Volume

1

JAWA SOFTWARE

Money & Markets Retail ERP

The Purchasing System

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Chapter 1

General Design

This will go over the general design features of the Purchasing system and its related setup options.

The Purchasing system is an important part of any retail organization. JAWA Software tried to make it simple and as easy to use as possible. I recommend planning properly before using the system. "measure twice and cut once approach". Many factors are required in this process and forming a team with IT, retail and purchase managers is key to success.

The main components of the JAWA Software Retail ERP © Purchasing System are:

THE PURCHASING MODULES
1. Cost Settlement
2. Fulfillment
3. Purchase Requisition
4. Purchase Order (PO)
5. Goods Receiving Note (GRN)
6. Purchase Invoice (PI)
7. Goods Return Voucher (GRV)

Consistency

JAWA Software has made all efforts to maintain the consistency of the application. There are four types of menus in the entire system and the way you interact with one is the same for the others. Moreover, the location of the buttons on the menu is also maintained throughout the entire application. That means the shape and location of the Add button for example is the same no matter which screen you are working with.

Setup Menu Type 1

for saving "Save" the entered data

for reverting or canceling the unsaved data

With this kind of menus you enter multiple selections and need to only click on the save button once

Setup Menu Type 2

This type of menu is available in most of the setup screens and it allows you to enter multiple data records and save them all by clicking once. However, canceling what you entered before saving requires you to press the Escape Button on your keyboard.

Usually this type of menu has the following buttons

Add. You need to click on this button to start adding new records.

Edit. You need to click on this button to edit old data.

Delete. You need to click on this button to delete old data.

Save. You need to click on this button to save entered data. Please note that this button is only highlighted after you click on the Add or the Edit buttons.

Transaction Menus

This is the type of menus you see in most transaction screens. Transaction screens are screens like the Item Master, Purchase Cycle, Stock Transactions…etc.

Transaction menus have two parts. The part above is standard among all of them. The other part usually is function dependent and they change from one screen to another

The buttons on that menu are as follows

Add. Click here to add a new record

Edit. Click here to edit a record. Please note that this button will only be highlighted if the transaction is saved. At the same time it is disabled if the transaction is posted or closed

Delete. Click on this button if you want to delete saved transactions. Please note that you cannot delete posted or closed transactions. Also you cannot delete Item Master transactions if the quantity is greater than zero or/and the item is not marked as inactive. This button is not activated during data entry.

Go To The First Record. Click here if you want to go to the first record in the table. This button is not activated during data entry.

Previous. Click on this button if you want to go to the previous record in the table. This button is not activated during data entry.

Next Go To The Next Record. Click on this button if you want to go to the next record in the table. This button is not activated during data entry.

Last. Click on this button if you wan to go to the last button in the table. This button is not activated during data entry.

Save. Click on this button to save entered data. Please note that this button is only activated after you click on the Add or the Edit buttons.

Print. Click on this button to print the report associated with the screen. Some print buttons have sub menus associated with them.

Post. Click on this button to post a saved transaction. Please note that this button is only activated after the data is saved and it is deactivated if the transaction is posted or closed.

Analysis Menu

These menus are available in the Analysis Module and they almost have the same look and feel. The main function in these menus is the Build button.

Build. By clicking on this button the system will start building the analysis based on the screen functionality.

Clear. Click on this button if you want to clear the selection criteria for the analysis.

Graph. Click on this button to graph the selected data in the analysis lists. Please note that you have to highlight the lines in the list that you want to graph.

Interaction With The Financial Accounting

The System interacts with many tables and other JAWA Software Systems like the Financial Accounting. The interaction with that system is based on the setup and the availability of the system (if the customer purchased the system or not), and it is bi-directional. In this case the Purchasing System will bring the supplier details from the Accounts Payable and will use the General Ledger accounts according to the ones created in the setup. However, the Center will be validated from the entry done in the location definition in S&D.

It is important to note here that the Purchasing System creates a Journal in the following cases:

1) Purchase Invoice

2) Goods Return Voucher (GRV)

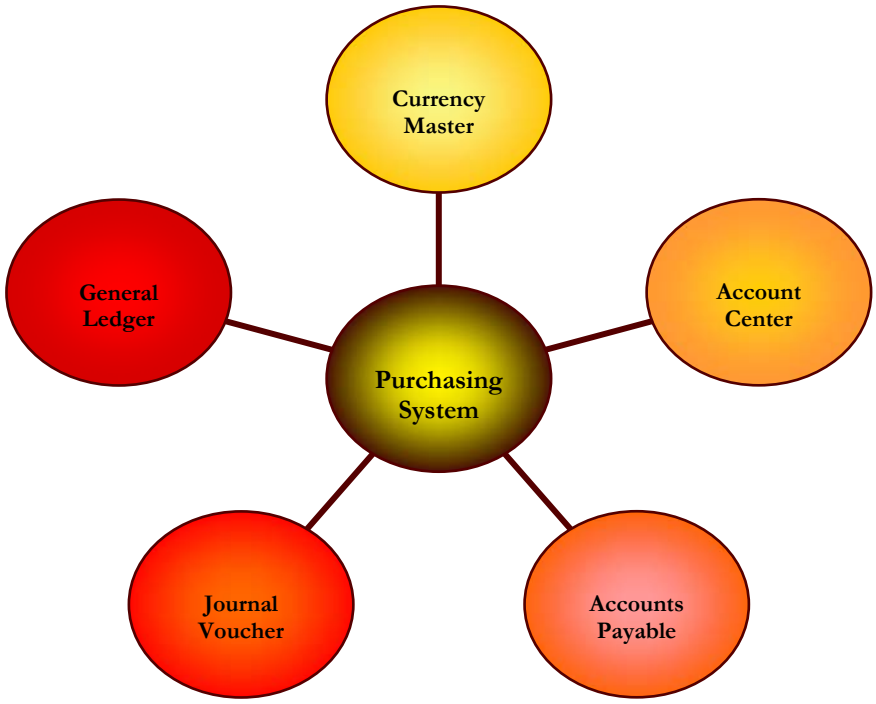


FIGURE 1 shows the interaction between the Purchasing System and the JAWA Software Financial Accounting System. Journal Vouchers are created from the Purchasing cycle.

System Diagram

The diagram below shows the data source that the Purchasing System uses and the tables it saves data to.

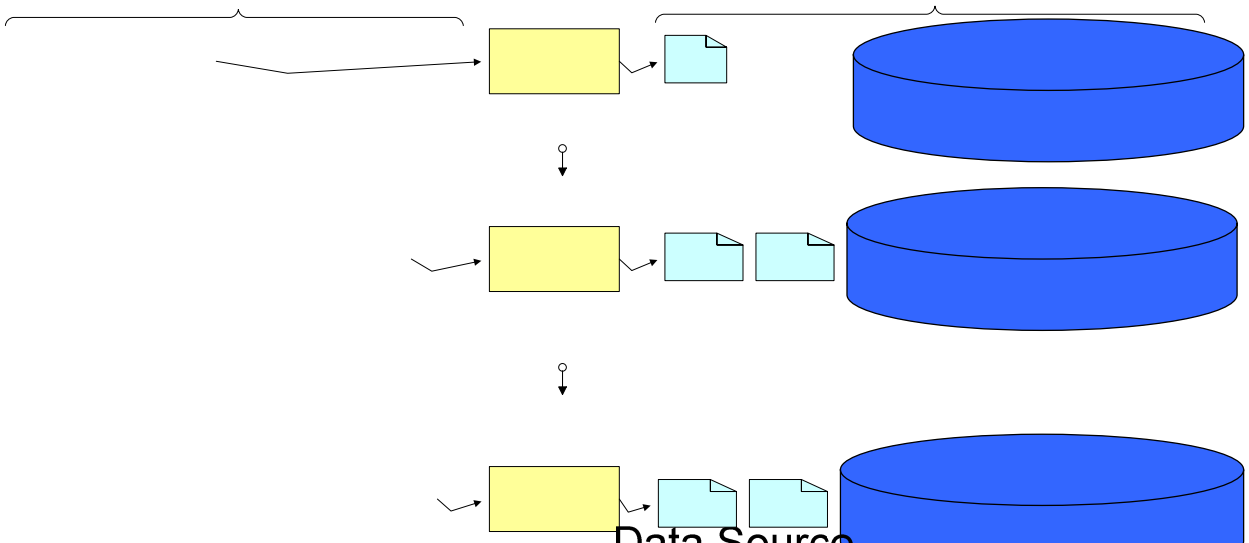


FIGURE 2 shows a summary of the main tables that are validated or data brought from at the purchasing cycle and the tables written to once data is posted.

1) Location Master
2) Item Master
3) Cost Settlement (Depending On The Setup)
4) Tax Master (Depending On The Setup)

The most confusing part that users face in the purchasing process is from where does the system brings the quantity and the item price. Well, this is a bit tricky and there is not a one answer for that. It really depends on your setup and this will be explained in detail in the Cost Settlement chapter.

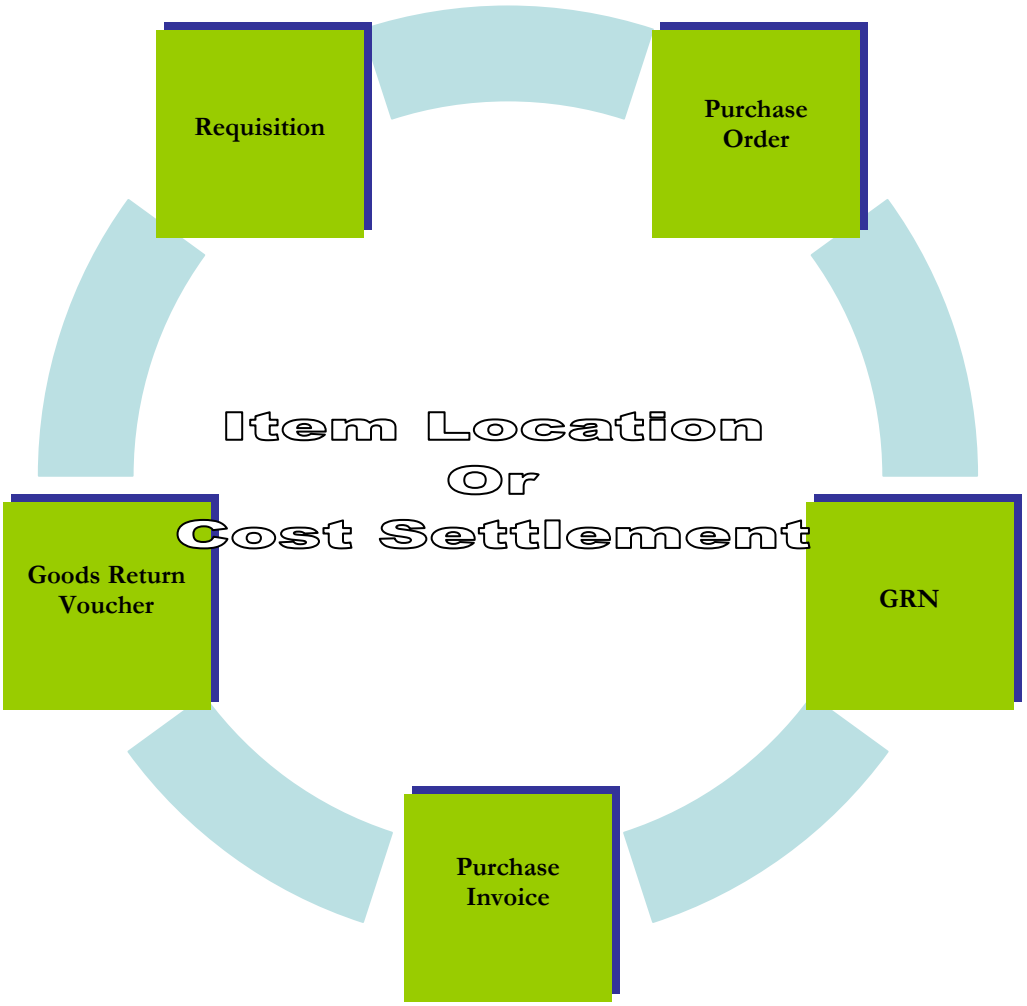


FIGURE 3 the dilemma of the price selection in the purchasing cycle

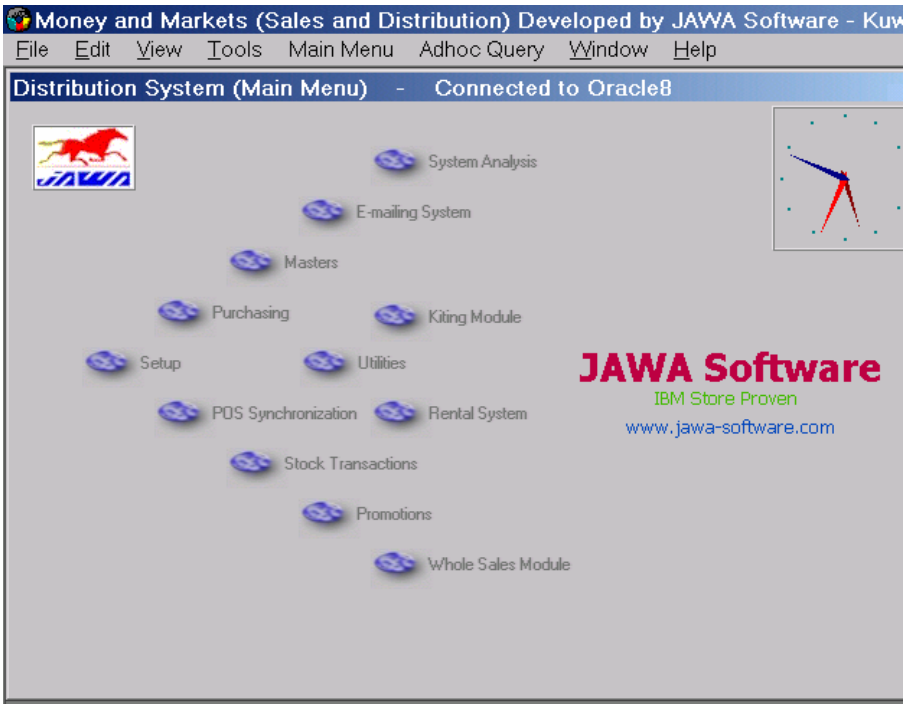
Chapter

2

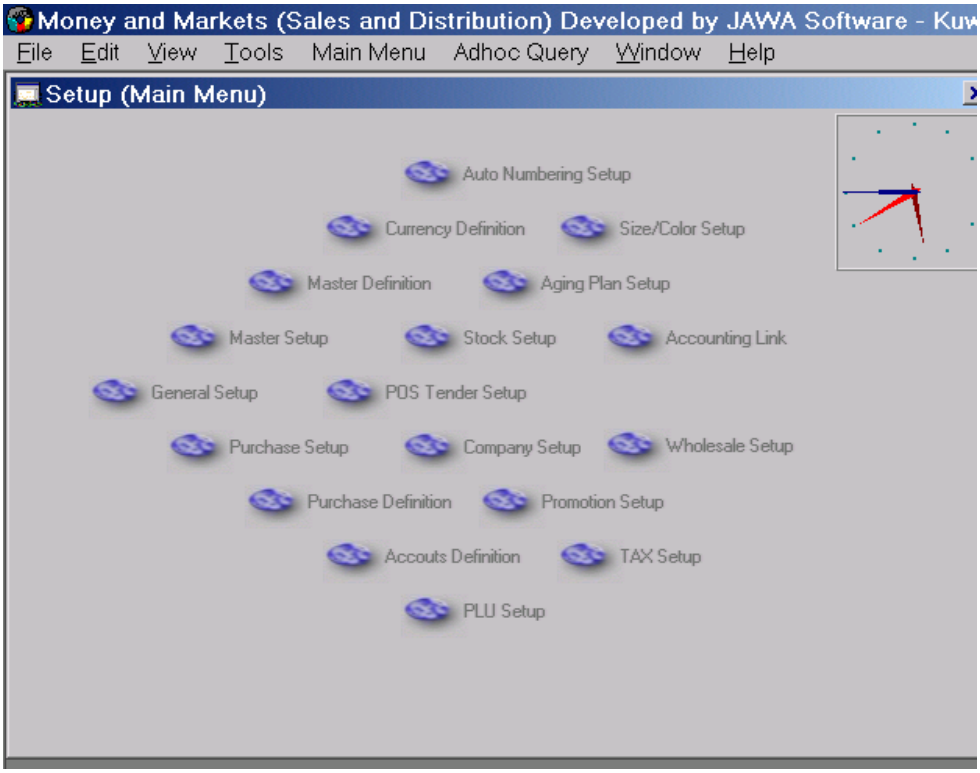
Purchasing System Setup

JAWA Software has made all possible effort to allow the user to setup as many parameters as they want to use in screens. Some customers like to use the Barcode in receiving but they prefer to use the Internal Reference code in another. To make life easy for us and our customers we made the usage of these codes totally parametric. The customer can select which code he/she likes to use in any of the screens in the program. Well this is only part of the things you can make parametric in the setup.

To start setting the application click on setup from the main menu



This will take you to the main setup screen for the entire application. We will focus in this manual on the purchasing system and its relative setup options. Now again we stress that the setup has to be agreed with the entire team in the company and should not be taken lightly since so many things later will depend on it.



Two main options are available for the Purchasing System setup

1) Purchase Setup
2) Purchase Definition

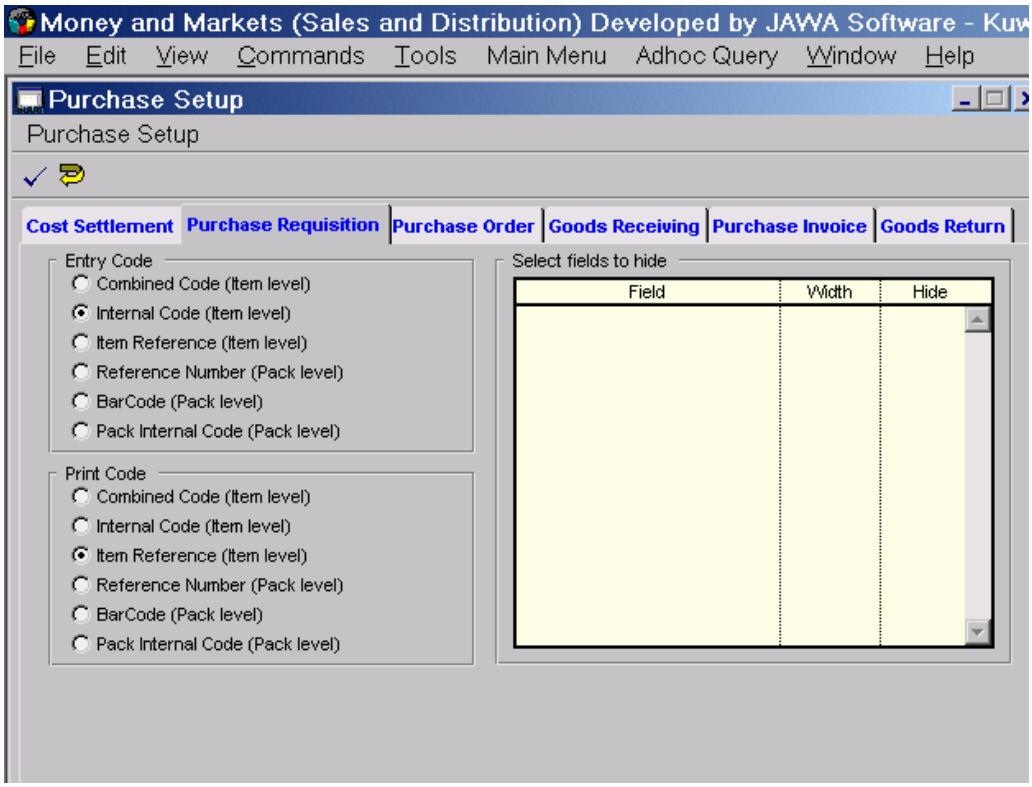
Clicking on the Purchase Setup gives you a number of Tabs covering the entire purchasing cycle.

