

## Chapter 6 – Purchase Order

Technically speaking, “Purchase Order” is part of the Accounts Payable. From the Accounts Payable module, click the Purchase Order button to into the Purchase Order module.

In this chapter, you will learn the followings:

- I. Enter a Purchase Order
- II. Copy from an existing PO
- III. Purge or Delete POs
- IV. Converting a PO to an AP invoice

The screenshot displays the 'Accounts Payable' module interface. On the left, a 'Vendor By' dropdown menu is open, showing a list of vendors with 'United Parcel Service' selected. The main area shows the 'Current Selection' for 'United Parcel Service' with details: Account ID: UPS100, Name: United Parcel Service, Address: PO.Box 21555, City, State and Zip: San Francisco, CA 94109, and Telephone: 415-226-3516. Below this is a table with '+', 'Edit', and 'Delete' buttons. On the right, there are 'Reports' and 'Reprint Check' sections. At the bottom, there are buttons for 'View Vendor', 'Enter Payable', 'Pay Invoice', 'Purchase Order' (highlighted with a red circle), and 'Return'.

Current Selection	
Account ID	UPS100
Name	United Parcel Service
Address	PO.Box 21555
City, State and Zip	San Francisco, CA 94109
Telephone	415-226-3516

Reports	
Reprint Check	Check Number: 1690
Report Year	Current Year
Starting Date	1/1/2020
Ending Date	12/31/2020
Select Report	Current Aging (Real Time)

Figure 6-1

Purchase order (PO) services as a memorandum in planning your inventory or service items. Creation of a PO does not generate any accounting entries in system. The system won't recognize the liability until the goods (items) are received or vendor invoices are entered in AP system. However, this module will give you a forecast of the availability of your inventory and payable schedule to plan your cash flow.

- I. Issue/enter a Purchase Order:

Step 1, Click [Payable] from AP module to get into the AP page (see figure 6-1 above), select a vendor you want to purchase from (United Parcel Service). Then click the [Purchase Order] button to get into the PO page (Figure 6-2)



# ExcelBook Accounts Payable

Sandy's Furniture Store

**ISSUE TO:**

Vendor ID: APLU100

A Plus Furniture Wholesaler Comp:

1000 Washington Avenue

San Francisco, CA 94133

Tel: 415-222-3000

**Purchase Order**

All POs:

Ship To: Sandy's Furniture Store

Address: 1230 Danny Blvd

City: San Francisco

State: CA

Zip: 94124

PO Number: 5059

PO Date: 12/19/2020

Shipping Date: 12/15/2020

Ship Via: Best Way

Term: N30

Buyer: Daniel

Our Item Description	OnHand	Item	Vendor's Item Description	Qty	Unit Price	Amount
1 King size Metal Bed	83	1001524	King size Metal Bed	6	29.50	177.00
2 Metal Computer Desk	85	1134023	Metal Computer Desk	2	106.50	213.00
3 Computer Desk	86	A1008	Computer Desk	2	199.50	399.00
4 Wooden Chair	94	Chair 1	Wooden Chair	3	160.00	480.00
5 Shipping	0	Shipping	Federal Express	1	120.00	120.00
6						-
7						-
8						-
9						-
10						-
11						-
12						-
13						-
14						-
15						-
16						-
17						-
18						-
19						-
20						-

Note:

Total: \$ 1,389.00

New

Save-Display

Clear Lines

Return

☐ Purge All Completed POs

Or Cutoff Date

Purge Purchase Orders

Figure 6-3

## II. Copy from an existing order.

From the dropdown menu on top, retrieve an order (select an existing order you want to copy from). Make changes if necessary. Then simply enter a new purchase order number in Cell H2. Click on the [Save-Display] icon; a new PO will be saved.

If a PO is received or invoiced, it is not editable. If it's partially received, the system will create a back order. The back order number is the received PO number plus a suffix "-B". For example, if items on the purchase order 20001 partially received, the system will create a backorder as 20001-B for the balance. If back order 20001-B is not received in full the 2<sup>nd</sup> time, the system will create another back order as 20001-BB. So forth and so on.

