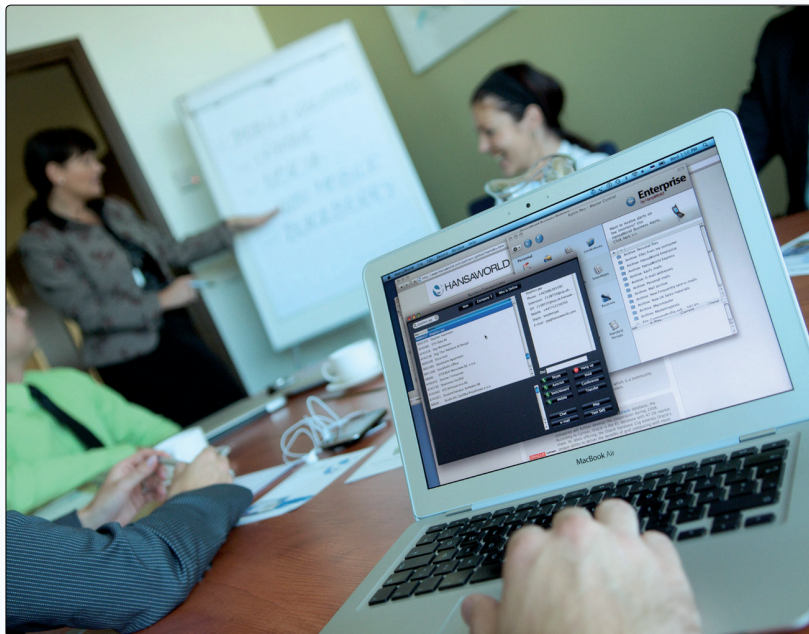


# Enterprise by HansaWorld Purchasing



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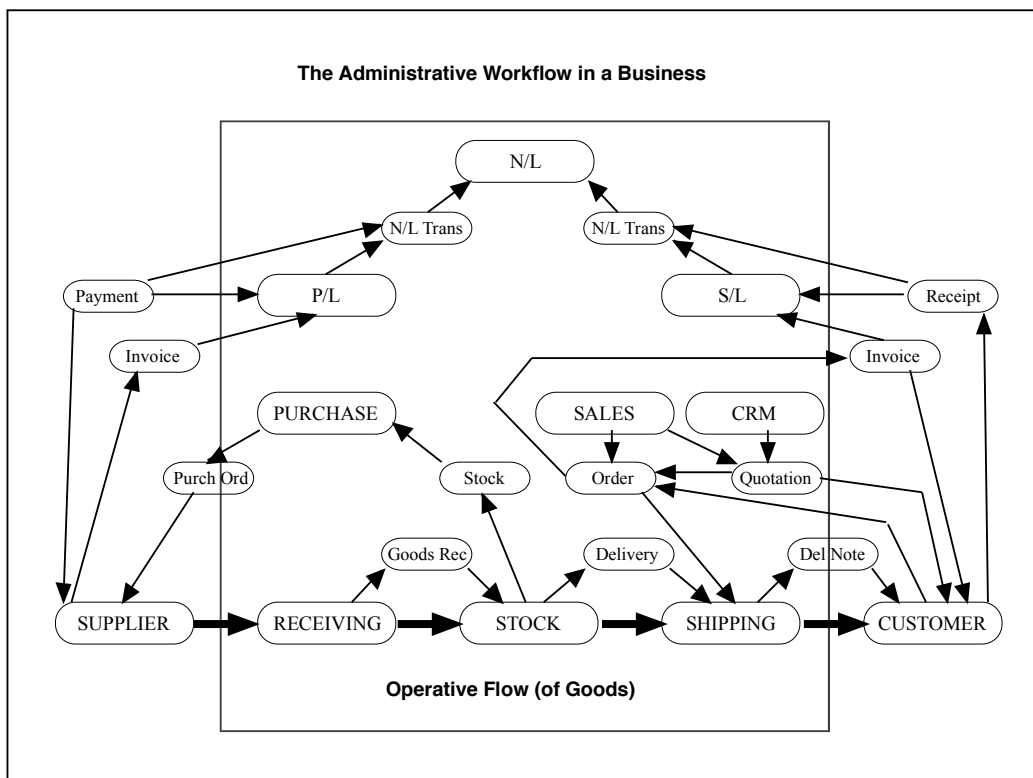
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## INTRODUCTION

Enterprise by HansaWorld (from here on after referred to as 'Enterprise') is an integrated accounting, CRM and ERP tool, used for working with Purchase and Sales Order Processing, Stock Control and the Sales, Purchase and General Ledgers. It is also used for keeping track of contacts with Customers, organising mail shots and planning activities of all kinds.

The administration of a company is always associated with a certain flow of tasks and work. In a typical trading company, items are purchased from a group of suppliers, goods are received and put into stock, sales orders are processed, stock levels are checked, goods are shipped, invoices are issued and payments are made and received. All transactions are logged and recorded while financial events are recorded in the accounting sub-system.

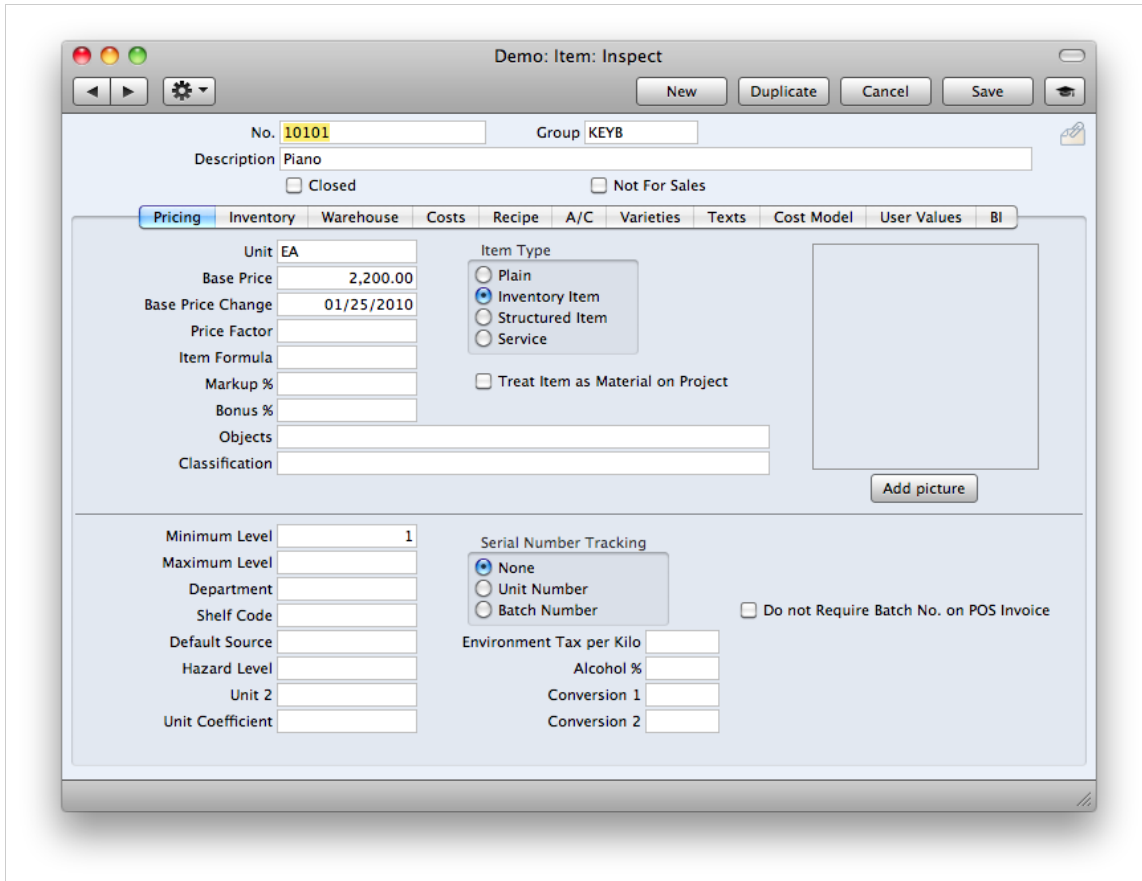
A modern financial system like Enterprise is designed to automate as many administrative tasks as possible. If information is entered in one part of the system, there should be no need to enter it again. Information should be recorded for re-use and it should be available throughout the system.



The above illustration shows a simplified description of the interaction of registers and information (messages) in a traditional trading business. The basic physical flow is shown at the bottom, with "operative" functions handling the goods as they are received, stocked and shipped. The rectangles above the operative flow are "administrative" functions that handle the flow of information in the business. The smaller rectangles are messages containing information that is passed around the business. The dashed frame is the boundary of the business: although Suppliers and Customers are on the outside, there is a continuous exchange of information between them.

## ENTERING ITEMS

The Item register is used to store information about the products and services that you sell. It is accessible from the Sales Orders, Purchase Orders, Stock, Account Receivable and Accounts Payable modules, and from the Contracts, Production, Quotations, Service Orders, Job Costing and Inventory modules, if installed.



The screenshot shows the 'Demo: Item: Inspect' window with the following fields and options:

- Buttons:** New, Duplicate, Cancel, Save, and a Home icon.
- Fields:** No. (10101), Group (KEYB), Description (Piano), Closed (checkbox), Not For Sales (checkbox).
- Tabs:** Pricing, Inventory, Warehouse, Costs, Recipe, A/C, Varieties, Texts, Cost Model, User Values, BI.
- Pricing Section:** Unit (EA), Base Price (2,200.00), Base Price Change (01/25/2010), Price Factor, Item Formula, Markup %, Bonus %, Objects, Classification.
- Item Type Section:** Plain, Inventory Item (selected), Structured Item, Service. Treat Item as Material on Project (checkbox).
- Serial Number Tracking Section:** None (selected), Unit Number, Batch Number. Do not Require Batch No. on POS Invoice (checkbox).
- Other Fields:** Environment Tax per Kilo, Alcohol %, Conversion 1, Conversion 2.
- Inventory Section:** Minimum Level (1), Maximum Level, Department, Shelf Code, Default Source, Hazard Level, Unit 2, Unit Coefficient.
- Add Picture:** A large empty box with an 'Add picture' button below it.

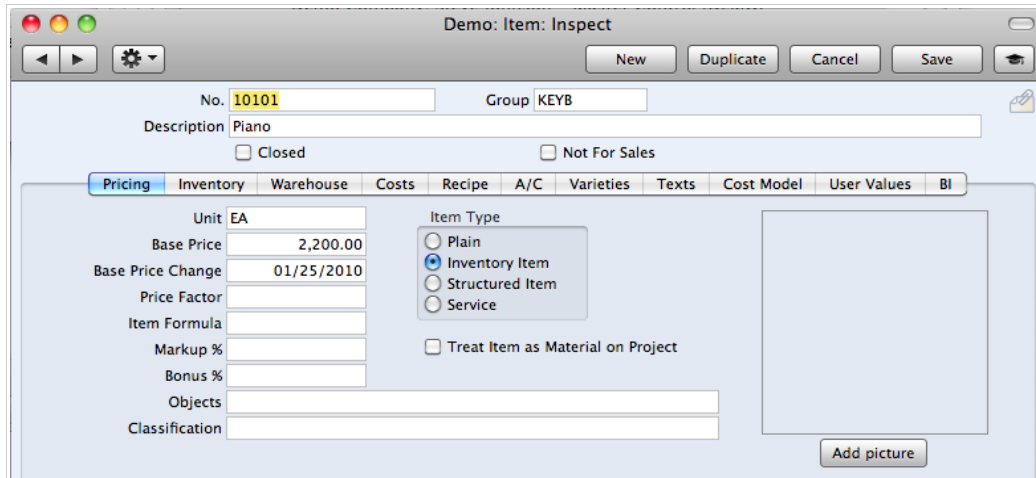
**Group:** Enter the Item Group to which this Item belongs. If you have entered a Default Item Group in the Item Settings setting, it will be entered here automatically. Items of a similar type can be grouped together using Item Groups. Item Groups serves mainly two purposes: accounting and reporting. Firstly, all Items of the same Group can be given the same default Sales and Cost Accounts, Credit Account and VAT Codes, saving you the work of having to specify these for all Items individually. Defining and assigning Item Groups also makes modification of, for example cost accounts, easier. Secondly, when reporting, several of the reports in Enterprise allow you to use Item Group as a filter. Use paste special to add an item group.

If information is specified both for an Item Group and for an Item that belongs to that Group, the information entered for the Item will take precedence.

**Closed:** Tick this box if the Item is no longer to be used (Item records cannot be deleted if they have been used on Orders or Invoices). Closed Items will appear in the 'Items: Browse' window but not in the Items 'Paste Special' list. You will not be able to use a closed Item on Orders or Invoices. A closed Item can be re-opened at any time.

**Add Picture:** A picture or image of the product can be stored with the Item. This can be added to the Paper Clip, or a picture can be taken by clicking on the "Add Picture" button. This image can be printed on Quotes, Orders and Invoices, if required.

## Pricing Card



Unit: Specify the unit to which the Base Price refers to here. In the majority of cases, this will be a single item, but otherwise it may be a pair or a dozen. Use paste special to add a unit.

Base Price: Enter the normal sales price for the Item here. This price must always be in your domestic Currency.

Price Factor: Use the Price Factor to define the Base Price of the Item as being for a certain quantity; e.g. a price per box. If a box contains 12 units and the Item is usually sold by the box, enter "12" in this field to indicate that the Base Price refers to a box of 12.

Item Type: The Item Type selected here determines how the Item will be treated elsewhere in Enterprise.

Plain: Select this option if the Item has no requirement to maintain stock values. Usually this refers to fees and consumables.

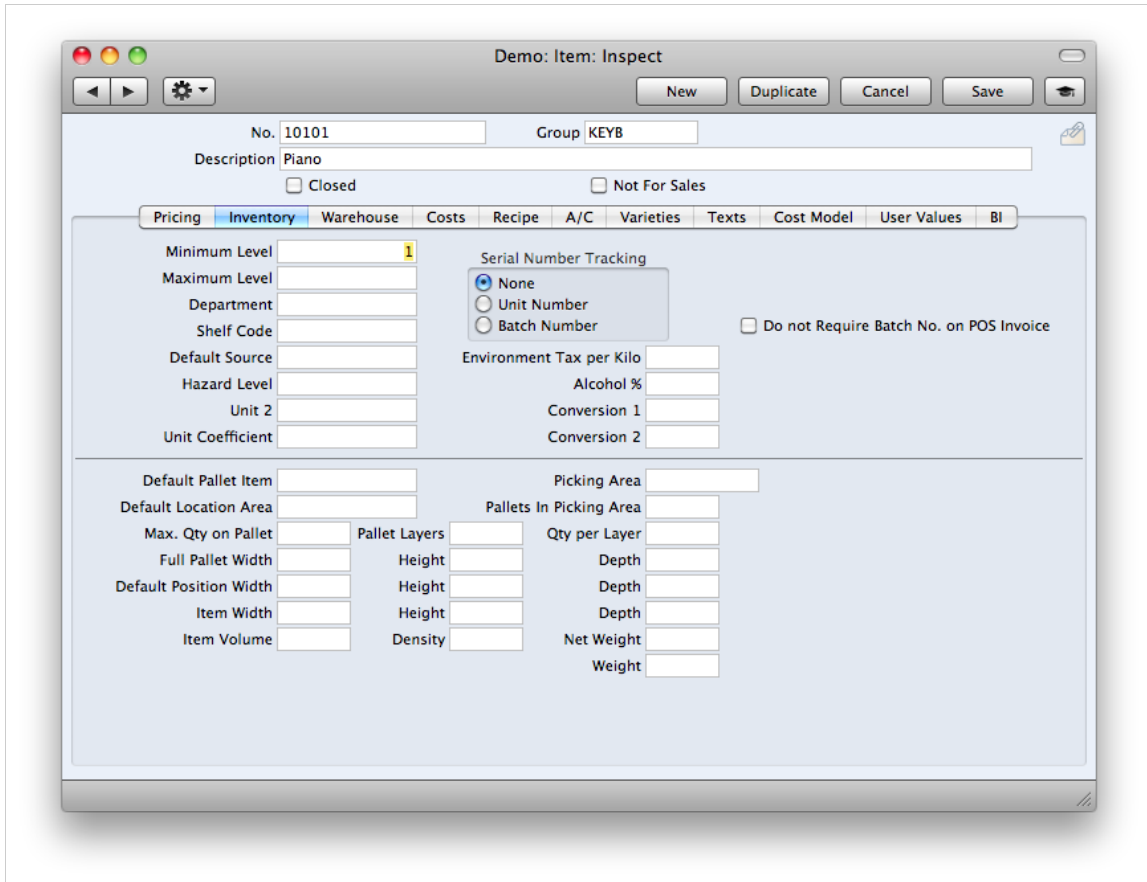
Inventory Item: Select this type for normal stocked Items, when the inventory module is installed.

Structured Item: An assembled Item is one which is constructed by your company from components bought for the purpose.

Service: A Service Item is a special type of Item used in the Job Costing and Service Orders modules.

When entering a new Item, the Item Type selected as a default will be that chosen in the Item Settings setting in the Accounts Receivable module.

## Inventory Card



Min. Level: This is the minimum quantity of the Item that can be held in stock.

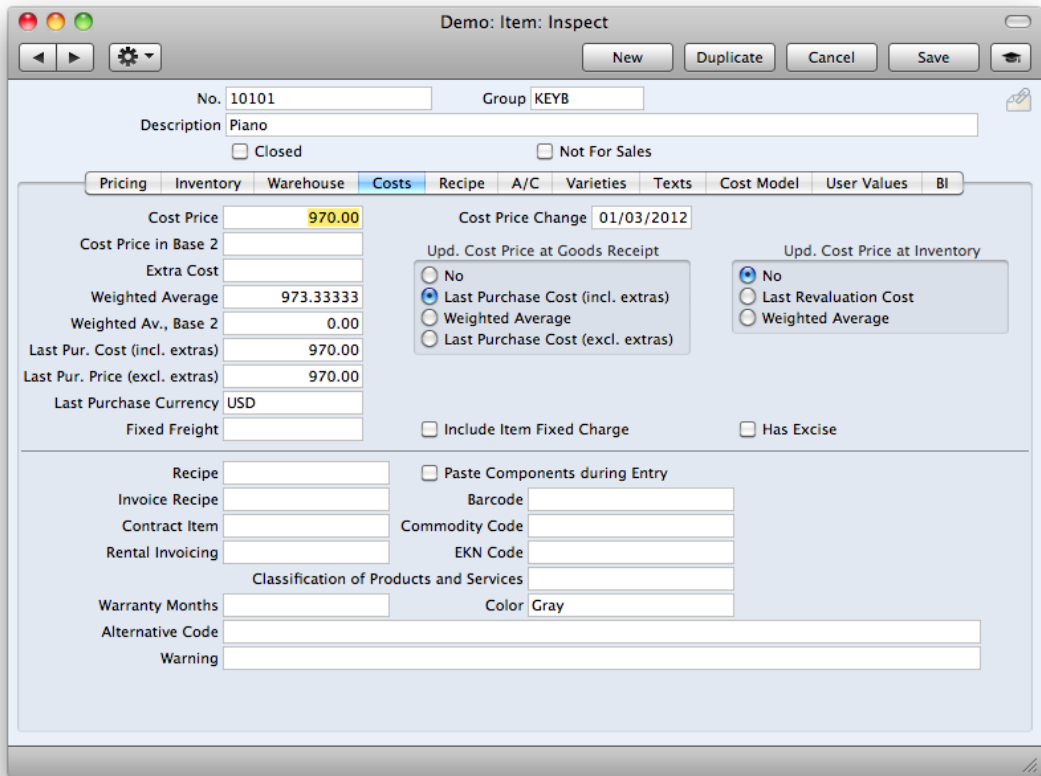
The 'Create Purchase Orders' function in the Purchase Orders module (on the Operations menu of the 'Purchase Orders: Browse' window) will create Purchase Orders with sufficient quantities to ensure that the stock balance for this Item is made up to this minimum stock level.

Max. Level: Record here the maximum quantity of the Item that can be held in stock.

Shelf Code: The Shelf Code recorded here will be printed on the Stocktaking List report and on Picking Lists.

Default Source: This field can be used to record the origin of the Item (e.g. the manufacturer, producer or importer). This can be shown in Orders (flip F) and Deliveries (flip D).

## Costs Card



**Demo: Item: Inspect**

No. 10101      Group KEYB

Description Piano

Closed       Not For Sales

Pricing   Inventory   Warehouse   **Costs**   Recipe   A/C   Varieties   Texts   Cost Model   User Values   BI

Cost Price 970.00      Cost Price Change 01/03/2012

Cost Price in Base 2

Extra Cost

Weighted Average 973.33333

Weighted Av., Base 2 0.00

Last Pur. Cost (incl. extras) 970.00

Last Pur. Price (excl. extras) 970.00

Last Purchase Currency USD

Fixed Freight

Upd. Cost Price at Goods Receipt

No

Last Purchase Cost (incl. extras)

Weighted Average

Last Purchase Cost (excl. extras)

Upd. Cost Price at Inventory

No

Last Revaluation Cost

Weighted Average

Include Item Fixed Charge       Has Excise

Paste Components during Entry

Recipe

Invoice Recipe

Contract Item

Rental Invoicing

Warranty Months

Alternative Code

Warning

Barcode

Commodity Code

EKN Code

Classification of Products and Services

Color Gray

**Cost Price:** The Cost Price of the Item is entered here, in the domestic Currency. Since the figure will be used in calculating the Gross Profit of Sales Orders, it is important that it be determined by the same Unit and Price Factor values as the Base Price on the 'Pricing' card. It is also used as a default when creating Purchase Items and can be used to set the Purchase Price when using the 'Create Purchase Orders' Maintenance function in the Sales Orders module. Depending on the setting of the Update Cost Price at Purchase options, the figure can be updated automatically when included on Goods Receipts.

**Extra Cost:** Enter any extra costs involved in the purchase of this Item, such as fixed freight costs, here. The figure will be included in the cost when calculating Gross Profit.

**Weighted Average:** This figure records the average unit cost price of an Item in the domestic Currency (including extra costs such as freight and customs duties). It is updated automatically from Goods Receipts.

**Last Pur. Cost (incl. Extras):** This figure records the last unit cost price (including extra costs such as freight and customs duties) used when purchasing an Item. It is updated automatically from approved Goods Receipts.

**Last Pur. Cost (excl. Extras):** This field is similar to the one above, but in this case the figure does not include any extra costs such as freight and customs duties.

**Last Purchase Currency:** This field records the last Currency used when purchasing an Item. It is updated automatically.

**Update Cost Price at Purchase:** Enterprise can update the Cost Price of an Item automatically. If this feature is operating, the update will occur whenever a Goods Receipt is approved, not when a Purchase Order is raised.

The automatic updating of Cost Prices can be useful if you are using cost accounting (maintaining stock values in the General Ledger) and your goods-out values are based on Items' Cost Prices. In this scenario, it is advantageous if the Cost Prices are always kept up-to-date.

Note that changes made to the Cost Price will not directly affect future Purchase Orders until the change is transferred to the equivalent Purchase Item.

The following options are used to control this feature:

**No:** Select this option if this feature is not to be used for this Item.



**Last Purchase Cost (incl. Extras):** By the time you reach this option, the Cost Price has already been changed to the Cost Price of the Items on the last Stock Receipt (i.e. the price including extra costs such as carriage and customs duties). This option will be used for Items that have prices that do not often change, or where the long-term pattern is for prices to fall or rise.

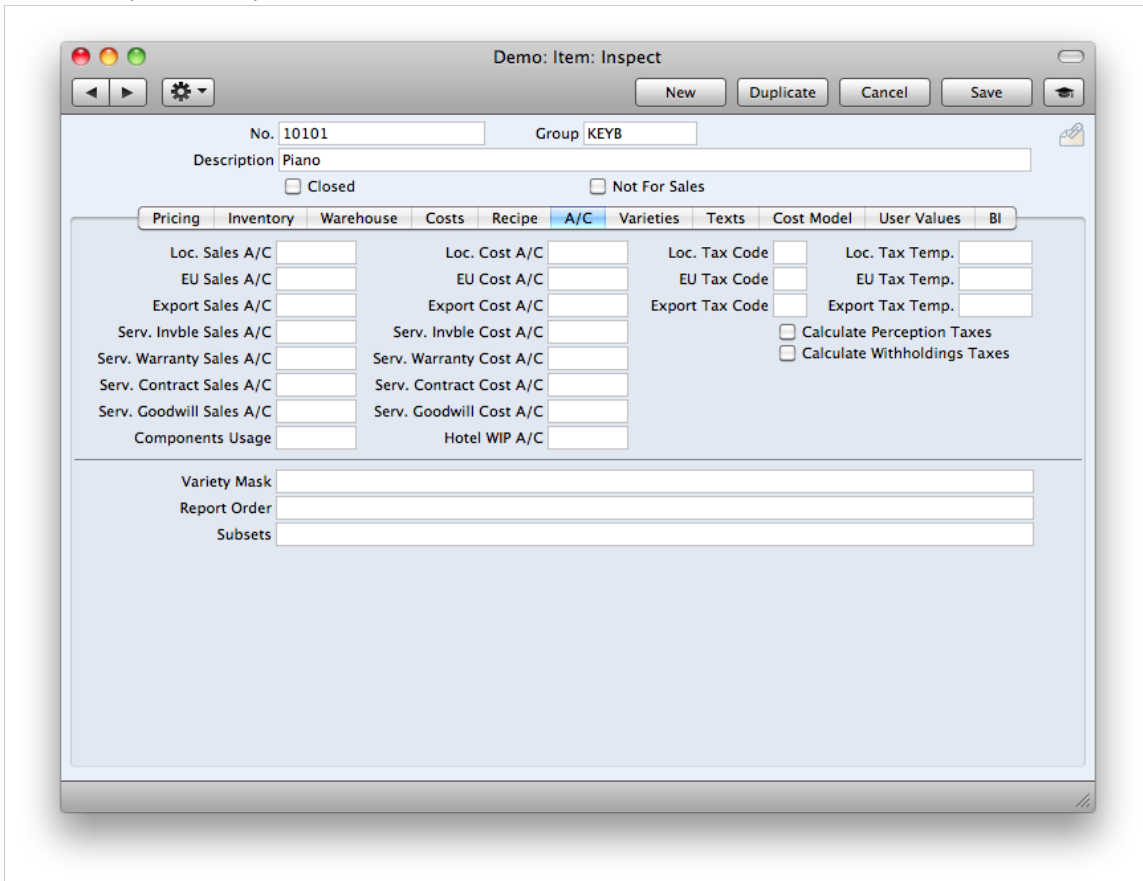
**Weighted Average:** This option changes the Cost Price to the average unit Cost Price of all previous Goods Receipts and Returned Goods. This option will be useful where prices fluctuate without a pattern, perhaps due to changing exchange rates, or uncertainty related to supply and demand.

