# CHAPTER 4: PURCHASE ORDERS

## Objectives

The objectives are:

- Review the various forms and list pages for working with purchase orders.
- Set up purchasing parameters.
- Create a purchase order and add lines to it.
- Process a purchase order.
- Generate a purchase order receipts list and product receipt.
- Review the change management process, and set up the system for change management.
- Review additional tasks that can be completed for a purchase order.
- Review the list pages and inquiries that are available for purchase orders.

## Introduction

In Microsoft Dynamics® AX 2012, purchase orders are used throughout the purchasing process to record information about the goods and services that a company buys from various vendors.

Purchase orders can help people in various roles to update and keep track of order statuses. For example, the Purchasing Agent uses purchase orders to create a list of products that are to be purchased from a specific vendor. Information such as price, delivery information, and items are recorded into the purchase order. Additionally, the Purchasing Agent will generate a purchase order confirmation document. This is an external document that is sent to the vendor to notify them of the purchase.

The Warehouse Worker might also use the purchase order to track and update the system when the goods or services are received from the vendor. And, the Accounting Clerk might use the purchase order to enter and generate the invoice for the purchase order so that payment can be made to the vendor for the products provided.

For more information about generating invoices for purchase orders, refer to the Financials I in Microsoft Dynamics AX 2012 course.

# Working with Purchase Orders

Various forms and list pages are available for creating, reviewing, and updating purchase orders. The following topics review the **Purchase order** form and **Purchase order** list page functionality.

## All Purchase Orders List Page

The **All purchase orders** list page is found in **Procurement and sourcing > Common > Purchase orders > All purchase orders**. The list page displays all purchase orders for the current company. The list page can be used to create, change, or review any purchase orders in the system for the company that you are logged in to.

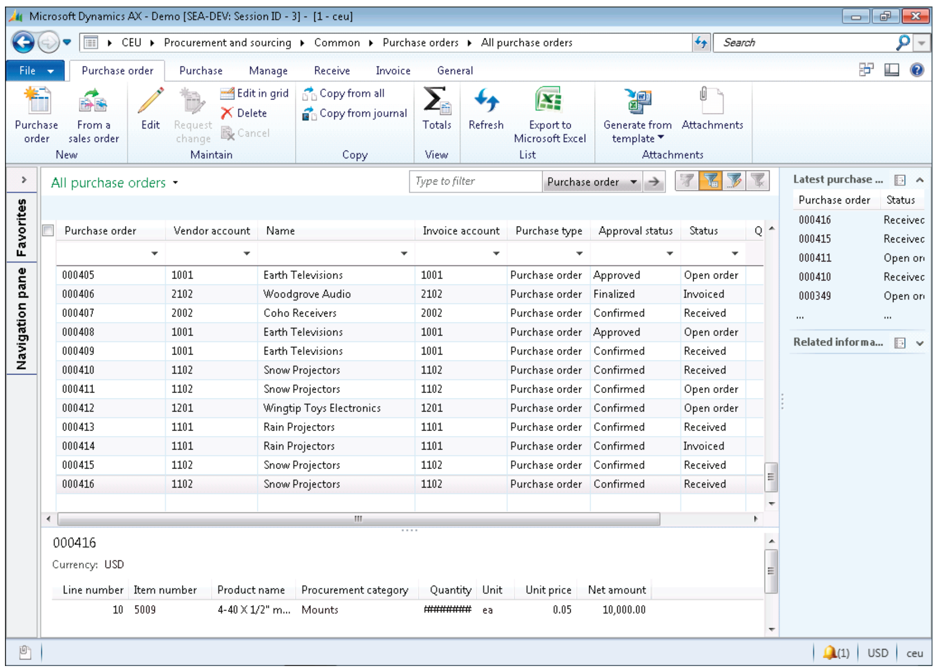


FIGURE 4.1 ALL PURCHASE ORDERS LIST PAGE

The **All purchase orders** list page contains two FactBoxes that display additional information about the selected purchase order.

- **Latest purchase orders** - displays a list of recent purchase orders for the same vendor as the purchase order selected in the grid. The user can browse to a related purchase order by clicking the **Purchase order** link inside the FactBox.
- **Related information** - displays the number of open invoices for the same vendor as the purchase order selected in the grid. If you click the **Invoices** link, the list page will be updated to the **Open vendor invoices** list page for the selected vendor.

The buttons in the Action Pane are used to complete various tasks that are related to the selected purchase order(s). Not all buttons are available when you select more than one purchase order.

The preview pane on the **All purchase orders** list page displays a list of each line on the selected purchase order.

## Purchase Order Form

The **Purchase order** form is used to enter and view the details about one specific purchase order. There are several ways to open the purchase order form:

- Open **Procurement and sourcing** > **Common** > **Purchase orders** > **All purchase orders**. Next, click the **Purchase order** button in the **New** group of the Action Pane.
- Open **Procurement and sourcing** > **Common** > **Purchase orders** > **All purchase orders**. Next, select the desired purchase order and then click **Edit** in the **Maintain** group of the Action Pane.
- Open **Procurement and sourcing** > **Common** > **Purchase orders** > **All purchase orders**. Next, double-click the desired purchase order.

The **Purchase order** form has three views available: header, line, and edit in grid.

When you open the **Purchase order** form, it will always open in the Line view.

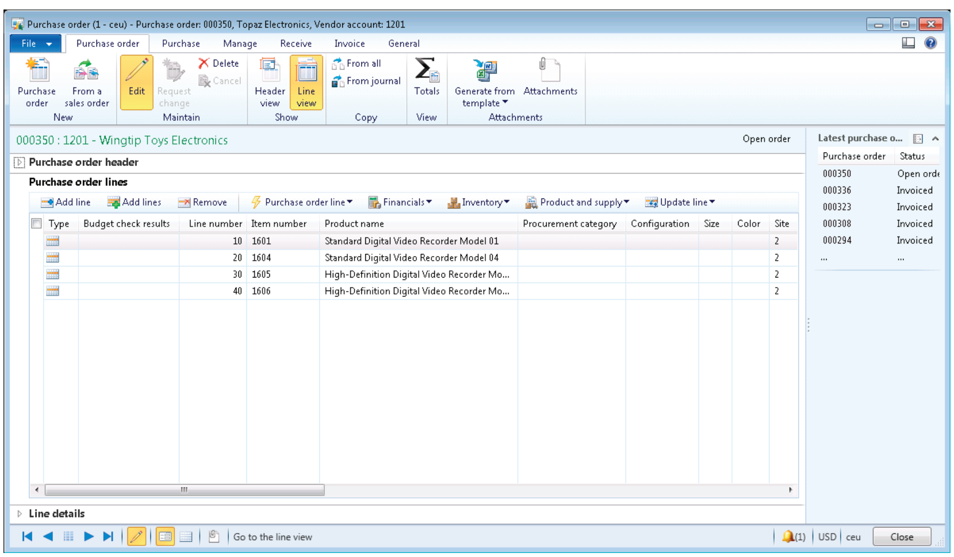

FIGURE 4.2 PURCHASE ORDER FORM - LINE VIEW

The line view version of the form has three FastTabs:

- **Purchase order header** - this tab displays basic information from the header of the purchase order. This applies to all lines of the purchase order. However, some fields can be overridden at line level. To expand the **Purchase order header** FastTab, enter **CTRL + 1**.

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***NOTE***: *Customization of the* ***Purchase order header*** *FastTab is expected because these fields will be specific to each company that is installing Microsoft Dynamics AX 2012.*

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- **Purchase order lines** - displays a list of each item or service for the purchase order. This FastTab will always be expanded.
- **Line details** - displays additional information for the line that is selected in the **Purchase order lines** tab. The additional information on the **Line details** tab is split into several tabs across the bottom of the tab page which divides the additional fields into logical groups or areas. To expand the **Purchase order header** FastTab, enter **CTRL + 3**.

To enter detailed information about a purchase order into the header and optionally have the information copied to all the lines of the purchase order, you must open the Header view. To access the Header view, click **Header view** in the **Show** group of the Action Pane on the **Purchase order** form, or enter **F12**.

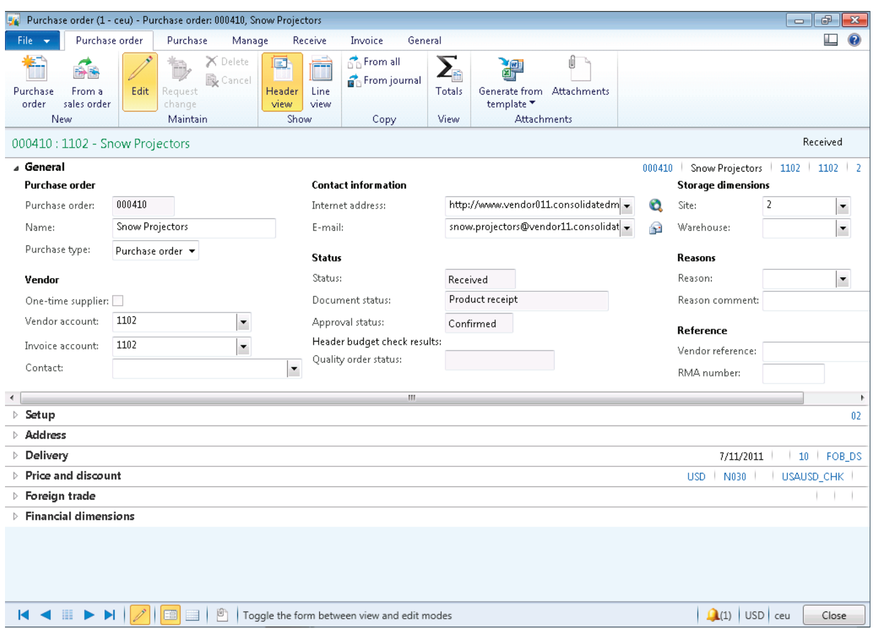


FIGURE 4.3 PURCHASE ORDER FORM - HEADER VIEW

When you are in the Header view of the **Purchase order** form, the **Header view** button on the Action Pane will be highlighted to give you a visual indication of the current view.

The header view is split into several tabs. These are described in the following table:

| Tab | Description |
|---|---|
| General | View and edit information about the selected purchase order.<br>The shortcut to expand this FastTab is CTRL + 1. |
| Setup | View and change the buyer group, order, pool, and language information for the selected purchase order.<br>The shortcut to expand and contract this FastTab is CTRL + 2. |
| Address | View or select address information for the delivery address for the selected purchase order.<br>The shortcut to expand and contract this FastTab is CTRL + 3. |
| Delivery | Set up delivery information for the order.<br>The shortcut to expand and contract this FastTab is CTRL + 4. |
| Price and discount | Enter price and discount information for the order.<br>The shortcut to expand and contract this FastTab is CTRL + 5. |
| Foreign trade | Enter foreign trade information for the order.<br>The shortcut to expand and contract this FastTab is CTRL + 6. |
| Financial dimensions | View a default financial dimension for the purchase order header. Track the use of each financial dimension in the account structures and the account rule structures.<br>The shortcut to expand and contract this FastTab is CTRL + 7. |

To change or update information on the purchase order in a grid view click the Grid icon in the status pane of the **Purchase order** form. This lets you modify information on the most common purchase order fields. It also lets you select multiple purchase orders for update.

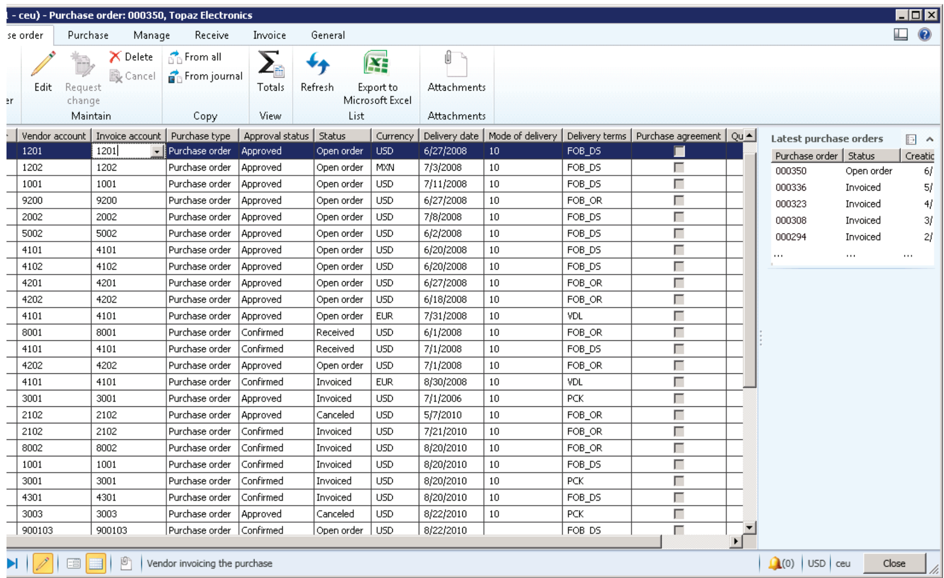


FIGURE 4.4 PURCHASE ORDER FORM - EDIT IN GRID VIEW

## Purchase Order Types

When you create a purchase order, you must indicate which type of order, it is. You can select one of the following order types:

- **Journal** - use as a draft. This type does not affect stock quantities and does not generate item transactions. The purchase order journal lines are not included in master scheduling.
- **Purchase order** - use when the vendor confirms an order.
- **Returned order -** use when you return goods to the vendor. The returned item number (the RMA number) that the vendor gives you must be entered on the **Other** tab.

