1. Create 3 Purchased Items for Testing

Item Code	Description	Type	Phantom in Item Production Data(IPD)
FPSE-004-TEST-01	Test for phantom purchasing	Purchased	Yes
FPSE-004-TEST-02	Test for phantom purchasing	Purchased	Yes
FPSE-004-TEST-03	Test for phantom purchasing	Purchased	Yes

BOM Structure:
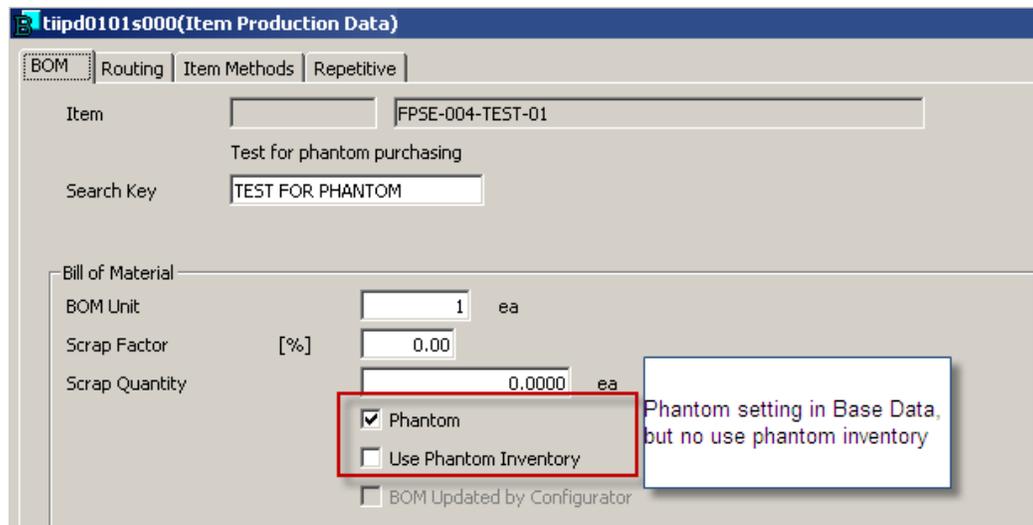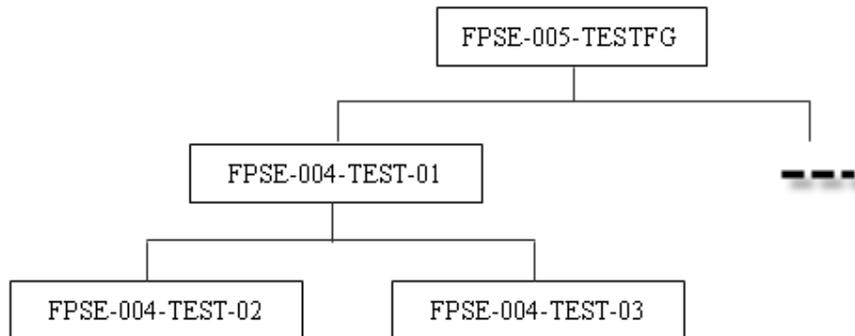
All purchased items setup as above screen-printing.

2. Maintain Standard Cost for Purchased Items and Roll-up Costing

After Standard Cost Roll-Up, get Costing Price of FG:

General | Price

Item	FPSE-005-TESTFG
	UPLOAD M_PART1

Settings

Currency	USD	US Dollar

Costs

	Estimated	Actual
Cost Price	5.000000	0.000000
Material Costs	5.000000	0.000000
Operation Costs	0.000000	0.000000
Last Calculation Date	10-12-09 15:19:01	

```
------------------------------------------------------------------------------------------|---
Item Code                        | Description         | Simulated Purchase Price | Estimated Cost Price
------------------------------------------------------------------------------------------|---
        FPSE-004-TEST-01         | Test for phantom purchasing | 5.000000          | 5.000000
        FPSE-004-TEST-02         | Test for phantom purchasing | 5.000000          | 5.000000
        FPSE-004-TEST-03         | Test for phantom purchasing | 5.000000          | 5.000000
```

Please noted that the cumulative cost of FG is only 5 USD, which does not include the cost of item FPSE-004-TEST02 and FPSE-004-TEST03.

3.   Create Production Order for FG

tisfc0510m000(Estimated Materials),

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Production Order	CFT100045	Status	Planned
Item	FPSE-005-TESTFG		
Description	UPLOAD M_PART1		
Quantity Ordered	100.0000 ea	☑ Backflush Materials	

	Pos.	Item	Description	Net Quantity	Bck fls	Opr	Ass Opr	Ware-house
	10	FPSE-004-TEST-01	Test for phantom purchasing	100.0000 ea	☑	0	0	J43010

In the estimated materials list, there is only one item FPSE-004-TEST-01 as component.

4.   Create 2 Purchase Orders for the item FPSE-004-TEST-01

Purchase Order 1:
Use Main Item as Post Item

Go to Receiving Tab:

If the posting status is 'Post to Main Item', then when you do the receipt, the inventory will go into the main item, here it's FPSE-004-TEST-01 itself.

Purchase Order 2:
Use Component as Post Item

Check Planned Inventory Transaction for this 3 items:

Since we already set the Unit Conversion Factor for this 3 items before, so the inventory here is 1000*0.001=1

Item FPSE-004-TEST-01

Item FPSE-004-TEST-02

Item		FPSE-004-TEST-02									
	Test for phantom purchasing										
On Hand	0.0000 ea										

Transaction Date		Order Type	Order Number	Pos.	Ware-house	Trans. Type	Planned Quantity	Expected Inventory	Business Partner	Success Percent.
10-12-09	16:01:51	Purchase Order	J43N00386	10	J43012	+ (Planned Receipt)	1.0000	1.0000	SP3H00001	Anson Solder & Tin P	100.00

Item FPSE-004-TEST-03

Item		FPSE-004-TEST-03									
	Test for phantom purchasing										
On Hand	0.0000 ea										

Transaction Date		Order Type	Order Number	Pos.	Ware-house	Trans. Type	Planned Quantity	Expected Inventory	Business Partner	Success Percent.
10-12-09	16:01:51	Purchase Order	J43N00386	10	J43012	+ (Planned Receipt)	1.0000	1.0000	SP3H00001	Anson Solder & Tin P	100.00

Then, Process the Purchase Order to receive this 2 orders.

