

IES Purchasing: Proforma Origination – CP, ASO, MOD

Purpose

The purpose of this Document is to explain how to make new Proforma Orders.

Summary of Order Types

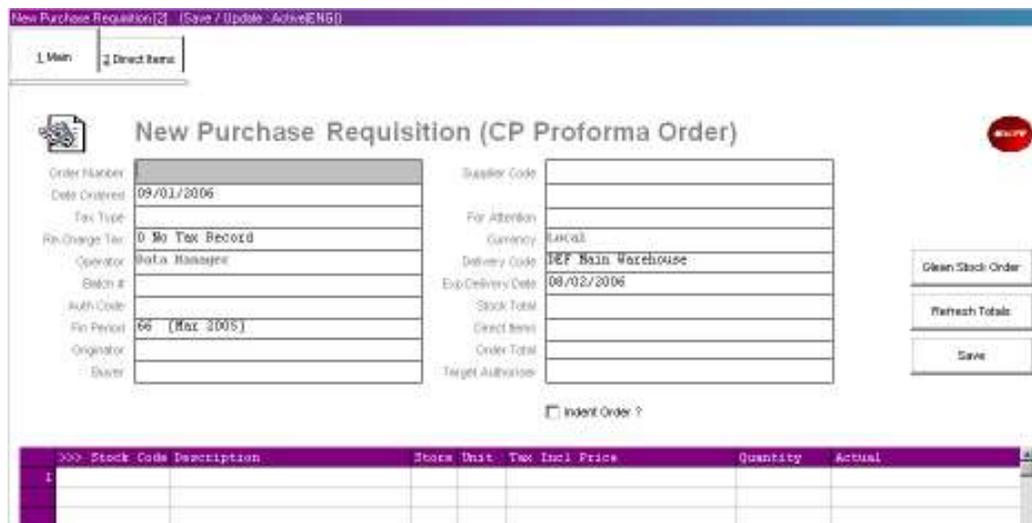
- CP = Central Purchasing
- ASO = Automated Stock Orders
- DDP = Delegated Direct Purchasing
- MOD = Manufacture On Demand

Example of a CP Proforma Order

A new CP Proforma is started by choosing Origination (1) from the main Purchasing options, and then choose "New CP Proforma".



This selection opens a new CP Proforma screen, with some fields already defaulted.



At the top of the Proforma Screen we have 2 tabs, i.e. MAIN and DIRECT ITEMS. Any Stock to be ordered will go onto the Stock grid on the MAIN tab, while any Direct Items to be ordered will go onto the Direct Items grid on the 2nd tab.

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However, before any Items can be specified for ordering, the other fields shown on the MAIN tab must be completed.

Order Number	16
Date Ordered	09/01/2006
Tax Type	15 Non-Capital Goods (Input) Vat
Re-Charge Tax	0 No Tax Record
Operator	Data Manager
Batch #	
Auth Code	
Fin Period	66 [Mar 2005]
Originator	dm Data Manager
Buyer	dm Data Manager

Order Number: Although still a Proforma, the eventual Order Number is specified here (see "Next Order Number" document).

Date Ordered: The system will always put today's date here, but it may be changed if necessary.

Tax Type: The Tax Type selected here is very important, because the system processes Tax transactions automatically, but this is dependent on the correct Tax type being specified. This Tax type determines whether you are 'claiming back' Input Tax from the Taxman. If you choose a Tax Type that implies no Tax Record, then the entire Order is processed without Tax, even if Stock Items that are included indicate that Tax is normally processed. If you choose any Tax Type that implies a Tax Record, then you may still include Items on the Order that are without Tax Record, but all Items that include a Tax Record will be processed for the Tax Type chosen here. (Hint: Your Tax types will look different to the examples shown here.)

Re-Charge Tax: Re-Charge Tax is **only** relevant where an Order includes charges to AR / Debtors and / or Loans. For Re-Charges to Ledger, Jobs and Costing, all considered internal, no OUTPUT / Collection Tax will be processed. The system will default this Tax Type to '0', i.e. No Tax Record, and in most cases it can be left well alone. In the event that Tax (collection, e.g. VAT or GST Output Tax) should be processed for AR / Debtors or Loans Charges included on the Order, please select the appropriate collection Tax Type.

Operator: This is your User Code, which the system is recording as the person who captures the Proforma, and you cannot change it.

Batch #: If the Batch system is ON, then you will have to capture a Batch Number here, otherwise the field disallows any input. (See Journal Processing, Batches.)

Auth Code: If the Authority Code system is ON, then you have to capture an Authority Code here, otherwise the field disallows any input. (See Journal Processing, Authority Codes.)

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Fin Period: The system defaults this to the current active Financial Period for your User Code (not necessarily the same for all Users), but it can be changed if you have access to multiple open Periods.

Originator: This is mandatory, and refers to the User Code who is responsible for this Proforma being captured. The Code can be your own, or someone else’s.

