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The *DANCIK DISTRIBUTION* software is designed to run 24 hours a day, 7 days a week with very little operator intervention. The successful administration of the *DANCIK DISTRIBUTION* software consists of the following operations:

- Daily Operations
- Weekly Operations
- Monthly Operations
- Yearly Operations
- Periodic Operations
- System Settings

Daily Operations

- **Setting Night Jobs to run each night.** Night Jobs includes the system backup and nightly updates of various files and statistics. To run Night Jobs, set the Night Jobs option from the Data Processing Department menu.
- **Monitoring AS/400 error or action messages.** This task consists mainly of responding to messages regarding printers such as “Change forms,” “Align forms,” or “Out of forms.” Occasionally, the system displays error messages regarding problems in operating the system or with programs. Basic message handling and problem solving techniques are covered in seminars and publications provided by both IBM and Dancik-On-Disk.
- **Monitoring EDI Transmissions.** This task is applicable only if EDI is activated. It consists of reviewing all inbound and outbound EDI processing reports. System administrators should check all reports for error messages and ensure that all EDI transmissions are acknowledged.
- **Monitoring gross profit statistics.** This task consists of checking daily order and invoice exception reports for unusually high or low gross profit percentages and amounts.
- **Monitoring communications lines.** This task consists of checking the status of communication lines using IBM or Dancik commands and programs. If you have multiple locations, then you will be checking the status of your remote locations. There is a special communication line, the CS (Customer Support) line, which allows IBM and Dancik-On-Disk support to access your system.

Weekly Operations

- **Scheduling and distribution of reports requested for the weekly job queue.** This task consists of releasing the weekly reports job queue labelled WEEKXTRA. Each day when you schedule Night Jobs to run, you are prompted by the system to also run weekly jobs.
- **Checking statistics on screens and exception reports.** This task consists of looking for potential problems, such as
 - sales statistics that are unusually high or low
 - open orders that have passed their scheduled ship dates
 - open purchase orders that have passed their scheduled ETA dates

Monthly Operations

- **The AP and AR systems must be closed each month.** This task can occur on or near the end of each month. The AR month end close also closes the inventory and sales systems. Details regarding how to run the end of month programs are provided in the *Accounts Receivable Runbook* and the *Accounts Payable Runbook*. GL also has a month end close procedure but it does not necessarily have to run at any set time.

Yearly Operations

- The GL System has a year end close option which should run after all months of the fiscal year have closed. However, this option does not need to run at any particular time.
- There are no other special yearly or end of year operations. These operations are automatically included within the month end procedures when the year ends.

Periodic Operations

- Dancik International issues a new release about every nine months. Each new release is accompanied by an issue of *Vision Updates* that explains each of the new features and enhancements. The new release must be loaded onto your system during off hours and should be followed by a complete system-wide backup.
- IBM releases a new release update about once a year. This release must be loaded only when authorized by Dancik International and can usually coincide with Dancik International's own release.
- IBM's Program Temporary Fix (PTF) Cumulative Update tapes should be applied to your AS/400 system a couple of times a year. PTFs are mid-release updates from IBM that prevent problems reported by other AS/400 users.
- The VISION Distribution System includes many special maintenance programs for ensuring that all files are kept in balance, and for purging and archiving data. These procedures are initiated when required and under Dancik International's supervision.
- System administrators are responsible for the configuration of hardware, such as PCs, terminals, and printers.
- System administrators are responsible for the security of the system. This includes setting up users and passwords, and guarding against unauthorized use of the system and data. If you have the AS/400 connected to the Internet, an intranet, or other networks, you must consider the security of those connections.

System Settings

The *VISION* DISTRIBUTION System contains many parameters, settings, and options to tailor the system to your specific requirements. These settings and options must be set and maintained by the system administrator. Most of these settings are made from the System Settings and File Maintenance Menus. See *File Maintenance Reference* for more information on system settings within file maintenance.

Direct shipments are defined as orders filled by outside suppliers and shipped directly to your customer without affecting your inventory. You can also refer to direct shipments as *drop shipments* or *brokerage sales* because you are acting as a broker between your supplier and your customer.

Direct shipments are also often called *special orders*. However, do not confuse the two terms as they each refer to very different program functions. Special orders are defined as orders filled by outside suppliers but which pass through your inventory or possession before shipment to, or pickup by, your customer. In general, direct shipments involve larger quantities than special orders. Direct shipments do not pass through your inventory.

Processing Direct Shipments

Invoicing Direct Shipments

Updating Status of Direct Shipments

More Information About Direct Shipments

EDI

Processing Direct Shipments

- The customer order is entered via the Order Entry Program. When you enter a direct ship order within this program, you must begin on the Header Screen, in order to designate the order as a direct ship. On the Header Screen, enter warehouse number **DIR** (which identifies order as a direct shipment) and the supplier number to which the purchase order is being directed. Enter that supplier's code in the Supp field. Each supplier is assigned a two- or three-character code. Usually, the Supp field contains "001" which means "stock." Enter a question mark in the Supplier Field of Order Entry to search for a supplier number. You can also look in the Item File to find the usual supplier of any item. If you enter a supplier number other than "001," the system automatically inserts **DIR** in the Header Warehouse field, which identifies the order as a direct shipment.
- On all detail lines, price represents the billing price to client, and cost represents the cost of purchase from supplier. Cost can be overridden, unlike the cost in a regular customer order from stock. All item numbers, whether classified as stock or non-stock, can be used for direct shipments.
- Direct shipments are priced similarly to regular customer orders. However, when you establish price and promotional price files, you can designate prices as being for direct shipments only or for inventory only. The system Cost File can also contain costs that to be used for direct ship purchase orders only. Different costs can be entered in the Cost File for different suppliers. This process enables the Order Entry Program to automatically assign costs to the direct ship order based on the selected supplier.
- The processed direct shipment order serves as the purchase order and the customer order. If you process it as a pick list, the pick list serves as a purchase order to your supplier. Press **F4** to print

the purchase order to supplier *and* an order acknowledgment for customer with one keystroke. Both documents contain the same order number.

The open order does not affect inventory, yet you can view it on inventory screens by entering the item numbers and warehouse DIR. The open order is accessible via Open Order Search. You can update or cancel it in the same way you do a regular stock order.

Invoicing Direct Shipments

Invoice direct shipments using the regular Invoice Open Orders Program. All functions are the same except:

- Costs can be overridden.
- If you are working from the invoice sent to you by your supplier, enter the supplier's invoice total as the Hash Total on the first screen of the Invoicing Program. This total is then compared to the total cost as calculated by the Invoicing Program. Any variance between the supplier's invoice and the cost calculation is shown on the Invoicing Screen and an action must be taken. Use of the Hash Total field is optional.
- The last screen of the Invoicing Program displays a warning message if total costs are not equal to the Hash Total entered on the first screen. Press **F9** to bypass this warning message.
- The last screen of the Invoicing Program requires entry of the supplier's invoice number and date. Enter any relevant information if you do not have this information.
- All documents such as purchase orders, order acknowledgments, or invoices include DIR SHP next to document title.
- You can run open order reports and many sales analysis reports for direct shipments. By selecting warehouse DIR or transaction type D on any report parameter screen you will limit the report to include direct shipments only.
- The Daily Summary Order Register and Daily Summary Invoice Register include a separate subtotal and a month-to-date subtotal for direct shipments.

Updating Status of Direct Shipments

You can update the status of a direct shipment order by using the Update Direct Ship and Special Order Status function (option **14** on the Customer Service Menu) or the Update Order Status and Shipping Dates function (option **13** on the Customer Service Menu). These programs let you update shipping and arrival dates and assign status codes to mark the order, for example, as being delayed or in transit. In the rare case that a direct shipment arrives in your warehouse (instead of your customer's), you could enter status code **R** for received. Running an Open Order Report for direct ships with **R** status would allow the accounting department to track this temporary inventory, as it is not part of your Inventory Value Report. All open order reports have an option for selecting direct ship and special orders only. To make changes in categories such as quantity or item numbers, use the same methods and programs that you would use for changing any other type of order.

More Information About Direct Shipments

Direct shipments do not affect the costs in inventory. Instead, they carry their own individual costs. When entering direct shipments, the system uses the most applicable cost in the Cost File. If the Cost File is not used, the system uses the Item File standard base cost. Refer to the Cost File chapter in *File Maintenance Reference* for more information.

For item sales reports, direct shipments are included in total sales but not included when only stock warehouse numbers are specified. To list only direct shipment sales specify transaction type **D** or warehouse **DIR**.

To view statistics for direct shipments of an item, a product line, or a manufacturer, use options 1, 2 and 3 on the More Files Menu (option **20** on the File Maintenance Menu). Specify **DIR** as the warehouse. The Item Master File also shows a separate direct shipment quantity on the Inventory Statistics Screen.

To view total direct shipment sales for each supplier, run the supplier ranking reports or press **F4** within any Supplier File record. You can also view direct shipment sales for suppliers in graph form using the supplier graphs option. The Cost Center File and Classification Codes File display sales breakdown by transaction types including **I** for inventory, **D** for direct shipment, and **S** for special order.

Your system administrator can enable or disable each user from entering direct ship orders via the CTRLUSER Program.

EDI

If you are sending purchase orders, or receiving purchase order updates and acknowledgments from suppliers, then direct ship purchase orders are automatically included along with the appropriate shipping information. All EDI processes can distinguish direct ship purchases and sales from other types of purchases and sales.

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Direct Shipments

Special orders are customer orders that cannot be filled from stock and require a purchase order to a supplier for the quantities and items that the customer has specified. Special orders are shipped from the supplier to your warehouse for pickup by, or delivery to, your customer.

Don't confuse special orders with direct shipments. Although the terms are sometimes considered interchangeable, they refer to two very different functions in the system. The Special Orders System is generally used for non-stock items or for local suppliers and suppliers that job pack or provide customized items and services. The Special Orders System allows your suppliers to serve as an extension of your own inventory. Don't confuse special orders with back orders, which are generally for regularly stocked items. Special orders are always for a specific item and quantity that a customer requires. Back orders are usually filled from incoming stock that was ordered to replenish stock and to fill back orders. The Special Order System also works well for miscellaneous items for which you have not set up specific item master records.

How the Special Order System Works

Printing Special Orders

Invoicing Special Orders

Tracking Special Orders

Special Functions

Analyzing Special Orders

Summary of Steps to Take for Processing Special Orders

Using Miscellaneous (MISC) Items For Special Orders

To enter a special order using a MISC item in Order Entry

Combined Special Order/Direct Ship Options

How the Special Order System Works

In the Order Entry Program, any line item can be noted as a special order by entering an **S** in the first position of the **Lot Number** field. A single customer order can include a mix of lines to be filled from stock, and lines to be special ordered. A single customer order can also include special orders to more than one supplier. When an operator enters **S**, the system first checks to see if the item is in stock. If inventory is sufficient to fill the order, the program buzzes and flashes the message "Check Stock." The operator can then choose to special order the item or pull it from stock. If some material is in stock, but less than the ordered quantity, the computer buzzes and displays the quantity in stock. The operator can then choose to use the material in stock and special order the difference, or special order the entire quantity. When choosing to fill an order partly from stock and partly from a supplier, two separate lines are entered, one with an **S** and one without.

The resulting pick list and/or order acknowledgment notes which lines are special orders. The pick list shows *special order* in the area that usually contains the quantity to pick. This alerts warehouse personnel that the item is not to be picked from stock, but will be arriving at the warehouse. The pick list and order acknowledgment reflect the order as entered; and may contain a mix of stock and special order items. This method keeps the order intact and allows unified staging, pickup, delivery, and invoicing of the entire order.

Purchase orders can be generated automatically at any point for all lines with the **S** for special order. This is done using the Print Special Order Purchases option from the Purchase Order Menu or from the Additional Order Desk Functions Menu. You can generate the purchase orders immediately after processing a customer order, or you can let them accumulate and print once or more throughout the day. If you forget to print the special order purchases, the system prints them as part of Night Jobs.

Note Your system settings must be configured to release purchase orders even if on credit hold. If you want to print them as part of Night Jobs, make sure the printer designated for purchase orders is activated. Separate purchase orders are generated for each supplier within each customer order. The purchase orders do not combine multiple customer orders. Each customer order generates its own set of purchase orders, one for each supplier on the special order.

The Usual Supplier field in the Item Master File is used to determine where to direct the purchase orders. The Item File usual supplier is used as the supplier on the automatically generated purchase order. The usual supplier can be overridden when entering the special order, in order to direct the purchase order to an alternate supplier. The related purchase order and customer orders are linked as follows: The purchase order displays the order number of the customer order. The purchase order also displays the name of the customer who ordered the special order. The customer order displays the related purchase order numbers. This method allows easy cross reference between the customer order and the purchase order(s).

Printing Special Orders

Purchase orders can be printed on regular forms, or on plain paper in a faxable format. The faxable format is condensed, double-strike print, and allows more than one purchase order to print per page, saving fax time. The faxable format is well-suited for laser printing. It includes columns for the supplier to fill in quantities and dates for shipment.

A special lot number is assigned to each special order line. This lot number appears in the Lot field next to the item number. It appears on the purchase order, customer order, invoice and inventory screens. This four-character lot number consists of an **S** followed by a three-digit number. The number represents the number of times the item has been special ordered. For example, lot number S009 represents the ninth special order for the item. The special lot number keeps special orders separate from your regular stock. This lot number is used for all transactions related to the special orders, including the customer order, purchase order, receipt, and invoice. Once the item is received and invoiced, and no more remains in stock, the lot number automatically disappears from the Inventory system, except for historical analysis. The special lot number also allows each special order to have its own unit cost without affecting or averaging with regular stock or other special orders for the same item. Don't confuse lot numbers with serial numbers. Special orders for serialized items will have a serial number as well as a lot number.

When material is received, the receipt is entered using the Pre-Receipts and Back Order Fill Menu. The process is the same as for receiving from stock purchase orders. The special order lot number appears on all screens. When filling back orders for special orders, you match the received goods to

the customer orders by the special lot number. The system ensures that special order receipts are matched to the correct purchase order and customer order. For serialized items, you can use the serial number field to record an actual serial number or shade, or you can enter any helpful reference, such as part of the customer's name or job name.

Invoicing Special Orders

Special orders are invoiced using the Invoice Open Orders or Invoice by Status Code programs. The process is the same as for invoicing stock orders.

Tracking Special Orders

Special orders can be tracked using all of the functions available for regular stock orders:

- They appear on Order Inquiry screens.
- They appear on Open Customer Order Reports and on Open Purchase Order Reports. You can also specify that these reports list special orders only.
- They are accessible via Inventory Inquiry. Each special order results in a separate lot number on the search, until completed. Each special order lot number has its own Stock Card Screen showing when the customer order, purchase order, receipt, and invoice were each processed.
- Classification Code **S** within category Transaction Type displays your total special order sales and gross profit. This is accessed via the Classification Codes File.

Special Functions

Many special functions are available for special orders:

- The Order Entry Program lets you override price, cost, and supplier for special orders. You can also specify how the supplier should ship the special order.
- The Open Order Reports include an option to list only special orders.
- Cycle Count (Physical Inventory) Reports highlight all special order lot numbers and list the order numbers. After being received, but before invoicing, special orders are included as part of your total inventory value.
- The Stock Status for Lot Numbers Report, on page 2 of the Inventory Reports Menu, can list all special order items currently in your inventory.
- When you update the order status, shipping dates, or order notepad of a special order purchase order, the system automatically updates the related customer order and vice versa.

Analyzing Special Orders

You can analyze special order sales separately, on screen whenever the transaction type parameter is displayed. Use transaction type **S** for special orders. X by Y Reports allow you to specify transaction type. Special orders are also included as part of the transaction type **I** (inventory) statistics. They are *not* part of the direct ship statistics because they do not pass through inventory. The Cost Center and Classification Codes Files display sales breakdown by transaction type including **I** for inventory, **D** for direct, and **S** for special order.

Special orders are treated like any other customer order with regards to credit checks and credit holds. However, if you use the Credit Held Orders Screen, any order that contains a special order is shown with a lower case *s* indicating a special order is included, or a lower case *m* indicating a mix of special orders and transfers is included within the order. Special order purchase orders can be printed normally even when the related customer order is on credit hold. Credit managers should be aware of this in case they want to withhold the purchasing of the special order material. This option is

controlled within Company Settings. If you do not want special orders purchase orders to print when the customer order is on credit hold, be sure to set the appropriate company settings option.

Summary of Steps to Take for Processing Special Orders

1. Enter lot number **S** on Order Entry Screen to designate a line item as a special order.
2. Once (or multiple times) a day, run the Print Special Order Purchases option to generate purchase orders to suppliers. This option also runs automatically as part of Night Jobs.
3. Use the Update Order Status And Shipping Data Program to update order status and shipping dates as they become available. Use the notepad feature, if needed. It will be highlighted on the Order Inquiry screens.
4. When material arrives, receive as you would from a stock purchase order.
5. Invoice special orders as you would any other open customer order.

Using Miscellaneous (MISC) Items For Special Orders

You can use the Special Order System for miscellaneous items. You might have suppliers who provide many items for which you don't want to set up individual item file records. You can create a single MISC item number, for example, for a supplier or manufacturer, or one for each product line. You can then override prices, costs and item description each time you use it for a special order. Because the system automatically creates a separate lot number for each special order, each carries an individual price and cost. Even though, you are using the same item number for many different items (for example, AOTMISC for supplier AOT miscellaneous) each order and lot number retains its unique identity. Because each lot number is consecutively assigned, you can easily track the number of special orders taken for items represented by the MISC items. For example, lot number S091 means that an order is the 91st special order for the item number.

To enter a special order using a MISC item in Order Entry

1. Enter **XXX MISC** as item number (where XXX is a manufacturer code) and enter quantity and unit of measure. Press **Enter**.
2. Tab to **Price** and **Cost** fields and override both fields.
3. Press **Enter** until line number is accepted and next line number appears.
4. Press **F6** and enter actual item description on the miscellaneous comment lines.

We suggest that you enter a MISC item number for every manufacturer for which you need to enter special orders.

Combined Special Order/Direct Ship Options

You can combine the special order and direct ship functions when you need to include a direct ship item on the same order as stock or any non-direct shipments. (We only recommend doing this under the described circumstance.) In this case, enter **Y** in the field labelled **Dir** on the Special Order Screen in Order Entry. The line automatically splits on a separate purchase order with the shipto address of the customer.

Note Although the Purchase Order and Order Inquiry screens indicate the order is to be shipped direct, these special order direct ships must be handled as special orders in every other way. They must still go through the receiving process like any other special order.

If you plan to use this feature, all personnel should be made aware of the difference between a regular direct ship and a special order direct ship. Refer to *VISION Updates, Version 8, Release 2* for more information on this feature.

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Special Orders

Throughout the system and the documentation, you will see the terms *back order*, *special order*, *future order*, and *direct shipment* often. These terms are defined as follows:

- **Back Order** – An order for an item that is usually stocked, but is temporarily out of stock. The purchasing department usually purchases enough of the back ordered item to fill the back orders and to achieve an optimum stock quantity. Back orders are filled via the normal replenishment process.
- **Special Order** – An order for an item, or a quantity of an item, that is not normally stocked. The purchasing agent will usually purchase exactly enough to fill the special order. Special orders are brought into your warehouse and shipped to or picked up by the customer.
- **Direct Ship** – An order for material that is shipped directly from your supplier to your customer, without passing through your warehouse. A direct ship can be for any material, whether or not it is normally stocked.
- **Future Order** – A back order that is further marked as type F, indicating future order. Future orders can be viewed or listed separately, or as part of the total open back orders.

Types of Back Orders

Creating and Filling Back Orders

Order Status And Shipping Dates Option

Guidelines for Handling Back Orders

Order Handling Codes

Allocation Swapping

Types of Back Orders

The types of back orders are:

- Orders entered as back orders via the Order Entry system
- Orders marked as back orders via the Invoicing system because a line item is partially shipped with the remaining balance being left open.
- Special orders are a special type of back order.
- Future orders are also a special type of back order.

Creating and Filling Back Orders

To designate an order as a back order at the time of order entry, enter a **B** in the Receive? field, and the expected ship date in the adjacent **Ship Date** field on the line item screen. The **B** causes the pick list and order acknowledgment to list the item as being back ordered. When using the ISO feature, which automatically selects stock, the back order estimated ship date is calculated automatically. The **B** code is inserted in the appropriate field for you. An order can have a mix of items to ship and items being back ordered. Each line will be listed appropriately. Usually, a line will be designated with **B** for back order when the order entry operator is alerted by the program that not enough inventory is available to

fill the requested quantity. The operator can see if and when additional material is arriving as well as all other information pertinent to deciding whether or not to back order. Once a line item is designated as a back order, the incoming material to fill that order can be monitored at the warehouse or by the customer order or purchasing departments. Use the Back Order Fill Program, which is part of the receiving process, to fill back orders with incoming stock. Once filled, a back ordered line is automatically changed to status **R** for received, or **P** for partially received. Back orders can also be filled by using the Allocation Swapping Program, or by cancelling the back ordered line, and entering a new line on the same order and selecting stock.

