

CHAPTER 4: ORDER PROCESSING – SALES AND RECEIVABLES

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Overview

This chapter contains more information on the Order Processing functionality within Microsoft® Business Solutions–Navision®. In this chapter, you build upon the knowledge you gained in the previous chapter by using Sales Order Processing functionality in Microsoft Navision.

This chapter is divided into two sections. In each section, you perform a series of scenarios aimed at not only making you more familiar with carrying out business processes and finding information, but also with allowing you to have a better overall idea of how information is processed within Microsoft Navision.

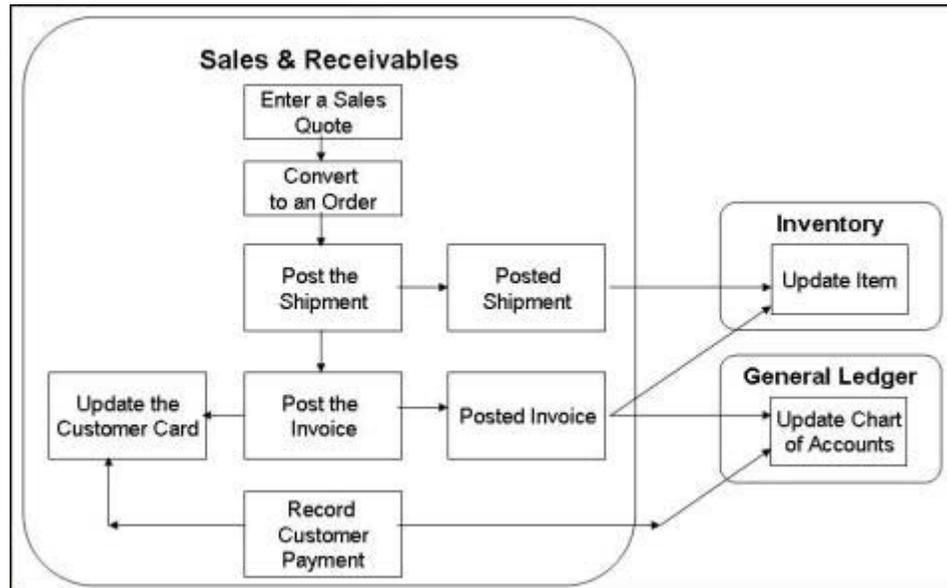
In the first section, Sales Order Processing, you perform a series of scenarios aimed at making you more familiar with the information flow in Microsoft Navision. The processes are:

- Creating a Customer
- Creating a Sales Quote
- Examining the Sales Order
- Examining the Posted Sales Invoice History
- Examining the Customer Card Ledger Entries
- Examining the Item Ledger Entries

In the second section, Receivables Processing, you review the Accounts Receivable Aging report and post a Cash Receipt.

Processing Overview

The following diagram is a visual representation of the process steps performed in Sales and Receivables and the impact that the processing will have on other application areas. The steps mirror what we did in Chapter 3, with the addition of entering a Quote that is converted to an Order.



Begin by creating a Customer. Next create a Sales Quote, then using functionality to convert the Quote to an Order. For the Quote, use the new customer and the Item created in Chapter 3 (Paint, sunflower yellow) to make it easier to review posted entries after processing.

Next, post a Shipment – the equivalent of the Receipt on the Purchase side. Then, post the Invoice from the Order. This updates the Customer card for the receivable and update the Chart of Accounts as well. The exact accounts updated in the Chart of Accounts depends upon the posting options selected in a company; any explanation beyond that is covered in later classes.

Finally, record the payment from the Customer utilizing the Cash Receipt functionality in Microsoft Navision. This process updates both the Customer's balance and the balance in the Chart of Accounts.

Because this process mirrors the work we have done in Purchases and Payables, we will be able to move through the steps more quickly. We will now go to Microsoft Navision and create the Customer and then begin processing.

New Customer Setup

Scenario 1: Your other responsibility as the Accounting Clerk for Cronus International is to set up new Customers. The customer referred to in the previous chapter would like to place an order for the Sunflower Yellow paint.