Buyer: The Buyer is usually the person who, for this Order, will be placing the Order on the Supplier.

Supplier Code	c0-0001
	Aanad & Withwal
For Attention	
Currency	Local
Delivery Code	DEF Main Warehouse
Exp Delivery Date	08/02/2006
Stock Total	0.00
Direct Items	0.00
Order Total	0.00
Target Authoriser	dm Data Manager

Indent Order ?

Supplier Code: This is the Account Code for the Supplier on whom the order will be placed, and this Account must exist in the AP Creditors Ledger, and be open.

For Attention: Optional, and specified only if the Order will be for a specific person’s attention, i.e. at the Supplier.

Currency: This is determined directly from the Supplier Code specified, and directs the Currency in which the Order values are processed. You cannot change this field.

Delivery Code: This is mandatory, and always defaulted from the Delivery Specification “DEF”. If this Order should have different delivery instructions, then you may choose a different option from the lookup. (See the Delivery Specifications document.)

Expected Delivery Date: The system defaults an expected Delivery Date, but it should always be changed if a ‘better’ Delivery Date is known at this stage.

Stock Total, Direct Items, Order Total: These Values are kept up to date as the Order Items get captured onto the Proforma.

Target Authorizer: The Target Authorizer MUST be specified, and this will be determined by local instructions, but will be someone with the necessary authority on his/her CP Privilege Profile in order to authorize the Proforma to become a Purchase Order.

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Indent Order: This field is ONLY checked if the Order is to be placed as Indent, i.e. payable before Goods will be received. (See Indent Orders.)

Order Items

A minimum of 1 Order Item must be included before a Proforma Order can be saved. Once there is 1 Order Item, you could, if necessary, save the Proforma and use the 'Amend Proforma' option to complete it later, but there is a possibility that the Proforma could be authorized before you return to it!

Note that a Proforma Order can include only Stock, only Direct Items, or a combination of both.

Stock Order Items

There are 2 ways to populate the Stock Item grid with Stock Order Items. If you have access (according to your Privilege Profile) to the 'Glean Stock Order' function, then you will be allowed to retrieve recent prior Orders on the same Supplier and automatically populate all Stock Items ordered on it, onto the current Proforma Order. You can do this multiple times and 'glean' from multiple Orders. Once the Stock Items are on the grid, you can remove any unwanted Items with the DEL button, and you can of course also amend the Prices and Quantities.

The 2nd way to populate the grid is to capture the Stock Items to be ordered.

	>>> Stock Code	Description	Store	Unit	Tax Incl Price
1	3008412	OLYMPUS CAMEDIA MASTER PRO 4.2		ea	

Once you specify a Stock Code (or retrieve it by the search options, i.e. lookup, part descr, etc.), the system will complete the Description and Unit fields, and pause at the Store field. You have to specify for which Store the Item is being ordered, but this is not necessarily the final Store that needs it, i.e. the Store you order for is the Store where the Goods will be received when delivered by the Supplier! (Hint: Afterwards, potentially, it may be transferred to another Store.)

Once you specify a valid Store for the Item, the system will pause at the PRICE field.

	>>> Stock Code	Description	Store	Unit	Tax Incl Price
1	3008412	OLYMPUS CAMEDIA MASTER PRO 4.2	01	ea	

Irrespective of the Tax type used on the Proforma, and irrespective of whether the Supplier will be charging Tax on the Item or not, the price that goes here is the **Price that you expect to be invoiced** for! The Price is called a 'Tax Inclusive Price', i.e. a final price, whether or not it will include Tax. (Hint: The system will figure out whether the Price includes Tax or not and will know how much of the Price is in fact Tax, or not.) Below, we include some useful tips about

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available “Amount Capturing” functions in IES Business, and which also apply here for Price.

Amount Capture: -

In IES Business, you can trigger the system to perform automatic Tax conversions on Amounts you capture during Journal processing, and also %.

For example, an Amount of \$25.60 can just be captured as '25.6'. However, if the \$25.60 includes Tax and you want to capture the Amount WITHOUT the Tax already included, you can simply type '25.6m', and then the system will REMOVE the embedded Tax amount and convert it to the net Amount automatically. Conversely, if you want the system to ADD the Tax, you can simply type '25.6v' for the Tax to be added on top.

The answer in each case is of course dependent on the Tax Rate that will be used. And it works like this. On the main Company Record, there is a primary Tax Rate recorded, and this Rate is date driven, i.e. multiple Tax Rate changes can be recorded. The system will ALWAYS use today's date to determine the Tax Rate that will be used.

Now, what if you have multiple Tax Types, and some of the Tax Types use different rates? No problem. The Primary Rate should still be the one most often used. Now let us say, for example, you have Tax Types 01, 02 and 03. In this case, we will say that type 01 is the Primary Rate, and indeed type 02 is always the same Rate also. Yet, type 03 is always a different Rate. So, whenever you want the system to use the Rate for type 03, you just add '03' at the end of the Amount, regardless of whether you are triggering 'v' or 'm'. In other words, you will type '25.6v03'. That's it. In this case, for types 01 and 02, there is no need to add it after 'v' or 'm', but there is no harm done if you do.

