Inventory Transfer - ICP POP to SOP Automation

Last updated: June 22, 2022

An inventory transfer can kick off the entire Intercompany POPSOP process. All postings between companies areautomatic. The steps are listed below. The inventory transfer will use the vendor item number on the source company.

Nolan Automatic Inventory Transfer
PROCESS FLOW:

	Source Company – Lucky Company	Destination Company - Fabrikam
	Source company is the company buying inventory from the destination company	Destination company is the company selling the inventory to the source company
Step 1:	Lucky Company has a sales order from a client and needs to buy the inventory from Fabrikam	
Step 2:		Fabrikam will transfer the inventory to Lucky
Step 3:	This will auto-generate a purchase order in Lucky Company	
Step 4:		This will auto-generate an order and an invoice in Fabrikam
Step 5:	A purchase receipt will automatically be created in Lucky	
Step 6:		Post the sales order batch in the sales series post to complete the posting through the General Ledger.
Step 7:	The vendor Fabrikam is showing on the AP listing that it owes Lucky Company for the value of the transfer	The customer Lucky is showing on the AR listing that it owes money

The following set-up needs to be completed:

In Lucky, create Fabrikam as a vendor so that Lucky can buy from Fabrikam;

In Fabrikam, create Lucky as a customer so that Fabrikam can sell to Lucky;

In Fabrikam, two site IDs need to be created: I/O and ICPTRANS. They can be called something different but, for the examples below, I/O and ICPTRANS have been used;

In Lucky, a site ID called ICPTRANS needs to be created;

The inventory item numbers must be identical across companies (using the vendor item on the source company).

Non-inventory items are not supported.

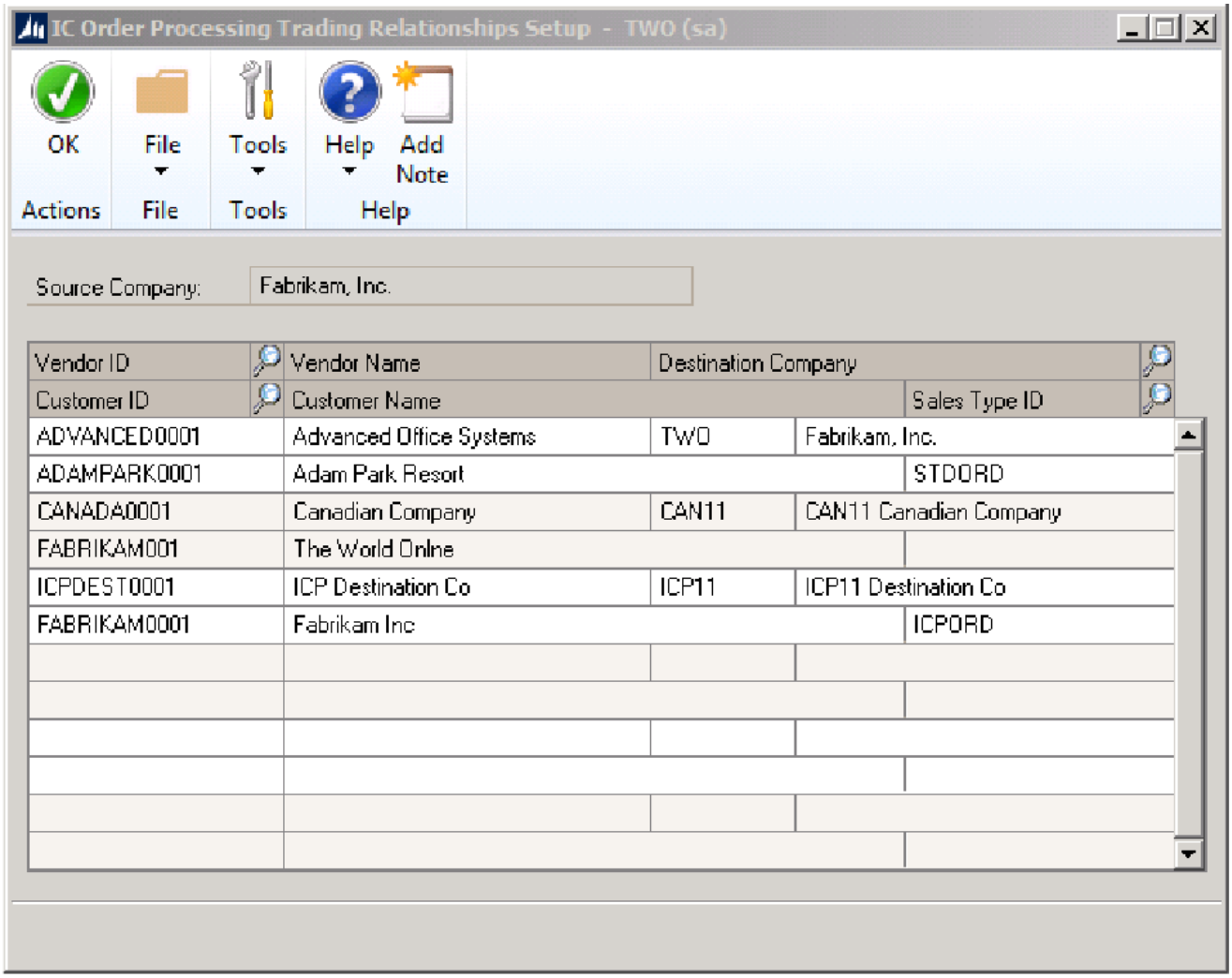
The following needs to be set up in both companies:

