



# How To Use Purchase Orders



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# Using Purchase Orders

Using the purchase order function can help you manage your inventory efficiently and save you time in the process. When inventory is set up correctly, the program will let you know what items need to be ordered. You can build purchase orders manually by choosing the items you want to order or you can have the program automatically build the purchase order for you with the items that have reached their re-order points.

When you receive items on purchase orders the on hand quantity and cost fields are updated for you eliminating the need to manually change those fields. If you have a markup on items or categories, the program can also increase the prices of items received on purchase orders if your cost increases.

In addition, the markup cost and average cost fields are automatically updated upon receipt of purchase orders. This is important since they affect discounts and reports and many people do not realize that they must manually update the information in these fields if they aren't using the purchase order function.

There are two ways that you can use purchase orders and either way is fine. Use the method that best fits the needs of your clinic.

- ✓ Create a purchase order and release it. Once the items are received, you will receive the purchase order. This is the mostly commonly used method.
- ✓ Wait until the items are received and then create and receive the purchase order at one time without releasing it. While many clinics do use this method, one of the disadvantages of doing so is that items will not show as being "On Order" while you're waiting to receive them.

Instructions for both methods are given below.

## How to Create and Release Purchase Orders

1. Go to **Work with | Inventory**.
2. From the Inventory menu, click on **File | Order | New**.

The "Build Purchase Order" window will open. Notice that the Purchase Order No. field is already populated. The numbers identify the last two digits of the year followed by two digits for the month, two digits for the day and the last two digits are based on the number of purchase orders you create on any given day. For example, if this is the first purchase order you create on May 13, 2019, the purchase order number would be 19051301. If you create another purchase order on the same day, it would be 19051302. You may change the purchase order number if you like, using up to eight characters (either alphabetical or numerical or a combination of both).

3. Choose how you want to build the purchase order.

The option "Build Purchase Order From" means that you want to select the items for the purchase order.


- a. **This Item Only:** If you highlighted an item prior to opening the new purchase order window and you select this option, a new purchase order will open with just that item on it. You may also select more items once the purchase order opens.
- b. **Selected Items:** If you choose this option, a blank purchase order will open. You may **right-click | New** and enter the item code, or you can **right-click | Choose** which will re-open the Inventory List window where you will select each item by clicking on the ones you want and then clicking **Done** in the Inventory List window.

The option "**Consider...**" means that you want the program to build the purchase order for you automatically. Only items appearing in red font in the Inventory List will be added to the purchase order.

- a. **Items from this category:** Select a category and only items from that category will be added to the purchase order.
- b. **Items from this vendor:** Select the vendor and only items that are associated with that vendor will be added to the purchase order.
- c. **Items from all categories:** Every item showing in red font in the Inventory List will be added to the purchase order.

You may also add other items after the program builds the purchase order.


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 An item will show in red font once the on hand quantity or the on hand quantity minus the allocated quantity reaches or goes below the order point. The allocated quantity field on the Purchasing tab of the Change Item window reflects the quantity entered into history but not yet posted to accounting.

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4. Once you've added all the items to the purchase order, you may adjust the quantity that you want to order if necessary. Double-click on the item and increase the quantity in the Order field. The quantity you enter must be a multiple of the order pack.
5. Once you've finished creating the purchase order you should Release the purchase order. If you do not Release the purchase order it will not show the item is on order. There are several ways to release a purchase order.
  - a. From the purchase order click the menu option **Order** then click **Release**. This will release and print the purchase order.
  - b. From the purchase order click the menu option **Order** then click **Email**.

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 AVImark must be configured to send emails.

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 Printed and emailed purchase orders reflect the vendor's measurement for the quantity ordered. For example, if you ordered one bottle of 100 cc's, the purchase order will show 100. The printed and emailed purchase order will show 1.

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## How to Receive Purchase Orders

1. Go to **Work with | Inventory**.
2. From the menu, click **File | Order | Choose**.

The status of each purchase order will show one of the following descriptions:

**New Order:** The purchase order has been created but not released.

**Open Order:** The purchase order has been released

**Receipting:** The purchase order is in the process of being received but the final receipting step hasn't been done.

**Back Order:** The final receipting process has been done on some but not all of the items on the purchase order.

3. In the Orders window, double-click on the purchase order you want to receive.
4. On the purchase order click the menu option **Order | Receive**. A message will appear notifying you that the received quantity for each item has been set to the quantity ordered, etc. Click **OK**.

Notice that the Order amount has just been converted from your order pack quantity to the vendor's measure. For example, if you ordered one order pack of 100, the Order amount has been reset to 1. The Unit column has also changed from your measure (for example cc) to Pkg.

5. If any of the items were received at a different cost than when you placed the order, or if you only partially received the quantity that you ordered, double-click on the item and change the cost and/or quantity received. You may also enter the Expiration date for the item but be aware that if you currently have any of that item on hand, you will receive a message asking if you want to update the expiration date. Since you have some on hand with a different expiration date, you will probably not want to overwrite the current information.
6. After you have adjusted the cost or quantity on each item as necessary, you are ready to do the final receipt. Click **Order | Receive**.
7. In the Purchase Order Receipting window you can choose a vendor if you didn't choose one when you created the purchase order. You can enter the vendor's invoice number and any shipping, tax, or other charge from the vendor. You'll notice that the box to Markup Prices is already checked.
8. Click **Continue**. If you have a markup percent on any of the items or the categories they're in, the program will notify you that it will increase the prices, if you increased the cost of any of the items on the purchase order.

## Create and Receive Purchase Orders Without Releasing Them

1. Follow steps 1-5 under the section: **How to Create and Release Purchase Orders**.
2. Once you've finished creating the purchase order and adjusting quantities, if necessary, click the menu option **Order | Receive**.
3. You'll receive the message stating "This purchase order has not been released. Continue with receipting?" Click **Yes**.
4. Follow steps 7-8 under the section **How To Receive Purchase Orders**.