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IES BUSINESS: Indent Orders

Purpose

The purpose of this Document is to explain what Indent Orders are, and how to choose Indent Orders when required.

Reminder on Order Types

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

Introduction

Just above here we list, as a reminder, the kind of Purchase Orders processed in the system, but Indent Orders are not among them. That is because Indent Orders are not in a separate Order stream, but refers to Orders where Invoices are processed before Goods Received can be processed, and Indent Orders are still MOD, CP or ASO (not DDP though).

Comparison between Indent and Standard Order Processing

Indent Orders	Standard Orders
1: Order Goods	**1: Order Goods**
↓	↓
2: Process Invoice and Pay Supplier	**2: Receive Goods**
↓	↓
3: Receive Goods	**3: Process Invoice and Pay Supplier**

On Standard Orders, the Supplier effectively grants credit by supplying the Goods, then submits an Invoice, and waits for Payment. Not so with Indent Orders, where the Supplier will only supply the Goods after receiving Payment.

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This situation affects Order Processing drastically. With Standard Orders, when the Goods are received, they are immediately in Stock and shown as On Hand. However, with Indent Orders, Stock is not available and does not shown On Hand until AFTER payment has been made, and then the Goods are received afterwards.

How to Select Indent Order Processing

Indent Order processing is selected already when the Proforma Order is prepared.

For Indent Order processing, simply check the Indent box on the Proforma. This implies that by the time the Proforma Order on the Supplier is prepared, it is already known that this Supplier will only supply on Indent basis.

In the event that a Proforma is NOT marked as Indent, and should be, or vice versa, the situation can still be corrected (even after the Proforma has been Authorized and becomes a Purchase Order) up until the time that the 1st Goods Received is processed. Once Goods Received have been processed, then clearly it is not an Indent Order if the Goods are received before an Invoice has been processed.

To adjust the Indent flag on a Purchase Order, choose Controls (8) from the main Purchasing options, then choose 'Set Indent Flag'.

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Set Order Indent Flag

Order # SR010

Tax Type	01 PPN
Captured By	Data Manager
Period Order Placed	63 [Jan 2005]
Tax Rate %	
Orig	tt Data Manager
Buyer	tt Data Manager
Authorized By	Data Manager
Date Auth	09/11/2005
Purchase Order Number	SR010
Indent Y/N	

Just specify the Order No and set the Indent Flag …

If a mistake has been made with whether an Order is "Indent" or not, then this function may be used to correct the setting.

Save

Order Processing Screens

For Indent Orders, the system automatically opens Order screens with a different sequence of processing, as compared to Standard Orders.

Order # SR010

>>> On Order	Code	Descr	Unit	Price	Quantity	Actual
1	0204186	c/1	CANON 420EX FLA	ea		270.00	50.00
2	0204194	c/2	CANON 580EX FLA	ea		445.71	100.00

ON ORDER

actions for ON ORDER

Supplements

Landed Costs

>>> Received	Code	Descr	Unit	Price	Quantity	Actual
1						

INVOICED

actions for INVOICED

For Indent Order processing, the system shows Line Items moving from Order phase, to Invoice phase, to Goods Received phase.

>>> Invoiced	Code	D			Quantity	Actual
1						

RECEIVED

actions for RECEIVED

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For Standard Orders, line Items move from Order phase to Received phase to Invoice phase …

On Indent Orders, not only will the system show a different sequence, but will also force it. It is not possible on an Indent Order to process Goods Received until those Line Items have been Invoice processed.

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