Where the Item has been used in Stock Movements and Returned Goods, any Extra Cost in those transactions will be taken into account when calculating the Cost Price.

When entering a new Item, the option selected as a default will be that chosen in the Item Settings setting, in the Sales Ledger.

**Last Purchase Cost (excl. extras)** If this option is chosen, the Cost Price is changed to the Cost Price of the Items on the last Goods Receipt, but it will exclude any extra costs added to the Goods Receipt. This option will be used for Items that have prices that do not often change, or where the long-term pattern is for prices to fall or rise.

### Account Card (A/C Card)



**Sales Accounts:** When using this Item in Orders or Invoices, one of the three Sales Accounts entered here is offered as a default, depending on the Zone of the Customer. It will override any Sales Accounts specified for the Item Group or in the Account Usage S/L setting. If there is a record in the Price register for the appropriate Item/Price List combination which has a Sales Account specified, that Sales Account will take precedence over the one entered here.

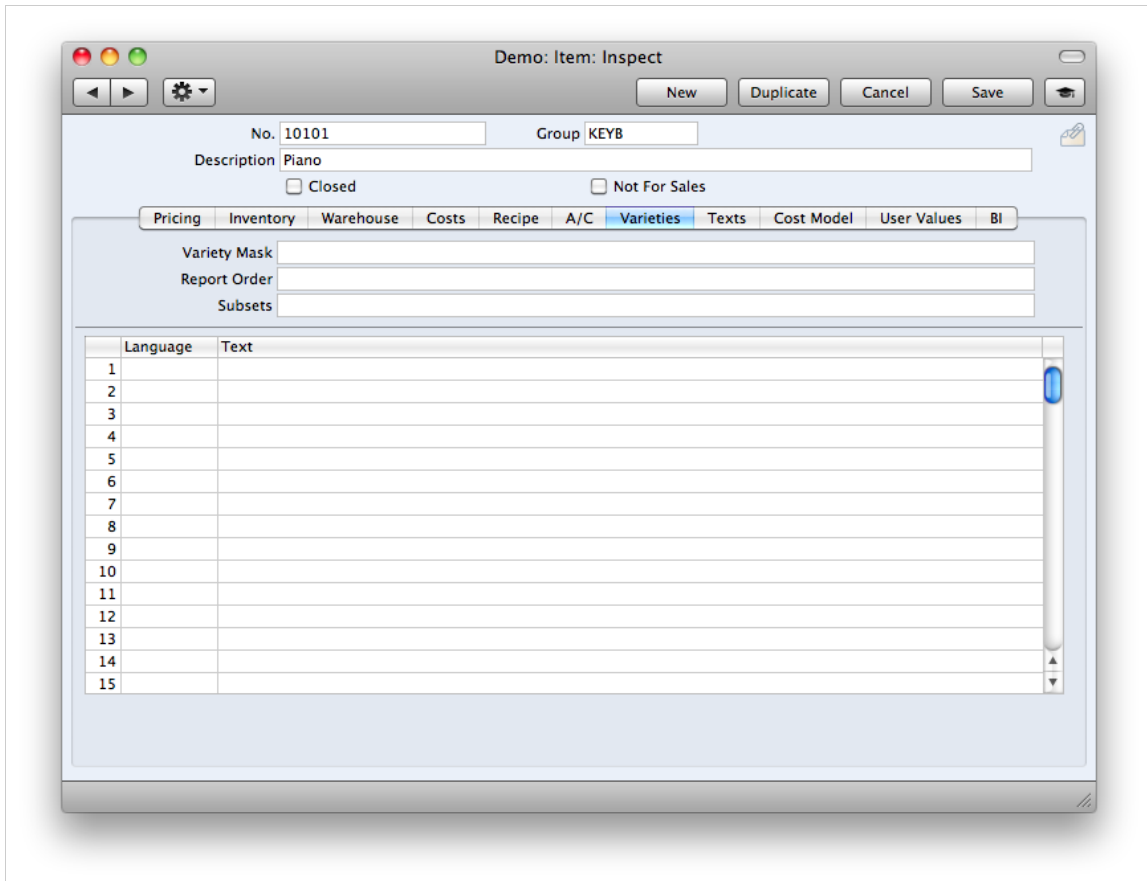
The Accounts specified will usually be used in both Invoices and Credit Notes. If you would like to use different Accounts in Credit Notes, these should be specified on the 'Credit A/C' cards of your Item Group records and on card 4 of the Account Usage A/R setting. You should also check the Use Credit Sales Accounts box on card 1 of the Account Usage S/L setting.

**TAX Codes:** When entering Orders or Invoices and including this Item, one of the three Tax Codes entered will be offered as a default, depending on the Zone of the Customer. It will override any Tax Code specified for the Item Group or in

the Account Usage A/R setting. However, if the Customer has a Tax Code specified, that will take precedence over any entry. Use paste special to access the Tax code paste special window.

**Cost Account:** If you are maintaining stock valuations in the General Ledger, specify the Account to be debited with the calculated cost of goods when these Items are sold (removed from stock). The cost of goods is calculated using the Cost Model chosen in the Cost Accounting setting in the Inventory module. If blank, the Stock Cost Account on card 5 of the Account Usage A/R setting will be debited.

## Varieties Card



You can use the Varieties feature in Enterprise if you buy and sell Items with different sizes, colours or styles in any combination. This feature allows you to have a single record in the Item register for each overall Item, while maintaining stock levels for each style.

**Variety Mask:** This will determine what and how Varieties will be displayed on the paste special window. Select the Variety Set with paste special and separate them with a , (comma). The first variety set will be displayed horizontally and the second set will be displayed vertically.

**Report Order:** This will determine which Varieties will be displayed in reports. It can be different from the Variety mask, but the logic is the same. The first variety set will be displayed horizontally and the second one vertically.

**Subset:** Subsets are used to specify what kind of varieties this item will have (for example, only following sizes: S,M,L,XL). If you want to have all possible varieties for this item, then you need to create a subset with \*;\*

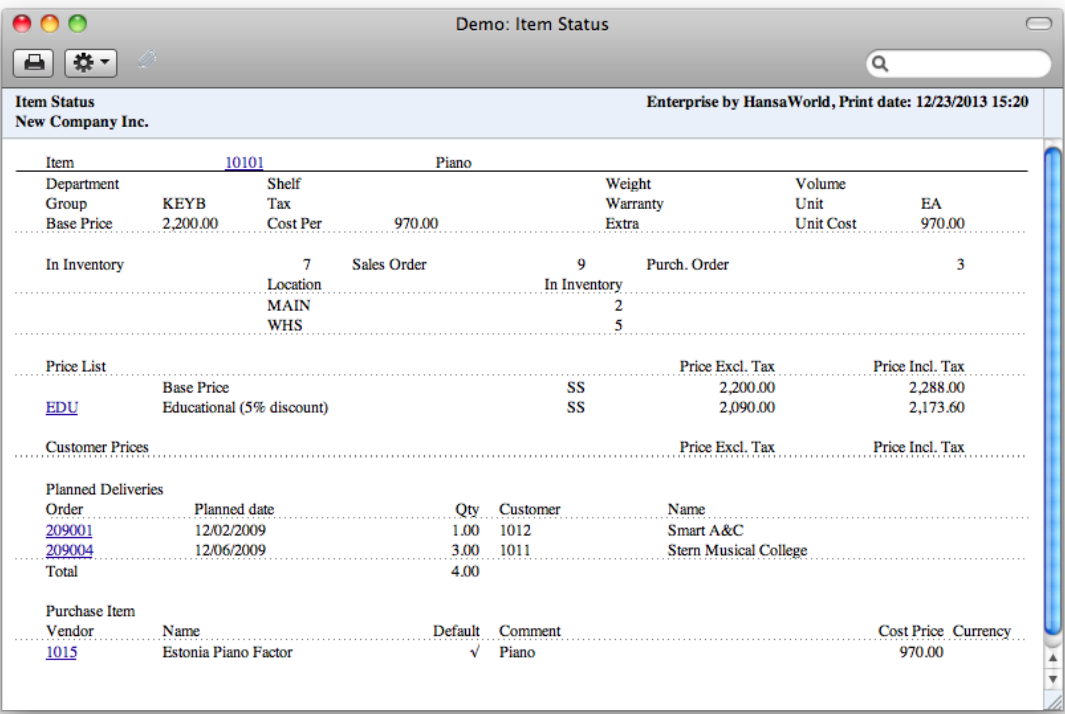
Only those variety subsets which are specified, will be displayed in different reports and paste special windows.

## Operations Menu



The Operations menus for Items are shown above. On the right is that for the item card. On the left is that for the 'Items: Browse' window.

## Item Status Report



Item		10101		Piano	
Department		Shelf		Weight	Volume
Group	KEYB	Tax		Warranty	Unit
Base Price	2,200.00	Cost Per	970.00	Extra	EA
In Inventory		7	Sales Order	9	Purch. Order
		Location		In Inventory	3
		MAIN			2
		WHS			5
Price List				Price Excl. Tax	Price Incl. Tax
	Base Price		SS	2,200.00	2,288.00
EDU	Educational (5% discount)		SS	2,090.00	2,173.60
Customer Prices				Price Excl. Tax	Price Incl. Tax
Planned Deliveries					
Order	Planned date	Qty	Customer	Name	
209001	12/02/2009	1.00	1012	Smart A&C	
209004	12/06/2009	3.00	1011	Stern Musical College	
Total		4.00			
Purchase Item					
Vendor	Name	Default	Comment	Cost Price	Currency
1015	Estonia Piano Factor	✓	Piano	970.00	

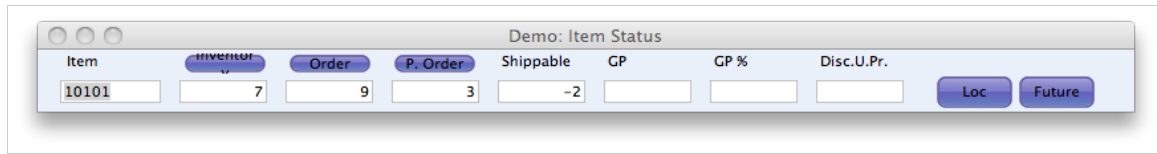
The 'Item Status Report' function provides a quick report showing stock and order positions and prices in different price lists. The In Inventory figure can be updated (i.e. reduced by the quantity delivered) when Deliveries are created or when they are approved. This is controlled using the Decrease Available on Deliveries options in the Inventory Settings setting in the Inventory module. The Purchase Order figure includes both approved and unapproved Purchase Orders. Goods Receipts will update the In Inventory and Purchase Order figures when they are approved.

## Activating the Item Status Bar

This function provides instant feedback for each Item concerning the quantity in inventory, the quantity on order, how many can be shipped and the current gross profit.

The function is available on the Operations menus for Sales Orders, Purchase Orders, Invoices, Deliveries, Stock Depreciation records and Stock Movements.

You can specify which fields that you want to display in the Item Status Settings setting in the Sales Ledger module.



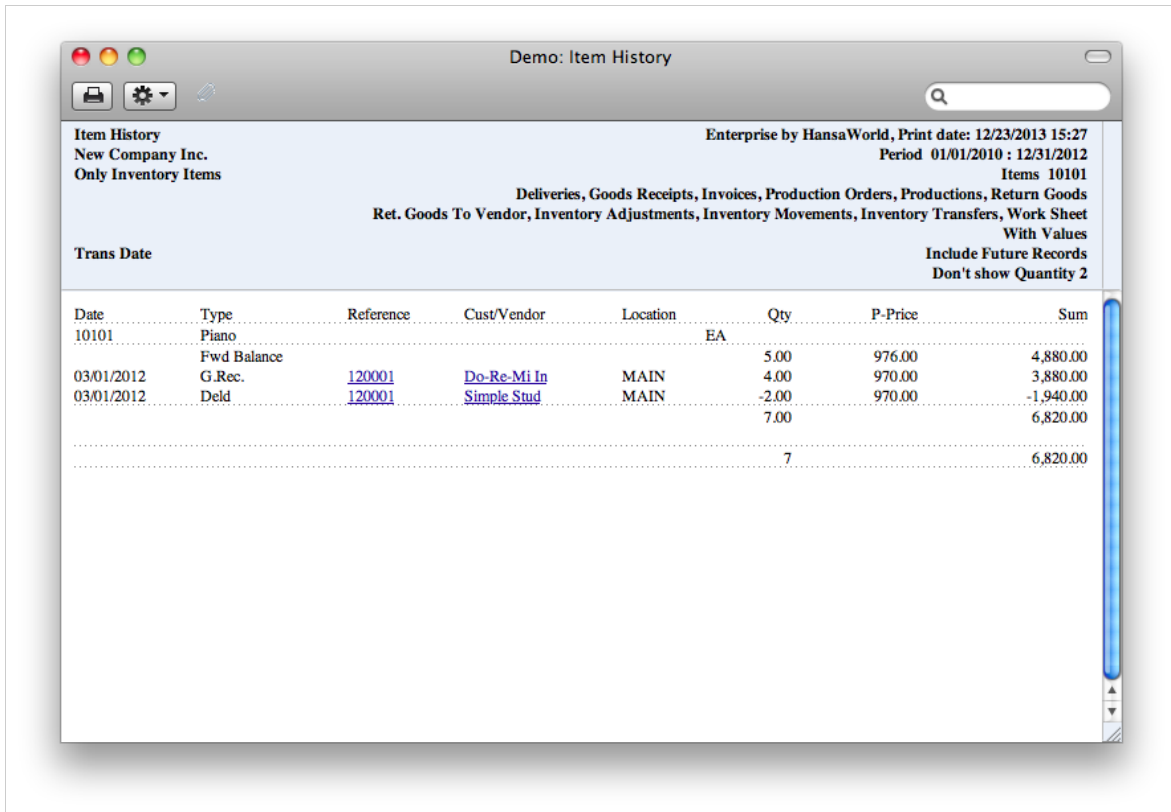
When you open the 'Item Status' window from other windows, for example, from an Invoice or Order, it displays information about the Item in the row containing the cursor. As you move the insertion point to different rows, the data in the 'Item Status' window is immediately updated. If you then select 'Paste Special' from the Item Number field of an Invoice or Order row and highlight an Item in the 'Paste Special' window, the 'Item Status' window is updated to show values for the Item highlighted.

The Stock, Stock 2 and Order figures can be updated (i.e. reduced by the quantity delivered) when Deliveries are created or when they are approved in the same way as the Item Status report. The Shippable figure is reduced by the quantity ordered as soon as a new Order is saved, so it assumes that stock is immediately allocated to that Order. The Purchase Order figure includes both approved and unapproved Purchase Orders. Goods Receipts will update the Inventory, Inventory 2, Shippable and Purchase Order figures when they are approved. The Inventory 2 figure is the quantity in inventory expressed using a second unit of measurement, therefore, it will only be shown for Items that have a Unit 2 and a Unit Coefficient specified on their 'Inventory' cards.

To get more info about the quantities shown, you can run Inventory list, Order stock and Purchase Order stock reports directly from 'Item Status'. You can do this by simply clicking the header of these fields (In Blue). On these reports you can normally use the drill-down functionality in Enterprise to get even more detailed information.

You can also move the window and put it where you would like it on the screen. Use the Save Position from the Window menu (Windows) or the Cmd-Shift-S keystroke (Macintosh) to ensure it is opened in that position the next time it is used. You can choose to have the 'Item Status' window opened automatically whenever you open a record window which has an Operations menu featuring the 'Item Status' function. To do this, use the Show Item Status option in the Item Settings setting in the Accounts Receivable. The Item Settings setting is described later in this chapter.

## Item History



Date	Type	Reference	Cust/Vendor	Location	Qty	P-Price	Sum
10101	Fwd Balance			EA	5.00	976.00	4,880.00
03/01/2012	G.Rec.	<a href="#">120001</a>	<a href="#">Do-Re-Mi In</a>	MAIN	4.00	970.00	3,880.00
03/01/2012	Deld	<a href="#">120001</a>	<a href="#">Simple Stud</a>	MAIN	-2.00	970.00	-1,940.00
					7.00		6,820.00
					7		6,820.00

The 'Item History' function provides a quick report, listing all incoming and outgoing inventory movements for the Item. The report period is the first one entered in the Reporting Periods setting in the System module.

The Item History report can also be produced from the Inventory module.

### Create Purchase Item

This function is only active when having a license for the Purchase Order module.

With this command, you can create a record in the Purchase Item register of the Purchase Orders module. (From which supplier/suppliers can purchase this item). See section "The Purchase Item Register" for more about purchase items.

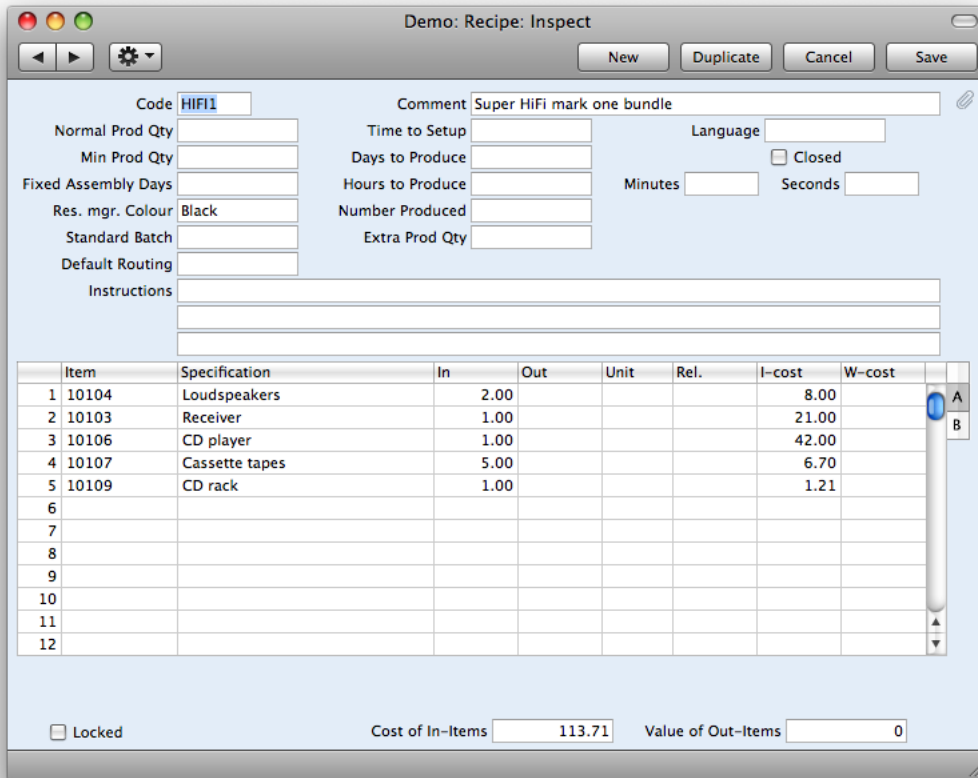
### Create Recipe

Assembled Items are Items built using various components from the Item list.

For example, the Super Hi Fi below is made up of various components. When the Hi-Fi is sold, the components are automatically depreciated out of inventory.

Using the "Create Recipe" function, you can create a new recipe directly from the item record.

Recipes are used for both production purposes and when selling bundles of inventory items, as shown in the picture below:



The screenshot shows a software window titled "Demo: Recipe: Inspect". It contains a form with various input fields and a table. The form fields include:

- Code:
- Comment:
- Normal Prod Qty:
- Min Prod Qty:
- Fixed Assembly Days:
- Res. mgr. Colour:
- Standard Batch:
- Default Routing:
- Instructions:
- Time to Setup:
- Days to Produce:
- Hours to Produce:
- Number Produced:
- Extra Prod Qty:
- Language:
- Closed
- Minutes:
- Seconds:

At the bottom of the window, there are two summary fields:

- Locked
- Cost of In-Items:
- Value of Out-Items:

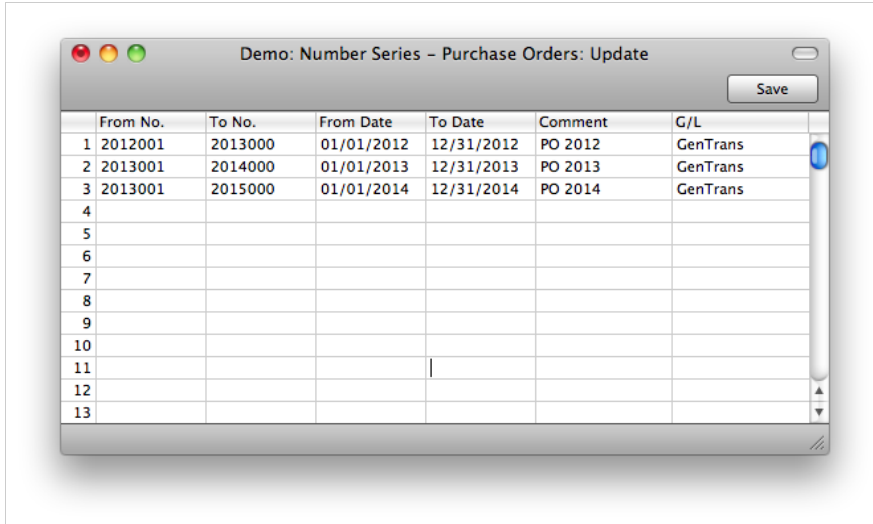
The central table lists the components of the recipe:

Item	Specification	In	Out	Unit	Rel.	I-cost	W-cost
1	10104 Loudspeakers	2.00				8.00	
2	10103 Receiver	1.00				21.00	
3	10106 CD player	1.00				42.00	
4	10107 Cassette tapes	5.00				6.70	
5	10109 CD rack	1.00				1.21	
6							
7							
8							
9							
10							
11							
12							

## IMPORTANT SETTINGS IN PURCHASE ORDER MODULE

### Number Series

Every new Purchase Order will get a new unique number as the next free after the last one. By default this numbering starts from "1".



	From No.	To No.	From Date	To Date	Comment	G/L
1	2012001	2013000	01/01/2012	12/31/2012	PO 2012	GenTrans
2	2013001	2014000	01/01/2013	12/31/2013	PO 2013	GenTrans
3	2013001	2015000	01/01/2014	12/31/2014	PO 2014	GenTrans
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						

This setting can be used to create a different period of numbers for some given period of time, or for some specific usage. Usually separation of numbers is done to distinguish a different fiscal year and/or distinguish orders among different order classes or departments in the company.

The next available number on any available number series is visible in paste special window on the number field of the Purchase Order.

Enter each new number series on a separate line, specify starting and ending numbers of a series as well as date period of their validity. Your comment will be visible in the paste special window on the Purchase Order record field "Number".

### Purchase Order Setting

This setting contains some miscellaneous options controlling the behaviour of various aspects of the Purchase Orders module.

**Default Vendor:** The functions for automatic creation of Purchase Orders will only create Purchase Orders for Items that have a corresponding Default Purchase Item. If you would also like these functions to raise Purchase Orders for Items that have no corresponding Default Purchase Item, specify the Vendor that is to be used, here.

**Credit Memos Update Invoiced Quantity:** With this check box ticked, a credit note will update the quantity listed as invoiced on the purchase order

**Set Goods Receipt Quantity to Zero:** The 'Goods Receipt' function on the Operations menu of the Purchase Order window usually creates a Goods Receipt containing all Items that have been ordered but not yet received. Use this option if you would like the default Quantity for all Items on the Goods Receipt to be zero.

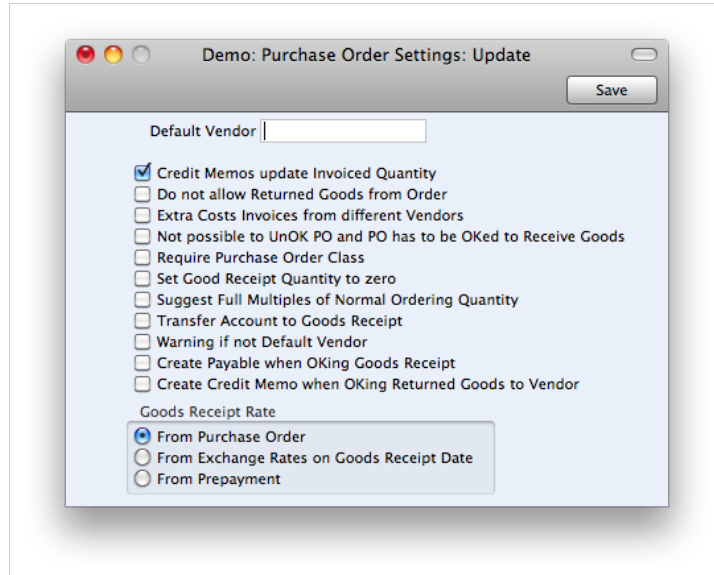
**Transfer Account to Goods Receipt:** Use this option if you would like the Purchase Control Account on flip B of a Purchase Order to be transferred to the Stock Account on flip E of any Goods Receipt (and from there to the resulting General Ledger Transactions) created using the 'Goods Receipt' Operations menu function. Any Objects on flip B of the Purchase Order will be transferred to the corresponding Goods Receipt row as well.

