

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.

External S	SO -> Internal PO ->	Internal SO -> Extern	al PO
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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.