Default selling site ID (Setup >> Sales >> SOP);
Default selling U of M (Item Maintenance – Price List);
Default price level (Item Maintenance – Price List);
Price list for default selling U of M and default price level (Item Maintenance – Price List).

Setting up

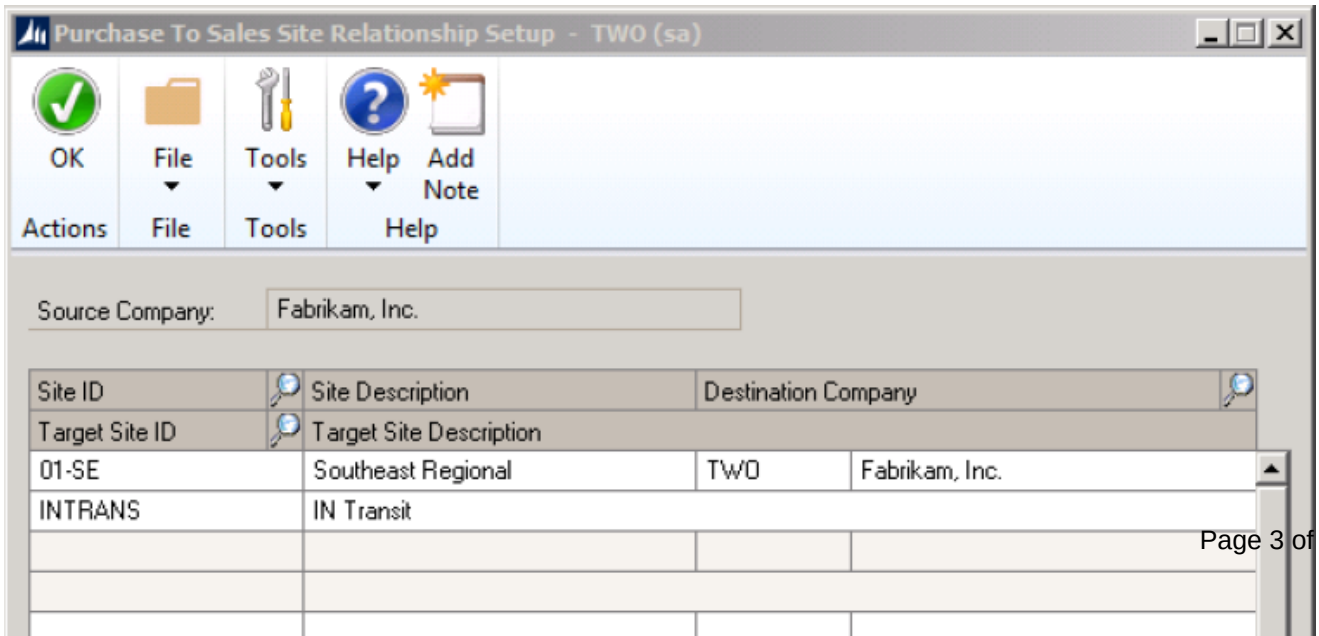
In Lucky:

IC Order Processing Trading Relationships Setup (Tools >> Setup >> Company >> Nolan >> Order Processing Trading Relationship Setup)



