

IES Purchasing: Proforma Origination - DDP

At the top of the Proforma Screen we have 2 tabs, i.e. MAIN and WORKSHEET. Before any Items can be specified for ordering, the other fields shown on the MAIN tab must be completed.

Proforma #	155
Purch No	DDP NEW
Current Operator	Data Manager
!Originator	dm Data Manager
Tax Type	15 Non-Capital Goods (Input) Va
Re-Charge Tax	0 No Tax Record
Period	66 [Mar 2005]
*!Dept	100 PRIVATE LEDGERS

Proforma #: This field is completed by the system, and the User cannot change it.

Purch No: The Purchase Order number is unknown at this stage, and the system will simply include 'DDP New' in the meantime.

Current Operator: This is the User capturing the Proforma, and cannot be changed.


Originator: This is mandatory, and refers to the User Code who is responsible for this Proforma being captured. The Code can be your own, or someone else's.

Tax Type: The Tax Type selected here is very important, because the system processes Tax transactions automatically, but this is dependent on the correct Tax type being specified. This Tax type determines whether you are 'claiming back' Input Tax from the Taxman. If you choose a Tax Type that implies no Tax Record, then the entire Order is processed without Tax. If you choose any Tax Type that implies a Tax Record, then you may still include Items on the Order that are without Tax Record, but all Items that include a Tax Record will be processed for the Tax Type chosen here. (Hint: Your Tax types will look different to the examples shown here.)

Re-Charge Tax: Re-Charge Tax is **only** relevant where an Order includes charges to AR / Debtors and / or Loans. For Re-Charges to Ledger, Jobs and Costing, all considered internal, no OUTPUT / Collection Tax will be processed. The system will default this Tax Type to '0', i.e. No Tax Record, and in most cases it can be left well alone. In the event that Tax (collection, e.g. VAT or GST Output Tax) should be processed for AR / Debtors or Loans Charges included on the Order, please select the appropriate collection Tax Type.

Period: The system defaults this to the current active Financial Period for your User Code (not necessarily the same for all Users), but it can be changed if you have access to multiple open Periods.

Dept: DDP Proforma Orders are always linked to Departments (hint: the terminology of 'dept' may be understood also as a section, or division or another organization unit, depending on the structure of your Company), so that the

Have you used your IES  today?

IES Purchasing: Proforma Origination - DDP

Management of each Department can review and control their DDP Orders more effectively. The Department field will default according to the DDP Privilege Profile of the Capture Operator, and can be changed.

Date Raised	09/01/2006
Order Date	09/01/2006
Auth Code	dm Data Manager
* Supplier	c0-0001 Aanad & Withwal
For Attention Of	
Delivery Instr	DEF Main Warehouse
Exp Delivery Date	23/01/2006
Currency	Local

Date Raised: This is filled in by the system and cannot be changed.

Order Date: This is defaulted by the system to today, but can be changed.

Auth Code: Authority Codes are forced on DDP Orders, even when Authority Codes are not necessarily in use otherwise. Therefore, to use DDP Orders at least 1 Authority Code must be in place. Although DDP Orders may be amended time and again until Authorized, the Auth Code cannot be amended afterwards (after committing for the 1st time), due to Direct Items being validated according to the Auth Code in place when capturing them. (See also the DDP Profile document.) The Auth Code indicates 'who' is responsible for allocating the charges, and the Auth Code is validated for each Direct Item allocation, i.e. who 'picks up' the charge.

Supplier Code: This is the Account Code for the Supplier on whom the order will be placed, and this Account must exist in the AP Creditors Ledger, and be open.


For Attention: Optional, and specified only if the Order will be for a specific person's attention, i.e. at the Supplier.

Delivery Instr: This is mandatory, and always defaulted from the Delivery Specification "DEF". If this Order should have different delivery instructions, then you may choose a different option from the lookup. (See Delivery Specifications.)

