PAMS (V2 PIPELINE RUN)

Allocating Direct Cost Transactions

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Confirming When to Use a Direct Cost Transaction

Use a Direct Cost Transaction when you need to record a cost separately from the original Sales Job, Orders, or Purchase Order. Typical examples include freight, duty, handling charges, outbound cost, delivery costs to the client, and other landed costs that arrive on a separate supplier invoice or charge document.

The purpose of the Direct Cost Transaction is to connect that separate charge to the items or services it relates to. Instead of leaving freight or duty as an unassigned amount, you allocate it to the relevant transaction lines in Pams. This gives the affected Sales Job or Purchase Order a more complete view of its costs.

Choose the allocation source based on where the charge belongs:

- **Allocate to a sales record** when the cost relates to the items, services, or quantities sold to a client. For example, use the sales record when a delivery or handling charge needs to be associated with the client-facing transaction.
- **Allocate to a Purchase Order** when the cost relates to goods or services purchased from a Sub-supplier. For example, use the Purchase Order for freight, duty, or handling costs connected to purchased products.
- **Use more than one eligible line** when the charge applies to multiple products, quantities, or services within the selected source transaction.

Before creating the entry, have the supporting charge document available and confirm the details you will enter:

Detail	What to confirm
Cost amount	The full amount shown on the freight bill, duty charge, supplier invoice, or other source document
Posting date	The date that should be used for the direct-cost transaction
Vendor or payee	The company or party that issued or received the charge
External document number	The reference number shown on the supporting document

Detail	What to confirm
Target transaction	The Sales Job, Orders, or Purchase Order whose lines should receive the cost

[SCREENSHOT: Direct Cost Transactions page showing a direct-cost entry linked to a source transaction and allocated lines]

Preparing the Sales Record or Purchase Order for Allocation

Before you create a Direct Cost Transaction, open the Sales Job, Orders, or Purchase Order that will receive the cost. Confirm that the transaction has already been created and saved in Pams. A transaction that has not been saved cannot be selected as an allocation source.

Review the lines carefully. Each line should clearly show the relevant **Item**, **Quantity**, and **Amount**. These are the details you use to decide which products, services, or quantities should receive freight, duty, handling, or another direct cost. If the charge applies only to selected items, identify those items before you begin. If it applies to the full transaction, review all lines so you can distribute the complete amount correctly.

Check whether a line already has a Direct Cost Transaction allocation. Existing allocations matter because you should avoid assigning the same freight bill, duty charge, or handling amount twice. Compare the existing amounts with the source document and determine the remaining amount, if any, that still needs to be allocated.

Also confirm that the target transaction is still eligible for allocation. Do not use a Sales Job, Orders, or Purchase Order that is closed, cancelled, or fully processed. If it does not appear when you choose an allocation source, return to the original record and check its current **Status**.

Keep the supporting document nearby while you work. It should provide the information needed to enter and verify the charge:

- The supplier invoice, freight bill, duty charge, or other cost document
- The total amount and currency
- The document date and external document number
- The vendor or payee name
- The related Sales Job, Orders, Purchase Order, items, or shipment details

If the cost relates to receiving purchased goods, compare the document with the relevant Purchase Order lines before allocating it. If the cost relates to delivery to the client, compare it with the Sales Job or Orders lines that the charge affects.

Creating a Direct Cost Transaction

1. In Pams, open **Direct Cost Transactions** and select **New**. A new entry opens for the separate cost you want to allocate.
2. Complete the transaction details using the supporting document. Enter the **Posting Date**, select or enter the **Vendor** or payee, and add the **External Document Number**. Use the same document reference that appears on the freight bill, supplier invoice, duty charge, or other source document so the transaction can be identified later.
3. Select the correct **Currency** and enter the total **Amount** for the direct cost. Enter the full charge before you begin allocating it across lines. For example, if a freight document shows one total amount covering several purchased products, enter that full amount as the Direct Cost Transaction total.
4. Choose the Direct Cost Type or cost category that best identifies the charge. Use the category that matches the source document, such as freight, duty, handling, another landed cost, **Outbound Cost**, or **Deliverey Costs to the Client** where applicable. Selecting the correct category makes it easier to recognize the purpose of the charge when you review the transaction later.
5. Review the header details against the supporting document. Confirm that the vendor or payee, date, document number, currency, category, and total amount all match.
6. Click **Save** to keep the transaction as a draft while you allocate the amount. Saving at this point lets you continue to the allocation step without finalizing the transaction before you have checked the target lines.