DID YOU KNOW?

- You can enter the Item Reference in the PO screen
- And print the report with the Item Barcode

The first Tab is the Cost Settlement and this allows you to select the code you like to use when you are in that screen and the item code you would like to use when you print the report.

The same is maintained throughout the entire system. The Purchase Requisition has these options also.



Purchase Requisition is used by some companies to facilitate an ordering process from store managers. It is assumed that store or warehouse managers requisite stock and the purchasing department purchase these items. This will be discussed more at a later chapter.

Purchase Order Setup

The Purchase Order Tab has many selections aside from the usual item code options. I will list them with an explanation of each one:

Allow Supplier On Hold

Use this flag to set if you want anyone to be allowed to create a PO for a supplier that is flagged as on hold.

Close Requisition On the First Issue Of The PO

Some companies that use the requisition process might receive a request from a store manager to purchase a quantity of 10 from an item, and for some reason the purchasing department decided to issue the PO to the customer for the quantity of 8. This flag allows you to set if you want to automatically close the requisition when the quantity 8 PO is created or to keep the requisition open until the remaining 2 is ordered.

Allow Different Delivery Location

This is almost self explanatory. It allows you to flag if you allow a PO to be created for location 1 but to allow another different location to receive the ordered quantity. Please note here that there are other rules to this process like the other location has to be part of the same cluster and the other location is set to directly receive items (this is part of the location setup)

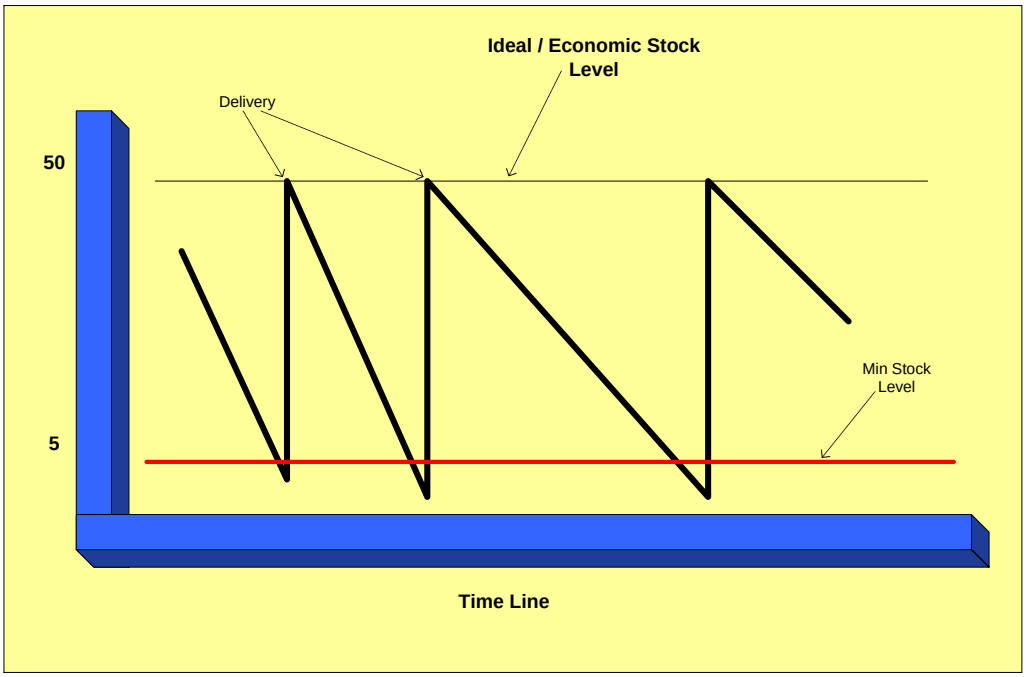
Use Economic Quantity When Creating Purchase Orders

This is a nice option that could save you a lot of time and is mandatory if you want to use the Fulfillment Module. This flag is related to the Item Location where you can setup the Economic or Ideal quantity that you like the system to automatically use each time you create a PO for that item for that location. To understand the process properly I see no other way other than explaining the logic behind it.

Our aim in stock control is to maintain a balanced inventory so that customer service for each stock item is maintained within its proper limits. The time at which you can influence the stock levels most effectively is when you order, and it is at this point that the major opportunity occurs for ensuring a balanced inventory. It is also the point at which customer satisfaction or excess inventories are created. The technique for calculating the right time or order quantity is crucial to balancing these conflicting pressures.

If you have an item that you create an order for when the current stock of that item reaches the quantity of 5 and every time you order you like the total quantity of that item to be 50. In this case your minimum quantity should be set to 5 and the ideal quantity should be set to 50.

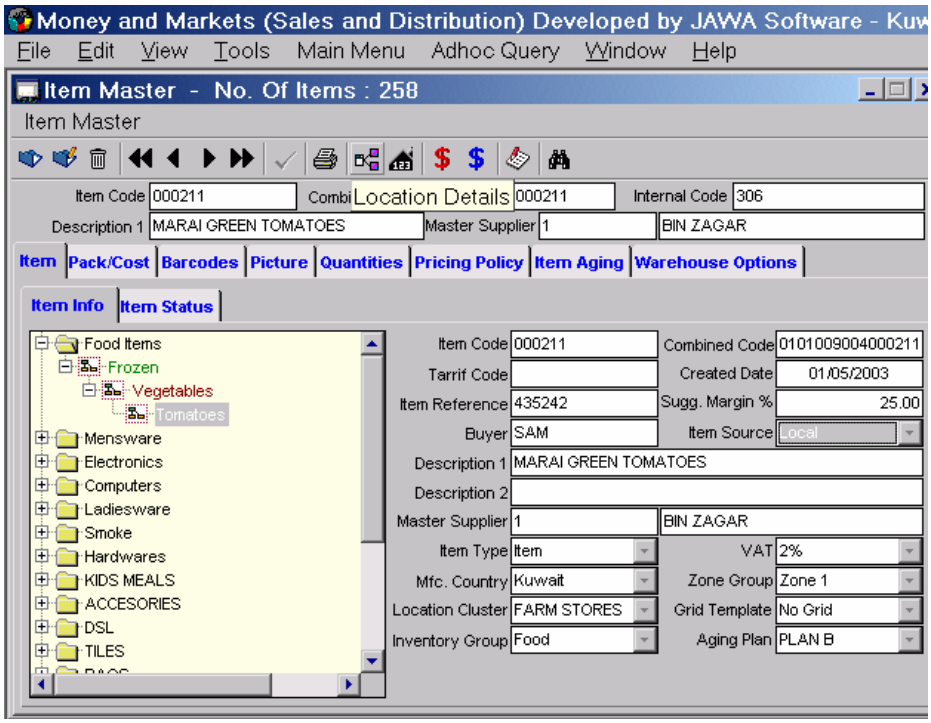
The graph below depicts the purchasing process of the merchant that likes to top of the quantity of the item to 50 and he makes a decision to purchase when that quantity reaches 5. The down line depicts sales and lines below the red Min Stock Level indicate sales that are done after the order is made with the supplier and until the supplier delivery the goods.



When the supplier delivers the quantity goes to the ideal 50 and the down trend depicts the sales of that item.

Please note that proper planning has to take place and to adjust the minimum stock based on the lead time for the supplier without setting that number to an unreasonably high value or too low leaving

The setup of the Minimum and Economic Quantity is done in the Item Location screen. Since the minimum value for a large location need to be different than the value for a small location.

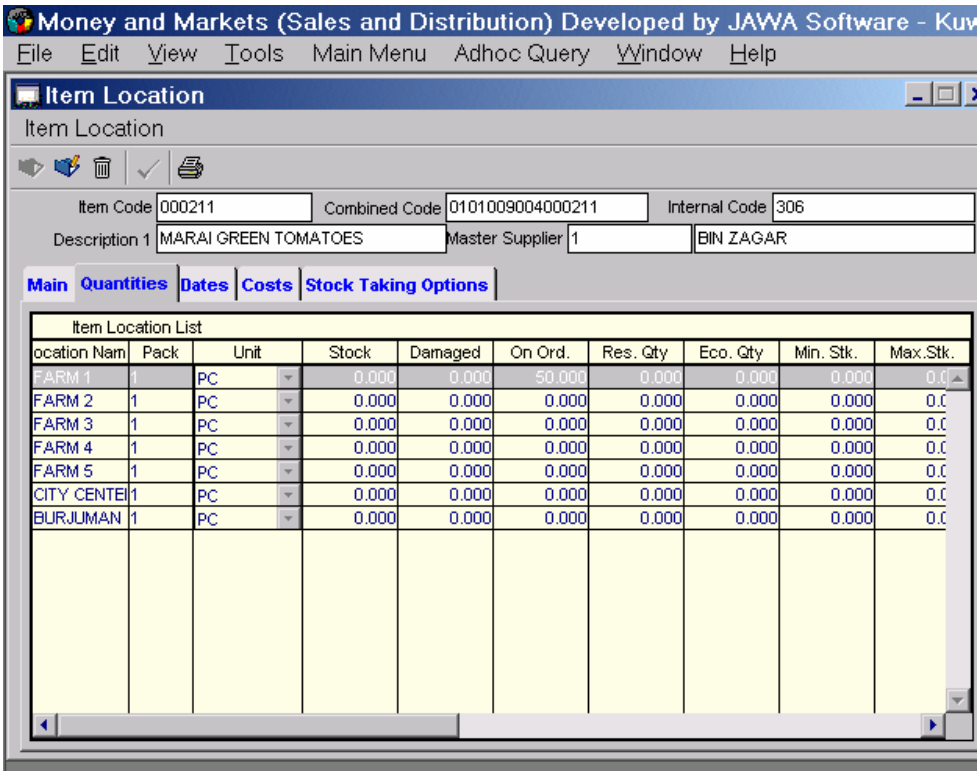


To do that, click from the main menu on Masters and from that screen click on Item Master, find the Item you want to set the minimum and Ideal/Economic quantity for, then click on the Location Details button on the menu bar.

The system displays the Item Location Information screen with the following tabs:

1) Main
2) Quantities
3) Dates
4) Stock Taking Options

Clicking on the Quantities Tab the system displays the quantities available in each location part of the cluster.



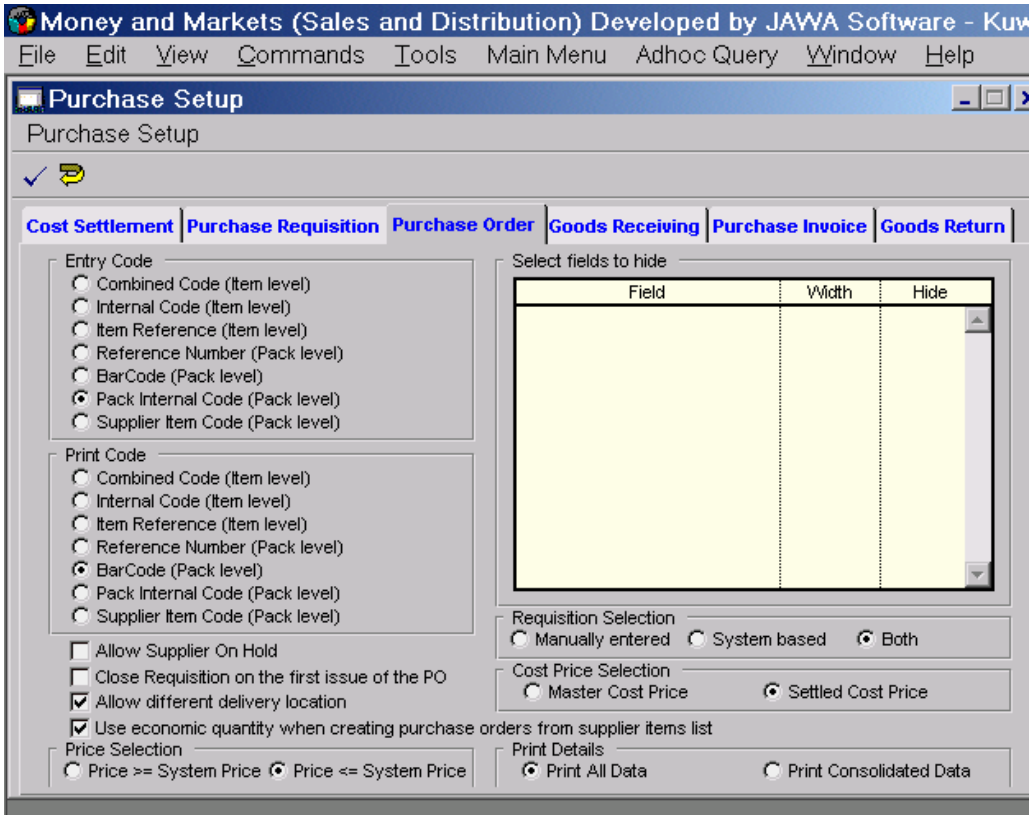
Now to set the minimum and Economic (Eco.) click on Edit from the menu bar and then click on the line in the list where you want to set these values. Once done click on save. Now the system will use this number when you create a purchase order for the item. The system keeps in mind the available quantity when doing that.

Example: Assuming that you setup the Economic Quantity for Location 1 at 50 and the Minimum Quantity at 5. If the available quantity is 8 and you decided to create a PO even though the quantity is still above the minimum the system will use the following calculation:

50 – 8 = 42

So when the PO is created for that location, and the flag in the PO setup is set, the system will automatically enter the quantity in the PO.

Please note that you will not be able to get the Fulfillment System to work if this flag is not set and the proper quantity is not entered in the Item Location.



Price Selection

Two options are available and this is to setup if anyone using the Purchase Order can change the price for the item and make it larger than the price stored in the application or has to be equal or less than the system stores price. This is the same whether you are bringing the price from the Item Location or the Cost Settlement.

Requisition Selection

This is to flag if you want the system to validate the requisition number in the Purchase Order screen when entered.

Cost Price Selection

This is to indicate to the system where you want the system cost price for the item to come from during purchasing. Master Cost indicates that you want it to come from the Item Location. Now here I have to explain that a number of people ask us all the time why we have this file. The answer is simple. Assume that you have one location in America and the other in France. In this case the landed cost, retail price

and other factors that you use in America are not the same for France, and since shipping the item to France and the Taxes involved will definitely make the item cost you more in France. However, the supplier cost assuming that you buy the item from a supplier in the United Kingdom is the same. So set the price for the item in the Cost Settlement and the system will calculate the landed cost for each location.

Print Details

This option allows you to setup the way the system prints the PO incase you have multiple requisitions from several locations for the same item. Printing consolidated Data means that the system will consolidate the quantity requested from all these location into one ordered number, and Printing All Data flag will print the quantity requested for each location for the same item.

Example: Assume you have 3 locations and each of them requested to buy item number 1001 and the quantity of 10 for each location. Now if printing consolidated data flag is set the Purchase Order report will only show one line for item 1001 with the quantity of 30. However, printing all data flag will print on the purchase order report three lines for the same item with each line showing the quantity requested in each location.

Goods Receiving Setup

Aside from the usual code selection the Goods Receiving Tab is simple and most of flags are similar to the Purchase Order Tab. The reason for that is that some companies allow receiving of items without the need of a PO.

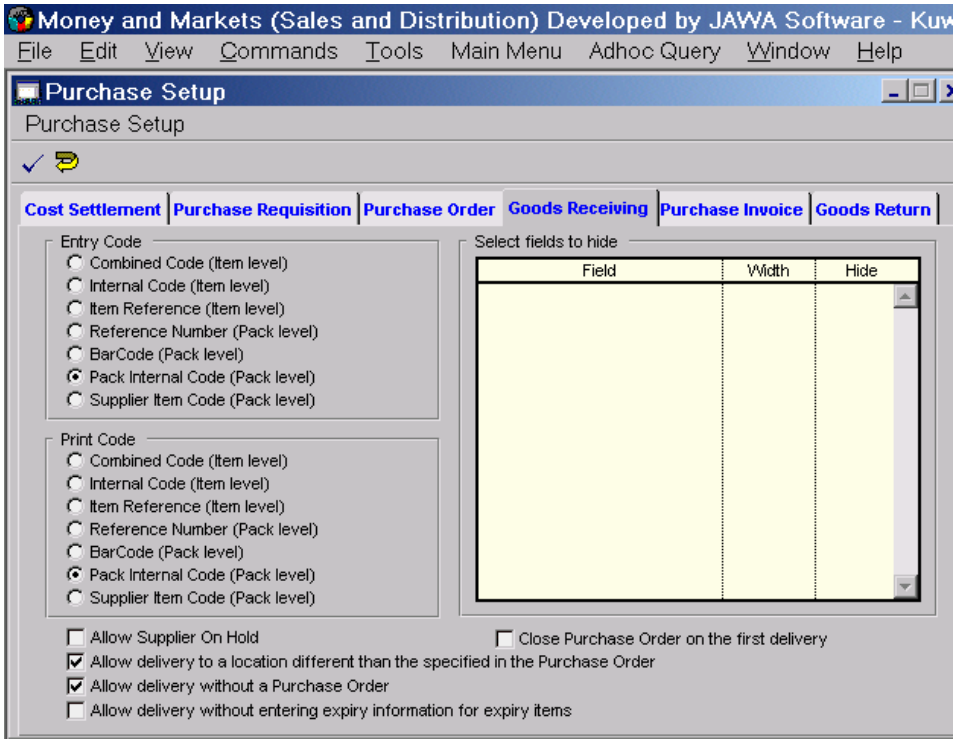
Allow Supplier On Hold

Use this flag if you want to allow users to create a GRN from a supplier that is flagged as on hold.

Allow Delivery To A Location Different Than The Specified In The Purchase Order

This is needed to indicate if you want the system to accept a GRN in location 2 for a PO that was created to be delivered to location 1. Please also note that for this to work the following has to be set also:

1) The location has to belong to the same cluster
2) The location is defined as a physical location in the Location Definition, Location Details Tab
3) The location receiving the item has to be flagged as allowed to receive in the Location Definition, Location Details Tab



Allow Delivery Without Entering The Expiry Information For Expiry Items

Use this flag if you have items that expire and these items are flagged in the Item Master as Expiry Items and you don't want to enter their expiry batch number and date every time you receive these items. If this flag is not set the system will force you to enter this information in the GRN and you will not be able to post the GRN without it.

Close Purchase Order On The First Delivery

Set this flag if you want the system to automatically close the PO when the delivery is made whether you received the ordered quantity or not. This flag is important if you ordered for example quantity of 10 of item 1001 and the supplier delivered 8. Some companies immediately close the PO and don't allow the supplier to back order the item and deliver it later.

Purchase Invoice Setup

Aside from the normal Item Code selection this Tab allows you to set a number of flags needed in the Purchase Invoice Screen. Mainly these issues are related to the retail price.

