PO RECEIPT GUIDELINES

How PO receipts establish inventory value, support costing discipline, and keep purchasing progress visible.

1. PO RECEIPT ACCOUNTING

1 PO Receipt Establishes Inventory Value for Items

- PO Receipt absorbs material costs into inventory.
- The receipt cost is averaged with any quantity and value on hand to establish inventory value.

2 PO Receipt for Descriptors

- Post to Misc Purchases or to a GL Exception account.

3 PO Receipt of Subcontract POs

- Automatically absorbs subcontract service costs or misc job cost into the job's Work in Process.

2. GOOD COSTING STARTS AT PO CONVERSION

1. Verify and update supplier prices before PO conversion.
2. For items, run BOM > Estimated Purchase Cost by Default Supplier, then run BOM > Cost Rollup to update system estimated costs.

3. PO RECEIPT PROCESSING

1. Verify that prices are reasonable at time of PO Receipt.
2. Receipt to the item's default Receipt stock location.
3. **For inspection items or QC**
   - Receipt to a Transitory Receipt location for the item.
   - Perform the inspection.
   - When passed, Stock Transfer to the Primary Stock location for the item.

4. MONITOR PROGRESS IN PO SCHEDULE

1. Track POs that are holding up Job Release.
2. Update Expected Date when the supplier confirms a new supply date.

Best practice: Accurate PO receipt costing and timely PO schedule updates improve inventory value, purchasing control, and job readiness.