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Adminsoft Accounts User Guide

Purchase Order Processing

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Last updated 18th August 2022

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Published by Adminsoft Ltd. To contact the publisher please email sales@adminsoftware.biz

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Introduction

There are several ways to increase stock quantities:

- From the Stock Item Details form, using the 'Adjust Stock' button. This option is really, as the name of the button indicates, for adjusting the level of stock (usually downwards!), not adding delivered or collected items into stock.
- If the stock item is a kit, you can increase the items in stock by build the kit from its constituent items. Each item that goes into making up the kit then has its stock holding decreased.
- You can use the 'Receive Stock from Supplier' option. If you're not issuing Purchase Orders, then this is by far the best way to increase stock.
- You can create Purchase Orders, and when the stock comes in, mark each item as received or part received as necessary.
- You can enter a Purchase Invoice.

When you create a sales invoice, if you're invoicing stock items, the invoice will reduce the quantity held in stock. When entering a purchase invoice it increases stock. Though in either case, not every line on the invoice will be a stock item. If you sell an item before it's actually received into stock on the computer, the software can only guess at the cost! So, it's very important to get stock items into the system as quickly as possible, because adding stock in later will NOT retrospectively correct the costs used in sales made before the items went into stock.

By using Purchase Order Processing, you know at any one time exactly what items you have on order, and how much they'll cost (in theory, suppliers do sometimes ignore prices on a P/O!). When those items come in, it's then very easy to book them into stock. You'll also know whether the order was completely fulfilled, or whether there are any outstanding items.

When the suppliers invoice arrives, you can check this against your Purchase Order. When entering the supplier's invoice into the system, you also have the option of marking items off the Purchase Order as having been invoiced. Those items will automatically appear in the invoice (the invoice will not put any items into stock, so avoiding duplicate stock movements). This also helps you to identify situations where a supplier invoices for the same items twice.

There are only four main options for Purchase Order Processing, and so they live at the bottom of the Stock Control/Inventory menu. There is also an 'Order Processing' option in the setup menu, that allows you to edit the layout of Purchase Orders, and change a few settings using the Settings option.

Purchase Order Processing is, of course, very closely related to Stock Control. There is a separate guide on Stock Control, and I will assume you've already looked through this. So, I don't need to go into Stock Control in any great detail here.

None of the above options are available when running Adminsoft Accounts in Level 1. You have to run it in Level 2 to operate Stock Control and Purchase Order Processing.

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Before Creating a Purchase Order

Before we actually create a P/O (Purchase Order), I need to explain a little about where the information for the P/O comes from.

If you look in Stock Item Details, you'll see a tab called '**Suppliers**'. If you click on this, it will show a list of suppliers for that item. You can add suppliers by clicking '**Add Supplier**' (the suppliers account must already exist). When you create a P/O, and add an item which doesn't have the supplier listed as a supplier, they will be automatically added. If you are creating a P/O automatically, then the supplier must appear in the list.

The Stock Item Details form showing a list of suppliers will look something like this:

	Quantity	Total Cost
In Stock	30.00	1,440.00
Reserved	0.00	0.00
Sales Orders	0.00	0.00
Purch Orders	0.00	0.00
Available Stock	30.00	1,440.00

A/c	Supplier	Part Code
ABC001	*AIRPORT BEARING CO LTD	
ARR001	ARRIVA FORD (NOTTINGHAM)	

As you can see, there are two suppliers in this list. One of them has an * in front of their name, this indicates they are the preferred supplier. This may be important when creating P/O's automatically, which I'll discuss a bit further down this guide.

The '**Remove Supplier**' button simply removes the supplier from the list, it does not delete the suppliers account.

Each 'supplier' record for a stock item actually contains a fair bit of information. If we select account 'ABC001' above and click the '**Cost/Part Details**' button, the following window appears:

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Stock Control - Details of Part Supplied

Stock Code: 00-0042A
Description: DISC BRAKE PADS, RACE, BREMBO

Supplier A/c: ABC001 AIRPORT BEARING CO LTD
Preferred: Y (perferred supplier for this stock item? Y/N)
Manufacturer:
Part Code: (suppliers part code)
Disc. Code:
Retail Price: 95.00 per 1.00 (if published)
Cost Price: 0.00 per 1.00 (if published)
Last Cost: 48.00 per is as above for Cost Price
Unit of Issue: 1.00 (usually purchase in lots of)
Min Order Qty: 2.00
Surcharge: 0.00 (if any, as charged by the supplier)

Note: the discount code above (if one is entered, its optional) takes priority over the discount code on the main stock item record. It is a Purchase Discount, used when entering P/O's or the 'Stock Received' option.

Retail price last changed: //
Pub. cost price last changed: //
Last time item purchased: 01/02/2014

Buttons: Help, Delete, Cancel, OK

Most of the input fields are optional.

The '**Preferred**' input field indicates whether this supplier is the preferred supplier. There can only be one preferred supplier. So, if you set this to 'Y', all the other suppliers listed will be set to 'N'.

'**Manufacturer**' allows you to specify the manufacturer of this item. This has no bearing on the operating of P/O's or the stock control system itself. Some suppliers may supply the same item from several manufacturers, which cannot be handled here. This input is purely for information, and be be ignored if you wish.

'**Part Code**' is the suppliers own part code, if it's different from the stock code you use. Although when creating a P/O you have to use your stock codes when selecting items, this part code will be displayed on the line below. This helps your supplier identify the part.

'**Disc. Code**' is the Purchase Discount code to be used when working out the cost of the item. Whether it's used depends on your P/O settings, as you can specify how/where a P/O is to obtain an item cost. Costs can, of course, be edited before sending out a P/O.

