Blank = Do not reapprove
   - 1 = Reapprove on change to any field
   - 2 = Reapprove on change to user-activated critical fields only
   - 3 = Reapprove on change to standard critical fields only

Use this processing option to specify whether the system activates approval processing for certain types of modifications to a purchase order line that already has been approved.

Valid values are:
Blank
The system does not activate approval processing.

1
The system activates approval processing when any fields for the purchase order line have been modified.

2
The system activates approval processing only when certain critical fields, which are activated through the Approval Fields Constants program (P43080), have been modified.

3
The system activates approval processing only when the standard critical fields have been modified.

5. Approval Hold Code

Use this processing option to specify a hold code that the system uses when placing the order on hold for the approval process. If you leave this processing option blank, the system does not place the order on hold.

---

**Budgeting Tab**

These processing options allow you to enter budgeting information.

1. Budget Hold Code

Use this processing option to specify the hold code that the system uses for budget holds. After you enter a hold code, the system activates the budget checking process. Budget checking ensures that when a detail line exceeds the budget for an account, the system places the entire order on hold.

2. Budget Ledger Type

Use this processing option to specify the ledger type that contains your budgets.

If you specify a budget ledger type, the system retrieves only that budget ledger type. If you leave this processing option blank, the system retrieves all budget ledger types that were specified in the Ledger Type Master Setup program (P0025) and are contained in the Ledger Type Master table (F0025).

3. Level of Detail

Use this processing option to specify the value (3 through 9) for the level of detail that the system uses during the budget checking process. If you leave this processing option blank, the system uses a default value of 9.
Note: You can use this processing option with the processing option for level of detail accumulation.

4. Budget Total Method
1 = Job Cost budget
2 = Standard financial budget
3 = Standard financial spread

Use this processing option to specify the method by which the system calculates your budget. If you leave this processing option blank, the system uses the job cost budget calculation method. Valid values are:

1
The system uses the job cost budget calculation method:

Original budget + period amounts for the current year + prior year postings

2
The system uses the standard financial budget calculation method:

Sum of period amounts for the current year

3
The system uses the standard financial spread calculation method:

Original budget + period amounts for the current year

5. Period Accumulation Method
Blank = Total annual budget
1 = Through Current Period

Use this processing option to indicate the time period that the system uses when accumulating the budget.

1 Accumulate the budget through the current period.

Blank Use the total annual budget to accumulate the budget.

6. Tolerance Percentage

Use this processing option to specify the percentage by which the detail line amount can exceed your budget before the system places the order on budget hold.

7. Hold Warning
Blank = Do not display
1 = Display
2 = Display warning, but do not place order on hold

Use this processing option to specify whether the system displays a warning message about detail line amounts that exceed the budget. Valid values are:

Blank
The system does not display a warning, but it does place the order on hold.

1
The system displays a warning and places the order on hold.

2
The system displays a warning, but it does not place the order on hold.

8. Budget Accumulation Level of Detail
Blank = Do not accumulate
1 = Accumulate

Use this processing option to specify whether the system uses the value for the Level of Detail processing option (located on the Budgeting tab) to accumulate budget amounts. Valid values are:

Blank
The system uses the value for the Level of Detail processing option.

1
The system accumulates budget amounts starting from the level of detail that has been specified for the purchase order detail line up to the value for the Level of Detail processing option.

9. Exclude Subledger/Type
Blank = Include
1 = Exclude

Use this processing option to specify whether the system excludes the subledger and subledger type when validating the budget information. Valid values are:

Blank
The system includes the subledger and subledger type.

1
The system excludes the subledger and subledger type. The system calculates the total of budgets for all subledgers for the detail line account to determine whether the line exceeds the budget.
10. Job Cost Account Sequence
Blank = Standard
1 = Job cost

Use this processing option to specify the job cost account sequence that the system uses for budgeting. Valid values are:

Blank
The system uses the standard account sequence (for example, cost center, object, and subsidiary).

1
The system uses the job cost sequence (for example, job, cost code, and cost type).

11. Include Taxes
Blank = Exclude
1 = Include

Use this processing option to determine whether the system includes taxes for taxable lines in budget calculations. Valid values are:

Blank
Do not include taxes.

1
Include taxes.

**Interop Tab**
This processing option allows you to enter interoperability information.

1. Purchase Order Before/After Image Processing
Blank = After Image
1 = Before and After Image

Use this processing option to specify whether the system captures a record of a transaction before the transaction was changed or whether the system captures records of a transaction before and after a transaction was changed.

1 Capture two records; one record of the transaction before it was changed and one record after it was changed.

Blank Capture a record of a transaction after the transaction was changed.
2. Purchase Order Transaction Type

Use this processing option to enter a transaction type for the export transaction.

If you leave this field blank, the system does not perform export processing.

3. Work Order Before/After Image Processing

Blank = After Image
1= Before and After Image

Use this processing option to specify whether the system writes the before image for the work order header. Valid values are:

1 The system includes the image.
Blank The system does not include the image.

4. Work Order Transaction Type

Use this processing option to specify the default transaction type for the work order header that the system uses when processing export transactions. If you leave this field blank, the system does not perform export processing.

---

Order Revision Tab

These processing options allow you to control revisions to orders.

1. Revision Tracking
Blank = Do not perform
1 = Existing orders
2 = Existing orders and addition of new lines to the order

Use this processing option to specify whether the system allows revisions to an order.

1 Allow revisions to existing orders only.
2 Allow both revisions to an existing order as well as the addition of new lines to the order.

Blank The system does not perform order revision tracking.

2. Next Status

Use this processing option to specify the next status code at which the system begins tracking order revision audit information. The system does not record revisions to detail lines if the lines’ statuses precede the status code that you enter in this processing option.

The system stores revision information in the Purchasing Ledger table (F43199). You can access this table through the Order Revision Inquiry program (P4319).

3. Text Entry
Blank = Disallow
1= Allow

Use this processing option to specify whether the system allows you to enter text when you are entering a revision.

1  Allow users to automatically enter text when entering a revision.
The system displays a text entry window when the order is accepted.
Blank  Do not allow users to enter text when they are entering a revision.

Self-Service Tab
This processing option allows you to specify whether the system activates self-service functionality.

1- Enter a '1' to activate supplier self service. If left blank, no activation.

Use this processing option to activate Supplier Self-Service for use in a Java/HTML environment. This functionality allows suppliers to view their orders online.

Valid values are:

Blank  Do not activate Supplier Self-Service.

1  Activate Supplier Self-Service.

Matrix Tab
Use this processing option to specify the parent that the system processes.

Inventory Parent

Workflow Tab
Use these processing options to specify how the system processes workflow information.

1. Price Changes Notify

Blank = Do not send any notification emails
1  = Purchase Order Originator
2  = Project Manager
3  = Buyer
4  = Originator, Buyer and Project Manager
Use this processing option to specify the recipient of the e-mail that the system automatically sends when the unit cost/lump sum changes on the order. Valid values are:

1
Send e-mail to purchase order originator.

2
Send e-mail to project manager (MPM only).

3
Send e-mail to buyer.

4
Send e-mail to purchase order originator, project manager (MPM only), and buyer.

Blank
Do not send e-mail.

2. Planned Delivery Date Changes Notify

- Blank = Do not send any notification emails
- 1 = Purchase Order Originator
- 2 = Project Manager
- 3 = Buyer
- 4 = Originator, Buyer and Project Manager

Use this processing option to specify the recipient of the e-mail that the system automatically sends when the promised delivery date on the order changes. Valid values are:

1
Send e-mail to purchase order originator.

2
Send e-mail to project manager (MPM only).

3
Send e-mail to buyer.

4
Send e-mail to purchase order originator, project manager (MPM only), and buyer.

Blank
Do not send e-mail.

3. Quantity Changes Notify
Blank = Do not send notification emails
1 = Purchase Order Originator
2 = Project Manager
3 = Buyer
4 = Originator, Buyer and Project Manager

Use this processing option to specify the recipient of the e-mail that the system automatically sends when the quantity of the order changes. Valid values are:

1
Send e-mail to purchase order originator.

2
Send e-mail to project manager (MPM only).

3
Send e-mail to buyer.

4
Send e-mail to purchase order originator, project manager (MPM only), and buyer.

Blank
Do not send e-mail.

4. Order Hold Notify

Blank = Do not send notification emails
1 = Purchase Order Originator
2 = Project Manager
3 = Buyer
4 = Originator, Buyer and Project Manager

Use this processing option to specify the recipient of the e-mail that the system automatically sends when the order goes on hold. Valid values are:

1
Send e-mail to purchase order originator.

2
Send e-mail to project manager (MPM only).

3
Send e-mail to buyer.
4
Send e-mail to purchase order originator, project manager (MPM only), and buyer.

Blank
Do not send e-mail.

Transfer Order Tab
Use these processing options to specify how the system processes transfer orders.

1. Create Item Branch Record if one does not exist for the receiving B/P when Entering a Transfer Order

Blank = Create Item Branch Record
1 = Do not Create Item Branch Record

Use this processing option for transfer orders to determine whether the system creates an item branch record if one does not already exist in the receiving branch/plant.

2. Project Transfer Order Line Type

Use this processing option to specify the line type that the system uses for the purchase order that is created from a sales transfer order. Ensure that the line type has been defined with an inventory interface of C by accessing the Line Type Constants program (P40205). When the line type has an inventory interface of C, the system performs financial commitments for purchase orders that are associated with the Engineering Project Management system.
Special Orders Processing

A special order requires different handling than a regular order. In many instances, a special order is a prerequisite to an actual order. Examples of special orders include:

- Requisitions - preliminary requests for items and services
- Blanket Orders - large orders for which you want to receive periodic disbursements
- Quote Orders - requests for supplier price quotes
- Order Revisions - orders for which the system tracks modifications to orders

You enter most special orders in the same way that you enter orders. You distinguish a special order by its order type. For example, when you work with a requisition, you usually enter an order type of OR (requisition orders). When you work with a blanket order, you usually enter an order type of OB (blanket order), and so forth.

Based on the line types, activity rules, and status codes that you set up for special orders, each special order type follows a different process cycle in the Procurement system.
Working with Requisitions

You use requisitions to obtain approval for the items and services that you want to procure. After a requisition is approved, you create an order from the requisition using one of the following methods:

- Duplicate a requisition
- Choose requisition detail lines to include on an order

You duplicate a requisition to create an order when you must create recurring orders from the same requisition. For example, if you have a requisition for office supplies that you order every month, you can duplicate the same requisition to create each recurring order.

You choose individual requisition detail lines to create orders when you want to close the detail lines so that the lines cannot be used again. For example, if you have a requisition for office supplies that you only want to order once, you must choose the requisition detail lines so that they cannot be used again.

Entering Requisitions

From the Requisition and Quote Management menu (G43A12), choose Enter Requisitions.

Alternatively, from the Requisition & Quote Management menu (G43D12), choose Enter Requisitions.

Your company might require you to submit a requisition for the items and services that you want to procure. You usually enter a requisition to obtain approval for goods and services prior to creating an order.

You enter a requisition in the same way that you enter an order. For example, to order office supplies, you enter a detail line for each office supply that you want to order.

When you enter a requisition, you can enter your address book number as the ship-to address so that the requisition can be traced back to you.

If you have a purchasing department that manages requisitions, you can enter a purchasing agent on a requisition in place of the supplier. This reference allows the purchasing agent to easily locate requisitions to create orders.

You use the same procedures to print requisitions as you do to print orders, although you must specify the order type for requisitions.

Duplicating a Requisition to Create an Order

From the Requisition and Quote Management menu (G43A12), choose Enter Requisitions.

Alternatively, from the Requisition & Quote Management menu (G43D12), choose Enter Requisitions.

You must duplicate a requisition if you plan to create recurring orders from the same requisition. For example, each time you need to order paper, you can create an order by duplicating the existing requisition.
When you duplicate a requisition to create an order, the system does not close the requisition. You duplicate a requisition the same way that you duplicate an order.

**Choosing Requisition Detail Lines for Orders**

You can choose requisition detail lines for which to create orders.

You can create an order for an item quantity or an amount that is less than the quantity or amount on a requisition detail line. If you specify a lesser quantity or amount, the system releases that quantity or amount from the detail line and you choose whether or not the balance remains open. The system closes a requisition detail line after the entire quantity is released for an order.

To specify whether unit costs display for each detail line and whether the costs can be changed, you can set the processing options for Generate Orders from Requisitions on the Requisition & Quote Management menu (G43A12).

You can also set the processing options to specify whether the system performs a tolerance check before creating an order for a requisition.

You can create an order for a requisition by choosing all detail lines on the requisition. You can also:

- Combine detail lines from multiple requisitions to create a single order
- Choose detail lines from a single requisition to create multiple orders

You can combine detail lines from multiple requisitions to create a single order. You use this method to combine items and services for the same supplier. For example, if you receive two separate requisitions for staplers, you can combine the requisition detail lines to create a single order.

You can also separate detail lines on a requisition to create multiple orders. You do this when different suppliers provide the items or services on a requisition. For example, if you receive a requisition that contains an order for a stapler and an order for a chair, you can generate an order for the stapler and another for the chair.

► **To choose requisition detail lines for orders**

*From the Requisition and Quote Management menu (G43A12), choose Generate POs from Reqs.*

*Alternately, from the Requisition & Quote Management menu (G43D12), choose Generate Orders from Reqs.*

1. On Work With Order Release, complete one or more of the following fields to locate requisition detail lines and click Find:

- Supplier
- Order Number
- Item Number
- Account Number
- Branch/Plant
Only those detail lines with status codes that you specified in processing options appear.

Detail lines with cancel dates prior to the current date do not appear.

2. Choose a detail line for which you want to create an order and click Select.

3. On Order Release, change any of the following fields:
   - Supplier
   - Buyer
   - Ship To
   - Release Qty
   - Unit Cost

4. Click the Detail Information tab, and change any of the following fields:
   - Account Number
   - Lot/SN
   - Location
   - Subledger
5. Choose one of the following options:
   • Release
   • Close
   • Cancel

6. Click OK.
   The system displays the next detail line.

7. Repeat steps 2 through 5 for each detail line for which you want to create an order.
   You are now ready to create orders for the releases you have chosen.

**Working with Quote Orders**

Before you procure an item or service, you might want to gather and compare price quotes from different suppliers. You can work with quote orders to:

• Obtain price quotes for items or services
• Identify the supplier offering the best price or delivery date for an item or service
• Create a purchase order

**Entering Items for Which to Request Quotes**

You must enter the items for which you want to receive price quotes on a quote order. For each item, you must enter a detail line just as you would on an order.

You can request a price quote for a single quantity or for multiple quantities of an item. You can enter multiple quantities for items for which you expect to receive a price break for purchasing larger quantities.

You also might want to obtain price quotes after you get approval for the items and services on a requisition. You can create quote orders using detail lines from requisitions. The procedure for this is identical to that for creating orders from requisitions. On the Order Detail form, you can use the Original Orders function to review:

• A list of all requisitions from which the line was created
• Who requested the items
• The quantities requested

The system maintains the requisition information to create the detail lines on quote orders in the Multiple Requisition File table (F4332).
To request price quotes for a single quantity

From the Requisition and Quote Management menu (G43A12), choose Enter Quote Orders.

Alternately, from the Requisition & Quote Management menu (G43D12), choose Enter Quote Orders.

1. On Work With Order Detail, click Add.
2. On Order Detail, complete the following fields for each item for which you want a price quote and click OK:
   - Supplier
   - Branch/Plant
   - Item Number
   - Quantity Ordered

To request price quotes for multiple quantities

From the Requisition and Quote Management menu (G43A12), choose Enter Quote Orders.

Alternately, from the Requisition & Quote Management menu (G43D12), choose Enter Quote Orders.

1. On Work With Order Detail, click Add.
2. On Order Detail, complete the following fields for each item for which you want a price quote:
   - Supplier
   - Item Number
   - Branch/Plant
3. Choose the detail line and choose Quote Price Breaks from the Row menu.
4. On Quote Price Breaks, complete the following field for each item quantity for which you expect to receive a price break and click OK.
   - Quantity

Creating Quote Orders from Requisitions

From the Requisition and Quote Management menu (G43A12), choose Enter Quote Orders.

After you get approval for the items or services on a requisition, you might want to obtain price quotes. You can create quote orders using detail lines from requisitions. The procedure for this is identical to that for creating purchase orders from requisitions.
If a detail line on a quote order was created from multiple requisitions, you can review:

- A list of all requisitions from which the line was created
- The person(s) requesting the items
- The quantities requested

To review this information, you must choose the detail line on Order Detail and then choose Original Orders from the Row menu.

The system maintains information about requisitions consolidated to create detail lines on quote orders in the Multiple Requisitions File table (F4332).

**Entering Suppliers to Provide Quotes**

After you enter items on a quote order, you must enter the suppliers from whom you want to obtain price quotes. You can specify the suppliers who are to provide price quotes for all items or individual items on the quote order.
To enter suppliers to provide quotes

From the Requisition and Quote Management menu (G43A12), choose Enter Quote Orders.

Alternately, from the Requisition & Quote Management menu (G43D12), choose Enter Quote Orders.

1. On Work With Order Detail, click Add.
2. On Order Detail, complete the following fields:
   - Supplier
   - Branch/Plant
3. On Order Detail, do one of the following:
   - To enter suppliers for all items on the order, choose Quote Suppliers from the Form menu.
   - To enter suppliers for a certain item on the order, choose a detail line and choose Quote Suppliers from the Row menu.
4. On Quote Supplier Entry, complete the following field:
   - Required By
5. Complete the following field for each supplier from whom you want to receive a price quote and click OK:
   - Supplier

Printing Requests for Quote Order

From the Requisition and Quote Management menu (G43A12), choose Print Quote Orders.

Alternately, from the Requisition & Quote Management menu (G43D12), choose Print Quote Orders.

For each supplier from whom you are requesting price quotes, you can generate a form on which to record price quote information. Each form applies to a specific quote order. The supplier’s name and address appear on the form, as well as the items for which you are requesting price quotes.

You can have the supplier fill out the form, or you can gather the information and fill out the form yourself. You can record a price quote for each item as well as the dates through which each price quote is effective. You can then use the form to enter price quote information in the system.

You run Print Quote Request to select the quote orders for which to print request forms. After you enter price quote information in the system, you can print these forms to review existing price quotes for a supplier.
Entering Supplier Price Quotes

After a supplier provides you with price quotes for items or services, you must enter the price quotes in the system. After you enter price quotes from all suppliers, you can compare the price quotes to identify the supplier with the best price.

You must enter supplier price quotes based on a specific quote order. If you requested that the supplier provide price quotes for different quantities of an item, you can enter a price quote for each quantity.

The system maintains individual price quote information for suppliers in the Supplier Selection File table (F4330).

► To enter supplier price quotes

From the Requisition and Quote Management menu (G43A12), choose Enter Quote Response.

1. On Work With Suppliers complete the following fields and click Find to locate the quote order and supplier for which to enter price quotes:
   - Order Number
   - Branch/Plant

2. Choose the detail line that contains the order number and supplier and click Select.
3. On Quote Response Entry, complete the following fields:
   - Response Date
   - Promised Delivery
   - Expire Date

   You can enter a promised date and an expiration date for all price quotes or you can enter dates for individual price quotes. All dates default to the detail lines.

4. Complete the following field for each item or service:
   - Unit Price

   If you have requested price quotes for multiple quantities of the item, the system highlights the Unit Price field.

5. To enter price quotes for multiple item quantities, choose the detail line and choose Price Breaks from the Row menu.

6. On Quote Price Breaks, complete the following fields for each quantity and click OK:
   - Price
   - Promised Date
   - Expire Date

7. On Quote Response Entry, click OK.
Creating Orders from Price Quotes

After you input supplier price quotes for an item or service, you can compare price quotes to identify the supplier with the best price and choose a price quote for which to create an order.

After you select a price quote for which to create an order, you can:

- Close the quote order detail line (if fully released), so that you can no longer create orders from the line.
- Leave the quote order detail line open, so you can create recurring orders from the line.

You use processing options to specify which of the above methods you want to use. Closed detail lines do not appear on the Quote Order Release form.

You can compare price quotes for an item by locating the quote order detail line that contains the item. You can review the item description for the detail line and all suppliers who have provided price quotes for the item.

► To create orders from price quotes

From the Requisition and Quote Management menu (G43A12), choose Generate POs from Quotes.

Alternately, from the Requisition & Quote Management menu (G43D12), choose Generate Orders from Quotes.
1. On Quote Order Release, complete one or more of the following fields to locate quote order detail lines and click Find:
   - Branch/ Plant
   - Order Number
   - Item Number
   - Account
   - Supplier
   - Buyer Number

   The Supplier field pertains to the purchasing agent that is assigned to the quote order not to the suppliers responding with price quotes.

2. To compare supplier price quotes for each detail line, review the following field:
   - Responded Price/ Amount

   If the supplier has provided price quotes for multiple quantities of an item, the system highlights the price quote.

   If a supplier did not return a price quote by the date you required, you cannot use the price quote. The system does not display a release line for late quotes. To activate the line, you must change the response date for the supplier using the Quote Supplier Entry program.

3. To review price breaks for an item, choose the appropriate row and choose Price Breaks from the Row menu.

4. On Quote Price Breaks, review the supplier's price quote for each quantity of the item and click Cancel.

5. On Quote Order Release, choose the price quote for which to create an order by entering a quantity in the following field for the appropriate supplier:
   - Release Quantity

   If the supplier has provided price quotes for multiple item quantities, the release quantity you specify indicates the price quote that the system is to use for the order.

   You are now ready to generate orders for the price quotes you have chosen. The system warns you if you attempt to exit from the form before you generate the orders or cancel your choices.

6. Click OK.
Working with Blanket Orders

You can enter a blanket order when you have an agreement with a supplier to purchase a certain quantity or amount of goods over a period of time. You must enter the entire quantity or amount on the blanket order. Each time you are ready to receive a portion of the goods, create a purchase order.

For each blanket order on the system, you can view the original quantity on the order, the quantity or amount released to date, and the quantity or amount left to release.

Entering Blanket Orders

From the Purchase Order Processing menu (G43A11), choose Blanket Orders.

You might issue an order for goods or services from which the supplier releases portions over a period of time. When you have this type of agreement with a supplier, you can enter a blanket order.

When you enter a blanket order, you must specify the entire quantity or amount of the item or service that you want to order. For example, if you have an agreement with a supplier to purchase 100 widgets a month over the next 12 months, you must enter a blanket order for 1200 widgets.

You enter and print a blanket order in the same way that you enter and print a purchase order. To enter a blanket order, you must enter a single detail line for the entire blanket order quantity or amount. To print a blanket order, you must specify the order type.

Creating Purchase Orders from Blanket Orders

When you are ready to receive a portion of the goods or services on a blanket order, you must release the quantity or amount for which you want to create a purchase order. For example, if you have a blanket order for 1200 widgets and you want to receive 100, you must locate the blanket order detail line and release 100 widgets.

To create purchase orders from blanket orders

From the Order Generation/Approve/Release menu (G43A13), choose Generate POs from Blanket.

1. On Work With Order Release, complete one or more of the following fields or click Find to locate requisition detail lines:
   - Supplier
   - Order Number
   - Item Number
   - Account Number
   - Branch/Plant

   Only those detail lines with status codes that you specified in processing options appear.
Detail lines with cancel dates prior to the current date do not appear.

2. Choose one or more detail lines for which you want to create a purchase order and click Select.

3. On Order Release, review the following fields:
   - Qty To Date
   - Original Qty
   - Amt To Date
   - Original Amt

4. Complete the following fields:
   - Release Qty
   - Release Amt
   You determine whether the Release Amount field appears using processing options.

5. Choose one of the following options:
   - Release
   - Close
   - Cancel

6. Click OK.
   The system displays the next detail line.

7. Repeat steps 2 through 5 for each detail line for which you want to create a purchase order.
   You are now ready to create purchase orders for the releases you have chosen.

**Printing Orders**

After you enter orders, you can print them to review the orders and then send them to the appropriate suppliers. The system prints the orders in the language that is specified for the supplier in the Supplier Master table.

You can also print orders to a work file, which enables you to customize the report. Before you customize a report, you must retrieve the appropriate address information and attachments or notes.

You cannot print orders on hold.
Printing by Batch

From the Purchase Order Processing menu (G43A11), choose Print Purchase Orders.

You can print orders by batch so you can review the orders and then send them to the appropriate suppliers.

Use the processing options to specify which information prints on orders. You can have the system print:

- Taxes
- Open item information only
- Supplier item numbers
- Foreign and domestic currencies
- Exchange rates (for foreign currency users)
- Messages

The system can automatically print adjustments on the report if you set the Price Picklist field to print prices and adjustments when you define the purchasing instructions.

Printing Individually

You can print orders individually so you can review them before sending them to the appropriate suppliers. If you have set the processing options in Order Entry for the system to store purchase order information for Electronic Data Interchange (EDI), you can send the orders to your suppliers using the Electronic Commerce system.

You can have the system print three types of messages on an order:

- Print messages
- Attachments
- Global messages

You create print messages using the Purchase Orders program (P4310). After you create a print message, you can assign it to an order or detail line during order entry.

You use processing options in Order Entry to specify whether attachments print. You can assign an attachment to an order or to detail lines during order entry.

You also use processing options to specify whether global messages print. Global messages always print at the top of orders.