Note that the Purchase Control Account on flip B of a Purchase Order is chosen using a different order of priority to that used for the Inventory Account in a Goods Receipt. As a result, this option should only be used in specialised accounting situations.

Do not use the Transfer Account and Object to Goods Receipt option unless you are sure it is correct for your business!

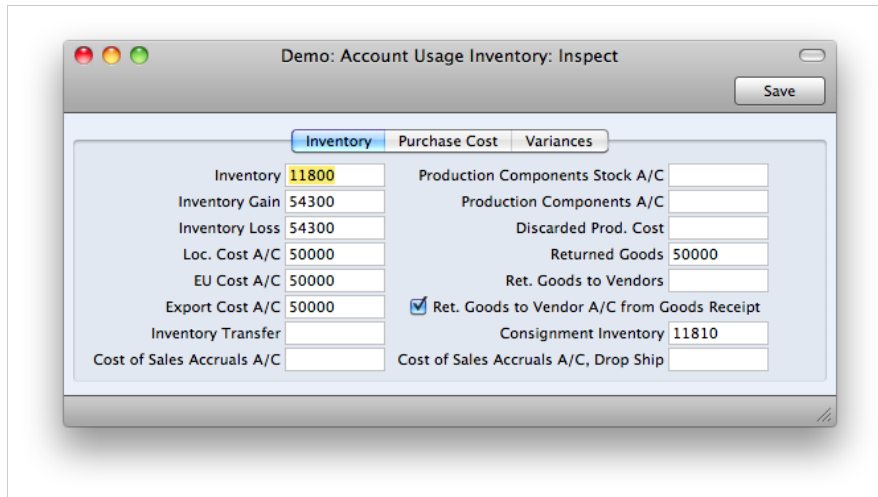
**Warning if Not Default Vendor:** When entering Purchase Orders, switch on this option if you want Enterprise to check if

the Item is in fact sold by the Vendor. If this option is on, Enterprise will issue a warning if the Item does not have a related Purchase Item in the name of the Vendor of the Purchase Order.



## IMPORTANT SETTINGS IN INVENTORY MODULE

### Account Usage Inventory



The screenshot shows a window titled "Demo: Account Usage Inventory: Inspect" with a "Save" button in the top right. The window contains a form with three tabs: "Inventory", "Purchase Cost", and "Variances". The "Inventory" tab is active and displays the following fields:

Inventory	11800	Production Components Stock A/C	
Inventory Gain	54300	Production Components A/C	
Inventory Loss	54300	Discarded Prod. Cost	
Loc. Cost A/C	50000	Returned Goods	50000
EU Cost A/C	50000	Ret. Goods to Vendors	
Export Cost A/C	50000	<input checked="" type="checkbox"/> Ret. Goods to Vendor A/C from Goods Receipt	
Inventory Transfer		Consignment Inventory	11810
Cost of Sales Accruals A/C		Cost of Sales Accruals A/C, Drop Ship	

**Inventory:** The inventory control Account. If you are using maintaining inventory values in the General Ledger ("cost accounting"), this Account will be debited when goods are received into inventory and credited upon Invoice or Delivery, if the equivalent field for the appropriate Location or Item Group is blank.

**Inventory Gain, Inventory Loss:** These Accounts are used by the Inventory Movement register to book value differences resulting from internal Inventory transfers between Inventory Locations. The Inventory Loss Account will also be debited by default from Inventory Depreciation records, while the Inventory Gain Account will be credited by default from Goods Receipts created by the "Inventory Count Comparison" Maintenance function.

**Loc, EU, Export Cost A/C Cost (or Cost of Sales) Account:** Used when shipping goods from inventory. If you are using cost accounting, this Account will be debited upon Invoice or Delivery, if the equivalent field for the appropriate Item Group is blank. You should specify three separate Cost Accounts, one for each Zone.

**Returned Goods:** When an Item is returned to inventory by a Customer, you will record the return to the Returned Goods register. When you approve and save the Returned Goods record, this Account will be credited in the subsequent General Ledger Transaction.

**Ret. Goods to Vendors:** When you return an Item to its Vendor, you will record the return in the Returned Goods to Vendors register. When you approve and save the Returned Goods to Vendor record, this Account will be debited in the subsequent General Ledger Transaction, if you are not using the Ret. Goods to Vendor A/C from the Goods Receipt option below.

**Ret. Goods to Vendor A/C from Goods Receipt:** When you return an Item to its Vendor, you will record the return in the Returned Goods to Vendors register. Usually, you will create a Returned Goods to Vendor record from the Goods Receipt that you used to receive the Item into inventory. When you approve and save the Returned Goods to Vendor record, the subsequent General Ledger Transaction can debit the Returned Goods to Vendor Account specified above, or the Purchase Accruals Account credited by that original Goods Receipt. If you want to use the second option, check this box.

### Purchase Cost Card

**Loc, EU, Import Purchase Accruals:** The accruals account is used to book goods received before a Purchase Invoice has been received and booked. It is credited when records in the Goods Receipt register in the Inventory module are approved (if the equivalent field for the appropriate Item Group is blank) and debited when Purchase Invoices created from Purchase Orders are approved (depending on the Purchase Order Item Transfer Control option chosen in the Payable Settings setting in the Accounts Payable). You should specify three separate Purchase Accrual

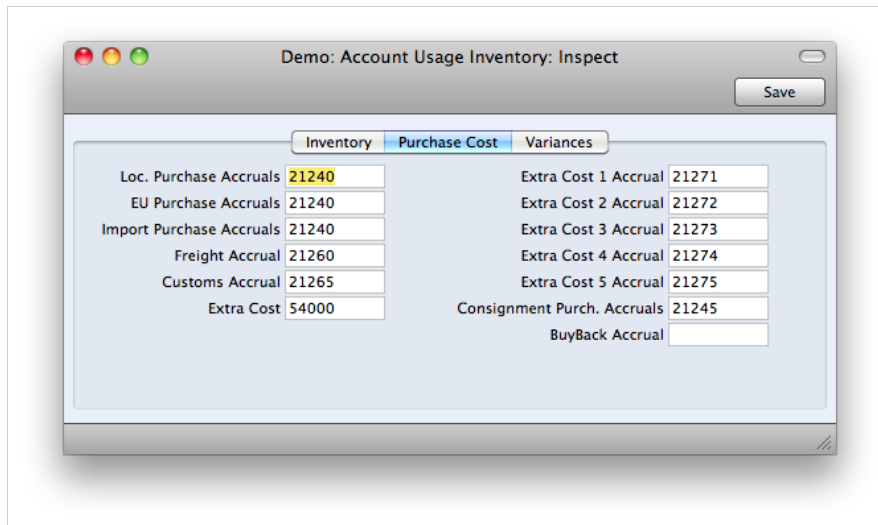


Accounts, one for each Zone.

Extra Cost: A special expense Account to collect any Extra costs associated with the receipt of goods (entered to the Extra Cost field on flip C of each row of a Goods Receipt record). It is credited when Receipts and Returned Goods records are created.

#### Variations Card

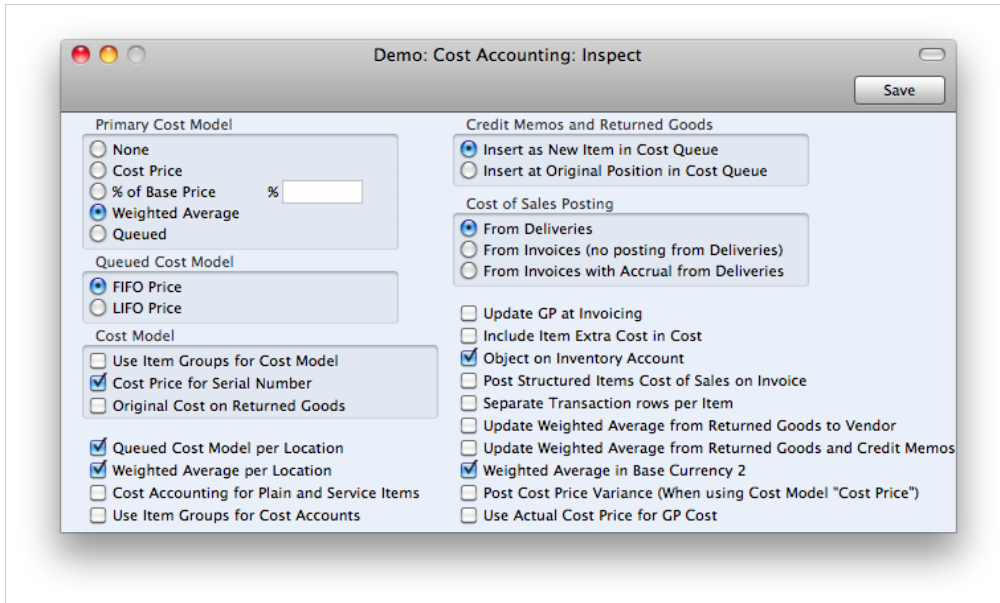
Returned Goods to Vendor Variance: There may be times when the price of the returned item and the price on the credit note are different and the difference is called the variance. So the Purchase Accruals account is then debited with the same unit cost as from Goods Receipt, and posting the Credit Payable no longer leaves a balance on the Purchase Accruals account that cannot be reconciled.



#### Base Price Changes

This setting, available in the Inventory module, allows you to change the Base Prices of many Items with one stroke. When the Base Price Change record is complete, check the OK box and then click the [Save] button to save the record. The Base Prices of all the Items listed in the grid will be changed, as specified, and you will no longer be able to change the Base Price Change record.

## Cost Accounting



Use this setting to specify the costing method that you want to use to calculate inventory valuations and the value of outgoing stock transactions. Please note, the Primary Cost Model needs to be set before starting to work with the system (before any stock transactions have been entered).

**Cost Model:** When you remove an Item from inventory, the inventory valuation in the General Ledger will be adjusted automatically. The value of each outgoing cost accounting posting will be calculated using the Cost Model specified in the relevant Item or Item Group record. If that Cost Model is Default, the Primary Cost Model specified on that setting will be used. Use these options to specify how the Cost Model should behave in certain specific circumstances.

**Original Cost on Returned Goods to Vendor:** One specific way in which you can remove an Item from inventory is to return it to its Vendor. You can do this by creating a record in the Returned Goods to Vendors register from the original Goods Receipt or Purchase Order.

When you return an Item to its Vendor, you may want to calculate the cost of that Item using the usual Cost Model (i.e. as if it was a normal removal from stock), or you may want to use the actual cost of that Item from the original Goods Receipt. Use this option if you want to use the second method.

For example, you are using the FIFO Cost Model and you have three Items in inventory with costs 100, 200 and 300. If you need to return the last Item to its Vendor, you would find the original Goods Receipt and create a Returned Goods to Vendor record from it. If you are not using this option, 100 will be removed from your General Ledger inventory value, since that was the value of the first Item received into inventory (i.e. as calculated using the FIFO Cost Model). If you are using this option, 300 will be removed from your inventory value, since that was the precise cost of the returned Item in the Goods Receipt.

If you are not using this option, you can create a record in the Returned Goods to Vendors register from the original Goods Receipt or Purchase Order using the 'Create Returned Goods' function on the Operations menu. If you are using this option, you can only create the Returned Goods to Vendors record from the original Goods Receipt.

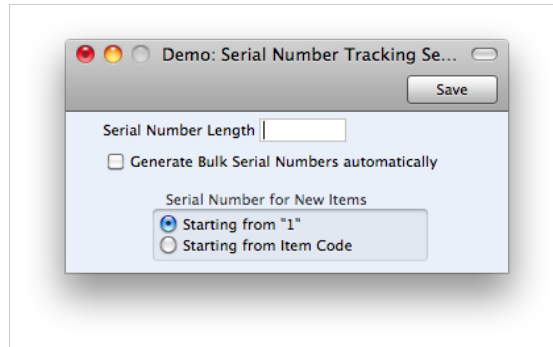
### Update Weighted Average from Return Goods to Vendor

Use this option if you would like the Weighted Average values of your Items to be updated from the Returned Goods to Vendors register (i.e. when you return goods to your Vendors).

For example, you purchase two Items for 100.00 and 200.00. The Item's Weighted Average is now 150.00. You then return the second Item to the Vendor. If you want the Weighted Average to remain 150.00, do not use this option. If you want the Weighted Average to be changed to the value of the remaining Item (which will depend on whether you are using the Original Cost on Returned Goods to Supplier option described above), switch this option on.

## Serial Number Tracking

It is possible to generate serial numbers automatically for items that are received into stock. This might be your companies practice for items that have a rather high cost price and their cost price is fluctuating among different goods receipts/vendors.



Automatic creation of serial numbers is done through the operations menu "Generate Serial No." in the Goods Receipt record.

This setting allows you to specify rules which are to be followed when generating automatic serial numbers.

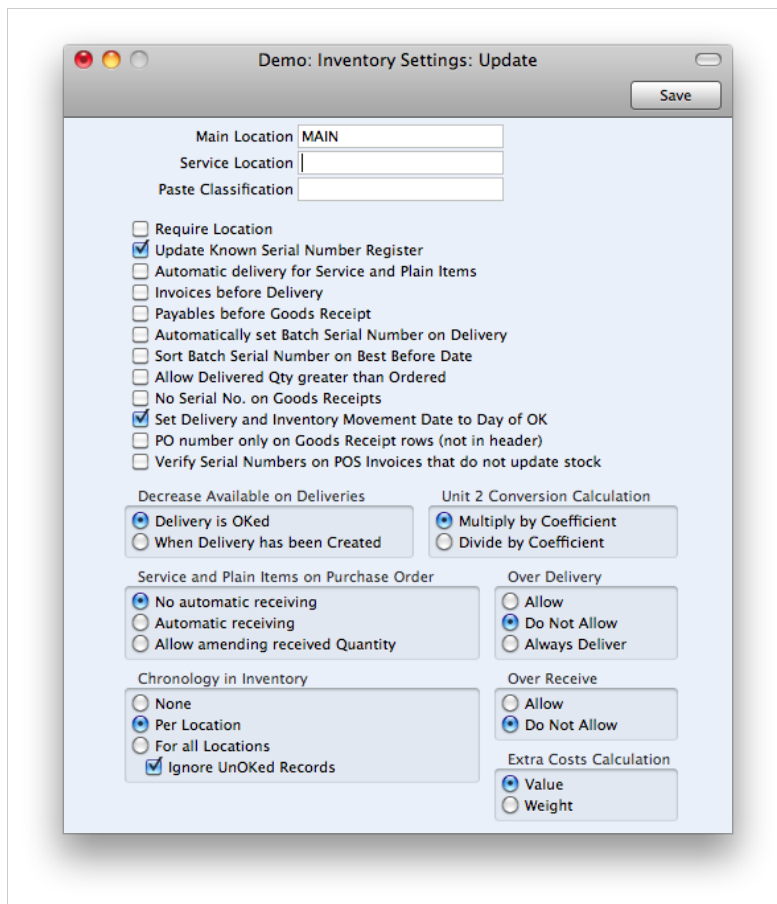
Serial number length: Specify length of each serial number.

Generate Bulk Serial Numbers automatically: This is the ability to allocate multiple serial numbers quickly, based on the quantity on the line. This is useful where large numbers of serialised items are received or invoiced at one time. e.g. 1000 serial numbers, where it is impractical to enter one row at a time. This applies for invoices and goods receipts. If a serialised item code is entered with a quantity > 1, then the system will recognise that bulk serial numbers must be generated.

Serial number for New items: Specify the starting value of serial numbers. By default it is "1" but can be changed to start with an item code. Example, if the item code is "10101" and the serial number length is specified as "10", the first automatically generated serial number will be "1010100001".

## Inventory Settings

This setting contains some miscellaneous options controlling the behaviour of various aspects of the Inventory module.



The screenshot shows a software window titled "Demo: Inventory Settings: Update" with a "Save" button in the top right corner. The settings are organized into several sections:

- Location Fields:**
  - Main Location: MAIN
  - Service Location: (empty)
  - Paste Classification: (empty)
- Checkboxes:**
  - Require Location
  - Update Known Serial Number Register
  - Automatic delivery for Service and Plain Items
  - Invoices before Delivery
  - Payables before Goods Receipt
  - Automatically set Batch Serial Number on Delivery
  - Sort Batch Serial Number on Best Before Date
  - Allow Delivered Qty greater than Ordered
  - No Serial No. on Goods Receipts
  - Set Delivery and Inventory Movement Date to Day of OK
  - PO number only on Goods Receipt rows (not in header)
  - Verify Serial Numbers on POS Invoices that do not update stock
- Decrease Available on Deliveries:**
  - Delivery is OKed
  - When Delivery has been Created
- Unit 2 Conversion Calculation:**
  - Multiply by Coefficient
  - Divide by Coefficient
- Service and Plain Items on Purchase Order:**
  - No automatic receiving
  - Automatic receiving
  - Allow amending received Quantity
- Over Delivery:**
  - Allow
  - Do Not Allow
  - Always Deliver
- Chronology in Inventory:**
  - None
  - Per Location
  - For all Locations
  - Ignore UnOKed Records
- Over Receive:**
  - Allow
  - Do Not Allow
- Extra Costs Calculation:**
  - Value
  - Weight

**Payables before Goods Receipt:** When you create Payables from Purchase Orders, usually only those Items on approved Goods Receipts will be included. This means that you must have created an approved Goods Receipt from a Purchase Order before you can create a payable. If you would like to create Payables from Purchase Orders (for the complete value of the Purchase Order) before creating Goods Receipts, check this box.

If you are not using this option, you can switch it on for an individual Purchase Order by checking the Payables Before Goods Receipt box ('Terms' card).

The 'Always use Full Qty' from Purch. Ord. option in the Payables Settings setting, also allows you to create Payables from Purchase Orders before creating Goods Receipts. The 'Always use Full Qty' from Purch. Ord. option will also create a Payable for the full order value if there is a partial Goods Receipt, while the Payables before Goods Receipt option will create a Payable for the value of the partial Goods Receipt.

**Unit 2 Conversion Calculation:** Several reports in the Inventory module offer the option to include Quantity 2. This option allows you to express inventory quantities using two different units of measurement. This is only appropriate for Items that have a Unit 2 and a Unit Coefficient specified on the "Inventory" card.

**No serial No. on Goods Receipt:** By default, when you receive an Item that uses Serial Numbers into stock, you will not be able to save the Goods Receipt without entering a Serial Number. Similarly, when you sell an Item, you must quote a valid Serial Number (i.e. one currently in stock) in the Delivery or Invoice.

If you find these rules to be too strict, use this option. It will allow you to save Goods Receipts without specifying Serial Numbers. You will still have to specify Serial Numbers in goods out transactions (e.g. Deliveries, Invoices, Stock Depreciation records), but no check will be made that they are valid (i.e. that they are currently in stock). Since it is not compulsory to enter Serial Numbers in Goods Receipts, it cannot be known if a particular Serial Number is valid. For the same reason, there will be no 'Paste Special' list available from the Serial Number field in goods out transactions.

**Chronology in Inventory:** You can use the chronology feature to help improve the accuracy of the FIFO/LIFO queue as it will ensure that you enter inventory transactions in date sequence. If you are using this feature, you will not be able to

approve a inventory transaction (i.e. Goods Receipt, Delivery, Inventory Movement, Returned Goods record or Inventory Depreciation) if there are unapproved inventory transactions (in any of those registers) with an earlier Transaction Date, or approved inventory transactions with a later Transaction Date. It is strongly recommended that you use this feature if you are using the Queued Cost Model.

**Over Delivery:** Use these options to specify whether you will be able to create a delivery for the items, which do not have sufficient inventory for the Sales Order quantity. The recommendation is always to use 'Do Not Allow' for Over Delivery.

**Over Receive:** Use these options to specify whether you will be able to increase the Quantity in a Goods Receipt to a figure greater than that on the originating Purchase Order. The recommendation is always to use 'Do Not Allow' for Over Receiving.

## ENTERING PURCHASE ITEMS

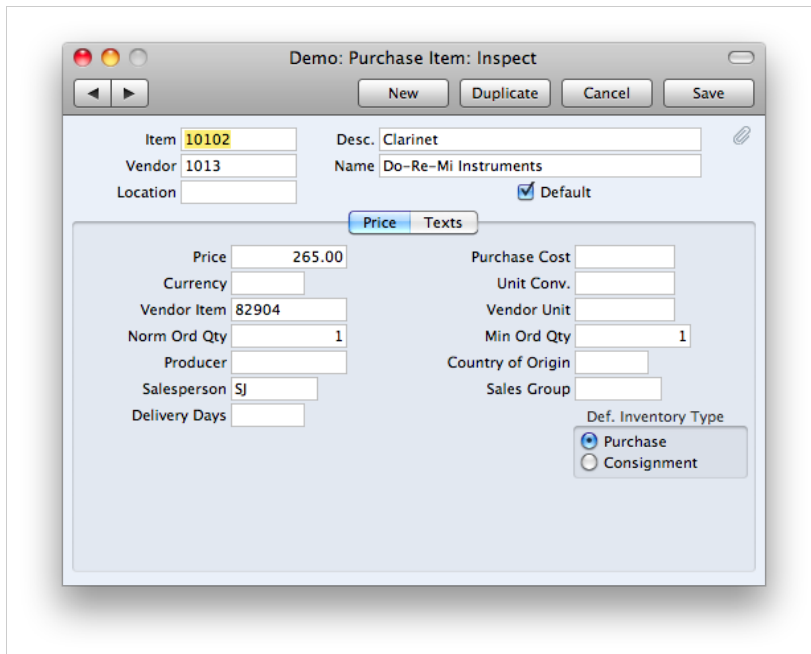
This is a separate Item register, containing information about all those Items that are normally purchased by your business. Each Item can have several different corresponding Purchase Items. For example, if the same Item is available from different Vendors, but only one Purchase Item may be set as Default. This means that all maintenance routines will apply the default item when creating Purchase Orders.

A Purchase Item record is a means of recording Vendor and Cost information for each Item. In particular, the Purchase Item register must be used if you will be creating Purchase Orders in batches.

### Creating a Purchase Item

Purchase Items can be created in two ways:

1. You can enter Purchase Items to the Purchase Item register manually by clicking [New] in the 'Purchase Items: Browse' window
2. You can create a Purchase Item record from an Item record by selecting the 'Create Purchase Item' function on the Operations menu of the item card.



The screenshot shows a software window titled "Demo: Purchase Item: Inspect". At the top, there are navigation buttons: "New", "Duplicate", "Cancel", and "Save". Below these are input fields for "Item" (10102), "Vendor" (1013), and "Location". To the right, there are fields for "Desc." (Clarinet), "Name" (Do-Re-Mi Instruments), and a checked "Default" checkbox. A tabbed interface shows "Price" and "Texts" tabs. The "Price" tab contains fields for "Price" (265.00), "Currency", "Purchase Cost", "Unit Conv.", "Vendor Item" (82904), "Vendor Unit", "Norm Ord Qty" (1), "Min Ord Qty" (1), "Producer", "Country of Origin", "Salesperson" (SJ), "Sales Group", and "Delivery Days". At the bottom right, there is a "Def. Inventory Type" section with radio buttons for "Purchase" (selected) and "Consignment".

**Item:** Enter an Item Code. You can have several Purchase Item records relating to a single Item.

**Vendor:** Enter the Vendor Code here.

**Default:** This check box determines which Vendor will be used when creating Purchase Orders.

You might have several Purchase Items relating to a single Item. You cannot have more than one Default Purchase Item for a particular Item.

**Price:** Enter the purchase price for the Item offered by this Vendor. This figure is per Vendor Unit.

When creating Purchase Orders, it is possible to have the Cost Price of the Item record updated automatically. This automatic updating is not extended to Purchase Items. To update the Price of Purchase Items in a single step, use the 'Update Purchase Items' Maintenance function in the Purchase Orders module. This is described later in this chapter.

**Purchase Cost:** The extra cost associated with a purchase transaction for an Item from a Vendor. When a Goods Receipt is raised from a Purchase Order in which this Purchase Item has been used, any value entered here will be transferred to the Customs field in the Goods Receipt.

**Currency:** If the Price (above) is recorded in a Currency other than the domestic Currency, record that Currency here.

Unit Conversion, Vendor Unit: These fields are used when the Item is purchased in a different Unit to which it is sold.

Norm Order Qty, Min Order Qty: When making Purchase Order suggestions using the Deficiency List report, or creating Purchase Orders in batches, if the stock balance is below the re-ordering point of the Item (the Minimum Level specified on the 'Inventory' card of the Item screen), the Normal Order Quantity will be suggested as an order quantity by Enterprise. If the shortage remains, Enterprise will top up the order quantity to cover the entire shortage. If the shortage is less than the Minimum Order Quantity, nothing will be ordered.

