


Purchase Order

The *Down To Earth Purchase Order*

application allows you to order inventory items and print purchase orders to send to your vendor and replenish your stock. When the goods arrive in your warehouse, each item quantity received is recorded via either one-step (goes directly into the same/correct warehouse location) or two-step (must now be shipped to a different warehouse within your company) receivings transaction.

The quantities are updated accordingly when posted – reducing the **Qty on order** value and increasing the **Qty in stock** quantity for one-step receivings and reducing **On order** and increasing **Qty at dock** quantity for two-step until the items actually arrive at their true destination. Upon reaching their final destination, the second step of the receiving is entered and posted, decreasing the **Qty at dock** and increasing **Qty in stock** and **On hand** for Bin and if applicable, serial/lot records.

The Purchase Order application requires that you also install the *Down To Earth Accounts Payable*, *Name/Address*, and *Inventory* applications. The Accounts Payable application also interfaces data from the Purchase Order system to help you tighten controls with vendor invoice vs. PO verification. The Name/Address contains the vendor preferences as well as the shipping information. The Inventory item file carries the status, quantities, costs, etc. for each item on the order.

Purchase Order also allows you the flexibility to define *buyer codes*, different *delivery addresses* for your orders, the *shipping methods* used for your orders, and the *payment terms* used for your orders. Each code is defined for all companies while the default values are determined for each Company with the DTE Control Variables. And, you can always define new codes “on the fly” within the order entry.

The *forms* required for printing of purchase orders can be purchased at any office supply store. You have the option of pre-printing your company name and logo on the form or having Down To Earth use the Company name.

Receiving POs are designed for efficient scanner entry, though manual keyboard entry is also acceptable. There are two methods of receiving goods for your business. *One-step* – is most commonly used and receives items directory into the warehouse that they are eventually shipped to customers from. *Two-step* – processing adds the ability to track the items when there is an additional time element before they are received in the final destination warehouse.

When an order is received in full, Down To Earth can optionally close the order’s header record (via the DTE Control Variables) so that no other transactions for the order can be entered. Even so, the order is retained on file so you can inquire and report easily.

Other miscellaneous procedures related to managing the outstanding Purchase orders include

- ✓ Closing a single order, even if not received or Re-opening that order should the situation change
- ✓ Purge closed orders, vendor PO history records, and/or receivings history
- ✓ Re-set the Qty on order value for all items based on valid, open POs

Analyzing data from the past and for future purchases can really help in managing your inventory efficiently. Several reports are offered to keep track of existing POs in progress and to track the costs charged by your vendors and their performance with your orders. For example, the *Aged Open PO items* report ages Purchase Orders based on a user defined aging and compared to the date in 30 day aging cycles, the *Receivings Cost* report comparing actual costs to standard costs, and *Vendor Performance* lets you know who your best vendors are.