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***TIP****: You can set up a default purchase order type inside the* ***Procurement and sourcing parameters*** *form in the* ***Purchase type*** *field.*

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## Purchase Order Statuses

A purchase order can have several statuses that indicate how far the selected order is in the purchase order process. As part of the work-flow and change management enabling of the purchase order, an approval status is implemented on the purchase order header.

- Open order
- Received
- Invoiced
- Canceled

As part of the work-flow and change management enabling of the purchase order, an approval status is implemented on the purchase order header. For more information, refer to “Approval Statuses” topic in this module.

- Draft
- In Review
- Rejected
- Approved
- Confirmed
- Finalized

***NOTE****: For more information about work-flow, refer to the Procurement in Microsoft Dynamics AX 2012 course.*

In addition to the Status on the purchase order's header, each line of the order can also have a status.

- Open order
- Received
- Invoiced
- Canceled

## Purchase Order Document Statuses

In addition to the purchase order status, each purchase order has a document status that indicates which documents are generated for a selected purchase order.

- **None -** no documents are generated for the order.
- **Product receipt** - at least one product receipt is generated for the order.
- **Invoice -** at least one product receipt is generated for the order.

Because the status and document status are calculated separately, different combinations of statuses and document status can help additionally identify an order's status. For example, if an order's status is Open order, and the document status is Invoice, you can conclude that the order is partly received and invoiced.

### One-Time Supplier

Use the One-time supplier function when you are working with a supplier that does not exist in the **Vendors** form. Before you use this function, make sure that a number sequence is set up for one-time suppliers in **Procurement and sourcing** > **Setup** > **Procurement and sourcing parameters** > **Number sequences**.

### Administration Field Group

The **Administration** field group contains the following fields:

- **Buyer group**: type or select a buyer group that is in the **Buyer groups** form.
- **Orderer**: select the name of the employee who ordered the purchase. The employee must be set up in the employee table.
- **Pool**: group your purchase orders into pools for filtering and selection purposes.
- **Language**: use when you print the purchase order documents that are used to communicate with the vendor.
- **Requisitioner**: indicates the user who requested the items, if the purchase order was created from a Purchase requisition. The field is blank if multiple users requested items that are included in the same purchase order.
- **Activate change management**: indicates if change management is enabled for the purchase order.

## Set Up Purchasing Parameters

Use the **Procurement and sourcing parameters** form to set up purchasing parameters. You can perform the following tasks:

- Define settings that apply to all purchasing transactions.
- Enter default information that will be used if the information has not been specified at a lower level.
- Select number sequences for purchasing.

## General Tab

Use the **General** tab on the **Procurement and sourcing parameters** form to define the general purchase order settings. The options are described in the following table.

| **Parameter** | **Description** |
|---|---|
| Purchase type | Select the purchase order type that is created by default when you create an order in the **Purchase order** form. A purchase order can have one of the following types: Journal, Purchase order, or Returned order. |
| Return action default | Select the return action that is defaulted to return purchase order lines. |
| Purchase pool | Select the purchase pool that you want to appear by default on a purchase order when it is created it in the **Purchase order** form.<br>Purchase pools are used to group purchase orders, and for filter and selection purposes. |
| Prompt when specifying vendor and invoice account | Select this check box to display a message when you select or change the vendor account for a purchase order. The message indicates that vendor's information, such as terms of payment, from the **Vendors** form will be copied to the purchase order. If you do not select this check box, the information will be copied and no message will be displayed.<br>Basic information that is specified for the vendor's account number, such as name and address, are copied to a purchase order, whether this check box is selected or not. |
| Prompt quantity field value when posting documents | Select this check box to automatically recommend a value for the **Quantity** field when you generate a document.<br>The recommended values for purchase orders are as follows:<br>• Purchase order - All<br>• Receipts list - All<br>• Product receipt - All<br>• Invoice - Product receipt<br>If you previously generated the purchase order documents by using values other than the recommended ones, and you have selected this check box, you will receive a message that recommends changing the current value to the recommended value the next time that you generate a document. |

| Parameter | Description |
|---|---|
| Purchase order prices/amounts | Indicate whether purchase order prices and amounts should print on the purchase order document. |
| Activate change management | Indicate whether the current company is using change management for purchase orders. |
| Allow override of settings per vendor | Indicate whether it should be possible to override the change management parameters for each vendor and purchase order. When this check box is selected, you can also override the setting that is defaulted from the vendor when the purchase order is created. |

**Procurement and sourcing > Setup > Procurement and sourcing parameters > General tab**

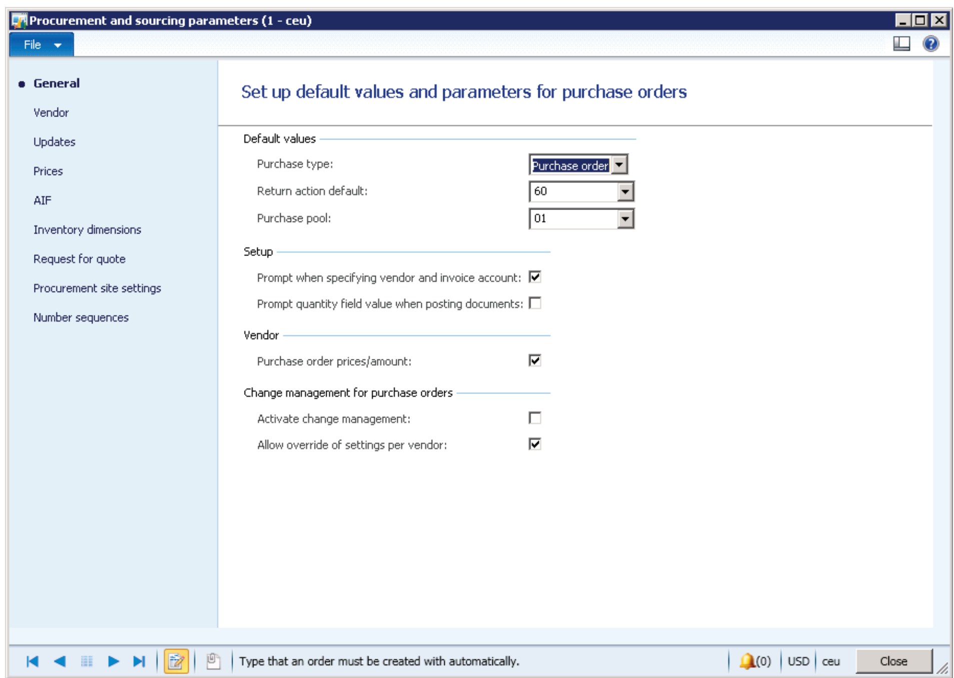


FIGURE 4.5 PROCUREMENT AND SOURCING PARAMETERS - GENERAL TAB

## Updates Tab

Use the **Updates** tab on the **Procurement and sourcing parameters** form to enter or view parameters in the **General** and **Product receipt** sections. This includes rules for delivery acceptances and product receipts.

The update parameters are described in the following table.

| Parameter | Description |
|---|---|
| Accept overdelivery | Select this check box to enable under-deliveries to be accepted as a final delivery. |
| Accept underdelivery | Select this check box to enable the receiving of more items through the product receipt update than the quantity that you ordered on the purchase line. |
| Safety level of invoiced orders | Specify whether to allow for changes to a fully invoiced purchase order. |
| Check for product receipt number used | Select how duplicate product receipt numbers for each vendor should be handled. |

To view or edit parameters for automatically updating order lines when you change the sales order header, click **Update order lines**.

Click **Update order lines** button to open the form where you can specify how purchase order lines are automatically updated when changes are made on the purchase order header.

For each field, you can select one of the following values.

- **Always** - the order lines are updated automatically when the order header is updated, unless this compromises the business logic that is applied at a given point in the purchase order line life cycle.
- **Never** - the order lines are not updated when the order header is updated.
- **Prompt** - the user selects whether to update the order lines, unless this compromises the business logic that is applied at a given point in the purchase order line life cycle.

**Procurement and sourcing > Setup > Procurement and sourcing parameters > Updates tab**

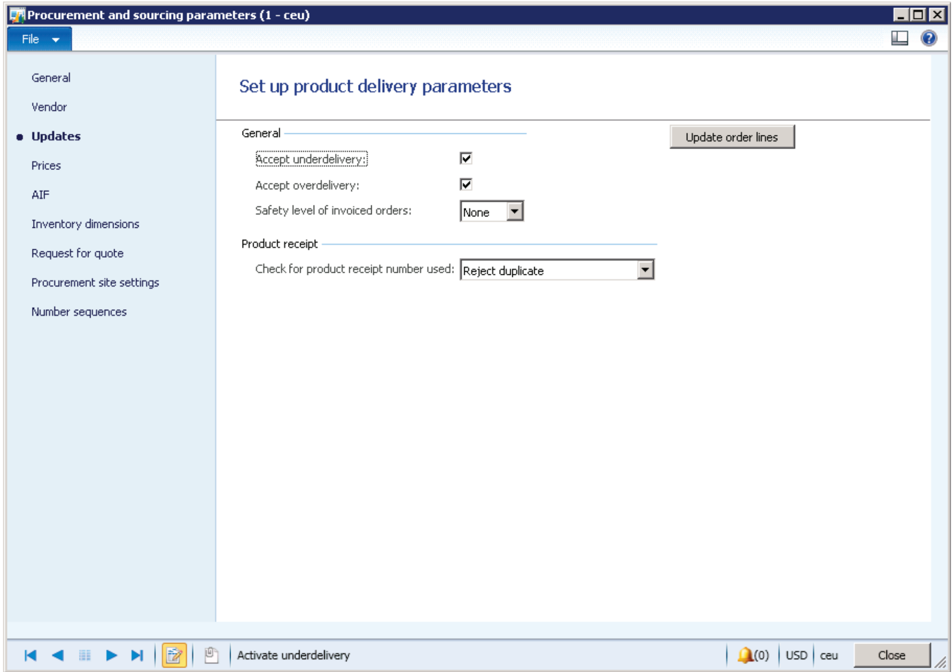


FIGURE 4.6 PROCUREMENT AND SOURCING PARAMETERS - UPDATES TAB

## Prices Tab

Use the **Prices** tab to specify how the discounts are calculated (if various discounts apply) and whether charges are added automatically to purchase orders or lines. The options are described in the following table.

| Parameter | Description |
|---|---|
| Discount | Determines how discount is calculated if both line discount and multiline discount are present on the same purchase order line. |
| Find main charges | Select this check box to automatically allocate main charges when you create a purchase order. If you have not defined automatic charges, clear this check box to increase performance. |
| Find charges for line | Select this check box to automatically allocate line charges that are set up for the ordered item when you create a purchase order line. If you have not defined automatic charges, clear this check box to increase performance. |
| Date type | Specify the date used when you search for trade agreements. |

| Parameter | Description |
|---|---|
| Calculate total discount on posting | Select this check box to automatically calculate the total discount when purchase orders are generated. The field total discount will be closed for manual editing if this check box is selected. |
| Trade agreement evaluation | If you change price and discount conditions, prices and discounts could be recalculated and overwritten. You could also trigger a dialog box. The dialog helps you decide whether to keep the current price or discount if the price is inherited from an external source. Add the types of external sources that should trigger this dialog by selecting the check box. |

**Procurement and sourcing** > **Setup** > **Procurement and sourcing parameters** > **Prices** tab

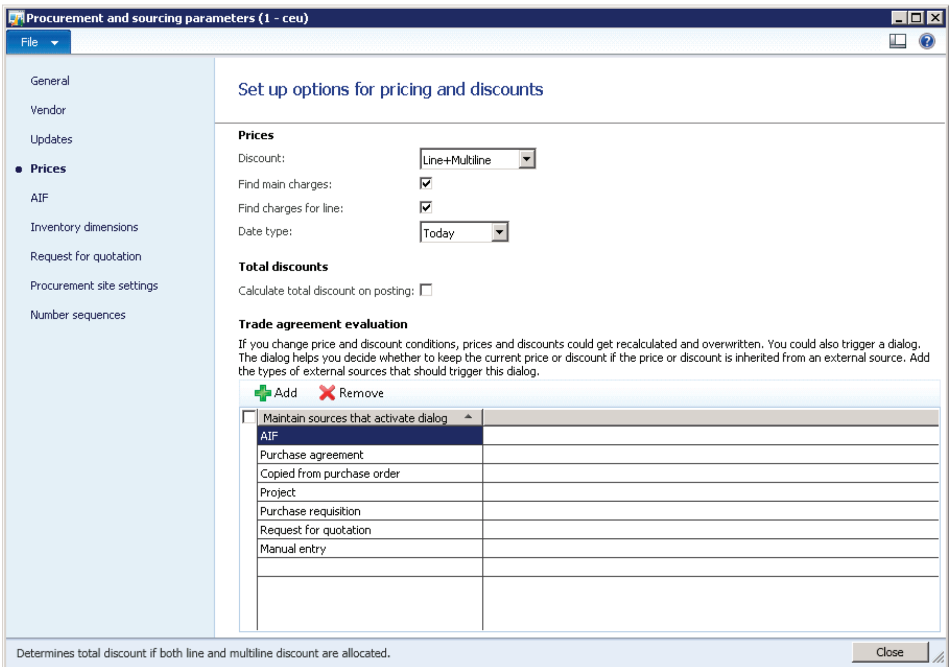


FIGURE 4.7 PROCUREMENT AND SOURCING PARAMETERS - PRICES TAB

## Inventory Dimension Parameters

Use the settings on the **Inventory dimension** tab to select the inventory dimensions that are displayed on purchase order lines.

