

## Tracking PO Adders, Freight and Other Charges

PO Adders, Freight costs and other additional charges have a direct impact on your landed cost.

Eagle system settings direct the distribution of these fees across individual items and can ultimately affect your profit margin.

Let's take a closer look at each of these costs and their effect on purchasing and receiving.

Purchase Order Adders are simply an alternative way to automatically calculate freight charges based on a 'Type' that you define with a freight table.

From MPO, open the 'GoTo' menu and select 'PO Adder Types' from the Maintain menu.

Click 'Add' to set up the first adder.

Enter a 1 or 2 character alphanumeric code, along with a description.

In the 'Minimum \$ Amt' box, enter the minimum freight charge your business allows for this type of adder.

Now, click 'Add Range' to create the table.

If the first range starts at zero dollars, leave the 'From \$' box blank and then enter the 'Percent' that will be calculated.

Press 'OK' and the range is added to the adder type.

Press 'Add Range' again to add the next tier.

In our example we will set this to \$500 and calculate a 2% charge.

The upper limit is added to the first range.

You can add up to 10 ranges.

Repeat these steps for each Type required.

Use the 'Change' button to update an Adder Type.

You can 'Add a Range' or 'Delete a Range'.

Press 'OK' when you are done and cancel to close the dialog box.

To include this charge on a Purchase Order, click the 'Adder Type' link.

Select the appropriate code.

Eagle uses the freight table along with the total cost of the items received to calculate the freight charges.

If the PO status is F or P, you'll receive an estimate for the freight adder.

When you finalize the Purchase Order with the Receiving Report, the process automatically checks for an Adder type and calculates the final freight amount.

If you'd like to view this amount on the received PO, you can select 'Recalculate PO Adder Amount' from the 'Miscellaneous' menu.

The Total Freight field is updated based on the Adder type chosen.

If you are not using PO Adders, you can manually add the freight charges.

Enter the amount here in the Total Freight column.

Best Practice recommends using Average Cost to determine your profit margin.

Freight along with other charges, are used to calculate the average cost of all items received on a PO.

Dependent on your setting, Option ID 105 'Use Landed Cost in Receiving' determines how your 'Landed Cost' is calculated.

The Freight, Adders and other charges are prorated based on the SKU's extended cost or its weight.

'Other Charges' can be used to enter any other costs associated with this PO, such as insurance, handling fees, or tariffs.

It is also important to note that as an Eagle User, you can use the Other Charges field to prorate discounts across line items.

For example, you may have special promotional pricing that you want to apply to the entire PO, but you don't want to have to enter it line by line.

To use the 'Other Charges' field for the discount, verify that Option ID 105 is set to either Y or Z.

Enter the total discount amount as a negative number in the Other Charges field.

When you finalize the Purchase Order, the amount entered in the Other Charges will be distributed across all items on the PO.

Using PO Adders, Freight, and Other Charges is essential to keeping track of the true, landed cost of your inventory.

Understanding how these costs affect the profit margin of individual items is the key to growing the profitability of your business.

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