



Purchase Order User Guide

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Procurement

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Chapter 1

Overview of Purchase Order

The Lawson® Purchase Order application lets you create and issue purchase orders, and manage the receiving process.

This chapter provides a high-level overview of Purchase Order, including information on the application's major processes and integration with other Lawson and non-Lawson products.

Purchase Order Process Flow

The Purchase Order application is broken down into four processes: setup, creating and issuing purchase orders, receiving goods, and posting to the general ledger. This section takes a closer look at these processes.

Purchase Order Setup

While setting up the Purchase Order application, you must consider the purchasing needs of your central reporting structure. Specifically, you need to determine pricing needs, buyer groups, vendor groups, and cost defaulting hierarchies.

Creating and Issuing Purchase Orders

When you create and issue purchase orders, you indicate items and item quantities that you need and then send that information to the vendor. The Purchase Order application provides different methods for creating and issuing purchase orders which allow you to customize the order process to suit your business needs.

Receiving Goods

Receiving goods is the process of accepting items from the vendor. The Purchase Order application provides options for receiving goods which allow you to accept, reject, or accept under certain conditions.

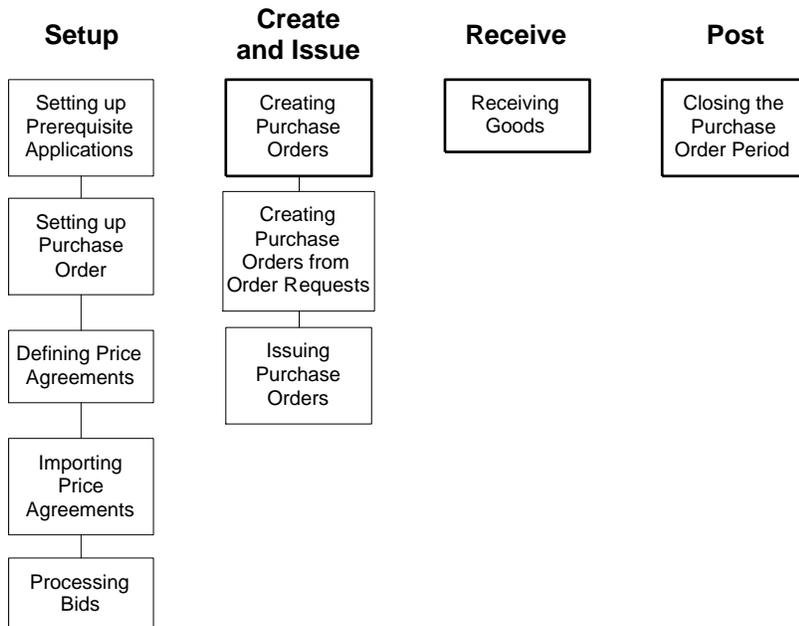
Posting to the General Ledger

At the end of a transaction period, you can close the Purchase Order application to allow all transactions for that period to post to the general ledger. This process promotes accurate transaction balances to be kept in your organization.

Purchase Order: A Big Picture

To represent Purchase Order's major processes, this user guide is divided into four main parts.

The big picture flow illustrates Purchase Order's four main processes, breaks the processes down into subprocesses, and serves as a reminder of where you are in the big picture.

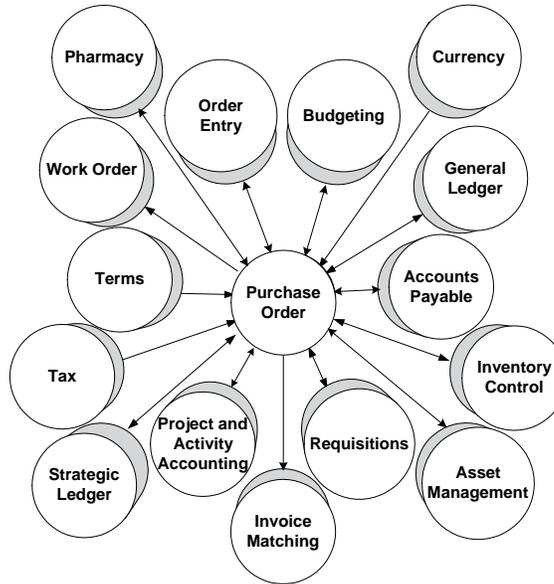


How Purchase Order Integrates with other Applications

** This section explains how the Lawson Purchase Order application integrates with other Lawson applications.

NOTE The direction of data exchange that you see in the diagram does not represent data validation that occurs between applications.

Figure 1. Application integration: How Purchase Order integrates with other applications



General Ledger

The Purchase Order application uses accounts within the Lawson General Ledger chart of accounts for all posting functions. Purchase Order sends “received, not invoiced” transactions to the General Ledger. If you have general ledger commitments set up, additional edits are performed against the General Ledger and passed back to the Purchase Order application.

Tax

The Purchase Order application receives tax information from the Lawson Tax application in order to calculate tax on purchase orders.

Accounts Payable

The Purchase Order application receives vendor information from the Lawson Accounts Payable application. A purchase order is sent to a vendor, as is the payment against the invoice for the ordered goods.

Currency

The Purchase Order application uses currency definitions from the Lawson Currency application. These are used for transactions posted to Lawson Inventory Control and Lawson Purchase Order.

Budgeting

If you have budget editing set up, edits are performed against your budgets and budget edits are passed back to the Purchase Order application if discrepancies exist.

Invoice Matching

The Purchase Order application sends purchase and receiving information to the Lawson Invoice Matching application. Invoice Matching compares order receipt information from Purchase Order with invoice information from Accounts Payable to automate payment and posting processes.

Inventory Control

The Purchase Order application receives reorder information from the Lawson Inventory Control application and creates purchase orders. Upon order receipt and adjustment, the Purchase Order application sends receipt transactions to Inventory Control to update inventory balances.

Requisitions

The Purchase Order application receives order requests for goods or services from the Lawson Requisitions application. Purchase orders can then be created automatically to fill the requisition.

Order Entry

The Purchase Order application receives customer order information from the Lawson Order Entry application. Purchase orders can then be created automatically to fill the order.

Asset Management

The Purchase Order application sends asset information to the Lawson Asset Management application so that you can track the procurement of capital goods.

Project and Activity Accounting

The Purchase Order application sends activity information to the Lawson Project and Activity Accounting application. You can then associate goods and services on purchase orders with activities enabling the use of Activity Based Costing (ABC) and Activity Based Management (ABM). If you have activities commitments set up, additional edits are done against Project and Activity Accounting and passed back to Requisitions.

Terms

The Purchase Order application receives terms codes which determine due dates, discount dates and discount amounts on purchase orders created in Purchase Order.

Strategic Ledger

The Purchase Order application uses User Analysis structure defined in Lawson Strategic Ledger. Purchase Order sends transactions to the data marts defined in Strategic Ledger.

Work Order

The Purchase Order application sends demand for finished goods to the Lawson Work Order application.

Non-Lawson General Ledger

The Purchase Order application lets you send journal entries to a non-Lawson general ledger through a custom interface. In addition, Purchase Order is also able to receive purchasing records from non-Lawson applications through a custom interface.

Chapter 2

Planning for Purchase Order Setup

This chapter focuses on planning for your Purchase Order setup. Before you can set up the Purchase Order application, you must consider the applications which integrate with Purchase Order.

Concepts in this Chapter

Which General Ledger concepts apply to Purchase Order?

Before you use the Purchase Order application, become familiar with the General Ledger concepts in the table below. These concepts are used often throughout Purchase Order processing. For more detailed information about each of the concepts, see the *General Ledger User Guide*.

Chart of Accounts	A list that contains all the posting accounts for your organization.
GL Company	The General Ledger company defines the structure of your organization. You set up the following in GL company: subsystem definition, system control, accounting units.
Accounting Units	Reporting structures such as divisions, cost centers, or departments. Accounting units identify the structure responsible for payment.
Currency Codes	A code that associates the currency used by the vendor, company, or on a transaction.
Exchange Rates	Rates that convert transaction currency to the base, or standard, currency of your company. Exchange rates are used for multinational companies and vendors.
Revaluation	A process you can use to reevaluate the currency against the most recent exchange rate.
Translation	A process that consolidates financial statements to a common currency. You can use this when you have two or more companies of different base currencies.

Which Accounts Payable concepts apply to Purchase Order?

Before you use the Purchase Order application, become familiar with the Accounts Payable concepts in the table below. These concepts are used

often throughout Purchase Order processing. For more detailed information about each of the concepts, see the *Accounts Payable User Guide*.

Cash Ledger	<p>A Lawson application that helps to define the cash flow for your company. It contains information about the following:</p> <ul style="list-style-type: none"> • Banks • Bank accounts (cash codes) • Payment types (transaction codes) • Formats (ACH tape, EDI, system check)
Terms Code	<p>A code that is associated with the terms of a vendor agreement. It defines when payments are due and specifies the payment arrangement.</p>
AP Vendor Group	<p>A number that is associated with one or more vendors. After you set up a vendor group, you can assign it to one or more companies throughout your organization.</p> <p>You can process and report on transactions to and from a specific vendor for multiple companies simultaneously through a vendor group.</p>
AP Company	<p>A container that determines invoice processing parameters. It specifies how to release invoices for payment processing and whether a company is ERS capable.</p>
AP Process Level	<p>A number that identifies a division, department, or cost center within a company as its own processing unit. This number lets you set up individual units within a company that process their own payment cycles.</p>
Hold Codes	<p>A code indicating that returns should not sent back to the vendor.</p>
AP Vendor	<p>A vendor is a person or organization that supplies you with goods or services that you pay for. All vendors are assigned to a vendor group.</p>

Vendor Location	<p>A remittance or purchasing location for a vendor.</p> <p>Vendor locations track remit to and purchase from payment processing and balance information under a single vendor number. If you define payment processing and purchasing information specific to a location, you can report or inquire on the information both for the individual location and the vendor as a whole.</p>
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Which Inventory Control concepts apply to Purchase Order?

Before you use the Purchase Order application, become familiar with the Inventory Control concepts in the table below. These concepts are used often throughout Purchase Order processing. For more detailed information about each of the concepts, see the *Inventory Control User Guide*.

Item Group	A group of items used by one or more companies.
Item Comments	Comments about an item that print on reports.
IC Company	The IC company defines the rules for inventory processing operations.
Company Dates	Dates that define when a processing period ends and transactions must be sent to General Ledger.
Inventory Location	A physical place where you store inventory. Some examples are as follows: a region, city, building, floor, or accounting unit.
Purchasing Classes	Criteria that limits the purchasing power of a buyer and identifies the items that can be ordered from the Requisitions application.
General Ledger Category	A subset, or subcategory, of the General Ledger chart of accounts. It identifies accounts (such as an inventory account or offset account) that receive information about inventory transactions.

Before you use the Purchase Order application, become familiar with the Invoice Matching concepts in the table below. These concepts are used often throughout Purchase Order processing. For more detailed information about each of the concepts, see the *Invoice Matching User Guide*.

MA Company	The MA company defines the rules for invoice matching operations.
PO Receipt Accrual Account	A temporary holding account to track the amount of stock that has been received but not yet paid for.
Receipt Write Off	An account that you use to write off old receipts that cannot be matched.
Vendor Claims	A default process that defines how your company typically handles vendor returns.

Which Tax concepts apply to Purchase Order?

Before you use the Purchase Order application, become familiar with the Tax concepts in the table below. These concepts are used often throughout Purchase Order processing.

Tax Codes	A code that defines the taxable status of an item.
------------------	--

What are Commitments, Encumbrances, and Budget Edits?

A *commitment* is a reservation of funds for requested products and services. You can have commitments for activities and for your general ledger. A commitment record is created when a requisition for products or services has been entered and released, but not yet ordered from the vendor.

An *encumbrance* is an obligation of amounts to pay for products and services that were contracted for but not yet received.

Commitments and encumbrances create records during normal operating processes which can be used to perform budget edits. Budget editing tracks the posted transactions, commitments, and encumbrances, and deducts them from your budgeted funds. This results in an accurate remaining balance of your budgeted funds and helps prevent going over the budgeted amounts.

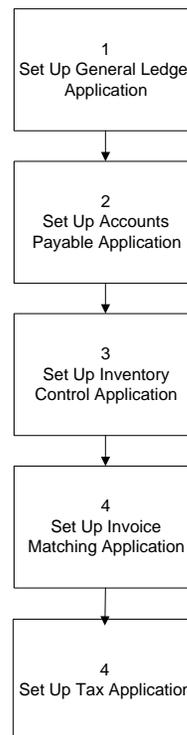
If you have general ledger commitments and budget edits set up, these affect a purchase order at the time it is created or released. If you have activities commitments set up, it also affects a purchase order when it is created or released. For information about general ledger commitments and encumbrances, see the *General Ledger User Guide*. For information on activities commitments, see the *Project and Activities Accounting User Guide*. For information on budget edits, see the *General Ledger Budgeting User Guide*.

Procedures in this Chapter

Setting Up Related Applications

This section provides steps that explain which Lawson applications must be set up prior to setting up the Purchase Order application. Also provided are summaries of the important features of other Lawson applications that directly impact the setup and operation of the Purchase Order application.

Figure 2. Procedure Flow: Setting up related applications



STEPS To set up related applications

1. Set up the General Ledger application. See the *General Ledger User Guide* for more details. Consider how the following portions of the General Ledger application impact the Purchase Order application.

General Ledger Feature	Impact on Purchase Order
chart of accounts	All posting accounts used in Purchase Order must be defined in General Ledger.
base currency	The currency of transactions, and currency conversions must be defined in General Ledger.

General Ledger Feature	Impact on Purchase Order
GL company	The General Ledger company, Accounts Payable company, Inventory Control company, and the Purchase Order company all represent the same business entity.
accounting units	Accounting units are used to distinguish departments, cost centers, etc., within Lawson applications.
AC commitments, GL commitments, and budget edits	If you are going to use these to inform you of over commitments, they must be defined in General Ledger.

- Set up the Accounts Payable application. See the *Accounts Payable User Guide* for more details. Consider how the following portions of the Accounts Payable application impact the Purchase Order application.

Accounts Payable Feature	Impact on Purchase Order
AP Vendor Group	The Vendor Group is tied to the Procurement Group, so all vendors in the Vendor Group are accessible for receiving orders and payments.
AP Company	The General Ledger company, Accounts Payable company, Inventory Control company, and the Purchase Order company all represent the same business entity.
AP Process Level	The Process Level lets you automate certain Accounts Payable and Purchase Order functions.
Hold Codes	Hold Codes are used to temporarily suspend orders and payments
AP Vendors	PO vendors are based on AP vendors.
Alternate Vendor Locations	These correspond with the Purchase Order Purchase From Locations for a Vendor.

- Set up the Inventory Control application. See the *Inventory Control User Guide* for more details. Consider how the following portions of the Inventory Control application impact the Purchase Order application.

Inventory Control Feature	Impact on Purchase Order
Inventory item groups	Used by Purchase Order application to create price agreements for a group of items. NOTE Item groups are linked to the procurement group to link the Inventory Control and Purchase Order applications.
Item comment types	The Purchase Order application can specify which comment types appear on certain documents.
IC company	The General Ledger company, Accounts Payable company, Inventory Control company, and the Purchase Order company all represent the same business entity.
Company period end dates	Period end dates are used when you update the item history.
Company locations	Inventory Control company locations correspond to the Purchase Order Ship To Locations.
Company purchasing classes	Used to group and sort purchase orders and to limit buyers.
General ledger categories for default posting	General Ledger posting for Inventory Control and Purchase Order should correspond, since purchased goods for stock become inventory.

4. Set up the Invoice Matching application. See the *Invoice Matching User Guide* for more details. Consider how the following portions of the Invoice Matching application impact the Purchase Order application.

Invoice Matching Feature	Impact on Purchase Order
Purchase Order Receipt Accrual Account	Goods that are received, but not invoiced (RNI) post to this account
Invoice Messaging	Informs you of over and under tolerance exceptions when a purchase order is matched with an invoice.

5. Set up the Tax application. See the *Tax User Guide* for more details.

Chapter 3

Setting Up Purchase Order

This chapter focuses on the tasks you must complete before you use the Lawson Purchase Order application.

If you are upgrading your applications from release 7.2.x to release 8.0.1, see the Upgrade Information Packet (UIP) for complete information about what tasks you need to complete before using this application. The UIP is available from your Lawson Client Manager.

STOP Before you set up the Purchase Order application, review "[Planning for Purchase Order Setup](#)" on page 17 for important concept information.

Concepts in this Chapter

The following concepts provide background and conceptual information for the procedures within this chapter.

- ["What is a Procurement Group?" on page 26](#)
- ["What is a PO Code?" on page 27](#)
- ["What is set up at the Purchase Order Company level?" on page 28](#)
- ["What Is Unit Cost?" on page 28](#)
- ["When do I use Buyer Groups?" on page 30](#)
- ["What is a Buyer?" on page 30](#)
- ["What are Freight Terms?" on page 31](#)
- ["Why should I set up Purchase Order Vendors?" on page 32](#)
- ["What is a Vendor Item?" on page 33](#)
- ["What are Shipping Terms?" on page 33](#)
- ["What is Stockless Processing?" on page 33](#)

What is a Procurement Group?

A procurement group is a level above company where you can consolidate purchasing activities for a flexible multi-company procurement structure. Purchasing functions such as buyers, freight and shipping terms, and price agreements are tied together at the procurement group level.

You can assign multiple Purchase Order companies to the same procurement group. All vendors and buyers tied to a procurement group are available to any company that you assign to that procurement group. Price agreements can also be tied to a procurement group so that the contract can be used by more than one company.

What is a PO Code?

The PO Code is used in addition to the standard purchase order numbering to identify purchase orders. The full code set that you can use to identify a purchase order is PO Number, PO Release, and PO Code.

You can use a Purchase Order (PO) code to identify the owner, such as the buyer or vendor, that created the purchase order.

PO codes help your company avoid duplicate purchase order numbers in the application as follows:

- PO codes define a unique number for vendors that supply vendor managed inventory.

In order to satisfy application needs for a purchase order, customers who are vendors supplying vendor managed inventory create a purchase order for goods they have supplied.

The PO code (used in addition with the PO number) eliminates the potential for the vendor and the customer to create duplicate purchase orders in the customer's application.

- If you use an alpha identifier (code), PO codes indicate ownership of a purchase order on printed documents.

In order to quickly determine who created the purchase order, you can set up PO codes with alpha identifiers to identify the location that created the purchase order. For example "LAB1," "LAB2," "LAB3."

The code can also be used to define a unique PO number set for the application creating the demand (Purchase Order, Inventory Control, Requisitions).

What is set up at the Purchase Order Company level?

Many business rules for a company are set up at the Purchase Order company level. The set up decisions you make at the company level determine the way your company conducts business. These include:

- Options affecting purchase order entry, maintenance, and revisions
- Options for receiving, inspecting, and returning goods
- How the Purchase Order application prices ordered goods
- The types of comments printed on different purchasing documents

Some of the information about your company used for PO Company setup is described in the following table.

Field	Consideration
AOC Close Days	If Add On Costs are automatically added to a purchase order, but later do not appear on the invoice, this will allow the application to cancel the add on costs automatically.
PO Code	You select a default source for PO Codes, and allow or prohibit manual override of the PO Code. If using requesting location defaults, you can enter the PO Code to assign to purchase orders from requisitions, vendor returns, etc.
PO Numbering	Should purchase orders be numbered automatically, and if so, at what number should they start?
Receiving tab	Receiving options for the company including undershipment and overshipment tolerances can be specified. These values default to all vendors, and can be changed at the vendor level. This is where you define what number should begin receiving, adjustment, and inspection numbering.

What Is Unit Cost?

Unit cost is the cost of an item. Unit cost is usually determined by the vendor. You can set up the Purchase Order application to automatically determine the price of an item on any given purchase order or requisition. Depending

on the item type, Lawson applications default the price of an item using a cost default hierarchy.

Item costs can default from the following places:

- An existing contract
- A vendor's catalog price list
- A blanket order
- The price used on last purchase order created for the item
- The cost of the item the last time it was invoiced

You can set the hierarchy of these defaults at the company level when you set up the Purchase Order company.

For instance if the blanket order cost should always be used when one exists, the blanket order is given a default sequence of #1. If no valid blanket order exists for an item/location/unit of measure, the next cost is used. In our example, every time there is no blanket order the correct price should come from an existing contract if there is one. In that case contract order is given a default sequence of #2.

The default cost can be entered manually if overrides are allowed for the buyer and requesters.

Unit cost defaulting assigns a cost code to applicable purchase order lines. This cost code can be viewed online or using the Drill Around feature to determine where the unit cost originated.

The cost will have originated from the following sources:

- Contract price agreements
- Blanket price agreements
- Standing price agreements
- Catalog price agreements
- Last cost paid
- Last purchase order created
- Manually entered purchase orders

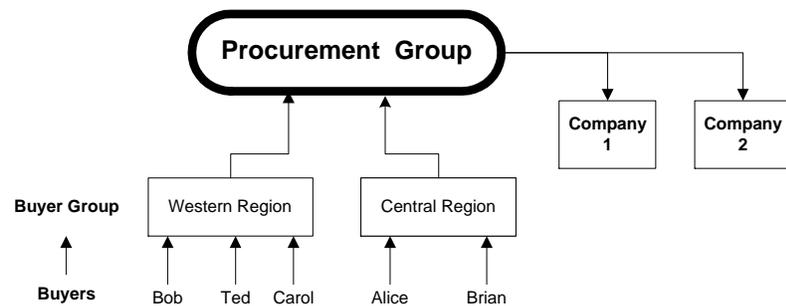
Cost Default for Price Agreements

The following price agreements can be ranked in the order that you want item costs to default on purchase orders and requisitions: contract, catalog, and blanket. You have the option to set up a cost default hierarchy for your company. The Purchase Order application defaults item cost in the selection order that you ranked.

When do I use Buyer Groups?

Use Buyer Groups to sort and group information from buyers to improve reporting and ease processing of purchase orders. For instance, you can issue purchase orders for an entire buyer group using Mass PO Issue (PO120). The Buyer Group Structure diagram illustrates the relationships between, buyers, buyer groups, procurement groups, and companies.

Figure 3. Procedure flow: Buyer group structure



What is a Buyer?

The buyer is required to indicate who is performing the purchasing function. You must set up at least one buyer.

You may define the following for a buyer:

- Purchasing authority
- Purchase order limits

Use purchasing authority to restrict buyers to certain purchasing classes, vendors, locations, and requesting locations. Purchasing classes are defined in the Inventory Control application. You may also define purchase order limits for a buyer.

Worksheet Filters

The Purchase Order Worksheet takes items ordered in another application (order entry, requisitions, case carts, inventory control) and creates purchase orders online. The worksheet filters determine which items are selected. Worksheet filters can be entered on a worksheet directly, or if filters are not entered on the worksheet, it is filtered in accordance with the filters specified for the buyer processing the worksheet. The application knows which filters to use based on the buyer login, which is indicated on the buyer record when you set up a buyer.

Available filters include: items with no cost, items with no vendor, a specific buyer or PO code, and so on. Thus, if a buyer has a worksheet filter for no cost items, when she processes the PO Worksheet, only the pending purchase items with no associated pricing information will be available to her.

What are Freight Terms?

Freight terms describe the freight method(s) used to ship purchases, (C.O.D., prepaid, etc.) Default Freight terms can be set for each vendor, and can also be set for the purchase order company.

Why should I set up Purchase Order Vendors?

In the Purchase Order application, you can further define an Accounts Payable vendor with information specific to your purchase orders such as the vendor's phone and fax number, default freight and shipping terms, and vendor limits. A vendor must exist in the Accounts Payable application before it can be defined in the Purchase Order application.

Purchase Order vendor information includes:

- Open Purchase limit
- Maximum Order Amount limit
- Undershipment Cancel Percentage tolerance
- Overshipment Allowed tolerance

Vendor tolerances are used during receiving to cancel backorders within a percentage of the original amount and allow overshipments from the vendor. When vendor tolerances exist, they override the tolerances for the PO company.

Undershipment Cancel Percentage

The undershipment cancel is the percentage of undershipment allowed at receiving for a vendor. This overrides the tolerance defined for the Purchase Order company. For undershipments within this tolerance, back orders are canceled. If undershipments exceed this tolerance, backorders remain effective.

Overshipment Allowed

The overshipment tolerance is the percentage of overshipment that is allowed at receiving time for this vendor. This overrides the tolerance defined for the Purchase Order company. If the tolerance is exceeded, a buyer message is created and the receiver must be reviewed to continue processing.

Vendor Purchase From Location

Like Accounts Payable vendor locations, you can use the vendor purchase from location to specify multiple distribution addresses for a single vendor. Some vendors may have several locations from which you can order. If you send purchase orders to different warehouses belonging to the same supplier, each warehouse would be a vendor purchase from location. You can define Purchase Order vendor information to a specific purchase from location. The location must be defined in Accounts Payable as a vendor location prior to adding it as a vendor purchase from location.

What is a Vendor Item?

NOTE You do not need to set up a purchase order vendor to be able to define vendor items.

A vendor item links an inventory item in your item master to a specific vendor. This link lets you, for instance, use the vendor's stock number for a purchase order, but use your internal stock number for the same item elsewhere.

What are Shipping Terms?

Shipping terms are conditions that indicate the point during shipment when the buyer or seller takes legal possession of the merchandise. You attach shipping terms to the purchase order at creation time.

If you want a shipping code to apply to all purchase orders that go to a specific vendor, you can assign the shipping term to that vendor when you set up purchase order vendors. You can override default shipping codes when you enter the purchase order.

What is Stockless Processing?

Stockless processing is a method of replenishment that lets users keep very low levels of inventory on hand. The method requires that you and your vendor establish an electronic replenishment policy by which your vendors provide materials to your facilities automatically.

Stockless processing demands a partnership with the vendor based on trust since there is minimal human intervention. You must trust the vendor to deliver the correct quantities at the correct time and place.

Stockless processing reduces stock on hand (SOH), manual entry of procurement documents, materials handling by receiving personnel, and buyer administration.

You can accomplish stockless processing by using electronic data interchange (EDI) or evaluated receipts settlement (ERS). For a more fully automated stockless process, EDI offers quick communications with vendors.

Stockless processing streamlines the procurement process in the following ways:

- Requisitions are created based on inventory levels and order points.
- Purchase orders created from requisitions are automatically sent to vendors via fax or EDI.
- Vendors return shipping notices via EDI.
- Inventory is delivered to the point of use versus a warehouse.
- Vendors are paid upon receipt of items.

Procedures in this Chapter

Before using the Purchase Order application, you must define parameters or options that determine the methods used for certain processes such as creating and maintaining purchase orders, attaching comments to documents, receiving and invoicing procedures, and GL account defaults.

- ["Setting Up a Procurement Group" on page 34](#)
- ["Setting Up PO Codes" on page 37](#)
- ["Defining Agreement Administrators" on page 38](#)
- ["Defining Freight Terms" on page 39](#)
- ["Setting Up the Purchase Order Company" on page 39](#)
- ["Setting Up Comment Codes" on page 45](#)
- ["Setting Up Buyers" on page 45](#)
- ["Setting Up Purchase Order Vendor Information" on page 48](#)
- ["Setting Up Vendor Items" on page 51](#)

Setting Up a Procurement Group

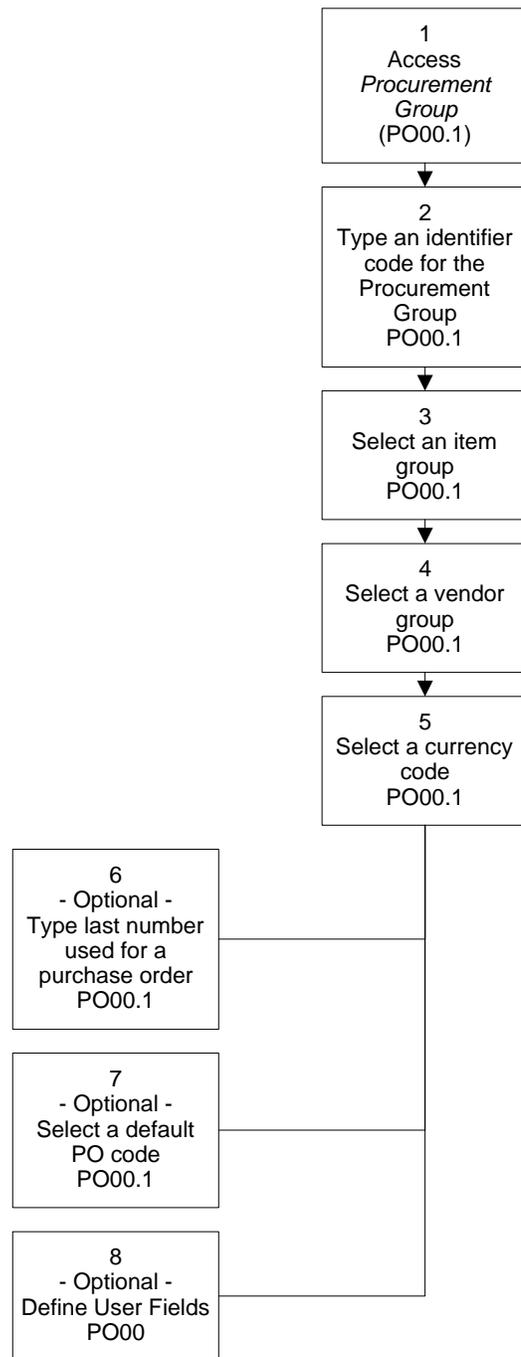
This procedure shows you how to set up a procurement group.



Need More Details? Check out the following concepts:

- ["What is a Procurement Group?" on page 26](#)

Figure 4. Procedure flow: Setting up a procurement group



STEPS To set up a procurement group

1. Access Procurement Group (PO00.1) to set up procurement group(s).

Figure 5. Form clip: Use PO00.1 to set up a procurement group

2. Type an identifier code and description for the procurement group.
3. Select an item group.
4. Select a vendor group.
5. Select a currency code.
6. To indicate an automatically-assigned starting number for a purchase order or requisition number, consider the following fields.

Last Agreement PO Number

Type the number that you want the Purchase Order application to recognize as the last document number assigned to a purchase order.

The number you type tells the Purchase Order application to assign this number plus one to the next automatically-numbered purchase order.

Last Requisition Number

Type the number that you want the Requisitions application to recognize as the last document number assigned to a requisition.

The number you type tells the Requisitions application to assign this number plus one to the next automatically-numbered requisition.

