

# Links from Work Order Parts to Direct Expense Purchase Orders

Last Modified on 04/17/2025 9:43 am EDT

1. When you create a direct expense purchase order (PO) for a work order, the PO number on the work order part is updated.
  - a. If there are multiple POs placed for the same part, the work order part has a link to a list of the PO numbers. However, the work order parts tab shows only the PO number of the last PO.
  - b. If the PO or the related PO part is deleted, one of these two things happen:
    - On the work order part, the PO number is replaced with a previous PO in the list —OR—
    - On the work order part, the PO number is cleared if there is a single PO.
2. When you create a direct expense PO for a work order that has similar parts (for example, the same part codes in different phases) these happen:
  - a. The work order part that was created first gets its PO number updated with the PO that was placed.
    - If the work order part's quantity required is less than the ordered quantity, the extra ordered quantity goes to the similar part that was created later. The PO number is now attached to that work order part as well.
    - If one of the work order parts is deleted while pointing to the same PO, the similar parts are readjusted. For example, there are three similar work order parts for three different phases each having a Required Qty = 1. A PO was placed for a quantity of 2. The first two work order parts would have a linked PO number, and the third one would not have any PO linked. If the second work order part was not needed anymore and deleted, then the link to the PO goes to the third work order part that did not have it before.
3. If the part's quantity in a purchase order is changed, adjustments are made in related work order parts (as described in part 2 above).
4. If a direct expense PO receipt for a work order is created for parts that the work order does not yet have:
  - a. New work order parts are added to the work order if it is not locked. (The work order is locked if it has at least one progress invoice or a change order.)
  - b. A new change order is created with those parts if the work order is locked.
  - c. The new work order or change order parts have the Stock? switch, shown when adding or editing parts, set to NO.
5. If a direct expense PO receipt for a work order is created for a matching part that the work order already has, these happen:
  - a. New work order parts are added if:
    - The matching work order part's required quantity is less than or equal to quantity issued.
    - If the work order has multiple parts that match the purchase order part, the new work order part is created only for the amount remaining to be issued of all those work order parts. The newly created work order part's quantity required is set to the remaining quantity that yet needs to be issued (Quantity Required - Quantity Issued) for matching part(s).
      - For example:

A work order has two matching work order parts. Each for a quantity of 5, and the first line has 2 issued on it like this:

\* Line 1 - Required 5 - Issued 2

\* Line 2 - Required 5 - Issued 0

If you direct expense 8, it does not create a new line in that case because 8 remains to be issued for existing work order parts. This is the result:

\* Line 1 - Required 5 - Issued 5 (2 existing plus 3 from direct expense)

\* Line 2 - Required 5 - Issued 5 (from direct expense)

If a you direct expense 10, a new line is created because the 8 remaining to be issued for the

existing work order parts is less than the total being issued. This is the result:

\* Line 1 - Required 5 - Issued 5 (2 existing plus 3 from direct expense)

\* Line 2 - Required 5 - Issued 5 (from direct expense)

\* Line 3 - Required 2 - Issued 2 (from direct expense)

If you direct expense 5, a new line is not created. This is the result:

\* Line 1 - Required 5 - Issued 5 (2 existing plus 3 from direct expense)

\* Line 2 - Required 5 - Issued 2 (from direct expense)

- The work order is not yet locked.
  - A new change order for a part is created if the work order is locked.
- b. The new work order or change order parts have the Stock? switch, shown when adding or editing parts, set to NO.
6. The work order part's Vendor column displays these:
    - a. The vendor name from a PO related to the PO number if the work order part has a PO number. —OR—
    - b. The main vendor name from the part setup if the work order part does not have a PO number.
  7. The work order part's Special Cost column displays these:
    - a. The Part Rate from a PO related to the PO number if the work order part has a PO number. —OR—
    - b. The Part Cost from the part setup.
  8. When setting the work order part's Stock switch to YES, the Warehouse field is set to the work order warehouse if one exists. If a work order warehouse does not exist, the Warehouse field defaults to the Main Warehouse set up in Preferences (Setup > Preferences > Inventory tab).
  9. The reserved part ledger entry is adjusted when:
    - a. A direct expense PO is created.
    - b. A direct expense PO is modified (changes in existing part quantity such as adding or removing parts).
    - c. A direct expense receipt is created for work order parts directly through AP > Bills > Receipts without associating a PO (linking a work order on a receipt part itself).
    - d. A work order part is issued from a warehouse.

A reserved part ledger entry is generated when a work order is saved with a part that has a stock flag turned on. It can be found on the work order > Part Ledger tab. It is to indicate how many are committed to being pulled from an associated warehouse (part/work order/default warehouse). Since direct expense PO parts are not pulled from a warehouse, the quantity of a PO part should be subtracted from the reserved part ledger entry quantity (status = Committed). The same applies for the issued part quantity, which is generated in steps 9c and 9d above, because issued quantity means it has been either already pulled from a warehouse (step 9d) or received from a vendor (step 9c). Therefore, there is no need to commit that quantity from a warehouse.

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