

**Volume 6
Issue 4
Aug 2006**

Headline News

Sage Software's annual customer conference, Sage Summit, will be held November 5-8, 2006 at the Gaylord Opryland in Nashville. Here you can connect with fellow software users, product developers, support analysts, and product leadership—all under one roof. You'll be able to talk to the software publishers and learn what's ahead for Sage MAS 90 ERP. Call us for more details, or visit www.sagesummit.com to register.



SAGE MAS 90 SAGE MAS 200
SAGE MIP FUND ACCOUNTING
SAGE BUSINESSWORKS

Sage MAS 90 Purchase Order Module

Every company buys products and services, even if they do not resell those products or use them in a manufacturing process. You purchase office supplies, computer hardware and software, office furniture, magazine subscriptions, and a host of other products. You also purchase services such as tax preparation, legal consulting, and temporary employment. All of these items can be handled more efficiently by using purchase orders. Let's look at the benefits offered by a purchase order system, and then some specific efficiencies and control the Sage MAS 90 ERP Purchase Order module can offer your company.



A purchase order system can streamline and organize your entire purchasing process.

Why Use Purchase Orders?

Purchasing Efficiency

Every time you order goods or services you need to specify who you ordered from, the shipping method, date required, quantities ordered, and price per item. A purchase order system can streamline and organize the entire purchasing process. Purchase orders can add an important aspect of control to the acquisition process, providing a tangible record of the contract you have entered into with your vendors. They also can add efficiency by eliminating manual tasks—getting your products ordered and delivered faster.

Track Expenses

Creating a purchase order for every foreseen expense is an excellent way to get a handle on upcoming expenditures and project your cash flow requirements. Even relatively small purchases can quickly add up within a busy organization. Precise records of your expenditures also will come in handy at budget time.

Avoid Misunderstandings

Experience tells you that when a disagreement with a vendor arises, you are much better off if you have notes of conversations where such details as pricing, features, and shipping were discussed. In creat-

ing a purchase order, you have created a record of those notes. When the product arrives and it is not what you ordered, or when the invoice arrives and the price differs from the amount expected, you will be in a much stronger position if you have kept this record. If you provide the vendor with a copy of the purchase order when you initially place the order, you can preemptively head off many potential misunderstandings.

Monitor Stocking Levels

Running out of stock may cost you a sale. A good purchase order system can help you keep item quantities at optimal levels by allowing you to

Continued on Page 2

Compliments of:



**COMPUTER
ACCOUNTING
SYSTEMS, INC.**

1855 58th Street NE
Tacoma, WA 98422

(877) 952-6098 toll free
(253) 952-6206 fax

Email:
mike.renner@caserv.com

Web Site:
www.caserv.com

The Purchase Order Module CONTINUED

automatically generate purchase orders when your on-hand quantity falls below a set minimum level.

Features And Functionality

Now let's take a look at some of the specific features and functionality of the Sage MAS 90 Purchase Order Module.

Returns Processing

Return processing is easily handled in the Purchase Order module through **Return of Goods Entry**, allowing you to capably manage those returned items.

Receipts And Invoicing

The Purchase Order module offers the flexibility to accommodate partial receipt and invoicing situations, keeping your purchase order open until receipt and invoicing activity is complete. Your items may or may not arrive with an invoice, and the Sage MAS 90 Purchase Order module accommodates both scenarios. When you enter an invoice number during receipt entry, Sage MAS 90 will create the invoice in the Accounts Payable module and make the appropriate postings during the receipt journal updates.

Material Requisitions Add Control

When your company is the vendor and your staff members are the customers, use **Material Requisitions**. Using this type of purchase order, you can efficiently chronicle the product and service requests of your staff. When the sales department needs a box of paper or the marketing department needs a floor mat, have them create a requisition.

You also can use requisitions to better coordinate the purchases for a single project or event. Use them to track all the new computer equipment you're planning to order, for example. Simply enter all the details of all the items you wish to order, regardless of the vendor you will ultimately purchase from. Items from that requisition are then issued out of inventory to the appropriate expense accounts.

Purchases Clearing Account

Often a shipment of parts arrives without an accompanying invoice. The invoice may arrive

several days, or even weeks, later. Until then, there is an accounting discrepancy. You have on-hand inventory with an estimated cost (a debit to your inventory account), but no offsetting credit to the accounts payable account. Here's where the account for Purchases Clearing proves its worth. This account receives the credit posting when you perform a purchase order receipt. Then, when you receive the vendor's invoice, Purchases Clearing is debited and the Accounts Payable account is credited.

Sage MAS 90 includes several variations of the Purchases Clearing Report to allow you to more easily reconcile this important account.

Non-Stock Items

You will likely have the occasion to purchase items that are not items stocked in your inventory. You can either create a new part number for these purchases or reference a non-stock item on the purchase order. Charges such as service fees also can be entered on your orders. In fact, the Purchase Order module can be used without the Inventory Management module, using these non-stock items instead of inventory items.

Informative Inquiries And Reports

As is true of other Sage MAS 90 modules, the Purchase Order module offers a number of informative inquiry screens allowing you to quickly uncover the data needed. Easily view order data, receipt data, and returns by item or by vendor, and zero in on the precise answers.

Dozens of reports deliver timely data regarding your company's purchasing process. The **Open Purchase Order** report is an excellent way to determine how much money you will need to pay for items currently on order. Monitor this report frequently and use it with the **Cash Requirements** report for a complete picture of your company's upcoming obligations.

Sales Orders To Purchase Orders

Much of your purchasing is in response to customer orders. Drop Ship Purchase Orders can be created for items intended to ship directly from the vendor to your customer. By integrating the Purchase Order and Sales Order modules, the customer number and address information

is automatically transferred into the purchase order you create. In addition, you can generate purchase orders from a selected range of sales orders. You get to determine if you'd like the items summarized onto the resulting purchase orders or would like them listed individually.

Use Tax

The Purchase Order module allows you to flag individual lines as subject to Use Tax, thus expensing the tax to the inventory items appropriately.

User Defined Fields

You may have established various user defined fields (UDFs) in the Inventory Management module for your items. The values in these UDFs can flow from the Inventory module into the purchase order lines and can be printed on forms and reports.

Integration Across Modules

The Purchase Order module is integrated with the Sage MAS 90 Accounts Payable, Accounts Receivable, Bank Reconciliation, General Ledger, Inventory Management, Job Cost, Sales Order, and Work Order modules.

The Business Alerts module brings additional capabilities to your purchasing process. Using this module you can have Sage MAS 90 send you, your staff, and even your vendors notifications based on specific business events such as returned merchandise, purchase order approval, when an inventory item falls below a certain number, or if a purchase order is not received by its required date.

A Strong Performer

If your company is already utilizing the Purchase Order module for the products you resell or manufacture, consider expanding the scope of its use to include all of the products and services you buy.

If your company is not yet utilizing the Purchase Order module, consider incorporating this strong performer into your company's tool set. ★