

CHAPTER 1: SALES ORDER MANAGEMENT

Objectives

The objectives are:

- Review the setup of Sales Order Management, including customers, shipping options, reservation rules, customer posting groups, and salespeople.
- Explain and process sales quotes and blanket orders, and review sales order information.
- Describe how to reserve items on a sales order.
- Explain the process of posting a sales order shipment.
- Describe and demonstrate the process of combining shipments into one invoice.
- Explain how to process prepayments on a sales order.

Introduction

For companies to survive, they must keep customers satisfied. An instant and accurate response to inquiries, such as delivery time or the price of the product, is a key factor contributing to customer satisfaction. In addition, efficiently handling special customer requests about shipping arrangements and invoicing preferences is likely to ensure repeat orders. Typical examples of these requests include:

- Receiving shipments in parts or to different addresses
- Receiving the orders before they are invoiced
- Being invoiced for several shipped orders at the same time

Companies must also ensure they can register sales transaction information easily. For example, adjusting customer balance and updating inventory availability and values are tasks that a company must always perform when handling sales. Additionally, companies may want to keep a record of the salespeople performing the sale.

As aspects of a future sales agreements are negotiated and agreed upon in the presales stage, it is helpful for salespeople to record relevant agreement details once and then reuse this information when creating an actual sales order.

The following functionality in Microsoft Dynamics® NAV supports efficient sales transaction handling:

- **Sales Order Management:** This functionality includes documents (quotes, blanket orders, and sales orders) that support the order processor in efficiently managing sales. The functionality supports:
 - Partial order shipment
 - Separation between shipping and invoicing
 - Combined invoicing
- **Alternative Ship-Tos:** This facilitates managing sales orders for customers who have several alternative shipping addresses.
- **Order processors/purchasing agents:** This enables collection of sales statistics at the salesperson level.
- **Shipping agents:** This facilitates the management of carriers (shipping agents) and related information.

Set Up Sales Order Management

This lesson contains setup options that define the functionality of sales order management, focusing on the physical handling rather than financial aspects of a sales transaction. Setup options that support additional sales practices and tasks (for example, sales and invoice discounts and return management) are discussed in separate chapters.

The sales setup consists of the following elements:

Sales & Receivables Setup

Based on their established practices, companies must specify how they want the program to support them in managing different aspects of their sales transactions. These are general setup options the program applies to all sales transactions, regardless of the item or customer.

Customer Setup

Basic information such as name and address, in addition to invoicing details (for example, credit limit, invoicing, discount and payment terms, currencies, shipping schemes, reservation rules, and so on) are recorded for each customer on a customer card.

Customer Posting Groups

The setup of customer posting groups defines the connection between a customer and accounts in the general ledger. The user does this by assigning a customer to a posting group for which balance sheet and income statement accounts are set up.

Salesperson Setup

Companies can set up codes to identify and describe salespeople. This is done to establish a link between a salesperson and the performance in terms of, for example, the number of sales transactions (orders, invoices, or returns) handled.

Demonstration: Review Sales & Receivables Setup

Scenario: At CRONUS International Ltd., management wants to notify the order processor about a customer's credit and balance every time the customer places an order. Because management wants to ensure that orders are delivered on time, they want feedback on item availability when a sales order is entered.

In regard to shipping, CRONUS wants the **Qty. to Ship** field on a sales order line to populate automatically with the remaining, unshipped quantity, and require the creation of shipment and return receipt documents when a user posts invoices, credit memos, or both.

The business requirements listed above have led to the following Sales & Receivables setup for CRONUS.

Follow these steps to confirm the setup of these business requirements in the **Sales & Receivables Setup** page:

1. On the navigation pane, click the **Departments** button and then click **Sales & Marketing**.
2. On the **Sales & Marketing** page, click **Administration** and then click **Sales & Receivables Setup**.

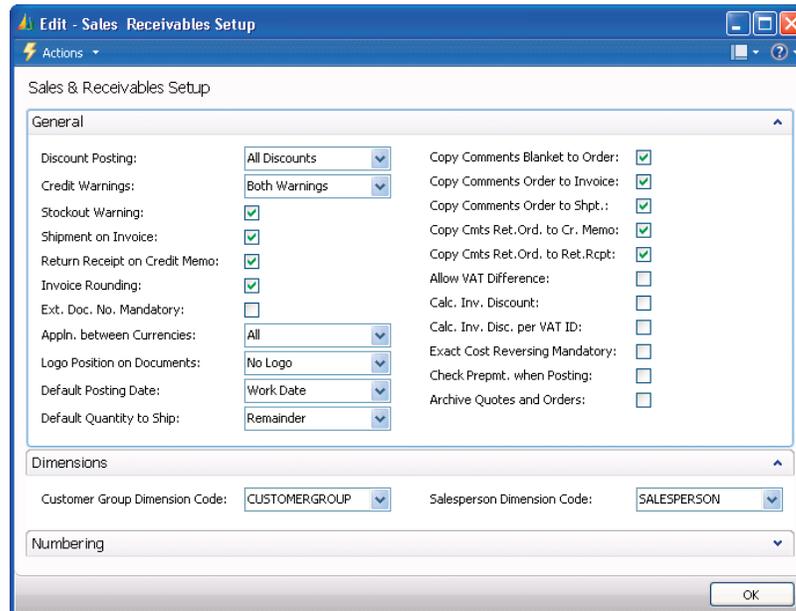


FIGURE 1.1 SALES & RECEIVABLES SETUP

The fields on the **General** FastTab of the **Sales & Receivables Setup** page that are relevant for Sales Order Management are described in the following table.

Field	Description
Credit Warnings	The Credit Warnings field specifies whether the program warns about the customer's credit standing when the user creates a sales order or invoice for the customer. When it is required, the warning can be triggered by overdue balance, exceeded credit limit, or both.
Stockout Warning	The Stockout Warning check box, when selected, specifies that the program warns the user when there are not enough items on inventory to fulfill a sales order. The warning is based on a calculation that sums quantity amounts on all posted item ledger entries and unposted sales order lines, including reserved quantities.
Default Quantity to Ship	This field identifies the value to default into the Qty. to Ship field in new order documents and after an order is partially shipped. The options are Remainder and Blank.
Shipment on Invoice and Return Receipt on Credit Memo	These check boxes indicate that, when selected, the program automatically creates posted shipment and posted return receipt documents at the time of posting sales invoices and sales credit memos. If these check boxes are clear, the program only creates posted invoices, credit memos or both. Posted shipment (return receipt) documents are needed when you are using: <ul style="list-style-type: none"> • Item Charges functionality. • Automatic package tracking function.

Use the fields on the **Dimension** FastTab to group customers and salespeople for budgeting and sales analysis purposes. Refer to "Analysis and Reporting" in this training material.

The definition and setup options of all other fields on the **General** and **Numbering** FastTabs of the **Sales & Receivables Setup** page are available in online Help. Fields determining invoice discount setup and cost reversing options are described in "Sales Prices and Discounts" and "Returns Management" in this training material.

Customers and Shipping Options

The customer card and the type of information and customer details that can be recorded are explained in other courses and are not repeated here. This topic explains additional setup options for customer data management. These options manage shipping-related information and processes and control item reservation rules.

Customers often have alternative sites in addition to the main business address for shipping items. For example, a subcontractor may require deliveries to several construction sites. Companies may have warehousing and production sites that have addresses different from the main office address.

The functionality of the Alternative Ship-To supports those customers that have alternative shipping sites. If a customer wants the orders shipped to different addresses, addresses can be recorded as alternative ship-to addresses and chosen by the order processor when creating an order/invoice.

Enter ship-to addresses in the **Ship-to Address** page. This can contain an unlimited number of addresses for each customer. A code representing information such as customer number and name links to each address.

Procedure: Review Ship-to Addresses

Follow these steps to review the Ship-to Addresses set up on customer 10000:

1. On the **Sales & Marketing** page, click **Order Processing** and then click **Customers**.
2. Open the customer card for customer 10000.
3. On the **Related Information** menu, point to **Customer** and then click **Ship-to Addresses**.
4. Double-click the second line to review the address details.

When this code is selected in the **Ship-to Code** field on orders (invoices and credit memos), this ship-to information appears on document printouts. Ship-to codes are also available on purchase orders that are drop-shipped to a customer.

All other shipping setup options are located on the **Shipping** FastTab of a customer card.