## III. Purge PO

If a PO is received either fully or partially, and if it is invoiced through AP, then it is considered completed. All completed POs will be purged when you close the accounting year end for AP unless you check the option box ☐ Don't Purge Completed POs at Year-End Closing. (see figure 6-4). (The default setting is to purge all received and invoiced POs at year end closing)

# ExcelBook Accounts Payable

View at ExcelBook.Org

## Accounts Payable Setup

Company Information		Release AP Journals to General Ledger		<input checked="" type="radio"/> Detail <input type="radio"/> Summary		<input type="button" value="Release to GL"/>
Company Name:	Sandy's Furniture Store	From:	05/01/20			
Address1:	1230 Danny Blvd	To:	05/31/20			
Address2:						
City:	San Francisco	GL Account Number				
State:	CA	AP Controlling:	2000	Accounts Payable		
Zip:	94124	Checking/Cash:	1000	BOA Checking		
Phone:	415-626-1000	Next PO Number:	5059			<input type="checkbox"/> Allow Vendors Backorder Our Purchase Orders
Fax:	415-626-1200	Next Check Num:	1691			<input type="checkbox"/> Don't Purge Completed POs at Year-End Closing
Email:	info@Sandy.com	Accounting Cycle Year/Month End:		2020		
Tax ID:	94-999999	Current Year-End	12/31/2020	December		<input type="button" value="CLOSE Year-End"/>

Figure 6-4

You may also delete it or purge POs manually by entering a cutoff date or check the [Purge All Completed Pos] checkbox (figure 6-5).

Sandy's Furniture Store

## Purchase Order

ISSUE TO:

Vendor ID: APLU100  
 A Plus Furniture Wholesaler Comp  
 1000 Washington Avenue  
 San Francisco, CA 94133  
 Tel: 415-222-3000

All POs:

Ship To: Sandy's Furniture Store  
 Address: 1230 Danny Blvd  
 City: San Francisco  
 State: CA  
 Zip: 94124

PO Number: 5059  
 PO Date: 1/1/2021  
 Shipping Date: 1/1/2021  
 Ship Via: Best Way  
 Term: N30  
 Buyer: Daniel

Our Item Description	OnHand	Item	Vendor's Item Description	Qty	Unit Price	Amount
1						-
2						-
3						-
4						-
5						-
6						-
7						-
8						-
9						-
10						-
11						-
12						-
13						-
14						-
15						-
16						-
17						-
18						-
19						-
20						-

Note:

Total: \$ -

☒ Purge All Completed POs  
 Or Cutoff Date: 12/31/2020

Figure 6-5

Click the purge icon, all POs' shipping date before 12/31/2020 and all completed POs will be purged.

**Sandy's Furniture Store**

Year End Setting: 12-31-2020

**A Plus Furniture Wholesaler Company**

1000 Washington Avenue  
San Francisco, CA 94133

Last Period Closed: 05-31-2020

**AP Invoice**

Controlling Account

Account Cr	Accounts Payable	2000
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Template: New Invoice [X] Clear

Invoice:

Date:	1/1/2021
Amount:	
P.O. No:	
Term/Due:	N30
Post Date:	1/1/2021

[Save as Template]

[Process]

[Pay Now]

[Return]

Dimension	Description	Account Dr	Item Description or Reference	Amount
	Outside Service	6600		

Purchase Order List

- 5037 A Plus Furniture Wholesaler Company
- 5039 A Plus Furniture Wholesaler Company - Invoiced
- 5048 A Plus Furniture Wholesaler Company
- 5050 A Plus Furniture Wholesaler Company
- 5051 A Plus Furniture Wholesaler Company
- 5053 A Plus Furniture Wholesaler Company
- 5054 A Plus Furniture Wholesaler Company
- 5057 A Plus Furniture Wholesaler Company

Figure 6-6

In the AP invoice page (figure 6-6), enter vendor invoice number and date as normal AP invoice entry (see AP instruction Chapter 4, section III). Select the PO No. field (cell H5), click the magnifying glass. A pop-up box listing all existing POs. Double click on the PO number you want to invoice, information on the PO will be transmitted to this invoice page. Click the [Process] icon to post the AP invoice.