SOP OPENING PURCHASE ORDERS ON THE BASIS OF SALES ORDERS

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AIM

To open a purchase order automatically from within a sales order, or to link a purchase order manually to an existing sales order.

WORKING ASSUMPTIONS

- It is assumed that there are sales orders recorded in the system.
- Run the Track POs for Sales Orders report to view open sales order items for which purchase orders have not yet been opened.

PROCEDURE

STAGE ONE: OPENING A PURCHASE ORDER AUTOMATICALLY FROM A SALES ORDER

1. Enter the Sales Orders form and retrieve the desired order.
2. Select Open Purch Ord from Sales Ord from the list of Direct Activations. You can choose between opening an order for the preferred vendor defined for each part in the sales order, and opening an order for a designated vendor.
3. Skip to Stage III to check the new purchase order and record additional details.

RESULT

The system opens a new purchase order, itemized according to the sales order, with the sales order number appearing in the References tab. A message notifies the user of the new purchase order's number.

STAGE TWO: OPENING A PURCHASE ORDER MANUALLY 0N THE BASIS OF A SALES ORDER

1. Enter the Purchase Orders form.
2. Record the Vendor No. The Vendor Name, Date and Order No. are filled in automatically.
   Note: For a one-time vendor, record the vendor number defined for one-time vendors and change the vendor name. Record the vendor's contact info and other details in the Purchase Order – Vendor Details sub-level form.
3. Click the References tab and select the desired Sales Order.

RESULT

The purchase order is itemized automatically according to the sales order.

STAGE THREE: CHECKING AND REVISING THE PURCHASE ORDER

1. Enter the Purchase Orders form and retrieve the new purchase order. Make sure the details that are already recorded are correct.
2. The vendor's default purchase order contact appears in the Contact column. Revise as necessary. Tip: To define new contacts for the vendor, or a default contact for purchase orders, use the Vendor Contacts sub-level of the Vendors form.
3. Click the References tab and fill in the necessary details, such as Details, the Warehouse and Bin into which the ordered goods are to be received, Shipment Mode and Type of Order. Note: The warehouse defined here affects the shipping address that appears on the order printout.
4. Click the Payment Info tab and check the Payment Terms for the order. Revise them as necessary. Note: To define more detailed payment terms, use the Payment Terms for Order sub-level form.
5. Dual-currency users: Check the VAT Code defined for the order (in the Payment Info tab) and revise as necessary.
6. Enter the Order Items sub-level form. The order is itemized automatically according to the linked sales order. Delete any unnecessary lines, or add new ones.
7. For each line item, make sure the Quantity is correct. To check existing and expected inventory balances, enter the Inventory for Part and Part Availability sub-level forms.
8. Make sure the recorded price and discount are correct.

   Notes:
   - You can compare these to prices in other recent orders, displayed in the Latest Part Purchases from Vend sub-level form.
   - If the Cost column in the sales order item was filled in manually, that value is used as the unit price in the purchase order. Otherwise, the price is filled in according to the standard vendor price hierarchy.

9. The Due Date is taken automatically from the corresponding sales order item, but may be revised.
10. Enter the Order Items – Remarks sub-level of the Order Items form, and check the recorded text. Revise it as needed.
11. To split the expense of a given item between several profit/cost centers, use the parallel sub-level form, Split Among Profit/Cost Centers.
12. Return to the upper-level form and click the Price Tab. Check the purchase order's Final Price.
13. If the purchase order needs to be authorized before it is sent to the vendor, prepare the order for authorization:
    - Click the Authorization & Follow-up tab and assign the appropriate Status.
    - Copy the name in the Next Signature column to the Assigned to column.

14. When the order is fully authorized according to the company procedure, send it to the vendor, by fax or mail.