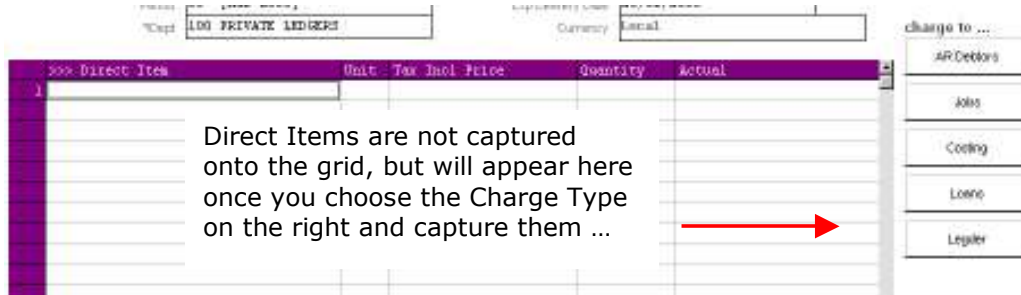
Expected Delivery Date: The system defaults an expected Delivery Date, but it should always be changed if a 'better' Delivery Date is known at this stage.

Currency: This is determined directly from the Supplier Code specified, and directs the Currency in which the Order values are processed. You cannot change this field.

A minimum of 1 Order Item must be included before a DDP Proforma Order can be Originated (saved). Once there is 1 Order Item, you could, if necessary, save the Proforma and use the 'Amend Proforma' option to complete it later, but there is a possibility that the Proforma could be authorized before you return to it!

Have you used your IES  today?

Direct Order Items

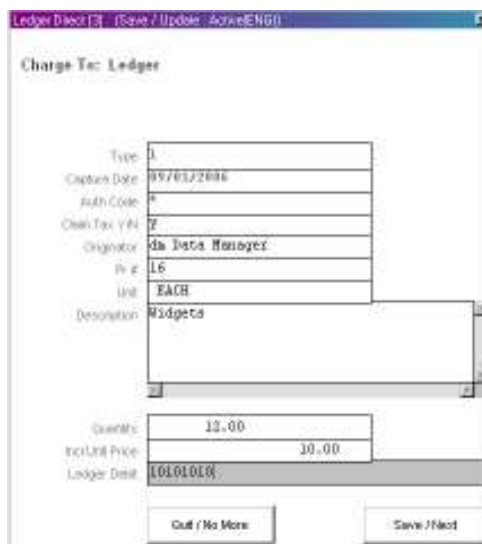


It is necessary to understand the difference between how Direct Items are charged as opposed to Stock Items. Stock Items, when received, becomes part of the Inventory (a Company Asset), and when Stock Items are sold to Customers or consumed internally (in the Company), then the Stock is reduced at that time and a charge passed dependent on how the Stock is applied (e.g. charged to a Customer or to a Company charge account).

In the case of Direct Items, they do not become part of Stock (else they would be Stock Items!), so they bypass the Stock System and in fact is immediately at the step where Stock would usually be sold or consumed. In other words, the Purchase Order will directly charge an end Customer (whether external or internal) when the Direct Items are Received and Invoiced. For this reason, it is necessary to know at the time of Ordering who will be paying or it!

Direct Items can be charged to GL Cost Centres, to Jobs, to AR Debtors, to Loans and to Costing.

They are all captured in similar fashion, and we will show the example of charging to a GL Cost Centre here.



Have you used your IES today?

IES Purchasing: Proforma Origination - DDP

Claim Tax Y/N: The 1st field that may be captured for Direct Items is whether Tax is to be claimed on the Item or not. Remember that if the Tax type for this Order is "No Tax" then ALL Items on the Order are without Tax, even Stock Items that are usually marked for Tax. In such a case, the system will not even prompt this field because there will be no Tax processed for any Item on the Order. However, when there is a Tax type attached to the Order, then the Order may be mixed, i.e. include some Items with Tax and some without. For Stock Items, the system will then check the Stock Master records to ascertain whether Tax is processed or not, but for Direct Items, you may specify on a 1 by 1 basis whether the Direct Item is eligible for claiming "input" Tax or not.