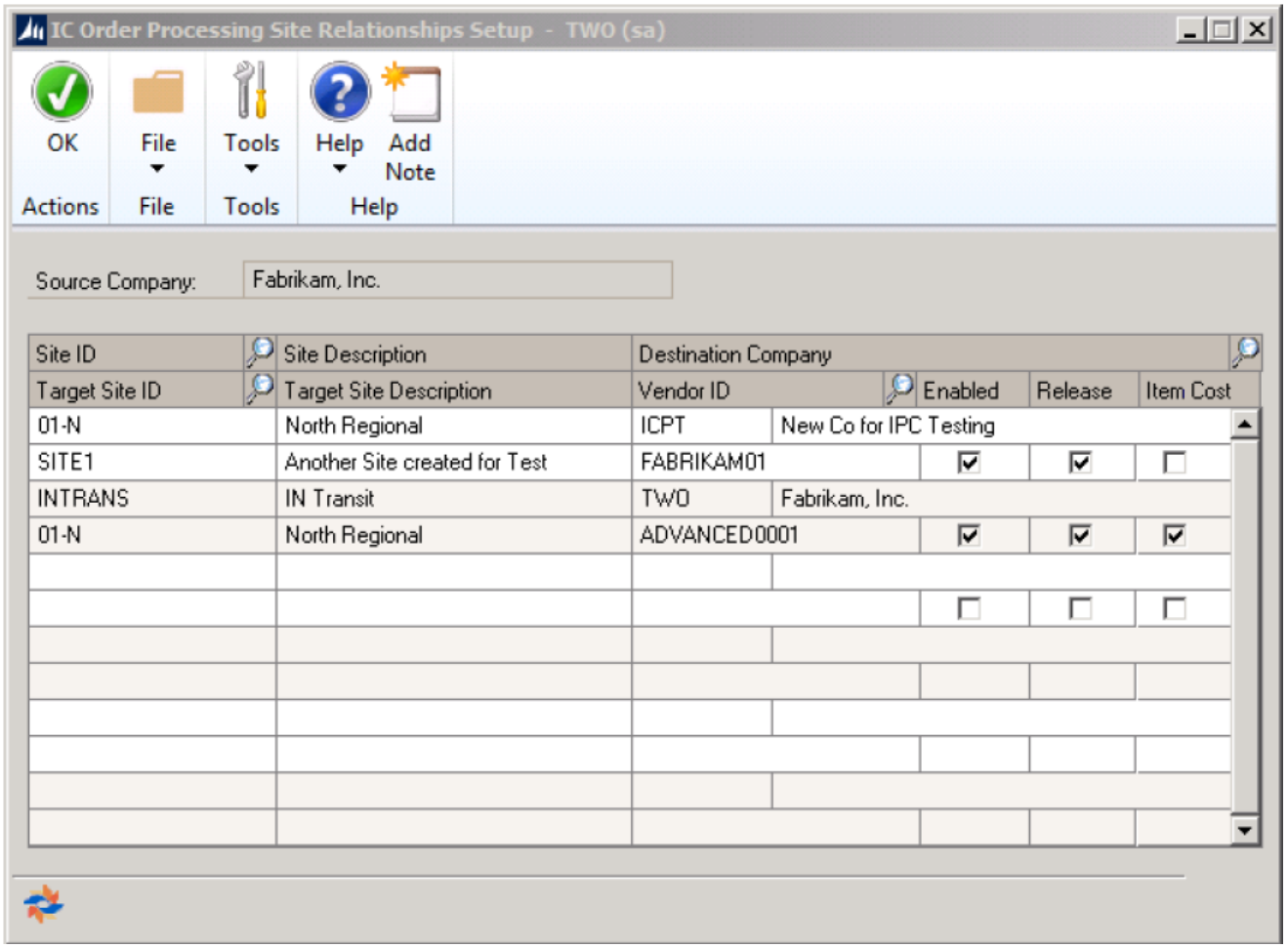
In Lucky:

IC Order Processing Trading Relationships Setup (Tools >> Setup >> Company >> Nolan >> Purchase to Sales Site Relationship Setup). This identifies which site ID will be used for the purchase order and sales order.