'**Retail Price**' is the suppliers recommended retail price. This is put into the 'Retail Each' field in a P/O, when this particular supplier is selected. It can be edited in the P/O. Depending on the 'Retail price to update item price' setting in Setup → Order Processing → Settings, it may be used to update the stock item price when the goods are received. It can be left as 0.00, in which case it will be ignored, and the 'Retail Each' field will be zero (but not used, if 'Retail price to update item price' is set to 'Always'). If you have entered a purchase discount code, then the cost may be automatically worked out based on this retail price. Note, both retail and cost prices have a '**per**' input field to the right of them. Normally, this will be 1, ie. the price is per each item. But sometimes, items are not priced in 1's, particularly if they have a very low unit value. You may, for example, have 1,000 items priced at \$12.35. You can't price them per unit, as it would be very

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inaccurate, so you would enter the price as \$12.35 and in the 'per' input field enter 1000.

'**Cost Price**' can be automatically calculated, as mentioned above, or you can enter an amount.

'**Last Cost**' is the cost price used when this item was last purchased using a Purchase Order. It will use the same multiple (ie. the 'per' input field) as the **Cost Price** above it. When a Purchase Order is next raised, it will use the cost price in this field (if it's not zero), as it assumes it's the latest/current price. You can edit this value if necessary. Though we'd recommend you enter 0.00 and adjust the '**Cost Price**' instead.

'**Unit of Issue**' is the number of stock items purchased at time. Some stock items always have to be purchased in 2's, or 4's, etc. For example, in the auto trade, spark plugs are often sold four at a time, or six at a time, etc. depending on the plug. Often, this input field is just left at 1.00. It is used when creating a Purchase Order using the '**Build Up Order From Stock**' option. If for example, the system decides that it needs to purchase 11 items, but they are only available in 4's, it would order 12 items. Note, it will over order rather than under order.

'**Min Order Qty**' is the minimum order quantity from this supplier. When a purchase order is being created automatically, it will order this number of units as a minimum. For example, some products may only be supplied in 12's, or boxes of 50, and so on. Be careful with this, because when creating a Purchase Order using the '**Build Up Order From Stock**' option, if the amount that needs to be ordered is less than the '**Min Order Qty**', then the stock item will never be automatically ordered.

'**Surcharge**' is a surcharge charged by your supplier on items that are sold on an 'exchange' basis. If you purchase the item from your supplier, but do not return the used item, they will make this surcharge. In turn, you can add a surcharge to the stock item details (in the 'Selling' section) that will appear on your Sales Invoices.

In the image of the stock item details above, you'll notice there are some figures in the top righthand corner of the form. These include the 'In Stock' quantity, and a 'Purch Orders' quantity. The later indicates the quantity that is outstanding on current Purchase Orders. Note, a stock item may appear on more than one P/O at a time.

If you click the '**Details**' tab, and then click the '**Purchasing**' tab, we get the next lot of information that needs to be understood if you're going to create P/O's automatically. If you're only going to create P/O's manually, you can ignore this next bit. Having clicked these tabs, the stock item details form will now look something like this next image:

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Stock Control - Stock Item Details

Stock Code/SKU: 00-0042A
Description: DISC BRAKE PADS, RACE, BREMBO
Bin Location: 1, 2, 3
Item Type: Goods
Unit: (eg. kg, lbs, litres, hours, may be blank)
Stock Controlled: Y (Y/N, are stock levels of this item to be controlled?)
CN Code: (for EC Intrastat)
Item Weight: 0.0000 grams
Solvent Content: 0.00

	Quantity	Total Cost
In Stock	30.00	1,440.00
Reserved	0.00	0.00
Sales Orders	0.00	
Purch Orders	0.00	
Available Stock	30.00	1,440.00

The 'In Stock' figures include any 'Reserved' stock. The 'Available Stock' is 'In Stock' less 'Reserved', less 'Sales Orders'. 'Purch Orders' are not taken into account.

Buttons: Archive Item, Clone Item, Merge Items, Edit Bar Code, Images, List Docs, Quote Price, Reserve Stock, Adjust Stock, Age of Stock, Kit Parts, Stock Report

Details | Analysis | Movement | Sales | P/O's | Quotes/Reserved | Suppliers | Associated Items | Supercessions/Alternatives | Special Prices | Notes

Selling | **Purchasing**

Minimum Quantity: 1.00
Maximum Quantity: 1.00
Re-order Level: 1.00
Non-stock Item: N (Y/N, a 'Y' means only purchased to order)
Item Still Available: Y (Y/N, a 'N' means it will not be reordered)

Cost Price: 48.00
Price Per: 1.00
Purchase Discount:
Purchase Analysis: PAR2

(this cost price is used if stock not controlled, or if controlled, as a last resort or the cost method is set to 'LIST')

Buttons: Help, New, Delete, Clear, Save, OK

One very important input field to mention in the top section is **'Stock Controlled'**. This **MUST** be set to **'Y'**. Otherwise the stock quantity will not change, regardless of how many items you purchase or sell! This input field is only normally set to **'N'** when you are using a stock item to represent some sort of service, test, or repair. To make it quicker to enter sales invoices, and make it easier to monitor the sales.

'Minimum Quantity' is the quantity you do not want the stock level to fall below.

'Maximum Quantity' is the quantity you do not want to stock level to exceed. When creating a P/O automatically, it will order items to replenish the stock to this level.

'Re-order Level' is the quantity at which an automatically generated P/O would generate an order. Note this is different from the **'Minimum Quantity'**, because the stock could well fall below the **'Re-order Level'**, but if it falls below the **'Minimum Quantity'**, then you know you need to adjust your ordering parameters.

'Non-stock Item' indicates whether you normally keep this item in stock or not. If it's set to **'Y'** (ie. it IS a non-stock item), it will NOT appear in an automatically generated P/O.