**Procurement and sourcing** > **Setup** > **Procurement and sourcing parameters** > **Inventory dimensions** tab

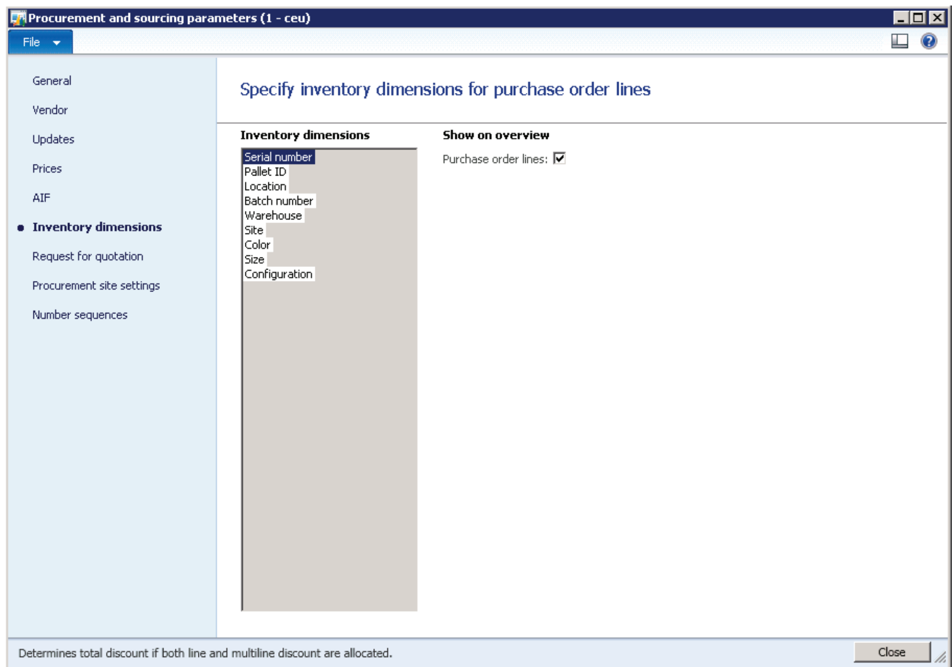


FIGURE 4.8 PROCUREMENT AND SOURCING PARAMETERS - INVENTORY DIMENSIONS TAB

## Number Sequences

On the **Number sequences** tab, you can select a number sequence that is associated with each reference. Number sequences are used to assign logical or sequential numbers to a document or record. For example, the number sequence code that is assigned to the Purchase order reference is used to generate a new unique number for each purchase order that is created.

The number sequence can be set up to have a specific format such as PO#####. This means that the purchase order number will be generated by using the next available number in that format.

For example, if the next number in the sequence is 11156, when a new purchase order is created, the system will generate the purchase order as PO11156.

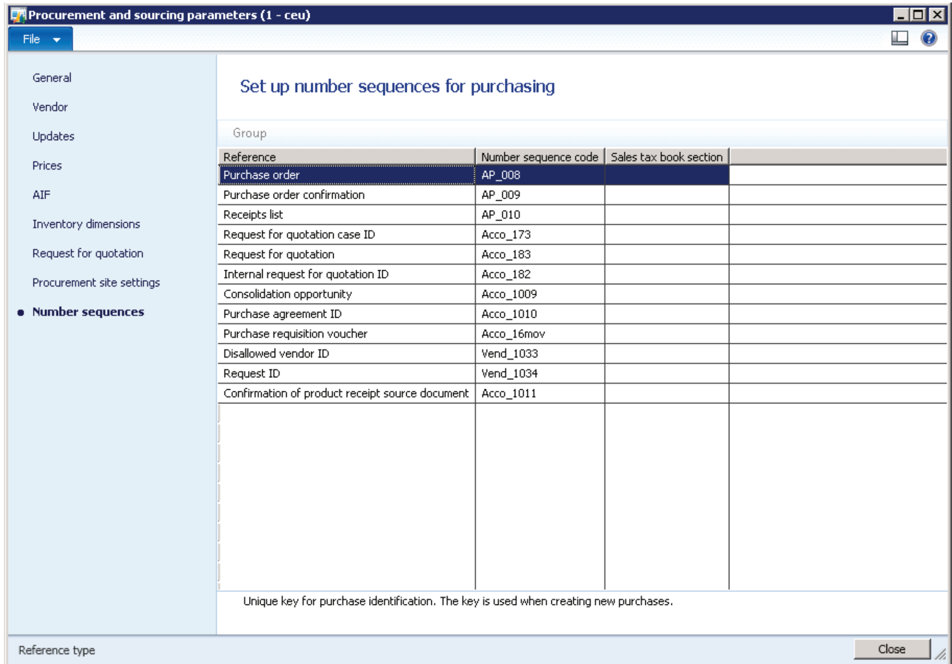


FIGURE 4.9 PROCUREMENT AND SOURCING PARAMETERS - NUMBER SEQUENCES TAB

Each number sequence must have a number sequence code specified before a document of that type can be created.

## Create Purchase Orders

There are several ways to create a purchase order. The following topics describe in detail the steps for creating a purchase order and adding lines to it.

### Procedure: Create a Purchase Order

To create a new purchase order, follow these steps:

1. Open **Procurement and sourcing > Common > Purchase orders > All purchase orders**.
2. Click **Purchase order** in the **New** group of the Action Pane to create a new purchase order.
3. In the **Create purchase order** form, select a vendor.

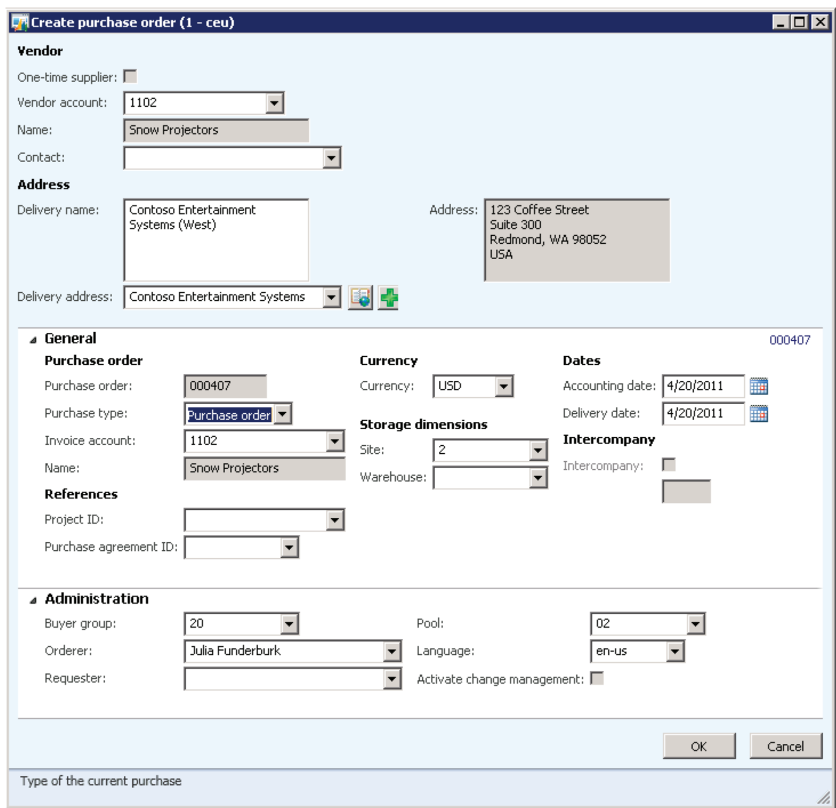


FIGURE 4.10 CREATE PURCHASE ORDER FORM

4. If you are prompted, click **Yes** to copy address, delivery address, currency, invoice account number, and language to the purchase order.

5. In the **Purchase type** list, select the type of purchase order to create.
6. Enter or change the information in the **Create purchase order** form if it is necessary, and then click **OK**.

## Adding Lines to a Purchase Order

There are several ways that lines can be added to a purchase order.

- Manually add one line at a time by using the **Add line** button on the **Purchase order lines** tab, and then select one of the following:
  - o **Item number** - Use the Item number drop-down list to select a product that is defined in the system. These products can be stocked or not stocked based on the setup that is defined on the product.
  - o **Procurement category** - Use the procurement category drop-down box to select a category for purchasing a product for indirect procurement.

- Add multiple lines by using the **Add lines** button on the **Purchase order lines** tab. On the **Create lines** form, use the **Filter > Advanced filter sort** button to search for the desired products. Next, enter the desired quantity next to each item number in the **Purchase quantity** field. Use the **Create** button to accept the amounts and close the form, or use the **Apply** button to add the selected item numbers to the purchase order and continue to search.

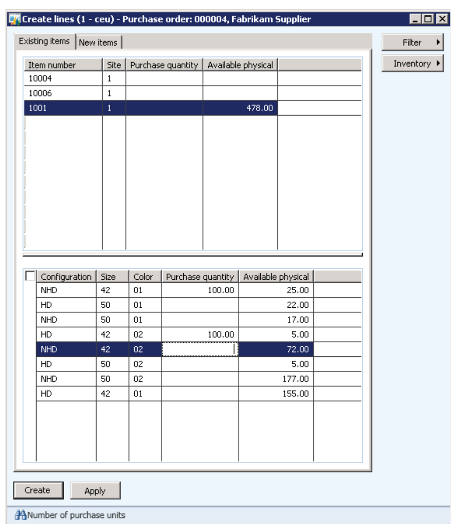


FIGURE 4.11 CREATE LINES FORM

- Copy lines from another purchase order by using the **From all** or **From journal** button in the **Copy** group of the Action Pane on the **Purchase order** form.

## Procedure: Add a Line to a Purchase Order

To add a line to purchase order, follow these steps:

1. From the **Purchase order** form, click the **Line view** button in the **Show** group of the Action Pane.
2. Click **Add line** in the **Purchase order lines** tab.
3. Select the **Item number** or **Procurement category**.
4. If it is required, enter the **Size**, **Color**, **Configuration**, and other inventory dimensions.
5. Type the quantity to be purchased in the **Quantity** field.
6. Select the unit of measurement to purchase the quantity that is specified in the **Unit** field.
7. Enter the **Unit price** for the line.
8. Optionally, enter discount information and repeat steps 2 through 8 for each additional line.

## Procedure: Enter Purchase Order Header Details

Detailed information can be entered or viewed for a purchase order by using the **Header view** on the **Purchase order** form. To enter details about a purchase order, follow these steps:

1. Click **Procurement and sourcing > Common > Purchase orders > All purchase orders**.
2. Select the desired purchase order and then click **Edit** in the **Maintain** group of the Action Pane to open the purchase order, or click **Purchase order** in the **New** group to create a new purchase order.

3. Click **Header view** in the **Show** group of the **Purchase order** form.

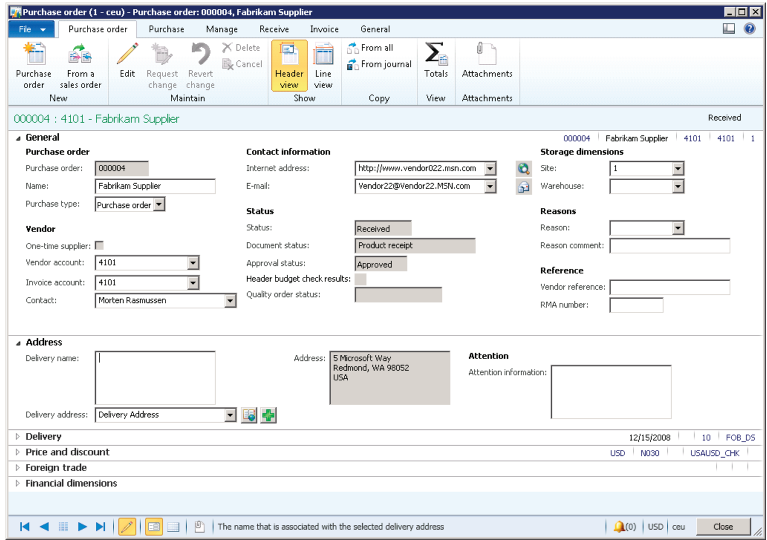


FIGURE 4.12 PURCHASE ORDER FORM - HEADER VIEW

4. Click in each tab and enter the required information.

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***NOTE****: For more information about the Header view of the* ***Purchase order*** *form, refer to Working in the Header View, or refer to the Help for this form.*

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## Ship to Multiple Address

The Multiple ship to functionality enables users to specify delivery addresses for each order line.