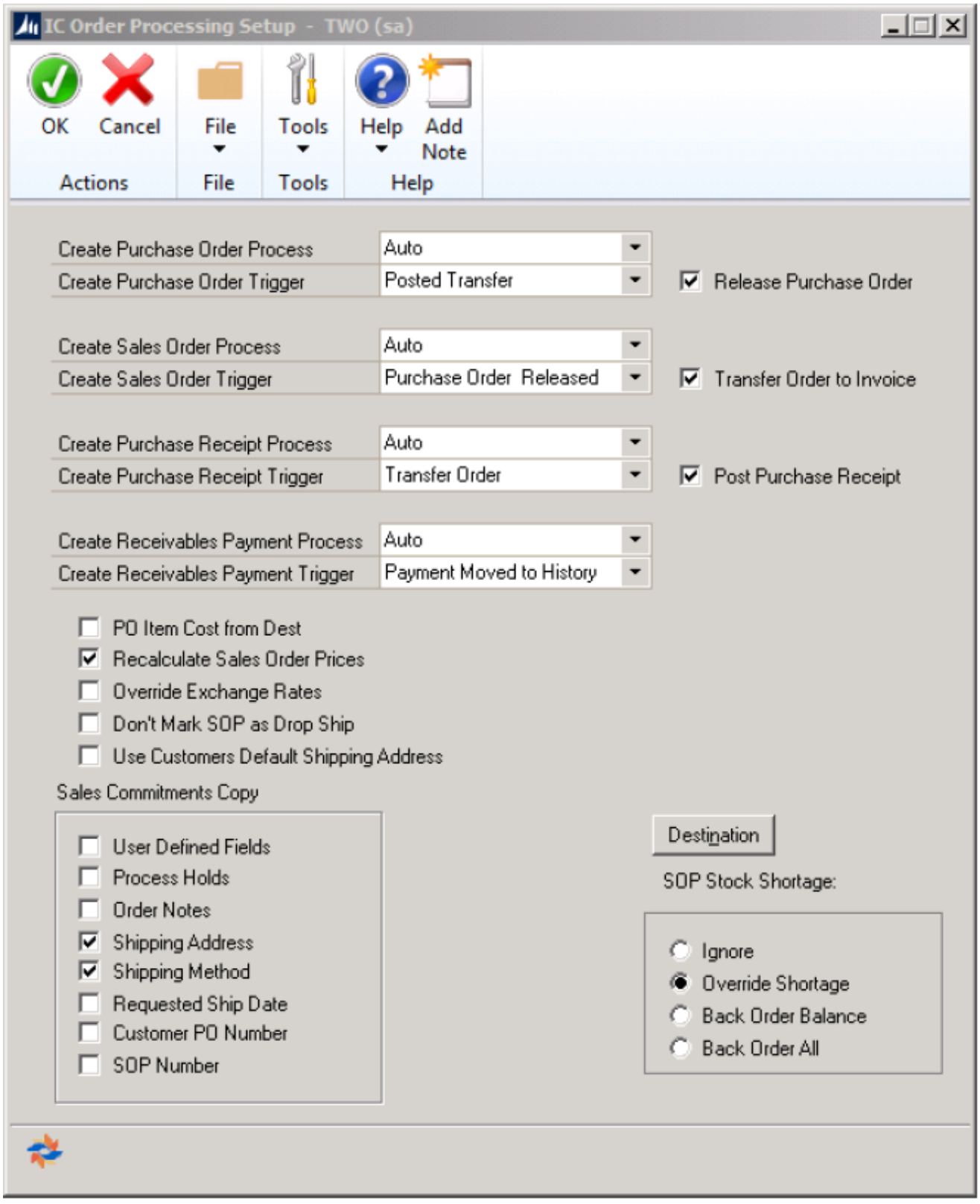
In Fabrikam:

IC Order Processing Trading Relationships Setup (Tools >> Setup >> Company >> Nolan >> Order Processing Site Relationship Setup)