Originator: This defaults to the Originator of the Order, but it is also possible to include Items for different Originators on the same Order, and if such be the case, the field may be changed to reflect the Originator for this specific Item.

PR #: The purchase requisition number also defaults to the Order number, but can be changed when it is necessary to reflect an actual PR number for the Item.

Unit: The system will default this to 'each', but it may be changed.

Description: This is where the Direct Item is described, i.e. what is being ordered.

Quantity: The number of Items (quantity) goes here. Note that for Direct Items it is permissible to specify a quantity of Zero, and this is done specifically for Financial Direct Items. For example, if the Item is for a Contract or Project that includes an Amount, but no real physical goods to be received, then it is a good idea to use the Zero option, because the Zero option will allow the Item to be Invoiced in parts, by Amount, without needing a quantity. In this manner, staggered Contract payments can be processed for a single Direct Item.


Incl Unit Price: This is similar to the Order Price for Stock Items, i.e. the final inclusive Price the Supplier will charge. (Hint: Please see the last page of this document for tips and functions available for capturing the Price.)

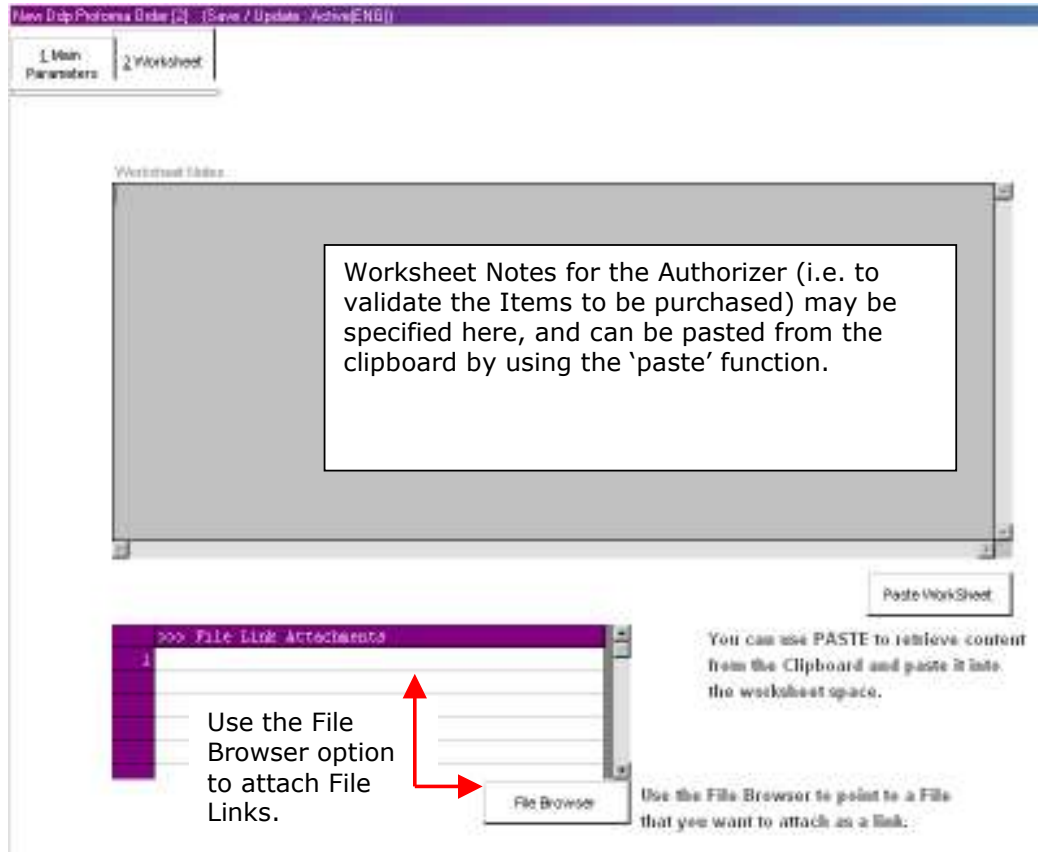
Ledger Debit: This field needs the Ledger Account code that will pick up the charges for this Item. And this is the field that differentiates between the Ledger charge, Jobs, Costing, etc. For example, if the Item is to be charged to Jobs and you choose 'Job Costing' instead of 'Ledger' as we have done here, then you will be specifying a Job Code to charge rather than a Ledger Account.