[SCREENSHOT: New Direct Cost Transaction form with Posting Date, Vendor, External Document Number, Currency, Amount, and cost category completed]

Do not finalize the transaction until the full direct-cost amount has been allocated to the intended Sales Job, Orders, or Purchase Order lines.

Allocating Costs to a Sales Record

1. Open the saved Direct Cost Transaction and select **Adjust Allocation**. Use the allocation options to choose the target sales record. Select the relevant Sales Job or Orders when Pams presents the available sales records.

2. Review the sales record lines displayed for allocation. Check the **Item**, **Quantity**, **Amount**, and any existing allocation shown for each line. Select only the lines that should absorb the direct cost. For example, if a delivery charge applies to only part of an order, do not allocate it across unrelated items or services.
3. Enter or confirm the amount to allocate to each selected line. You may allocate the full direct-cost amount to one line when the charge applies only to that item or service. When the charge relates to several lines, assign an amount to each applicable line until the total allocation matches the Direct Cost Transaction amount.
4. Compare the total of all selected line allocations with the transaction's total **Amount**. The allocated total must equal the full direct-cost amount. If part of the amount remains unallocated, return to the lines and add or adjust the allocation before saving.
5. Save the allocation. Reopen or review the linked Sales Job or Orders and confirm that the direct cost is associated with the intended transaction lines. Check that the amounts are attached to the correct items, quantities, or services rather than merely to a similarly named line.

[SCREENSHOT: Allocation view showing sales record lines, allocation amounts, allocated total, and remaining unallocated balance]

Use the supporting document as your final check. The amount assigned across the sales record lines should match the charge document exactly, and each selected line should have a clear connection to that charge.

Allocating Costs to a Purchase Order and Posting the Transaction

1. Open the Direct Cost Transaction and select **Adjust Allocation**. Choose the related **Purchase Order** as the allocation source when the charge belongs to goods or services purchased from a Sub-supplier.
2. Review the available Purchase Order lines. Check the **Item**, **Quantity**, **Amount**, and any direct-cost allocation already connected to each line. Select the purchased products or services that the freight, duty, handling, or other landed cost applies to.
3. Enter the allocation amount for each selected Purchase Order line. Distribute the full direct-cost amount only across the lines related to the supporting document.

For example, allocate a freight charge to the products covered by that freight bill rather than to unrelated Purchase Order lines.

4. Before posting, review the transaction as a whole. Confirm all of the following:
   - The header **Amount** matches the supporting cost document.
   - The total allocated across Purchase Order lines equals the header amount.
   - The unallocated balance is zero.
   - The **Posting Date**, **Currency**, vendor or payee, and External Document Number are correct.
   - The linked **Purchase Order** is the intended source transaction.
5. Use the posting or finalization action shown on the Direct Cost Transaction after all values are correct. The transaction should move from its draft or open state to its posted or completed state.
6. Open the linked Purchase Order after posting. Review the relevant lines and confirm that the direct-cost allocation is reflected against the products or services you selected.

[SCREENSHOT: Posted Direct Cost Transaction linked to a Purchase Order, with the allocation shown on the applicable Purchase Order lines]

Once posted, treat the allocation as final. Complete the line review before posting so freight, duty, and other landed costs are associated with the correct purchased goods or services.

Fixing Allocation and Posting Problems

If the allocated amount does not match the Direct Cost Transaction total, compare the header **Amount** with the sum of every line-level allocation. Look for a line that has been missed, an amount entered incorrectly, or a charge that was allocated twice. Adjust the line amounts until the allocated total equals the full transaction amount and the unallocated balance is zero.

