

Canceling Orders

Issued:

Revised:

Production Planner	Date	Finance Assistant	Date
Financial Controller	Date	VP Finance	Date
VP Sales and Marketing	Date	VP Production	Date
President	Date	ISO Representative	Date

Purpose: To ensure that when a sales order is canceled production is terminated, the order is purged from the system, product produced or partially produced is removed from circulation, and Advisers Manufacturing is compensated for the processing costs incurred.

Policies:

1. Customers are responsible for the costs incurred on all canceled orders providing Advisers Manufacturing is not in violation of any of the terms of the contract,
2. Only documented cancellation requests are honored.

Instructions:

1. The Sales Engineer is responsible for:
 - a) Identifying the sales order and the work order numbers,
 - b) Contacting the customer and confirming the cancellation,
 - c) Immediately notifying the Production Planner and VP Production, and
 - d) Filing an Order Cancellation Notice, Form 08-011, placing a copy in the Sales Order file, and forwarding copies to both the VP Production and the Financial Assistant.
2. The VP Production is responsible for:
 - a) Terminating production,
 - b) Attaching a Temporary Hold Tag, Form 10-050, to the parts,
 - c) Moving the parts to a containment area, and
 - d) Notifying the Production Planner
3. The Production Planner is responsible for:
 - a) Completing the section of the Order Cancellation Notice acknowledging that the work orders have been destroyed and the parts removed from production,
 - b) Retuning the completed form to the Sales Engineer, and then
 - c) Determining the disposition of the parts. (Options include scrapping, restocking, or applying the parts to another order.), and then
 - d) Notifying the Purchasing Manager if the parts are to be restocked.

4. The Sales Engineer is responsible for:
 - a) Notifying the customer, canceling the line items, and if appropriate canceling the Sales Order,
 - b) Developing and invoicing the customer for the costs incurred, and
 - c) Filing a copy of the invoice in the Sales Order Folder.
5. The Finance Assistant is responsible for:
 - a) Reviewing the Pro-forma file to determine if there have been any payments against the order,
 - b) Invoicing the customer based on the information supplied by the Sales Engineer, or repaying any excess deposit, and
 - c) Noting the sales invoice number and the cancellation charges on the Order Cancellation Notice, and
 - d) Filing and retaining the notice.

Related Procedures or Documents: Temporary Hold Tag

Retained Documents: 08-011 Order Cancellation Notice – VP Finance