7. To define a default PO code to blanket, standing, and service agreements, select the PO code.
8. To specify a data type for vendor user fields, choose the User Fields button.

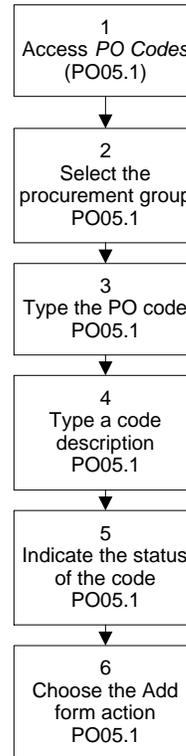
Setting Up PO Codes

This procedure shows you how to set up PO codes.

 **Need More Details?** Check out the following concepts:

- ["What is a PO Code?"](#) on page 27

Figure 6. Procedure flow: Setting up PO codes



STEPS To set up PO codes

1. Access PO Codes (PO05.1).
2. Select the procurement group.
3. Type the code you want to use.
4. Type a description for the code.
5. Indicate whether the code is active or inactive.
6. Choose the Add form action.

Defining Agreement Administrators

Agreement administrators are people who are responsible for maintaining the purchase order contract.

You can create agreement administrators for a specific procurement group. Once created, these agreement administrators can be assigned to vendor agreements.

NOTE You cannot delete an agreement administrator if they are attached to a vendor agreement.



Need More Details? Check out the following concepts:

- ["What is a Procurement Group?"](#) on page 26
- ["What is a Vendor Agreement?"](#) on page 54

STEPS To define agreement administrators

1. Access PO Contacts (PO07.1).
2. Inquire on the procurement group you want to assign the agreement administrators to.
3. Add the administrator's name, e-mail address, telephone number, fax number, and a description.

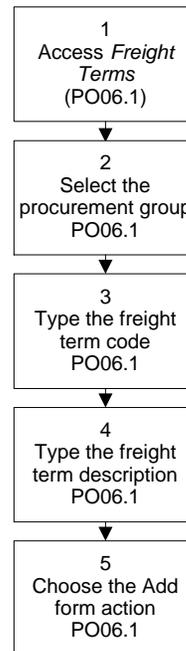
Defining Freight Terms

This procedure shows you how to define freight terms.

 **Need More Details?** Check out the following concepts:

- ["What are Freight Terms?"](#) on page 31

Figure 7. Procedure flow: Defining freight terms



STEPS To define freight terms

1. Access Freight Terms (PO06.1).
2. Select the procurement group.
3. Type a one-character code for the freight term.
4. Type a description for the freight term.
5. Choose the Add form action.

Related Reports and Inquiries

To	Run
Print a list of freight terms defined for your company	Freight Terms Listing (PO206)

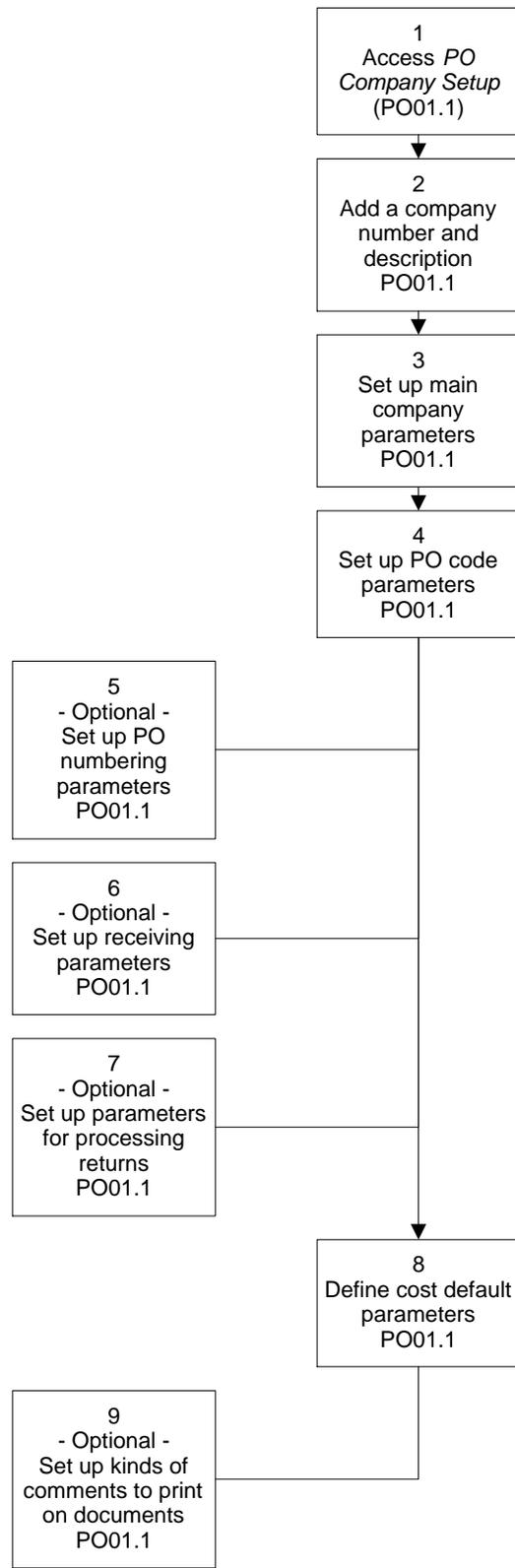
Setting Up the Purchase Order Company

This procedure shows you how to set up the purchase order company.

 **Need More Details?** Check out the following concepts:

- ["What is a PO Code?"](#) on page 27
- ["What is set up at the Purchase Order Company level?"](#) on page 28
- ["What are Freight Terms?"](#) on page 31
- ["What are Shipping Terms?"](#) on page 33
- ["When do I use Buyer Groups?"](#) on page 30
- ["What is a Buyer?"](#) on page 30

Figure 8. Procedure flow: Setting up the purchase order company



STEPS To set up the purchase order company

1. Access PO Company Setup (PO01.1).

Figure 9. Form clip: Use PO01.1 to set up the purchase order company

2. Add a company number and description.
3. Set up parameters for the Purchase Order company in the Main tab.
4. Set up PO code processing parameters. Consider the following fields.

Allow Manual Entry

Indicate whether you allow manual entry of PO codes.

You can specify manual entry for All Documents (A) or Purchase Orders Only (P), or you can specify No (N).

Default Method

Indicate whether you want to default PO codes from the Inventory Location, Requesting Location, Vendor Location/Vendor, Buyer Group, or System.

If you select to default PO codes from a system (application), you must indicate what PO code to default. You can default PO codes from the Purchase Order, Vendor Returns, Inventory Control, Requisitions, Order Entry, or Case Carts applications.

5. To specify numbering defaults for purchase orders and purchase order codes, choose the PO Numbering tab.
6. To specify information about the receiving process and receiving documents for the company, choose the Receiving tab. Consider the following fields.

Undershipment Cancel Percentage	Indicate the quantity undershipment percentage for automatic back order cancellation which takes place at receiving time.
Overshipment Percentage	Indicate the quantity overshipment tolerance percentage for receiving buyer messaging which takes place at receiving time.
Disable Overshipment Messages	Indicate whether your company policy is to accept all shipments or if you want buyers to be notified of overshipments. If the flag is set to Yes, overshipment tolerances are ignored and buyer messages are not generated for excess overshipments.
Package Tracking Level	Indicate whether you want package tracking to occur and the level. Blank means that package tracking is not being used, 'H' means that tracking is at the header level, 'L' means line level.

7. To specify information about returns documents for the company, choose the Returns tab. Consider the following fields.

Last Return Number	Type the number that you want the Purchase Order application to recognize as the last document number assigned to a return. The number you type tells the Purchase Order application to assign this number plus one to the next automatically-numbered return.
Reason Code Required	Indicate whether you want a reason code associated with a return document. The reason code indicates why the goods were returned.

8. Define cost default parameters for the company in the Cost Default tab to specify the order that you want costs to default on purchase orders.

IMPORTANT You must define at least one cost default parameter or none will be used.

NOTE Lawson recommends that you not revise cost default parameters once they are defined.

9. To assign kinds of comments that you want to automatically default onto purchasing documents, select predefined comments in the Comment Types tab.
10. To define the address to which vendors will bill purchase orders, choose the Bill To tab.

Related Reports and Inquiries

To	Run
Print a list complete list of vendors for your company	PO Vendor Master Listing (PO210)
Print a list of standard comments defined for your company	Standard Comments Listing (PO212)
Print purchase order parameters defined for your company	Company Listing (MA200)
Print a listing of buyer groups	Buyer Group Listing (PO203)
Print a list of all buyers for your company	Buyer Master Listing (PO204)
Print a list of freight terms defined for your company	Freight Terms Listing (PO206)
Print a list of the add-on costs defined for your company	Add on Charge/Allowance Listing (MA208)
List vendor groups	Vendor Group, Company Listing (AP200)
List vendor information	Vendor Listing (AP210)

Setting Up Comment Codes

This procedure shows you how to set up comment codes.

STEPS To set up comment codes

1. Access Comment Codes (PO12.1).
2. Set up comment codes for the procurement group.

In the Print Option field, decide where you want the comment code to print:

- I = Print on Internal Documents
- P = Print on Purchase Order
- T = Print on Purchase Order Trailer
- R = Print on Receiver Document
- L = Print on Pick List
- D = Print on Delivery Ticket
- Q = Print on Requisition
- O = Display Only
- E = Print on Return Documents
- B = Bill To Address
- N = Invoice Comment (does not print on any documents, it is attached to the purchase order; comments are available for viewing by Accounts Payable personnel)

Related Reports and Inquiries

To	Run
Print a list of standard comments defined for your company	Standard Comments Listing (PO212)

Setting Up Buyers

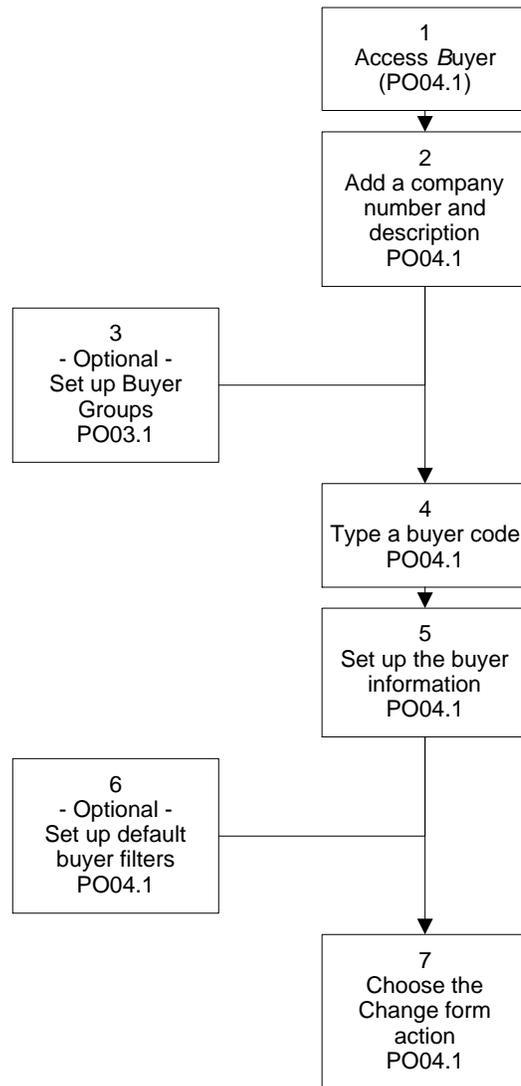
This procedure shows you how to set up buyers.



Need More Details? Check out the following concepts:

- ["When do I use Buyer Groups?"](#) on page 30
- ["What is a Buyer?"](#) on page 30

Figure 10. Procedure flow: Setting up buyers



STEPS To set up buyers

1. Access Buyer (PO04.1).
2. Select the procurement group.
3. To set up buyer groups, transfer to Buyer Group (PO03.1). Buyer groups are used for reporting and inquiry purposes.

Figure 11. Form clip: Use PO03.1 to set up buyer groups

The screenshot shows the Lawson Buyer Group form (PO03.1). The form has a navigation bar with 'GO', 'Add', 'Change', 'Inquire', 'PageDown', and 'PageUp'. Below the navigation bar, there is a 'Procurement Group' dropdown menu. The main area contains a table with the following columns: FC, Buyer Group, Description, and Default PO Code. Each row in the table has a small icon in the FC column and a dropdown menu in the Buyer Group column. The table is currently empty.

4. On Buyer (PO04.1), type the buyer code.

Figure 12. Form clip: Use PO04.1 to set up buyers

The screenshot shows the Lawson Buyer form (PO04.1). The form has a navigation bar with 'GO', 'Add', 'Change', 'Delete', 'Inquire', 'Next', and 'Previous'. Below the navigation bar, there is a 'Procurement Group' dropdown menu and a 'Buyer Code' dropdown menu. The main area is titled 'Buyer Information' and contains the following fields: Buyer Login, Status (Active), Address 1, Address 2, Address 3, Address 4, City or Address 5, State or Province, Postal Code, Country, Telephone, Buyer Group, and Limit Per PO. At the bottom, there are checkboxes for 'Allow Unit Cost Override' and 'Cost Option Setting'.

5. Set up buyer information on the Buyer Information tab. Consider the following fields.

Allow Unit Cost Override Lets a buyer override the prices of price agreements.

Limit per PO Purchase orders created by the buyer exceeding this dollar limit must be approved using PO Authorization/Release.

6. To set up default selection values used when the buyer uses the Purchase Order Worksheet, choose the Worksheet Filters tab.
7. Choose the Change form action.

Related Reports and Inquiries

To	Run
Print a listing of buyer groups	Buyer Group Listing (PO203)
Print a list of all buyers for your company	Buyer Master Listing (PO204)

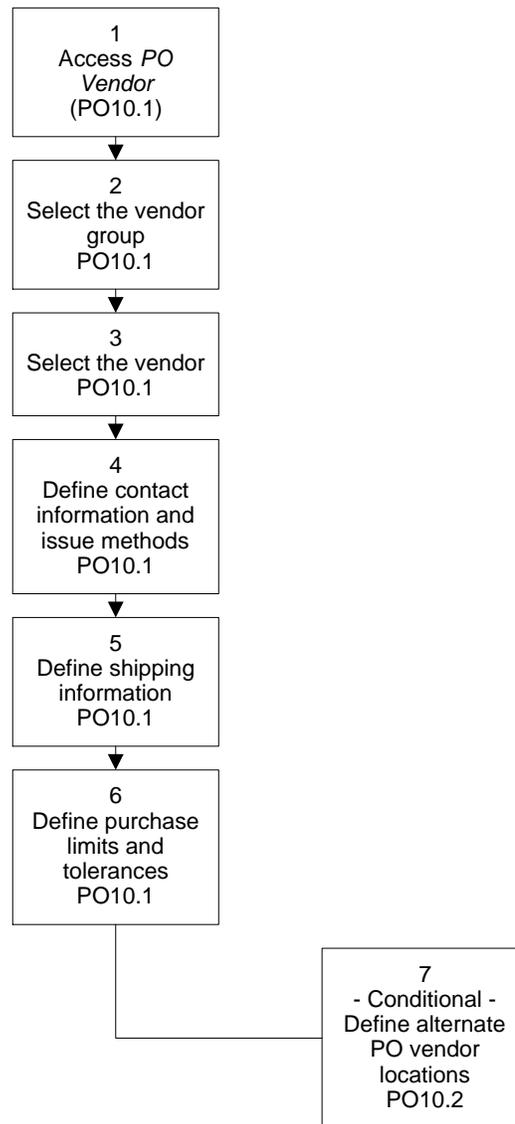
Setting Up Purchase Order Vendor Information

In Lawson, vendors receive payments from the Accounts Payable application and receive purchase orders from the Purchase Order application. Therefore, most vendor information is set up in the Accounts Payable application before you set up the Purchase Order application.

However, you can define purchase information specific to each vendor, such as specifying how purchase orders are sent to the vendor, when you set up the Purchase Order application. This procedure shows you how to set up vendor information as it relates to purchase orders.

STOP Before you can set up purchase order vendor information, you must set up vendor groups and vendors in the Accounts Payable application. See the *Accounts Payable User Guide* for more information.

Figure 13. Procedure flow: Set up purchase order vendor information



STEPS To set up purchase order vendor information

1. Access PO Vendor (PO10.1).

– or –

Select the PO Vendor button on Vendor (AP10.1).

Figure 14. Form clip: Use PO10.1 to set up purchase order vendor information

NOTE The parameters you enter on PO Vendor default onto purchase orders for the selected vendor, overriding company defaults.

2. Select the vendor group and vendor.
3. Optional. To set up a relationship between Lawson vendor numbers and non-Lawson vendor numbers, choose the Cross Reference Vendor button. The application transfers you to Cross Reference Vendor Setup (AP15.1). For information, see the *Accounts Payable User Guide*.
4. Define contact information and issue methods on the Main tab.

The available issue methods are fax, EDI, do not print, paper, and e-mail.

In the Print Location ID on PO Line field, you decide whether the Health Industry Number (HIN) or the Global Location Number (GLN) for the location are to print on the purchase order line.

5. Define vendor shipping information on the Shipping tab.
In the Order Days section, decide whether you want to process vendors with a specific order day (or vendors with no order days assigned).
6. Define vendor purchase limits and tolerances for a vendor on the Limits, Tolerance tab.
7. To define purchase order parameters (such as contact, issue methods, shipping, and purchase limits and tolerances) for alternate distribution centers for a vendor, choose the Purchase From button.

– or –

Transfer to Vendor Purchase From Location (PO10.2).

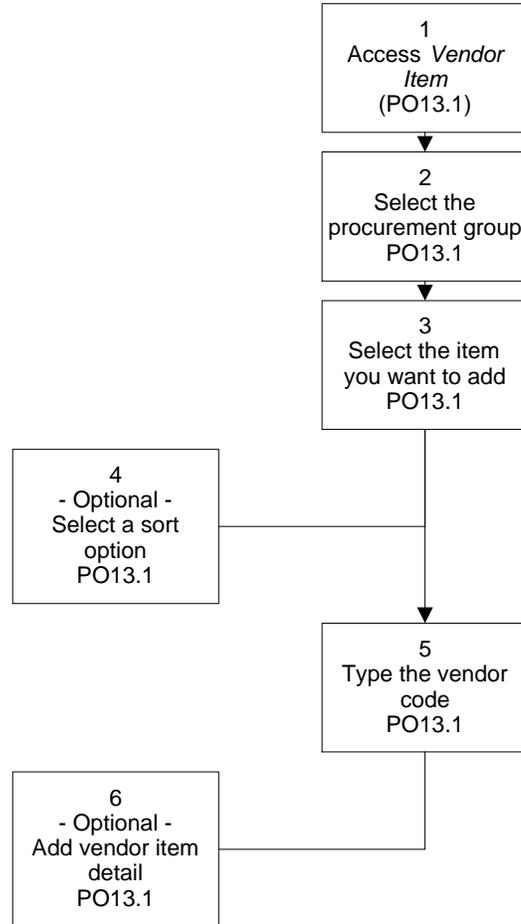
Related Reports and Inquiries

To	Run
Print a list complete list of vendors for your company	PO Vendor Master Listing (PO210)
List vendor groups	Vendor Group, Company Listing (AP200)
List vendor information	Vendor Listing (AP210)

Setting Up Vendor Items

This procedure shows you how to set up vendor items.

Figure 15. Procedure flow: Setting up vendor items



STEPS To set up vendor items

1. Access Vendor Item (PO13.1).

Figure 16. Form clip: Use PO13.1 to set up vendor items

The screenshot shows the Lawson Vendor Item form. The top navigation bar includes 'Home', 'Vendor Item', and 'GO' buttons. The main form area is divided into several sections: 'Procurement Group' (dropdown), 'Item' (dropdown), 'Sort' (dropdown), and 'Vendor' (dropdown). Below these are sections for 'Vendor Item' (Item and Desc), 'Last Leadtime', 'Item Units of Measure' (Stock UOM, Buy UOM, There are, per), 'Vendor Units of Measure' (Buy UOM, Price UOM, There are, per), 'Manufacturer' (with dropdowns), 'Labeler' (with dropdown), 'Minimum Quantity Per PO Line', and 'Warranty Days'. A 'User Fields' link is at the bottom.

2. Select the procurement group.
3. Select the item you want to add.
4. To sort items in order of your viewing preference, select "I" to display items in order of Item and then Vendor, or "V" to display items in order of Vendor and then Item.
5. Type the vendor code to identify the vendor of the item.
6. To provide more detail about the item, add the item information provided by the vendor.

Chapter 4

Define Price Agreements

This chapter focuses on defining price agreements. Price agreements enable you to default item costs onto purchase order and requisition lines.

STOP Before you can define price agreements in the Purchase Order application, you must set up all other applications related to your purchasing needs. For more information, see "[Planning for Purchase Order Setup](#)" on page 17. You also must set up the Purchase Order application before you can define price agreements. For more information, see "[Planning for Purchase Order Setup](#)" on page 17.

Concepts in this Chapter

TIP To skip directly to the procedures, see "Procedures in this Chapter" on page 58

The following concepts provide background and conceptual information for the procedures within this chapter.

- ["What is a Vendor Agreement?" on page 54](#)
- ["What is a Price Agreement Commitment?" on page 54](#)
- ["What is a Contract Price Agreement?" on page 55](#)
- ["What is a Catalog Price Agreement?" on page 55](#)
- ["What is a Blanket Price Agreement?" on page 55](#)
- ["What is a Standing Price Agreement?" on page 55](#)
- ["What is a Service Price Agreement?" on page 56](#)
- ["What are Agreement Lines?" on page 56](#)
- ["What is a Future Cost?" on page 56](#)
- ["What is Agreement Pricing?" on page 57](#)
- ["What are Vendor Agreement Participants?" on page 57](#)

What is a Vendor Agreement?

NOTE See Chapter 4 for information about setting up your cost defaulting hierarchy to include contract, catalog and blanket price agreements.

A vendor price agreement, also referred to as a vendor agreement, provides the item cost for purchase orders and requisitions. You must set up a cost defaulting hierarchy to rank price agreements in the order that you want item costs to default on purchase orders and requisitions. The Purchase Order application searches for item costs on specific vendor agreements and defaults the costs in the order that you selected.

You can define the cost defaulting parameters at the company level when you set up your purchase order company.

Vendor agreements store item costs and order information within procurement groups. There are five different types of price agreements: contract, catalog or quote, blanket, standing, and service.

What is a Price Agreement Commitment?

Price agreement commitments let you commit funds for activities and general ledger commitments at the time a contractual vendor agreement is created. As requisitions and purchase orders are created referencing an agreement, the amount committed from the agreement will be reduced by the commitment amount defined for the requisition or purchase order. At the end of the agreement period, you can manually close the agreement if there is an outstanding balance.

Price agreement commitments can be created for contract, blanket order, standing, service, or catalog agreements.

What is a Contract Price Agreement?

A contract price agreement contains item and item cost information arranged between you and the vendor. You can set up the cost defaulting structure at the company level to reference contract prices when creating either a purchase order or a requisition.

What is a Catalog Price Agreement?

A catalog price agreement is a list of items and item costs supplied by a vendor. You can set up the cost defaulting structure at the company level to reference catalog prices when creating either a purchase order or a requisition.

What is a Blanket Price Agreement?

A blanket price agreement differs from other price agreements in that it creates releases from an existing purchase order. The items on a blanket order are flexible items meaning you can pick and choose which items you want to order. You can set up the cost defaulting structure to reference blanket prices when creating requisitions.

What is a Standing Price Agreement?

A standing price agreement, also referred to as a standing order, is used to order items and supplies that you require frequently. The items and item quantities on standing orders are permanently set to order exactly what items are listed in the quantities that they are listed. You can determine the frequency and number of releases to create. Each time you issue a standing order, the Purchase Order application automatically assigns a unique release number to the order.

What is a Service Price Agreement?

A service price agreement is an ongoing agreement between you and a service provider stating the cost of the service and the effective dates of the agreement.

For example, you might have a service agreement with Acme Electrical Repair for all electric repairs for your office building. Within your service agreement, you may define beginning and end dates for the service (possibly January 1, 2000 to January 1, 2002) and a standard cost for all electrical services.

You do not create purchase orders for services. Services are purchased in periodic installments which are determined under the terms of the agreement.

** During invoice processing, the Lawson Invoice Matching application directly references the service price agreement to match with the corresponding invoice.

What are Agreement Lines?

Agreement lines are line by line details about the goods or services that you are purchasing. Details include each item, item cost, unit of measure, and any add-on cost associated with the item.

The details that you enter for service agreements vary slightly from the details you enter for other vendor agreements and require a different line entry form. When you identify the kind of agreement you are creating, the Purchase Order application automatically makes the correct form available to you. For contract, blanket, catalog, and standing agreements, you use Vendor Agreement Line (PO25.6). For service agreements, you use Service Agreement Line (PO25.7).

What is a Future Cost?

Future costs are pending price changes for vendor agreement lines. Future costs can be accepted, automatically, by the application when the Effective Date is reached. You can also define cost parameters, or tolerances, that cannot be exceeded without user approval. On Vendor Price Agreement Import (PO536), the cost tolerances can be defined either as an amount, a percent, or both. Select Detail from Vendor Agreement Line, Item Detail (PO25.8) to enter future costs and the future cost effective dates. Use Accept or Delete Future Costs (PO36.6) to approve or delete vendor agreement lines that fall outside of the user-defined tolerances.

What is Agreement Pricing?

Agreement pricing defines future pricing, and also holds data about current and past pricing (purchases to date) for vendor agreements. When you set up pricing, you indicate when pricing takes effect and enter markup or discount percentages. Markup and discount percentages are used to calculate net costs for an item. Markup and markdown prices default to agreement lines based on the effective date.

What are Vendor Agreement Participants?

Vendor agreement participants are people or departments that have permission to use a particular vendor agreement. They may be associated with a specific company, location, or requisition location. You can define as many participants as you want for a particular vendor agreement.

If you tie one location to a vendor price agreement, the vendor price agreement can be used only by that location. Otherwise, if you assign no participants to a vendor agreement, it can be used by anyone.

Procedures in this Chapter

The procedures in this section show you how to create and maintain price agreements with vendors, how to define additional pricing details such as price markups and discounts, and how to define agreement participants.

- ["Creating a Vendor Price Agreement" on page 58](#)
- ["Defining Agreement Pricing" on page 63](#)
- ["Defining Agreement Participants" on page 63](#)

Creating a Vendor Price Agreement

Vendor agreements contain information that pertains to every line of an agreement you establish with a vendor for a particular set of items. You can define five kinds of vendor agreements: contract, blanket, catalog, standing, or service. You also can commit funds when you add an agreement. Use the following procedure to define vendor agreements.

STOP Before you can create a vendor agreement, you must define the vendors that supply the items you buy.



Need More Details? Check out the following concepts:

- ["What is a Vendor Agreement?" on page 54](#)
- ["What is a Price Agreement Commitment?" on page 54](#)
- ["What is a Contract Price Agreement?" on page 55](#)
- ["What is a Catalog Price Agreement?" on page 55](#)
- ["What is a Blanket Price Agreement?" on page 55](#)
- ["What is a Standing Price Agreement?" on page 55](#)
- ["What is a Service Price Agreement?" on page 56](#)
- ["What is Agreement Pricing?" on page 57](#)
- ["What are Vendor Agreement Participants?" on page 57](#)

STEPS **To create a vendor price agreement**

1. Access Vendor Agreement (PO25.1).

Figure 17. Form clip: Vendor Agreement (PO25.1), Header page

2. Add header information. Consider the following field.

Agreement Administrator

Identifies a contact person for this price agreement.

You must have previously defined the agreement administrator using PO Contacts (PO07.1).

3. If you are defining header information for contracts, blankets, or standing agreements, choose the Header Type Specific page.

Figure 18. Vendor Agreement (PO25.1), Header Type Specific page

4. Consider the following fields.

Group Purchasing Organization	Identifies the group purchasing organization that negotiated the vendor agreement.
Rebate	Indicates whether all lines are eligible for rebates. If the Rebate field is set to Yes for any of the vendor agreement lines, the Rebate field on the header cannot be set to Yes.
Rebate Percent	Indicates the rebate percentage to apply to purchases using this vendor agreement. You must select Yes in the Rebate field to be able to enter a rebate percentage.
Schedule Frequency	Indicates how often you want to receive items: weekly, biweekly, monthly, or quarterly. NOTE The Schedule Frequency field is required when you create standing agreements.
Maximum Release Number	Enter the number of standing orders that will be released during the release schedule. NOTE You cannot define the duration of the agreement by the number of releases if multiple companies, defined on Vendor Agreement Participants (PO25.3), are associated with the price agreement. You can use the Expiration Date field to select a date by which the vendor agreement expires.

5. If you want to assign order limits, a priority number, or unit of measure rules, choose the Header or the Header Defaults page.
6. If an item number needs to be created when you update vendor agreement lines, choose the Header Defaults page. Consider the following fields.

Item Create Flag	This field determines how a Lawson item number should be created when you add the vendor item to the item master. NOTE The value you entered in the Price Agreement Default Item Create Flag field on Corporate Item Group (IC00.1) defaults here. To change the default for the creation of a new item number, select one of the following values: <ul style="list-style-type: none"> • Sequential: Creates an item number by adding one to the last sequential item number that was used • Assign: Creates an item number as the vendor item number, UPC, SKU, UPN, or manufacturing item number • Manual: You manually assign the item number
-------------------------	--

Item Assign Field If the Item Create Flag is set to Assign, you must select the identifier that you want to assign to the item number.

7. To commit funds to activities or accounts/accounting units before a requisition or purchase order has been created, choose the Create Commitments page. Consider the following fields.

Create AC Commitments This field determines whether funds are committed to a specific activity when an agreement is added.

NOTE If you select Yes, the commitment is updated in the Project and Activity Accounting application. See the *Project and Activity Accounting User Guide*.

Create GL Commitments This field determines whether funds are committed to a specific account/accounting unit when an agreement is added.

NOTE If you select Yes, the commitment is updated in the General Ledger application. See the *General Ledger User Guide*.

Commitment Company You must select the company that you want to create activity or general ledger commitments for.

Commitment Accounting Unit If you create a general ledger or activity commitment, you must select an accounting unit to create the commitment for.

Activity If you create an activity commitment, you must select an activity to create the commitment for.

Account If you create a general ledger or activity commitment, you must select an account to create the commitment for.

Requisition Commitment Amount This field displays the requisition commitment amount.