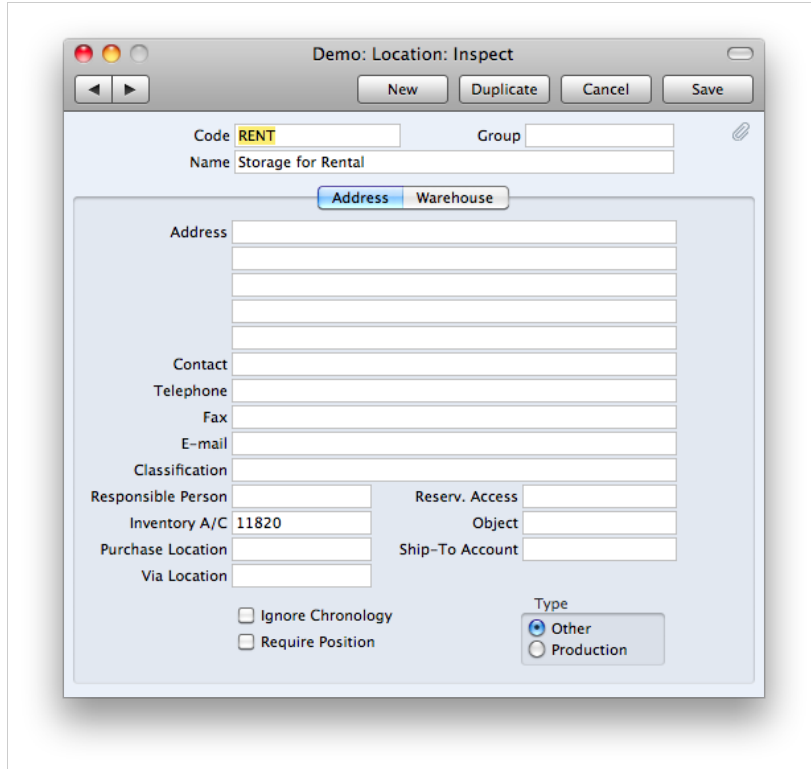
A shortage exists as long as the disposable stock balance is less than the minimum stock level specified on the 'Stock' card of the Item record.

If both the quantity fields are left blank, Enterprise will order up to the minimum stock level of the Item.

Delivery Days: Record the typical lead time it takes to receive this Item from the Vendor here. If the Purchase Item is one whose Default box is ticked, this will be used by the 'Create Planned Records' Maintenance function in the Sales Orders module. This function creates Purchase Orders whose dates are calculated from the Planned Delivery Date of Sales Orders and this lead time from the appropriate Purchase Items. This ensures Purchase Orders for Items on Sales Orders are created as late as possible, so that the goods arrive just before they are scheduled for delivery to the customer.

## WORKING WITH DIFFERENT INVENTORY LOCATIONS

Enterprise allows inventory to be kept at several different Locations. Stock balances for items are maintained by Location and total.



The screenshot shows a software window titled "Demo: Location: Inspect". At the top, there are navigation buttons: "New", "Duplicate", "Cancel", and "Save". Below these are input fields for "Code" (containing "RENT"), "Group", and "Name" (containing "Storage for Rental"). There are two tabs: "Address" (selected) and "Warehouse". The "Address" tab contains several text input fields for "Address", "Contact", "Telephone", "Fax", and "E-mail". Below these are fields for "Responsible Person", "Inventory A/C" (containing "11820"), "Purchase Location", and "Via Location". To the right of these are fields for "Reserv. Access", "Object", and "Ship-To Account". At the bottom, there are two checkboxes: "Ignore Chronology" and "Require Position". On the far right, there is a "Type" section with two radio buttons: "Other" (selected) and "Production".

**Group:** Location group allows users to create Item history and Inventory list report based on a group of locations. This is useful when several locations are located in a single city/region and users need to see a unified report on this region.

**Inventory A/C:** The Inventory Account will be debited whenever inventory is received into the Location, and credited when inventory is delivered (providing that, in the Sub Systems setting in the General Ledger, it has been determined that General Ledger Transactions are to be created when Goods Receipts and Deliveries are approved). If no Inventory Account is specified, the Inventory Account for the Item Group to which the individual Item belongs or the Inventory Account in the Account Usage Inventory setting will be used.

**Object:** Objects entered in this field are transferred to goods receipt and the inventory depreciation records header field. This object is then posted in the objects field on both the debit and credit side for goods receipt and inventory depreciation accordingly.

**Ignore Chronology:** Enterprise supports the use of FIFO or LIFO in Enterprise to improve accuracy in inventory transactions. This function is set in the Inventory Settings setting. If you have set up the system to the principles of FIFO or LIFO you will be unable to approve Inventory transactions without a prior Inventory transaction with an earlier date. This check box deactivates the chronology check.

**Require Position:** Use this check box to make sure all transactions for this location have positions.



## WORKFLOW OVERVIEW

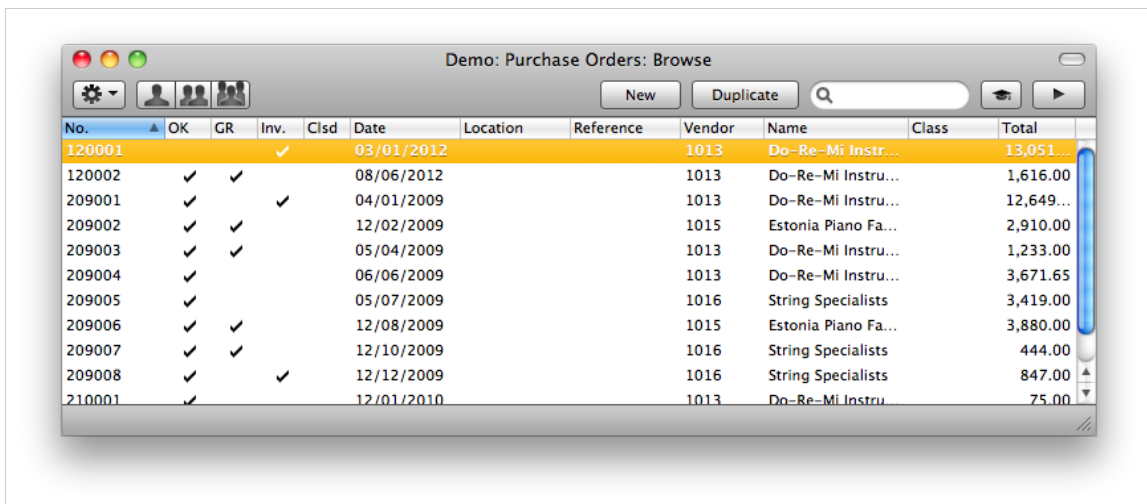
### The Purchase Order Register

The purchase Order Register contains records for each Purchase Order Issued. Before you start entering Purchase Orders, make sure you have defined your sequence of Purchase Order Numbers using the Number Series – Purchase Order Settings.

#### Entering a Purchase Order

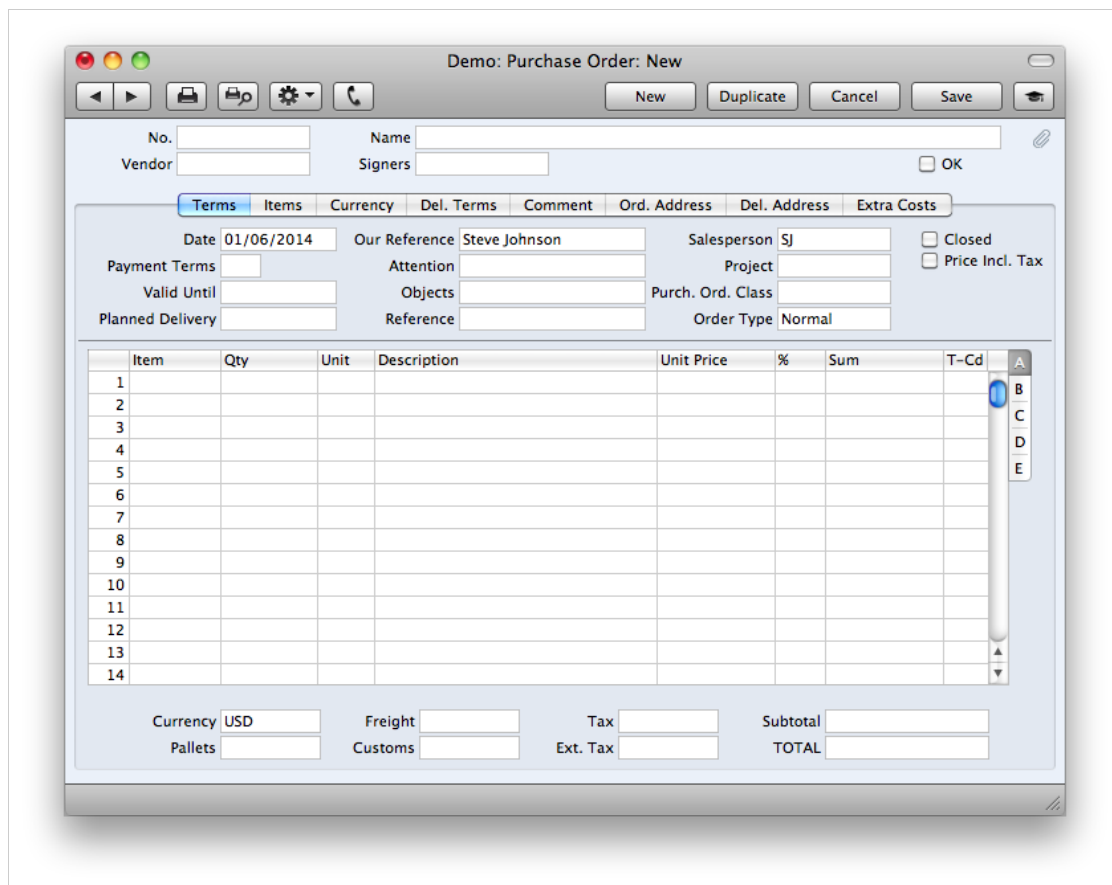
In the Purchase Orders module, select 'Purchase Orders' from the Registers menu, or click the [Pur Orders] button in the Master Control panel. The 'Purchase Orders: Browse' window is opened, showing Purchase Orders already entered.

Purchase Orders are shown sorted by Purchase Order Number: this can be changed by clicking on one of the other column headings. Also shown are indications that the Purchase Order has been approved, that the ordered goods have been received and approved in their entirety (in the 'GR' or 'Goods Received' column) and that a Purchase Invoice has been received and approved (in the 'Inv' column), and the Supplier number and name.



No.	OK	GR	Inv.	Clsd	Date	Location	Reference	Vendor	Name	Class	Total
120001			✓		03/01/2012			1013	Do-Re-Mi Instr...		13,051...
120002	✓	✓			08/06/2012			1013	Do-Re-Mi Instru...		1,616.00
209001	✓		✓		04/01/2009			1013	Do-Re-Mi Instru...		12,649...
209002	✓	✓			12/02/2009			1015	Estonia Piano Fa...		2,910.00
209003	✓	✓			05/04/2009			1013	Do-Re-Mi Instru...		1,233.00
209004	✓				06/06/2009			1013	Do-Re-Mi Instru...		3,671.65
209005	✓				05/07/2009			1016	String Specialists		3,419.00
209006	✓	✓			12/08/2009			1015	Estonia Piano Fa...		3,880.00
209007	✓	✓			12/10/2009			1016	String Specialists		444.00
209008	✓		✓		12/12/2009			1016	String Specialists		847.00
210001	✓				12/01/2010			1013	Do-Re-Mi Instru...		75.00

The functions on the Operations menu are described below. Enterprise provides several shortcuts to simplify your work with entering Purchase Orders. You may for example enter the current date into a date field with the 'Paste Special' function. This can also be used to simplify the entering of Item Numbers, Customer Numbers, Payment Codes etc.



To enter a new Purchase Order, click [New] in the Button Bar or use z-N (Macintosh) keyboard shortcut. Alternatively, highlight a Purchase Order similar to the one you want to enter and click [Duplicate] on the Button Bar. The 'Purchase Order: New' window is opened, empty if you clicked [New] or containing a duplicate of the highlighted Purchase Order.

Use the grid on the 'Items' card to list the Items that you want to order.

#### Inspecting and Changing Purchase Orders

You can change a Purchase Order at any time, as long as it has not been approved (i.e. as long as the OK check box has not been switched on). To do so, click the [Pur Orders] button in the Master Control panel or select 'Purchase Orders' from the Registers menu. The 'Purchase Orders: Browse' window is opened, listing all Purchase Orders. Double-click on the Purchase Order you want to inspect or change. The window 'Purchase Order: Inspect' will appear. This is identical to the 'Purchase Order: New' window described above. Once you are happy with the items on your Purchase Orders, you may OK and save the record and continue with placing the order from your Vendor or Vendors.

#### Goods Receipt and Delivery

This command is used to receive goods into stock against a Purchase Order. It is available on the Operations menu both in the browse window and in the record window for an individual Purchase Order. When used from the browse window, highlight a single Purchase Order before selecting the function. When used from the record window, all changes to the Purchase Order must first have been saved (use the [Save] button). On selecting the function, a new record is created in the Goods Receipt register (in the Stock module). It is opened in a new window, entitled 'Goods Receipt: Inspect'. This means that it has been created and saved and is being opened for amendment and approval.

When the Goods Receipt has been checked, click the OK check box. This signifies that the Goods Receipt has been approved. If you have determined that General Ledger Transactions are to be created at the point of delivery (using the Sub Systems setting in the General Ledger), these Transactions will now be created. You will no longer be able to modify the Goods Receipt. You will not be able to create a Payable for the Items on the Goods Receipt until it has been approved.

#### Payable

To raise a Payable from a Purchase Order, select 'Create a payable' from the Operations menu. For the function to have any effect, all changes to the Purchase Order must first have been saved (use the [Save] button), and the Vendor record must have a Cost Account specified on its 'Accounts' card.

Usually, an approved Goods Receipt must first have been created from the Purchase Order: exceptions to this are described later in this section. On selecting the function, a new record is created in the Payables register (in the Accounts Payable). It is opened in a new window, entitled 'Payable: Inspect'. This means that it has been created and saved and is being opened for amendment and approval.

The Payable takes its information from the Purchase Order, and, as a default, assumes that all previously uninvoiced Items on approved Goods Receipts related to the Purchase Order are to be invoiced.

## ORDERING GOODS FROM VENDORS

This involves purchasing items, usually is a relatively huge work process in any company, including employees from different departments. A need for purchasing can be initiated from different departments. A Purchase Order can be created for several reasons and therefore it can be created in several ways:

- Manually
- Using maintenance "Create Purchase Orders" in Purchase Orders module
- Using maintenance "Create Purchase Orders from Deficiency Stock" in Purchase Orders module
- Using maintenance "Create Planned Records" in Sales Orders module
- Using maintenance "Create Planned Records from Orders" in Sales Orders module
- Using maintenance "Create Purchase Orders" in Sales Orders module (Same function is available also under the Operations menu of Sales Orders Browse window)
- Using operations menu "Create Purchase Order" in Purchase Quotation register
- Using operations menu "Create Purchase Order" in Internal Orders register
- Using operations menu "Create Purchase Order" in Work Order Contract record

Which of the choices is best suited depends on several considerations:

- If you have created a Purchase Quotation then it would be reasonable to create a Purchase Order from the respective Purchase Quotation so that all the data is copied from the Purchase Quotation
- Internal Orders can serve as requests for purchasing. Therefore, it is recommended to create a Purchase Order from the specific Internal Order.
- If there is a need to control stock deficiency, Purchase Orders can be generated automatically, depending on the stock levels required and the actual stock levels
- For companies keeping stock levels to a minimum and generating a lot of sales orders, it is essential not to forget to create a Purchase Order which includes items that are ordered from customers.
- For a production company, it is essential to have all the necessary items in stock before starting a pre-planned production.
- If this is a one time order or is not deductible from other actions or requires some specific terms, it will then be easier to create a manual Purchase Order.

### Manually Ordering Goods

Goods can be ordered from suppliers by creating a Purchase Order in the Purchase Order module. The Purchase Order register contains records for each Purchase Order issued.

**Supplier:** Select the supplier from which the items will be purchased. Use Paste Special to enter the supplier paste special window.

**Signers:** Once the Purchase Order is OK'd, the Signature of the User who OK'd the record will be entered here automatically.

**Closed:** If there are undelivered quantities on the Purchase Order which will not be sent from the Supplier, tick this check box. Any remaining quantities that have not been received will be cancelled and will no longer appear in reports as being outstanding.

If a Purchase Order is marked as Closed, you will not be able to create Goods Receipts from it. However, you will still be able to create Purchase Invoices for earlier Goods Receipts.

**Price Incl. Tax:** Tick this box if the prices entered for the goods ordered include Tax.

#### Terms Card

**Date:** The date the Purchase Order is to be issued. Enterprise enters the current date as a default.

**Planned Delivery:** Specify the date on which you need to receive the goods into stock here. The format of this field is

determined by the Planned Delivery setting. Available options are free text, date, week number or year-week (4 characters).

A separate Planned Delivery Date can also be specified for any of the Purchase Order rows (on flip D).

Reference: This field can be used if you need to identify the Purchase Order by any means other than the Purchase Order Number.

Attention: Record your contact at the Supplier company here.

#### Items Card

Before adding any rows to a Purchase Order, ensure that the Currency and conversion rates specified are correct. If the conversion rate is altered after rows have been added, their prices will not be converted.

Unit Price: If the Item has a related Purchase Item in the name of the Vendor of the Purchase Order, the Unit Price will be taken from that Purchase Item record.

If there is no suitable Purchase Item, the Unit Price will be taken from the 'Costs' card of the Item record.

The Unit Price includes Tax if the Price Including Tax box in the header is checked. In this case, the Price in the Purchase Item or the Unit Price in the Item record will be treated as including Tax.

#### Flip B

Purchase Account: Account of Item Group or from Account Usage Inventory

If the Transfer Each Row Separately option in the Payable Settings setting is in use, this Account will be debited in the General Ledger Transaction generated from the Payable resulting from this Purchase Order row.

If the Transfer Account and Object to Goods Receipt option in the Purchase Order Settings setting is in use, this Account will be copied to the Inventory Account field in the appropriate row of any Goods Receipt created from this Purchase Order. It will then be debited in the General Ledger Transaction resulting from that Goods Receipt.

Vendor Item: The code allocated to the Item by the Vendor. This is shown as the main Item Code on the Purchase Order document. If the Item has been registered as a Purchase Item and if the Vendor of the Purchase Order is the same as the Vendor entered for the Purchase Item, then Enterprise will get the Vendor's code from the Purchase Item record.

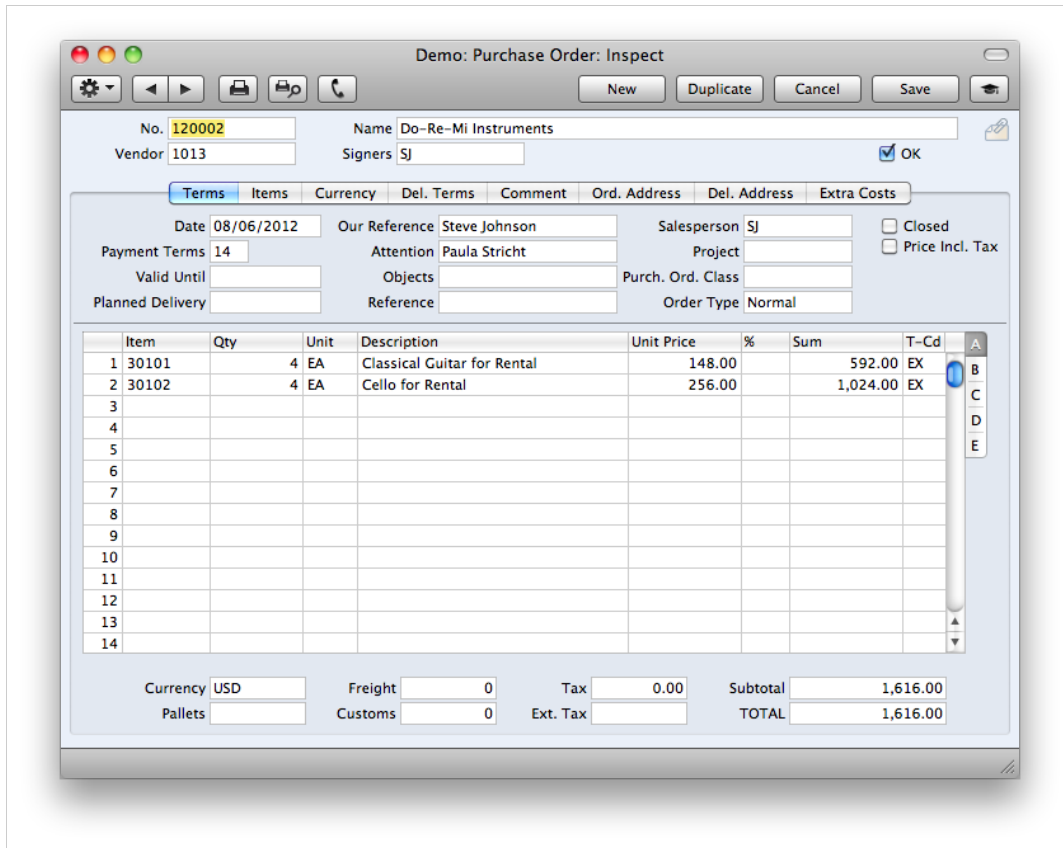
Vendor Qty: This shows the number of Items the Vendors needs to despatch to fulfil your Purchase Order and is dependent on the Unit Conversion field in the Purchase Item record. If the Purchase Item does not have a Unit Conversion, or there is no Purchase Item, then this figure will be the same as the Quantity on flip A.

#### Flip C

Received 1: In this field, Enterprise will enter the number of units received against this Purchase Order. Both OK'd and UnOK'd Goods Receipts are included in this field.

Received 2: In this field, Enterprise will enter the number of units received against this Purchase Order. Only quantities on approved Goods Receipts are included in the figure.

Invoiced: The quantity invoiced for each Order row are amended automatically when Payables are raised using the 'Create Payable' function on the Operations menu.



#### Flip D

**Planned Delivery:** Specify the date that you will need to receive this Item into stock here. Only do this if it is different to the Planned Delivery Date on the 'Terms' card. The format of this field is determined by the Planned Delivery setting. Available options are free text, date, week number or year-week (4 characters).

**Footer:** In addition to the Currency, the Purchase Order Footer contains various running totals as described below. Whenever a Purchase Order row is added or changed, these totals are updated.

**OK :** The Purchase Order can be approved by clicking this check box. Once this has been done, the Purchase Order will no longer be modifiable. Purchase Orders can be unOKed at any time.

A Purchase Order does not have to be approved for goods to be received against it or for its Items to be included in the Purchase Order total displayed by the 'Item Status' function. Nevertheless, once a Purchase Order has been finalised and printed, it should be approved because the functions that create Purchase Orders automatically will sometimes add Items to existing unapproved Purchase Orders instead of creating new ones.

**Currency:** The Currency of the Purchase Order. Leave the field blank to use the domestic Currency (unless you have set a Default Base Currency, in which case this will be offered as a default and should be treated as your home Currency).

If the Vendor record has a Currency specified on the 'Pricing' card, only that Currency can be used. Otherwise, any Currency can be used.

#### Comment Card

**Purchase Cost:** Any value entered here will be transferred to Goods Receipts as a Freight charge. In the case of partial Goods Receipts, the figure will be distributed proportionally.

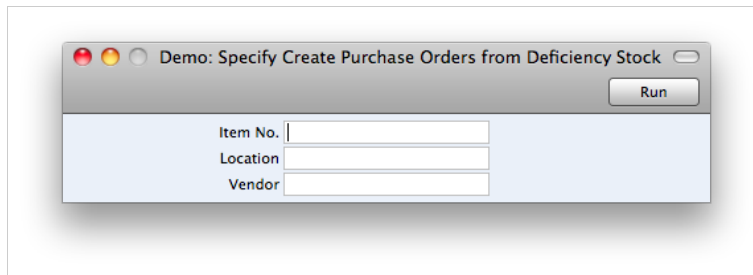
When a General Ledger Transaction is generated from the Goods Receipt, this Purchase Cost is credited to the Purchase Freight Cost Account specified on card 5 of the Account Usage Inventory setting. It will also be included in any Payable created using the 'Purchase Invoice' Operations menu function.

## AUTOMATICALLY ORDERING GOODS FROM SUPPLIERS

### Creating Purchase Orders from Deficiency Stock

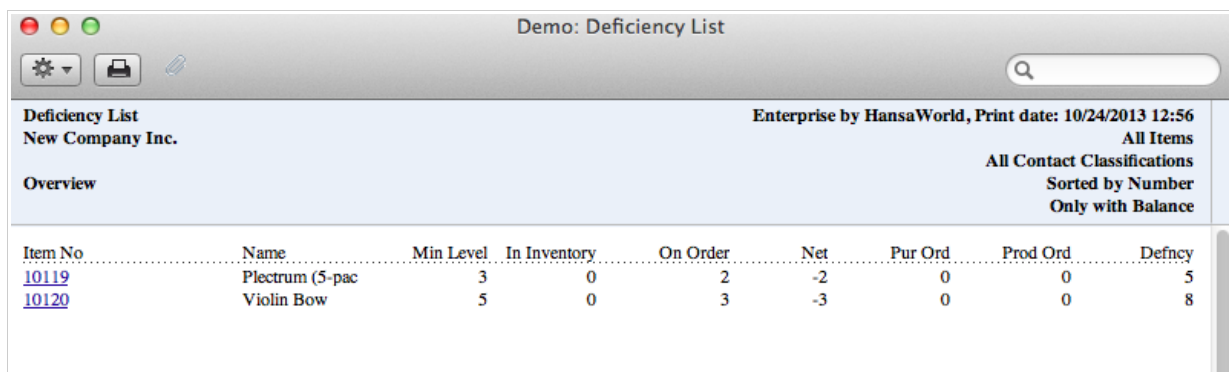
Create purchase orders using maintenance “Create Purchase Orders from Deficiency Stock” in Purchase Orders module

Enterprise allows you to control stock levels for critical items so that they are never below a certain level. Using reports “Deficiency list” you can check items that are below the required stock level. The same list is used in maintenance “Create Purchase Orders from Deficiency Stock” maintenance. There are number of settings that need to be setup before using this functionality:



- Setting “Minimum Inventory levels” in the Inventory module. Enter the relevant inventory levels for each item in the necessary locations. Alternatively you can use “Minimum Level” in item record (in case this is needed for one stock only).
- Register “Purchase Items” in the Purchase Orders module. Refer above on entering a new Purchase Item.
- Setup deficiency stock records. Run the report “Deficiency list per Location” in Inventory module and create the deficiency stock when necessary. Run report “Deficiency Inventory” in Purchase Orders module to check that there are items registered in deficiency stock.

