Dynamics 365 - Purchase Order and Invoice Creation

Revision 1

Revision History

Date	Revision	Description	Signature / Date	
17/10/2022	1	Initial draft of user manual: Dynamics 365 - Purchase Order and Invoice Creation	Prepared	Salman Tahir
			Verified	
			Approved	
17/10/2022	2	User manual: Dynamics 365 - Purchase Order and Invoice Creation	Prepared	Waseem Abbas
			Verified	
			Approved	
			Prepared	

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1 About User Manual

This document describes the step-by-step guide of manually creation of a purchase order (PO) of a product or a list of sub-products (items). These purchase orders (POs) are usually created by a purchase user (employee) in a legal entity (legal organization). The user creates and forwards the purchase order (PO) to a vendor who has been chosen for that product through purchase requisition bidding process.

The step-by-step guide of a purchase order (PO) creation and then creation of invoice will be explained.

2 Dashboard Overview

After logging in, you will see the main dashboard, it includes the grid of individual Workspaces (in the middle), which are represented in the **Figure 1**. The purchase user can see a list of important processes related to purchase order (**Purchase order confirmation**, **Purchase order preparation**, **Purchase order receipt and follow-up**) in the dashboard.

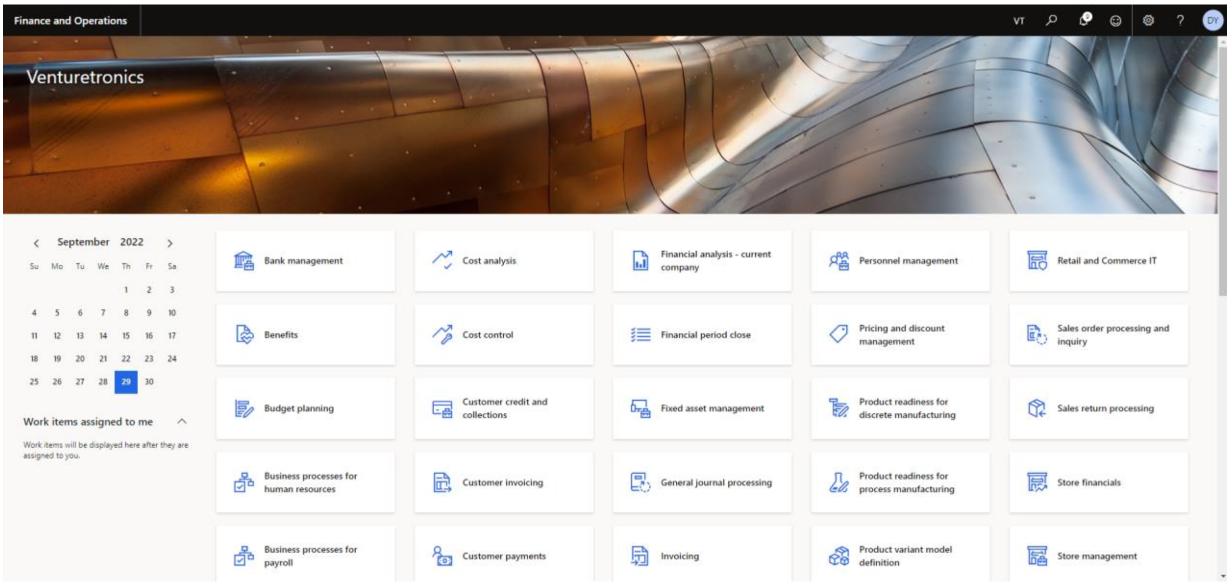

Figure 1. Important Purchase Order Processes in Dashboard

3 Purchase Order

3.1 Three Ways to access Purchase Order Workspace

There are various ways to access the purchase order (PO) workspace.

Approach 1: From Dashboard Workspaces

If you want to access the purchase order page(s) (PO's) quickly, click on the "Purchase order preparation" tab (for creating a new PO), the "Purchase order confirmation" tab (for getting the information of all the confirmed POs), and the "Purchase order receipt and follow-up" tab (for PO's receipt and follow-up information). These PO processes are already highlighted in the dashboard, which is shown in the **Figure 2**.

Approach 2: From Modules Icon

The user can also access the purchase order page(s) by clicking the **Modules,** select **Procurement and Sourcing**, and then **Purchase Orders** group. After clicking the **All Purchase Orders** link in Purchase orders group, following information will appear which is shown in **Figure 5**. Here the purchase user can see the list of all purchase order along with their information and a new PO can also be created by following this page.