5. Close the **Ship-to Address** and **Ship-to Address List** pages.

Procedure: Review Shipping Fields

Follow these steps to review the shipping fields on the customer card for customer 10000:

1. On the customer card for customer 10000, expand the **Shipping** FastTab.

The screenshot displays the 'Edit - Customer Card - 10000 - The Cannon Group PLC' window. The 'Shipping' FastTab is expanded, showing the following fields:

Field	Value
Location Code	BLUE
Combine Shipments	<input checked="" type="checkbox"/>
Reserve	Optional
Shipping Advice	Partial
Shipment Method Code	EXW
Shipping Agent Code	DHL
Shipping Agent Service Code	OVERNIGHT
Shipping Time	1D
Base Calendar Code	
Customized Calendar	No

Other visible fields in the 'General' and 'Communication' tabs include:

Field	Value
No.	10000
Name	The Cannon Group PLC
Address	192 Market Square
Post Code	B27 4KT
City	Birmingham
Country/Region Code	GB
Contact	Mr. Andy Teal
Search Name	THE CANNON GROUP PLC
Balance (LCY)	168,364.41
Credit Limit (LCY)	0.00
Salesperson Code	PS
Responsibility Center	BIRMINGHAM
Service Zone Code	M
Blocked	
Last Date Modified	10/17/2008
Communication	the.cannon.group.plc@cronuscorp.net
Invoicing	NATIONAL DOMESTIC
Payments	1M(8D) DOMESTIC 1.5 DOM.

FIGURE 1.2 CUSTOMER CARD FOR CUSTOMER 10000 WITH EXPANDED SHIPPING FASTTAB

Companies may use a decentralized distribution strategy to ensure that orders are delivered fast to their customers. Such a strategy suggests that customer orders ship from local warehouses rather than from a central location. A company can link a customer to a specific location by specifying a default location in the **Location Code** field.

The option selected in the **Shipping Advice** field indicates whether the customer accepts partial order shipments or only wants complete shipments. For complete shipments, the program does not allow posting of a sales order unless the **Qty. to Ship** field is equal to the total sales order quantity.

2. In the **Shipment Method Code** field, click the drop-down arrow and then click **Advanced** to see the entire list of shipment methods.

Depending on their profile, industrial practices, and location, customers may have different preferences as to whom (a customer or a supplier) picks up the shipment, how orders must be shipped, and so on. The program can record all the terms of sale and shipment methods (often based on standard international trade definitions) that can be associated with each customer.

When assigned to a customer, the shipment method code copies to sales documents for that customer.

3. Close the **Shipment Methods** page.

The shipping setup options in the **Shipping Agent Code**, **Shipping Agent Service Code**, and **Shipping Time** fields, and the two calendar fields on the **Shipping** FastTab of the customer card calculate shipment and delivery dates for sales documents. These setup options are described in "Order Promising" in this training material.

Use the **Combine Shipments** option when you invoice or debit a customer for several shipments or return receipts in one invoice or credit memo. If selected on the customer card, the check box is selected by default in the order header, but you can change it as needed. The Combine Shipments or Return Receipts batch job combines the posted shipment or return receipt documents into one invoice or credit memo and includes only orders that have the **Combine Shipments** check box selected.

You can manage item reservations between sales and purchase orders based on whether reservations are made in relation to a specific customer. The user determines this by selecting one of the following options in the **Reserve** field:

- Never
- Optional
- Always

The selected option copies to the **Reserve** field on the header of a sales document created for the customer, where it, in combination with the contents of the **Reserve** field on the item card, determine the reservation option for individual sales lines in the document.

Refer to online Help for more information about the fields on the **Shipping** FastTab.

Customer Posting Groups

The financial value of a sales transaction posts to dedicated accounts in the general ledger. When companies do not want to establish accounts for each customer, they can put several customers into one posting group and specify accounts for each group.

After the company decides on criteria for how its customers are grouped, it must set up the groups in the **Customer Posting Group** page.

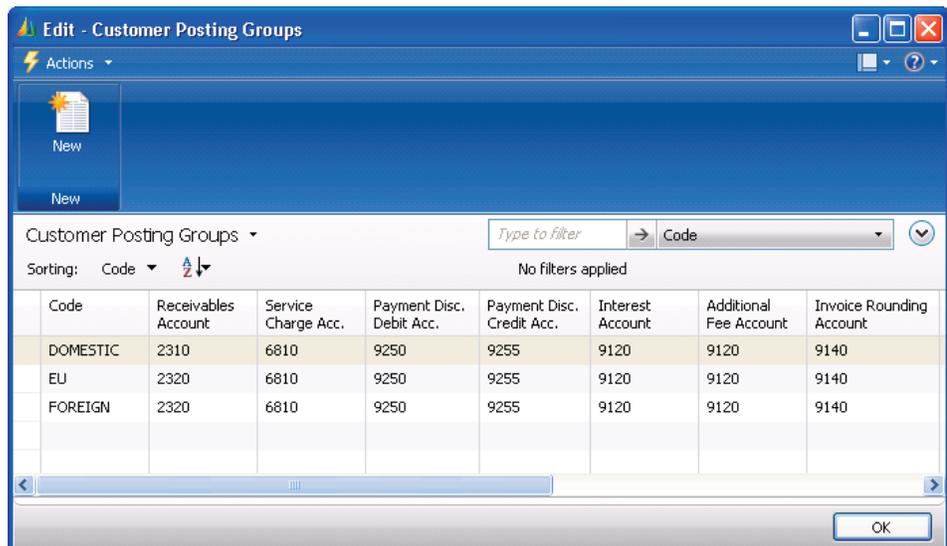
In this page, the user can assign a code to each posting group and specify general ledger accounts for categories, such as:

- Receivables
- Service charges
- Payment discount amounts
- Interest
- Additional fees

Procedure: Review Customer Posting Groups

Follow these steps to review the posting groups set up for customer 10000:

1. On the navigation pane, click **Financial Management**.
2. On the **Financial Management** page, click **Administration** and then click **Customer Posting Groups**.



Code	Receivables Account	Service Charge Acc.	Payment Disc. Debit Acc.	Payment Disc. Credit Acc.	Interest Account	Additional Fee Account	Invoice Rounding Account
DOMESTIC	2310	6810	9250	9255	9120	9120	9140
EU	2320	6810	9250	9255	9120	9120	9140
FOREIGN	2320	6810	9250	9255	9120	9120	9140

FIGURE 1.3 CUSTOMER POSTING GROUPS

3. Close the **Customer Posting Groups** page.

Entering a code in the **Customer Posting Group** field of the **Invoicing** FastTab on a customer card assigns the customer to a specific posting group.

4. Open the customer card for customer 10000 and then expand the **Invoicing** FastTab.
5. Confirm that DOMESTIC has been selected in the **Customer Posting Group** field.

Each customer can only be assigned one customer posting group.

When a sales transaction (orders, invoices, and credit memos) for this customer posts, the accounts for the posting group where the customer belongs is used.

***NOTE:** You must also assign general business posting groups to customers. Use the business group code in combination with a general product posting group code in the general posting setup to specify the posting accounts to which certain transactions post. You can also assign the VAT Business Posting Group code. It is used in combination with a VAT Product Posting Group code to find the VAT %, VAT calculation type, and VAT accounts to which the program posts VAT amounts. For more information about general setup rules, refer to the "Application Setup in Microsoft Dynamics® NAV 2009" training material.*

Each customer posting group can have different general ledger accounts or the same accounts set up for it. An advantage of having different groups that have the same accounts is that it gives accountants flexibility in grouping customers for reporting and analysis purposes. For example, you can present and analyze a total receivables amount with two groups representing domestic and foreign customers.

Procedure: Set Up Salespeople

When companies want to monitor sales performance, they can record volume achieved by salespeople and produce statistics.

To set up salespeople, a company assigns a code to each salesperson. Follow these steps to set up a salesperson:

1. On the **Sales & Marketing** page, click **Sales** and then click **Salespeople**.
2. Click **New** to create a new salesperson.
3. Enter a code and name and then other details such as job title, commission percent, and dimensions.

***NOTE:** Apart from two default dimensions (department and project) selected on the **Invoicing** FastTab of the salesperson card, companies can also assign additional default dimensions. This can be done for a single salesperson or the whole group. This setup option is found on either the **Salespeople** list page or the **Salesperson/Purchaser Card** by clicking the **Related Information** menu, pointing to **Salesperson**, and then selecting the relevant **Dimensions** menu item.*

Selecting a salesperson code as the default on a customer card or directly in the sales documents ensures that sales statistics are created at the salesperson level. Based on this, the overall performance of salespeople can be calculated and presented in a report.