'Item Still Available' indicates whether the item is still available to be ordered. It might be it's no longer made, or your suppliers are simply no longer stocking it. If this input field is set to **'N'** (ie. the item is no longer available), then it will NOT appear on an automatically generated P/O.

Now we'll get to the business of actually creating a Purchase Order.

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Creating a Purchase Order

There are several places in which you can create a P/O. Supplier account details, by clicking the 'Orders' tab which lists current and previous P/O's. Stock item details, by clicking on the 'P/O's' tab, which also lists P/O's. Parts Counter in the AutoManager module. Also, in the Job Details form in Service Counter (part of the AutoManager module). The place you're most likely to create a P/O from is the 'Create Purchase Order' option in the 'Purchase Orders' section of the stock control menu. Where ever you select it from, the form is the same. The only difference is, sometimes the supplier will be pre-selected.

So, if we select the 'Create Purchase Order' option from the stock control menu, the form will look like this:

Line	Quantity	Stock Code/SKU	Description of Item/Service	P/A	VAT	Retail Each	Cost Each	Total Cost	Line
1		F		A					Ins Del
2		F		A					Ins Del
3		F		A					Ins Del
4		F		A					Ins Del
5		F		A					Ins Del
6		F		A					Ins Del
7		F		A					Ins Del
8		F		A					Ins Del
9		F		A					Ins Del
10		F		A					Ins Del
11		F		A					Ins Del
12		F		A					Ins Del

The first thing we need to do is select the supplier. So, in the '**Supplier A/c.**' input field enter the suppliers account code, or if you don't know it, click the '**Find**' button.

Once the supplier has been selected, we have choice. We can enter details are the stock items we want to purchase straight into the P/O. In much the same way as we'd enter them into a sales invoice. Alternatively, we could build the P/O automatically by clicking the '**Build Up Order From Stock**' button. After building up the P/O, it doesn't automatically send it out or anything, you have the option of editing it, and/or adding items to it. So, if you click the '**Build Up Order From Stock**' button, a form appears looking like this next image on the left hand side:

Purchase Order Build Criteria

Search stock file and select:

- Only items where supplier is preferred
- Only items for which this supplier is cheapest
- All items supplied by this supplier

Put stock item on order when:

- At or below reorder level
- Below reorder level
- At or below minimum level
- Below minimum level

Cancel OK

As you can see, there are a few criteria we can specify to build up the P/O. The most likely to be used are already selected. They are pretty self explanatory, so no need to go into details here. If I click on the '**OK**' button, it will go off and look for items to place on order, and put them into the P/O when it finds them. Next is an image of my P/O now:

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Purchase Order Processing - Create a Purchase Order

Supplier A/c: ABC001 Name: AIRPORT BEARING CO LTD Purchase Order Ref: N/A
 Tel: 0123 54546464

Line	Quantity	Stock Code/SKU	Description of Item/Service	P/A	VAT	Retail (GBP)	Cost Each	Total Cost	Line
1	1000.00	F 00-0200	WASHER, FIBRE, 3/8 ID	A	PAR2	10	1.856250	1,856.25	Ins Del
2	10.00	F 00-4079	HANDBOOK, B31, B33 1958-60'	A	PAR2	10			Ins Del
3		F		A					Ins Del
4		F		A					Ins Del
5		F		A					Ins Del
6		F		A					Ins Del
7		F		A					Ins Del
8		F		A					Ins Del
9		F		A					Ins Del
10		F		A					Ins Del
11		F		A					Ins Del
12		F		A					Ins Del

Sub Total: 1,856.25
 Total VAT: 185.63
 Total Value: 2,041.88 US

As you can see, it's added two items into my P/O. One of them already has a cost, the other doesn't. I can edit the cost if I wish. I'll have to manually enter a cost into the P/O for the second item. Also note, this P/O is in US Dollars. This is because the supplier account I've used is set to default to US Dollars (the ledger currency was not US Dollars, hence it's showing 'US' in the bottom right hand corner). The 'Retail Each' will always show in ledger currency, GBP in this case, and so the column header looks like this 'Retail (GBP)'.

If you're unsure about any item the software has picked out, you can click the 'A' button (at the end of the 'Description of Item/Service' column. A small form will appear displaying a sales summary. This may provide you with enough information to decide whether to order the item, but if not you can position the mouse cursor over the 'Stock Code/SKU' or 'Description of Item/Service' part of the line, and do a single right click. The full stock item details form will then appear. If while creating a Purchase Order you change the supplier part way through, none of the stock items already on the order will be changed. You would need to position the cursor in the 'Stock Code/SKU' column, and press the Enter key on your keyboard for each stock item listed, so as to update the details. Note, if any item was showing a supplier part code below it, you will have to remove that manually. If an item needs to display a supplier's part code, it may not be able to do so. So, while you can change the supplier account part way through creating a Purchase Order, we do not recommend it.

I can delete any of the items the software has selected, simply by clicking the 'Del' button on the far righthand side. I can also add items, by entering the quantity, then typing in the stock code or clicking the 'F' button to locate the item. Any extra description lines for a stock item will be added too, depending on the settings. The default setting is for them not to appear (the extra description lines are usually for the customers benefit). If the selected supplier uses a different stock code to you, and you have entered the stock code they use in the supplier stock record, it will be displayed in the 'Description' column on the line below.

Depending on the setting, once a P/O status is 'On Order' you can still edit it – not recommended, but sometimes it's necessary. If you do this, great care should be taken if you change a stock code. While the new item will appear, with the correct details, if old stock item created any lines below for extra description or suppliers stock code, they will remain. They will need to be manually removed. If the new item has any extra description, or a supplier part code it needs to display, if the lines below it are used up, it will not display that information.

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The **'Ins'** button, by the way, inserts a line. So, if for any reason you want to put one stock item next to another in the P/O, you can use this button to create a blank line.