Use the Multiple ship to functionality in purchase orders to specify multiple receipt addresses.

Use the Address selection functionality to specify another address for the purchase order lines, for example, when you ask a vendor to deliver directly to a customer when you are not using the direct delivery feature in Sales orders. On creation, the default delivery address on the purchase order line is the delivery address from the purchase order header.

## Procedure: Enter Purchase Order Line Details

Detailed information can be entered or viewed for a purchase order line in the **Line details** tab when you use the **Line view** on the **Purchase order** form. To enter details about a purchase order line, follow these steps:

1. Click **Procurement and sourcing** > **Common** > **Purchase orders** > **All purchase orders**.
2. Select the desired purchase order and then click **Edit** in the **Maintain** group of the Action Pane, or create a new purchase order.

3. Click **Line view** in the **Show** group of the **Purchase order** form.
4. Select the desired line in the **Purchase order lines** tab or create a new line.
5. Click the **Lines details** tab.

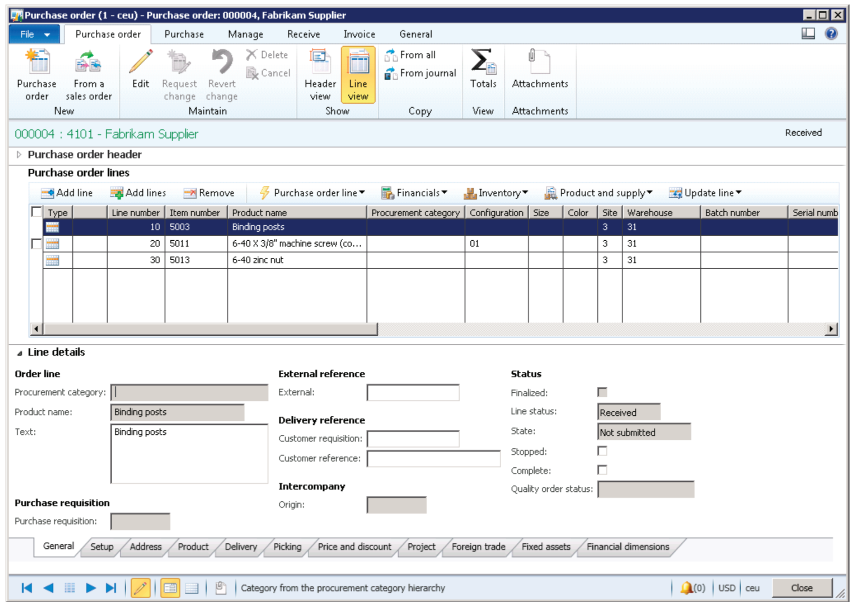

FIGURE 4.13 PURCHASE ORDER FORM - LINE VIEW

6. Click in each tab and enter the required information. For example, to change the delivery address on a line, follow these steps:
   a. Click the **Address** tab.
   b. Use the **Delivery address** drop-down list to select an available delivery address for this vendor.
   c. Click the **Global address book** icon to select a different address from the global address book.
   d. Click the **Add** icon to create a new address.

## Delivery Schedule

The delivery schedule consists of an order line with multiple deliveries and delivery schedule lines. Each delivery schedule line is displayed in the purchase order under the order line with multiple deliveries. An icon distinguishes between the order line with multiple deliveries and the delivery schedule lines. The order line with multiple deliveries serves as a template for the delivery schedule lines. This means that when the delivery schedule lines are created, the values are copied from the order line with multiple deliveries to the delivery schedule lines. For example prices and conditions from trade agreements will be applied to the order line with multiple deliveries and copied to the delivery schedule lines.

The quantity of the order line with multiple deliveries and the sum of the quantity of the delivery schedule lines will always be synchronized. After a delivery schedule line is created, most of the attributes of the delivery line can be edited as on a typical order line.

Only delivery schedule lines will be displayed on the purchase order confirmation or picking lists, not the order line with multiple deliveries.

***NOTE****: You can delete a delivery schedule from the* ***Delivery schedule*** *form. If you delete the order line, the delivery schedule will also be deleted.*

**Procurement and sourcing > Common > Purchase orders > All Purchase orders > Lines view > Purchase order line > Delivery schedule**

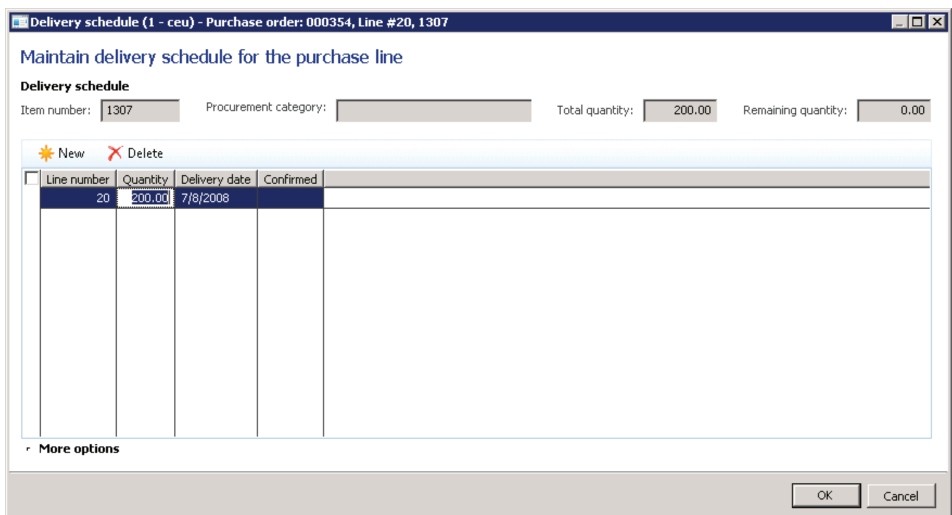


FIGURE 4.14 DELIVERY SCHEDULE FORM

## Scenario: Creating a Purchase Order with a Delivery Schedule

Alicia, the Purchasing Agent, needs 200 pieces of an item each month for the next five months. Because of the trade agreements with the vendor, she obtains a better price if she orders at least 1000 pieces. She enters a purchase order for 1000 items and uses the delivery schedule to schedule deliveries of 200 pieces for the next five months.

## Procedure: Adding a Delivery Schedule to a Purchase Order Line

Detailed information can be entered or viewed for a purchase order line in the **Line details** tab when you use the **Line view** on the **Purchase order** form. To enter details about a purchase order line, follow these steps:

1. Open **Procurement and sourcing > Common > Purchase orders > All purchase orders**.
2. Select the desired purchase order and then click **Edit** in the **Maintain** group of the Action Pane, or create a new purchase order.
3. Click **Line view** in the **Show** group of the **Purchase order** form.
4. Select the desired line in the **Purchase order lines** FastTab or create a new line. The quantity for the line must be greater than one.
5. Click **Purchase order line > Delivery schedule**.
6. Click **New** in the **Delivery Schedule** form, to create a new line for the schedule, enter the Quantity and Delivery date. Repeat this step for each delivery.
7. Notice that the **Delivery schedule** field group will show you the total of all the lines and the remaining quantity.
8. Click **OK** in the **Delivery schedule** form.

## Charges on Purchase Orders

Charges that you want to add to purchase orders such as invoice fees, freight, and insurance can be added to the header or each line of a purchase order. You can add charges manually, or Microsoft Dynamics AX can generate them automatically.

The total value of the charges is shown in the **Totals** form and is included in the calculation of the total amount.

## Procedure: Add Charges to a Purchase Order

To add charges to the header of a purchase order, follow these steps:

1. Open **Accounts payable > Common > Purchase orders > All purchase orders**.
2. Select the purchase order for which to define charges.
3. Click **Edit** in the **Maintain** group of the Action Pane.

4. Click the **Purchase** tab on the Action Pane and then click **Maintain charges**.

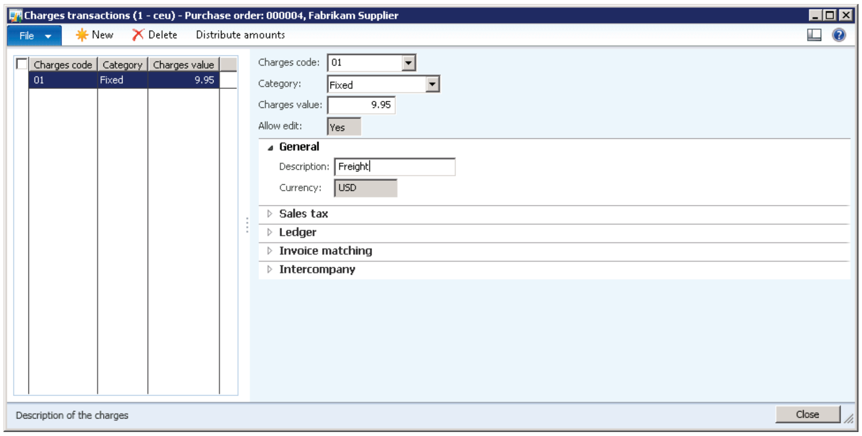


FIGURE 4.15 CHARGES TRANSACTIONS FORM

5. In the **Charges transactions** form, select the code for the charge in the **Charges code** field.
6. The description is loaded automatically based on the definition of the charge in the **Charges code** form.
7. Optionally, you can edit the text in the **Description** field.
8. Specify how to calculate the charge in the **Category** field (Fixed, Quantity, and Percent) and enter a value in the **Charges value** field.
9. Optionally, specify a sales tax group in the **Sales tax group** field.
10. Close the **Charges transactions** form.

## Allocate Charges to Purchase Order Lines

When you have completed setting up the charges for a purchase order, the next step is to allocate charges to purchase order lines before processing the order.

Click **Accounts payable** > **Common** > **Purchase orders** > **All purchase orders**. On the **Purchase** tab, click **Allocate charges**.

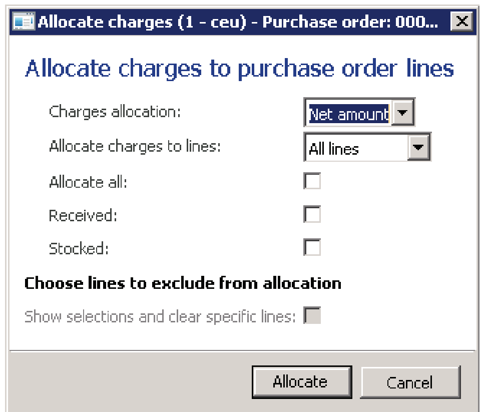


FIGURE 4.16 ALLOCATE CHARGES FORM

Use the **Allocate charges** form to allocate charges from the purchase order header to the purchase order lines.

Charges can be added to either the purchase order header or to the purchase order lines. Occasionally, the charges that are allocated to the purchase order header must also be allocated to the lines. For example, if transportation cost should be added to the line item cost price, the transportation cost must be allocated to the lines by using of one of the following methods:

- The total charges amount is allocated to the various purchase lines according to the following:
  - The magnitude of the line amount in relation to the total net amount of the lines.
  - The number of units in relation to the total number of units of the lines.
  - Equally, according to the total number of lines.

- You can specify the types of purchase lines that the charges are to be allocated to. Therefore, you can allocate to all lines, positive lines, or negative lines. In this manner, you avoid allocating charges to returned items.
- You can also manually determine the exact lines that the charge are to be allocated.

### Procedure: Add Charges to a Purchase Order Line

To add charges to the line of a purchase order, follow these steps:

1. Open **Accounts payable > Common > Purchase orders > All purchase orders**.
2. Select the purchase order for which to define charges.
3. Click **Edit** in the **Maintain** group of the Action Pane.
4. Select the desired line from the **Purchase order lines** tab.
5. Click **Financials > Maintain charges** to open the **Charges transactions** form.
6. Select the code for the charge in the **Charges code** field.
7. Optionally, you can edit the text in the **Description** field.
8. Specify how to calculate the charge in the **Category** field (Fixed, Quantity, and Percent) and enter a value in the **Charges value** field.
9. Optionally, specify a sales tax group in the **Sales tax group** field.
10. Close the **Charges transactions** form.