3.1.1 *Purchase Order Dashboard Workspaces*

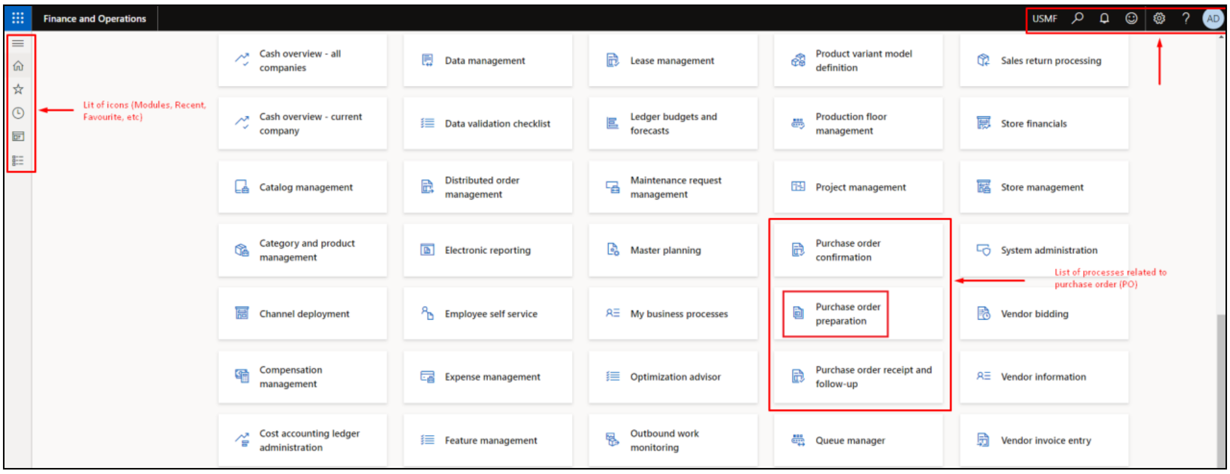

Figure 2. Important Purchase Order Processes in Dashboard

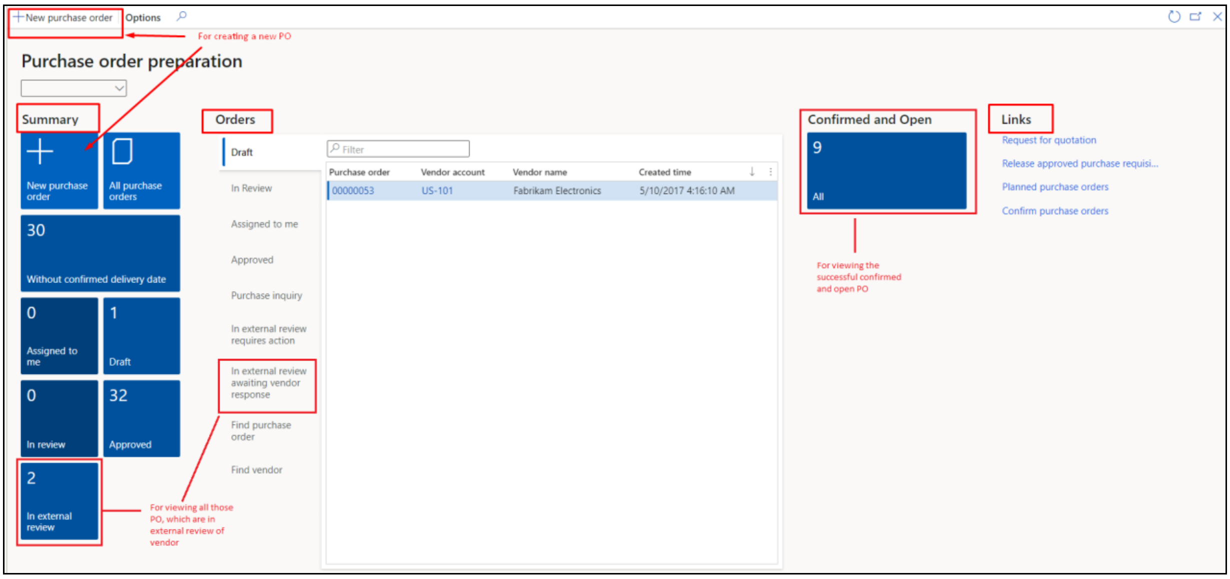

Figure 3. Purchase Order Preparation page

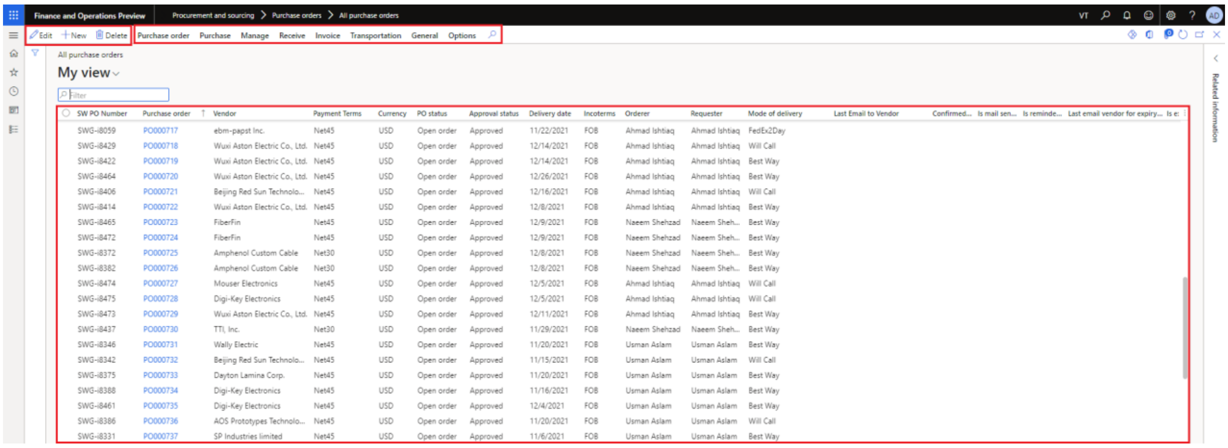

Figure 4. All Purchase Order page

3.2 Purchase Order from Module

As a first step of a new purchase order (PO) creation, the user can adopt any one of the approaches for accessing purchase order (PO) workspace which have been discussed above. After clicking the **All Purchase Orders** link in Purchase orders group, following information will appear which is shown in the **Figure 5.**