Printing orders is usually a step in the sequence of processing orders. You set up these steps in Order Activity Rules. Once you print an order, you can have the system move the order to the next step in the process, or you can leave the order where it is so that you can print it again. You use processing options in Order Entry to specify whether the system updates status codes for orders after they print.
You might want to print orders twice, once to review the orders and again to update status codes. You can access the following two versions of the print program through the processing options for Order Entry:

- Print Purchase Orders
- Reprint Purchase Orders

You might want to use one version to review orders and the other to update status codes for orders.

If you print an order that is on hold, the system prints a blank page.

► **To print individually**

*From the Purchase Order Processing menu (G43A11), choose Enter Purchase Orders.*

1. On Work With Order Headers, locate the order you want to print.
2. Select the order and choose Detail Revision from the Row menu.
3. On Order Detail, select the detail line and choose Print Order from the Form menu.
   Alternately, on Work With Order Headers, select the detail line and choose Print Order from the Row menu.
4. On Printer Selection, specify information such as printer name and paper size on the appropriate tab and click OK.
Receipt Processing

You can use either an informal or formal receiving process to acquire the goods and services you requested on a purchase order.

You must use the formal receiving process if you purchase items to inventory. You can use the informal or formal receiving process if you purchase items or services to the general ledger.
Informal Receiving Process

An informal receiving process is one in which you enter receipt information at the same time that you create a voucher. If you create a voucher for 50 pens, the system determines that you received 50 pens.

When you use an informal receiving process, the system creates a single record in the Purchase Order Receiver File table (F43121) when you create a voucher. The system also creates a liability for the purchase at that time.

Formal Receiving Process

A formal receiving process is one in which you enter details of a receipt before you create vouchers. You create vouchers based on the receipt information. For example, if you enter a receipt for 50 pens, you must create a voucher for 50 pens.

To accurately account for the receipt of goods, your formal receiving process is likely to include:

- Taking physical receipt of items
- Identifying details of the receipt
- Recording details of the receipt

You can use purchase receivers in your formal receipt process to manually record the receipt of goods upon delivery. You can then enter that information into the system.

You can eliminate the use of purchase receivers if you use terminals to enter receipt information upon delivery or if you use copies of original purchase orders as receiving forms.

When you use a formal receiving process, the system creates a receipt record in the Purchase Order Receiver File table (F43121) when you enter a receipt. The system also creates a liability for the purchase at that time. When you create a voucher, the system creates another record in the Purchase Order Receiver File table.

Entering Receipts

After you receive the goods on a purchase order, you must record the details of the receipt. The system uses receipt information to:

- Update item quantities and costs in the Inventory Management system
- Update general ledger accounts

When you receive goods, you must verify that the details of the receipt correspond to the information on the purchase order. You must verify item numbers, quantities, units of measure, costs, and so forth. If the receipt details differ from those on the purchase order, you must adjust the purchase order detail lines to reflect the receipt. For example, if landed costs, such as delivery charges or import taxes, apply to the item's purchase price, you enter these costs for the order during the receipt process.
When a direct ship order is created in Sales Order Management, the system automatically creates a corresponding purchase order. For a direct ship order, you must enter a receipt to update the corresponding sales order with the new status information. However, if you enter a partial receipt, the system splits the corresponding order detail lines on the direct ship sales order and updates only the order detail line that was received.

If you work in an inventory environment, you can specify the warehouse location in which to store items upon receipt. If a certain location is full, you can assign items to multiple locations. If you group items by lot, you can assign items to a single lot or to multiple lots. If necessary, you can specify serial numbers for these items.

Each time you receive an order, the system:

- Creates a receipt record in the Purchase Order Receiver File table (F43121)
- Updates item quantities and costs in the Item Location File table (F41021)
- Adds a new record to the Item Ledger File table (F4111)
- Updates the appropriate accounts in the Account Ledger table (F0911)

Each time you cancel or reverse a receipt, the system updates the same tables that were updated when you entered the original receipt.

**Entering Receipt Information**

You must enter receipt information to verify the receipt of goods or services on a purchase order. You must verify the quantity, cost, and so forth for each order you receive.

If you are entering a receipt that has many purchase order detail lines, you might want to enter the information using the network. If you are entering a receipt for a kit, you can enter receipt information for the components only. You cannot enter a receipt for the parent item.

To enter a receipt, you must first locate the open purchase order detail lines that correspond to the receipt. An open detail line contains items that have not yet been received. The system retrieves all open detail lines for the item number, purchase order number, or account number you specify. You can set the processing options for PO Receipts (P4312) to display cost information and to determine whether you can change costs for the order detail lines.

You can review amounts in both foreign and domestic currencies using the Foreign field on the PO Receipts form. If you change costs for an order line, ensure that you do so in the appropriate currency mode.

You can use processing options for PO Receipts to specify how to use the exchange rate. For example, you can:

- Use the exchange rate that applies on the G/L date
- Prevent changes to the exchange rate

When you receive orders in a foreign currency, the system creates journal entries for two different ledgers:

- The AA ledger for base currency amounts
- The CA ledger for foreign currency amounts
If the detail lines on a purchase order differ from the details of the actual receipt, you must adjust the purchase order detail lines to reflect the receipt. For example, if the order quantity on a detail line is 20 but you receive a quantity of 10, you must change the quantity on the detail line to 10. You specify whether to close the remaining balance on the line or to keep it open.

If you receive an order in different units of measure, you must perform a partial receipt for each unit of measure. For example, you might receive a portion of an order in crates and the remaining portion in boxes. You must perform a partial receipt for the crates and another receipt for the remaining boxes.

► To enter receipt information

From the Purchase Order Processing menu (G43A11), choose Enter Receipts by PO.

1. On Work With Purchase Orders to Receive, complete the following fields, as necessary, to locate open purchase order details lines that correspond to a receipt and click Find:
   - Order Number
   - Item Number
   - Account Number
   - Branch/Plant

Only those detail lines with a next status code equal to that which you specified in processing options appear.
2. Choose a detail line for which to enter a receipt and click Select.

If you enter receipts by order number, all detail lines that are on the same order as the detail line you selected appear. If you enter receipts by item, all detail lines that contain the item that is on the detail line you selected appear.

3. On Purchase Order Receipts, complete the following fields:
   - G/L Date
   - Receipt Date

4. Compare the receipt details to the detail line information and adjust the following fields, as necessary:
   - Quantity
   - Trans UOM
   - Unit Cost
   - Amount

5. Adjust remaining information for each detail line, as necessary.

6. Type 1 in the following field for each detail line you want to receive and click OK:
   - Rec Opt

The option you enter determines whether the system leaves the balance of the line open (option 1), closes the balance (option 7), or cancels the line entirely (option 9).
Reversing a Receipt

You can reverse a receipt as long as you have not yet created a voucher for the receipt. You might need to do this if you recorded a receipt by mistake or you recorded the wrong receipt.

If you are reversing a receipt for an item that goes through a receipt routing process, you must move it back to the first operation in the route before you can reverse the receipt. You must also reverse all dispositions.

When you reverse a receipt, the system accounts for the order as if it were never received. It reverses all accounting and inventory transactions.

► To reverse a receipt

*From the Receipts Matching and Posting menu (G43A15), choose Open Receipts by Supplier.*

1. On Work With Purchase Receipts, complete one or more of the following fields to locate the receipt to reverse and click Find:
   - Order Number
   - Supplier
   - Item Number
   - Account
   - Branch/Plant

2. Choose the receipt and choose Reverse Receipt from the Row menu.
3. Choose Close to exit the Work With Purchase Receipts form.
4. On Reversal Verification, click OK.

Working with Journal Entries for Receipt Transactions

The system creates journal entries each time you enter or reverse a receipt. You can review the journal entries for accuracy and then post them to the general ledger (G/L).

Reviewing Journal Entries for Receipts

*From the Receipts Matching and Posting menu (G43A15), choose Review G/L Receipts Journal.*

When you enter a formal receipt, the system creates journal entries that:

- Debit an inventory account
- Credit a received not vouchered account
The system retrieves account numbers for which to create journal entries from automatic accounting instructions (AAIs). A separate AAI table exists for inventory accounts and received not vouchered accounts. The system retrieves an account number from each table based on the company, business unit, and G/L category code that applies to a receipt.

For example, you enter a receipt for 100.00 worth of inventory items. The items have a G/L category code of IN20 and were purchased for business unit A in company 100. When you enter a receipt, the system retrieves the inventory account number and the received not vouchered account number for company 100, business unit A, and the IN20 G/L category code to create the journal entries.

If you enter purchase order detail lines by account number, the system charges each receipt against the account number on the detail line. The system retrieves a received not vouchered account number from AAIs.

If tax is applicable to a receipt, the system also creates tax accrual entries. If you apply landed costs at the time of receipt, the system creates entries for accrued landed costs.

You might use a standard cost method to determine the inventory cost for an item. The standard cost for an item remains consistent unless you manually change it. If a variance exists between the standard cost and the price at which you purchase an item, the system creates journal entries to account for the variance. You specify variance accounts in automatic accounting instructions.

You use processing options to specify whether the system creates separate journal entries for each detail line or summarizes the entries for all lines.

When you reverse a receipt, the system automatically reverses the corresponding journal entries.

**Posting Receipts**

_From the Receipts Matching and Posting menu (G43A15), choose G/L Receipt Post._

After you review journal entries, you can post them to the general ledger using the General Ledger Post Report program (R09801).

When you run the General Ledger Post Report, the system performs the following processes:

- Selects qualified batches of unposted transactions from the Account Ledger table (F0911).
- Edits and verifies each transaction.
- Posts accepted transactions to the Account Balances table (F0902).
- Marks each transaction and batch header as posted in the Account Ledger table (F0911) and the Batch Control Records table (F0011).
Purchasing Related Vouchers

Before you can pay a supplier for the goods and services you purchase, you must create a voucher that:

- Indicates that the terms of a transaction are met
- Specifies the amount to pay to the supplier
- Notifies the Accounts Payable system to cut a check

You can create a voucher based on an invoice. This method is called the three-way voucher match. You use this method to verify that invoice information corresponds to your receipt records. For example, if a supplier bills you for 100.00 worth of goods, you must verify that you received 100.00 worth of goods.

If you do not record receipt information, you can use the two-way voucher match. You use this method to verify that invoice information corresponds to purchase order detail lines and then you create vouchers.

You can also create vouchers:

- In batch mode using only receipt information. You use this method when you have an agreement with your suppliers that your receipt records are sufficient for creating vouchers and that invoices are unnecessary. For example, if receipt records indicate that you received 100.00 worth of goods, the system creates a voucher for 100.00 worth of goods.
- For withholding a portion of the gross payment as retainage. Retainage is a percentage of a committed amount that is held until a specified date after the order is complete. For example, if you create a voucher for 100.00 with retainage of 10 percent, the actual payment will be 90.00, with 10.00 held as retainage. You release retainage by entering a payment voucher for the amount that you want to release.
- To make progress payments on an order.
- For units if you are paying against a unit based order. In a unit-based order, you specify payments based on the number of units completed. You should enter either the number of units for which you are paying or the gross payment. The system then calculates the other value based on the price per unit.

You might want to review the receipt records for which you must create vouchers. After you locate this information, you can enter landed costs (costs in excess of an item's purchase price) for the items you have received.

If you receive an invoice before you take receipt of the goods and services, you can create a preliminary voucher to account for the billing amount. After you receive the goods or services on the invoice, you can redistribute the amounts to the appropriate general ledger accounts.
Reviewing Open Receipts

You can review open receipts, which are receipts for which you have not yet created vouchers. You might do this to determine the receipts for which you must create vouchers. You can review the amount and quantity open for each receipt.

If you need to check an order to see whether any vouchers have already been created, you can use the Vouchered option on the Work With Purchase Receipts form to search for order detail lines for which a voucher has been created. The system displays the order detail lines with the quantity and amount that are entered on the voucher.

► To review open receipts

From the Receipts Matching and Posting menu (G43A15), choose Open Receipts by Supplier.

1. On Work With Purchase Receipts, complete one or more of the following fields to locate open receipts and click Find:
   • Order Number
   • Supplier Remark
   • Item Number
   • Account
   • Branch/Plant

2. Review the following fields for each receipt:
   • Quantity Not Vouchered
   • Amount Not Vouchered

3. To review detailed information for a receipt, select the row and choose the option from the Row menu that corresponds to the information that you want to review.
Creating Vouchers

You must create a voucher before you can pay a supplier for purchases. You usually create a voucher for the billing amount on an invoice. Three-way voucher match and two-way voucher match are the two methods of creating a voucher.

Creating a Three-Way Voucher Match

Using the three-way voucher match method, you verify that a billing amount is correct by matching it to your receipt records. For example, if a supplier bills you for 10.00 worth of items, you can check your receipt records to see that you received 10.00 worth of items.

Three-Way Voucher Match

<table>
<thead>
<tr>
<th>Invoice</th>
<th>Open Receipts</th>
<th>Order</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acme Supply Company</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Item 1 10 x .60 = 6.00</td>
<td>Item 1 10 x .60 = 6.00</td>
<td></td>
</tr>
<tr>
<td>Item 2  20 x .25 = 5.00</td>
<td>Item 2  20 x .25 = 5.00</td>
<td></td>
</tr>
</tbody>
</table>

Due 10.00 10.00 10.00
Creating a Two-Way Voucher Match

Using the two-way voucher match method, you create a voucher from the order detail line. For example, you can make progress payments on a contract or an order.

You can create a voucher for units if you are paying against a unit based order. In a unit-based order, you specify progress payments based on the number of units completed. You should enter either the number of units for which you are paying or the gross payment. The system then calculates the remaining value based on the price per unit.

For example, if you enter a voucher for 1000 square feet of drywall at a cost of 0.25 per square foot, the system calculates your gross payment as 250.00. Conversely, if you enter a voucher for 250.00 with a unit price of 0.25, the system calculates the number of units as 1000.

If you have multicurrency turned on, the system calculates the total values based on the currency that you select. For example, if you enter a voucher for 1000 units at 0.25 per unit, the system calculates the total payment in the currency you specify.

If you are entering a voucher for a kit, you can enter voucher information at the component level only.

You might need to reverse a voucher. For example, you might have to return the items for which you created the voucher.

You also might need to make a correction to an invoice adjustment that reflects a price change to an item or an error on a previous invoice. To make the change, you must create a new voucher that reflects the adjustment to the previous voucher.
Choosing Receipt Records to Match to a Voucher

For the three-way voucher match (formal receipt process), you create a voucher from an invoice. You must locate the receipt records that correspond to the invoice and match them to the invoice. For example, if a supplier has sent you an invoice for 100.00, you must locate and match the receipt records for the 100.00 worth of items that correspond to the invoice. Note that you can choose multiple receipt records to match on a single voucher.

The total amount of the receipt records you match to an invoice must equal the amount on the invoice. For example, if two receipt records correspond to an invoice and each receipt record is for 200.00, the invoice amount must equal 400.00 to perform a match.

If an invoice reflects a partial order, you can change the quantity or amount of a receipt record to match the invoice. The system leaves the remaining balance of the receipt record open. For example, if a receipt record reflects 100 items but the invoice amount reflects 50 items, you can change the receipt record quantity to 50. You can create a voucher for the remaining 50 items at a later time.

If you match receipt records to invoices to create vouchers, you cannot cancel a receipt record. Instead, you must reverse the voucher in Match Voucher to Open Receipt (P0411) and then reverse the receipt in Open Receipts by Supplier (P43214).

The system creates a voucher interactively when you match receipt records to an invoice.

► To choose receipt records to match to a voucher

From the Receipts Matching and Posting menu (G43A15), choose Match Voucher to Open Receipt.

Alternatively, from the Subcontract Processing menu (G43D11), choose Progress Payments.

If you use Match Voucher to Open Receipt, you must set processing options to perform voucher match processing.

1. On Supplier Ledger Inquiry, click Add.
2. On Voucher Match, complete the following fields to enter record information:
   - Supplier
   - Invoice Num.
   - Invoice Date
   - G/L Date
   - Co.
   - Branch/Plant
   You can have the system enter the gross amount and tax for you based on the detail lines or receipt records you choose if you match to the invoice.
3. Choose Receipts To Match from the Form menu.
4. On Select Receipts to Match, complete the following optional fields and click Find:
   - Expense Account
   - Item Number

5. Choose the receipt records that correspond to the invoice and click OK.
   The system returns the lines you selected to the Voucher Match form.

6. On Voucher Match, complete the following field:
   - O P

7. Complete the following optional fields for receipt records to reflect the invoice, as necessary:
   - Amount To Voucher
   - Quantity To Voucher
   - Retained Amount
   - Percentage Retained
   - Tax Y/N
   - Tax Area
   - Tax Expl
   - Tax
   - Discount Amt.

   If you are working with receipt records, you cannot increase the receipt quantity to reflect an invoice. You must first receive the additional quantity using the Enter Receipts program. If you increase the amount for a receipt record, the system creates journal entries to account for the variance.

8. Click OK.

9. To review the resulting voucher, on Supplier Ledger Inquiry, click Find, choose the voucher, and click Select.

Choosing Order Detail Lines to Match to a Voucher

For the two-way voucher match (informal receipt process), you do not record receipt information. You must match order detail lines to invoices to create vouchers. For example, if a supplier sends you an invoice for 100.00, you must locate and match the order detail lines that contain the corresponding 100.00 worth of items. Note that you can choose multiple order detail lines to match on a single voucher.

When you add landed costs to receipt records before the voucher match process, the system might create separate detail lines for the landed costs depending on how you have set up the costs. To create a voucher for the landed costs, locate and match the landed cost line to the appropriate invoice.
You might receive an invoice for goods or services that were never entered on a purchase order. You can set processing options for the Voucher Match program (P4314) to allow you to enter new purchase order detail lines to match an invoice. The processing options allow you to indicate whether the system adds new lines to an existing purchase order (you specify the order number, order company, order type, and order change number) or create a new purchase order. The processing options also allow you to indicate the line type and status codes for new detail lines.

You must purchase against account numbers to enter new detail lines during the voucher match process. You cannot add stock-based order detail lines during the voucher match process.

When you try to create a voucher against an order line for which a receipt is required, you receive an error.

When you try to create a voucher against an order that has a payment hold, any of the following might occur:

- You receive a soft warning, which indicates an outstanding log warning. You can enter and process payments as usual.
- Your new payments automatically have a pay status of "H," which indicates that the contract hold code automatically holds payments against an order. You must manually change each voucher to approved pay status.
- The system does not allow you to enter a payment voucher, which indicates that the vendor hold code for the supplier is set to not allow any payments.
- You cannot enter payment vouchers until the hold is removed.

You can also enter a specific tax amount for each receipt record on the Voucher Match form. If you enter a tax amount, you must also enter the tax rate/area and an explanation for the tax.

To account for variances in the exchange rate, you can set up automatic accounting instructions. If you enter a new exchange rate during the voucher match process, the system creates journal entries to account for the variance between costs incurred at the old exchange rate and costs incurred at the new exchange rate.

If you match receipt records to invoices to create vouchers, you cannot cancel a receipt record. Instead, you must reverse the voucher in Match Voucher to Open Receipt and then reverse the receipt in Open Receipts by Supplier.

If you match receipt records to invoices to create vouchers, you cannot cancel a receipt record. Instead, you must reverse the quantity in the PO Receipts program (P4312).

► To choose order detail lines to match to a voucher

From the Receipts Matching and Posting menu (G43A15), choose Match Voucher to Open Receipt.

Alternately, from the Subcontract Processing menu (G43D11) choose Progress Payments.

If you use Match Voucher to Open Receipt, you must set processing options to perform voucher match processing.
1. On Supplier Ledger Inquiry, click Add.

2. On Voucher Match, to enter record information, complete the following fields:
   - Supplier
   - Invoice Num.
   - Invoice Date
   - G/L Date
   - Co.
   - Branch/Plant

   You can have the system enter the gross amount and tax for you based on the detail lines you choose if you match to the invoice.

3. Choose Orders To Match from the Form menu.

4. On Select Orders To Match, complete the following optional fields and click Find:
   - Expense Account
   - Item Number

5. Choose the order detail lines and click OK.

   The system returns the lines that you selected to the Voucher Match form.

6. On Voucher Match, complete the following field:
   - O P

   The option that you enter determines whether the system leaves the balance of the line open (option 1), closes the balance (option 7), or cancels the line entirely (option 9).

7. Complete the following optional fields for order detail lines, as necessary, to reflect the invoice:
   - Quantity To Voucher
   - Amount To Voucher
   - Percentage Retained
   - Tax Y/N
   - Tax Expl
   - Tax Area
   - Tax
   - Discount Amt.

8. Click OK.

9. To review the resulting voucher, on Supplier Ledger Inquiry, click Find, choose the voucher, and then click Select.
Choosing Order Detail Lines for Freight Charges

You might need to manually match freight charges to a voucher. Freight charges are calculated by the Transportation Management system.

To choose order detail lines for freight charges

From the Receipts Matching and Posting menu (G43A15), choose Match Voucher to Open Receipt.

If you use Match Voucher to Open Receipt, you must set processing options to perform voucher match processing.

1. On Supplier Ledger Inquiry, click Add.
2. On Voucher Match, to enter record information, complete the following fields:
   - Supplier
   - Invoice Num.
   - Invoice Date
   - G/L Date
   - Co.
   - Branch/Plant
3. Choose Freight To Match from the Form menu.
4. On Work With Freight Audit History, complete the following optional fields and click Find:
   - Trip Depot
   - Load Number
   - Shipment Number
5. Choose the row that contains the order detail line that you want to match to a voucher and click Select.

Recording Cost Changes to an Invoice

You might receive an invoice adjustment that reflects a price change to an item or an error to a previous invoice. Typically, you make prices changes for products such as gasoline or other commodity items. For example, you receive an invoice for 100 items that cost $10.00 each and later receive another invoice that adjusts the cost of the items to $9.00 each. You can create a new voucher that reflects an adjustment to the previous voucher.
To record cost changes to an invoice

From the Receipts Matching and Posting menu (G43A15), choose Match Voucher to Open Receipt.

1. On Supplier Ledger Inquiry, click Add.
2. On Voucher Match, complete the following fields:
   - Supplier
   - Invoice Num.
   - Invoice Date
   - G/L Date
   - Co.
   - Branch/Plant
3. From the Form menu, choose Recost Vouchers.
4. On Recost Vouchers, complete the following fields and click OK:
   - Order Number
   - Item Number
   - Unit Price

The system creates a new voucher that reflects the cost difference between the original voucher and the new cost.

Procurement Processing Options for A/P Standard Voucher Entry (P0411)

Purchasing Tab

1. Voucher Delete

   Blank = No edit
   1 = Warning
   2 = Error

Use this processing option to determine the type of message that appears when you attempt to delete vouchers that contain purchase order information. For example, indicate what the system does when you attempt to delete a voucher that contains a purchase order from the Supplier Ledger Inquiry form.

Valid values are:

   Blank Do not permit editing (default)
   1 Warning
   2 Error If a conflict exists between this processing option and the Voucher Message processing option for Voucher Entry MBF, the value set here overrides the value set in Voucher Message processing options.
Voucher Match Tab

1. Match Processing

Blank = Run Standard Voucher Entry (P0411)
1 = Run Voucher Match (P4314)

Use this processing option to change the default voucher type from standard vouchers to matched vouchers. If you choose to run the voucher match program, you can choose either the three-way voucher match or the two-way voucher match.

Valid values are:

Blank Run Standard Voucher Entry (P0411)
1 Run Voucher Match (P4314) in the Procurement system Alternatively, on the Non-Stock PO Processing menu (G43B11), choose one of the following:
Receive & Voucher POs

Match Voucher to Open Receipt The Voucher Match Program (P4314) does not access the MBF processing options (P0400047). Therefore, the MBF processing option settings do not affect Voucher Match processing.

You might want to reverse a voucher. For example, you reverse a voucher when you return the items for which you created the voucher. If the voucher has been posted, the system reverses the corresponding journal entries. If the voucher has not been posted, the system deletes the entries.

NOTE: Do not delete a voucher in the Accounts Payable system if you created the voucher in the Procurement system. The voucher should be deleted in the Procurement system.

Processing Options for Voucher Match (P4314)

Defaults Tab

These processing options define the default information that the system uses during Voucher Match (P4314).

1. Inquiry Order Type

Use this processing option to identify the type of document. This user defined code (00/DT) also indicates the origin of the transaction. J.D. Edwards has reserved document type codes for vouchers, invoices, receipts, and time sheets, which create automatic offset entries during the post program. (These entries are not self-balancing when you originally enter them.) The following prefixes for document types are defined by J.D. Edwards, and J.D. Edwards recommends that you do not change them:
You must enter a value that has been set up in user defined code table 00/DT.

2. Voucher Document Type

Use this processing option to identify the type of document. This user defined code (00/DT) also indicates the origin of the transaction. J.D. Edwards has reserved document type codes for vouchers, invoices, receipts, and time sheets, which create automatic offset entries during the post program. (These entries are not self-balancing when you originally enter them.) The following prefixes for document types are defined by J.D. Edwards, and J.D. Edwards recommends that you do not change them:

- **P_** Accounts Payable documents
- **R_** Accounts Receivable documents
- **T_** Payroll documents
- **I_** Inventory documents
- **O_** Purchase Order documents
- **J_** General Accounting/Joint Interest Billing documents
- **S_** Sales Order Processing documents

You must enter a value that has been set up in user defined code table 00/DT.

---

**Display Tab**

These processing options control whether the system displays certain types of voucher match information, such as the approver number and reporting code.

1. Approver Number
   - **Blank** = Do not display
   - **1** = Display

   Use this processing option to specify whether to display the approver number code.
   - **1** Display the approver number code.
   - **Blank** Do not display the approver number code.

