Infor LN Procurement User Guide for Supplier Stage Payments

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Table of Contents

About this document

Chapter 1 Introduction.....7

Chapter 2 Setup.....9

Master data.....9

Chapter 3 Procedure.....11

Procedure.....11

Chapter 4 Pegs.....13

Pegging stage payment lines.....13

Chapter 5 Updates.....15

Updating stage payment lines for a purchase order line.....15

Chapter 6 Corrections.....17

Correcting stage payment lines.....17

Chapter 7 Displays.....19

Stage payments overview and release workbench.....19

Appendix A Glossary.....21

Index

About this document

This document describes the process to set up and use supplier stage payments for requests for quotation (RFQs) and purchase orders.

Assumed knowledge

Although you need no detailed knowledge of the LN software to read this guide, familiarity with the business processes involved in Procurement, and general knowledge of the Infor LN functionality will help you understand this guide.

Document summary

This table shows the chapters of this guide:

Chapter number	Chapter title	Content
Chapter 1	Introduction	Introduction to supplier stage payments
Chapter 2	Setup	Master data for supplier stage payments
Chapter 3	Procedure	Steps in the supplier stage payments procedure
Chapter 4	Pegs	Project pegging of supplier stage payments
Chapter 5	Updates	Updates to supplier stage payments
Chapter 6	Corrections	Corrections of supplier stage payments
Chapter 7	Displays	Overview and release workbench of supplier stage payments

References

Use this guide as the primary reference for supplier stage payments. Use the current editions of these related references to research information that is not covered in this guide:

- ***User Guide for Requests for Quotation (RFQs) U9821 US***
  Use this guide to understand the request for quotation procedure.
- ***User Guide for Purchase Orders U9824 US***
  Use this guide to understand the purchase order procedure.

- ***User Guide for Project Pegging U9777 US***
  Use this guide to understand the project pegging functionality.

How to read this document

This document was assembled from online Help topics. As a result, references to other sections are presented as shown in the following example:

For details, refer to *Introduction*. To locate the referred section, please refer to the Table of Contents or use the Index at the end of the document.

Underlined terms indicate a link to a glossary definition. If you view this document online, clicking the underlined term takes you to the glossary definition at the end of the document.

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Chapter 1
Introduction

1

Stage payments enable customers to pay suppliers before or after the ordered goods are actually received for a purchase order. The payments are spread over a period of time and the amounts must be paid to the supplier on specific dates. The purchase order item's invoice flow is separated from its goods flow.

Supplier stage payments can be useful for items with characteristics such as long lead, high value, much engineering, and a fixed price. The stage payments can include the dates and events for which the supplier must complete specific tasks before receipt of any goods, such as providing design documents or test results.

Example

Stage payment line	Description	Due date	Amount
1	Deliver final design	1 January	300k
2	Deliver final test results	31 July	400k
3	Receipt and inspection	31 December	300k

Note

You cannot use supplier stage payments in combination with:

- Purchase schedules
- Purchase return orders
- Consignment replenishment and consignment payment orders
- Self billed purchase order lines

- Additional cost lines
- Customer furnished material
- Budget control
- Price and discounts changes after receipt

Chapter 2
Setup

2

Master data

Before you can use supplier stage payments, you must select the **Supplier Stage Payments** check box in the Implemented Software Components (tccom0500m000) details session.

Optionally, you can specify the following master data, which are used for defaulting:

1. In the Items - Purchase (tdipu0101m000) session, select the **Invoice by Stage Payments** check box for the item.
2. Specify supplier stage payment schedules in the Stage Payment Schedule (tcmcs2640m000) session, which can be used to easily copy a set of stage payment lines to RFQ responses and purchase order lines.
3. In the Items - Purchase Business Partner (tdipu0110m000) session, select the **Invoice by Stage Payments** check box for the item-purchase business partner combination.
4. If stage payment lines must be automatically generated when you save a record in the RFQ Responses (tdpur1506m000) or Purchase Order Lines (tdpur4101m000) sessions for the item-purchase business partner combination, specify a default stage payment schedule in the **Stage Payment Schedule Set** field of the Items - Purchase Business Partner (tdipu0110m000) session.