Manage Sales Transactions

Managing Sales Transactions elaborates on the program's facilities that support common tasks in sales transaction management. The workflow includes the following steps:

- Registering a sales quote or blanket agreement with a customer.
- Converting the agreement into a sales order.

In some environments, goods sold to a customer are delivered directly from the vendor, bypassing the company's own inventory. You can achieve this special business purpose by using drop shipment functionality or creating special orders that link the purchase to the sale. Refer to "Customer Service Features" in this training material for more information about drop shipments and special orders.

Reserving the ordered quantity for a sales order line and posting sales orders are explained in the next lessons.

Sales Quotes

Contacts, potential customers, or existing customers may submit a request for quote either due to the nature of the product, because they have not traded with the company before, or because they wish to negotiate a better price.

A sales quote can be used as a preliminary draft for an order that specifies price, the terms of sale, and item descriptions. The sales quote document in Microsoft Dynamics NAV is a flexible quoting tool because it does not require existing customer information and it can be converted into a sales order or archived for future transactions with that business partner.

Demonstration: Create and Convert a Sales Quote

Scenario: A representative from customer 10000 calls Susan, the order processor at CRONUS, for a quote for 100 units each of items 70010 and 70011, respectively.

A few days later, the representative calls to place the order, but increases the quantity of item 70010 to 200 because the price is the lowest he or she has been able to find.

Follow these steps to create the sales quote for customer 10000:

1. On the **Sales & Marketing** page, click **Order Processing** and then click **Sales Quotes**.
2. Click **New** and then press ENTER or TAB to assign a number.
3. In the **Sell-to Customer No.** field, enter 10000.

The **Salesperson Code** field contains the default code for the salesperson assigned to the customer 10000. This code, and the other customer details, are retrieved from the customer card.

4. On the **Lines** FastTab, in the **Type** field, select Item.
5. In the **No.** field, enter 70010.
6. In the **Quantity** field, type 100.
7. On the next line, in the **No.** field, enter 70011.
8. In the **Quantity** field, type 100.

Follow these steps to update and then convert the quote to a sales order:

1. On the first line, change the **Quantity** to 200.
2. On the Action Pane, click **Make Order**.

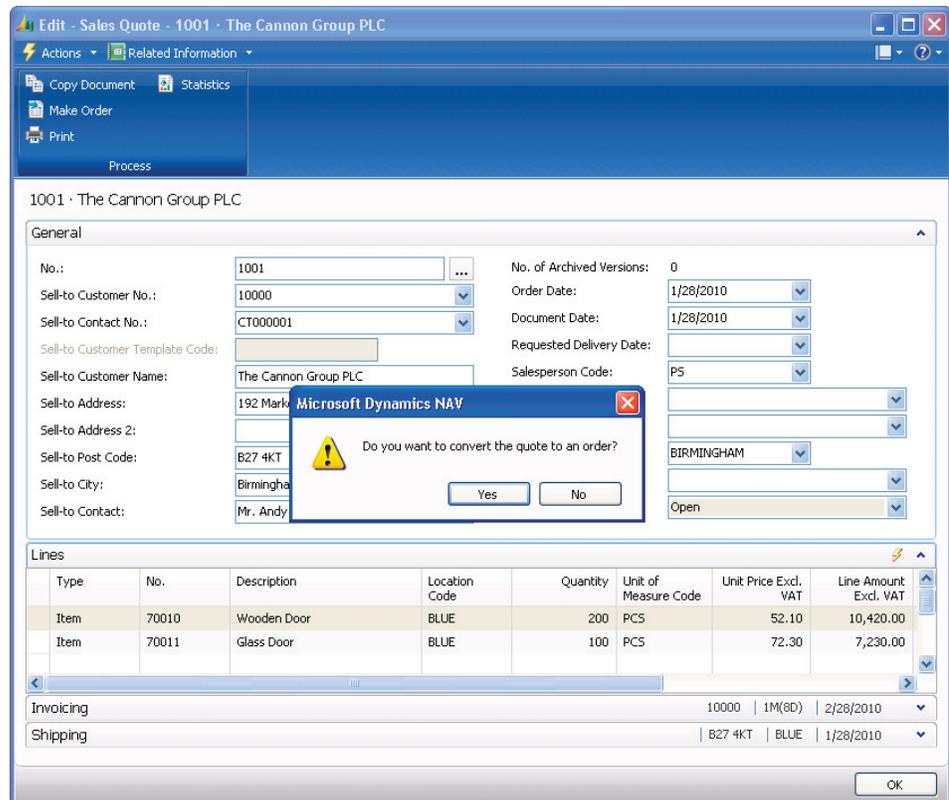


FIGURE 1.4 SALES QUOTE FOR CUSTOMER 10000

3. Click **Yes** to convert the quote to an order.
4. Click **OK** to close the message stating that the quote has been changed to an order.

Procedure: Archive Sales Quotes

Archive a sales quote that did not result in a sales order to quickly restore it if the customer returns to make the purchase.

Follow these steps to archive the quote rather than convert it to an order:

1. On the **Actions** menu, point to **Functions**, and then click **Archive Document**.
2. Click **Yes** to archive the quote.

Blanket Sales Orders

A blanket sales order represents a framework for a long-term agreement between the company and a customer.

The order processor makes a blanket order when the customer has committed to buying large quantities to be delivered in several shipments over a period of time. Often, blanket orders cover only one item with predetermined delivery dates. Quantities on a blanket order do not affect item availability and can be used as a worksheet for monitoring, forecasting, and planning.

On the blanket order, each shipment can be set up as an order line. This can then be converted into a sales order at the time of shipping.

Procedure: Create a Blanket Sales Order

Follow these steps to create a blanket order:

1. On the **Sales & Marketing** page, click **Order Processing** and then click **Sales Blanket Orders**.
2. Click **New** and then press ENTER or TAB.
3. In the **Sell-to Customer No.** field, enter the relevant customer number.
4. Leave the **Order Date** field blank.

When separate sales orders are created from the blanket order, the order date of the sales order is equal to the actual work date.

On the **Lines** FastTab, create separate lines for each shipment. For instance, to split out 1000 units equally between four months, enter four separate lines of 250 units each.

5. In the **Type** field for each line, select **Item** and in the **No.** field, enter the relevant item number.
6. In the **Quantity** field for each line, type the amount to order for this line.
7. In the **Shipment Date** field for each line, enter the date this item must ship.

The **Qty. to Ship** field fills in automatically to indicate the quantity to be listed on the sales orders for the respective shipment dates.

Follow these steps to convert the blanket order into a sales order:

1. To create an order for any of the lines, remove the quantity in the **Qty. to Ship** field on all the lines that you DO NOT want to ship at this time.
2. On the Action Pane, click **Make Order**.
3. Click **Yes** to make the order.
4. Click **OK** to close the message stating that the blanket order has been assigned an order number. Note that the blanket order has not been deleted.

The program retains the link between the blanket order and the sales order, enabling the order processor to view unposted and posted sales order (invoice) lines.

Follow these steps to open the sales order:

1. On the **Lines** FastTab, click **Actions** (lightning bolt icon), point to **Line**, then to **Unposted Lines**, and then click **Orders**.
2. On the **Sales Line** page, click **Show Document**.

The following details apply to converted blanket orders:

- After the blanket order converts into a sales order, the sales order contains all the lines from the blanket order. The lines where the quantity in the **Qty. to Ship** field was deleted appear, but with blank **Quantity** fields. Leave, edit, or delete the lines.
- The sales order line quantity must not exceed the quantity of the associated blanket order line. Otherwise, posting of the sales order will be impossible.
- When the sales order posts as shipped and/or invoiced, the program updates the **Quantity Shipped** and **Quantity Invoiced** fields on the related blanket order.
- The program records the blanket order number and line number as properties of the sales lines when created from a blanket order.
- When sales orders are not created directly from the blanket order but still relate to it, you can establish a link between a sales order and a blanket order by entering the associated blanket order number in the **Blanket Order No.** field on the sales order line. Display the **Blanket Order No.** field using the Choose Column function.

- After the sales order(s) has been created for the total quantity of a blanket order line, the program ensures that no other sales order(s) is created for the same line by preventing users from entering a quantity in the **Qty. to Ship** field. If, however, additional quantities need to be added to a Blanket Order, the value in the **Quantity** field can be increased and additional orders can then be created.
- The invoiced Blanket Sales Order remains in the system until it is deleted, either by deleting individual Blanket Orders or by running the Delete Invd Blnkt Sales Orders batch job.