Items that are included in the Deficiency Stock report and match the user defined criteria of maintenance will be included in the Purchase Order record.



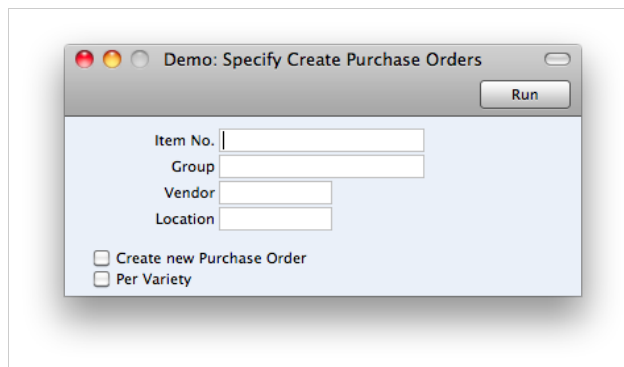
Item No	Name	Min Level	In Inventory	On Order	Net	Pur Ord	Prod Ord	Defncy
<a href="#">10119</a>	Plectrum (5-pac)	3	0	2	-2	0	0	5
<a href="#">10120</a>	Violin Bow	5	0	3	-3	0	0	8

### Maintenance “Create Purchase Orders”

Maintenance “Create Purchase Orders” in Purchase Orders module. This maintenance will create orders from purchase items determining the quantity by using the following formula.

$$[\text{Quantity missing}] = [\text{Quantity available in stock}] - [\text{quantity in sales orders}] + [\text{quantity in purchase orders already}]$$

If the above formula gives a positive result, the theoretical item quantity is less than the minimum quantity and needs to be ordered. So this quantity is added to a purchase order.



### Specification Window

Item No. : Enter the Item code or range of Item codes that you want to include in the maintenance

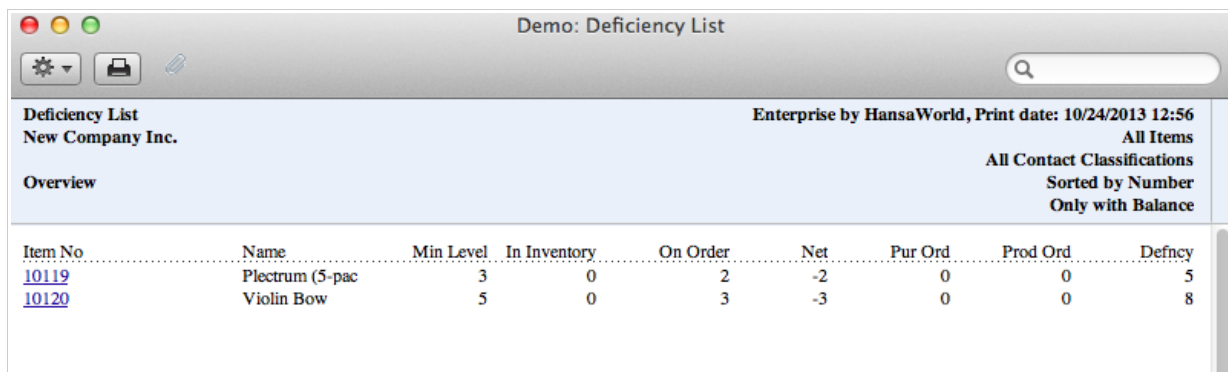
Group: Enter the Item group that you want to include in the maintenance

Supplier: Limit purchase orders to only one specific Vendor. Items with this Vendor as the default Vendor will be included in the maintenance.

Location: Inventory levels/orders/minimum levels etc. will be checked in a single location only.

Create a new purchase order If there are already UnOK'd Purchase Orders for the same vendor, then the maintenance will add the items and quantities to this Purchase Order. Check this box if you want the maintenance to create a new Purchase Order.

Items that need to be ordered can be checked in report “Deficiency list” in the Purchase Order module. Column “Defncy” shows the quantity needed to order. This column will be included in the maintenance if there is an appropriate purchase item in the purchase item register with a default supplier specified.



Item No	Name	Min Level	In Inventory	On Order	Net	Pur Ord	Prod Ord	Defncy
<a href="#">10119</a>	Plectrum (5-pac)	3	0	2	-2	0	0	5
<a href="#">10120</a>	Violin Bow	5	0	3	-3	0	0	8

### Creating Planned Records

Using maintenance “Create Planned Records” in Sales Orders module. This function is useful for companies that work for a principle to keep stock levels as low as possible. This means that purchase orders are created at a certain time so that items arrive just before they need to be sent to a customer or used in Production. This is known as the “Just-In-Time” principle.

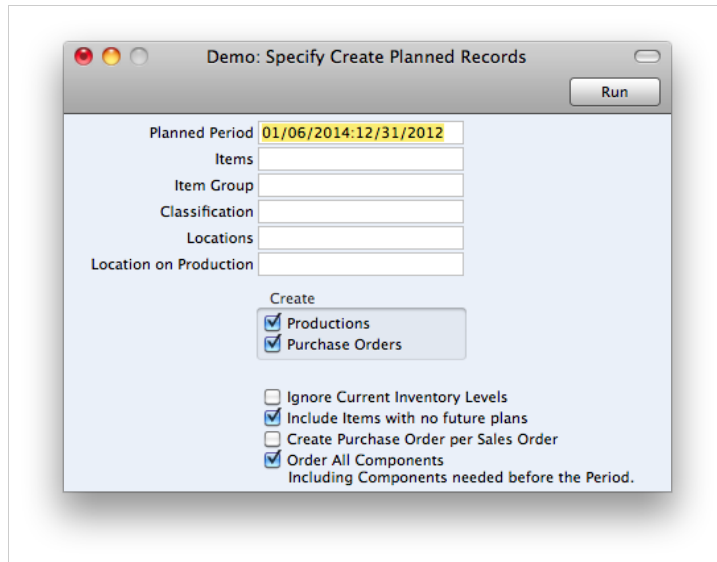
This maintenance creates Purchase Orders (as well as productions) for items that are needed for a specific date. In number order for registers you can enter the planned action date, e.g. planned delivery date on a sales order, planned start date on production order, etc. This function allows you to follow these planned records and create the necessary purchase orders to make sure items arrive into inventory just before they are used (delivered to customers or used in production).

Several steps are required for this maintenance to generate records.

- Each Item must have a default Vendor specified in the Purchase Items register or have a default Vendor specified in the Purchase orders setting.



Planned Record entries are checked from Production Orders (both incoming and outgoing items), Productions (both incoming and outgoing items), existing purchase orders and finally Sales orders. Planned action dates on these records together with existing inventory levels create the planned item movement. This future movement can be checked in the Item Status window by pressing the button "Future". This report will list planned movements of the selected item. If there is a negative amount resulting at some point, the maintenance 'Create Planned Records' will create the necessary records to guarantee that stock quantities are at the necessary levels.



The Date of Purchase Order is calculated in the following way: [date of planned delivery] – [planned delivery days from purchase item record].

#### Specification Window

Planned period: Enter the period of Planned Delivery specified in Sales Orders;

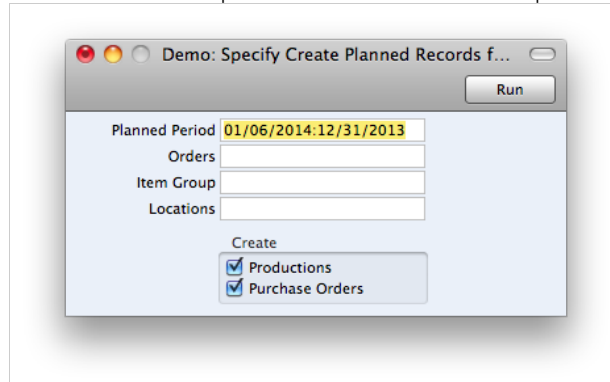
Items: Enter an Item code or range of items to create Purchase Orders for specific items;

Location: Specify a location if you want to create a Purchase Order for any Vendor/Date/Location combination. In this case, Default supplier is taken for the specific location (if specified).

Ignore current stock level: Tick this option if you want this function to create purchase orders, ignoring how much of each item is available in stock.

#### Creating Planned Records from Orders

Using maintenance "Create Planned Records from Orders" in Sales Orders module. This maintenance creates Purchase Orders from future record entries in the same way as Maintenance "Create Planned Records". The difference is that this function allows users to create Purchase Orders for specific Orders rather than for specific items.



In a number of registers you can enter a planned action date, e.g. planned delivery date on a sales order, planned start date on a production order, etc. This function allows you to follow these planned records and create the necessary purchase orders when stock levels are below the minimum specified.

Several steps are required for this maintenance to generate records.

Future record entries are checked from Production orders (both incoming and outgoing items), Productions (both incoming and outgoing items), existing Purchase orders and finally Sales orders. Planned action dates on these records, together with existing stock levels, create the future item movement. This future movement can be checked in the item status window by pressing the button "Future". This report will list the "Future history" of item movement. If the result is negative, this maintenance will create the necessary records to guarantee that stock quantities meet the minimum levels.

### Creating Purchase Orders from Sales Orders

This maintenance creates Purchase orders directly Based on Sales orders record by record (back-to-back). Any items that are entered in an unfinished sales order are put in to the Purchase order, ignoring stock levels of each item. Data from the Sales order e.g. customer name, address, etc, is also pasted into the Purchase order. This function is also accessible from the Sales order: browse window in "Operations menu".

By default, a Vendor for each item is taken from entries in the Purchase Items register. Every Item must have a record in the Purchase Item register for a specific Vendor with the "Default Vendor" checkbox ticked. If there is no Purchase item with a default vendor specified for an item, this function will take the default Vendor from the Purchase Order settings field "Default Vendor".

### Specification Window

Period: Specify the date period of the Sales Orders to include in the maintenance

Order: Specify a single order or a range of orders

Order class Specify an order class if you want the maintenance to create Purchase Orders only for a specific Order Class.

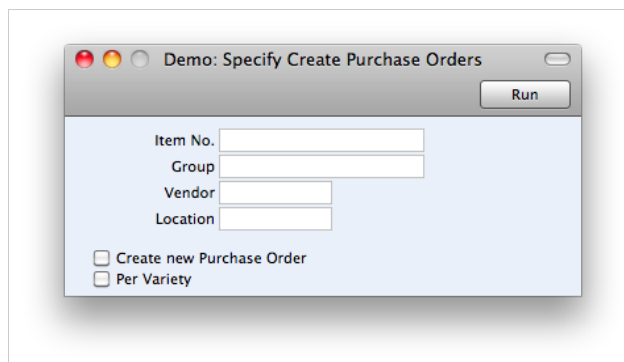
Function: Purchase orders can be created in three ways:

1. Per Sales Order. Purchase orders are based on individual Sales Orders. If one Sales Order contains items from different suppliers, two Purchase Orders will be created, one for each supplier.
2. Per Supplier. If you have two sales orders with items from the same supplier, maintenance will create a single purchase order containing items from both sales orders.
3. Collected Order. In addition to the "Per vendor" function, it includes the Sales Order number in the Purchase Order record.

Only With Suggestions: Quantities of items are taken from the Sales Order record, Purchase Item Minimum Order Quantity or Normal order Quantity (if Minimum Qty is empty), whichever is greater. Stock levels are not taken into account in this case.

"Only With Suggestions" allows to include stock levels, existing Sales Orders and Purchase Orders into calculations.

Include Non Stocked Items: This function creates Purchase Orders for stocked items by default. You can include plain, service and structured items by ticking this checkbox.



### Creating Purchase Orders from Purchase Quotations

Using operations menu “Create Purchase Order” in Purchase Quotation register. This function creates a Purchase Order record, pasting all the items together with the rest of the information entered in the Purchase Order Quotation record. There is no limit to how many Purchase Orders you can create from one quotation. Field P/Order No. will show the record number of the last created Purchase Order from this PO Quotation.

#### Creating Purchase Orders from Internal Orders

Using operations menu “Create Purchase Order” in Internal Orders register. Use this function to create a copy of the Purchase Order from this Internal Order. Several issues must be checked before creating a Purchase Order:

- Internal Order must be saved (Window must be in “Inspect” mode).
- Internal Order must be added to an order class which permits creation of Purchase Orders.
- Internal Order must not be fully fulfilled - P/Ord field on the flip C for at least one item must be less than the internal order quantity.
- Number series for Purchase Orders must be entered.

#### Using the Operations Menu to Create Purchase Orders in Work Order

Use the operations menu “Create Purchase Order” in the Work Order Register, if you would like to create a Purchase Order for any spare parts that are required in order to complete a repair.

This function finds all the unapproved Work Sheets related to the Work Order and compares for each Stocked Item the quantity required with the quantity in stock. If there is any shortfall, a single Purchase Order is created on which all the Items of which there is insufficient stock are included. This is opened in a new window, entitled “Purchase Order: Inspect.” This means that it has been created and saved and is being opened for amendment and approval.

For each Item on the Purchase Order, the Quantity is determined by comparing the quantity in stock with the quantity specified in the Work Sheet. The Cost Price is taken from the cost card of the Item record.

The Purchase Order is related to the Work Order using the field on the “Terms” card, while each Item is related to its Work Sheet using the field on Flip C, This means that is the same Item is specified on more than one Work Sheet, it will appear in separate rows of the Purchase Order, each with a different Work Sheet Number on Flip C.

Because no reference is made to the Purchase Item register, the Purchase Order is generated with no Supplier Details. You should therefore specify a Supplier before you print and Approve the Order.

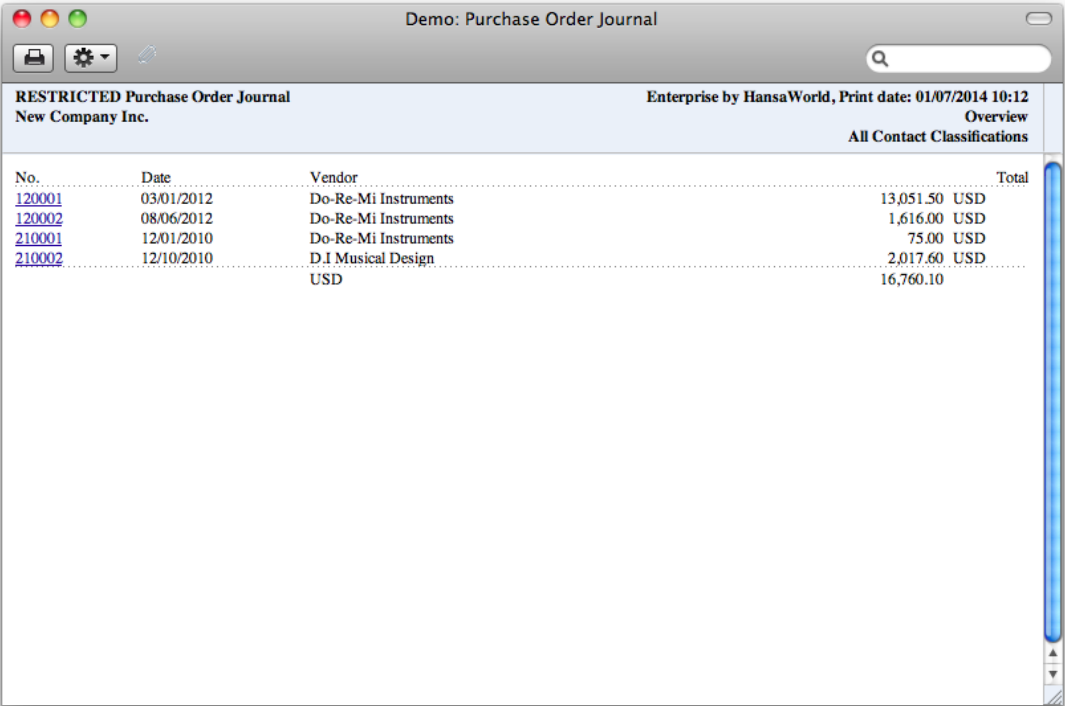
In the case of a Purchase Order with several items, it may be that these items should be sourced from different suppliers. In that case, it is recommended that you Duplicate the original Purchase Order created from the function an appropriate number of times and remove Items as necessary from the copies and finally from the original. The action of copying will ensure that the links with the Work Order and Work Sheet are preserved in all such Purchase Orders.

## RECEIVING ITEMS INTO STOCK

In most cases goods, together with the Vendor payable, are first received into stock. The person entering received items must first check the Purchase Order register to see if there are any outstanding Purchase Orders for the specific supplier. Check if some of the information matches any data on the Purchase Order, e.g. items, planned delivery date, stock, etc.

If there is no information about our Purchase Order number on the invoice, then it is possible to run a report Purchase Order Journal in the Purchase Order module to find the right Purchase Order.

Open this report specification window, enter the Supplier in the Supplier field, choose the Detailed option and press [Run]. When you have a lot of Purchase Orders from this Supplier, you can also enter the period when you think you issued the Purchase Order, to make the list shorter.



The screenshot shows a window titled "Demo: Purchase Order Journal" with a search bar and navigation icons. The window content includes the following text and table:

**RESTRICTED Purchase Order Journal** Enterprise by HansaWorld, Print date: 01/07/2014 10:12  
**New Company Inc.** Overview  
All Contact Classifications

No.	Date	Vendor	Total
<a href="#">120001</a>	03/01/2012	Do-Re-Mi Instruments	13,051.50 USD
<a href="#">120002</a>	08/06/2012	Do-Re-Mi Instruments	1,616.00 USD
<a href="#">210001</a>	12/01/2010	Do-Re-Mi Instruments	75.00 USD
<a href="#">210002</a>	12/10/2010	D.I Musical Design	2,017.60 USD
		USD	16,760.10

This report will show you all the Purchase Orders with full details for the specified supplier, so it will be easy to see against which order we have received the invoice and the goods. It will be possible to use the Drill Down functionality to open the correct Purchase Order.

When a valid purchase order is located, use Operations menu "Create Goods Receipt" to generate the Goods Receipt record, stating how many of each item is received into inventory.

Demo: Purchase Order: Inspect

No. **120001** Name **Do-Re-Mi Instruments**

OK

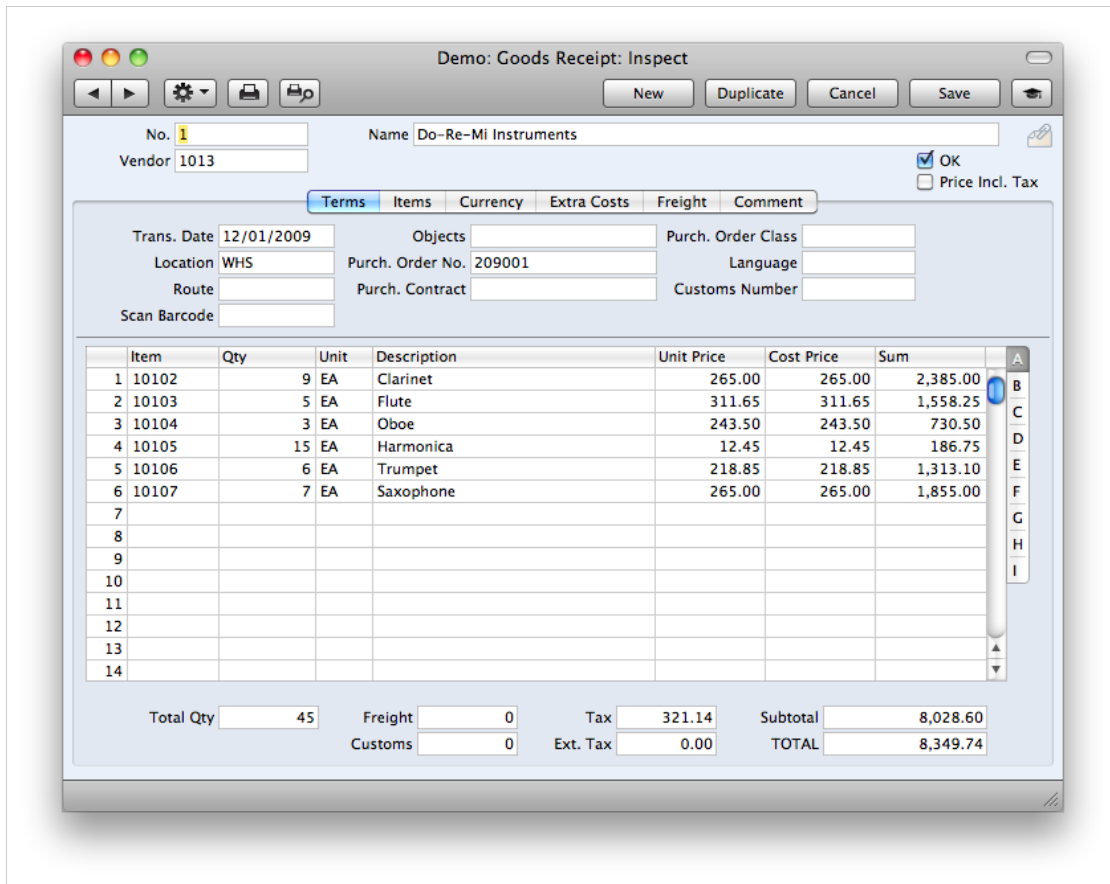
Closed  
 Price Incl. Tax

	Del. Terms	Comment	Ord. Address	Del. Address	Extra Costs
Reference		Steve Johnson	Salesperson	SJ	
Attention			Project		
Objects			Purch. Ord. Class		
Reference			Order Type	Normal	

	Description	Unit Price	%	Sum	T-Cd
4	Piano	970.00		4,850.00	EX
5	Clarinet	265.00		2,650.00	EX
6	Flute	311.65		3,116.50	EX
7	Oboe	243.50		2,435.00	EX
8					
9					
10					
11					
12					
13					
14					

Currency **USD** Freight **0** Tax **0.00** Subtotal **13,051.50**  
 Pallets  Customs **0** Ext. Tax  TOTAL **13,051.50**

The Goods Receipt record takes its information from the Purchase Order, and usually assumes that all Items not yet received are on the current shipment.



**Demo: Goods Receipt: Inspect**

No.  Name   OK  Price Incl. Tax

Vendor

Trans. Date  Objects  Purch. Order Class

Location  Purch. Order No.  Language

Route  Purch. Contract  Customs Number

Scan Barcode

Item	Qty	Unit	Description	Unit Price	Cost Price	Sum
1	10102	9 EA	Clarinet	265.00	265.00	2,385.00
2	10103	5 EA	Flute	311.65	311.65	1,558.25
3	10104	3 EA	Oboe	243.50	243.50	730.50
4	10105	15 EA	Harmonica	12.45	12.45	186.75
5	10106	6 EA	Trumpet	218.85	218.85	1,313.10
6	10107	7 EA	Saxophone	265.00	265.00	1,855.00
7						
8						
9						
10						
11						
12						
13						
14						

Total Qty  Freight  Tax  Subtotal

Customs  Ext. Tax  TOTAL

Sometimes there are situations when the Vendor sends goods from multiple purchase orders in a single shipment. It is possible to enter a single Goods Receipt covering many Purchase Orders. For this, create a new Goods Receipt, on flip "I" enter the Purchase Order number and appropriate row containing the received item. Enter "0" (zero) to paste the entire Purchase Order. You are able to enter as many Purchase Orders as is necessary, as long as they are all from the same supplier. If the item is set to "serial number tracking" by Unit number, the item will be spread across Goods Receipt rows to contain each item per row.

The field that is important to specify on the Goods Receipt is the Inventory Location, where the goods will be received.

Plain Items on the Purchase Order will not appear on the Goods Receipt, if the Automatic receiving of the Service and Plain Items option in the Inventory Settings setting is being used.

If an Item that requires Serial Numbers (set on the 'Stock' card of the Item screen) has been used on the Order with a Quantity greater than one, the Goods Receipt will contain the appropriate number of rows each with a Quantity of one. This allows you to enter Serial Numbers on flip B. Serial Numbers must be entered before the Goods Receipt can be approved.

