

End-User Course

Inventory and Order Management

Sales and Purchases 2025 R1

Revision: 5/21/2025

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How To Use This Course

This course provides a set of lessons that illustrate sales and purchasing processes in a midsize company. The course consists of lessons that guide you step by step through the examples and explanations of the configuration and business process flow in Acumatica ERP.

What Is in This Guide

The guide includes the *Company Story* topic, process activities, and the *Additional References* topic. The *Company Story* topic explains the organizational structure of the company that has been preconfigured in the *U100* dataset, as well as the company's business processes and requirements. The primary content of a guide is configuration lessons and process lessons. Each of the process activities of the course is dedicated to a particular user scenario and consists of processing steps that you complete. The *Additional References* topic provides additional information on the processes that are described in the lessons, such as warehouse management, taxes, landed costs, and sales through a point-of-sale system (POS) system.

Which Training Environment You Should Use

All lessons of the course should be completed in an instance of Acumatica ERP 2025 R1 with the *U100* training dataset preloaded; this dataset provides the predefined settings and entities you will need as you complete the activities of this course.

You or your system administrator need to prepare an instance of Acumatica ERP 2025 R1 as described in the *How to Create a Tenant with the U100 Dataset* section below.

What Is in a Process Lesson

A *process lesson*—that is, a lesson dedicated to the performing of a particular business process—includes a brief user scenario and a description of the process workflow. It can also include process diagrams that illustrate the user scenario supported by this process. The lesson also provides a brief overview of the settings that need to be specified and the entities that need to be prepared in the system before you start to perform this business process.

Each process lesson includes at least one process activity that you have to complete in your Acumatica ERP instance to learn how to perform the described business process.

What the Documentation Resources Are

Acumatica ERP provides a wide variety of documentation resources, which you can access from this course, from the system, or from the *Help portal*. Links to related information are provided at relevant places throughout the course. The complete Acumatica ERP documentation is available on <https://help.acumatica.com/> and is included in the Acumatica ERP instance.

While viewing any form used in the course (or any other Acumatica ERP form), you can click the **Open Help** button in the top pane to bring up a form-specific Help menu; you can use the links on this menu to quickly access form-related concepts and activities and to open a reference topic with detailed descriptions of the form elements.

How to Create a Tenant with the U100 Dataset

Before you complete this course, you need to add a tenant with the *U100* dataset to an existing Acumatica ERP instance. You will then prepare the tenant for completing the activities. To complete this preparation, perform the following instructions:

1. Go to [Amazon Storage](#).
2. Open the folder that corresponds to the version of your Acumatica ERP instance.

3. In this folder, open the **Snapshots** folder and download the **u100.zip** file.
4. Launch the Acumatica ERP instance and sign in.
5. Open the [Tenants](#) (SM203520) form and click **Add New Record** on the form toolbar.
6. In the **Login Name** box, type the name to be used for the tenant.
7. On the form toolbar, click **Save**.



When you create a system tenant, you may be signed out after its creation, depending on how many non-System tenants your Acumatica ERP instance already had:

- If you started with one non-System tenant (to which you are signed in) and you create a new one, the system signs you out to switch from single-tenant mode to multitenant mode.
- If the instance had multiple non-System tenants and you create another, it is already in multitenant mode. Instead of being signed out, you wait until the system completes the operation and then proceed.

8. On the **Snapshots** tab, click **Import Snapshot**.
9. In the **Upload Snapshot Package** dialog box, select the **u100.zip** file, which you have downloaded, and click **Upload**.
The system uploads the snapshot and lists it on the **Snapshots** tab of the [Tenants](#) form.
10. Open the [Apply Updates](#) (SM203510) form and click **Schedule Lockout**.
11. In the **Schedule Lockout** dialog box, click **OK**.
12. Open the [Tenants](#) form again.
13. On the form toolbar, click **Restore Snapshot**.
14. If the **Warning** dialog box appears, click **Yes**.
15. In the **Restore Snapshot** dialog box, make sure that the correct snapshot package is being uploaded and click **OK**. The system will restore the snapshot and sign you out.
16. Sign in to the tenant that you have just created.
17. Open the [Apply Updates](#) form again.
18. On the form toolbar, click **Stop Lockout**.

