

IES Purchasing: Price Change Processing

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Purpose

The purpose of this Document is to explain how to process Price Change Events on Purchase Orders.

Summary of Order Types

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

Introduction

Price Change processing does not occur on all Purchase Orders, and is only processed when

- a) A Price Change becomes known prior to Receiving an Item
- b) A Price Change becomes known after Receiving i.e. during Invoice Processing

Where to Process

Price Change Processing is part of what is referred to as Purchase Order Events, and the Purchase Order Events are all processed from the visual Event Screens, where the entire status of a Purchase Order is visible on a single screen.



From the main Purchasing options, choose "Order Event Processing" and then choose the appropriate option for the Order type, i.e. Standard CP/ASO or Indent CP/ASO (pre-paid Orders), or DDP. MOD Orders must be processed from the MOD Sheets in Manufacture.

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The system will open the appropriate screen according to the option selected, and at "PO Number" you must either type the Order Number to process, or use the lookup to select the correct Order.

PO NUMBER

	>>> On Order	Code	Descr	Unit	Price	Quantity
1	3008412	c/1	OLYMPUS CAMEDIA	ea	10.02	3.00

Any Purchase Order Events may be processed on this screen, but this document is about Price Change processing specifically, and as such we will only discuss the Price Change event. The Price Change event may be processed on any or all Order Items currently showing in the "On Order" section. To activate a Price Change event, you can either dbl-click on an item in this section, or choose the "GRV / Price Adj / Cancel" function. The system responds as follows: -



Only option 4 is a Price Change event, and this event can only be processed BEFORE processing the Item as Received. If a Price Change is necessary afterwards, it can be processed by adjusting the Invoice Amount during Invoice processing.

4: Item Price Adjustment

The next step is to select the Item to process a Price Adjustment on, i.e. choose the Item from the list. If there is only 1 Item shown "On Order", then no list is offered because that Item is automatically selected (as in the example shown above).

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Cancel Order Item [3] (Save / Update : Active(ENG))

Action	Price Adjustment
Trans Date	23/05/2006
Period	68 [Jun 2005]
Batch	
Order Number	CP706
Order Item	3008412
Item Code	c/1
Description	OLYMPUS CAMERA MASTER PRO 4.2
Unit	ea
Price	10.02
Quantity	3.00

Actual	Currency
1 30.06	Local

Store: Main Store

Buttons: Quit, Process

If "batching" is ON, then you will have to capture a Batch Number. If not, then only the "Price" field has to be changed to reflect the new Price.

After this, you may choose PROCESS to complete the Price Change step for this Order Item.

Hint: The Transaction Date and Period may be amended from what the system defaults, but this is usually not necessary. (See the User Manual for "Period Control on PO's.")

PO NUMBER: CP706

>>> On Order	Code	Descr	Unit	Price	Quantity
1	3008412	c/1 OLYMPUS CAMERA	ea	10.05	3.00

Notice that the price shown above has changed from the prior 10.02 to 10.05.

The system has now automatically generated the underlying financial Transactions to reflect the event in the Purchasing and related Financial systems. (Hint: If you drill the Transactions, you will find that the system processes an Item Cancellation and then a new Order Item at the new Price.)

Corrections

If a mistake is made with a Price Change processing event, then the way to correct it is to process another Price Change.

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