In this section you create the new customer. You will not be defining every field on the Customer card, only those that are necessary for processing and posting Sales and Receivable transactions.

***NOTE:** You can always find more information about fields by using the F1 help or clicking on the What's This? button and then clicking in the field in question.*

Change the Work Date

In this database, all postings must happen between November – February.

1. Click TOOLS→WORK DATE. The Work Date window appears.
2. Type 01/10/04.
3. Press ENTER or click **OK**.

Customer Setup

On the Sales & Marketing menu, click ORDER PROCESSING→CUSTOMERS. The Customer Card window appears:

The screenshot shows the 'Customer Card' window for '10000 The Cannon Group PLC'. The window has a blue title bar and a toolbar at the bottom with 'Customer', 'Sales', and 'Help' buttons. The main area is divided into several tabs: 'General', 'Communication', 'Invoicing', 'Payments', 'Shipping', 'Foreign Trade', and 'Commerce Portal'. The 'General' tab is active, showing fields for 'No.' (10000), 'Name' (The Cannon Group PLC), 'Address' (192 Market Square), 'Post Code/City' (GB-B27 4KT, Birmingham), 'Country Code' (GB), 'Phone No.', 'Primary Contact No.', 'Contact' (Mr. Andy Teal), 'Search Name' (THE CANNON GR...), 'Balance (LCY)' (168,364.41), 'Credit Limit (LCY)' (0.00), 'Salesperson Code' (PS), 'Responsibility Center' (BIRMINGHAM), 'Service Zone Code' (M), 'Blocked', and 'Last Date Modified' (06/29/04).

1. Press F3, or click the **Insert** button on the Toolbar, to insert a new Customer Card.
2. In the **No.** field, press ENTER to automatically assign a number from the No. Series.

3. In the **Name** field, type Beef House Outlet.
4. In the **Address** field, type 21 Bahnhofstrasse.
5. In the **Post Code** field, type DE-27624.
6. Notice that the **City** field did not automatically populate with the city name as it did in the last chapter. This is because the **Post Code** field will allow you to enter a Post Code that does not have an assigned city. In this case, you must manually enter the city name.

In the **City** field, enter Bederkesa.

7. In the **Country Code** field, enter DE.
8. In the **Contact** field, enter Martin Illum Lotz.
9. Click on the **Invoicing** tab.
10. In the **Gen. Bus. Posting Group** field, lookup to the Gen. Business Posting Groups window. Click on the record indicator on the line for EU and click **OK** and press ENTER.
11. The **VAT Bus. Posting Group** field should populate with EU. Do not change this as it has defaulted in from the Gen. Business Posting Group setup.
12. In the **Customer Posting Group** field, lookup to the Customer Posting Groups window. Click on the record indicator on the line for FOREIGN and click **OK**.
13. Click the **Payments** tab. Here you can set default values for the Application Method, Payment Terms, Payment Method, Reminder Terms, and Finance Charge Terms. Leave the default Application Method of Manual.
14. In the **Payment Terms Code** field, lookup to the Payment Terms window. Click on the record indicator on the line for 7 DAYS and click **OK**.
15. Click on the **Foreign Trade** tab.
16. In the **Currency Code** field, lookup to the Currencies window. Click on the record indicator on the line for EUR and click **OK**.
17. Close the Customer Card window.

The Customer card setup is complete for this scenario. Now we create a sales quote.

***HINT:** It is not necessary to lookup to all of the windows that we have in this scenario to enter information. If it saves time you may enter the information directly into the fields.*

Creating a Sales Quote

Scenario 2: Now that the Customer has been created, you need to generate a Sales Quote for the new paint. Later in this section, a Sales Order will be created directly from the Quote.

On the Sales & Marketing menu, click ORDER PROCESSING→QUOTES. The Sales Quote window appears:

Similar to the Purchase Order you created in the previous chapter, the Sales Quote is divided into two sections; the header on top and the lines on the bottom. The Sales Quote, Order, and Invoice, however, have an additional side panel which provides the user with quick access to Customer Information.