Order Status And Shipping Dates Option

On an order that includes a mix of in-stock and back ordered items, the warehouse can ship the in-stock items and give the pick list to the invoicing department. In a paperless environment, the warehouse scans the shipped lines and they are automatically invoiced. The items shipped could be billed and the back ordered and unshipped items left open. An order can pass through the invoicing programs as many times as necessary. Each time invoices are processed, remaining back orders can be printed as Back Order Pick Lists. These pick lists have the same order number as the original order and list the last invoice number printed for the order. Only the back ordered items appear on these pick lists. Shipped items do not appear.

Some orders are marked automatically as back orders via the Invoicing system. This will happen when an item that was not originally designated as a back order is partially shipped or found to be out of stock when the warehouse tries to pick the order. The invoicing operator controls this function. When an order is invoiced and a line item is not shipped or billed in full, the operator enters back order code **1** to cancel the back order, or back order code **2** to leave the remaining quantity open. Back order code **2** causes these line items to appear on the back order pick list which is generated automatically following the invoices.

Note that based on your system settings, pick lists might not physically print. You can also assign order handling codes to an order or invoice. Order handling codes can determine whether back order code 1 or 2 is used for unshipped or partially shipped lines. See Order Handling Codes for more information.

Guidelines for Handling Back Orders

You need to establish guidelines for handling back orders. The following guidelines are offered as possibilities:

- Order entry operators should designate all known back orders with the **B** code in the **Receive?** field and a best estimate of actual ship date in the **Ship Date** field. This will clearly mark the order and pick list, and not cause the warehouse to needlessly search for out-of-stock items. ISO automatically assigns back order codes and dates.
- Your company should decide whether customer service should mix back orders and in-stock items on a single order, or whether the back orders should be entered as a separate order.
- If a pick list has any items to be shipped, it should be issued to the warehouse, picked and returned for billing. The only exception to this is when the order is to be shipped complete. In this case, order handling code **5** (must ship complete) is used, and no lines should be invoiced until all lines are in stock.
- The invoicing operator should properly designate back orders remaining open by using the back order code **2**. If a back order has been properly coded with the **B** code, the Invoicing Program automatically maintains that line as a back order and does not invoice it. The operator can override the system, remove the **B** and bill it, if necessary. For serial numbered items, you must

assign a serial number before invoicing can be completed. A back order default code **2** is provided with the system for the Invoicing Program. You can set the default as **1** or **2** for each workstation using the CONTROL Program. The back order code can be automatically set by customer if order handling codes are entered into the Billto File or Customer Preferences File. These customer defaults will then appear on the Order Entry Header screen but can be overridden.

- Back order pick lists can print after invoices that include partial shipments. This is controlled by a parameter in the System Wide Settings Program. They should supersede the original pick lists as the active open pick lists for those orders. You can staple the new pick lists over the originals. Always review these back order pick lists and forward them to the applicable department. They print on the same printer as invoices, not the warehouse printer.
- Open order reports should be monitored by purchasing and customer service personnel. Many report options are available. When receiving material you can use the option to automatically print an open back order list for the items being received. You can also display and search Open Orders on screen. The Open Order reports and screens have options to show only back orders.
- The purchasing department can use the Open Order Reports or Reorder Reports to monitor the items that have been back ordered and need to be purchased. The reorder reports can be used to track all items needing to be replenished. You can also consider using the reorder reports for stock items, and the Open Order Report By Item for non-stock items. Both reports let you include non-stock items, stock items, or both.
- We recommend processing all receipts via the Pre-Receipts and Back Order Fill Menu. This menu includes the options to automatically fill back orders with the material received and to issue pick lists.
- Pick lists should be re-issued to the warehouse when material arrives. All copies or adjustments of pick lists should be attached to original to prevent duplicate shipment.
- Consider using advanced system functions such as bar coded pick labels, RF devices, and the order pick pool, which eliminates paper pick lists.
- Consider using **F12** to process back orders and orders that include some back orders but must ship complete. **F12** processes the order but does not print it. The order prints only when the back orders are filled or when you specifically request it to print later. Also consider using order handling code **5** with orders that must ship complete.

Order Handling Codes

Order handling codes control certain aspects of how orders, especially back orders, are processed. Most orders are considered “fill/kill” or “ship as available.” “Fill/kill” means that a single shipment is made including whatever material is available on the requested ship date. The unshipped items are automatically cancelled by the Invoicing Program. “Ship as available” means the Invoicing Program will leave any unshipped items open, regardless of the number of shipments made against an order. Use order handling code **1** for “fill/kill” and code **2** for “ship as available.” These are equivalent to the back order codes **1** and **2** in Invoicing. Order handling code **5** is used for “must ship complete.” Code **5** causes the Back Order Fill Program to withhold pick documents until all lines on an order are in stock. Refer to Customer Preferences File, in *File Maintenance Reference*, for more information about order handling codes.

Allocation Swapping

If your company often reassigns limited available stock among customers, based on who needs it first or preferred customer status, then consider using the Allocation Swapping program. Allocation swapping allows you to easily switch available stock between orders. This, in effect, changes an allocated order to a back order and vice versa.

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Back Orders

Non-Stock Items

Non-stock items can be handled by any of these methods:

- Setting Up a Complete Item File Record for the Non-stock Item
- Setting Up a MISC Item File Record for an Entire Manufacturer or for a Product Line or Grouping of Items
- Entering Non-Stock Items Using F6

Setting Up a Complete Item File Record for the Non-stock Item

Create a complete item number and enter an **N** in the **Item File Inventory?** field. You can then process orders for the item using all available functions for normal stock items. All inventory and search screens label the item as “non- stock/special order.” Because the item is non-stock, you normally use the back order, direct ship, or special order functions to process customer orders. However, you can also sell these items from stock. For example, an item that is normally non-stock, has been brought into inventory on a limited basis, or due to a customer return or cancellation. This method of processing non-stock items is the most complete, because the item can be automatically priced by the system, as well as in lists and reports such as price lists and sales analysis. You must, however, enter and maintain an Item File record for an item that will rarely, if ever, be sold.

Setting Up a MISC Item File Record for an Entire Manufacturer or for a Product Line or Grouping of Items

Miscellaneous item records are defined as records having item numbers with MISC in positions 4 - 7 of the item number (**color #** field). For example, item number TARMISC could be used for all Tarkett (TAR) miscellaneous (MISC) items, or item number TARMISC400 could be used for all Tarkett miscellaneous items within the 400 series or product line. You can set up one MISC item for each price class so that you can store pricing information and not have to override prices and costs. Enter **N** in the Item File **Inventory?** field to label it as non-stock. All inventory and item search screens will label the item as non-stock/special order. Use only the direct ship or special order functions to process customer orders for these item numbers. You should never establish stock for a MISC item, as it can represent multiple items, each with its own cost, description, or packaging information. If you break this rule, then assign a unique serial or lot number to each inventory entry of a MISC item to separate the item quantities from the costs.

MISC items can be very useful, especially if you represent manufacturers that produce large numbers of items, of which you only stock a few. You need to set up only the Item File records for the stock items. You can use MISC items to special order or direct ship the rest.

To enter a customer order using a MISC item

5. Enter the **miscellaneous item number**, for example, TARMISC.
6. Enter the **quantity** and the **unit of measure** being ordered. Press **Enter**.
7. Override the price and cost, if necessary. Press **Enter** until the entry is accepted.
8. Press **F6** to display the Special Instructions/Miscellaneous Charge screen.

9. Enter the **description** of the item and the **manufacturer's item number**, if known, and press **Enter**.
10. Press **F1** to review. The description appears directly beneath the quantity and price on the Review screen. Always review a miscellaneous item entry to make sure the price, cost, and description are correct.

*Caution: If you were using the special order function, you would have entered **S** in the **Lot** field in Step 1 of the above example. If you were entering a direct ship, you would have entered a supplier number and warehouse **DIR** on the Header Screen.*

Guidelines for Setting Up MISC Items

When setting up MISC items in the Item File, follow these guidelines:

- In the **Description** field, enter **Special Order/As Follows**: This appears on all documents where the item description usually prints. The description entered on the **F6** lines in the customer order appear below it.
- Enter **MISC** in the **Color Name** and **Pattern Name** fields, unless the miscellaneous item is used only for a single color or pattern. Leave the **Pick**, **Sales**, and **Order Entry U/M** fields blank. Enter cost center, item class, and other classes and codes if applicable.
- You do not need to set up or enter price class, cost class, or packaging class codes. Press **F9** to display item price and cost screen. List price and standard cost should be entered as **.001** (one-tenth of a cent). Miscellaneous items usually represent different items with different prices and costs, which must be entered during the order entry process. If you are entering a miscellaneous item, such as TARMISC400, which represents a specific group of items with the same price and cost, then you should enter the actual price and cost here.
- Use the Default Gross Profit Percentage feature, if applicable. If, for security or other reasons, you do not want the order entry operator to have to compute or enter costs, you can enter a default gross profit percentage for each MISC item. For example, entering **25** in this field would take 25% off the price that the operator enters and use the resulting number as the cost for that item. If the operator enters **\$10.00** as the price, the system figures cost as \$7.50. This option should be considered individually for each manufacturer or product group for which you create a MISC item number. This option works extremely well for suppliers whose costs to you are a fixed percentage below the prices you charge.
- Press **F10** to display Item Packaging Conversions Screen. Have a conversion factor of one for each unit of measure you may need to specify. For example, if the item is normally **SY**, enter conversions of **1 LF/SY**, **1 SY/RL** so that miscellaneous orders can be entered in **LF**, **SY**, or **RL**. If the item is normally in **SF**, enter **1 PC/SF** and **1 EA/SF**, and so on. This allows you to use the same MISC item number to take orders for multiple items in multiple units of measures.

Entering Non-Stock Items Using F6

This method is the simplest of the three, but limits the system's ability to analyze these sales later. For this method, you can use the Order Entry F6 Screen, instead of the regular Detail Line Item Screen. Enter the description of the item you are ordering, the quantity, extended price, and extended cost. This information is entered just as a freight or UPS charge would be entered. This method is normally used with the direct ship function. Because you are not using any actual item numbers, the system cannot group or sort these entries in the many ways that it can for regular line item sales. You can enter a GL account number into the **GL** field provided on the F6 Screen, which helps to identify these types of sales. You can also specify a cost center for F6 Miscellaneous Sales.

Reporting on Non-Stock Items

- Use option 4 on the Sales Reports Menu (Special Order Product Sales) to analyze special orders, direct ships, MISC item sales and F6 sales. There are many optional parameters to tailor the report to your specifications. F6 sales can be analyzed using option 5 on the Sales Reports Menu.
- If you use actual item numbers or MISC item numbers, these can be analyzed on-screen, via graphs, or in many reports, such as ranking reports, two-year analysis, X by Y, product sales, or open order.
- The Item Reorder Reports automatically omit any item coded as **N** (non-stock).
- Any reports that let you to select items based on the Inventory field of the Item File can be used to report on the non-stock (N) items, the special order items (S), or both.
- Certain reports, such as the item ranking reports, reorder reports, and item master list, have a prompt for the selection of stock, non-stock, or all items.

Purchasing Non-Stock Items

- Use the Order Entry Special Order function to automatically purchase non-stock items as they are ordered by customers.
- Use the Open Order by Item Report to list non-stock back orders. Choose the options for back orders only, and non-stock items only.
- As non-stock back orders are placed on order with suppliers, we recommend that you use the order status codes to identify customer back orders already placed on purchase orders. Use the **K** status code for confirmed. The **K** status can be used to update the purchase order and the customer back order as confirmed. Request to omit the status **K** back orders (which are already covered) when you run the Open Order by Item Report. Then, you will list only back orders not yet covered by a purchase order.
- The Item Reorder Report defaults to including only stock items. However, you can also run the Item Reorder Report including non-stock items. The Item Reorder Report has the ability to automatically create purchase orders for both stock and non-stock items.

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Non-Stock Items

The term *price* refers to the amount charged to your customer. *Cost* refers to the amount paid to your supplier and/or the current unit value of an item in your inventory.

- **Standard (Regular) Pricing** – The pricing that relates to a customer’s default price list number. These prices are entered into the Item Master and/or Price files. A customer’s default price list number is entered on the Billto File Profile screen.
- **Customer Exception Pricing** – Uses a standard established price list number, but not the normal or default price list for the customer. These exceptions are entered in the Billto File Price Exceptions Screen.
- **Manufacturer Based Promotional Pricing** – Consists of prices established with or by the manufacturer, possibly including rebates. These prices are entered into the Promotional Pricing File, and usually have an effective date and ending date.
- **In-House Promotional Pricing** – Consists of sale prices determined entirely in-house and entered into the Promotional Pricing File. These prices usually have an effective date and ending date.
- **Fixed Pricing** – Consists of prices with type code **F** entered in the Promotional Pricing File. These prices override all other prices and are always used when applicable. These prices are used by national accounts programs, employee pricing schemes, and other pricing that is not subject to other available promotions or exceptions.
- **Special Pricing** – Consists of special prices assigned to specific customers for specific items, ranges of items, quantities, jobs and/or date spans. This type of pricing is set up in the Customer Special Price File. Many functions in the Promotional Pricing File overlap with functions in the Customer Special Price File. Refer to *File Maintenance Reference* for details of when and how to best use each file.
- **Override Pricing** – Consists of prices overridden and entered directly into the **Price** field on the Order Entry screen either at the time of entry or using the Change Orders or Invoicing programs. An overridden price overrides all other prices when used. All overridden prices are highlighted on the Detailed Order Register and Detailed Invoice Register and on the Order and Invoice Exception Reports. Overridden prices cause pricing method code X to appear on the Order Entry, Order Inquiry, and Invoice Inquiry screens.
- **Quotation Pricing** – Consists of prices entered on quotations via the Order Entry program. These prices can be types such as standard, special, or override, and saved as quotations. Quotations are printed by pressing **F2** on the Order Print Selection Screen, or by using the Print Quotations option on the Order Desk or Customer Orders menus. Quotations are not posted orders. They are entered via order entry with type **Q** and remain accessible via the Order Entry system, to be recalled at later if they become orders. When they become orders, prices can be left as originally entered or they can be updated. The quotation can then be printed as an order. Many types of quotation pricing can also be accomplished using Special Pricing and Promotional Pricing, as described above and in *File Maintenance Reference*.

Order Entry Pricing

The Order Entry system prices each line of an order according to the following logic:

If an operator enters a price in the **Price** field, the program accepts the price but marks it as an overridden price using pricing method code **X**. If an operator presses **Enter** without entering a price, the program prices the order as follows:

1. The program retrieves standard price for this item or customer. The program takes the customer's price list code as entered in the Billto File (or order header, if overridden) and looks up the entry for that price list code in the pricing files for that item. It also checks the quantity entered by the operator against any quantity breaks that are entered in the pricing files. It checks restriction codes, such as for roll and cut, truckload, or less than a truckload, and transaction types such as inventory, direct or special order.
2. The program checks for any customer pricing exceptions that override the price list number for the requested item number. It checks first for general exceptions for the item class, then for exceptions for the manufacturer, product line, price class, and finally, item. The program checks in order of least specific to most specific. For example, an exception by item number overrides an exception by product line. The price list code that the program retains is the price list code from the above paragraph, or the most specific exception found, if any.
3. The program checks all applicable promotional prices for the lowest promotional price, if any.
4. The program compares the price retrieved from item 2 above with the price from item 3 above and chooses the best (lowest) price, unless a *fixed price* is found, which overrides other prices. A fixed price is a promotional price with type **F**.
5. The program then retrieves additional special pricing for the customer, if any has been entered in the Customer Special Price File. The program reads the special pricing file exactly as entered in the Customer Special Price File Program. If an entry that matches the item, quantity, or particulars of the order is found, it supersedes or alters the price from item 4 above. The first matching entry is used; therefore, special prices should be entered in a most specific to least specific sequence. The Customer Special Price File allows you to determine and control the hierarchy of the special prices. Once a matching/applicable special price file entry is found, the program exits the Customer Special Price File.

You can set up some prices as percentages above costs. The current base cost, average cost, or last cost, whichever is specified in the pricing files, is used.

At the same time the program finds the most applicable price, it also finds the most applicable cost, the best (largest) rebate, if any, and the most applicable fund contribution (overbill) if applicable.

Analyzing Gross Profit Percentage

The gross profit percentage that results from the prices charged can be analyzed using the following reports:

- **Detail Order Register** – Shows the gross profit percentage for each line item on each order processed. You can generate it for either today's or yesterday's orders.
- **Order Exception Report** – Shows the gross profit percentage of each line item that has either an overridden price, or an exceptionally high or low price, cost or gross profit percentage. You can generate it for either today's or yesterday's orders.
- **Detail Invoice Register** – Shows the gross profit percentage for each line item on each invoice processed. You can generate it for either today's, yesterday's, or any date span or number span of invoices. You can also generate it for selected groups, such as customers, branches, and salespeople.

- **Invoice Exception Report** – Shows the gross profit percentage of each line item that has either an overridden price, or an exceptionally high or low price, cost or gross profit percentage. You can generate it for either today's or yesterday's orders.
- **Summary Order or Invoice Registers** – Show a single overall gross profit percentage for each order or invoice.
- **Management Price List** – Shows the gross profit percentage for each price entered into each item's pricing files. You can generate it for all or selected groups, such as manufacturers or product lines. You can use this report to measure gross profit percentage of all prices before you have even entered an order.
- **X by Y GP Analysis Report** – Lists gross profit dollars and gross profit percentage for a nearly unlimited range of options. It sorts and selects records from the Invoice History File.
- **Other X by Y Reports** – Most of the X by Y reports include options to analyze gross profit percentages and dollars.

All gross profit percentage is measured using the average cost of the specific item, shade, lot, slab, or serial number ordered, at the specified warehouse. Direct shipments, back orders, and special orders use the cost assigned on the order. When invoiced, all lines that are for inventory items are adjusted in order to ensure that the most recent and, therefore, accurate cost is used. The following chapter describes costs in detail.

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Pricing

As used in this chapter, the term *cost* refers to the unit amount paid to your supplier and/or the unit value of items in your inventory. The order entry operator is usually not concerned with costs. During Order Entry and Order Maintenance, cost is not displayed unless you have the proper security clearance. All cost information is established by file maintenance, purchasing, and receiving personnel, and automatically flows through the Order Entry and Invoicing systems. Cost can not be overridden on stock orders. The cost of the selected inventory is used. Cost can be overridden on direct ships and special orders.

All costs can be broken down into two portions: the base portion, which is the cost of the material; and the freight portion, which includes any costs associated with bringing the material into stock, such as freight, duty, and handling. For suppliers who include freight in their prices to you, you may have only a base cost inclusive of freight; and zero in the freight portion of the cost. This is valid and simplifies the costing process.

Costs Maintained by the System

Cost Flow for Purchasing

Cost Flow for Sales

Cost Flow for Inventory Adjustments

Miscellaneous Item Costs

Analyzing Costs

Importing

Freight Costs

Viewing and Adjusting Costs

Costs Maintained by the System

The system maintains six different costs:

- **Last Cost** – The cost of the last receipt of each item. The receiving programs automatically update this cost. A separate last cost is maintained for each item number, lot, slab, roll, or serial number; and separate last costs are maintained for like items at different warehouses. This cost is maintained in two parts: last base cost and last freight cost, which together equal the total last landed cost.
- **Average Cost** – True weighted average cost of each item. The receiving programs and other programs automatically update this cost. Each receipt is averaged with the existing on-hand balance to calculate a new average cost per unit. A separate average cost is maintained for each item, lot, slab, roll, or serial number. Separate costs are maintained for like items at different warehouses or different bin locations within the same warehouse. The average cost that is maintained for each lot, roll, slab or serial number will likely be identical to the last cost, as each

is usually unique. Averaging occurs only if an item is received more than once with the same warehouse, serial number, lot, and location. This cost is also referred to as actual cost when little or no averaging occurs. All orders and invoices for stock use this cost.

- **Standard Cost** – This cost is *not* automatically updated by the system. It is entered and maintained by purchasing personnel using the Cost File, Item File, or both. It can be used for many purposes, the most common of which are:
 - **Current Cost** – The current cost from your supplier.
 - **Replacement Cost** – The cost of the next receipt. The Build-A-Container Purchasing System can optionally update these costs.
 - **Market Cost** – The current market costs. This concept applies primarily to commodity type products whose costs fluctuate regularly.