When you choose SAVE / NEXT, the system create a Direct Item and stores it in the Direct grid, and immediately prompts for another similar Item. You can continue to add more Items until you choose QUIT. Even then, you can choose 'Ledger' or 'Costing' again to add more Items, i.e. any mixture of Direct Items may be added. Once a Direct Item is included in the Direct grid, you can no longer change it, i.e. you can only remove it by pressing DEL, and capture again, but you cannot EDIT the details.

Worksheet and Attachments

It is common practice to use the Worksheet Notes to explain the quotations (that may have been requested) for the benefit of the Authorizer. There is also the option to attach File links.


Have you used your IES  today?



It is important to understand that any File Links specified are only File Links, i.e. the Files are "outside" the system, and reside on the network. Therefore, in order for the Authorizer to be able to access the File Links, they need to be addressed exactly in the same fashion on his/her computer than from the computer of the Operator capturing the Proforma. An easy way to ensure this correct addressing, is to use a Folder on the IES FastDrive, which is addressed the same way from all workstations.

When the Proforma is complete

When the Proforma is complete, please use the ORIGINATE function to save it, create it and ORIGINATE it. It is part of the security arrangements for DDP Proformas (all electronically signed), that the system will prompt for your password when you originate the Proforma.

Have you used your IES  today?

Amount Capture: -

In IES Business, you can trigger the system to perform automatic Tax conversions on Amounts you capture during Journal processing, and also %.

For example, an Amount of \$25.60 can just be captured as '25.6'. However, if the \$25.60 includes Tax and you want to capture the Amount WITHOUT the Tax already included, you can simply type '25.6m', and then the system will REMOVE the embedded Tax amount and convert it to the net Amount automatically. Conversely, if you want the system to ADD the Tax, you can simply type '25.6v' for the Tax to be added on top.

The answer in each case is of course dependent on the Tax Rate that will be used. And it works like this. On the main Company Record, there is a primary Tax Rate recorded, and this Rate is date driven, i.e. multiple Tax Rate changes can be recorded. The system will ALWAYS use today's date to determine the Tax Rate that will be used.


Now, what if you have multiple Tax Types, and some of the Tax Types use different rates? No problem. The Primary Rate should still be the one most often used. Now let us say, for example, you have Tax Types 01, 02 and 03. In this case, we will say that type 01 is the Primary Rate, and indeed type 02 is always the same Rate also. Yet, type 03 is always a different Rate. So, whenever you want the system to use the Rate for type 03, you just add '03' at the end of the Amount, regardless of whether you are triggering 'v' or 'm'. In other words, you will type '25.6v03'. That's it. In this case, for types 01 and 02, there is no need to add it after 'v' or 'm', but there is no harm done if you do.

For % conversion, just add '%' at the end, followed by the % to apply to the amount. For example, if you want 6.5 % of 100,000, you type '100000%6.5' ...

NOTE: This function is generic, i.e. a tool to convert Amounts for you when you capture them, and does away for the need to use a separate calculator for the same purpose. However, this function has nothing to do with whether you are capturing a Tax Journal or not, it is simply a tool to pre-manipulate the Amount that you provide to the system as an input.

© Infolab, 2006.

This Documentation is copyrighted by Infolab (Pty) Ltd. [www.infolab.cc] All rights are reserved. Licensed INFOLAB Business Partners and Users are granted permission, for internal use ONLY, to reproduce the Documentation, and to include amendments dealing with specific instructions local to your installation.

Have you used your IES  today?