Which Credentials You Should Use

To complete the lessons, sign in as the following users:

1. Lesson 1: *norman*
2. Lesson 2: *wiley*
3. Lesson 3: *wiley*
4. Lesson 4: *wiley*
5. Lesson 5: *becher*
6. Lesson 6: *norman*
7. Lesson 7: *norman*
8. Lesson 8: *wiley*
9. Lesson 9: *wiley*
10. Lesson 10: *wiley*
11. Lesson 11: *wiley*

12. Lesson 12: *wiley*

The password for each user is 123.

Which License You Should Use

For the educational purposes of this course, you use Acumatica ERP under the trial license, which does not require activation and provides all available features. For the production use of this functionality, you have to activate the license your organization has purchased. Each particular feature may be subject to additional licensing; please consult the Acumatica ERP licensing policy for details.

Company Story

This topic explains the organizational structure and operational activity of the company you will work with during this training.

Company Structure

The SweetLife Fruits & Jams company is a midsize company located in New York City. The company consists of the following branches:

- SweetLife Head Office and Wholesale Center: This branch of the company consists of a jam factory and a large warehouse where the company stores fruit (purchased from wholesale vendors) and the jam it produces. Warehouse workers perform warehouse operations by using barcode scanners or mobile devices with barcode scanning support.
- SweetLife Store: This branch has a retail shop with a small warehouse to which the goods to be sold are distributed from the company's main warehouse. This branch is also planning on selling goods via a website created on an e-commerce platform to accept orders online. The e-commerce integration project is underway.
- SweetLife Service and Equipment Sales Center: This branch is a service center with a small warehouse where juicers are stored. This branch assembles, sells, installs, and services juicers, in addition to training customers' employees to operate juicers.

Operational Activity

The company has been operating starting in the 01-2024 financial period. In November 2024, the company started using Acumatica ERP as an ERP and CRM system and migrated all data of the main office and retail store to Acumatica ERP. The equipment center began its operations in 01-2025 in response to the company's growth.

The base currency of the company and its subsidiaries is the US dollar (USD). All amounts in documents and reports are expressed in US dollars unless otherwise indicated.

SweetLife Company Sales and Services

Each SweetLife company's branch has its own business processes, as follows:

- SweetLife Head Office and Wholesale Center: In this branch, jams and fruit are sold to wholesale customers, such as restaurants and cafes. The company also conducts home canning training at the customer's location and webinars on the company's website.
- SweetLife Store: In the store, retail customers purchase fresh fruit, berries, and jams, or pick up the goods they have ordered on the website. Some of the goods listed in the website catalog are not stored in the retail warehouse, such as tropical fruits (which are purchased on demand) and tea (which is drop-shipped from a third-party vendor).
- SweetLife Service and Equipment Sales Center: This branch assembles juicers, sells juicers, provides training on equipment use, and offers equipment installation, including site review and maintenance services. The branch performs short-term service provision.

The company has local and international customers. The ordered items are delivered by drivers using the company's own vehicle. Customers can pay for orders by using various payment methods (cash, checks, or credit cards).

Company Purchases

The company purchases fruits and spices from large fruit vendors for sale and for jam production. For producing jams and packing jams and fruits, the company purchases jars, labels, and paper bags from various vendors. For

the internal needs of the main office and store, the company purchases stationery (printing paper, pens, and pencils), computers, and computer accessories from various vendors.

The company also purchases juicers and juicer parts from large juicer vendors, and it either purchases the installation service for the juicers or provides the installation service on its own, depending on the complexity of the installation.

Part 1: Sales

The lessons of this part explain how you perform processes related to sales, such as sales of stock items, direct sales, sales from multiple warehouses, and sales with drop shipment.

Lesson 1: Sales of Stock Items

This lesson explains how you can process a sale of stock items with shipping.

Sales of Stock Items: General Information

In a typical distribution organization, a customer order may be taken over the phone or received by email. In Acumatica ERP, you can process a sale of stock items by creating and processing a corresponding sales order. A sales order represents a customer request to buy particular goods in a specified quantity on a specified date.

Learning Objectives

In this lesson, you will do the following:

- Create a sales order with stock items
- Create the shipment for the sales order
- Confirm the shipment
- Create the invoice for the sales order
- Process the sales invoice and the related inventory and accounts receivable documents

Applicable Scenario

You process a sales order with a stock item if you need to record the sale of goods with shipping the items to a customer, updating item quantities in inventory, and preparing an invoice to the customer for the sold goods.