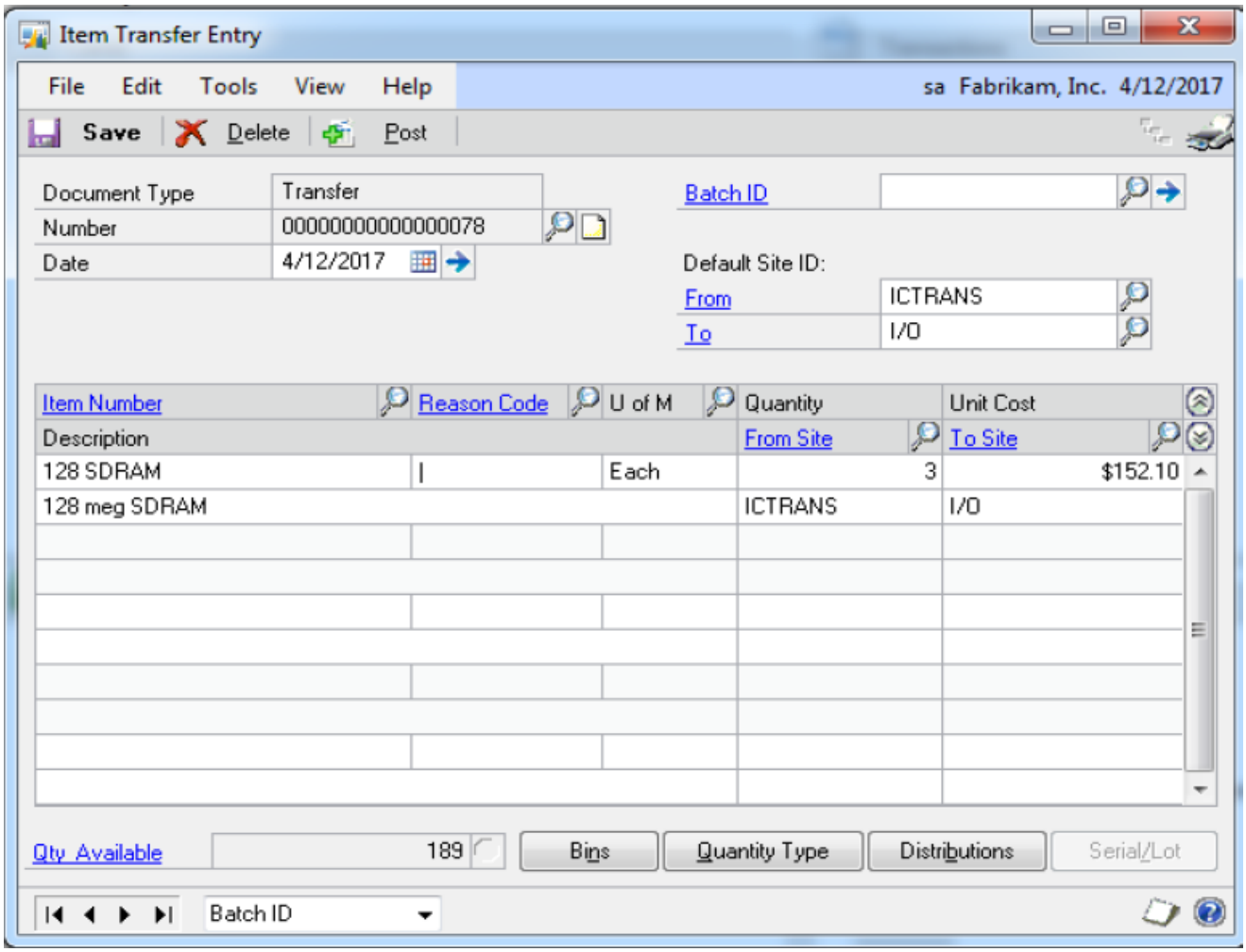
IC POP/SOP SETUP OPTIONS:

LocationTools >> Setup >> Company >> Nolan >> Order Processing Setup



Steps for Inventory Transfer to initiate the process:

In Fabrikam, transfer the inventory from ICTRANS to I/O. This kicks off the automation of the entire cycle.



Once the inventory transfer is posted, all of the posting journals are auto-generated. This includes the purchase order and receipt in Lucky Company. An example of one of the journals is below.