Some companies change the selling price of the item every time its cost changes while other companies are bound to a certain extent by other factors like competition and internal authorization process that changing the selling price of the item requires an approval of a committee or a manger. These companies we recommend that they use the Cost/Price Management System for that. However, if you want the retail price to change if the cost changes then you have to setup these flags.

Margin Selection

To explain this properly, I feel that you need to also know the kind of calculation the system can handle for margin. The Sales & Distribution System allows you to set Margin or Markup calculation for the retail price. These calculations are as follows:

Margin% = ((Retail Price – Cost Price) / Retail Price) x 100

Markup% = ((Retail Price – Cost Price) / Cost Price) x 100

The Purchase Invoice screen has to show you the calculated retail price of the item and that is why you need to setup from where you need to get the margin for the calculation:

1) From Location Item Pack?
2) From The Suggested Item Of The Item Master?
3) From The Margin That You Enter At The Purchase Order Screen?

Please note that choosing option three means that you want the user to enter the margin in the Invoice screen and the Allow Margin Change option has to be enabled to do that.

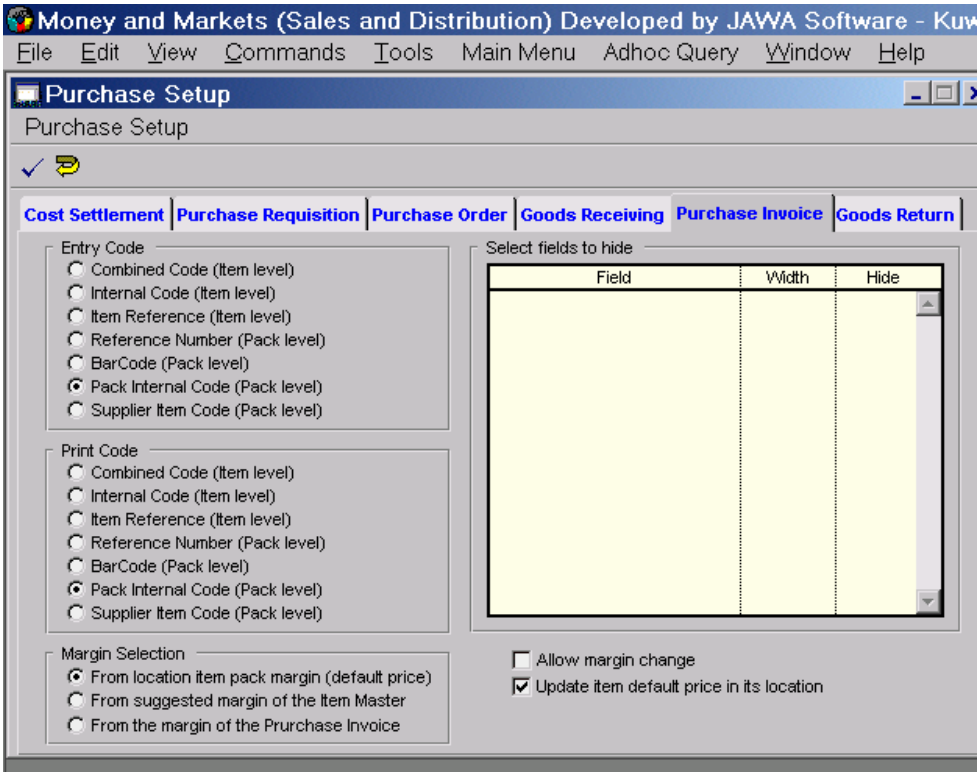
Allow Margin Change

Use this option if you want to give the ability to users entering Purchase Invoice transactions and to allow them to change the Retail Selling Price of the Item or change the Margin.

Update Item Default Price In Its Location

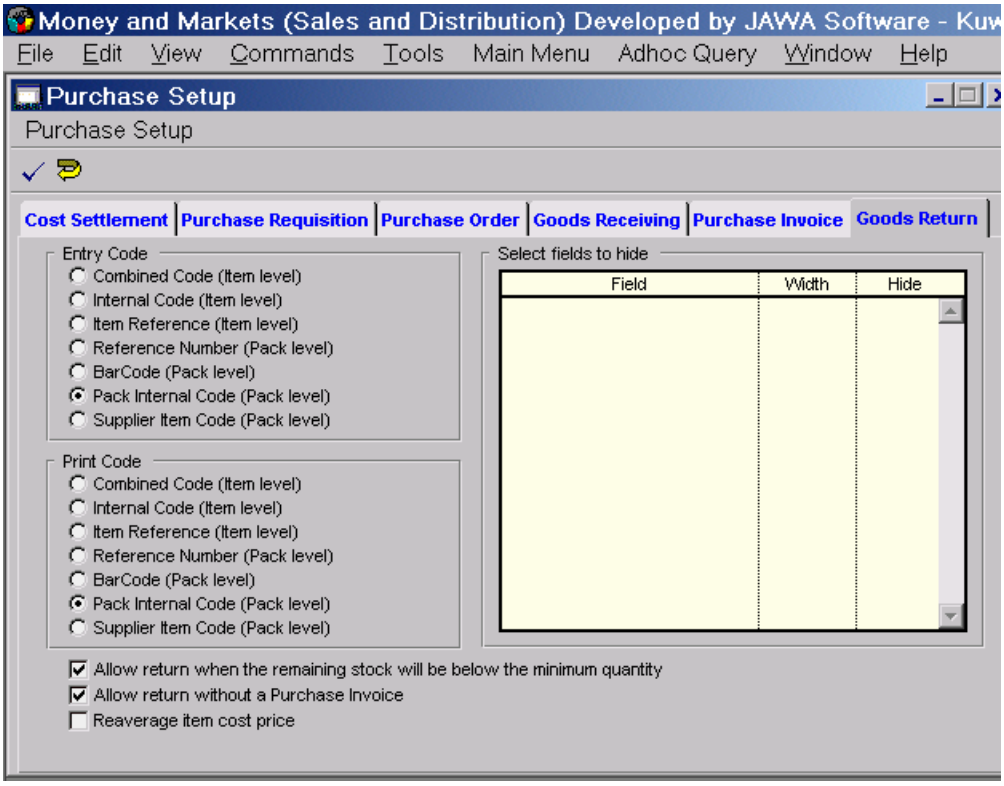
I think maybe this is the most confusing label I found in the system and most likely will be changed to something more meaningful in future releases. However, assuming you allowed users to change the Retail Selling Price / Margin for the item in the Purchase Invoice screen. This flag allows you to reflect

this change permanently in the Item Location. Again, here I remind you that item x can cost you $6 in location 1 and $8 in location 2, and by that effect the retail price in location 2 might be a little higher than the price in location 1. Or you could be bound by a company pricing policy and even though the cost in location 2 is higher you still have to keep the same retail sales price.



Goods Return Setup

Goods Return is used every time you want to send stock back to the supplier. That is why the setup here is related to two main factors. Which cost we use when we return the item and can we return the item and leave very little stock. I mean here that the remaining stock when we return the item becomes lower than the set minimum.



Use this tab to set the normal Item Code for both entry and printing and the following additions:

Allow Return When The Remaining Stock Will Be Below The Minimum Quantity

Flag this button if you don't want any user to be able to return items back to the supplier leaving your stock on hand below the set minimum for that location

Allow Return Without A Purchase Invoice

This is needed if you want to return items back to the supplier that you did not get invoiced for yet. In this case, you still don't know how much they really will end up costing you, and it is done in rare cases

when damaged items are received by someone by mistake and you want to return them back to the supplier immediately, without the need to wait for the supplier to send you the invoice for them.

Re-average Item Cost Price

Use this flag if you want the system to re-calculate the average price when you return items back to the supplier.

Example: Assume that you purchase a quantity of 10 of item x for the cost of $10 each in invoice number 12

And you purchased a quantity of 10 of the same item x for the cost of $15 each in invoice number 13. In this case you now have 20 from item x and the average price of each item is $12.5. Now if you return the entire invoice 13 the average cost has to return back to $10 for each item if this flag is set.

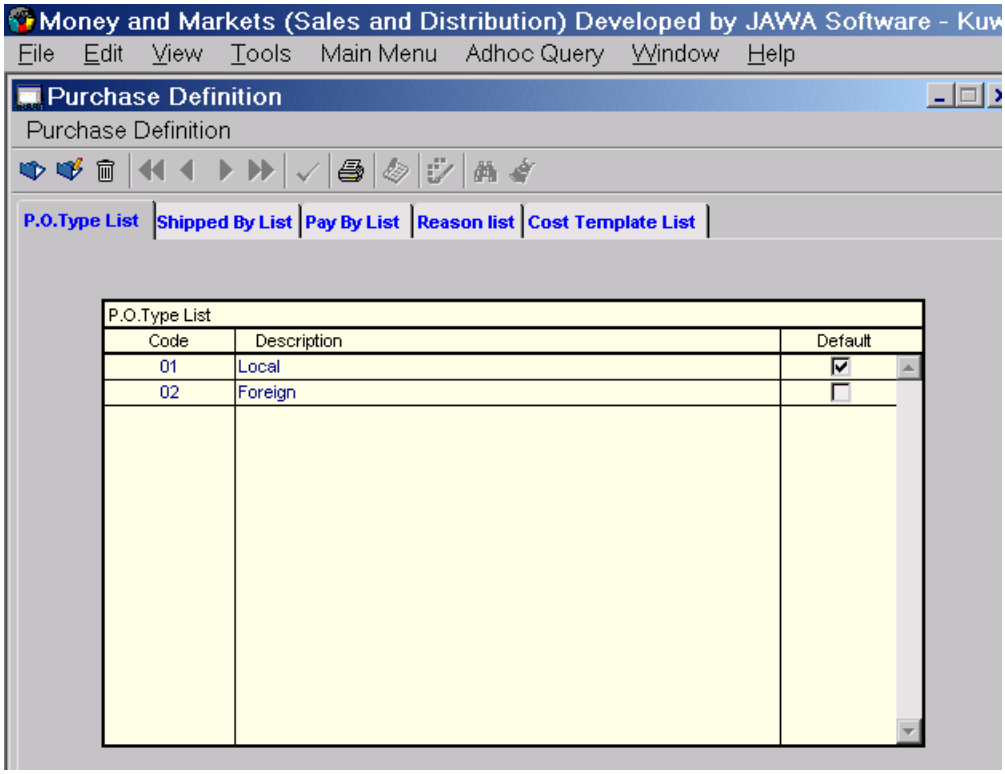
Invoice No	Item	Unit Price	Quantity	Total	Item Average Cost
12	X	$10	10	$100	$10
13	X	$15	10	$150	$12.50

Chapter

3

Purchase Definition

Purchase definition is the other setup button needed for the purchasing system. The most important part of this is the definition of the Cost Template. You can access this screen by clicking on setup from the Main Menu and then click on Purchase Definition. A number of tabs are available in that screen that is needed for purchase categorization.



PO Type List

Use this tab to set the purchase order types that you may have. This is to allow you to separate types by local or foreign, purchase orders for non-sale items…etc.

To do that click on the add button on the menu bar then click on the first line, enter the code, then press tab or enter to move to the other fields. The system allows you to set one type as the default type to allow speedy data entry during purchasing.

Ship By List

Use this tab to enter the methods of shipments that you might use when purchasing items. Fedex, UPS, Cargo…etc. The Purchase Analysis module has abilities to give you details of all shipments by Ship By as entered in this list. You will have to click on Save once finished

To enter a new record click on the add button on the menu bar, then click on the first line enter the code then press tab or enter to move to the other fields. The system allows you to set one type as the default type to allow speedy data entry during purchasing. You will have to click on Save once finished

Pay By List

Use this tab to enter the different methods of payments that you might have with the suppliers.

To enter a new record click on the add button on the menu bar then click on the first line enter the code then press tab or enter to move to the other fields. The system allows you to set one type as the default type to allow speedy data entry during purchasing. You will have to click on Save once finished

Reason List

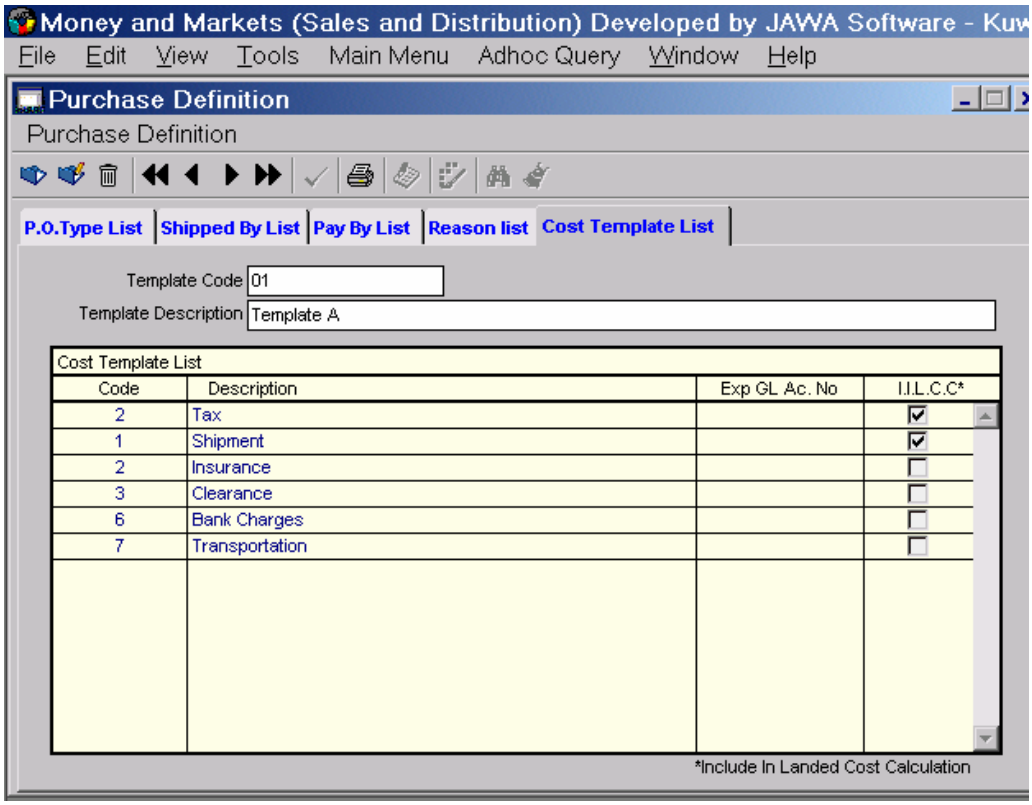
Use this tab to enter the reasons that you want to record when returning items back to suppliers. This comes handy if you want later to get some kind of analysis of all returns due to damaged items…etc.

To enter a new record click on the add button on the menu bar then click on the first line enter the code then press tab or enter to move to the other fields. The system allows you to set one type as the default type to allow speedy data entry during purchasing. You will have to click on Save once finished

Cost Template List

This is a critical setup for those companies that purchase products from foreign companies. You will need to enter the different templates that you want to use for costing.

Costing is the process that allows you to calculate the landed cost for the after calculating and shipping, insurance and other factors that are setup here in this tab.



Each line has a code, description, Expense Account code and a flag to indicate if you want to set if you want to include this expense the landed cost calculation.

Chapter

4

The Purchasing Cycle

Cost Settlement

Cost Settlement is mainly used to record the agreed price with the supplier for the item. As the system has the capability to link one item to a number of suppliers, a problem arise when each supplier has his own price. In this case the cost recorded in the Item Pack or Item Location could not possibly hold all the suppliers costs. Take for example that one supplier sells you the item for $10.00 and the other supplier sells you the same item for $12.00. In this case the average cost to you for one item is $11.00 and the FC (Foreign Cost) holds the last cost which is $12.00 and the LC (Local Cost) has the same cost converted to your local currency. If we make a PO to supplier 1 or supplier 2 the average cost will not be accurate for either of them. The only way to handle this dilemma is to have another facility or screen where the user can record the agreed cost for an item with each supplier. Here comes the Cost Settlement.

3 OPTIONS FOR COST SELECTION

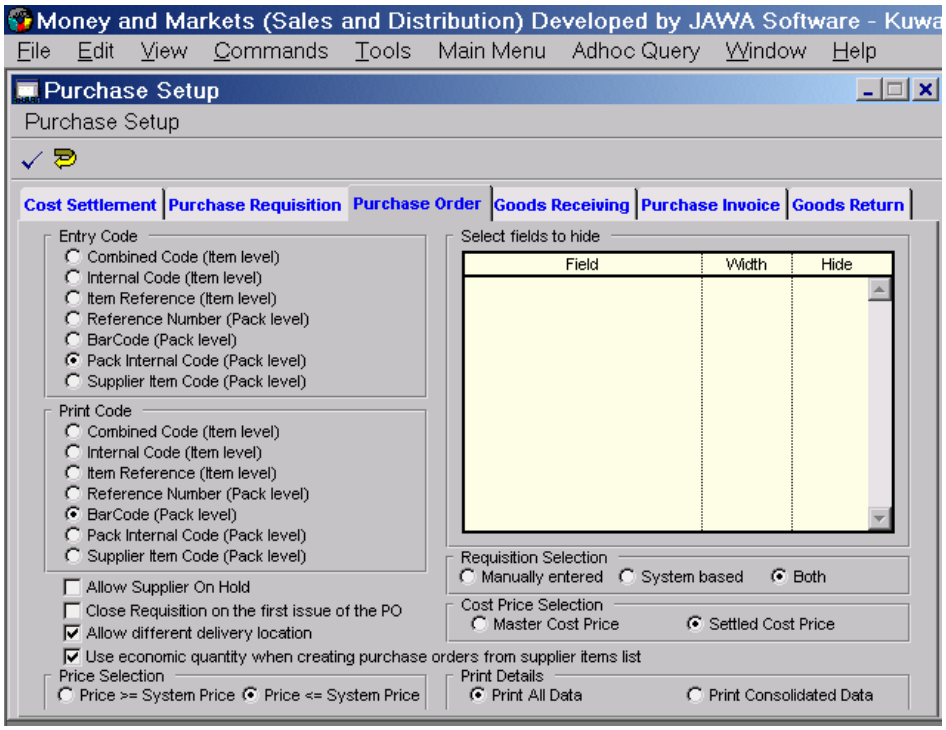
- From Item Location
- From Cost Settlement
- Entered During PO

You need to know that even we strongly believe that the best place to get the cost for the item during the purchasing process is by using the cost settlement.

However, JAWA Software created a parametric setup, and you can choose what you like.

How Do You Set The Cost Selection?

Well, most options in the system are set in the Setup Module. Selecting where the system get the Item Cost is done



So, to set which cost the system should bring in the Purchase Order Screen, then you need to click from the Main Menu on Setup and from that screen click again on Purchase Setup and select the Purchase Order Tab.

In that screen select under Cost Price Selection the Settled Cost Price if you wish the system to bring the cost from the Cost Settlement Screen or select Master Cost Price if you wish the system to bring the cost from the Location Master.

You need to know here that the system automatically creates a record in the Cost Settlement table for each supplier once the item is created in the Item Master. The system enters the initial cost in the local currency that you enter in the Item Master in the Cost Settlement as well. You will need to go to the Cost Settlement Screen and change it if you wish. Just remember that a record is created against each supplier for the same item.