Sale of Stock Items with Automatic or Manual Allocation

The standard sales process typically includes entering a sales order, processing a shipment of the items with items being issued from inventory, and preparing the related invoice to a customer. In Acumatica ERP, to process a sale that requires the items to be shipped before an invoice can be prepared, you can use a sales order of the SO or SA type on the [Sales Orders](#) (SO301000) form. Consider the following points as you decide which of the order types to use:

- For a new order of the SO type, the items are not reserved in inventory automatically. You can manually allocate (reserve) the requested quantity for a specific stock item or multiple items if this is required by your company policies or was requested by the customer. Also, you may want to reserve a line item if the item is available but the quantity required for the order line is distributed between different warehouses and any transfers are required.
- When you save a new order of the SA type, the system automatically reserves the requested quantities of stock items for this order (or the available part, if only part of requested quantity is available for any item). If the ordered quantity cannot be fully allocated at the specified location or warehouse, you can manually allocate the unavailable quantity in other warehouses or locations. If you prepare a shipment for an SA order that has an unallocated quantity, the order will be shipped partially even if the ordered quantities are

available for shipping at another warehouse or warehouse location but were not allocated for this particular order.

On the **Details** tab of the *Sales Orders* form, you can view the allocation for each sales order line and change it, if needed, by clicking a line and clicking **Line Details** on the table toolbar. The quantities of the items that have been allocated for the order (automatically or manually) cannot be shipped for another order.

The way the order will be fulfilled depends on the item availability and on the shipping rules specified for the order and for the sales order lines on the *Sales Orders* form. These shipping rules determine whether the goods in the sales order should be shipped only in full, partial shipments for the available quantities are allowed with the remainder canceled, or partial shipments are allowed with the remainder on back order. For detailed information, see *Shipping Rule Combinations*. On the *Shipments* (SO302000) form, you can review the details of a shipment document prepared for an order; then you can confirm the shipment of items.



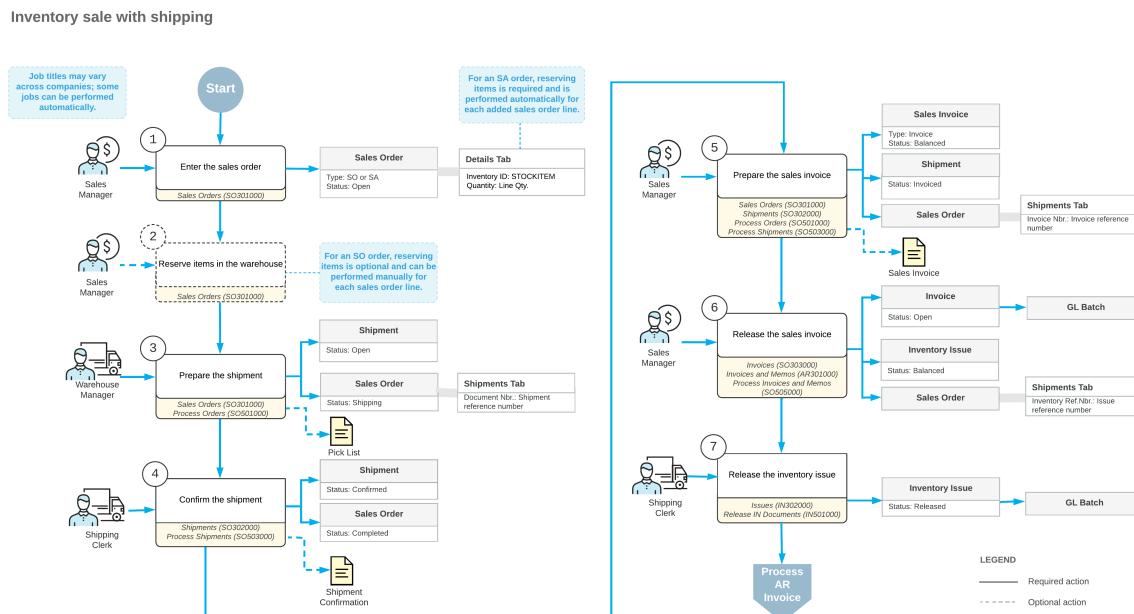
You can create a shipment only if each item listed on the **Details** tab of the *Sales Orders* form has a location for which sales are allowed—that is, the **Sales Allowed** check box is selected on the **Locations** tab of the *Warehouses* (IN204000) form.