You can store up to 11 standard costs for each item. You can store one overall or default standard cost, as well as standard costs for the same item from different suppliers and for various quantity breaks. All purchase orders use standard cost unless overridden, or unless a promotional cost is found in the Promotional File. The default Standard Cost can be maintained in two parts: base cost plus freight cost.

- **Transaction Cost** – This is a cost assigned (overridden) for a specific transaction. Cost can only be overridden when processing direct shipments, special orders, credits, purchase orders or special promotional sales. Orders for stock use average cost as the transaction cost.
- **House Cost** – This cost is not automatically updated by the system. It is entered and maintained by users as an alternative cost for sales and commission reports. It is an effective way of forcing gross profit figures to be artificially high for products that would normally be sold at near or below cost, such as discontinued items. House cost can also be used to force consistent gross profits and commissions for products that have multiple serial numbers in stock, each bought at significantly different costs. The house cost is only used by the system, when specified by the user, on reports such as the X by Y Gross Profit Analysis and the X by Y Sales Commissions reports. This cost is maintained in the Cost File and the SKU File.
- **Accounting Cost** – This cost is not automatically updated by the system. It is entered and maintained by the accounting department. It is used to store LIFO or FIFO costs which are used primarily on end-of-year inventory valuation reports. The Inventory Value Reports allow you to choose from all of the available cost options and include many special provisions for analyzing and comparing accounting costs for current and prior months. Accounting costs can be entered in the Cost or SKU File for specific items, warehouses, or lot numbers. Special programs are available on the Special System Maintenance Menus for automatically updating this cost.

The cost that is retrieved by Order Entry and used to figure cost of sales, and gross profit is:

- Average cost for sales from stock, or stock transfers. Standard cost for direct shipment, or special orders, unless overridden by Order Entry operator. Only the base portion of the standard cost is used for direct ships. For special orders and back orders, standard cost *including* freight is used until the material is received and the back order or special order is filled. At that time, the actual cost of the received material is used.
- Standard cost for purchase orders. Only the base portion of the cost is used. The freight portion is assigned during the receiving process. This cost can be overridden by the purchase order entry operator.
- Each transaction can also contain a cost allowance. Cost allowance is usually a negative amount which reduces cost for the purpose of computing gross profit and for accruing rebates due from

manufacturers. Cost allowances are commonly used when a promotional price given to your customer automatically earns a rebate from the manufacturers.

The cost assigned by the Order Entry programs is used to determine gross profit dollars and percentage for each order. It is important to note that actual gross profit and cost of sales are only determined when an order is invoiced. All costs assigned via Order Entry are subject to change by the time they are invoiced. When a stock order is invoiced, it is recosted. This preserves the integrity of system statistics since cost of sales must relate to the physical movement of stock, not to the order in which stock was allocated. Stock of any given item can turn completely between the time an order is taken and shipped. Therefore, the stock actually sold could have been received after the order was taken, at a different cost than the stock that was previously on-hand.

The Order Entry operator can override the cost on direct ships, special orders, credit memos, and purchase orders. The *overridden* cost is then used to compute the gross profit for the order.

At the time of invoicing:

- Stock orders are recosted using current average costs.
- Direct shipments assume the cost as entered on the order, but can be overridden.
- Special orders pick up the cost of the related receipts of material. If a special order is invoiced prior to being received, the cost as entered on the related purchase order is used.
- Special supplier promotions can also affect costs. These promotions are referred to as rebates or cost allowances. Rebates and cost allowances affect the cost as it relates to gross profit, but do not affect inventory. If the cost of an item in stock is \$4.00 but gets a rebate of \$1.00 when sold, the stock is reduced by \$4.00 but gross profit is based on \$3.00. Rebates should be booked as a credit to cost of sales and a debit to rebates receivable. When rebates are paid by the supplier, rebates receivable is credited and cash is debited.

Cost Flow for Purchasing

- Standard costs for each product are entered in the Item or Cost files.
- Purchase orders use standard base costs, unless overridden.
- Receipts, when based on purchase orders, use the base cost from the purchase order, and the standard freight cost. Standard freight costs can be retrieved from the Item or Cost files, or from a related freight table. Base and freight costs can be overridden in the receiving process, based on a user's security clearance.
- When receipts are posted, inventory value is increased by the exact value of the receipts. New inventory records are assigned the unit cost of the receipt as the average cost. Updated inventory records are reaveraged. All new or updated inventory records are assigned a new Last Cost. the new last cost is comprised of a new base cost plus a new freight cost.

Cost Flow for Sales

1. Order Entry assigns the cost of the exact inventory records selected, as the cost of the order.
2. When invoiced, the cost assigned to the order is rechecked against inventory, and the latest cost of the exact inventory records is used as the cost of the invoice.
3. When invoices are updated against inventory, the exact cost value of the invoice is deducted from inventory, with the remaining quantity in each updated inventory record reaveraged. This applies to stock transfers as well.

Cost Flow for Inventory Adjustments

When inventory adjustments are made, inventory value is increased or decreased by the exact value of the adjustment. All updated inventory records are reaveraged.

Miscellaneous Item Costs

MISC items can have costs automatically figured based on a default gross profit percentage entered into the Item File. This is useful when you set up a miscellaneous item number for ordering different items. It allows the order desk personnel to enter different prices but not costs. The system computes the cost by using the default gross profit percentage. These items are used primarily for special orders and direct ships. Refer Chapter 7, *Non-Stock Items* for more details.

Analyzing Costs

You can analyze in many ways, both on screen and via reports. The Item File graphs can graph the past 25 months of last and average costs. The Cost Variance Reports lists percentage variances between last, average, and standard costs, highlighting or listing only those with large variances. The Inventory Value Reports display unit costs and values based on any of six current costing methods. They also can print costs and values going back 24 months.

Importing

When using the Build-A-Container system or the extended receiving cost options, the system can calculate freight and landed costs based on several components, including overseas freight, inland freight, or brokers fees.

Freight Costs

Freight costs can be retrieved from the following files:

- The Cost and Item Files (standard freight costs)
- The Freight Cost Table (which is linked to the Cost File for more elaborate freight calculations based on variables such as weight)
- The Build-A-Container system (refer to the option to update costs in the Build-A-Container documentation)
- The Interwarehouse Freight Table (used to add additional freight costs onto material being transferred for a customer)

Viewing and Adjusting Costs

Users can be blocked from viewing or overriding costs in the following ways:

- Your system administrator can enable or disable users from viewing cost in Order Entry by using the CTRLUSER command.
- Your system administrator can enable or disable users from adjusting costs in the Receipts and Inventory Adjustments programs by using the CTRLUSER command.
- Your system administrator can enable or disable users from being able to enter direct ship orders and purchase orders by using the CTRLUSER command.
- Users who are restricted to the Order Desk Menus are unable to view costs that would normally show on inquiry screens in the otherwise similar Customer Service Menu.

- For functions requiring the input or verification of cost, such as direct ships, purchase orders, special orders, special orders for miscellaneous items, and credit memos, users can adjust the cost if they can access the function.
- All costs and gross profit figures are available to users who have authority to access order registers, management screens, and analysis reports.

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Costs

Terms, Discounts, and Handling Charges

Terms

Terms Codes

Hierarchy of Terms

Terms in Accounts Receivable

Discounts

Handling Charges

Terms

In this chapter, *terms* always refers to terms of payment. Terms of payment consist of the percentage discount available for prompt payment and the number of days allowed before payment. Terms are entered in the Billto File, and can optionally be overridden on each order or invoice. They can also be entered for each manufacturer in the Product Line File, and automatically picked up by each line item on an order. In this case, if terms are overridden on the header of an order or invoice, they would override the line item terms for all items on that order.

Terms can be assigned by product line, price class, promo, or by customer. Terms assigned by customer in the Billto File override terms assigned in the product line, price class, or promo files. Entering terms code **M** in either the Billto File or on the Order/Invoice Header activates the Terms by Manufacturer option. This causes terms to be retrieved on a line item basis from the product line, price, and promo files.

Simple terms such as **2% 30** or **1% 45** are entered in the **Terms - %**, and **Days** fields in the Billto File, other master files, and on the Order Entry and Invoicing Header screens. The one-character **Terms Code** field, also found in master files and on Order/Invoice Header screens, relates to terms defined in your Payment Terms File on page 2 of the Accounting File Maintenance Menu. The Payment Terms File comes with a few predefined special purpose terms. You can also define your own terms codes. The Floor Plan system, which manages third-party financing arrangements, has its own set of terms, which are maintained in the Floor Plan Payment Terms File. Floor Plan files are accessed via page 2 of the Accounting Files Menu.

Terms Codes

Terms codes are generally user-defined within the Payment Terms File. However, the following three terms codes are system-defined.

Code	Description
1	Due on the 10th of next month, if invoiced on or before the 25th of current month, and due on the 10th of the second following month, if invoiced after the 25th of current month. You can add a percentage discount to this code in the Payment Terms File.
2	Due on the 10th of the following month. You can add a percentage to this code to make it 2% 10th prox.
M	Terms are controlled separately by manufacturer. The terms used are those that are entered in the Product Line File. For each line item, the system checks the Product Line File for terms. The Product Line File terms can be further overridden by entries in the Price File and the Promotional Pricing File.

Codes **1** and **2** can be combined with a terms discount percentage to read “X% if by 10th of following month.” There are other special codings for terms such as cash, COD, and letter of credit. See the Billto File chapter in *File Maintenance Reference* for a complete list. For cash and COD accounts, we recommend also using the Customer Message Codes feature, which is explained in the “Messages File” chapter of the *File Maintenance Reference*.

Most order documents include the terms. Invoices include the available terms discount and the due dates. The Cash Application screens (AR Enter Cash Program) show the available discounts, terms code, and due dates for each invoice. If a single order contains items that have different terms, the invoicing system automatically splits the order into multiple invoices by terms.

Special terms codes might have been assigned to your system that supersede or add to the terms codes provided with the system. See your data processing department for listing of terms codes on your system.

By combining all of the terms features of the system, you can manage most payment terms schemes. Two overall payment terms methods are available:

- You can assign terms in each Billto File record that apply to all products the customer buys.
- You can assign terms in the Product Line File that apply to all customers except customers that have terms entered in their master file.

Hierarchy of Terms

The following explains the hierarchy of the terms system.

- Terms entered in the Product Line File are the first level default terms.
- Terms entered in the Price File override product line terms.
- Terms entered in the Promotional Pricing File override price and product line terms. Terms can be entered as part of a promotional price record, or a promotional file record can be set up for terms only. For example, you can set up a promotion that gives a customer, or group of customers, special terms for an item class, a manufacturer, a product line, a price class, or an individual item.
- Terms entered in the Billto File override all product line, price file, and any promotional file terms. Therefore, if you want to use the Price and/or Promotional Pricing File to set special terms,

you should consider basing terms in the Product Line File, not the Billto File. However, if you have set terms by customer, then using the Billto File terms is by far the easiest to maintain.

- Terms entered on the Header Screen of an order override all terms described above, for that order.
- Terms entered on the Header or Detail Line screens of an invoice, during invoice entry, override all other terms.

Terms in Accounts Receivable

The Accounts Receivable system uses the payment terms to calculate due dates and payment terms discounts. Payment terms discounts can be automatically taken or manually adjusted when applying cash. Payment terms discounts can be analyzed using the Discounts Analysis Reports on the A/R Reports Menu.

Discounts

Discount refers to a percentage discount applied to order or invoice pricing. Do not confuse *discount* with *payment terms discount*. The Billto File and the Order and Invoice Header screens have separate fields for handling charge or discount percentage. A discount is entered as a negative percentage. A handling charge is entered as a positive percentage. This discount applies to the prices of each line item. The discount can be applied to line item unit pricing, with the **L** code, or can show separately at the bottom of the invoice. Discounts and handling charges can be assigned permanently to a customer's account, or entered or overridden on an order or invoice.

To enter a 10% discount, you would enter **01000-** (assumes two decimals) in the **Extra Charge/Discount%** field. You can enter **10000-** (100% discount) for free samples or a no-charge sale. When using discounts or handling charges, we recommend that you specify the **L** code, to apply discount to unit prices at the item level. This method keeps your profit by item statistics more accurate. The price and gross profit of each line item is affected. A discount applied with the **S** code is a separate deduction, which affects the overall profit of the order, but not the line items. Discounts applied with the **S** code are accounted for in the separate column labelled **Discounts and Handling Charges** on the Invoice Register and General Ledger Sales Reports. You can also enter a miscellaneous discount by using the Order Entry Miscellaneous Billing Screen, accessed via **F6**, and entering a description and a negative dollar amount.

Handling Charges

The five types of handling charges are:

- You can enter a handling charge percentage, which increases billing, using the method described in "Discounts" above. An example of this would be an intercompany account or employee sales account that is assigned a price list SC, standard cost, plus a 10% handling charge. This setup would always charge the account standard cost plus 10%. Similar to discounts, these handling charges are entered by percentage in the Billto File or on the Order Header Screen, and can be applied at the line item level or shown separately at the bottom of an order or invoice.
- You can use the Order Entry Miscellaneous Billing Screen, accessed via **F6**, to enter miscellaneous charges by entering a description and a dollar amount.
- You can also assess a restocking charge while entering a credit memo. See Credit Memos, Claims, Returns, and Refunds for more information.
- You can use the Item File's minimum quantity charges feature. This feature allows you to charge a broken carton charge, handling charge, cut charge, packing charge, or below minimum charge for items purchased beneath a specified minimum quantity.

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Terms, Discounts, and Handling Charges

- You can use the Minimum Order Charges File to add a handling charge for orders or shipments that fall below specified parameter levels.

The Monthly Invoice Register, which can be printed for any timespan, and Daily Invoice Register lists handling charges, discounts, and tax in their own columns.

Tax codes can be assigned to each customer in the Billto File and overridden when necessary on Order or Invoicing Header screens. Each customer, order, or invoice can be assigned up to two tax codes. Each tax code represents a state, local, or combined tax percentage. The tax percentage is applied to taxable line items on an invoice. The total tax amount is shown on the bottom part of invoice. A sales tax report is available. See option 7 on the Sales Reports Menu. The Sales Tax Report can be sorted and subtotaled by entities such as state, county, or tax code. Tax Codes are defined in the Tax File on the File Maintenance Menu.

F6 miscellaneous charges are marked as taxable by entering an equal (=) sign, as instructed on the screen. If the Tax File record (related to the tax codes used on the order header) specifies **Y** for the Tax On Freight option, then all F6 miscellaneous charges will default to taxable the equal sign is automatically inserted). In this case, you must type any character except the equal sign to make the line un-taxable. We recommend using an asterisk (*).

Tax codes can also be assigned in the County File. These County File tax codes can be used by Order Entry and the Recurring Invoice system. On the Order Entry Header Screen, you can use **F9** to toggle between taxable and non-taxable status. If a customer is normally not taxed, then the Billto record will not have any tax codes assigned. In this case, Order Entry finds the applicable tax rate by retrieving the customer's county number and checking the County File for tax codes. The tax codes from the County File are inserted on the Order Header Screen. The Recurring Invoice system is used primarily to bill samples and sample programs (quarterly sample or display invoices). This system can tax customers who are not normally taxed and therefore, have no tax codes in their file. The system uses the customer's county number to find the applicable tax rate from the County File.

Based on local laws, tax can be based on the point of pick up, the location of the customer, or the location of the shipment. You can optionally assign tax codes to each warehouse to be used for pickups. Refer to "Warehouse File" in *File Maintenance Reference* for more information. You should also formulate policies for your order desk regarding when and how to override taxes for non-standard shipto points.

Canadian Users

Canadian systems must code all customers for GST, and therefore all customers and orders are taxable. However, PST is charged on a customer-by-customer and order-by-order basis. Some features, as stated above, do not function properly for Canadian systems, since, unlike US systems, GST and PST are mutually exclusive. Special features are provided throughout the system regarding Canadian tax issues.

Sales Tax Reports

Various reports are available to list detailed and summarized tax information:

- Sales Tax Reports show the taxable sales and the tax invoiced with many sort options including by company, branch, state, county, and tax codes.
- Invoice Registers show both taxable and non-taxable sales with a multitude of sort options.

11 *Taxes*

Chapter 1 **Freight, Delivery, and Miscellaneous Charges**

Charges such as freight, delivery and miscellaneous charges, pallet charges, and storage fees can be entered as F6 lines. F6 lines are free form comments and miscellaneous billings within the Order Entry system. You need only enter a description and an amount. You should also enter related costs, if applicable. The accounting department should assign a general ledger (G/L) account number and a cost center for each type of miscellaneous charge, so they can be recapped and recorded by category. Use the **GL Number** and **Cost Center** fields on the F6 line screens to enter this information. The G/L account number and the cost center can be made mandatory, based on parameters in the Company Settings File. If a cost center is left blank on an F6 line, the system uses the cost center of the inventory line item before the miscellaneous line on that invoice. If no inventory line item is before the F6 line, the cost center is left blank.

These F6 charges can be entered on the order or on the invoice. Charges entered on the order can be adjusted on the invoice. Therefore, you can enter estimates on the order that will be updated when invoiced. When invoicing, a special screen allows you to enter freight and one additional miscellaneous charge, without having to use F6 or entering the description. The additional miscellaneous charge field is defined for each workstation using the CONTROL Program. It could be set for delivery charges for one terminal and handling charges for another. These charges can be set as taxable or non-taxable, and G/L account numbers can be pre-assigned.

For common miscellaneous charges, we recommend that you use the Play/Record function, if available on your terminal or the Macro Message Manager as discussed below. The Play/Record function lets you assign a description and even a constant amount to a single function key. For example, **Play-F1** could automatically enter **delivery charge... \$10.00** for you. If you use personal computers, you perform this function using macros.

Macro Message Manager

Delivery Charges

Minimum Cut Charges, Broken Carton Charges, Below Minimum Quantity Charges

Minimum Order Charges

Using the Minimum Order Charges File for Delivery Charges

Macro Message Manager

The Macro Message Manager feature lets you to define commonly used messages and charges for easy insertion into the Order Entry F6 message lines. Macro messages can be created for global use,

or to be used only by specific companies, branches, and accounts. You can access this feature via option **3** on page 2 of the System Settings Menu.

Delivery Charges

Delivery charges can be charged automatically by using the delivery charges table, which is maintained via option **8** on page 2 of the File Maintenance Menu. Delivery charges can be automatically assigned by warehouse (the delivery warehouse), state, truck route, county, or customer. Different rate tables can be assigned for each warehouse, state, truck route, county, or customer. Rates can be assigned as a dollar amount per stop (a single delivery, regardless of the number of orders being delivered to that customer) or based on the products ordered. Rates can be linked to weight, dollars, or units sold. Specific customers can be exempt from delivery charges. Rates can be altered or eliminated based on the day of the week. For example, a customer on a daily route with a \$25.00 stop charge can be assigned a discounted charge or no charge on Mondays only.

Automatic delivery charges are normally added during the Print Invoices function, a batch job that is run from the Invoicing Menu. The system sorts the delivery orders being invoiced, by ship date within customer. It then adds one delivery charge for each ship date for each customer. A customer might have 20 invoices run in that batch, but the delivery charge program only looks at the invoices that have a truck route assigned (which indicates a delivery), and only charges once per ship date. If all invoices that day were delivered yesterday, then only one delivery charge is added. If the invoices include two different ship dates, then two delivery charges are added, one charge to the first invoice for each ship date.

The system always puts automatic delivery charges on line number 9966 of an order or invoice. Therefore, if you ever need to prevent a single order or invoice from getting a delivery charge, simply enter any message on line number 9966 of that order or invoice. If line 9966 has any data, such as an asterisk (*) or a comment, then that order or invoice is not included in the job that processes the delivery charges. To manually override a delivery charge, we recommend that the manual charge is entered on line 9966 to simultaneously establish the new charge and prevent automatic charges on the order or invoice.

Delivery charges are not automatically added to point-of-sale invoices or COD orders, unless you activate a company-wide setting to do so. This setting is found in the Company Settings File. Activating this setting adds a delivery charge to every COD order. If you do not activate this function, then your order entry staff must decide whether or not to add delivery charges to COD orders and point-of-sale invoices. You can also have the driver manually add the delivery charge when collecting for the orders, one charge per delivery, not one charge per order. If you issue pick lists only, rather than F9 invoices, then the regular invoicing run will likely add delivery charges exactly as your driver manually collected, and the payments will equal the invoices.