## Process Purchase Orders

When you have finished entering the details about a purchase order, the purchase order must be confirmed and sent to the vendor to notify them of the intent to purchase the goods.

When change management is enabled for purchase orders, the purchase order must be submitted through workflow and approved before the purchase order can be approved. For more information about change management, refer to the "Change Management" topic.

Purchase orders can be confirmed individually or in mass. There are also options to print a pro forma purchase order. This lets you view the details before confirming and sending it to the vendor.

### Procedure: Confirm a Purchase Order

To confirm a purchase order, follow these steps:

1. Open **Procurement and sourcing > Common > Purchase orders > All purchase orders**.
2. Select the desired purchase order and then click the **Purchase** tab.
3. Click **Confirm**.

---

***NOTE**: The purchase order confirmation will print according to the print options that are selected in the **Confirm purchase order** form. If print management is being used, the confirmation will print according to the print management settings.*

---

***IMPORTANT**: When the purchase confirmation is generated, if the purchase order encumbrance process is enabled, the system will post the purchase order encumbrances.*

## Procedure: Generate and Print a Purchase Order

The **Confirm purchase order** form is used to set up options for confirming and printing a purchase order. The form can also be used to confirm more than one purchase order at the same time. To generate and print a purchase order confirmation, follow these steps:

1. Open **Procurement and sourcing > Common > Purchase orders > All purchase orders**.
2. Select the desired purchase order and then click the **Purchase** tab.
3. Click **Purchase order** in the **Generate** group of the Action Pane.

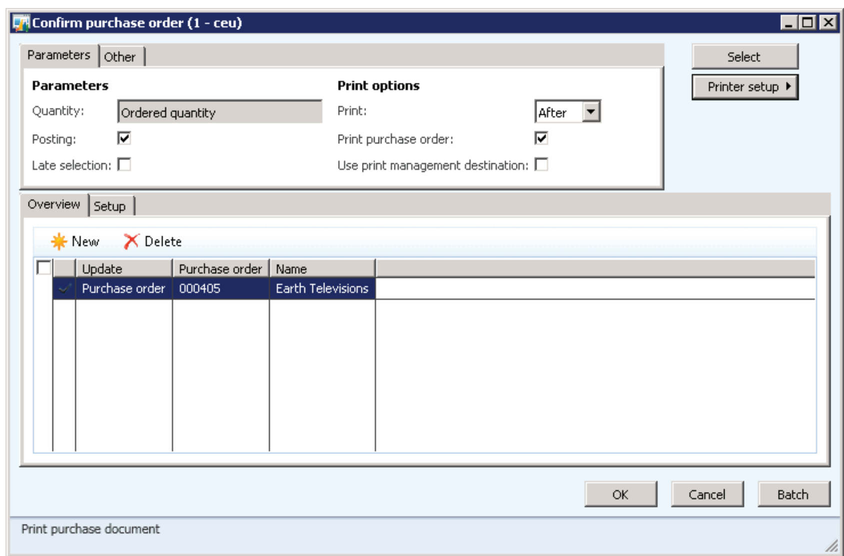


FIGURE 4.17 CONFIRM PURCHASE ORDER FORM

4. Click **Select** to change the query and select more than one purchase order. Click **OK** to accept the query and return to the **Confirm purchase order** form.
5. Select the **Print purchase order** check box to print the confirmation.
6. Optionally, select the **Use print management destination** check box to use the print management settings that are defined on the vendor or on the **Form setup** form.
7. Click **Printer setup > Purchase order** to select the output.
8. Select the **Send to** option, select the specifications, and then click OK.
9. Click **OK** to process and print the confirmation.

***TIP**: You can process purchase order confirmation in mass by using the batch processer. Access the periodic job from **Procurement and sourcing > Periodic > Purchase orders > Confirm purchase orders**.*

*Make sure that you select the **Late selection** check box to re-execute the selection query every time that the batch job runs. Click **Batch** to define the recurrence and alert options.*

## Procedure: Pro Forma Purchase Orders

The pro forma purchase order confirmation lets you simulate the purchase order confirmation without updating the status of the purchase order. In addition, if purchase order encumbrance process is enabled, the pro forma purchase order confirmation will not create the purchase order encumbrances. To process a pro forma purchase order confirmation, follow these steps:

1. Open **Procurement and sourcing > Common > Purchase orders > All purchase orders**.
2. Select the desired purchase order and then click the **Purchase** tab.
3. Click **Pro forma purchase order** in the **Generate** group of the Action Pane.
4. Select the **Print purchase order** check box and then click **Printer setup > Purchase order** to select the output option.
5. Click **OK**.

The purchase order confirmation will print with "Pro forma purchase order" printed in the upper section of the document.

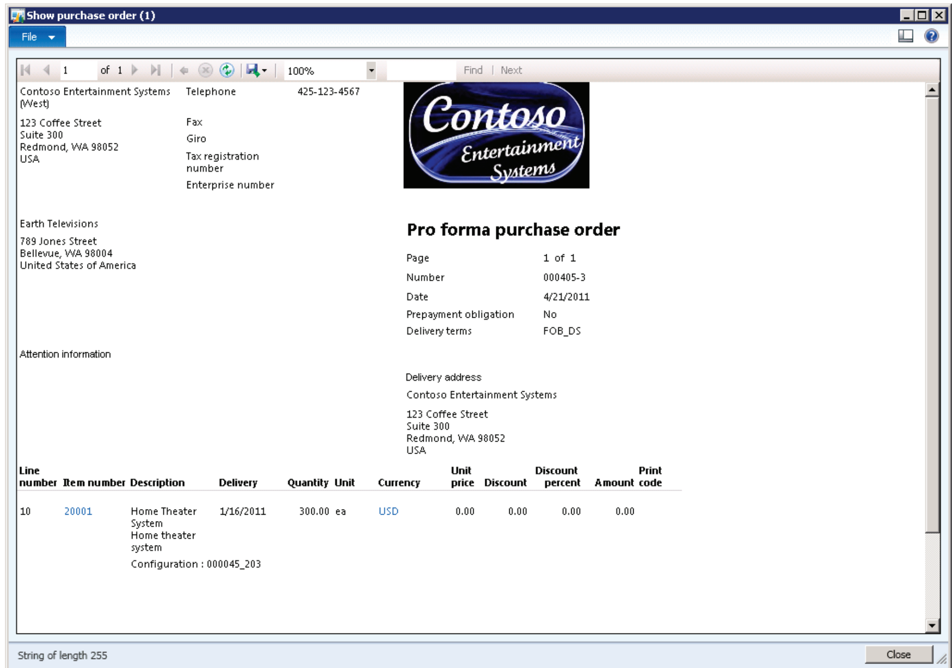


FIGURE 4.18 SAMPLE: PRO FORMA PURCHASE ORDER CONFIRMATION

## Procedure: Finalize a Purchase Order

When the purchase order encumbrance process is enabled, or if you are using budget checking on purchase orders, you might have to reverse encumbrances or relieve the reservation of budget funds when a purchase order is canceled or on back order and the products are not going to be received. When you finalize a purchase order and purchase order lines, the system liquidates remaining quantities and amounts that are budgeted and encumbered.

To finalize a purchase order, follow these steps:

1. Open **Procurement and sourcing > Common > Purchase orders > All purchase orders**.
2. Select the desired purchase order and then click the **Purchase** tab.
3. Click **Finalize** in the **Generate** group of the Action Pane.

To finalize a purchase order line, follow these steps:

1. Open **Procurement and sourcing > Common > Purchase orders > All purchase orders**.
2. Select the desired purchase order and then click the **Purchase order lines** tab.
3. Select the desired purchase order line.
4. Click **Update line > Finalize**.

***NOTE****: An encumbrance is a reservation of budget funds that are set aside on the balance sheet to make sure that actual expenditures do not exceed the available budget. If encumbrance processing is enabled, encumbrances are created for a purchase order when the purchase order is confirmed.*

# Lab 4.1 - Create Purchase Orders

Contoso Entertainments System - Company CEU

**Scenario**

You are a new purchasing agent at Contoso Entertainment Systems. You are in training all day, and the trainer has left you with the following purchase order to create.

- One Purchase order for Fog Projectors to be delivered on today's date.
  - 20 pieces of item number 1507 to be delivered to Warehouse 2
  - One piece of item number 1707 to be delivered to the Quality Testing Center. This is located at 123 S. Main Street, New York, NY 10006

## Challenge Yourself!

Create the purchase orders according to the specifications from the scenario and make sure that you confirm the purchase order.

## Need a Little Help?

- Use Vendor 1103 Fog Projectors
- Update the delivery address on the Header view
- Add two lines to the purchase order
- Create a new address for the Quality Testing Center which is located at 123 S. Main Street, New York, NY 10006

## Step by Step

To create a purchase order, follow these steps:

1. Open **Procurement and sourcing > Common > Purchase orders > All purchase orders**.
2. Click **Purchase order** in the **New** group of the Action Pane.
3. Select 1103: Fog Projectors for the **Vendor account**.
4. Click **Yes** to transfer vendor information.
5. Click **OK** to create the order.
6. Click **Header view** in the **Show** group of the Action Pane.
7. Click the **Delivery** tab.
8. Type today's date into the **Delivery date** field.
9. Click **Line view** in the **Show** group of the Action Pane.
10. Click **Add line**.
11. Select **Item number** 1507.

12. Click **Add line**.
13. Select **Item number** 1707.
14. Type "1" into the **Quantity** field and then press the **Tab** key.
15. Click **No**, to accept the quantity of 1 entered.
16. Click the **Line details** tab.
17. Click the **Address** tab.
18. Click the **Add a new address** icon.
19. Type "Quality Testing Center" into the **Name or description** field of the **New address** form.
20. Select USA in the **Country/Region** field.
21. Type "10006" into the **ZIP/Postal code** field.
22. Type "123 S. Main Street" into the **Street** field.
23. Click **OK**.
24. Click the **Delivery address** drop-down list and select the Quality Testing Center address that you just created.
25. Click the **Purchase** tab on the Action Pane, and then click **Confirm**.
26. If the confirmation prints to your screen, review and close the forms.

# Generate Purchase Order Documents

Microsoft Dynamics AX 2012 offers many documents that you can apply when you work with purchase orders. When you generate a document for a purchase order, Microsoft Dynamics AX 2012 updates the order according to the stage it has reached in the order cycle.

This lesson discusses the generation of two documents; the receipt list and product receipt.

## Generate a Receipts List

Generating a receipts list from a purchase order does not change the status of a purchase order or create any inventory transactions. It only provides a means for checking and validating shipments before accepting the order. The use of this function is determined by a business need and might not be a required process.

***NOTE****: A more advanced process for generating a receipts list is available in WMS functionality. Refer to the Warehouse Management in Microsoft Dynamics AX 2012 course for more information.*

## Scenario

For the past six weeks, all the shipments that Contoso Entertainment Systems has received from one of their suppliers are incorrect: either items are missing, or additional items are added. To address this situation, the receiving staff has decided to print a receipts list for all purchases from this supplier and compare the shipment to the list before accepting the shipment.

## Procedure: Generate a Receipts List

To generate a receipts list, follow these steps:

1. Open **Procurement and Sourcing > Common > Purchase orders > All purchase orders**.
2. Select the purchase order to generate the documents.
3. In the **Receive** tab on the Action Pane, click **Receipts list** in the **Generate** group.
4. In the **Quantity** field, select Ordered quantity.

5. Select the **Print receipts list** check box to print the receipts list.
6. Click **OK** on the **Posting receipts list** form.
7. If you selected the **Print receipts list** check box, a receipt list that contains all the ordered items to be received is printed.