NOTE The requisition commitment is relieved when the purchase order is released.

Close Commitment This field will be blank until the committed agreement is closed.

8. Add line items to the vendor price agreement.

To add lines for contract, catalog, blanket, or standing price agreements, choose the Lines button to access Vendor Agreement Line (PO25.6). To indicate that a contract line is eligible for a rebate (or what rebate percentage to apply), choose the More button on the Line Detail tab.

– or –

To add lines for service price agreements, choose Service Lines to access Service Agreement Line (PO25.7).

NOTE You can add a distribution code to a blanket or standing order or service agreement.

9. To add additional pricing information, such as future price markups or discounts, choose Pricing to access Agreement Pricing (PO25.2).

– or –

Transfer to Agreement Pricing (PO25.2).

For procedural information, see "[Defining Agreement Pricing](#)" on page 63.

10. If you have agreement participants to assign to the price agreement, such as specific companies, locations, requesting locations, or an accounting unit, choose Participants to access Vendor Agreement Participants (PO25.3).

– or –

Transfer to Vendor Agreement Participants (PO25.3).

For procedural information, see "[Defining Agreement Participants](#)" on page 63.



CAUTION If you create a service agreement, you must assign only one agreement participant to it. The participant information provides distribution information during invoicing.

11. To add 'display only' comments to the header, select Add Comments to access the Vendor Agreement Header Display Only Comments subform.
12. Add the vendor agreement.

Related Reports and Inquiries

To	Run
List price agreements with agreement end dates or renewal dates that fall within the date range you select	Vendor Agreement Renewal Report (PO226)
Print a list of standing orders (standing price agreements) created on Vendor Agreement (PO25.1)	Vendor Agreement Listing (PO225)
NOTE This reports also lists all the parameters defined for the price agreements. You can run a listing for a specific price agreement, a specific vendor and/or buyer group or buyer, and/or a specific agreement type (contract, catalog, blanket, standing, or service).	
Print three types of vendor agreements (service, blanket, and standing orders)	Vendor Agreement Format Print (PO229)

Defining Agreement Pricing

Use this procedure to define agreement pricing such as price markups and discounts.



Need More Details? Check out the following concepts:

- ["What is Agreement Pricing?"](#) on page 57

STEPS To define agreement pricing

1. Access Agreement Pricing (PO25.2).
2. Select the procurement group.
3. Select the agreement that you want to reference.
4. Type the effective date.
5. Type the markup or discount information. Consider the following fields.

NOTE Pricing records are based on the Effective Date. You can repeat steps 4 through 6 to set up multiple pricing records for an agreement.

Base Percent Markup or Discount	If you have a base percent markup or discount percentage, type the base percent in this field.
Markup or Discount	Select M (Markup) or D (Discount) to indicate whether the base percent is a markup or a discount.
Price Break Purchase Amount	If you get a price break when your order totals a certain purchase amount, type the purchase amount in this field.
Percent	Type the percent price break you receive on the purchase amount.

6. Add the price record.

Defining Agreement Participants

Use this procedure to define agreement participants to indicate who can access this agreement.

STEPS To define agreement participants

1. Access Vendor Agreement Participants (PO25.3).
2. Select the procurement group.
3. Select the vendor agreement reference.
4. Add participants, such as specific companies, locations, requesting locations, or an accounting unit to the vendor agreement.

Chapter 5

Importing Vendor Price Agreements

With more business being conducted electronically, you may have a need to load vendor information in your Lawson application.

The Vendor Agreement Import process lets you automatically load vendor pricing information and create item master and purchase order vendor item records. The data you import can be a vendor catalog which contains information about all the items a vendor carries, or it can be items that are included in a specially-negotiated contract between a vendor and a single customer or a group purchasing organization.

Concepts in this Chapter

TIP To skip directly to the procedures, see ["Procedures in this Chapter"](#) on page 58

The following concepts provide background and conceptual information for the procedures within this chapter.

- ["How Does the Vendor Price Agreement Import Process Work?"](#) on page 66

How Does the Vendor Price Agreement Import Process Work?

NOTE If you do not manually set up the agreement header, one will be created during the load process based on parameters you enter on Vendor Price Agreement Import (PO536).

NOTE See ["Planning for Purchase Order Setup"](#) on page 17

Use the Vendor Price Agreement Import batch program to electronically load a vendor file that contains vendor item, unit of measure, and unit price information, into the Purchase Order application.

After you set up an agreement header record on Vendor Agreement (PO25.1) and determine which items to include on an agreement, the application will add or update vendor agreement line information on Vendor Agreement Line (PO25.6), add an item on Item Master (IC11.1), and add a vendor item on Vendor Item (PO13.1).

Each item record in the vendor file must contain a vendor item number, a unit of measure, and a unit price. The vendor file is imported in a comma separated value (CSV) format. Next, the items are loaded into a vendor agreement based on the agreement information entered in the batch load parameter program. The agreement information includes agreement name, vendor, type, and effective date. If you have set up a cost tolerance amounts and/or percent, you will need to access Accept or Delete Future Costs (PO36.6) to approve or delete any vendor agreement lines that fall outside of the set tolerances. To perform the updates to future costs (additions or deletions), run Agreement Cost Update (PO137). After the items are loaded, you can select which items will be available for purchase.

The vendor cost for the items you select will default on requisitions and purchase orders if you set up a cost defaulting hierarchy for your company to include contract, catalog, and blanket price agreements.

Items included on an agreement must have an item number assigned to the new vendor item. If an item number does not exist, one will be created and added to the item master. You will use one of the following methods to link an item number on the item master to an item on the agreement line:

- **Sequential:** Creates an item number by adding one to the last sequential item number that was used
- **Assign:** Creates an item number as the vendor item number, UPC, SKU, UPN, NDC, or manufacturing item number
- **Manual:** The item number is manually assigned by the customer

The Vendor Price Agreement Import process consists of three phases which you can run separately or together.

Phase 1

In Phase 1 of the Price Agreement Import process, a comma separated (CSV) file containing vendor item information is loaded into a vendor agreement on the agreement line file (POVAGRMTLN) in the Lawson system.

Phase 2

Phase 2 is optional. Based on UNSPSC codes or user field values you enter, you can change the Lawson Item flag for any record with matching values. The Lawson Item flag is used to identify vendor items that should be available for purchase in the Lawson system, and link them to a valid Lawson item number.

Phase 3

You run Phase 3 to update the vendor agreement lines with the Lawson item number to default pricing to requisitions and purchase orders.

Procedures in this Chapter

The procedures in this section show you how to load vendor item data and pricing information into the Purchase Order application to make the items available for requisitions and purchase orders.

- ["Interfacing Data" on page 68](#)
- ["Loading a Vendor Agreement File" on page 68](#)
- ["Changing the Item Flag" on page 73](#)
- ["Updating a Vendor Agreement Item" on page 75](#)
- ["Updating an Existing Vendor Agreement" on page 76](#)
- ["Processing an Online Vendor Agreement" on page 77](#)

Interfacing Data

Before you can run the Vendor Price Agreement Import program, you will need to interface vendor items and price information into the Purchase Order application.

You must prepare the non-Lawson interface files which contains the vendor items and pricing information, transfer the non-Lawson files to the Lawson environment, and load each transferred file into the appropriate Lawson interface file.

STEPS To interface data

1. Prepare the interface file. The file must be a comma-separated value (CSV) file and the file fields must match the order and data type of the fields in the appropriate **interface file**. File layouts are available on the internet support site.
2. Transfer the CSV file to the server that contains your Lawson environment. You can use a standard transfer utility such as **ftp** or the Lawson program **winptxfr**.
3. Run Vendor Price Agreement Import (PO536) to convert data. Verify that the data converted correctly and that it is complete and accurate.
4. Make corrections as necessary to the converted data by using the available programs in the Lawson system. See the *Procurement Conversion Technical Guide* to identify the programs to help you correct the converted data.

NOTE Data from the CSV file is loaded into the PO Vendor Agreement Header file and the PO Vendor Agreement Line file. These file names are POVAGRMTHTD (in AS/400 known as) and POVAGRMTLN (in AS/400, known as).

Loading a Vendor Agreement File

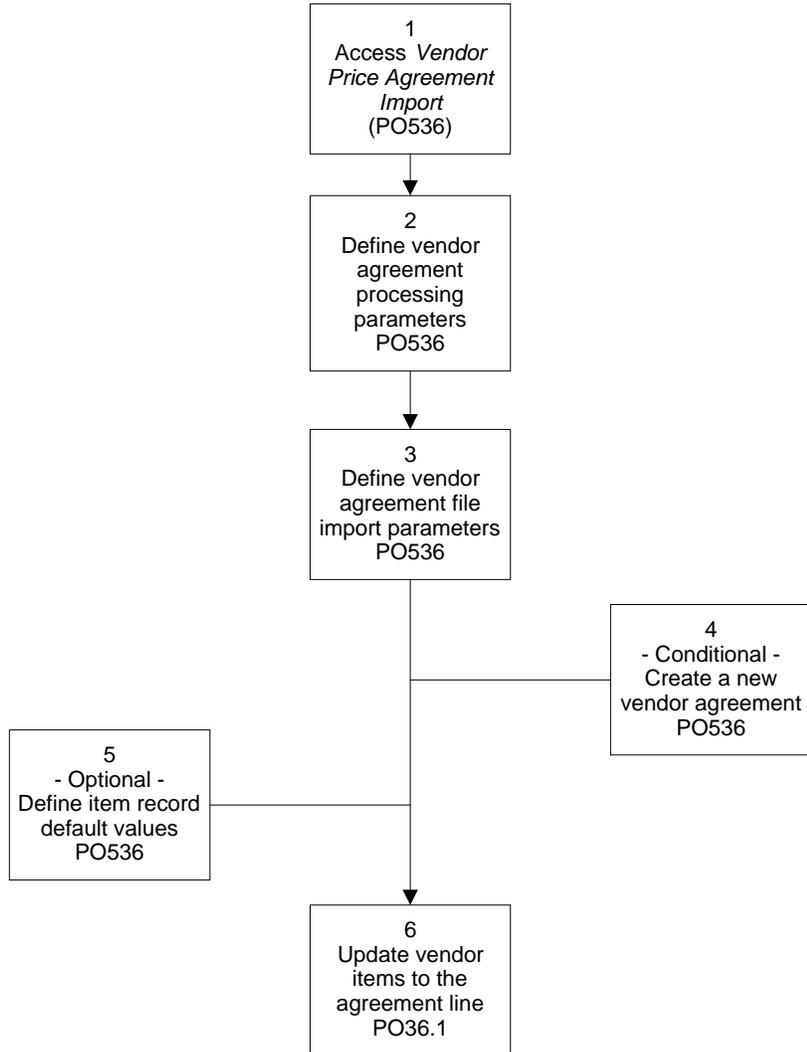
Phase 1 of the Vendor Price Agreement Import process consists of the Vendor Price Agreement Import process loading vendor items from a CSV

file, identifying the items for purchase to be included on the item master, and viewing item detail.

 **Need More Details?** Check out the following concepts:

- ["What is a Vendor Agreement?"](#) on page 54

Figure 19. Procedure flow: Loading a vendor agreement file



STEPS To load a vendor agreement file

1. Access Vendor Price Agreement Import (PO536) to load vendor information.
2. On the Processing page, specify where you want to load the vendor information.

Figure 20. Form clip: Vendor Price Agreement Import (PO536), Processing page

NOTE The Vendor Price Agreement Import process consists of three phases which you can run separately or together. If you want to run all three phases at the same time, or run Phase 1 and Phase 3 (Phase 2 is optional), select Yes in the appropriate Run Phase fields on the Processing Page.

Consider the following fields on the Processing page.

Procurement Group Enter the identifier for the procurement group you are processing a vendor price agreement for.

Agreement Reference Enter a new or existing vendor agreement reference to specify where to load the vendor information.

NOTE If you need to create a new vendor agreement, choose the Agreement page.

Run Phase (1) to Load Vendor Agreement File Select Yes.

Run Phase (2) to Change the Lawson Item Flag This phase is optional. Select No if you do not want to run Phase 2 or if you want to run each phase separately.

NOTE Select Yes if you want to run Phase 2 and you want to run all three phases at the same time. See "[Creating a Vendor Price Agreement](#)" on page 58 to define your Phase 2 parameters.

Run Phase (3) to Update Agreement Item Select No if you want to run each phase separately.

NOTE Select Yes if you want to run all three phases at the same time. See "[Defining Agreement Pricing](#)" on page 63 to define your Phase 3 parameters.

3. Choose the Import page to load vendor agreement lines.

Consider the following fields on the Import page.

CSV File to Load Enter the name of the CSV file you want to load.

File Dictionary	Enter the path where the Lawson interface file is stored.
Replace All	<p>Select Yes to replace the entire agreement. A vendor agreement line cannot be deleted for an item if an order has already been placed.</p> <p>Enter No to update the existing agreement. For example, you can add new items, change items, or delete discontinued items.</p> <p>NOTE You should consult your vendor as to whether you should keep or replace your existing catalog records.</p>
Default Item Flag	<p>The default item value you select here is assigned to the Lawson Item flag for any new items you add. Select Yes if you want to use all new vendor agreement lines for pricing defaults. Select No if you do not want to create agreement lines for all items on file.</p> <p>NOTE You also can update the Lawson Item flag for individual items on Identify Lawson Items by Vendor Agreement Line (PO36.1) or for groups of items on the UNSPSC and User Field pages.</p>
Update Existing	You can make changes to existing Item Master records and vendor items.

4. Choose the Agreement page to create a new vendor agreement.
Consider the following fields on the Agreement page.

Create New Agreement	<p>If the agreement reference you entered on the Processing page is new, select Yes to create a new vendor agreement.</p> <p>NOTE Complete the remaining fields on the Agreement page to create a new agreement header record and pricing record.</p> <p>TIP The header can be created manually on Vendor Agreement (PO25.1).</p> <p>Select No if you are loading an existing vendor agreement. Leave the remaining fields blank.</p>
-----------------------------	---

Item Create Flag	<p>This field determines how a Lawson item number should be created when adding the vendor item to the item master. If an item number needs to be created, select one of the following values:</p> <ul style="list-style-type: none"> • Sequential: Creates an item number by adding one to the last sequential item number that was used • Assign: Creates an item number as the vendor item number, UPC, SKU, UPN, NDC, or manufacturing item number • Manual: You manually assign the item number (if an item number is not found, the line displays in Vendor Agreement Import Manual Input (PO36.2) and you must add the item in PO36.2 first)
Item Assign Field	<p>If the Item Create Flag is set to Assign, you must select the identifier that you want to assign to the item number.</p>
Cost Tolerance Percent	<p>The percentage entered here determines when the future cost requires user approval. To calculate the percent, the difference between the future cost and base cost is divided by the base cost. If the result is greater than the Cost Tolerance Percent, you must approve or delete the future cost on Accept or Delete Future Costs (PO36.6).</p>
Cost Tolerance Amount	<p>The amount entered here is compared to the difference between the future cost and the base cost. If the tolerance is exceeded, you must approve or delete the future cost on Accept or Delete Future Costs (PO36.6).</p>

NOTE You cannot use the Defaults page to update existing records.

5. Optional. Access Accept or Delete Future Costs (PO36.6) to accept or delete vendor agreement costs for items that exceed the cost tolerance you set up on Vendor Price Agreement Import (PO536).
When you accept, the item becomes an agreement line.
6. Choose the Defaults page to enter values that will default to new item records created on Item Master (IC11.1).

NOTE When you Inquire on PO36.1, only vendor items in the CSV file that did not have fatal errors will display. When you run Vendor Price Agreement Import (PO536), any items on the CSV file that did not have a vendor item value or any items that had alpha data entered in a numeric field will print as part of the output.

7. Run Vendor Price Agreement Import (PO536).
8. Access Identify Lawson Items by Vendor Agreement Line (PO36.1) to determine individual items that will be updated to the agreement line for price defaulting. You also can delete lines, change the Lawson Item field value, and view details.

Consider the following field.

Lawson Item	You can manually change this value to No for items you do not want updated to the agreement line.
--------------------	---

NOTE Only records with the Lawson Item value set to Yes can be updated on Vendor Agreement (PO25.1).

Choose Detail to access View Vendor Agreement Line Detail (PO36.3). You can use this program to view item detail. For example, you can view the item identifier that the item number is assigned to, base cost, unit of measure, price break information, and UNSPSC codes and user field values from the CSV file.

Reports Created by Phase 1

- The Phase 1 Load Import File Error Detail report generates a line listing of vendor items with errors and the total number of records with errors.
- The Phase 1 Load Import File report generates a summary of the number of agreement lines that were added, the number of agreement lines that were changed, the number of agreement lines that were deleted, the number of input records rejected with errors, and the total input records.
- The Future Costs Analysis Report lists any vendor agreement lines with future cost effective dates that match or precede the Comparison Date (a user-defined date). The output lists agreement lines with base costs that are eligible to change by the Comparison Date. The dates are changed by running Agreement Cost Update (PO137).
- The Update Existing Item Report lists updated items with no errors and the total for items with errors that are non-fatal. Items with non-fatal errors are listed individually.
- The Update Existing Item Exception Detail Report lists item master and vendor item exceptions. The report prints only if you set the Update Existing field to Yes.

Changing the Item Flag

NOTE You do not need to run Phase 2 if you are using all items from a vendor.

Phase 2 of the Vendor Price Agreement Import process is optional. It consists of changing the Lawson Item flag based on UNSPSC codes or user fields values from the CSV file.



Need More Details? Check out the following concepts:

- ["What is a Vendor Agreement?"](#) on page 54

STEPS To change the item flag

1. Access Vendor Price Agreement Import (PO536).
2. On the Processing page, specify where you want to load the vendor information. Consider the following fields.

Agreement Reference	Enter the vendor agreement reference to change.
Run Phase (1) to Load Vendor Agreement File	Select No.
Run Phase (2) to Change the Lawson Item Flag	Select Yes. NOTE This phase is optional. You will run Phase 2 only if you want to change the default value of the Lawson Item flag.
Run Phase (3) to Update Agreement Item	Select No.

NOTE The value you select in the Lawson Item field will determine whether a Lawson item number will be assigned to the vendor agreement line in Phase 3.

3. To change the default value of the item flag (in Phase 1), on UNSPSC codes or user fields (in Phase 2):

Choose the UNSPSC page. Assign a new Lawson Item Flag value and enter the UNSPSC codes from the CSV file for each item value you want to change.

– or –

Choose the User Field page. Assign a new Lawson Item Flag value and enter user field values from the CSV file for each item value you want to change.

IMPORTANT You can change the Lawson Item flag and enter values on either the UNSPSC page or the User Field page for each run. You cannot enter values on both pages during the same run. The system will search for vendor agreement lines that match the values you entered and change the Lawson Item flag for any items that match.

Reports Created by Phase 2

- The Phase 2 Set Lawson Item Flag report generates a summary of the number of agreement lines set to Yes, the number of agreement lines set to No, the number of agreement lines that were unchanged, and the total number of agreement lines with no corresponding Lawson item.

Updating a Vendor Agreement Item

Phase 3 of the Vendor Price Agreement Import process consists of updating agreement lines for pricing default.



Need More Details? Check out the following concepts:

- ["What is a Vendor Agreement?"](#) on page 54

STEPS To update a vendor agreement item

1. Access Vendor Price Agreement Import (PO536).
2. On the Processing page, you specify where you want to load the vendor information. Consider the following fields.

Agreement Reference	Enter the agreement reference to update.
Run Phase (1) to Load Vendor Agreement File	Select No.
Run Phase (2) to Change the Lawson Item Flag	Select No.
Run Phase (3) to Update Agreement Item	Select Yes. NOTE If you want to update only agreement line items that have been assigned a Manual status, select M. A Manual status is assigned to records with errors and records that need a new Lawson item number but the Item Create Flag on the agreement header is set to Manual entry.

NOTE When you run each phase separately, Phase 3 will not run unless the UNSPSC and User Field pages are blank.

3. If you are running each phase separately, remove any information entered on the UNSPSC or User Field pages.
4. Access Vendor Agreement Import Manual Input (PO36.2) to view or update vendor items for which item numbers are manually assigned. You also can update items that have been flagged for manual input because of errors.
5. You can choose Detail to access Vendor Agreement Line Detail (PO36.4). You use this program to view item detail for items that are manually assigned. For example, you can view the item identifier that the item number is assigned to, base cost, unit of measure, price break information, and UNSPSC codes and user field values from the CSV file.

NOTE Vendor items with non-fatal errors will be updated to the agreement line and added to the item master. Items with fatal errors will not update the agreement line.

Under the Identifier tab, choose the Attributes button to assign values to item attributes. Item Attributes (IC56.1) displays. For information on defining item attributes, see the *Inventory Control User Guide*.

6. You can choose Errors to access Agreement Line Errors (PO36.5). You use this program to view fatal and non-fatal error messages that have occurred on the agreement line for items that are flagged for manual input.

Reports Created by Phase 3

- The Phase 3 Error Detail report generates a line listing of vendor items with errors and the total number of records with non-fatal errors and the total number of records with fatal errors.
- The Phase 3 Assign Lawson Item Number report generates a summary of the number of items that were added to the Item Master, the number of agreement lines for which items were created with no errors, and with non-fatal errors, the number of agreement lines where items were not assigned because of fatal errors, the number of agreement lines where items already exist of the Item Master, the number of agreement lines marked for manual input of the item number, and the number of agreement lines that have the Lawson Item Flag set to Yes.

Updating an Existing Vendor Agreement

You can replace an entire vendor agreement or you can update an existing agreement by adding new items, changing items, or deleting discontinued items.

STEPS To replace an existing vendor agreement

1. Access Vendor Price Agreement Import (PO536).
2. On the Processing page, consider the following fields.

Agreement Reference	Enter a vendor agreement reference for the vendor agreement you want to replace.
----------------------------	--

Run Phase (1) to Load Vendor Agreement File	Select Yes.
--	-------------

3. Choose the Import page. Consider the following fields.

CSV File to Load	Enter the name of the CSV file you want to load.
-------------------------	--

Replace All	Select Yes.
--------------------	-------------

NOTE Any records that are not updated will be deleted from the vendor agreement file if they are not being used on a current purchase order. No items will be removed from the CSV file.

Update Existing	Select Yes to make changes to existing item master records and vendor items.
------------------------	--

4. Choose the Agreement page. Consider the following field.

Create New Agreement	Select No.
-----------------------------	------------

5. Remove any data from on the UNSPSC and User Field pages.
6. Choose the Change form action.
7. Run Phase 3 to update prices on existing agreement lines.

STEPS To update changes to an agreement

1. Access Vendor Price Agreement Import (PO536).
2. On the Processing page, consider the following fields.

Agreement Reference	Enter a vendor agreement reference for the vendor agreement you want to replace.
----------------------------	--

Run Phase (1) to Load Vendor Agreement File	Select Yes.
--	-------------

3. Choose the Import page. Consider the following fields.

CSV File to Load	Enter the name of the CSV file you want to load.
-------------------------	--

Replace All	Select No.
--------------------	------------

NOTE Any items with the Delete function entered on the CSV file will be deleted from the vendor agreement.

4. Run Phase 1.
5. Access Identify Lawson Items by Vendor Agreement Line (PO36.1). Change the Lawson Item flag value to Yes, to add the new items.
6. Run Phase 3 to update prices on existing agreement lines.

NOTE Only the newly-added items that have an N in the Lawson Item field will display on PO36.1

Processing an Online Vendor Agreement

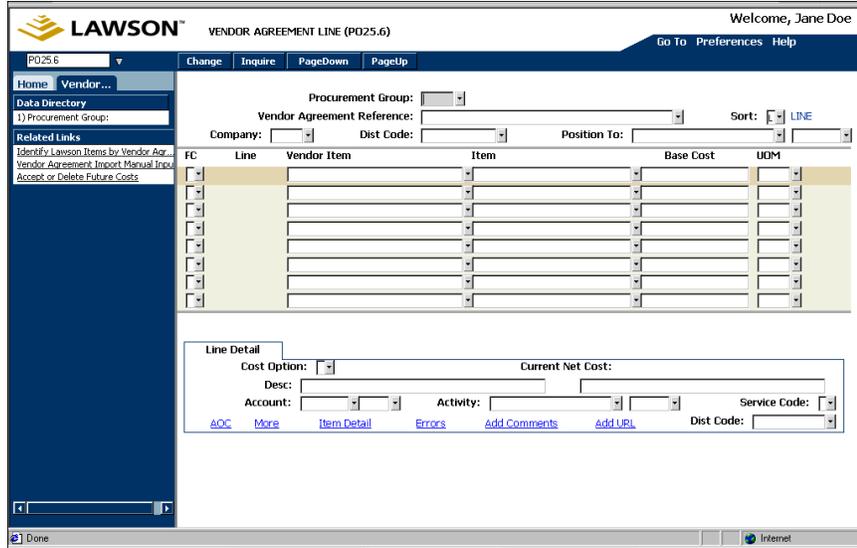
You can create new vendor item records online. Use this procedure to process an online vendor agreement.

STEPS To process an online vendor agreement

NOTE Only items with a value of Y in Lawson Item field on Identify Lawson Items by Vendor Agreement Line (PO36.1) can be updated on PO25.6.

1. Create a vendor agreement line on Vendor Agreement Line (PO25.6).

Figure 21. Form clip: Vendor Agreement Line (PO25.6)



NOTE Changes to these fields must be entered on Item Master (IC11.1) after the item has been added.

2. Decide how to update the vendor agreement line. The line actions available are:
 - Add (does not add an item master record if no item master record is found)
 - Add/Create Item (adds an item master record if no item master record is found; you must have Lawson security permission to select this line action)
 - Change (allows you to change information on the agreement line)
 - Delete (deletes the agreement line)
 - Hold (puts the agreement line on hold)
 - Remove Hold (removes the hold from the agreement line)
3. Choose Item Detail to access Vendor Agreement Line-Item Detail (PO25.8). Use this subform to add detail agreement line information to create item master records, vendor item records, and UPC, SKU, UPN, NDC, and manufacturing item number identifier records.
4. Choose the Attributes button to assign values to an item attribute. Item Attributes (IC56.1) displays.

Related Reports and Inquiries

To	Run
Print three types of vendor agreements (service, blanket, and standing orders)	Vendor Agreement Format Print (PO229)

NOTE You can assign values to item attributes after at least one line has been added to the vendor agreement. For more information on item attributes, see the *Inventory Control User Guide*.

Chapter 6

Processing Bids

Bid processing is another method you can use to create agreements with vendors. This chapter focuses on creating bid requests, processing and analyzing vendor responses to bid requests, and creating contract or catalog records for the selected vendor.

STOP Before you can process bids, you must define buyers, vendors and purchase order companies. You also should be familiar with basic procurement strategies.

Concepts in this Chapter

TIP To skip directly to the procedures, see ["Procedures in this Chapter"](#) on page 58

The following concepts provide background and conceptual information for the procedures within this chapter.

- ["What is a Bid?"](#) on page 80
- ["How do I Select Items for a Bid Request?"](#) on page 81
- ["How do I Process Bids?"](#) on page 81

What is a Bid?

A bid is a price quote or catalog pricing, submitted by a vendor, for an item you want to purchase for your organization. You can create a bid request for a few items or for all items in a purchasing class, or for an item from a particular manufacturer. You can send a bid request to multiple vendors so that you can compare prices.

How do I Select Items for a Bid Request?

You can select items for a bid request automatically or manually. Automatic selection lets you select a large number of items. You use manual selection to quickly select a few items or to change items for an existing bid.

Automatic Selection

You use automatic selection to:

- Select items for a bid request by manufacturer code, by purchasing class, or by both
- Print a report of the selected items that you can mail or fax to the vendor
- Download the selected items to a .csv file or a sequential file that can be electronically transmitted to the vendor

Manual Selection

You use manual selection to:

- Create a new bid that has only a few items or does not have a particular purchasing class or manufacturing code
- Maintain new bid requests and bid responses
- Maintain existing records if a vendor response has an invalid unit of measure, if you need to tie an item number to a vendor number or vice versa, or if you need to establish a new unit of measure relationship
- Indicate that items for a bid request were selected from different vendors
- Add bid responses that were not returned in an electronic form
- Delete vendor bid responses or entire sets of bid information

How do I Process Bids?

Vendors respond to bid requests with price quotes (bids) or catalog price lists. In either case, you will want to record vendor pricing information so that you can compare vendor responses with a bid request, compare bid responses with each other, and compare bid responses with current costs.

You can then create catalog price agreements or contracts from the bid records. Catalog records are based on prices from vendor catalogs. Contract records are based on special, signed agreements with vendors. You can use contract and catalog records to default unit prices to purchase orders.

Procedures in this Chapter

One of the first tasks you will perform in the purchasing function is to choose a vendor. To help you select a vendor, you send out bid requests to find out how much a vendor will charge.

The procedures in this chapter show you how to create bid requests, and record and analyze vendor responses. After you select a vendor, you can create a vendor price agreement based on the response.

Use the following procedures to guide you through the steps to process bid requests.

- ["Creating Bids" on page 82](#)
- ["Sending Bid Requests to Vendors" on page 84](#)
- ["Adding Batch Bid Responses" on page 85](#)
- ["Entering Vendor Responses" on page 85](#)
- ["Analyzing Bid Responses" on page 87](#)
- ["Loading Bids" on page 88](#)

Creating Bids

Items for bid requests can be selected automatically or manually. You can manually select a small number of items or several items in different purchasing classes or with different manufacturer's codes. If you want to create a bid request for a large number of items, you can use automatic selection. This procedure outlines the process for creating bids manually or automatically.



Need More Details? Check out the following concepts:

- ["What is a Vendor Agreement?" on page 54](#)
- ["How do I Select Items for a Bid Request?" on page 81](#)

STEPS To create bids

NOTE This method does not allow you to select items by purchasing class and/or manufacturing codes.

1. Access Bid (PO16.1) to add a small number of items for a bid.
2. To manually select a small number of items for a bid request, consider the following fields.

Procurement Group	Select the procurement group that you want to create a bid request for. A procurement group is a group of companies that share a common procurement effort. They buy items and services together.
Bid	Select a bid name which represents a group of items for which vendor bids have been received.

Mimic	Select Yes if you want to create new bids or bid responses by copying detail lines from an existing bid. TIP You inquire on the existing bid you want to copy, leaving the Vendor field blank. Then, you select a vendor and add the new bid or bid response. NOTE You can create a generic bid and use this field to create additional bids.
Purchase From	You can select an alternate remittance or purchasing location for the vendor.
Effective Date	You can enter a date when the vendor's prices go into effect.
Item	You can select items to include in a bid request. NOTE If items are not in the Item Master file, add them on Item Master (IC11.1).
Buy UOM	Use this field to indicate the buy unit of measure of goods for this item. NOTE If you do not enter a buy unit of measure, the value defaults from Item Master (IC11.1).