Using the Delivery Charges by Unit feature of the Delivery Charges File, you can establish several different types of delivery charge schemes and promotions such as:

- Free delivery for all products when certain products are included
- Waiving of minimum delivery charges when certain products are included
- Free delivery if a certain dollar amount is included
- Different rates for different products
- Rates based on weight, units, or dollars sold

Minimum Cut Charges, Broken Carton Charges, Below Minimum Quantity Charges

Several per unit charges can be automatically assessed during the Order Entry process. They are defined on the F9 Pricing Screen in the Item File. These charges include:

- Minimum cut charge
- Broken carton charge
- Below minimum quantity charge

Each of these charges is defined for orders below a specified quantity. Broken carton charges only apply to order lines whose entire quantity is less than one carton. You can also assign a general ledger account number for each type of charge. You can enter these charges in the Item Master File, or using the Item Mass Update program. For example, if you enter a Below Minimum Qty charge of \$2.00 for quantities less than ten, then any orders for that product with quantities less than ten will automatically add a separate line item on the order reading Below Minimum Quantity Charge \$2.00. All minimum quantity charges are tested on a line item-by-line item basis. You can also use these features to simply charge a fixed handling charge on the sale of a certain item, regardless of the quantity sold. For example, if an item requires special packing or paperwork to be performed, you can set a fixed extra handling charge, regardless of the quantity sold.

Minimum Order Charges

The Minimum Order Charges File is used to automatically charge customers a minimum order charge when a single order or a group of orders is less than a specified dollar amount. Minimum order charges are calculated during batch invoice processing only. Minimum order charges do not apply to point-of-sale invoices.

How Minimum Order Charges are Applied

Minimum order charges are applied during the batch invoicing process, which is run from the Invoicing Menu. Minimum order charges are not applied to point-of-sale invoices. Minimum order charges are activated only if the minimum order charges option in the Customer File is set to **Y**. The Company Settings File (found on the System Settings Menu) must also be set to one of the following three options.

- **O** - access minimum order charge separately for each order.
- **S** - group orders by customer within ship date, and then access charges based on the total for each ship date within each customer. If a customer has three orders invoiced in the same batch, all with the same ship date, then the total of the three orders is compared to the minimum order amount. If the total still does not meet the minimum, a single charge is applied to one of the invoices.
- **C** - group orders by customer within an invoice batch, and then assess a single charge, if necessary, based on the totals for each customer. The total of all orders for each customer is compared with the minimum order amount.

Once one of these options is selected, minimum order charges are applied automatically when a batch of invoices is processed. You do not have to select options on every invoice run. A report is printed with the invoices, showing the charges that were created. When a minimum order charge is applied to an invoice, a miscellaneous line is added to the invoice that includes the charge and the description as entered in the Minimum Order Charges File.

Using the Minimum Order Charges File for Delivery Charges

The Minimum Order Charges File can be used separately, in conjunction with, or instead of the Delivery Charges File. Because the Minimum Order Charges File can be assigned by truck route, some or all routes can be assessed charges in this file. The description is variable, so you can enter **Delivery Charge** in the **Description** field. The Minimum Order Charges File lets you offer free or reduced delivery charges based on the size of the order. For example, you could enter instructions to charge \$35.00 if less than \$500.00, and \$20.00 if less than \$750.00. This entry implies that delivery is free for orders totaling \$750.00 or more. You can also combine the two features. For example, you could have a fixed delivery charge of \$15.00 in the Delivery Charges File, and a surcharge for orders under a certain amount in the Minimum Order Charges File.

Transfers of stock from one warehouse to another can be handled in many distinct ways. Management should choose the method(s) applicable to your operation and consistently use those methods. The three basic methods of performing transfers are:

- Create a separate stock transfer order, using the Order Entry Program. This method issues picking documents, and the transfers are received similarly to receipts from suppliers.
- Issue a request for stock transfer within a customer order using the Order Entry program. This is referred to as the *quick transfer* method because the customer order automatically creates the transfer.
- Record a stock transfer by using the Inventory Transfers Program on the Inventory Control Menu or on the Additional Order Desk Functions Menu. No formal paperwork is issued.

Stock Transfer Order

Printing Transfer Pick Lists

Receiving Stock Transfers

Customers who use the old Receipts By P.O. Menu

Requesting Transfers From Within Customer Orders

Recording Stock Transfers Directly to Inventory

Stock Transfer Order

A stock transfer order (also referred to as a stock to stock order) is used to move stock from one warehouse to another, unrelated to a specific customer order. Creating a stock transfer order is nearly identical to entering a customer order. Use the Order Entry Program. Use customer account number **00002** within each company; account number **200002** is the stock transfers account for Company 2, and so on. Next, complete the fields on the Header Screen just as for a regular customer order, but be aware of the following:

- **Date Required** should be the date to transfer. **Header Warehouse** must be the warehouse that is to receive the material.
- **Customer Price Class** will be **AC**, for average cost. This code must be left as **AC** for costs to be handled correctly.
- **ETA Date** should be the date that the material is expected at the receiving warehouse. This field is not mandatory.
- **Customer P.O.#** and **Job Name** fields should be used to enter any descriptive information pertaining to the transfer, such as your name, a customer's name, related order numbers.

When ordering items on the detail lines of Order Entry Program, you will be ordering for your warehouse, from other warehouses. Order items exactly as you would for a customer order, except:

- Change the detail line **Ware** field to the warehouse from which you are ordering, or select serial numbers from the warehouse from where you are ordering.
- **T** is entered automatically into the **Receive?** field. The **T** labels the transaction as a transfer order.

Most other functions of the Order Entry system can be used, including functions such as item search, review, notes, and comments. When you are finished entering the stock transfer order:

- Press **F7** to display Print Select Screen.
- Press **F1** from Print Select Screen to print transfer pick list.

The pick list that prints at the warehouse ordering the material is actually a Transfer Order/To Be Received and is labeled as such. This document can be used to verify the material being received when the transfer arrives. It is similar to a purchase order and will have a unique order number just like any other order. The document will list all items to be transferred, and which warehouses the material is coming from and going to. It will also show all available packaging information, such as cartons and pieces. The warehouse you ordered from is issued picking documents that instruct it on what to pick and ship to your warehouse. All functions that are available for customer orders and purchase orders are also available for stock transfers. These include Cancel and Reinstatement, Change Open Orders, Open Order Search, and Open Order reports. Remember to use account number **2**.

Stock transfers do not affect sales, customer order, or purchasing statistics; they affect only physical inventory and transfer statistics.

On the Inventory Inquiry screens, a stock transfer shows as an allocation in the warehouse that will ship the material (code **CT** on the Stock Card Screen), and as a scheduled incoming purchase in the warehouse that will receive the material (code **T** on the Stock Card Screen). The **T** in **PT** and **CT** indicates a transfer.

Printing Transfer Pick Lists

At any point during the day or following morning, master transfer pick lists are printed at each warehouse that needs to transfer material. These pick lists are requested using option **18, Print Transfer Pick Lists**, on the Inventory Menu or using option **7** on the Warehouse Menu. Each warehouse can request their own transfer pick lists, or they can be requested at one central location. These transfer pick lists will print on the printers designated in the Warehouse File for each warehouse. Each warehouse can be assigned a printer on which to print transfer pick lists. Use the field labelled Designated Transfer Printer ID in the Warehouse File. If they are run during the day, these documents list all items requested for transfer during the day. If they are run on the following morning, they list all items requested for transfer during the previous day. They print on regular pick list forms. You can run transfers multiple times daily, including only the transfers created since the last transfers were printed.

You can set the system to run transfer pick lists automatically and on specified hours of the day. To accomplish this, use the Auto-Timer found on page 2 of the System Settings Menu.

These transfer pick lists include both stock-to-stock transfers, which are designated by using account number **2**, and customer transfers, which are designated in Order Entry when a customer order uses stock from another warehouse. This means the master transfer pick lists include all types of transfers.

Transfer pick lists are split based on the destination warehouse. For example, if warehouse AAA needs to transfer ten items to warehouse BBB, and five items to warehouse CCC, two pick lists print at warehouse AAA; one for items to ship to warehouse BBB and one for the items to ship to warehouse CCC. Each pick list can include items from multiple transfer orders. The transfer orders

can be entered by all users, as needed. All the orders are sorted by warehouse and put on these master transfer pick lists. The transfer pick list shows each item, packaging information, the order number to which each item relates, the initials of the person who entered the order, F6 comments, the customer purchase order number and job name, and the warehouse to which it will be transferred. The warehouse uses the transfer pick list like any other pick list, and it should additionally be used as a packing list and sent with the material to the receiving warehouse. All bar coding, order pooling, and other advanced warehouse functions are available for transfer processing.

Receiving Stock Transfers

Stock transfer orders, entered using account number **2**, are received almost identically to purchase orders. Use the Receipts Menu that you normally use. Enter the transfer order number in the Purchase Order Number field. From then on, the procedure is the same as receiving other orders.

Customers who use the old Receipts By P.O. Menu

- The warehouse number on the Header Screen is always the receiving warehouse.
- The warehouse number on the Line Item Screen is always the sending warehouse.
- This program cannot be used with serial number items or rolled goods. If you use the serial number or rolled goods features, only receive using the new Pre-Receipts And Back Order Fill Menu.

Don't worry about costs, because stock transfers will automatically use the correct costs. You can use all functions available in the Receipts Program. You can partially receive a stock transfer order, just like a purchase order. Enter only the quantity received in the **Qty** field and use the applicable back order code to leave an open back order for the portion unshipped. After the receipt is processed, inventory is updated at both warehouses. The transfer appears on the inventory screens as a receipt in the receiving warehouse, and as a shipment in the sending warehouse. Code **T** appears on the Stock Card screens. These receipts do not interfere with statistics concerning receipts from purchases. The Inventory Transfers Report, on the Inventory Reports Menu, can list transfers, for example, for specified warehouses, manufacturers, and date spans. The Inventory Registers Report can also be used to list transfers.

Requesting Transfers From Within Customer Orders

When you require a transfer to be made on behalf of a customer for a specific order, you can do one of the following:

- Place a back order for the quantity you want, and then enter a separate Stock Transfer Order which requests that material be transferred from another warehouse to your warehouse. You would enter the stock transfer order as described above. The customer back order is filled when the transfer is received. This method is not as affective as the "Quick Transfer" method described below.
- Optionally, you can place the customer order against stock at the warehouse that has the material. The Order Entry Program codes the order with a status code **T**, causing the line item to be included on the daily transfer pick list at the warehouse that has the material.

Read the above instructions for details about Transfer Pick Lists. This is done within the customer order. On the line that needs to be transferred in, the user can select inventory from the warehouse containing the material. This shortcut is referred to as the Quick Transfer method because you do not have to enter a separate order for the stock transfer nor do you have to enter any additional

transaction to adjust inventory. Because the material is allocated out of the warehouse that has it, when the order is invoiced, the stock will be reduced in that warehouse.

When using this short cut, you should be aware of the following situation: If after using this method, the transfer is made but the customer then cancels the order, the material will physically be at the destination warehouse, but the system shows it as being at the original warehouse. In this case, an immediate transfer should be entered into the system using option **9, Inventory Transfers**, on the Inventory Control Menu. You can also automatically receive quick transfers at the destination warehouse by scanning or entering certain order status codes.

A customer order can include items stocked at the local warehouse *and* items that require a transfer. The pick list clearly states which items should be picked at the local warehouse and which are transfers. The transfer items list the warehouse from which they are coming. If your Control Panel includes **Y** for the Auto Transfer option, then the system automatically designates an order line as a transfer whenever stock from another warehouse is selected. This option automatically enters the **T** in the **Receive?** field and is the recommended way to set the system.

When you designate transfers within a customer order, you do not need to receive them (via the Receiving System), but we recommend that you designate them as received by updating their status codes. You can use the **A** status code (arrived or assembled) or a user-defined order status code. Status codes clearly mark orders on all screens and reports. Using the System-Wide Settings Program on the System Settings Menu, you can activate the auto-transfer feature. The auto-transfer feature causes the inventory on hand balances to be updated by the transferred quantity when transfers are updated to a designated status code.

- If you activate the Inventory Selection Optimizer (ISO), then ISO automatically creates transfers for you when stock from another warehouse is the best available source of the material. ISO sets all required transfer fields as described above.

Recording Stock Transfers Directly to Inventory

Using this method, you can record the transfer without issuing any formal paperwork to assist in the picking, shipping, and receiving processes. The Inventory Transfers Program, option **9** on the Inventory Control Menu, immediately adjusts the stock out of one warehouse and into the other. It leaves an audit trail on the Stock Card Screen and on many inventory reports. This method is most often used to correct transfer errors and to adjust inventory when a transfer order is cancelled after the stock arrived at the destination warehouse.

Hold (Unconfirmed Orders)

The system has two different types of holds—permanent holds and temporary holds. Following is a description of each type of hold.

Permanent Holds

Temporary Holds

Features of Temporary Holds

Permanent Holds

Permanent holds are entered and processed as regular orders, except for an **H** in the **Type** field of the Order Entry Header Screen. The **H** signifies that the order is pending further confirmation. In the usual course of business, if one client has a hold on certain material that another client requests, the client with the hold must either confirm or relinquish claim to the material. However, permanent holds can also be firm orders that are merely awaiting final shipping instructions. Permanent hold orders are calculated as part of the customer's total open order amount and proceeds through the normal credit criteria.

All documents can be printed for a permanent hold, including pick list and order acknowledgment. They will be labelled "Hold/Unconfirmed Order." Inventory is allocated by a permanent hold, but Stock Card Screen entries are labelled CH for customer hold, instead of the usual CO for customer order. Order Desk personnel must be aware of the significance of the CH code, especially when an item is not available for sale only due to the hold. If a permanent hold order has inventory allocated from another warehouse, a transfer pick list prints and is labelled "Hold, Confirm Before Shipping."

Permanent holds can be monitored closely using the Open Order Reports and Open Order Search, and choosing to include only status **H**. You should establish a company policy of cancelling permanent holds and or calling customers when a hold becomes more than a pre-determined number of days old.

A permanent hold can be converted into an order with a simple keystroke. Using the Update Order Status and Shipping Data function, option number **13** on the Customer Orders Menu and on the Additional Order Desk Menu, simply enter new status code **O**, which replaces the **H** and instantly effects all applicable screens and reports. A confirmed open order can be downgraded to a hold using this same program, by entering status **H**.

Temporary Holds

Temporary holds are entered as regular orders, but they are not processed. To enter a temporary hold, enter the order but do not process/print it. It will automatically be removed during the next Night Jobs. If you do *not* want to process an order, do *not* press any of the function keys that would print or create an actual order. On the Order Print Selection Screen, press **F6** or **F7** to leave the order as a temporary hold. We recommend that you provide the customer with the reference number of the hold so that if the customer confirms it as an order, you can simply access the hold via the reference number and create the order. The reference number appears throughout the order entry process.

14 *Holds (Unconfirmed Orders)*

Features of Temporary Holds

- Temporary holds allocate stock except for non-serial numbered items. Stock is de-allocated (made available again) when temporary holds are deleted, whether by a user or when automatically deleted by the system.
- Temporary holds are automatically removed by the Night Jobs on the day following the order date. The order date defaults to the current day on the Order Entry Header Screen. However, to extend a temporary hold, you can change the order date to the date you want the hold to expire. You can change the order date during the initial order entry process, or at any time before the hold is removed.
- Temporary holds remain in the Order Entry system only. They are not open orders and, therefore, cannot be viewed in Open Order Search. You can use the Temporary Hold and Unprocessed Order Inquiry program to search for temporary holds by branch, customer, and item number.
- Temporary holds have a status of **HH** that displays on the Inventory Stock Card Screen. The Inventory Stock Card Screen can be accessed via the Inventory Inquiry program and in Order Entry. You can find a temporary hold if you know either the reference number, branch, customer, or the item number for any item being held. The Stock Card Screen shows the customer's name, the quantity, the initials of the person who entered the hold, and the reference number.
- Temporary holds are only fully valid for serial number items. If you do not take advantage of the serial number feature, you can still use this feature but stock will not be allocated. When Night Jobs automatically deletes a temporary hold, the header record is left in the Order Entry system until the end-of-month close. End-of-month close clears all stray order headers. This is done so that if a customer inquires about a hold after it has been deleted, but is within the same month, the header record will still be there, and the hold could quickly be re-entered on the same reference number, if necessary.
- All orders are temporary holds while they are being entered. When you complete an order and press one of the function keys to process it, the temporary hold is converted to an order.
- You can list temporary holds using option **3** on page 2 of the Inventory Reports Menu.
- Night Jobs automatically prints a list of temporary holds that were expired and removed.

Credit Approval of Orders

There are two basic methods of controlling credit approval during the Order Entry process:

- Credit information is displayed as the first screen in Order Entry. If account exceeds credit limits, then the order can not be entered until the Order Entry operator has a manager release the account, by temporarily removing the credit code in the Billto File. Orders are rechecked after the order is entered, in case the order just entered put the account over its limit.
- No credit information is displayed during the Order Entry process. However, after each order is entered, it is credit checked and automatically diverted to the Credit Held Orders screen, which is maintained by the credit manager. Picking lists do not print until the credit department approves and releases the order. A message is shown to the order entry operator stating This Order Diverted To Credit Dept. A list of credit held orders can build up on the Credit Held Orders Screen. Each order can be reviewed and optionally released by authorized credit personnel. The credit manager can also add messages to the order, change terms and other information, and add extra collection amounts to COD orders. A notification that an order has just been diverted to credit can also print automatically.

All credit checks match the total credit extended against the credit limit. Follow this formula: Credit Extended = Total Accounts Receivable + Total Open Orders.

If you plan to use method 2 as described above (release orders from the Credit Held Orders Screen) then:

- There is a company-wide setting that causes order entry to automatically bypass the credit screen, which is unnecessary when using method 2.
- Use the CTRLUSER Program to establish parameters for each credit manager. This program contains a screen for each user ID, which can limit the Credit Held Orders screens to a specified company, branch, and/or credit manager code.

If you plan to use method 1 as described above, then all orders can begin with an automatic Credit Check Screen. This screen shows the account's current open receivable, open orders, credit limit, AR aging summary and other information about the account. The screen also shows how much credit remains or how much the account is over their credit limit.

Credit Codes

The Billto File has seven credit codes which can affect the order entry process:

Code	Explanation
H	Account is on hold. No further orders can be taken.
C	Account can only order up to their credit limit. When the account comes within ten percent of its credit limit, the system automatically prevents further orders from being taken for the account. Note: Using code C does not check if the account is past due.

Code	Explanation
6	Account can only order up to their credit limit and, additionally, cannot order if they have more than \$5.00 over 60 days old in accounts receivable. This is defined as either 60 days past the invoice date or 60 days past the due date, depending upon your system aging option. If account meets either of these conditions, no further orders can be placed.
1	Same as above for code 6, except over 15 days old.
3	Same as above for code 6, except over 30 days old.
9	Same as above for code 6, except over 90 days old.
0	Same as above, except it applies to all invoices that are past due. Invoices greater than zero days past due cause new orders to be sent to credit hold.
X	Causes the system to use the account number in the customer's AR Xref field to check credit.

The Billto File also contains a second, qualifying character in the Credit Hold field. This character is referred to as the Credit Hold Qualifier Code. This can be B or blank for method 1 (for verifying the customer's credit *before* the order is entered) or A (for verifying the customer's credit) *after* the order is entered, which is described above as method 2.

When Credit Checks are Performed

The system automatically performs a credit check during the following processes:

- When an order is started, accounts are checked for the H credit hold code and a B credit hold qualifier code. This procedure stops orders coded with H and B from even being entered. If you use method 1 as described above, then the customer's credit is verified before allowing an order to be placed.
- If you use qualifier code A, then the customer's credit is verified after the order is entered. At that time, the order is either diverted to the credit department or it bypasses the credit department if the order passes all credit check logic.
- When an order is completed, a credit check is performed prior to processing or printing the order.
- When an order is changed after it has been approved by the credit department, and its value has increased, a credit check is performed. The credit department is notified by a display of ORDER CHG on the Credit Held Orders Screen. The credit department still needs to release this order to remove it from their Credit Hold Screen. If the credit department does not approve the changed order for shipment, then they must retrieve all documents already printed in the warehouse to prevent shipment.
- When a back order is filled, a credit check can be performed. This feature is optional, and is only activated by a company settings option.

Future orders, also referred to as forward orders, are defined as back orders that are entered with a long range future date and placed against inventory that has not yet arrived into stock. Future orders can be allocated against a quantity that appears in the **Scheduled** column and that also has a future date. This is material currently on order from your supplier. However, future orders can be entered for planning purposes without a purchase order having yet been issued.