The **'Add/View Docs'** button allows you to add documents to a P/O. These might be things like the supplier's price list, or a copy of a P/O you've received from your customer requesting the item. You should be aware that if you click this button, it will save the P/O, because it needs those details in order to have something to associate documents to. By saving the P/O, it gives it a P/O reference number.

The **'Preview'** button allows you to view the P/O on screen, to see what it would look like if printed. The preview will not contain a P/O reference number.

The **'Print Order'** button will save the P/O and set its status to 'On Order', and then output it to the chosen output device/application.

The **'Cancel Order'** button will be greyed out when creating a P/O. This button is intended for use when you have built up a P/O, and then save it to work on later (using the **'OK'** button). If you select a 'Saved' P/O, you can use this **'Cancel Order'** button to remove it.

The **'Cancel'** button will abandon the creation of the P/O. If the P/O already exists as a 'Saved' P/O, then this button will only abandon any edits you may have made.

The **'OK'** button will allow you to save the P/O to work on later, or to set the status to 'On Order'. It asks what you want to do. You might want to use the **'OK'** button instead of printing out the P/O if you've given the details of the order to your supplier over the telephone.

This is all you need to know to create a P/O. Actually, more than you need to know, but I'm trying to be thorough. There is more, however. If you click the **'Details'** tab, the form will look something like this:

Purchase Order Processing - Create a Purchase Order

Supplier A/c: ABC001 Find Name: AIRPORT BEARING CO LTD Tel: 0123 54546464 Purchase Order Ref: 2110

Order Details

General

Description: (job ref., client name, etc)

Delivery Date: //

Order Date: 29/09/2017

Department:

Authorised by:

Authorised on: //

Currency: US US Dollar

Notes:

These notes do not get printed on the Purchase Order, they are for your reference only.

If this is a new Purchase Order, clicking 'Cancel' will abandon it. If it's an existing Purchase Order, clicking 'Cancel' will keep the order, but will abandon any changes or additions you may have made to it.

Help Add/View Docs Build Up Order From Stock Preview View (text) Print Order View (text) Cancel Order Cancel OK

Delivery Details

Delivery Address:

Delivery address line 1

Line 2

Line 3

Line 4

This gets printed on the purchase order. Maximum length is seven lines, no more than 45 characters on each line.

Alternative Supplier Address Find Customer Address Customer Delivery Address Find Supplier Address

Customer Details

Name:

Tel.:

P/O Ref.:

'Description' can be anything you like, just a brief description of why the P/O has been raised.

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Most users probably ignore this.

'**Delivery Date**' will get printed on the P/O, and is your instruction to your supplier.

'**Order Date**' is the date the P/O was created, usually 'today's' date. But if you're working on orders that you don't intend to send out until another day, you can put that date in here.

'**Department**' if the P/O is for a particular department within your company/organization.

'**Authorised by**' is the employee reference of the person who authorised the P/O. In the employee details window, the selection 'Purchase personnel' must be ticked. Otherwise they will not be recognized as an employee who is entitled to authorize a Purchase Order. Also, in the employee details window is the input field 'Purchase Lim'. This is the maximum amount the employee is authorized to authorize for any one purchase. Though if this limit is exceeded, the software does not stop the purchase, but simply displays a warning message in the bottom left corner of the P/O window.

'**Authorised on**' is the date the P/O was authorised.

'**Currency**' is the currency used for this P/O. In the case of the P/O in the above images, the currency is in US Dollars, because the suppliers account has been set to default to US Dollars.

'**Notes**' allow you to enter anything you wish. They do not get printed out, so the only people who get to see these notes are those actually using the accounting system.

'**Delivery Address**' is your delivery address. This gets printed on the P/O (if it's in the layout). You can set up a default delivery address in the 'Settings' option in the 'Order Processing' setup menu. You can edit this address in the P/O. For example, if you want the order to go to a different site, simply type in the address. Also, there are buttons below the 'Delivery Address' input field that allow you to select an alternative address.

The '**Alternative Supplier Address**' button allows you to specify a different name and address for the supplier. You may want to do this if you have some suppliers that you rarely deal with, or only intend to deal with once. You can then set up a supplier account specifically for miscellaneous purchases, create the P/O for that account, and then use this button to specify the actual supplier name and address. You'll find an option similar to this in various other parts of Adminsoft Accounts, including both sales and purchase invoices.

The '**Customer Details**' section is filled in automatically if the P/O has been raised for a specific customer (from the Service Counter option in AutoManager). If/when Sales Order Processing is ever implemented in Adminsoft Accounts, that too will be able to create P/O's for specific customers.

I'll now click the '**OK**' button and put this P/O 'On Order'. If I select the 'List Purchase Orders' option in the 'Purchase Orders' menu. I'll get something like the following screen image:

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Date	A/c	Supplier	Status	P/O	Description/Job Ref.	Value
21/09/16	ATK002	P ATKINS LTD	On order	2087		19.80
21/09/16	ATK002	P ATKINS LTD	On order	2088		4.27
06/12/16	ABC001	AIRPORT BEARING CO LTD	On order	2096		190.67
03/04/17	ARR001	ARRIVA FORD (NOTTINGHAM)	On order	2100		1,321.03
06/04/17	ARV001	ARVAL UK LTD	On order	2101		1.86
07/04/17	ARV001	ARVAL UK LTD	Part received	2102		8.58
03/05/17	AND001	A Supplier Ltd.	On order	2104		3.47
29/09/17	ABC001	AIRPORT BEARING CO LTD	On order	2110		1,365.36

This image has been taken from a test system, and so there's all kinds of rubbish in it! But you can see the P/O I've just created, it's the last in the list. This list is good, because you can see at a glance what orders you have out there, and which are still outstanding. Though in this list, I have some outstanding from 2016, which is over a year ago (it's 2017 as I write this). So, some of these orders are pretty old.