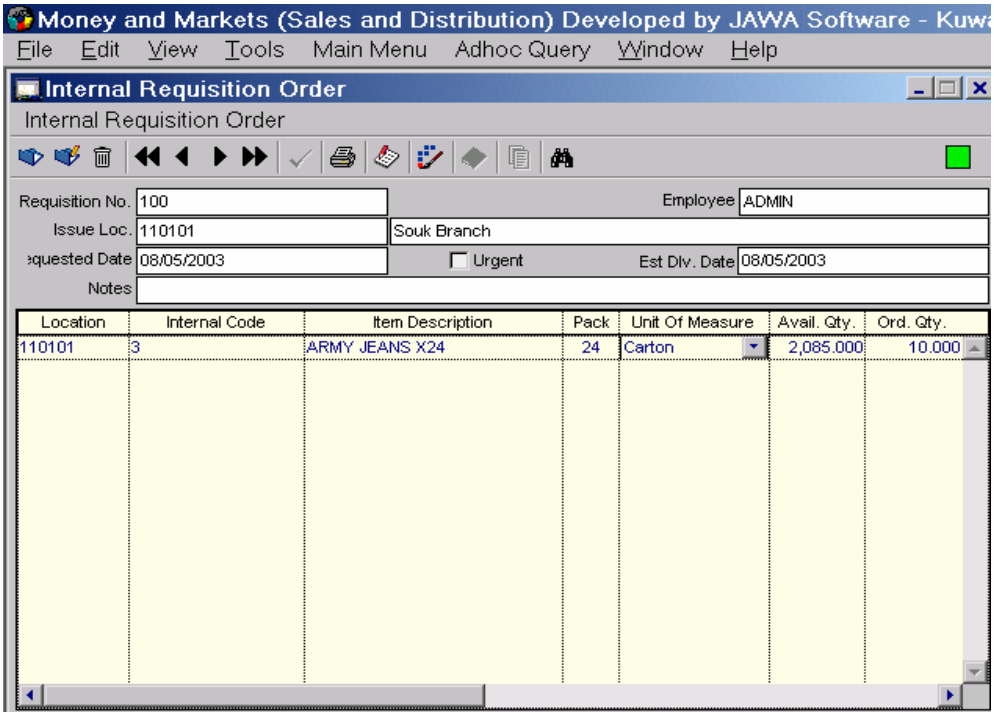
DO YOU KNOW WHICH COST THE SYSTEM HOLDS?

• Foreign Currency Cost	Depicted In the System By FC
• Local Currency Cost	Depicted In the System By LC
• Average Cost	Depicted In The System By Ave
• Landed Cost	Depicted In The System By Landed

Internal Requisition

The use of this screen arises from the need of some companies to have a facility to allow warehouse or brand managers to request items from the purchasing department. This means that the purchasing department as an entity is separate from the other departments.

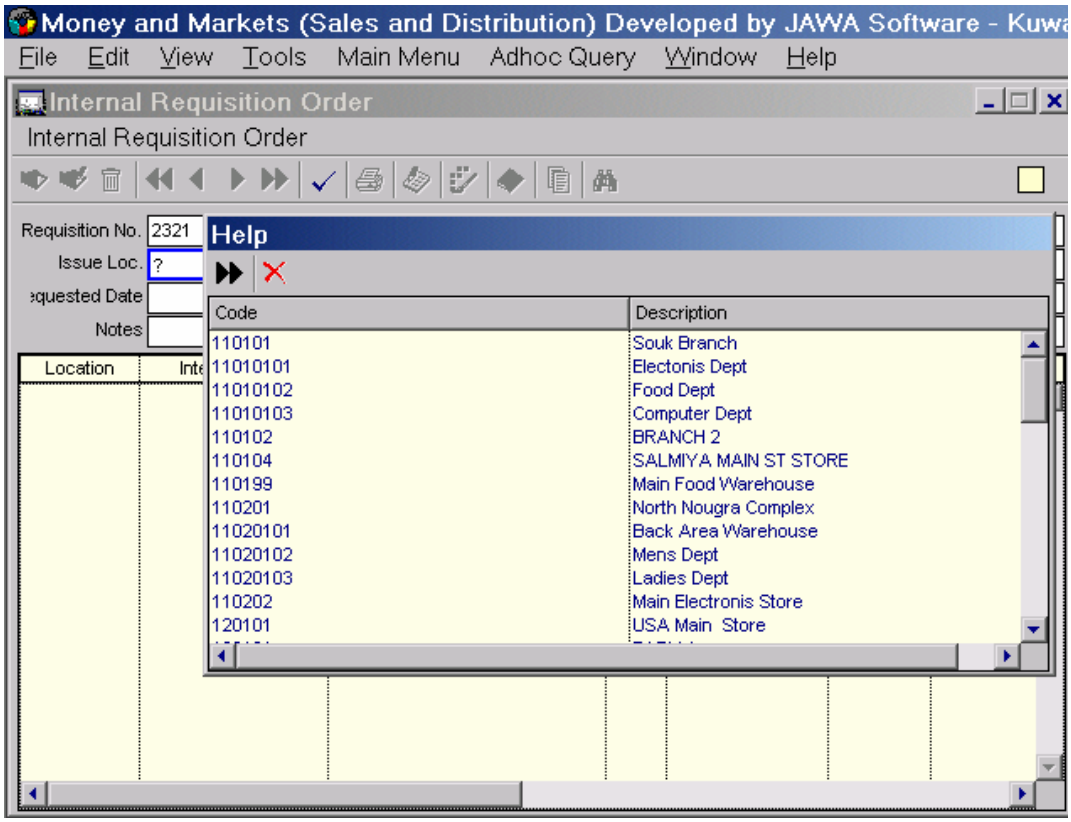
You can access the screen from the Purchasing Main Menu by clicking on the Internal Requisition Order.



Click on the Add button to add a new requisition order. Once you do that the system clears the screen for the new data. Please note that the Requisition Number could have an enabled or disabled status depending on the Auto Numbering Setup. This automatic numbering is activated for this screen you will not be able to enter data in this field and the system will do that once you finish and click on the Save button.

The Employee name filed is created automatically by the security system. This will always allow you to track the employee that created this transaction.

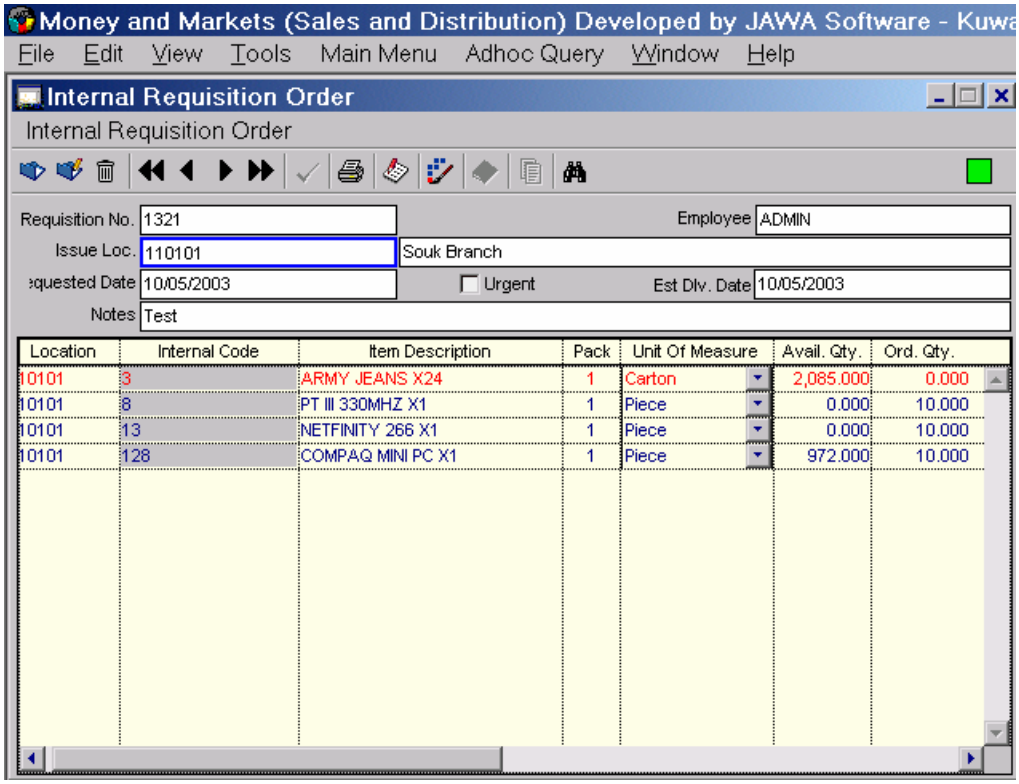
It is important for me to note here that most fields have pop up help. This is to allow selecting data from lists if you are not sure what to enter in that field. To activate this help facility enter the question mark ? at the location field, the system displays a list of locations specified in your database.



Once the Help screen is displayed you can double click on the location that you want to create a requisition for. Once you do that the system will move the location code and name to the appropriate fields in the Internal Requisition Order screen.

Try and fill in all the data in the screen leaving one line with Ordered Quantity as Zero, save when you finish. If you do that, the system will change the colors of the lines in the list to blue leaving the line that has the zero quantity in red. This is to indicate to you that you will not be able to post this requisition order until you fix this line.

To do that click on the Edit button and then click on that line, step through the fields until you reach the **Ord. Qty**. field. Fix the field by entering a positive number then click on save again. The system will change the color back to blue indicating that the record is OK.



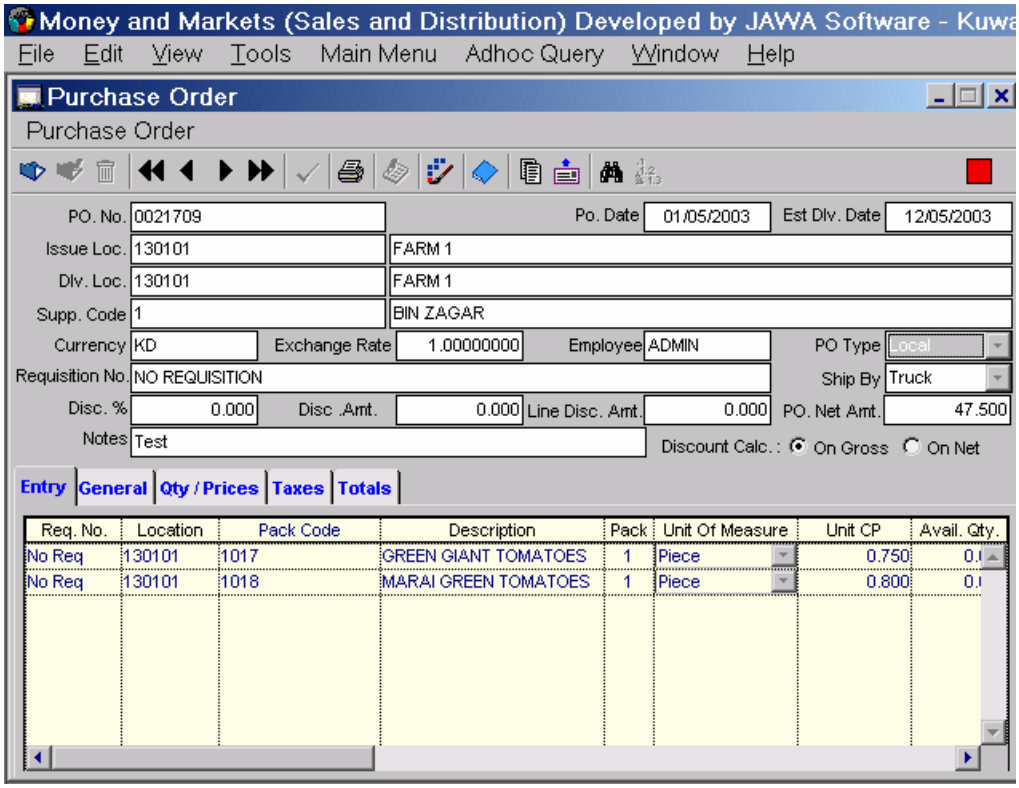
Once you finish click on the Post button. Please note that the system depict posted transactions in red on the transaction indicator flag on the top right hand on the screen. Green means saved.

Purchase Order

The purchase order screen could be among the most used part of the purchasing system. This is where commitment is created for purchasing new items. You need to know that the item has to be created first in the Item Master before a purchase order can be made for it.

DO YOU KNOW THAT YOU HAVE TO CREATE THE ITEM FIRST IN THE ITEM MASTER BEFORE ENTERING PURCHASE ORDERS FOR THAT ITEM

You can access the Purchase order screen by clicking on Purchase Order from the Purchasing Main Menu. The screen is a Transaction Type Menu with a number of other functions needed for this process.



PURCHASE ORDER please note that the screen you may have might differ depending on the release of the product you have

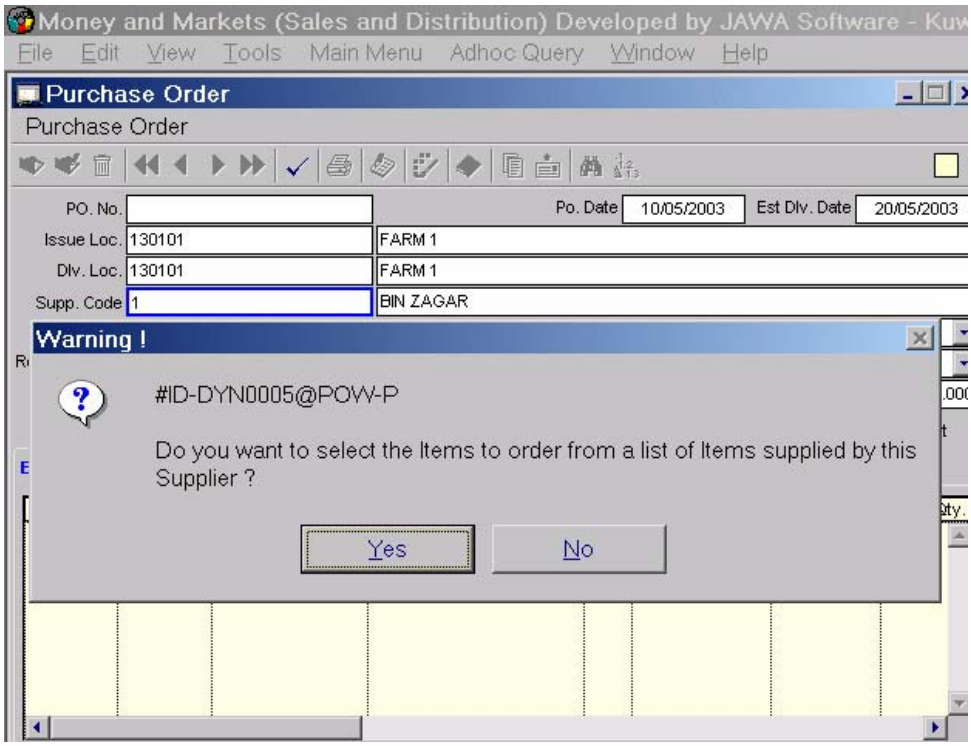
The best way to use the purchase order screen is to have the system work for you. You can do that by a number of ways. You can copy an old purchase order, change the quantities, delete unwanted items from the PO list then post it, this will save you from entering all the data again, or create a new one by clicking on the Add button.

There are a number of important factors that are required when creating a new PO. Aside from the obvious ones, I will focus on two important factors.

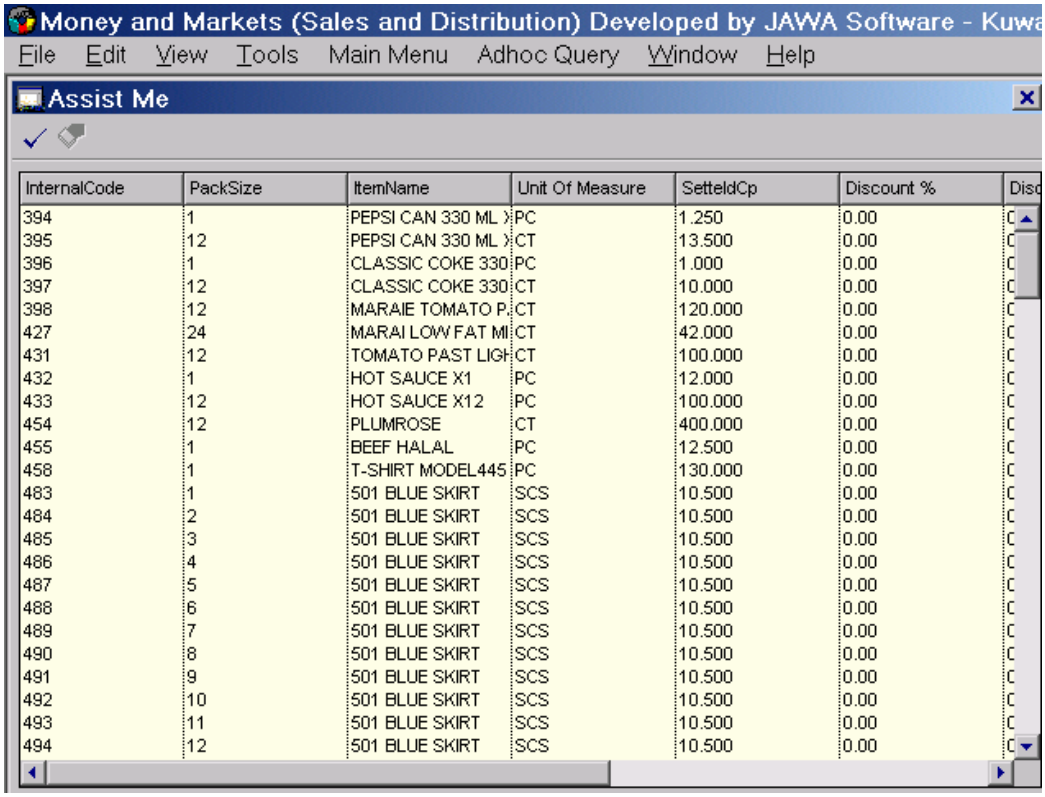
1) Which supplier ?
2) Is it based on a Requisition or not?

For now we will only concentrate on creating new purchase orders.

Once the header data is entered and after you enter the Notes field the system gives you a message asking you to choose if you want to select from items supplied by the supplier, or enter the data manually.



If you click on Yes or press on Y on your keyboard, the system will display a list of all items provided by this supplier.