STEPS To create bids

NOTE Use this option to create a bid request for all items in a specific purchasing class or from a specific manufacturer. The items must have been added on Item Master (IC11.1).

1. Access Bid Creation (PO550).
2. Select items along with purchase quantities for each item.
3. Consider the following fields.

Create Bid	Select Yes to create a bid record. You can use bid records to view and maintain the bid. NOTE You must create a bid record if you want to download a file or print a report. Because the downloaded file is not vendor-specific, it can be used numerous times to create a spreadsheet or an EDI-transmitted request for bid. The application creates a bid file record without a vendor number that can be used as a control record. Bid records can be updated on Bid (PO16.1).
-------------------	---

Create Download File	Select No. IMPORTANT The bid request should not be downloaded to a file until the bid runs without errors and has been reviewed.
-----------------------------	--

Annualized

Select Yes to convert purchase quantity data to an annualized amount. Annualizing is a way of estimating needed quantities in a year's time. For example, if the date range you select in the Purchase Qty Date Range field is three months, the purchase quantity would be the amount for that range times four.

Sending Bid Requests to Vendors

You can print bid requests and mail or fax them to the vendor. You also can create a comma-separated value (CSV) file or a sequential file to send to the vendor electronically.



Need More Details? Check out the following concepts:

- ["What is a Vendor Agreement?"](#) on page 54
- ["How do I Select Items for a Bid Request?"](#) on page 81

STEPS To print a bid request

1. Access Bid Creation (PO550).
2. Type the job information for the bid request report. Consider the following fields.

Create Bid	Select No.
-------------------	------------

Create Download File	Select No.
-----------------------------	------------

IMPORTANT The bid request should not be downloaded to a file until the bid runs without errors and has been reviewed.

File Type	Select a file type. If you select Sequential, each field in the file appears in a fixed column position. If you select CSV, each field in the file is separated from the next by a comma.
------------------	---

Print Report	Select Yes to print the bid request.
---------------------	--------------------------------------

NOTE You can make changes to the bid information on Bid (PO16.1).

3. Submit the report to print the bid request.

STEPS To download a bid request

1. Access Bid Creation (PO550) to download bid requests to a floppy disk that you can send to each vendor.
2. Type the job information for the bid request. Consider the following fields.

Create Bid	Select No.
Create Download File	Select Yes. NOTE For information on the location of the download file, see the <i>Procurement Management Technical Guide</i> .
File Type	Select a file type. If you select Sequential, each field in the file appears in a fixed column position. If you select CSV, each field in the file is separated from the next by a comma.
Print Report	Select No.

3. Submit the report to download the bid request.

Adding Batch Bid Responses

You can create a template that you use to add and maintain responses to batch-created bid requests. Use this procedure to add a bid response.

STEPS To add batch bid responses

1. Access Bid (PO16.1).
2. Select the procurement group, bid name, vendor name identifier, purchasing location and an effective price date for the batch bid responses you want to add and maintain.
3. Select Yes in the Mimic field.
4. Select the Add form action. The bid data displays and a template is created in the background that displays when you access Bid Response (PO16.2).

NOTE When you select the Mimic feature, the manufacturing information and item sequence created on Bid Creation (PO550) defaults on Bid Response (PO16.2).

Entering Vendor Responses

You can enter vendor responses to bid requests electronically or manually. Use this procedure to add vendor data.



Need More Details? Check out the following concepts:

- ["How do I Process Bids?"](#) on page 81

STEPS To enter vendor responses electronically

NOTE You must run PO560 once for each vendor response in order to analyze bid responses on Bid Analysis (PO216).

1. Access Bid Response Load (PO560) to load vendor bid responses from a floppy disk or an EDI (Electronic Data Interchange) file. PO560 moves the bid response to a common area and uploads it to the application by file name.

IMPORTANT When you run PO560, the application edits bid responses and price catalog information and reports any errors. Bid response and price catalog records from the vendor must reference a valid item master item. If the vendor does not provide complete information on an item, the application attempts to default the information which generates exception messages on the report.

2. Type the job information for the bid request. Consider the following fields.

File Name	Type a unique identifier for the input file. The file name defines where the file for the vendor's bid response is located. If you leave this field blank, the value is set automatically.
------------------	--

Override Flag	<p>If the vendor and bid name do not exactly correspond with the original bid request, set the override flag to Yes to override the values.</p> <p>NOTE If you select No, and the company, bid name, or vendor parameters do not match those in the bid, an error occurs. To finish loading the file, change the appropriate parameter(s) or set the override flag to Yes and rerun PO560.</p>
----------------------	---

Update Options	<p>This field controls whether or not the data imported from your vendor is loaded to your bid response maintenance and review files.</p> <p>Select Option 1 to create a bid response record with an update flag set to Yes. The data received from your vendor will be loaded automatically to a contract or quote when you run Bid Load to Contract or Catalog (PO150).</p> <p>Select Option 2 to create a bid response record with an update flag set to No. The data received from your vendor will not be loaded automatically.</p> <p>Select Option 3 to run the program report only.</p>
-----------------------	---

3. Use Bid (PO16.1) to correct any errors or modify the bid.
4. Use Lawson FTP to upload the .csv file from the spreadsheet to the server.

NOTE You can add, change or delete responses by single item at the line level or by bid response for a specific vendor at the header level using the procurement group, bid, and vendor fields.

Options for entering vendor responses

- Use Bid (PO16.1) to add bid responses for small or nonbatch-created bid requests throughout the bidding process.
- Use Bid Response (PO16.2) to add responses to batch-created bid requests throughout the bidding process.

Analyzing Bid Responses

You can compare vendor responses with bid requests, compare bid responses with each other, and compare bid responses with current costs. You compare bid responses to help you decide which vendor bid response to select.

STEPS To analyze bid responses

1. Access Bid Analysis (PO216).
2. To analyze the bid responses you have received, consider the following fields.

Current Price/ or Vendor Purchase From	Optional. If you select Yes in the Current Price field and leave the first Vendor/Purchase From field blank, the first column of pricing on the report will show the current unit cost for each item in the bid. If you select the current price option, you can compare up to three vendors with the current price. Leave the first vendor field blank if you use the current price option.
---	---

Purchase Quantity Date Range	You can enter a date range based on the purchase order date to determine purchase quantities for bid items. If no date range is selected, the application will create purchase quantity based on a default range that is one year prior to the current date.
-------------------------------------	--

NOTE The date range you select for this report can be different from the date range you defined when you created the bid on Bid Creation (PO550).

Annualized	Select Yes to convert the purchase quantities to an annualized amount. For example, if the date range selected is three months, the annualized quantity would be twelve months, or four times the quantities for the selected range.
-------------------	--

Loading Bids

You load bids to catalog records when prices are from vendor catalogs or to contracts when prices are based on special, signed agreements with vendors. After you load the contract or catalog records, they can be used to default unit prices to purchase orders.

STEPS To load bids

1. Access Bid Load to Contract or Catalog (PO150).
2. Type the vendor information. Consider the following fields.

Override Bid Vendor, Purchase From

If the vendor on the catalog or contract differs from the vendor for the bid request, type the name and purchase from location code of the overriding vendor.

NOTE If you use the override vendor option, no vendor item information will be created on the agreement lines for the override vendor.

Agreement Type

Select Contract to load vendor prices as contract order lines. Select Catalog to load the prices as a catalog.

Agreement Reference

Enter an agreement reference if you want to add a new agreement or update an existing agreement.

Effective Date

If you load vendor prices as a catalog or contract, you can enter a date when the prices go into effect.

Expiration Date

If you update an agreement, you must enter an expiration date.

NOTE An expiration date is not required when you add a new agreement.

Chapter 7

Creating Purchase Orders

This chapter explains the different methods used to create purchase orders using the Lawson Purchase Order application.

See "[Planning for Purchase Order Setup](#)" on page 17 for information on automatically creating purchase orders from another application such as Inventory Control, Requisitions, or Order Entry.

STOP Before you can enter purchase orders, you must define buyers, vendors, and purchase order companies. See "[Planning for Purchase Order Setup](#)" on page 17 and "[Planning for Purchase Order Setup](#)" on page 17 for set up information.

Concepts in this Chapter

The following concepts provide background and conceptual information for the procedures within this chapter.

- ["What is the Structure of a Purchase Order?" on page 90](#)
- ["What is a Procurement Template?" on page 91](#)
- ["How Is Tax Applied To Items?" on page 91](#)
- ["Where Is Currency Determined?" on page 92](#)
- ["What is an Add-on Charge?" on page 92](#)
- ["When Are Dropshipments Used?" on page 94](#)
- ["What is a Blanket Agreement?" on page 94](#)
- ["How do Commitments and Budget Edits affect Purchase Orders?" on page 94](#)
- ["What are Subcontractor Purchase Orders?" on page 95](#)

What is the Structure of a Purchase Order?

The structure of a purchase order within the Lawson Purchase Order application has two basic components: a purchase order header and purchase order lines. When you create a purchase order, you enter the header and then assign lines to the header. The lines contain the specific item information for the order.

Purchase Order Header

The information in the purchase order header (PO header) pertains to the entire purchase order document. In the header you enter the company, buyer, vendor, ship to location, and delivery date. After you create the header, each line that you add is assigned to the header information you specified.

Purchase Order Line

A purchase order line (PO line) contains order information about a specific item. Each line must contain the item number, quantity, unit of measure, and unit cost. In addition, you have the option to add a delivery date and ship to location to a particular line if it is different than what you specified in the header.

Each purchase order line (PO line) can also contain more detailed information about a particular item. Such detail can include item size and color, as well as line-specific cost information such as line tax and other add-on costs.

After you have created the purchase order and added it to the Purchase Order application, you can add other header and line options such as add-on cost spread.

What is a Procurement Template?

You can create and use procurement templates to make ordering frequently used items more efficient. You can create many templates for different purchase orders. Templates are created on Procurement Templates (PO15.1). To look up templates by procurement group or template item, use Procurement Template Item Lookup (PO45.1). You can perform changes to multiple templates on Procurement Template Mass Changes (PO115).

Procurement templates can be used to create requisitions and purchase orders.

How Is Tax Applied To Items?

When you create a purchase order, the items are taxed according to the tax status and the tax code associated with each item. The tax status indicates whether the item is taxable. The tax code indicates the tax rate and the type of tax. You can apply a tax code after you determine that the item is taxable.

You can enter tax defaults, including tax status and tax code, for each inventory and non-stock item in four places: item master file, item location file, purchase order header, and the purchase order line.

You define the tax status and code using the Tax option on the purchase order header. Tax amounts print on the purchase order.

When you enter tax information at the header level, the tax is applied to any line on the purchase order that does not have a tax status and tax code already associated with it; in other words, the tax default will only override items with a blank tax code on the item master or item location files. For each line of the purchase order, you have the option to enter an individual tax status and tax code.

NOTE If a tax value exists on both the item master and item location files, the tax defaults from the item location file. This lets you regulate the tax status according to its use at each location.

Each item must have a tax status and tax code associated with it before you can release the purchase order. If the tax status and tax code do not default from the item master or item location file, you must enter this information on the purchase order.

**Tax codes are set up in the Tax application. You must set up tax codes prior to using them in the Purchase Order application. For more information on setting up tax codes, see the *General Ledger User Guide*.

Example: Applying item tax

An organization uses ibuprofen for first aid kits in the administration office and in the hospital. The item records for ibuprofen are set up in the following way:

Item Record	Taxable Status
Item Master Record	N - Non-taxable
Item Location - Admin. Office	Y - Taxable

Item Record	Taxable Status
Item Location - Hospital	N - Non-taxable

Purchase Order	Taxable Status
PO Default Tax	Y - Taxable
Item Tax	Default

Usage

Given the situation above, you add a purchase order for ibuprofen for the administration office. The result is that the ibuprofen is taxable on the purchase order. The item is taxable because the Item Location record for the administration office overrides the item master record. Using the item tax option for the purchase order line, you can override this status when creating a purchase order.

There are two types of taxes: invoiced and accrued. An invoiced tax represents an increase to the transaction's amount and prints on the purchase order. An accrued tax has no effect on the transaction's amount and does not print on the purchases order.

Where Is Currency Determined?

The currency definitions for your company are defined in the General Ledger application.

The base currency on a purchase order can default from either the company level or the vendor invoice. You can also select an alternative base currency for a purchase order at the header level if your company is set up for multiple currencies.

It is only possible to have one currency designated for all items on a purchase order. Additional currency options you might use when creating a purchase order include:

- Revalue currency at payment time to capture changes which result from the exchange rate fluctuating.
- Set currency rate at PO entry, invoice approval, or receiving time.
- Override default currency rate.

What is an Add-on Charge?

An add-on charge (AOC) is a cost or allowance that you apply to the total cost of a purchase order, ERS receiver, or invoice to pass the cost or allowance on to the customer.

An added cost increases the total cost of a purchase order and an added allowance lowers the total cost of a purchase order. You can apply an add-on charge at the line or header level of a purchase order.

The following table shows you three methods in which you can apply add-on charges and allowances to a purchase order.

Type of Add-on Cost	Description
Miscellaneous Add-on Costs	<p>Attach miscellaneous add-on cost or allowance to the purchase order header and apply to the entire purchase order.</p> <p>The amount you are adding can be an amount or a percentage of the total unit for the purchase order.</p>
Add-on cost (AOC) Spread	<p>AOC spread is a purchase order header option that can be used to spread or divide add-on costs or allowances over the lines on a purchase order.</p> <p>NOTE AOC spread can only be added or maintained after you select the Add form action to add the purchase order to the database.</p>
Item Add-on Costs	<p>Item add-on costs and allowances are expenses attached to the purchase order line.</p>

For example, freight charges are costs that you normally pass on to the customer. You apply the freight charge to the total cost of the purchase order as an add-on charge.

NOTE You can add tax to the add-on charge on the purchase order if you originally paid tax on this charge, such as taxes on shipping and handling.

Other examples of add-on charges that are typically added to a purchase order are insurance, handling charges, and shipping charges. You can also add value-added costs to purchase orders, such as production costs and art and design costs.

NOTE If you do not want add-on charges to be landed for inventory items, use the miscellaneous add-on charge.

Add-on charges that you establish as an add-on charge spread or an item add-on charge for inventory items are typically *landed add-on charges*. A landed add-on charge means that the AOC is included in the inventory value. When inventory is updated for a non-standard cost company, the inventory is valued at the cost plus add-on charges.

The Purchase Order application posts journal entries for the value of the add-on charge to the inventory account defined for the item master. If the items are no longer in inventory, it will be posted to your inventory variance account.

When Are Dropshipments Used?

Dropshipments are used when you want to ship an order directly to a customer from a vendor. You can use dropshipments to bypass the receiving process.

When you define the purchase order header, you can indicate whether or not the receiving process will be required for the dropshipment. If you have not required that the shipment go through the receiving process, the person receiving the dropshipment can choose to perform the receiving process upon receiving the shipment.

What is a Blanket Agreement?

A blanket agreement is a reusable kind of vendor agreement that tracks and limits order totals on purchase orders. Each purchase order created from a blanket order has the same purchase order number, but it is assigned its own release number.

Blanket agreements contain a standard list of items that you use frequently. You can select certain quantities from the list of items, but you cannot add items to the purchase order that do not exist on the list.

When items on the list are purchased, the Purchase Order application tracks the item quantities that have been ordered. There may be a limit to how many items you can purchase on a particular order.

How do Commitments and Budget Edits affect Purchase Orders?

If you have activities commitments, general ledger commitments, or budget edits set up, one of the following will occur when commitments are exceeded:

- when you create a purchase order, a warning will appear, or
- when you attempt to release a purchase order, processing will halt.

For information about general ledger commitments and encumbrances, see the *General Ledger User Guide*. For information on activities commitments, see the *Project and Activities Accounting User Guide*. For information on budget edits, see the *General Ledger Budgeting User Guide*.

What are Subcontractor Purchase Orders?

Subcontractor purchase orders are meant for subcontractor vendors for a specific grant or activity. They are used in conjunction with the Grant Management application. You must have completed setup in the Grant Management application before adding a subcontractor purchase order (for information, see the *Grant Management User Guide*). You must also set up the vendor as a subcontractor vendor in the Accounts Payable application (for information, see the *Accounts Payable User Guide*).

Subcontractor purchase orders let you subcontract part of the grant money you received to another institution. Thus, you can pay the other institution and also keep track of the information for the award sponsor.

A principle investigator (a person who subawards the purchase order to cooperating institutions) approves, rejects, or unreleases the purchase order. You can include several grants on a single subcontractor purchase order.

When the subcontractor purchase order is approved, future changes that unrelease the purchase order require approval. The two ways to approve a subcontractor purchase order are via a ProcessFlow approval process, or by using Purchase Order Direct Approval (PO24.1). Using PO24.1 bypasses the ProcessFlow approval process.

Procedures in this Chapter

Purchase order entry can occur on several forms, depending on how you want to create the purchase order. You can enter a purchase order that is entirely new, or you can copy or reuse lines from an existing vendor agreement.

For information on entering and releasing purchase orders, see the following procedures.

- ["Entering a Purchase Order Manually" on page 96](#)
- ["Making Procurement Template Mass Changes" on page 101](#)
- ["Creating a Purchase Order from a Blanket Agreement" on page 104](#)
- ["Copying an Existing Purchase Order" on page 104](#)
- ["Releasing Standing Orders" on page 106](#)
- ["Approving Subcontractor Purchase Orders Directly" on page 107](#)
- ["Maintaining Interfaced Purchase Orders" on page 107](#)

Entering a Purchase Order Manually

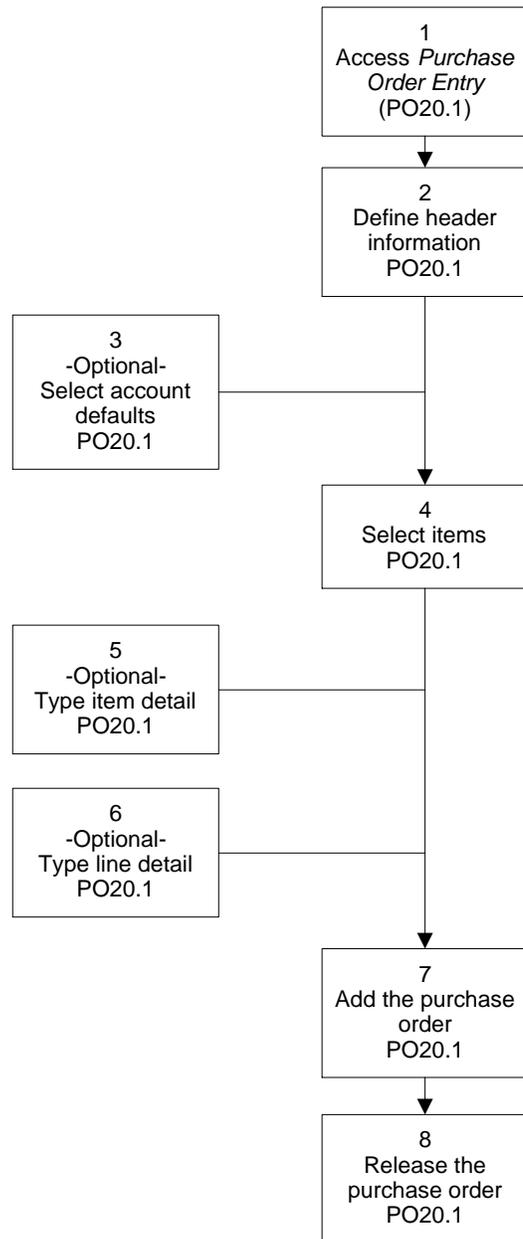
You can enter a purchase order manually to have flexibility over the information associated with the purchase order. For instance, when you enter a purchase order manually, you can order any item type (inventory, non-stock, service, or special). This procedure shows you how to manually enter a purchase order.



Need More Details? Check out the following concepts:

- ["What is the Structure of a Purchase Order?" on page 90](#)
- ["How Is Tax Applied To Items?" on page 91](#)
- ["Where Is Currency Determined?" on page 92](#)
- ["What is an Add-on Charge?" on page 92](#)
- ["When Are Dropshipments Used?" on page 94](#)
- ["What are Subcontractor Purchase Orders?" on page 95](#)

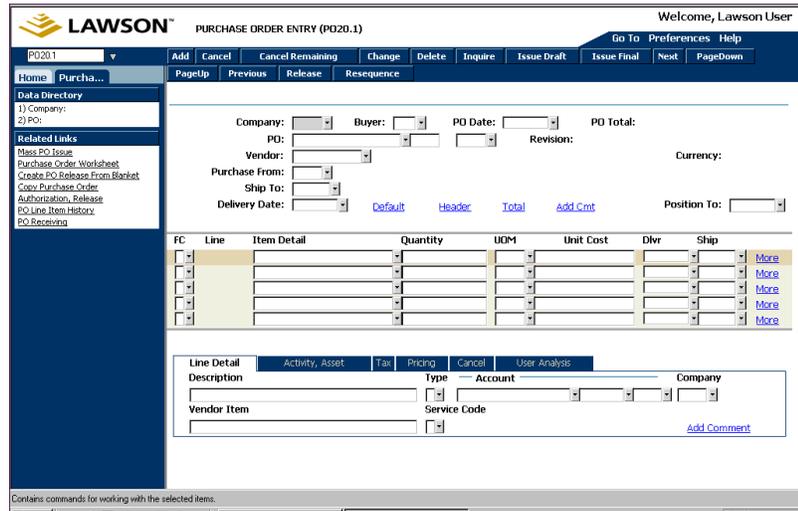
Figure 22. Procedure flow: Entering a purchase order manually



STEPS To enter a purchase order manually

1. Access Purchase Order Entry (PO20.1).

Figure 23. Form clip: Use PO20.1 to enter a purchase order manually



NOTE To apply account information to all lines on a purchase order, choose the Default button option **before** adding any purchase order lines. Lines added previously will not contain the account defaults.

2. Choose the Header button to define purchase order header information. Consider the following tabs.

Terms	Use to define the terms for the purchase order agreement.
Currency	Use to change the currency or currency valuation of the purchase order.
Shipping	Use to enter special shipping and receiving terms or methods.
Drop Ship	Use to make a purchase order a drop shipment.
Issue	Use to create and update issue options.
Comment Code	Use to add a comment code to the purchase order header.
User	Use to create user-defined fields.
Template	Use to add a procurement template and accounting unit to the purchase order header. The template lets you select items from an existing template. Those items selected become lines on the purchase order.
Intrastat	Use to add a Nature of Transaction Code (NOTC).

Grant Management

Use to create a subcontractor purchase order.

You must have completed setup in the Grant Management application to be able to create subcontractor purchase orders.

NOTE Requisitions do not create subcontractor purchase orders.

Vendor Contacts

Use to add a vendor contact code and level to the purchase order header.

You set up vendors and vendor contacts in the Accounts Payable application.

To enter a currency code and currency conversion rate (if the AOC vendor is different than the PO vendor and currency is not defined), choose the Miscellaneous Add-On Cost button or the Add-On Cost Spread button.

To enter a currency code and currency conversion rate

3. To apply specific account information to all lines on the purchase order, choose the Default button on PO20.1. The Line Defaults form appears.

You can add a default asset template and asset number to the purchase order line. Assets are defined using Quick Addition (AM20.1). For more information, see the *Asset Management User Guide*.

4. Add items to purchase order lines from PO20.1.
5. To add item detail to a specific item, select the More button on the PO line on PO20.1.

To enter the currency code and currency conversion rate, choose the Item Add-On Cost button.

6. To add line detail for the line that you are currently on, use the detail tabs on the bottom of PO20.1. Consider the following tabs.

Line Detail

Add a special order or service type item to a purchase order.

NOTE You must enter the item description, type, and account information.

Activity, Asset	Assign a purchase order line to an activity or billing category. To define asset defaults for the purchase order line, choose the Asset Defaults button. You are transferred to PO Line Asset Defaults (AM17.1). For more information, see the <i>Asset Management User Guide</i> . NOTE The Asset Defaults button does not display unless an asset template is attached to all of the Account Distributions records for the purchase order line.
Tax	Define tax information for the purchase order line.
Pricing	Enter the unit cost for the unit of measure that the item is listed in.
Cancel	View the cancelled quantity of the item.
User Analysis	Assign a purchase order line to a strategic ledger account.
Mult button	This option is only available for N, X, and S type items.

NOTE Select Total to view the order value which includes the subtotal, add-on charges, discounts, taxes, freight charges, and the final order total. The total number of lines also displays.

7. Choose the Add form action to save purchase order information.
8. Release the purchase order.

Release Method	Options
Immediate Release	Select the Release form action on Purchase Order Entry (PO20.1)
Authorized Release	Use Authorization, Release (PO22.1) to display unreleased purchase orders for a specific buyer. Once you display the unreleased purchase orders, you can review and release them.

Options for Adding Add-on Charges

1. Access Purchase Order Entry (PO20.1).
2. Select the purchase order that requires add-on charges.

NOTE A purchase order must be added before you can maintain the AOC spread.

- To add add-on charges (AOC) to a purchase order header, choose the Header button. Consider the following options.

Miscellaneous Add-On Cost	Enter add-on charges to a purchase order that apply to all purchase order lines.
Add-On Cost Spread	Change the way add-on charges (for a purchase order) are dispersed to the purchase order lines.

- Select the Change form action.
- Release the purchase order.

Related Reports and Inquiries

To	Run
Classify the sources for all purchase orders created within a given date range	PO Activity by Source Report (PO285)
Monitor subcontractor purchase orders based on status	Subcontractor Monitoring Report (PO240)
Report on the statuses and quantities of assets that have been compiled for a purchase order line.	PO Asset Detail Report (AM219)

Making Procurement Template Mass Changes

Procurement templates let you order frequently used items quickly and easily. You define procurement templates using Procurement Templates (PO15.1). To make mass changes to a procurement template, perform the following procedure.

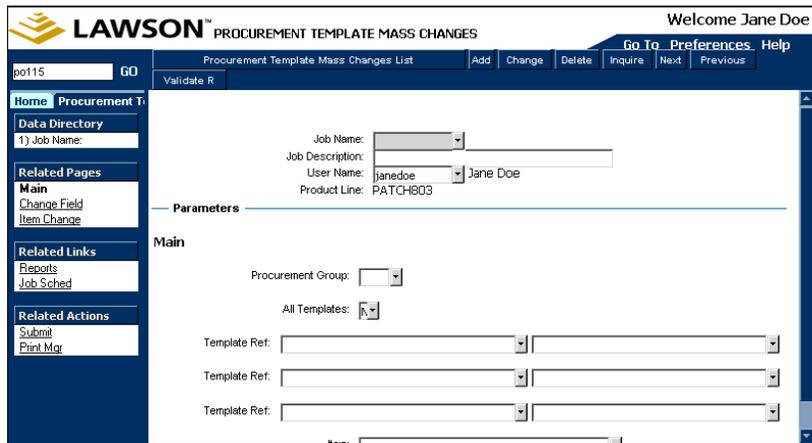
 **Need More Details?** Check out the following concepts:

- "[What is a Procurement Template?](#)" on page 91

STEPS To mass change a procurement template

- Access Procurement Template Mass Changes (PO115).

Figure 24. Use PO115 to make mass changes to procurement templates



2. Enter a job name and description for the mass change.
3. Select a procurement group and template details. Consider the following fields.

Participants

Select up to six participant records. Only templates assigned to the specified participants are affected by the mass change.

IMPORTANT If multiple participant records exist on a template and only one of the participants is specified, the template still becomes part of the mass change (if all other criteria match). In other words, only one participant record needs to match.

All Templates

Select Yes to indicate that all templates for the specified procurement group are to be reviewed when making mass changes.

Template Ref

If you do not select All Templates, you can enter up to six template references. Changes specified on the Change Field tab or Item Change tab will be made to the templates listed.

Item	To specify changes at the field level using the Change Field tab, you must enter an item name. If you specify an item, you are unable to make changes via the Item Change tab.
-------------	--

4. If you entered an item on the Main tab, select the Change Field tab to indicate the field you want to change.
5. Select one field from the Change Field list and enter the new value for that field. Enter a description, if needed.
6. Submit the changes to update the affected templates.
7. If you did not specify changes on the Change Field tab, select the Item Change tab.
8. Enter criteria for item changes. Consider the following fields.

Replace Item A with Item B	If you want to perform a mass replace of one item (Item A field) with another (Item B field) they must be the same item type (both item master or both service).
-----------------------------------	---

Add Item A	You can select to add Item A to all templates or to add Item A only where the value in the Item B field exists. You can only perform one of these options.
-------------------	--

Quantity	To perform a mass change to the Quantity field, you must enter a unit of measure (UOM).
-----------------	---

Related Reports and Inquiries

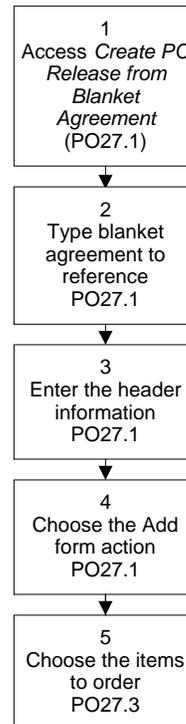
To	Run
View all procurement template references that have a specific item, along with the related line number, service code, unit of measure, and quantity	Procurement Template Item Lookup (PO45.1)

Creating a Purchase Order from a Blanket Agreement

A blanket order is a type of price agreement that contains a list of frequently ordered items. When you order from a blanket agreement, you can only order the items that are on the list. This procedure shows you how to create a purchase order from a blanket agreement.

-  **Need More Details?** Check out the following concepts:
- ["What is a Blanket Agreement?"](#) on page 94

Figure 25. Procedure flow: Creating a purchase order from a blanket agreement



STEPS To create a purchase order from a blanket order

1. Access Create PO Release From Blanket (PO27.1).
2. Type the blanket agreement you want to reference.
3. Enter the purchase order header information.
4. Choose the Add form action.
5. Choose the items you want to order.

