Procurement & Inventory

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**Procurement and Inventory**

**Purpose**
The purpose of this document is to outline Pronghorn Control’s procurement and inventory policy. This document is a general guide and will be supplemented by specific procedures as well as roles and responsibilities for various positions identified within the process. Pronghorn strives to balance necessary control over spending without sacrificing efficient and timely purchasing methods.

**Accountability**
Accountability must be present between both Procurement and at the branch level. Invoices received from vendors for inventory items MUST include a valid purchase order number generated from Navision. Manual purchase orders will not be accepted as they are difficult to track. Invoices must identify a tag: job name/employee name. Invoices must detail the name of the person who placed the order.

**Procurement**
Central Purchasing is responsible for vendor selection. Selection is based on perceived best value to Pronghorn in terms of pricing, service, availability, customer specifications and any additional incentive programs. Field staff or management may provide vendor recommendations at time of order however, central purchasing reserves the right to challenge. Disputes regarding vendor selection should be communicated.

**Receiving**
Each branch is responsible for their own receiving. All orders must be received accurately and in a timely manner. Any discrepancies between a supplier packing slip and the Pronghorn purchase order must be communicated to the buyer immediately for resolution. Invoice discrepancies resulting from inaccurate receiving will be returned to the branch for correction. These are to be returned within 3 business days with an explanation or correction.

**Returns**

**Inventory**
Excess material ordered and no longer required for a specific job must be returned to the vendor for credit. RMA (Returned Materials Authorization) requests must be sent back to the original purchaser who will request a return authorization from the vendor. An RMA MUST be received from the Vendor prior to shipping the material back. Failure to obtain an RMA prior to the return of the material may result in a credit being denied. It is the responsibility of the branch to ensure that returns are shipped to the vendor within two days of receiving the RGM (Returned Goods Memo) from Procurement.
Returnable Reels
Most cabling that is used by Pronghorn is shipped on returnable reels. These reels MUST be returned to the vendor they were purchased from otherwise Pronghorn will be invoiced for the cost of the reel. Costs vary from $75 - $2000. Failure to return these reels by the end of the quarter will result in an unnecessary expense to Pronghorn.
It is up to the Branch to ensure that all reels are returned to the appropriate Vendor. Vendors will distribute a list of all outstanding reel returns to each Branch for auditing purposes. It is up to the Branch Manager to ensure that reels are being returned as Procurement will not have control over this.

- Anixter – 403-250-9646 (Terry)
- Noramco – 800-232-7390 (Marten)
- Texcan – 800-382-8590 (Sabrina)

Adjustments
Stock level adjustments, price adjustments, additions and deletions are to be forwarded to Procurement for completion. Procurement will be the only department that has access to perform these transactions so as to keep inventory accurate.

Conflict of Interest Policy
Casual benefits such as hospitality or promotion gift items may be accepted where they are within the bounds of propriety, are a reasonable expression of business courtesy or advertising and are within the reasonable standards of hospitality, (e.g. To a maximum of $150.00).
Creating A Part Number

Two Pronghorn Personnel in the Procurement Department are to have access to create and delete part numbers at once. Representatives in other departments or branches will not have access to create part numbers in Navision.

1. Click on Inventory in the Main Menu.
2. Click on Items. (See screenshot 1.A)
3. Press F3 for a new item card.
4. Enter the Item No. as per the format already in place.
5. Enter a description of the item in the Description field.
6. In the Base Unit of Measurement field click on the arrow and select the appropriate unit of measurement.
7. Select the appropriate code in Item Category Code. (E.g. Electrical, Instrumentation etc). (See screenshot 1.B)
8. Under the Invoicing Tab: (See screenshot 1.C)
   a. Choose Average as the costing method.
   b. Enter the Unit Cost as per the priced packing slip or vendor invoice.
   c. In Price/Profit Calculation field select Profit=Price-Cost.
   d. Enter the Retail Price in Unit Price field.
   f. In the Inventory Posting Group select Invent from the drop down list.
   g. Check the box to allow invoice discounts.
   h. Sales Unit of Measure field is to identify how quantities are measured. Select the appropriate one from the list.
   i. Select the appropriate tax code from the drop down list in the Tax Group Code field.
9. Under Replenishment Tab: (See screenshot 1.D)
   a. Choose Purchase in the Replenishment System field.
   b. Identify the Purch. Unit of Measure.
   c. In Manufacturing Policy field select Make-to-Stock.
Ordering/Purchase Orders
All orders are to be forwarded via the Material Requisition Form (see page 38).