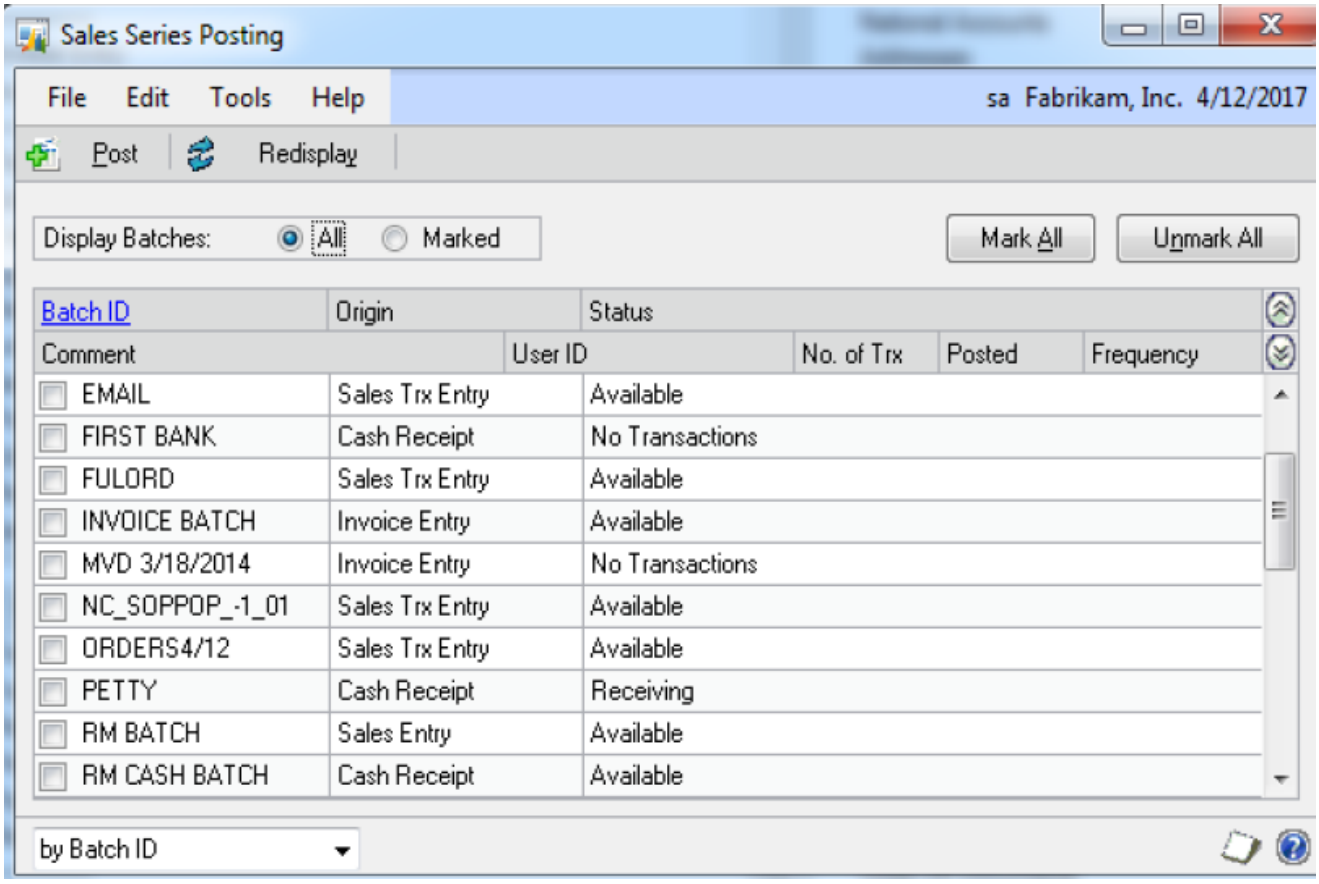
4/3/2014 Fabrikam, Inc. Page 1
User ID sa