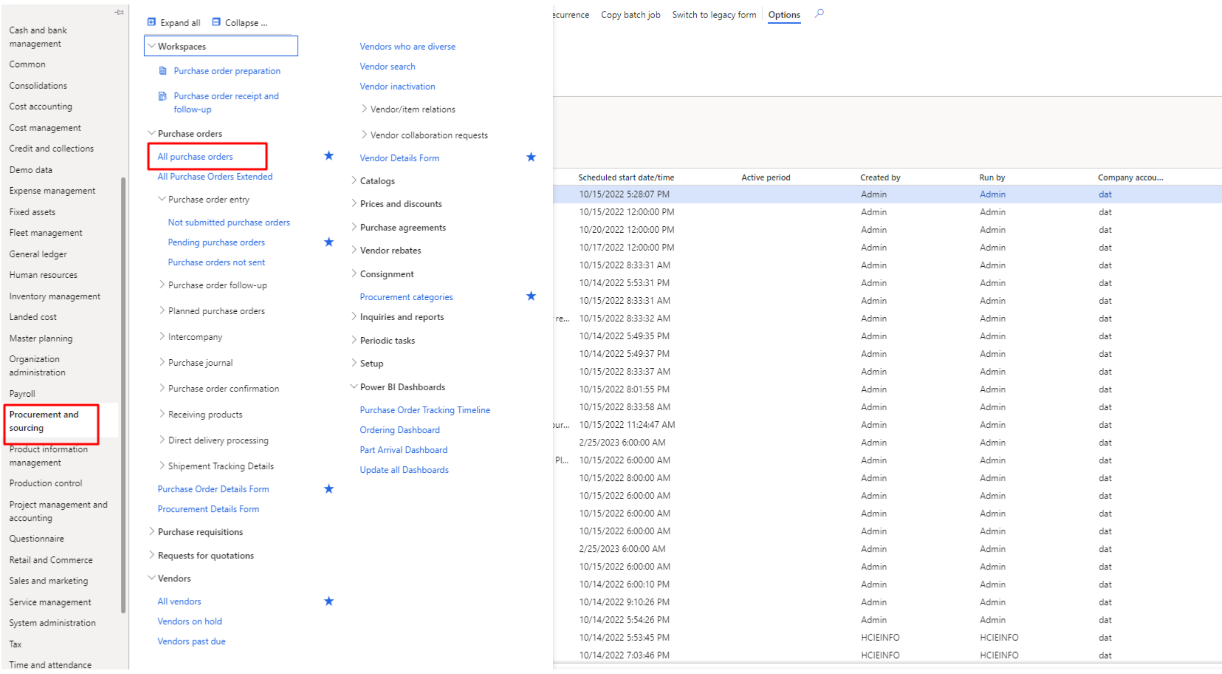

Figure 5 Purchase Order from Module

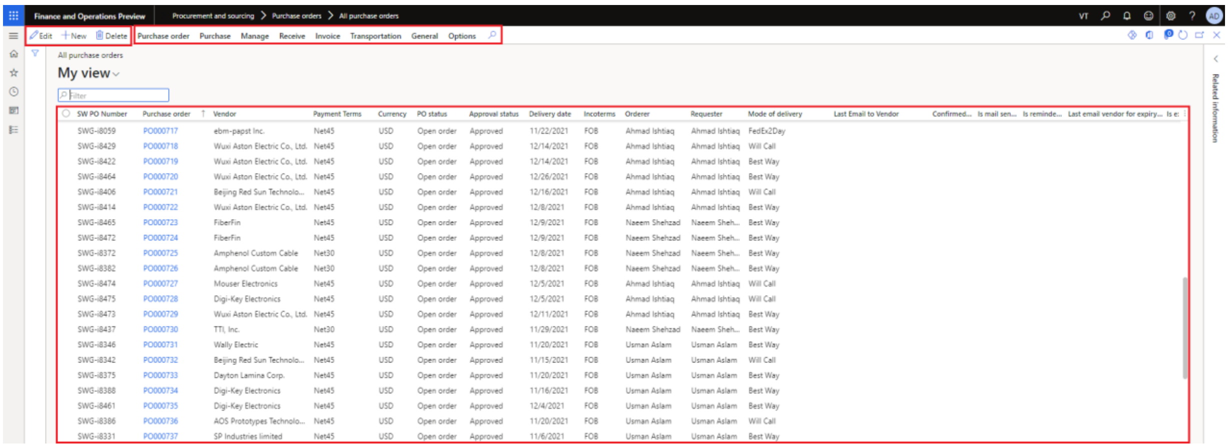

Figure 6. All Purchase Order page

3.3 Opening Purchase Order Form

As **step 1**, the purchase user can access the new purchase order (PO) creation form by adopting any one of the approaches discussed above. For instance, In the "**Approach 1**" click on the "purchase order preparation" workspace which has been highlighted in the **Figure 2**. The user can see the summarized and the detailed information of all purchase orders (POs) in the "**Summary**" and "**Orders**" areas at this page.

3.4 Clicking on NEW to Create Purchase Order

In **step 2**, the user can click at the "**New purchase order**" button located on the top or "New purchase order" item from the Summary area, which has been highlighted in the **Figure 3**. The "Create purchase order form" will appear at the right side, which is shown in the **Figure 7**.

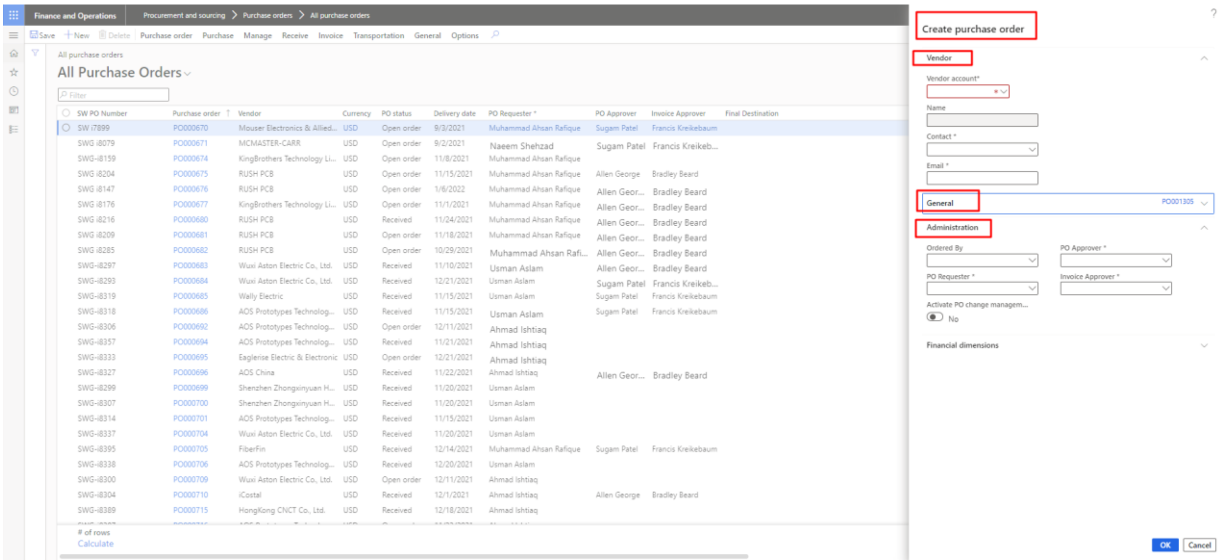

Figure 7. Create Purchase Order form

3.5 Filling out Purchase Order Form

In **step 3**, the user needs to fill out the purchase order form which have been highlighted in the **Figure 7**. In this form, user needs to add the information of the vendor account. When you add vendor account, fields of 'Name' and 'Contact' will be automatically populated. The Purchase Order field will also be generated automatically. Drop down the field in the invoice account and select the desired account. In the **'Mode of Delivery'** field, different options are available like Best way, DHL, FedEx, Will Call etc. Select the option in the warehouse field. Upon selection, the site field will be automatically populated. In the **Delivery Terms** field, different options will be available like Free on Board. In the **Terms of Payment** field, enter the option which is most desired.

3.6 Click OK to Open PO Details

After clicking **OK**, the user can see the header area of the purchase order (PO) that we have just created, the purchase order lines area and Lines details area at the bottom. These areas are highlighted in the **Figure 9**.

Moreover, If the user wants to see the detailed information of the purchase order (PO), click on the Header view option, which is highlighted in the **Figure 10**.