1. Press F3 to insert a new Sales Quote.
2. Press ENTER to automatically assign a No.
3. In the **Sell-to Customer No.** field, lookup to the Customer List window. Locate the customer you created in the last section: Beef House Outlet and press ENTER twice.
4. Notice that some of the other fields in the header automatically populate with information from the Customer card you previously created. If changes need to be made for this specific quote, you may make them on this form without the changes being saved to the Customer card.
5. Click in the lines section.

6. The first field is the **Type** field. Press F6 to view the options list. Since we are quoting an item, select Item from the list.
7. Press TAB or ENTER to move to the next field. Press F6 to lookup to the Item list. Locate the item you created in the previous chapter: Paint, sunflower yellow. Press ENTER twice to select this item and commit the item number to the field.
8. In the **Location Code** field, type Green. Notice in the pane on the right side of the quote, the Availability equals 0. This is because when the product was ordered, it was assigned to the BLUE **Location Code**. This location code does not need to be specified in the quote line unless it is important that the item be shipped from a certain location. For this scenario, we will fill in the **Location Code** field – type Blue. The Availability now equals 200.

The functionality of the Customer and Item Information areas of the Sales Quote, Order and Invoice will be defined in later courses.

9. In the **Quantity** field enter 100.

Now we are ready to convert this quote into an order. In Microsoft Navision, quotes can sit idle for a nearly indefinite period of time before being made into an order. This is useful when customers need time to review a quote that you sent to them.

10. Click **Make Order**.

11. A message appears asking if you want to convert the quote to an order. Click **Yes**.

A notification window pops up telling you the order number that your quote has just become. Make note of this number. Press F5 and look for the quote that you just converted. You will find that it has gone away. Sales Quotes that are converted to orders do not remain in Microsoft Navision, since all the information is transferred to the order. Next we look at the order you just created.

Sales Order Processing

Scenario 3: Now that we have turned the Sales Quote into a Sales Order, we will look at our order and prepare it for posting. To save shipping charges, the Customer has asked that you break the order into two shipments but only invoice for the entire order.

Process the Sales Order

On the Sales & Marketing menu, click ORDER PROCESSING→ORDERS. The Sales Order window appears:

T...	No.	Description	Location ...	Quantity	Reserve...	Unit of M...	Unit Pric...
I...	LS-MAN-10	Manual for Loudspeakers	WHITE	4		PCS	

1. In the **No.** field, press F5 to lookup to the Sales Order List window and find the order you have just created.

Notice how the header information has been transferred from the quote. This information can be edited for just this order here, without it being saved to the Customer card.

2. Notice the **Document Date** field in the header. Combined with the Payment Terms that you defined earlier for this customer, the due date is determined. The due date and payment terms can be seen by clicking on the **Payments** tab.
3. In the lines, scroll to the right to the **Qty. to Ship** and **Qty. to Invoice** fields. These fields have the same functionality as the **Qty. to Receive** and **Qty. to Invoice** fields on the Purchase Order, only for partial Shipments rather than Receipts.

Now we will partially ship this order. We will send half the order, and not invoice for any of the product until the second half of the product is shipped.

4. Change the **Qty. to Ship** value to 50.
5. Clear the **Qty. to Invoice** field.
6. Click ORDER→STATISTICS. The Sales Order Statistics window appears.

***HINT:** Order statistics can be seen at any time from the Order card by pressing F9.*

7. The **General** tab has numbers that correlate to the end result of the transaction, while the **Invoicing** and **Shipping** tabs only contain information pertaining to the numbers contained in the **Qty. to Invoice** and **Qty. to Ship** fields.
8. Close the Sales Order Statistics window.
9. Click POSTING→POST (F11). The Posting dialogue window appears.
10. Since we have chosen not to invoice at this time, select Ship and click **OK**.
11. Click ORDER→SHIPMENTS. The Posted Sales Shipment window appears. Here we can see the shipment that has been made for this order. More information can be obtained by clicking SHIPMENT→CARD.
12. Close the Shipment Card and Posted Sales Shipments window.