Receiving Goods into a Purchase Order

When goods arrive, you can select the P/O from the list (in the above image), or you can select the 'Purchase Order Received' option in the 'Purchase Orders' menu. The P/O form that's displayed will look something like this:

Line	Quantity	Stock Code/SKU	Description of Item/Service	P/A	VAT	Retail (GBP)	Cost Each	Total Cost	Total Received	Received
1	1000.00	F 00-0200	WASHER, FIBRE, 3/8 ID	PAR2	10		1.856250	1,856.25		
2	10.00	F 00-4079	HANDBOOK, B31, B33 1958-60'	PAR2	10		0.560000	5.60		
3		F								
4		F								
5		F								
6		F								
7		F								
8		F								
9		F								
10		F								
11		F								
12		F								

Sub Total	1,861.85
Total VAT	186.19
Total Value	2,048.04 US

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This is a wide form, and unfortunately crunching it up to fit this small page has made it difficult to read.

Note, in the above example the P/O is multi-currency, the supplier is supplying items priced in US Dollars ('**US**' is in red to the righthand side of the '**Total Value**' figure, though the code for US Dollars is normally 'USD'). The '**Retail**' price will always be in the ledger currency, and so this has '**(GBP)**' to the right of it, for Great Britain Pounds. As stock items are always costed in the ledger currency, any conversion from one currency into the ledger currency is performed at the time the stock items in the order are received, using the exchange rate as setup at that time.

If the order has been received in full, simply click the '**All Items Received**' button, and then click the '**OK**' button. All the items will be put into stock, and the P/O will be marked as 'Received'. At that point, it's all done.

If the order has only been partly received, you can enter the amounts received into the '**Received**' column. When you click the '**OK**' button, those items will be put into stock and the P/O will be marked as 'Part Received'. Actually, when you click '**OK**', you'll be asked whether the P/O should be marked as 'Part Received' or whether it's completed. Your choice depends on whether your supplier still intends to supply the remaining items. You can open a P/O as many times as you wish. So it's doesn't matter (at least as far as the software is concerned.....) how many deliveries it takes your supplier to fulfil the Purchase Order. Whatever you enter into the '**Received**' column gets added to the '**Total Received**' column. If you do a single left click into the '**Total Received**' column on the line of an item, it will display a history of the items received.

If the P/O is large, and most of the items have been received, you may find it faster to click the '**All Items Received**' button, and then edit the quantities in the '**Received**' column of those items that weren't all received.

If you have cancelled the P/O with your supplier, or your supplier has said they cannot supply any of the items on it, you can click the '**Order Cancelled**' button to cancel the P/O. Note: this is different to the '**Cancel**' button. The '**Cancel**' button simply abandons any work you have done to the P/O and exits the form – leaving the P/O as it was before you selected it.

If you have entered the items received, and appear to have got into a bit of a muddle, you can click the '**Clear Items Received**' button. This will remove all quantities in the '**Received**' column, so you can start again. Note: it does NOT affect any quantities previously received that will be in the '**Total Received**' column.

It's always worth entering the '**Delivery note ref.**', as this will be saved. You can enter a different reference each time you go back into the P/O to enter more items received. When you look at a history of received items, they will display the delivery note reference for each receipt of goods. So, you have good traceability. The same applies to the '**Date received**'.

You can add items to the order at this point. Simply start entering them below the existing items. You can also change stock items (as the supplier may for example have supplied an alternative part), you can change the quantities on order, and the cost price (suppliers have a habit of changing the cost price, usually upwards). But, this is dependent on an option in setup. You may be prevented from editing/adding items, in which case you'd find many of the input fields to be greyed out.

Sometimes you may find that you're sending out P/O's with the same items on them to the same suppliers on a regular basis. In which case, you may find the '**Copy Order**' button useful. This will

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create a new P/O base on the P/O details you are viewing.

The '**Details**' tab shows all the same information as when we created the P/O. You can check and/or edit it as required.

That's pretty much it for creating a P/O, and then entering the stock received. However, there is one more step you can take, which is optional.

When a supplier invoice comes in, you may want to check it against the P/O to ensure its correct, and also to make sure the supplier has only invoiced once for the same goods! I'll deal with how to do this in the next section.

Checking a Suppliers Invoice against a Purchase Order

When a supplier sends in an invoice, if the invoice was generated as a result of one or more Purchase Orders, you have the option of marking the P/O's as invoiced. It helps you to check that the invoice is correct, and also to make sure the supplier is not invoicing you more than once for the same goods.

To do this, you would bring up the form ready to enter the invoice details as normal. But before entering anything (other than the suppliers account, if it's not already selected), click on the '**Purchase Orders**' tab.

Ordered	Required	Delivrd	Status	P/O	Dept	Description/Job Ref.	Value	Currency
07/01/08	07/01/08	/ /	Part received	1958			20.00	GBP
16/11/11	30/07/15	/ /	On order	2034			320.00	GBP
01/02/14	11/02/15	/ /	Part received	2067		Job: 2232 AB10TFD Vo	72.00	US
22/03/14	11/02/15	/ /	Received	2066		Job: 2232 AB10TFD Vo	34.50	US
29/07/16	/ /	/ /	On order	2078			2.18	US
17/09/16	17/09/16	/ /	Received	2086			3,199.50	US
06/12/16	/ /	/ /	On order	2096			260.00	US
29/09/17	30/09/17	/ /	On order	2110			1,896.00	US

Ordered	Rcvd/UnInv.	Stock code/Description	Cost Each
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Single left click on a Purchase Order in top list to see the items ordered/received.. In the bottom list 'Rcvd/UnInv.' refers to quantity of items received for which there is no invoice.

List of all P/O's for which invoice/s have not been received for some or all items on the P/O.