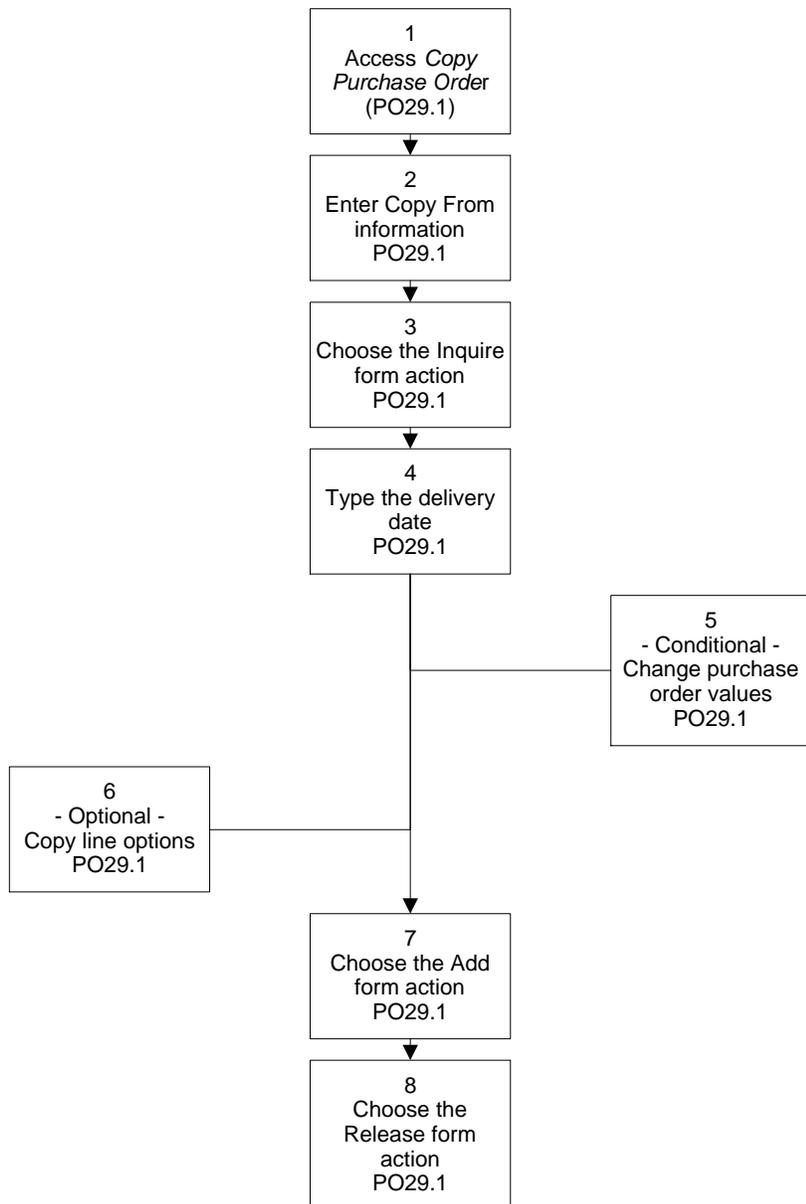
Copying an Existing Purchase Order

You can copy order information from an existing purchase order to create a new purchase order. You can copy specific item information and also add new information that is specific to your company or ordering situation. This procedure shows you how to copy from an existing purchase order.

 **Need More Details?** Check out the following concepts:

- "What is the Structure of a Purchase Order?" on page 90
- "How Is Tax Applied To Items?" on page 91
- "What is an Add-on Charge?" on page 92
- "When Are Dropshipments Used?" on page 94

Figure 26. Procedure flow: Copying an existing purchase order



STEPS To create a purchase order using the copy method

1. Access Copy Purchase Order (PO29.1).
2. Enter the information about the purchase order that you want to copy from.

3. Choose the Inquire form action to view the current values for the purchase order you want to copy.
4. Type the date that you want the goods delivered in the Delivery Date field.
5. If you need to change the values for the purchase order, type the new values in the fields under the New PO Values column.
6. To choose line values to copy to the new purchase order, under Line Copy Options, select Yes in the fields you want to copy.
7. Choose the Add form action to save purchase order information.
8. Choose the Release form action to release the purchase order.

Releasing Standing Orders

Standing orders (standing price agreements) are orders that contain a fixed list of items and item quantities that you order frequently. You release standing orders in batch by procurement group and you can narrow the selection further by selecting a specific company and location. This procedure shows you how to release standing orders.

STEPS To release standing orders

1. Access Create Standing PO Release (PO101).
2. Enter a job name and description.
3. Select the procurement group that you want to run the batch release for.
4. If you want to run the batch release for a specific company, select the company.
5. If you want to run the batch release for a specific location, select the location.
6. If you want to release standing orders that are scheduled for release within a certain number days in the future, type the number of days.

Approving Subcontractor Purchase Orders Directly

Subcontractor purchase orders are only available after you complete setup in the Grant Management application. For information, see the *Grant Management User Guide*.

The two ways to approve a subcontractor purchase order are to:

- complete the ProcessFlow approval process (see the *ProcessFlow Reference Guide*).
- directly approve using Purchase Order Direct Approval (PO24.1).

The principal investigator can unrelease, approve, or reject the subcontractor purchase order (the current status displays on PO24.1). After a subcontractor purchase order is approved, making changes to things like quantities, activities, or cost cause the subcontractor purchase order to be unreleased. When you release it a second time, you start the approval process again.



Need More Details? Check out the following concepts:

- ["What are Subcontractor Purchase Orders?"](#) on page 95

STEPS To directly approve a subcontractor purchase order

1. Access Purchase Order Direct Approval (PO24.1).
2. Enter the company, vendor, purchase from, and purchase order number.
3. Select the Approve form action.

NOTE The vendor must be set up as a subcontractor vendor in the Accounts Payable application.

Related Reports and Inquiries

To	Run
Monitor subcontractor purchase orders by status (the report sorts by vendor)	Subcontractor Monitoring Report (PO240)

Maintaining Interfaced Purchase Orders

Non-Lawson purchase orders can be interfaced into the Lawson Purchase Order application by running Purchase Order Interface from Non Lawson (PO520). You can add or maintain interfaced purchase order information, to be able to correct interface errors.

STEPS To maintain interfaced purchase orders

1. Access Purchase Order Interface (PO53.1). Enter the purchase order you want to edit and decide the record type you want to view in the Rec Type field.
2. Choose the Default button to add or edit purchase order header defaults.
3. Choose the Miscellaneous Add-On Cost button to add or edit purchase order add-on charges or line add-on charges.

NOTE This form is similar in format to Purchase Order Entry (PO20.1).

4. Choose the Line Detail button to add or edit purchase order information at the line level.
5. Choose the Distribution button to edit purchase order distributions at the line level.
6. Choose the Comments button to add or edit comments, such as comments about the vendor or delivery.
7. Choose one of the following tabs to enter additional information. Consider the following tabs.

Terms	Enter the process level, terms code, letter of credit, and invoice method (by mail, electronically, or invoice not required).
Currency	Enter the currency and exchange rate.
Shipping	Indicate freight and shipping terms, and other shipping information.
Drop Ship	Indicate whether receiving is required for the goods being shipped, and the carrier information.
Issue	Indicate the issue method (fax, EDI, paper, or do not print) and what information is included when a revised purchase order is re-issued.
User	Enter user-defined dates and fields.
Template	Select a blanket standard agreement.
Intrastat	Indicate Intrastat information, such as the Nature of Transaction Code and Statistical Procedure Code.
Grant Management	Indicate if the purchase order is a subcontractor purchase order. This field is only valid if you completed Grant Management application setup. For more information, see the <i>Grant Management User Guide</i> .
Miscellaneous	Enter miscellaneous information, such as user ID of the person who changed the record last, and the cross-reference vendor.

Chapter 8

Creating Purchase Orders from Order Requests

This chapter shows you how to create purchase orders from order requests that originated in another Lawson application.

STOP Before you can create purchase orders from order requests originating in another application, you must complete set up Purchase Order requirements in the other applications. For setup information, see Inventory Control User Guide, Requisitions User Guide, and Distribution User Guide.

Concepts in this Chapter

TIP To skip directly to the procedures, see ["Procedures in this Chapter"](#) on page 112.

The following concepts provide background and conceptual information for the procedures within this chapter.

- ["What is an Order Request?"](#) on page 110
- ["What are Filters?"](#) on page 111

What is an Order Request?

An order request is a file that contains a request for items or services. Order requests can originate from Inventory Control, Requisitions, and Order Entry applications.

When the Purchase Order application receives order requests from other applications it stores the requests in an interface file. You initiate the creation of purchase orders with one of two programs in the Purchase Order application: Purchase Order Interface from Lawson Applications (PO100) and Purchase Order Worksheet (PO23).

NOTE Purchase Order Interface can default values for buyer code and delivery date based on information entered on the main tab.

Purchase Order Interface searches the interface file for order requests containing all required information and then creates and releases purchase orders automatically. In order to automatically process purchase orders, order requests must contain a vendor, a buyer code, a cost code other than "E" (Entered), a requested delivery date, and the override cost flag must be set to "No."

Purchase Order Worksheet lets you add missing information to order requests. You can determine pricing, combine requests for the same item, change quantities, and other purchasing information. After you add the missing information, you can release the purchase order (or a draft copy) in Purchase Order Worksheet, or rerun Purchase Order Interface to release purchase orders in a batch release.

Applications that send order requests to the Purchase Order application require additional setup requirements that control the transfer of order information to the Purchase Order application. Please see the appropriate user guide for the application that you want to interface with the Purchase Order application: *Inventory Control User Guide*, *Requisitions User Guide*, *Distribution User Guide*.

What are Filters?

Filters are a set of criteria that you define for batch jobs that create purchase orders out of order requests. When you run the batch job, the Purchase Order application processes only those order requests with the filter parameters you define.

For example, you can define a batch job for only the order requests from the Requisitions application, a specific vendor, a specific location, and accounting unit. You can also specify a certain item or class of items and so on.

Procedures in this Chapter

The Purchase Order application creates purchase orders based on order requests from the Inventory Control, Requisitions, and Order Entry applications. For information on creating purchase orders from other applications, see the following procedures.

- ["Creating Purchase Orders from Order Requests" on page 112](#)
- ["Managing Information on Order Requests" on page 116](#)

Creating Purchase Orders from Order Requests

The Purchase Order application receives order requests from other applications and creates purchase orders from those requests. This procedure shows you how to create purchase orders from other applications.

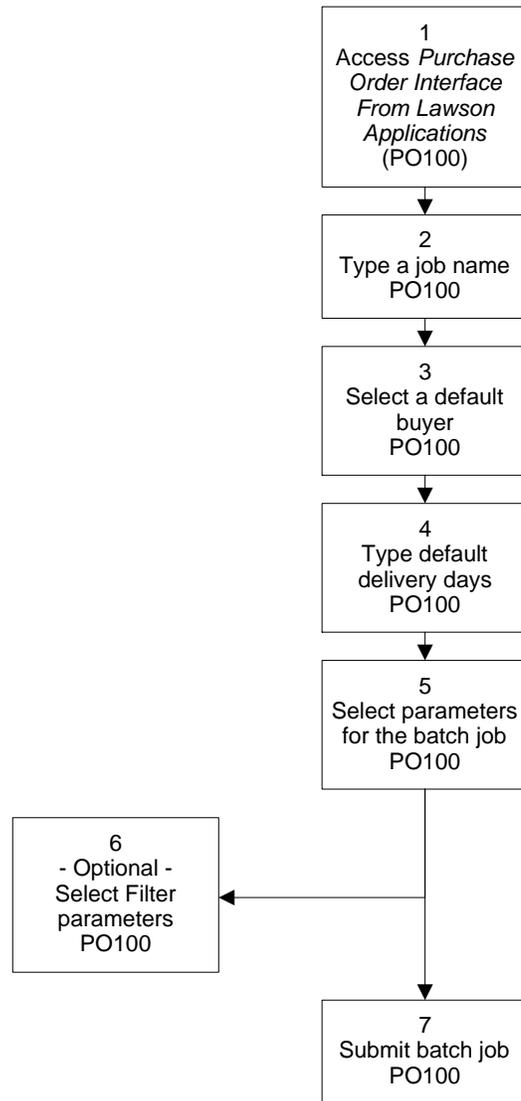
STOP Before the Purchase Order application can create purchase orders (from order requests originating from other applications), you must define vendor and unit cost values for the items being ordered.



Need More Details? Check out the following concepts:

- ["What is an Order Request?" on page 110](#)
- ["What are Filters? " on page 111](#)

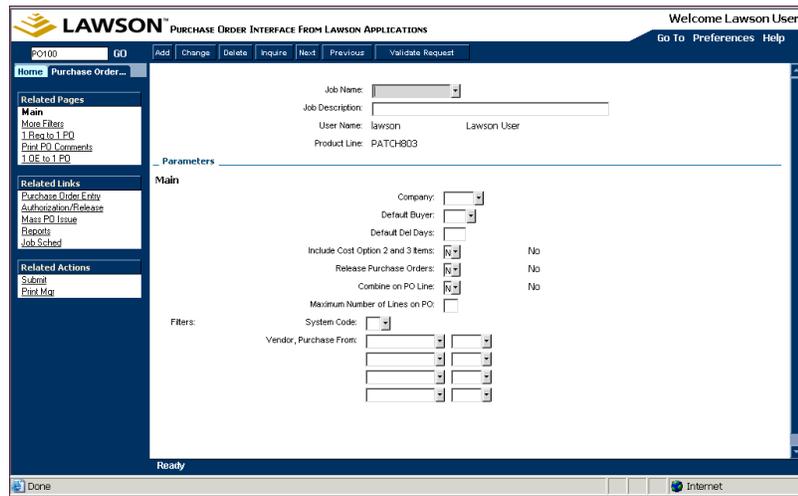
Figure 27. Procedure flow: Creating purchase orders from order requests



STEPS To create purchase orders from order requests

1. Access Purchase Order Interface from Lawson Applications (PO100).

Figure 28. Form clip: Use PO100 to create purchase orders from order requests



2. Choose the Main tab to add required parameters for creating purchase orders from order requests. Consider the following fields.

Default Buyer	The buyer you select will be entered on purchase orders where no buyer is defined.
Release Purchase Orders	Select Yes in this field to have the application try to release purchase orders that are created by the program. If all edits are passed, the purchase orders are released.
Combine on PO Line	Indicate whether you want to combine interface records onto one line automatically.
Maximum Number of Lines on PO	Enter the maximum number of lines allowed on a purchase order.
Print Exception Report	Indicate whether to print the exception report and how to sort the exceptions. The values available are: <ul style="list-style-type: none"> • Do not print exception report • Sort exceptions by vendor/purchase from • Sort exceptions by item • Sort exceptions by source document • Sort exceptions by buyer code
Default Delivery Days	The delivery days you select will be entered on purchase orders where no delivery days are defined.
Print PO Comments	Indicate whether you want PO comments to print.

Default Buyer	The buyer you select will be entered on purchase orders where no buyer is defined.
----------------------	--

Report Level	Indicate whether you want the detail level on the report.
---------------------	---

- Choose the More Filters tab to define filters for the purchase orders created from interfaced files. Consider the following fields.

Buyer Purchase Classes	Decide whether you want the buyer purchasing class to filter with the buyer code.
-------------------------------	---

Vendors	Decide whether you want the vendor to filter with the buyer code.
----------------	---

Locations	Decide whether you want the location to filter with the buyer code.
------------------	---

Requesting Locations	Decide whether you want the requesting location to filter with the buyer code.
-----------------------------	--

Delivery Days	Enter the number of days until the order is expected to be delivered.
----------------------	---

PO Code	Select an active purchase order code. This code is used when no PO code was specified.
----------------	--

Accounting Unit	Select an accounting unit. This value is used when no accounting unit was specified.
------------------------	--

Agreement Reference	Select a price agreement to reference. This value is used when no price agreement was specified.
----------------------------	--

NOTE Filter values that you enter are used for selecting a certain grouping of purchase orders to process.

- Choose the 1 Req to 1 PO tab to create one purchase order from a single requisition with PO header user fields. Consider the following field.

Create One PO from One Requisition with PO Header User fields	Decide whether to sort requisitions by item to combine the same items on a single purchase order.
--	---

- Choose the 1 OE to 1 PO tab to create one purchase order from a single customer order. Consider the following field.

Create One PO from One Order	Decide whether to create one purchase order from a single customer order.
-------------------------------------	---

Related Reports and Inquiries

To	Run
Issue purchase orders in batch	Mass PO Issue (PO120)

Managing Information on Order Requests

In the Purchase Order application, you can manage order requests that originated in another application to add or change insufficient information. This procedure shows you how to manage order requests with insufficient information to create purchase orders.

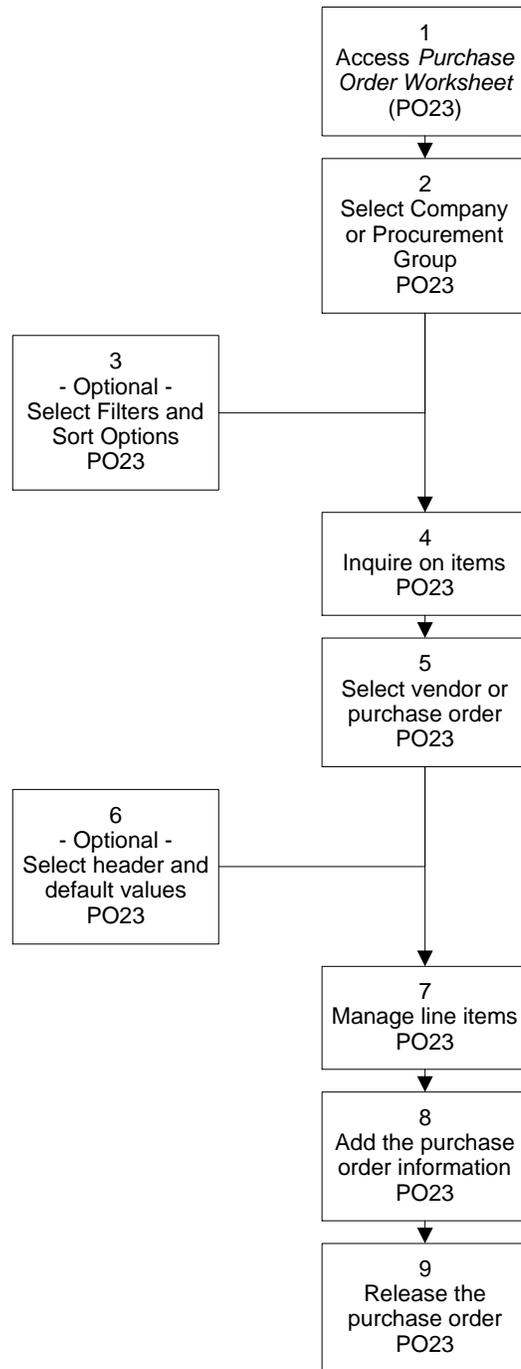
STOP Before the Purchase Order application can create purchase orders from order requests that originate in other applications, you must define vendor and unit cost values for the items being ordered.



Need More Details? Check out the following concepts:

- ["What is an Order Request?"](#) on page 110
- ["What are Filters?"](#) on page 111

Figure 29. Procedure flow: Managing information on order requests



STEPS To manage information on order requests

1. Access Purchase Order Worksheet (PO23.1).
2. Select the procurement group or company that has order requests you want to manage.

- To select options that sort order requests by document, originating application, or operating company, select from the options in the Filter and List Items section. Consider the following options.

Use	To
Filter button	Select filters that indicate which purchase orders display.
Sort By field	Choose the order in which you want the purchase orders to display.

NOTE If the order request does not contain company, vendor, and buyer information the purchase order will not be released.

- Choose the Inquire form action.
- To manage the purchase order header information (Currency, Shipping, Issue, User, Intrastat, or Miscellaneous), choose the Header button.
- To enter values that default on all or most non-inventory lines of the purchase order, choose the Default button.
- Edit line information on an order request. Consider the following actions.

Use	To
More button	Edit details on <i>Line Options</i> . You can adjust the following types of information: Details from Source, Detail, Comment Codes, Tax, and Drop Ship.
Line detail tabs	Edit line information for the following types of information: Detail, Purchase, Source, Account/Activity, Asset, and History.

- Select the Change form action to add changes.
- Select the Release form action to release the purchase order.

Options for Managing Information on Order Requests

If order limits have been exceeded, you need to obtain authorization before you can release the purchase order. The steps below show you how to obtain authorization to continue through the ordering process.

STEPS To obtain authorization for a purchase order exceeding order limits

- Access Purchase Order Entry (PO20.1).
- Choose the More button to access the *PO Line Options* form.
- Choose the Messages button to access the *Message Review* form. Use this form to see what limits have been exceeded.
- Access *Authorization/Release* to release a purchase order that exceeds the limits.

Chapter 9

Issuing Purchase Orders

This chapter focuses on the concepts and procedures that you need to know in order to issue a purchase order.

Concepts in this Chapter

TIP To skip directly to the procedures, see "Procedures in this Chapter" on page 124.

The following concepts provide background and conceptual information for the procedures within this chapter.

- ["What is a Purchase Order Issue?" on page 120](#)
- ["What is an Issue Method?" on page 120](#)
- ["What are Purchase Order Revisions?" on page 122](#)
- ["When would I Issue a Draft Version of a Purchase Order?" on page 122](#)
- ["What is Electronic Data Interchange \(EDI\)?" on page 122](#)
- ["What is an Acknowledgment?" on page 123](#)
- ["What is the PO Acknowledge Report?" on page 123](#)

What is a Purchase Order Issue?

Issue is the Lawson terminology used to describe the process of sending a Purchase Order to a vendor. The terminology "issue" includes all of the possible methods for delivering the purchase order to the vendor.

There are several methods of issue available. You can issue via Internet e-mail, fax, EDI, or paper. Or you can select not to issue at all.

Both online and mass issue forms allow you to issue draft and final copies of the purchase order. You can also select the original and revised issue method and specify what to include on revised purchase orders.

You can issue a final copy of a purchase order only after it has been released. However, you can issue a draft copy at anytime before it is released, and as many times as necessary. Any changes made to the purchase order after the final copy has been issued are considered revisions.

What is an Issue Method?

An issue method is the way in which you issue a purchase order. You specify the issue method on each purchase order: paper, fax, e-mail, EDI, or none. If you do not specify an issue method, it defaults from the PO Vendor or PO Vendor Purchase From Location. If there is no default issue method for either the PO Vendor or the PO Vendor Purchase From Location, the application uses the paper method, printing a purchase order for delivery to the vendor.

You can specify different issue methods for original and revised purchase orders. For example, you may want to use EDI for original purchase orders and paper for all purchase order revisions. Also, if you are using EDI, you can specify different EDI numbers for the original purchase order and the revised purchase order.

Using EDI to Issue Purchase Orders

EDI is the paperless exchange of documents between trading partners. Companies that use Lawson's EDI capability can communicate instantly with suppliers and vendors.

Data is transmitted from one company's computer to another electronically. The basic transaction for all EDI purchasing is the electronic purchase order. With electronic purchase orders, EDI users can order materials from vendors electronically.

After receiving a purchase order, the vendor returns a detailed purchase order acknowledgment to the client. This acknowledgment summarizes the information on the purchase order and validates the order's authenticity.

Using Internet E-mail to Issue Purchase Orders

The setup for sending purchase orders to vendors by e-mail happens either during PO Vendor setup or during purchase order entry (you select an issue method of E-mail).

The delivery of the e-mail purchase order can be handled by the Lawson e-Procurement module, or any other third-party tool capable of e-mail delivery that you have. With e-Procurement, you also need Requisition Self Service (to get the PO Dispatcher).

The process is as follows. You add the vendor's e-mail address on PO Vendor (PO10.1) or Vendor Purchase From Location (PO10.2). When the purchase order is issued, an e-mail with a file extension of .EM is created in the **\$LAWDIR/productline/email/out** directory. If e-Procurement is used, the PO Dispatcher takes the e-mail from this directory and delivers it to e-Procurement which utilizes webMethods, allowing different computer systems to pass information back and forth. If you use your own e-mail delivery and/or form handling software, the .EM file needs to be collected from the previously mentioned directory. When you run Mass PO Issue (PO120), two records are created, **PO120.prt** and **p-email-co**. The **julienne date.EM** file is created under the directory **\$LAWDIR/productline/email/out**.

For more information on these tools, see the *e-Procurement Administration Guide*.

Faxing Purchase Orders

Issuing purchase orders by fax permits you to fax them directly to your vendors. The purchase orders are saved in the designated directory, and then transmitted by fax using Lawson E-Fax Agent.

Issuing Purchase Orders Using Do Not Print

Issuing without printing is used when a purchase is handled over the phone and no paper follow-up is required. If you choose not to issue a purchase order (Issue Method = Do Not Print), the purchase order is considered printed upon release. Therefore, after release any change made to the purchase order using the Do Not Print issue method is considered a revision.

IMPORTANT if the issue method “Do Not Print” is specified, the purchase order is considered printed as soon as it is released. If certain changes are made after the purchase order is released, it results in a revised purchase order (a revision number is assigned). With the other issue methods, you can change a purchase order after release as much as you want and the changes are not considered revisions because the purchase order has not been ‘physically’ issued.

What are Purchase Order Revisions?

Purchase order revisions are changes that you make to purchase orders after you have issued them. Most, but not all, changes to purchase orders are considered purchase order revisions. Think of it as an audit process where changes pertinent to the vendor (that is, cost, quantity, ship to, delivery dates) trigger the application to assign revision numbers.

You can specify what information to include on revised purchase orders; revisions only, the entire purchase order with messages about what was revised, or you can reissue the entire purchase order with no messages. What to include on revisions is specified at the PO Company level.

When would I Issue a Draft Version of a Purchase Order?

Before issuing the final version of a purchase order to the vendor, you can request a draft copy. This can be used to verify the purchase order before it is finalized. The audit process does not start until after you have issued the final copy of the purchase order. After the final copy is issued and if you make any changes to a purchase order pertinent to the vendor (i.e., cost, quantity, deliver date, etc.), the application assigns a revision number and the revised issue method is used.

You can also use the issue online method to select the original purchase order and the revised purchase order for issue.

What is Electronic Data Interchange (EDI)?

Electronic Data Interchange (EDI) is a method of transmitting data electronically. For example, you can use EDI to transmit purchase orders, advance ship notices, and invoices.

If a vendor has the proper EDI capability, you can transmit an EDI purchase order directly from your purchasing department to the vendor via computer.

What is an Acknowledgment?

An acknowledgment is a notification sent from the vendor to the buyer to verify that the purchase order was received. It also summarizes the information on the purchase order and validates the order's authenticity.

NOTE When you receive a purchase order acknowledgement, the Purchase Order application updates the purchase order acknowledgment date. The date appears in the User Date 1 field on the purchase order header.

You can receive purchase order acknowledgements when you issue a purchase order using Electronic Data Interchange (EDI). After receiving the purchase order, the vendor uses EDI to create and transmit a detailed acknowledgment of the purchase order. For more information about using EDI, see the *EDI Standard and EDI Professional User Guide*.

What is the PO Acknowledge Report?

The PO Acknowledge Report is a combined summary and exception report that lists processed purchase orders. If there is an error processing a purchase order, or differences between a purchase order and the acknowledgment, there will be message lines under the purchase order identifying the error or difference. Examples of errors and differences listed include:

- Item is rejected
- Item is on backorder
- Acknowledged unit of measure does not match purchase order
- Acknowledged unit cost does not match purchase order
- Estimated delivery date does not match the purchase order early delivery date

The PO Acknowledge Report is sorted by company, buyer, vendor, vendor location, and purchase order.

Procedures in this Chapter

Once a purchase order is released, you can issue it to the vendor. You can issue purchase orders online as they are created, or you can mass issue them.

For information on issuing purchase orders, see the following procedures.

- ["Mass Issuing Purchase Orders" on page 124](#)
- ["Issuing Purchase Orders Online" on page 126](#)
- ["Receiving Purchase Order Acknowledgments" on page 128](#)

Mass Issuing Purchase Orders

Mass issues enable you to issue a batch of purchase orders at one time. You can setup several mass issue jobs, each using different print parameters and selection criteria. Once you have set up mass issue jobs, they can be set up to run automatically. This procedure shows you how to mass issue purchase orders.

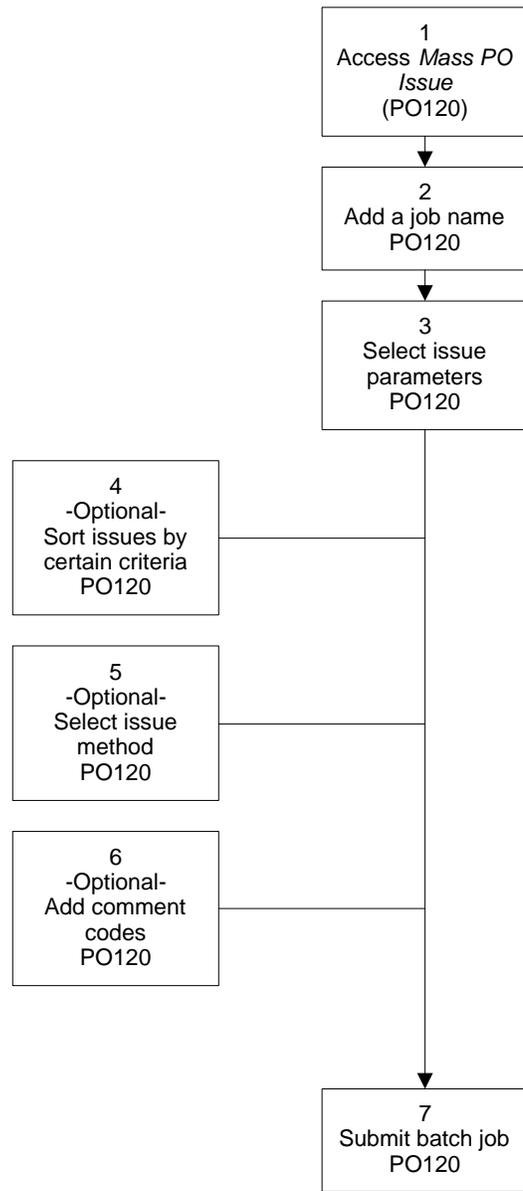
STOP To set up the original issue and revised issue method, you must set up vendors. See ["Planning for Purchase Order Setup"](#) on page 17 for more information. To specify information to include on a purchase order revision, you must enter additional options for the Purchase Order company. See ["Planning for Purchase Order Setup"](#) on page 17 for more information.