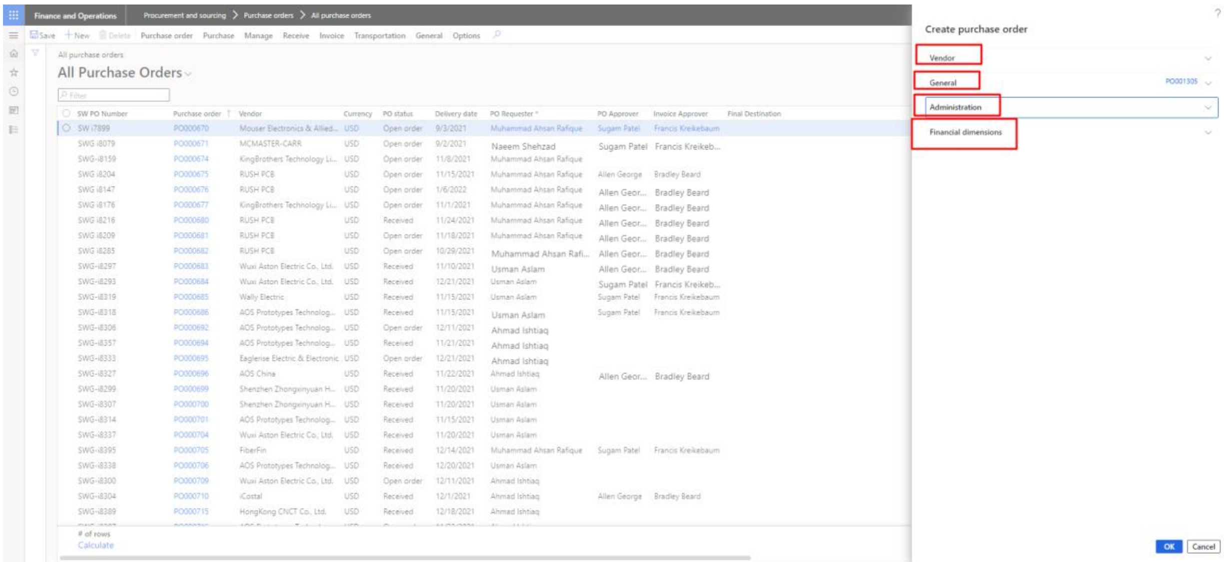

Figure 8. Filling Out Purchase Order Form 1

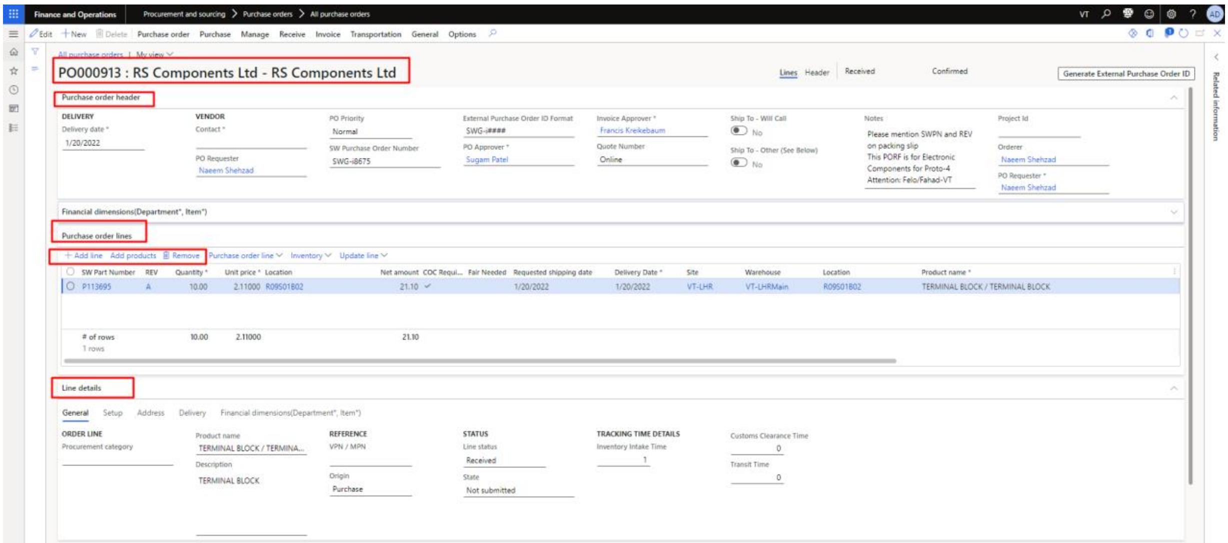

Figure 9. Purchase Order Detailed Information page (When Lines)

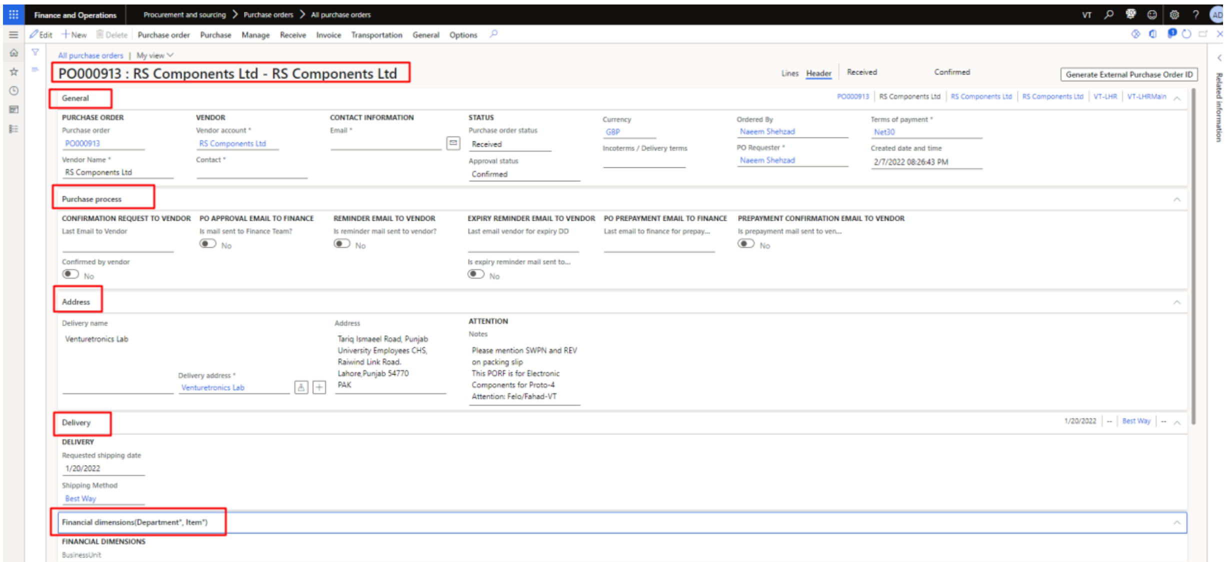

Figure 10. Purchase Order Detailed Information page (When Header)

3.7 Adding PO lines

In the Purchase Order Lines, click on the '**Add line**' option. After clicking, select the desired SW Part Number. For some SW part number, the unit price will be automatically generated. The Rev field will also be automatically filled when you enter SW part number. which is highlighted in the **Figure 11.**