Buttons: Mark P/O as Invoiced, Invoice P/O, Invoice Item, Rcvd History, Help, Prev, Next, New, Edit, Delete, Cancel, OK

The above image shows a supplier invoice form, with the '**Purchase Orders**' tab selected. As you can see, there are two lists. The top list displays all Purchase Orders that have not been marked as invoiced. In other words, the software is not aware of you having received any invoices in respect of these P/O's/ You'll notice in this case they go back to 2008 ! Please ignore the dates, this screen image was taken from a test system that contains a lot of rubbish.

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If you click on any of the P/Os, the items on the selected P/O will appear in the bottom list. The '**Rcvd/UnInv.**' column will tell you how many of each item has been received, and not yet been invoiced. If you click on an item, and then click the '**Invoice Item**' button, the details of the item, and the quantity displayed in the '**Rcvd/UnInv.**' column will be added to the invoice details. If you click the '**Invoice P/O**' button, then every item in the P/O (subject to the quantities in the '**Rcvd/UnInv.**' column) will be added to the invoice. You can edit the invoice, and also add or remove items.

Once the supplier invoice is posted to the suppliers account, any P/O's used will be marked, and if all items have been invoiced, the P/O will no longer appear in the list. If you do not want to put the P/O details into the invoice, you can select a P/O and click the '**Mark P/O as invoiced**' button, and that will prevent it appearing in the list again. So, you know you've received the invoice for that P/O. You should be aware, that if you cancel entering the invoice, using this option the P/O will still be marked as 'Invoiced'. Whereas using the '**Invoice P/O**' or '**Invoice Item**' options, the P/O will only be updated if the supplier's invoice is posted to the suppliers account.

Purchase Orders can be raised in any currency. Usually it's the same currency as the suppliers account. So, when you enter a supplier invoice, that will be in the same currency. However, this does not have to be the case. You could, for example have GBP as the base currency for the ledger, raise a P/O in USD, and your supplier then invoices you in Euro. Unlikely, you but never know. In this case, when selecting items from the P/O, the software will convert the costs in USD to the ledger currency (GBP), and then convert from the ledger currency into Euro to get the costs for the invoice. After all that conversion, the chances of the software coming up with the same Euro cost as your supplier are remote! But it's all it can do. Ideally, the P/O should be in the same currency as the supplier's invoice, and usually this is the case.

Setting up Purchase Order Processing

If you click on '**Setup**' on the to menu bar, then go down to '**Order Processing**' you'll see four options in there. The first two are for editing/creating Purchase Order layouts (there is a guide available that goes through this process), an option '**Purchase Order Text**', and '**Purchase Settings**'.

'**Purchase Order Text**' allows you to create notes that you can easily select and drop into a P/O. When creating a P/O, you can enter notes into the body of the P/O, in much the same way as you can when creating a sales invoice. Just press the F12 key on your keyboard, and a list of predefined notes will appear, allowing you to select one. Saves time having to re-type the same things. This '**Purchase Order Text**' option is what allows you to create/edit those predefined notes. Each note can be up to 30 characters wide (so they easily fit into the '**Description of Item/Service**' column in the P/O), but can take up to 10 lines.

The '**Purchase Settings**' option allows you to set up all the miscellaneous stuff. When you select this option, a form will appear something like the following image:

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Purchase Order Processing - Settings

Miscellaneous

Message and Delivery Address

Purchase order print layout: Plain paper with no supplier part codes

Purchase order PDF layout: Plain paper with supplier part codes - wide

Purchase order HTML layout: Basic Purchase Order 1

Next purchase order number: 2150 (read 'Help' before changing this value)

Generate P/O number when: Purchase Order is printed/saved

Allow P/O's to be edited: Y

Allow P/O's to be deleted: Y

Use last cost if lower than list: N

Method for obtaining item cost: LIST Item List Cost

Decimal places for 'Quantity': 2

Decimal places for 'SellEach': 2

Decimal places for 'CostEach': 6

Add 'Extra Descriptions' to P/O: Yes

Retail price to update item price: Always

Help Cancel OK

The top three lines are concerned with selecting the default P/O layout. Which one is used will depend on the type of output selected when you 'print' the P/O.

'Next purchase order number' should be setup once, and then left alone. You can change it if necessary. But **NEVER** set it back to a lower number. Otherwise you could end up with P/O's with duplicate P/O numbers, which would cause havoc with your data. Hence the “(read 'Help' before changing this value)' warning to the right of it.

'Generate P/O number when' allows you to decide at what point the software uses a number for a new P/O. The 'Next purchase order number' is simply a counter. Each time you create a P/O, a one is added to this field. If 'Create Purchase Order option selected' is selected, a P/O number will be generated as soon as you select an option to create a P/O. This is useful if you are ordering over the 'phone, and need to quote a P/O number. But if you click 'Cancel' and abandon the P/O, that number will be unused. It will leave a gap in the P/O number sequence. Some companies/organizations do not like to have a gap in the P/O numbers (to avoid fraud). So, if you select 'Purchase Order is printed/saved' then a P/O number is not generated until one of those events occurs, which means you will never have a gap in the sequence of P/O numbers. But it also means you don't get a P/O number until you've printed/saved it, which can be inconvenient when ordering over the 'phone.

'Allow P/O's to be edited' if set to 'Y' allows you to change just about anything in the P/O. As demonstrated earlier on in this guide. But if this is set to 'N', then only retail and cost prices can be changed, nothing else (obviously, you can still received items into the P/O). Which setting you use is really a policy decision for your company/organization. Generally, it's good practice to not be able to change a P/O once it's sent to your supplier. But this is not always practical.

'Method for obtaining item cost' is complicated. I'm sorry, but there is it. You would think

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finding the cost of a stock item would be straight forward, but it's often not.