This feature of the Inventory System can dramatically improve the effectiveness of your sales staff in turning your inventory if used consistently. It is primarily designed for managing orders for items that are imported or have unusually long lead times. Basically, a future order is a back order that is not to be immediately filled. It is identified on all screens with an **F** status code.

Designating a Future Order

Complete these steps to designate an order as a future order:

1. Enter **F** in the **Type** field of the Order Entry System.
2. Enter the date you expect the customer to receive the material in the **Order Date** field, on the upper right side of Header Screen, as well as in the **Date Required** field. This date should fall after the date of the ETA of the incoming shipment which is planned or on order. That will ensure that the customer's order follows the purchase order on the Stock Card Screen, which clearly indicates the customer order is against that specific incoming stock, not against any more current purchase orders.

The order is processed using the same procedure as a regular customer back order.

After an order is posted, you can use the Update Order Status and Shipping Data program to adjust the status and dates for the customer order and the purchase order. When a future order is within a date range you consider to be current, you can update the status **F** to status **B**, **K**, or **D** as needed.

This function is similar in many ways to designating an order as a back order. The difference relates to your type of business and the type of orders you service. If you deal mostly with local suppliers and sell mostly orders from stock, using the **B** (back order) code is more appropriate than the **F** (future) code. If you are primarily an importer dealing with long lead time orders, use of the **B** and **F** codes is more appropriate.

Guidelines for Using This Feature

In order to effectively use the future order feature, consider these guidelines:

- Keep ETA dates for purchase orders and order dates for future orders up-to-date. You can use the Update Order Status and Shipping Data program. Order dates for future orders should follow the ETA Dates of the purchase orders against which the future orders are allocated.
- Use the **Reorder Report** option that displays customer back orders. Future orders have a status of **F**. You can then easily determine the right time to place purchase orders to cover future orders.

- Use the Additional Shipping Data Screen of the Update Order Status and Shipping Data Program to notate a vessel name for imports. You can notate the vessel name on purchase orders and the customer future orders allocated against the material on that vessel. By notating the vessel name, you can then use the Update Shipping Data by Vessel Name program, which with a single entry, can update dates and status of all purchase orders and related customer future orders on that vessel.
- If you use the **Vessel Name** field, you can benefit from the following two reports:
 - The Open Orders By Vessel Report lists all orders or purchase orders by vessel.
 - The Inventory Reorder Reports, Version 6, for Importers shows current stock on hand and available, and matches future and back orders against incoming purchase orders by vessel. If three vessels of a popular item are due to arrive, each spaced one month apart, the report can show the quantity of that item on each vessel, followed by all of the customer orders allocated against each vessel. In effect, each vessel is displayed with its own inventory, showing what remains available for each vessel and ETA date.
- If a vessel is changed or delayed, use the Update Shipping Data By Vessel program to update files easily.

Chapter 1 **Floor Plan and Third Party Financing**

The term *floor plan* can be considered an industry synonym for third-party financing. The term, *floor plan*, is taken from the concept of putting material on the showroom floor of a retail store. Special financing arrangements allow you to offer inventory to your customers at preferred terms, thereby increasing your presence with the customer. The theory behind the offering of a floor plan to customers is that if they have more of your inventory on the floor, then they are likely to *sell* more of your inventory.

Floor Plan Terminology

Setting Up Floor Plan Files

Floor Plan Payment Terms File

AR Customer Floor Plan Assignment File

Steps for Setting Up a Floor Plan

Processing Floor Plan Orders

Special Features

Floor Plan works like this:

1. An arrangement is made between your company, customer, and a third-party finance company. Your customer stocks or displays your goods, using the Floor Plan credit and terms of the finance company.
2. Your customer orders the approved goods from your company. The order is marked as a Floor Plan order.
3. The order is approved by your credit department, which might require an approval number from the third-party finance company.
4. The goods are shipped to the customer, and two invoices are simultaneously generated. The first invoice is to the third-party finance company and is payable to your company. The second invoice is to the customer, payable to the third-party finance company and showing the special terms reflecting the financing arrangements.
5. Your accounts receivable shows the amount as due from the third-party finance company, rather than from the customer. You collect from the third-party finance company, and they in turn collect from your customer.
6. The third-party finance company usually charges you for this service, often as a deduction from their payment to you.

Floor Plan Terminology

Term	Definition
Floor Plan	The finance arrangement or plan used for increasing inventory or showroom presence at a customer site.
Floor Plan Company	A third-party finance company that is contracted to finance the inventory purchased by your customer.
Floor Plan Terms	The payment terms offered to your customer by the Floor Plan company.
Floor Plan Account	An account (Billto File record) representing a Floor Plan company on your system.
Floor Plan Order	An order that has been marked to be billed to a Floor Plan company.
Floor Plan Customer	A customer that is regularly invoiced using a Floor Plan.

Setting Up Floor Plan Files

Two files must be established before you can use the Floor Plan system. The first file is the Floor Plan Payment Terms File, which is maintained via option **11** on the page 2 of the Accounting File Maintenance Menu. This file simply defines a set of payment terms codes that are used by the Floor Plan companies. This file is accessed when you create invoices on behalf of the Floor Plan company. These invoices are to the customer, payable to the Floor Plan company under their terms. The second file is the AR Customer Floor Plan Assignments File, which links your Floor Plan customers to their respective Floor Plan companies. This Cross Reference file also specifies the payment terms.

Floor Plan Payment Terms File

You use the Floor Plan Payment Terms File to define the terms offered by the floor plan company to your customers. You can enter floor plan payment terms codes entered into the A/R Customer Floor Plan Assignments File. Those terms codes are automatically used on all floor plan orders for that customer unless overridden on specific orders or invoices.

The Floor Plan Payment Terms File includes up to three different discount percentages with corresponding days, in addition to a net due date. It can accommodate all terms that have multiple due dates for discount, such as 5% 10 days, 4% 15 days, 2% 30 days, and Net 45. You have a choice of entering terms as the number of days past the invoice date, a fixed day of the following month, or a completely fixed date. You can combine these fields in any manner to create terms such as 2% 10th of next month, net due 25th of next month, or 1% 15 days, net due June 15th. You can only enter data into one of the days, day of month, or fixed date fields on each line, but you can use different fields on different lines as described above.

AR Customer Floor Plan Assignment File

This file is a cross reference table that links floor plan companies to floor plan customers. In effect, this file establishes the default floor plan account number to use for each floor plan customer. This file is accessed via page 2 of the Accounting File Maintenance Menu.

Steps for Setting Up a Floor Plan

Complete these steps to set up the Floor Plan system.

1. Create a Billto File record for the floor plan company (the third-party finance company).
2. Create a Billto File for the floor plan customer. You can use an existing Billto record if one already exists for that customer. A different customer account number is *not* required for floor plan orders than the account that is used for regular orders.
3. Establish payment terms codes that represent the floor plan company's terms to the floor plan customer in the Floor Plan Payment Terms File.
4. Enter a record in the AR Customer Floor Plan Assignments File that links the floor plan company's account number to the floor plan customer's account number.

Processing Floor Plan Orders

Complete the following steps to process floor plan orders.

1. Enter **Y** in the **Floor Plan** field on the Order Entry Header Screen. Press **Enter**. The system retrieves the floor plan company's account number and terms from the Floor Plan Cross Reference File.
2. You can override the account number to another floor plan company's account number.
3. You can also override the floor plan terms.
4. If no floor plan company account number is found in the AR Customer Floor Plan Assignments file, you are prompted to enter an account number or not specify **Y** for floor plan.
5. The Order Change program and the Invoicing program allow changes to the Floor Plan fields.
6. All other aspects of the order entry, picking, and shipping process for Floor Plan are the same as for other orders.
7. All Floor Plan orders are sent to the Credit Held screen or printed at the credit printer. This is to ensure that procedures that might be required by the floor plan companies are followed.
8. You might be required to get a credit approval number from the Floor Plan company. In this case, we recommend that you enter the approval number on the message line of the Credit Hold screen of the order as you release the order. The Credit Hold screen also allows you to change an order to a floor plan order, from a floor plan order and to adjust the floor plan fields.
9. The Invoicing program automatically creates two copies of each floor plan invoice.
 - The first copy is billed to the floor plan company and is payable to your company.
 - The second copy is billed to the floor plan customer and is payable to the floor plan company.
10. Sales analysis remains under the customer's account. Accounts receivable is under the floor plan company's account.

Special Features

- Special messages can be printed on floor plan invoices. They can be set up in the Messages file.
- A list of today's or yesterday's floor plan invoices can be printed for each floor plan company.
- Open A/R reports can be generated for Floor Plan companies only.
- A credit approval list of orders can be created to transmit to a floor plan company.

Cash sales can be entered in either point-of-sale mode or in batch mode. Point-of-sale mode refers to users who are configured to use the Order Desk Cash Register Screen and/or Retail Environment. These are settings found in each user's control panel and are generally used at contractor or retail sales counters.

Entering Cash Sales

Posting Cash Sales

Guidelines for Entering Orders for Cash Accounts

Guidelines for Creating Cash Sale Accounts

Entering Cash Sales

Cash sales are either entered using a special generic cash account number, or by assigning a customer account the terms code for cash or COD. Any account number can have a cash sale entered for it. The special generic cash account numbers are account numbers 80 through 99 within each company. You usually have one cash account number for each branch on your system, such as account number 99 for branch NYC or account number 98 for branch RAL. Although only account numbers 80 through 99 are reserved for this purpose, you can set up any account number as a cash account. The account name should simply be Cash Sales.

The system automatically prompts the order entry operator to enter the actual customer name, address, and phone number on the Shipto screen. Using this method, an unlimited number of customers can share the cash account. Within these generic cash account numbers individual customers can be tracked separately by name, customer purchase order number, date, order number, and invoice number. Knowing any of these, or any item number on the customer order, can help you to find the order on the system. If you have steady repeat cash sale customers, we recommend that you set them up with their own account numbers. Assign terms code for cash or COD in their Billto File record. This way you can analyze their sales just as you would a customer with credit or open terms.

In the point-of-sale mode, any customer order, or order with cash or COD terms, prompts the order entry operator to complete the fields on the Order Desk Cash Receipts screen. Even if no cash is recorded, the transaction appears on the Daily Order Desk Cash Report. It is important to balance the actual cash receipts to the Daily Order Desk Cash Report. Also, for security reasons, you should check the report for incomplete transactions. Any order with cash or COD terms should have a valid cash entry or explanation.

The Daily Order Desk Cash Report can be generated by company, branch, workstation, or salesperson. A version of the report prints automatically overnight. However, it can be generated at any time and for either today's or yesterday's transactions by using the Order Desk Cash options on the Additional Order Desk Functions Menu. You can run the report in various formats and versions. Try all versions before determining which to run at the branch or corporate level. These reports list each transaction and show totals by type of payment, such as cash, check, and credit card. Order desk

managers use this report to balance cash, and to post the cash to accounts receivable (A/R) as either payments or advance deposits against open orders.

Posting Cash Sales

The cash receipts that are entered at the Order Desk are never posted automatically to A/R. You must post them as part of the daily cash balancing process, or have the accounting department post them the next day. The cash sale invoices are posted overnight and appear in A/R the next morning. If you balance and post order desk cash daily when the order desk closes, then all of the paid cash sale invoices are automatically cleared. If you do not post cash at the close of the order desk, then you will need to post it the next morning.

If you are using special cash accounts, as described above, exclusively for cash sales and not for advance deposits on open orders, then the balance of these accounts should always be brought to zero. This is an important balancing mechanism to ensure that all cash sales are accounted for. Any open invoice in the cash account would then be an error.

Although cash sales in effect pass through A/R, these accounts always have a separate total. Invoice registers also separately total cash sales. If you take advance deposits against open orders (for example, you take deposit, place order but do not invoice until material is picked up or shipped), then you might want to create two special cash account numbers per branch; one for actual cash sales (invoice is printed and full amount collected) and one for advance deposits. For example, account number 99 = cash sales/branch NYC, account number 98 = advance deposit sales/branch NYC, and so on. By using this method you have better control over the actual cash sales because they will all be in one place.

If you do not have a large volume of cash business, you can combine them into a single cash account. Advance deposits are posted to A/R against the order number. When the order number is invoiced, the advance deposit is automatically applied. The system can handle multiple advance deposits against the same order, as well as underpayment, overpayment, and multiple invoices for the same order.

Guidelines for Entering Orders for Cash Accounts

When entering orders for cash accounts, it is important that you always:

- Enter the customer's purchase order number or last name in the **Customer P.O. number** field. This gives you an easy way to search for the order later.
- Enter customer's name, address, and phone number(s) on the Shipto screen. You can then search for the customer's name using the Shipto Search program. Mailing labels for sales promotions can be generated from the information that is entered here.
- Enter the amount paid, type of payment, and other references; check number, credit card number, and other informatin, as necessary, on the Order Desk Cash Receipts screen. Use the Order Desk Cash Receipts screen to explain exceptional payment situations.

If the customer is applying a previously issued credit memo, enter **also apply credit number**. If customer is paying an additional amount to apply to another invoice, enter **apply \$. to invoice number**. Use the **Other Reference** field of the Order Desk Cash Receipts screen. These instructions appear on the daily order desk cash reports and assist the A/R operator in applying all cash correctly.

Usually, cash and carry sales are processed directly as invoices, using **F9**. However, your company policy might be that no invoices are created at the counter. In that case, you would have

set the control panel for the terminals on the counter to **No Invoices Allowed** and process the orders as pick lists or acknowledgments only. The accounting department would then have to invoice the cash sales the next day. These invoices are then mailed, filed, or not even physically printed. This does not prevent you from posting the order desk cash. The cash is posted as advance deposits against the order numbers. Once invoiced, the system automatically matches the invoices to the payments by order number.

Guidelines for Creating Cash Sale Accounts

- Cash sale accounts are set up in the Billto File.
- Generic cash sales accounts that are used for multiple customers should use account numbers 80 - 99 if possible. If you require additional cash sale accounts, use account numbers 100-200. You can create a single generic cash account per branch, per type of customer, or per salesperson. The more retail oriented your environment is, the more generic cash sale accounts you should have.
- Enter terms codes and terms fields that represent cash or COD.
- Enter default shipto number 999999, which causes the system to automatically prompt for a name and shipto address each time an order is entered. Do this for all generic cash sale accounts. Note that the system automatically prompts for name and shipto address for accounts 80 - 99 regardless of whether you have entered shipto number 999999 in the Billto File.

Chapter 19 **Advance Deposits**

Advance deposits are defined as cash receipts taken against an order, as opposed to cash applied to an invoice. Advance deposits are recorded through point-of-sale order entry and through the accounts receivable (A/R) system. Advance deposits can be recorded for special generic cash accounts as well as any other type of account. Refer to “Cash Sales” on page 18-1 for important information concerning all cash transactions including advance deposits. The system links each advance deposit to the related order number. The order balance due is maintained even when multiple payments, invoices or credits are involved.

Processing Advanced Deposits

Advance deposits are usually processed as follows:

1. Order is entered using option 1 on the Order Desk Menu.

When order is complete, the Order Desk Cash Receipts screen appears.

2. The amount of the advance deposit is entered along with payment type, check number or credit card, and other information. The Order Desk Cash Receipts Screen is activated by the Cash Register Screen option in the Control Panel.
3. Press the function to print a pick list, order acknowledgment, or both. You can also press **F12** to process the order without printing a document. All printed documents list the advance deposit. Order acknowledgments, which look nearly identical to an invoice, show the order total, advance deposit, and balance due.

When the order desk submits actual cash receipts to the Accounts Receivable department, the cash receipts are balanced to copies of all documents or to the Order Desk Cash Report. The cash is then posted to A/R. The cash is posted when the order desk closes, or the next day. All advance deposits automatically include the order number to which they relate.

4. The order, when viewed on screen, shows the advance deposit and the balance due. Advance deposits are posted to and appear on the A/R Ledger, but are always totalled separately from other A/R transactions. Advance deposits never roll over outstanding invoices. For example, if an account had a 90-day old invoice and places an advance deposit against a new order, the account still shows the invoice as over 90. The advance deposit shows in the **Current** or **Future** column. Advance deposits always show as a separate credit transaction in A/R until they are applied to an invoice. They are identified by the **AD** code.

When an order is invoiced, its advance deposit is automatically applied to the invoice. If the invoice is equal to the deposit, the invoice is paid in full with no remaining deposit. If the invoice is less than the advance deposit, the invoice is paid in full and an advance deposit for the difference remains on the account. If the invoice is more than the advance deposit, the entire advance deposit is applied as partial payment of the invoice. This occurs automatically during Night Jobs. The Automatic Application of Advance Deposits report prints during Night Jobs. A complete audit trail of the application of advance deposits is accessed via the Accounts Receivable History screen. Transaction codes **AD** (advance deposit), **DA** (deposit applied), and **DR** (deposit reduced) are used. When an advance deposit is applied to an invoice, a debit with the code **DR** is used to clear the advance deposit and a credit with the code **DA** is used to clear the invoice. Automatic application of advance deposits occurs only if the advance deposit is posted

before the order being invoiced. Otherwise normal cash application would be used to clear the invoice.

When the Point-of-sale Invoicing Program is used to invoice open orders, option **16** on the Order Desk Menu, the final screen displays the status of the order and all previous deposits. Example:

Invoice Total \$200.00

Back Order \$100.00

Order Total \$300.00

Previous Payments \$150.00

Due On Order \$150.00

The screen shows the entire order total as well as the invoice total. This prevents operators from only collecting against a current shipment (invoice) when back orders remain. In the above example, \$150.00 of a \$300.00 order was collected as an advance deposit. Although the \$200.00 invoice only has \$50.00 due, the operator can see that \$150.00 is due on the entire order. You might want to establish a rule that all invoiced material and a percentage of all ordered material is paid for. Assuming the rule was to collect a 50% deposit on all orders, you would in this case need to collect the \$50.00 due on the invoice, plus 50% of the \$100.00 back order. You might enter a Minimum Deposit Percentage in the Control Panel for each applicable workstation. Once entered, all order desk cash screens calculate and display the minimum payment or deposit required to ensure that all shipped material is paid in full and the specified deposit percentage for all back orders is maintained.

5. When the invoice prints, it shows the amount of the advance deposit applied against it. If a back order pick list is printed as a result of the invoice, the remaining deposit amount, if any, is printed on the back order pick list.
6. At any time the order can be displayed on screen or reprinted. The complete current status of the order and any remaining deposit amount will show.
7. At any time, additional advance deposits can be collected at the Order Desk and posted against an order, even if nothing is being invoiced. Simply go to the Order Inquiry and Search Program on the Order Desk Menu and press **F10** to display the Order Desk Cash Receipts Screen. Payments can also be applied as part of the order change process by pressing **F6** from Order Inquiry and **Search** on the Order Desk Menu. Enter the amount, check number or credit card number, and other information, as necessary. All screens and order desk cash reports will then reflect the additional deposit.

The system default is for advance deposits to be included in the overall customer and company A/R balances, but to also be shown separately. However, a company-wide setting causes advance deposits to drop from all account and company A/R balances. They will show on detail screens and reports but are only included in separate advance deposit totals. This option is set in the Company Settings File.

Use the Unapplied Advance Deposits listing on the AR Reports Menu to track and balance advance deposits.

Chapter 20 **Managing Branch Locations**

There are a few simple guidelines to help you manage a branch and ensure accurate and meaningful information.

At the End of Each Working Day

On a Weekly Basis

On a Monthly Basis

A Day's Work in a Day's Time

Security Suggestions

At the End of Each Working Day

- **Run Detail Order Register** – This listing shows each order with gross profit percentage by line item. It is the best way to ensure accurate pricing and cost information are in the system. The report also highlights input errors, questionable figures, and price overrides. Summary and Exceptions Only versions are also available. However, when first using the system, we recommend running the complete detailed version.
- **Run Detail Invoice Register** – Same instructions as above, except for invoices.
- **Cancel, void, and correct all incorrect orders and/or invoices** – Discuss these with order entry operators. If you let these incorrect transactions post overnight, they will affect your statistical database. If it is incorrect, cancel or fix it immediately.
- **If you have a point-of-sale operation, run the Order Desk Cash Receipts Listings on the Additional Order Desk Functions Menu, and balance reports such as cash, checks, and credit card receipts** – Each branch should turn these reports in with a copy of their bank deposit information to the accounting office for verification and approval. You can allow each branch to post their daily cash receipts once balanced, or you can post centrally. We recommend each branch reconcile and post daily to keep your records as real-time as possible.
- **Your central location schedules Night Jobs to run each night** – The following morning, at the central location, check all Night Jobs reports and file them. Branches might also request reports to be run at night. The central office can schedule reports to be run at the branches.

