

IES Purchasing: Order Supplements

Purpose

The purpose of this Document is to explain what Supplements are, and how to perform them.

Reminder on Order Types

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

Introduction

Once a Proforma has been authorized and has become a Purchase Order, you cannot make changes at will, because the Purchase Order must remain within the boundaries of what was officially Authorized for this Order.

However, there is a facility called 'Supplements' available to add further Line Items to an authorized Purchase Order, and that is what we are describing here.

Privilege Verification

Supplements are done directly from Order processing screens, as we will see, but can only be done IF allowed on the appropriate DDP, MOD or CP/ASO Profile for the Operator who wants to perform Supplements. In other words, if a Supplement limit of \$1,000 is allowed on the Operator's CP/ASO Profile, then it means that on any CP/ASO Purchase Order for which the Operator is the Capture Originator, Originator or Authorizer, this Operator can add additional Line Items AFTER the PO Authorization and **without** requiring additional authorization, up to the value of \$1,000. The same arrangement applies for DDP and MOD Orders.

Hint: Supplements can be disallowed by stating a zero limit.

Where to find the Supplement Function

| Quantity | Actual |
|----------|--------|
| 12.00 | |
| | |
| | |
| | |
| | |

ON ORDER

GRV / Price Adj / Cancel

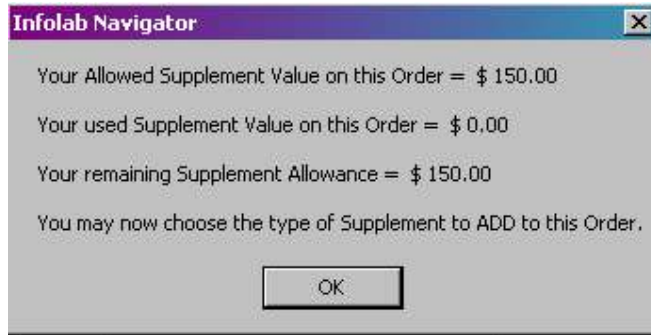
Supplements

Landed Costs

The SUPPLEMENTS option is available on the Events Processing tab of Order processing screens.

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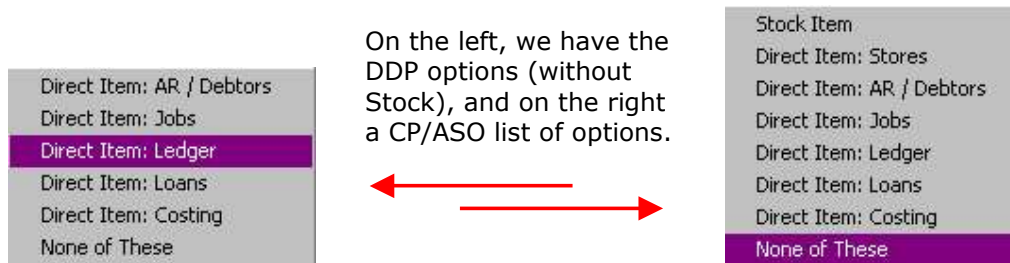
How to Perform a Supplement



When you choose SUPPLEMENTS, and IF you pass the rules for doing Supplements on this Order, then the system displays your Supplement status for this Order.



After this, the system offers the Supplement Types allowed for this Order (note that DDP does not offer Stock Options, and MOD allows ONLY Stock).

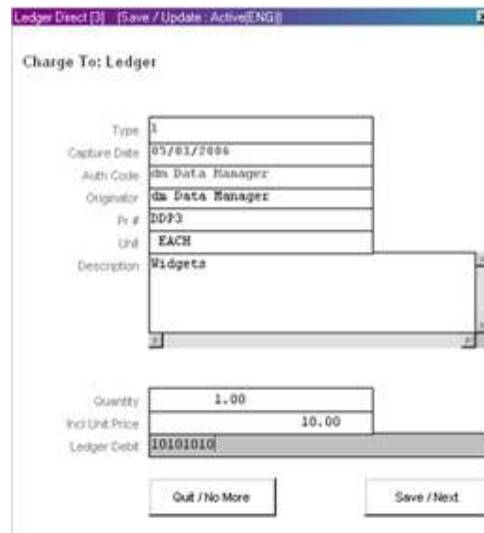



On the left, we have the DDP options (without Stock), and on the right a CP/ASO list of options.

Hint: Notice the 2nd option on the right, called 'Direct Item: Stores'. How can Stores be a Direct Item (a Direct Item is non-Stock)? This option is used to pass direct charges to a Stock Item, but without Quantity, e.g. Landed Costs or Other.