Need More Details? Check out the following concepts:

- ["What is a Purchase Order Issue?" on page 120](#)
- ["What is an Issue Method?" on page 120](#)

Figure 30. Procedure flow: Mass issuing purchase orders



STEPS Mass issue purchase orders

1. Access Mass PO Issue (PO120).

Figure 31. Form clip: Use PO120 to mass issue purchase orders

2. Add a job name and provide a description.
3. Select parameters for the issue.
4. To sort issues by certain selection criteria, choose the Selection tab.
5. To select the issue method to mass issue purchase orders, choose the Documents tab.
6. To add header and trailer comment codes, choose the Comment Codes tab.
7. Submit the batch job to issue the purchase orders.

Issuing Purchase Orders Online

You can issue a purchase order online as soon as you have released it. You can also issue and print drafts and revisions. This procedure shows you how to issue purchase orders online.

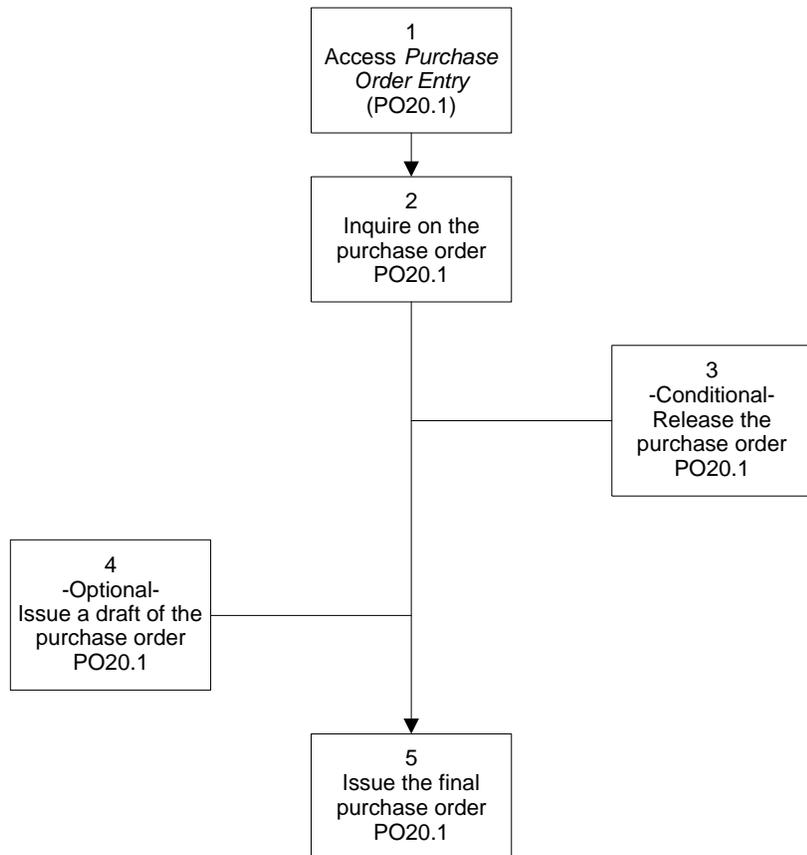
STOP To set up the original issue and revised issue method, you must set up vendors. See "[Planning for Purchase Order Setup](#)" on page 17 for more information. To specify information to include on a purchase order revision, you must enter additional options for the Purchase Order company. See "[Planning for Purchase Order Setup](#)" on page 17 for more information.



Need More Details? Check out the following concepts:

- "[What is a Purchase Order Issue?](#)" on page 120
- "[What is an Issue Method?](#)" on page 120

Figure 32. Procedure flow: Issuing purchase orders online



STEPS To issue purchase orders online

NOTE The method used to issue purchase orders defaults from the PO Vendor and the PO Vendor Purchase From Location. The parameters for revisions default from the PO Company.

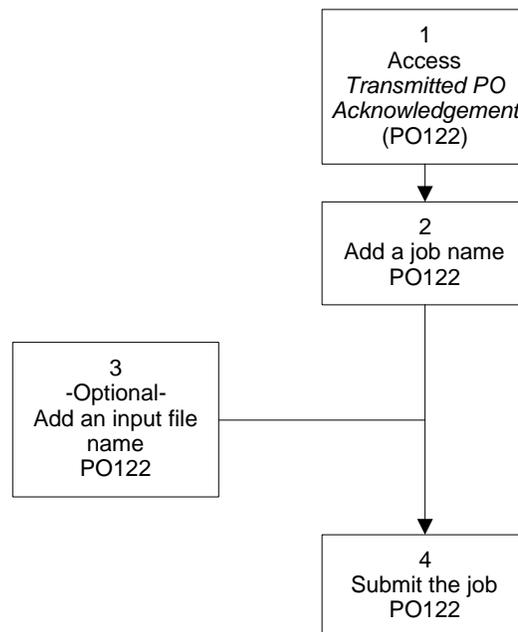
1. Access Purchase Order Entry (PO20.1).
2. Inquire on the purchase order you want to issue.
3. If the purchase order has not been released, release the purchase order.
4. To issue a draft of the purchase order, choose the Issue Draft form action.
5. Choose the Issue Final form action.

Receiving Purchase Order Acknowledgments

You can receive purchase order acknowledgements from the vendor to notify you when the vendor receives the order when you issue your purchase orders via electronic data interchange (EDI). The acknowledgment verifies receipt of the order, summarizes the information on the purchase order, and validates the authenticity of the order. This procedure shows you how to receive purchase order acknowledgements.

STOP Acknowledgment of a purchase order is only available when you issue purchase orders using EDI as the issue method. For information about setting up your company for EDI processing, see the *EDI Standard and EDI Professional User Guide*.

Figure 33. Procedure flow: Receiving purchase order acknowledgments



STEPS To receive purchase order acknowledgments

1. Access Transmitted PO Acknowledgement (PO122).
2. Add a Job name and a description of the job.
3. To add the name of an input file, type a file name in the File Name field.
4. Submit the job.

NOTE If you do not provide an input file name, the file name defaults to the one specified in your Lawson EDI documentation.

Chapter 10

Receiving Orders

This chapter focuses on the receiving process. The receiving process begins when goods are delivered to your designated receiving location and the process is completed when you release the receiving document and make all the necessary receiving adjustments, inspections, and vendor returns.

Concepts in this Chapter

TIP To skip directly to the procedures, see ["Procedures in this Chapter"](#) on page 135.

The following concepts provide background and conceptual information for the procedures within this chapter.

- ["What is a Receiver?"](#) on page 130
- ["How do Tolerances affect Purchase Orders?"](#) on page 131
- ["What is a Receiving Buyer Message?"](#) on page 131
- ["Can I receive items in any Unit of Measure?"](#) on page 131
- ["What is Bin Level Receiving?"](#) on page 132
- ["What are Receiving Documents?"](#) on page 132
- ["What is Receiving Detail?"](#) on page 132
- ["Why would I Adjust a Receiver?"](#) on page 133
- ["What happens if I Reject items?"](#) on page 133
- ["What is a Returns Merchandise Authorization \(RMA\)?"](#) on page 134
- ["What is Evaluated Receipts Settlement \(ERS\)?"](#) on page 134

What is a Receiver?

NOTE The start numbers for receivers are set at the company level.

A receiver is a number that uniquely identifies the items received on a purchase order. It contains information specific to the receiving process for the order. Receivers are always numeric and auto-assigned.

Can I Create a Receiver from Open Purchase Orders?

You can create a receiver from open purchase orders to promote a stockless environment in which there is minimal user processing required.

How do Tolerances affect Purchase Orders?

Tolerances are limits that define the percentage of overshipped or undershipped items that you will accept. You can define tolerances at the following levels:

- PO company - use PO Company Setup (PO01.1),
- PO vendor - use PO Vendor (PO10.1), or
- PO line - use Purchase Order Entry, more button (PO20)

The default hierarchy used to determine which tolerance is used is: first the application looks at the purchase order line. If no tolerances are set up there, next it looks at purchase order vendor. If no tolerances are set up there, then it looks at the purchase order company.

You can define an undershipment percentage to determine when to cancel backorder quantities. If items received fall short of what you ordered, the Purchase Order application marks them as backorder amounts. If the amount that is backordered exceeds the tolerance you defined, the Purchase Order application cancels the backorder.

You can define an overshipment percentage to determine when receiving buyer messages will be created. For more information, see ["What is a Receiving Buyer Message?"](#) on page 131".

What is a Receiving Buyer Message?

A *receiving buyer message* is a message that is created when the items being received exceed tolerances. (For more information on tolerances, see ["How do Tolerances affect Purchase Orders?"](#) on page 131".) The buyer who originated the purchase order must review the quantity overshipped and decide whether to return the overshipment or keep the overshipment. All messages must be closed before the receiver can be released in PO Receiving (PO30).

For example: When you set up your company, you indicate whether you will accept overshipments at the company level. If you will accept overshipped items, you define the percentage of overshipped items that you will accept. If the order exceeds the overshipment tolerance, the Purchase Order application creates a buyer message. The buyer must review the quantity overshipped and decide whether to return the overshipment or keep the overshipment.

Can I receive items in any Unit of Measure?

You can receive inventory and non-stock items in any valid unit of measure that is defined for the item either on the Item Master or on the purchase order. Special order items must be received in the buy unit of measure. Service and drop ship items are not received in the Purchase Order application.

What is Bin Level Receiving?

Bins represent a level of storage within a location. You can receive items to bins once you have defined bins in the Inventory Control application. Items received at the bin level can be tracked by bin, lot, or serial numbers. For more information on defining bins and tracking items, see the *Inventory Control User Guide*.

What are Receiving Documents?

Receiving documents contain information about where goods should be delivered. They may contain a requesting location. The requesting location comes from a requisition or from a direct entry on the purchase order.

You can print a receiving document to use as a worksheet to record item quantities received against open released purchase orders.

You create receiving documents according to their ship to locations. If a purchase order includes different ship to location codes for items, you can create a receiving document for each ship to location on a purchase order.

You may reprint receiving documents by setting the Reprint Receiver flag to Yes on PO Receiving (PO30).

What is Receiving Detail?

Receiving detail refers to the bin, lot, or serial numbers for an item. For example, if an item is set up for bin tracking in the Inventory Control application, you must indicate the bin where the item is stored. The same is true for lot or serial tracked items. You must indicate the lot and serial numbers you are receiving.

All bin-tracked items must be assigned to a bin.

Why would I Adjust a Receiver?

Occasionally, you need to adjust the item quantity on the receiver to make it match the actual quantity that you received. If the item quantity on the receiver is incorrect, you can adjust it to the correct quantity in the Purchase Order application. The quantity that you adjust to does not have to match the quantity specified on the vendor packing list or on the original purchase order.

When you adjust a receiver, the Purchase Order application recognizes whether the invoice is matched, matched and paid, or not matched. Depending on the situation, the Purchase Order application reacts automatically and accordingly with the Invoice Matching application.

If the Invoice Matching application has not yet matched the invoice to the receiver, the Purchase Order application automatically adjusts the quantity to your specifications. If the invoice has already been matched to the receiver, adjustments will be handled as follows.

If	Then
The quantity is greater for Inventory-type items	Adjustment postings are created.
The quantity is less than the quantity matched	Vendor chargebacks or requests for more goods are created.
The quantity is less than what was matched, but is within a certain dollar amount	The items will be written off to a write-off account.

What happens if I Reject items?

When you reject items, you must decide if you want to return the items to the vendor or write them off. Rejected items that you do not return to the vendor are written off to a scrap account.

When you return rejected items, you are granted a reduction in the account with the vendor. The reduction in the vendor account becomes either a chargeback or a credit memo. In some cases, you can return items for replacement items.

What is a Chargeback?

A chargeback is a type of vendor claim that tells the vendor you only paid for the items you received, regardless of the total cost on the invoice.

What is a Credit Memo?

A credit memo is a type of vendor claim that tells the vendor you paid for more than what you received. When you send a credit memo, you are asking the vendor to grant you a credit towards your account. The credit is available for you to use on a later purchase with that vendor.

What is a Returns Merchandise Authorization (RMA)?

A returns merchandise authorization (RMA) is a number that vendors may require when a buyer is returning goods. The RMA lists the location that is returning goods, the location that replacement goods should be shipped to, and whether the replacement is defined as No Charge or Billable.

What is Evaluated Receipts Settlement (ERS)?

Evaluated receipts settlement (ERS) is an automated method of creating invoices and paying a vendor based on the receiver. Once you have established an agreement with a vendor to process invoices using ERS, specific set up is required in the Lawson Accounts Payable and Purchase Order application.

ERS is a process for authorizing payment for a product which compares expected receipts with actual receipts and pays in actual receipts with no invoice. This process is largely used where prices have already been agreed to in a contract or blanket order.

Procedures in this Chapter

Receiving orders is a process that begins when goods are delivered to your designated receiving location and ends after you release the receiving document and make all the necessary receiving adjustments, inspections, and vendor returns.

You can enter receiving information manually, or you can interface receipts from another source. This chapter provides the information you need to receive orders using either method.

- ["Manually Receiving Orders" on page 135](#)
- ["Creating Receipts from Open Purchase Orders" on page 142](#)
- ["Printing Receiving Documents" on page 143](#)
- ["Adjusting Released Receivers" on page 143](#)
- ["Handling Receiving Buyer Messages" on page 145](#)
- ["Performing Inspections" on page 147](#)
- ["Performing Vendor Returns" on page 148](#)

Manually Receiving Orders

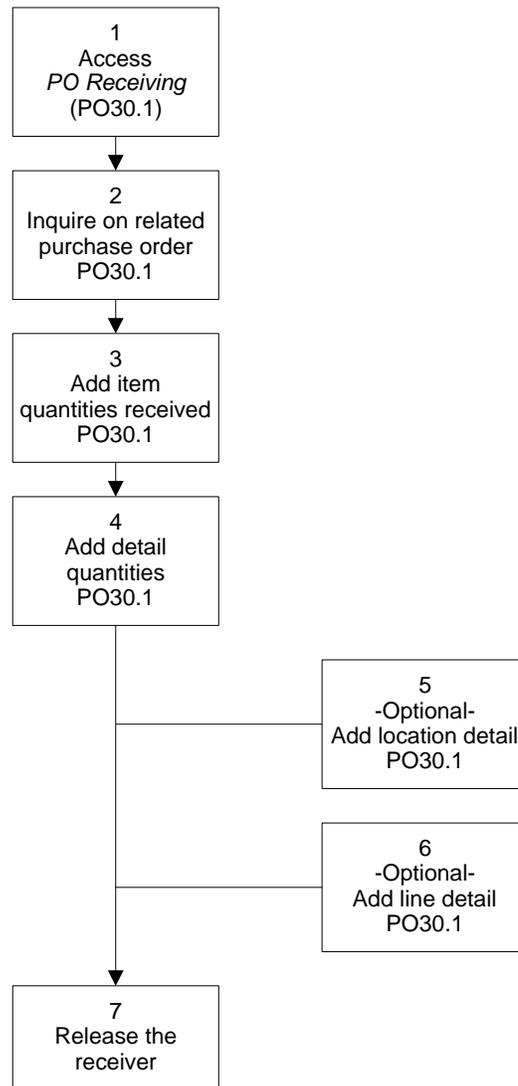
When you receive orders, you enter information about the items you received. This procedure shows you how to manually enter information about items received, such as received quantity and receiving detail.



Need More Details? Check out the following concepts:

- ["What is a Receiver?" on page 130](#)
- ["What is Receiving Detail?" on page 132](#)

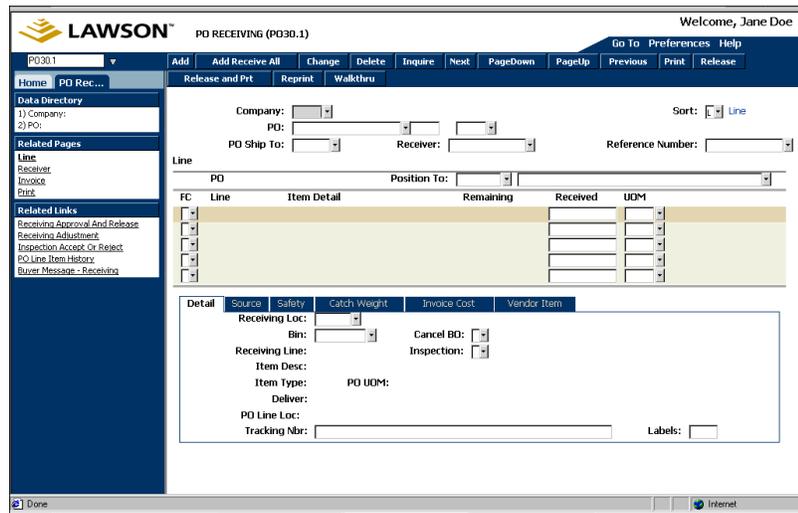
Figure 34. Procedure flow: Manually receiving orders



STEPS To manually receive orders

1. Access PO Receiving (PO30.1).

Figure 35. Form clip: Use PO30.1 to add item quantities received



TIP If you know the item number that you are receiving but do not know the purchase order number, you can select a purchase order line to open receiving by item.

2. Inquire on the purchase order related to the items you are receiving. In the Display field, decide what kinds of received items to display (Lawson Item, Vendor Item, or Manufacturer Number).
3. Add item quantities received. Consider the following options.

To	Use
Manually add quantities received	The Add form action after you have added the actual quantities received for the items. If more lines exist, the message “Continue to add” displays. Press <Page Down> to display them and use the Add line action and Change form action to record receipt quantities for those items.
Add and receive the quantities as ordered automatically	The Add and Receive All action. If exceptions exist, use the Change line and form actions to adjust receipt quantities for individual lines.

NOTE If an “Out of Balance” message displays when you try to release the receiver, the detail quantities are not equal to the total received quantity. Make the necessary adjustments.

4. Add line detail about items received. Consider the following options.

To	Use
Correct an out of balance situation	The Lot Detail and Serial Detail buttons
Allocate the receipt quantities to multiple bins	An asterisk in the Bin field and choose the Change form action. NOTE The Bin Detail button becomes available for multiple bin entry.
Place lots on hold, remove lots from hold, or assign lot expiration dates	Lot Hold Control (IC27.1) NOTE If a lot is placed on hold, you are not allowed to process transactions involving that lot until you change the hold status back to No.
Cancel backorders	The Cancel Backorder field and set it to Yes.
Add package tracking information for the item	The Tracking Number field.

5. To add specific information about the receiving location, you can type location detail. Consider the following options.

To	Use
Receive items for only one receiving location	The PO Ship To field.
Receive against all of the receiving locations	Nothing. Leave the PO Ship To field blank.
Receive all items on a PO to a receiving location other than PO Ship To	The Override Location field under the Receiver tab. All items will be received at this location.
Add additional header information	The Receiver tab. Add values in the Matching Reference, Bill of Lading, Carrier, Package Tracking Number, and Comments fields, as applicable.

6. To include receiving information that is specific to one item, add line detail information. Consider the following options.

To	Use
Override the receiving location at the line level	Receiving Location on the Detail tab NOTE The Detail tab is on the Line tab.
Create and update asset information at the line level (at the time of receiving, inspection, and invoicing)	Asset Detail button on the Detail tab For more information, see the <i>Asset Management User Guide</i> . The Asset Detail button displays only if an asset template is attached to all Account Distributions records for the purchase order line. NOTE The Detail tab is on the Line tab.
Indicate that you received a Material Safety Data Sheet (MSDS)	Safety tab NOTE The Safety tab is on the Line tab.
Adjust the cost of an item that exists under an ERS agreement	Invoice Cost tab NOTE The Invoice Cost tab is on the Line tab.
View the vendor item number and related vendor information	Vendor Item tab NOTE The Vendor Item tab is on the Line tab.
Indicate the carrier package tracking number and number of labels the Arrival system prints.	Track tab NOTE The Track tab is on the Line tab.



CAUTION Before you release the receiver, review and adjust it to make sure that no errors exist. Once you release the receiver, the transaction is updated in the Inventory Control application and created for the General Ledger application.

1. Release the receiver.

Release Method	Use
Immediate Release	The Release (R) form action on PO Receiving (PO30.1).

Release Method	Use
Release Receiver and Print Delivery Tickets	The Release and Print form action on PO Receiving (PO30.1). This form action evokes Receiving Delivery and Putaway (PO134). You may need to add printer settings in PO30.1 before selecting the Release and Print form action.
Mass Approval Release	Receiving Approval and Release (PO35.1). Inquire on unreleased receivings for a company or location. After you review them, you can release them.

Follow-up Tasks

- Entry of receipts automatically updates stock-on-hand quantities in inventory and creates general ledger transactions. To adjust receipt quantities after you release the receiver, use Receiving Adjustment (PO33.1). See "[Adjusting Released Receivers](#)" on page 143.
- If the message "Buyer Messages Exist" displays when you try to release the receiver, you must release receiving buyer messages on Buyer Message - Receiving (PO52.1) before you can release the receiver. See "[Handling Receiving Buyer Messages](#)" on page 145.
- If items require inspection, the Inspection Hold quantities are updated immediately in the Inventory Control application. Inspections are accepted or rejected in Inspection Accept or Reject (PO34.1). See "[Performing Inspections](#)" on page 147.

Related Reports and Inquiries

To	Run
Print a receiving document	Receiving Document (PO130)
Process delivery tickets for receiving locations	Receiving Delivery and Putaway (PO134)
Create invoices from receipts for purchase orders with an invoice method of INR (Invoice Not Required)	ERS Invoice Creation (MA530)
Print an RMA (Return Material Authorization) document	Print Vendor Return Material Authorization (PO132)
Inquire on received items for a specific company	Receipt Inquiry (PO58.1)

To	Run
Verify items ordered and received for a specific period	Item Receipt Volume Report (PO253)
Inquire on vendor returns	Vendor Return Inquiry (PO81.1)
Inquire on the history of a purchase order line	PO Line Item History (PO64.1)
Inquire or print a purchase order	Purchase Order Inquiry (PO54.1)
Inquire on purchase order detail lines for a specific item.	PO Inquiry by Item (PO63.1)

Creating Receipts from Open Purchase Orders

You can create receiving documents from purchase orders transmitted via EDI or from open purchase orders for selected vendors. This method eliminates the need to manually enter purchase order receivings.

STEPS To create a receipt from open purchase orders

NOTE The EDI software must be installed to perform EDI processing. For more information, see the *EDI Standard* and *EDI Professional User Guide*.

1. Create a receipt. Consider the following methods.

Method	Option
Create receipt from an open purchase order	Run PO Receiving File Create (PO529)
Interface receipt transmitted via EDI processing	Run EDI Translation, Communication (PO502)
Interface receipts from an external source into the Invoice Matching application.	Run Receipt Interface (MA531)

2. If it is necessary to adjust receipt records, use Receipt Adjustment Interface (MA53.2) and Receipt Interface Errors (MA53.3)
3. If an ERS agreement exists with the vendor, create an ERS invoice from a receipt for a PO using ERS Invoice Creation (MA530).
4. If invoices exist, you can attempt to match invoices and receipts using Receipt Interface (MA531).

FollowupTasks

- ERS (Evaluated Receipts Settlement) processing parameters are set at the company and vendor level. If the vendor is flagged as ERS Capable, then the PO Invoice Method will be INR (Invoice Not Required). This set up lets MA530 use receipt information to create an invoice in lieu of the vendor providing an invoice. It eliminates the need to key in a vendor invoice by hand.

Related Reports and Inquiries

To	Run
Verify items ordered and received for a specific period	Item Receipt Volume Report (PO253)

Printing Receiving Documents

You can print receiving documents for each location that receive goods. Receiving documents contain information about where goods should be delivered if a requesting location is indicated on the purchase order. The requesting location could have come from a requisition or could have been entered directly on the purchase order.



Need More Details? Check out the following concepts:

- ["What are Receiving Documents?"](#) on page 132

STEPS To print receiving documents

1. Run Receiving Delivery and Putaway (PO134).

One receiving document prints per requesting location. The PO Ship To location defaults to the receiving document if no requesting location exists.

Related Reports and Inquiries

To	Run
Verify items ordered and received for a specific period	Item Receipt Volume Report (PO253)

Adjusting Released Receivers

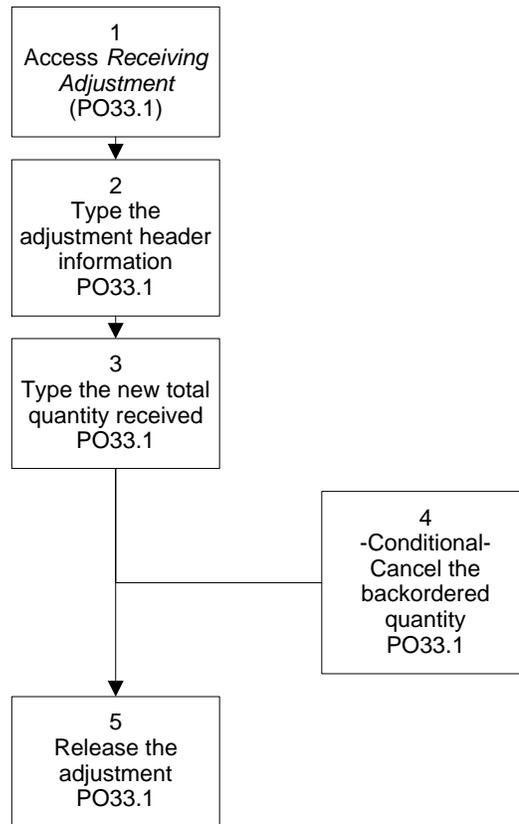
You can adjust a receiver after you have released it to establish and maintain proper item quantity. Adjustments are applied against the purchase order receiver line for which you received the item. The following procedure shows you how to adjust a released receiver.



Need More Details? Check out the following concepts:

- ["Why would I Adjust a Receiver?"](#) on page 133
- ["What happens if I Reject items?"](#) on page 133

Figure 36. Procedure flow: Adjusting Released Receivers



STEPS To adjust released receivers

1. Access Receiving Adjustment (PO33.1).

Figure 37. Form clip: Use PO33.1 to adjust released receivers

2. Type the header information for the receiving adjustment.
3. Type the adjustment quantity in the Adjust Qty field.

4. If you decreased the item quantity and want to cancel the backorder, select Yes in the Cancel BO field.

To identify which asset detail records are being adjusted on the purchase order, choose the Asset Detail button. (The button displays only if you defined asset details for the purchase order.) If details exist, you cannot release the receiving adjustment until the details are selected. For more information, see the *Asset Management User Guide*.

5. Release the adjustment by selecting the Release form action.

Related Reports and Inquiries

To	Run
Inquire on the history for a purchase order line	PO Line Item History (PO64.1)
Create a report of released receiving adjustment activity	Receiving Adjustment Log (PO133)
Verify items ordered and received for a specified period	Item Receipt Volume Report (PO253)
List statuses and quantities of assets that have been compiled for a purchase order line	PO Asset Detail Report (AM219)

Handling Receiving Buyer Messages

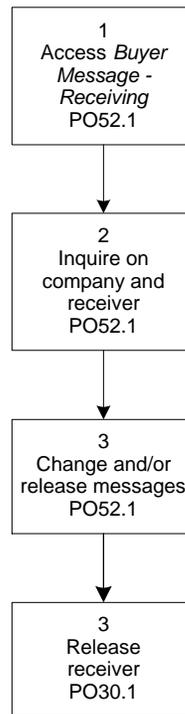
When items are received and overshipment tolerances are exceeded, a reviewing buyer message is created. The buyer who originated the purchase order must review the quantity overshipped and decide whether to keep the overshipment or return it to the vendor.



Need More Details? Check out the following concepts:

- ["How do Tolerances affect Purchase Orders?"](#) on page 131
- ["What is a Receiving Buyer Message?"](#) on page 131

Figure 38. Procedure flow: Handling receiving buyer messages



STEPS To handle receiving buyer messages

1. Access Buyer Message - Receiving (PO52.1).
2. Inquire on your company, receiver number, and line.

You can use the Next or Previous actions to move through the lines that have a receiving buyer message.

3. You can choose to do one of following for each line that has a receiving buyer message:

To	Then
Accept the overshipment	Select the Release form action.
Return items to the vendor	Enter information in the Return to Vendor section and select the Change form action. Then select the Release form action.

NOTE The receiver must be released to authorize and ship the return.

4. Access PO Receiving (PO30.1) to release the receiver.

NOTE All lines for a receiver that have a receiving buyer message must be released before the receiver can be released.

Related Reports

To	Run
Create a report of receiving buyer messages	PO Buyer Message Listing (PO251)

Performing Inspections

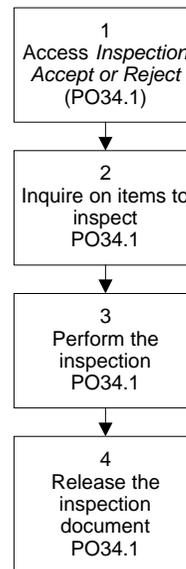
If an item is flagged for inspection, you must perform inspection procedures. The item that must be inspected is placed on inspection hold after it is received and released. Inspection notice is sent to the inspector saying the shipment needs inspection. After inspection the shipment, the inspector then accepts or rejects the shipment.



Need More Details? Check out the following concepts:

- ["Why would I Adjust a Receiver?"](#) on page 133
- ["What happens if I Reject items?"](#) on page 133

Figure 39. Procedure flow: Performing inspections



STEPS To perform inspections

NOTE When you perform inspections, an inspection number is automatically assigned.

1. Access Inspection Accept or Reject (PO34.1).
2. Inquire on items that need inspection.
3. Perform the inspection. Consider the following tabs.

Line	Use this tab to accept, reject, change, or delete inspection lines. To create asset details or identify the asset details being rejected on a purchase order line, choose the Asset Detail button. For more information, see the <i>Asset Management User Guide</i> . NOTE The Detail tab belongs to the Line tab.
Reject Options	Use this tab to indicate the vendor claim type. Also use this tab to indicate whether you are requesting replacement goods, and whether you will ship or hold the goods.
Receiver	Use this tab to view the receiver header information.

4. Release the inspection document.

To	Use
Accept all quantities	The Accept All form action.
Accept some items and reject others	The Release form action after you have selected which item quantities to accept or reject.

If a quantity is being rejected and asset detail exists for the rejected purchase order line, you must identify the asset details being rejected before releasing the inspection document.

