

Sage Line 500 - Purchase Order Processing

Records Kept

Services and miscellaneous items

- Record services, maintenance, repairs and other non-stock items for use on purchase orders.
- Store comments that you use regularly, for instance delivery instructions.
- Optionally, hold separate units of measure for stocking and purchasing the goods and services that you buy.
- Keep price lists, tables of discounts offered by individual suppliers in their own currency.
- Record suppliers' part numbers and descriptions.


Purchase orders

- For each purchase order, record the following information at the header level. Many of these items default from the Accounts Payable supplier file and can then be updated for each specific order:
 - Supplier code, name and address
 - Date entered and date required
 - Three analysis codes and 2 memo fields
 - Supplier price list
 - Delivery address and instructions
- On each order line, record:
 - Product or service and description
 - For products, delivery warehouse
 - Quantity and unit of purchase
 - Required date, if different from the date on the header
 - Three analysis codes
 - List price, discount and nett price
 - VAT code and rate
 - EU Intracommunity commodity code and delivery details
 - Comment lines
 - General Ledger cost allocation account

Tasks Supported

Process purchase orders

- Enter new purchase orders interactively.
- Price purchase orders from a pricelist, specific supplier pricing or from the stock file, converting to the supplier currency if required.
- Change the discount or net price of any item on a purchase order.
- In all scenarios short term promotional pricing can take precedence over blanket prices.
- Specify multiple delivery addresses for the goods on a single purchase order.
- Include notes and instructions (comments) on purchase orders.

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- Print extended technical descriptions from inventory records on purchase orders.
 - Print suppliers' part numbers and descriptions on order documents if they are different from the details your company uses.
 - Send purchase orders to suppliers on pre-printed forms.

Process goods receipts

- Match a single receipt with more than one purchase order and vice versa.
- Record partial deliveries against an order line.
- Record deliveries even if you do not know the final costs and enter the final costs when you receive the invoice.
- Print goods received notes for internal use.
- Allow product values to be uplifted by an estimated value or percentage, for supplier/product combinations, for posting to the Inventory module.
- Record the return of defective or unwanted goods to the supplier.
- Send a returns note to the supplier, showing the reason why the goods are being returned.
- Track orders by supplier, product and required date, providing a complete picture of outstanding, received and invoiced line quantities.

Process suppliers' invoices

- Give each supplier's invoice an internal reference number for additional identification.
- Deduct from the invoice any settlement discounts offered by the supplier for early payment.
- Manually input VAT or calculate with rates defined by supplier and product combination.
- Keep a comprehensive history of invoiced orders and analyse the information by order number, supplier number, product or product group.

Authorisation and control

- Define hierarchical controls by user, based on the activities that they may perform and the maximum financial values associated with transactions, i.e. purchase orders and purchase invoices.
- Place an individual supplier on hold to prevent people from placing purchase orders with that supplier.
- Optionally, prevent a purchase order from being printed until it has been authorised.
- Optionally, allow an invoice to be authorised automatically if the difference between the invoiced value and the order value is less than a specified tolerance.

Measure supplier performance

- Monitor quality with goods inspection cycles defined by supplier/product combination.
- Define approved supplier/product relationships and enforce them within the requisitioning and purchasing process.
- Overall supplier performance can be recorded based on three user defined ratings per supplier.

Manage costs

- Analyse the variance between expected costs and the actual (invoiced) costs of each purchase.
- Optionally, full variance analysis is provided for purchase prices (invoice versus standard cost), exchange rate variances (invoice versus order), and purchase quantity variance (invoice versus received).
- Define a landed costs matrix with up to four add-on values or percentages per supplier/product category to be added to the product value.
- Comprehensive purchase analysis enables companies to monitor business volumes and supplier/product trends, providing all the necessary information for price negotiation.

Reporting

- Standard reports provided:
 - Order Status Report
 - Order Product Analysis
 - Supplier Information Listing
 - Receipts Audit Trail
 - Invoice Audit Trail
 - Invoice Audit Register
 - Cost Variance Report
 - Purchase Analysis Report
 - Accruals Report
 - Landed Costs Report

Settings

- Either handle all purchasing centrally, or allow each of your branches or subsidiary companies to control its own expenditure.
- Design your own formats for purchase order documents.

Housekeeping

- Prepare updates to price lists in advance and automatically apply them at a later date.
- Calculate prices from existing pricelists or product costs, applying uplifts by product group.
- Archive completed orders, retaining them for on-line enquiry.

Integration with other modules

Inventory Control

- Purchase any stock item defined in the Inventory Control module.
- Automatically adjust stock levels when goods are ordered and received and record the unit costs of goods received.
- When goods are received:
 - Assign batch numbers, expiry dates, sell-by dates and best-before dates.
 - Record inspection control and Certificate of Conformity details.

- Record serial numbers.
- If stock is valued using the weighted average method, recalculate the weighted average cost of each item.
- Record the landed costs of imported goods.

Accounts Payable

- Automatically create an Accounts Payable invoice from each invoiced purchase order.
- Purchase Invoices can be matched to orders and receipts and posted to Accounts Payables individually or as a batch of invoices.
- The Purchase Order processing module supports a multi-currency environment with full integration with Accounts Payables and General Ledger.

Purchase Requisitions

- Make changes to purchase orders that have been raised in the Purchase Requisitions module and then continue the normal process.

General Ledger

- Purchase Order Processing provides accurate period end accruals reporting for due requisitions and purchase orders, goods received awaiting invoicing, and purchase invoices awaiting matching with receipts or posting to Accounts Payable.
- Apportion each item on a purchase order to multiple accounts in the General Ledger.
- Optionally, automatically post accrual journals to the General Ledger for:
 - Purchases which have not yet been received.
 - Purchases which have been received but not yet invoiced.
 - Invoices which have not yet been posted.
- Split VAT amounts into recoverable and non-recoverable elements, with the non-recoverable element optionally included in the value of stock receipts.
- Integration with the General Ledger provides for purchase and cost analysis by purchasing location/department and product.
- Full General Ledger account coding can be performed as part of the invoice entry activity or as a separate Accounts Payables function.

Electronic transmission

- Send and receive order documents by electronic data interchange (EDI).

MRP

- Make changes to purchase orders that have been raised in the MRP module and then continue the normal process.

Sales Order Processing

- Allocate stock to sales orders from which back-to-back purchase orders were raised, automatically changing the status of the order where appropriate.

Project Ledger

- Apportion each item on a purchase order to multiple projects.
- Automatically maintain commitment values in the Project Ledger.

Features for International Use

- Print foreign currency values on purchase orders that you send to foreign suppliers.
- Cost goods at either the exchange rate in force when the purchase order was placed or the exchange rate in force when the goods are received.
- Meet all fiscal and statistical requirements for the single European market, including:
 - Record each supplier's VAT registration number, despatch state, arrival state, delivery terms and mode of transport.
 - Automatically generate VAT protocol numbers on invoices and credit notes.
 - Receive VAT-exempt invoices from EC suppliers (UK only).
 - Produce EC Intrastat reports showing your acquisitions.
- Print product information in foreign languages on purchase order documents.
- For supplier/product relationships that involve complex supply chains, e.g. imported products, a suspended receipts function enables the capture of all associated landed costs before goods are booked into stock.
- The landed costs facility supports the capture of multiple landed cost elements for each received purchase order line, enabling costs to be accrued across multiple suppliers and potentially multiple currencies.

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