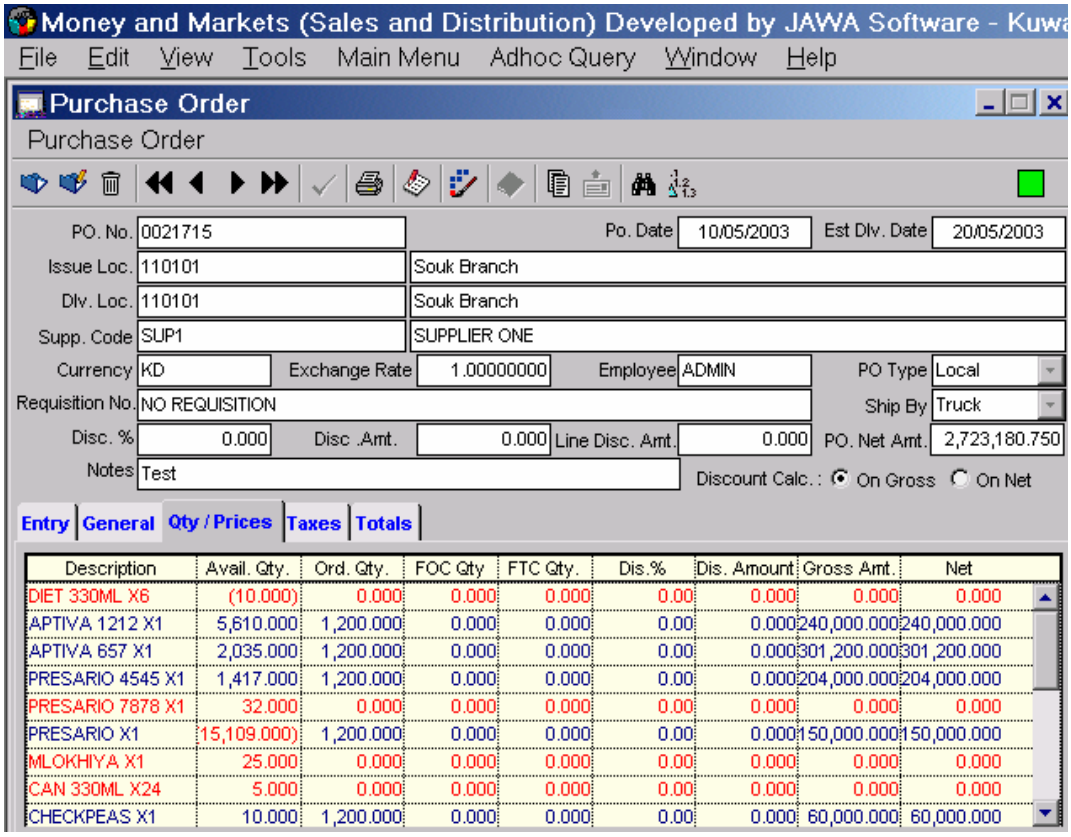
InternalCode	PackSize	ItemName	Unit Of Measure	SetteldCp	Discount %	Disc
394	1	PEPSI CAN 330 ML)	PC	1.250	0.00	C
395	12	PEPSI CAN 330 ML)	CT	13.500	0.00	C
396	1	CLASSIC COKE 330	PC	1.000	0.00	C
397	12	CLASSIC COKE 330	CT	10.000	0.00	C
398	12	MARAIE TOMATO P.	CT	120.000	0.00	C
427	24	MARAI LOW FAT MI	CT	42.000	0.00	C
431	12	TOMATO PAST LIGH	CT	100.000	0.00	C
432	1	HOT SAUCE X1	PC	12.000	0.00	C
433	12	HOT SAUCE X12	PC	100.000	0.00	C
454	12	PLUMROSE	CT	400.000	0.00	C
455	1	BEEF HALAL	PC	12.500	0.00	C
458	1	T-SHIRT MODEL445	PC	130.000	0.00	C
483	1	501 BLUE SKIRT	SCS	10.500	0.00	C
484	2	501 BLUE SKIRT	SCS	10.500	0.00	C
485	3	501 BLUE SKIRT	SCS	10.500	0.00	C
486	4	501 BLUE SKIRT	SCS	10.500	0.00	C
487	5	501 BLUE SKIRT	SCS	10.500	0.00	C
488	6	501 BLUE SKIRT	SCS	10.500	0.00	C
489	7	501 BLUE SKIRT	SCS	10.500	0.00	C
490	8	501 BLUE SKIRT	SCS	10.500	0.00	C
491	9	501 BLUE SKIRT	SCS	10.500	0.00	C
492	10	501 BLUE SKIRT	SCS	10.500	0.00	C
493	11	501 BLUE SKIRT	SCS	10.500	0.00	C
494	12	501 BLUE SKIRT	SCS	10.500	0.00	C

Please note that the displayed list has a number of important information including the quantity available in that location

You can now use your mouse to highlight the items that you want to order then press on the **Copy Records** button. This will copy the entire selected items to the PO screen.

I recommend you press on **Save**. When you do that the system will indicate by red or blue color in the PO list if the suggested (Economic) quantity is available for that item or not. This is of course, based on the setup you selected in the purchase order setup tab, (please review the setup chapter) and check Use Economic Quantity in the PO Tab.

Once the PO is saved you can click on the Quantities Tab, after that click on Edit in the Menu Bar and adjust the quantities that you wish to order. When you finish you can press on **Save** again to save the PO. The logical process now is to print the PO to get the management approval then Post it by clicking on the **Post** button. Please note that the screen indicator will change to Red when it is posted.



PURCHASE ORDER please note the lines in blue are lines with quantity in the Qrd. Qty field. This could be either entered by you or brought automatically by the system if the "Use Economic Quantity" option is flagged in the Setup.

Summary

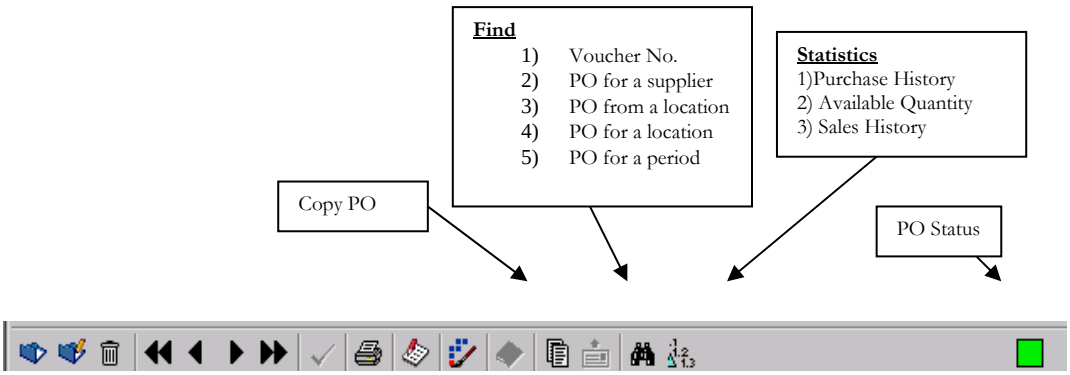
1. Click on Add
2. Enter the header information
3. When the system asks you to list all items supplied by this supplier select Yes
4. Select the items from the Help List then click on Copy Records
5. Click On Yes to Save
6. Click on the Edit Button and again click on the Quantity Tab. Select the line that you want to change the quantity for and once finished click on save again
7. Print the PO
8. Click on Post to post the PO

DO YOUKNOW?

- **That you can enter the ? symbol in some of the fields to select from a list of values?**

Other Purchase Order Functions

As discussed before the PO screen has a number of other important functions meant to help you get critical information during the PO creation or to help you speed up the creation process of the Purchase Order process.



Copy PO

This is one of the very useful functions available in the purchase order screen. By clicking on this button the system allows you to copy the entire PO with all the data in the header and the detail to a new purchase order with a new number. Moreover, the system copies the quantities as well. This will end up saving you from entering the data again.

After the copy is made and the new PO is created you can click on **Edit** to edit the quantities if you wish or immediately click on **Post** to post the PO. This could be done for repeated purchase orders where you make almost the same PO for the same supplier every once and a while.

Find

This allows you to find old purchase orders. There are multiple select facilities in this function.

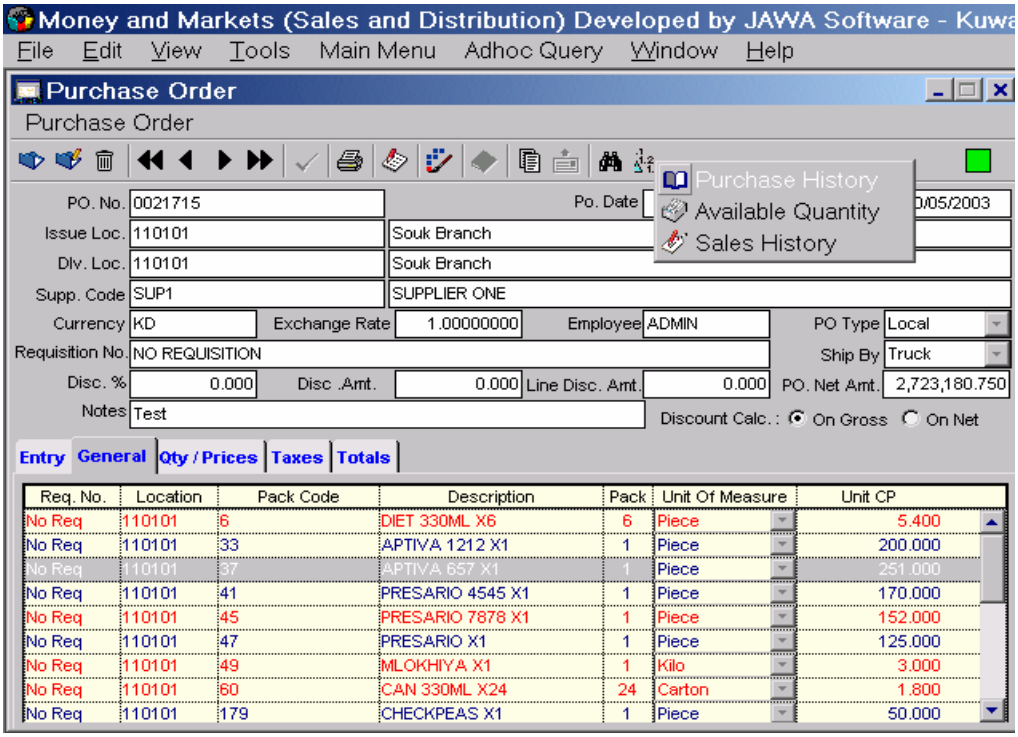
Statistic

JAWA Software has provided a number of nice statistics needed during the purchase oder creation.

Please note that this button will only be enabled after you click on one of the lines in the PO details.

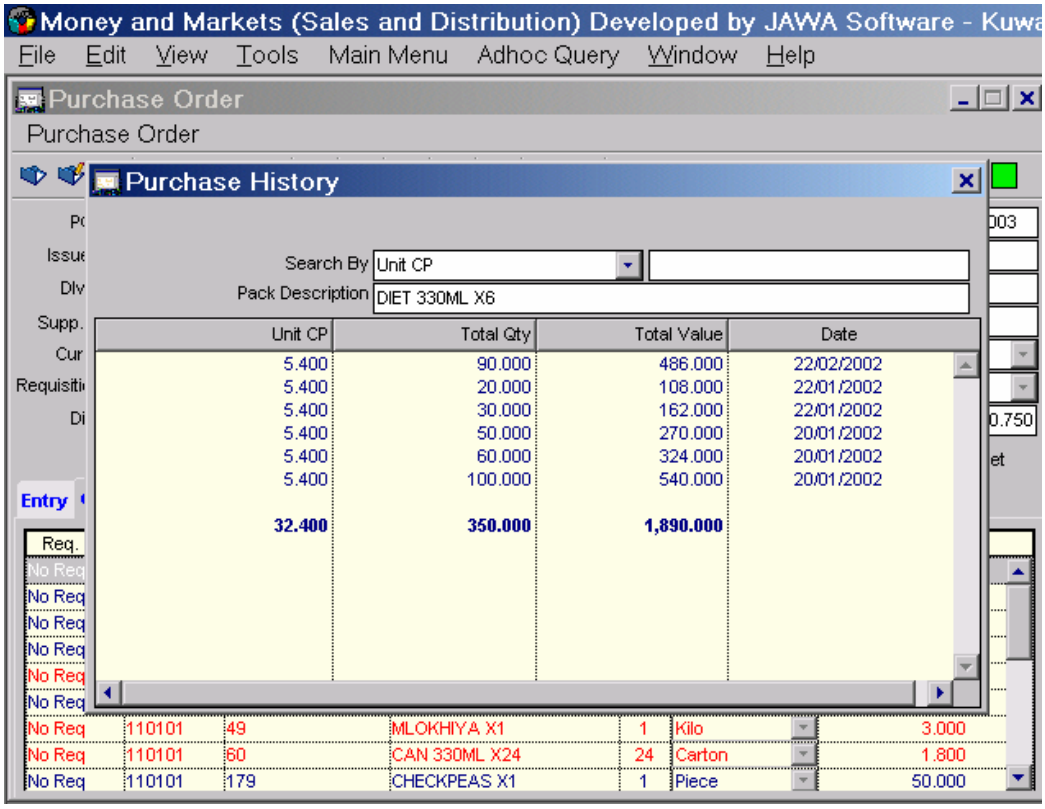
1) Purchase History for one item in the PO
2) Available Quantity for one item in the PO
3) Sales History of all the items in the PO

To enable this you have to click first on one of the lines in the PO details. By doing this, you will be able now to select which analysis you want.



Purchase History

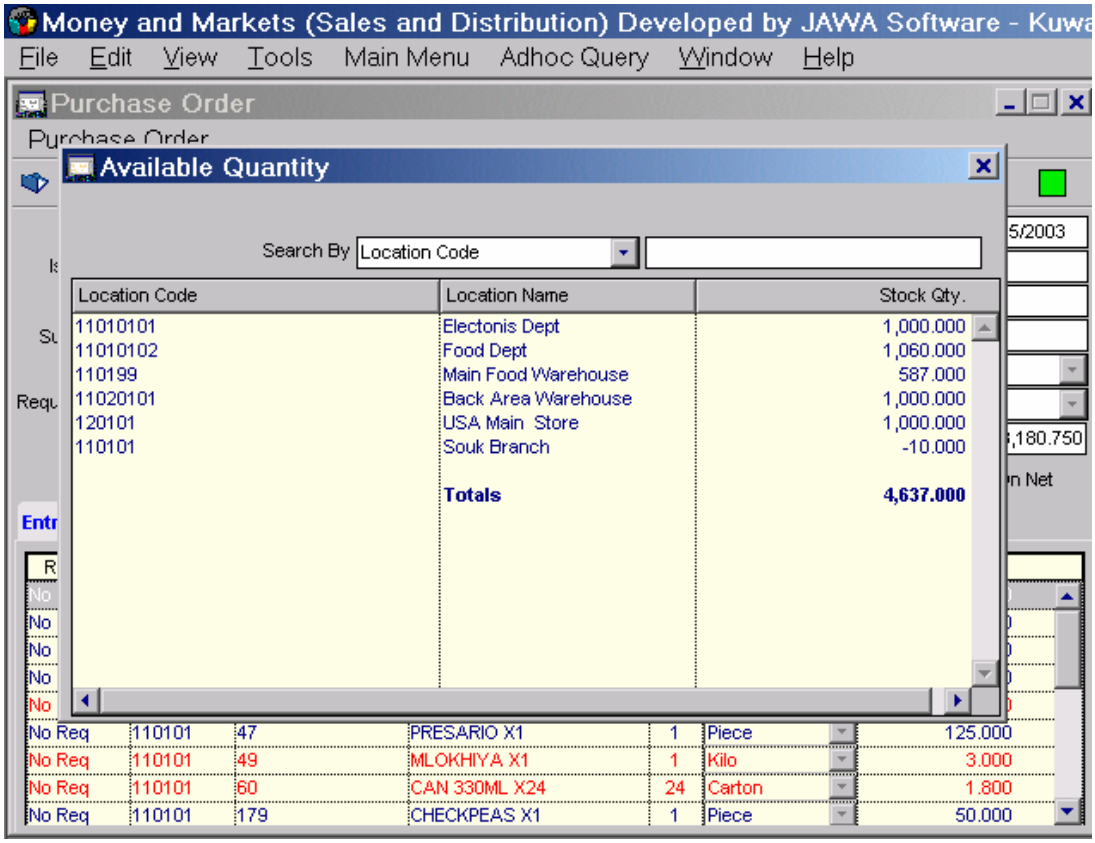
The PO analysis displays the purchase history of all the items in the PO screen. This can be validated by the users before posting, and allows checking the cost, dates and other purchase factors of the item in the purchase orders created.



Please note that the purchase history is for one item in the PO. You need to click on another item then click on the Purchase History again to view its information.

Available Quantity

This analysis allows you to view the total available quantity for the item in all the locations part of its cluster. Again, this comes handy and could save money by transferring the item from one location to another instead of buying it.



Please note that you have to click on the item in the PO list before clicking the analysis

Sales History

The analysis allows you to check the sales history of all the items in the PO. The data comes from a number of tables and might take some time for the system to gather.

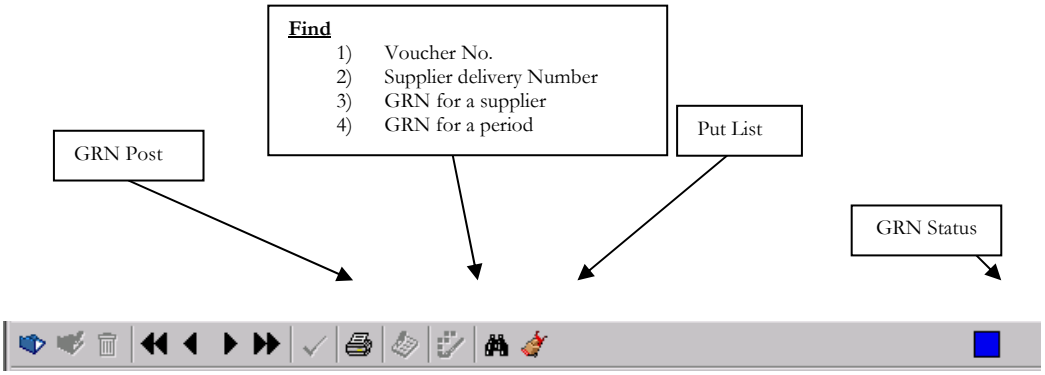
The system lists sales in several month segments. Please also note that this also depends on the availability of your sales data in the needed tables and whether sales are compressed or backed up.

Goods Receive Note (GRN)

The Goods Receive Note (GRN) is the confirmation of receiving the ordered quantity as per the PO. However, you can setup the system to allow receiving items without the need of a purchase order.

You should know by now the needed steps for creating new entries in the purchasing cycle screens. The menu is, more or less, the same as in the purchase order screen, with specific functions. Please review the menu type part of this manual and check Transaction Menus.

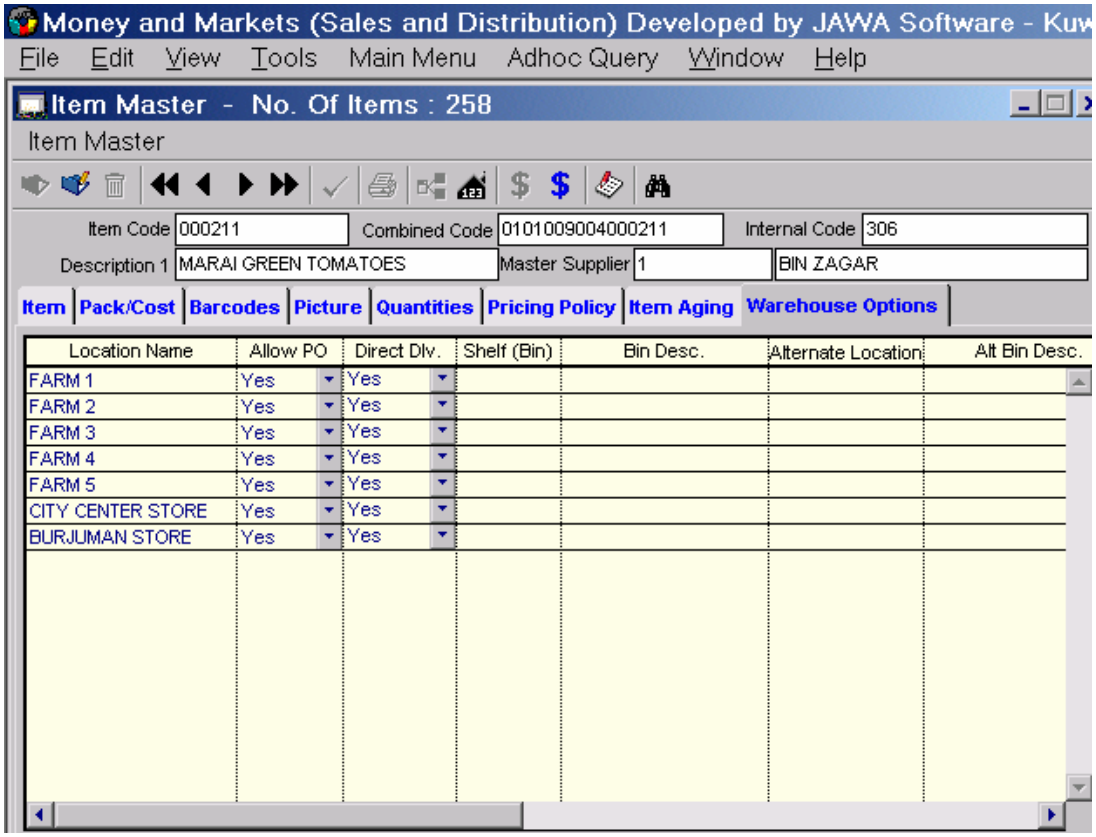
However, as in most transaction screens there are a number of screen related functions and the diagram below indicates these buttons.