2. Reporting Code
   - **Blank** = Do not display
   - **1** = Display

   Use this processing option to specify whether the column for Reporting Code 007 appears in the detail area on Voucher Match.
1. Display the column for Reporting Code 007.
   Blank Do not display the column for Reporting Code 007.

3. Account Number
   Blank = Display as one field
   1 = Display in three fields

Use this processing option to specify how the system displays the account number.
   1 The account number is displayed in three individual fields (Business Unit, Object Account, and Subsidiary).
   Blank The account number is displayed as one field.

4. Business Unit
   Blank = Branch/Plant
   1 = Job
   2 = Project
   3 = Business Unit

Use this processing option to specify the text that describes the Business Unit field (alias MCU). This processing option affects only the header area on Voucher Match, not the detail area.
   1 The field appears as Job.
   2 The field appears as Project.
   3 The field appears as Business Unit.
   Blank The field appears as Branch/Plant.

---

**Process Tab**

These processing options control the values that the system uses for the following information and processes:

- From and Thru status codes
- Outgoing next status code
- Entry of the quantity/amount
- Tolerance checking
- Storage of supplier analysis information
- Quantity of vouchers allowed per order

---

1. From Status Code

Use this processing option to specify the beginning status code (40/AT) in a range of next status codes. The system uses the range when selecting orders to match.

Note: This processing option does not apply when the system is selecting receipts to match.
2. Thru Status Code

Use this processing option to specify the ending status code (40/AT) in a range of next status codes. The system uses the range when selecting orders to match.

Note: This processing option does not apply when the system is selecting receipts to match.

3. Outgoing Receipt Next Status Code

Use this processing option to specify a code that represents the next status that the order will move to after a partial payment.

When a partial payment exists, the system updates the status in the Purchase Order Detail table for a two-way match and updates the status in the Receiver table (F43121) for a three-way match so that the statuses in those two tables match the status that you enter for this processing option.

4. Cancel Status Code

Use this processing option to specify the next status that the order moves to after the system cancels a voucher.

When a voucher is cancelled, the system updates the status in the Purchase Order Detail table for a two-way match and updates the status in the Purchase Order Receiver table (F43121) for a three-way match to ensure that the statuses match the status that you enter for this processing option.

5. Quantity/Amount

   Blank = Automatically loaded
   1 = Manually entered

Use this processing option to indicate whether you want to manually enter the quantity information or whether the system automatically enters quantity information.

   1   Manually enter the quantity/amount to a voucher.
   Blank Automatically load the quantity/amount.

6. Tolerance

   Blank = Do not check
   1 = Display a warning
   2 = Display an error message

Use this processing option to indicate whether the system checks to determine if a detail line's quantity and amount exceed the tolerance percentage. To check your tolerance, you can access the Tolerance Setup program (P4322).
You can enter a valid pay status or any of the following values:

1. Display a warning when the detail line exceeds the tolerance.
2. Display an error message when the detail line exceeds the tolerance.
   
   Blank Do not check quantities and amounts to determine whether they exceed tolerance.

7. Supplier Analysis
   
   Blank = Do not capture
   1 = Capture

Use this processing option to indicate whether you want the system to capture supplier analysis information.

1. The system records information such as item numbers, dates, and quantities for every purchase order in the Supplier/Item Relationships table (F43090). To make supplier analysis most effective, enter 1 for this processing option and set the processing options for the Purchase Order Entry program (P4310) and the Purchase Order Receipts program (P4312) to capture the same information.

   Blank The system does not capture supplier analysis information.

8. Orders Per Voucher
   
   Blank = Multiple orders
   1 = Only one order

Use this processing option to indicate whether the system allows multiple orders per voucher.

1. Allow only one order per voucher.
   
   Blank Allow multiple orders per voucher.

9. Branch/Plant Retrieval
   
   Blank = Each detail line
   1 = Purchase Order header
   2 = Address book
   3 = Voucher Match header
   4 = Each detail line Branch/Plant's Project
   5 = Purchase Order header Branch/Plant's Project
   6 = Address book Branch/Plant's Project
   7 = Voucher Match header Branch/Plant's Project

Use this processing option to specify which business unit or project number that the system uses to generate the G/L bank account and the A/P trade account.

Note: The system uses the business unit that you specify for the voucher.

Valid values are:

Blank

The system retrieves the business unit for each purchase order detail line.
1. The system retrieves the business unit in the purchase order header record.

2. The system retrieves the business unit from the Address Book.

3. The system retrieves the business unit from the header information in the Voucher Match program (P4314).

4. The system retrieves the project number from the business unit for each purchase order detail line.

5. The system retrieves the project number from the business unit in the purchase order header record.

6. The system retrieves the project number from the business unit in the Address Book.

7. The system retrieves the project number from the business unit in the header information that is contained in the Voucher Match program (P4314).

10. Direct Ship Integrity Cost Update
Blank = Do Not Update
1 = Update Cost

Use this processing option to allow cost updates to the sales order when the order is a direct ship order.

1 Update cost.
  Blank Do not update cost.

11. Lot Cost Update
Blank = Do Not Update
1 = Update Cost

Use this processing option to update an item’s lot cost (method 06) when matching an order at a variance. Valid values are:

1 Update lot cost.
Blank
Do not update lot cost.

Summarization Tab
These processing options control whether the system summarizes accounts payable (A/P) and general ledger (G/L) information.

1. A/P
   Blank = Do not summarize
   1 = Summarize

Use this processing option to specify whether to summarize A/P entries.

   1       Summarize A/P entries.
   Blank   Do not summarize A/P entries.

2. G/L
   Blank = Do not summarize
   1 = Summarize

New Order Line Tab
These processing options control how new order detail lines are added to a purchase order when you are creating a voucher.

1. Order Line Entry
   Blank = Cannot add lines to a voucher
   1 = Do not create
   2 = Create

Use this processing option to indicate whether you want the system to automatically create purchase order detail lines for lines that you add to a voucher.

   1       Do not create corresponding purchase order detail lines when new lines are added to a voucher.
   2       Create corresponding purchase order detail lines when new lines are added to a voucher.
   Blank   You cannot add lines to a voucher.

2. Line Type

Use this processing option to specify how the system processes lines on a transaction. The line type affects the systems with which the transaction interfaces (General Ledger, Job Cost, Accounts Payable, Accounts Receivable, and Inventory Management). The line type also specifies the conditions for including a line on reports and in calculations. Some examples of valid values, which have been defined on the Line Type Constants Revisions form (P40205), are:
J Job cost, subcontracts, or purchasing to the General Ledger  
B G/L account and item number  
N Non-stock item  
F Freight  
T Text information  
M Miscellaneous charges and credits  
This processing option applies only if you enter a value of 2 in the Order Line Entry processing option, which also is on the New Order Lines tab.

You can only use a line type that has an inventory interface of A, which validates the account number.

3. Last Status Code

Use this processing option to indicate the beginning status, which is the first step in the order process. You must use a user defined code (40/AT) that has been set up on the Order Activity Rules form for the order type and the line type that you are using.

4. Next Status Code

Use this processing option to indicate the next step in the order process. You must use a user defined code (40/AT) that has been set up on the Order Activity Rules form for the order type and the line type that you are using.

The override status is another allowed step in the process.

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**Retainage Tab**

These processing options control whether the system uses the retainage percentage or the retainage amount as a default value in the Voucher Match program (P4314), and also whether the system applies taxes to the retained or vouchered amount.

1. Default
   Blank = Do not load  
   1 = Load  

Use this processing option to specify whether to automatically load the retainage percentage or amount from the order header.

1   Automatically load the retainage percentage or amount from the order header.  
   Blank Do not load the retainage percentage or amount from the order header.  
2. Taxes  
(Only apply to ‘C’ and 'V' type of taxes.)  
Blank = Apply taxes to retainage in voucher match  
1 = Apply taxes to retainage when retainage is released
Use this processing option only for tax types C and V, and to specify whether the system applies taxes to the retained amount during the voucher match process or when releasing retained amounts. Valid values are:

Blank
The system applies taxes to the vouchered amount, including the retained amount.

1
The system does not apply taxes to retained amounts during the voucher match process, but it applies taxes when the retained amounts are released.

Logs Tab
These processing options control whether the system displays a warning message when outstanding logs exist and also indicate which pay status code the system should use for a voucher when outstanding logs exist.

1. Warning Message
Blank = Do not display
1 = Display after verifying the status, pay effective date, pay expiration date
2 = Display after verifying the status, pay effective date, required date, pay expiration date.

Use this processing option to indicate whether the system displays an outstanding log detail warning message and when it displays the message.

1       Display the outstanding log detail warning message when the system verifies the status, pay effective date, and pay expiration date.
2       Display the outstanding log detail warning message when the system verifies the status, pay effective date, required date, and pay expiration date.
Blank  Do not display the outstanding log detail warning message.

2. Pay Status Code

Use this processing option to specify the pay status code that the system uses as a default value for the voucher when an outstanding log exists.

Typically, you use a pay status code that indicates that the pay item is on hold.

Currency Tab
These processing options control which date the system uses as the effective date and also whether the exchange rate can be changed.

1. Effective Date
Blank = Today's Date  
1 = G/L Date  
2 = Invoice Date  

Use this processing option to indicate which date the system uses as the effective date.

1 Use the G/L date as the effective date.  
2 Use the invoice date as the effective date.  
Blank Use today's date as the effective date.

2. Protect Rule  
Blank = Do not protect  
1 = Protect  

Use this processing option to specify whether you can change the exchange rate.

1 You cannot change the exchange rate.  
Blank You can change the exchange rate.

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**Flex Accounts Tab**  
This processing option controls whether you are working with flexible accounting.

1. Flex Accounting  
Blank = Do not activate  
1 = Activate  

Use this processing option to specify whether flexible accounting is activated. Activate flexible accounting if you are using the Cost Management System, or if you are working with flexible sales accounting.

1 Activate flexible accounting.  
Blank Do not activate flexible accounting.

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**Versions Tab**  
These processing options allow you to enter the version for each application. If you leave any of the following processing options blank, the system uses the ZJDE0001 version.

1. Order Entry (P4310)  

Use this processing option to define the version that the system uses when you are using the Order Entry program.

When you choose a version, review the version's processing options to ensure that the version meets your needs.
2. AP Master Business Function (P0400047)

Use this processing option to define the version that the system uses when you are using the Accounts Payable program. You can only review versions for this program in the interactive versions list.

When you choose a version, review the version's processing options to ensure that the version meets your needs.

3. GL Master Business Function (P0900049)

Use this processing option to define the version that the system uses when you are using the General Ledger program. You can only review versions for this program in the interactive versions list.

When you choose a version, review the version's processing options to ensure that the version meets your needs.

4. Open Receipts Inquiry (P43214)

Use this processing option to define the version that the system uses when you are using the Open Receipts Inquiry program.

When you choose a version, review the version's processing options to ensure that the version meets your needs.

5. Stand Alone Landed Cost (P43214)

Use this processing option to define the version that the system uses when you are using the Stand-alone Landed Cost program.

When you choose a version, review the version's processing options to ensure that the version meets your needs.

6. Freight Audit History(P4981)

Use this processing option to specify which version of the Voucher Match program (P4314) that the system uses for matching freight.
Creating Multiple Vouchers from Receipt Records

From the Receipts Matching and Posting menu (G43A15), choose Evaluated Receipt Settlement.

You might have an agreement with certain suppliers that your receipt records are sufficient for creating vouchers. When such an agreement exists, the supplier does not need to send you an invoice, and you can avoid manually matching receipt records to invoices to create vouchers.

You can run the Evaluated Receipt Settlement program to create vouchers from receipt records. You indicate the receipts for which the system:

- Edits for errors
- Calculates taxes and discounts
- Creates vouchers
- Generates journal entries

You can run Evaluated Receipt Settlement (R43800) to review the receipts for which the system will create vouchers. You can also identify the receipts with errors so that you can correct them. After you have corrected any errors, you can run the program in final mode to create vouchers.

The system does not create vouchers for receipt items in a routing process until they are moved to an on-hand status. When the receipt items go through the routing process, the system assigns the receipt record an evaluated receipt value of R (in routing) in the Purchase Order Receiver File table. When the items become on-hand, the system changes the value to Y (yes), so that you can create a voucher.

The system creates vouchers for landed costs if:

- The receipt record for which you are entering landed costs is eligible for the Evaluated Receipt Settlement program (Evaluated Receipt field in the Purchase Order Receiver File table is set to yes).
- You can create vouchers for the landed cost supplier using the Evaluated Receipt Settlement program (Evaluated Receipt field on Purchasing Instructions (P40205) is set to yes).

After the system creates the vouchers, you work with them as you would with any standard voucher.

Caution

To create vouchers for a supplier in batch mode, you must set the Evaluated Receipt field in Purchasing Instructions to Y (Yes) before you create purchase orders for the supplier. This is the default for each purchase order that you enter for the supplier. You can override this default for individual detail lines. If you set the Evaluated Receipt field in Purchasing Instructions to N (No), you cannot override the value on purchase orders.

The system gets receipt information from the Purchase Order Receiver File table (F43121) to generate vouchers in batch mode. You must use a formal receipt process to create vouchers in batch mode.
When you run Evaluated Receipt Settlement, the system generates two reports. If you run the program in proof mode, the first report contains all receipts for which the system will create vouchers. If you run the program in final mode, the report contains the voucher number, voucher amount, and so forth, for each receipt.

The second report lists all receipts for which vouchers cannot be created due to errors.

**Working with Journal Entries for Voucher Transactions**

The system generates journal entries when you create a voucher so that the appropriate purchasing expenses and liabilities reflect in the general ledger. After the system generates journal entries, you can review the entries and post them to the general ledger.

To ensure the integrity of your data, you can verify that voucher amounts balance between the accounts payable ledger and the general ledger.

**Reviewing and Posting Journal Entries for Voucher Transactions**

*From the Receipts Matching and Posting menu (G43A15), choose Voucher Journal Review or G/L Voucher Post.*

When you create a voucher for items that you formally receive, the system creates a journal entry that debits a received not vouchered account. When you create a voucher for items that you do not formally receive, the system creates a journal entry that debits an expense account.

The system creates accounts payable offsetting entries when you post the voucher journal entries to the general ledger.

If a variance exists between the cost of goods or services on a purchase order or receipt record and the cost on the voucher, the system creates journal entries for the variance. You must specify variance accounts in Automatic Accounting Instructions.

If you charge purchases against general ledger account numbers (expense accounts), the line type you assign to a detail line determines whether the system charges a variance to the expense account or a variance account.

You can review the journal entries that the system creates for a voucher using Voucher Journal Review (P0011). You can review the amount of each entry and the account to which each amount is debited or credited.
What You Should Know About Variance accounts for weighted average costs

If you purchase items to inventory, you might sell some of the items before you create a voucher. If you maintain a weighted average inventory cost for the items, you must set up two variance accounts in AAIs, one for the items sold and the other for the items remaining.

For example:

- You buy 10 items at 10.00 for a total of 100.00
- You sell two of the items
- You create a voucher for 90.00 (the supplier bills you for 9.00 each)

A variance exists of 10.00. If you do not set up two variance accounts, the system applies the entire 10.00 variance to the 8 items that remain in stock. This causes the weighted average cost of the items to be inaccurate.

When you set up two variance accounts, the system applies an 8.00 variance to the items that remain in stock and a 2.00 variance to the items sold. This allows the system to calculate the correct weighted average cost for the items that remain in stock.

You must set up AAI table 4332 to have the system create a separate variance for items no longer in stock.

Logging Invoices Prior to Receiving Goods

You can log invoice information prior to receiving the goods or services on an invoice so that the billing amount reflects in the general ledger. When you log invoice information, the system creates a preliminary voucher from which you can create a permanent voucher when you receive the goods or services.

After you create a preliminary voucher, the system generates journal entries that distribute the voucher amount to a general ledger suspense account. After you create the permanent voucher, the system generates journal entries that redistribute the voucher amount to the actual general ledger accounts.

Logging Invoices to Create Preliminary Vouchers

You might want to record invoice information promptly, prior to receiving the goods or services on the invoice. You can log invoice information to create a preliminary voucher, from which the system creates journal entries to account for the billing amount.

After you enter invoice information, you must specify the suspense account for which the system is to debit the voucher amount.
To log invoices to create preliminary vouchers

From the Other Voucher Entry Methods menu (G04111), choose Voucher Logging Entry.

1. On Supplier Ledger Inquiry, click Add.
2. On Enter Voucher - Payment Information, complete the following fields and click OK:
   - Company
   - Supplier Number
   - Invoice Number
   - Invoice Date
   - G/L Date
   - Gross Amount
   - Remark
   - Tax Ex
   - Tax Rate/Area
3. On Journal Entry Prompt, complete the following field and click OK:
   - Account Number

Printing Logged Invoice Information

From the Purchasing Reports menu (G43A111), choose Logged Voucher Detail.

If you log invoices on the system before taking receipt of the goods or services, you can print the Logged Voucher Detail report to review preliminary voucher information. You can use this report to identify the preliminary vouchers that are ready for distribution. You can also review invoice and purchase order information, including:

- Invoice number
- Invoice date
- Gross amount
- Purchase order number
- Received date (if applicable)
- Amount open to voucher
- Voucher number

If you do not enter purchase order information when you log a voucher, the system does not print purchase order information on the report.

You can use processing options to determine whether the report prints only logged vouchers for which receipt records have been entered.
Procurement Setup
Setting Up Procurement Constants

A constant is information that you associate with either the entire system or a specific branch/plant. The system uses constants as default information in many J.D. Edwards systems.

After you determine the information that you want to use throughout your system, you can enter the appropriate values or change any predefined values.

Defining Branch/Plant Constants

Branch/plant constants allow you to customize the processing of daily transactions for each branch/plant in your distribution and manufacturing systems.

Note

If you use the Warehouse Management system, you must define the warehouse information on the Branch Location Definition form of the Branch/Plant Constants program (P41001). Otherwise, you should at least define location length information.

To define branch/plant constants

From the Procurement System Setup menu (G43A41), choose Branch/Plant Constants.

1. On Work With Branch/Plant Constants, enter a branch and click Find.
2. Choose the row that contains the branch/plant for which you want to define constants and click Select.
3. On Branch/Plant Constants, complete the following fields:
   - Address Number
   - Short Item Number Identifier
   - Second Item Number Identifier
   - Third Item Number Identifier
   - Symbol Customer/Supplier
   - Symbol to Identify Segmented Item
   - Segment Separator Character
   - Commitment Method
   - Specific Commitment (Days)
   - Number of Days in Year
   - Supplier Cross Ref. Code
   - Purchase Order Issue Cost
   - Sales/Inventory Costing Method
• Current Inventory Period
• Purchasing Costing Method
• Inventory Carrying Cost (%)
• General Ledger Explanation
• Approval Route Code

4. To finish defining branch/plant constants, choose the following applicable options, and then click OK:
• Backorders Allowed (Y/N)
• Interface G/L (Y/N)
• Write Units to Journal Entries
• Location Control (Y/N)
• Warehouse Control (Y/N)
• Quality Control (Y/N)
• Use Product Cost Detail (Y/N)
• Foreign Depot
• Inventory Lot Creation (Y/N)
• Location Segment Control (Y/N)

Defining Pricing Constants

You can define pricing constants to enable you to enter Advanced Pricing information in Procurement and Sales Order Management.

► To define pricing constants

From the Procurement System Setup menu (G43A41), choose Branch/Plant Constants.

1. On Work With Branch/Plant Constants, enter a branch and click Find.
2. From the Form menu, choose Price Constants.
3. On Pricing Constants, complete the following fields and click OK:
• Advanced Sales Pricing (Y/N)
• Advanced Procurement Pricing (Y/N)
• Require Price Approval (Y/N)
Defining System Constants

Set up system constants to determine how the system performs certain functions. For example, assume that you have several branch/plants and you use different units of measure for the items in each branch/plant. You can set a system constant to automatically convert units of measure by branch.

To define system constants

From the Procurement System Setup menu (G43A41), choose Branch/Plant Constants.

1. On Work With Branch/Plant Constants, choose Sys. Constants from the Form menu.

2. On System Constants, choose from the following options:
   - Unit of Measure Conversion by Branch
   - Update Average Cost On-Line

3. Complete the following field and click OK:
   - Purchase Price Retrieval UOM
Defining Application Control Constants

Defining application control constants prevents the system from applying changes that unauthorized personnel make to the general ledger. Also, you can define a constant that requires you to enter batch control information before the system runs a batch processing job. You might enter batch control information to compare the anticipated size of the job to the end result.

You must define management approval and batch control separately for each distribution and manufacturing system that you use.

To define application control constants

From the Procurement System Setup menu (G43A41), choose Branch/Plant Constants.

1. On Work With Branch/Plant Constants, choose App. Constants from the Form menu.

2. On Application Constants, complete the following fields, if available, and then click OK:
   - Mgmt Apprv
   - Batch Ctrl
Document types can have various characteristics associated with them. The system stores this type of information in a user defined code table that is specific to the type of information.

You can set up and maintain information about document types by using the Document Type Maintenance program. This program updates the Document Type Master table (F40039), a single repository for information that is currently stored in various user defined code lists. This program also updates the User Defined Codes table (F0005).

The Document Type Maintenance program currently maintains information for document types in the following user defined code lists:

- Trace/Track Document Types (40/DC)
- Commitment Document Types (40/CT)
- Blanket Order Types (40/BT)
- Inventory Update Types (40/IU)
- Transaction Type (39/TT)
- Nature of Transaction (40/NT)
- Category of Order (40/OC)
- Other Quantity (40/OQ)
- Interbranch Orders (40/IB)
- Service Contract Type (17/CM)
- Work Order Type (48/OT)
- Carton Status (46/RS)

**Note**

If you add information directly into the listed user defined code tables, this action updates only the User Defined Codes table. It does not update the Document Type Master table.

You can use the Document Type Maintenance program to add document types. Using this program is an advantage if you specify some or all of the other information included in the Document Type Maintenance program.

**To set up document type information**

*From the Inventory Setup menu (G4141), choose Document Type Maintenance.*

1. On Work With Document Type, click Add.
2. On Document Type Revisions, complete the following field:
   - Document Type

3. On the Inventory tab, click one of the following options for Transaction Type:
   - Ignore
     Specifies no transactions
   - Incoming
   - Outgoing
   - Both
     Specifies incoming and outgoing transactions

4. To include the document type in the integrity report, choose the following option:
   - Include in Integrity Report

5. Choose the following options under the Lot Trace/Track heading:
   - Display Lot Trace/Track
   - Consolidate Lot Trace/Track
6. Complete the following field under the Lot Trace/Track heading:
   - Nature of Transaction

7. To set up document type information for Sales Order Management, Procurement, Service Management, Work Orders, or Shipping, click the appropriate tab.

8. On the Sales tab, complete the following fields:
   - Order Category
   - Interbranch Orders
   - Other Quantity
   - Next Number System Code
   - Document Type Next Number

9. Choose the following option:
   - Relieve On Hand Inventory at Ship Confirm

10. On the Procurement tab, complete the following fields:
    - Order Category
    - Other Quantity
    - Next Number System Code
    - Document Type Next Number

11. Choose the following option:
    - Commit Procurement Orders

12. On the S/WM tab, complete the following field:
    - Contract Type

13. On the Work Order Definition tab, complete the following field:
    - Order Type

14. On the Shipping tab, complete the following fields:
    - Carton Creation Status
    - Carton Change Status

15. Choose the following option:
    - Recommend Standard Packs

16. Click OK.
Setting Up Order Line Types

Each purchase order you enter must contain details about the items or services you want to order. For each item or service, you must enter a line of detail information that describes the order, including the quantity and cost of the item or service. The system processes the detail line based on a line type.

The line type you enter for a detail line determines how the transaction affects other systems, such as:

- General Accounting
- Inventory Management
- Accounts Payable

For example, you might create a line type for stock items. When you set up the line type, you specify that it affects item availability in the Inventory Management system. You also specify that it affects the General Accounting and Accounts Payable systems. When you assign the line type to a purchase order detail line, the system:

- Increases the quantity of the item in the Inventory Management system (upon receipt)
- Creates ledger entries in the General Accounting system
- Creates ledger entries in the Accounts Payable system

The line type for a detail line also determines the cycle through which the system processes the line (based on order activity rules). Examples of other information you can specify for a line type includes:

- Whether the detail line is subject to taxes
- Whether the system applies freight charges to the detail line
- Whether a receipt is required for a detail line (this setting can apply to either two-way or three-way voucher match)

To set up order line types

From the Procurement System Setup menu (G43A41), or the Sales Order Management Setup menu (G4241), choose Order Line Types.

1. On Work With Line Types, click Add.
2. On Line Type Constants Revisions, complete the following fields:
   - Line Type
   - Inv. Interface
   - G/L Offset
   - Include in Tax 1
   - Sales Journal Col
3. Choose any of the following applicable options and click OK:
   - G/L Interface
   - A/R Interface
   - A/P Interface
   - S/WM Interface
   - Text Line
   - Reverse Sign
   - Apply Freight
   - Apply Retainage
   - Generate Workorder
   - Include in Cash Discount
   - Include Sales/COGS for Gross Profit
   - Voucher Match Variance Account
   - Edit Item Master for Non-Stock Item
   - Protect Price on Sales Order
   - Generate Purchase Order
   - Call Materials Issue
   - Procurement Receipt Required

**Setting Up Order Activity Rules**

For each item or service that you enter on a purchase order, you must enter a line of detail information that describes the order, including the quantity and cost of the item or service. You must set up order activity rules to establish the sequence of steps through which you process each detail line, for example:

- Enter order
- Approve order
- Print order
- Receive order

You can set up multiple sets of activity rules. You must assign each set of rules to a certain order type (purchase order, requisition, and so on) and line type. For example, you can specify that a set of activity rules apply only to purchase order detail lines that have a line type of S (for stock items).

