

# Drop Shipping

Last Modified on 08/13/2021 3:15 pm EDT

Drop shipping a sales order is when a vendor ships the product to your customer on your behalf. The vendor will then notify you by sending you an invoice as to which products have been shipped.

In All Orders you can create a drop ship purchase order from a sales order by first checking which items you want to drop ship then clicking **Activities** → **Create Drop Ship POs**.

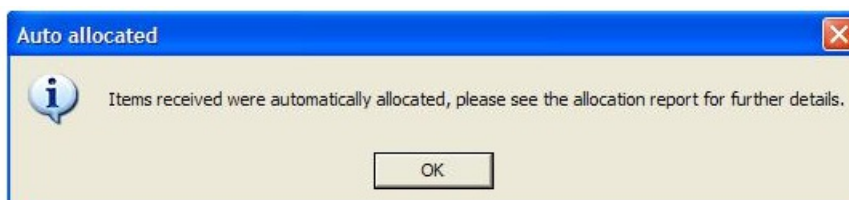
The screenshot shows a software interface for managing sales orders. The 'Activities' menu is open, and 'Create Drop Ship POs' is highlighted. The sales order details are as follows:

Item	Description	Orde...	Shippe...	Back D...	Avail...	U...	Std ...	Disc...	Pric...	Tota...	T...	Cl...	Details
GT65		1	1	0	0	EA	0.00	0.0000	46.00	46.00	Tax	<input checked="" type="checkbox"/>	▼
Wire-140		1	1	0	0	EA	0.00	0.0000	5.00	5.00	Tax	<input checked="" type="checkbox"/>	▼
1/4 in. cork	Sheet Metal	1	1	0	0	EA	0.00	0.0000	6.00	6.00	Tax	<input checked="" type="checkbox"/>	▼

Summary: Subtotal 57.00, Discount \$ 0.00, Freight \$ 0.00, Pre-Tax Total 57.00, Tax 3.42, Total 60.42.

All Orders will use the default vendor when creating the purchase order. Items with the same vendor will be on the same purchase. As a result of creating the drop ship, a dependency relationship exists between the sales order and the purchase order (s) and the documents are linked. Once linked the quantity on the sales order is 'Reserved' to the purchase order that way another sales order cannot take away quantity when the PO is reserved. To ensure that allocations are enforced like this make sure 'Enforce allocation to dependencies from linked transactions' is CHECKED in Inventory Preferences.

When you receive the notice from your vendor that the purchase order is received, you create a receiver as with any purchase order. You can then Fill the sales order to create the ship doc. You can also automatically generate a ship doc each time a purchase order is received by CHECKING 'Auto allocate dependencies' in Inventory Preferences. When you receive the purchase order and press Save as ship doc will be created and you see the following dialog:



You can then print the allocation report to see the ship doc created. Another way to ensure that your drop ships are not comingled with your other inventory is to create a drop ship location and receive all stock into that location. You can then ensure review the quantities in the drop ship location to ensure sales orders have been converted to a ship doc and invoiced.

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