Intercompany Order Processing Report

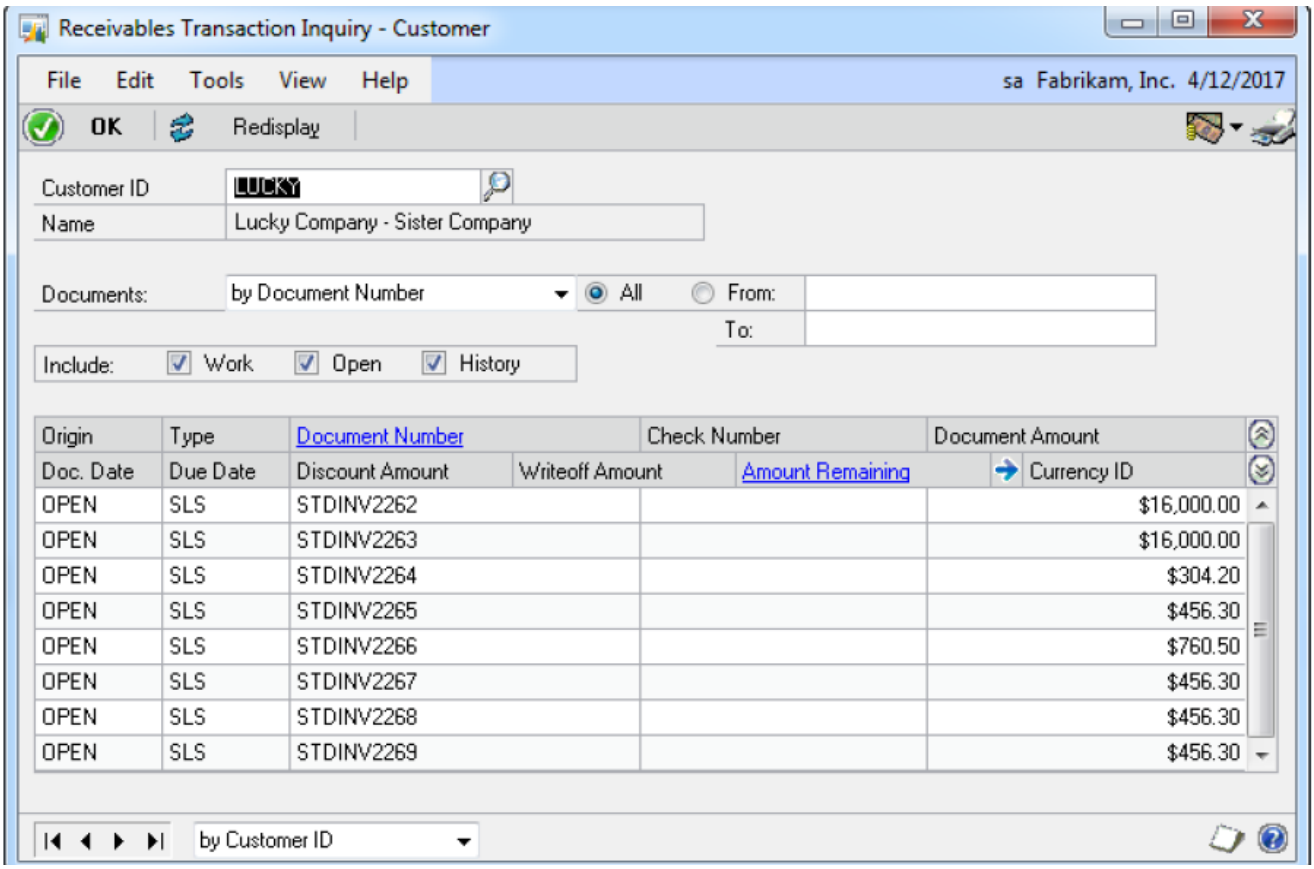
Action	Source Company	Source Type	Source Transaction	Dest Company	Dest Type	Dest Transaction
Transaction Status						
Trx Generated Ok	Fabrikam, Inc.	IV Transfer	00000000000000078	Lucky Co	Purchase Order	PO2082

The final step is to post the NC_SOPPOP_-1_01 in the general ledger. This will post the GL part of the sales transaction into the books. This also gives the user a

chance to review the journals before posting.



Now in Fabrikam and Lucky we can review the AR and AP listings to see what is owed to each company. Below is the receivable inquiry screen that shows what Lucky owes Fabrikam. Periodically a check can be written to pay off what is owed between the sister trading companies.


Receivables Transaction Inquiry - Customer
File Edit Tools View Help
sa Fabrikam, Inc. 4/12/2017
OK
Redisplay
Customer ID
LUCKY
Name
Lucky Company - Sister Company
Documents:
by Document Number
All
From:
To:
Include:
Work
Open
History
Origin
Type
Document Number
Check Number
Document Amount
Doc. Date
Due Date
Discount Amount
Writeoff Amount
Amount Remaining
Currency ID
OPEN SLS STDINV2262 $16,000.00
OPEN SLS STDINV2263 $16,000.00
OPEN SLS STDINV2264 $304.20
OPEN SLS STDINV2265 $456.30
OPEN SLS STDINV2266 $760.50
OPEN SLS STDINV2267 $456.30
OPEN SLS STDINV2268 $456.30
OPEN SLS STDINV2269 $456.30
by Customer ID