To save time, you can copy an existing order activity rule by accessing a current combination of an order type and a line type and making the necessary changes.
You must assign status codes to each step in activity rules. Status codes identify the current status of a detail line and the next status to which to advance the line. You must define status codes in ascending numerical order. For example, you can set up status codes for purchase order stock line types as follows:

<table>
<thead>
<tr>
<th>Last</th>
<th>Next</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>220</td>
<td>230</td>
<td>(Enter Order)</td>
</tr>
<tr>
<td>230</td>
<td>280</td>
<td>(Approval Process)</td>
</tr>
<tr>
<td>280</td>
<td>400</td>
<td>(Print Purchase Order)</td>
</tr>
<tr>
<td>400</td>
<td>999</td>
<td>(Receive Order)</td>
</tr>
</tbody>
</table>

You can change the progression of steps by indicating alternate next status codes. For example, using the activity rules above, you can bypass the Print Purchase Order step for orders that you send electronically. To do this, you must assign an alternate next status code (400) to the Approval Process step. You can then assign the alternate code to detail lines in the approval process.

You can specify that the system write a record to the P. O. Detail Ledger File – Flexible Version table (F43199) when a detail line enters a certain step in the activity rules.

You cannot delete an order activity rule if there are records in the system whose status match any of the statuses that are assigned to the order activity rule.

► To set up order activity rules

- From the Procurement System Setup menu (G43A41), choose Order Activity Rules.
- Alternatively, from the Sales Order Management Setup menu (G4241), choose Order Activity Rules.
  1. On Work With Order Activity Rules, click Add.
2. On Order Activity Rules - Revisions, complete the following fields and click OK:

- Order Type
- Line Type
- Order Type Next Number
- Last Status Description
- Next Status
- Other 1
- Other 2
- Other 3
- Other 4
- Other 5
- Ledger Y/N
Setting Up Messages

You can define two types of messages throughout J.D. Edwards systems:

- Print messages, which are messages that you attach to different document types, customers, or suppliers
- Item notes, which are messages that you attach to items

You set up print messages and item notes in the same way. An easy and efficient method is to choose an existing message as a base and modify the description and text. Using a base message is also helpful when you need to define the same message or note in multiple languages.

You can display:

- Print messages or item notes
- Current messages
- All messages, including those that have expired

To print a message, you can select an existing version from the versions list or create your own version.

You also can delete a message, although you should consider the following:

- If you delete a message in a specific language, the system deletes only that message. No other languages are affected.
- If you delete the base message, the system deletes all messages that are related to the base message.
- The system removes the message code, detail information, and text lines from the text tables.

► To set up messages

Setting up messages involves attaching text to different document types, customers, or suppliers.

*From the Inventory Setup menu (G4141), choose Print Message Revisions.*
1. On Work With Print Message, click the visual assist in the Print Message field. The Select User Defined Code form appears, where you must choose a predefined message to use as your base message. After you select the message, the system displays the Work With Print Message form.

2. On Work With Print Message, click Find.

3. Choose the row that contains the base message that you have selected.

4. From the Row menu, choose Revisions.
5. On Print Message Revisions, complete the following fields:
   - Description
   - Effective From
   - Effective Thru

6. To attach a media object, choose Attachments from the Form menu.
7. On Media Objects, enter the note in the right section of the form.
8. When you are done, choose Save.

**Defining Print Information for Messages and Item Notes**

You must define the documents on which to print messages. For example, you might print special delivery instructions on every work order. You cannot define individual print programs for item notes. All item notes print on all documents.

Sometimes a print program generates a document that is used for multiple purposes. For example, you can use the Purchase Order Print program (R43500) to print both purchase orders and other documents such as blanket orders and sales bids. In this example, you might have a message that you only print on blanket orders. For each print program, you can define the document types that exclude messages.
To define documents on which to print messages

From the Inventory Setup menu (G4141), choose Print Message Revisions.

1. On Work With Print Message, click the visual assist for the Print Message field.
   On the Select User Defined Code form you must choose a predefined message to display on selected documents. After you select the message, the system displays the Work With Print Message form.

2. On Work With Print Message, click Find.
3. Choose the row that contains the message.
4. From the Row menu, choose Documents.

5. On Document Selection, choose the row that contains the document upon which you want the print message to display.
6. Complete the following field and click OK:
   - Print on Report
To define document type exceptions

*From the Inventory Setup menu (G4141), choose Print Message Revisions.*

1. On Work With Print Message, click the visual assist in the Print Message field.
   On the Select User Defined Code form appears you choose the print message that you want to exclude from printing on selected documents.

2. On the Work With Print Message form, click Find.
3. Choose the row that contains the message.
4. From the Row menu, choose Documents.
5. On Document Selection, choose Doc Typ Exception (Document Type Exception) from the Row menu.
6. On Document Type Exceptions, do one of the following:
   - If documents appear, choose the row that contains the document upon which you do not want the print message to display. Click Delete and then click OK.
   - If no documents appear, click the flashlight button in the Document Type field and select a document from Select User Defined Code.

Setting Up Item Cross-References

As part of inventory management, you might define relationships between your company's item information and the item information of your suppliers and customers. Additionally, you might set up substitute items, replacement items, and bar codes that are associated with an item. Cross-references associate your internal item numbers with those from other trading partners. You can manage these cross-references in your Inventory Management system. For example, customers can order items using their item numbers. If you have set up item cross-references for a customer, you can easily convert the customer's item numbers into your company's equivalent.

Examples of cross-referenced items are:

<table>
<thead>
<tr>
<th>Vendor item numbers</th>
<th>Use when vendors require their part numbers for orders or communications.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer item numbers</td>
<td>Use when customers prefer to order with their part numbers.</td>
</tr>
<tr>
<td>Substitute items</td>
<td>Use when the item ordered has no quantity on hand.</td>
</tr>
<tr>
<td>Replacement items</td>
<td>Use when you or your vendors discontinue an item and replace it with a new item.</td>
</tr>
<tr>
<td>Bar codes</td>
<td>Use to associate bar code input with a specific item.</td>
</tr>
<tr>
<td>Associated items</td>
<td>Use to recommend an item as part of the sale.</td>
</tr>
</tbody>
</table>

When setting up cross-references for electronic data interchange, you should cross-reference each possible number that your trading partners might transmit.
To enter cross-references

Use one of the following navigations:

From the Inventory Inquiries menu (G41112), choose Item Cross-Reference.

From the EDI Advanced & Technical Operations menu (G4731), choose Item Cross-Reference.

1. On Work With Item Cross Reference, click Add.
   Depending on how you set the processing option, the system displays either Item Cross Reference Revisions By Address or Item Cross Reference Revisions By Item.

2. On Item Cross Reference Revisions By Address or Item Cross Reference Revisions By Item, complete the following fields:
   - Cross Reference Type
   - Address Number
   - Item Number
   - Cross Reference Item Number

3. Complete the following optional fields.
   - Eff Date Date
   - Expired Date
   - Cross Reference Description

4. Click OK.

To review cross-references

From the Inventory Inquires menu (G41112), choose Item Cross Reference

Alternatively, from the EDI Advanced & Technical Operations menu (G4731), choose Item Cross Reference.

After you enter item cross-references, you can use the Work With Item Cross Reference form to review them. You can review all items in all cost centers, not just those that are set up for your EDI trading partner. Note that branch plant security does not function on Work With Item Cross Reference. When you review an item, the system shows all items in all branch plants.

On Work With Item Cross Reference, complete any of the following fields and click Find:

- Item Number
- Date Valid
- X-Ref Type
- Address Number
Creating Tolerance Rules

You create tolerance rules to determine how much a detail line can change before it exceeds tolerance. For example, you enter a receipt for which the quantity exceeds more than 10 percent of the quantity entered on the purchase order. You can have the system prevent the transaction for exceeding tolerance.

You create tolerance rules to specify the number or percentage by which the following values can change:

• Quantity
• Unit cost
• Extended amount

You can set tolerance rules for three types of transactions:

• Receiving
• Creating vouchers
• Creating purchase orders through requisition consolidation and blanket release

If a detail line exceeds tolerance, the system either displays an error message or prevents you from entering the transaction, depending on how you set the processing options. During voucher match, you can also specify that the system assign a pay status code to lines exceeding tolerance.

If you do not specify a percentage or amount for the quantity, unit cost, and extended amount categories, the system will not perform tolerance checking for the category that you leave blank. The system performs tolerance checking only for transactions that exceed the tolerance rule range.

You can prevent the system from allowing any tolerance by specifying a zero tolerance. When you choose the option to enter a zero tolerance for a percentage or amount, you cannot receive, voucher, or release over the amount on the original purchase order line.

To create tolerance rules

From the Procurement System Setup menu (G43A41), choose Tolerance Rules.

2. On Purchasing Tolerance Rules Revisions, specify the type of process for which you are creating a tolerance rule by completing the following field:
   - Function(Program)

3. Specify what the tolerance rule is applicable to by completing one of the following fields:
   - Item Number
   - Commodity Class
   - Company

4. Specify the tolerance percentage or tolerance amount that is acceptable by completing the following fields, as needed, and click OK:
   - Tolerance Percentage
   - Tolerance Units
   - Tolerance Percentage
   - Tolerance Amount
   - Tolerance Percentage
   - Tolerance Amount
Setting Up Order Hold Information

You can put an order on hold to prevent it from being processed. When you assign a hold code to an order, the system does not allow you to process the order until you release the hold.

You must set up the individual hold codes that you intend to assign to orders. Each hold code can identify a certain type of hold. For example, you might set up a hold code to identify orders that exceed budget. You might set up another hold code to identify orders that exceed the maximum order amount.

There are also predefined system-assigned hold codes. The system will automatically assign budget holds to orders if you set processing options for the Purchase Orders program (P4310) accordingly. The system will also assign a hold code to an order if you have entered a hold code for the supplier.

You can specify the person who is responsible for reviewing and releasing a certain type of order hold. You must specify a password for each hold code. Only those individuals who know the password can release an order to which the hold code is assigned.

To set up order hold information

From the Procurement System Setup menu (G43A41), choose Order Hold Information.

Alternately, from the Subcontract System Setup menu (G43D41), choose Order Hold Information.

1. On Work With Hold Order Constants, click Add.

2. On Order Hold Information, complete the following fields and click OK for each hold code:
   - Hold Code
   - Branch/Plant
   - Person Responsible
   - Password
Financial Integration
Setting Up Automatic Accounting Instructions

You set up automatic accounting instructions (AAIs) to determine the accounts to which the system distributes general ledger entries.

In the Procurement system, the system creates journal entries when you receive an inventory item. You set up AAIs to indicate the accounts for which the system creates the journal entries. You also can enter memo text for each AAI.

In the Subcontract Management system, automatic accounting instructions define the links among the Subcontract Management, Job Cost, and General Accounting systems.

AAI Tables for the Procurement System

The Procurement system uses multiple AAI tables, each of which applies to a certain type of transaction. In each table, you specify a general ledger (G/L) account for each unique combination of company, document type, and G/L class.

For example, you can set up an AAI table for inventory receipt transactions. Each time you enter a receipt for an inventory item, the system determines the general ledger account to which to debit the receipt based on the company, document type, and G/L class for the receipt.

The system stores AAIs in the Distribution/Manufacturing – AAI Values table (F4095).

AAIs for Receipts and Voucher Match

These AAI tables determine which accounts are debited and credited when you enter purchase order receipts or create vouchers.

4310 Journal entry debit to an inventory evaluation account that the PO Receipts program (P4312) creates.

4315 Journal entry debit to a non-stock inventory account that the PO Receipts program creates when you are not using an account number on the purchase order.

4320 Journal entry credit or debit to a received not vouchered account that the PO Receipts program and Voucher Match program (P4314) creates.
**AAIs for Variances**
These AAI tables determine which accounts are debited and credited when there is a variance in the cost of an item.

4330 Journal entry credit or debit to a receipt cost/actual cost paid variance account that is created from the Voucher Match program (P4314).

4332 Journal entry credit or debit to an actual cost paid variance/cost of sales account that is created from the Voucher Match program.

4335 Journal entry credit or debit to a standard cost/actual cost variance account that is created from the PO Receipts program (P4312).

4337 Journal entry debit to a manufacturing material burden account that is created from the PO Receipts program. (Used in conjunction with standard costs.)

4340 Journal entry credit or debit to record an exchange rate variance that is created from the Voucher Match program. Variance occurs if the purchasing rate is different between the time of receipt and the time of voucher creation.

**AAIs for Tax Liabilities**
These AAI tables determine which accounts are debited and credited when you work with tax liabilities.

4350 Journal entry debit for accrued purchasing taxes that is created from the PO Receipts (P4312) and Voucher Match (P4314) programs.

4355 Journal entry credit to a tax received but not vouchered temporary liability account that is created from the PO Receipts program.

**AAIs for Landed Costs**
These AAI tables determine which accounts are debited and credited when you work with landed costs.

4385 Journal entry debit for landed costs/expense adjustments that is created during the PO Receipts (P4312), Purchase Receipts Inquiry (P43214), or Voucher Match (P4314) programs.

4390 Journal entry credit for landed costs/expense adjustments that is created during the PO Receipts, Purchase Receipts Inquiry, or Voucher Match programs.
**AAIs for Zero Balance Adjustments**

These AAIs tables determine which accounts are debited and credited when you work with zero balance adjustments.

4400  Journal entry to credit an inventory evaluation account that is created from the PO Receipts program (P4312) when receipt results in on-hand quantity ending at zero, with a remaining general ledger cost. Typically, this is the result of a transaction reversal at a different cost than the original transaction.

4405  Journal entry to debit an inventory evaluation account that is created from the PO Receipts program. This debit occurs when receipt results in on-hand quantity ending at zero, with a remaining general ledger cost. Typically, this is the result of a transaction reversal at a different cost than the original transaction.

**AAI Tables for the Financial System**

Six categories of AAIs relate to Subcontract Management. Each of these categories has a unique prefix that defines the way it is used in the system.

- **Retainage payables (PCRETN)**
  Use this AAI to determine which retention payable account to use when you create contracts that include retainage.

- **Deferred VAT tax payables (PCVATP)**
  Use this AAI to determine the account for deferred VAT payables. This AAI applies only when the VAT tax processing option is on and you use a tax type of C or V.

- **Deferred VAT tax recoverables (PTVATD)**
  Use this AAI to determine the account for deferred VAT recoverables. This AAI applies only when the VAT tax processing option is on and you use a tax type of C or V.

- **Default cost types (objects) (CD)**
  Use this AAI to specify the default cost type (object) for purchase order detail lines that are left blank.

- **Specific contract cost types (CT)**
  Use this AAI to determine the cost types (objects) that are allowed for your contracts.

- **Range of contract cost types (CR)**
  Use this AAI to determine a range of valid cost types for your contracts.
AAIs for VAT Payables (PCVATP)

Use this AAI to determine the account for deferred VAT payables. If you do not set up this AAI, the G/L post ignores the deferred VAT when both of the following are true:

- The processing option for VAT with retainage is on.
- You use a tax type of C or V.

If you do not specify a company, the system uses the default company number (00000). You should set the default company account as the account most commonly used by companies on your system. Then you only need to set up distinct PCVATP AAIs for companies with different accounts.

When you release retainage, this AAI reverses debits and credits with the PTVATD AAI.

AAIs for VAT Recoverables (PTVATD)

Use this AAI to determine the account for deferred VAT recoverables. If you do not set up this AAI, the G/L post ignores the deferred VAT when both of the following are true:

- The processing option for VAT tax with retainage is on.
- You use a tax type of C or V.

You must follow these guidelines on the Automatic Accounting Instructions form when you set up your PTVATD AAIs:

- You must specify a business unit and an object account.
- You can specify a company.

If you do not specify a company, the system uses the default company number (00000). You should set the default company account as the account most commonly used by companies on your system. Then you only need to set up distinct PTVATD AAIs for companies with different accounts.

When you release retainage, this AAI reverses debits and credits with the PCVATP AAI.

AAIs for Default Cost Types (CD)

Use this AAI to determine the default cost types (objects) for your contracts.

You must follow these guidelines when you set up CD AAIs:

- The first two characters must be CD.
- The second two characters indicate the contract type, such as OS and OP. You must create a separate CD AAI for each contract type. You must also define the contract types in the user defined code table (00/DT) for document types.
- Do not assign company, business unit, or subsidiary to the CD AAIs.

If you define a CD AAI for a contract type, the system automatically supplies the cost type associated with the CD AAI.
AAIs for Specific Contract Cost Types (CT)
Use this AAI to determine the allowable cost types (objects) for your contracts.

You must follow these guidelines when you set up CT AAIs:

- The first two characters must be CT.
- The second two characters indicate the contract type, such as OS and OP. You must create a separate CT AAI for each contract type. You must also define the contract types in the user defined code table (00/DT) for document types.
- The last two characters must be a numeric value from 01 to 99. This value uniquely identifies each valid cost type within the contract type.
- Do not assign company, business unit, or subsidiary to the CT AAIs.

If you define more than one CT AAI for a contract type, the system does not supply a cost type. You must enter a cost type for each commitment. The system compares the cost type that you enter against the CT AAIs for the contract type to ensure that the cost type is valid.

AAIs for a Range of Contract Cost Types (CR)
Use this AAI to determine a range of valid cost types for your contracts.

You must follow these guidelines when you set up CR AAIs:

- The first two characters must be CR.
- The second two characters indicate the contract type, such as OS and OP. You must also define the contract types in the user defined code table (00/DT) for document types.
  - If you use base agreements, you must set up a range of CR AAIs for your base agreement contract types. For example, if your base agreement contract type is defined as BC, you must set up a CRBCxx range of AAIs.
- The last two characters must be a numeric value from 01 to 99. These values must always occur in sequential pairs that represent ranges. For example, CROP01 is associated with CROP02, CROS97 is associated with CROS98, and so on.
- Do not assign company, business unit, or subsidiary to the CR AAIs.

When you enter a cost type for your contracts, the system first compares it to the CT AAIs and then compares it to the CR AAIs to ensure that the cost type is valid.

To set up automatic accounting instructions
- From the Procurement System Setup menu (G43A41), choose Automatic Accounting Instr.
- Alternatively, from the Subcontract System Setup menu (G43D41), choose Automatic Accounting Instr.

1. On Work With AAIs, choose the row that contains the AAI table that you want to set up.
2. From the Row menu, choose Details.
3. On Account Revisions, scroll down to the bottom of the form, complete the following fields, and click OK:

- Co
- Do Ty
- G/L Cat
- Branch Plant
- Obj Acct
- Sub

**Working with Budgets**

If you set up budgets for jobs, projects, departments, and so forth, you might want to verify that the purchase amounts you incur do not exceed these budgets. You can compare budget amounts to actual amounts you have spent and to the amounts that you are committed to spend in the future.

To work with budgets, you must enter purchase order detail lines by account numbers.

**Understanding Budget Checking**

You use budget checking to identify the detail line amounts that exceed the budget for a specific job, project, department, and so forth.

Each time you enter or change a purchase order, the system checks the account number for each detail line and compares it to the available budget for the account. If the detail line amount exceeds the available budget amount, the system places the entire order on hold. You can set a budgeting processing option in the Purchase Orders program (P4310) to provide a warning message that a detail line amount exceeds the available budget amount, but the system will still place the order on hold. The system allows no further processing of the order until you remove the budget hold. You must set up budget hold codes for each business unit.

The system calculates available budget amounts by subtracting actual amounts (AA ledger) and committed amounts (PA Ledger) from the budget amount that you specify for an account number. The system uses the following budget calculation:

\[
\text{Available Budget} = \text{Original Budget Changes} - \text{Actual amounts spent} - \text{Commitments} - \text{Encumbrances}
\]

The system uses the following budget calculation for ledgers:

\[
\text{Available Budget} = \text{BA or JA Ledger Amounts} - \text{AA Ledger Amounts} - \text{PA Ledger Amounts}
\]
You use the processing options on the Budgeting tab from Order Entry to activate budget checking and to specify information such as:

- The budget ledger from which the system retrieves budget amounts
- The hold code the system assigns to detail lines that exceed budget
- The percentage by which a detail line can exceed budget before being put on hold
- The method by which the system determines budget amounts

Do not use the JA ledger type for budgeting. The system reserves this ledger type for Job Cost.

To understand budget checking, review the following topics:

- Search scenarios for level of detail
- Budget totaling
- Calculating available budget to date for the fiscal year

**Search Scenarios for Level of Detail**

When you create an account, you assign each account number a level of detail. The range for the level of detail is one through nine, with one being the highest and nine being the lowest.

You enter the level of detail in the processing option for the system to search for the available budget. This processing option also controls how the system accumulates the actual and committed and encumbered amounts for the account.

**Budget Amount Accumulation**

Two search scenarios exist:

1. If the account number that you enter on the order is the same as the budget account number, and the level of detail of this account is equal to the level of detail you enter in the processing option, the system does not roll up the budget. The system calculates the available budget on the account. If the detail line exceeds the available budget then the system applies a budget hold to the line.

2. If the account number that you enter on the order does not have the same level of detail that you enter in the processing option, and the level of detail of the account is lower than the level of detail that you enter in the processing option, the system retrieves the budget from the account whose level of detail matches the level of detail that you enter in the processing option.

**Actual and Committed Amount Accumulation**

If you set the budget accumulation processing option to accumulate, then the system accumulates budgets starting from the level that you enter in the level of detail processing option and continues to the lowest level of detail.
To accumulate the actual and committed and encumbered amounts for the account, the system first searches higher levels of detail in the chart of accounts. The system locates the first account number that has a level of detail that is equal to the level of detail that you enter in the processing option. This account number must be above the level of detail of the account number on the order.

The system then searches lower levels of detail in the chart of accounts to locate the first account number with a level of detail equal to the level of detail you specify in the processing option. This account number must be below the level of detail of the account number on the order.

The system then totals the actual and committed/encumbered account balances for the account range it identifies and subtracts the total from the budget ledger to determine the available budget. The system compares the available budget amount with the amount you enter on the order.

If the detail line exceeds the available budget, the system applies a budget hold to the line.

**Budget Totaling**

Use the Budget Total Method processing option of Purchase Order Workbench to specify how the system calculates the budget total.

The system uses the following fields in the Account Balances table (F0902) for budgeting:

- BORG - the original or beginning budget
- AN01 through AN12 - the net posting fields which contain changes in the current year
- AYPC - the balance forward field contains the sum of the prior year's changes, which the system rolls into the current year

Use 1 in this processing option for job cost accounting. The system adds the amounts in the above fields. The total of these fields is the budget amount the system uses for budget checking.

**Note**

The original budget cannot be spread when you enter a 1 in this processing option.

Use 2 in this processing option for Public Sector and Not-For-Profit entities. Use this method when the system spreads an original budget to the net posting fields. The system calculates the total budget from the net posting fields to use in budget checking.

Use 3 in this processing option for Profit entities. You enter changes to the budget in the net posting fields. The system adds the net posting fields and the original budget to determine the budget amount to use in budget checking. Use this method when an original budget is not spread to the net posting fields.
Calculating Available Budget to Date for the Fiscal Year

Use the Period Accumulation Method processing option to specify how the system calculates the available budget.

When you enter a 1 in this processing option, the system reviews the fiscal date pattern for the company and determines the current general ledger period. The system then adds the sum of the period budget amounts from period one through the current period. The system uses this amount as the original budget for budget checking.

Enter 1 in this processing option only when you enter 2 in the Budget Total Method processing option.

Reviewing the Budget

You might want to compare the amounts you have budgeted for goods and services to the amounts that you have actually spent and to the amounts you are committed to spend in the future. For each account you can review:

- The budget amount
- The actual amount you have spent
- The total amount of commitments through a certain date
- The variance between the budget amount and the amount you have spent or are committed to spend in the future
- The transactions that have affected a certain account and the journal entries that relate to a particular transaction

► To review the budget

From the Purchasing Inquiries menu (G43B112), choose Budget Comparison.

Alternately, from the Purchasing Inquiries menu (G43C112), choose Budget Comparison.
1. On Trial Balance / Ledger Comparison, complete the following field:
   - Skip to Account

2. Complete the following fields to indicate the ledgers from which the system retrieves commitment and budget amounts:
   - Ledger Type 1
   - Ledger Type 2

3. Complete the following field:
   - Level Of Detail
4. Complete the following fields to indicate the period for which the ledger amounts reflect:
   • LT 1 Thru Date
   • LT 2 Thru Date

5. Click Find.

6. Review the following fields for each account:
   • Ledger Type 1
   • Ledger Type 2
   • Variance Period Balance
   • Ledger 1 Period Balance
   • Posting Edit Code
   • Account ID

**Working with Orders on Hold**

You can place an order on hold to prevent it from being processed. You might place an order on hold for reasons such as the following:

- You have yet to settle prices and terms with the supplier.
- You are not sure if you want to use the supplier.
- The supplier's minimum order amount is not being met.
- The order exceeds the budget.

You cannot print or receive orders on hold. You must release the hold to continue processing the order. To release an order on hold, you must have the correct password.

**Entering Order Holds**

When you place an order on hold, you prevent it from being processed. You might want to put an order on hold if you have yet to reach price negotiations with the supplier or if the order exceeds budget.

There are two types of order holds: budget holds and regular holds. Budget holds are for orders that exceed the budget. Regular holds are for all other holds.