Performing Vendor Returns

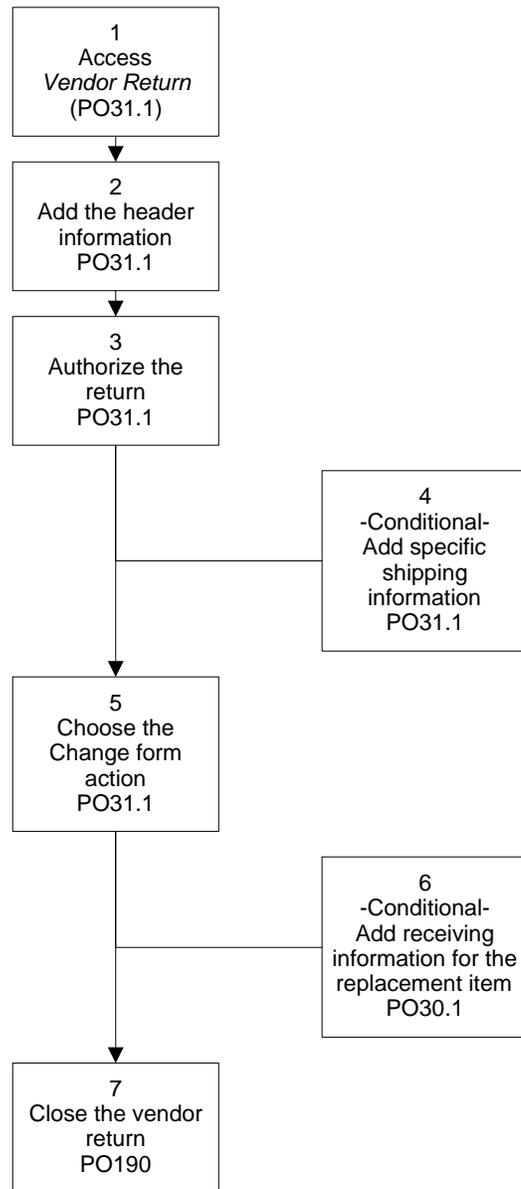
You perform vendor returns when an item has been rejected for any reason. Vendor returns may mean that you are physically returning items, or it might mean that you request a chargeback. This section discusses physical returns.



Need More Details? Check out the following concepts:

- ["What happens if I Reject items?"](#) on page 133

Figure 40. Procedure flow: Performing vendor returns



STEPS To perform vendor returns

1. Access Vendor Return (PO31.1).

Figure 41. Form clip: Use PO31.1 to perform vendor returns

2. Add the vendor return.
3. Enter vendor return line information on the Line tab. Consider the following options.

To	Then
Add items, quantities returned, and units of measure	Enter information in the Item Detail, Quantity, and UOM fields.
View purchase order line information	Choose the PO Data tab. NOTE The PO Data tab is on the Line tab.
View account information for an item	Choose the Accounts tab. Choose the Asset Detail button to identify asset detail records brought returned. You must do this before releasing the return (if the return is created from a purchase order and asset detail exists). NOTE The Accounts tab is on the Line tab.
Enter a comment code for the line	Choose the Comments tab. NOTE The Comments tab is on the Line tab.
Enter the new item quantity that you want to cancel from the order	Choose the Cancel tab. NOTE The Cancel tab is on the Line tab.

To	Then
Enter the Intrastat Classification Nomenclature (ICN) codes, supplementary quantity and weight	Choose the Intrastat tab. NOTE The Intrastat tab is on the Line tab.
Enter the user analysis value	Choose the User Analysis tab. NOTE The User Analysis tab is on the Line tab.

4. Authorize the vendor return on the Authorize tab. Consider the following options.

To	Then
Define terms for a vendor return	Enter information pertaining to negotiation of the return with the vendor.
Replace an item with no charge	In the Vendor Claim Type field, select No Charge. In the Replacement Date field, select the date you want to receive the replacement shipment.
Credit an item	In the Vendor Claim Type field, select Credit Memo. Other fields that you may enter information are Original Freight Credit, Return to Vendor Freight Credit, and RMA Number.

5. If you need to add specific shipping information to the vendor return, such as carrier number, shipping date, or bill of lading, use the Shipment tab.
6. Choose the Change form action.
7. If you are requesting an item replacement, access PO Receiving (PO30.1) to add receiving information for the item replacement.
8. Close the vendor return using Close Purchase Order Header (PO190).

Related Reports and Inquiries

To	Run
Inquire on vendor returns	Vendor Return Inquiry (PO81.1)
Run a report on the returns status	Return Status Report (PO231)
Run a returns analysis report	Returns Analysis (PO274)

Chapter 11

Closing the Purchase Order Period

This chapter shows you how to update and close purchasing and inventory activities in the Purchase Order application.

Concepts in this Chapter

TIP To skip directly to the procedures, see .

The following concepts provide background and conceptual information for the procedures within this chapter.

- ["Where can I get more information about Procurement Transaction Interface?"](#) on page 154
- ["What is the Difference Between Report and Update Mode?"](#) on page 154
- ["How often do I send Journal Entries to the general ledger?"](#) on page 154
- ["What is the Received, Not Invoiced \(RNI\) report?"](#) on page 155
- ["What is Auto-Reversal?"](#) on page 155
- ["What happens if Cost Variances exist?"](#) on page 155
- ["What happens during Period End Processing?"](#) on page 156

Where can I get more information about Procurement Transaction Interface?

See ["Procurement Transaction Interface"](#) on page 187 for more information about transaction source codes, transaction accounts, transaction scenarios, and processes that create transactions.

What is the Difference Between Report and Update Mode?

The difference between Report and Update mode is that Report mode lets you review transaction data and Update mode sends transaction data directly to the general ledger. When you run a program in Report mode, you have the opportunity to review transactions for errors or incomplete data and then make corrections.

For example, you can run the Received, Not Invoiced report in Report mode to see orders that you have received but have not been invoiced for. You can then decide whether you want to correspond with the vendor to resolve the incomplete process, or proceed in Update mode and send this information to the general ledger.

How often do I send Journal Entries to the general ledger?

TIP When you update journal entries, you help to maintain balances between the Purchase Order application and the general ledger.

You should send journal entries for all items that you purchase at least once every period. Usually you will update journal entries at the close of the period.

However, you can update to the general ledger for inventory items as often as you want. The actual posting of journal entries occurs during the posting process at the close of the general ledger period.

What is the Received, Not Invoiced (RNI) report?

The Received, Not Invoiced (RNI) report is a report that shows you what items or services that you have received, but have not yet been invoiced for.

At the close of the general ledger period, you send the RNI information to the general ledger to record your company's liabilities. When you update the report, you accrue items that have been received but not invoiced.

You must only update to the general ledger at the close of the general ledger period. When you update to the general ledger, you create RNI transactions for non-stock and special order items which are used by the General Ledger application during the posting process.

What is Auto-Reversal?

Auto-reversal is an automatic function that occurs at period end when RNI transactions are created.

When period closing is run in the general ledger, reversal transactions are created in the next period. When the program is run in Update mode again for the next period, received not invoiced transactions are posted again. This cycle is repeated each period until an invoice is received.

What happens if Cost Variances exist?

If cost variances exist for inventory items, they are posted to the General Ledger application by the Inventory Control application. Inventory Control posts the transactions created by the Accounts Payable application during invoice processing. The transactions created are dependent on whether your organization uses a standard costing method or an average, FIFO (first in, first out), or LIFO (last in, first out) costing method.

What happens during Period End Processing?

Period end processing involves closing the Purchase Order period as well as other Lawson applications. When items are received, running the *General Ledger Interface* (IC130) posts journal entries for the General Ledger (GL) application for inventory and RNI accounts. When items are invoiced, running Invoice Distribution Closing (AP175) creates journal entries for accounting distributions and offsets for the RNI account. Run Received, Not Invoiced (PO135) to create auto reversal transactions for non-stock, service, and special items.

To coordinate and time the processing of transactions in the correct accounting period, you may use subsystem close. Subsystem close requires that applications are closed in a particular order:

1. Purchase Order using Subsystem Close (PO199)
2. Inventory Control using Subsystem Close (IC199)
3. Accounts Payable using Vendor Balance Year End (AP199)
When you run AP199, you establish new vendor group period ending dates for a vendor group and transfer current year vendor balances to last year
4. General Ledger using Period Closing (GL199)

NOTE General Ledger Interface (IC130) must be run before you close the General Ledger application.

Procedures in this Chapter

The procedures in this chapter show you how to perform end of period closing activities in the Purchase Order application and update your purchasing and inventory activities to the general ledger.

- ["Closing the Purchase Order Period" on page 157](#)
- ["Purging Purchase Orders and Receipts" on page 159](#)

Closing the Purchase Order Period

NOTE The frequency that you send purchasing and inventory activities to the general ledger is determined by your organization.

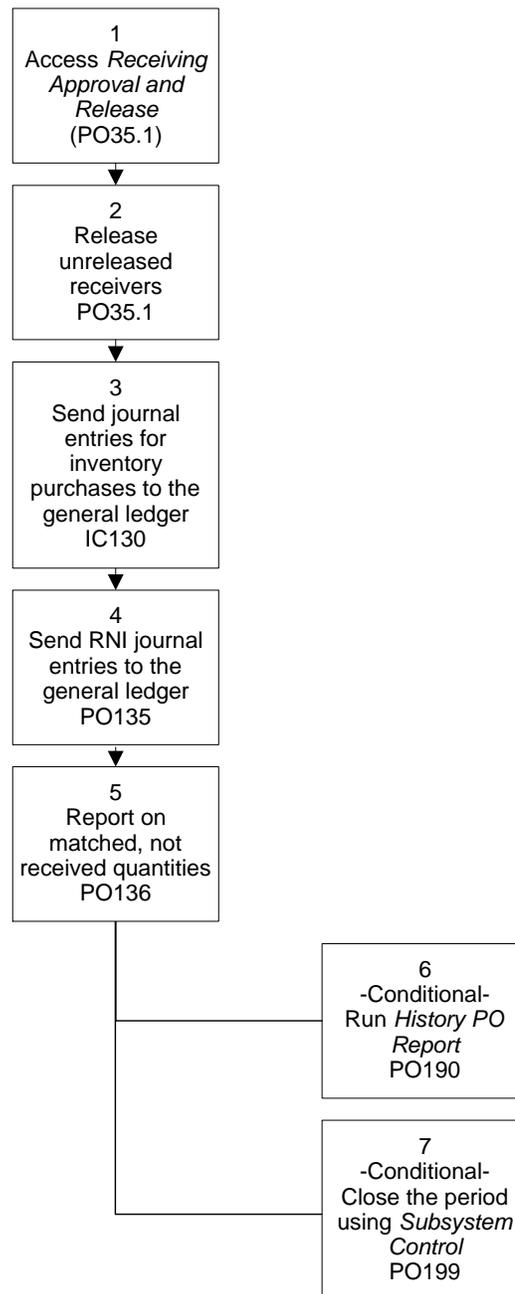
You close the Purchase Order period to make sure that all purchase order activity has been updated to the General Ledger application. The following procedure shows you how to close the Purchase Order period.



Need More Details? Check out the following concepts:

- ["What is the Received, Not Invoiced \(RNI\) report?" on page 155](#)
- ["What happens if Cost Variances exist?" on page 155](#)
- ["What happens during Period End Processing?" on page 156](#)

Figure 42. Procedure flow: Closing the Purchase Order period



STEPS To close the Purchase Order period

1. Access Receiving Approval and Release (PO35.1).
2. Enter and release receivers.
3. Send journal entries for inventory items to the general ledger using General Ledger Interface (IC130).
4. Send RNI journal entries for all purchases to the general ledger using Received, Not Invoiced Report (PO135).

5. Report on matched, not received quantities using Matched, Not Received (PO136).
6. To report on received, not invoiced receipt lines (and the invoice lines tied to them), run the RNI Aging Report (PO278). Receiving staff, buyers, and AP staff can run PO278 throughout the month to resolve these receipts and reduce the RNI amount for the next period.
7. If you want to close historic purchase orders, run the history report for purchase orders using Close Purchase Order Header (PO190).
8. If you are using subsystem control as defined in the General Ledger application, close the Purchase Order application using Subsystem Close (PO199).

Related Reports and Inquiries

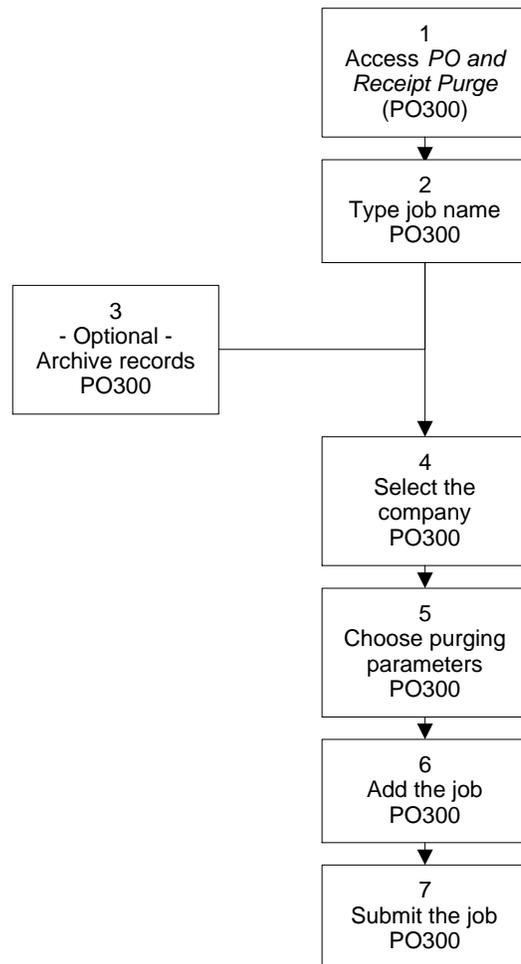
To	Run
Audit posted transactions by period for a specific accounting unit and account	Departmental Procurement Expense Inquiry Selection (MM80)
List general ledger postings broken down by accounting unit and account	Departmental Procurement Expense Report (MM280)

Purging Purchase Orders and Receipts

You can purge purchase orders and receipts from the database after you have updated all purchase order activity and closed the Purchase Order period. When you purge purchase orders and receipts, you create more space on the database which can speed up processing. The following procedure shows you how to purge purchase orders and receipts.

STOP Before you can purge purchase orders and receipts, you must update and close the Purchase Order period. See "[Closing the Purchase Order Period](#)" on page 157.

Figure 43. Procedure flow: Purging purchase orders and receipts



1. Access PO and Receipt Purge (PO300).
2. Type a job name and job description.
3. To archive the records to a CSV file, select Y (Yes) in the Archive Records field. The default value is N (No).



WARNING Once you purge purchase order and receipt records you cannot reverse your decision. If you choose No in the Archive Records field, the records will be permanently deleted.

4. In the PO and Receiver Purge tab, select the company for which you want to purge records.
5. In the PO and Receiver Purge tab, choose the parameters that determine which records you want to purge. Consider the following field.

**Thru PO Close
Date
(Through
Purchase Order
Close Date)**

If you chose to purge purchase orders, type the date through which you want to purge purchase order records. All purchase orders closed on or before this date will be purged.

**Receiver Date
Range**

If you chose to purge receivers, type the beginning date and the end date for which you want to purge receipt records.

NOTE A receipt that has a valid Lawson purchase order associated with it can only be purged using the Purge Purchase Order option.

**Thru Return Close
Date**

If you chose to purge returns, type the date through which you want to purge return records. All returns closed on or before this date will be purged.

6. Add the job.
7. Submit the job to purge records.

Chapter 12

Using Attribute Matrix Attributes

This chapter describes the Lawson Attribute Matrix application and provides information on setting up attributes for use with Purchase Order. Attribute Matrix is a powerful tool that increases processing, reporting, and inquiry capabilities.

Concepts in this Chapter

The following concepts provide background and conceptual information for the procedures in this chapter.

- ["What is Attribute Matrix?" on page 165](#)
- ["What is an Attribute?" on page 166](#)
- ["What is an Element?" on page 167](#)
- ["Where Can I Use Attributes?" on page 167](#)
- ["What is a List?" on page 169](#)

What is Attribute Matrix?

NOTE The system code for Attribute Matrix is MX.

Attribute Matrix is a powerful tool used to increase reporting, inquiry, and processing capabilities. Attribute Matrix can be integrated within the following Lawson applications:

- Accounts Payable
- Accounts Receivable
- Asset Management
- Billing
- Billing and Revenue Management
- Cash Ledger
- General Ledger
- Inventory Control
- Invoice Matching
- Lease Management
- Order Entry
- Project and Activity Accounting
- Purchase Order
- Requisitions
- Strategic Ledger
- Warehouse
- Work Order

Attribute Matrix and Purchase Order

Purchase Order uses attributes for the following purposes:

- To easily group items with similar attributes for analysis and reporting
- To make dynamic account generation possible
- To easily group vendors with similar attributes for analysis and reporting

What is an Attribute?

An attribute is a field that holds information you can use to group records for reporting, inquiry, and processing. Specifically, attributes hold information about:

- Activities for Project and Activity Accounting and Billing and Revenue Management
- Accounting units and accounts for Accounts Payable, General Ledger, Inventory Control, Purchase Order
- Assets for Asset Management
- Cash codes for Accounts Payable and Cash Ledger
- Customers for Accounts Receivable, Order Entry, Billing, Warehouse
- Items for Inventory Control, Purchase Order, Order Entry, Warehouse, Work Order, Requisitions
- Leases for Lease Management
- User analyses for Strategic Ledger
- Vendors for Accounts Payable, Invoice Matching, Purchase Order

Example: Using Attributes with Items

For example, you may want to find all items that belong to a specific sales class. Using item attributes, you can run a report for all items in a specific region, for example, the Western sales region.

Example: Using Attributes with Vendors

For example, you may want to find all vendors who sell a specific type of product, for example vendors who sell clothes, housewares, or over-the-counter drugs. Using vendor attributes, you can run a report for all vendors who sell clothes.

Another example would be finding vendors with a geographic location or a person responsible.

What is an Element?

An element defines the maximum number of characters and the data type for an attribute value. An element must be assigned to every attribute and the element must exist before you can define an attribute that uses that element.

An element can be Lawson-defined or user-defined. You can define the following types of elements:

- Alpha type (up to 32 characters)
- Numeric type (up to 18 characters)
- Date type (eight characters)
- Signed numeric (up to 99 characters)

NOTE Lawson-defined elements are pre-loaded, along with Lawson-defined attributes, using Attribute, Element Load (MX100).

You can have more than one attribute use an element. The following table shows an additional example of Lawson-defined attributes and corresponding Lawson-defined elements:

Attribute	Element	Type	Size
Major Sales Class	Major Class	Alpha	4

You can also create user-defined elements within the data type and size restrictions listed above. User-defined elements can be more generic than Lawson-defined elements, and can be associated with more than one attribute. This table shows examples of user-defined attributes and user-defined elements:

Attribute	Element	Type	Size
Color	Alpha 10	Alpha	10
Size	Numeric 5	Numeric	5

You can also associate a Lawson-defined element with a user-defined attribute. For example, you might use the Item element (Lawson-defined, Alpha15) with the user-defined item attributes.

Where Can I Use Attributes?

NOTE An attribute can be used with more than one object type.

An object type identifies where an attribute can be used. Each attribute must be associated with at least one object type. Object types are Lawson-defined. The following table lists the object types that can be associated with attributes in Purchase Order:

Object type	For attributes assigned to
ITEM	Items
ACCNT	Accounts
ACCTU	Accounting units
VENDR	Vendors

NOTE Ignore the following object types: AMBKS, AMITM, APVND, ICLOC, ICITM, and POBUY. These object types are used only by Lawson-defined data mart attributes and cannot be assigned by users.

The following additional object types are available to be associated with attributes in other Lawson applications:

Object type	For attributes assigned to	In this application
ASSET	Assets	Asset Management
ACCNT	Accounts	Accounts Payable, General Ledger, Inventory Control, Purchase Order
ACCTU	Accounting units	Accounts Payable, General Ledger, Inventory Control, Purchase Order
CSHCD	Cash Code	Accounts Payable and Cash Ledger
CUST	Customer	Accounts Receivable, Order Entry, Billing, Warehouse
GLTRN	General Ledger transactions	General Ledger
ITEM	Item	Inventory Control, Purchase Order, Order Entry, Warehouse, Work Order, Requisitions
LEASE	Leases	Lease Management
ANLYS	User analyses	Strategic Ledger
SLTRN	Strategic Ledger transactions	Strategic Ledger
VENDR	Vendor	Accounts Payable, Invoice Matching, Purchase Order

Using Attributes with Items

When you use attributes with items, you have the flexibility to store additional information and select specific items for reports, inquiries and processing. The previous example shows how you can run reports and sales analysis based on items from a specific sales region.

Using Attributes with Accounting Units

When you use attributes with accounting units, you have the flexibility to view your organization from different perspectives without actually changing your company structure. The previous example shows how ABC Company used attributes to view their profitability based on the region in which a store was

located. They could associate additional attributes with each accounting unit that would let them view profitability by store size, by person responsible, and more.

Once attributes are assigned to accounting units, the attributes can be used with the Financials Data Mart for analysis purposes. For more information about using Lawson Analytics to define data marts, see the *General Ledger User Guide*.

An alternative to using attributes with accounting units for grouping is to use level groups. Level groups let you combine sequential or nonsequential level ranges into a group for reporting and inquiries. For example, to define a report to show the consolidated totals for accounting units with a level addresses of 01-101, 01-103, and 01-109, you can define a level group to include just the three ranges representing each accounting unit. If you would select the sequential range 01-101 to 01-109, the range includes values from other accounting units.

When creating level groups, you can only select accounting units by level address. In contrast, using attributes you can group accounting by a wide range of characteristics for selection.

Using Attributes with Vendors

When you use attributes with vendors, you have the flexibility to store additional information and select specific vendors for reports, inquiries and processing. The previous example shows how you can run reports based on vendors who sell a specific product type.

What is a List?

A list lets you filter information based on attributes. For example, you can create a list that includes any vendors who only sell clothes.

Lists can be automatic or manual. Automatic lists can be defined using a combination of user-defined and Lawson-defined attributes.

Using Lists

Lists are used in Purchase Order for reporting and inquiry. The following describes where you can use lists to select items, accounts, accounting units, and vendors:

- Purchase Order Inquiry (PO54)
- PO Inquiry Report (PO254)
- PO Status Report (PO220)
- Buyer Expediting Report (PO223)
- PO Received Quantity Exceptions (PO233)
- Delivery Date Analysis (PO275)
- Deliver Quantity Analysis (PO276)

- Deliver Quality Analysis (PO277)
- Purchases by Class (PO280)
- Item Receipt Volume Report (PO253)
- Departmental Procurement Expense Inquiry Selection (MM80)
- Departmental Procurement Expense Report (MM280)

Automatic Lists

To create an automatic list, you select attributes belonging to the object type of your choice (for example, ITEM, ACCNT, ACCTU, or VENDR) and define value ranges for these attributes. Attribute Matrix automatically builds a list of members that meet the criteria specified in the list. Automatic lists are updated automatically any time you use the list.

Automatic List Example for Items

This example shows how you could create an automatic list that lets you group items.

1. Create the following user attribute:

Attribute:	Sales Class
List Name:	Sales Class
Object type:	Item (ITEM)
Element:	Alpha 5
Values:	West to West region

2. For each item, add the value West to West region to the attribute Sales Class for the item.
3. Create a list named Sales Class with the following attribute value range:

SIZE:	From West to West
--------------	-------------------

IMPORTANT Preview the list to verify that the appropriate items are selected.

4. Select the Sales Class list on reports or inquiries to include only items from the West region.

Automatic List Example for Accounting Units

This example shows how you could create an automatic list that lets you group accounting units by the region in which they are located.

1. Create the following user attribute:

Name:	REGION
--------------	--------

Object type:	Accounting Unit (ACCTU)
Element:	Alpha 9
Values:	NORTHWEST CENTRAL SOUTHEAST

- For each accounting unit that is located in the northwestern region, add the value NORTHWEST to the attribute REGION for the accounting unit in GL20.1.
- Create a list named NORTHWEST (for accounting units located in the northwestern region) with the following attribute value range:

REGION: From NORTHWEST To NORTHWEST

IMPORTANT Preview the list to verify that the appropriate accounting units are selected.

- Select the NORTHWEST list on reports or inquiries to include only accounting units located in the northwestern region.

Automatic List Example for Vendors

This example shows how you could create an automatic list that lets you group vendors.

- Create the following user attribute:

Attribute:	Product Type
List Name:	Product Type
Object type:	Vendor (VENDR)
Element:	Alpha 30
Values:	Housewares, clothes, cosmetics

- For each vendor, add the value Clothes to the attribute Product Type for the vendor.
- Create a list named Product Type with the following attribute value range.

Product Type: Clothes to Clothes

- Select the Product Type list on reports or inquiries to include only vendors who sell clothes.

Manual Lists

A manual list lets you select specific vendors. Manual lists are not based on attributes. For example, you can select individual vendors without identifying

an attribute that is common to all of them. The only members of a manual list are those you define.

Creating a manual list, as the name implies, is a manual process. Any changes to the list, such as adding or removing vendors, must also be done manually. For these reasons, manual lists are not often used to create large lists.

You can convert an automatic list to a manual list. A common practice is to create an automatic list first, convert it to a manual list, and then manually add or remove a few select items. It's important to note that you *cannot* convert a manual list back to an automatic list.

Procedures in this Chapter

To make use of attributes, you must set up attributes in Attribute Matrix and assign values to the attributes. Use one of the following procedures to complete required setup.

- ["Loading Lawson-Defined Attributes and Elements" on page 173](#)
- ["Defining an Attribute" on page 173](#)
- ["Assigning Attribute Values to an Item" on page 176](#)
- ["Assigning Attribute Values to an Accounting Unit" on page 177](#)
- ["Assigning Attribute Values to a Vendor" on page 179](#)
- ["Defining an Automatic List" on page 179](#)
- ["Defining a Manual List" on page 181](#)
- ["Interfacing Valid Attribute Value Ranges to Attribute Matrix" on page 183](#)

Loading Lawson-Defined Attributes and Elements

NOTE Loading Lawson-defined attributes is a procedure you only need to perform once.

Before you define attributes, you must load the Lawson-defined attributes and elements. If you will be using transaction attributes, you must also load the available subledger fields that can be linked to any application that uses attributes. Use this procedure to load Lawson-defined data used when defining attributes.

STEPS To load Lawson-defined attributes

1. Run Attribute, Element Load (MX100) to load attributes and elements required in Attribute Matrix and used in other subsystems.
2. If you will use transaction attributes, run Subledger Attribute Load (GL106) to load available subledger fields that can be linked to transactions.

Defining an Attribute

To define an attribute, you need to give it a name and associate it with an element and object type. Optionally, you can assign valid values to the attribute and indicate whether an attribute is required. Use this procedure to define attributes.



Need More Details? Check out the following concepts:

- ["What is Attribute Matrix?" on page 165](#)
- ["What is an Attribute?" on page 166](#)
- ["Where Can I Use Attributes?" on page 167](#)

STOP Before defining attributes, load Lawson-defined attribute definitions and available subledger fields for transaction analysis. For detailed procedures, see "[Loading Lawson-Defined Attributes and Elements](#)" on page 173.

STEPS To define an attribute

1. If an appropriate element for the attribute does not exist, use Element (MX00.2) to define the element. Consider the following fields.

TIP Choose Define in the Element Name field on Attribute (MX00.1) to define an element.

Element Name	Type a name for the element. A user-defined element name does not have to match the attribute name, since the element can be used by several attributes.
---------------------	--

Data Type	Select one of the following data types: <ul style="list-style-type: none">• A (Alpha)• D (Date)• N (Numeric)
------------------	--

Field Size	Type a field size. The maximum field size depends on the data type: <ul style="list-style-type: none">• Alpha (up to 32 characters)• Date (eight characters)• Numeric (up to 18 characters)
-------------------	---

2. Use Attribute (MX00.1) to define the attribute. Consider the following fields.

Attribute	This field contains the attribute's name.
------------------	---

Column Heading	Leave this field blank, it is used only for transaction attributes.
-----------------------	---

Element Name	Select a Lawson-defined or user-defined element to identify the attribute's data type and size.
---------------------	---

From Value/Through Value fields

You can assign ranges of valid values to the attribute. Defining valid values ensures consistency for data entry. If you do not define valid values, any entry valid for the attribute's data type and size will be accepted.

TIP Defining valid values makes your lists more accurate.

NOTE To interface valid attribute value ranges from a non-Lawson system, use Attribute Valid Value Interface (MX160).

3. After adding the attribute, choose the Objects button to open the Associate Attribute to Objects (MX00.3) and assign valid object types to the attribute. Consider the following fields.

Object Type

Select the object types you want to assign to the attribute. The object type determines where you can use the attribute. For Purchase Order, you can assign the following object types:

- Item (ITEM)
- Account (ACCNT)
- Accounting Unit (ACCTU)
- Vendor (VENDR)

You can assign several object types to the same attribute.

Required

Indicate whether the attribute is required.

Followup Tasks

- After defining the attribute, assign attribute values to items, accounting units, and vendors. Several methods are available. For detailed procedures, see ["Assigning Attribute Values to an Item"](#) on page 176, ["Assigning Attribute Values to an Accounting Unit"](#) on page 177, or ["Assigning Attribute Values to a Vendor"](#) on page 179.

Related Reports and Inquiries

To	Use
View a listing of elements	Element Listing (MX200)
View a listing of attributes (Lawson- or user-defined) for an object type	Attribute Listing (MX201)

Assigning Attribute Values to an Item

After defining attributes for the Item (ITEM) object type, you can assign attribute values to an item. This procedure describes the process for assigning attribute values to a user-defined attribute within an item.

STOP Define attributes before assigning values.

STEPS To assign attribute values to an item

1. Access Item Attributes (IC56.1).
2. Select the item to which you want to assign attributes.
3. Assign attribute values to an item. Consider the following fields.

Value	Type or select a value in this field to assign attribute values to the item.
--------------	--

Related Reports and Inquiries

To	Use
View a listing of attributes (Lawson- or user-defined) for an object type	Attribute Listing (MX201)

Options for Assigning Attribute Values

- Choose the By Attribute button on Item Attributes (IC56.1) to access Values by Item Attributes (IC56.2). Use this subform to assign attribute values for one attribute to multiple items. All eligible items display, and you can populate attribute values for the attribute specified. Choose the Preview button to list the items within the attribute list. After choosing the Preview button, select or enter the attribute.
- Choose the Manual List button on Item Attributes (IC56.1) to manually update the attribute list for an item. If you choose the Convert to Manual button, the attribute list is converted to Manual. Once converted, the attribute list cannot be Automatic again.
- Run Attribute Value Population (MX500) to assign a user-defined attribute value to items in an attribute list. This program lets you overwrite previously assigned attribute values.