Sales Orders

Sales orders can be created manually or, as previously demonstrated, generated from Sales Quotes and Blanket Sales Orders. Creating a sales order manually is the same as creating a quote or blanket order except the Make Order function is not necessary.

This topic provides an overview of the relevant fields on the **General**, **Shipping**, and **Lines** FastTabs on the sales order. Refer to online Help for more information about these or other fields on the sales order. This topic also includes information about item tracking and warehousing.

General FastTab

The **General** FastTab contains general details about the customer, that are copied from the customer card. The following table describes additional trade-related fields.

Field	Description
Posting Date	Date the order will post to G/L, customer, and item ledger entries.
Document Date	Date the document is created. This date is used to calculate the customer's payment due date and finance charges.
Order Date, Requested Delivery Date, and Promised Delivery Date	Shipping-related dates. Refer to "Order Promising" in this training material for more information.

Field	Description
Status	<p>Indicates whether the document is still open or released:</p> <ul style="list-style-type: none"> • Open - Implies that it is still undergoing changes and has not been released to the next stage of processing, for example, the warehouse handling. Batch posting can be set up to post only released orders, which enables separate order entry and posting tasks. • Released - Indicates that order is ready for the next stage of processing. Information (price, currency, quantity, and so on) in the released order cannot be changed without reopening the order. <p>An order can be released in two ways:</p> <ul style="list-style-type: none"> • Automatically, when a single shipment has been posted for the order. • Manually, by using the release function. <p>Typically, releasing manually is relevant for companies with a separate warehousing environment.</p> <p><i>NOTE: The order document status is not connected to the availability calculations for the item on the order. Although an order has not been released, it is included in overall availability calculations.</i></p>

Shipping FastTab

The fields on the **Shipping** FastTab provide detailed shipping-related information, for example, the customer's alternative shipping address, shipment terms, agents, advice, ship-from location, and so on. The values in these fields copy from the customer card.

The following table describes various fields on the **Shipping** FastTab.

Field	Description
Ship-to Code	Alternative ship-to address for the customer.
Shipping Agent Code and Package Tracking No.	External shipping carrier service. When the carrier picks up the shipment, the assigned package tracking number can be entered in the Package Tracking No. field. The Internet Address specified on the shipping agent can access the agent's package tracking scheme.
Outbound Whse. Handling Time, Shipping Time, and Late Order Shipping	Shipping-related calculations and notices. Refer to "Order Promising" in this training material for more information.

Field	Description
Location Code	<p>Indication of whether a company has a default location (that is, a site where inventory is physically stored, such as a warehouse, service car, showroom, and so on). If it does, the appropriate code copies to this field.</p> <p>Depending on the company, a default location for the order can be defined, for example, as their central warehouse, or as a local warehouse. This serves customers within a nearby geographical area.</p>

Lines FastTab

The **Lines** FastTab contains the detail of what is being sold/charged to the customer. The following table describes various fields on the **Lines** FastTab.

Field	Description
Type	<p>The choice of financial transaction, which is defined by one of the following line type options:</p> <ul style="list-style-type: none"> • G/L Account • Item • Resource • Fixed Asset • Charge (Item) <p>The line type Item represents a sale of physical goods. Sales defined by G/L Account, Resource, and Fixed Asset type are addressed in the "Finance in Microsoft Dynamics® NAV 2009" training material. Transactions of a Charge (Item) type are explained in "Item Charges" in this training material.</p>

Field	Description
Location Code	<p>A selection on the order line that starts the features that support an employee's tasks.</p> <ul style="list-style-type: none"> • Order Processors can: <ul style="list-style-type: none"> ○ Check the item availability in a specified location (including the blank location). ○ Obtain an overview of item availability for each specified location or on other locations at the same time. • Inventory management employees and planners can: <ul style="list-style-type: none"> ○ Use the requisition planning facility when considering replenishment and planning parameters set up on the item stockkeeping units. ○ Perform transfers of inventory between locations. ○ Create inventory statistics for each location. • Accountants can calculate inventory value and cost of goods sold for each location. • Warehouse managers can use the bin management functionality associated with a location.
Quantity	<p>An amount that causes the program to check for sufficient inventory in the location to fulfill the sales order. If this is not the case, the program gives a stockout warning if the Stockout Warning check box is selected in Sales & Receivables Setup. The program's method of calculating item availability is explained in the "Inventory Management in Microsoft Dynamics® NAV 2009" training material.</p> <p><i>NOTE: The program supports the practice of creating sales lines with negative quantity. A negative sales line implies a reverse transaction to the sales document. A negative line in a sales order means a sales return. Handling sales lines with negative quantity is supported throughout all functional areas.</i></p>
Unit of Measure Code	<p>A field that the program automatically fills in when the sales line is created. The value copies from the Sales Unit of Measure field on the item card.</p> <p>The unit of measure code is used:</p> <ul style="list-style-type: none"> • When the user checks item availability. • To determine the unit price amount. • To validate if any alternative prices, line discounts, or both, exist for the sale based on the unit of measure.

Field	Description
Unit Price	<p>A field that the program automatically fills in if the item in the No. field is selected. The unit price calculates and copies from the item card or the alternative sales prices applicable to the item and customer. The setup options and the alternative sale prices functionality are addressed in "Sales Prices and Discounts" in this training material.</p> <p>When companies sell to retail consumers, they may want sales document prices to include VAT information when printed. To enable this option, the Prices Including VAT check box must be selected on the Invoicing FastTab on the sales document. If the check box is clear, Unit Price and Line Amount exclude VAT amounts, and the field names reflect this choice.</p> <p>Refer to the "Finance in Microsoft Dynamics® NAV 2009" training material for more information about VAT functionality.</p>

Item Tracking and Warehousing

For many companies, registration of a sales order must also include inventory-management-related information. These are the records of item serial/lot numbers and item physical placement (bin code) in a warehouse. These aspects of a sales transaction are not directly associated with customer interactions but characterize the company's internal processes, and are addressed in the "Inventory Management in Microsoft Dynamics® NAV 2009" and "Warehouse Management in Microsoft Dynamics® NAV 2009" training material.

Lab 1.1 - Create and Convert a Blanket Sales Order

Scenario

You are the order processor at CRONUS. Customer 20000 orders 1200 units of item 70003. The customer requests that the order be delivered with 300 units every week during the month of February (starting on 02/01/10). The delivery is shipped to the customer's subsidiary in Manchester.

This item is to be shipped from the BLUE location. After converting the first blanket order line, open the sales order and assign FEDEX as the shipping carrier.

*NOTE: Line discounts may be set to default into the **Line Discount %** field on the order lines. This does not affect the processing of the lab.*

Challenge Yourself!

1. Create the sales order from the blanket order for the first shipment of item 70003.
2. Update the sales order with the FEDEX shipping carrier.

Need a Little Help?

1. Create the blanket order for customer 20000 for 1200 units of item 70003, to be shipped as specified in the scenario.
2. Create the sales order for the first shipment and delete the extra lines.
3. Update the shipping information on the sales order to indicate the alternate ship-to address and FEDEX as the shipping agent.

Step by Step

Follow these steps to create the blanket sales order:

1. On the **Sales & Marketing** page, click **Order Processing** and then click **Sales Blanket Orders**.
2. Click **New** and then press ENTER or TAB.
3. In the **Sell-to Customer No.** field, enter 20000.
4. Leave the **Order Date** field blank.
5. Expand the **Shipping** FastTab.
6. In the **Ship-to Code** field, enter Manchester.

7. Enter four sales lines on the **Lines** FastTab using the following information:
 - a. In the **Type** field, select Item and in the **No.** field, enter 70003.
 - b. In the **Quantity** field, type 300.
 - c. In the **Shipment Date** field, enter the shipment dates of 02/01/10, 02/08/10, 02/15/10, and 02/22/10.
8. In the **Qty. to Ship** field, leave the quantity of 300 for the first line, and delete the quantity to ship in the three other lines.

Follow these steps to create and prepare the sales order:

1. On the Action Pane, click **Make Order**, and then click **Yes** in the information message and accept any other warnings.
2. Select the first line in the blanket order, and then on the **Lines** FastTab, click **Actions**, point to **Line**, then to **Unposted Lines**, and then click **Orders**.
3. In the **Sales Lines** page, click **Show Document**.
4. Delete the last three lines in the sales order.
5. Expand the **Shipping** FastTab.
6. In the **Shipping Agent Code** field, enter FEDEX.
7. Click **Yes** to update the lines.