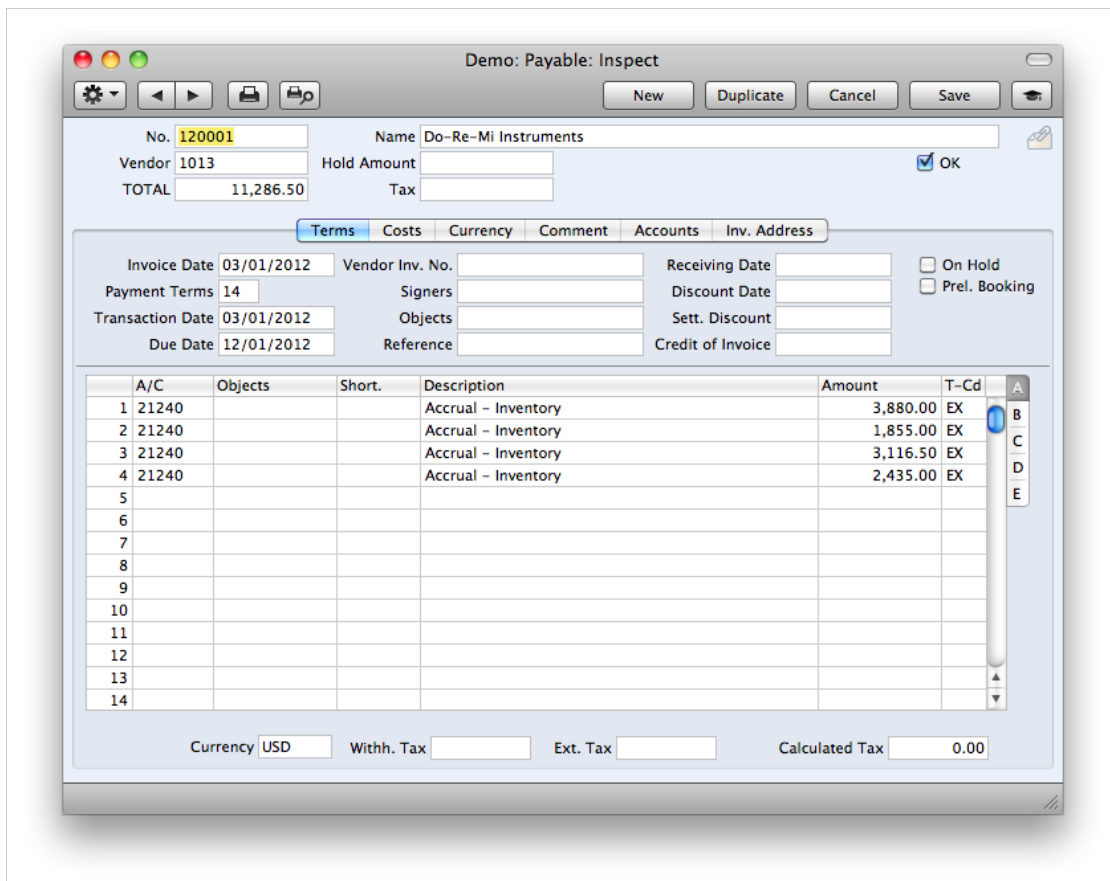
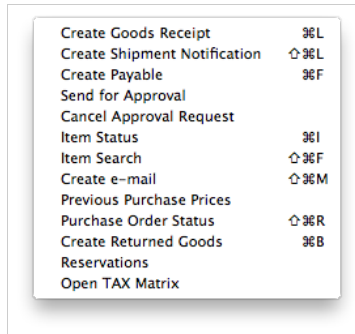
The Quantity of one or more rows on the Goods Receipt screen can be amended as necessary. You can also remove entire rows, by clicking on the row number to the left and pressing the Backspace key. It is possible to receive a larger quantity of items into Inventory than ordered, but then please keep in mind, that it will not be possible to reconcile the Purchase Orders with Goods Receipts. When you have received more goods than ordered, we recommend to first amend the Purchase Order and then create a Goods Receipt.

To print Inventory Labels, use the function on the Operations menu. To print a Goods Receipt Note, click the Printer icon.

When the Goods Receipt has been checked, click the OK check box. This signifies that the Goods Receipt has been approved. The inventory balance for the inventory Location specified for the Goods Receipt will now be updated. If you have determined that General Ledger Transactions are to be created at the point of delivery, these Transactions will now be created. You will no longer be able to modify the Goods Receipt. You will not be able to create a Payable for the Items on the Goods Receipt until it has been approved.

## CREATING PAYABLES

To create a Payable from a Purchase Order, select 'Create Payable' from the Operations menu in the Purchase Order, or appropriate Goods Receipt. For the function to have any effect, the Supplier record must have a Cost Account specified on its 'Accounts' card. Usually, an approved Goods Receipt must first have been created from the Purchase Order: exceptions to this are described later in this section.



The Payable takes its information from the Purchase Order, and as a default, assumes that all Items not previously invoiced on approved Goods Receipts related to the Purchase Order, are to be invoiced. Check that the details match the Invoice document and make your necessary changes. You will need to check the date and to enter the Supplier Invoice Number.

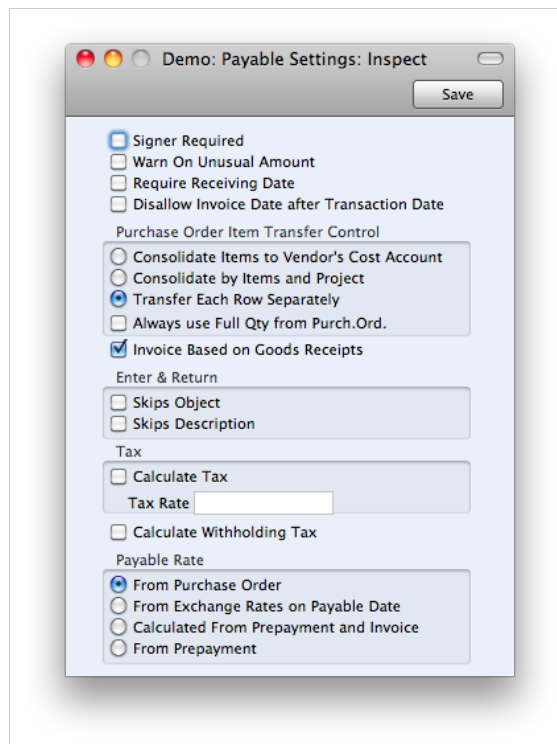
In the illustrations above, the following have been copied from the Order to the Invoice:

- Vendor Number and Name
- Payment Term

- Total value (from the bottom right of the Order to the top left of the Invoice)
- Total TAX
- Purchase and Expense Accounts
- Objects
- Row Amounts
- Row TAX Codes

It is possible to create Payables and Credit Memos automatically, as the Goods Receipts and Returned Goods to Supplier records are ok'd. In Purchase Order Settings there are two check boxes that may be ticked for this purpose – 'Create Payable when OK'ing Goods Receipt' and 'Create Credit Memo when OK'ing Returned Goods to Supplier'. As these are ticked, Enterprise will create Payables as if the User had gone to the Purchase Order, and Used Operation "Create Payable". Also, once a Returned Goods to Supplier has been OK'd and saved, the system will Create and OK a Credit Memo (Vendor) in exactly the same way as if the User had gone to the Returned Goods, and Used "Operation Create Credit Memo".

The appearance of the Payable is determined by the set of Purchase Order Item Transfer Control options in the "Payables Settings" setting in Accounts Payable. These options operate in the following manner:



**Consolidate Items to Vendor's Cost Account:** The ordered Items are grouped together in a single row on the Payable, indicating that they are to be posted to the same Cost Account. If the Items on the Purchase Order have different TAX Codes, there will be a separate row on the Payable for each TAX Code.

**Consolidate by Items and Project:** The Payable will feature a separate row for each received Item/Project combination on the Purchase Order. The Cost Accounts will be the Purchase Control Account for the Item Groups to which the Items belong (if the Use Item Groups for Cost Accounts option in the Cost Accounting setting in the Inventory module is in use) or that on the tile 'Purchase Cost' in the Account Usage Inventory setting.

**Transfer Each Row Separately:** Each ordered Item will have its own row on the Payable. The Cost Accounts will be the Purchase Control Account on flip B of the Purchase Order, the Purchase Control Account for the Item Groups to which the Items belong (if the Use Item Groups for Cost Accounts option in the Cost Accounting setting in the Inventory module is in use) or that on the Account Usage Stock setting.

Usually, Inventory Items will not be invoiced until they have been received (i.e. included on an approved Goods Receipt). This also applies to Plain and Service Items if the Consolidate Items to Vendor Cost Account option (described above) is being used. If this option is not used, Plain and Service Items will be included to their full quantity on the first Payable created



from the Purchase Order (i.e. there must be an approved Goods Receipt, but this does not need to include any of the Plain or Service Items on the Purchase Order). The two exceptions to this are:

1. If the 'Always use Full Qty from Purchase Order' box in the Payable Settings setting is checked. In this case, all Items (Stocked, Plain and Service) from the Purchase Order will be included on the Purchase Invoice, even if they have not been received: no Goods Receipt needs to exist.
2. If the Automatic receiving of Service and Plain Items box in the Inventory Settings setting is checked, Goods Receipts are not created for Service and Plain Items. Therefore, they can be included on Purchase Invoices immediately: no Goods Receipt needs to exist. Stocked Items must still be received, unless point 1 also applies.

If this check box is checked, when a Plain or Service Item is included in a Purchase Order, the Received Quantity on flip D will be changed to the Order Quantity when the Purchase Order is saved. Therefore, Plain and Service Items will never be included on Goods Receipts created from the Purchase Order. This option is intended for use where Purchase Orders for Items such as labour or training are issued frequently and Goods Receipts are not required.

You can change the Amount of one or more rows on the Payable screen as necessary. You can also add more rows.

When the Payable has been checked, tick the OK check box. This signifies that the Payable has been approved. Associated Transactions in the General Ledger will now be raised (if so defined in the Sub Systems setting in the General Ledger) and you will no longer be able to modify the Invoice.

If the function does not create a Payable, the probable causes are:-

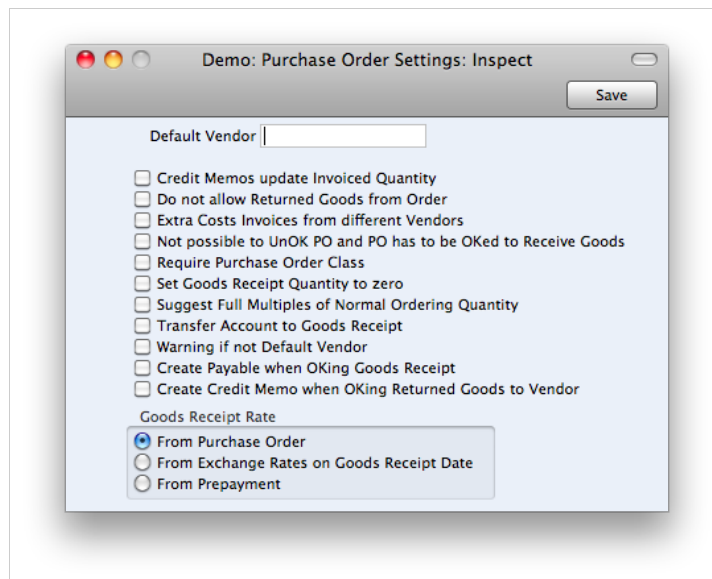
- The Vendor has been marked as Closed or does not have a Cost Account specified.
- There are no Items on the Purchase Order awaiting invoicing.
- There is no valid record in the Number Series - Payables setting.

## Creating Payables Automatically

It is possible in Enterprise to create Payables Automatically, once the Goods Receipts register have been Ok'ed.

The setting that controls this, can be found in the Purchase Orders Settings (under "Purchase order settings").

By ticking this option, it will allow for the Purchase Invoice to be automatically created once the Goods have been Received:



## PAYING VENDORS

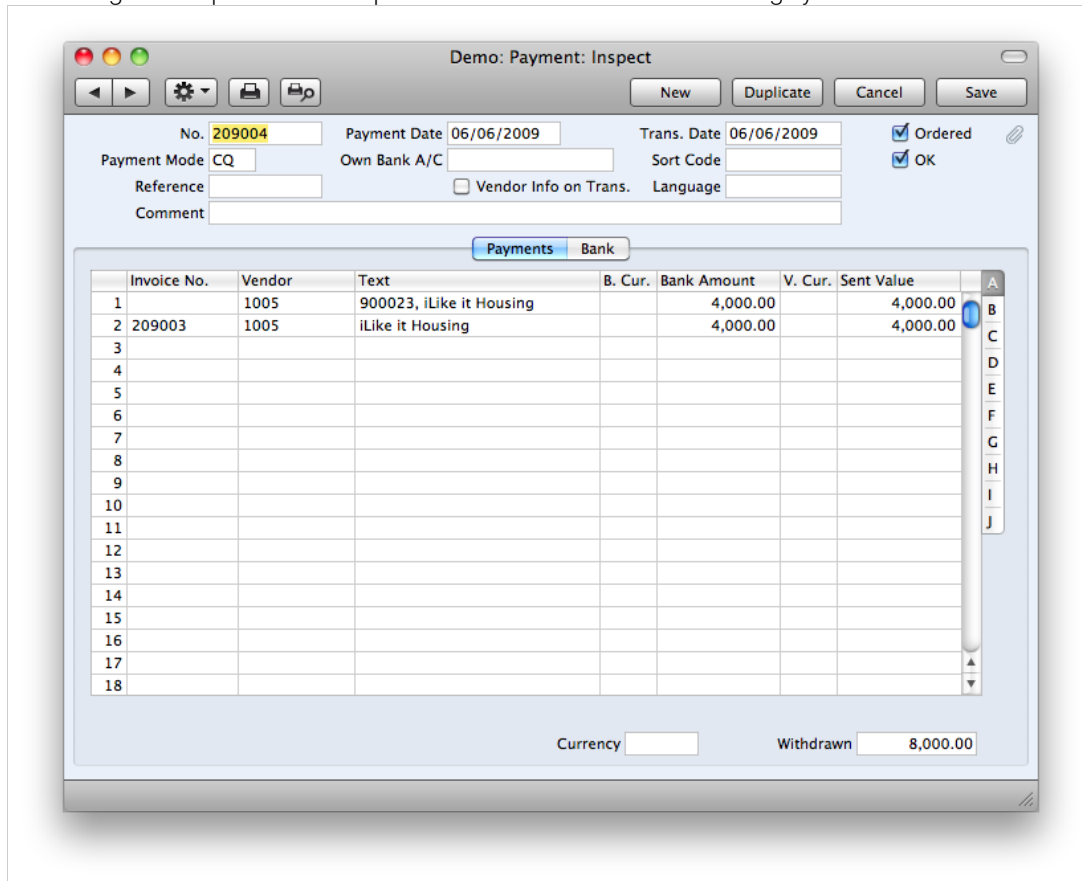
Once a company decides to pay a Vendors invoice, there are several ways in which Enterprise can help to decide what should be paid.

Report "Accounts Payable" by default, lists all unpaid payables with amounts that are open or due. It is possible to see this report by Aged periods to check which are oldest amounts. 'Only balances' is an option to see total amounts per vendor in a minimised list, for easy browsing across all vendors.

Report "Payments Forecast" shows planned payments based on the Payable due date. It shows both an amount to be paid to each vendor on a specific date and an accumulated amount of all payments planned for a certain date.

You can also use the 'Create Payments Suggestion' maintenance routine, which can be found in the Operations menu of the Payments Browse window. This maintenance will allow you to specify the Due Date range, supplier, maximum amount to be paid and the Payment Mode which will then create unOrdered and unOK'd Payments.

New payments are entered in the module Accounts Payable in the "Payments" register. It is advised to have one vendor per payment for easier data filtering. Some banking export files require to have one supplier per payment record. Refer to your local product manager for requirements of export or connections to the local banking system.



The screenshot shows a software window titled "Demo: Payment: Inspect". At the top, there are navigation buttons (back, forward, settings, print, refresh) and action buttons (New, Duplicate, Cancel, Save). The main form contains the following fields:

- No. 209004
- Payment Date 06/06/2009
- Trans. Date 06/06/2009
- Payment Mode CQ
- Own Bank A/C
- Sort Code
- Reference
- Vendor Info on Trans. (checkbox)
- Language
- Comment
- Ordered (checkbox checked)
- OK (checkbox checked)

Below the form is a table with two tabs: "Payments" (selected) and "Bank". The table has the following columns: Invoice No., Vendor, Text, B. Cur., Bank Amount, V. Cur., and Sent Value. The data is as follows:

Invoice No.	Vendor	Text	B. Cur.	Bank Amount	V. Cur.	Sent Value
1	1005	900023, iLike it Housing		4,000.00		4,000.00
2	209003	1005		4,000.00		4,000.00
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						

At the bottom of the window, there are fields for "Currency" and "Withdrawn 8,000.00".

For entry of multiple payables, it might be easier to open "Paste Purchase Invoice" window and use the Drag-and-Drop functionality to paste invoices in to Payment rows. This allows the user to sort invoices by supplier or due date, to enter the most appropriate invoices.

Change payment amounts and currencies (payment modes) if necessary.

For easier data access in later work, copy the supplier name into the reference field of payment header. This allows sorting and searching by suppliers name in the payment list window.

Mark payment as "Ordered" when it's printed and/or sent to bank and "OK" when it's processed and accepted.

## RETURNING GOODS TO VENDORS

From time to time, received goods need to be sent back to the Vendor for some reason. It may be defective goods when received, wrong prices or any other reason. Returned goods to vendor always decrease inventory levels by the specified quantity. The area that needs attention is to determine the cost price of the goods being returned. There are several options that you might want to consider:

- using the default cost price of outgoing goods. Cost price will be the one determined by your cost model and the current cost price of outgoing goods.
- Using cost price from the original goods receipt record. This can be turned on in the "Cost Accounting" setting in the inventory module. Refer below for detailed information.
- If using the weighted average cost model, the cost price of remaining items can be corrected according to the cost of the remaining items, or it can act as a simple outgoing record. Refer below for a detailed description of the "Cost accounting" setting.

When settings are done, there are several ways to create the Returned Goods to Vendors record:

- Using the operations menu "Create Returned Goods" in the Purchase Order window. This function pastes all items that are received from this Purchase Order in to the Returned Goods record. This option is not available if using the option "Original cost on Returned Goods" for the reason that this function cannot determine which goods receipts are to be returned.
- Using the operations menu "Create Returned Goods" in the Goods Receipt window. This function pastes those items that are only entered in this goods receipt. This option should always be used when the Original Cost on the Returned Goods option is used. It will take the items out of stock with exactly the same price as they have been received.
- Create a record in register "Returned Goods to Supplier" and specify Goods Receipt or Purchase Order number and row number manually. This function is useful when a return is needed from multiple goods receipts and the original cost price is needed from their goods receipt. Enter the Goods Receipt number or Purchase Order number and corresponding row number from the specified record to determine which items are to be returned. Entering "0" (zero) in "row" field pastes all rows from the specified record.

In some cases, you want to send items back to the Supplier without knowing from which Purchase Order the items were received. It is possible to enter a Returned Goods to Supplier record without the Purchase Order reference. On flip E you may enter the Good Receipt Code and the row number of the item you want to send back.

## CORRECTING MISTAKES IN PAYABLES

Occasionally you will receive a Payable that contains a mistake. For example, the price may be wrong or the quantity may be too high. If so, you still need to enter the Payable to the system, but you should also contact the Vendor to get them to send you a Credit Memo. If you received some goods and then had to return them to the Vendor, you may receive a Credit Memo for these returned items.

Sometimes you will want a Credit Memo to reduce your balance with the Supplier and sometimes you want it to cancel a Payable as well.

### Reducing the Balance with the Vendor

Occasionally you may receive a Credit Memo that the Vendor has not allocated to a particular Payable. For example, they agreed to do a credit for bad service or they credited an Payable that you had already paid.

To enter this type of Credit Memo, follow the procedure for entering Payables directly to the Payables register. The only difference is that you need to enter a special Credit Memo Payment Term ("CN" in the demo database). Again, remember to check the date and to enter the Vendor Payable Number of the Credit Memo.

When you approve (OK) a Payable with this Payment Term, the standard postings to the Creditor and Purchase Accounts will be reversed.

When you are sure the Credit Memo is correct, you can approve it using the same procedure as for Payables. If you would like to see the posting in the General Ledger, choose Open GL Transaction from the Operations menu.

### Cancelling a Payable with a Credit Memo

Sometimes you will receive a Credit Memo that the Vendor has allocated to a particular Payable. Usually this will be because there was a mistake on the Invoice or because you returned the goods to the Vendor.

The quickest way to enter this type of Credit Memo is to search for the original Payable in the 'Payables: Browse' window. Open the Payable and choose Create Credit Memo from the Operations menu. A new Payable will be created with the correct Credit Memo Payment Term and all the other details will be copied from the original Payable. Remember to check the date and to enter the Supplier Invoice Number of the Credit Memo.

The Invoice Number (the sequential Invoice Number given to the Invoice in Enterprise) of the original Invoice will be placed in the Credit of Invoice field. This connects the Credit Memo to the original Payable.

If it is only a partial Credit Memo, change the Total (in the top left-hand corner) and the line amounts as appropriate.

If necessary, remove any lines that are not being credited. To do this, click on the line number on the left of the line and press the Backspace key.

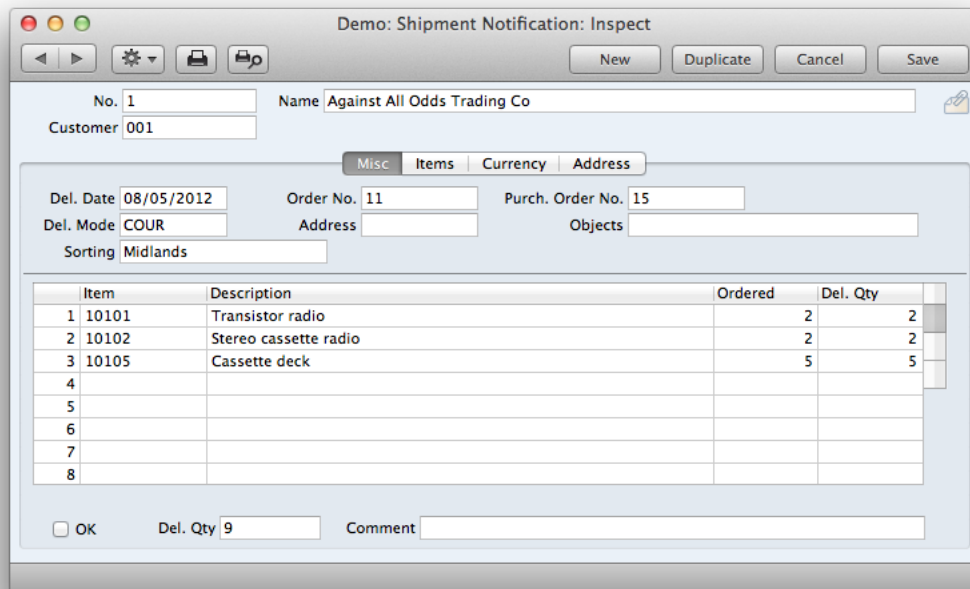
When you are sure the Credit Memo is correct, you can approve (OK) it using the same procedure as for Payables. If you would like to see the posting in the General Ledger, choose Open GL Transaction from the Operations menu.

To see the effect of the Credit Memo on the original Payable, go back to the Payable and choose Invoice Status from the Operations menu. A report will open: the 'Invoice History' section, at the top will show that the Credit Memo has been allocated to the Invoice and the balance of the Invoice has been reduced.

You can use the key combination `ctrl+shift+r/cmd+shift+r`

## SENDING GOODS DIRECTLY FROM THE VENDOR TO THE CUSTOMER

This process is called Drop Ship functionality. Sometimes it is necessary to send goods directly from vendor to customer. It might be cheaper for the company or it might be faster. Delivering goods directly from vendor to customer is called drop shipping or direct shipping. This way, goods are never received into inventory and delivered from inventory. Instead, the Purchase Order and respective sales order are connected, specifying which items are to be covered by this functionality.



**Demo: Shipment Notification: Inspect**

No. 1      Name Against All Odds Trading Co

Customer 001

Misc    Items    Currency    Address

Del. Date 08/05/2012      Order No. 11      Purch. Order No. 15

Del. Mode COUR      Address      Objects

Sorting Midlands

Item	Description	Ordered	Del. Qty
1 10101	Transistor radio	2	2
2 10102	Stereo cassette radio	2	2
3 10105	Cassette deck	5	5
4			
5			
6			
7			
8			

OK      Del. Qty 9      Comment

The following steps must be taken to use drop ship functionality:

- There must be a sales order with a specified "Order Type" as "Drop Ship".
- There must be a purchase order with "Order Type" as "Drop ship". This can be done by using maintenance "Create Purchase orders" in the Sales Orders Browse window.
- When a vendor gives notice about these items being shipped to a customer, use the operations menu function on the Purchase Order "Create Shipment Notification". Shipment notifications connect sales orders with purchase orders. In this record you can specify how many of each item is being shipped.

OK the record when all quantities, items, locations are checked. OK'ing this record will create a General Ledger transaction if the appropriate settings are setup.

### Inventory Counting

From time to time, you should carry out a stocktake to check that the quantities of Items held in stock match the stock levels recorded in Enterprise. When it is necessary to do this, it is recommended that the following procedure be used:

1. Inventory module >> reports >> inventory count list  
Print out this report and use it when counting all items in the location. The report may be filtered by shelf code, item group, item classification, location and position. Add the quantities on the printout for all items.
2. Inventory module >> routines >> maintenance >> create inventory count records  
When this maintenance is run, Enterprise generates inventory count records available in the inventory count register. If a location is not entered in this maintenance routine's specification window, inventory count records for all locations will be generated.
3. Inventory module >> inventory count

Open the inventory count record for the correct location and change the quantities which are incorrect.

4. Inventory module >> reports >> inventory count comparison

Use this report to see the consequence of the stocktaking. The report shows the registered and the counted quantities as well as the adjustments which are necessary to get the correct inventory levels.

5. Stock module >> routines >> maintenance >> inventory count comparison

When this maintenance routine is run, inventory adjustment records and goods receipt records are created to adjust the locations inventory levels for each item which quantity was changed in point 3.