Chapter 3
Procedure

3

Procedure

Step 1: Creating stage payment lines

If the **Invoice by Stage Payments** check box is selected in the RFQ Responses (tdpur1506m000) or Purchase Order Lines (tdpur4101m000) sessions, by selecting **Supplier Stage Payments** from the appropriate menu, you can specify stage payment lines for the RFQ response or the purchase order line in the Supplier Stage Payments (tdpur5120m000) session. Stage payment lines can be manually created, or copied from a stage payment schedule.

Only if the total amount of the stage payment lines is equal to the net order line amount on the RFQ response or purchase order line, the status of the RFQ response can become **Accepted** or the purchase order line can be **Approved**. If the net order line amount is changed on the RFQ response or purchase order line and the linked stage payment lines include a **Percentage**, based on the percentages and the new amount, the stage payment line amounts are automatically updated. If no percentages but amounts are specified on the stage payment lines, you must manually update the stage payment line amounts.

When an RFQ response is converted to a purchase order in the Convert RFQs (tdpur1202m000) session, the supplier stage payments from the RFQ response are copied to the purchase order line. If the **Split Quantity among Bidders** check box is selected during conversion, the net order line amount can differ between the RFQ response and the purchase order line. If the RFQ response's stage payment lines include percentages, the amounts are recalculated based on the percentages for the purchase order line. If no percentages are specified on the stage payment lines for the RFQ response, you must manually update the stage payment line amounts for the generated purchase order line.

The status of stage payment lines that are created for RFQ responses, is **Not Applicable**. For purchase order lines, the status of the created stage payment lines is **Planned**. In this phase, the stage payment lines and parent objects can still be updated, canceled, or deleted.

Step 2: Releasing stage payment lines

To pay stage payment lines, the lines must be released to Accounts Payable in the Stage Payments Lines to be Released (tdpur5520m100) session. The status of the released stage payment lines is **Released**.

The stage payments can be released before or after receipt of goods. There is no link between the receipt and the stage payment release.

As long as a **Released** stage payment line is not yet matched or approved in Accounts Payable, the stage payment line can be unreleased.

Step 3: Invoicing stage payment lines

After release, the stage payment lines must be matched and approved in the Purchase Invoice Entry (tfacp2600m000) session. When the invoice is approved for a stage payment line, the status of the line is **Invoiced** and the **Invoice Amount** is specified.

When the invoice is matched and approved, the stage payment line is updated from Accounts Payable.

You can view the matched invoice in the Matched Invoices by Stage Payment (tfacp2543m300) session.

Step 4: Processing stage payment lines

When a purchase order line is processed in the Process Delivered Purchase Orders (tdpur4223m000) session, the status of the linked and invoiced stage payment lines is **Processed**.

History records are written to the Supplier Stage Payment History (tdpur5570m000) session for the processed stage payment lines.

Step 5: Deleting stage payment lines

When a purchase order line and all its detail, backorder, and stage payment lines are processed, the lines can be deleted in the Archive and Delete Purchase Orders (tdpur4224m000) session.

When deleting an RFQ response in the Delete Requests for Quotation (tdpur1205m000) session, the linked stage payment lines are also deleted.

Note

For purchase order lines, financial transactions are written and reversed by stage payment line.

Chapter 4
Pegs

4

Pegging stage payment lines

If an item that must be invoiced by stage payments requires a peg, a peg distribution is linked to the **Stage Payment Line** in the Purchase Peg Distribution (tdpur5100m000) session when the stage payment line is approved. For a specific purchase order line and stage payment line, the stage payment line's **Amount** is distributed across distribution lines for combinations of project/budget, project element and/or project activity. The peg information in the Purchase Peg Distribution (tdpur5100m000) session includes the line number for the peg in the distribution, the peg (project, element, activity), and the stage payment amount by peg.