Item Reservation

In sales situations, for example, those with a high volume of transactions, there may be a need to ensure that the required item quantity for a sales order is available to be shipped on the agreed date. In this situation, users must be able to allocate existing or future inventory to the sale until the order shipment date so that it is not used to fill other orders in the meantime. In Microsoft Dynamics NAV, this allocation is performed through reservations.

The user assigns the reservation because it is considered a conscious and intentional decision. By reserving quantities, the user gains full ownership of and responsibility for these items. Reserved quantities are not included during planning routines.

Demonstration: Reserve Items

This demonstration is a continuation of the "Create and Convert a Sales Quote" demonstration.

Scenario: The representative for customer 10000 calls Susan, the order processor, to add 250 units of item 80100 to his or her current order.

The representative stresses the importance of receiving the order on 02/08/10. Since there is a risk of running out of stock, Susan reserves 250 items for this order.

Follow these steps to reserve items on a sales order:

1. On the **Sales & Marketing** page, click **Order Processing** and then click **Sales Orders**.
2. Locate the order for customer 10000 created in the "Create and Convert a Sales Quote" demonstration.
3. On the **Lines** FastTab, click the third line and in the **No.** field, enter 80100.
4. In the **Location Code** field, enter GREEN (the location where the item is stocked).
5. In the **Quantity** field, type 250.
6. In the **Shipment Date** field, enter 02/08/10.

The Sales Line Details FactBox shows the availability for the item on the selected line. This is the availability for the **Shipping Date** indicated and the **Location Code** selected, in this case, for the Green Warehouse on 02/08/10.

NOTE: The **Availability** quantity shown in the FactBox is in the Base Unit of Measure. This may not be the same as the Sales Unit of Measure. This is found on the **Sales Order** line. To view the Base, Sales, and Purchase units of measure for this item, click the **Item No.** to open the item card.

Immediately after you enter a quantity for the item on the selected line, the **Availability** amount is reduced by that quantity. The **Availability** is the amount remaining after the quantity on the line is filled.

Follow these steps to open the **Reservation** page:

1. Ensure that the line for item 80100 is selected.
2. On the **Lines** FastTab, click **Actions**, point to **Functions**, and then click **Reserve**.

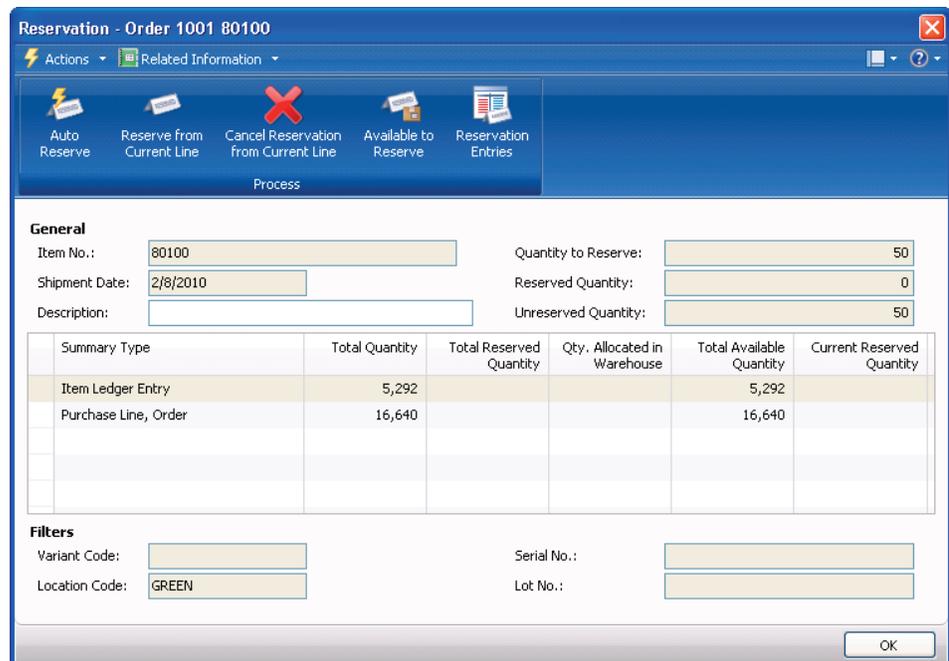


FIGURE 1.5 RESERVATION LINES FOR ITEM 80100

This page shows the quantities of item 80100 available to reserve. Items can be reserved either from:

- Existing stock (represented as item ledger entries on the line).
- Open purchase orders.
- Other inbound orders, such as transfer orders or production orders.

In the **Reservation** page, each option is represented by the corresponding line, summarizing the total unreserved and reserved quantities of all item ledger entries and all open purchase order lines respectively.

Follow these steps to view the list of individual entries that make up the total quantity available for reservation:

1. Select the line representing purchase orders and then on the Action Pane, click **Available to Reserve**.

The **Available - Purchase Lines** page displays. This page contains general information about the purchase line and quantity details on unposted line quantity and existing reservations made for the purchase line. The **Current Reserved Quantity** field contains the quantity currently reserved.

2. Close the **Available - Purchase Lines** page to return to the **Reservation** page.

The **Quantity to Reserve** field on the header contains the quantity copied from the **Quantity** field on the line for the reservation. If a partial shipment has occurred, the **Quantity to Reserve** field corresponds with the **Outstanding Quantity** field on the sales order line.

***NOTE:** The **Quantity to Reserve** field contains 50 units instead of the 250 specified on the sales line. For reservations, the program operates with the base unit of measure - which are boxes in this situation - and not the sales unit of measure (packs), specified on the sales order. Recalculation is based on one box that contains five packs.*

Three options exist for reserving items:

- Auto Reserve - Automatically reserve items in the **Reservation** page.
- Reserve from Current Line - Reserve the items from the selected reservation line. This is a manual reservation option.
- Cancel Reservation from Current Line - Cancel reservation of the items from the selected reservation line.

For this order, Susan decides to automatically reserve the items. Follow these steps to reserve the items:

1. On the Action Pane, click **Auto Reserve**.

The various **Reserved** and **Available Quantity** fields in the header and lines update to reflect the reservation. When the automatic reservation function is used, the program reserves items from item ledger entries before it reserves items from the purchase order lines.

***NOTE:** For better inventory control, select the items using the **Reserve from Current Line** option instead of using the **Auto Reserve** option.*

2. Click **OK** to close the **Reservation** page.

When a reservation is made, a reservation entry is created. On the sales line, the **Reserved Quantity** field indicates the reservation.

3. Click the **Reserved Quantity** field on the line for item 80100.

Reservation Status	Item No.	Location Code	Quantity (Base)	Reserved For	Reserved From	Entry No.	Transferred from Entry No.
Reservation	80100	GREEN	-50	Sales Order 1001	Item Ledger Entry 237	2	0

FIGURE 1.6 RESERVATION ENTRIES FOR ITEM 80100

The **Reservation Entries** page shows that the quantity has been reserved from the specified location.

***HINT:** You can also access the **Reservation Entries** page by clicking **Actions** on the **Lines** FastTab, pointing to **Line**, and then clicking **Reservation Entries**.*

Lab 1.2 - Reserve an Item on a Sales Order

Scenario

This lab is a continuation of the "Create and Convert a Blanket Sales Order" lab.

At the time of shipping the first delivery of item 70003, the representative from customer 20000 calls you to add 50 units of item 80100 to the order. This item must be shipped from the GREEN location.

Because of several considerations, you confirm that the 50 units of item 80100 are reserved for this sales order.

Challenge Yourself!

Add and reserve item 80100 on the sales order created from the sales blanket order.

Need a Little Help?

1. Open the sales order for customer 20000 for 300 units of item 70003.
2. Add 50 units of item 80100 to the sales order and reserve this item using the Auto Reserve function.

Step by Step

1. On the **Sales & Marketing** page, click **Order Processing** and then click **Sales Orders**.
2. Locate the order for customer 20000 created in the "Create and Convert a Blanket Sales Order" demonstration.
3. Enter a new line for item 80100.
4. In the **Location Code** field, enter GREEN.
5. In the **Quantity** field, type 50.
6. On the **Lines** FastTab, click **Actions**, point to **Functions**, and then click **Reserve**.
7. On the Action Pane, click **Auto Reserve**.
8. Click **OK** to close the **Reservation** page.