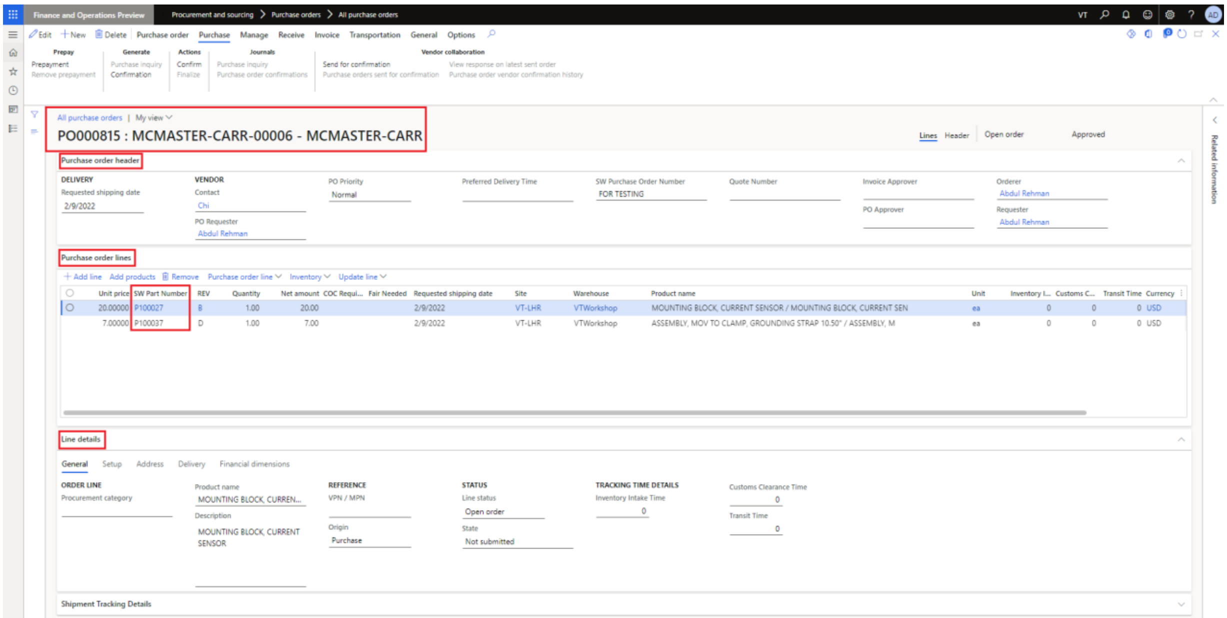

Figure 11. Adding PO line(s) and Pre-payment for Purchase Order

3.8 PO Approver and Invoice Approver

In the Purchase order, open the specific purchase order and go to the purchase order header. The user will see the Invoice Approver and PO Approver fields. The user must have fill out these fields which is shown in the **Figure 12.**

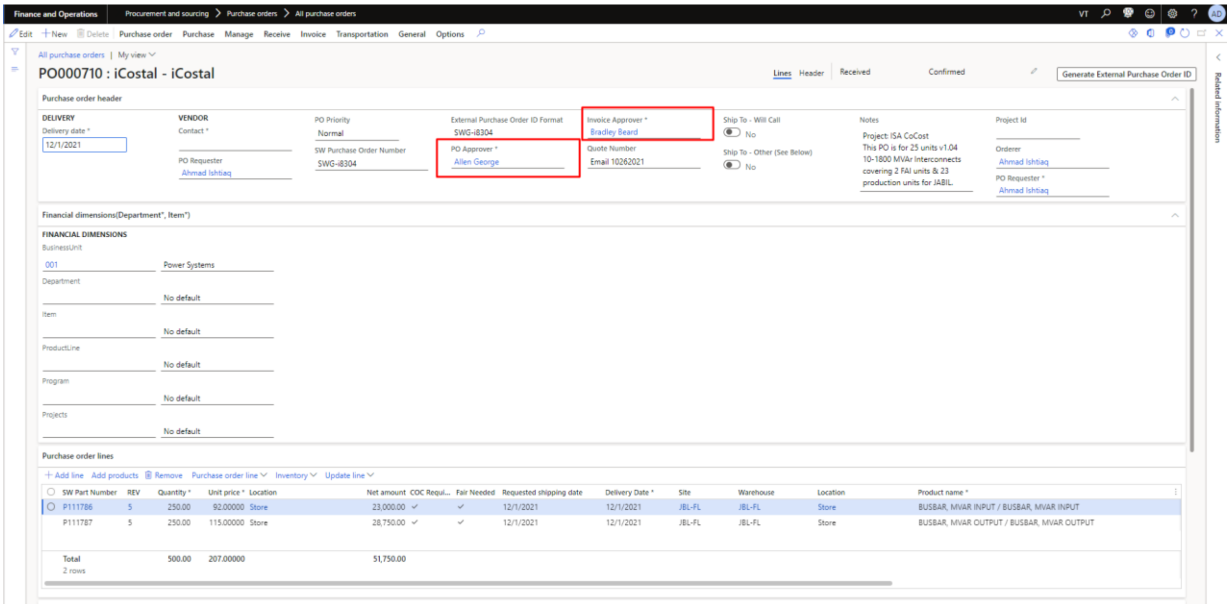

Figure 12 PO Approver and Invoice Approver

3.9 PO Requestor

In the Purchase order, open the specific purchase order and go to the purchase order header. The user will see the Invoice Requestor. The user must have fill out this field which is shown in the **Figure 13.**

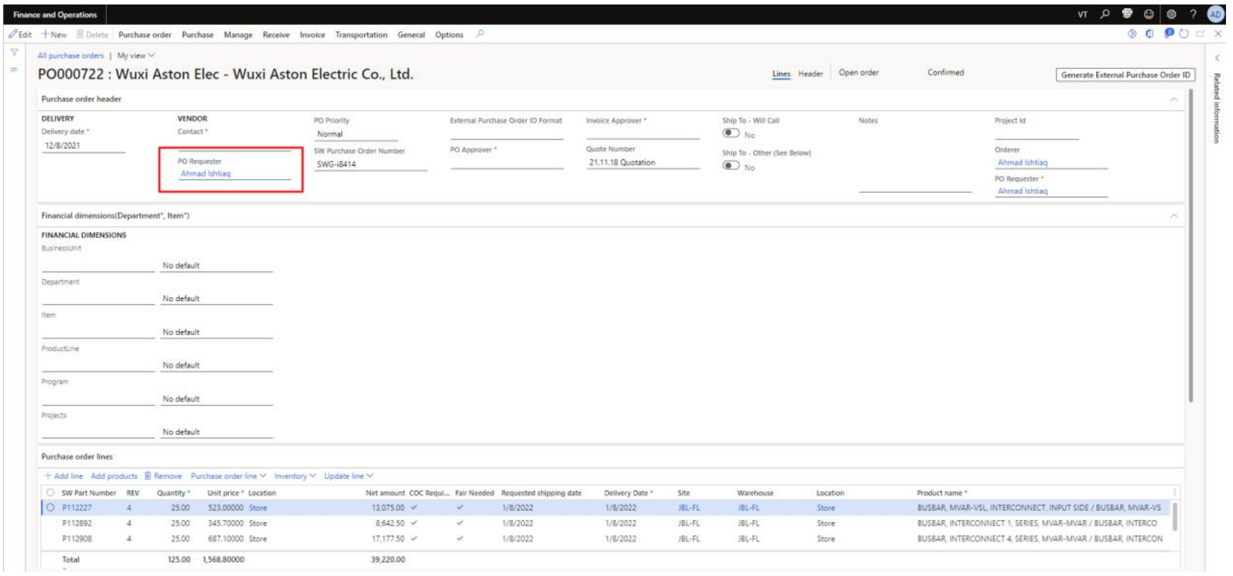

Figure 13 PO Requestor

3.10 Shipment Tracking Details

In the Purchase order, open the specific purchase order and go to the Shipment Tracking Details. The user will see the Shipment Tracking Details. The user can add, remove and refresh any remaining shipment. User can also compare the shipment quantity with quantity in purchase order line, which is shown in the **Figure 14.**