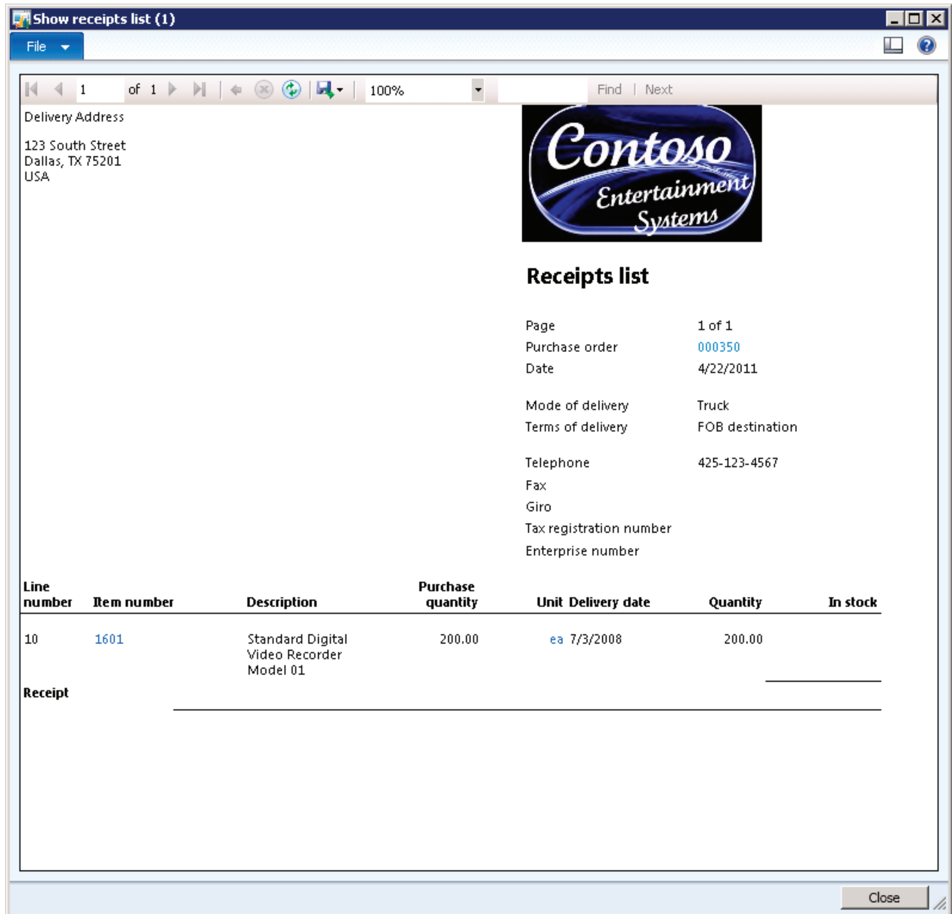


FIGURE 4.19 SHOW RECEIPTS LIST REPORT

---

***NOTE**: The purchase order must be confirmed before the Receipts list can be generated.*

---

## Generate Product Receipt

The next step in updating purchase orders is to receive the item or services, and then enter the receipt list into the system. This creates a physical inventory transaction and makes the items available if they are stocked products. For stocked and not stocked products, if the **Post to general ledger** parameter in the **Accounts payable parameters** form is selected the product receipt will update the sub ledger. Record this transaction in the system by generating the product receipt.

If all items on a given purchase order are received, the purchase order **Status** field changes to Received.

**Example**:

You order 60 pieces of an item. You receive and register 40 pieces and product receipt update the order. The status in the **Status** field is Open order. You receive the final 20 items and product receipt update the order with the remaining 20 items. The purchase order status now changes to Received.

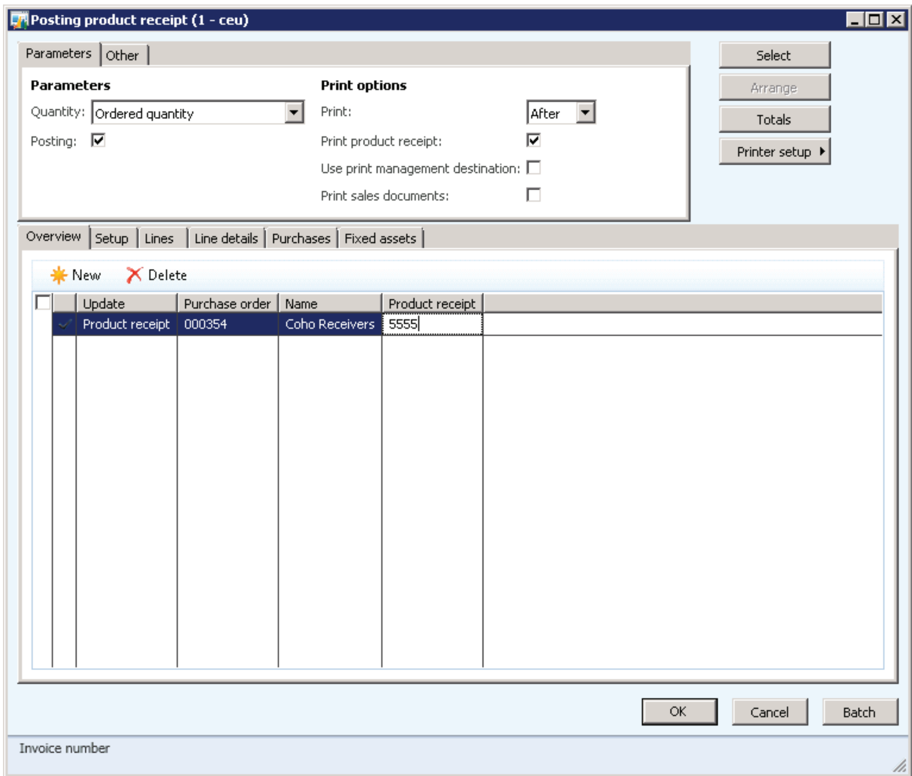


FIGURE 4.20 SHOW PRODUCT RECEIPT REPORT

## Procedure: Generate a Product Receipt

To generate a product receipt, follow these steps:

1. Open **Procurement and Sourcing** > **Common** > **Purchase orders** > **All purchase orders**.
2. Select the purchase order to generate the documents.
3. In the **Receive** tab on the Action Pane, click **Product receipt** in the **Generate** group.
4. In the **Quantity** field, select Ordered quantity.
5. Make sure that the **Posting** check box is selected to update the sub ledger.
6. Select the **Print product receipts** check box to print the product receipt.
7. Type the product receipt number in the **Product receipt** field.
8. Click **OK** on the **Posting product receipts** form.
9. If you selected the **Print Product receipts** check box, a product receipt that contains all the ordered items that were received is printed.

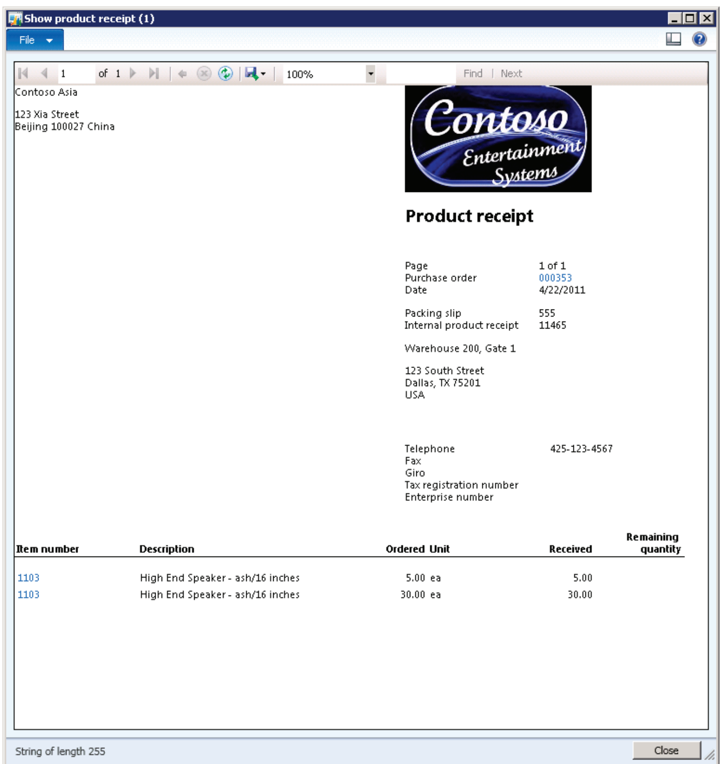


FIGURE 4.21 PRODUCT RECEIPT REPORT

## Product Receipt Form - Other Tab

There are several other important fields on the **Posting product receipt** form.

On the **Other** tab, in the **Credit check limit** parameter, specify if a credit limit check must be performed.

Select from the following options.

- None
- Balance
- Balance + packing slip or product receipt
- Balance + All

You can use summary update to help minimize paperwork by merging several purchase orders into one document. For example, if you have three purchase orders to be delivered today and they are all from the same supplier, you can merge the three orders into one product receipt.

The values that you can select in the **Summary update for** field are as follows:

- None
- Invoice account
- Order
- Automatic summary

## Product Receipt Form - Lower Grid

There are several tabs in then lower grid.

### *Overview Tab*

In the **Overview** tab, you can review the details of the purchase order to make sure that you are processing the correct purchase order. When you perform a product receipt update, enter the vendor's product receipt number on this tab in the **Product receipt** field.

### *Setup Tab*

If the dates differ from today's date, enter them in the **Product receipt date** and the **Document date** fields on the **Setup** tab.

### *Lines Tab*

Select the **Lines** tab to make sure that the items and quantities to be received are correct. You can also specify whether a purchase order line must be closed for additional updates by using the **Close** parameter. You can only close a line if the under delivery percentage for the line allows for closing.

### *Line Details Tab*

View additional details such as charge, discount settings and other details on each item by clicking the **Line details** tab.

If the quantities received on the product receipt update equal the ordered quantities, the purchase order status will change to **Received**. If there is a back order on one or more items, the value in the purchase order **Status** field remains at Open order status.

### *Purchases Tab*

In the **Purchases** tab, you can view the name of the purchase order.

### *Fixed Assets Tab*

The **Fixed Assets** tab indicates if the purchase is for either an existing fixed asset or a new fixed asset.

## Product Receipt Form - Buttons

The following are the available buttons on the **Product receipt** form:

- **Select** - define a query to limit and sort the data that will be posted.
- **Arrange** - assemble multiple orders into, for example, one product receipt. To activate the **Arrange** button, on the **Other** tab select a value for the **Summary update for** field. If the **Summary update for** field is set to None, the **Arrange** button will be unavailable.
- **Totals** - view the totals for all the orders in the **Posting** form. You can change the totals from the purchase posting forms, but not from the sales posting forms.
- **Printer Setup** - print the document. To specify the printer to use, click **Printer setup**, select the document type to print, and select a printer.

## Procedure: Generate a Partial Product Receipt

To generate a partial product receipt, follow these steps:

1. Open **Procurement and Sourcing > Common > Purchase orders > All purchase orders**.
2. Select the purchase order to generate the documents.
3. In the **Receive** tab on the Action Pane, click **Product receipt** in the **Generate** group.
4. In the **Quantity** field, select Ordered quantity.
5. Make sure that the **Posting** check box is selected to update the sub ledger.

6. Select the **Print product receipts** check box to print the product receipt.
7. Type the product receipt number in the **Product receipt** field.
8. Click the **Lines** tab.
9. Enter the quantity being received in to the **Quantity** field for each line.
10. Click **OK** on the **Posting product receipts** form.
11. If you selected the **Print Product receipts** check box, a product receipt that contains all the ordered items that were received is printed.

## Procedure: Cancel a Product Receipt

The **Product receipt journals** form displays all generated product receipts. From this form, you can to correct or cancel the product receipt, if the product receipt was generated incorrectly or by accident.

Canceling the product receipt reverses all product receipt posting and removed the product from inventory.

---

***NOTE****: A Product receipt cannot be canceled or corrected if the purchase order is invoiced.*

---

To cancel a product receipt, follow these steps:

1. Open the Open **Procurement and Sourcing > Common > Purchase orders > All purchase orders**.
2. Select the purchase order for which to cancel the product receipt.
3. In the **Receive** tab on the Action Pane, click **Product receipt** in the **Journals** group.

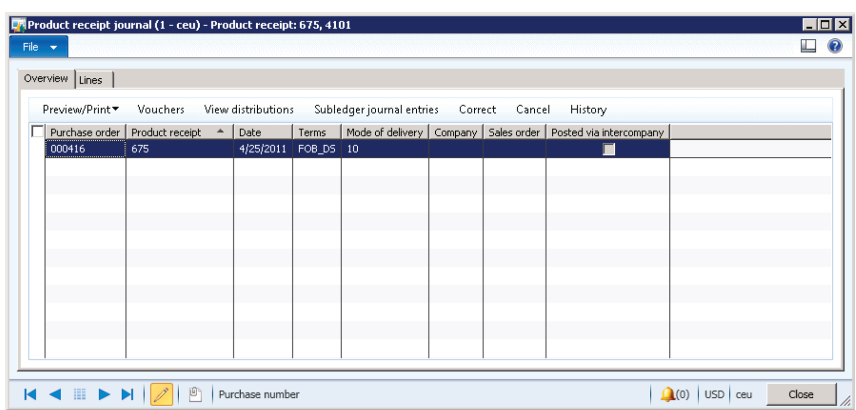


FIGURE 4.22 PRODUCT RECEIPT JOURNAL FORM

4. Select the product receipt you want to cancel and then click **Cancel**.
5. Click **OK** in the dialog form.

6. Close the infolog.
7. Close the **Product receipt journal** form.

## Procedure: Correct a Product Receipt

To correct a product receipt, follow these steps:

1. Open the Open **Procurement and Sourcing > Common > Purchase orders > All purchase orders**.
2. Select the purchase order, for which to cancel the product receipt.
3. In the **Receive** tab on the Action Pane, click **Product receipt** in the **Journals** group.
4. Select the product receipt you want to cancel and then click **Correct**.
5. In the **Product receipt correction** form, make any necessary corrections or changes to the product receipt.