***NOTE:** The **Quantity to Reserve** field on the **Reservation** page contains 10 units instead of the 50 specified on the sales line. For reservations, the program operates with the base unit of measure - which are boxes in this situation - and not the sales unit of measure (packs), specified on the sales order. Recalculation is based on one box that contains five packs.*

Posting Orders

Posting an order implies forwarding the financial value of a transaction to dedicated accounts in the general ledger. Additionally, quantity and financial information about the transaction is forwarded to subsidiary ledgers, such as customer and item entry ledgers (with associated value entries) that calculate various sales and inventory statistics.

Because all sales transactions involving selling items to a customer include quantity and value (price and cost) information, the posting function is divided into two parts: shipment (quantity change) and invoice (value change) posting. When you post an invoice, the two parts occur at the same time, without an option of separation. You can post an order, however, by registering the order shipment first, while the order invoicing can occur later. This gives companies operational flexibility and enables them to benefit from the functionality that supports this process.

This functionality includes:

- Undoing a quantity record for a posted but not yet invoiced shipment.
- Combining several shipments in one invoice.

Shipping

The **Qty. to Ship** and the **Qty. to Invoice** fields on a sales order represent the posting quantities. The values in these fields fill in automatically at the time when the quantity is entered in the **Quantity** field for a sales line.

***NOTE:** When a location for a sales line uses the warehouse management functionality (such as, inventory/warehouse pick and put-away documents), the **Qty. to Ship** and the **Qty. to Invoice** fields are blank and posting is impossible. This relates to shipping and invoicing tasks performed in the warehouse, and it is from there that the order posting occurs.*

To continue with posting from the sales order, enter the quantities manually.

If necessary, the order processor can reduce the quantities in the **Qty. to Ship** and **Qty. to Invoice** fields before posting, and thereby shipping and invoicing the order partially. To post a partial shipment (invoicing), the **Shipping Advice** field on the order must contain Partial.

An order can have as many shipments and invoices as necessary. In partial order posting, the **Quantity Shipped** and **Quantity Invoiced** fields indicate the completed part of the order.

Demonstration: Post a Partial Shipment

This demonstration is a continuation of the "Create and Convert a Sales Quote" and "Reserve Items" demonstrations.

Scenario: Susan, the order processor, is processing the sales order for 200 units of item 70010, 100 units of item 70011, and 250 units of item 80100. The shipment needs to be delivered to the customer's subsidiary address instead of to the main address. The shipping agent is DHL, who provides the option of package tracking.

At the last minute, the representative for the customer calls Susan to say that they only want half of the shipment of item 70010 delivered now.

Susan must now perform a partial shipment of the line. The other order lines are shipped as arranged.

While in the process of changing the quantity to ship for item 70010, she accidentally changes the quantity to 10 instead of 100, thus requiring her to undo the shipment and then re-ship the items.

Follow these steps to update the sales order for shipping to an alternate location and shipping agent:

1. On the **Sales & Marketing** page, click **Order Processing** and then click **Sales Orders**.
2. Locate the order for customer 10000 created in the "Create and Convert a Sales Quote" demonstration.
3. Expand the **Shipping** FastTab.
4. In the **Ship-to Code** field, enter DUDLEY.
5. Click **OK** to accept all information messages that appear.
6. In the **Shipping Agent Code** field, enter DHL.
7. Click **Yes** to update the lines.

Follow these steps to update the sales lines for shipping:

1. In the **Qty. to Ship** field for the first line on the **Lines** FastTab, change the quantity from 200 to 10.
2. Do not change the **Qty. to Ship** field on the second line.
3. In the **Qty. to Ship** field for the third line, type 250 (to enable posting from the order instead of through a warehouse). Click **OK** to accept the warning message that appears.

Follow these steps to post the sales order as shipped, not invoiced:

1. On the Action Pane, click **Post**.
2. Click **Ship** and then click **OK**.

Upon posting, the sales lines update as follows:

- On the first line:
 - **Qty. to Ship** field shows the unshipped quantity of 190
 - **Quantity Shipped** field shows the shipped quantity of 10
 - **Qty. to Invoice** field shows the uninvoiced quantity of 200
 - **Quantity Invoiced** field is empty because no invoicing has occurred

- On the second and third lines:
 - **Qty. to Ship** fields are empty because all item have been shipped
 - **Quantity Shipped** fields shows the shipped quantities of 100 and 250, respectively
 - **Qty. to Invoice** fields shows the uninvoiced quantities of 100 and 250, respectively
 - **Quantity Invoiced** fields are empty because no invoicing has occurred

***NOTE:** The quantity that appears in the **Qty. to Ship** field after a partial shipment has been posted is determined by the selection in the **Default Quantity to Ship** field in **Sales & Receivables Setup**.*

The program also creates a posted shipment document that contains all the shipping details of the sales order.

Follow these steps to view the posted sales shipment document:

1. On the **Related Information** menu, point to **Order** and then click **Shipments**.
2. On the **Actions** menu, click **View**.
3. Note that the **Quantity** fields match the shipped quantities and that the **Quantity Invoiced** fields are blank. The **Quantity Invoiced** fields are updated when the order is invoiced.

***HINT:** You also can access a list of all posted sales shipments for a customer from the sales order by clicking **Pstd. Shipments** in the Customer Sales History - Sell-to Customer FactBox.*

Realizing the mistake of entering and posting the incorrect quantity for the first sales line, Susan can undo the posted quantity.

Follow these steps to undo the incorrect posted shipment line:

1. On the **Posted Sales Shipment** page, select the line for item 70010.
2. On the **Lines** FastTab, click **Actions**, point to **Functions**, and then click **Undo Shipment**. Click **Yes** to confirm the action.

Type	No.	Description	Location Code	Quantity	Unit of Measure Code	Quantity Invoiced	Correction	Planned Delivery Date	Planned Shipment Date	Shipment Date
Item	70010	Wooden Door	BLUE	10	PCS	-10	<input checked="" type="checkbox"/>	1/29/2010	1/28/2010	1/28/2010
Item	70010	Wooden Door	BLUE	-10	PCS	-10	<input checked="" type="checkbox"/>	1/29/2010	1/28/2010	1/28/2010
Item	70011	Glass Door	BLUE	100	PCS		<input type="checkbox"/>	1/29/2010	1/28/2010	1/28/2010
Item	80100	Printing Paper	GREEN	250	PACK		<input type="checkbox"/>	2/10/2010	2/9/2010	2/8/2010

FIGURE 1.7 POSTED SALES SHIPMENT WITH SHIPMENT CORRECTIONS

The program inserts a corrective line with the same negative quantity as the one being corrected in the posted shipment document and selects both lines as corrective using the **Correction** field. (Use the Choose Column function to add the **Correction** field.)

At the same time, the quantity in the **Quantity Shipped** field on the related sales order is removed, while the **Qty. to Ship** field contains the same value as the **Quantity** field. This implies that the posting process for this line can be repeated.

3. Close the **Posted Sales Shipment** pages to return to the sales order.

Follow these steps to re-ship item 70010:

1. On the first line, in the **Qty. to Ship** field, change the quantity from 200 to 100.
2. On the Action Pane, click **Post**.
3. Click **Ship** and then click **OK**.

The **Qty. to Ship** field updates for the partially shipped line to indicate the remaining quantity.

Posting a shipment recognizes that a certain item quantity has left the company's inventory. The financial value of the corresponding transaction is not registered until the sales order is posted as invoiced. This implies that no G/L and customer ledger entries have yet been created, and the cost and price amounts on the created item ledger entries equal zero. Learn more about inventory costing in the "Inventory Costing in Microsoft Dynamics® NAV 2009" training material.

Lab 1.3 - Ship and Invoice a Sales Order

Scenario

This lab is a continuation of the "Reserve an Item on the Sales Order" lab.

When the representative from customer 20000 placed the additional order, he or she informed you that only half of the ordered quantity of item 70003 is to be shipped at this time. He or she also needs an invoice for this partial shipment.

NOTE: You do not ship and invoice the remaining quantity in this lab.

Challenge Yourself!

Update shipping quantities and then ship and invoice the order.

Need a Little Help?

1. Update the shipping quantities on the lines based on the scenario.
2. Ship and invoice the order.

Step by Step

1. On the **Sales & Marketing** page, click **Order Processing** and then click **Sales Orders**.
2. Locate the order for customer 20000 created in the "Reserve an Item on a Sales Order" demonstration.
3. In the **Qty. to Ship** field for the first line, change the quantity from 300 to 150.
4. In the **Qty. to Ship** field for the second line, type 50 to allow for posting from the order instead of through a warehouse. Click **OK** to accept the warning message that appears.
5. On the Action Pane, click **Post**.
6. Click **OK** to ship and invoice the order.

