Process:	*Manage Purchase Returns*

Document information:

Document Number	P-3.3
Process Cluster	Procure to Pay
Date of creation	4/11/2021
Date of revision	Click or tap to enter a date.

Process Ownership	Name	Function	Date
Author	Jurgen Trogh	D365 Key User	4/11/2021
Reviewer (s)	Jolien Sleeckx	D365 Key User	Click or tap to enter a date.
Approver (s)	Kurt Braspenninckx Marc Vandenhove	Supply Planning Team lead Supply Chain Manager	Click or tap to enter a date.

Document history:

Version	Reason for change	Date effective
01	NEW	02/01/2022

Process Scope

In this Process we describe the execution of the return orders on the purchasing side.
This activity will take place when Belchim has bought products from a specific supplier.

 Belchim and a supplier agree together that a certain quantity that was bought for a specific product can be returned to this supplier. This return can have multiple reasons: e.g., stipulated by contract that after a certain period stock can be returned. (Quality reasons, excess stock).
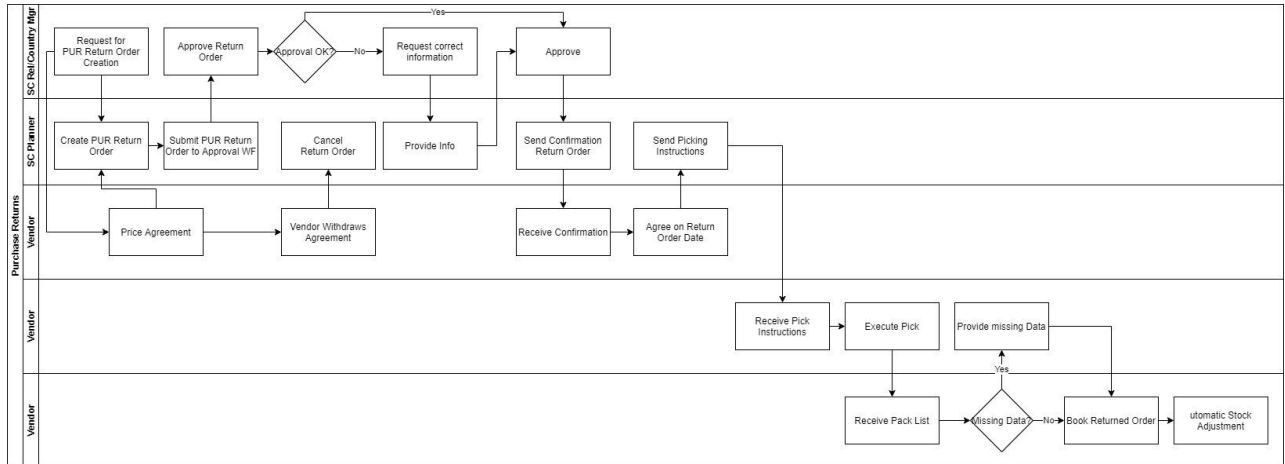
The Return order is nothing more than a reversal of a PO. It is also entered by the SC planner. The supplier will issue a CN to Belchim Finance.

Belchim will not execute the transport of this return order; this is handled by the Suppliers. Both parties will arrange together the moment that the goods can be picked up in the WH. Like this Belchim can inform the WH via email to pick this specific product with a specific batch and the supplier can arrange the transport.

Once the products are physically picked, the SC admin will post the product receipt of this picking. With this action the returned stock will disappear out of D365.
Finance will later process the CN of this Return order

Process Visualization

Process Steps

Step 1: Creation of a Purchase Return order

The SC planner will create a Purchase return order based upon a request of the SC relation colleague (or the country manager for a local managed supplier).
The SC planner will indicate the product that needs to be returned. Furthermore, the quantity and the batch number need to be mentioned as well.

A reason code also needs to be mentioned on this return order so that later can be traced why this stock had to be sent back. In this purchase return order, the planner will also indicate the stock location where this product is available.

Finally, the planner also needs to fill the return price (agreed upon between the SC Relations or country manager and the supplier) of this product (purchase price can be used).

Once the Purchase return order is prepared this order needs to be submitted in the approval workflow.

Link to work instruction "WI Step 1"

Step 2: Workflow approval for the return order

The SC relations colleague or the country manager needs to approve this return order so that the planner can continue this process.

Manage Purchase Returns– Version 01

If the Purchase Return order is not correct, e.g., wrong quantity, wrong price, or no agreement with the supplier anymore, the approval of this Return order can be declined. The SC planner needs to modify the order according to the remarks of the approvers or cancel the return order then.

If the approval is granted; the SC planner can send the Purchase Return order confirmation towards the supplier via email. Belchim informs the supplier that this product will be returned to him. The confirmation document will contain a negative quantity and price.

"WI Step 2"

Step 3: Pick and post the Purchase return order

Once the Purchase Return order is created and confirmed, Belchim and the supplier will define when this return order can be executed. The SC planner will inform the WH that a pick for a return order needs to be executed.

Once the products are picked the SC admin will book this Return order in the system. To execute this step the SC admin needs to verify the picked quantity and the picked batch based upon the received documents (packing list) of the WH.

If these documents lack certain data, the SC admin needs to verify with the WH the missing data.

With all the received data available, the SC admin will post the product receipt of this return order.
The stock will adjust in D365, and the supplier will load and ship this stock from the WH to store it in his own managed WH.

"WI Step 3"

Process Responsibilities

	Country manager/ Supply Rel	Forecast expert	SC planner	SC admin	SC Manager
1) Creation of a Purchase Return order		I	R		A
2) Workflow approval for the return order	R/A		C		
3) Pick and post the Purchase return order			I	R	A

Exceptions

- This procedure is only usable when the product needs to be shipped back to the supplier physically
- Not applicable for return orders with stock that is at the customer
- For damaged stock no return will take place and the supplier will only provide a Credit note – that will be handled by finance

Control points

- Only batch numbers that are in stock can be sent back to a supplier
- Warning message will pop up when the selected product is not linked to the supplier of this Purchase return order

Definitions & Abbreviations

- WH: warehouse
- PO: Purchase order

Associated Tools & documents