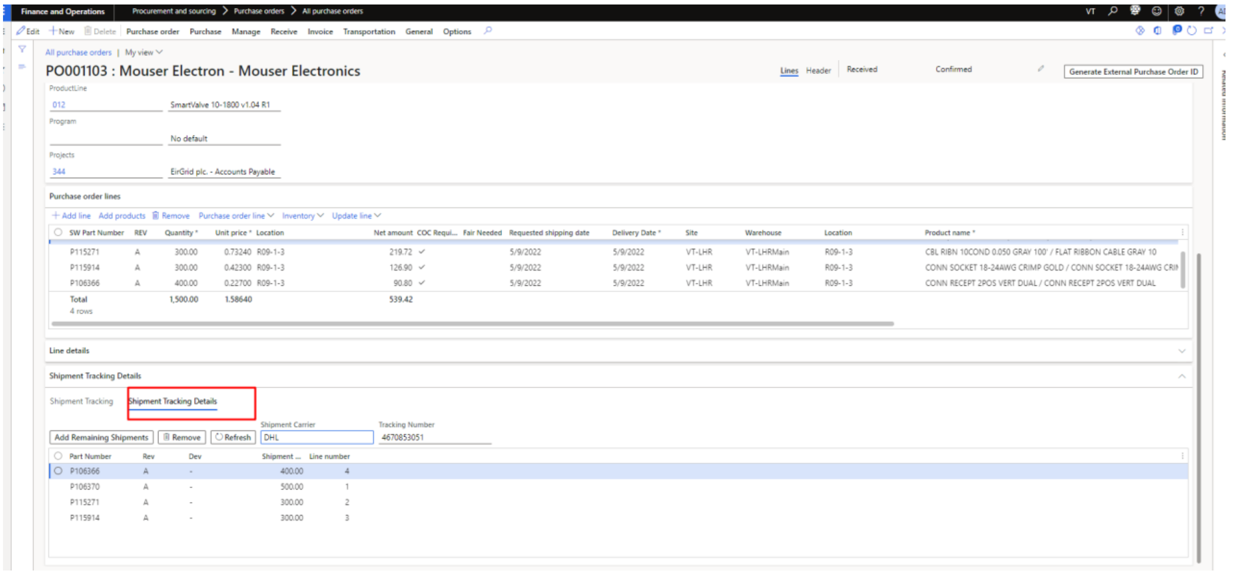

Figure 14 Shipment Tracking Details

3.11 Forwarding Purchase Order to Vendor

In **step 6**, the purchase order should be sent to the vendor to confirm it. The vendor either accepts, rejects, or accepts the received purchase order (PO) with changes (suggest changes). For that, the purchase user needs to click on the “Send for confirmation” in the vendor collaboration group which is highlighted in the **Figure 15**. After clicking, the purchase order (PO) has been sent to the vendor to confirm it. Now, the purchase order is in the external review. Finally, the purchase order creation status changes from “Approved” to “In external review” in the purchase order page, which is highlighted in the **Figure 15**.

3.12 Verifying Successful Creation of Purchase Order

The user can see the newly created purchase order (PO) information and its status (In external review), which is displayed in the **Figure 15**.

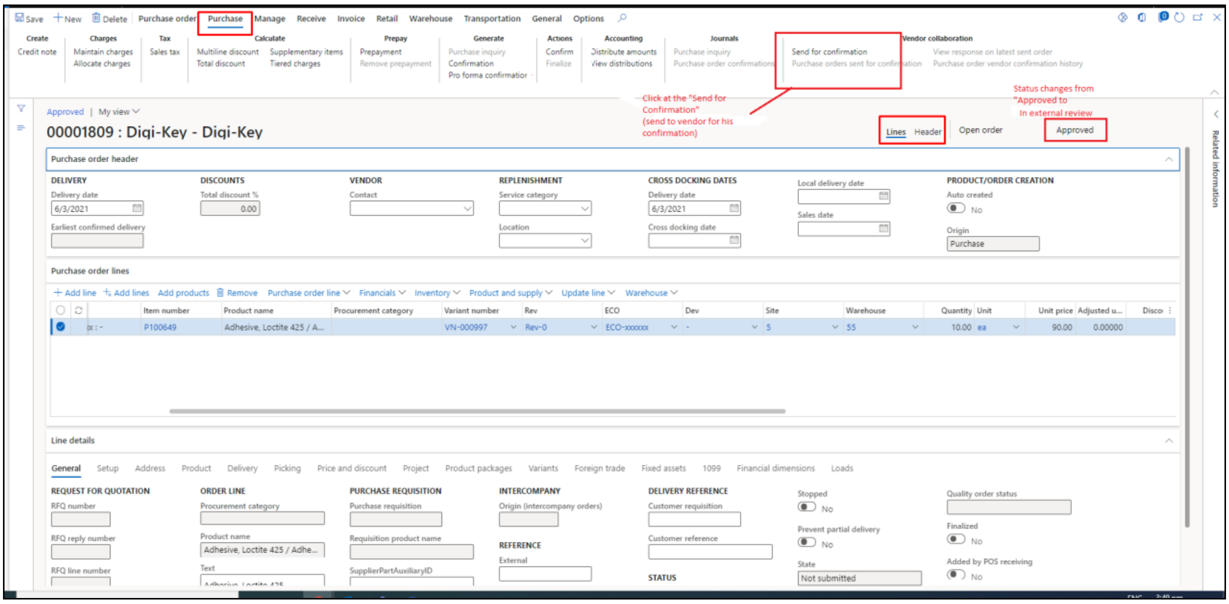

Figure 15 Clicking at Send for Confirmation in Vendor Collaboration Group

After clicking at the purchase order number (clickable link), the purchase order information, along with its updated status, page will appear, which is shown in the **Figure 16**.

