Negative Purchase Orders in RetailEdge

Inventory Management · https://retailedge.com/docs/retailedge-negative-po

A common question we receive is, “How do I account for inventory that needs to be returned to a vendor or has been damaged?” While these scenarios are slightly different, both use the same workflow to remove, or “unreceive,” inventory from stock. In RetailEdge, vendor returns are handled by creating a negative purchase order (PO), which is simply a purchase order containing negative quantities for the items being returned. Add the items being sent back, then receive/update the negative quantities so your inventory counts and receiving history remain accurate.

The quickest way to add products to a Return Order (a PO with a negative balance) is through the Sales screen:

1. Add the item(s) to the Sales screen.
2. Select the **Return All** button to make all quantities negative.
3. Select **Options**, then choose **Copy to PO**.

The items will then be added to a purchase order, where you will assign a PO or Return Order number and associate the correct vendor for the return.

Note: This method helps maintain accurate receiving history and supports integrations that track open-to-buy reporting or vendor accounting. It also clearly separates vendor returns from customer returns, which RetailEdge handles through the Sales Manager return workflow.

When creating RMA, RTV, or PO numbers, consistency is the best practice. Using naming conventions such as **RMA-10-20-16-1** for return authorizations or **RTV-** prefixes for vendor returns makes return orders easy to identify alongside standard purchase orders.

For damaged or expired items that cannot be returned to the vendor for credit, you should use the same workflow with a different prefix, such as **DAM-**. Another common reason for removing inventory is donations, which can also follow this process using a prefix such as **DON-**.

Step-by-Step: Creating a Return Order in PO Manager

Below is a step-by-step guide for creating a negative purchase order (Return Order) through the PO Manager for vendor returns in RetailEdge. However, the Sales screen method described above is often faster and easier when processing returns with multiple line items.

1. Open **Purchase Orders** from the RetailEdge toolbar.
2. Click **Add** to create a new PO.
3. Enter a PO number that clearly identifies it as a return, such as **RTV-2026-05-06-1**.
4. Select the vendor the items are being returned to.
5. Add the item(s) being returned.
6. Enter the quantities as negative numbers for each item.
7. Save the PO, then process it through **Receiving** so the inventory reduction is recorded properly.
8. Print or export the PO if you need documentation for the vendor.