After you have prepared and confirmed the shipment or shipments related to the sales order, you need to bill the customer for the shipped items by preparing a sales invoice, which is a financial document in the system that contains links to the applicable shipments and sales orders. You can review the prepared sales invoice on the *Invoices* (SO303000) form; then you can release it. When the sales invoice is released, the system automatically generates a corresponding inventory issue for the shipped items with the date and posting period of the invoice. Also, the sales invoice becomes visible on the *Invoices and Memos* (AR301000) form as an AR invoice.

An AR invoice on the *Invoices and Memos* form is a financial document that does not contain links to the applicable shipments and sales orders, as the sales invoice does. The AR invoice and sales invoice have the same reference number, which the system prints in the customer statement. On both the *Invoices* form and the *Invoices and Memos* form, you can view the link to the batch of the general ledger transactions that was generated when the invoice was released. For more information on processing AR invoices, see *Processing AR Invoices*.

Workflow of a Sale of Stock Items

For a sales order of the SO or SA type that includes stock items, the typical processing involves the actions and generated documents shown in the following diagram.



Sales of Stock Items: Process Activity

The following activity demonstrates how to prepare and process to completion a sales order with manual allocation of stock items.

Story

Suppose that you are Grace Norman, a sales manager of the SweetLife Fruits & Jams company. On January 30, 2025, the GoodFood One Restaurant wholesale customer has ordered a large amount of orange and apple jams in 96-ounce jars from the main office of SweetLife, where you are employed, for the café's baking needs. The ordered jams are stored in the warehouse of the SweetLife's main office. You, as a sales manager, need to enter and process the appropriate documents.

Configuration Overview

In the *U100* dataset, for the purposes of this activity, the following tasks have been performed:

- On the [Enable/Disable Features](#) (CS100000) form, the following features have been enabled:
 - *Inventory and Order Management*, which provides the standard functionality of inventory and order management
 - *Inventory*, which gives you the ability to maintain stock items by using forms related to the inventory functionality and to create and process sales and purchase documents that include stock items
- On the [Order Types](#) (SO201000) form, the *SO* order type has been configured and activated.
- On the [Customers](#) (AR303000) form, the *GOODFOOD (GoodFood One Restaurant)* customer has been configured.
- On the [Stock Items](#) (IN202500) form, the *APJAM96* and *ORJAM96* stock items have been configured.
- On the [Warehouses](#) (IN204000) form, in the *WHOLESALE* warehouse, which has been configured, sufficient quantities of the *APJAM96* and *ORJAM96* items are on hand.

Process Overview

To perform a sale of stock items with manual allocation, you create a sales order on the [Sales Orders](#) (SO301000) form, select the customer to which the items are being sold, add items to the order, and reserve the items in inventory. Then you create a shipment document on the [Shipments](#) (SO302000) form. On this form, you confirm the settings that the system has inserted automatically based on the sales order, and then confirm the shipment. After shipment confirmation, you use the [Invoices](#) (SO303000) form to prepare a corresponding invoice to the customer and release it.

System Preparation

Before you start performing a sale of stock items with manual allocation, you should do the following:

1. Launch the Acumatica ERP website with the *U100* dataset preloaded, and sign in to the system as sales manager Grace Norman by using the *norman* username and the *123* password.
2. In the info area, in the upper-right corner of the top pane of the Acumatica ERP screen, make sure that the business date in your system is set to *1/30/2025*. If a different date is displayed, click the Business Date menu button and select *1/30/2025* on the calendar. For simplicity, in this activity, you will create and process all documents in the system on this business date.
3. On the Company and Branch Selection menu, in the top pane of the Acumatica ERP screen, make sure the *SweetLife Head Office and Wholesale Center* branch is selected.

Step 1: Creating a Sales Order

To create a sales order, do the following:

1. On the [Sales Orders](#) (SO301000) form, create a sales order, and specify the following settings:
 - **Order Type:** SO
 - **Customer:** GOODFOOD
 - **Date:** 1/30/2025
 - **Requested On:** 1/30/2025
 - **Description:** Orange and apple jams



To open the form for creating a new record, type the form ID in the Search box, and on the Search form, point at the form title and click **New** right of the title.

