Simple scenario of the third ERP MS NAV 2009 session Discounts IX.

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Reason : Orientation in the MS Dynamics. Material helping to understand basic discount principles and one basic type of financial reporting (accounting schedules)

For : MPH_AOMA students and BPG_EPS1 Students as well

Used database : MS Dynamics NAV 2009 W1 (British one)

Used abbreviations : Q=question, G/L=General Ledger, Simple Scenario = SS,

PWP=Power-Point

Accompanying material : PWP X (Discounts) and PWPXXI (Accounting Schedules)

1. **Example :** You have one item e.g. 1964-W and on TAB Invoicing you have Unit price e.g. **292.** Go there and see !
2. You have one client who is buying a lot of different items. So you would like to give him some discount. First discount type is Price discount, meaning change of standard unit price (actually it is 292). So we wish to grant him unit price 280 instead of 292!
3. You have two possibilities to do so : One is changing manually this price in the Sales line by rewrite it) :

Type	No.	Description	Location Code	Quantity	Reserved Quantity	Unit of Measu...	S.. P..	Unit Price Excl. VAT
Item	1964-W	INNSBRUCK Storage Unit/G.Door	BLUE			PCS		292,00

To

Type	No.	Description	Location Code	Quantity	Reserved Quantity	Unit of Measu...	S.. P..	Unit Price Excl. VAT	Li E
Item	1964-W	INNSBRUCK Storage Unit/G.Door	BLUE			PCS		280,00	

4. Second possibility is to do it automatically for one chosen client or even for some group of client or for all clients and for specific period only. Jump from already created Sales line from field Item number to the list of Items. Cursor should be located on Item 1964-W. Then use button **Sales** and make choice **Prices**. Put the mouse cursor on Sales Code field Customer 10000, then enter Item code and enter new Unit Price to 280. Then go to the next line and do the same, but add to field Minimum value 10 and enter price 270. And leave this form (window) by ESC key (2x). You are again in Sales line :
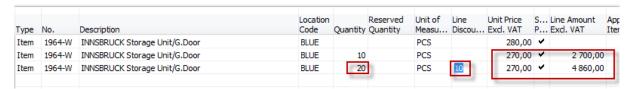
Sales Type	Sales Code	Item No.	Unit of Me...	Minimum Qua...	Unit Price	St
Customer	10000	1964-W		0,00	280,00	
Customer	10000	1964-W		10,00	270,00	

5. In Sales line create another Sales line with same Item and enter Quantity 20. Automatically you will get another modified price 270. It is called **bulk or quantity discount** used mainly in retail business.

6. Then you would grant to the same client some % discount in Sales line. You can enter it again manually, but let do it automatically again. Jump from already created Sales line from field Item number to list of Items. Cursor should be again on 1964-W. Then use button Sales and make choice Line Discount. And enter Minimum Quantity =20 and Line Discount %=10

Sales Type	Sales Code	Type	Code	Unit of Mea...	Minimum Quantity	Line Discount %	Starting Date
Customer	10000	Item	1964-W		20,00	10,00	

7. Go back to sales lines by 2 x ESC. Enter third line with the same Item and enter quantity 20

Type	No.	Description	Location Code	Quantity	Reserved Quantity	Unit of Measu...	Line Discou...	Unit Price Excl. VAT	S... P...	Line Amount Excl. VAT	App Iter
Item	1964-W	INNSBRUCK Storage Unit/G.Door	BLUE			PCS		280,00	✔		
Item	1964-W	INNSBRUCK Storage Unit/G.Door	BLUE	10		PCS		270,00	✔	2 700,00	
Item	1964-W	INNSBRUCK Storage Unit/G.Door	BLUE	20		PCS	10	270,00	✔	4 860,00	

8. Now it is clear as daylight how the system calculated final price (20*270*0,9=4860).
9. Third possibility is to reward client if final amount on future invoice will be higher than predefined limits (amounts). It is called **Invoice discount.** Also used in retail business.
10. Go to menu Sales & Marketing->Order processing ->Customers->make choice of customer 10000 and go to the button Sales and make choice of Invoice Discount, Enter what can you see below :