Now we will completely ship and invoice the Sales Order. Notice that the **Qty. to Ship** and **Qty. to Invoice** fields automatically populated with the values that remain after you posted the first shipment. This eliminates the data entry that we would have to do.

13. Post the Sales Order by pressing F11.
14. Select **Ship and Invoice** and click **OK**.

Now that you have completely shipped and invoiced the order, you will notice that it has disappeared and you are looking at a different Sales Order. Again, when Orders and Invoices are posted in Microsoft Navision they become posted documents.

15. Close the Sales Order window.

On the Sales & Marketing menu click HISTORY→POSTED INVOICES. The Posted Sales Invoice window appears.

Press F5 to view the Posted Sales Invoice list. Find the posted sales invoice that corresponds to the order you just posted. Notice that all the original information for the sales order is here for review. Next we look at some other places you can see the results of posting a sales order.

Close the Posted Sales Invoice window.

Customer Ledger Entries

When ledger entries are accessed from a customer card, Microsoft Navision automatically filters on the entries that pertain to that customer. This is a very convenient way of seeing all the entries that pertain to the customer.

1. On the Sales & Marketing menu click ORDER PROCESSING→CUSTOMERS. The Customer Card window appears.
2. Locate the Customer card for Beef House Outlet and click CUSTOMER→LEDGER ENTRIES. The Customer Ledger Entries window appears.

Notice that the entire amount of the Invoice appears in the **Original Amount**, **Amount** and **Remaining Amount** fields. Once a full payment has been posted and applied, the **Remaining Amount** will be 0.

Scroll to the right and click in the **Due Date** field. At first it appears that this field is non-editable but if you press F2, you will see that you can edit this field. Microsoft Navision allows Due Dates, Discount Dates and Discount Amounts to be edited. Do not change the **Due Date**.

3. Close the Customer Ledger Entries and Customer Card windows.

***HINT:** From any card in Microsoft Navision the associated ledger entries can also be seen by pressing CTRL + F5.*

Item Ledger Entries and Value Entries

Another way that Microsoft Navision keeps track of the transaction that was made is in the Item Ledger entries. This information is seen according to what items were purchased, as opposed to which customer the purchase was made by.

1. From the Sales & Marketing menu, click INVENTORY & PRICING→ITEMS. The Item Card window appears.
2. Press F5 or click the **List** button to display the Item List. Locate Item Paint, sunflower yellow and click on the line and press ENTER or click on **OK**.
3. Press CTRL + F5 to open the Item Ledger Entries window.

There are now four entries in this window: two purchase entries and two sales entries (see the **Document Type** field). Note that the **Remaining Quantity** field for the first three lines is 0 while the last line is 100. Because we shipped and invoiced 100, there are only 100 left in inventory. You may also notice that the **Sales Amount (Actual)** fields are populated with the sales value for the Sales entries.

4. Click on the first Sales entry and click ENTRY→VALUE ENTRIES. The Value Entries window appears.

There are two Value Entry lines: one for the Shipment and one for the Invoice. The two lines can be distinguished by looking at the **Item Ledger Entry Quantity** and **Invoiced Quantity** fields. The Shipment line will have a value in the **Item Ledger Entry Quantity** field but not in the **Invoiced Quantity** field. The Invoice line will be the opposite; the **Invoiced Quantity** field will have a quantity while the **Item Ledger Entry Quantity** field will be 0. In addition, the lines will have different document numbers.

5. Escape back to the Item Ledger Entries window.
6. Click on the next Sales entry line and click ENTRY→VALUE ENTRIES.

This Value Entry only displays a single line, with quantities in both the **Item Ledger Entry Quantity** and **Invoiced Quantity** fields. These fields are both populated because you posted the Shipment and Invoice simultaneously (using the Ship and Invoice posting option) during the final posting of the Sales Order. You will learn more about Item Ledger Entries and Value Entries in later courses.

7. Close the Value Entries, Item Ledger Entries, and Item Card windows.

Test Your Skills – Create a Sales Order

Scenario: In Cronus International, Ltd. you are the clerk responsible for filling new orders. You have received another order from Beef House Outlet for 10 bicycle tires and you now need to create the order. Post the order.