1. Employee requesting inventory will complete the Material Requisition form.
2. Form MUST include the following.
   a. Pronghorn project number
   b. LSD number
   c. Client/Jobsite Name
   d. Area
   e. Function
   f. Name of person requesting the order.
3. Orders will be emailed to the following
   a. Greg Bilodeau – gbilodeau@pronghorn.ca (For All Instrumentation Orders)
   b. Saul Boucher – sboucher@pronghorn.ca (For All Project and Electrical Orders)
   c. Chris Walsh – cwalsh@pronghorn.ca (For All Project and Electrical Orders)
4. ALL stock orders are to go through Procurement so that inventory can be pulled from Central Warehouse rather than purchasing new.
5. Material Requisition form is forwarded to the appropriate Procurement personnel (as above) via email.
6. Procurement will separate all order requests by specific vendors where product is ordered from.
7. Purchase Order is created in Navision.
   a. From Main Menu click on Purchases & Payables.
   b. Click on Orders. (See screenshot 2.A)
   c. Press F3 to open new Purchase Order
   d. Click on box next to no. Field, choose the appropriate location’s prefix
   e. Click on arrow in Buy-from Vendor to open list of available vendors. (See screenshot 2.B)
   f. Put cursor in Vendor Name column and start typing the company name.
   g. Locate correct vendor and double click to select.
   h. Information will auto-populate in vendor information fields. (See screenshot 2.C)
   i. Scroll to Purchaser Code and select your name from drop down list. (See screenshot 2.D)
   j. Scroll to Job No. (if applicable) and select the job number specific to the order.
   k. Scroll to Responsibility Centre and select branch which is receiving this order.
   l. Under Invoicing tab the Vendor number will auto populate. (See screenshot 2.E)
   m. Address fields will auto populate.
   n. Scroll to Area and Function fields and enter the location and function that will be receiving/using the product.
   o. Check off the Tax Liable box.
   p. Scroll to Tax Area Code and select the province in which the product is being purchased from.
   q. Under Shipping tab enter the name and address for Ship To details. (See screenshot 2.F)
   r. Scroll to Ship-to-City field and click on the arrow. Select the appropriate location city to which the product should be delivered to.
   s. In Ship-To-Contact field enter the ‘Tag’. The tag will consist of the Job name and the field employee’s name who requested the order. (E.g. Tag: ‘Alta Gas/Joe Smith’)
   t. Scroll to Location Code and select from list the appropriate location code.
   u. Scroll to Shipment Method Code field and click on arrow for a list of all methods for shipping.
   v. Click on the Purchase Order line items.
   w. In the Type column select Item. (See screenshot 2.G)
   x. Under Line No. type in the first line number going by thousands. (E.g. 10000, 20000 etc)
   y. Tab to No. column and type in the inventory part number. If part number is unknown click on the arrow button to pull up a complete inventory list. Put cursor on description field
and start typing the name of the part number. When found double click on it to put it into the purchase order.

z. Description will auto populate.

aa. Tab to Tax Group Code and select the appropriate tax code.

bb. Tab to Location Code and select the appropriate location.

c. In the quantity field enter the quantity ordered.

dd. The Direct Unit Cost will auto populate to the last price point. This price will need to be updated if it has changed.

ee. Tab to next line and repeat steps 3.v – dd above for next item ordered. (See screenshot 2.H)

8. Save a copy as PDF and email to employee who requested the inventory and copy the Branch Manager and Branch Admin as well.

9. Submit order to Vendor via email. (Some Vendors prefer orders to be placed over the phone).

10. Be sure to provide them with the proper purchase order number as well as the ‘Tag’.

11. Record name of person you placed order with.

12. File Purchase Order in a file to be able to bring out when product is received.
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2. D

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Pickup at Local Vendor

If a situation arises where an out of stock item is required urgently and Procurement is unable to locate the item within the Pronghorn branches, Procurement may grant the field staff an opportunity to locate the item at a local vendor. All local vendor requests must be forwarded to Procurement first. Employees must follow the guideline below in order for inventory levels to remain accurate and vendor invoices to be processed in a timely manner. Failure to follow these guidelines will result in misrepresentation on inventory levels and in the balance sheet.

