Supplier Relationship Management (SRM) 7.2

Options to Header Freight on Purchase Order

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SAP for Public Sector does not support adding freight at the **Header** level of an SRM 7.2 Purchase Order (PO) whether an Inventory Purchase Order or Non-Inventory Purchase Order. The options below are offered as alternatives for your agency in adding freight at the Header level on various types of purchase orders. Each purchase order situation and financial objective will need to be evaluated to determine the best option for your agency.

1. **Inventory Purchase Orders**
   Option 1: Each Material Master's Moving Average Price is extremely important to the value of your Plant's inventory. Consequently, if freight is being charged on the Inventory Purchase Order as an external charge, then the freight charge must be accounted for in the total cost of goods for each line item.

   > Example: A two (2) line item PO with a Unit Price of $100.00 for line item 1 and a Unit Price of $300.00 for line item 2.

   > The total freight bill for both line items is $70.00. The freight cost must be divided equally in order to add the fair share of the freight to each line item.

   Option 2: To ensure payments are made in a timely manner, and inventory is accurately recorded, freight can be added by using the "Unplanned Delivery Cost" under the MIRO details tab. When using "Unplanned Delivery Cost" in Accounts Payable (AP), freight will split on each line item according to the price value. Refer to instructions on using Unplanned Delivery Cost.

   [Options to Header Freight on Purchase Order - Unplanned Freight Cost](#)

2. **Assets Purchase Orders**
   Procurement of Assets follows the same logic as Inventory Purchase Orders.

3. **Non-Inventory and Non-Asset Purchase Orders**
   Note that freight and other conditions such as trade-in can be added at the **Line Item** level of a purchase order. Freight can also be added at the Header level using "Unplanned Delivery Cost" if your agency's policy allows.

   For instructions on adding conditions at the Line Item level, refer to the SCEIS u-Perform:

   [SRM PUR Add Conditions on Purchase Order](#)