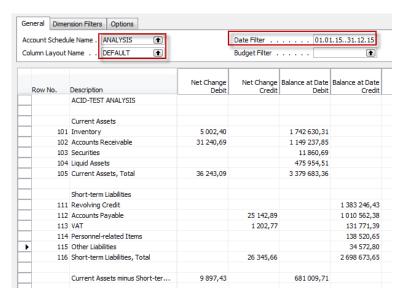| Code	Currency Code	Minimum Amount	Disco... %	Service Charge
10000		1 000,00	15	0,00

11. **ESC** and go to Order processing->put F3 in order to create new order with client 10000 in the header of this document. In the Sales line enter item 1964-W and quantity 25. Make F9 to see Statistics. What can you see? Do you have already price discount and Line discount granted ? What about Invoice discount ?

Type	No.	Description	Location Code	Quantity	Reserved Quantity	Unit of Measu...	Line Discou...	Unit Price Excl. VAT	S... P...	Line Amount Excl. VAT	A I
Item	1964-W	INNSBRUCK Storage Unit/G.Door	BLUE	25		PCS	10	270,00	✔	6 075,00	

General	Invoicing	Shipping	Prepayment	Customer

Amount Excl. VAT	6 075,00	Quantity . . .	
Inv. Discount Amount . .	0,00	Parcels	
Total Excl. VAT	6 075,00	Net Weight . .	
25% VAT	1 518,75	Gross Weight .	

And if F9 is pushed ->

12. **So we have to apply it manually based on our setup on Customer card**. Go to button Function from Sales order and make choice Calculate **Invoice Discount** (the first one from the top). To the question **Do you want to calculate** say YES and ENTER. Make **F9** (Statistics) and you see, that Invoice Discount was now granted !!! Then make a Print and Show Order confirmation .You see all discount calculated and granted. Post this Sales order by F11 !!! We will used posted data later by use of Accounting schedule functionality !!!

13. Basic financial reporting is done by running user defined reports called **Account Schedules**. This is, beside tens of predefined and existing reports, basic tool to access data of vital importance. All these reports use as a resource data General Ledger Entries created automatically by posting various documents (e.g. Sales and Purchase orders) by key **F11**.
14. Go to menu **Financial management ->General Ledger ->Analysis & Reporting**. There you can see **Account Schedules.**
15. In the form go to field **Name** in the header and find **Analysis.** There you see a template of the report created by somebody who already created demo database. In order to see data go to the button Accounting Schedule and push the only possible option there =Overview and You will see data taken from G/L entries based on initial setup of matrix lines and columns :

16. If you change Default Column layout Name to BUDGANAL (Budget Analysis) you close and open it again by Overview you will get different report.

17. Let´s create your own analysis !! Go to the Name field and in the list enter new analysis name (e.g. TEST) as it is shown below.
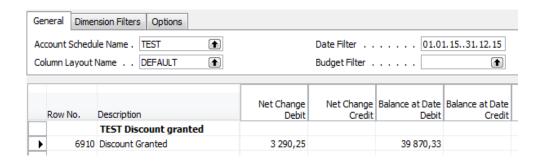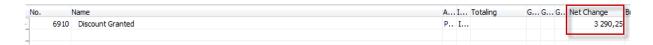

18. Make OK and Insert by button Function an account 6910 Discount Granted . Insert manually also the first line in analysis (TEST Discount Granted). Push button **Acc.Sched**. and Overview.
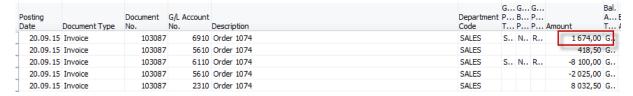

And you will get (after overview)

19. Go to the field Net Change Debit and **drill down** (here I have an amount 3290,25)

20. You will get :

21. Go to field **Net change** and make **drill down** again and you will get General Ledger
    Entries :

22. Go to menu **Financial management ->History->Register** and go to the last line with
    Source Code=Sales. From there by use of button Registers and choice General Ledger
    you will get :

And from there you can see an amount **1674,00** from our last posted invoice where we applied
Price, Line and Invoice discounts !!!!!!!!! The same amount was displayed in your simple Account
Schedule.

Now you are a Discount expert. Congratulation !!!!