Aside from the obvious buttons, the Put List is GRN related. This gives a report of where to store the items that you just received in the GRN. The setup of this part is done when you created the item in the Item Master.

Even though this is not related to the Purchase Cycle, but I will give a quick reminder of this issue.

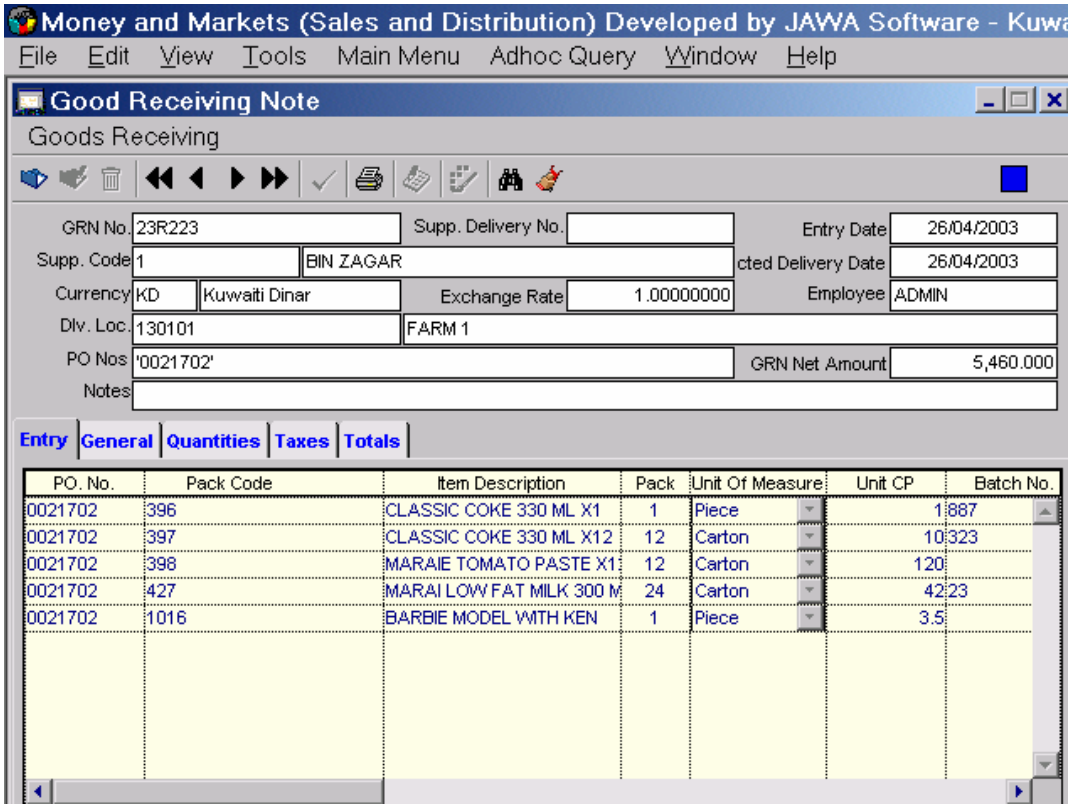
Some companies have a storage policy for each item in the warehouse and even in each shop. This means that they want to store item x in shelf one in the warehouse every time they receive this item, and in shelf 3 when the item is moved to store 1. You can setup that in the Item Master when you create the item, click on the Warehouse Options tab to enter the storage information for the warehouse and each location part of the cluster.



The system only displays the locations part of the cluster, and it is in this Item Master tab that you can define the storage location for that item in every location. Please note that if shelves or bins are defined for these items the system will validate the entered data. Definition of shelves is done in the Location Definition.

So, during the receiving process the system can provide the warehouse or the store employees with a report showing them where to place this item. This will end up saving you a lot of time and render itself to proper storage efficiency and organization.

To enter a new GRN click on the Add button and enter the data in the header of the GRN. The header is the top part of the screen with fields like the GRN No., Supplier Delivery No…etc.



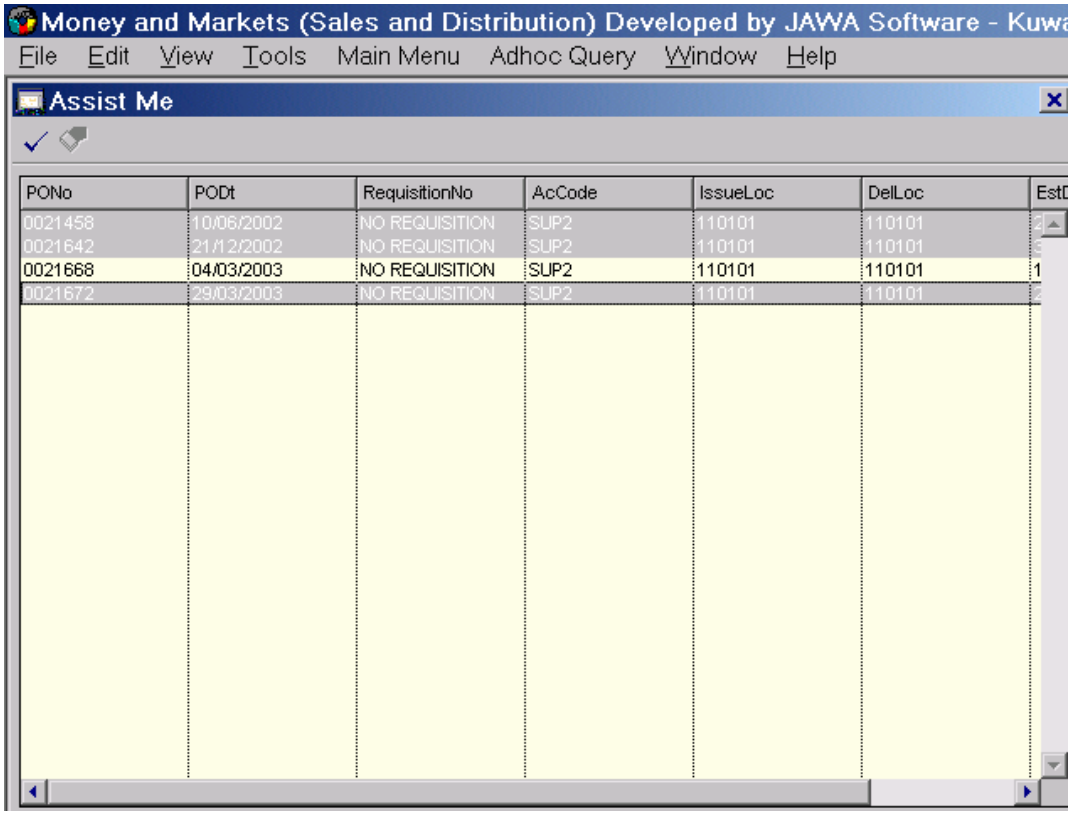
Remember that you can enter the question mark on your keyboard to get a list of values for fields like the Supplier Code, Delivery Location and the PO Number.

The most important part is to determine whether you are creating the GRN for a specific PO or there is no purchase order. This is usually a company policy and some companies allow their store employees to receive goods without a PO and other companies don't allow anyone to receive any items from the suppliers without a PO. Usually, these companies ask the supplier to bring with them a copy of the PO during delivery.

Once you are in the PO Nos. field you can enter the PO that you want to receive or the ? on your keyboard and the system displays all the orders created for this supplier. You can select to receive more than one PO in a single GRN. Selection in the list is usually done by clicking and dragging the lines in the list. To skip, press and hold the Control button on your keyboard and select another line by clicking on that line.

DID YOUKNOW?

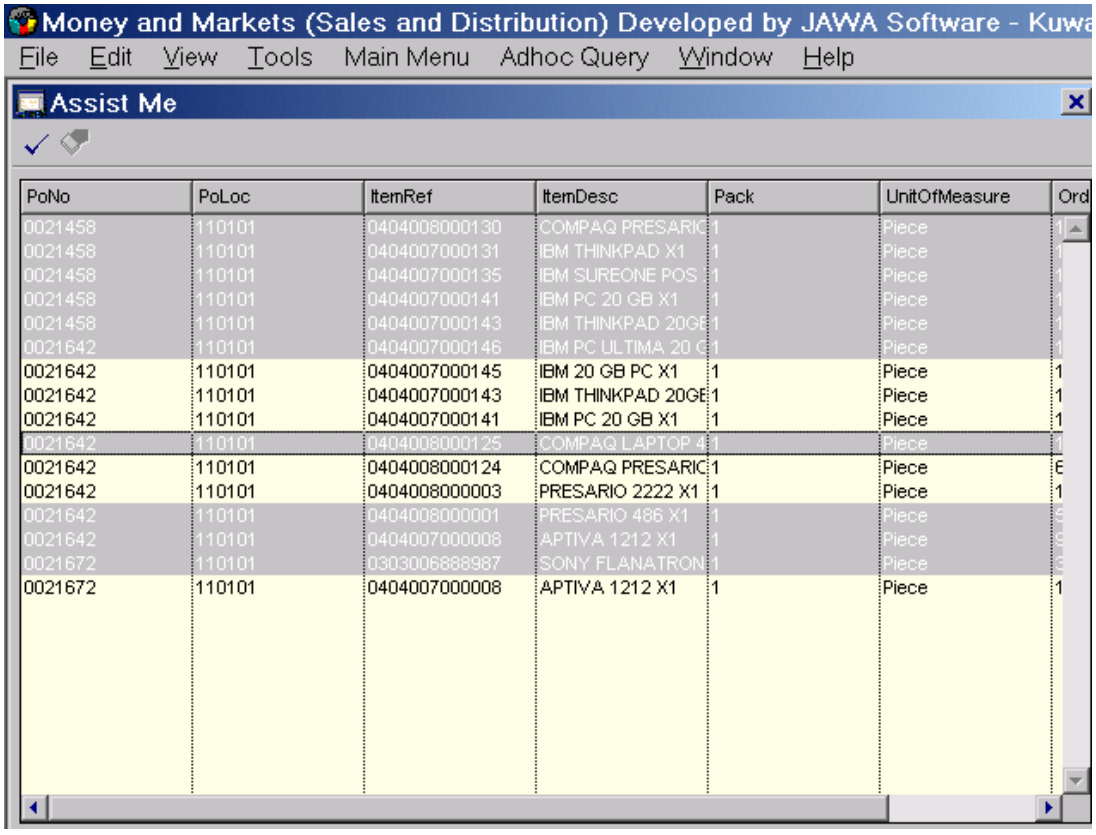
- **That you can create one delivery for multiple purchase orders?**



After the selection press on the **Copy Records** button to copy the purchase order to the GRN screen. When you do that, the system displays the PO numbers that you selected delimited by commas.

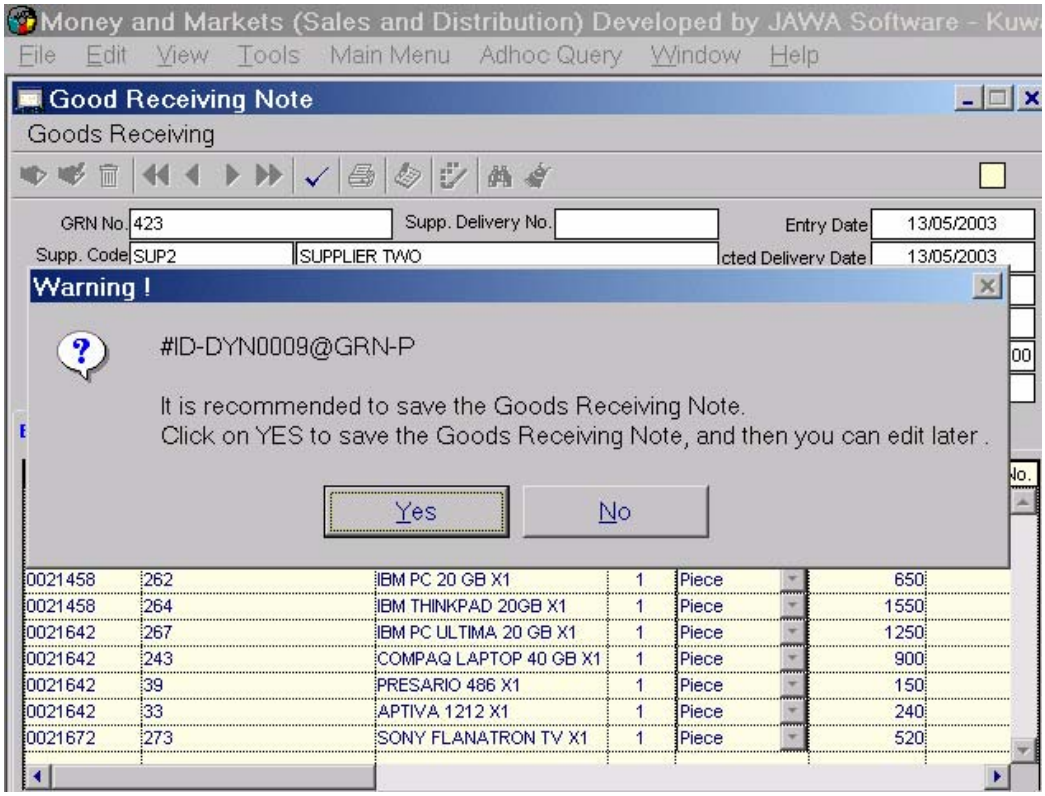
Press on Tab or Enter on your keyboard to step through the fields, and after the Notes field the system automatically displays a list of all the items ordered in the single or multiple purchase orders that you selected.

Just select the items that you want to receive leaving out the items that you ordered but are not delivered and press the **Copy Records** button.



PoNo	PoLoc	ItemRef	ItemDesc	Pack	UnitOfMeasure	Ord
0021458	110101	0404008000130	COMPAQ PRESARIO	1	Piece	1
0021458	110101	0404007000131	IBM THINKPAD X1	1	Piece	1
0021458	110101	0404007000135	IBM SUREONE POS	1	Piece	1
0021458	110101	0404007000141	IBM PC 20 GB X1	1	Piece	1
0021458	110101	0404007000143	IBM THINKPAD 20GB	1	Piece	1
0021642	110101	0404007000146	IBM PC ULTIMA 20 G	1	Piece	1
0021642	110101	0404007000145	IBM 20 GB PC X1	1	Piece	1
0021642	110101	0404007000143	IBM THINKPAD 20GB	1	Piece	1
0021642	110101	0404007000141	IBM PC 20 GB X1	1	Piece	1
0021642	110101	0404008000125	COMPAQ LAPTOP 4	1	Piece	1
0021642	110101	0404008000124	COMPAQ PRESARIO	1	Piece	1
0021642	110101	0404008000003	PRESARIO 2222 X1	1	Piece	1
0021642	110101	0404008000001	PRESARIO 486 X1	1	Piece	1
0021642	110101	0404007000008	APTIVA 1212 X1	1	Piece	1
0021672	110101	0303006888987	SONY FLANATRON	1	Piece	1
0021672	110101	0404007000008	APTIVA 1212 X1	1	Piece	1

When you copy the records the system displays a dialog box asking you to save the GRN. I recommend that you always press on the Yes button or Y on your keyboard.



When you do that the system moves the items you selected and saves the GRN.

The quickest way to use this screen after saving is to click on edit button, then on the Quantities Tab. You will see that the system copied the ordered quantity into the received quantity. You can now click on the quantity that you want to edit, in case you ordered, for example, a quantity of 10 and the supplier delivered 9 only.

Click on the **Post** button once you finish correcting the quantities and you are ready to post the GRN.

Please note that you cannot edit after posting

WHAT HAPPENS AFTER POSTING THE GRN?

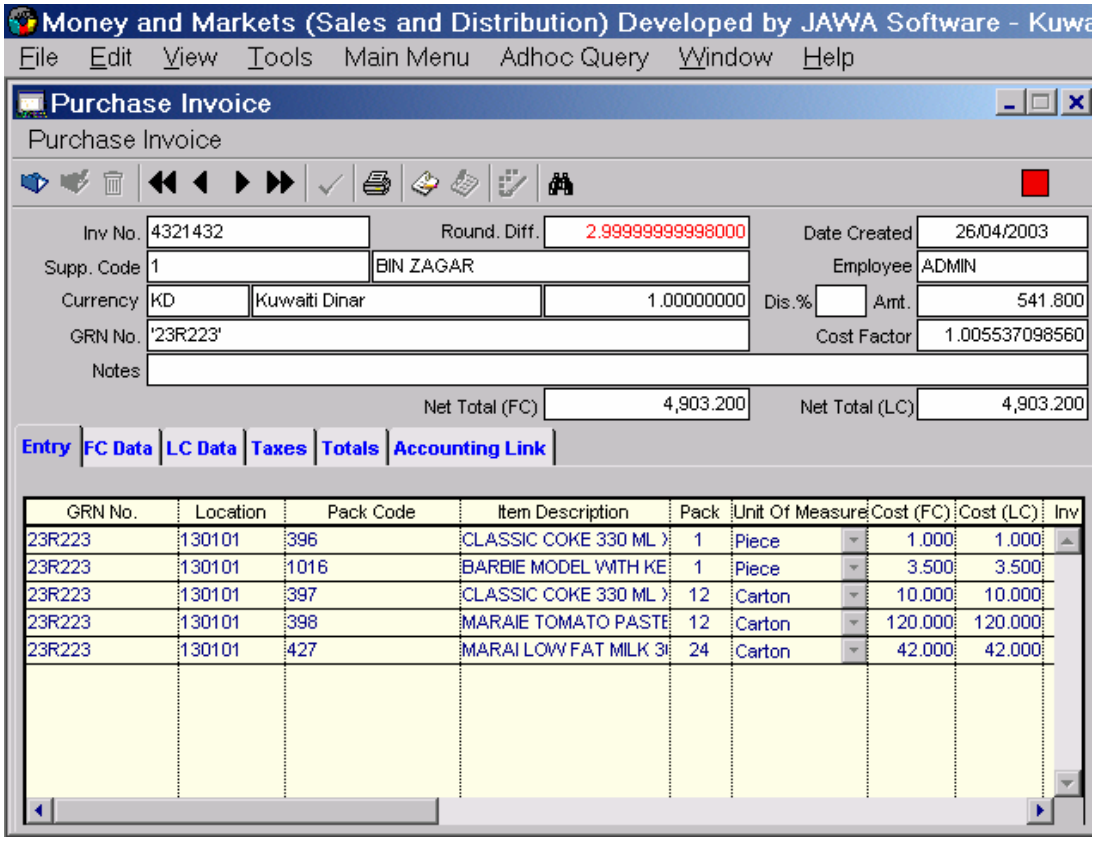
- The On Order quantity is cleared in the Item Location
- The Available Quantity is updated in the Item Location
- The PO is closed (depending on the setup)

Purchase Invoice

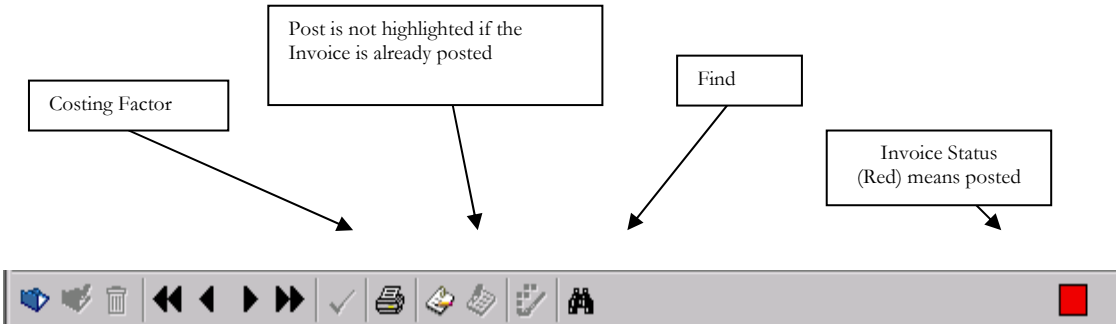
The purchase invoice screen is the screen that adjusts and confirms many issues in the purchasing cycle.