On a Weekly Basis

Monitor your open orders and back orders – Many reports and screens are available for this purpose. Monitor your inventory. Use reports such as the item reorder reports, ranking reports, stock status reports, and negative inventory reports. You can run all of the reports to list exceptions only, such as open orders that are past their required ship date, unconfirmed back orders, orders marked as shipped but not invoiced, and overstocked and understocked items.

On a Monthly Basis

Make sure end-of-month close is coordinated for all branches – Strive for a unified cut-off date and time.

A Day's Work in a Day's Time

- **Receive stock into the system on or before the day of arrival** – Use the Pre-Receipts and Back Order Fill screen.
- **Always receive stock before you invoice from it** – This ensures accurate costs and gross profit percentage. If your business requires invoicing before receipt, attempt to update your standard costs as often as possible.
- **Post cash receipts on date of receipt or, as when posting from branch location(s), as soon as daily order desk cash is balanced or first thing the next morning.**
- **Use order status codes to identify the status of each line of each order as it moves throughout the system and your warehouses.**
- **Invoice the day an order is shipped** – Use the Invoicing by Status Code feature, which lets you invoice all orders that have reached status **S** (shipped) automatically.
- **Enter purchase orders into the system as soon as possible so customer service can access scheduled quantities and ETA dates** – Update shipping, dates, and status codes as soon as the information is available from your supplier. If you schedule back orders and future orders against specific incoming purchases, as when importing, then keep all order and ETA dates in proper sequence. Arrange customer back order dates to follow the ETA dates of the related purchase orders. This procedure makes the stock card screens easy to read and enables ISO (Inventory Selection Optimizer) to automatically calculate back order dates effectively.

Security Suggestions

- **Collect and file all voided and cancelled pick lists.**
- **Do not allow any shipment using a copy of a pick list or adjusted pick list unless the original pick list is attached or unless authorized by a manager** – Only ship using an original pick list. Never ship from quotations or order acknowledgments. Your warehouse personnel should always attach copies of adjusted documents to the original. If you use bar code labels, you should follow a similar procedure regarding duplicate labels. Duplicate labels, or labels requested on demand (outside the normal label processing flow), show a **D** on both the upper and lower right corners of the label.
- **Check all Order Desk Cash Receipts Listings for incomplete or questionable transactions** – Look for cash or COD orders without full payment. Look for any transaction with a payment code and no payment, or payment that looks insufficient. Ask users on a regular basis to provide information regarding questionable entries.
- **Cycle count regularly but do not standardize your system for counting items** – Make sure the department choosing items to cycle count is not the same department performing the actual counts.
- **When cycle counts reveal shortcomings in a particular item, use the Inventory Stock Card Screen to research activity of that item** – Also use the Order Search and Inquiry to find all cancellations of that item. To find cancellations, enter the item number, a date range, specify to include even closed orders, and specify to include status **V** only. Often, cancelled orders that have

shipped are signs of mismanagement and theft in a warehouse operation. If you regularly transfer material between warehouses, check other warehouses when a shortage occurs. Use the order notepad to view who made changes and at what time.

- **Do not write down or share knowledge of passwords with unauthorized employees** – As soon as unauthorized knowledge of passwords is suspected, report it to your system administrator so new passwords can be reissued.
- **Remove terminated employees' user IDs from the system immediately.**
- **Each user and each work station can be restricted in many ways** – This includes being restricted to specific companies, branches, warehouses, and from using certain functions. Be sure your system administrator has carefully set each of these security settings.

Consignment Stock

Following are step-by-step instructions for managing consignment stock.

1. Set up a new warehouse(s) to isolate consignment stock. If you physically keep the consignment stock at one branch, you will only need one. If you stock it at multiple branches, set up one new warehouse for each consignment stocking location. For example, set up ZNY for New York consignment or ZOR for Orlando consignment. The Z will put all the consignment items at end of various reports that sort by warehouse. In the Warehouse File record, enter as company number 8, or any company number that is unused on your system. This method will keep the value of this stock out of the other (real) companies; thereby, keeping costs and value accurate. Consignment is not normally recorded anywhere on the General Ledger until sold, at which point the purchase is recorded. Therefore, the value should not be recorded on your books until sold.
2. Item master set up is the same as for any other items, except that in the Product Line File, enter **Y** in the **Consignment** field. This entry relates to the question “do you want to include consignment stock?”, which is an option on many reports.
3. Receive the consigned items into the new consignment warehouse(s). Receiving process is the same as for regular items.
4. Since, according to the system, the consignment stock is in a separate warehouse, you need to consider that for activities such as transfers, stock status reports, and reorder. For example, if consignment is physically in the NYC warehouse, but you have set up warehouse ZNY for consignment, then you will need to run transfers for both the regular NYC and consignment ZNY warehouses. Warehouse personnel should be aware that some pages will be for ZNY to NYC and, of course, they do not need to make a physical transfer.
5. Use the Stock Activity Report, option **5** on Inventory Reports menu, to track consignment stock and to report to the supplier. When running the report, always specify the manufacturer or supplier, the consignment warehouse number, and the date span for which you are reporting. There are summary and detail versions available. This report can keep your supplier informed about current on-hand quantities and activity for each item.
6. Use the various sales analysis and inventory reports to obtain your purchase price to pay the supplier. The X by Y Gross Profit Analysis Report gives you flexibility to alter the cost to reflect actual (average), standard, or house costs for the sales made. Be sure to consider the freight costs. If the freight was prepaid by your supplier, then you will probably need to pay the base portion of cost only. You would need to subtract the freight costs. You might simply want to pay the difference between last month’s consignment inventory value and this month’s consigned inventory value less new receipts. This method is the most complete, as it would include the effect of adjustments and transfers, as well as the sales. Your supplier will probably want to account for any usage of material, whether sold, used for samples, broken, or used otherwise. The Stock Activity Report shows you the beginning of month balances, activity for the month, and ending balances. The Inventory Reconciliation Reports can also be used for this purpose.

It is not necessary to create a separate warehouse for each manufacturer, if more than one manufacturer has placed consigned goods with your company. All of the reports can break the same consignment warehouse out by individual manufacturer.

Consignment Stock from Suppliers Mixed Into Your Regularly Used Warehouses

- You can use all of the steps described above to manage the consignment stock. Because it's received into your regularly used warehouse codes, the value of the consigned stock is added to the total value at that warehouse and for the company. This means that inventory value, turns and GMROI statistics include the consigned inventory within one consolidated analysis. For example, when looking at your Company File statistics, the inventory value, GMROI, and turns include actual and consigned inventories.
- When mixing consigned inventory with regular inventory in a single warehouse, you should follow these guidelines in order to separate statistics when necessary.
 - Do not mix consigned and non-consigned items into the same ABC codes, reorder categories, product lines, and item classes. This guideline enables you to easily obtain reports with or without consignment.
 - Use the parameter "Include Consignment Product Lines?", which is available on some inventory reports, or specify the product lines and item classes that represent the type of inventory you require.

Consignment Stock Supplied by Your Company to Your Customers

- When you are supplying stock to your customers on a consignment basis, the inventory needs to remain part of your inventory value. Therefore, do not mark this material in your Product Line File as consignment stock unless it was also consigned to you by your supplier.
- Set up an additional warehouse for each consignment location or customer. The warehouse should be coded to the respective company number.
- When your customer records a sale, you must invoice that customer out of the related consignment warehouse. This could also be done on a monthly basis.
- Consigned stock at a customer's location is managed nearly identically to other regular sales from your inventory, aside from the unique warehouse code assigned to your customer.

Chapter 22 **Lot Numbers, Shades, Serial Numbers, and Stock Locations**

Inventory is tracked and managed on many levels. Familiarize yourself with the options available and only use the inventory levels and features that best serve your business.

Tracking Inventory Quantities and Costs

Assigning Locations

Guidelines for Determining Which Features to Use

Tracking Inventory Quantities and Costs

The system can track inventory quantities and costs simultaneously at the following levels:

- By item, overall, all warehouses.
- By Item Per Warehouse, also known as SKU level.
- By lot number within each item per warehouse.
- By serial number within each lot number or serial number within each item per warehouse.
- By serial number/location (location within warehouse, such as bin number, rack/aisle, and so on) or location within each serial number.
- By sub-serial number within each serial number/location. This is used only by items such as power tools and appliances that require a unique serial number per piece.

All systems use the item and item per warehouse levels. The lot number, serial number, serial/location levels, and sub-serial numbers are optional. Following is an example of how all levels could be used simultaneously.

- Item = 12 x 12 parquet wood floor
- Warehouses = NYC, CHI, HOU (New York, Chicago, Houston)
- Lot Numbers = SAMP (sample stock) and ____ (blank meaning regular stock)
- Serial numbers/locations = 12345 at location BCD, 12345 at location EFGH, 67890 at location, PQRS, 67890 at location TUVW
- Sub-serial numbers = 100028, 100029, 100030 within serial number 12345 at location BCD

In the example above, the item is stocked at multiple warehouses. At each warehouse, regular stock is entered without a lot number, but samples are entered as lot number SAMP. In this case, the samples are merely regular stock reserved for use as samples, kept in the sample area of each warehouse.

Within each warehouse and lot number, stock is further broken down by serial number. *Serial number* is a generic term and could be a number such as a run number, roll number, or shade number. A location code has been assigned to each serial number. This represents a bin or rack/aisle number in the warehouse. In the example, each serial number was split into two locations. This could have been

a multiple pallet shipment with two pallets of each of the two serial numbers. The system tracks inventory, quantities and cost, individually for each of the serial number/location entries. The sub-serial number entry specifically identifies each individual piece of inventory.

You can use the lot number feature and not the serial number feature, and vice versa. You might also choose to use neither feature. The sub-serial number feature is used only for special items requiring unique identification of each piece. As an alternative to the example above, you could isolate samples by setting up a separate warehouse code or bin location to contain the samples. In general, we recommend using the **Serial Number** field before considering the use of the **Lot Number** field.

The serial number level consists of three fields that relate to the serial number. These are the ten-character serial number, four-character shade/dye lot, and the status code.

Assigning Locations

Locations (bins, racks, aisle numbers) can be assigned using two distinct methods:

1. Permanent location codes can be entered at the item per warehouse and lot number levels. Three location fields (eight characters each) are provided for each lot number and each item per warehouse. These are updated via the Stock Keeping Units File Maintenance, Receiving, and Adjustments programs. When entering more than one location code, you should have a consistent scheme, such as first location is main location, second and third are for overstock. Three location codes will print on the pick list. Use permanent locations if your warehouse is organized by item. You only need to enter locations when the permanent locations change, and not on every receipt. The system does not track the quantities that are in each of the permanent locations. These location codes are simply a guide for the warehouse to locate stock when picking, and are not a precise locating system such as method 2 described below.
2. Dynamic location codes can be entered if the serial number/location feature is used. Dynamic locations are assigned when material is received, transferred, or adjusted. Use dynamic locations if you don't organize your warehouse solely by item, and you receive to unpredictable locations, which then need to be tracked by the system. This method is highly recommended for precise warehouse management, and for use with barcoding and RF technology. When using dynamic locations, via the serial number/location feature, the system tracks the individual quantities and costs at each location. To activate this feature, you must code the Item File with **R** for rolled goods or **S** for serial numbered item in the Component field.

You can mix these methods in a single warehouse. For example, you can assign permanent locations for sundries, but serial numbers and dynamic locations for other items. You can assign default locations in the SKU File even if dynamic locations are used. In that case, the receiving system suggests the default location but allows overrides.

Guidelines for Determining Which Features to Use

In order to determine which features are best for your operation, consider these guidelines:

- For rolled goods, such as carpet and sheet vinyl, always use the serial number/location feature.
- For items sensitive to shade variations, use the serial number feature. You can then separately decide to use permanent or dynamic locations.
- For items that can always be pooled (multiple receipts mixed without the need to separate by shade, dye lot, etc.) you do not have to use the serial number system unless you still require dynamic locations.

- For large warehouse operations that must dynamically locate all receipts, use the serial number/location feature for all items. For items that do not need serial numbers, you can enter the receipt date or any letter, number, or code as the serial number. You can also set up default serial numbers for these items within the Product Line and Manufacturer Files. The default serial number is inserted in the **Serial Number** field, but can be overridden when a unique serial number is required.
- For complex shading/run requirements, such as for some ceramic tiles, you can combine features. You can use the lot number for master shades and the serial number feature to capture run numbers and dynamic locations. We recommend that lot numbers are used only by our Special Order system. See Special Orders for more information on the Special Order system. When using the serial number feature, you can use the Serial Number field for run numbers and the Shade/Dye Lot field for a master shade or shade guide code.
- Using serial numbers offers you greater overall system flexibility. You can easily identify and isolate stock based on criteria, such as age or condition. Each serial number record contains up to ten characters for serial number, four characters for shade/dye lot, four characters for dynamic location, a receipt date, quantity, cost, and a status code. The status code is used to identify a serial number by conditions, such as damaged, lost, or specifically priced.
- On receiving and order entry screens, using lot numbers and/or serial numbers require that after an item number is entered, the lot and/or serial number must also be selected.
- If most of your items require serial numbers or dynamic locations, consider setting up all items as serialized to keep the system consistent with the same procedures and screens available for all items.

Quotations are defined as any list of items, quantities, and prices that is printed as a quotation, using the Print Quotation option of the Order Entry or the Quote Management System. Do not confuse the term quotation with special pricing or promotional pricing, which are entered into the Customer Special Price File and Promotional Price File, respectively.

Quotations/Order Entry System

Turning an Order Entry Quotation into an Order

Quote Management System

Quotations/Order Entry System

Quotations can be entered into the Order Entry System, printed, and transformed into an order. Quotations are entered exactly as any other order, except for the following important differences:

- On the Order Entry Header Screen, enter type **Q** to identify the order as a quotation and prevent stock from being allocated.
- On the Order Entry Detail Line Screen, for serial numbered items, enter the **B** for back order in order to bypass the selection of serial numbers. Do not use the Inventory Selection Optimizer (ISO) unless you also specify a B for back order.
- Use F6 comment lines to describe all applicable terms and conditions of the quote.
- When you have completed the entry process, use the Print Quotations option only, which is accessed via **F2** on the Print Selection Screen. Quotations are printed in the same format as order acknowledgments. Quotations, like temporary holds, are not actually processed. Therefore, they remain accessible via the Order Entry Program. Use the reference number to access. Make sure the customer refers to the quotation by its reference number. It prints on all quotations in the same place that an order number would appear on a pick list.

You can print all or certain quotes using the Print Order Edits option on the Customer Orders Menu or the Order Desk Menu. Quotations are not automatically deleted; therefore, you should periodically purge old quotations by entering the reference number in order entry and pressing **F4** to delete order from the Header Screen. You can also find quotations using the Search Unprocessed Orders and Temporary Holds Program. This program allows you to search by branch or customer. The Summary Screen displays the Order Type field, which is Q for quotations.

Turning an Order Entry Quotation into an Order

Following are steps to turn an order entry quotation into an order at any time:

1. Access the order by reference number in Order Entry.
2. Remove Q from Type field in Header Screen.
3. Review each detail line. For serial numbered items, you may need to remove the B for back order and select serial numbers from stock, unless you want the line to remain as a back order.

4. Review the F6 comment lines and alter as needed.
5. Print as a pick list, acknowledgment, or process using **F12** to process but not print.

Quotations are usually entered for one time jobs or events. Use the various pricing mechanisms and files to enter recurring special prices. Refer to instructions for Billto File, Price File, Promotional Pricing File, and Customer Special Price File in *File Maintenance Reference* for further details.

Quote Management System

The Quote Management System is designed primarily for the tracking of commercial jobs and other potential sales opportunities. It is distinguished from the previously available Order Entry Quotations System in that it does not require a single customer number or pre-determined item numbers. The Quote Management System tracks jobs prior to the determination of the customer and the final item list, and can link a single job to multiple customers.

The Quote Management System is comprised of job quotes and customer assignments. A job quote consists of such items as a job name, description, architect, general contractor, various dates, products, and prices. Customer assignments are the customers who have been given each quote. Multiple customers can be assigned to the same quote.

Quotes can be searched or listed by the various parameters, including job name, architect, action date, city, and much more.

The Quote Management System is accessed from any pull down user menu bar on the Event Management Menu. You must be assigned one of the pull down menu bars in order to access the Quote Management System.

The Quote Management System contains options to list quotes based on many of the same selection parameters as the Search Screen. Complete documentation of the Quote Management Reports is not available at the time of this publication.

Chapter 1 **Credit Memos, Claims, Returns, and Refunds**

Credit memos, claims and returns are processed almost identically to regular orders and invoices. The only significant differences are:

- Enter **C** in the Type field of the Header Record. This will change the pick list heading to indicate that document is a credit or return authorization, and change the invoice heading to indicate that the document is a credit memo. If you omit the **C** from the Type field, the credit will still function correctly; only the heading is affected.
- Enter at least one cross reference in the Xref Invoice# and Xref Order# fields of the Header Screen. We recommend that you enter both numbers. This links the credit with its related invoice or order numbers.
- Entering cross reference numbers for invoices and orders indicates to the system to give you options to automatically issue credits based on the items previously ordered.
- Entering a manual credit would include a negative quantity using Field Minus after the right-most digit when entering the item for return.
- Entering a manual credit enter **Y** or **N** in the Receive? field to indicate whether or not the quantity entered is to be returned to stock.
- Optionally enter or override the Restocking Charge % to apply to credit memo.
- Enter a credit reason code in the C/C field. This code represents the reason for the credit. To view a list of these codes, use Option 19 on the Master File Maintenance or Master File Listings menus, or enter a question mark (?) in the C/C field of Order Entry.
- If crediting using F6 (miscellaneous charge/special instruction), enter negative extended price using Field Minus.

Processing Credits

Credits may be processed using any of the methods available for processing orders and invoices. Valid methods include the following:

- Enter credit via Order Entry system using order type **C** and print as a pick list (which will be labelled Credit/Return Authorization) or order acknowledgment. Much like an open order awaiting shipment, this open order credit could be used to prepare for the return of the material and issuing of the credit memo. Material is marked so that it will not be received into stock before it has been inspected. When the goods are returned, the pick list is used as a receiving document. At this time the order can be updated, so when invoiced, the material is automatically added back to stock. The pick list is then invoiced (processed via the Invoicing system, exactly as a regular order would be processed), resulting in a credit memo. Listings of outstanding/open credits/claims can be obtained using the Open Order reports, specifying to include credits only.

- Enter credit via Order Entry system, and use **F9** to process as a credit memo and bypass the open order stage. F9 is used to directly produce an invoice without first producing a pick list or open order. Each workstation control panel has an option to enable or disable a user's ability to use the F9 invoice function.
- Enter credit by using the Invoicing Open Orders Program, and accessing the original order number to which the credit relates. You must enter **C** in the Type field of the Invoicing Program Header Screen. This causes all lines from the original order whether open, shipped or cancelled, to be displayed by the Invoicing Program. It will also cause the invoice heading to indicate that the document is a credit memo. On the Header Screen, you should also enter a cross reference invoice number which should be the originally billed invoice number. You would then press **F4** to delete lines that are not being credited, and enter negative quantities on the lines you want to credit. You can add, delete, or change lines from the original order as needed. You can explain the credit memo using the miscellaneous comment fields on the F6 Screen. This method has the advantage of linking the credit to the original order by order number. The Accounts Receivable Ledger by Order Number (**F2** on the AR Ledger Screen) will line up the credit under any open invoices or advance deposits for the order number. A complete history of all transactions related to the order is easy to follow using this method. An additional advantage is that you do not have to enter header information, item numbers, and original prices since they are recalled automatically by the Invoicing Program.

Restocking Charges

Credits can have restocking charges applied automatically. Management can use the Control Panel to enter a default restocking charge percentage for each terminal. This percentage can be accepted or overridden on a line-by-line basis while processing the credit memo. The total restocking charges for a credit memo are included in the Handling Charge section of the invoice, which is discussed later in this document. A restocking charge of 25% on a \$100.00 return would result in a \$25.00 restocking charge, and a credit amount of \$75.00. Restocking Charge% is displayed or overridden on the bottom of the Detail Line Screen of Order Entry.

Returns

When material is being returned by a customer, you can specify **Y** in the Recv? field of Order Entry for the system to automatically add the return back into inventory. You can also specify **N** to *not* have the item added back into inventory. In most circumstances, we recommend that you use the N option in the Recv? field, thereby separating the inventory aspects of a return from the billing aspects. This method enables you to inspect the product and to receive it back using the Receipts or Adjustment Programs when it physically arrives at your location. The arrival time often does not coincide with the time that the credit must be issued to the customer.