Chapter 5
Updates

5

Updating stage payment lines for a purchase order line

If a purchase order line is approved and you change the **Description**, **Amount**, or **Due Date** fields of the linked supplier stage payments:

1. The **Status** of the purchase order is changed to **Modified**. However, If the purchase order is too far in the receipt procedure, the purchase order status remains unchanged.
2. The status of the Print Purchase Orders (tdpur4401m000) activity becomes **Changed** in the Purchase Order Line Status (tdpur4534m000) session, which indicates the purchase order is changed and can be reprinted. You can start the Purchase Order Line Status (tdpur4534m000) session by clicking **Purchase Order Line Status** on the appropriate menu of the Purchase Order Lines (tdpur4101m000) session.

Note

You must first approve a **Modified** purchase order before you can reprint the purchase order in the Print Purchase Orders (tdpur4401m000) session.

Chapter 6
Corrections

6

Correcting stage payment lines

To credit an invoiced amount, you can add a stage payment line with a negative amount in the Supplier Stage Payments (tdpur5120m000) session. If a correction stage payment line is specified, the total amount for the stage payment lines need not be equal to the net order line amount. Correction stage payment lines must also be released, invoiced, and processed.

Correction stage payment lines can be specified in situations such as these:

- A receipt is performed for the order line and unapproval is no longer possible
- The **Cancellation in Process** is selected for the purchase order line in the Purchase Order Lines (tdpur4101m000) session

Chapter 7
Displays

7

Stage payments overview and release workbench

You can use the Supplier Stage Payments Overview (tdpur5520m000) session to have an overview of supplier stage payments.

You can use the Supplier Stage Payment Release Workbench (tdpur5520m200) session to view and take action on supplier stage payment lines for purchase order lines.

Appendix A
Glossary

A

additional cost line

Includes a cost item that can be linked as additional costs to an order or shipment. Examples of additional cost lines are administrative costs added to the order costs if the order amount is lower than a certain value, or freight costs added to the order if the total weight of the sold/purchased goods exceeds a certain value.

appropriate menu

Commands are distributed across the **Views**, **References**, and **Actions** menus, or displayed as buttons. In previous LN and Web UI releases, these commands are located in the *Specific* menu.

budget control

Budget Control is an integrated information system that tracks and controls budget-related business transactions. Financial health is continuously monitored by capturing sources and uses of budgets as they are committed and realized.

customer furnished material

An item supplied by the customer being used as material in the production of an end-item for that same customer.

net order line amount

The net order line amount, expressed in the transaction currency. This amount is calculated as follows:

```
Amount = (Quantity * Price) - Order Line Discount
```

peg

A combination of project/budget, element and/or activity, which is used to identify costs, demand, and supply for a project.

self-billing

The periodic creation, matching, and approval of invoices based on receipts or consumption of goods by an agreement between business partners. The sold-to business partner pays for the goods without having to wait for an invoice from the buy-from business partner.

SSP

See: *supplier stage payments (p. 22)*

supplier stage payments

Spread payments that are made by customers to suppliers over a period of time. With stage payments, customers can make payments for an item before or after the item is actually received. An item's invoice flow is separated from its goods flow.

Abbreviation: SSP

supplier stage payment schedule

A schedule set with supplier stage payment defaults used to generate stage payment lines on purchase order lines or RFQ responses.

After specifying the desired schedule number, you can specify the defaults for a number of stage payment lines. The time fence between the order date and the invoice date, and the percentage of the total net amount are specified on a stage payment line.

Index

additional cost line, 21
appropriate menu, 21
budget control, 21
customer furnished material, 21
net order line amount, 21
peg, 21
self-billing, 22
SSP, 22
supplier stage payments, 22
supplier stage payment schedule, 22