1) The payable to the supplier. (The amount due)
2) The real cost of the item
3) The other costing factors paid to bring the item (landed cost)
4) Effect on the selling price of the item (based on the setup)

It is one of the screens in the purchasing system that has an interface to the JAWA Software Financial Accounting and it post data to it as well.



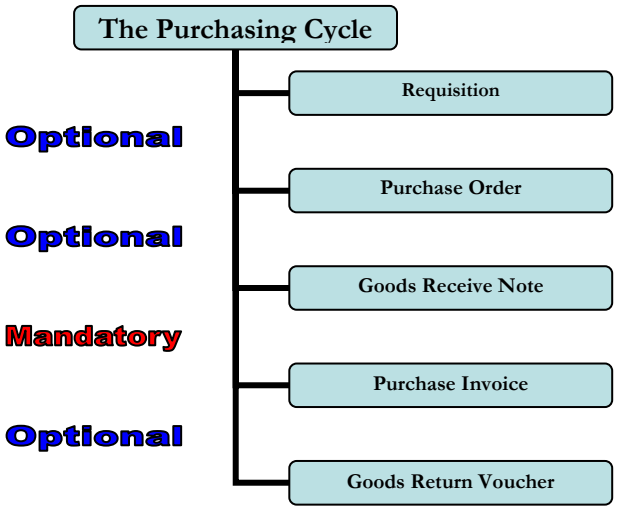
The Purchase Invoice has a Transaction Type Menu, and as in most transaction menus there is a number of screen related functions and the diagram below indicates these buttons.



Aside from the obvious buttons, the Costing Factor button is specific to the purchase invoice process. It is here where the additional purchase order expenses are entered and will be explained later on in this section.

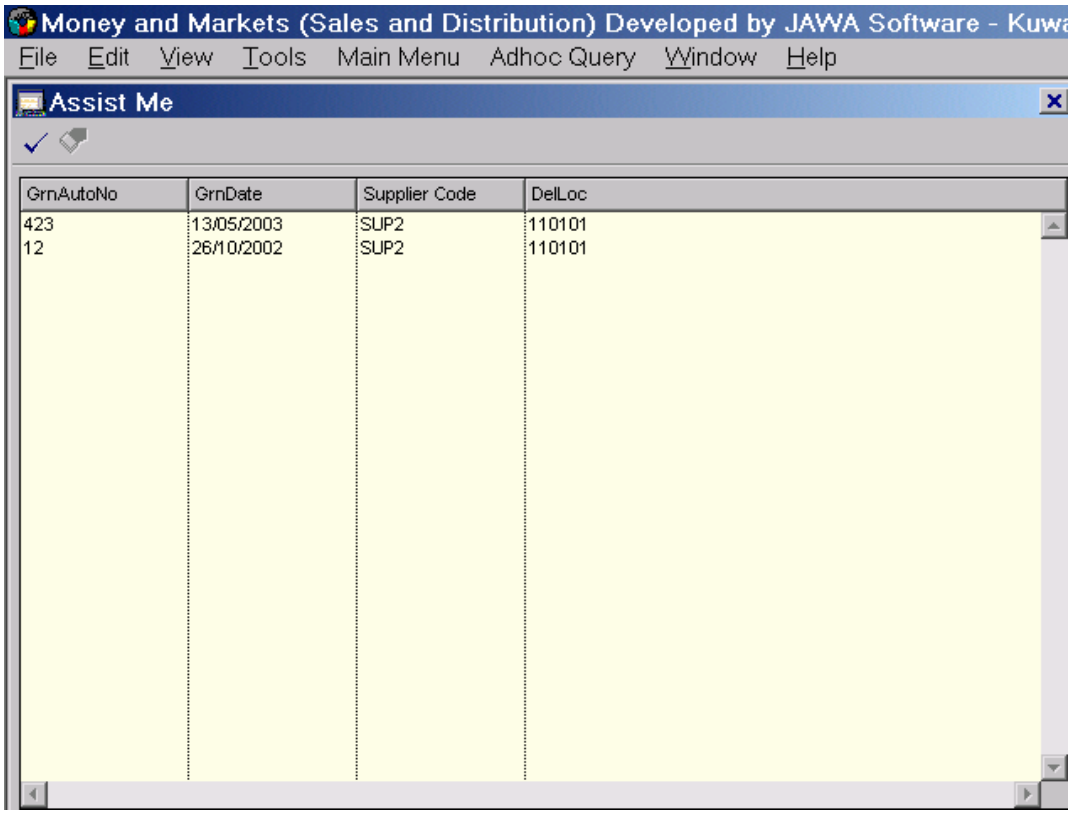
Adding a new supplier invoice is simple and has one important pre-requisite. You have to have a GRN. This means you cannot create the invoice without a GRN number. The link now should be clear. You create a GRN for a specific PO (based on the setup) and you create an invoice based on a GRN. However, this is not like the GRN process, where you can create a GRN without a PO if you setup the application like that. In the purchase invoice the availability of a Goods Receive Note (GRN) is mandatory.

The diagram below clarifies the optional creation of each transaction in the purchasing cycle. Since the system carries the information from one screen to the other, the diagram indicates for example that you can create a Goods Receive Note without the need to create a Purchase Invoice. However, you have to have a Goods Receive Note before you can create the Purchase Invoice.



Now we can go directly to the creation process of a new Purchase Invoice by clicking on the **Add** button. Use the same way you learned previously to navigate through the fields and enter the header data.

When the cursor is on the No. press the ? then Enter on your keyboard to have the system list all Good Receive Notes for that supplier. The system displays the Assist Me list showing all pending or un-invoices GRN(s) for that supplier.



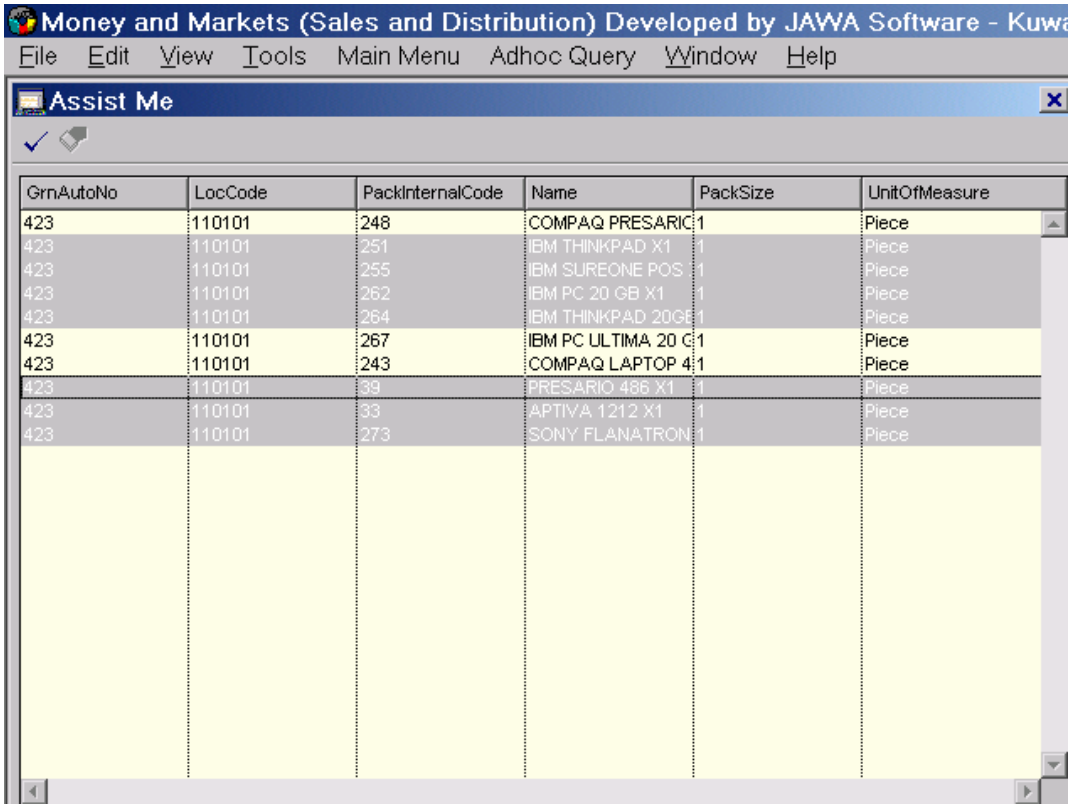
Select the GRN that you want to create an Invoice for by clicking on one or many lines (if you want to create an invoice for many deliveries). Press on the Copy Records to

DID YOU KNOW?

- **That you can click on the field label in the Assist Me lists to sott the data.**
- **Click once to sort ascending and another time to sort Descending**

After entering the Notes information for the Purchase Invoice the system displays another **Assist Me** screen having a list of all the items received in the GRN. Again, select the items that you want to create an invoice for and press on the **Copy Records** button.

Please note that selecting the items is done by clicking on your mouse and holding the button down and dragging the mouse over the lines you want to select. To skip some lines, release the mouse button, then press the Control button on your keyboard and click on the other lines you want.



Once you press on the **Copy Records** button, then system moves the selected lines to the invoice details and display a message asking you if you want to save the data. I always recommend that you click on the Yes button or press Y on your keyboard.

The purchase invoice list has many tabs meant to segment the information and allows you easy navigation through these logical segments.

The Entry tab has almost all the information in the other tabs, and requires that you move the horizontal bar to view the information. This is one of the reasons that JAWA Software created the other tabs to ease this process.

These tabs are as follows:

Entry. This has almost all the data in the other tabs.

FC Data. Foreign Currency Data

LC Data. Local Currency Data

Taxes. This tab has the tax information required in some countries

Totals. This shows the purchase invoice totals

Accounting Link. This shows a sample of the journal that will be created in the JAWA Software Financial Accounting system.

Please note that the FC and the LC data is the same if the supplier is a local supplier.

Since the data is saved, now the next thing that is needed is to determine if there are other expenses associated with this invoice. Usually, this is not the case for local suppliers, but it is always required for purchases from outside the country and with foreign suppliers. These suppliers have a currency that is different form you local base currency.

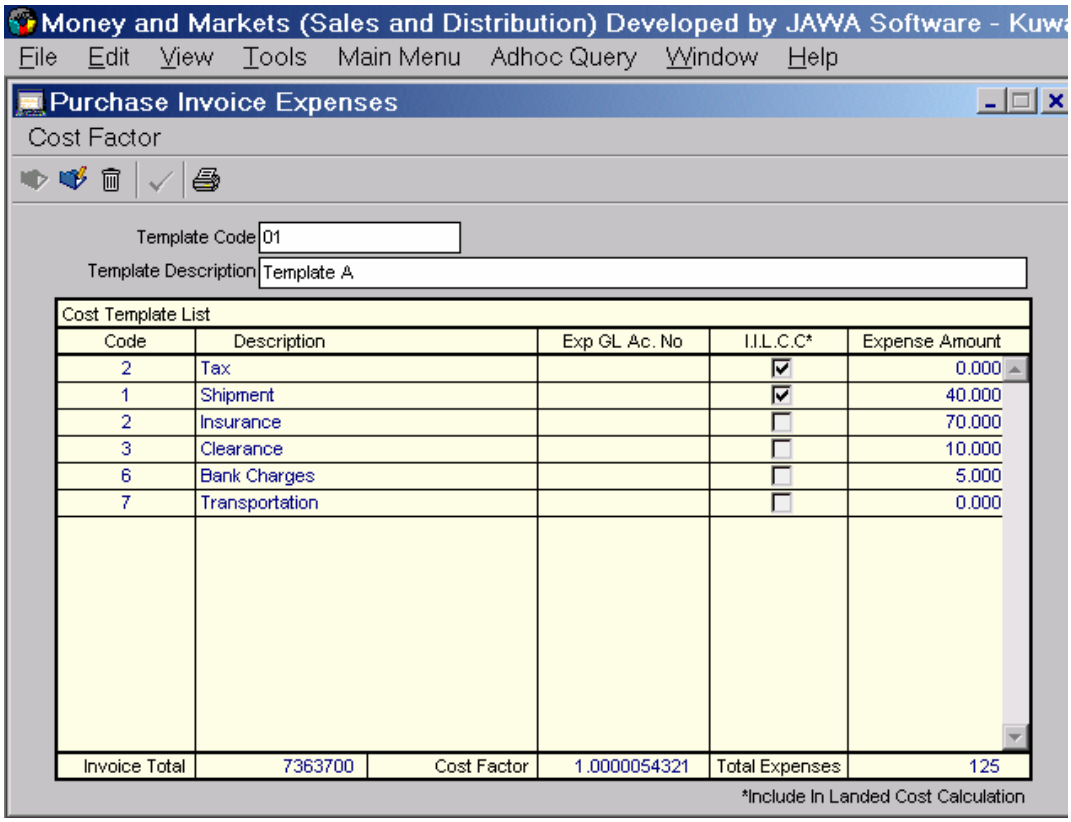
I will assume for now that you are entering the purchase invoice for a foreign supplier and you want to enter, the other expenses paid during this purchase. This is called the Cost Factor. However, I would like to clarify that you can enter the cost factor for local suppliers if you wish. This is done if you are buying the item from a local supplier that is physically far away from your company and you have to pay for example for shipping and handling and other expenses incurred for that purchase order.

Cost Factor

The costing factor is a button available on the menu and by clicking on that button you can access the cost factor expense templates. These templates are created in the setup part of the purchasing system, as discussed in the setup chapter.

Once the screen is open, click on the **Add** button to start entering the costing information, you can enter the template code that you would like to use for this invoice. However, if you don't know the

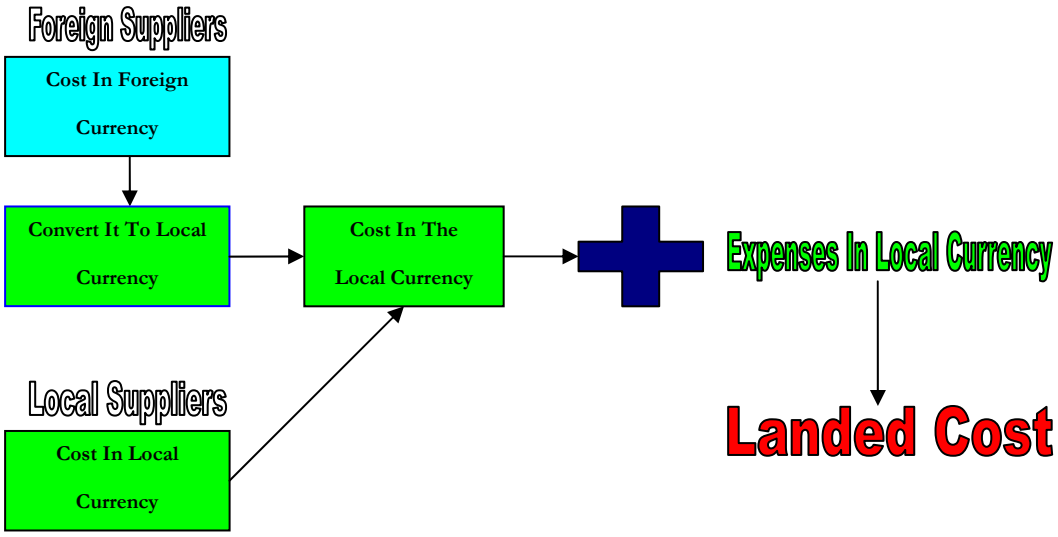
template code you can press the ? on your keyboard and the system displays a list of all the templates you created in the setup.



Enter in the detail the expense amount for each factor that you created in the setup. Please remember to tick the include in the landed cost calculation for these expenses that you want the system to consider in the landed cost calculation.

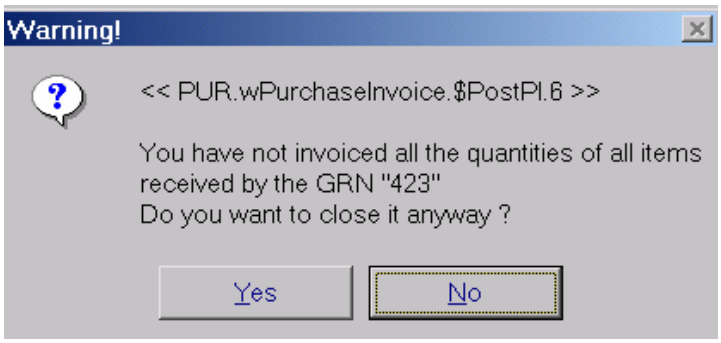
When you click on the **Save** button the system will calculate the total expenses for the entire invoice and the costing factor that will be added to each single note of your local currency. Example, if your currency is dollar, then the system calculates the amount of expenses that each dollar of the item cost will be allocated. In this case if the costing factor is $0.20, and the item cost is $10 then the item will be allocated $2 as a contribution of the expense. This is called the **Landed Cost.**

So in reality, the Landed Cost is the cost of the item in foreign currency converted to your local currency, added to it the expenses (always is your local currency) to bring the item into the country and your warehouse.



Depending on the setup, you might be able to change the selling price or the margin for the item in the Entry tab.

You can click on the **Post** button to post the Purchase Invoice. However, if you click on post and the invoice you created is not for the total quantity received in the GRN the system gives you a message. By clicking on Yes the system will close the GRN and will not allow you to create another invoice for it.