You can put an order on hold one of three different ways:

- Assign a hold code to the order on the order entry form.
- Assign a hold code to a supplier on purchasing instructions so that each time you enter an order for the supplier the system assigns the hold code to the order.
- Specify a budget hold code in the processing options for the Enter Orders program. If budget checking is activated, the system assigns the hold code to orders when detail lines exceed budget.
Releasing Order Holds

To have the system process an order that has been put on hold, you must release the hold. You can review all holds on a certain order and choose the holds that you want to release.

For budget holds, you can review the budget before releasing budget hold orders by accessing Trial Balance/Ledger Comparison from the Release Held Orders (Budget) program. Note that you cannot use Release Held Orders (Budget) to release an order on budget hold if the order is assigned an approval route. In that case, you must use the Approval Review program to approve and release the order.

► To release order holds

From the Order Generation/Approve/Release menu (G43A13), choose Release Held Orders.

Alternately, from the Order Generation/Approve/Release menu (G43B13), choose Release Held Orders (Budget).

Alternately, from the Order Generation/Approve/Release menu (G43D13), choose Release Held Orders.

1. On Work With Held Orders, complete the following fields and click Find to review orders on hold:
   - Branch/Plant
   - Hold Code
   - Person Responsible
   - Customer/Supplier
   - Order Number

2. Choose the order detail line for which you want to release the hold and click Select.

3. On Password Confirmation, complete the following field and click OK:
   - Password
Commitment Setup

A commitment is the recognition of a future obligation. Each time you enter an order detail line, you can have the system track the amount that you are obligated to pay and apply it to a job or project.

You can monitor individual commitments for a job or project to verify the types of purchases being made. You can review the total commitment amount for a job or project to verify that it does not exceed the budget.

When you receive goods or create vouchers for purchases, you can have the system relieve commitments. To do this, the system subtracts the individual commitment amount from the total commitment amount for the job or project.

You can also have the system:

- Create an audit trail in the P.O. Detail Ledger File – Flexible Version table (F43199)
- Recalculate amounts in the account balance ledgers

Setting Up Commitment Tracking

You can monitor commitments for a certain job or project by setting up commitment tracking. Each time you enter an order detail line, the system recognizes the amount as a commitment and applies it to a job or project.

When you receive goods or create a voucher for purchases, the system relieves commitment amounts by subtracting them from the total commitment amount for the job or project.

Setting Up Commitments

You can set up commitment tracking to monitor purchasing obligations for a specific job or project. Each time you enter an order detail line, the system recognizes the amount on the line as a commitment. You can review individual commitments and the total amount of outstanding commitments for a specific job or project.

Commitment tracking applies only to purchases for non-stock items and services. You must charge each order detail line to a general ledger account number. The number represents the job or project for which you are tracking commitments.

You must specify the order types for which the system is to track commitments in user defined code table 40/CT. For example, if you want the system to track commitments on orders and requisitions, you must specify these order types.

For a detail line to be eligible for commitment tracking, it must have a line type with an Inventory Interface code of A or B. These codes indicate that the line is charged directly to a general ledger account number.

Each time you enter a purchase order detail line for which commitment tracking is applicable, the system records the amount in the purchase amount (PA) ledger and the purchase unit (PU) ledger.

The PA ledger contains committed purchase amounts. The PU ledger contains committed purchase units.
To set up commitments

From the Commitment Setup/Rebuilds menu (G43B411), choose Commitment Document Types.

Alternatively, from the Encumbrance Setup/Rebuilds menu (G43C411), choose Encumbrance Document Types.

Alternatively, from the Subcontract Setup/Rebuild menu (G43D411), choose Commitment Document Types.

1. On Work With User Defined Codes, click Add.
2. On User Defined Codes, enter the document types for which the system is to track commitments and encumbrances and click OK.

Setting Up Commitment Relief

When you receive or create vouchers for purchases, you can have the system relieve the corresponding commitment amount. To relieve a commitment, the system subtracts the individual commitment amount from the total commitment amount for the job or project.

You set up commitment relief to determine whether the system relieves commitments automatically. When you specify automatic commitment relief and you are using a formal receiving process, the system relieves commitments when you post either receipts or vouchers to the general ledger. If you use an informal receiving process, the system relieves open commitments when you post vouchers to the general ledger.

Caution

When completing commitment relief, the Job Cost Projections field must be set to "No" if you are in a non-job cost environment. Note that the default value in the Job Cost Projections field is "Yes."

To set up commitment relief

From the Commitment Setup/Rebuilds menu (G43B411), choose Commitment Relief.

Alternatively, from the Encumbrance Setup/Rebuilds menu (G43C411), choose Encumbrance Relief.

Alternatively, from the Subcontract Setup/Rebuild menu (G43D411), choose Commitment Relief.

1. On Work with Job Cost Constants, click Add.
2. On Job Cost Constants, complete the following fields:
   - Company
   - Commitment Display (Future)
3. Choose the following option and click OK:
   - Commitment Relief
Working with a Commitment Audit Trail

A commitment audit trail is a history of commitment balances. For example, you might want to create a commitment audit trail to track amounts on purchase orders and changes to those purchase orders.

If you locate data inconsistencies among any of the following tables, you can correct the commitment audit trail.

- Purchase Order Detail File (F4311)
- P. O. Detail Ledger File – Flexible Version (F43199)
- Account Balances (F0902)

Creating a Commitment Audit Trail

From the Commitment Setup/Rebuilds menu (G43B411), choose Create Commitment Audit Trail.

Alternately, from the Encumberance Setup/Rebuilds menu (G43C411), choose Create Encumber. Audit Trail.

If your business needs change after you install the J.D. Edwards Procurement system, you might find it necessary to create a commitment audit trail for your orders. You can run the Create F43199 Commitment Audit Trail program (R00993) to create a history of commitment balances.

When you run the Create F43199 Commitment Audit Trail program, the system creates an audit trail record of commitments against an order with an account number. When you create an audit trail, the system reads the Purchase Order Detail File table (F4311) and writes the audit trail data, one line at a time, to the P. O. Detail Ledger File – Flexible Version table (F43199). Purchase orders that have audit trails have a purchase amount (PA) ledger type in the P. O. Detail Ledger File – Flexible Version table.

The system only processes detail lines that have a document type that is specified in the user defined code table for commitment document types (40/CT). Additionally, the system does not create a commitment audit trail for records in which an audit trail already exists. Therefore, to recreate a commitment, you must first purge existing records.

Correcting a Commitment Audit Trail

From the Commitment Setup/Rebuilds menu (G43B411), choose Create Commitment Audit Trail.

Alternately, from the Encumberance Setup/Rebuilds menu (G43C411), choose Create Encumber. Audit Trail.

If you locate data inconsistencies between any of the following tables, you can correct the commitment audit trail.

- Purchase Order Detail File (F4311)
- P. O. Detail Ledger File – Flexible Version (F43199)
- Account Balances (F0902)
To correct the commitment audit trail you must purge the current commitment audit trail to prevent duplicating the commitment amounts in the new commitment audit trail. Purge only records in the P. O. Detail Ledger File – Flexible Version table with a ledger type of PA and the next status and last status are blank. Choose the following data dictionary alias:

- Ledger Type (LT)
- Next Status (NXTR)
- Last Status (LTTR)

**Caution**

Use caution when selecting records to purge. The P. O. Detail Ledger File – Flexible Version table contains records for the purchasing ledger (blank ledger type), change order ledger (CO ledger type), rollovers (RO ledger type), and commitment records (PA/PU ledger type). If you purge purchasing ledger, change order, and rollover ledger records, you cannot recover the records.

**Note**

You can use selection criteria to narrow the scope of information the system purges and uses to create the new audit trail. For example, you can use account numbers, contract numbers, or order numbers. The selection criteria you use to purge the audit trail must be the same criteria you use to create the new audit trail. Failing to do so can cause unpredictable results.

After you purge the P. O. Detail Ledger File – Flexible Version table, you must create a new commitment audit trail. The system creates the new commitment audit trail from records in the Purchase Order Detail File table for both open and closed orders. Open orders have records in the audit trail for the original commitment amount and any amounts that have been partially relieved. All partially relieved records for each order are summarized into one relief record. Closed orders have two records posted in the commitment audit trail: one record for the original commitment amount and another for the commitment relief.

After you create the new commitment audit trail, run Repost Committed Costs (R00932) to repost the PA ledger records in the Account Balances table. The system adds the new information in the audit trail and posts these amounts to the Account Balances table.

**Working with Commitments and Encumbrances**

A commitment or encumbrance is the recognition of a future obligation. Each time you enter an order detail line, you can have the system track the amount that you are obligated to pay and apply it to a job or project.

For example, you might be working on a pavement resurfacing project. Each time you enter an order for goods or services to complete the project, you can have the system create a commitment or encumbrance for the order amount.

In addition, you can roll over a commitment or encumbrance to the next fiscal year.
For example, local governments and municipalities normally have the authority to expend funds for one fiscal year. As a result, purchase orders and subcontracts with open balances are often canceled at the end of the fiscal year. To prevent these purchase orders and subcontracts from being canceled and to retain the recognition of these open balances, they must be rolled forward to the new fiscal year.

**Understanding Encumbrances**

A commitment is created when a goods or services that are chargeable to a budgeted or appropriated expense are ordered or contracted. The commitment is relieved when the goods or services are received, which creates a liability of either a Received Not Vouchered or an Accounts Payable Ledger record.

A functional server program called Update Commitment Ledger (X00COM) is used to create and relieve commitments and encumbrances. The system uses the Update Commitment Ledger (X00COM) to create appropriate entries for Procurement system commitments.

**Creating an Encumbrance or Commitment**

You can creates order detail lines using either of the following methods:

- Purchase Orders (P4310)
- Blanket Order Release (P43060)

When you create an order detail line, the system verifies that the document type exists in the UDC 40/CT, verifies that the line type has an inventory interface of A or B, and automatically creates commitments and encumbrances.

If you create a purchase order from a requisition, you can track pre-encumbrances in addition to encumbrances. A pre-encumbrance is the recognition of a future obligation from which you can commit budget amounts based on that request. When you generate the purchase order from the requisition, the system relieves the pre-encumbrance as you release quantities and closes the requisition. In addition, as you generate purchase orders, the system creates commitments for the resulting purchase order amounts.

**Relieving an Encumbrance or Commitment**

Use the Commitment Relief constant in Job Cost Constants program (P0026) to establish the criteria the system uses to automatically relieve open commitments when you run the G/L posting program for:

- Vouchers matched in a 2-way environment
- Purchase order receipts in a 3-way environment

Just receiving or vouchering an order does not relieve the commitment. The General Ledger Post Report program (R09801) calls the Update Commitment Ledger (X00COM) that actually relieves the commitment. Committed dollars are relieved from the Purchase Amounts (PA) ledger and are added to the Actual Amount (AA) ledger.
When vouchers or receipts are posted, the system:

- Relieves the commitment
- Creates an audit trail in the purchasing ledger file
- Recalculates the amounts in the account balances ledgers, if necessary
- Changes the exchange rate of selected purchase orders and restates the domestic commitment amounts, if necessary

When you inquire on commitments, the receipt G/L date, not the original purchase order G/L date, is used to relieve the commitment.

**Files Used for Commitments and Encumbrances**

In addition to the entries that are made to the purchasing tables during order entry, receipt processing, and voucher match, the system also maintains commitment information in the following tables:

- P.O. Detail Ledger File – Flexible Version (F43199)
- Account Balances (F0902)

**P.O. Detail Ledger File – Flexible Version (F43199)**

The system creates multiple entries in the P.O. Detail Ledger File – Flexible Version table (F43199). Based on change orders, order activity rules, and commitments, the system maintains the following multiple ledgers to satisfy your business requirements:

- Purchasing Ledger
- Commitment Audit Trail (PA/PU Ledger)
- Change Order Ledger (CO Ledger)

If you are tracking commitments, a commitment audit trail transaction is created in the P.O. Detail Ledger File – Flexible Version table. The committed amounts are maintained in the purchase amounts (PA) ledger and any committed units are maintained in the purchase units (PU) ledger. When you review the PA or PU ledger, you will notice that, unlike the purchasing ledger, the Last and Next status code fields are blank.

Each commitment transaction represents one of the following situations:

- The entry of an original commitment
- A change to a commitment
- A canceled commitment
- A relieved commitment due to a receipt or payment

**Account Balances (F0902)**

During order entry, the system creates a commitment entry in the PA and PU ledgers in the Account Balances table (F0902). Based on the G/L date, the system creates an entry in the appropriate accounting period and adds the committed amount to the total budgeted amount.

If the Commitment Relief constant is set to Y, the system posts the receipt payment to the PA and PU ledgers in the Account Balances table (F0902). Based on the G/L date of the receipt (three-way match) or voucher batches (two-way match), the system relieves the commitment from the appropriate period as well as the total budgeted amount.
Verifying Commitment Integrity

From the Purchasing Reports menu (G43B111), choose Commitment Integrity Report.

You can review commitment information using the Encumbrance Inquiry form. In addition, you can generate a Commitment Integrity Report to compare your open order amounts against your committed amounts and amount balances and to review any variances.

Use the Commitment Integrity Report program (R40910) to indicate variances among the following tables:

- Purchase Order Detail File (F4311)
- P.O. Detail Ledger File – Flexible Version (F43199)
- Account Balances (F0902)

Two comparisons are made to identify out-of-balance conditions between files.

The detail file and the audit file are compared on a to-date basis, which means that all data in the files is summed regardless of date. The detail file is not date sensitive and does not contain information such as when you made changes to the open amount.

The system compares the audit file and the balances file on a through-period-end basis. The system uses the date you enter in the first processing option to determine the period end date to use. This comparison is period sensitive because that is the lowest level of detail stored in the balances file.

The columns under "Balance to Date" on the left side of the report are Purchase Order Detail File (F4311), P.O. Detail Ledger File – Flexible Version (F43199), and variance. The amounts reported by account number and subledger, respectively, are:

- Open amount in the detail file
- Total of the commitment audit trail transactions
- Difference between the two columns

The columns under "Balance as of xx/xx/xx" on the right side of the report are P.O. Detail Ledger File – Flexible Version (F43199), Account Balances (F0902), and variance. The amounts reported by account number and subledger are:

- Total of the Commitment Audit Trail transactions
- Account Balances total
- Difference between the two columns

Variances occur between the Purchase Order Detail File table and the Commitment Audit Trail under the following conditions:

- Unposted receipt or voucher batches
  To confirm all O and V batches are posted, run the Unposted Batches report (R007011).

- Orders on budget hold
  The system does not create an encumbrance until an order is released from budget hold.
If you find an inconsistency in your commitments that cannot be resolved, you can correct the information in the PA ledger. All entries in the PA and PU ledgers are based on the Purchase Order Detail File table (F4311). You can rebuild this information from the Purchase Order Detail File table (F4311) and correct any inconsistencies in the Account Balances table (F0902).

**Reviewing Commitment Information for Orders**

You can monitor individual commitment or encumbrance amounts for a job or project to verify the types of purchases being made. You can also review the total commitment or encumbrance amount for a job or project to verify that the amount does not exceed the budget.

After you receive goods, services, or create vouchers, you can have the system relieve commitments and encumbrances. The system does this by reducing the total commitment amount for a job or project by the individual commitment amount. If you use a formal receiving process, the system performs commitment relief when you post journal entries for receipts or vouchers to the general ledger. If you use an informal receiving process, the system relieves open commitments when you post vouchers to the general ledger.

The system performs commitment and encumbrance tracking only on order types you specify in user defined code table 40/CT. If an order is on hold, the system does not create commitments or encumbrances for the order until you release the hold.

The system only tracks commitments and encumbrances for detail lines that you charge directly to a general ledger account number. These are detail lines to which you assign a line type with an inventory interface of A or B.

Each time you enter a purchase order detail line for which commitment tracking is applicable, the system records the amount in the purchase amount (PA) ledger, which contains committed purchase amounts in domestic currency, and the purchase units (PU) ledger, which contains committed purchase units.

You can review individual commitment transactions for:

- A branch/plant
- An account number
- A supplier
- An order number and type

You can also review the total amount of all commitments, relieved commitments, and open commitments for each of the above.

Each commitment transaction represents one of the following situations:

- The entry of an original commitment
- A change to a commitment
- A canceled commitment
- A relieved commitment due to a receipt or payment

You can review details for each transaction, such as the account number, order number, line number, and supplier, as well as who generated the transaction and when.
The system retrieves commitment transaction information from the P.O. Detail Ledger File – Flexible Version table (F43199).

► To review commitment information for orders

From the Purchasing Inquiries menu (G43B112), choose Commitment Inquiry.

Alternately, from Purchasing Inquiries menu (G43C112), choose Encumbrance Inquiry.

Alternately, from Subcontract Inquiries menu (G43D112), choose Commitment Inquiry.

1. On Work With Commitment Inquiry, complete the following fields and click Find to narrow the search:
   - Order No
   - Account
   - Subledger
   - G/L Date from
   - G/L Date
   - Branch/Plant
2. Review the following fields:
   - Total Open Amount
   - Total Open Units
   - Order Number
   - Chg No.
   - Supplier
   - Description
   - Amount Committed
   - Amount Relieved
   - Units Committed
   - Units Relieved
   - Account Number

3. To review details for a certain transaction, choose the transaction and click Select.

4. On Commitment Inquiry Detail, review details for the commitment transaction and click Cancel.
Working with Encumbrance Rollovers

From the Procurement Advanced & Technical Ops (G43A31) menu, choose Encumbrance Rollover.

When you run the encumbrances rollover, the system rolls forward the fiscal year end encumbrances and commitments. The rollover reduces the manual effort placed on users who work in environments with a high volume of transactions. The Encumbrance Rollover program (R4317) provides you the option to do one of the following:

- Relieve committed lines on a purchase order or subcontract from the prior year and recommit a new line with the current year's G/L date. These lines are assigned to a new account that is created especially for this rollover. This account is controlled through distribution AAI 4430.

- Cancel committed lines on a purchase order or subcontract to ensure that no further payment processing can be made against those lines. For subcontracts, the purge code must be R. For purchase orders, the system updates the next status to 999 (closed).

Many industries use the term decommit to relieve commitments. When you relieve or decommit commitments and encumbrances, the system creates an RO ledger type record. You should not purge the RO records as they must be used to create or rebuild commitments.
Advanced Topics and Tools
Defining Supplier Prices and Discount Rules

The price that you pay for an item might differ depending on the supplier from whom you purchase the item and whether a discount applies to the item. You can maintain supplier prices for items and provide discount information so that the system retrieves the correct unit cost for an item when you enter a purchase order.

The price for an item might vary depending on the supplier from whom you purchase it. For example, one supplier might charge 1.00 for an item while another supplier might charge 1.25 for the same item. You can enter the price that each supplier charges for an item.

You might receive a discount for an item based on the quantity that you purchase. For example, you might receive a 20 percent discount if you purchase 100 or more items. You can have the system apply a discount to the price of an item by creating price rules and attaching them to the items and suppliers to which they pertain.

Entering Supplier Prices

You can enter prices for an item based on the supplier from whom you purchase the item. For example, a clock from AAA Supply Company might cost 5.00. If you purchase the same clock from Acme Supply Company, it might cost 7.00. When you enter a purchase order, the system can retrieve a unit cost for an item based on the price that you entered for the supplier.

You must enter supplier prices by catalog. A catalog is a group of items along with the price for each item. Each catalog is unique to a supplier. You can enter all of the items that you purchase from a supplier in one catalog or you can create multiple catalogs to classify a supplier's items by seasonal changes, different product lines, and so on.

If you enter item prices for a supplier without specifying the name of a catalog, the system automatically creates a default catalog for the supplier. You might want to use default catalogs if you plan to maintain only one catalog for each supplier.

A supplier might charge a different price for the same item depending on the time of year that you purchase the item. For example, the same calendar might cost 10.00 in January and 5.00 in October. You can enter the same item at a different price in multiple catalogs, with different effective dates for each price.

When you enter an item on a purchase order, the system searches the supplier's catalogs to retrieve a unit cost. It searches the default catalog first (if it exists), and then all other catalogs in alphabetical order. After the system locates an item, it verifies the effective dates. If the current date falls within the effective dates, the system enters the unit cost on the purchase order.

The system retrieves the unit cost for a purchase order detail line based on either the transaction unit of measure (UOM) or the purchasing UOM for the line. You use system constants to specify which UOM the system uses for price retrieval.

The price for an item might vary depending on the quantity that you purchase. For example, if you purchase one clock, the price might be 5.00. If you purchase 100 clocks, the price for each clock might be 4.00. When you enter an item in a catalog, you can specify price breaks based on the quantity that you purchase.
To enter supplier prices

*From the Price Management menu (G43A17), choose Supplier Catalog Maintenance.*

1. On Work With Supplier Catalogs, click Add.
2. On Supplier Catalog Revisions, complete the following fields to specify the catalog for which you are adding items:
   - Supplier
   - Catalog
3. Complete the following fields for each item and click OK:
   - Item Number
   - Unit Price
   - UOM
   - Quantity Break
   - Effective From
   - Effective Thru
   - Branch/Plant

If you do not enter effective dates, the system enters the current date through the last day of the century.

Creating Price Discount Rules for Purchasing

You might receive a discount on an item based on the quantity that you purchase. For example, if the price for an item is 5.00, you might receive a 20 percent discount if you purchase 100 items and a 30 percent discount if you purchase 200 items. You can have the system apply a discount to the unit cost of an item when you enter a purchase order.

You must create inventory price rules to provide discount information. For each price rule, you must specify:

- The quantity you must purchase
- The discount you will receive (percentage, dollar amount, or flat rate) based on each purchase quantity
- Effective dates for each discount

A price rule can apply to a single item or multiple items. For example, you can set up a price rule that applies to a specific office supply or a group of office supplies. After you create a price rule, you must attach it to the items to which it applies and the supplier from whom you purchase the items.
You can create multiple levels for a price rule, each of which represents a certain purchase quantity. For example, you might set up the following levels:

- Level one - 20 percent discount for the purchase of up to 100 items
- Level two - 30 percent discount for the purchase of 101 to 200 items
- Level three - flat rate for the purchase of 201 items to 1,000 items

If you enter a purchase order for a supplier and item to which you have attached the rule above, the system applies a discount to the unit cost of the item based on the quantity that you purchase. For example, if the cost of the item is normally 10.00 and you purchase 150 items, the system calculates a unit cost of 7.00.

A supplier might provide you a discount on a specific item up to a maximum purchase limit. For example, you might have an agreement to purchase up to 200 hammers at a special price of 4.00 each. After you purchase 200 hammers, the price returns to normal. You can create a contract price rule to cover this type of discount.

You create a contract price rule the same way that you create a standard price rule, except that you must:

- Specify that the rule is a contract price
- Name the rule after the short item number to which the rule applies
- Indicate the number of items you can purchase at the contract price

You do not need to attach the contract price rule to the item. The system retrieves the contract price based on the short item number when you enter a purchase order.

If you create a contract price rule for an item, the price you specify will override all other price rules that are applicable to the item.

The system tracks the quantity that has been purchased against the contract price rule to date.

► To create price discount rules for purchasing

*From the Price Management menu (G43A17), choose Inventory Pricing Rules.*

1. On Work With Pricing Rules, click Add.
2. On Inventory Pricing Rules, complete the following field:
   - Pricing Rule
3. For this discount to apply to Procurement, you must enter P in the following field:
   - Price Method
4. Complete the following fields and click OK:
   - Level
   - Up To Quantity
   - Basis
   - Factor Value
• Type
• Override Price
• Effective Date
• Expiration Date
• Description

You must enter a value in the Level field for each discount applicable to the rule.

**Attaching Price Discount Rules to Items and Suppliers**

You can create an inventory price rule to apply a discount to the unit cost of an item. After you create a price rule, you must attach it to the items to which it applies and the suppliers from whom you purchase the items. The system discounts an item's unit cost when you enter a purchase order.

After you create an inventory price rule, you can attach it to branch/plant information for an item or you can attach it to a purchase order detail line. If a price rule is standard for an item, you probably want to attach the rule to branch/plant information. If the price rule varies for an item, you can enter a different price rule each time you enter a purchase order.

If you attach a price rule to an item, you must also attach the price rule to the supplier from whom you purchase the item. Before you attach a price rule to a supplier, you can review any price levels that currently apply to a supplier on Work With Pricing Rules. For example, you might have attached a price rule in the item branch/plant information that you entered.

Before you attach a new price rule to a supplier, you might want to remove the existing price rule by choosing Remove Level from the Row menu on the Customer Pricing Rules form.

You can use one of two methods to attach price rules to a supplier:

- Attach price rules to a certain supplier
- Attach price rules to a supplier price group and then attach the price group to a supplier

If the same price rules apply to multiple suppliers, you can save time by attaching price rules to a price group and then attaching the price group to the suppliers. If price rules vary among suppliers, you might want to attach individual price rules to each supplier.

**To attach price discount rules to items and suppliers**

*From the Price Management menu (G43A17), choose Supplier Pricing Rules.*

1. On Work With Pricing Rules, to locate existing price discount rules, click Find.
2. Choose the line that contains the price discount rule that you want to attach.
3. From the Form menu, choose Customer Rules.
4. On Customer Pricing Rules, to locate certain price rules, complete the following fields, as needed, and click Find:
   - Inventory Pricing Rule
   - Pricing Method

5. To indicate the suppliers to whom you want to attach the rule, complete one of the following fields:
   - Customer Price Group
   - OR Customer Number

6. Choose the rule you want to attach and choose Apply Level from the Row menu. If a price rule has multiple levels, you must choose the highest level of the rule to make all lower levels apply. To choose a specific level, you must select Applied Levels Only, in which case only the level you select applies.
Entering Items Using Supplier Catalogs

Your suppliers might organize their products into different catalogs due to seasonal changes in products, different product lines, and so forth. If you maintain items in catalogs on the system, you can use the catalogs to locate and choose items to order.

