

# Sage Line 500 - Sub Contract Control

**The Subcontract Control module can be used in conjunction with the existing manufacturing and purchasing programs to support use of sub contractors as part of the production chain.**

## Records Kept

### Subcontract warehouses

- Set up warehouses within the Inventory Control module to record stock held at your subcontractors' sites.

### Subcontract suppliers

- Record details of your subcontract suppliers in the Accounts Payable supplier file.

### General Ledger mapping

- Record details for stock adjustments, write-offs and WIP balances from subcontractors' warehouses in the General Ledger.

### Subcontract activities

- Set up details of all subcontract activities as services in the Purchase Order Processing module.

### Subcontract operations

- Set up subcontract operations as part of the overall product definition in the Routing module and optional amend this information on the Works Order. Associate the subcontract details with the operation, recording:
  - Service code
  - Supplier
  - Expected cost
  - Transport costs
  - Next action, for instance return to factory or send to next sub-contractor
- Record the list of materials to be shipped to the subcontractor for each operation.
- Record multiple subcontract operations within a product definition.

### Work in Progress

- For each operation in progress, track material movements and operation status.

## Tasks Supported

### Manage subcontractor service purchasing

- Raise purchase orders for the subcontract activities represented by purchase order services.
- Use the default service code, supplier code and cost held against the works order operation to automatically generate purchase orders.
- Automatically raise purchase orders using the standard processes within the MRP module.

- Process these purchase orders using the standard Purchase Order Processing documents and procedures to reduce any fragmentation of the supply procedures.

### **Control material flow**

- Create a picking list of items to be shipped to the subcontractor.
- Once a subcontract operation is initiated, support the transaction with documentation from the following selection:
  - Delivery instructions
  - Instructions to the subcontractor
  - Kitting list
  - Subcontractor return document
  - Subcontractor completion note
  - Forwarding documentation
- Control the flow of material from the factory shop floor to the subcontractor, between subcontractors and back to the shop floor.
- Track movements of material between factory and subcontractor warehouse recording batch or serial number where appropriate.
- Keep a full history of stock movements.
- Manage partial shipments.

### **Track subcontract costs**

- Manage stock adjustments and write-offs at subcontract locations.
- Enquire and report on stock status at each subcontractor.
- Enquire and report on stock movement history at each subcontractor.
- Automatically add material costs to the subcontract operation and record them as WIP at the subcontractor.
- Automatically add the expected cost of the purchased services and any transport costs to the factory WIP when the subcontract operation is completed.

### **Manage subcontractor self-billing**

- When a subcontractor is performing a task for a project that is not directly related to a Works Order, allow the subcontractor to enter timesheets through the Resource Ledger.
- Include chargeable time and through appropriate resource codes, chargeable expenses, e.g. hotel, meal and travel incurred whilst working on the project on a timesheets.
- When the timesheet is posted to the General Ledger, generate a Purchase Invoice on behalf of the subcontractor as well as posting the costs to the project.

## **Reporting**

### **Standard reports**

- Report on Subcontract inventory movements. Reports such as the Stock Audit Trail, Stock History and Stock Valuation reports are used to provide information on subcontract stock.

- The Purchase Order Status report from the Purchase Order Processing module can be used to report on Subcontract orders.

## Housekeeping

- Cleardown subcontract purchase orders, works orders using the standard cleardown functionality in the associated modules.
- Cleardown stock history for Subcontract stock.
- Amend Subcontract batch details.

## Integration with other modules

### Accounts Payable

- Supplier invoices are posted to the Accounts Payable module for onward processing.

### Purchase Order Processing

- Subcontract orders are processed in the Purchase Order Processing module.

### Routing

- Subcontract operations are set up as standard operations in the Routing module and can be entered in the process route.

### Works Order Processing

- Subcontract operations are copied from the process route onto the Works Order.
- Subcontract operations may be entered on works orders and processed in a similar way to internal work using the Works Order Processing module.

### Work in Progress

- Subcontract operations may be initiated using the Work in Progress module.
- Subcontract materials are returned from the subcontractor's warehouse.
- Automatically add the expected cost of the purchased services and any transport costs to the factory WIP when the subcontract operation is completed.

### Inventory Control

- The Subcontract stock control system provides facilities to track and maintain subcontract material stocks using many of the standard reports and processes as utilised in the Inventory Control module.

### MRP

- Subcontract purchase orders are generated and processed in the MRP module as the external works order is raised.

### General Ledger

- All costs are posted to the General Ledger using the standard integration functionality in the Inventory Control and Purchase Order Processing modules.

### Project Control

- The functionality in the Project Control suite can be used to track additional charges from subcontractors.

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