1. Pronghorn personnel determines what products are required and are not currently in stock.
2. Pronghorn will go to local vendor and pick up all material required.
3. Ensure that material is checked for damage and to ensure the correct material is being picked up.
4. Vendor MUST provide Pronghorn personnel with a priced product list of all material or invoice.
5. Pronghorn personnel will forward the priced product list or invoice via email or fax to Procurement within 24 hours.
6. Procurement will receive the material list and create purchase order in Navision.
   a. From Main Menu click on Purchases & Payables.
   b. Click on Orders. (See screenshot 3.A)
   c. Press F3 to open new Purchase Order
   d. Click on arrow in Buy-from Vendor to open list of available vendors. (See screenshot 3.B)
   e. Put cursor in Vendor Name column and start typing the company name.
   f. Locate correct vendor and double click to select.
   g. Information will auto-populate in vendor information fields. (See screenshot 3.C)
   h. Scroll to Purchaser Code and select your name from drop down list. (See screenshot 3.D)
   i. Scroll to Job No. (if applicable) and select the job number specific to the order.
   j. Scroll to Responsibility Centre and select branch which is receiving this order.
   k. Under Invoicing tab enter the Vendor number in the Pay-to-Vendor field. (See screenshot 3.E)
   l. Address fields will auto populate.
   m. Scroll to Area and Function fields and enter the location and function that required the product.
   n. Check off the Tax Liable box.
   o. Scroll to Tax Area Code and select the province in which the product is being purchased from.
   p. Under Shipping tab enter ‘Pickup’ (See screenshot 3.F)
   q. In Ship-To-Contact field enter the ‘Tag’. The tag will consist of the Job name and the field employee’s name who requested the order. (E.g. Tag: ‘Alta Gas/Joe Smith’)
   r. Scroll to Location Code and select from list the appropriate location code.
   s. Click on the Purchase Order line items.
   t. In the Type column select Item. (See screenshot 3.G)
   u. Under Line No. type in the first line number going by thousands. (E.g. 10000, 20000 etc)
   v. Tab to No. column and type in the inventory part number. If part number is unknown click on the arrow button to pull up a complete inventory list. Put cursor on description field and start typing the name of the part number. When found double click on it to put it into the purchase order.
   w. Description will auto populate.
   x. Tab to Tax Group Code and select the appropriate tax code.
   y. Tab to Location Code and select the appropriate location.
   z. In the quantity field enter the quantity ordered.
   aa. The Direct Unit Cost will auto populate to the last price point. This price will need to be updated if it has changed.
   bb. Tab to next line and repeat steps 3.t – bb above for next item ordered. (See screenshot 3.H)
cc. After all material has been entered add another line to identify this order as a “PICKED UP” and the name of the Pronghorn personnel that picked up the order. (See screenshot 3.I)

7. Save a copy as PDF and email to employee who requested the inventory and copy the Branch Manager and Branch Admin as well.

8. Branch Admin will receive the material into Navision. (See procedures for Receiving below).
### 3.D

<table>
<thead>
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<th>Name</th>
<th>Phone No.</th>
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<tr>
<td></td>
<td>Amanda Smith</td>
<td>403-362-5526</td>
<td></td>
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<tr>
<td></td>
<td>Angela Smith</td>
<td>403-123-4567</td>
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</tr>
<tr>
<td></td>
<td>Eric Smith</td>
<td>403-789-1234</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sarah Smith</td>
<td>403-234-5678</td>
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### 3.E

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### 3.G

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<thead>
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<th>Column 1</th>
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<td>Data 3</td>
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### 3.H

<table>
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</tr>
</thead>
<tbody>
<tr>
<td>Data 1</td>
<td>Data 2</td>
<td>Data 3</td>
</tr>
</tbody>
</table>
3.i. Matching

Purpose of the Matching Process is to ensure that all inventories being purchased by Pronghorn is in turn being billed out to the correct customer.