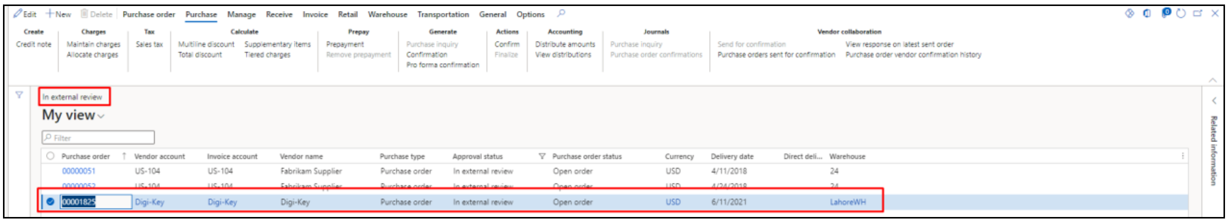

Figure 16 In External Review POs page

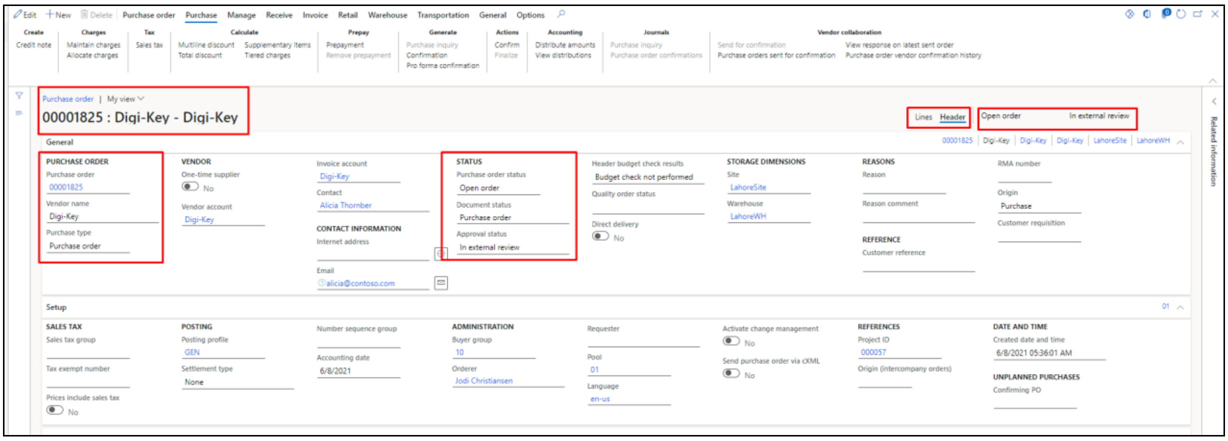

Figure 17 In External Review Purchase Order Information

4 Invoice Creation for Purchase Order

Once the purchase order (PO) is created successfully, confirmed and verified by the both the purchase user and the vendor entities. The PO will be in the “opened and confirmed” status. This process is comprehensively described in the above sections.

These following steps will guide the vendor to create a new invoice for the purchase order (PO).

4.1 Accessing Invoicing Process Page

The “Invoicing” page can be accessed by either clicking at the “Invoicing” process located in the dashboard or clicking the Invoicing link in the Workspaces which is highlighted in the **Figure 18**. After clicking, the vendor can see the concise information of vendor invoices in the “Invoicing” page, which highlighted in the **Figure 19**.

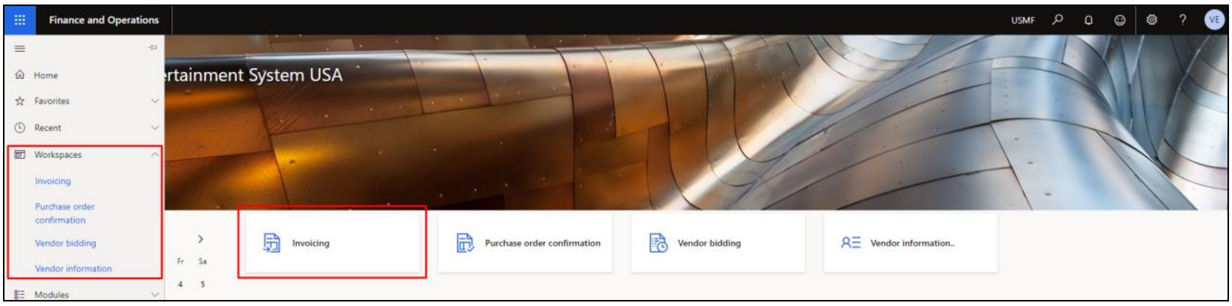

Figure 18 Invoicing Process in Dashboard

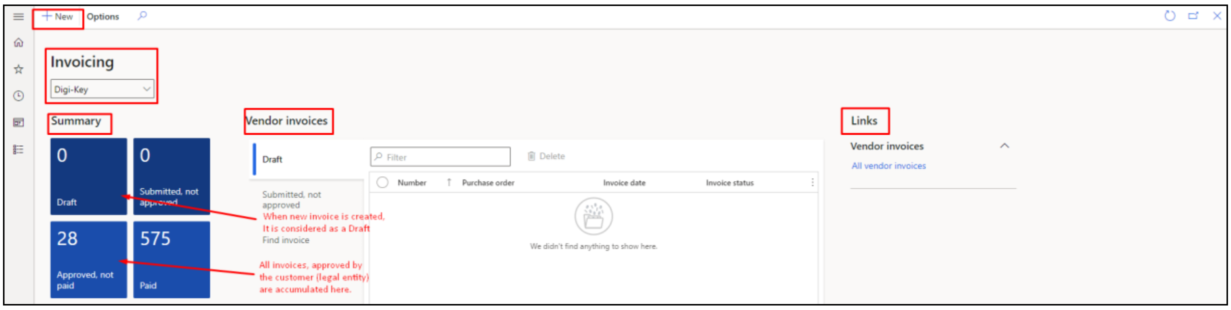

Figure 19 Summary and Vendor Invoices in Invoicing page

4.2 Clicking at New Button

After clicking **New** button at the top, the "New invoice from purchase order" form appears at the right side of the page which is shown in the **Figure 20**. During the creation of invoice, the vendor can either type the Purchase order (PO) number manually or select it from PO list (it appears after clicking at arrow in the Purchase order textbox) which is shown in the **Figure 20**.