Invoice a Combined Shipment

In some cases, it is most efficient to combine several shipments into one invoice. Sometimes the customer requires this procedure.

Posting orders as invoiced follows the same principles as posting order shipments:

- An order can be invoiced completely or partially.
- When posted as invoiced, order information transfers to a separate document - a posted invoice.

Additionally:

- G/L, customer, and VAT entries are created.
- When completely invoiced (no outstanding quantity to invoice on any of the order lines) the order is deleted automatically. This is with the exception of when an order is invoiced through a combined shipment.
- Several shipments can be combined into one invoice.

The following demonstration shows how several shipments for one customer are combined into one invoice.

Demonstration: Combine Shipments on an Invoice

Scenario: Annie, the bookkeeper at CRONUS, wants to invoice all the orders recently shipped to customer 10000. The shipments are combined into one invoice.

Follow these steps to create the combined shipment invoice for customer 10000:

1. On the **Sales & Marketing** page, click **Order Processing** and then click **Sales Invoices**.
2. Click **New** and then press ENTER or TAB.
3. In the **Sell-to Customer No.** field, enter 10000.
4. On the **Lines** FastTab, click **Actions**, point to **Functions**, and then click **Get Shipment Lines**.

- Select all the lines and then click **OK**.
The program copies the shipment lines to the invoice.

FIGURE 1.8 SALES INVOICE TO CUSTOMER 10000 WITH COMBINED SHIPMENT LINES.

- On the Action Pane, click **Post**.
- Click **Yes** to post the invoice.

The **Quantity Invoiced** fields on the lines of related sales orders and posted sales shipments are updated.

When an order is completely invoiced using a combined shipment function, it is not deleted automatically. This is done manually or with the Delete Invoiced Sales Order batch job.

If a large number of sales documents needs to be posted, consider batch posting the documents instead of posting the documents individually. Access the Batch Post Sales Orders batch job on the sales document by clicking the **Actions** menu, pointing to **Post** and then clicking **Post Batch**. Refer to online Help for more information.

Customer Prepayments

Prepayments enable a company to require customers to pay a part of the total amount of their order, specified as an amount or a percentage, in advance of the final invoice.

Prepayment Setup

Prepayment functionality requires that special G/L accounts, posting groups, payment terms, and number series are set up for this purpose. In addition, the prepayment percentages for selected customers in combination with special items need to be defined.

Refer to the "Finance in Microsoft Dynamics® NAV 2009" training material for information about setting up prepayments.

Prepayment Process Flows

Prepayment invoices are created from a sales order using the prepayment invoice option. The prepayment amount on the order calculates based on the prepayment percentage populated from item or customer cards. Users can edit the prepayment percentage or amount.

Instead of using a percentage, a specific amount can be defined for the entire sales order. Prepayment amounts are set on the **Prepayment** FastTab on the **Sales Order Statistics** page.

For prepayment sales orders, the following steps list the typical process flow:

1. Create a sales order with a prepayment requirement.
2. Send a prepayment invoice for the prepayment amount to the customer.
3. Receive the prepayment amount from the customer.
4. Apply the prepayment amount to the sales order.
5. Ship the order to the customer.
6. Create a sales invoice for the total amount of the sales order minus the prepayment amount.
7. Receive payment from the customer and post the payment to the sales order.

Sales Order Prepayment Fields

The values in the fields on the **Prepayment** FastTab of the sales order are populated from various setup fields.

The screenshot shows the 'Edit - Sales Order - 2008 - John Haddock Insurance Co.' window. The 'Prepayment' FastTab is expanded, displaying the following fields:

- Prepayment %: 0
- Compress Prepayment:
- Prepayment Due Date: 1/31/2010
- Prepayment Terms Code: CM
- Prepayment Discount %: 0
- Prepayment Discount Date: 1/20/2010

The 'Lines' FastTab is also visible, showing a table with the following data:

Type	No.	Description	Location Code	Quantity	Unit of Measure Code	Unit Price Excl. VAT	Line Amount Excl. VAT	Prepayment %	Prepmt. Line Amount Excl. VAT	Prepmt. Amt. Inv. Excl. VAT
Item	LS-120	Loudspeaker, Black, 120W	WHITE	10	PCS	88.00	880.00	0	0.00	0.00

FIGURE 1.9 SALES ORDER WITH THE PREPAYMENT FASTTAB EXPANDED AND PREPAYMENT FIELDS ADDED TO THE LINES FASTTAB

The **Prepayment %** field on the **Prepayment** FastTab of the sales order fills in automatically if there is a default prepayment percent on the customer card. The contents of this field and the other fields on this FastTab can be edited as needed. For information about the other fields on the **Prepayment** FastTab, refer to the "Finance in Microsoft Dynamics® NAV 2009" training material.

The prepayment percent from the customer card only applies to lines that do not have a default prepayment percent set up for the customer-item combination.

You must add the prepayment fields on the **Lines** FastTab using the Choose Column feature. These fields include:

- **Prepayment %**
- **Prepmt. Line Amount Excl. VAT**
- **Prepmt. Amt. Inv. Excl. VAT**

For each order line, the contents of the **Prepayment %** field are determined as follows:

- If a default prepayment percent is set up for the item on the line, it is automatically copied into the **Prepayment %** field.
- If no default prepayment percent is set up for the item, the prepayment percent from the customer or vendor card copies from the order header.
- The **Prepayment %** field can be entered or changed manually on a line-by-line basis.

The **Prepmt. Line Amount Excl. VAT** field contains the prepayment amount of the line

The **Prepmt. Amt. Inv. Excl. VAT** field displays the prepayment amount that has already been invoiced to the customer for this sales line.

Although there can be different prepayment percents for each of the order lines, a single prepayment percent can be applied to the whole order. Do this after you complete all the order lines by setting the percentage in the **Prepayment %** field on the **Prepayment** FastTab.

***NOTE:** Immediately after a number is entered into the **Prepayment %** field on the **Prepayment** FastTab and the lines are updated, users cannot revert to the individual prepayment percents that existed for each line. To return to the individual prepayment percents, either delete and re-enter the lines or manually type the prepayment percent on the lines.*

Demonstration: Set Up a Customer and Item with Prepayment Percentages

Scenario: Phyllis, the accounting manager at CRONUS, sets up the following prepayment requirements for the customer 20000 Selangorian Ltd., based on their credit history:

- By default, a 30-percent down payment is required on all orders.
- A 40-percent prepayment is required for item 1100.

This setup is performed on the customer card and item card.

Follow these steps to assign the default prepayment percentage to customer 20000 and item 1100:

1. On the **Sales & Marketing** page, click **Order Processing** and then click **Customers**.
2. Open the customer card for customer 20000 (Selangorian Ltd.).
3. Expand the **Invoicing** FastTab.
4. In the **Prepayment %** field, type 30.

5. Click **OK** to close the customer card.
6. On the **Sales & Marketing** page, click **Inventory & Pricing** and then click **Items**.
7. Select the line for item 1100.
8. On the **Related Information** menu, point to **Sales**, and then click **Prepayment Percentages**.
9. Leave the **Sales Type** field set to Customer.
10. In the **Sales Code** field, enter 20000.
11. In the **Prepayment %** field, type 40.
12. Click **OK** to close the **Sales Prepayment Percentages** page and the item card.

Demonstration: Create a Sales Order with Prepayments

Scenario: Susan, the order processor at CRONUS, creates an order while talking to a representative from customer 20000. The items that the customer orders require a prepayment because the customer has made some late payments in the past, so Susan has been instructed to require a fixed amount of 2,000.00 as a prepayment on the order.

The customer requests to be allowed to pay 35 percent, which Susan can agree to and, therefore, she changes the order accordingly.

Follow these steps to create the sales order with a prepayment:

1. On the **Sales & Marketing** page, click **Order Processing** and then click **Sales Orders**.
2. Click **New** and then press ENTER or TAB.
3. In the **Sell-to Customer No.** field, enter 20000.
4. Click **Yes** to accept the overdue balance warning.
5. On the **Lines** FastTab, in the **Type** field, select Item.
6. In the **No.** field, enter 1000.
7. In the **Quantity** field, type 1.
8. On the next line, in the **No.** field, enter 1100.

9. In the **Quantity** field, type 1.
10. Add the **Prepayment %** and **Prepmt. Line Amount Excl. VAT** fields to the lines using the Choose Column feature.

