Intercompany Internal Transactions

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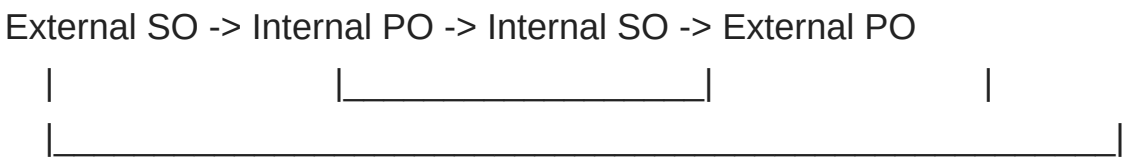
There are 4 main transactions in the Intercompany scenario:

External SO – starts as a regular Sales Order expecting a dropship PO.

Internal PO – dropship Purchase Order created from External SO with intercompany vendor.

Internal SO – created via "*Manage Intercompany Sales Orders*" page; linked to Internal PO.

External PO – created from Internal SO with non-intercompany vendor, most often as a special order.



Until the External PO is created, the Internal PO is linked to External SO and processed with the *Drop-Ship* processing route.

Unit cost for Internal SO is portion of SO selling price based on *SMT Margin Lince Percent* column (if entered manually) or from SMT Config option *Default*

Intercompany Gross Profit. The costs are assigned *Intercompany Internal Transactions* processing route.

If *Enable Linking of External and Internal Intercompany Transactions* is enabled in SMT Config, after the External PO is created, an intercompany re-linking is done by SMT:

- External PO, with its subsequent transactions, e.g., VB, will be linked to external SO using *Intercompany External Transactions*
- Internal PO, with is subsequent transactions, will be linked to internal SO, using *Intercompany Internal Transactions* The PO is only linked, the source of the cost remains the same as before re-linking.
- Cost linking External SO and Internal PO will be inactivated.

If this option is disabled:

- Internal PO remains linked to external SO, together with its subsequent transactions, processed with *Drop-Ship* or *Special Order*

External PO remains linked to Internal PO, together with its subsequent transactions, processed with *Intercompany Internal Transactions* route.

Intercompany External Transactions (Drop-Ship)

Normally, the External PO is created as a Special Order. This processing route is assigned to the costs if *Handle Special Order as Dropship* SMT option is enabled.

Intercompany External Transactions (Special Order)

Processing route assigned to the purchase costs linking External PO and External SO.