Goods Return Voucher

Sometimes you receive the wrong products from the suppliers, or for whatever reason you wish to return products back to them. The first issue is easy, you can simply choose not to accept wrong products, and hence there is nothing you need to do with the system. However, if you want return products that you accepted then one issue becomes always a point of discussion with the supplier. Which cost do we use when we return the item?

The issue here is simple if the item has one supplier, or if the item's price does not change. While the first part could be true, the second is almost impossible. We all know that we live in a world of inflation and the cost of a widget that you used to buy three years ago is not the same today. Moreover, some items cost change in a much less periods. To add insult to injury, the supplier might have given you a special offer in the past and the cost of the item is now higher.

JAWA Software took all of these possibilities in mind when we developed the system. You can now choose if you want to return the item based on an Invoice or not. When I say based on an invoice, I actually mean that the system uses the invoice to determine how much you paid for the item, and uses that price to return it. However, if you choose not to return the item based on an invoice, then you and maybe the supplier, have to agree on a return cost of the item.

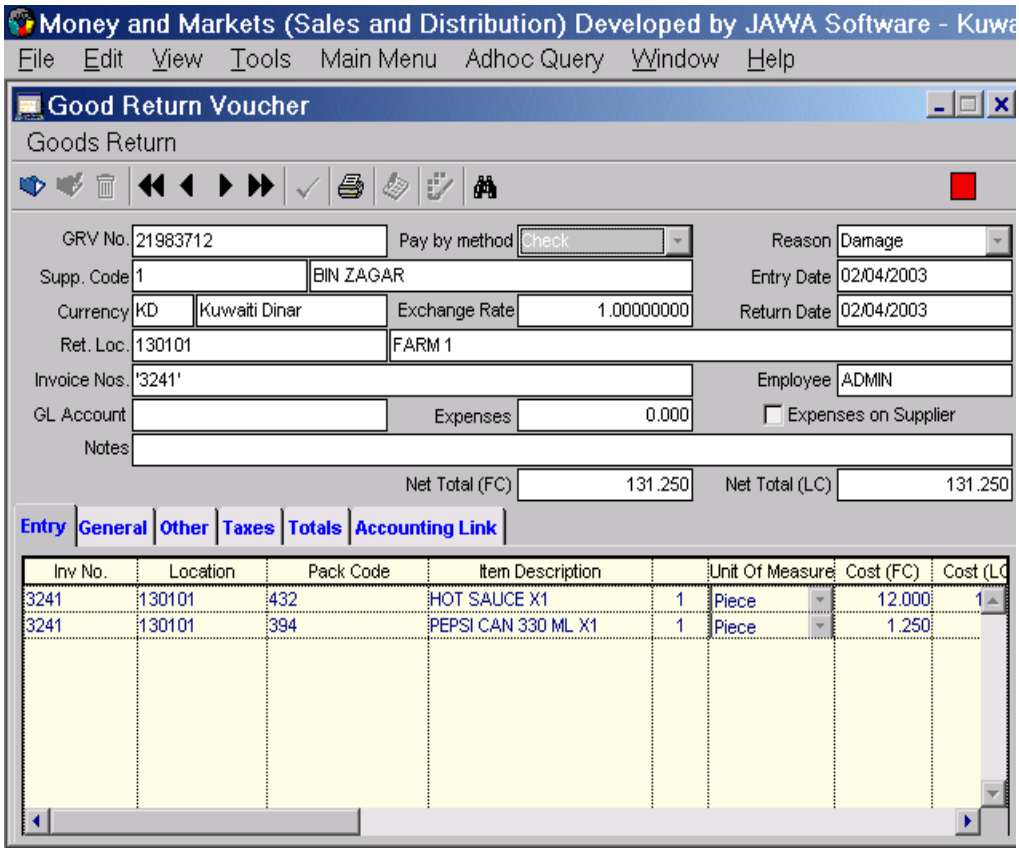
Always remember that this is one of the two screens that has an interface with the JAWA Software Financial Accounting System and will end-up generating a journal for the transaction once posted.

You can access the Goods Return Voucher (GRV) by clicking in the purchasing main menu of the button labeled **Goods Return Voucher**.

The screen has a normal Transaction Type menu

DID YOU KNOW?

- **That you can return stock back to the supplier based on a specific Purchase Invoice**
- **Or enter the return cost of the item manually**



The critical information in the header is the Invoice Nos. field. This where you enter by hand or key in the ? on your keyboard to list the invoice that you wan to return. It is obvious now that you can return the entire invoice or some items in it. However, please note that you can select many invoices to return in one Goods Return Voucher.

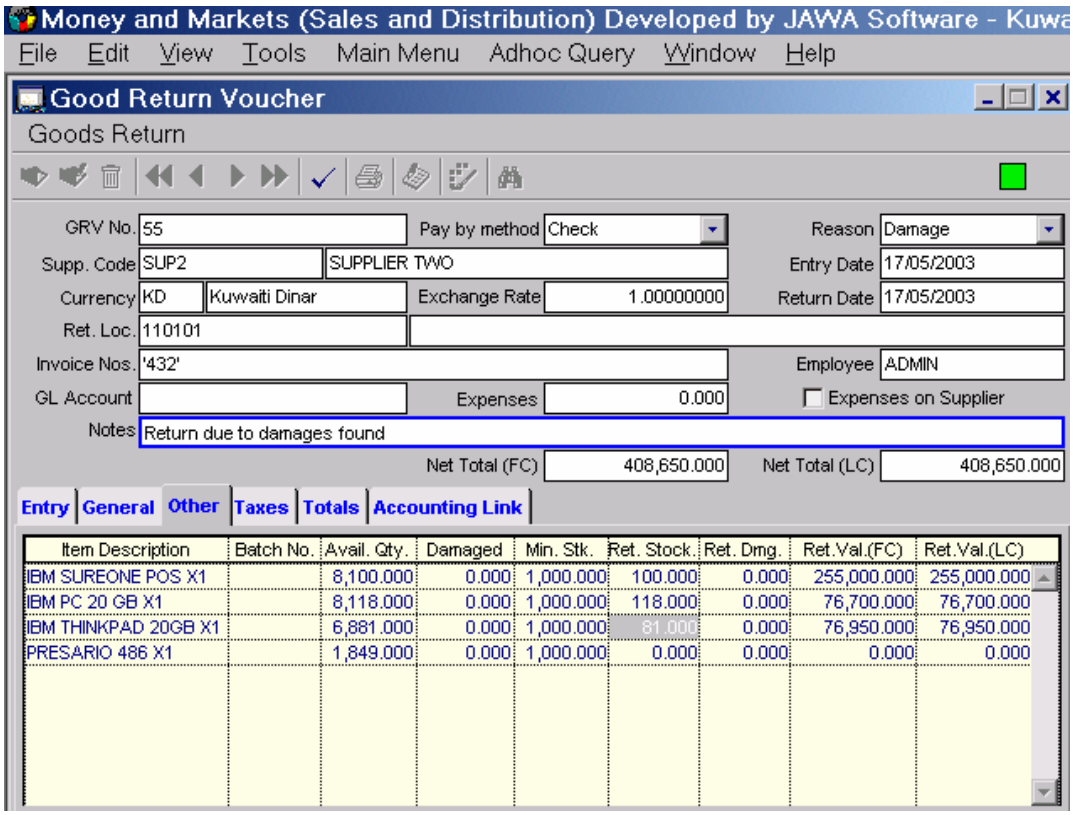
Please also note that the Reason for returning the item is important to allow us at a later stage to analyze these returns. To start, click on the **Add** button and enter the information in the header. Remember that you can enter the ? on your keyboard to list suppliers, Return Location and Invoice Numbers. Once you get to that field, the system displays a list of all Invoices by that supplier created previously for that location.

Please note that you can only see in the list the invoices that are posted

Once you select the invoice that you want to return the system displays another Assist Me screen showing all the items that were created in that invoice to select from.

Select the items that you want to return and click on the **Copy Records** button. Again, the system asks you if you want to save the data and I always recommend that you click on Yes.

If you are returning the entire available quantity, you can immediately click on the **Post** button, but if you are returning some of the items that you received, then the best way is to select the **Other** tab, press on the **Edit** button then enter the quantity you want to return in the Return Stock field.



You can guess by now that the system has two quantity fields. The normal quantity and the damaged quantity, this is the stock that is received as damaged and was entered in the damaged field in the GRN. This is to segregate the quantity that you can sell from the damaged quantities.

Please note that the system in this case used the exact cost of the item as in the selected invoice. If you want to return the items without knowing which invoice you want to use, then you do exactly the same thing and leave the Invoice Nos. field empty.

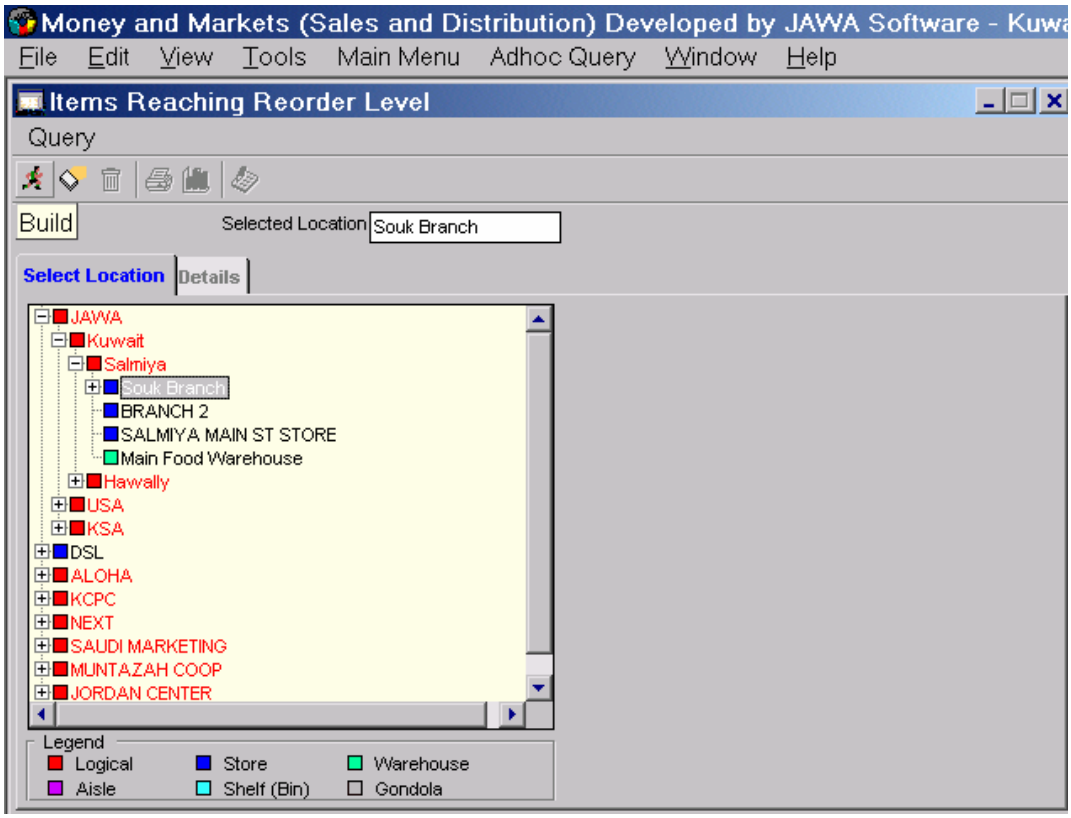
Fulfillment

This module will end-up making your life easy. It will simply create POs for you automatically. You can access this module by clicking on the **Fulfillment** button in the Purchasing Main Menu. The system takes you to the **Fulfillment Main Menu**. The system has two options:

1) Items Reaching Reorder Level
2) Requisition Processing

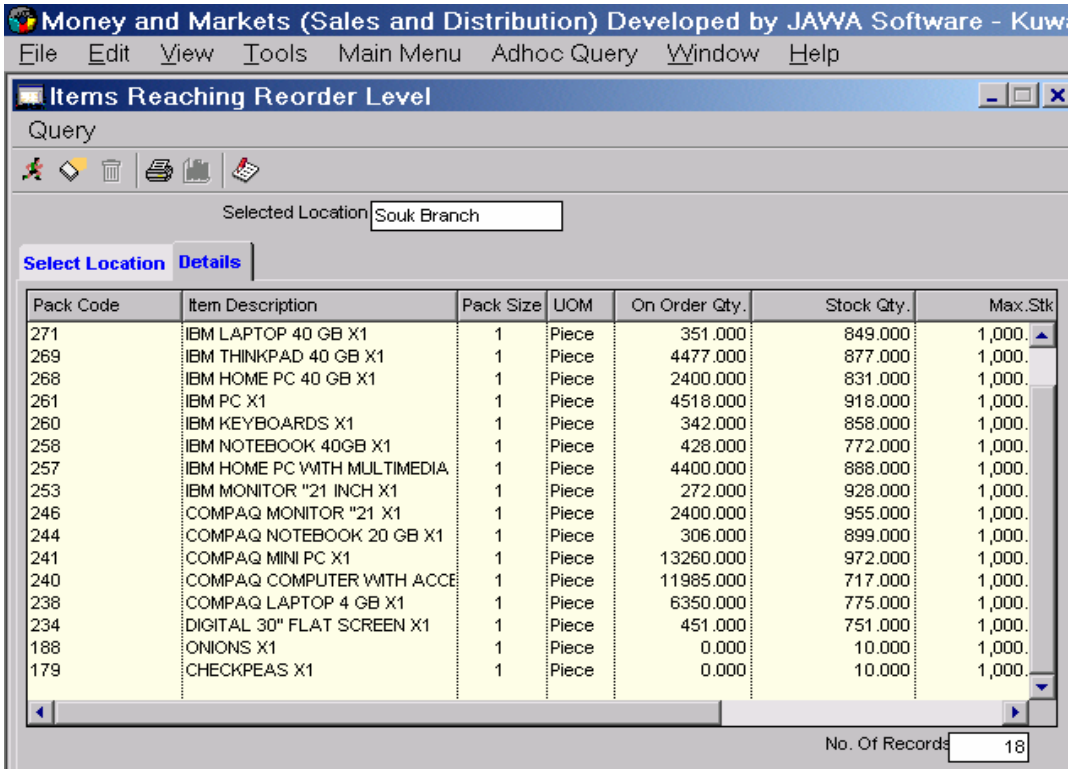
Items Reaching Reorder Level

This button allows you to get a list of all the items that reached the reorder level for a specific location. You start by selecting a location from the location definition you setup in the system. Please note that only locations that are flagged as physical can be accessed.



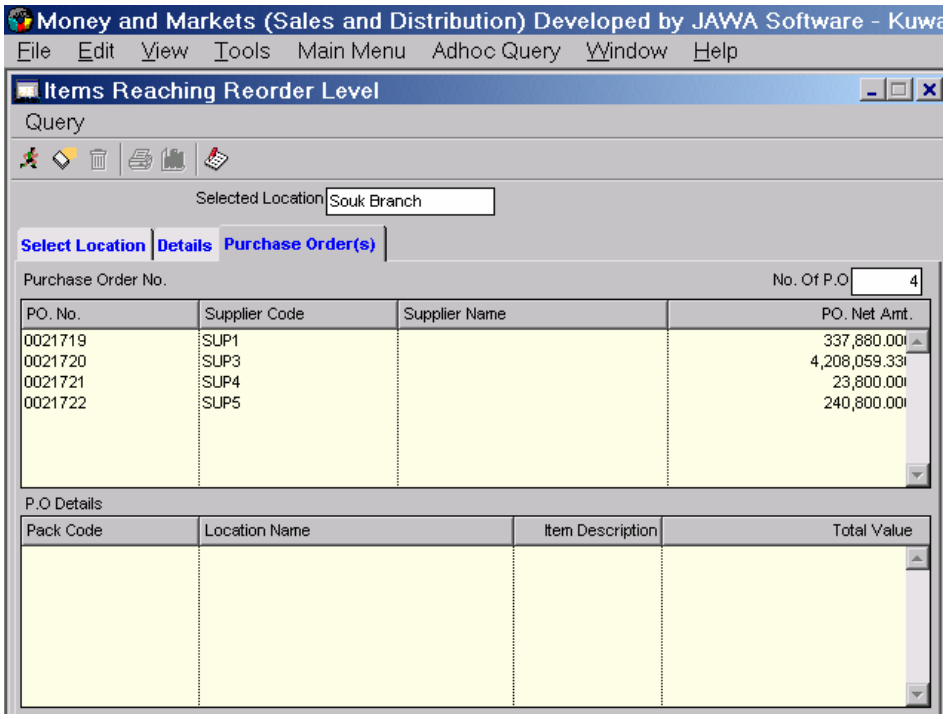
Red colors indicate logical locations and cannot be selected. Click on one of the physical locations. These are stores or selling locations. Click on the Build button to have the system generate a list of items that reached the reorder level.

The list shows the current quantity in all the locations, on order quantity if any, ideal quantity and the suggested order quantity among other information.

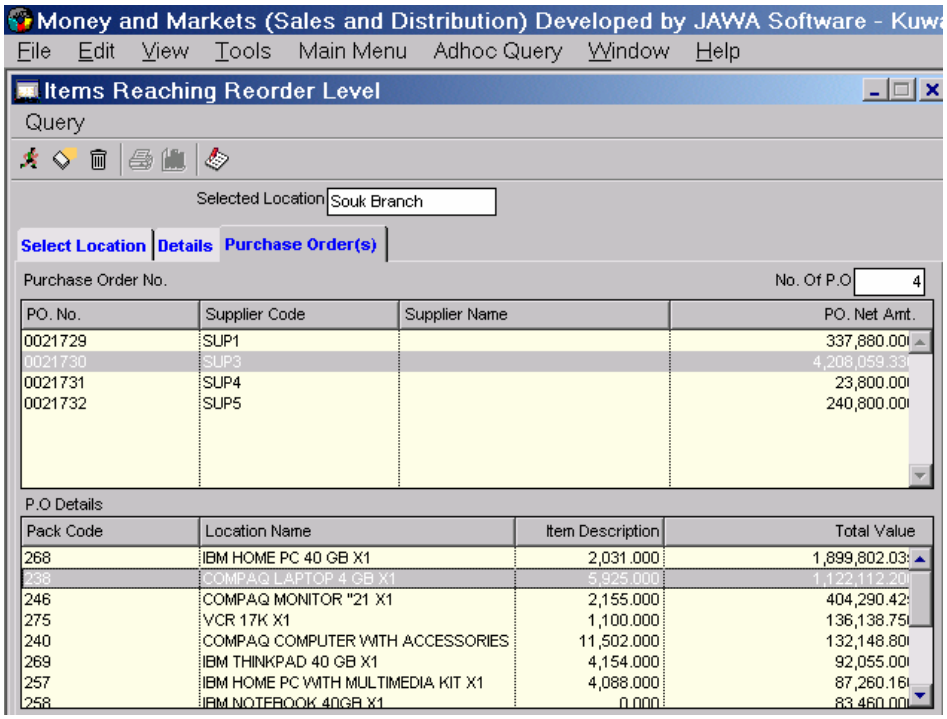


You can select lines that you don't want to create purchase orders for by selecting these lines then pressing the **Delete** button. If you want to generate purchase orders for the remaining items just click on the **Generate PO** button.

This will group all items by supplier and gives you a list of suppliers that POs will be generated for. You do not have to know which item is supplied by which supplier. The PO amount is also calculated for you.



You can click on the supplier to show you the items that the system will create for you in the PO.



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