Any negative quantity on a pick list or packing list causes **RETURN** to appear on the document. You can use the picking or packing list as a return authorization document. Entering a **C** in the Order Header Type field causes the document to be labelled "Credit/Return Authorization".

Following is a summary of methods for handling returns:

- A return authorization is issued via Order Entry with a **C** in the Order Header Type field and an **N** in the Recv? field. The picking list prints as a return authorization and the material is returned to the warehouse. After inspection, the N in the Recv? field is changed to Y. Inventory is adjusted when the return authorization is invoiced.

- The material is returned prior to issuing a credit memo. The credit memo is then created using the **Y** option in the Recv? field to update inventory.
- The return authorization and subsequent credit memo only use the **N** in the Recv? field. All inventory updates are done using the Receipts or Adjustments Program.

Suggested Methods for Credits Due to Incorrectly Priced Item

- Credit each item using two separate lines. On the first line, enter credit for the item with the original price (the incorrect price). Enter original quantity using Field Minus to make it negative. Enter **Y** in the Receive? Field, as if the item will be returned to stock. Also enter a credit reason code in the C/C field. On the next line, enter the item again, also with the original quantity; but this time the quantity is a positive number, and the new/correct price is entered. This method will keep all system statistics accurate and will best reflect what actually happened. The credit memo will clearly display the price correction. Inventory is unchanged and gross profit margins remain precise. This method should be used in the Invoicing Program. This is the method we recommend.
- You can also enter the credit by entering a single detail line with the original quantity as a negative, and the difference in unit price as the unit price. In this case, be sure to remove the cost, using Field Exit, as there is no cost to this transaction, only a change in price. To remove cost, first enter the negative quantity and press Enter. Then you can override the price and Field Exit through the cost. This method maintains the accuracy of all system gross profit statistics. Specify **N** in the Recv? field so that inventory is unaffected. The only statistics affected are quantities on detailed sales reports such as X by Y Reports. Therefore, if you use this method you may need to omit credits from certain reports for the most accurate results.
- Another alternative method is to use an F6 (miscellaneous) line to credit the difference, and include an explanation. The F6 line should have a negative extended price entered, but no cost because cost and inventory are not affected. This method will properly credit the customer, but not allocate the credited quantity or value to the item(s) to which it relates. F6 lines also do not affect any statistics for products, such as gross profits. This method is recommended for small or insignificant amounts.

Managing Claims

Claims can be managed using the following systems:

- Claims Using the Order Entry System
- Managing Claims Using the AP, AR, or Event Management Systems

Each of the above methods has distinct advantages and disadvantages. The primary driver of which system to use is normally the department that will manage the claims. For example, if your accounts payable department manages claims, they are likely to prefer using the Accounts Payable System because they are likely more familiar with it than with other systems.

Claims Using the Order Entry System

Claims are entered exactly like credit memos and managed like open orders. Using this method, all claims are part of your order and sales statistics. All Open Order Reports and Order History Reports allow you to specify Credits/Claims Only. You may want to further segregate claims from regular orders and credit memos by creating a warehouse code to be used by all claims, such as warehouse number CLM. Then, on each claim, use that warehouse code on all Header and Detail screens. The term claim refers to credits that involve both a customer seeking credit from your company *and* your

company seeking credit in turn from your supplier or manufacturer. Usually, the material has already been used or installed, and there is no return to stock. The claim might include request for reimbursement of labor or other charges related to removing and/or replacing the product.

Use the following guidelines in managing claims within the Order Entry system:

- Enter claim as a credit using Order Entry. Follow instructions for entering credit memos. Enter all material, labor, and other changes using detail and F6 lines. Remember that all quantities, extended prices and costs should show as negative. Use the Customer PO# field to enter a reference that will enable easy tracing of the claim, such as claim form number for manufacturer. Also use the cross reference number fields to link the claim to an original invoice and order number.
- Print claims as an order acknowledgment. You can omit this step if you will work only from the open order screens and reports.
- Complete the manufacturer's or supplier's claim form or use the order acknowledgment to make the claim to your supplier or manufacturer.
- Track outstanding claims by customer, manufacturer, item, date, or salesperson by using the Open Orders Reports and specifying include credits/claims only. Outstanding claims can also be searched and displayed like all other orders using the Order Search and Inquiry Program. Specifying status C on the Order Search will limit the search to credits and claims only. You can update claims, cancel claims, and so on. All functions available for orders are available for claims.
- When supplier or manufacturer responds to the claim:
 - Use the updated acknowledgment to be approved and signed by management. At that time, the actual amounts to be received from supplier and issued to customer should be determined, and the open claim should be updated.
 - Invoice the claim, which issues credit to the customer and closes out the open claim.
- Use the order notepad at all stages of the claiming process. You can also use the order status codes to notate the stage of completion, and you can assign your own meaning to the codes. For example, use code **P** for claim paperwork received by supplier/manufacturer. We recommend that you use status codes K, D, J, P, and R only to avoid confusion with status codes that indicate physical movement in your warehouse. These codes are normally used for tracking purchase orders and back orders. They can be consistently applied to claim tracking.
- When you have issued the claim to the supplier or manufacturer, or when they indicate the amount of settlement, you should make sure that you can track the amount due from the supplier. You can use the steps outlined above to keep track of the open claims, but the amount due from the supplier may be better tracked by using the Accounts Payable (AP), Accounts Receivable (AR), or Event Management Systems. Your accounting department must decide these issues. You can set up AR accounts for each supplier and track like any other unpaid invoice, or you can enter debit memos against the supplier's AP account. When using AR to track claims, you can create actual invoices to your suppliers or simply use the Manual Sales Entry Program on the AR Menu. This method allows you to generate aging reports and statements to suppliers. When using AP debit memos, you can fully integrate them with the other AP entries or each supplier's account. You can also use all features on the AP System. In either of these scenarios, you can intermingle with your normal corporate accounting, or you can set up a special company number just for claims tracking. Consult with Dancik-On-Disk about setting up new companies.

Managing Claims Using the AP, AR, or Event Management Systems

If you use either the AP, AR, or Event Management Systems as your primary system for tracking claims, then you should follow these basic steps:

1. Enter a record in your system of choice indicating the expected credit from your supplier.
2. Issue a credit memo to your customer when the credit is resolved by the supplier.

Refunds

Refunds can be processed from the Order Desk or the AR and AP menus. The actual recording of the refund would be processed via AR by applying the amount, as a negative entry, with an “RF” code against a previously posted credit memo or payment. It is then applied to a general ledger account number. Your accounting department may also process the refund as a disbursement through the AP system. However, the accounting department must insure that refunds are not recorded twice in the general ledger. This would occur if both the AR entry and the AP entry were posted to the cash account of the GL. We advise that your accounting department institute a consistent method of recording refunds.

Issuing Refunds at the Order Desk

If you issue refunds at the Order Desk (using the Order Desk Menu), use the following procedures:

If the order was processed but NOT invoiced, and advance deposit was taken:

1. Select option **11**, Open Order Search and Inquiry, on the Order Desk Menu.
2. Enter the order number in the Order Number field on the first screen.
3. Press **F6**. The Order Changes Screen appears. Cancel or change order, if necessary.
4. Press **F7**. The Print Selection and Cash Receipts Screen appears.
5. Enter the amount to be refunded in both the Amount To Pay and the Amount Received fields using Field Minus. Refunds must be entered as negative numbers. Enter the method of payment code: **CA** if cash is given to customer; **CH** if check; **MC** if Master Card refund, and so on. Enter the order number and reason for refund in the Other Reference field. Press Enter. Then, press one of the listed function keys. The refund is recorded and prints on Order Desk Cash Receipts Reports, which are used to balance cash receipts. Refund entries, like any entries recorded on the Order Desk Cash Receipts screens, are *never* posted automatically to AR. They are first reviewed and balanced by the order desk manager or accounting department, and then posted.

If the order was invoiced and paid, and credit memo was previously issued.

1. Follow steps 1 - 3 if part of order is still open, and cancel the order, if necessary.
2. Follow instructions 4 - 5 in the preceding example.

If the order was invoiced and paid, but NO credit memo was issued.

1. If part of order is still open, cancel the order, if necessary.
2. Select option **16**, Invoice Open Orders, on the Order Desk Menu.

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Credit Memos, Claims, Returns, and Refunds

3. Enter order number and process credit memo, with exact prices and quantities being credited. (Remember to type **C** in the Header Record and to use Field Minus for negatives.)
4. Follow instructions 4 - 5 in the above example.

If an order has not yet been invoiced, then the cancelled or changed order is the corresponding transaction that backs up the refund of an advance deposit. If an order has been invoiced, then a credit memo must be created to back up the refund.

The system supports many types of promotions that affect both pricing and costs. The term promotion is used generically for any price altering or cost altering set of rules. The following types of promotions are supported:

- Temporary or permanent price alterations.
- Temporary or permanent cost alterations.
- Rebates from manufacturers based on selling price, customer, and so on.
- Funds or overbills that increase price or use a portion of a price for a promotional event. Promotional events can be trips, advertising funds, or general reserve funds.
- Promotional points assigned based on product, customer, quantity, and so on.
- Special pricing based on job names, customer purchase order number, displays, sample sets, branches, regions, and other criteria.
- Special pricing for specific items, product lines, price classes, manufacturers, partial item numbers, and item classes.
- Special pricing based on size, quantity remaining, age, and status of items.

Files Used to Setup Promotions

- Promotional Pricing File
- Fund File
- Customer Special Price File
- Price File
- Cost File
- Classification Codes File

Miscellaneous Guidelines for Setting up Promotions

When setting up promotions, many options can be used such as quantity breaks, transaction types, and restrictions. It is often difficult to understand how some of the Promotion File options relate to the options set up in the Price File.

Always try to set up the Promotion File records in a similar structure as the corresponding Price File records. For example, if the Price File contains three quantity breaks, enter three quantity breaks in the Promotion File with the respective promotional prices. This structure allows for future maximum flexibility and makes it possible for the price programs to find exact promotional information that relates to each quantity within the Price File record. We also recommend that when a promotion contains quantity breaks, they are set to the same quantities as the Price File whenever possible. The system will still resolve promotional prices based on the rules of the system, regardless of these

quantity breaks, but it will be much easier for users to audit an assigned price if the files are consistent.

If you have separate prices by transaction type (inventory vs. direct) or restrictions (truckload, LTL, roll, cut), ensure your promotion records also consider them. For example, if you have a price for inventory and a price for direct in your Price File, be careful when you set up a promotion for those items. If the promotion is only for inventory, enter the transaction type I in the Promotion File. If you left the transaction type blank in the Promotion File, which indicates any transaction type, then even direct ship sales could pick up that promotional price.

Bar coding and scanning are used in various ways throughout the system. These terms are defined as follows:

- **Bar coding** is the act of printing bar codes on materials and forms, including product and picking labels, shipping documents, receiving documents, invoices, cartons, pallet tags, and roll tags.
- **Scanning** is an activity in which bar codes are automatically read into a computer application. When a bar code is scanned, fields on a computer screen, of either a regular terminal, personal computer, or a hand held RF device, are completed automatically with the information represented in the bar code. Scanning devices replace the computer keyboard as a means of entering information into a software application.

Bar coding and scanning applications can be customized for specialized processing. The VISION Distribution System includes the following standard bar coding and scanning applications:

- **Print bar coded serial number tags upon receipt of goods.** These tags can then be scanned in various applications requiring verification that the correct serial number is being accessed.
- **Print bar coded “put-away sheets” for receiving of goods.** This options is designed for use with hand held radio frequency (RF) terminals. The put-away sheet is scanned, indicating the material being put into a location. Then, the bin location is scanned updating the Inventory System.
- **Print bar coded bin location tags.** These tags are affixed to bin locations so that the locations can be scanned for location verification and receiving.
- **Print bar coded security badges.** These badges are used to identify personnel when paper-based scanning is performed. When using RF terminals, personnel are identified by their log on identification.
- **Print miscellaneous bar code labels.** These labels can be generated for item numbers, status codes, account numbers, and so on. These labels can be used for multiple purposes. For example, a user ID and password can be bar coded and then used to scan into a work station.
- **Print bar coded pick labels.** This is major function of the VISION Distribution System. There are many pick labels from which to choose. This function enables warehouse personnel to pick using labels (one per line item) instead of paper pick lists. Each physical action is then recorded by scanning the label and updating to a new status such as picked, staged, or shipped. Scanning to status S (shipped) can then enable automatic invoicing of shipped material.
- **Print bar coded load sheets and pallet building sheets.** These sheets enable warehouse personnel to optimize the picking and truck loading process. These sheets can be scanned, automatically updating the orders to a designated status.
- **Print UCC-128 pallet labels.** These are specialized labels used for identifying the material loaded into each pallet of a shipment. Your customer’s receiving system can then scan these labels when checking in goods.

Dancik International’s EDI department can supply all available ANSI X.12 EDI transaction sets as well as customized file transfers of sales, credit, and other information.

Transaction Sets

The following list contains EDI transaction sets currently being used by our customers.

Transaction Set	Description
810 inbound	invoices, credits, and rebates from suppliers
810 outbound	invoices and credits to customers
820 inbound	payments from suppliers (remittance advice)
820 outbound	payments to customers (remittance advice)
832 outbound	price list/sales catalog to customers
841 outbound	specifications/technical information to customers
850 inbound	purchase orders from customers
850 outbound	purchase orders to suppliers
852 outbound	product activity data to suppliers
855 inbound	purchase order acknowledgments from suppliers
856 inbound	ship notice/manifest from suppliers
856 outbound	ship notice/manifest to customers
882 outbound	direct store delivery summary information
997 inbound	functional acknowledgments
997 outbound	functional acknowledgments

Intelligent Purchase Order Acknowledgments

Dancik-On-Disk has successfully integrated what we call “Intelligent Purchase Order Acknowledgments” with many industry suppliers. Usually, purchase order acknowledgments sent via EDI are merely to inform the sender that the purchase order was received. Transaction set 855, and other proprietary formats, include detailed acknowledgment information with important service ramifications that earn the nickname “Intelligent Acknowledgments”. Here is how it works.

1. The Dancik Distribution System automatically transmits the purchase order to the supplier.
2. The supplier, either immediately or on a timer or overnight, issues an intelligent acknowledgment that includes
 - The dates that items will be produced or shipped
 - The status of each item ordered and the status of the dates, such as confirmed, delayed, future production, already allocated, or in transit.
3. The Dancik Distribution System receives the acknowledgments and processes as follows:
 - prints a list of the transactions received, stating any errors such as invalid item numbers or purchase orders.
 - updates the Open Purchase Order File dates and status codes.
 - optionally prints the Customers Affected by Date Changes Report, listing all customer back orders whose scheduled dates may be delayed or improved.

This functionality is available for any EDI capable supplier. Proprietary file transfers of the same information can be arranged as part of Dancik International's EDI or Internet Services.

Many options are available for issuing invoices to customers.

Batch Invoicing by Order Number. Filled orders are invoiced by entering order numbers to process.

Batch Invoicing by Status Code. Orders are automatically invoiced based on an order status code scanned or entered when the order is shipped. All orders at the “shipped” status are invoiced in a single step.

Batch Invoicing By Truck Route. Orders are automatically invoiced for specific truck routes whose orders have been scanned or updated to a certain status code. This option can be processed in the warehouse, from the Warehouse Functions Menu, so orders invoices are delivered with material as part of the delivery process.

Batch Invoicing by COD orders. Orders can be automatically invoiced for specific COD orders that have been scanned or updated to a certain status code. This option can be processed in the warehouse, from the Warehouse functions menu.

Point-of-Sale (F9) Invoices. These invoices bypass the open order stage. An order is entered, the user presses **F9**, and an invoice is created immediately. Intermediate documents such as picking or packing lists are not issued.

Point-of-Sale Invoices From Orders. These invoices are issued at a sales counter, or in a retail environment after an order has been processed. For example, a pick list is generated, issued to the warehouse, and returned to the counter indicating what was taken by the customer. A point-of-sale invoice is then created for the material taken.

Recurring Invoices. These invoices are produced for a group of customers or produced periodically for a recurring service. These invoices are created using the Recurring Invoices Menu. A recurring invoice consists of a model of the invoice, and a list of customers to whom the invoice should be sent. This is typically used to invoice services such as quarterly sample fees.

Interest/Service Charge Invoices. These optional invoices can be run at the end of month or during the month, based on past due balances. Refer to the Accounts Receivable Runbook for further information.

Centralized Nightly Invoicing Options. You can run invoicing automatically each night (or day) using the IBM-supplied AS/400 job scheduling utility and the IN/INSCHECL program.

Invoice Printing Options

The printing of invoices can occur immediately after invoices are processed or can be deferred in order to physically print invoices in larger, more efficient batches. For example, you can process invoices daily, or multiple times per day, yet only print them once or twice weekly. This option allows you to group invoices by number of pages, customer, zip code, and other options for more efficient mailing. When deferred batch printing is done, the Print Copies of Invoices Program from the Invoicing Menu is used. This program allows you to also use the customer specific options listed in the Customer Preferences File. You can specify the number of copies each customer requires, and

whether copies need to be sent to the customer's billto address, shipto address, or both. This option also enables you to bypass the printing of invoices for customers who receive their invoices electronically.

Invoice Formats

Invoices can be printed in three different formats:

- **Laser printed format for batch printing.** This is an 8.5 x 11 portrait format on a preprinted laser form.
- **Tractor-feed format for batch printing.** This is a 8.5 x 11 landscape format on preprinted tractor-feed continuous forms.
- **Point-of-Sale invoices.** These invoices use the same preprinted form as the tractor-feed format described above, but the computer printed content is slightly different.

Many listings and reports are available within each VISION Distribution System application. Most reports allow you to control the output by entering a series of parameters and choosing between various formatting and sorting options. This chapter lists menus containing the various reports available throughout the listings and reports sections of the system.

Master Reports Menu

The Master Reports Menu lists the various categories of reports available throughout the system. Each option on this screen leads to secondary menus which list the specific reports available within that particular section of the system. Reports for Accounts Payable and General Ledger are not included in this chapter because a higher level of security is necessary for these reports. The AP and GL reports are available within their respective systems.

Master File Listings

The Master File Listings list the contents of the various Master Files on the system. Use these menus to list your customers, items, manufacturers and other files.

2 Year Mth by Mth Analysis Reports

The 2 Year Mth-By-Mth Analysis Reports list a detailed 25 month (current month and 24 prior months) view of several categories for each record. For example, the customer 2 Year Mth-By-Mth Analysis shows a 25 month view for each customer, including sales, gross profit, number of orders, number of credits, average order size and many other statistics.

Ranking Reports

Ranking Reports list records from best to worst, or vice versa. Use this menu to list your top 100 customers, top 100 items and so on.

Price Lists Menu

Use this menu to generate customer and management Price Lists and Specials Lists.

Open Order Reports Menu

Use this menu to list orders within specified date ranges and for specified categories and parameters. Although the menu is titled Open Order Reports, you can also specify to include closed orders, in order to print a historical log of orders. Many Exception Reports can be generated, including All Orders That Have Been Picked But Not Billed.

Inventory Reports Menu

These menus provide a wide variety of formats and styles to analyze every aspect of inventory, including sales, receipts, transfers, adjustments, values and agings.

Sales Reports Menu

Use this menu to produce many standard monthly reports such as Invoice Registers and Sales Tax Reports.

Sales Budgeting and Analysis Menu

This menu is used to establish and maintain sales and accounting budgets, as well as to generate sales versus budget spreadsheets.

X by Y Reports Menu

Each of the X by Y options represents a report format designed to reveal information in a very specific way. All of the X by Y Reports access either the Sales History or Order History Files. Each report allows you to specify several parameters controlling content, sorting, units of measure, and much more.

Purchasing and Receiving Reports Menu

Use this menu to generate reports analyzing purchase orders, receipts and replenishment.

Accounts Receivable Reports Menu

The Accounts Receivable Reports Menus include a wide variety of reports that analyze open AR balances, open AR items, aging, cash receipts, payment history, discounts, deposits and credit held orders.

Mailing Lists and Labels Menu

Use this menu to create mailing lists and to generate labels for customers, suppliers and so on. Also use this menu to generate labels for items.

Note *The Item Master File Listing and Customer Master File Listing can also be used to generate labels.*

Graphs Menu

Use this menu to display simple bar graphs for several categories including sales, gross profit, average order size, inventory value, credits and much more.

Accounts Payable Demand Reports

The Accounts Payable Reports Menu includes a variety of report formats, including audit trails, aging reports, check registers and much more.