If you cannot find the Sales Job, Orders, or Purchase Order you need, check the original transaction first. Confirm that it has been saved and that its **Status** still allows allocation. A transaction that is closed, cancelled, or fully processed may not be available as an allocation source. Also confirm that you are looking for the correct transaction number, vendor, client, or item.

To correct an allocation assigned to the wrong line before posting:

- Reopen the Direct Cost Transaction while it is still in draft or open status.
- Select **Adjust Allocation**.
- Remove the incorrect allocation from the wrong item, service, or quantity.
- Select the intended line and enter the correct allocation amount.
- Recheck the allocated total and unallocated balance.
- Click **Save** before posting.

If Pams does not allow the transaction to post, review the required header information and allocation totals. Check the following items against the supporting document:

Check	What to verify
Posting Date	A date has been entered
Vendor or payee	The charge has been associated with the correct party
Direct Cost Type or category	A charge category has been selected
Amount	The header amount matches the source document
Allocation	The full amount has been allocated to eligible lines
Source transaction	The linked Sales Job, Orders, or Purchase Order is saved and eligible

Do not use an Incoming Payment to resolve an unallocated freight, duty, or handling charge. Incoming Payments are recorded separately; see Recording Incoming Payments for that process.

Overview

Direct Cost Transactions give you a controlled way to assign separate charges to the Sales Job, Orders, or Purchase Order lines they affect. Use them when a cost document arrives separately from the original transaction and must be connected to specific items, services, or quantities.

The process has two parts:

- Create a Direct Cost Transaction with the charge document details, including the **Posting Date**, vendor or payee, **External Document Number**, **Currency**, **Amount**, and Direct Cost Type or cost category.
- Use **Adjust Allocation** to assign the amount to the applicable Sales Job, Orders, or Purchase Order lines, then post or finalize the transaction after the allocated total matches the header amount.

Direct-cost allocation is especially useful for charges such as freight, duty, handling, other landed costs, **Outbound Cost**, and **Deliverey Costs to the Client**. The allocation can apply to one line or multiple lines, but the complete transaction amount must be assigned before posting.

Reviewing the linked transaction after allocation is an important part of the process. On a Sales Job or Orders, confirm that the cost is attached to the intended client-facing items or services. On a Purchase Order, confirm that the cost is attached to the purchased goods or services covered by the source document.

Use the source document throughout the process. Its amount, currency, document number, date, vendor or payee, and related products provide the basis for checking the entry. This helps keep direct costs connected to the correct transaction lines and prevents unallocated or duplicate amounts.

Prerequisites

Before working in **Direct Cost Transactions**, prepare the transaction and source information you will need. The allocation cannot be completed accurately without a saved source transaction, clear target lines, and a supporting charge document.

Have the following ready:

- A saved **Sales Job**, **Orders**, or **Purchase Order** that will receive the direct cost.
- Transaction lines with the relevant **Item**, **Quantity**, and **Amount** available for review.
- A source document, such as a supplier invoice, freight bill, duty charge, handling charge, or other landed-cost document.
- The direct-cost **Amount**, **Currency**, **Posting Date**, vendor or payee, and **External Document Number** from that document.
- A clear decision about whether the charge belongs to a sales record or a Purchase Order.
- The Direct Cost Type or cost category that identifies the charge, such as freight, duty, handling, **Outbound Cost**, or **Deliverey Costs to the Client**.

Before you start, check that the source Sales Job, Orders, or Purchase Order is not closed, cancelled, or fully processed. Review any existing direct-cost allocations on the transaction lines so you do not assign the same charge more than once.

If the charge relates to several lines, decide how much of the total belongs on each line before entering the allocation. The line-level amounts must add up exactly to the

Direct Cost Transaction total. If the full amount cannot be connected to eligible lines, leave the transaction in draft and review the source document and target transaction before posting.

After allocating and posting the required costs, continue with Managing Letters of Guarantee.