6. Inventory module >> inventory adjustments

Inventory module >> goods receipts

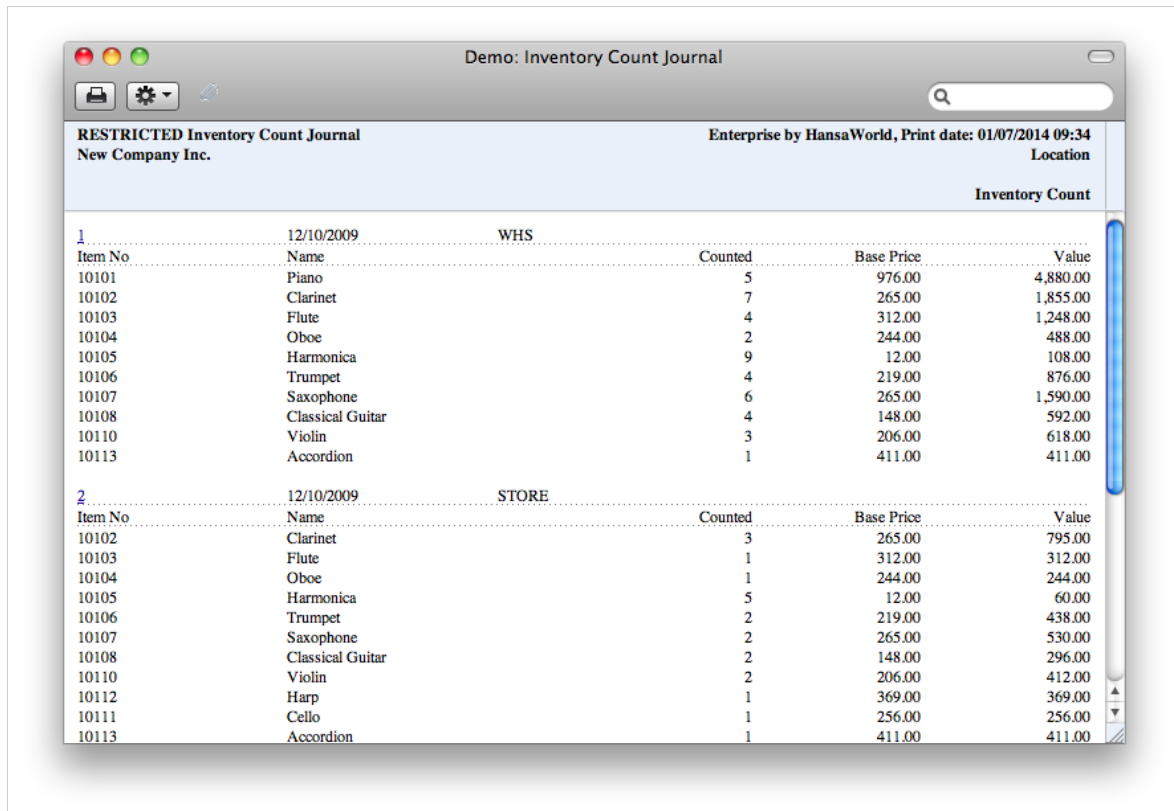
The adjustments necessary to do in order to get the inventory levels correct according to the stocktaking record are made by inventory adjustments and goods receipts. If the counted quantity of an item is higher than the registered quantity, this item will be put on a goods receipt. In cases where the counted quantity of an item is lower than the registered quantity, this item will be put on a inventory adjustments record.

## WORKING WITH INVENTORY

Enterprise has a lot of functionality connected to working with your inventory items and keeping an overview of your inventory levels and values.

### Inventory Count/ Stock Take

Regularly counting your inventory is important to have a constant overview of the inventory adjustments levels of your items and the value. This is how the inventory count record looks like:



**RESTRICTED Inventory Count Journal** Enterprise by HansaWorld, Print date: 01/07/2014 09:34  
New Company Inc. Location

		Inventory Count			
<b>1</b>		12/10/2009	WHS		
Item No	Name	Counted	Base Price	Value	
10101	Piano	5	976.00	4,880.00	
10102	Clarinet	7	265.00	1,855.00	
10103	Flute	4	312.00	1,248.00	
10104	Oboe	2	244.00	488.00	
10105	Harmonica	9	12.00	108.00	
10106	Trumpet	4	219.00	876.00	
10107	Saxophone	6	265.00	1,590.00	
10108	Classical Guitar	4	148.00	592.00	
10110	Violin	3	206.00	618.00	
10113	Accordion	1	411.00	411.00	
<b>2</b>		12/10/2009	STORE		
Item No	Name	Counted	Base Price	Value	
10102	Clarinet	3	265.00	795.00	
10103	Flute	1	312.00	312.00	
10104	Oboe	1	244.00	244.00	
10105	Harmonica	5	12.00	60.00	
10106	Trumpet	2	219.00	438.00	
10107	Saxophone	2	265.00	530.00	
10108	Classical Guitar	2	148.00	296.00	
10110	Violin	2	206.00	412.00	
10112	Harp	1	369.00	369.00	
10111	Cello	1	256.00	256.00	
10113	Accordion	1	411.00	411.00	

**Transaction Date:** Enter the date on which the inventory count was carried out.

**Location:** If you have various inventory Locations and have carried out a inventory count for each, you should then enter a inventory count record for each: specify the Location here.

A Location can be specified for any of the inventory count rows, overriding that entered here.

It is recommended that you leave this field blank in only two circumstances:

1. If you are not using Locations at all; and
2. If you are using Locations but for some reason have some stock that is not in any Location. Even if a Main Location has been specified in the Stock Settings setting, you should not leave this field blank as you would elsewhere in the Stock module when you want the default Location to be used. In this case, you should enter the Main Location here.

If, in the Stock Settings setting, the Require Location option is on, this field must contain a value.

**Item:** As with all Item Number fields in Enterprise, enter the Item Code or Bar Code of the Item. Only Stocked Items should be entered.

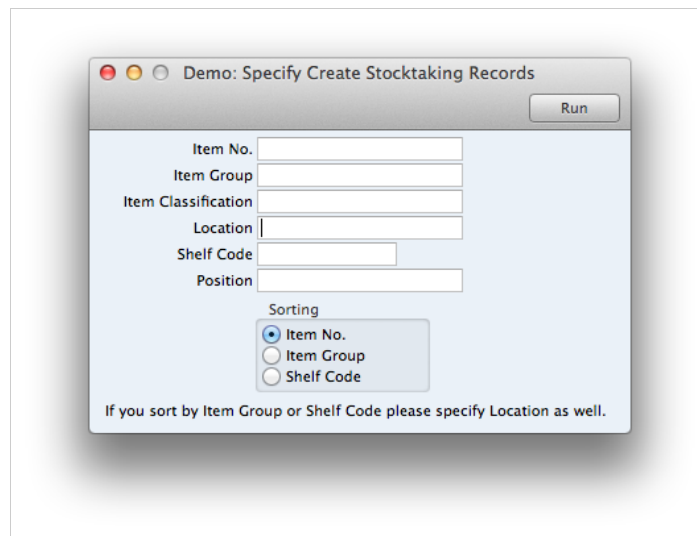
**Quantity:** Enter the actual quantity of the Item in the Location, as recorded in the inventory count. This quantity is given the term "Counted".

**OK:** Tick this box when the inventory count record has been checked and confirmed to be complete and correct. Once

this box has been checked and the inventory count record saved, it will no longer be modifiable. Inventory levels will not be altered and General Ledger Transactions will not be created: a inventory count record is merely a means whereby actual inventory levels can be compared with the inventory levels recorded in Enterprise. This comparison can be printed using the Inventory Count Comparison report (the inventory count record must be approved before it will be included in this report). Any discrepancies can then be entered using Inventory Adjustments, Goods Receipts or Inventory Movements, all of which will affect inventory levels and, if so defined in the Sub Systems setting in the General Ledger, create General Ledger Transactions.

#### Maintenance - Create Inventory Count Records

When you carry out a inventory count, the results should be entered to a new record in the Inventory Count register. You can enter this record yourself or, to minimise the typing load, you can create one using this Maintenance function. The new record will contain the current inventory figures for each Inventory Item, as recorded in Enterprise. If you have several Locations, the function will create one new Inventory Count record per Location. These records will only include Inventory Items of which you have inventory in the specified Location. Then, you should update the new records to match the results of your inventory count before approving them and printing the Inventory Count Comparison report.



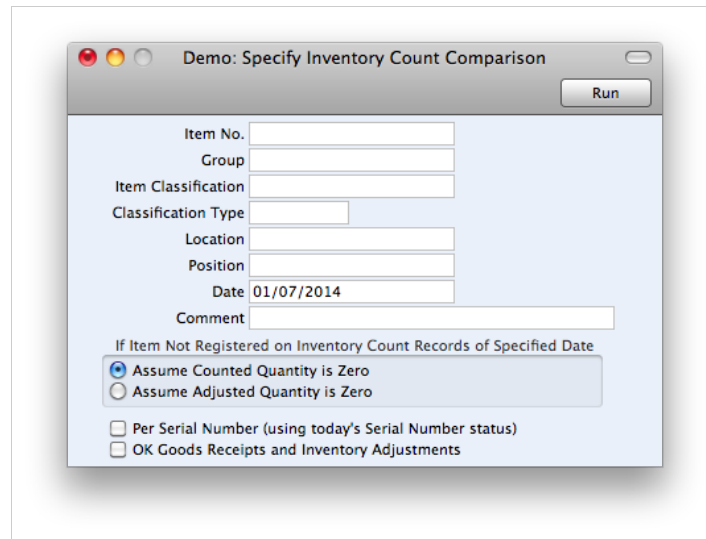
#### Maintenance – Inventory Count Comparison

This function automates the final stage of the inventory count process. It compares the Counted Quantities in the latest approved inventory count record with the current inventory figures in Enterprise. If there are any discrepancies, it will create appropriate unapproved Inventory Adjustment transactions and Goods Receipts. As with the 'Create Inventory Count Records' Maintenance function, you should run this function once per Location. Before doing so, you can print a Inventory Count Comparison report that will list the discrepancies to be corrected.

Note that if your inventory count revealed that a particular Item was in a different Location to that in which it is recorded as being stored, you would probably choose to make the correction using a Inventory Movement. If you use this function, the Item will be removed from the original Location using a Inventory Adjustment transaction and moved in to the new one using a Goods Receipt.

In the case of any Goods Receipts created by the function, the Unit Prices will be taken from the Cost Price fields on the 'Costs' card of the Item records. Since the new Goods Receipts will not be approved, you will be able to change these figures if necessary.





Item No.: Enter an Item code (or range of numbers) if the function is to compare inventory levels and Counted Quantities of specific Item(s) only. Use a colon (:) to separate the first and last number.

This comparison will only be made for Inventory Items in the range (not Plain, Service or Structured Items).

Group: Enter an Item Group if the function is to compare inventory levels and Counted Quantities of the Stocked Items in a particular Item Group.

Location: To compare inventory levels and Counted Quantities of Inventory Items in one inventory Location, enter its Location Code here. This Location will also be quoted in any Inventory Adjustment transactions and Goods Receipts created by the function.

If you have more than one Location, you must make an entry to this field and run this function once for each Location (including once for the Main Location if you have one). If you do not have a Main Location and for some reason have some inventory that is not in any Location, you should correct any discrepancies by entering a Goods Receipt or Inventory Adjustment transaction directly to the appropriate register yourself.

If you have a single Location, it is recommended that you specify that Location here. If you do not specify a Location, results might not be as expected because the function will add the stock in the single Location to the stock that is not in any Location before calculating the discrepancies. If you do have some stock that is not in any Location, you should correct any discrepancies by entering a Goods Receipt or Inventory Adjustment transaction directly to the appropriate register yourself.

Date: Current inventory levels will always be used in comparison with Counted Quantities. However, you can specify which Counted Quantities are used by entering a date here: they will be taken from the Inventory Count record with that date. If the field is left blank, they will be taken from the Inventory Adjustment record with the latest date.

If a date is specified for which no Inventory Count record exists, and the Standard option (below) is being used, the closest record prior to the specified date will be used. If the Standard option is not being used, no attempt will be made to find the closest record prior to the specified date. So, if you are not using the Standard option, it is recommended that you leave this date blank or that you specify a date for which you are certain that a Inventory Count record exists.

The Date entered here will be copied to any Inventory Adjustment transactions and Goods Receipts created by the function.

If the Item is not Registered on Stocktaking Records of Specified Date

Assume Adjusted Quantity Is Zero

In order to find the Counted Quantity of an Item, this option looks to the Inventory Count record for the specified date to find a reference to the Item in question. If no date was specified, it looks to the most recent Inventory Count record. If the Item is not included in that Inventory Count record, it will assume the inventory level in Enterprise and the Counted Quantity are both the same. So, no Stock Depreciation or Goods Receipt transactions will be created.

If you accidentally specify a date for which there is no Stocktaking record, the function will assume the stock levels and Counted Quantities for all Items are zero. So no Inventory Adjustment records or Goods Receipts will be created, even

when some are expected.

This option might be used in the situation where you have not finished with the stocktaking process, so you do not want Inventory Adjustment records or Goods Receipts created for Items that you have not counted yet.

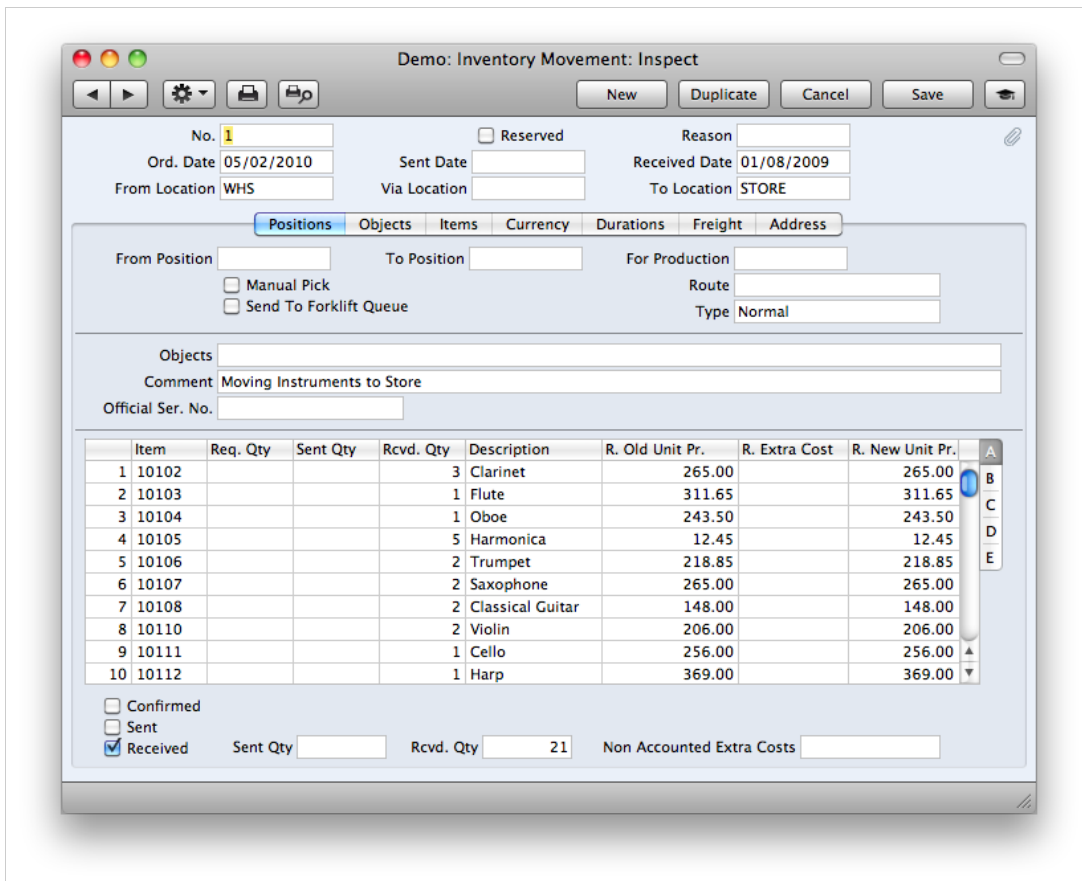
### Assume Counted Quantity Is Zero

In order to find the Counted Quantity of an Item, this option looks to the Inventory Count record for the specified date to find a reference to the Item in question. If no date was specified, it looks to the most recent Inventory Count record. If the Item is not included in that Inventory Count record, it will assume the Counted Quantity is zero. If the inventory level in Enterprise is not zero, a Inventory Adjustment transaction will be created.

Take care when using this option: if you accidentally specify a date for which there is no Inventory Count record, the function will assume the Counted Quantity for all Items is zero and so will create a Inventory Adjustment record containing the entire stock for the specified Location.

## Inventory Movements

This record allows for the movement of inventory between Locations. If so determined in the Sub Systems setting in the General Ledger, Inventory Movements, when approved, will create General Ledger Transactions with full control over Accounts, Objects, etc. Any cost incurred in the moving of an Item will be included in that Transaction. If the FIFO per Location option in the Cost Accounting setting is on, that extra cost will also be added to the FIFO value of the moved Item.



Item	Req. Qty	Sent Qty	Rcvd. Qty	Description	R. Old Unit Pr.	R. Extra Cost	R. New Unit Pr.
1 10102			3	Clarinet	265.00		265.00
2 10103			1	Flute	311.65		311.65
3 10104			1	Oboe	243.50		243.50
4 10105			5	Harmonica	12.45		12.45
5 10106			2	Trumpet	218.85		218.85
6 10107			2	Saxophone	265.00		265.00
7 10108			2	Classical Guitar	148.00		148.00
8 10110			2	Violin	206.00		206.00
9 10111			1	Cello	256.00		256.00
10 10112			1	Harp	369.00		369.00

From Location: The inventory Location from where the Items are to be moved.

To Location: The inventory Location to where the Items are to be moved. This field must contain a value, even if a Main Location has been set in the Inventory Settings setting.

Item: Enter the Item Code or Bar Code of the Item to be moved.

Extra Cost: Sometimes the value of an Item can change when it is transferred to another Location. In this field you can enter a positive or negative figure by which the cost price is to be adjusted: the figure entered should be per unit.

This field can be used in the following ways:

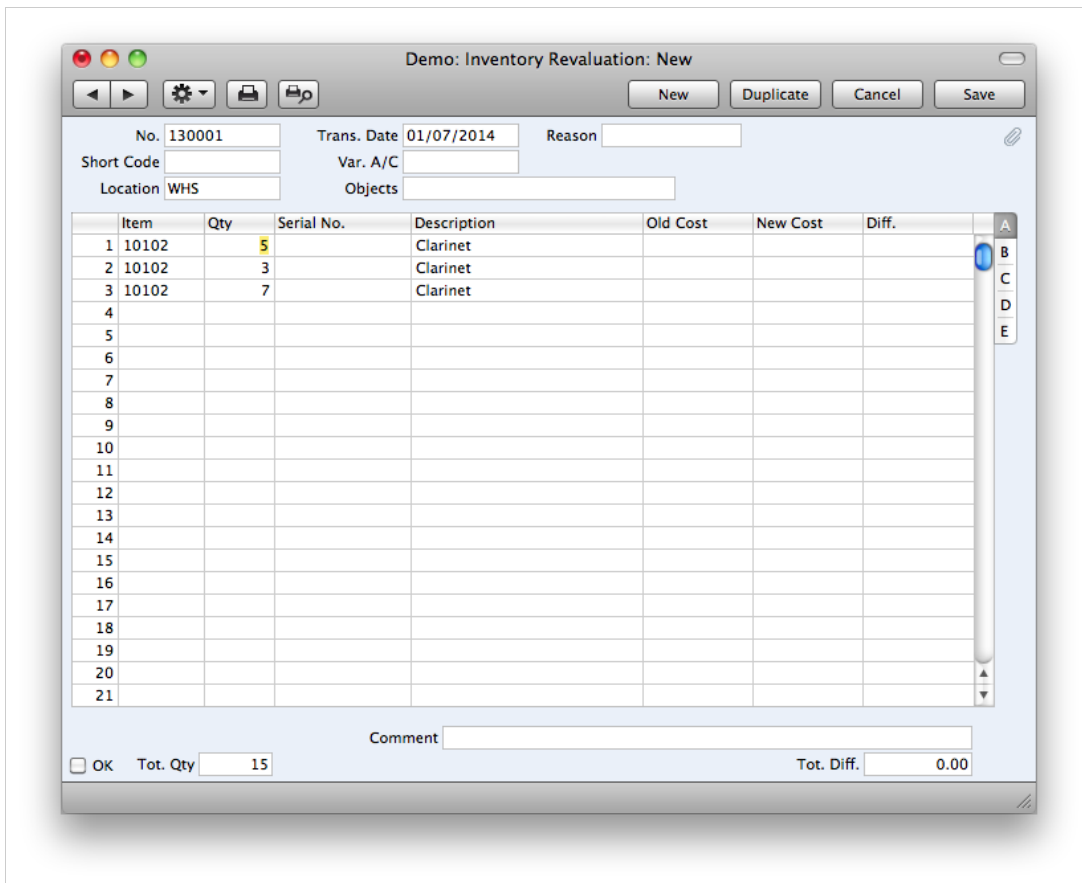
Old Price	Extra Cost	New Price
50	10	60
50	-10	40
50	10%	55
50	-10%	45

In the subsequent General Ledger Transaction, the adjustment will be posted to the Inventory Gain Account specified on the Account Usage Inventory setting. If the FIFO per Location option in the Cost Accounting setting is on, the FIFO value of the Item will be adjusted to include the Extra Cost.

New Unit Price: The new unit cost price, including the cost of the inventory transfer to the new Location. If the FIFO per Location option in the Cost Accounting setting is on, this will become the new FIFO value of the Item(s) moved.

OK: Tick this box to approve the Inventory Movement. After approval, it is not possible to change it.

### Inventory Revaluation Routine



**Demo: Inventory Revaluation: New**

No. 130001    Trans. Date 01/07/2014    Reason   
 Short Code     Var. A/C   
 Location WHS    Objects

Item	Qty	Serial No.	Description	Old Cost	New Cost	Diff.
1	10102	5	Clarinet			
2	10102	3	Clarinet			
3	10102	7	Clarinet			
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						

OK    Tot. Qty     Comment     Tot. Diff.

There are situations that force goods to be re-evaluated. This might be because an expensive computer was bought at a high price, it remained in storage for a year and has now depreciated by half its' value.

These items can now be re-evaluated in a single Inventory Revaluation record.

Enter the Inventory Revaluation variance account, location and items that need to be re-evaluated. After pasting an item into

a matrix, their available inventory quantities will be pasted and separated among all the different locations. Save the record to get current cost prices and enter the new price of items.

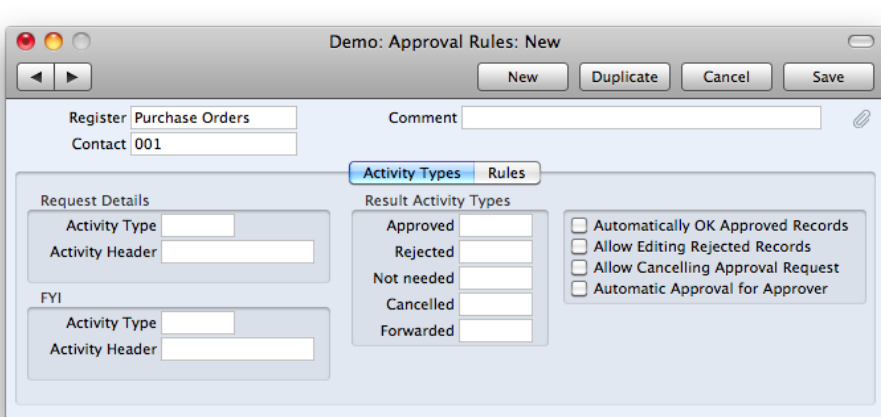
Mark "OK" when everything is checked and entered and save. This record will create a general ledger transaction for these items if specified in the General ledger subsystems setting. In the Inventory module these items will be written off using the old cost price and received back with the new cost price. The General Ledger transaction will contain the following lines:

- Inventory account –will be debited or credited, determining either increase in total cost or decrease (accordingly) in total cost of all items specified in the record.
- Price variance account – will store the difference of cost between the written off amount and the received amount

## Approval Rules

There are many companies, especially larger ones, that practice some kind of approval mechanisms for their purchases. A need for purchasing is determined by a sales person or an employee from inventory, but approval of this purchase can be done at some higher level. There can be situations when larger purchases need a higher level of approval or approval of multiple persons. This all can be setup in Enterprise. Approval rules can be done for multiple registers, for detailed information on this functionality refer to [hansamanuals.com](http://hansamanuals.com).

There are several steps that need to be done to start using approval rules. A record in the module Business Alerts register "Approval Rules" must be entered for purchase orders.



### Activity Types Tile

Register: Enter the register which will require approval process

Comment: Enter an appropriate comment for what the approval rules refer to

Contact: If a contact is added here, this approval rule record will only apply for that specific contact

### Request Details

Activity Type: Enter the activity type on the activity sent to the approver, here

Activity Header: Enter the header the activity sent to the approver must have , here

FYI: A business will need, in some cases, when sending records for Approval, somebody who isn't actually approving, needs to know about this invoice, order, expense etc.

Activity Type: Enter the activity type on the activity sent to the FYI-person, here

Activity Header: Enter the header the activity sent to the FYI-person must have, here

Result Act. Types: Enter in these fields the activity for the different results.

### Rules Tile

Up To: Enter the upper boundary of the amount that needs approval. Entering 1000 will mean that all orders of amounts less or equal to 1000 will fall in this category.

Type: Enter either “None” or “Person”

Approval by: Specify a single or multiple persons that need to approve the specific record.

Action: By one, by all. If a record must be approved by all persons from a certain person list, specify these persons in “Approved by” field and select action “By all”. If approval is to be done by one of the specified persons, select “By one”.