For % conversion, just add '%' at the end, followed by the % to apply to the amount. For example, if you want 6.5 % of 100,000, you type '100000%6.5' ...

NOTE: This function is generic, i.e. a tool to convert Amounts for you when you capture them, and does away for the need to use a separate calculator for the same purpose. However, this function has nothing to do with whether you are capturing a Tax Journal or not, it is simply a tool to pre-manipulate the Amount that you provide to the system as an input.

If you capture a Price that is higher than the last time this Stock Item was ordered, then the system will check whether the increase is tolerable according to your Privilege Profile.

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It is necessary to understand the difference between how Direct Items are charged as opposed to Stock Items. Stock Items, when received, becomes part of the Inventory (a Company Asset), and when Stock Items are sold to Customers or consumed internally (in the Company), then the Stock is reduced at that time and a charge passed dependent on how the Stock is applied (e.g. charged to a Customer or to a Company charge account).

In the case of Direct Items, they do not become part of Stock (else they would be Stock Items!), so they bypass the Stock System and in fact is immediately at the step where Stock would usually be sold or consumed. In other words, the Purchase Order will directly charge an end Customer (whether external or internal) when the Direct Items are Received and Invoiced. For this reason, it is necessary to know at the time of Ordering who will be paying or it!

Direct Items can be charged to Stock (Landed Costs transactions only), to GL Cost Centres, to Jobs, to AR Debtors, to Loans and to Costing.

They are all captured in similar fashion, and we will show the example of charging to a GL Cost Centre here.

Type	1
Capture Date	09/01/2006
Auth Code	*
Claim Tax Y/N	Y
Originator	dm Data Manager
Pr #	16
Unit	EACH
Description	Widgets
Quantity	12.00
Incl Unit Price	10.00
Ledger Debit	10101010

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Claim Tax Y/N: The 1st field that may be captured for Direct Items is whether Tax is to be claimed on the Item or not. Remember that if the Tax type for this Order is "No Tax" then ALL Items on the Order are without Tax, even Stock Items that are usually marked for Tax. In such a case, the system will not even prompt this field because there will be no Tax processed for any Item on the Order. However, when there is a Tax type attached to the Order, then the Order may be mixed, i.e. include some Items with Tax and some without. For Stock Items, the system will then check the Stock Master records to ascertain whether Tax is processed or not, but for Direct Items, you may specify on a 1 by 1 basis whether the Direct Item is eligible for claiming "input" Tax or not.

Originator: This defaults to the Originator of the Order, but it is also possible to include Items for different Originators on the same Order, and if such be the case, the field may be changed to reflect the Originator for this specific Item.

PR #: The purchase requisition number also defaults to the Order number, but can be changed when it is necessary to reflect an actual PR number for the Item.

Unit: The system will default this to 'each', but it may be changed.

Description: This is where the Direct Item is described, i.e. what is being ordered.

Quantity: The number of Items (quantity) goes here. Note that for Direct Items it is permissible to specify a quantity of Zero, and this is done specifically for Financial Direct Items. For example, if the Item is for a Contract or Project that includes an Amount, but no real physical goods to be received, then it is a good idea to use the Zero option, because the Zero option will allow the Item to be Invoiced in parts, by Amount, without needing a quantity. In this manner, staggered Contract payments can be processed for a single Direct Item.

Incl Unit Price: This is similar to the Order Price for Stock Items, i.e. the final inclusive Price the Supplier will charge.

Ledger Debit: This field needs the Ledger Account code that will pick up the charges for this Item. And this is the field that differentiates between the Ledger charge, Jobs, Costing, etc. For example, if the Item is to be charged to Jobs and you choose 'Job Costing' instead of 'Ledger' as we have done here, then you will be specifying a Job Code to charge rather than a Ledger Account.

When you choose SAVE / NEXT, the system creates a Direct Item and stores it in the Direct grid, and immediately prompts for another similar Item. You can continue to add more Items until you choose QUIT. Even then, you can choose 'Ledger' or 'Costing' again to add more Items, i.e. any mixture of Direct Items may be added. Once a Direct Item is included in the Direct grid, you can no longer change it, i.e. you can only remove it by pressing DEL, and capture again, but you cannot EDIT the details.

Save the Proforma

Once you have included at least 1 Order Item, or when finished capturing all Order Items, the Proforma can be saved, and then it has been created. It may still be amended before Authorization, if necessary.

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ASO Proformas

ASO Proformas are generated from the Inventory system by using the Stock Replenishment functions (see the Inventory documents). Once created, the ASO Proforma is the same as a CP Proforma, and can be further amended, even to include Direct Items if necessary.

MOD Proformas

MOD Proformas are also captured just like the CP Proformas described above, except that it is only done from the Manufacture Worksheets (see also the Manufacture documents).

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