It's the method used to cost an item on a Purchase Order if ALL other methods fail. The process used to search for a cost for a P/O is always as follows:

If there is a supplier part record for this item, it will use the lowest of the Cost Price (as published by the supplier), or the Last Cost (as last purchased from the supplier).

If both of these cost figures are zero, it will use the Purchase Discount code set up in the supplier part record, if there is none, it will use the Purchase Discount code set up in the stock item record.

The Purchase Discount code if/when found, is then applied to the list retail price of the item (ie. the price in the stock item details).

*If no Purchase Discount code can be found, **then** it will obtain a cost using the Purchase Order Processing default method of costing that is setup in this option.* The default method is LIST, this is the cost price on the stock item record. The available methods are: FIFO (First In First Out), LIFO (Last In First Out), AVCO (Average Cost, based on current stock holding), LIST (the list cost price as given in the stock item details) and LAST (uses the cost price on the last cost related stock movement).

NOTE: if Inventory/Stock Control is not set up to use FIFO or LIFO, then you should not use those costing methods here. This is because the stock will not be controlled in such a way as to produce meaningful figures for FIFO or LIFO.

If no cost is available for a stock item based on the method you specify, then the system will attempt to find a cost using another method. The following table shows two other methods the system will try if the selected method (first in the list) fails:

FIFO - LAST, LIST
LIFO - LAST, LIST
AVCO - LAST, LIST
LIST - AVCO, LAST
LAST - AVCO, LIST

Eventually, if it's exhausted the other two methods and still can't find a cost, it will return a cost of 0.00

'**Decimal places for Quantity**' is exactly that. The number of decimal places the 'Quantity' column will use in the P/O. The maximum number of decimal places is 2. This is partly because if you get down to using tiny fractions, you get lots of rounding errors. It's always best to avoid using fractions at all, if possible. This option defaults to 0.

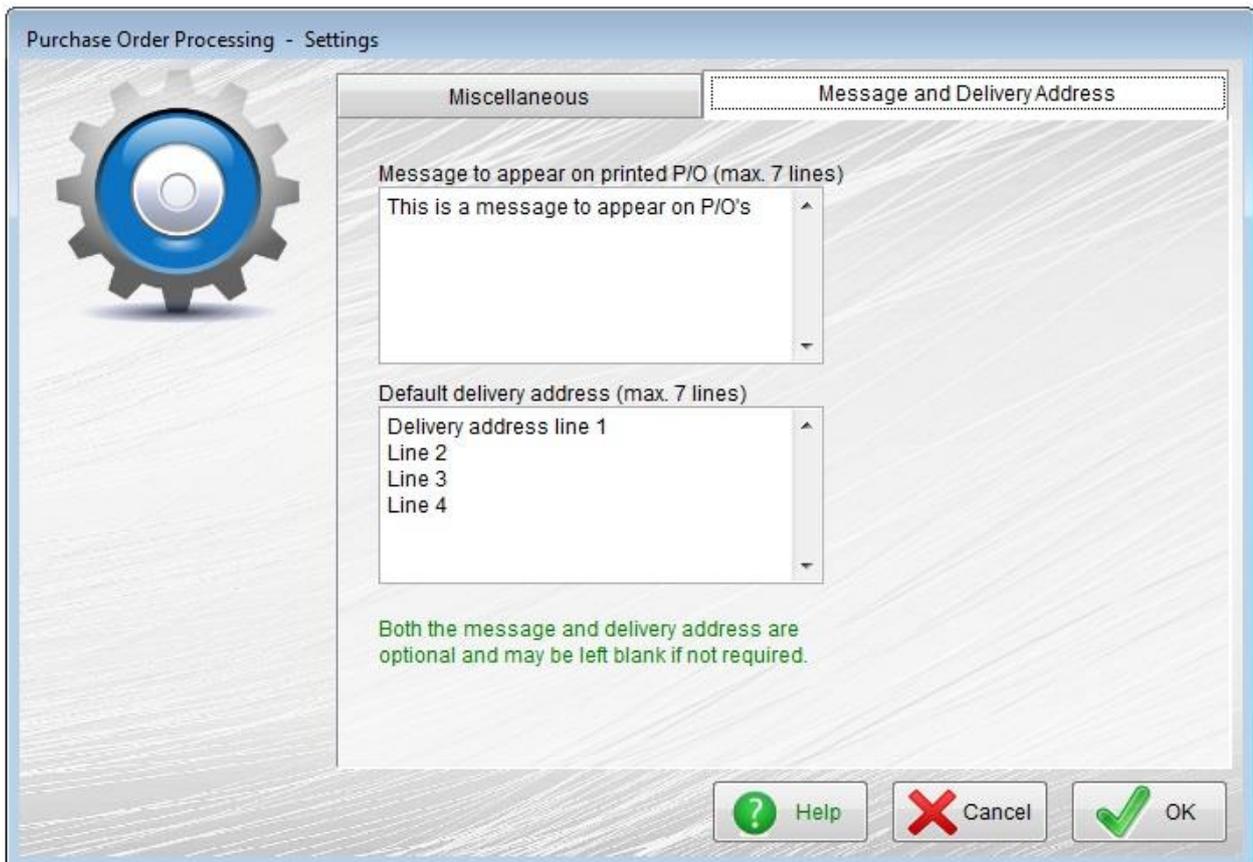
'**Decimal places for SellEach**' and '**Decimal places for CostEach**' both have a maximum of 6 decimal places. Ideally, they should be 2 (although the default is 4). Where you have items of a low value, it's better to not price them in individual units, to avoid rounding errors. For example, if you have an item that costs 0.00035 It's better to price it at 0.35 per 1,000.

'**Add Extra Description to P/O**'. Many stock items may have some extra description in addition to the standard description field. If you select 'Y' in this input field, those extra description lines (if any) will appear in the P/O.

