

How Interpret/Determine SAP Freight Codes

Hospital Purchasing engages a third-party freight management contractor to manage all shipping costs associated with hospital orders. Freight terms on each PO must be set up in an established approach to ensure the appropriate coding is assigned to direct whether the PO will be one which the third-party freight entity will manage the freight costs.

The majority of coding is already driven by terms on the SAP Vendor Master Data. The following freight terms are used on the Vendor Master Data for freight; this means these terms will automatically populate onto the POs when created:

FOB – Prepay and Allow (Campus POs – 75, 43, 88)

FOB – Prepay and Add (Campus POs – 75, 43, 88)

NFR – Prepay and Allow (Hospital POs – 47, 45)

FRE – Prepay and Add (Hospital POs – 47, 45)

In general, the majority of POs created by each team and vendors assigned will automatically place the correct freight terms onto the PO. There are a minority of exceptions for both teams:

Important: *The same Vendor Master Data file is used jointly for all purchases campus-wide (campus, hospital, facilities, etc.). Ultimately, there will be some vendor numbers that campus and hospital share on free text/non-file orders; the buyer should vet the terms on the PO when processed to ensure they are correct.*

1. **Campus Procurement Services Staff** creating a PO **on behalf of hospital** using a vendor number that did not pull the FOB terms to the PO.

Action Needed: The Campus buyer ensures any purchase order created does not have FRE or NFR on their POs. If created on the campus side, the freight terms should be an FOB selection. Buyer may need to overwrite.

2. **UK HealthCare Procurement Services Staff** creating a PO using a vendor number that did not pull the NFR or FRE terms to the PO.

Action Needed: The Hospital buyer ensures any purchase order created does not have FOB on their POs. If created on the hospital side, the freight terms should be an FRE or NFR selection. Buyer may need to overwrite.

Role: Procurement Buyers – Central
Campus and Hospital

Frequency: As Needed