

An Excerpt from  
***Top 100 QuickBooks Tips Tricks and Workarounds***

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***Showing the “Real” Amount of Open Purchase Orders***

QuickBooks includes two reports that track open Purchase Orders: Open Purchase Orders and Open Purchase Orders by Job. These reports are available in QuickBooks Pro and above. Note: QuickBooks Premier and Enterprise Solutions: Manufacturing and Wholesale Editions include a report called Open Purchase Orders by Item. However, you do not need to purchase one of these editions of QuickBooks to create this report. This workaround assumes you are using QuickBooks Pro and do not have access to the Open Purchase Orders by Item report.

**The Primary Issue that Requires a Workaround** If you receive part of a Purchase Order only (i.e. if the vendor has backordered part of the Purchase Order), QuickBooks tracks the amount that is backordered, the amount you have previously received and amount that is currently open on the Purchase Order. You can view this information at any time by opening the Purchase Order and viewing the detail. However, QuickBooks does *not* reflect this reduced amount on the Open Purchase Orders report. Instead, QuickBooks shows you the *original* balance of the Purchase Order before you received products from the vendor.

**The Strategy behind the Workaround** If the standard reports in QuickBooks do not allow you to see the real open balance of the Purchase Orders, creating a new, customized report will get you much closer to your goal. When you have done all you can do with custom report options, you need to modify the way you track backordered quantities on Purchase Orders for some, but not all, backordering situations.

**The Workaround Procedure** Perform the following steps to track the real balance for Open Purchase Orders:

***Part 1: Create an Open Purchase Orders by Item or by Vendor report.***

(If you use Manufacturing and Wholesale or Accountant Editions you can skip part 1. However, for the Open Purchase Orders by Vendor report you will have to open the Open Purchase Orders by Item report and change the **Total by** field to “Vendor” if you want to create that report.)

- Step 1. Select the Reports menu, and then select Custom Transaction Detail report.
- Step 2. On the Display tab, set the date range to “All” and select “Item Detail” from the **Total by** field drop down menu.

**Tip:** If the file is large (e.g. over 200MB in Pro/Premier or over 500MB in Enterprise Solutions), set the date field to a narrower range, perhaps to include the previous fiscal year through the end

of the current fiscal year. You will have to modify the report each year to roll the dates forward because there is not dynamic date option for a two year date range.

Step 3. On the Filters Tab, filter by: Transaction Type – Purchase Orders, Posting Status – Non Posting, Received – No, and Detail Level – Summary Only.

Step 4. On the Header/Footer tab rename the report, “Open Purchase Orders by Item” and memorized the report for future use.

Step 5. If you use the Accountant Edition or Enterprise Solutions (any edition) you may need to remove the Debit and Credit columns and replace them with the Amount column.

Step 6. Remove the Account and Split columns and add columns the Qty and U/M columns so you can see the quantities and units of measure for the items on order.

**Note:** The amounts on the report will show as negative numbers. There is no way to prevent this except to export to Excel and make edits there. However, the amounts are still the correct numbers – just negative. If you prefer, you can edit the Fonts & Numbers tab so the amounts are in parentheses instead of preceded by a dash.

**Tip:** You can export the Open Purchase Orders by Item report from the Manufacturing and Wholesale or Accountant Editions and import the report into any edition of QuickBooks – Pro or above. You need to memorize the report using the Manufacturing and Wholesale or Accountant Edition in order to export it from the Memorized report list. Doing so will show you the same detail as you get from the steps above, but with positive amounts.

**Note:** You can create another report using the same steps to track Open Purchase Orders by Vendor with line-by-line detail. For Step 2 above, select “Vendor” instead of “Item Detail” in the **Total By** field drop down menu.

On the Open Purchase Orders by Item report, if any lines of the PO are completely received, the line drops from the report. In most situations, the total of this report will be less than the total of the Open Purchase Orders report, because the latter reflects every line of the Purchase Order even if the items on those lines are received.

### ***Part 2: Modify the Purchase Orders if Necessary to Reflect Backordered Quantities on Separate Lines***

The Open Purchase Orders by Item or Vendor reports get you closer to the correct Open Purchase Order amount, but there is still a weakness in the report. If a line on a Purchase Order is partially received, the entire amount of that line shows on the Purchase Orders by Item report – not the amount net of the products you have received. The only way a line will drop from the report is if all of the quantities on that line are received.

There is no report customization ability within QuickBooks to compensate for this overstatement, so you have to modify the Purchase Order to maintain accurate information on the report.

Step 1. Receive Purchase Orders normally. As you have always done, when you receive products using Purchase Order detail, you will pull all of the Purchase Order detail into an Item Receipt transaction. If the vendor did not ship all of the products on the Purchase Order, you will take two actions to reduce the amount of detail on the Item Receipt: 1) You will remove entire lines from the Items tab or, 2) You will change the quantity shown on lines in the Items tab. If you do only

the first type of edit, you do not need to take any further action. If you do the second type of edit, continue with Step 2 below to ensure the accuracy of the Open Purchase Orders by Item report.

**Note:** You can also receive Purchase Orders directly to Bills (without using an Item Receipt), to Checks or to Credit Card Charges.

Step 2. After you save the Item Receipt, open the Purchase Order and locate any rows that contain partial shipments. This detail shows on the Purchase Order window, so you should have no problem spotting those lines.

Step 3. For each line with partially received quantities, change the quantity on the line to the amount that you received – to close the entire line.

Step 4. Create a new, separate line on the Purchase Order for only the backordered quantities.

Step 5. Repeat Steps 3 and 4 above for any additional lines with partially received quantities and save the edited Purchase Order.

**Note:** The Purchase Order total will not change since you will include the same items and quantities. You will simply move the backordered quantities onto a separate line of the Purchase Order.

**Note:** You do not need to edit the Purchase Order for lines that are fully received, as stated above.