General Ledger Reports

The General Ledger Reports Menu includes all of the standard general ledger reports such as trial balance, general ledger and financial statements. It also includes spreadsheets, audit trails and other parameter driver reports. Option 9 on the menu above displays another menu allowing you design your own financial statements.

Truck Routes

The following truck route features are supported:

- Truck route codes can be established using the Classification Codes File.
- The schedule of each route can be maintained in the Truck Routes File. This includes the days and time of departure, cutoff times for orders, number of days from point of shipment until arrival at customer site, and the appointment time at the customer's location. This and most other truck routes functions are accessed via the Delivery Systems menu.
- Stops on each route can be established in the Stops File, and/or the Billto File. Customers can be assigned to stops.
- The schedule of interwarehouse transfer routes can be maintained in the Interwarehouse Transfers Table.
- Order entry can automatically assign a ship date based on the customer's assigned route.
- Order entry can display ship and arrival dates for items at any warehouse including the transfer time as well as local delivery schedules to each customer.
- Inbound EDI orders or orders entered via the Internet can automatically assign a ship date based on the customer's assigned route.
- All warehouse documents reference the truck routes assigned to each order.
- Warehouse picking and loading procedures can be organized by truck route.
- Online sales analysis by truck route is available within the Classification Codes File Maintenance Program.
- Extensive reporting for truck routes is available via the X by Y Reports and the reports available on the Delivery Systems Menu.

The Dancik system includes several features to allow for the proper handling of units of measure, and to convert between units of measure. These are some of the features addressing units of measure:

- Pick lists support dual level units of measure, including cartons plus pieces, pallets plus cartons, feet plus inches, bundles plus square feet and so on.
- Each item can be assigned up to seven units of measure. Most system functions, such as Order Entry, Receiving, Inventory Inquiry, Adjustments, Purchasing, Invoicing and Sales Analysis can be done in any of the assigned units of measures.
- Each item can have it's own set of conversion factors that allow quantities and costs to be converted from one unit of measure to another. Items can also be grouped together into Packaging Classes and share conversion factors. For example, a group of products sharing the same conversion factors should be assigned a Packaging Class for more efficient management of this information.
- The Build-A-Container system (used for importing) allows you to establish up to six additional units of measures (over and above the usual seven per item) for the purpose of purchasing.
- Rolled Goods automatically convert between lineal inches, feet plus inches, decimal lineal feet, square yards, square meters and square feet. In addition, you can assign up to six additional units of measure such as average roll size, lineal yard, lineal meter, weight and cube per square yard.
- Ceramic tile products can be converted to and from square feet, square meters, packs, cartons, pieces, sheets and strips.
- Natural stone products can be inventoried in tiles and slabs. Slabs can be individually sized by length, height and area.
- Picking, loading, and delivery systems support conversion to weight and cubes.
- Suppliers can be assigned to their own preferred units of measure by product, for the purpose of EDI and purchasing.
- Customers can be assigned to their own preferred units of measure by product, for the purpose of EDI and invoicing.
- All EDI applications allow for complete customization to a partner's unit of measure requirements.
- Each item can have multiple internal unit of measure preferences, including preferred pricing UM, preferred pick UM and preferred sales UM. For example, you could have a product that is priced by SF, picked by carton but sold only in half-pallet increments.

General Ledger Financial Budgets

General Ledger Financial Budgets integrate with financial statement such as balance sheets and income statements. These budgets can be applied to any combination of GL accounts, branches, and cost centers. These budgets are entered into the Budget File on the Sales and Budget Analysis Menu. You can store up to 99 different or revised budgets for any fiscal year.

Sales Budgets

Sales Budgets integrate with the Sales and Budget Analysis System options on the Sales and Budget Analysis Menu. These budgets are for sales, units sold, gross profit, and gross profit percentage. They can be applied to any combination of the following categories:

- Company
- Branch
- Salesperson
- Cost center
- Manufacturer
- Product lines
- Customer
- Warehouse
- Item Class

Any budgets for salespeople automatically integrate into budgets for sales managers, sales territory, and salesperson branch. Any budgets for customers automatically integrate into budgets for chains, regions, states, and customer types.

High-Level Management Budgets

High-level management budgets are on-screen budgets intended for a quick high-level analysis. These budgets are not linked to any of the report-based budgets and can be independently maintained by managers. These budgets can be applied to companies, branches, cost centers, salespeople, sales managers, and sales territories. They are maintained in each of the respective files.

Glossary

This glossary contains terms and acronyms found throughout the library of documentation pertaining to Dancik's Distribution System. For references to more information about a specific term, see the index.

ABC Code File	Enables you to categorize and rate customers and items.
AC	Average cost.
ACK	Order acknowledgment.
action code	Codes which enable you to add, update, or inquire into a file.
activity	See Order Activity.
adjusted GMROI	Gross profit less total inventory adjustments divided by average inventory value and multiplied by 100.
adjusted gross profit	Gross profit less the total inventory adjustments, divided by gross sales.
adjusted turns	Cost of sales in addition to the total inventory adjustments divided by average inventory value.
A/P or AP	Accounts payable.
A/R or AR	Accounts receivable.
AR account number	A customer's account number as it appears on all invoices.
AR statement code	This code determines the type of statement a customer will receive.
ASN	Advanced ship notice. An EDI transaction set.
average cost	Average unit cost of current stock onhand.
average line dollars	Total dollars ordered divided by the total number of ordered line items.
average order	Total dollars ordered divided by total number of orders.
balance price	A price in between a roll price and a cut price. Also known as mid-price.
bar code	A code representing characters by sets of parallel bars of varying thickness and separation that are read optically by a transverse scanner.
batch	An accumulation of data to be processed.
BC	Standard base cost.
bill of material	List of related items that are sold together.

Bill of Material/Kit File	Enables you to define bills of material and kits.
Billto File	Also known as Customer File or Customer Master File. Allows you to enter information about the customer including information on their physical location, credit terms, and rules that determine how their orders are processed.
billto file duplicator	Creates new billto records with new account numbers based on existing records.
B/O	Back order.
branch	Selling organizations within each company.
Branch File	Used to designate separate branches within each company.
branch number	A number or code assigned to each customer representing a branch.
calling program	The program which called or initiated the current program.
centralized purchasing	When a single warehouse services all other warehouses.
chain number	A code which defines the account as part of a chain store or account group.
classification codes	Codes used to classify customers, items, and other functions.
Classification Codes File	Enables you to define the codes you use to classify customers, items, and other functions.
COD	Cash on delivery.
commodity level code	Code used to define the level of relative value.
Company File	Contains a record for each company managed on the system.
component code	Code designating how the item is set up in the Item File.
control panel	A set of parameters and restrictions that affects how orders are processed based upon the terminal or workstation.
cost center	Code which represents the divisions of products and services for each item.
Cost Center File	Used to define the different aspects of a business for the purpose of analysis.
cost class	Group of items from the same manufacturer that have identical costs from your suppliers.
Cost File	Established cost structures called cost classes that can be assigned to groups of items.
cost plus pricing	Pricing based on cost plus an additional percentage or dollar amount.
County File	Defines each county number used in the Billto File.
county number	A number or code assigned to each county within each state.

crossover item	An item that has a “parent” item and cross references to another item number’s inventory. Crossover items are used to label a single item with multiple item numbers and names.
CT	Cartons.
Customer Preferences File	Enables you to activate many special functions and preferences for specific customer accounts or by chain.
customer price list number	A code that is set up in the Classification Codes File and entered in the Billto File to identify the pricing category for each customer.
customer rating	A method of rating customers according to predetermined criteria. Also known as the customer ABC code.
customer region code	A code that designates a geographic region where a customer is located.
Customer Special Price File	Contains special prices which override the standard pricing set up in the Billto, Price, and Item Files.
customer type code	Codes representing a customer’s type of business.
cuts at roll pricing	A cut order is charged roll price and not cut price.
date required	The date on which your warehouse is required to ship in order to arrive at the customer’s site on the desired date. For will calls, date required is the date on which the customer will pick up the material. This term is often used interchangeably with the term Ship Date.
default	A value or option that is assumed by the system when none is specified in a particular field.
default shipto number	A number assigned in the Billto File for the customer’s usual shipto address when the shipto address differs from the billto address.
Delivery Charges File	Contains a table of delivery charges used by the invoicing system to automatically charge for delivery.
destination warehouse	The warehouse to which the goods are being transferred.
detail line warehouse	The warehouse that appears on the detail line as opposed to the header line of an order. The detail line warehouse is always the stocking warehouse.
EA	Each.
EDI	Electronic data interchange.
effective date	Date on which a new price, cost, or promotion will take effect.
electronic data interchange	The exchange of data and documents between different systems according to standardized rules. EDI.
EOJ	End of job.
EOM	End of month.
FIFO	“First-in First-out” inventory cost method.

File Maintenance Utilities	Utilities that can be used to perform certain functions within the File Maintenance programs.
fill percentage	Dollars shipped divided by the dollars ordered.
floor plan	The financing arrangement or plan used for increasing inventory or showroom presence at a customer site.
floor plan company	A third-party finance company that is contracted to finance the inventory purchased by your customer.
floor plan terms	The payment terms offered to your customer by the Floor Plan company.
floor plan account	An account (Billto File record) representing a Floor Plan company on your system.
floor plan order	An order that has been marked to be billed to a Floor Plan company.
floor plan customer	A customer that is regularly invoiced using a Floor Plan.
FOB code	Freight on Board code. Codes which represent the responsibility of the seller and the buyer regarding freight.
forward aging	Ages AR, AP, and other systems with totals for future months.
freight class	Classifies groups of items together for Bills of Lading.
FT	Feet and inches. For example, 20.06 FT equals 20 feet and 6 inches.
function key	A key that performs a specified set of operations when it is pressed.
Fund File	Enables you to collect data and establish marketing guidelines for customer funds.
Future and Sale Cost File	Enables you to enter costs from your suppliers in advance of the effective dates.
Future and Sale Price File	Enables you to enter prices in advance of their effective dates.
G/L or GL	General ledger.
GMROI	Gross Margin Return on Inventory Investment. GMROI is the ratio of annual gross profit dollars to average monthly inventory value.
G/P	Gross profit dollars.
G/P %	Gross profit percentage.
Graphs Menu	Enables you to display graphs of many statistics, including sales, gross profit, and average order sizes.
gross profit	Excess of sales over cost of sales. Also called gross margin.
gross sales	Total sales before special discounts, tax, and freight. Equals the total unit sold times the selling price per unit.

header warehouse	The warehouse that ultimately ships to or services the customer. On an order, it is the warehouse entered on the Header Screen. On a transfer, the stocking warehouse transfers to the header warehouse.
hold account code	Codes that control credit functions for each customer.
hotkey	Function keys which bypass menus and interconnect programs.
ID	Identifier.
INV	Invoice.
inventory adjustments	Adjusts inventory by adding to or subtracting from current stock onhand.
inventory code	Codes in the Item File which signify whether the item is a stocking item, non-stocking item, or special order item.
item class	Classifies each item into a group for purposes of pricing and/or sales analysis.
item number	The number used to identify an item.
item policy	Policy code used to trigger a special processing for an item or to identify special items.
Item Statistics by Warehouse File	For inquiry purposes only and displays the Sales Analysis Screen for each item at each warehouse.
KG	Kilograms.
kit	An item that is comprised of other items in fixed proportions.
language code	Code assigned to customers who speak a language other than English.
last cost	Last cost that was received into the inventory for an item.
LB	Pound.
LC	Last cost.
lead time	The interval between placing an order and receiving delivery.
LF	Linear feet using decimal math. For example, 5.75 LF equal 5 feet plus 9 inches.
LIFO	“Last-in First-out” inventory costing method.
list price	Price from which all other prices are derived.
LP	List price.
manufacturer	One that manufactures, or a brand name or marketing label.
manufacturer code	Code which represents the manufacturer.
Manufacturer Statistics by Warehouse File	For inquiry purposes only and displays the Sales Analysis Screen for each manufacturer at each warehouse.

message code	A code that represents a message and which appears on customer documentation.
Messages File	Contains optional messages and information to be printed in the lower left corner of certain documents or in the middle of other documents.
MFGR	Manufacturer.
mid-price	A price in between a roll and a cut price. Also known as a balance price and as a management authorized sale price.
Minimum Order Charges File	Used to automatically charge customers a minimum order charge when a single order or a group of orders is less than a specified dollar amount.
M2	Square meters.
native unit of measure	The unit of measure assigned to an item for pricing and costing purposes. It is also the unit of measure used by default for all sales analysis.
net	Gross amount reduced by applicable reductions.
net profit	Revenue less all expenses.
night jobs	A process which runs at night and updates daily statistics, reorganizes files, and posts transactions into the history file.
notepad	Notepads are available to enter comments or supplementary information about customers, suppliers, and so on.
O/H	Order handling.
order acknowledgment	A document which shows the quantity, unit, price, and extended price for an order.
order activity	Sales plus the change in open order quantities for the selected date span.
order entry	Initial input system of the order processing system.
order handling code	This code is used to determine how each order should be handled at the time of invoicing.
originating warehouse	The warehouse from which stock was originally picked. This term is primarily used regarding transferred material.
overbill	A fixed amount of a percentage charged above an item's regular pricing for the purpose of marketing programs.
PA	Pallets.
packaging class	A group of items that are of the same packaging information from the manufacturer.
packaging class code	A class code set up in the Packaging File and which identifies the type of packaging for an item.
packaging conversion	The conversion table that is set up in the Packaging File and identifies the breakdown in different units of measure for an item. Also known as packaging table.

Packaging File	The file that enables the creation and maintenance of packaging and conversion factors called packaging classes.
packaging table	The conversion table that is set up in the Packaging File and identifies the breakdown in different units of measure for an item. Also known as packaging conversion.
parent item	The item number under which inventory is stored. This term primarily applies to crossover items, each of which have a parent item. Crossover items are different names and numbers for the same parent inventory item.
password	A unique string of characters known to a computer system and user who must specify that string of characters to gain access to the system and the information stored within.
past due aging	Ages AR, AP, and other systems with totals for past due months.
pattern name	A numeric representation of the pattern or size of an item stored in the Pallet Name field of the Item File.
pattern number	The part of item number usually used to represent a pattern or size. Characters 8 - 16 of the Item Number field of the Item File.
Payment Terms File	Used for terms with multiple discount levels, terms where you want to enter a special description, and for instituting the option for Terms by Product.
PC	Pieces.
pick label pool	All orders that have not yet had picking labels or pallet build sheets issues to the warehouse. It is referred to as a pool because it can be displayed or manipulated in many different ways.
pick list	Document for each order that a customer placed to identify what items are to be packaged for shipment.
P/L	Pick list.
P&L	Profit and loss statement. Also known as an income statement.
PO	Purchase order.
points	Used in the Promotional File. Can be translated into prizes, dollar values, or merchandise.
price class	Group of items from the same manufacturer that are priced identically by your company for your customer.
price class code	A code that is set up in the Price File and identifies the price for an item or group of items.
Price/Cost Mass Updates	Enables you to change prices or costs in multiple records with a single entry.
price exceptions	Prices that are outside of a customer's normal pricing.
Price File	Established pricing structures called price classes which can be assigned to groups of items.

Price File copy function	Allows you to automatically create all Price File records except the LP record based on a copy of an existing price.
price list	A pricing level or strategy.
pricing chart	Contains the prices for a group of items in the price class, and for a group of customers assigned to the price list. You can think of it as a “page” in the Price File.
product line	A group of related items produced by the manufacturer.
product line code	Code representing a group of items.
Product Line File	Links the items within a manufacturer into groups that are defined by the manufacturer.
Product Line Statistics by Warehouse File	For inquiry purposes only, displays the Sales Analysis Screen for each product line at each warehouse.
program number	Name or number given to a promotional price.
promotion	Furtherance of acceptance and sale of merchandise through advertising, publicity, or discounting.
promotion record	A record in the Promotional Price File.
promotion status	Status of a promotion whether it is active, future, or expired.
promotion subtype	Further classifies the type of promotion.
promotion type	Type of promotion.
Promotional Pricing File	This file is used to establish finely tuned promotional price or cost exceptions applicable to selected groups of products and for selected groups of customers.
purchase order	Form used to order goods or merchandise.
quantity break	Different levels of quantities ordered for any item for purpose of a lower price.
quantity break group	A code which links multiple items for the different levels of quantities when purchased for a lower price.
quantity break pricing	Pricing for the different level of quantities when ordered.
Quick Quoter	Checks prices, availability, and converts between units of measure.
rank	Position a record would take if all records in a file were sorted by categories.
rebate	Payment upon completion of a purchase as an inducement or sales promotion tactic.
record	A set of fields within a file. A logical entry within a computer file. Information regarding a single customer would constitute a record within a customer file.
record number	Key to a file, assigned at random or using a planned scheme.
recovery	Ratio of acceptable goods to total goods manufactured.

Replenishment	The act of purchasing or reordering items required to meet customer demand, or stock level requirements.
RES	Restriction.
RL	Roll.
roll/cut/balance pricing	Pricing selected for a customer when a roll is selected.
rolled goods	Materials which come as a roll and can be sold as a roll or cut into smaller units.
rounding	The process by which numbers are made to conform to specified numbers of decimal places and ending digits.
Sales Manager File	Enables you to define sales managers which can be assigned to salespeople.
Salesperson File	Designates separate salespeople within each company.
Sales Territory File	Enables you to define sales territory which can be assigned to each salesperson in the Salesperson File.
salesperson number	A number or code assigned to each salesperson responsible for an account.
SC	Standard landed cost.
SF	Square feet.
ship date	The date on which your warehouse is required to ship material in order for the material to arrive at the customer site on the desired day. For will calls, this is the date that material will be picked up. This term is used interchangeably with the term “date required” throughout the system.
ship via code	Code on each order which designates how an item should be shipped.
Shipto File	Used to store information about alternate locations to which you can ship merchandise for customers.
SH	Sheets.
SKU	Stock keeping unit.
SL	Sub-list price.
Special Order Direct Ship	A form of special order in which the purchase order shows your customer as the shipto destination.
ST	Sets.
standard base cost	Cost of product less any freight calculations.
standard cost	A production or purchasing cost that is carefully predetermined.
standard freight cost	Cost of freight from supplier to your warehouse.
standard last cost	Cost of a product including freight.

stock keeping unit	Combination of an item number, lot number, and warehouse number.
Stock Keeping Unit File	Contains information about stock keeping units.
stocking matrix	Defines which warehouse is the stocking warehouse for an item for the purpose of replenishment. Defines how an item is stored and reordered at each warehouse.
Stocking Matrix File	The file in which the stocking matrix is maintained. It controls purchasing and back orders in a multi-warehouse environment.
stocking warehouse	The warehouse which stocks the material. On a transfer, the stocking warehouse transfers to the destination warehouse.
string search	A search for a set of consecutive characters that can be in any part of the variable being searched.
sub-list price	A price separate from LP on which other prices are based.
Supplier File	Contains essential information about each supplier including the address which will appear on checks, summarized AP statistics, and AP system parameters.
Supplier Statistics by Branch File	For inquiry purposes only, displays the Sales Analysis Screen for each supplier at each branch.
SY	Square yards.
tax code	A two-character code representing a state or provincial tax.
Tax File	Contains the tax rates in percentages for states, counties, cities, and provinces in which customers reside.
terms code	A code representing terms of payment.
terms override	Overrides normal terms for the customer or product.
third column pricing	A pricing scheme in which the third column quantity break, usually the lowest price, is allowed regardless of the quantity ordered.
total adjustments	Total dollar value of all adjustment categories.
TT	Transaction type.
Stock Keeping Unit File	Contains information about stock keeping units.
turns	Cost of sales divided by the average value onhand.
turn & earn	Turns multiplied by gross profit percentage.
UCC	Uniform Code Council. A unified council which sets standards.
U/M	Unit of measure.
unit of measure	The unit, such as EA, SY, or SF, used in expressing quantities and prices.
UPS	United Parcel Service.

user control panel	A set of parameters and restrictions that affects how the system is utilized based on the user identification (sign-on name).
utility	Capability of a program, system, or device to perform the functions for which it was designed.
value onhand	Average cost multiplied by quantity onhand.
variables	Fields or values that can be changed or substituted based on the context in which they are used.
variance amount	The dollar variance between actual and budget.
Vendor File	Contains information about your vendors that can be used by AP.
vendor number	Number assigned to each vendor for accounts payable.
vendor policy codes	Used to trigger special processing or to identify certain vendors or circumstances.
Warehouse File	Used to designate separate stocking locations or shipping points.
warehouse number	A warehouse number of code assigned to each warehouse.
wear code	Code indicating the durability of a product.
workstation	A functional unit, terminal, or personal computer at which a user works.