Check inventory first:

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Item	FPSE-004-TEST-01							
Description	Test for phantom purchasing							

	Wrh	Warehouse Type	Clus-ter	Inventory on Hand	Inventory on Hold	Inventory On Order	Allocated Inventory	Economic Stock	Unit
	J43010	Normal		8.0000	0.0000	9908.0000	9141.6000	774.4000	ea
	J43012	Normal		101.0000	0.0000	-1003.0000	10.0000	-912.0000	ea
	J43013	Normal		0.0000	0.0000	10.0000	0.0000	10.0000	ea
	J43030	Normal		4.0000	0.0000	0.0000	0.0000	4.0000	ea
	J43040	Normal		25.0000	0.0000	8.0000	34.0000	-1.0000	ea

Item	FPSE-004-TEST-02							
Description	Test for phantom purchasing							

	Wrh	Warehouse Type	Clus-ter	Inventory on Hand	Inventory on Hold	Inventory On Order	Allocated Inventory	Economic Stock	Unit
	J43010	Normal		0.0000	0.0000	0.0000	0.0000	0.0000	ea
	J43012	Normal		0.0000	0.0000	1.0000	0.0000	1.0000	ea
	J43013	Normal		0.0000	0.0000	0.0000	0.0000	0.0000	ea
	J43030	Normal		0.0000	0.0000	0.0000	0.0000	0.0000	ea
	J43040	Normal		0.0000	0.0000	0.0000	0.0000	0.0000	ea

Item	FPSE-004-TEST-03							
Description	Test for phantom purchasing							

	Wrh	Warehouse Type	Clus-ter	Inventory on Hand	Inventory on Hold	Inventory On Order	Allocated Inventory	Economic Stock	Unit
	J43010	Normal		0.0000	0.0000	0.0000	0.0000	0.0000	ea
	J43012	Normal		0.0000	0.0000	1.0000	0.0000	1.0000	ea
	J43013	Normal		0.0000	0.0000	0.0000	0.0000	0.0000	ea
	J43030	Normal		0.0000	0.0000	0.0000	0.0000	0.0000	ea
	J43040	Normal		0.0000	0.0000	0.0000	0.0000	0.0000	ea

Raise one GRN for this 2 order then confirm receipt:

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Receipt Number   R43001903

	Order	Set	Pos.	Sequence	Item	Received Quantity		Received Quantity In Inventory Unit	Conf.
	J43N00385	1	10	1.000	FPSE-004-TEST-01	1000.0000	g	1.0000	☑
	J43N00386	1	10	1.000	FPSE-004-TEST-01	1000.0000	g	1.0000	☑

Check Inventory again:

Item		FPSE-004-TEST-01							
Description		Test for phantom purchasing							

	Wrh	Warehouse Type	Clus-ter	Inventory on Hand	Inventory on Hold	Inventory On Order	Allocated Inventory	Economic Stock	Unit
	J43010	Normal		8.0000	0.0000	9908.0000	9141.6000	774.4000	ea
	J43012	Normal		102.0000	0.0000	-1004.0000	10.0000	-912.0000	ea
	J43013	Normal		0.0000	0.0000	10.0000	0.0000	10.0000	ea
	J43030	Normal		4.0000	0.0000	0.0000	0.0000	4.0000	ea
	J43040	Normal		25.0000	0.0000	8.0000	34.0000	-1.0000	ea

New inv. is 102

Item		FPSE-004-TEST-02							
Description		Test for phantom purchasing							

	Wrh	Warehouse Type	Clus-ter	Inventory on Hand	Inventory on Hold	Inventory On Order	Allocated Inventory	Economic Stock	Unit
	J43010	Normal		0.0000	0.0000	0.0000	0.0000	0.0000	ea
	J43012	Normal		1.0000	0.0000	0.0000	0.0000	1.0000	ea
	J43013	Normal		0.0000	0.0000	0.0000	0.0000	0.0000	ea
	J43030	Normal		0.0000	0.0000	0.0000	0.0000	0.0000	ea
	J43040	Normal		0.0000	0.0000	0.0000	0.0000	0.0000	ea

New inv. is 1

Item		FPSE-004-TEST-03							
Description		Test for phantom purchasing							

	Wrh	Warehouse Type	Clus-ter	Inventory on Hand	Inventory on Hold	Inventory On Order	Allocated Inventory	Economic Stock	Unit
	J43010	Normal		0.0000	0.0000	0.0000	0.0000	0.0000	ea
	J43012	Normal		1.0000	0.0000	0.0000	0.0000	1.0000	ea
	J43013	Normal		0.0000	0.0000	0.0000	0.0000	0.0000	ea
	J43030	Normal		0.0000	0.0000	0.0000	0.0000	0.0000	ea
	J43040	Normal		0.0000	0.0000	0.0000	0.0000	0.0000	ea

New inv. is 1

The conclusion:

From the document you can see that once the purchased items has its components and they are set as phantom item, you must be careful when you create PO for receiving since the inventory can be post to Main Item or Component Item either. In addition, the phantom inventory can be used due to the check box of 'Use Phantom Inventory' in IPD is checked or not.