Create a new sales order for Beef House Outlet, and use the following data:

Posting Date	01/31/04
Type	Item
No.	1160
Quantity	10
Unit Price	41
Qty. to Ship	10
Qty. to Invoice	10

All Skill Levels

Your tasks are as follows:

1. Use the information provided above, and then post the sales order. Use the Ship and Invoice option to post.
2. Find the results of your transaction in the Item Ledger Entries and the Customer Card Ledger Entries.

Need a Little Help?

- Go to SALES & MARKETING→ORDER PROCESSING→ORDERS.
- Fill in the Sales Header by looking up and finding the Customer No. for Beef House Outlet. The rest of the information will come in accordingly.
- Fill in the Sales Lines using the data above.
- Find the Item Ledger Entries by clicking on INVENTORY & PRICING→ITEMS. Find the item named Tire and then from its item card press CTRL + F5 to see the ledger entries.
- On the Customer Card for Beef House Outlet, press CTRL + F5 to see the ledger entries.

Receivables Processing

In this section you will run the Aged Accounts Receivables report, post a cash receipt, and apply the cash receipt. We will not be defining every field on the report request form or the Cash Receipts window. For more information about the other fields, please use the F1 help.

Running the Aged Accounts Receivables Report

Scenario 4: As the Accounting Clerk for Cronus International, you are also responsible for running the Aged Accounts Receivable report to make collection calls on past due customer accounts. Run the report for the Beef House Outlet, aged as of 01/31/04.

1. On the Financial Management menu, click RECEIVABLES→REPORTS→AGED ACCOUNTS RECEIVABLE. The Aged Accounts Receivable window appears.
2. On the **Customer** tab, define various filters to sort the data you would like to view. For this scenario, we want to view only the information regarding the customer we have created. On the No. line, lookup to the Customer list and find the customer Beef House Outlet.
3. Click the **Options** tab. Here you define various other parameters by which you would like to view the data.



4. In the **Aged As Of** field, type w for the work date.
5. In the **Aging by** field, leave the Due Date selection.

6. In the **Period Length** field, type 30D. This means that the report will be broken into 30 day periods. All other fields can be left with their default values.
7. Click **Preview**.

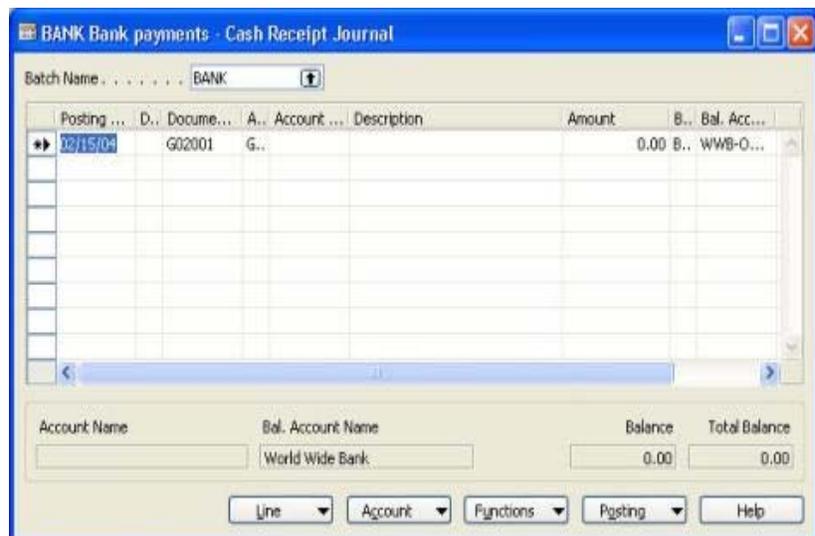
Take a few minutes to try different options within this report for the customer.

As you have seen, the full integration of receivables functionality within Microsoft Navision makes it easy to access the data that was created as a result of our transactions. Next you will post the cash receipt for this order.