Alarm: Select the kind of alarm the user will receive. An activity is generated for the user but there is a possibility to create a reminder or alarm for the user to check approval records. Alarms can be created as e-mails, sms, messages.

Next level: Required/not required. Specify “Required” for this row if persons from next rows with bigger limit need to approve this record as well.

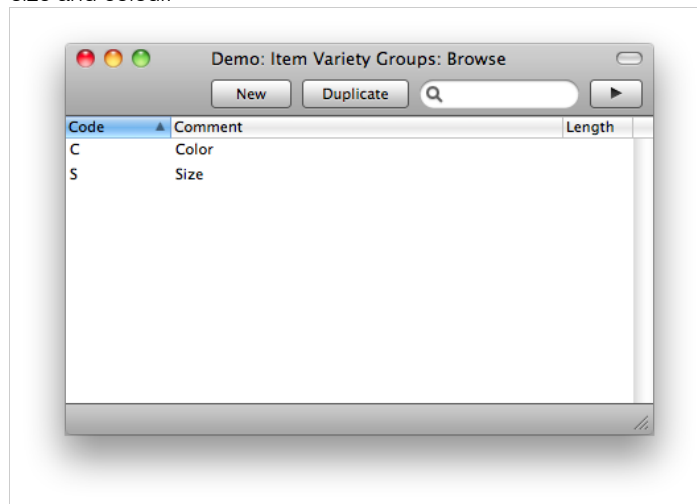
FYI : Enter the person that will be notified of the approval request

## Varieties

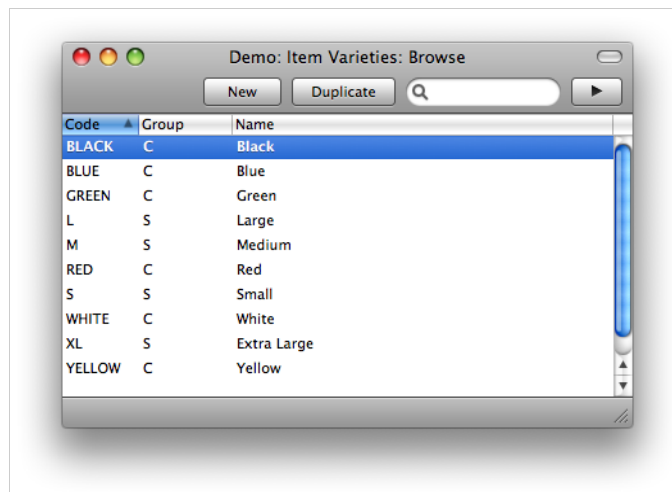
There are a number of goods that are similar enough to be treated as one item in inventory, but different enough to be ordered, sold and accounted for separately. Examples of these items are clothing (different sizes of the same clothing), shoes (sizes and colours of the same model), different materials. Varieties enable users to use these items in both a consolidated way (in reports) and detailed way (reports, buying, selling, producing).

To enable varieties there are several settings to be setup:

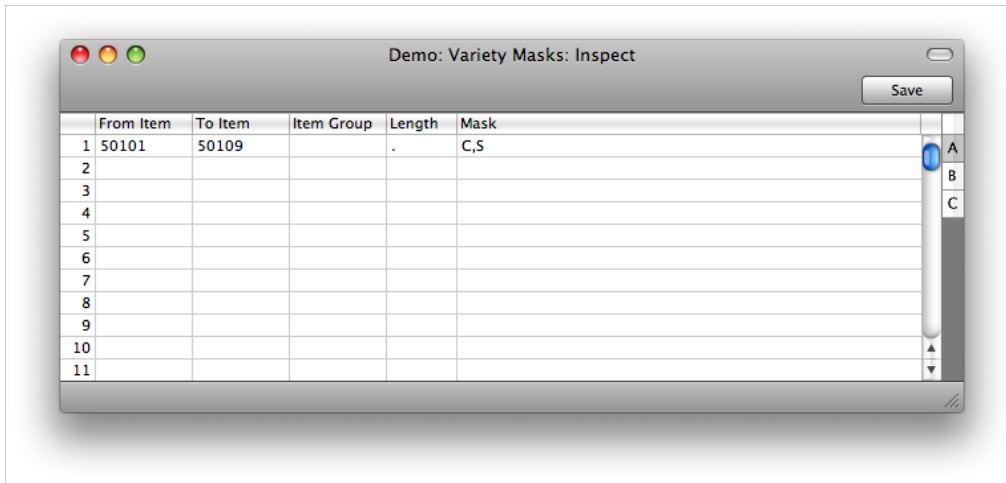
- Item variety groups in Inventory module. Define what kind of varieties are to be used. For example, clothing could have two groups – size and colour.



- Item varieties setting in Inventory module. Define all the possible varieties of each variety group that can be used. For example, size can have variety Large, small, medium, extra large, extra small.



- New items should be defined for these varieties. Using existing items is not allowed.



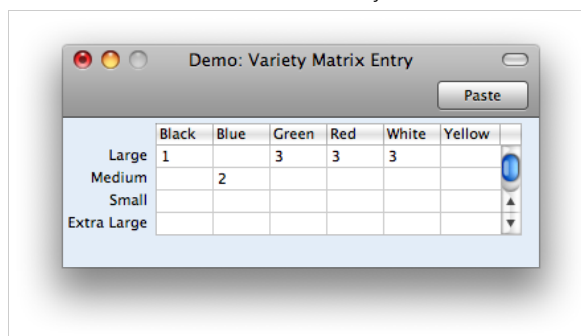
- Variety Masks setting in the Inventory module. Specify which items should use the variety functionality. Define the item range or group, divider of each variety in item code (Field “Length”) and order in which each variety will be used in item code (field “Mask”).

Example of an item code including a variety would be 50101.Black.L (item 50101 in item register, colour – black, size – large).

#### Variety Setting

Automatically open varieties entry matrix

In any transaction register (Goods Receipt, Purchase Order, Sales Order, Invoice etc.) variety items can be entered using the variety matrix entry window. This is a window showing a matrix of all possible varieties for an item which allows multiple varieties to be entered simultaneously. This window can be accessed by pressing CTRL+ENTER (or CMD +ENTER on apple computers) by default. Below is an illustration of a varieties entry matrix.

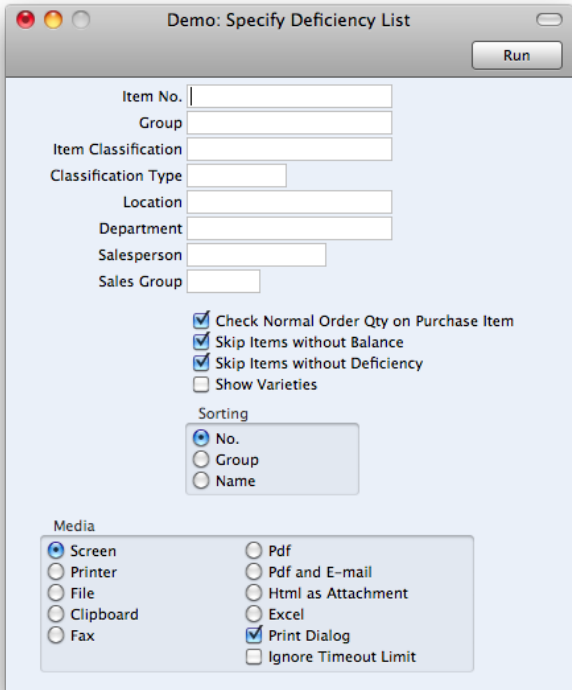


Tick this option if you want a varieties entry matrix to be opened automatically on entering an empty quantity field of an item belonging to variety range.

## REPORTING

### Deficiency List

Deficiency list contains items showing their inventory levels, minimum stock levels, quantities in unfulfilled Orders, in Purchase Orders, Production Orders and the deficiency quantity. If quantity available in stock deducted by quantity ordered is less than items minimums stock level, this item has deficiency.



Demo: Specify Deficiency List

Run

Item No.

Group

Item Classification

Classification Type

Location

Department

Salesperson

Sales Group

Check Normal Order Qty on Purchase Item

Skip Items without Balance

Skip Items without Deficiency

Show Varieties

Sorting

No.

Group

Name

Media

Screen

Printer

File

Clipboard

Fax

Pdf

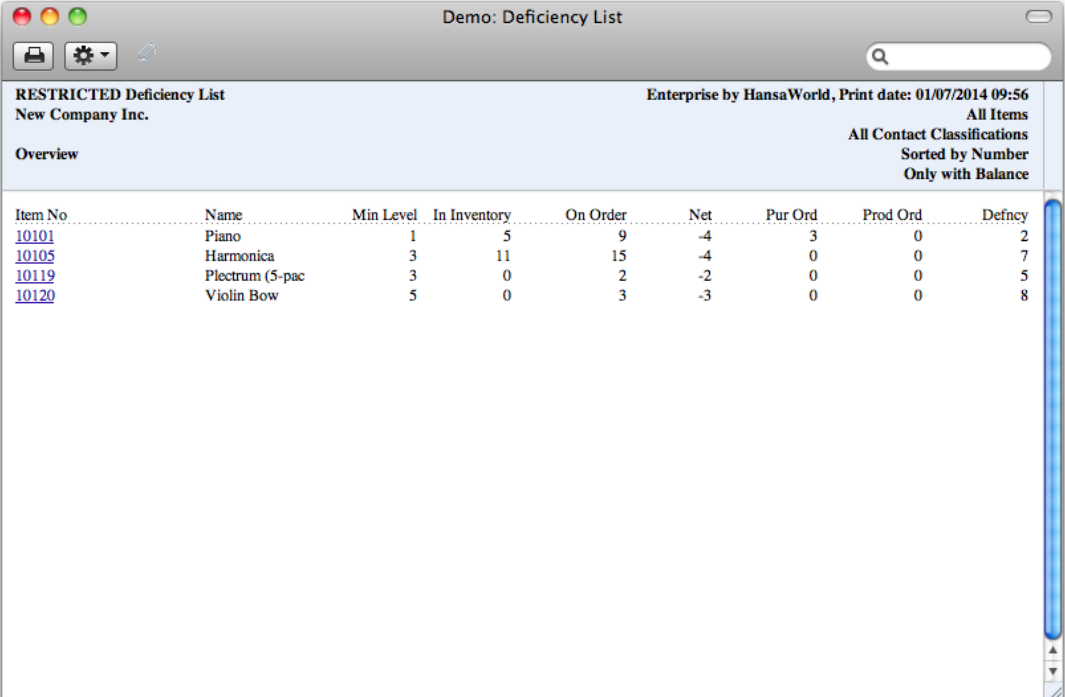
Pdf and E-mail

Html as Attachment

Excel

Print Dialog

Ignore Timeout Limit



**RESTRICTED Deficiency List**  
New Company Inc.

Enterprise by HansaWorld, Print date: 01/07/2014 09:56  
All Items  
All Contact Classifications  
Sorted by Number  
Only with Balance

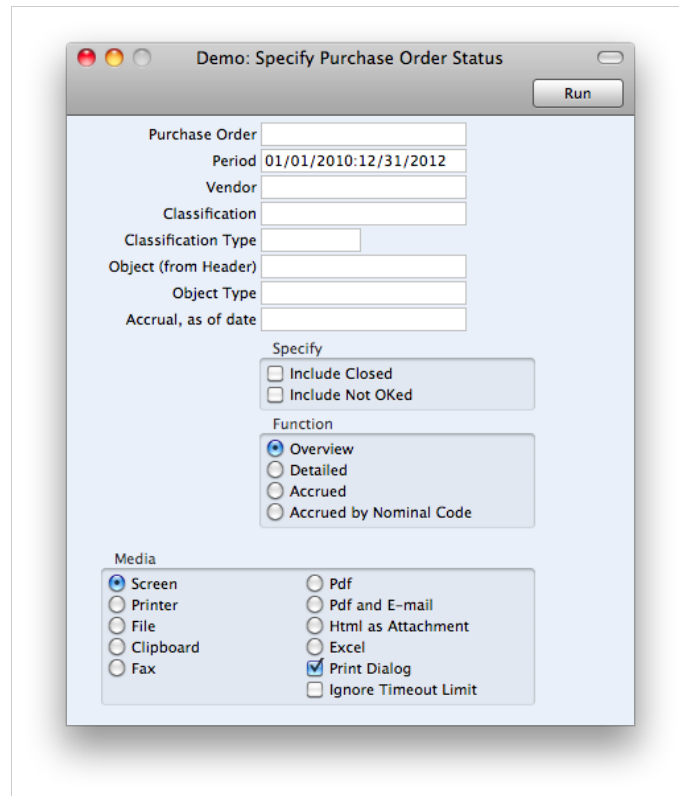
Overview

Item No	Name	Min Level	In Inventory	On Order	Net	Pur Ord	Prod Ord	Defncy
<a href="#">10101</a>	Piano	1	5	9	-4	3	0	2
<a href="#">10105</a>	Harmonica	3	11	15	-4	0	0	7
<a href="#">10119</a>	Plectrum (5-pac	3	0	2	-2	0	0	5
<a href="#">10120</a>	Violin Bow	5	0	3	-3	0	0	8

## Purchase Order Status

Purchase order status is a report showing a detailed view of any Purchase Order. You view it In Overview mode (displayed below) to see the overall status, for example, quantity received, invoiced or you can view a Detailed view showing each connected record and its amounts.





### Specification Window

Purchase Order: Specify a single Purchase Order or a range of Purchase Orders to be included in this report

Period: Specify the date period to include Purchase Orders that are created in a certain period of dates

Supplier: Specify a Supplier

Classification: Specify suppliers classification. Combined classification codes are allowed to be specified, i.e. (A1+A2)!B

Classification type: Enter the classification type of a supplier

Objects (from header): Filter report by a certain object

Object type : Filter report by any object belonging to a certain object type

As at (for accrual reporting only): It is possible to check amounts not invoiced for accrual purposes at a certain date. Specify a date at which this report must show amounts not invoiced.

### Outstanding Purchase Orders

This report can be used to view unfulfilled Purchase Orders. By default, it shows order number, date, vendor, total amounts and amounts not invoiced. It is possible to run the report in a more detailed view to see which items and what quantities are to be received. Order rows allows a row by row view in a list easy exportable to external table processing applications.

Run

Demo: Specify Outstanding Purchase Orders

Purchase Order

Class

Order Type

Planned Delivery

Vendor

Classification

Classification Type

Item

Item Groups

Location

Project

Show only not fully received items  
 Include Minimum Order Sum  
 Planned Delivery Date on Overview

<p>Function</p> <p><input checked="" type="radio"/> Overview</p> <p><input type="radio"/> Detailed</p> <p><input type="radio"/> Order Rows</p>	<p>Function</p> <p><input checked="" type="radio"/> Amounts</p> <p><input type="radio"/> Quantity</p>	<p>Select</p> <p><input checked="" type="checkbox"/> Not Received</p> <p><input checked="" type="checkbox"/> Part Received</p> <p><input checked="" type="checkbox"/> Not Invoiced</p>
--	---	--

Status

Not OKed

OKed

Media

<p><input checked="" type="radio"/> Screen</p> <p><input type="radio"/> Printer</p> <p><input type="radio"/> File</p> <p><input type="radio"/> Clipboard</p> <p><input type="radio"/> Fax</p>	<p><input type="radio"/> Pdf</p> <p><input type="radio"/> Pdf and E-mail</p> <p><input type="radio"/> Html as Attachment</p> <p><input type="radio"/> Excel</p> <p><input checked="" type="checkbox"/> Print Dialog</p> <p><input type="checkbox"/> Ignore Timeout Limit</p>
---	--

This report can be used to retrieve purchase orders belonging to drop ship order types for easy connection with sales orders. Change order type to "Drop Ship" to include only drop ship purchase orders.

Demo: Outstanding Purchase Orders

RESTRICTED Outstanding Purchase Orders Enterprise by HansaWorld, Print date: 01/07/2014 10:00  
 New Company Inc. All Orders  
 Overview All Contact Classifications  
 Both OKed and not OKed

Number	Date	Vendor	Minimum Order Value	Not Invd.	Total
<a href="#">120001</a>	03/01/2012	Do-Re-Mi Instruments		1,765.00	1,765.00 USD
<a href="#">120002</a>	08/06/2012	Do-Re-Mi Instruments		1,616.00	0.00 USD
<a href="#">209001</a>	04/01/2009	Do-Re-Mi Instruments		4,621.00	4,621.00 USD
<a href="#">209002</a>	12/02/2009	Estonia Piano Factory		2,910.00	0.00 USD
<a href="#">209003</a>	05/04/2009	Do-Re-Mi Instruments		1,233.00	0.00 USD
<a href="#">209004</a>	06/06/2009	Do-Re-Mi Instruments		3,671.65	1,282.50 USD
<a href="#">209005</a>	05/07/2009	String Specialists		3,419.00	808.00 USD
<a href="#">209006</a>	12/08/2009	Estonia Piano Factory		3,880.00	0.00 USD
<a href="#">209007</a>	12/10/2009	String Specialists		444.00	0.00 USD
<a href="#">209008</a>	12/12/2009	String Specialists		197.00	197.00 USD
<a href="#">210001</a>	12/01/2010	Do-Re-Mi Instruments		75.00	75.00 USD
USD				23,831.65	8,748.50

## Reordering Requirements

This report allows some analysis on item sales and creates a list of items to order from vendors. It is similar to a deficiency list, but also takes the “normal order quantity” into account. Amounts in this report can be transferred to Purchase Orders using maintenance “Reordering Requirements” in the Purchase Orders module.

Demo: Specify Reordering Requirements Run

Period

No. of Months

Item

Item Group

Location

Include Predicted Sales in Suggested Ordered Qty  
 Include Items with Purchase Item only  
 Show Varieties

Media

Screen  Pdf  
 Printer  Pdf and E-mail  
 File  Html as Attachment  
 Clipboard  Excel  
 Fax  Print Dialog  
 Ignore Timeout Limit

### Specification Window

No. of Months: Specify the number of months for predicted future sales. The average sales per month from the selected

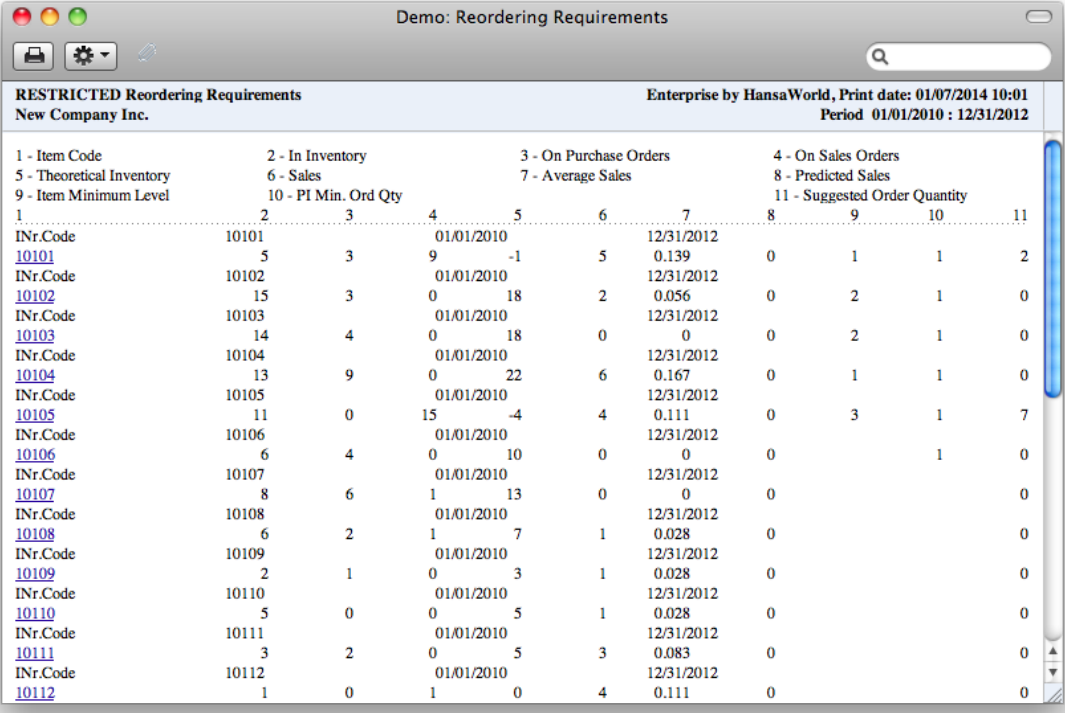
period is taken and multiplied by this value.

Item: Show re-ordering requirements for a specific item

Item group: Specify groups of items to be shown in report

Location: Re-ordering requirements for a certain location. Average sales statistics and prognosis is taken from all locations but suggestion is based on minimum inventory levels and inventory levels of the location specified.

Report shows 11 columns, due to which, description of each column is written in header (see below).



**RESTRICTED Reordering Requirements** Enterprise by HansaWorld, Print date: 01/07/2014 10:01  
**New Company Inc.** Period 01/01/2010 : 12/31/2012

1 - Item Code	2 - In Inventory	3 - On Purchase Orders			4 - On Sales Orders			11 - Suggested Order Quantity		
5 - Theoretical Inventory	6 - Sales	7 - Average Sales			8 - Predicted Sales					
9 - Item Minimum Level	10 - Pl Min. Ord Qty									
1	2	3	4	5	6	7	8	9	10	11
INr.Code	10101		01/01/2010			12/31/2012				
<a href="#">10101</a>	5	3	9	-1	5	0.139	0	1	1	2
INr.Code	10102		01/01/2010			12/31/2012				
<a href="#">10102</a>	15	3	0	18	2	0.056	0	2	1	0
INr.Code	10103		01/01/2010			12/31/2012				
<a href="#">10103</a>	14	4	0	18	0	0	0	2	1	0
INr.Code	10104		01/01/2010			12/31/2012				
<a href="#">10104</a>	13	9	0	22	6	0.167	0	1	1	0
INr.Code	10105		01/01/2010			12/31/2012				
<a href="#">10105</a>	11	0	15	-4	4	0.111	0	3	1	7
INr.Code	10106		01/01/2010			12/31/2012				
<a href="#">10106</a>	6	4	0	10	0	0	0		1	0
INr.Code	10107		01/01/2010			12/31/2012				
<a href="#">10107</a>	8	6	1	13	0	0	0			0
INr.Code	10108		01/01/2010			12/31/2012				
<a href="#">10108</a>	6	2	1	7	1	0.028	0			0
INr.Code	10109		01/01/2010			12/31/2012				
<a href="#">10109</a>	2	1	0	3	1	0.028	0			0
INr.Code	10110		01/01/2010			12/31/2012				
<a href="#">10110</a>	5	0	0	5	1	0.028	0			0
INr.Code	10111		01/01/2010			12/31/2012				
<a href="#">10111</a>	3	2	0	5	3	0.083	0			0
INr.Code	10112		01/01/2010			12/31/2012				
<a href="#">10112</a>	1	0	1	0	4	0.111	0			0

## EXERCISES

Download the latest Enterprise demo version and do the following exercises.

### Theory Exercises

Briefly explain the purchasing chain in Enterprise.

Name general ways to create purchase orders, their pros and cons.

Name the easiest way to find a purchase order upon receiving suppliers goods.

Why would function "Create returned goods" from the purchase order window would stop creating records?

### Practical Exercises

There is a new kind of radio our company wants to sell. We are planning a campaign so we must make sure this item has at least 10 pieces in inventory at any time.

Create the new radio and make sure it's visible in the Deficiency List report with a minimum quantity of 10 and some deficiency.

Create a purchase order based on the results in the deficiency list report.

Part delivery of the radios have arrived but with some extra cost added in the invoice that we weren't expecting. Handle this problem so that we have a valid general ledger transaction for inventory and creditors.

Check the purchase order status to see how many of the items are to be received.

Two of the radios are broken. You need to return them to the vendor and create a credit note.

A wholesale company has ordered a large number of radios. Our Vendor has agreed to send those radios directly to our customer. Create the records needed to handle this operation until the sales order and purchase orders are finished.

## APPENDIX

### Terminology Between Different Versions of English Language

The language used in this material is American English. There can be slight differences between other versions of the English language, which can lead to confusion. This table should help to clear these up. It has been sorted alphabetically.

British	USA	Canada	Australia + New Zealand	Singapore
Cheque	Check	Cheque	Cheque	Cheque
Colour/coloured	Color/colored	Colour/coloured	Colour/coloured	Colour/coloured
Credit Note(CN)	Credit Memo (CN)	Credit Memo (CM)	Credit Note (CN)	Credit Note
Dialogue	Dialog			
Instalment	Installment			
Jewellery	Jewelry	Jewellery	Jewellery	Jewellery
Licence (noun)	License	Licence	Licence	Licence
Mileage Claim	Miles	Way Lists	Mileage Claim	Mileage Claim
Miles	Miles	KM	KM	KM
Mobile	Cell	Mobile	Mobile	Mobile
Nominal Ledger (NL)	General Ledger (GL)	General Ledger (GL)	General Ledger (GL)	General Ledger (GL)
Post Code	ZIP Code	Post Code	Post Code	Post Code
Purchase Ledger	Payable (PL = AP)	Payable (PL = AP)	Purchase Ledger	Purchase Ledger
Sales Ledger	Receivable (SL=AR)	Receivable (SL=AR)	Sales Ledger	Sales Ledger
Salesman	Salesperson	Salesperson	Salesman	Salesperson
Stock	Inventory	Inventory	Stock	Inventory
Stocktake	Inventory Count	Inventory Count	Stocktake	Inventory Count
Stock Depreciation	Inventory Adjustment	Inventory Adjustment	Stock Depreciation	Inventory Adjustment
Supplier	Vendor	Vendor	Supplier	Vendor
VAT	Sales Tax or Tax	Tax (ideally GST/PST)	GST	GST/SST/HST