Assigning Attribute Values to an Accounting Unit

NOTE Assign values for Lawson-defined attributes by filling in fields on Accounting Units - Account (GL20.1), such as specifying the Person Responsible.

After defining attributes for the Accounting Unit (ACCTU) object type, you can assign attribute values to an accounting unit. This procedure describes the process for assigning attribute values to a user-defined attribute within an accounting unit.

STOP Define attributes before assigning values.

TIP For efficiency, assign attributes as you define accounting units.

STEPS To assign attribute values to an accounting unit

1. Access Accounting Units - Accounts (GL20.1).
2. Inquire on the accounting unit to which you want to assign attributes.
3. Choose the Attributes link to access Attributes (GL20.7). Use this form to assign values for multiple attributes to a single accounting unit.

IMPORTANT Only user-defined attributes defined for the Accounting Unit (ACCTU) object type in Attributes (MX00.1) display on GL20.7. Define values for Lawson-defined attributes by filling in fields on Accounting Units - Account (GL20.1), such as specifying the Person Responsible.

4. Assign attribute values to an accounting unit. Consider the following fields.

Copy From Template

To assign accounting unit attribute values to the accounting unit based on an attribute template, select an attribute template and select the Change form action. The system populates attribute values from the template to the accounting unit.

An alternative way to assign values based on a template is to select a template in the Attribute Template field on the Main form tab of Accounting Units - Accounts (GL20.1).

TIP You can assign values from a template to a new or existing accounting unit. The new values are added without overriding existing values.

Value

Type or select a value in this field to assign attribute values to the accounting unit.

Options for Assigning Attribute Values

TIP The Position To fields default to the accounting unit you have selected. To display all eligible accounting units, delete any values in the Position To fields.

- Choose the By Attribute button on Attributes (GL20.7) to access Values by Attribute (GL20.5). Use this subform to assign attribute values for one user-defined attribute to multiple accounting units. You can only select user-defined attribute values for the ACCTU (Accounting Unit) object type attributes defined in Attribute (MX00.1). All eligible accounting units display, and you can populate attribute values for the attribute specified.
- To interface accounting unit attribute values from a non-Lawson system, use Accounting Unit Attribute Interface (GL162).
- Run Attribute Value Population (MX500) to assign a user-defined attribute value to accounting units based on an attribute list. This program lets you overwrite previously assigned attribute values. For example, you might use this program to change the regional manager assigned to a group of accounting units, such as when all stores in the central region, previously managed by SMITH, are now managed by JOHNSON.

Assigning Attribute Values to a Vendor

After defining attributes for the Vendor (VENDR) object type, you can assign attribute values to a vendor. This procedure describes the process for assigning attribute values to a user-defined attribute within a vendor.

STOP Define attributes before assigning values.

STEPS To assign attribute values to a vendor

1. Access Vendor (AP10.1). Select the vendor to which you want to assign attributes.

Choose the Attributes button and the Attributes subform displays.

2. Assign attribute values to a vendor. Consider the following field.

Value	Type or select a value in this field to assign attribute values to the vendor.
--------------	--

Related Reports and Inquiries

To	Use
View a listing of attributes (Lawson- or user-defined) for an object type	Attribute Listing (MX201)

Options for Assigning Attribute Values

- Choose the Attributes button on Vendor (AP10.1) and then choose the By Attribute button to access Values by Attribute (AP03.2). Use this subform to assign attribute values for one attribute to multiple vendors. All eligible vendors display, and you can populate attribute values for the attribute specified.
- Run Attribute Value Population (MX500) to assign a user-defined attribute value to vendors in an attribute list. This program lets you overwrite previously assigned attribute values.

Defining an Automatic List

An automatic list is a group of items, accounting units, or vendors that have common attribute values. You can use automatic lists to select these for processing, reporting and inquiries. To create a manual list, see "[Defining a Manual List](#)" on page 181.



Need More Details? Check out the following concepts:

- ["What is a List?"](#) on page 169

STOP Attributes must exist before you can use them in a list. You should also assign values to any item, accounting unit, or vendor that will become a member of the list.

STEPS To define an attribute list

1. Access List (MX10.1).
2. Choose the New List button to access Define List (MX10.2) where you will define header information for the new list. Consider the following fields.

Object Type	An attribute list must be associated with an object type. For Purchase Order, select Item (ITEM), Account (ACCNT), Accounting Unit (ACCTU), or Vendor (VENDR).
--------------------	--

List	Type a name and description for the new list.
-------------	---

Sort By Attribute form tab	If you want to define a sort order for attributes in the list, select attributes in the sequence you want to use for sorting.
-----------------------------------	---

Audit form tab	Use the Audit form tab to display the user who created the list, the date the list was last changed, and the date the list was last updated.
-----------------------	--

3. After adding the new list, you automatically navigate back to List (MX10.1). Use this form to define the attribute criteria for items, accounting units, or vendors you want in the list. Consider the following fields.

Attribute	Select the attribute or attributes you want.
------------------	--

Value Range	For each attribute that you select, enter a value range.
--------------------	--

Or Group	If you leave this field blank, the relationship between the attributes is an AND relationship, meaning that a vendor is eligible for the list if it satisfies all the attribute values. You can type any alphanumeric character to indicate an OR relationship, meaning that an item, accounting unit, or vendor is eligible for the list if it satisfies any of the attribute values.
-----------------	--

NOTE If you need to change the Or Group field value, you must first delete the attribute line, then re-enter it with the new Or Group value.

NOTE As long as the list remains automatic, it is updated dynamically whenever you use it.

4. To view the items, accounting units, or vendors that meet the list's eligibility criteria, choose the Preview button.

Optional Procedure for Creating an Automatic List

- Choose the Copy button on Define List (MX10.2) to access List Copy (MX10.3). Use this subform to create a new list by copying an existing one and making changes.

Related Reports and Inquiries

To	Use
View a listing of attribute lists	List Listing (MX210)
View the members of a list or all lists for an object type	List Member Listing (MX223)

Or Group Logic Tables

Use the Or Group field on List (MX10.1) to create an and/or condition between attributes. This determines if the attributes are grouped or treated individually. If you leave this field blank, and defaults, which connects two statements with an and condition. You can type any alphanumeric character in the field to create an or condition.

You can include combinations of and and or conditions. And conditions link value ranges together as one condition. Or conditions are used to establish multiple sets of criteria that are applied separately.

If you have multiple conditions in a list, use an or in the Or Group field to separate the conditions. Selection criteria above or below an or condition are applied separately. The following table shows how attribute and or group combinations can be combined to create conditional statements.

If the Attribute on the preceding or subsequent line is	And the Or Group on the preceding or subsequent line is	Result
EQUAL	EQUAL	Not valid
EQUAL	NOT EQUAL	Or condition
NOT EQUAL	EQUAL	And condition
NOT EQUAL	NOT EQUAL	Or condition

Defining a Manual List

You can create manual lists, where you add and maintain list members manually. Manual lists can contain any item, accounting unit, or vendor you want to use as part of a set, and can be used anywhere automatic lists are

used. Use this procedure to define a manual list. To create an automatic list, see "[Defining an Automatic List](#)" on page 179.



Need More Details? Check out the following concepts:

- "[What is a List?](#)" on page 169

STEPS To define a manual list

1. Access List (MX10.1).
2. Choose the New List button to access Define List (MX10.2) where you will define header information for the new list. Consider the following fields.

Object Type	An attribute list must be associated with an object type. For Purchase Order, select Item (ITEM), Accounting Unit (ACCTU), or Vendor (VENDR).
List	Type a name and description for the new list.
Sort By Attribute and Audit form tab	These form tabs do not apply to manual lists. Leave the Sort by Attribute fields blank.

3. After adding the new list, you automatically navigate back to List (MX10.1). Choose the New List button again to return to Define List (MX10.2).
4. Choose the Manual List button.
5. To view the list members, choose the Preview button on Define List (MX10.2).

Optional Procedure for Creating a Manual List

You can convert an automatic list to a manual list. This lets you use an automatic list as the starting point, which can be a time saver, while still giving you the flexibility of adding or removing individual items, accounting units, or vendors.

IMPORTANT This procedure is irreversible. You cannot convert a manual list back to automatic.

TIP To preserve the automatic list, copy it to a new list name using Copy, then convert the new list to a manual list.

1. Access List (MX10.1) and select the list you want to convert.
2. Choose the New List button to access Define List (MX10.2).
3. Choose the Manual List button.
4. Choose the Convert to Manual button to convert the automatic list to a manual list.

Related Reports and Inquiries

To	Use
View a listing of automatic or manual list information	List Listing (MX210)

To	Use
View the members of a list or all lists for an object type	List Member Listing (MX223)

Interfacing Valid Attribute Value Ranges to Attribute Matrix

You can interface a non-Lawson file of valid attribute value ranges and attach them to attributes in Attribute Matrix. The valid value ranges are used to verify values you enter for the attribute. For example, an attribute of Opening Date might have a valid value range of 01/01/1995 to 12/31/2001. The application would not allow you to enter a date of 01/01/1990. Use this procedure to replace or add to existing value ranges that are used to validate values you enter for an attribute.

STOP The attributes for which you are interfacing values must already be defined in the Attribute Matrix application.

STEPS To interface valid attribute values

1. Prepare a comma-separated value (CSV) file containing the vendor attribute information you want to interface. The file fields must match the order and data type of the fields in the MXVALREL file. This file layout is available on the internet support site.
2. Transfer the CSV file to the server where your Lawson environment resides.
3. Use the Import command to load the item data from the CSV file into the Attribute file. For instructions on using the Import command, see *Lawson Administration: Server Setup and Maintenance*.
4. Run Attribute Valid Value Listing (MX260) to verify the value ranges before interfacing those records.
5. View and edit the records in MXVALREL, using Attribute Valid Value Maintenance (MX60.1). You can add, change, or delete any records.
6. Run Attribute Valid Value Interface (MX160) to load valid attribute value ranges to Attribute Matrix. This program moves records from the MXVALREL file to the MXVALIDATE file, unless errors are found.
7. View the report generated by MX160. If it contains errors:
 - a. Correct the records, using MX60.1.
 - b. Run MX160 again.
 - c. Repeat this step until the report shows no errors.

Chapter 13

Using Lawson Analytics to Create Data Marts

This chapter provides an overview of Lawson Analytics function. You use the Analytics products to create multidimensional databases and analyze the data in those databases.

What Is Lawson Analytics?

TIP Your implementation might use some or all of the Analytics components.

Analytics is a Lawson product that joins applications and technology to provide you with a powerful reporting and analysis solution. The many calculations and other analytical features within Analytics make it an excellent decisions solution for all roles within an organization.

Analytics is made up of:

- the Analytic Architect (IA) application
- an Online Analytical Processing (OLAP) database
- the Scorecard reporting tool

Analytic Architect

The Analytic Architect application is the backbone of Analytics. Analytic Architect lets you use data marts types to define, extract, transform, and load Lawson data from the Lawson application database into the Hyperion Essbase OLAP Server or the Microsoft SQL Server Analysis Services. In addition to creating OLAP databases, Analytic Architect can create CSV or Star Schema output for use with a variety of reporting tools.

For more information about the Analytic Architect application, see the *Analytic Architect User Guide*.

OLAP Database

NOTE An OLAP database is also called a cube or data mart.

The data you extract with Analytic Architect is consolidated, summarized, and then transferred to an online analytical processing (OLAP) database. You can use either Hyperion Essbase or Microsoft SQL Server Analysis Services as your OLAP database.

Scorecard

Scorecard is a Lawson-developed analytic tool that allows you to build different configurations of your data that is stored in an OLAP database. With Scorecard you can view your business data, run “what-if” scenarios, pivot data, create charts, drill down into the data, and use DrillAround© to access related data in the Lawson application.

For more information about Scorecard, see the *Scorecard User Guide*.

Procurement (PO) Data Mart

The Purchasing data mart provides analysis of purchasing efficiency extracted from the Purchase Order application. Purchasing patterns are identified for planning purposes to take full advantage of buying power and cycle of needs.

You can define the dimensions for the Purchasing data mart on Define Vend Analysis Data Mart (POA1.1).

NOTE You must also create a calendar on the Data Parameters tab.

The following dimensions are required for the Purchasing data mart.

Dimension	Description
Procurement Org	A company or procurement group.
Vendor	A vendor group or vendor class.
Buyer	All buyers, buyer groups or individual buyers.
Product	All items, class, or manufacturing code.
Periods	Years, quarters, periods, weeks, and days.
Measures	PO measures and Accounts Payable measures.

Appendix A

Procurement Transaction Interface

Processes that Create Transactions

The following processes create transactions. These processes are performed in the Purchase Order, Invoice Matching, and Accounts Payable applications.

- Receive goods, create and release receiving documents (PO30, MA531, or web receiving)
- Perform inspection, create and release inspection document (PO34))
- Adjust receiving, create and release adjustment document (PO33)
- Return to vendor, create, authorize, and ship return document (PO31)
- Match invoices, create, and match invoice (AP20.1-3, MA530, MA540)
- Record estimated liability
- Pay invoice (AP150, and AP155 or AP160, or AP161, and AP170)
- Void payments
- Pay employee and release expenses (EE20, EE35, EE135)
- Recognize currency gains and losses
- Reconcile unmatched invoices (MA60.1-3)
- Archive receipts (MA180)
- Write off receipts (MA180)
- Write off no receipt invoices (MA180)
- matched, not received (PO136)
- Post invoice distributions (AP175), (EE175, company paid)
- Accrue Payment Discounts (AP176)

Transaction Source Codes

The following transaction source codes are used to identify the transactions created in the Purchase Order and Invoice Matching applications. This table does not include transactions source codes created in the Inventory Control application, such as miscellaneous Receipts (IC20), Issues (IC21), and Transfers (IC22).

Code	Description
PO	purchase order receipt
RA	receiving adjustment
AC	accepted inspection
RJ	rejected inspection
VR	vendor return
VA	vendor return adjustment/ cancellation
CA	cost adjustment from invoice matching

Posting Programs

The following programs are used to post transactions to the general ledger.

General Ledger Interface (IC130)

Posts transactions processed in the Inventory Control, Purchase Order, Requisitions, and Warehouse applications to the general ledger.

Received, Not Invoiced Report (PO135)

Posts transactions to the general ledger for non-inventory purchase order receipts and adjustments. This program is an as-of or estimate program which records your liability for the period. This program creates auto reversal transactions.

Matched, Not Received (PO136)

Matched, Not Received (PO136) prints a list of invoice details that were processed without a received quantity. It also lists the orders for which the approved quantity for the purchase order line is greater than the received quantity.

PO136 posts written off invoice details to the general ledger.

Open Receipt Archive (MA180)

Posts written off and archived receipt transactions to the general ledger. Written off receipts are still available in the match process. Archived receipts are no longer available in the match process.

Payment Closing (AP170)

Completes a cash payment cycle for a pay group. Once you close the cash payment cycle, you cannot reprint bad payment forms or recreate a payment tape or electronic payment file. Creates and posts transactions to the general ledger for cash, discount, reportable income withholding, currency gain and loss, and payment accrual transactions.

Invoice Distribution Closing (AP175)

Posts transactions for released invoice distributions to the general ledger. You must run AP175 at least once in an accounting period; however, you can run it any time after you release an invoice.

Match Discount Accrual (AP176)

Posts accrued payment discounts that were created during the match process. You must run this program at least once per accounting period, but you can run it as often as you need. It is recommended that you run this program at the same time you run Distribution Posting (AP175). This program debits the Accounts Payable Liability account using the accrual code on the invoice and credits the Discount Accrual account defined on the match company.

Invoice Reinstatement (AP190)

Reinstates invoices associated with payments voided in the Cash Ledger application. Depending on the reason for voiding the payment, you can reschedule, maintain, or cancel a reinstated invoice. Creates and posts transactions to the general ledger for cash, discount, reportable income withholding, currency gain and loss, and payment accrual transactions.

Unrealized Gain/Loss (AP191)

For companies that pay non-base currency invoices this program is used to calculate, create, and post unrealized gain and loss transactions, for released invoices.

Company Expense Posting (EE175)

Posts released company-paid expense distributions to the general ledger. You must run EE175 at least once in an accounting period, however, you can run this report any time after you release an expense.

Transaction Accounts

The table below lists the accounts, their use in transactions, and where they are set up.

Account	Use	Set Up
PO Accrual	Used as a temporary holding account to track the amount of inventory that has been received but not yet paid for (invoice has not yet been received).	Company (MA01), Process Level (AP00.5)
Item Cost Variance Suspense	This is a temporary holding account that is used to indicate offset a cost difference between the invoice unit cost and receipt unit cost for an inventory item. This transaction is passed to the Inventory Control application for posting.	Company (MA01), Process Level (AP00.5)
Tolerance Offset	Used to offset a cost difference between the invoice goods amount and the receipt goods amount that is within tolerance. Used a whole invoice level.	Company (MA01), Process Level (AP00.5)
Receipt Write off	This account is used to write off old receipts that cannot be matched.	Company (MA01), Process Level (AP00.5)
Match Write off	This account is used to write off amounts you have paid for goods that you do not expect to receive or goods written off when receipts are adjusted.	Company (MA01), Process Level (AP00.5)
Matched Not Received	This temporary holding account is used to post amounts you have paid for goods but not yet received. Used for inventory items.	Company (MA01), Process Level (AP00.5)

Account	Use	Set Up
Returns Suspense	Used as a temporary holding account to post inventory items being returned to vendors.	IC Location (IC02)
Inspection Hold	Used as a temporary holding account to track inventory items received and waiting for inspection.	IC Location (IC02)
Freight	The account that is used when freight charges are applied against vendor returns.	IC Location (IC02)
Handling	The account that is used when handling charges are applied against vendor returns.	IC Location (IC02)
Scrap	The account that is used when inventory items are canceled off vendor returns or inventory items are rejected at inspection and written off.	IC Location (IC02)
Inventory	The account used when inventory items are received.	GL Category (IC04)
Cost Variance / Adjustment	The account used when cost variances cannot be posted to the inventory account because no stock exists, or transactions costs being different than default unit costs.	GL Category (IC04)
Expense	The account used when non-inventory, special order, and services type items are received and when invoices are processed for these items.	Entry forms (PO20, RQ10, AP20).
AP Accrual	The liability account invoices post to when matched.	AP Company (AP00.4), Process Level (AP00.5), Vendor (AP10), Company Vendor (AP10.5), Invoice Entry (AP20's)

Account	Use	Set Up
Discount Accrual	The account used to accrue payment discounts prior to processing payment.	AP Company (AP00.4), MA Company (MA01)
Discount Earnings	The account used to accrue payment discounts during Payment Closing (AP170).	AP Company (AP00.4), Process Level (AP00.5), Vendor (AP10), Company Vendor (AP10.5), Invoice Entry (AP20's)

Transaction Scenarios

The following pages show transaction scenarios by process and the programs that interface the transactions to the general ledger.

For example in the transaction scenario shown below inventory items that require no inspection are received in the Purchase Order application.

1. When the receiving document for these items is released, the transaction created is a debit to Inventory and a credit to PO Accrual. IC130 interfaces this transaction to the general ledger.
2. When an invoice for these items is matched to the receipt records, the transaction created is a debit to PO Accrual and a credit to the AP Accrual. AP175 interfaces this transaction to the general ledger.
3. When the invoice is paid, the transaction created is a debit to AP Accrual and a credit to the Cash account. AP170 interfaces this transaction to the general ledger.

The net result in the general ledger is a debit to Inventory and a credit to Cash.

For more information on processing programs, interface programs and transaction accounts refer to the introductory sections in this document.

Inventory, No Inspection

Process			Interface to GL		
1) Release receiving document.			IC130		
2) Match invoice.			AP175		
3) Pay invoice.			AP170		
debit	Inventory	credit	debit	PO Accrual	credit
1) 10			2) 10		1) 10
			debit	AP Accrual	credit
			3) 10		2) 10
			debit	Cash	credit
					3) 10

Net Effect

debit	Inventory	credit	debit	Cash	credit
10					10

Inventory with Inspection Accepted

Process	Interface to GL
1) Release receiving document.	IC130
2) Release inspection acceptance document.	IC130
3) Match invoice.	AP175
4) Pay invoice.	AP170

debit	Inspect Hold	credit	debit	PO Accrual	credit
1) 10		2) 10	3) 10		1) 10
debit	Inventory	credit	debit	AP Accrual	credit
2) 10			4) 10		3) 10
			debit	Cash	credit
					4) 10

Net Effect

debit	Inventory	credit	debit	Cash	credit
10					10

Inventory with Inspection Rejected

Process	Interface to GL
1) Release receiving document, 500 @ 3.00 = 1,500	IC130
2) Reject 2 @ 3.00 = 6.00 Accept 498 @ 3.00 = 1494	IC130
The Reject Options selected are: Claim Type = Chargeback, Replacement PO = No. When the inspection document is released the application creates a return.	
3) Authorize and ship vendor return	
3a) debit Returns Suspense and credit Inspection Hold	IC130
3b) debit AP Accrual and credit Returns Suspense	AP175
4) Match invoice	AP175
5) Pay invoices (both charge invoice and chargeback)	AP170

debit	Inspect Hold	credit	debit	PO Accrual	credit
1) 1500		2) 1494	4) 1500		1) 1500
		3a) 6			

debit	Inventory	credit	debit	Rtrns Susp	credit
2) 1494			3a) 6		3b) 6

debit	AP Accrual	credit	debit	Cash	credit
3b) 6		4) 1500			5) 1494
5) 1494					

Net Effect

debit	Inventory	credit	debit	Cash	credit
1494					1494

Non-Inventory, Special Order, No RNI Posting

Process	Interface to GL
1) Release receiving document for non-inventory or special order type items. Services are not received.	N/A
2) Match invoice.	AP175
3) Pay invoice.	AP170

debit	Expense	credit	debit	Cash	credit
2) 10					
debit	AP Accrual	credit	debit	Cash	credit
3) 10		2) 10			3) 10

Net Effect

debit	Expense	credit	debit	Cash	credit
10					10

Drop Ship Non-Inventory

Process			Interface to GL		
1) Match invoice no receipt required invoice line detail required			AP175		
2) Pay invoice.			AP170		
debit	Expense	credit	debit	AP Accrual	credit
1) 10			2) 10		1) 10
			debit	Cash	credit
					2) 10)

Net Effect

debit	Expense	credit	debit	Cash	credit
10					10

Invoice Services

Process			Interface to GL		
1) Enter invoice no receipt required service detail amount or cost required			AP175		
2) Pay invoice.			AP170		
debit	Expense	credit	debit	AP Accrual	credit
1) 10			2) 10		1) 10
			debit	Cash	credit
					2) 10)

Net Effect

debit	Expense	credit	debit	Cash	credit
10					10

Downward Adjustment with Match Write Off

Process	Interface to GL
1) Release receiving document, 180 @ 1.00 = 180	IC130
2) Match invoice	AP175
3) Pay invoice	
4) Release adjustment document, -3 @ 1.00 = 3.00 This scenario assumes that the receive quantities have not been used.	IC130

debit	Inventory	credit	debit	PO Accrual	credit
1) 180		3) 3	2) 180		1) 180

debit	Ma Write Off	credit	debit	AP Accrual	credit
3) 3					2) 180

Net Effect

debit	xxxxxx	credit	debit	Cash	credit
177					180

	debit	Ma Write Off	credit
	3) 3		

Upward Adjustment with Match

Process			Interface to GL		
1) Release receiving document, 10 @ 1.00 = 10 Should have received, 100 @ 1.00 = 100.			IC130		
2) Match invoice (assuming goods to be received)			AP175		
3) Release adjustment document, 90 @ 1.00 = 90 This scenario assumes that the receive quantities have not been used.			IC130		
4) Pay invoice					
debit	Inventory	credit	debit	PO Accrual	credit
1) 10			2) 10		1) 10
3) 90					
debit	Ma Write Off	credit	debit	AP Accrual	credit
2) 90		3) 90	4) 100		2) 100
			debit	Cash	credit
					4) 100

Net Effect

debit	Inventory	credit	debit	Cash	credit
100					100

Return Chargeback without Replacement PO

Process			Interface to GL		
1) Authorize and Ship Return			IC130		
debit	Inventory	credit	debit	AP Accrual	credit
		1) 10	1) 10		

Return Credit Memo without Replacement PO

Process			Interface to GL		
1) Authorize and ship return			IC130		
2) Enter credit memo			AP175		
debit	Inventory	credit	debit	Returns Susp	credit
		1) 10	1) 10		2) 10
			debit	AP Accrual	credit
			2) 10		
Net Effect					
debit	Inventory	credit	debit	AP Accrual	credit
		1) 10	1) 10		

Discount at Payment

Process			Interface to GL		
1) Release receiving document.			IC130		
2) Match invoice.			AP175		
3) Pay invoice 3a) with discount			AP170		
debit	Inventory	credit	debit	PO Accrual	credit
1) 10			2) 10		1) 10
			debit	AP Accrual	credit
			3) 10		2) 10
debit	Disc Earnings	credit	debit	Cash	credit
		3a) 2			3) 8

Net Effect

debit	Inventory	credit	debit	Cash	credit
		10			8
debit	Disc Earning	credit			
		3a) 2			

Discount at Match

Process			Interface to GL		
1) Release receiving document.			IC130		
2) Match invoice.			AP175 AP176		
2a) with discount					
3) Pay invoice			AP170		
debit	Inventory	credit	debit	PO Accrual	credit
1) 10			2) 10		1) 10
debit	Disc Accrual	credit	debit	AP Accrual	credit
		2a) 2	2a) 2		2) 10
			3) 8		
			debit	Cash	credit
					3) 8

Net Effect

debit	Inventory	credit	debit	Cash	credit
		10			8
debit	Disc Accrual	credit			
		3a) 2			

Employee Expense

Process	Interface to GL
1) Enter employee expense category detail	EE20
2) Release employee expenses	EE35
3) Pay employee expenses	AP175
4) Recognize company paid expenses	EE175

debit	Expenses	credit	debit	AP Accrual	credit
2) 180			3) 180		2) 180
4) 180					

debit	Co. Accrual	credit	debit	Cash	credit
		4) 180			3) 180

Net Effect

debit	Expenses	credit	debit	Cash	credit
180					180

Invoice Matching with Cost Variance at Invoice Level

Process			Interface to GL		
1) Release receiving document, 1 @ 10.00			IC130		
2) Invoice match, 1 @ 12.00			AP175		
3) Pay invoice			AP170		
debit	Inventory	credit	debit	PO Accrual	credit
1) 10			2) 10		1) 10
debit	Tol Offset	credit	debit	AP Accrual	credit
2) 2			3) 12		2) 12
			debit	Cash	credit
					3) 12

Net Effect

debit	Inventory	credit	debit	Cash	credit
10					12
debit	Tol Offset	credit			
2					

Detail Match Cost Variance, No Goods In Stock

Process			Interface to GL		
1) Release receiving document, 1 @ 10.00			IC130		
2) Detail match invoice, 1 @ 12.00 2a) with cost variance			AP175		
3) Update Inventory Accounts 3a) if inventory exists 3b) if inventory does not exist			IC130		
4) Pay invoice			AP170		
debit	Inventory	credit	debit	PO Accrual	credit
1) 10 2	3a)		2) 10		1) 10
debit	Itm Cst Var Susp	credit	debit	AP Accrual	credit
2a) 2		3a/b) 2	4) 12		2) 12
debit	IC Cost Vari	credit	debit	Cash	credit
	3b) 2				4) 12

Net Effect

If inventory exists:

debit	Inventory	credit	debit	Cash	credit
12					12

If inventory does not exist:

debit	Inventory	credit	debit	Cash	credit
10					12

debit	IC Cost Vari	credit
	2	

Invoice with No Receipts

Process	Interface to GL
1) Enter invoice	
2) Approve invoice	AP175
3) Pay invoice	AP170
4) Write off match with no receipt	PO136

debit	Match no recpt	credit	debit	AP Accrual	credit
2) 10		4)10	3) 10		2) 10

debit	Match Write Off	credit	debit	Cash	credit
4) 10					3) 10

Net Effect

debit	Match Write Off	credit	debit	Cash	credit
4) 10					3) 10

Void Payment

Process			Interface to GL		
1) Release receiving document.			IC130		
2) Match invoice.			AP175		
3) Pay invoice.			AP170		
4) Void Payment			AP190		
debit	Inventory	credit	debit	PO Accrual	credit
1) 10			2) 10		1) 10
			debit	AP Accrual	credit
			3) 10		2) 10
					4) 10
			debit	Cash	credit
			4) 10		3) 10

Net Effect:

debit	Inventory	credit	debit	AP Accrual	credit
1)10					4)10

Cancel Payment

Process			Interface to GL		
1) Match invoice (no receipt required).			AP175		
2) Cancel invoice.			AP170		
debit	Expense	credit	debit	AP Accrual	credit
1) 10		2) 10	2) 10)		1) 10

Net Effect:

Wash

Appendix B

Documentation Conventions and Support

Documentation Conventions

This document uses specific text conventions and visual elements.

Text Conventions

This	Represents
bold	A key name or function key name. For example, Shift is a key name and Help (F1) is a function key name. A value or command that you must type exactly as it appears. A program or file name.
<i>italics</i>	A manual title or form name. An emphasized word or phrase. A placeholder for a user-defined value or variable.

Visual Elements

STOP Information that you must know before you attempt the procedure or process.

IMPORTANT Important information that you must consider when you perform the procedure.



CAUTION Cautionary information about actions that involve a risk of possible damage to equipment, data, or software.



WARNING Warning information about actions that involve a risk of personal injury or irreversible destruction to the data or operating system.

Product Documentation

Lawson offers the following product documentation:

- Online help
- User guides and manuals

- Release notes and installation instructions

To find Lawson documentation, see the user interface or <http://support.lawson.com>. To obtain a login password and ID for the Support site, see your organization's Lawson contact or your Lawson client manager.

Global Support Center

Lawson Global Support Center (GSC) services are available to all Lawson customers who are on maintenance support for Lawson products. See the *Global Support Manual* for the following information:

- What information to gather before you contact the GSC
- How to contact the GSC
- How the GSC processes your request
- Which services are standard maintenance and which are billable

To find the *Global Support Manual*, see <http://support.lawson.com>. To obtain a login password and ID for the support web site, see your organization's Lawson contact or your Lawson client manager.

Documentation Contact

We welcome your questions or suggestions about Lawson documentation. Please send comments to documentation@lawson.com.