Cash Receipt Posting

Scenario 5: The Beef House Outlet has sent you a check for the paint. As the Accounting Clerk, your next assignment is to post the receipt of payment. The check number is 44695.

1. For this scenario, the **Work Date** should be set to 02/15/04.
2. On the Financial Management menu, click RECEIVABLES→CASH RECEIPT JOURNALS. The Cash Receipt Journal window appears:



3. Make sure that the **Batch Name** field reads BANK. If it does not, lookup to the General Journal Batches window and select it.
4. In the **Posting Date** field, type w for the Work Date (2/15/04).
5. In the **Document Type** field, choose Payment.
6. Click VIEW→SHOW COLUMN. Select the **External Document No.** field.
7. In the **Account Type** field, choose Customer.

8. In the Account No. window, lookup to the Customer List and find the record for Beef House Outlet. Select the record and click **OK**.
9. In the **Applies-to Doc. Type** field, choose Invoice.

Now choose which Invoice to apply this payment.

10. In the **Applies-to Doc. No.** field, lookup to the Apply Customer Entries window.

Notice that the only invoices that appear are those that meet the criteria you already set in the Journal line. Microsoft Navision uses the information in the **Account Type**, **Account No.**, and **Applies-to Doc. Type** fields to filter the information down to only records that are pertinent.

11. Select the invoice with a **Remaining Amount** of 418.10 and click **OK**.

Notice how the **Amount** field automatically populates with the full invoice amount.

12. Press F11 to post the Journal Line.
13. A message appears asking if you want to post the journal line. Click **Yes**.

Customer Ledger Entries

Go to the Customer card to view the entries made in the last scenario.

***NOTE:** These results are based on the understanding that you created the Sales Order in the Test Your Skills activity.*

1. On the Sales & Marketing menu, click ORDER PROCESSING→CUSTOMERS. The Customer Card window appears.
2. Locate the Beef House Outlet Customer.
3. On the **General** tab, note that the **Balance (LCY)** field is 264.78. The **Balance (LCY)** field displays amounts in local currency. Since we have an open invoice, this is the balance in our local currency. You will see in a moment that the Open invoice is in the amount of 410.00 (EUR). Cronus International's currency is (GBP).
4. In the **Balance** field, press F6 to go to the Customer Ledger Entries. The Customer Ledger Entries window appears.
5. There are three entries now: two Invoices and one for the Payment received. The **Document Type** field displays the type of entry.

6. Scroll to the right. Notice that the **Remaining Amount** field is 0 and the **Open** check box is empty for the lines applied in the last scenario.
7. With the record indicator on the Payment Line (Document Type = Payment), click ENTRY→APPLIED ENTRIES. The Applied Customer Entries window appears.

This window indicates that the payment has been applied to the invoice. If the payment had been applied to other entries (invoices and/or credit memos) they would also be displayed in this window.

8. Close the Applied Customer Entries, Customer Ledger Entries, and Customer Card windows.

Test Your Skills – Post a Cash Receipt

Scenario: In Cronus International, Ltd. You are the clerk responsible for posting received payments. You have received another payment from Beef House Outlet for the remaining balance on an invoice and you now need to post the payment.

Create a new cash receipt journal line for Beef House Outlet, and use the following data:

Posting Date	2/25/04
Document Type	Payment
External Document No.	44703
Account Type	Customer
Customer	Beef House Outlet
Amount	410.00 (EUR)
Balance Account Type	Bank Account
Balance Account No.	WWB-OPERATING
Applies to Document Type	Invoice

All Skill Levels

Your tasks are as follows:

1. Use the information provided above, and then post the cash receipt. The payment is for the remaining balance of the sales order for yellow sunflower colored paint.
2. Post the journal line.

Need a Little Help?

- Go to FINANCIAL MANAGEMENT→CASH RECEIPT JOURNALS.
- Fill in the Journal Line by looking up and finding the **Customer No.** for Beef House Outlet. Then use the data above to fill in the rest of the information.
- Post the Journal Line (Remember: F11).

Quick Interaction: Lessons Learned

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

1.

2.

3.