1. Branch Admin and District Manager will keep a copy of the Purchase Order and Packing Slip.
2. During the Work Order approval procedure Branch Admin’s are to pull all Purchase Orders that are job/customer specific and verify that the inventory items from a particular Purchase Order are being billed out on the Work Order. Items should NOT just be invoiced out as a consumable.
3. Branch Admin will perform double check of above step when final approval has been completed by District Managers.
4. Each month Branch Admins are to review Purchase Orders and reconcile against Work Orders that are related in job/customer to ensure all items from Purchase Order have been billed out.
5. All inventory/parts must be billed out to the correct part number in Navision. Inventory items should not be invoiced out as consumable.
6. Branch Admin will perform regular (bi-weekly) reviews of ‘unmatched’ purchase orders and packing slips to ensure all inventory is being invoiced to the customer accurately and in a timely fashion.
Purchasing Procedures

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Receiving Orders

1. Product is received at Branch or jobsite.
2. Designate will ensure the proper number and type of parcels have been received from the courier, as per what is stated on their bill of lading. (E.g. 1 Reel, 2 Boxes, 1 Bundle of Conduit)
3. Inspect the shipment for any visible damage which could have occurred during transit.
4. Record any discrepancies directly on the bill of lading. For example, if an item was missing, damaged during transit, packages already opened.
5. When all items/packages have been verified and discrepancies recorded on waybill, print and sign name to the waybill so that courier may leave.
6. Designate will verify all product received against the packing slip included with delivery.
7. Record any discrepancies directly on the packing slip.
8. Any discrepancies between the physical shipment and packing slip MUST be communicated to Procurement immediately.
9. Once the entire shipment is verified from packing slip, order from vendor must be verified against original purchase order or Material Requisition to ensure the proper product was ordered and sent versus what was originally requested.
10. Any discrepancies found during the receiving process are to be reported back to the Project Manager and Procurement staff immediately for resolution with the Vendor or Courier. Copies of supporting documents are to be submitted if available. (E.g. bill of lading and vendor packing slip with a detailed description of the dispute).
11. Notify Procurement of any back orders indicated on supplier packing slips which the buyer did not originally indicate as a delivery issue.
12. Order must be received in Navision.
   a. Click on Purchases & Payables from the Main Menu.
   b. Click on Orders. (See screenshot 5.A)
   c. Press F5 to generate list of all purchase orders.
   d. Select the appropriate purchase order and double click to populate the information. (See screenshot 5.B)
   e. Adjust any quantities to quantity physically received if applicable. (See screenshot 5.C)
   f. Once complete click on Posting button.
   g. Select Post and Print. (See screenshot 5.D)
   h. Pop up box will appear with option to Receive order. Click on OK.
13. Attach paperwork to packing slips and original Purchase Order and Material Requisition.
14. Forward all paperwork to Accounts Payable department for matching to the invoice.
### 5.C

#### Procurement

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**5.C**

<table>
<thead>
<tr>
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<tr>
<td>1</td>
<td>Procurement Policy Overview</td>
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<tr>
<td>2</td>
<td>Procurement Objectives</td>
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<tr>
<td>3</td>
<td>Procurement Authority</td>
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<td>4</td>
<td>Procurement Procedures</td>
</tr>
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<td>5</td>
<td>Procurement Responsibilities</td>
</tr>
<tr>
<td>6</td>
<td>Procurement Monitoring</td>
</tr>
</tbody>
</table>

