Using Return and Defective Purchase Orders

Suppliers usually get your order right, but once in a while you may have to deal with a defective product, or a wrong product being shipped.

This course will guide you through the process of returning defective or substituted products to your supplier.

Objectives

- Return Purchase Orders
- Defective Purchase Orders
- Finalizing Purchase Orders

Return Purchase Orders

If you received excess or inferior quality products from your supplier, you'll have to return them to maintain an accurate inventory value and get any credit due.

From the main menu, select **Purchasing** > **Purchase Order**.

Click the **Add** icon.

The **Add New PO** pop-up appears.

If you're managing multiple stores, select the correct one. The logged-in store is selected by default.

Select the right *supplier* and choose **Return** in the **PO Type** drop-down menu.

Enter a reference number if any.

Enter a material authorization code in *this* field. This code comes from your supplier, and you may need one to get a refund.

Enter the date the item will be returned and click **Save**.

Once saved, the **Edit Purchase Order** page displays, so you can add the individual items.

Scroll down to the **Items to be Returned** section.

Use the **Return By** toggle to set the items' unit to purchase unit or stocking unit.

Use the **Add Items** button to add multiple items at once.

Use the available filters and click **Search**.

Select the items using the checkbox. Click **Add to Order**.

Change the **Return Quantity** and **Unit Cost** if needed and click **Save**.

A summary of the purchase order is displayed in the **PO Summary** tab.

You can either print or email the purchase order from the **Actions** drop-down menu.

Select **Email Purchase Orders**.

To send this purchase order by email, select **Email Purchase Orders** from the **Actions** drop-down menu.

Enter the **From** and **To** email addresses and click **Send Mail**.

Defective Purchase Orders

If items are damaged during shipping *or* are found to be defective, you can create a defective PO to get credit from your vendor and keep your inventory up to date.

In the **Create Purchase Order** page, click **Add**.

Select **Defective** in the **PO Type** drop-down menu.

Select a *defective policy* that represents this supplier's terms and conditions.

The defective policy may also depend on the type of defect.

Some suppliers provide credit and ask you to destroy the item.

In this case, the defective policy is **Field Destroy**.

In other cases where the supplier asks you to ship the item back to for reimbursement, the defective policy will be **Return.**

These defective policies are part of the supplier setup. Click the **Question Mark** icon for detailed help with each field.

Fill in all the required fields. Click **Save**.

Add items to the purchase order in the **Items to be Returned Defective** section.

Click **Save**.

Click the **Actions** drop-down menu and choose to print or email the purchase order.

Finalizing Purchase Orders

After creating return or defective purchase orders, the next step is to finalize them so that QOH is updated.

In the **Create Purchase Order** page, you can enter the return or defective PO number in the **Search PO** field.

Click the **Table View** icon to access multiple purchase orders.

Use the available filters to narrow your search results and click **Search**.

Select the purchase order and click **Receiver**.

Click **All by Totals and** you will be redirected to the **Review Totals and Finalize** screen.

Click **Save and Finalize** when you're done reviewing.

Then choose **Finalize** or **Print and Finalize**.

The Quantity on Hand is updated to reflect the return, and you can see all this activity recorded in the Inventory Transaction Register.

Recap

Return and defective purchase orders are used to correct supplier errors or manufacturer defects.

In this course, we showed you how to create return and defective purchase orders.

We also to received and finalized a purchase order and observed the update of the product's quantity on hand.

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