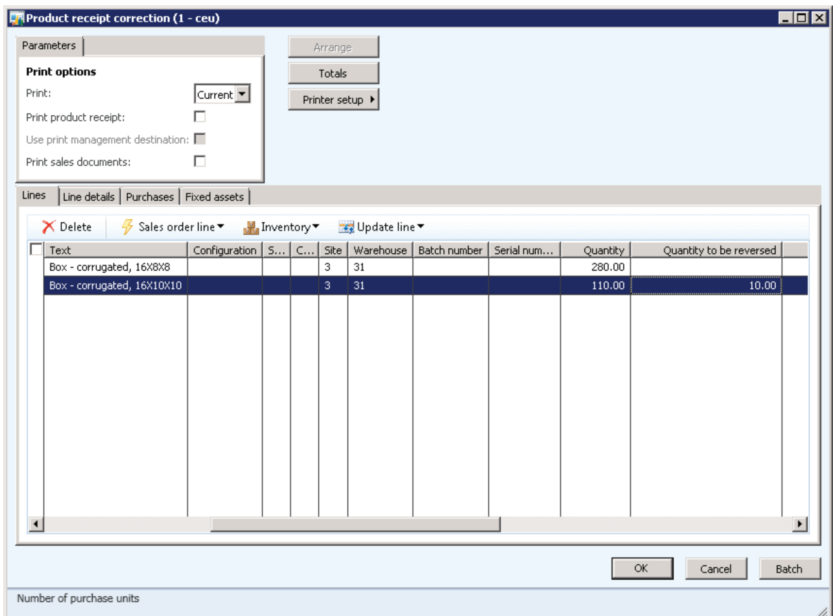


FIGURE 4.23 PRODUCT RECEIPT CORRECTION FORM

6. Click **OK.**
7. Close the **Product receipt journal** form.

## View Changes Between Product Receipt Versions

All changes on each product receipts version is traced. You can view all changes to a given product receipt on the **Compare product receipt versions** form.

To access this form, open the **Product receipt journal** from the **Purchase order** form or **Procurement and sourcing > Inquiries > Journals > Product receipt**. Click **History** to open the **Product receipt history** form to show the multiple versions and then click **Compare versions**.

From the **Compare product receipt versions** form, you can view and compare the differences of each product receipt version.

# Change Management

Companies frequently have to manage purchases closely to make sure that they are not making unnecessary purchases, that purchase are within budgets, or to make sure that the correct vendors are being used and the best pricing is being received.

The change management process enables you to create approval and review processes for your purchase orders. When change management is enabled, purchase orders are created that have an Approval status. purchase orders that are in a Draft status do not have inventory transactions much like a Journal type purchase order has no inventory transactions.

Change management in Microsoft Dynamics AX 2012 enables you to track changes for approval on all or some purchase orders. The change management feature allows for one draft version of a single purchase order at a time. However, the requester of a change request can recall the change request, make additional changes, and then resubmit the purchase order.

When you use change management, a purchase order confirmation is still required before the purchase order can be additionally processed (product receipt and invoice). In addition, a workflow must be defined for purchase orders to use the change management feature. By default, change management is not activated. Therefore, it must be turned on.

There are several features that are not supported with change management:

- Intercompany orders
- Master planning
- Purchase orders created from Production orders

We recommend that you use the override settings to define which transactions should not use change management. For example, intercompany vendors should not have the **Activate change management** check box selected.

***NOTE***: *If you do not use change management, you can still track all the changes that are made between purchase order confirmations.*

## Approval Statuses

Several approval statuses on a purchase order help indicate how far the order is in the change management process. Some statuses are only valid when change management is activated.

| Status | Description | Inventory transactions exist | Used without change management | Used with change management |
|---|---|---|---|---|
| Draft | Status of the order while you are creating the purchase order before the **Submit** button is clicked. | No | No | Yes |
| In process | Status of the order after you click **Submit**. | No | No | Yes |
| Approved | Status of the order after the workflow is approved. When you do not use change management, this is the default status for the order. Inventory transactions are created when the order reaches this status. | Yes | Yes | Yes |
| Confirmed | Status of the order after the purchase order is confirmed. | Yes | Yes | Yes |

## Change Management Roles

The following are several roles in the change management process:

- Requester
  - Create change requests
  - Submit change requests
  - Recall change requests

- Approver
  - Approve
  - Edit and Approve
  - Reject
  - Request Changes

- Task user (optional), who complete a task
- Administrator, who configure the workflow

## Change Management Process

Each business process might require different steps in the workflow. With the workflow configuration, you can define multiple approvals or different levels of approval. Additionally, you can configure tasks for users to review or verify information on the purchase order before the purchase order is approved.

You can also set up line level workflows to have each line approved by appropriate category or department managers, for example.

Each business process will be different. A sample process consists of the following steps:

1. The requester creates a purchase order.
2. The requester submits the purchase order for approval.
3. The task user reviews and updates the accounting distributions for the purchase order, if it is necessary.
4. The approver reviews, changes, or compares purchase order versions.
5. The approver approves, rejects, or requests changes to the purchase order.

---

***NOTE**: For more information about how to configure workflow, refer to Workflow in the Procurement in Microsoft Dynamics AX 2012 course.*

---

## Enable Change Management

Several parameters let you enable change management in the system. To use change management anywhere in the system, it must first be enabled in the **General** tab of the **Procurement and sourcing parameters** form.

- **Activate change management -** enables change management for the current company.
- **Allow override of settings per vendor** - lets you enable or disable the activation of change management on each vendor.

If the **Allow override of settings per vendor** check box is selected in the **Procurement and sourcing parameters** form additional options are available on the **Purchase order defaults** tab of the **Vendors** form.

- **Override settings -** lets you select one or both of the following two options.
  - **Activate change management** - enables change management for the selected vendor.
  - **Allow override of settings per purchase order -** enables you to override the activation of change management on a purchase order by purchase order basis.

If the **Allow override of settings per purchase order** check box is selected in the **Vendor** form, the **Activate change management** check box becomes available on the **Administration** tab of the **Create purchase order** form which lets you manually activate or deactivate change management on a single purchase order.

## Procedure: Enable Change Management

To enable change management, follow these steps:

1. Open **Procurement and sourcing > Setup > Procurement and sourcing parameters**.
2. On the **General** tab, validate that the **Activate change management** check box is clear, and that the **Allow override of settings per vendor** check box is selected.
3. Close the form.

---

***NOTE****: This procedure should only be followed if change management is only enabled for a few vendors.*

*If change management is enabled for most vendors, then* ***Activate change management*** *and* ***Allow override of settings per vendor*** *should be selected.*

*If change management is enabled for all vendors, then* ***Activate change management*** *should be selected and* ***Allow override of settings per vendor*** *should not be selected.*

---

### Procedure: Create a Change Request with Workflow Approval

To process a change request, follow these steps:

1. Open **Procurement and sourcing > Common > Purchase orders > All purchase orders**.
2. Select and edit an existing purchase order.
3. Add lines or change existing lines on the purchase order.
4. Click **Submit**.
5. Optionally, enter a comment and then click **Submit**.

---

***NOTE**: Change management must be activated and a workflow must be set up for the **Submit** button to appear and be functional.*

---

### Procedure: Process a Change Request

Workflow notifications can be opened by using the notifications icon in the status bar. Additionally you can open the **Work items assigned to me** list page to view a list of all workflow task that are currently assigned to you. You can also process a change request from the **Purchase order** form by clicking **Actions** and then selecting an option from the list. To process a change request, follow these steps:

1. Open **Procurement and sourcing > Common > Purchase orders > All purchase orders**.
2. Select the desired purchase order.
3. Add lines or change existing lines on the purchase order.

---

***NOTE**: This requires the workflow task or workflow approval task to allow the assignee to perform changes to the purchase order.*

---

4. Click **Actions** and then select one of the following:
   a. Approve
   b. Reject
   c. Request change

5. Optionally enter a comment and then click **Submit**.

# Lab 4.2 - Change Management

This lab provides practice for you to enable change management and create a purchase order to be submitted through workflow.

### Scenario

Phyllis, the Accounting Manager at Contoso, has decided that all office supply purchase orders should be approved before they are confirmed. However, she does not want change management to be effective for other vendors at this point.

## Challenge Yourself!

Enable change management for vendors 8006: Office Supplies and 9002: Office World. When you are finished, create a purchase order for vendor 8006 with procurement category Office furniture to make sure that the change management is enabled and working correctly. Submit the order when you are finished.

## Need a Little Help?

- Validate the **Procurement and sourcing** parameters.
- Override the change management settings on vendors 8006 and 9002.
- Create a purchase order for vendor 8006 and add the procurement category of Office furniture.
- Submit the order.

## Step by Step

To enable change management, follow these steps:

1. Open **Procurement and sourcing > Setup > Procurement and sourcing parameters**.
2. On the **General** tab, validate that the **Activate change management** check box is clear, and that the **Allow override of settings per vendor** check box is selected.
3. Close the form.

To override change management settings on the vendors, follow these steps:

1. Open **Procurement and sourcing > Common > Vendors > All vendors**.
2. Type "office" into **Search criteria** field, change the **Search field** to Name, and then click the arrow.
3. Select vendor 8006: Office Supplies, and then click **Edit** in the **Maintain** group of the Action Pane.
4. Click the **Purchase order defaults** tab.

5. Select the **Override settings** check box and then select the **Activate change management** check box.
6. Close the form and then select vendor 9002 from the list.
7. Click **Edit** in the **Maintain** group of the Action Pane. The **Purchase order defaults** tab is open.
8. Select the **Override settings** check box and then select the **Activate change management** check box.
9. Close the form.

To create and submit a purchase order with change management, follow these steps:

1. Open **Procurement and sourcing > Common > Purchase orders > All purchase orders**.
2. Click **Purchase order** in the **New** group of the Action Pane.
3. In the **Vendor account** field type "8006", and then press the **Tab** key.
4. Click **Yes** to transfer vendor information.
5. Click the **Administration** tab and validate that the **Activate change management** check box is selected and cannot be changed.
6. Click **OK**.
7. In the **Purchase order lines** tab, select Office furniture in the **Procurement category** field.
8. Click **Submit**.
9. Enter a brief comment such as "Please approve" and then click **Submit**.
10. Close the **Purchase order** form.

# Purchase Order Tasks

Many tasks can be completed for a purchase order through the procurement cycle. The following topics describe some of these tasks:

- Copying a purchase order
- Viewing totals for a purchase order
- Canceling an order line
- Viewing and comparing purchase order versions
- Creating a purchase order from a sales order
- Creating a direct delivery purchase order
- Creating cases or activities that are related to purchase orders

## Copy from All

When you create a Purchase order, the **Copy from all** feature lets you view all Purchase orders, Confirmations, Product receipts, and Invoices lines to select a document or lines most like the one(s) that are being created. This data can be copied and used as a starting point for a new purchase order.

This helps when you create a new purchase order that resembles one previously created for a different vendor, or even for the same vendor for a different item or quantity. Within this option, users can configure the copying of these variables in the **Quantity** and **Setup** field groups:

- Quantity factor
- Invert sign
- Copy charges
- Recalculate price
- Copy precisely
- Delete purchase lines
- Copy order header

You can open the **Copy from all** form by clicking **Copy from all** in the **Copy** group of the Action Pane, or in the **Purchase order lines** tab of the **Line** view, and then clicking **Purchase order line** and selecting an option for copying information.

## Copy from Journal

You can also create purchase order lines by copying lines from other purchase order journals by using the **Copy from journal** form.

With the **Copy from journal** option, users can configure the copying of the same variables in the **Quantity** and **Setup** field groups as they did for the **Copy from all** function.

## Procedure: Copy a Purchase Order

To create a new purchase order and copy the lines from another purchase order, follow these steps:

1. Open **Procurement and sourcing > Common > Purchase orders > All purchase orders**.
2. Click **Purchase order** in the **New** group of the Action Pane to create a new purchase order.
3. In the **Create purchase order** form, select a vendor.
4. If you are prompted, click **Yes** to copy address, delivery address, currency, invoice account number, and language to the purchase order.
5. If you are prompted, click **No** to create the new purchase order without copying previous vendor purchase information.
6. Enter or change the information in the **Create purchase order** form, if it is necessary, and then click **OK**.
7. Click **From all** in the **Copy** group of the Action Pane.
8. Select the purchase order(s) to copy from.
9. Click **OK** to copy the selected purchase order(s) and purchase order line(s).

## Procedure: View Totals for a Purchase Order

You can view the totals for a purchase order by opening the **Totals** form.

1. Open **Procurement and sourcing > Common > Purchase orders > All purchase orders**.
2. Select the purchase order to view the totals for.