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**5.D**

**Procurement Monitoring**

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**Transfers**

1. Branch will compose a list of items to be transferred from another branch or central warehouse.
2. Branch personnel will email requisition or phone in to Procurement.
3. Procurement will assess order and transfer what is possible out of the central warehouse.
4. Transfer is to be completed in Navision.
   a. Click on Inventory under the Main Menu.
   b. Click on Transfer Orders. *(See screenshot 6.A)*
   c. Press F3 to start new Transfer Order.
   d. Under the General Tab: *(See screenshot 6.B)*
      i. Click on the Transfer-from Code and select the appropriate Area/Function type in the drop down list.
      ii. Click on the Transfer-to Code and select the appropriate Area/Function type in the drop down list.
      iii. Choose In-Transit for the Transit Code.
      iv. Select the corresponding Area and Function for the location shipping the inventory.
   e. Click on the Transfer-From tab. *(See screenshot 6.C)*
      i. Enter Pronghorn’s business name and full address for the branch location that the product is being transferred out of.
   f. Click on the Transfer-To tab. *(See screenshot 6.D)*
      i. Enter the address that the inventory will be sent to, whether it is a Pronghorn address or the address of a job site.
   g. Click on the Item No. field and enter the product code that is to be transferred. *(See screenshot 6.E)*
   h. Tab to the Quantity field and enter how many are being transferred.
   i. Tab through until cursor is on the next line.
   j. Continue for each part number that is to be transferred.
   k. Once all items have been entered tab to the Description field and “Tag” the order with the person’s full name that requested the transfer along with the name of the job. *(See screenshot 6.F)*
   l. Click on Posting.
   m. Click on Post & Print. *(See screenshot 6.G)*
   n. Pop up window will appear with an option to Ship or Receive.
      i. Select the Ship option and click OK
   o. Scan a copy of the Transfer Request to the Branch Manager, Field Personnel and Branch Administration of the location that the inventory will be transferred to.
5. Procurement or Branch Designate will package up the inventory to be transferred and arrange delivery through Pronghorn’s preferred Courier Company.
6. Branch Personnel will receive product and verify all physical items against Transfer Request.
7. Branch Personnel will check the condition of the packages and material for damage during transit.
8. Any discrepancies between Transfer Request and inventory sent should be communicated immediately to Procurement. Procurement will rectify the error as soon as possible.
9. Branch personnel will receive transfer in Navision.
   a. Click on Inventory under the Main Menu.
   b. Click on Transfer Orders. *(See screenshot 6.H)*
   c. Press F5 to generate list of all transfer orders.
   d. Select the appropriate transfer order and double click to populate the information. *(See screenshot 6.I)*
   e. Under the General tab revise the Area and Function fields to the appropriate ones for the location receiving the inventory. *(See screenshot 6.J)*
   f. Adjust any quantities in Navision to quantity physically received if applicable. *(See screenshot 6.K)*
g. Once complete click on Posting button.

h. Select Post and Print. *(See screenshot 6.L)*

i. Pop up window will appear with an option to Ship or Receive.
   
i. Select the Receive option and click OK.
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6.E

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6.F

6.G

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**Procurement**

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</tr>
</tbody>
</table>
Returned Goods Memorandums

1. Any excess product is to be returned to the Vendor for credit.
2. Branch Personnel will identify all inventory items that are to be returned and forward information to Procurement along with the reason for return and the original Purchase Order number.
3. Procurement will contact Vendor and request a Return Authorization Number (RA).
4. When RA number is received Procurement will create a Returned Goods Memorandum (RGM) in Navision.
   b. Click on Return Orders. (See screenshot 7.A)
   c. Press F3 to generate a new RGM.
   d. Tab to Buy-from Vendor No. and click on arrow for drop down list.
   e. Locate appropriate Vendor in the List. Double click on Vendor name. (See screenshot 7.B)
   f. Vendor name and address will auto populate.
   g. Tab to the Order Date field and enter the date of the original order.
   h. Tab to the Document Date field and enter the date the RA number was received.
   i. Tab to Vendor Authorization No. field and enter the RA number the Vendor has supplied. (See screenshot 7.C)
   j. Open Invoicing tab. (See screenshot 7.D)
      i. Click on arrow in Pay-to Vendor No. to open Vendor list.
      ii. Locate Vendor and double click.
      iii. Vendor name and address will auto populate.
      iv. Tab to Area and Functions tab. Select appropriate area and function in which the product is located.
      v. Tab to Applies-to Doc. Type and select Invoice from drop down menu,
      vi. Tab to Applies-to Doc. No. and click on arrow button to open list of invoices.
      vii. Select appropriate one from original vendor invoice and double click.
      viii. Check off whether tax liable or not as well as the area in which taxes are being charged.
   k. Go to Shipping tab. (See screenshot 7.E)
      i. In Ship-to Name field enter Pronghorn Controls.
      ii. In Ship-to Address enter the Pronghorn Branch address in which the product is being sent back from.
      iii. Tab to Location Code field and click on arrow for drop down list. Select the appropriate area/function code and double click.
   l. Scroll to line items for RGM.
   m. Select ‘Item’ in the Type field. (See screenshot 7.F)
   n. In Line No field enter the first line number (by 0000) E.g. First line no is 10000, Second is 20000 etc.
   o. No. field is for inventory part number. Click on arrow button to pull up inventory list. (See screenshot 7.G)
   p. Put cursor in No. field and start entering the part number. When part number is found double click to auto populate into RGM Order.
   q. Tab to Return Reason Code and click on arrow to open reason list. (See screenshot 7.H)
   r. Select the appropriate reason code.
   s. Tab to location code and repeat above.
   t. Tab to Quantity and enter the number of items being returned of the specific part number.
   u. Tab to Direct Unit Cost and enter the per unit cost that was paid at the time of purchase. (See screenshot 7.I)
5. **Procurement** will email a copy of the RGM to the Branch Manager and the Branch Admin.