After you locate a catalog, you can choose the items that you want to order. The system enters each item that you choose on an order detail line, along with the unit price for the item as specified in the catalog. If the supplier has an Internet home page set up with items that it offers, you can preview item information in the electronic catalog. On the Catalogs - Item Selection form, you can use a form exit to preview item information.

Note that an item can have different prices, each based on the amount that you purchase. You can review all item prices for the items in a catalog on the Catalogs - Item Selection form. An item that has multiple prices appears several times, and each listing represents a different purchase quantity and the price that applies to that quantity.

To enter items using supplier catalogs

From the Purchase Order Processing menu (G43A11), choose Purchase Order Workbench.

1. On Purchase Order Workbench, complete the following field:
   - Branch/Plant

2. From the Form menu, choose Catalogs.

3. On Supplier Catalog Search & Select, complete the following field and click Find:
   - Supplier Number

4. Choose the catalog that contains the items you want to review and click Select.
5. On Catalogs - Item Selection, complete the following field for each item that you want to order:
   - Order Quantity

6. Click OK.

   Each item that you choose appears on a separate detail line on the purchase order.

**Generating New Supplier Prices in a Different Currency**

*From the Procurement Advanced & Technical Ops menu (G43A31), choose Generate Purchase Price by Currency.*

You can create new supplier prices in a different currency for multiple records at one time by running the Supplier/Catalog Purchase Price Generation by Currency program (R4106101). This program generates new prices based on existing records.

The Supplier/Catalog Purchase Price Generation by Currency program is especially useful if you need to create multiple supplier price records in a different currency. For example, you might use this program if your company is about to conduct business with a supplier that uses a currency in which you do not have supplier price records. If you need to create a new price for an individual record, simply update the existing record on the Supplier Catalog Revisions form; you do not have to run the Supplier/Catalog Purchase Price Generation by Currency program.
When you run the Supplier/Catalog Purchase Price Generation by Currency program, you control the currency and exchange rate in which to create new supplier prices by specifying the following in the processing options:

- Date as of when you want to create records. If the expiration date of a price is greater than or equal to this date, a new supplier price is created.
- Currency of the existing records. This is the original currency code that you want to base the new records on.
- Currency in which you want to create new records.
- Exchange rate to use to calculate the amount.
- Method (divide or multiply) to use for the exchange rate calculation.

The Supplier/Catalog Purchase Price Generation by Currency program copies the original supplier price, calculates a new price, and creates a price record with the new currency amount. Specifically, the program does the following:

- Creates new prices one currency at a time to avoid confusion about which currency new records are based on.
- Creates only one new supplier price record for each unit of measure. It does not create one price record for each currency.

For example, assume the program generates new supplier prices in the Japanese yen (JPY) based on existing prices in the Canadian dollar. A record for a certain unit of measure already has a supplier price in JPY. The program does not generate another supplier price in JPY because both records for that unit of measure would have the same key. The exception to this rule is when currency codes associated with a supplier, item, or branch/plant have different effective through dates. Depending on the dates, the program might create more than one new price.

Run the Supplier/Catalog Purchase Price Generation by Currency program first in proof mode, and then in final mode as follows:

- Proof. Review the audit report to ensure that the records generated by the program are accurate. If the audit report is not accurate, change the processing option and data selection values accordingly and rerun the program in proof mode.
- Final. When you are satisfied with the audit report created in proof mode, run the program in final mode. Review the new supplier price records on the audit report. If you review a new record on the Supplier Catalog Revisions form, notice that the new record is sequenced alphabetically along with the existing records on the form and that amounts are rounded according to the decimal places set up in the data dictionary.

If necessary, adjust the new price manually on the Supplier Catalog Revisions form. For example, if the program creates a new price for 50,000 JPY as 675.1155 CAD, you might adjust the new amount to 675 CAD.
Example: Generating New Supplier Prices

This example describes an item with supplier price records before and after generating a new supplier price in a different currency.

Before Generating New Supplier Prices

An existing item has the following supplier price records:

<table>
<thead>
<tr>
<th>Unit Price</th>
<th>Currency Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,000.00</td>
<td>CAD</td>
</tr>
<tr>
<td>1,297.81</td>
<td>EUR</td>
</tr>
<tr>
<td>820.10</td>
<td>GBP</td>
</tr>
</tbody>
</table>

The processing options for the Supplier/Catalog Purchase Price Generation by Currency program (R4106101) are set as follows:

- Mode = 1 (final)
- Date = 6/30/05
- Convert to = USD
- Convert from = GBP
- Exchange rate = 1.65810
- Method = 1 (multiplier)

Even though there are several currency amounts associated with the item number, the program generates only one new USD amount based on the GBP amount.
After Generating New Supplier Prices

After running the Supplier/Catalog Purchase Price Generation by Currency program, the new price record is $1,277.80 USD, based on the £820.10 GBP record. The original £820.10 GBP record remains so that you can continue to pay suppliers in that currency, as needed.

<table>
<thead>
<tr>
<th>Unit Price</th>
<th>Currency Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,000.00</td>
<td>CAD</td>
</tr>
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<td>1,297.81</td>
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</tr>
<tr>
<td>820.10</td>
<td>GBP</td>
</tr>
<tr>
<td>1,277.80</td>
<td>USD</td>
</tr>
</tbody>
</table>

Data Selection for Supplier/Catalog Purchase Price Generation by Currency

Typically, companies will generate new supplier prices for all suppliers within a specific branch/plant. If your company has multiple branch/plants with different currencies, you can run the Supplier/Catalog Purchase Price Generation by Currency program (R4106101) multiple times. You can also generate new supplier prices by item number or any other value in the data selection.

If your company has items that are at purchase price level 1 and you want to make sure you generate new prices for those items, designate <Blank> for branch/plant in the data selection if you are not generating new prices for all branch/plants.

Setting Up Templates for Purchase Orders

You can set up templates to streamline the order entry process. Templates contain items that you frequently order and the quantity in which you usually order them. You can access templates during purchase order entry to select items to order.

Each template contains a specific group of items. You can create standard templates for general use, or you can specify the supplier to whom a template applies. You can also create a user template based on the user’s most commonly ordered items.

When you set up an order template, you enter the items and item quantities to include on the template. You can have the system enter items on a template based on existing purchase orders that you choose. You can also create or revise a template in batch mode using information from existing purchase orders.
Creating Purchase Order Templates

An order template is a group of items that you order frequently. You use order templates during purchase order entry to select items to order.

You can create templates that are specific to a certain supplier. This kind of template is useful when you frequently order the same items from a supplier. You can also create standard templates that are not specific to a supplier. Instead, they contain items that are ordered frequently from different suppliers. You may also want to create a template based on a specific user and the items most commonly ordered by that user.

► To create a purchase order supplier template

From the Procurement Advanced & Technical Ops menu (G43A31), choose Supplier Template Revisions.

1. On Work With Available Order Templates, click Add.

2. On Order Template Revisions, complete the following field, as needed.
   - Supplier Name
     Leave the field blank if the order template you are creating is not specific to a supplier.

3. To specify the name of the template, complete the following field:
   - Order Template
4. Choose the items to include on the template by completing the following fields and click OK:
   - Item Number
   - Usual Quantity

► To create a purchase order user template

*From the Procurement Advanced & Technical Ops menu (G43A31), choose Supplier Template Revisions.*

1. On Work With Available Order Templates, click Add.
2. On Order Template Revisions, complete the following field, as needed.
   - User
     This field is available to you only if you have specified a user format in the processing options of the Supplier Template Revisions program (P4015).
3. To specify the name of the template, complete the following field:
   - Order Template
4. Choose the items to include on the template by completing the following fields:
   - Item Number
   - Usual Quantity
   - Supplier
5. Click OK.

Creating a Template Using Existing Purchase Orders

You can quickly create a supplier template or update an existing template based on items and item quantities on existing purchase orders. Based on the purchase orders you choose, the system adds items and item quantities to a template.

► To create a template using existing purchase orders

*From the Procurement Advanced & Technical Ops menu (G43A31), choose Supplier Template Revisions.*

1. On Work With Available Order Templates, click Add.
2. On Order Template Revisions, complete the following fields:
   - Supplier Name
   - Order Template
3. Choose Order History from the Form menu.
4. On Work With Purchase Order History, enter the appropriate search criteria and click Find to locate the order from which to update the template.
5. To review the items and item quantities on the order, choose the order and choose Details from the Row menu.

6. On Work With Order Details, click Close to return to Work With Purchase Order History.

7. On Work With Purchase Order History, choose the order and click Select.
   The system copies the items and quantities on the order to the template you are adding.

**Processing Options for Order Template Revisions (P4015)**

Display
Order templates can be entered in the following formats: 1=Sold To 2=Ship To 3=Suppliers 4=User
1. Enter the desired format
   The following are valid values for the Customer Self-Service Mode:
   Blank = Standard Processing
   1 = Customer Self-Service mode for Java/HTML
   2 = Customer Self-Service mode for Windows
   2. Customer Self-Service Mode

Versions
Enter the version for each application. If left blank, ZJDE0001 will be used.
1. Customer Service Inquiry (P4210)
2. Open Purchase Orders (P4310)

**Entering Items Using Order Templates**

You can use order templates to locate lists of items that you frequently order and to choose items that you want to order.

Each order template contains a specific group of items. When you enter a purchase order, you can choose to review a certain template. From the template, you choose the items you want to order, and the system returns the items to the purchase order.

The order templates can be specific to a supplier or they can be generic, in which case you do not usually purchase the items on the template from any specific supplier. If you access order templates before entering a supplier on the purchase order, you can review a list of generic templates.

► To enter items using order templates

*From the Purchase Order Processing menu (G43A11), choose Purchase Order Workbench.*

1. On Purchase Order Workbench, complete the following field:
   * Branch/Plant

2. From the Form menu, choose Order Templates.
3. On Work With Available Order Templates, complete the following field and click Find:
   - Supplier Name

4. Choose the template you want to review and click Select.

5. On Order Templates, complete the following field for each item that you want to order:
   - Quantity Ordered
   
   You can order all items on the template in their usual quantities by choosing Preload With Usual from the Form menu.

6. Click OK.

   Each item in the appropriate quantity appears on a separate detail line on Order Detail.

Revising a Template in Batch Mode

From the Procurement Advanced & Technical Ops menu (G43A31), choose Supplier Template Rebuild.

You can use Supplier History Template Rebuild (R43815) to create a new order template in batch mode. The system adds items to the new template based on existing orders. You use processing options to define the criteria the system uses to build a new template.

Supplier History Template Rebuild creates templates by compiling and applying the supplier item history from the Purchase Order Detail File table (F4311).
Working with Special Order Entry Features

You can use several timesaving features to enter order information. For example, you can duplicate an order to create another order. You can also create orders for multiple suppliers simultaneously. Other features let you quickly locate item and supplier information and enter the information on purchase order detail lines.

Entering Orders for Multiple Suppliers

You can enter orders for multiple suppliers simultaneously instead of entering a separate order for each supplier. You specify the items you want to purchase and the supplier from whom you want to purchase each item on the Purchase Order Workbench form.

If the supplier has an Internet home page set up with items that they offer, you can preview supplier and item information in the electronic catalog before entering the order.

You cannot order from a supplier who has a noncertified status. If the supplier has a partially certified status, the system displays a warning message before generating the order. If you need to change a supplier's certification status, you can do so on the Supplier/Item Relationships form.

After you enter the items, you must direct the system to create purchase orders. The system combines items for each supplier on a separate purchase order; the information for each detail line defaults from master information for the item or procurement instructions for the supplier. You can review the orders that the system generates using the Order Detail form.

To enter orders for multiple suppliers

From the Purchase Order Processing menu (G43A11), choose Purchase Order Workbench.

1. On Purchase Order Workbench, complete the following fields that are applicable for all items:
   • Branch/Plant
   • Ship To
   • Requested

2. Complete the following fields for each item that you want to order:
   • Item Number
   • Supplier
   • Quantity Ordered

3. Click OK for the system to automatically generate a separate purchase order for each supplier from whom you are ordering items.

If you do not want the system to automatically generate separate purchase orders, you must first cancel the orders before exiting Purchase Order Workbench.
Choosing a Supplier from Whom to Purchase an Item

When you order an item, you must specify the supplier from whom you want to purchase the item. You can review all suppliers that provide a particular item and the price that each supplier charges for the item on the Supplier Price Comparison form. The system displays only those items for which:

- Costs are maintained at the branch/plant level.
- Purchase prices are maintained at the supplier level.

After you identify the supplier from whom you want to order the item, you can specify the quantity you want to order and return the information to the Purchase Order Workbench (P43101).

► To choose a supplier from whom to purchase an item

From the Purchase Order Processing menu (G43A11), choose Purchase Order Workbench.

1. On Purchase Order Workbench, choose Price Comparison from the Form menu.
2. On Supplier Price Comparison, to locate all suppliers who provide a particular item, complete the following field and click Find:
   - Item Number
3. To specify the quantity of the item you want to order, complete the following field:
   - Quantity
4. To specify additional information for the order, complete the following fields:
   - Branch/Plant
   - Requested
   - Purchasing UOM
5. To specify the supplier from whom to order the item, click on the appropriate row and then click Select.
6. On Purchase Order Workbench, review the new order detail line.
   When you click OK, the system automatically generates a separate purchase order for each supplier from whom you are ordering items.
Approval Processing

Your company might require you to obtain approval for the items or services that you purchase. After you enter a purchase order, subcontract order, requisition, blanket order, or so on, you can require that the proper authorities approve the order before the system processes it. This approval eliminates the unauthorized purchase of items.

The orders you enter might require approval from different persons, based on the department in which you work or the amount of purchases that you want to make. You must set up approval routes to specify the persons responsible for approving orders. You can then assign those routes to orders.

If you originate orders, you can check the current status of an order. The status indicates the person from whom the order is awaiting approval and the persons who have already approved the order. You will receive a message when an order is fully approved or rejected.

If you are responsible for approving orders, you can review all orders awaiting your approval and select orders to approve or reject. You can provide explanations for approving or rejecting an order.

When you set up your purchasing cycle, you must determine which order types (purchase orders, subcontract orders, requisitions, and so forth) require approval. For each order type, you must set up order activity rules to include the approval process.

The system maintains historical information about order approvals in the Held Orders table (F4209).

Working with Approval Routes

Your company might require you to obtain approval for the items and services that you want to purchase. You can create approval routes and assign them to orders to ensure that the appropriate personnel authorize purchases.

The persons who must approve orders might differ based on the department in which you work, the items you are purchasing, and so forth. You can create multiple approval routes, each of which consists of a different group of persons. Each route must be specific to a particular type of order, such as purchase orders, subcontract orders, requisitions, and so forth. If a person assigned to multiple approval routes leaves the company or goes on vacation, you can transfer approval authority to another person.

After you create an approval route, you can assign it to an order. The system does not allow further processing of the order until it is fully approved.

Creating an Approval Route

You must set up approval routes to specify the persons who are responsible for approving an order. After you assign an approval route to an order, the system does not process the order until the persons on the route approve the order, which ensures that all purchases are authorized by the appropriate personnel.

The persons responsible for approving each order might differ based on the department in which you work, the items that you want to purchase, and so on. You can create multiple approval routes, each of which contains a different group of persons.
Depending on the cost of the items or services that you want to purchase, you might need to obtain approval for an order from several persons. For each person that you enter on an approval route, you must specify the amount that an order must exceed to require that person's approval. You must enter persons in ascending order by amount. For example:

<table>
<thead>
<tr>
<th>Approval Route A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approval Amt</td>
</tr>
<tr>
<td>100</td>
</tr>
<tr>
<td>1,000</td>
</tr>
<tr>
<td>5,000</td>
</tr>
</tbody>
</table>

Using approval route A, if the order total is:
- Less than 100.00, the system automatically approves it
- 100.00 or more, Dwight Akin must approve it
- 1,000.00 or more, Dwight Akin and Ray Allen must approve it
- 5,000.00 or more, all three persons must approve it

If you change the approval amount for a person, pending approvals are not affected.

You can bypass persons on an approval route. For example, using the same example, Dominique Abbot can approve any order prior to Dwight Akin or Ray Allen and bypass them in the approval process.

You might want to assign the same approval amount to multiple persons so that if one is not available to approve an order, another is available who can. Only the first person on the approval route will receive a message that an order is awaiting approval, although any of the persons can approve the order. The same person cannot appear more than once in a table.

You might want to assign a budget approver to an approval route to release orders on hold due to exceeding the budget. The budget approver must approve the order and release the hold before other persons on the approval route can approve the order. If an order is not on budget hold, it skips the budget approver and goes to the first person on the route.

You must assign a unique name to each approval route that you enter. You must also specify the type of order to which the route applies (for example, purchase orders, subcontract orders, requisitions, blanket orders, and so on).

The system uses electronic mail messages to notify each applicable person and an approval route that an order is awaiting approval. Persons are notified in the order that their name appears on the route.

If you delete or add a person on an approval route, the system redirects pending approvals to the appropriate person but does not resend electronic mail messages.
To create an approval route

From the Order Generation/Approve/Release menu (G43A13), choose Approval Level Revisions.

Alternately, from the Order Generation/Approve/Release menu (G43D13), choose Approval Level Revisions.

1. On Work With Approval Level Revisions, click Add.
2. On Approval Level Revisions, complete the following fields:
   - Approval Route Code
   - Order Type
   - Route Description
3. Complete the following field, if necessary:
   - Budget Approver
4. Complete the following fields for each person whom you want to add to the route and click OK:
   - From Amount
   - Person
   - Responsible

Assigning an Approval Route to an Order

From the Purchase Order Processing menu (G43A11), choose Enter Purchase Orders.

Alternately, from the Subcontract Processing menu (G43D11), choose Enter Subcontract Orders.

After you create an approval route, you can assign it to an order to ensure that the order obtains approval from the appropriate persons. The system allows no further processing of the order until it is fully approved.

You must assign an approval route to an order before you enter the order. You use processing options to enter a specific approval route or to specify the location from which the system retrieves an approval route. You can specify the following locations:

- From the user profile for the person entering the order
- From the address book record for the person entering the order
- From branch/plant constants
- From default locations and printers

If you specify the user profile or address book location, the system uses the identification number or the address book number of the user for the approval route. In this case, you must create a separate route for each user. You might want to use this method if each user requires a unique approval route.
If most of the orders that are generated in a branch/plant require approval from the same persons, you might retrieve an approval route from branch/plant constants. You can also assign a primary approval route to each user as you enter default location and printer information.

Approval routes are applicable at the order level, not at the detail level. For example, all items and services on an order must be approved before the system processes the order. After you enter an order, you cannot change its assigned approval route.

**Transferring Approval Authority**

You must create approval routes to specify the persons responsible for approving an order. You might include a specific person on several approval routes if the person is responsible for approving all orders that exceed a specific amount.

You can transfer approval authority from one person to another. You might do this if a person leaves the company or takes an extended vacation. When you transfer approval authority, the system permanently changes all approval routes on which the person currently exists.

You cannot transfer authority from one person on a route to another person already on the route. However, when you transfer authority from one person on a route to a person who has just been added to the route, the system redirects pending approvals to the new individual, but does not resend electronic mail messages.

► To transfer approval authority

*From the Order Generation/Approve/Release menu (G43A13), choose Approval Delegation.*

*Alternately, from the Order Generation/Approve/Release menu (G43D13), choose Approval Delegation.*

1. On Work With Approval Delegation, complete the following field and click Find:
   - Approver

2. Review all approval routes to which the person from whom you are transferring authority (approver) is currently assigned.

3. Choose a certain route or all routes on which you want to delegate authority and click Select.

4. On Approval Delegation, complete the following field to specify the person to whom you want to delegate authority and click OK:
   - Delegate To
Working with Orders Awaiting Approval

You can locate all orders that await your approval and select orders to review for approval or rejection. You must approve an order to authorize the purchase of items and services. You can reject an order if you disapprove of the purchases.

When you approve an order, the system either updates the order to an approved status or sends the order to the next person on the approval route. If you reject an order, the system returns a rejection message to the originator of the order and allows no further processing of the order.

If you originate orders, you can review the status of all of your orders (approved, rejected, pending). If an order has been rejected, you can amend the order to resubmit it for approval. If an order is pending, you can identify the next person responsible for approving the order and verify that the person is available to approve the order.

The system notifies you by electronic mail when a specific order requires your approval. The system also notifies you if an order that you originated has been approved or rejected.

Reviewing Approval Messages for Orders

*From the Order Generation/Approve/Release menu (G43A13), choose Review Approval Notification.*

*Alternately, from the Order Generation/Approve/Release menu (G43D13), choose Review Approval Notification.*

After you enter an order with an assigned approval route, the system notifies those persons responsible for approving the order. The system notifies the first person on the approval route by electronic mail that the order requires approval. If the person approves the order, the system either:

- Sends a message to the next person responsible for approving the order
- Updates the order to an approved status (if no other approvals are necessary) and sends an approval message to the order originator

If a person rejects the order, the system returns a rejection message to the originator. If the originator amends the order, the system restarts the approval process.

After a person approves or rejects an order, the system automatically deletes the electronic mail message about the order, provided that you have entered it through the electronic workbench.
The following is an example of the approval route process for a purchase order.

You can use electronic mail messaging (e-mail) for the approval process even if you do not use the J.D. Edwards Electronic Mail system on a company-wide basis. You can access your messages from the e-mail form that is set up specifically for approval processing or from any e-mail form on which you have a mailbox. If you use the approval processing e-mail form, processing options allow you to determine which mailboxes appear on the form.

**Reviewing Orders Awaiting Approval**

You can locate all orders that await your approval and select individual orders to review for approval or rejection. You can also locate all orders that you originated to review the status of each, such as approved, rejected, or pending.

You locate orders based on your address book number. You can also locate orders based on the age of the order to identify orders that require immediate attention. If you originate orders, you can specify that only approved or rejected orders appear.

You can access an order's status summary to identify who is responsible for approving the order and to review a history of the actions that have occurred to that order. You can identify those persons who have:

- Approved the order
- Not yet approved the order
- Rejected the order
- Been bypassed in the approval process by a person with a higher level of authority

To review a status summary for an order on budget hold, you must specify the budget hold code in the processing options for the Purchase Order Approvals program (P43081).
To review orders awaiting approval

From the Order Generation/Approve/Release menu (G43A13), choose Orders Awaiting Approval.

Alternately, from the Order Generation/Approve/Release menu (G43D13), choose Orders Awaiting Approval.

1. On Work With Orders Awaiting Approval, complete the following fields, as necessary:
   - Approver
   - Branch/Plant
   - Order Type

2. To display orders based on age, complete the following fields in the Limit Selection box:
   - Orders older than days
   - Waiting more than days

3. Under Order Selection, choose an option based on whether you are an order approver or an order originator:
   If you are an Approver - choose the following option:
   - Queued for Approval
   If you are an originator, under Order Originator, choose one of the following options to determine the type of order that displays:
   - Waiting Approval
   - Approved
   - Rejected

4. Click Find.

5. To remove approved or rejected order information that you do not want to review, choose the applicable order and choose Remove Msg from the Row menu.

6. To view the current status of a certain order, choose the order and choose Status Summary from the Row menu.

7. On Work With Approval Status Summary, review the persons on the approval route and their corresponding status.
Approving or Rejecting Orders

You must approve an order to authorize the purchase of items and services. After you approve all detail lines on an order, the system processes the order. You can reject detail lines on an order if you do not want the system to process the order. You can also provide explanations for rejecting detail lines.

If you enter the final approval for an order or if you reject an order, the system sends a message to the originator of the order. The originator can choose to amend a rejected order, in which case the system resubmits the order to you for approval. You can identify an amended detail line by the carat (>) that appears next to the line.

You can use several methods to provide explanations for rejections. You can:

- Define up to eight different categories that represent a specific rejection explanation
- Enter a brief remark for the entire order
- Enter a brief remark for each detail line
- Enter unlimited text for the order
- Enter unlimited text for a detail line

If you are a budget approver, you must approve and release orders that are on budget hold using the Approval Review program (P43081) before the system can further process the orders.

► To approve or reject orders

From the Order Generation/Approve/Release menu (G43A13), choose Approval Review.

Alternately, from the Order Generation/Approve/Release menu (G43D13), choose Approval Review.

1. On Work With Orders Awaiting Approval, locate the orders awaiting your approval.
2. Choose the order that you want to review and choose Approval Review from the Row menu.
3. On Purchase Order Requisition Approval, review the detail lines on the order and do one of the following:
   - To approve an order, choose Approve from the Form menu.
   - To reject a detail line on the order, choose the line and choose Reject from the Row menu.
4. To specify reasons for rejecting an order, choose Rej Reasons from the Form menu.
5. On Approval/Rejection Reasons, type X in the appropriate user defined categories for each detail line and enter explanations as necessary.
6. Click OK.
Setting Up Field Constants for Approval Processing

After an order detail line has gone through the approval process and has been approved, you might need to create a mechanism for requiring reapproval if changes are made to the order detail line after it has reached an approved status. Provided that you have been granted the appropriate authority by your system administrator, you can use the Approvals Fields Constants program (P43080) to specify which fields that you use during approval processing trigger a reapproval to all open order lines if changes are made to any order detail lines that have an approved status. You can indicate which fields do and do not trigger reapprovals by activating and deactivating the appropriate fields.

