When your vendor uses a third, outside party to ship or process merchandise, you are often left with a separate bill.

Sometimes, this shipping or processing bill applies to more than one invoice. It is ideal if those skus on all of the invoices are able to absorb their portion of that extra cost.

With Advanced Receiving, you have the ability to pass freight and other charges to additional vendors by using the 'Other Charges' fields.

You can also prorate a single freight bill and distribute the charges amongst two or more purchase orders.

We will review both processes in today's lesson and provide you with specific examples and detailed step by step instructions.

When a vendor other than the one you purchased the merchandise from adds additional shipping or handling charges, you can enter those amounts into the 'Other' fields in MRV and finalize them by running the RRV report with Option 'F'.

When APP is run, the system creates a voucher for the received PO amount.

A negative distribution, as seen here is made to the Freight Account in ACON.

Additional vouchers are created for each of the 'Other' Vendors with a balancing distribution to this same Freight Account.

If you have the 3rd party invoice and you enter the 'Freight Bill Number' when adding in the 'Other' amount, the system will create an 'R' or Regular type voucher when APP is run.

If you do not have the 3rd party invoice and you do not enter the Freight Bill Number, the system will create a 'T' or Temporary type voucher.

Once the 3rd party bill arrives, the 'T' type voucher created by the system needs to be changed to an 'R' type voucher in 'New AP Transactions' or ATMU.

This process allows for a single freight bill to be easily applied to the receiving of multiple purchase orders.

It creates a voucher for the Freight Vendor, while leaving the MRV document open and still able to be processed when the Merchandise Vendor's invoice arrives.

The total amount of freight received is distributed across the invoices based on the original received amount.

So if an invoice has a higher dollar value, it would incur a larger amount of the total freight.

From the MRV window, click the 'View RV' button to display the Receiving Documents Viewer.

Use the 'Lookup Criteria' at the top of the grid to isolate purchase orders for a specific vendor.

You can also use filters on any of the columns as you would with any grid or populate any of the other fields at the top of the screen such as 'Store' or 'Receipt Date'.

Add the 'Check Boxes' column if it is not already displayed.

Select the invoices that all pertain to your single freight bill.

Now click the 'Misc' menu button and choose 'Prorate Freight to Checkboxed Rows'.

Select the appropriate freight vendor.

Enter the total amount that this vendor invoiced you.

And enter the 'Freight Bill Number' from the documentation this vendor supplied.

Per the instructions on the 'Prorate Freight' dialog box, if you enter only the 'Freight Vendor' and the 'Total Freight', the amount will be added to each PO in the 'Other Charges' field.

If you only enter the 'Total Freight' amount, the value will be prorated and added to each purchase orders 'Freight' field.

If you include all three fields of data, the amount will be prorated and one AP Voucher will be created. The 'Freight Bill Number' will be used as the vendors invoice number.

Press 'OK' and close the Receiving Documents Viewer.

You will need to pull up each invoice in question and recalculate the 'Invoice Total'.

Be sure to save this recalculation by pressing 'Change'

Then run the RRV report with Option 'F' to finalize the changes.

You will need to do this for each purchase order that is being affected by this freight bill.

When APP is run again it will create a voucher based on what you entered in the 'Prorate Freight' dialog box.

In our example, the amount of freight added to this purchase order is directly related to the total original amount that was received.

This purchase order was for a smaller dollar amount and therefore incurred a smaller amount of the prorated freight charges.

The third purchase order also had charges added to it based on the total amount of merchandise received.

As you have seen, you can easily account for any additional charges that your vendor or an outside vendor may include.

You can add a Third Party charge that relates to a single purchase order right in the header screen.

You can also distribute the freight charged by a Third Party vendor amongst several selected purchase orders.

Both processes help you ensure that your landed costs are accurate and in turn, that your margins provide a true picture of what is occurring in your business.