6. Branch Designate will prepare and package all items to be returned to Vendor for credit as per the RGM within 2 business days.

7. Once branch designate has arranged for courier pick up they are to open the RGM in Navision and update with shipping information.

   
   b. Click on Return Orders.
   
   c. Press F5 to populate list of all RGM’s. *(See screenshot 7.J)*
   
   d. Select the appropriate RGM and double click on it to open.
   
   e. Under Shipping Tab: *(See screenshot 7.K)*
      
      i. Check the Shipped box.
      
      ii. Click on the Shipment Method Code arrow and select the appropriate method of shipping.
      
      iii. Enter the date the material was picked up by the courier.
      
      iv. In the Package Tracking No. field enter the courier’s tracking number.
      
      v. Enter the number of pieces that were shipped in the No. of Pieces field.
   
   f. Click on Posting button.
   
   g. Click on Post and Print. *(See screenshot 7.L)*
   
   h. Pop up window will appear with an option to Ship or Receive.
   
   i. Select the Ship option and click OK

7.A
### 7.B

#### House of Tools

<table>
<thead>
<tr>
<th>No.</th>
<th>Name</th>
<th>Purchase Code</th>
<th>Contact</th>
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<th>Month/Date</th>
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<td>1</td>
<td>Proform, Steve</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Ward Scientific</td>
<td>(00) 111-2222</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>MiniTool</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>First Tool</td>
<td>(00) 333-4444</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Middle Tool</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 7.C

#### Purchase Return Order

<table>
<thead>
<tr>
<th>No.</th>
<th>Item Description</th>
<th>Vendor Code</th>
<th>Vendor Name</th>
<th>Vendor Contact</th>
<th>Vendor Address</th>
<th>Vendor City</th>
<th>Vendor State</th>
<th>Vendor Zip</th>
<th>Vendor Phone</th>
<th>Vendor Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Item 1</td>
<td>12345</td>
<td>Company A</td>
<td>John Doe</td>
<td>123 Main St, USA</td>
<td>City A</td>
<td>State A</td>
<td>Zip A</td>
<td>555-123456</td>
<td><a href="mailto:john.doe@email.com">john.doe@email.com</a></td>
</tr>
<tr>
<td>2</td>
<td>Item 2</td>
<td>67890</td>
<td>Company B</td>
<td>Jane Smith</td>
<td>456 Other St, USA</td>
<td>City B</td>
<td>State B</td>
<td>Zip B</td>
<td>777-098765</td>
<td><a href="mailto:jane.smith@email.com">jane.smith@email.com</a></td>
</tr>
</tbody>
</table>

---

**Policies & Procedures: Procurement**

Rev. A  
Date: 2009-10-29
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Procurement

7.D

7.E

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### 7.F

#### Table 1: Sample Data

<table>
<thead>
<tr>
<th>No.</th>
<th>Description</th>
<th>Description 2</th>
<th>Quantity on Hand</th>
<th>Cost Type</th>
<th>Subtotal Cost</th>
<th>Bill of Material</th>
<th>Production Routing No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>TAY0001 X15</td>
<td></td>
<td>1</td>
<td></td>
<td></td>
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<tr>
<td>2</td>
<td>TAY0001 X15</td>
<td></td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>TAY0001 X15</td>
<td></td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 7.G

#### Policies & Procedures: Procurement

**Rev. A**

**Date: 2009-10-29**
### 7.J

#### Policies & Procedures: Procurement

#### Rev. A

**Date:** 2009-10-29
Returned Goods Memorandum Clean Up

The purpose of performing regular monthly reviews of all outstanding Returned Goods Memo’s is to ensure that inventory being returned to the Vendor is receiving the proper credit as well as ensuring that open RGM’s do not accumulate in Navision.

1. On a monthly basis Accounts Payable will generate a Jet Report that details all open RMG’s in excess of 30 days.
2. The Accounts Payable Technician will go through each RGM, one at a time, and contact the Vendor for a status update on the credit memorandum.
3. If an RGM exceeds 45 days, Accounts Payable Technician will forward details to the Buyer in Procurement to follow up.
4. Procurement will contact their representative at the Vendor to discuss the delay in receiving a credit memo.
5. Procurement will relay information to Accounts Payable.