The fields that you can activate and deactivate are contained in the Purchase Order Detail File table (F4311) and the Approvals Fields Constants table (F43080).

► To set up field constants for approval processing

From the Procurement System Setup menu (G43A41), choose Approval Critical Fields.

1. On Approval Critical Fields, choose one of the following options to refine the information that the system displays:
   - Show All
   - Show Selected
   - Show Unselected

2. Scroll through all the fields, do either or both of the following, and click OK when you are finished:
   - To activate a field, enter 1.
   - To deactivate a field, delete 1.

Working with Order Revisions

You can track changes to orders to review information about changes that have occurred. For example, if you entered an order for 5 gallons of paint and then decided to change the order to 10 gallons of paint, you could review the changed information that created the new order for paint.

When you work with order revisions, you can review information such as:

- The number of times an order was revised
- The number of times each detail line on an order has been revised
- The order revision to which each detail line change corresponds
- The information that was revised on a detail line, such as the item number, the costs, and so forth
- The reason for the revisions
Creating Order Revisions

You can have the system create an order revision each time you enter or modify an order. For example, if you enter an order for 5 gallons of blue paint, the system creates order revision 000. If you modify the order to 7 gallons of blue paint, the system creates order revision 001. You can locate order revision 000 to review the information on the original order. You can locate order revision 001 to review information on the current order, including the fields modified.

The following graphic illustrates this example:

Creating Order Revisions

Order Revision 000  Order Revision 001

Blue Paint 5 x $5.00  Blue Paint 7 x $5.00

Change

When you review an order, the last order revision that was created appears. The number of revisions to each detail line also appears.

You use processing options to activate revision tracking. You can specify whether the system allows:

- Revisions to existing orders only
- The addition of new orders and revisions to existing orders
- No order revision processing

You can specify the status code at which revision tracking begins. You can also choose to enter notes each time you create an order revision.

The system creates order revisions only when you revise detail lines. It does not create order revisions when you revise header information.
The system maintains order revision information in the following tables:

<table>
<thead>
<tr>
<th>Table Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase Order Header (F4301)</td>
<td>The system maintains the number of times an order is revised.</td>
</tr>
<tr>
<td>Purchase Order Detail File (F4311)</td>
<td>The system maintains current information for order detail lines, including</td>
</tr>
<tr>
<td></td>
<td>the number of times each line was revised.</td>
</tr>
<tr>
<td>P.O. Detail Ledger File - Flexible</td>
<td>The system stores original order information as well as information about</td>
</tr>
<tr>
<td>Version (F43199)</td>
<td>each order revision. You do not have to activate the Purchasing Ledger in</td>
</tr>
<tr>
<td></td>
<td>order activity rules for revision tracking to occur. Order revision records</td>
</tr>
<tr>
<td></td>
<td>have a ledger type of CO (change order).</td>
</tr>
</tbody>
</table>

---

To create order revisions

*From the Purchase Order Processing menu (G43A11), choose Enter Purchase Orders.*

*Alternately, from the Subcontract Processing menu (G43D11), choose Enter Subcontract Orders.*

1. On Work With Order Headers, locate a specific order.
2. Choose the order and choose Detail Revision from the Row menu.
3. On Order Detail, change one of the following fields on a detail line and click OK:
   - Item Number
   - Account Number
   - Quantity Ordered
   - Unit Cost
   - Extended Cost
   Any change that you make changes both the order revision line number and the header number.
4. On Work With Order Headers, choose the order again and choose Detail Revision from the Row menu.
5. On Order Detail, review the following field for the order:
   - Order Revision Number
6. Review the following fields for the detail line that you changed:
   - Order Revision
   - Line Revision Number
   The order revision value for the order indicates the number of times the order has changed. The order revision value for each detail line indicates the order revision number for the order that applied the last time that you changed the detail line.
Reviewing Order Revision Information

You can review information about the changes made to a certain order. For example, if an order was changed five times, you can review information about each change, including:

- The detail lines that were changed
- The information that changed on each detail line
- The person who made the changes
- The date that the changes took place

To review order revision information

From the Purchasing Inquiries menu (G43A112), choose Order Revisions Inquiry.

Alternately, from the Subcontract Inquiries menu (G43D112), choose Order Revisions Inquiry.

1. On Work With Order Revisions Summary, complete the following field to locate the order for which you want to review revisions and click Find:

- Order Number

You choose whether to locate all order revisions or only the last order revision that applies to the order.
2. Choose an order revision and click Select.

3. On Order Revisions Detail, do one of the following:

   To review only the last detail line revised on the order, choose the following option:

   - Last Revision

   To review all detail lines on the order, choose the following option:

   - All Revisions

   For each detail line that appears, you can review information about the line based on the last revision that occurred.

4. To review all revisions that apply to a certain detail line, choose the detail line and click Select.
5. On Order Revision History, review information for the detail line based on the revision.

**Printing Order Revision Information**

*From the Purchasing Reports menu (G43A111), choose Print Order Revisions History.*

*Alternately, from the Subcontract Reports menu (G43D111), choose Print Order Revisions History.*

You can print the Order Revisions History report to review information about order revisions. The report lists the following information:

- The number of revisions to each detail line
- The latest detail line revisions
- A history of all detail line revisions
Updating Status Codes

The system processes detail lines through the purchase order processing cycle based on the last and next status codes assigned to each line. After a detail line completes a step in the processing cycle, the system updates the status codes.

You can manually update the next status code for detail lines to bypass a particular step, if needed.

You cannot update detail lines to a closed status. To update detail lines to a closed status, you must use the order entry program.

► To update status codes

From the Order Generation/Approve/Release menu (G43A13), choose Status Code Update.

1. On Work with PO Speed Status Update, complete one or more of the following fields to locate detail lines to update and then click Find:
   - Order Number
   - Last Status
   - Next Status
   - Branch/Plant

2. Complete the following field:
   - Next Status - Update To

3. Choose the detail lines that you want to update and click Select.

Revising Purchase Dates

The requested date or promised date for an order might change after you have entered the order in the system. You can follow manual procedures and simultaneously revise these dates for multiple orders.

After you change a requested or promised date, the system records the new date in the Purchase Order Detail File table (F4311). If you have already taken receipt of items, the dates in the Purchase Order Receiver File table (F43121) are not affected.
To revise purchase dates

From the Order Generation/Approve/Release menu (G43A13), choose Purchasing Date Revisions.

1. On Purchasing Date Revisions, complete one or more of the following fields to locate the order lines that you want to change and click Find:
   - Branch/Plant
   - Item Number
   - Order Number

2. Complete the following fields for each order line, as necessary, and click OK:
   - Requested Date
   - Promised Delivery
Generating Purchase Orders

You can have the system generate purchase orders for stock and non-stock items. You can have the system suggest the items and quantities to order. The system bases ordering suggestions on current demand (sales backorders) or historical demand (sales history). You can review the suggestions to determine if you want to generate the purchase order for the item and quantity. You can also change the suggestions before generating the order.

The system will not allow you to generate purchase orders if certain combinations of data exist. Some invalid combinations of data include:

- A supplier and a non-stock item
- A buyer and a non-stock item
- An item that uses only a second purchasing code
- A supplier and buyer

The system displays an error message if the data combination is invalid.

The PO Generator program (P43011) also contains zero reorder point functionality, which the system uses to calculate the reorder point for an item when the item’s inventory level is equal to zero. For example, you would reorder an item if the item is not in stock.

To enable zero reorder point functionality, you use the Item Branch program (P41026) to choose the appropriate option for additional system information, and then complete the Order Policy Code and Value Order Policy fields. Assuming that you enter a value of zero in the Order Policy Code field, the value in the Value Order Policy field determines how the PO Generator program works:

- When the Value Order Policy field contains a value of zero, then the system generates purchase orders normally.
- When the Value Order Policy field contains a value of 1, then the system overrides the value in the Reorder Point Input field with a value of zero.
- When the Value Order Policy field contains a value of 2, then the system disables the rows in the detail area when you are working with the PO Generator program.

Calculations for Order Quantities

The system bases calculations for the Suggested Order Quantity (SOQ) on the Order Policy Code field. If the Order Policy Code is:

- Blank, 0, or 3, the system uses the following calculation:
  \[ \text{SOQ} = \text{Economic Order Quantity} + \text{Reorder Point} - \text{Quantity Available} \]

- 1, the system uses the following calculation:
  \[ \text{SOQ} = \text{Reorder Point} - \text{Quantity Available} \]

- 2, the system uses the amount in the Value Order Policy field on the Plant/Manufacturing Data tab of the Additional System Info form in the Item Branch Information program
If the SOQ is:

- Greater than the Maximum Reorder Quantity field on the Quantities form in the Item Branch/Plant Information program, the system uses the Maximum Reorder Quantity amount
- Less than the Minimum Reorder Quantity field on the Quantities form in the Item Branch/Plant Information program, the system uses the Minimum Reorder Quantity amount

► To generate purchase orders

From the Order Generation/Approve/Release menu (G43A13), choose Purchase Order Generator.

1. On Work With Stocked Item Reorder Point, complete one or more of the following fields to locate the items for which you want to generate purchase orders:
   - Supplier Item Number
   - Buyer Number
   - Category Codes

2. To narrow the search, complete the following fields:
   - Branch/Plant
   - Stocking Type
   - Requested Date

3. To further narrow the search, choose the following option and click Find:
   - Reorder Point

4. Choose the item for which you want to generate a purchase order and choose Details from the Row menu.
5. On Select Item for Purchase, complete the following fields as necessary, and click OK:

- Suggested Order Quantity
- Supplier
- Unit Cost
- Date Requested
- Trans UOM

The system returns you to Work With Stocked Item Reorder Point. Note that the row header for the item you just selected is now marked with a check.

6. Repeat steps 2 through 5 for each detail line for which you want to create a purchase order.

7. Choose Generate Order from the Form menu.

8. On Generated Purchase Orders, click Close.
Working with the Stocked Item Reorder Point Batch Purchase Order Generator

*From the Order Generation/Approval/Release menu (G43A13), choose Print Stock Item Reorder Point.*

Use the Stocked Item Reorder Point Batch Purchase Order Generator program (R437002) to generate purchase orders by using batch processing. You also can use this program to create a list of items that the system suggests for reordering. There are three options for running this report:

- Final mode, where the system automatically generate purchase orders
- Proof mode, where the system generates a report that contains a list of items that the system suggests for reordering and stores the information in the Suggested Reorder Stock Items table (F4371)
- Proof mode, where the system only stores the information in the Suggested Reorder Stock Items table

You can use the Suggested Reorder Stock Items program (P4371) to review the system’s suggestions and reorder items by creating purchase orders online.

Working with Suggestions for Reordering Items

After you run the Stocked Item Reorder Point Batch Purchase Order Generator program (R437002), you can use the Suggested Reorder Stock Items program (P4371) to do the following:

- Review online the items that the system suggests that you reorder.
- Generate purchase orders automatically or interactively for items that you have chosen to reorder.
- Release quantities from multiple blanket orders (if blanket orders exist).
- Choose which items that you want to reorder.
- Change cost and quantity information for order detail lines.
- Purge the Suggested Reorder Stock Items table (F4371).

► To work with suggestions for reordering items

*From the Order Generation/Approve/Release menu (G43A13), choose Suggested Reorder Stock Item.*

1. On Work With Suggested Reorder Stock Items, click Find.
   The system displays all items that are suggested for reordering. Note that you can generate orders and review blanket orders by choosing the appropriate options.

2. Choose the row that contains the item that you want to review.
3. Choose Details from the Row menu.
4. On Suggested Reorder Stock Items Detail, choose the appropriate options for modifying the quantity, cost, or unit of measure, and then click OK.
5. **On Work With Suggested Reorder Stock Items**, choose the row that contains the item that you want to review before determining whether to reorder the item and click **Select**.

6. **On Suppliers Selected for Order**, you can do the following by choosing the appropriate options:
   - Generate a purchase order for the item.
   - Review detailed line information for the purchase order that you are generating.
   - Delete a line from the purchase order.

**Note**
When you are finished working with suggestions for reordering items, the system gives you the option of purging the records that are contained in the Suggested Reorder Stock Items table (F4371).

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**Reviewing Supplier Performance Information**

You can review performance information to determine which suppliers are most likely to provide you with the best costs and services for an item. Performance information includes the quality of service provided by a supplier for a certain item and the costs charged by the supplier.

You can review supplier performance information that is specific to:

- Delivery of an item
- Acceptability of an item
- Cost of an item

You can also review a summary of performance information for all suppliers who provide a specific item. For example, you can compare the average unit cost and leadtime (average number of days to deliver an item) for all suppliers who provide you with Item A.

To store performance information, you must set processing options for the Purchase Orders program (P4310), PO Receipts program (P4312), and A/P Standard Voucher Entry program (P0411) to capture supplier analysis information.

The system retrieves supplier performance information from the Supplier/Item Relationships table (F43090) and the Purchase Order Receiver File table (F43121).

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**Reviewing Supplier Delivery Performance**

Before you order an item from a supplier, you can determine if the supplier has made timely deliveries in the past. You can review the percentage of items that a supplier has delivered on time, early, and late in each fiscal period (usually a month) to determine if the supplier is likely to make timely deliveries in the future.
You can review the quantity, amount, or number of receipts for an item that was on time, early, or late. For example, if you acquired 100 bicycles in June from AAA Bicycle Company, you can identify that 10 were delivered early, 80 were on time, and 10 were late. If you choose to review amounts, you can identify that 1,000.00 was early, 8,000.00 was on time, and so on.

You can also review delivery information for each receipt in a fiscal period. For example, you might have entered 5 receipts of 20 bicycles to acquire 100 bicycles in June. You can review the promised and delivery dates, and the quantity that was on time, early, or late for each of the 5 receipts.

► To review supplier delivery performance

*From the Supplier Management menu (G43A16), choose Delivery Analysis.*

1. On Delivery Analysis, complete the following fields and click Find:
   - Supplier
   - Item Number

2. Review the following fields:
   - Month/Year
   - Quantity On-time
   - Quantity Early
   - Quantity Late
   - Amount On-time
   - Amount Early
   - Amount Late
   - Receipts On-time
   - Receipts Early
   - Receipts Late
   - Percent On-time
   - Percent Early
   - Percent Late
3. To review a fiscal period, complete the following fields:
   - Date From
   - Date Thru

4. Choose a detail line and then choose Delivery Details from the Row menu.

5. On Delivery Analysis Details, to review delivery information only, choose Delivery Details from the View menu.

6. Review the following fields for each receipt entered in the fiscal period:
   - Promised Delivery
   - Receipt
   - Prev Qty Vouchered
   - Delivery

7. Choose a receipt and choose Receipt Details from the Row menu.

8. On Receipt Detail Information, review additional details for the receipt and click OK.

**Reviewing Supplier Quality Performance**

Before you order an item from a supplier, you might determine if the supplier has a history of delivering the item in good condition. You can review the percentage of acceptable items from a supplier in each fiscal period (usually a month) to determine if the supplier is likely to provide acceptable items in the future.

You can review the quantity of an item that was acceptable in each fiscal period, as well as the percentage. For example, you can review that you acquired 100 bicycles in June from AAA Bicycle Company, of which 95 were acceptable and 5 were unacceptable.

You can also review the acceptable quantity for each receipt that you entered in a fiscal period. For example, you might have entered 5 receipts of 20 bicycles to acquire 100 bicycles in June. You can review acceptable and unacceptable quantities for each of the 5 receipts.

The system can only track item acceptability for those items that are processed through a receipt route.

► **To review supplier quality performance**

*From the Supplier Management menu (G43A16), choose Quality Analysis.*

1. On Quality Analysis, complete the following fields and click Find:
   - Supplier
   - Item Number
2. On Quality Analysis, review the following fields:
   - Month/Year
   - QuantityDispositioned
   - QuantityAccepted
   - QuantityNon-Accepted
   - PercentAccepted
   - PercentNon-Accepted

3. To review a fiscal period, complete the following fields:
   - Date From
   - Date Thru

4. Choose a detail line and then choose Quality Details from the Row menu.

5. On Quality Analysis Details, to review quality information only, choose Quality Details from the View menu.

6. Review the following fields for each receipt entered in the fiscal period:
   - QuantityDispositioned
   - QuantityAccepted
   - QuantityNon-Accepted

7. Choose a receipt and then choose Receipt Details from the Row menu.

8. On Receipt Detail Information, review additional details for the receipt and click OK.

**Reviewing Supplier Cost Performance**

You might want to review the average unit cost you paid to a supplier for an item in each fiscal period (usually a month). You can compare this cost to the average cost for the item on purchase orders and the average cost at the time of receipt to determine if the price remains consistent.

You can have the system calculate a percentage variance between the cost you paid for an item and another cost, such as the receipt cost. For example, if the supplier specified an average cost of 0.50 when you entered a receipt for an item but then billed you an average cost of 1.00, the system displays a 100 percent variance. In this case, you would probably determine why the variance exists. You use processing options to specify the cost to compare to the paid cost.

You can also review the inventory cost for an item. You specify the cost method that the system uses to determine the inventory cost, such as last-in, first-out (LIFO). Using this cost method, the inventory cost reflects the cost of the last item you received.

You can review costs for each receipt you entered in the fiscal period. For example, if an item had an average receipt cost of 10.00, you can review the cost for the item each time you entered a receipt, which might have been 9.00 at one receipt and 11.00 at another receipt.
To review supplier cost performance

From the Supplier Management menu (G43A16), choose Cost Analysis.

1. On Cost Analysis, complete the following fields and click Find:
   - Supplier
   - Item Number

2. On Cost Analysis, review the following fields:
   - Month/Year
   - Inventory Cost
   - Ordered Unit Cost
   - Received Unit Cost
   - Paid Unit Cost
   - Percent Cost Variance

3. To review a fiscal period, complete the following fields:
   - Date From
   - Date Thru

4. Choose a detail line and then choose Cost Details from the Row menu.

5. On Cost Analysis Details, to review cost information only, choose Cost Details from the View menu.

6. Review the costs for each receipt in the fiscal period.

7. Choose a receipt and then choose Receipt Details from the Row menu.

8. On Receipt Detail Information, review additional details for the receipt and click OK.

Reviewing a Summary of Supplier Performance Information

You can compare a variety of performance information for all suppliers who provide a certain item to determine the best supplier from whom to purchase the item. For example, for each supplier that provides you with the same item, you can compare:

- The average unit cost for the item
- The last cost that was paid for the item
- The percentage of on-time deliveries
- The average number of days that it takes to deliver the item (leadtime)

You choose the information that displays.
To review a summary of supplier performance information

From the Supplier Management menu (G43A16), choose Summary.

1. On Work With Supplier Analysis Summary, complete the following field and click Find:
   - Supplier

2. Review performance factors for each supplier who provides the item.

Creating Supplier and Item Relationships

You can create relationships between a supplier and the items that you purchase from the supplier. For example, if you purchase widgets from AAA Supply Company, you can create a relationship between the AAA Supply Company and the widget item. You can define information for the relationship, such as:

- The status of the relationship (whether you can purchase the item from the supplier)
- The receipt route for the relationship
- The price of the item (when you purchase it from the supplier)

You can manually create supplier and item relationships or you can have the system create them for you when you purchase items from a supplier.

You also can have the system create a supplier and item relationship when you do one of the following:

- Enter a purchase order
- Enter a receipt
- Create a voucher

You must set processing options for the appropriate program to capture supplier analysis information.

You also can create relationships for items for which master information does not yet exist. You can set a processing option for the Supplier/Item Relationships program (P43090) to specify whether you want the system to prompt you to enter standard item master information or non-stock item master information.

The system stores information for item and supplier relationships in the Supplier/Item Relationships table (F43090). You must run the Supplier/Item Relationships Rebuild program (R43900) to initially update the fields in this table.
To create supplier and item relationships

From the Supplier Management menu (G43A16), choose Supplier/Item Information.

1. On Work With Supplier/Item Relationships, click Add.

2. On Supplier/Item Relationships, complete the following fields:
   - Branch/Plant
   - Supplier
   - Item Number

   If you are working with non-stock items, the Branch/Plant field is not applicable.

3. Complete the following optional fields and click OK.
   - Certification Status
   - Effective Date
   - Expiration Date
   - Normal Route Code
   - Alt Route Code
   - Route Type Code
4. To enter additional route types, from the Form menu, choose Additional Routes.

5. On Supplier/Item Additional Route, complete the following fields and click OK:
   - Normal Route
   - Alt Route
   - Effective Date
   - Expiration Date

**Setting Up Guidelines for Delivery Performance**

You can determine if a supplier has a history of delivering a specific item on time by reviewing delivery performance information. To ensure that this information is accurate, you must define how you want the system to calculate on-time deliveries.

An order is on time if you receive it the same day that the supplier promised to deliver it. You can allow a certain number of days before or after the promised date that the order can still be on time. For example, you can allow two late days and two early days. If the promised date for an order is 3/15, the order is not late unless you receive it after 3/17, and it is not early unless you receive it before 3/13.

You can also specify the percentage of an order that must be delivered for the system to determine the receipt date. For example, you can specify that you must receive 90 percent of an order for the system to use the receipt date to determine whether the delivery is on time, early, or late.

► **To set up guidelines for delivery performance**

   From the Supplier Management menu (G43A16), choose Supplier/Item Information.

1. On Work With Supplier/Item Relationships, complete the following fields to locate a certain item and supplier, and click Find:
   - Branch/Plant
   - Supplier
   - 2nd Item Number

2. Choose the item and supplier and click Select.

3. On Supplier/Item Relationships, complete the following fields:
   - Leadtime Quantity %
   - Days Allowed Early
   - Days Allowed Late

4. Click OK.
Setting Up Guidelines for Acceptable Items

You can determine if a supplier has a history of delivering a specific item in good condition by reviewing quality performance information. To ensure that this information is accurate, you must indicate how you want the system to identify acceptable and unacceptable items.

Quality performance information includes the percentages of an item that were acceptable and unacceptable in a fiscal period. The system calculates each percentage based on how you categorize items that you remove from a receipt route, including:

- Returns
- Reworks
- Scrap
- Rejects
- Adjustments

You must specify which categories reflect acceptable and unacceptable items. For example, if you specify that the scrap category is unacceptable, each time you remove an item from a receipt route as scrap, the system classifies the item as unacceptable.

► To set up guidelines for acceptable items

From the Supplier Management menu (G43A16), choose Quality Analysis.

1. On Quality Analysis, choose Quality Definition from the Form menu.
2. On Quality Classification, complete the following field for each category and click OK:
   • A/N

Defining a Summary of Supplier Performance Information

You can review a summary of performance information to compare suppliers' costs and services for a certain item. Before you can review this information, you must define the performance factors that you want to compare, such as:

- The average unit cost for an item
- The last cost you paid for an item
- The percentage of on-time deliveries
- The average number of days that it takes to deliver the item (leadtime)

You must set up a column for each performance factor that you want to review. You must specify the title of the column, values and calculations. You can also specify the decimal placement and number format, and you can assign help text.

You can create formats to review multiple performance factors (columns). You can assign up to four columns to a format. You can also create paths so that you can scroll through multiple formats. After you set up columns, formats, and paths, you can assign them to the Work With Supplier Analysis Summary form.
To define a summary of supplier performance information

*From the Supplier Management menu (G43A16), choose Define Inquiry Columns.*

1. On Work With Inquiry Columns, click Add.
2. On Define Inquiry Columns, complete the following fields to name and describe a column:
   - Column Name
   - Description
   - Column Heading 1
   - Column Heading 2
3. To indicate how the system should calculate figures for the column, complete the following required field:
   - Formula
4. To specify details about the column, complete the following fields:
   - Decimal Positions
   - Edit Code
   - Multiplier
   - Glossary Item
   - Sequence
5. When you have completed all the information, click OK and return to the Supplier Management menu.
7. On Work With Inquiry Formats, click Add.
8. On Define Inquiry Formats, complete the following fields and click OK:
   - Format Name
   - Description
   - Column 1
   - Column 2
   - Column 3
   - Column 4
9. Return to the Supplier Management menu.
12. On Define Inquiry Paths, complete the following fields and click OK:
   - Path Name
   - Description
   - Format Name
   - Display Seq

Rebate Processing

Some of your suppliers might offer you cash rebates if you purchase a certain quantity or amount of their items and services. You can set up the Procurement system to track rebates.

To track rebates, you must enter information about each rebate agreement. When you enter, change, or cancel an order, the system applies the appropriate purchases toward the rebate agreement.

You can view the current status of each rebate agreement, including:
   - The purchases necessary to obtain the rebate
   - The purchases you have made that apply to the rebate
   - The amount of each rebate

With this information, you can identify rebates that your business is likely to obtain. You can also identify rebates that are unobtainable, which might change your price negotiations in the future.

You can have the message center alert you when you are within a range of meeting the purchase requirements for a rebate.

Setting Up Rebate Agreements

For the system to track rebates, you must provide information about the agreements you have with your suppliers. This information includes:
   - Basic information about each agreement, such as the supplier providing the rebate and the effective dates of the rebate
   - The items you must purchase or the account numbers you must purchase against to obtain the rebate
   - The quantity or amount you must purchase for the rebate
   - The amount of the rebate or the percentage of purchases that determines the rebate amount

If several of your suppliers have the same parent company, you might want to track rebate information at the parent level instead of at the supplier level. You can set up procurement instructions for each supplier to specify the level at which to track rebate information.
When you enter orders, the system applies purchase quantities and amounts toward rebates. You must specify the order types from which the system applies purchases to rebates. For example, you can have the system apply quantities and amounts from purchase orders, blanket orders or both.