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'Retail price to update item price'. A retail price can be entered in a stock item supplier record. If it is, it will be displayed in any P/O created for that item for that particular supplier. This option allows that retail price to be used to update the stock item retail price. The selections are 'Never', which of course means it's never used to update the stock item retail price, 'Only if P/O price greater' which means it'll only update the stock item retail price if the retail price in the P/O is larger (you wouldn't normally want to reduce prices), this selection is the default, the final selection is 'Always', which means the stock item price will get updated regardless of whether it's greater or smaller than the retail price as show in the P/O (unless it's 0.00, then it'll be ignored).

If you click on the 'Message and Delivery Address' tab, you get the following:



The screenshot shows a software window titled "Purchase Order Processing - Settings". On the left is a gear icon. The window has two tabs: "Miscellaneous" and "Message and Delivery Address". The "Message and Delivery Address" tab is active. It contains two text input areas. The first is labeled "Message to appear on printed P/O (max. 7 lines)" and contains the text "This is a message to appear on P/O's". The second is labeled "Default delivery address (max. 7 lines)" and contains the text "Delivery address line 1", "Line 2", "Line 3", and "Line 4". Below these fields is a green note: "Both the message and delivery address are optional and may be left blank if not required." At the bottom right are three buttons: "Help" (with a question mark icon), "Cancel" (with a red X icon), and "OK" (with a green checkmark icon).

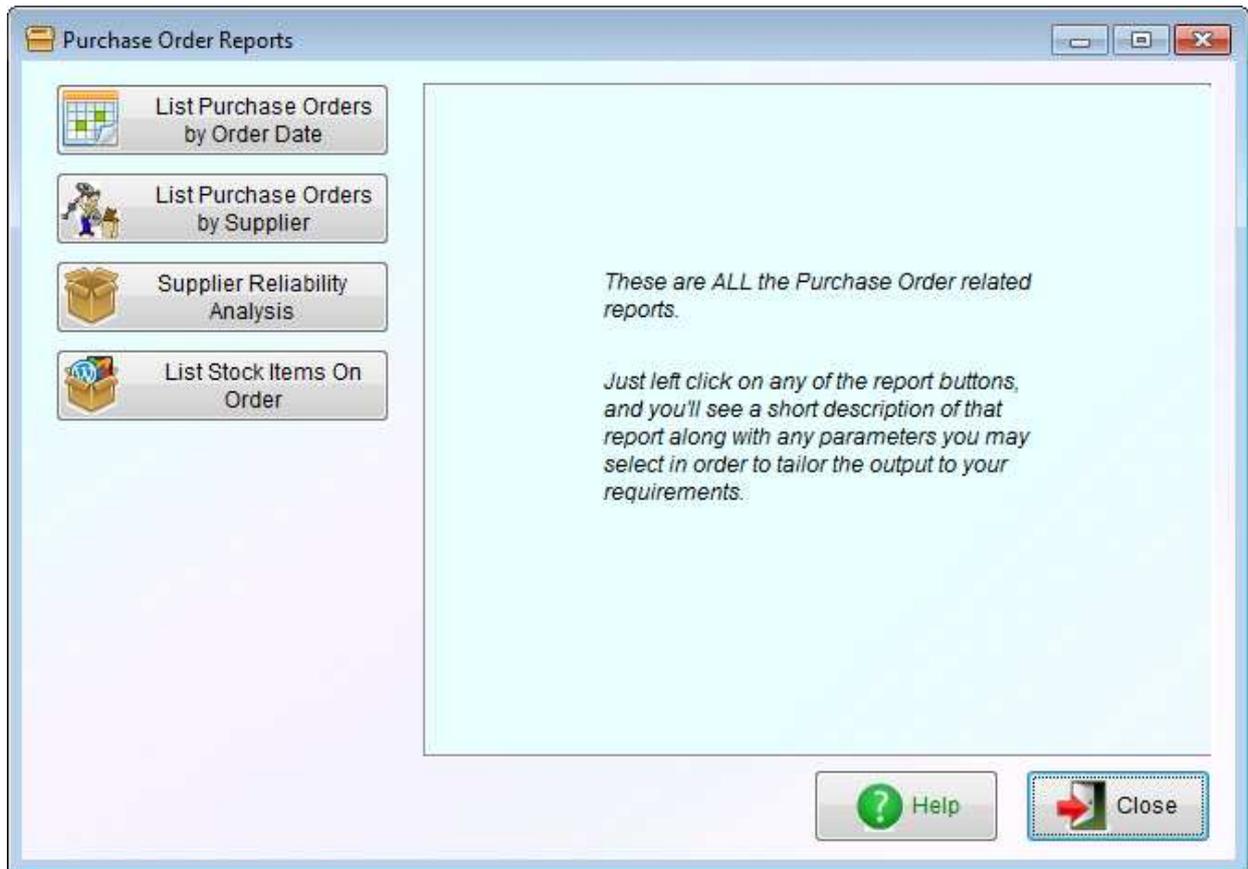
'Message to appear on printed P/O (max. 7 lines)' allows you to enter a message that you always want to appear on a Purchase Order. You can't see it in the P/O details when creating a P/O or receiving items into it. But it will appear at the bottom of the P/O when it's 'printed'. Provided, of course, that the message data item is actually in the P/O layout.

'Default delivery address (max. 7 lines)' will appear in the P/O (by clicking the 'Details' tab). It can be edited, and will appear as the delivery address when the P/O is 'printed'.

Purchase Order Reports

In the Purchase Order menu, the last option is 'Purchase Order Reports'. This displays the following form:

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There is a small selection of reports you may find useful. Of note is the '**Supplier Reliability Analysis**' report. This checks through each P/O, and looks at whether it was delivered on time, and whether all items were delivered or not, and then produces a summary. You should be able to see at a glance which suppliers are reliable, and which are not.

*** End of Document ***