3. Click **Totals** in the **View** group of the Action Pane to view the totals.

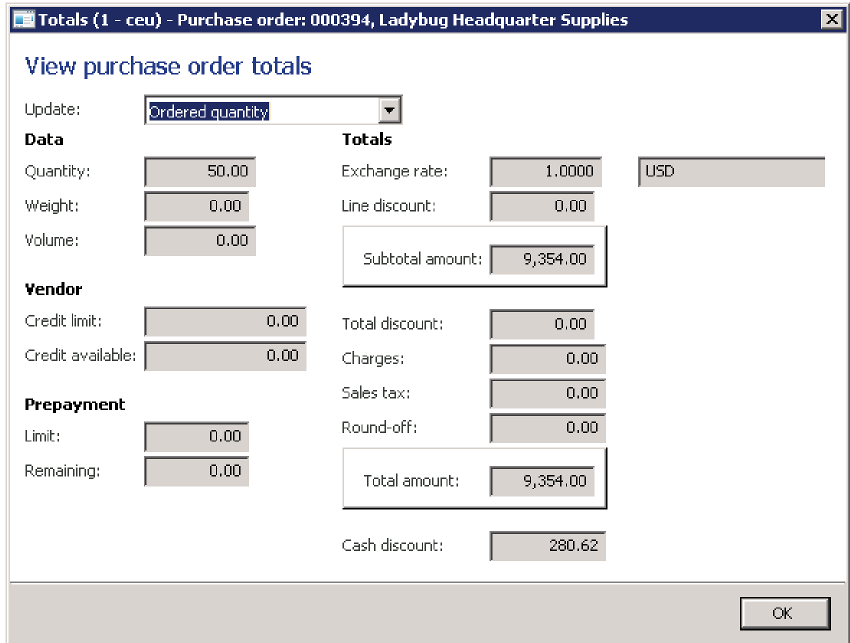


FIGURE 4.24 TOTALS FORM

4. In the **Update** field, specify how you want to generate totals.
5. Click **OK** to close the form when you are finished.

## Procedure: Cancel an Order Line

To cancel an order, you must clear any backorder quantity and end the order line without deleting it. To cancel an order line, follow these steps.

1. Open **Procurement and sourcing > Common > Purchase orders > All purchase orders**.
2. Select the desired purchase order, and then click **Edit** in the **Maintain** group of the Action Pane.
3. Click **Line view** in the Action Pane and then select the desired line to cancel in the **Purchase order lines** tab.
4. Click **Update line > Deliver remainder**.
5. Enter the new backorder quantity in the **Deliver remainder** field. The purchase quantity is the number of purchase units not yet received.
6. Click **OK** to update the purchase order line deliver remainder quantity to the amount entered.
7. Click **Cancel quantity** to zero the **Deliver remainder** and to change the **Line status** to Canceled.

## Procedure: View Purchase Order Versions

Microsoft Dynamics AX keeps an audit trail of all changes that are made to a purchase order. When a purchase order is changed, you can view these changes. The history of a purchase order is recorded every time that you approve or confirm the purchase order.

To view purchase order versions, follow these steps:

1. Open **Procurement and sourcing > Common > Purchase orders > All purchase orders**.
2. Select the desired purchase order.
3. Click the **Manage** tab and then click **View purchase order versions** in the **History** group of the Action Pane.
4. Each version of the purchase order will be displayed as one record in the **Purchase order versions** form.

## Procedure: Compare Purchase Order Versions

When more than one version of a purchase order exists, you can compare them to view the differences. To compare purchase order versions, follow these steps:

1. Open **Procurement and sourcing > Common > Purchase orders > All purchase orders**.
2. Select the desired purchase order.
3. Click the **Manage** tab and then click **Compare purchase order versions** in the **History** group of the Action Pane.
4. The **Compare purchase order versions** form will open and any differences will be displayed. Each field that has a difference will display in the **Changed fields** grid with the old and new values.

## Procedure: Create a Purchase Order from a Sales Order

Microsoft Dynamics AX allows for a direct link to be made between a purchase order and a sales order. For example, the purchasing agent wants to create a summed purchase order for all sales orders for a particular item.

1. Open **Procurement and sourcing > Common > Purchase orders > All purchase orders**.
2. Click **From a sales order** in the **New** group of the Action Pane.
3. Click **Select** and enter a query to find all the desired sales order lines.
4. Select the **Include all** check box to select all the sales orders that are displayed from the query, or select the **Include** check box next to each desired sales order line.
5. Optionally, select the **Adjust quantity to within permitted range** check box or the **Search for purchase agreements** check box.
6. Click **OK** to create one purchase order to cover all sales order requirements.

A purchase order with lines to cover all the sales order requirements is created. When the purchase order is created, each line references the sales order requirement. Additionally, the sales order and Purchase order are now marked against one another.

## Direct Deliveries

You can create deliveries for items to be sent directly to your customer from the vendor. This type of delivery saves on delivery time and inventory carrying costs, because you do not hold goods in your warehouse before shipping to the customer.

To create direct deliveries from the **Sales order** form, create a sales order and order lines, and then select **Create direct delivery** from the **New** group of the Action Pane, specifying the lines that you want handled as a direct delivery. When the purchase order is created, a link is created between the direct delivery sales order lines and their corresponding purchase order lines.

After you have created the direct delivery link between the sales order lines and the purchase order, you can generate a product receipt for the sales order by generating a product receipt or invoice from the purchase order. You must invoice update the sales order from the sales order form. The sales order cannot be invoice updated with a larger quantity than is registered as received.

For example, if only five pieces from a sales order line of ten pieces are product receipt updated, and you select All from the **Quantity** list when invoice updating, then only those items that are physically received (product receipt updated) will be invoice updated, and not the whole sales order line.

### *Example: Reference Numbers*

Sales order 00033_036 has three lines on it. When you create direct deliveries for all three of these lines, their corresponding purchase order receives 00033_036 as the reference. Purchase order 00030_049 is also linked with the same sales order, and in that case, the sales order receives 00030_049 as its reference number.

### *Delivery Date*

When you update the **Requested receipt date** field on the sales order line, the **Delivery date** field on the corresponding purchase order line is also updated. However, when you update the **Confirmed** field on the purchase order line, the **Confirmed receipt date** and **Confirmed ship date** fields on the corresponding sales order line are updated.

### Delivery Address

When you create a direct delivery, the customer's address is automatically entered as the delivery address. If you change the delivery address for a purchase order line of delivery type of Direct delivery, then the delivery address for the corresponding sales order line is also updated. Similarly, if you change the delivery address on the sales order line, the delivery address on the purchase order line is updated with this new address.

### Delete Order Lines

If you want to delete a sales order line with a delivery type of Direct delivery, a warning will appear telling you that purchase order lines are attached to the line. If the sales order line is partly delivered, you cannot delete the sales order line or its attached purchase order lines.

### Warehouse

When you create a direct delivery, the items that you sell never physically arrive at your warehouse. However, it is still necessary to specify a warehouse on the sales order line. Similarly, although picking requirements might be specified on the items' item model group, because the items never physically arrive in your warehouse, these requirements are ignored when the sales order is a direct delivery.

## Procedure: Create a Direct Delivery Purchase Order

To create a purchase order for a direct delivery, follow these steps:

1. Open **Sales and marketing > Common > Sales orders > All sales orders**.
2. Select the desired sales order to create the direct delivery purchase order for.
3. Click **Direct delivery** in the **New** group of the Action Pane.
4. The **Create direct delivery** dialog box lists all sales order lines in the sales order and includes the preferred vendors.
5. If it is necessary, change the vendor account number in the **Vendor account** field.
6. Select the **Include all** check box if you want to create direct deliveries for all the sales order lines in the form.
7. Select or clear the parameters in the uppermost part of the form and then click **OK**. A purchase order is automatically created in the **Purchase order** form.

All updates to the selected sales order lines are now performed by using the **Purchase order** form, except for invoicing. You must still invoice your customer manually.

# Purchase Order Inquiries and List Pages

Microsoft Dynamics AX 2012 includes several additional list pages and inquiry forms that can help you view and manage your purchase order information.

## Additional List Pages

List pages can help reduce the time to complete some daily tasks in Microsoft Dynamics AX. You can use list pages to view a list of similar records, select a record, and then perform actions against that record.

There are several list pages that are specific to purchase orders. They can all be accessed from **Procurement and sourcing > Common > Purchase orders**.

| List page | Description |
|---|---|
| Purchase orders not sent | Displays a list of purchase orders that were not sent to the vendor. |
| Unconfirmed purchase orders | Displays a list of purchase orders that were not confirmed. |
| Purchase orders of type journal | Displays a list of purchase orders where the **Type** field is Journal. |
| Planned purchase orders | Displays a list of planned purchase orders that were not firmed that are generated by Master Planning. |
| Delayed purchase orders | Displays a list of planned purchase orders that are delayed. |
| Backorder purchase lines | Displays a list of purchase order lines that are on backorder. The backorder date defaults to the current system date but can be updated in the view. |

## Inquiries

Inquiry forms are used to view data. You can also use inquiry forms to drill down into data, filter, or export the data to Microsoft® Office Excel® to create your own custom reports from the data. Several purchase order related inquiries are available in Microsoft Dynamics AX. The following inquiry forms can be found in **Procurement and sourcing > Inquiries**.

| Inquiry form | Description |
|---|---|
| Open purchase order lines | Use this form to receive an overview of the purchase order lines that were not executed and that have open order status. An open order status means that the purchase order lines were not received and invoiced. |
| Backorder purchase line details | Use this form to obtain an overview of backorder purchase lines or to follow up on missing deliveries and view expected delivery dates. |

| Inquiry form | Description |
|---|---|
| Packing material transactions | Use this form to list the packaging material transactions for purchase order lines. You can edit existing transactions and create new transactions.<br>You can change the information in the **Purchase order**, **Code**, **Weight**, **Packing unit**, **Packing unit quantity**, and **Packing unit weight** fields. All other fields are only displayed and cannot be changed. |
| Confirmation | Use this form to see the result of each purchase order confirmation. To check the generated results, always check the update history after a batch job update of purchase order documents. For each confirmation, the form shows you the result in the **Job status** field. If generation is successful, the Job status is Executed.<br>If a document is selected for generating in a batch job but not yet posted, the Job status is Waiting. If posting results in errors, the Job status is Errors detected. |
| Receipts list | Use this form to see the result of each purchase order receipts lists. |
| Product receipt | Use this form to see the result of each purchase order product receipt. |

## Summary

This chapter reviewed how to use the basic purchase order functionality, how to confirm purchase orders and generate purchase order documents.

The following areas were covered:

- Creating purchase orders.
- Setting up parameter settings for purchase orders.
- Confirming purchase order.
- Generating purchase order documents.
- Creating direct delivery purchase orders.

Additionally, the change management process was reviewed. Change management lets you to create approval and task process flows for your purchasing organization.

## Test Your Knowledge

Test your knowledge with the following questions.

1. Change management is not supported for which of the following? (Select all that apply)

   ( ) Intercompany purchase order

   ( ) Purchase orders created from Purchase requisitions

   ( ) Purchase order created from Production demand

   ( ) Master Planning

2. At which Approval status are inventory transactions created when change management is activated?

   ( ) Draft

   ( ) In process

   ( ) Approved

   ( ) Confirmed

3. Which of the following are valid views of the Purchase order form? (Select all that apply)

   ( ) Simple view

   ( ) Advanced view

   ( ) Header view

   ( ) Line view

4. Categorize the following items:

| | |
|---|---|
| _____ 1. Use as a draft.<br>_____ 2. Use when the vendor confirms an order.<br>_____ 3. Use when you return goods to the vendor. | a. Purchase order<br>b. Return order<br>c. Journal |

5. Which Approval status is a purchase order in when you create a purchase order when change management is not enabled?

   ( ) Draft

   ( ) In process

   ( ) Approved

   ( ) Confirmed

6. Change management can be enabled for which of the following? (Select all that apply)

   ( ) All vendors

   ( ) Specific vendors

   ( ) Specific items

   ( ) Specific purchase orders

## Quick Interaction: Lessons Learned

Take a moment and write down three key points you have learned from this chapter

1.

2.

3.

# Solutions

## Test Your Knowledge

1. Change management is not supported for which of the following? (Select all that apply)

   (√) Intercompany purchase order

   ( ) Purchase orders created from Purchase requisitions

   (√) Purchase order created from Production demand

   (√) Master Planning

2. At which Approval status are inventory transactions created when change management is activated?

   ( ) Draft

   ( ) In process

   (•) Approved

   ( ) Confirmed

3. Which of the following are valid views of the Purchase order form? (Select all that apply)

   ( ) Simple view

   ( ) Advanced view

   (√) Header view

   (√) Line view

4. Categorize the following items:

| | |
|---|---|
| __c__1. Use as a draft.<br>__a__2. Use when the vendor confirms an order.<br>__b__3. Use when you return goods to the vendor. | a. Purchase order<br>b. Return order<br>c. Journal |

5. Which Approval status is a purchase order in when you create a purchase order when change management is not enabled?

    ( ) Draft

    ( ) In process

    (•) Approved

    ( ) Confirmed

6. Change management can be enabled for which of the following? (Select all that apply)

    (√) All vendors

    (√) Specific vendors

    ( ) Specific items

    (√) Specific purchase orders