**Caution**

Ensure that you specify the correct order types from which the system applies purchases to rebates. For example, if you use blanket orders to purchase items, you must specify the blanket order type. If blanket orders are prerequisites to purchase orders, you specify only the purchase order type. Otherwise, the system applies the same quantity and amount from both the blanket order and the purchase order.

**Entering Basic Rebate Agreement Information**

When a supplier offers you a rebate for purchasing certain goods and services, you set up a rebate agreement. You can have an unlimited number of rebate agreements for each supplier. For each agreement, you specify basic information such as:

- The agreement number
- The supplier offering the rebate
- The effective dates of the agreement
- The status of the agreement, whether active or pending
- The person to whom the system directs messages when a rebate is due

You can also specify whether the rebate is based on purchase quantities or amounts and whether the rebate is an amount or a percentage of the purchase amount.

If you specify that a rebate agreement is based on purchase quantities, you must enter a unit of measure for the rebate agreement.

You can have the system assign a number to each of your rebate agreements or you can enter your own number. If you have the system assign a number, it increases the last rebate agreement number for the supplier by one. If it is the first rebate agreement for the supplier, the system assigns the number one.

You can also specify a currency for a rebate agreement, and you must enter the thresholds, or purchase limits, for the agreement in that currency. When you enter purchase orders for rebate items in another currency, the system converts the purchase order currency to the rebate currency.

You can enter a memo about a rebate agreement. When a memo exists, the system displays a paper clip next to the rebate agreement in the detail area on the Work With Purchase Agreements form.

If the terms of the agreement are not yet final, you can set up a pending rebate agreement for a supplier. You can also specify that all rebate agreements for a certain supplier are pending. If you use procurement instructions to specify that all rebate agreements for a supplier are pending (inactive), the system changes the status to active when you enter a new active rebate agreement for the supplier.

The system stores rebate agreement information in the Purchase Rebate Master File table (F4340).
To enter basic rebate agreement information

From the Price Management menu (G43A17), choose Purchase Rebate Agreement.

1. On Work With Purchase Agreements, click Add.
2. On Purchase Rebate Agreement Revisions, complete the following fields and click OK:
   - Supplier
   - Agreement Description
   - Effective From
   - Expired Thru
   - Rebate Status
   - Threshold Type
   - Rebate Type
   - Unit of Measure
   - Administrator

Defining Conditions for Obtaining a Rebate

After you enter basic information about a rebate agreement, you must specify inclusion rules that indicate what you must purchase to obtain the rebate. The system applies purchases toward a rebate agreement based on one of the following:

- Item number
- Account number against which you are purchasing
- Items to which you assigned a particular category code value

You can enter item numbers or account numbers when there are specific items or services that you must purchase to obtain the rebate. You can enter stock or non-stock items for a rebate agreement.

You can enter a category code value to specify a group of items from which you can make purchases. The system applies purchases to the rebate agreement each time you purchase an item that is assigned the category code value.

The system applies purchase order transactions to a rebate agreement by comparing the items or services purchased to the inclusion rules set up for each rebate agreement. The system begins searching on the agreement with the lowest sequence number.

For the system to apply purchases to a rebate agreement:

- The agreement must have an active status.
- The purchase transaction date must fall within the effective dates specified for the agreement.
- The supplier rebate code on Purchasing Instructions (P04012) must be set to active.

A single purchasing transaction cannot apply to more than one purchasing agreement.
Each time you enter an order detail line, you must specify a line type. The Inventory interface for the line type, which you specify in Order Line Types (P40205), determines the order in which the system searches through inclusion rules for a rebate agreement to find a match:

- A represents the Account Number and Category Code
- B represents the Account Number and Item Number
- D represents the Item Number and Category Code
- N represents the Category Code
- Y represents the Item Number and Category Code

The system stores information about the items, account numbers, and purchasing code values that are applicable to a rebate agreement in the Purchase Inclusion Rules table (F4342).

► To define conditions for obtaining a rebate

*From the Price Management menu (G43A17), choose Rebate Inclusion Rules.*

1. On Work With Purchase Agreements, complete the following field and click Find:
   - Supplier

2. Choose the row that contains the supplier from whom you purchase the items for which you obtain a rebate.

3. From the Row menu, choose Inclusion Rules.

4. On Inclusion Rules Maintenance, complete the following fields and click OK:
   - Item Number
   - Branch Plant
   - Obj Acct
   - Sub

**Defining Purchase Limits for Rebate Amounts**

After you define the conditions for obtaining a rebate, you must enter the quantity of items or the financial amount that you must purchase before you can receive a rebate. For example, you enter either 500 widgets or 500.00 worth of widgets. Each quantity or financial amount is referred to as a threshold. When you enter multiple thresholds, you must enter threshold quantities or amounts in ascending order.

**Note**

If you set up multiple thresholds, you must enter the total rebate amount you have received from the supplier in the Amount Purchased field on the Rebate Adjustments Revision form. When you meet the next rebate threshold for the agreement, the system subtracts the received amount from the rebate you are now due.
Next, you enter information about the type of rebate that you are to receive. The rebate type indicates whether the rebate is a specific predetermined financial amount or a percentage of the total purchase amount. For example, if you purchase 100 widgets, the supplier gives you a 50.00 rebate. However, if you purchase 500 widgets, the supplier gives you a 15 percent rebate on the total purchase amount of the widgets.

You must enter the entire financial amount or percentage you are to receive for each threshold, regardless of other thresholds for which you might have already received a rebate. For example, you should receive 100.00 for purchasing 100 widgets, and 500.00 for purchasing 500 widgets. When you purchase 500 widgets, you are entitled to a total rebate of 500.00, regardless of the 100.00 you might already have received.

If you are entitled to a rebate regardless of the quantity or amount that you purchase, you can enter a threshold quantity of zero.

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**Caution**

You must base threshold quantities on the unit of measure you specify for the purchase rebate agreement. When you enter purchase orders for rebate items, the system converts the purchasing unit of measure to the rebate unit of measure, if necessary.

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The system stores information about the thresholds and rebates that are applicable to a rebate agreement in the Purchase Rebate Threshold File table (F4341).

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**To define purchase limits for rebate amounts**

*From the Price Management menu (G43A17), choose Purchase Rebate Agreement.*

1. On Work With Purchase Agreements, complete the following field and click Find:
   - Supplier

2. Choose the row that contains the supplier from whom you purchase the items for which you obtain a rebate.

3. Choose Thresholds from the Row menu.

4. On Threshold Maintenance, complete one of the following fields, depending on the threshold type that you specified in the rebate agreement:
   - Threshold Quantity
   - Threshold Amount

5. Complete one of the following fields, depending on the rebate type that you specified in the rebate agreement, and click OK:
   - Rebate Percentage
   - Rebate Amount
Working with Rebate Status Information

Before you purchase from a supplier, you might want to determine if the purchases apply to a rebate. You can review summary information for each rebate agreement you have with a particular supplier, including:

- The threshold that you must reach to obtain the rebate
- The total purchases you have made toward the agreement to date
- The amount of the rebate you receive if you reach the next threshold
- The last threshold you reached if multiple thresholds exist for the agreement
- The rebate amounts you have received to date

You can also select an agreement that allows you to view individual purchasing transactions.

If you find that the total purchase quantity or purchase amount that the system has accumulated and applied towards a rebate agreement is incorrect, you can change the quantity or amount.

The system retrieves purchases to date and rebate amounts received for an agreement from the Purchase Rebate Master File table (F4340). It retrieves transaction details for rebate agreements from the Purchase Rebate History table (F4343).

Reviewing Summary Information for Rebate Agreements

You might want to determine if you are eligible to receive a rebate or if you are close to obtaining a specific rebate. For each agreement, you can review:

- The purchases required for the rebate
- The quantity or amount of purchases you have made to date
- The rebate amount you can receive

You can also view agreement information such as effective dates, the last rebate threshold reached, the rebate amount you have received to date, and so on.

To review summary information for rebate agreements

From the Price Management menu (G43A17), choose Rebate History Summary Inquiry.

1. On Work With Rebate History Inquiry, complete the following fields and click Find:
   - Supplier Number
   - Rebate Status

2. Choose the row that contains the customer whose rebate agreement you want to review and click Select.

3. On Rebate History Details, review the following field:
   - Total Purchased To Date
Reviewing Purchasing Transactions for a Rebate

You might want to review information about the individual purchasing transactions that the system has applied toward a rebate. You can display order detail line transactions that pertain to an agreement and the purchase orders on which the transactions were entered.

► To review purchasing transactions for a rebate

From the Price Management menu (G43A17), choose Rebate History Detail Inquiry.

1. On Work With Rebate History Inquiry, complete the following fields and click Find:
   - Supplier Number
   - Rebate Status

2. Choose the row that contains the customer whose rebate agreement you want to review and click Select.

3. On Rebate History Details, review the following fields for each purchasing transaction:
   - Or Ty
   - Order Number
   - Line Number
   - Quantity Ordered
   - Extended Price
   - Foreign Extended Price

Changing the Quantity or Amount Applied to a Rebate

The purchase quantity or amount that the system has accumulated and applied toward a rebate agreement might be incorrect. For example, you might have returned some of the rebate items that you purchased. You can override the current calculations by entering a new purchase quantity or amount.

When you change a quantity or amount, you can also add a memo that explains why you are making the adjustment.

► To change the quantity or amount applied to a rebate

From the Price Management menu (G43A17), choose Purchase Rebate Agreement.

1. On Work With Purchase Agreements, complete the following field and click Find:
   - Supplier

2. Choose the row that contains the supplier from whom you purchase the items for which you obtain a rebate.

3. From the Row menu, choose Rebate Adjustments.
4. On Rebate Adjustments Revision, complete the following fields and click OK:
   - Amount Purchased
   - Quantity Purchased

**Updating Rebate Information**

*From the Receipts Matching and Posting menu (G43A15), choose Rebate Report.*

You must run the Rebate Batch Report program (R43400) to:

- Have the system determine whether you are due a rebate
- Send an electronic mail message to the rebate administrator

The system tracks the quantity and amount of purchases you have made that apply to a rebate agreement. You must run the Rebate Batch Report program to have the system compare this quantity or amount to that which is required to obtain the rebate.

You can have the system send a message to the rebate administrator when you meet the purchasing requirements for a rebate agreement or when you are within a certain range of meeting the requirements. For example, if you must purchase 100 items to obtain a rebate, you might want the rebate administrator to receive a message when you have purchased 90 items.

You must run the Rebate Batch Report program to have the system send a message. You use processing options to specify whether the system sends a message and to define a range. For example, if you want the system to send a message when you have purchased 90 of the 100 items required to obtain a rebate, you enter a range of 10 percent.

The following information appears in the message to the rebate administrator:

- Supplier number
- Agreement sequence number
- Threshold amount
- Actual purchases
- Effective through date

You can specify a rebate administrator for each rebate agreement.

**Setting Up Landed Costs**

Landed costs are costs that exceed the purchase price of an item. They are generally associated with the expected delivery charges of an order, but might also be for broker fees, commissions, and so on.

You can assign landed costs to a specific item and branch/plant or to a cost rule (a group of landed costs to which you assign a name). After you create a cost rule, you can assign it to an inventory item, a supplier, a purchase order, or a detail line. By assigning landed costs, you can track the actual cost of purchasing an item.
When you assign landed costs to an item or cost rule, you define the calculation for each landed cost on a per item basis. You can add landed costs for an item based on:

- A percentage of the unit price
- A dollar amount
- A specific rate multiplied by the weight or volume of the item

For each landed cost, you can specify:

- The effective dates
- The supplier to which the cost is paid
- The general ledger class code to which you apply the cost

The general ledger class code determines the general ledger accounts for which the system creates journal entries for landed costs. You use AAI tables 4385 and 4390 to specify landed cost accounts.

You can also specify:

- Whether to match the cost using the voucher entry program
- Whether to include the cost in item cost updates

The system searches for landed costs that apply to a detail line in the following order:

1. Landed costs that are assigned to the item/branch on Landed Cost Revisions
2. A cost rule assigned to the detail line
3. A cost rule assigned to the purchase order
4. A cost rule assigned to the item and branch/plant on Item/Branch Plant Info.
5. A cost rule assigned to the item on Item Master Revisions

You determine at which point the system adds landed costs to a detail line. For example, you can add landed costs during the receipt process, the voucher match process, or as a stand-alone process.

► To set up landed costs

*From the Procurement System Setup menu (G43A41), choose Landed Cost Revisions.*

1. On Work With Landed Cost, click Add.
2. On Landed Cost Revisions, complete the following field to specify a rule for the landed costs:
   - Landed Cost Rule
3. Or to specify an item to which the landed costs apply, complete the following fields:
   - OR Item Number
   - Branch/Plant
4. To specify calculations for each landed cost, complete the following fields:
   - Cost Level
   - Percent of Cost
   - Plus Amount
   - Weight Rate
   - Volume Rate

5. To specify more details for each landed cost, complete the following fields and click OK:
   - G/L Cat
   - Based on Level
   - Supplier Name
   - Effective From
   - Effective Thru
   - Include in Cost (Y/N)
   - Voucher Y/N

**Entering Landed Costs**

When you purchase items, it is not uncommon to pay extra costs for harbor fees, broker fees, and so on. These costs are called "landed costs." You can enter landed costs for items during the receipt process or as a stand-alone process.

**Entering Landed Costs During the Receipt Process**

You can enter landed costs when you enter receipt information. You might choose this process if landed cost information is available to you when you receive items.

To enter landed costs during the receipt process, you must set the Landed Costs processing option in Purchase Order Receipts (P4312) to apply landed costs. After you enter a receipt, the system displays the landed costs that apply to the items so that you can review or change the costs.

You also can set the Landed Costs processing option in Purchase Order Receipts (P4312) to automatically apply the landed cost rule without displaying the Landed Cost Selection form.
Entering Landed Costs as a Stand-Alone Process

You might choose to enter landed costs as a stand-alone process if landed cost information is not available to you upon receipt of an item. You can access the Stand-Alone Landed Cost option from the Receipts Matching and Posting menu.

Landed costs are only applicable to items for which you record receipt information. When you enter landed costs for items, the system only allows you to work with the landed costs that have been set up and assigned to the item. For each item you receive, you can review, change, and enter the landed costs assigned to the item.

After you enter landed costs for items, the system might create a separate landed cost detail line for which you must create a voucher. Whether you must create this additional voucher depends on how you set up each landed cost. You can review landed cost detail lines on the Voucher Match form.

When you enter landed costs, you also can run the Copy Cost Components program (R41891), which copies simulated or frozen cost information from the Item Cost Component Add-Ons table (F30026) to the Item Cost Components table (F41291).

To enter landed costs

*From the Receipts Matching and Posting menu (G43A15), choose Stand-Alone Landed Cost.*

1. On Work With Purchase Receipts, locate the receipt record for which to enter landed costs.
2. Click on the receipt record and choose Apply Landed Cost from the Row menu.
3. On Landed Cost Selection, to change landed cost amounts, complete the following fields:
   - Unit Cost
   - Extended Amount
4. Click OK to accept the costs.
Reports and Inquiries
Working with Order Information

You can review open order information and print a variety of reports that contain information about orders.

Reviewing Open Orders

Before you enter an order, you might want to determine if an item is currently on order. You can review open orders, which are orders that contain items and services you have yet to receive. You can specify the order number, supplier, item, account number, and so on for the open detail lines you want to review.

You also can review open quantities for purchase orders, requisitions, blanket orders, and so forth by choosing the type of order for which you want to review detail lines.

You can review additional information for each open detail line that appears, including the quantity ordered, the quantity open, the quantity received, and the quantity for which vouchers have been created. You can also access address numbers, dates, and tax information.

Regardless of whether you enter an order in a domestic or foreign currency, you can review the order as if it were entered in another currency. For example, you can review amounts in Canadian dollars as if they were entered in the euro. Likewise, you can review amounts in Japanese yen as if they were entered in U.S. dollars, and so on.

► To review open orders in a domestic or foreign currency

From the Purchasing Inquiries menu (G43A112), choose Open Orders.

Alternately, from the Subcontract Inquiries menu (G43D112), choose Open Orders.

1. On Work With Order Details, complete the following fields as required to locate open detail lines:
   - Order Number
   - Related Order
   - Original Order
   - Item Number
   - Account Number
   - Branch/Plant

2. To narrow the search, choose Added Selections from the Form menu.
3. On Additional Selection Criteria, complete the following fields:
   - Status Range
   - Thru
   - Date Range
   - Thru

4. Click one of the following options to determine whether the status range is based on the last or next status code for each detail line:
   - Next
   - Last

5. Click one of the following options to determine which order date the date range is based on:
   - Requested
   - Transaction
   - Promised Delivery
   - Original Promised
   - Receipt
   - Cancel
   - G/L Date

6. Click OK to return to Work With Order Details, then click Find. The open detail lines that meet your search criteria appear.

7. To review additional information for an open detail line, choose the detail line and then choose Order Detail from the Row menu.

8. On Purchase Order Detail Inquiry, review additional fields.

9. To review address numbers, dates, or tax information for the open order, choose the appropriate option from the Form menu.

**Reviewing Order Detail Information**

You can review a detailed summary of information about an order or change order. For example, you can review information about vouchers, retainage, or changes made to an order.
To review order detail information

*From the Subcontract Inquiries menu (G43D112), choose Open Orders.*

1. On Work With Order Details, locate the order for which you want to review information.
2. Click on the order and choose Order Recap from the Row menu.
3. On Order Recap, review the order information.

Printing Purchase Order Information by Supplier or Branch

*From the Purchasing Reports menu (G43A111), choose PO Summary.*

You might want to review information about purchase orders for a specific supplier or branch/plant. The Summary by Supplier report prints purchase order information by supplier, then by business unit. You can review individual amounts for each purchase order, including the amount received and the amount open. You can also review the total amount for all purchase orders.

If a purchase order contains detail lines for multiple branch/plants, the same order might appear several times based on the branch/plant.

Printing Order Detail Information

*From the Subcontract Reports menu (G43D111), choose Print Subcontracts.*

You can review detail information about logs and commitment distribution for any contract on the Subcontract Detail report. You can also review all of the multicurrency information that is associated with a contract if you have multicurrency turned on. You can print information about all jobs, a specific job, or an individual contract.

The Subcontract Detail report uses information from the Purchase Order Header (F4301), Purchase Order Detail File (F4311), Log Master (F4303), and Contract Header Log Text (F52034) tables.

Printing Items on Order from a Supplier

*From the Purchasing Reports menu (G43A111), choose Print PO by Requested Date.*

You might want to review information about the items that are currently on order from a supplier. When you generate the PO by Requested Date report, you can review the open quantity or dollar amount for each item and the date through which each item will remain open based on the request date.

You use processing options to specify the aging columns in which open quantities or dollar amounts appear. Processing options significantly affect the data presentation for this report. A separate report page prints for each supplier that you specify.
Printing a History of Order Revisions

From the Purchasing Reports menu (G43A111), choose Purchases Journal.

Alternately, from the Subcontract Reports menu (G43D111), choose Purchase Journal.

You can review a history of changes to order detail lines when you print the Journal report. This report lists original detail line information and changes that have been made to the quantity or extended amount on each detail line.

For each order that prints, you can review:

- The sum of the original detail line amounts
- The sum of the detail line changes
- The sum of the current detail line amounts

Information for this report comes from the P. O. Detail Ledger File – Flexible Version table (F43199). This report is applicable only if you set up order activity rules to create ledger records.

Printing Receipt Information

You can print receipt information that is specific to purchase orders, suppliers, business units, and so forth.

Printing Open Orders

From the Purchasing Reports menu (G43A111), choose Print Open Purchase Orders.

You can print a list of all suppliers from whom you have a specific item on order. You can review the order quantity and the quantity and amount left to receive from each supplier. You can also use the Open POs by Item report to review open order information for specific items or account numbers, or to review the dates you expect to receive items.

Printing the Status of Open Orders

From the Purchasing Reports menu (G43A111), choose Open Purchase Order Status.

You can print the Open Purchase Order Status report to review purchase orders containing items that are overdue. For each purchase order you specify, you can review the following detail line information:

- Original order quantity
- Received quantity
- Quantity open to receive
- Days overdue
Information for this report prints in the following order:

- User ID
- Supplier
- Order number
- Line number

A total open dollar amount is provided for:

- Each purchase order
- Each supplier
- Each user
- The entire report

**Printing Receipt Information by Supplier**

*From the Purchasing Reports menu (G43A111), choose Inventory Receipts Register.*

You can print the Inventory Receipts Register report to review all items you have received from a supplier. This report contains the following information for each detail line that pertains to a supplier:

- Item number or account number
- Date the order was received
- Received quantity and amount

In an inventory environment, you can use this report as a receipt traveler document, which you can attach to items so that personnel in the warehouse can reference receipt information. In this case, only the detail line that pertains to a specific receipt appears on the report.

**Printing Voucher Information**

You can print reports containing voucher information that is specific to purchase orders, receipts, and suppliers.

**Printing Voucher Information by Detail Line**

*From the Purchasing Reports menu (G43A111), choose Vouchered/Received Status.*

You can review voucher information by purchase order detail line. For example, if you entered a purchase order containing a detail line for 100 widgets, you can produce a report that identifies:

- The quantity and amount received to date
- The received quantity and amount for which a voucher has been created
- The received quantity and amount for which a voucher has not been created

You can specify the branch/plant, supplier, and purchase order number for the detail lines that print. You might use this report to determine the total amount open to voucher for a supplier or branch/plant.
When you run the Received/Vouchered Status report, the system organizes detail lines by branch/plant or business unit, depending on whether you use an inventory or non-inventory environment.

**Printing Open Voucher Information by Receipt**

*From the Purchasing Reports menu (G43A111), choose Voucher Reconciliation.*

You can review open voucher information for individual receipt records. For example, if you received 100 widgets on June 30, you can identify:

- The remaining quantity for which you must create a voucher
- The remaining amount for which you must create a voucher
- The tax on the remaining amount

You can use the Received Not Vouchered Reconciliation report to reconcile receipts to the Account Balances table (F0902).

Each time you record a formal receipt, the system creates a journal entry that credits a Received Not Vouchered account. You can review this account number for each receipt. You usually sequence the report information by that account number.

This report contains information from the Purchase Order Receiver File table (F43121).

**Printing Voucher Amounts for Suppliers**

*From the Purchasing Reports menu (G43A111), choose Supplier Analysis.*

You can print the Supplier Analysis report to review all suppliers for whom you have created vouchers during the past year and the total voucher amount for each supplier. You can also print this report to compare the total voucher amount year-to-date to the total voucher amount for the previous year.

Suppliers appear in descending order of the total voucher amount. This report does not include those suppliers with a year-to-date voucher balance of zero.

**Purging Data**

*From the Data File Purges menu (G43A311), choose an option.*

When data becomes obsolete or you need more disk space, you can use purge programs to remove data from files.

The system provides purges for removing data from files where the selection criteria needs to be specific. Purges are programs that have predefined criteria that the system checks before removing any data so that you avoid removing associated data that is located in other files.
Caution
You must know the proper procedures and consequences of purging data to avoid serious damage to your system and data. Purging data is typically performed by a system administrator or operations personnel. It is important that only those employees who understand the purging process and its results are allowed access to this procedure.

You can run the following purge programs in Procurement:

- Detail (F4311) Purge (R4311P)
- Receiver (F43121) Purge (R43121P)
- Ledger (F43199) Purge (R43199P)
- F4301 Purchase Order Header Purge (R4301P)
- Close Text Lines (R43960)

Considerations

- When you run the F4301 Purchase Order Header Purge program (R4301P), the system purges records only if there are no active detail lines. Therefore, before you run the F4301 Purchase Order Header Purge program, you should run the Detail F4311 Purge program (R4311P).

- Unlike the other purge programs, the Close Text Lines program (R43960) does not delete data. The program moves text lines to a status of 999 for an order that is closed.

To run the Close Text Lines program, you submit a batch job using the Available Versions form. You run the Close Text Lines program the same way that you run reports or any other type of batch job.

Before You Begin

- J.D. Edwards recommends that you create your own purge environment, which allows you to save purged records and prevents the records from being overwritten when you upgrade the software.
- Back up the files that will be affected.
- Determine the data that you want to purge.
- Verify that no users are working with the data that you want to purge.

To purge data

*From the Data File Purges menu (G43A311), choose an option.*

Use the following procedure to run any of the purge programs in Procurement (with the exception of the PO Text Lines purge).

1. On Available Versions, choose a version and click Select.
2. On Table Conversion Prompting, choose the Properties option and click Submit.
3. On the properties window, choose the Select Environments tab.
4. Choose the From and To environments, which allow you to select the environment to purge data from and the environment in which to store purged data.
5. Choose the Data Selection tab and specify the information to purge. The system automatically displays processing options for the purge program.

6. Click OK.

7. Complete the processing options according to the following guidelines:
   - For the first processing option, enter 1 to save purged records. You cannot save purged records unless you have created your own purge environment. If you leave this processing option blank, the system deletes all purged records.
   - For the second processing option, enter a new name for the environment that stores purged records. By renaming the environment before you run a purge program, you can store the records from each purge separately. Otherwise, the system overwrites the data each time that you run the purge program. Before completing this processing option, ensure that you have specified that you want the system to save purged records. After completing this processing option, you must complete the third processing option, which allows you to enter the data source name.
   - For the third processing option, enter the name of the data source for the purged records. Before completing this processing option, ensure that you have specified that you want the system to save purged records and that you have entered a new environment name.

8. To run the purge program, click OK. To exit without running the purge program, click Cancel.