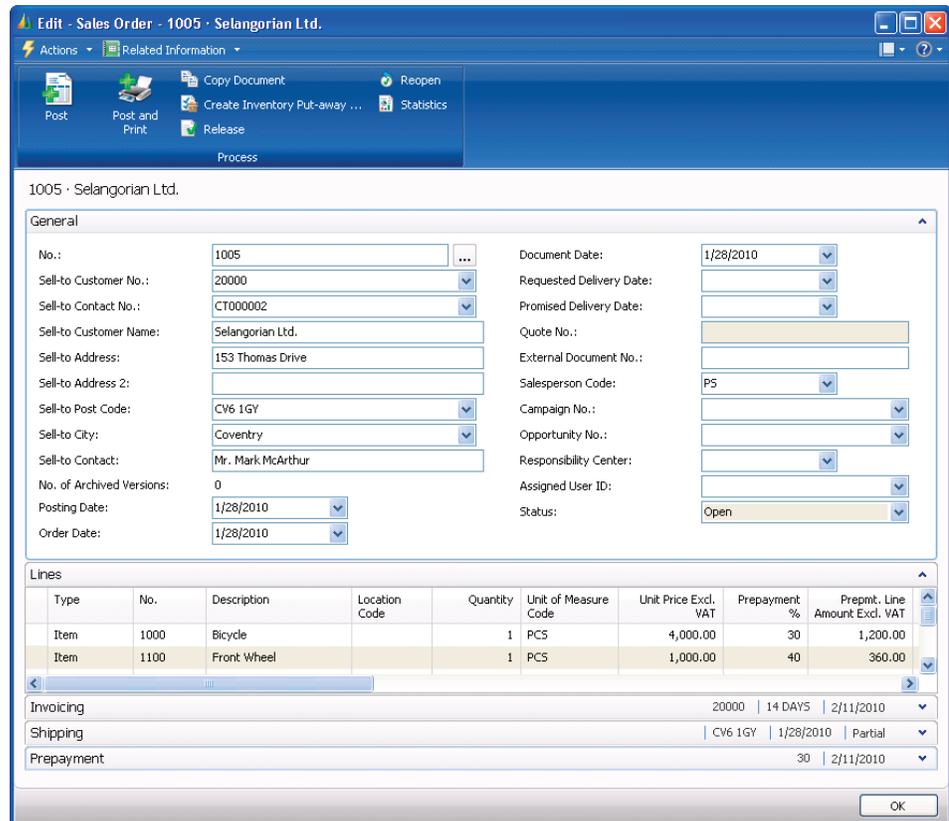


FIGURE 1.10 SALES ORDER WITH PREPAYMENT PERCENTAGES FROM THE CUSTOMER AND ITEM

11. Verify the following prepayment information:
 - a. The **Prepayment %** field on the line with item 1000 contains 30. This default was taken from the sales header, which was populated from the customer card.
 - b. The **Prepayment %** field on the line with item 1100 contains 40. This is the percentage entered in the **Sales Prepayment Percentages** page for item 1100 and customer 20000.
12. On the Action Pane, click **Statistics**.
13. Expand the **Prepayment** FastTab.

The **Prepmt. Amount Excl. VAT** field contains 1,560.00. If a prepayment invoice was created for the order now, then this is the amount that will appear on the invoice.

As stated in the scenario, Susan has been instructed to suggest a total prepayment of 2000 for the order.

Follow these steps to change the prepayment amount for the entire order:

1. Change the amount in the **Prepmt. Amount Excl. VAT** field to 2000. The customer must now pay 2,000.00, or 2,500.00 including VAT.
2. Click **OK** to close the **Sales Order Statistics** page.

The **Prepayment %** field on the sales lines has been recalculated to 40.81625 and 40.81667. The recalculation includes all lines that have a prepayment percentage greater than 0.

The customer asks if the prepayment percentage can be set to 35 percent and Susan's supervisor approves the change.

Follow these steps to change the prepayment percentage for the entire order:

1. Expand the **Prepayment** FastTab.
2. In the **Prepayment %** field, type 35.
3. Click **Yes** to accept the warning that appears and 35% will be applied as the payment percentage for the entire order.
4. On the Action Pane, click **Statistics**.

Sales Order Statistics - 1005 · Selangorian Ltd.			
General			
Amount Excl. VAT:	4,900.00	Adjusted Profit %:	90.2
Inv. Discount Amount:	0.00	Quantity:	2
Total Excl. VAT:	4,900.00	Parcels:	0
25% VAT:	1,225.00	Net Weight:	0
Total Incl. VAT:	6,125.00	Gross Weight:	0
Sales (LCY):	4,900.00	Volume:	0
Original Profit (LCY):	4,419.74	Original Cost (LCY):	480.26
Adjusted Profit (LCY):	4,419.74	Adjusted Cost (LCY):	480.26
Original Profit %:	90.2	Cost Adjmt. Amount (LCY):	0.00
		No. of VAT Lines:	1
Invoicing			
Shipping			
Prepayment			
Prepmt. Amount Excl. VAT:	1,715.00	Invoiced % of Prepayment Amt.:	0%
25% VAT:	428.75	Prepmt. Amt. Deducted Excl. VA:	0.00
Prepmt. Amount Incl. VAT:	2,143.75	Deducted % of Prepayment Amt. to Deduct:	0%
Prepmt. Amt. Invoiced Excl. VA:	0.00	Prepmt. Amt. to Deduct Excl. V:	0.00
		No. of VAT Lines:	1

FIGURE 1.11 SALES ORDER STATISTICS SHOWING THE AGREED UPON PREPAYMENT AMOUNT

The customer must now pay 1,715.00, or 2,143.75 including VAT.

Summary

Sales Order Management involves all the steps from creating a quotation or blanket order to shipping and invoicing the sales order. Processes such as reserving items ensure that customers receive their orders in a timely manner and combining shipments provide customers with a single invoice for multiple shipments. Prepayment functionality allows companies to retain deposits from customers for orders, based on different setup criteria.

The accurate management of the sales transaction flow can help companies to ensure a high level of customer service.

"Sales Prices and Discounts" and "Customer Service Features" in this training material continue the sales order management processing with information about establishing pricing and discounts, and other important aspects of customer service such as using item substitutes, cross-references, and nonstock items.

Test Your Knowledge

Test your knowledge with the following questions.

1. What is the purpose of selecting the **Stockout Warning** check box in Sales & Receivables Setup?

2. Which of the following functions do you use to change a sales quote or blanket order into an order?

- Generate Order
- Create Order
- Convert Order
- Make Order

3. Which of the following are posting options on a sales order? (Select all that apply)

- Invoice
- Ship
- Partial Ship
- Ship and Invoice

4. Explain how to apply a single prepayment percentage to a whole order.

Fill in the blanks to test your knowledge of this section.

5. Item _____ allow you to allocate existing or future inventory to an open sales order line.
6. An order status of _____ indicates that an order is ready for other processing, such as warehousing.
7. To post a partial shipment, the Shipping _____ field on an order must be set to Partial.
8. _____ Shipment functionality reverses an incorrectly posted, but invoiced, shipment.
9. Combined Shipment functionality allows several shipments to be combined into one _____.

Quick Interaction: Lessons Learned

Take a moment and write down three Key Points you have learned from this chapter:

1.

2.

3.

Solutions

Test Your Knowledge

1. What is the purpose of selecting the **Stockout Warning** check box in Sales & Receivables Setup?

MODEL ANSWER:

Triggers the program to warn the user when there are not enough items on inventory to fulfill a sales order line.

2. Which of the following functions do you use to change a sales quote or blanket order into an order?
 - () Generate Order
 - () Create Order
 - () Convert Order
 - (●) Make Order
3. Which of the following are posting options on a sales order? (Select all that apply)
 - (√) Invoice
 - (√) Ship
 - () Partial Ship
 - (√) Ship and Invoice

4. Explain how to apply a single prepayment percentage to a whole order.

MODEL ANSWER:

After the order lines are complete, click the Prepayment FastTab. In the Prepayment % field, type the prepayment percentage for the whole order. When you exit the Prepayment % field, the order lines update with the prepayment percentage in the header.

Fill in the blanks to test your knowledge of this section.

5. Item reservations allow you to allocate existing or future inventory to an open sales order line.
6. An order status of Released indicates that an order is ready for other processing, such as warehousing.

7. To post a partial shipment, the Shipping Advice field on an order must be set to Partial.
8. Undo Shipment functionality reverses an incorrectly posted, but invoiced, shipment.
9. Combined Shipment functionality allows several shipments to be combined into one invoice.

