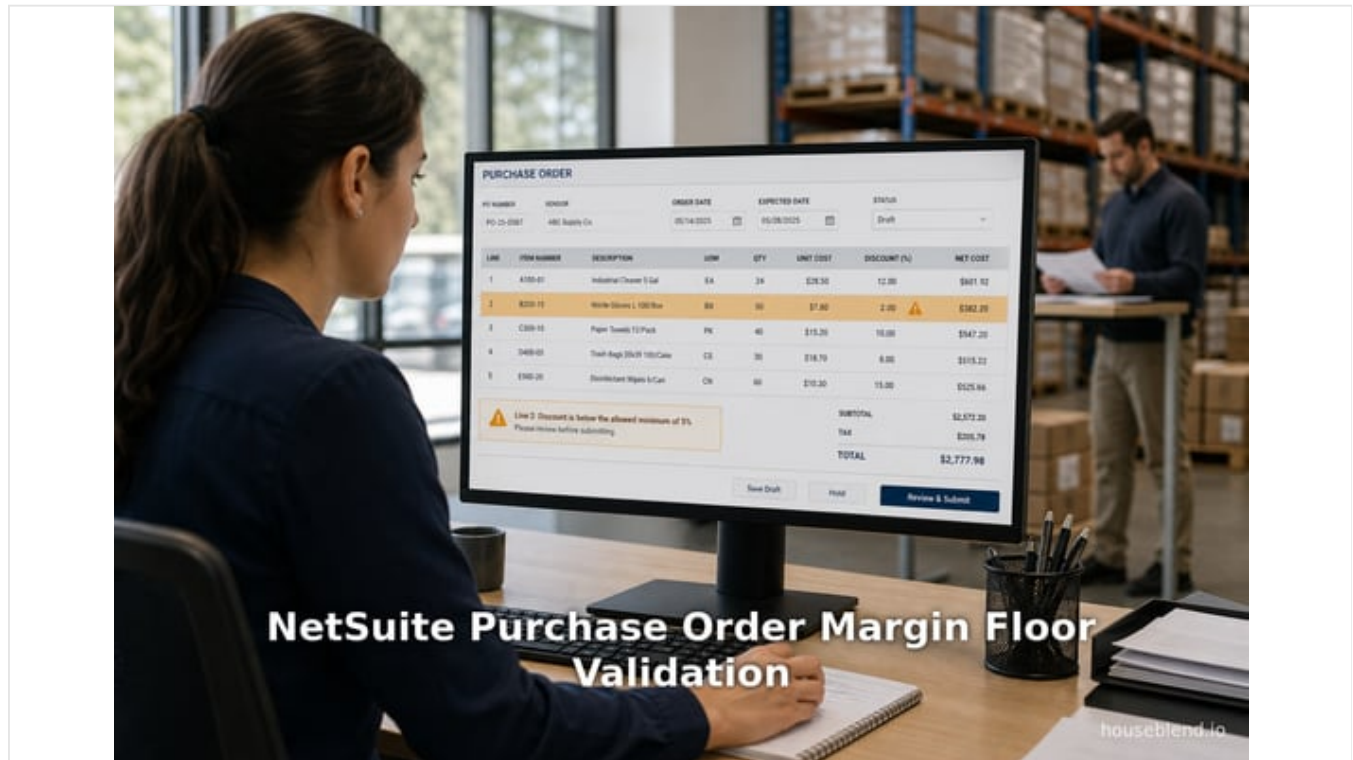


NetSuite Purchase Order Margin Floor Validation

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<current_article_content># NetSuite Purchase Order Margin Floor Validation

A purchase order is a non-posting transaction in NetSuite: it records an intended purchase, while inventory cost and asset values post when the order is received. That makes the purchase-order entry process a useful place to review expected costs before downstream receiving and billing activity begins. [Oracle's purchase-order documentation](#) describes the transaction and its accounting treatment.

A margin-floor validation is a custom business control that evaluates defined purchase-order lines against a company-approved threshold. It is not a substitute for a margin policy, and it should not be described as a native NetSuite pricing rule unless the account has been configured and documented that way.

Define the rule before automating it

The validation should specify:

- which purchase-order lines are in scope;
- the source of the expected selling price, cost, or other inputs used in the calculation;
- the calculation method and the minimum permitted result;
- authorized exceptions and the approver responsible for them; and
- how the rule handles missing, overridden, or stale source data.

This distinction matters because a purchase order primarily records vendor-facing purchasing data. A sales-margin calculation generally needs a related selling price or another approved commercial reference. If that reference is unavailable, the control should require review rather than imply that the purchase order alone establishes customer margin.

Validate at entry and at save

NetSuite purchase orders support both client and server SuiteScript, and the record is fully scriptable. A well-designed control can therefore provide an immediate message while a user enters a line and recheck the rule when the purchase order is saved. The save-time check is important because purchase orders can also be created or changed through other supported processes. [Oracle documents the purchase-order record's SuiteScript support](#).

The validation outcome should be clear and actionable. For example, it can identify the affected line, show the values used in the calculation, and state whether the user must correct the data or obtain an approved exception. The implementation should preserve a record of approved exceptions and the reason for them.

Use defaults carefully for new lines

Defaulting line values can reduce repetitive entry, but a default is not a guarantee that the value remains appropriate. Item, vendor, subsidiary, currency, location, and effective-date context can all affect which value is suitable.

Use controlled source fields for defaults, make the origin of a populated value visible where practical, and validate the final line values rather than assuming the default is correct. NetSuite supports custom transaction fields for business-specific information, including on purchase transactions. [Oracle's custom-field guidance](#) describes this customization capability.

Keep reporting as a second line of control

Exception reporting remains valuable for reviewing overrides, missing inputs, and trends in attempted threshold breaches. It should complement, rather than replace, entry-time validation. Because purchase orders are non-posting, an approved purchase order does not itself create a ledger posting; receiving the order is the event that posts the relevant costs and asset values. [Oracle's purchasing guidance](#) explains this timing.

Questions to test during rollout

Before releasing the control, test ordinary entry, line edits, copied orders, imports, integrations, currency changes, and approved exceptions. Confirm that the calculation uses the intended reference data and that users can understand and resolve a failure without bypassing the policy.

FAQ

Is a purchase-order margin floor a standard NetSuite feature?

A purchase order can be customized and scripted, but whether a particular margin-floor rule exists depends on the account's configuration and custom business logic. It should be documented as a custom control unless the implemented feature and scope have been verified.

Can a purchase order by itself determine sales margin?

Not necessarily. Purchase orders record purchasing information. A sales-margin calculation may require a related sales price, quote, contract, or another approved commercial data source.

Why validate before saving the purchase order?

A save-time validation applies the rule to the final transaction data and can provide consistent enforcement alongside a user-facing entry-time message.</current_article_content>

Tags: margin floor validation, purchase order automation, netsuite, pricing guardrails, margin erosion, discount floor, point of entry validation, procurement automation

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