Once you select the Supplement type, the system opens the appropriate screen for capturing it. In this example, we choose 'Ledger' as selected on the left.

Capturing is just the same as when you add a new Direct Item to a new Proforma.



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The new Supplementary Item always appears on the current order with a 'SN' prefix for "Supplementary Nonstock" or 'SC' for "Supplementary Commodity" (commodity = stock).

PO NUMBER

| >>> On Order | Code | Descr | Unit | Price | Quantity | Actual |
|---------------|------|-----------------|------|-------|----------|--------|
| 1 1388546589 | n/1 | Widgets | ea | | 10.00 | 12.00 |
| 2 03 | sc/1 | PAPER DRAFT .35 | ea | | 12.21 | 1.00 |
| 3 1388560453B | sn/1 | Widgets | ea | | 10.00 | 1.00 |
| | | | | | | |

Additional DDP Supplement Options

DDP offers additional Supplement options, which may be used to create automatic Supplements for Price Variances at Invoice time (not unusual with Contracts and some other DDP type Orders).

This is selected from the main Purchasing options: -



The 'DDP Supplements' option is driven by a Wizard, and offers the normal 'Add Direct Item' as would be achieved by using the SUPPLEMENTS option on the Order screen itself, PLUS offers in addition the automatic Price Variance Supplement, which is useful for high-lighting such Increases on the Cost Audit Trails, since it shows up as a separate charge. Below we show the Wizard steps for an Auto Supplement.

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DDP Supplements may be used to add new Direct Items to an already Authorized Order, and also to record Price Variances.

Any Supplement recorded to an Authorized Order will be measured against your DDP Profile to ascertain whether or not you may add this Value to the Order.

| | |
|------------|------------------------|
| OK, I know | Please Explain Further |
|------------|------------------------|



Invoice Price Variances may be dealt with via the Price Variance Tolerance % specified for the Authoriser of Payments on the Order OR by doing a Supplement to record the Price Variance as an additional Charge to the Initial Cost.

The Supplement Method for Price Variances is useful to indicate price Increases clearly in the Audit Trails for charge Accounts.

| |
|------|
| Next |
|------|



Please select a Supplement type so that you may be assisted further in defining the Supplement of your choice.

| | | |
|---------------------|---------------------------|------|
| New Item Supplement | Price Variance Supplement | Quit |
|---------------------|---------------------------|------|



A Price Variance Supplement is very easy to do. You simply select the existing Item on the Order for which there is a Price Variance (Increase), and state the Increase Value, i.e. the upward Difference between the Initial Total Cost (not Unit Price!), and the NEW Total Cost.

INFOLAB will automatically record a Zero Quantity Price Value Supplement for you. [Note: Price Reductions may be processed without having to record a Supplement.]

| | |
|------|-------|
| Next | Abort |
|------|-------|



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The Lookup Selection Method will default to Proformas with your code as Originator, with Wildcards for Supplier, and for Proformas raised in the last 90 Days. Please note that you may modify any of these Default settings before activating the Lookup Selection.



User Text Input
type Proforma #

You will now be offered a list of Direct Items Ordered on the selected DDP Order, even if there is only 1 such item. Should you select an item from this list, you will then be prompted to specify the Financial Value of the Supplement to be attached to this item as a Price Variance. If this Value is within your Limit, the Supplement will be done automatically.




SINGLE SELECT: please select Item for Supplement

Available Items

| | | |
|-------------------------------------|---|----------------|
| <input checked="" type="checkbox"/> | 1 | 120.00 Widgets |
|-------------------------------------|---|----------------|

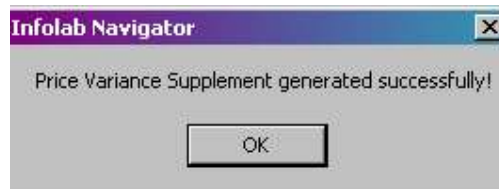
User Text Input
Supplement Value

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When you do a Price Variance Supplement, you may choose whether it should be recorded as ORDERED or as RECEIVED.


as Ordered as RECEIVED



| >>> | Received | Code | Descr | Unit | Price | Quantity | Actual |
|-----|------------|------|-----------------|------|--------|----------|--------|
| 1 | 1388563484 | sn/2 | Price Variance: | ea | 100.00 | 0.00 | |
| | | | | | | | |
| | | | | | | | |

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