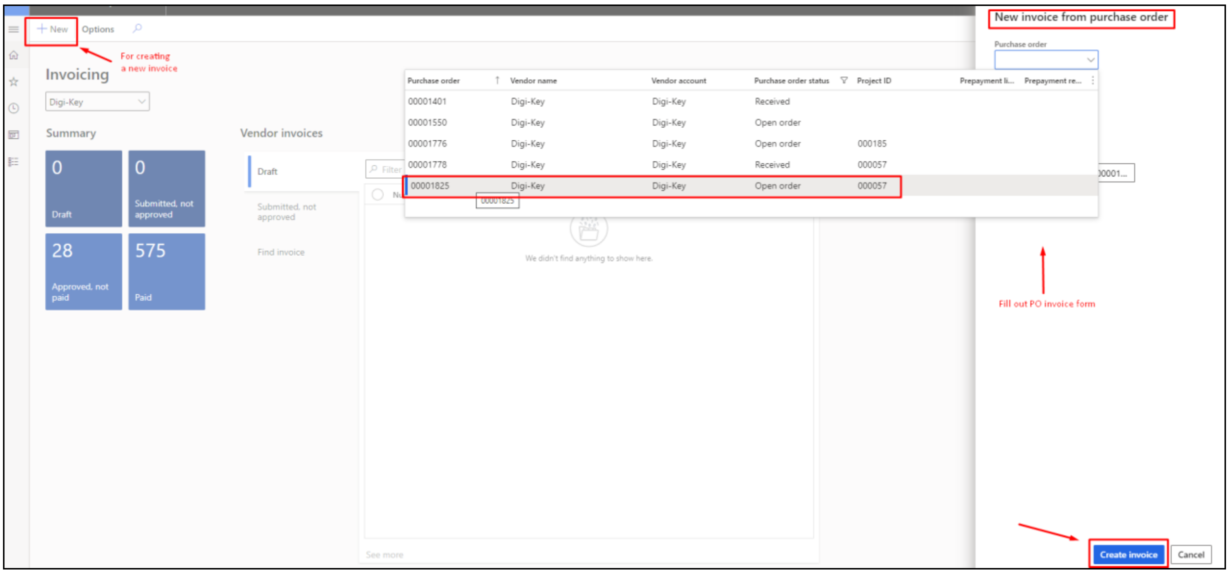

Figure 20 New Invoice for Purchase Order Form

4.3 Viewing Detailed Information of Vendor Invoice

After clicking at the "Create Invoice" button (which is highlighted in the **Figure 20**), the detailed information of the newly created vendor invoice will appear in the "Vendor invoice" page which is shown in the **Figure 21**. In this page, the vendor can see the invoice and purchase order numbers along with the other information that has been highlighted. In addition, the vendor can click at the "Notes and attachments" tab, for attaching some additional notes and files with this vendor invoice, which is highlighted in the **Figure 21**.

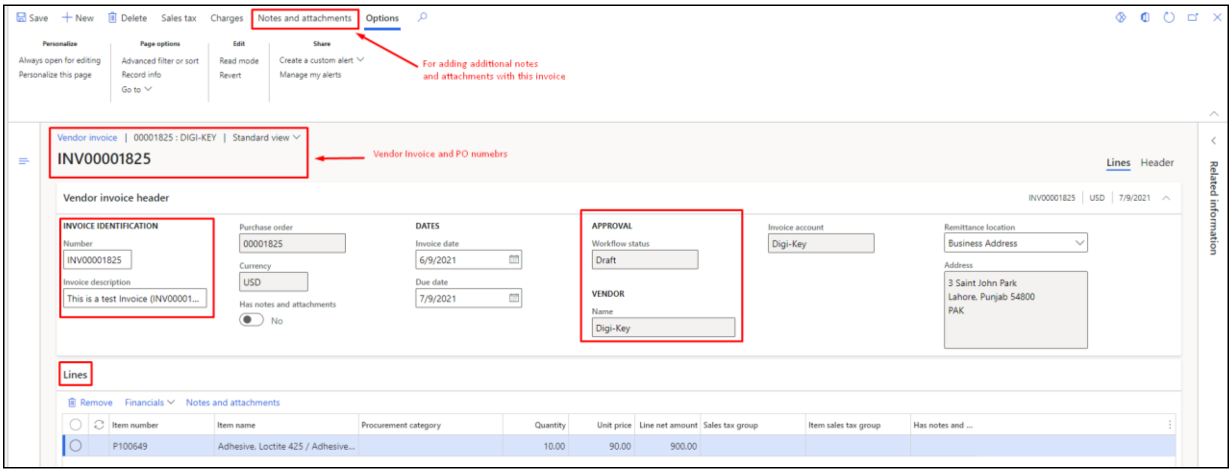

Figure 21 Detailed Information of Vendor Invoice

4.4 Verifying Forwarding of PO Invoice to Customer

In order to verify the successful forwarding of purchase order (PO) invoice to the customer (legal organization), the vendor can notice that the count value of the "**Draft**" item in the "Summary" area updated and the Invoice status becomes "Unposted" in the "Vendor invoices" area in the Invoicing page which is highlighted in the **Figure 22**. In order to get the detailed information of the forwarded invoice, the vendor can either click on the invoice number in the Vendor invoices or click at the Draft item in the Summary area.

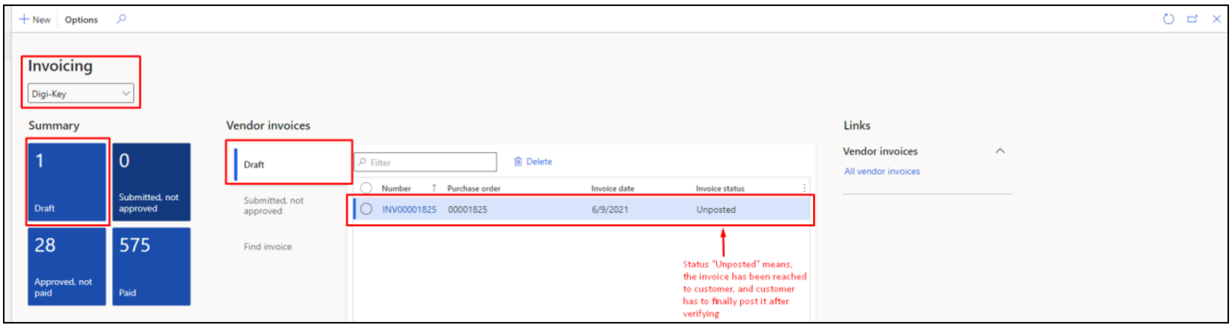

Figure 22 Updated Draft Count Value in Invoicing page

4.5 Viewing Approved PO Invoice by Customer

As the vendor forwards the purchase order (PO) invoice to the customer (legal organization), the purchase user will update the product receipt number, provided by the vendor in the system and verify this PO invoice. After verification, the PO invoice is confirmed by the customer. The vendor can see the approved PO invoice information in the "**Approved, not paid**" item of the Summary area on Invoicing page, which is highlighted in the **Figure 23**. The PO Invoice status is changed from the "**Unposted**" to the "**Unpaid**" in this page.

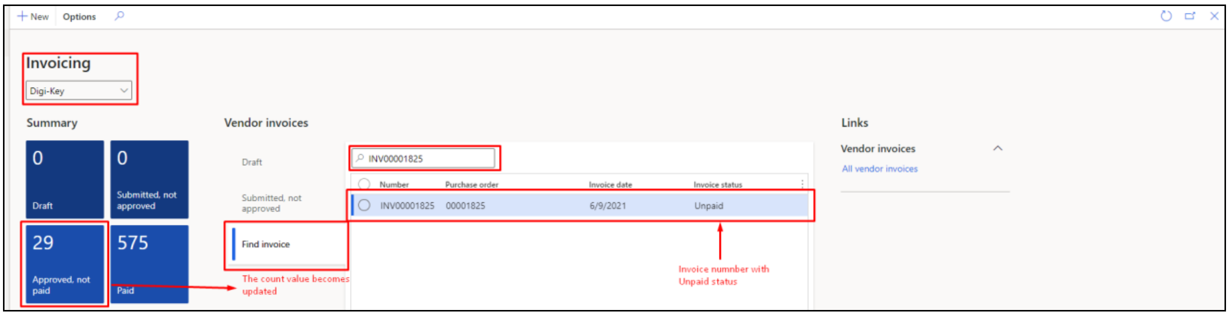

Figure 23 Updated Count value of Approved Invoices in Invoicing Page