2. On the table toolbar of the **Details** tab, click **Add Row**.
3. Specify the following settings in the added row:
 - **Inventory ID:** APJAM96
 - **Warehouse:** WHOLESALE
 - **Quantity:** 20
 - **Unit Price:** 45.15
4. On the table toolbar, click **Add Row**.
5. Specify the following settings in the added row:
 - **Inventory ID:** ORJAM96
 - **Warehouse:** WHOLESALE
 - **Quantity:** 20
 - **Unit Price:** 35.99
6. On the form toolbar, click **Save**.

The sales order is saved with the *Open* status.

Step 2: Allocating Inventory Items

To manually allocate the inventory items for the sales order you have created, while you are still viewing the sales order on the [Sales Orders](#) (SO301000) form, do the following:

1. On the **Details** tab, click the APJAM96 line, and review the Allocated quantity for the APJAM96 inventory item in the table footer (which is currently equal to 0 because the system does not automatically allocate stock items for SO orders).
2. On the table toolbar, click **Line Details**.
3. In the **Line Details** dialog box, which opens, make sure that WHOLESALE is selected in the **Alloc. Warehouse** column of the only row.
4. Select the **Allocated** check box for the allocation line.
5. Click **OK** to save the created allocation and close the dialog box.
6. In the table footer, review the Allocated quantity, and notice that it is now equal to the quantity specified in the line, which means that the item has been allocated in inventory.
7. On the form toolbar, click **Save**.

8. Click the *ORJAM96* line, and review the Allocated quantity for the *ORJAM96* stock item in the table footer (which is currently equal to 0 because the system does not automatically allocate stock items for SO orders).
9. On the table toolbar, click **Line Details**.
10. In the **Line Details** dialog box, which opens, make sure that *WHOLESALE* is selected in the **Alloc. Warehouse** column of the only row.
11. Select the **Allocated** check box for the allocation line.
12. Click **OK** to save the created allocation and close the dialog box.
13. In the table footer, review the Allocated quantity, and notice that it is now equal to the quantity specified in the line, which means that the item has been allocated in inventory.
14. On the form toolbar, click **Save**.

You have manually allocated the inventory items for the sales order. Now you need to create a shipment document for the sales order.

Step 3: Creating a Shipment

To create a shipment, do the following:

1. While you are still viewing the sales order you have created on the [Sales Orders](#) (SO301000) form, on the form toolbar, click **Create Shipment**.
2. In the **Specify Shipment Parameters** dialog box, which opens, make sure that the *1/30/2025* date and the *WHOLESALE* warehouse are selected, and click **OK**. The system closes the dialog box, creates a shipment, and opens it on the [Shipments](#) (SO302000) form.

Step 4: Confirming the Shipment

To confirm the shipment, do the following:

1. While you are still viewing the shipment on the [Shipments](#) (SO302000) form, review the lines on the **Details** tab. Make sure that both order lines have been included in the shipment and that the shipped quantity in both lines is equal to the ordered quantity.
2. In both lines, specify *Main* in the **Location** column.
3. On the form toolbar, click **Confirm Shipment**.

The shipment is assigned the *Confirmed* status. Now you can prepare the invoice to bill the customer and increase the customer's debt in the system.

Step 5: Processing the Invoice

To prepare and release the invoice, do the following:

1. While you are still viewing the shipment on the [Shipments](#) (SO302000) form, on the form toolbar, click **Prepare Invoice**. The system prepares the invoice and opens it on the [Invoices](#) (SO303000) form.
2. On this form, review the details of the prepared invoice. The invoice has two lines, as the initial sales order does. In the **Shipment Nbr.** and **Order Nbr.** columns of the **Details** tab, notice that the system has inserted the reference number links to the related shipment and sales order.
3. On the form toolbar, click **Release** to release the invoice. Wait for the system to complete the operation.
4. Return to the [Sales Orders](#) (SO301000) form, and open the sales order that you have processed.
5. On the **Shipments** tab, in the only row, click the link in the **Inventory Ref. Nbr.** column to view the inventory issue that was generated when you released the invoice.

6. On the [Issues](#) (IN302000) form, which opens in a pop-up window, review the details of the inventory issue, shown in the following screenshot. Make sure that the issue has the *Released* status, which means that the issue has been released and the quantities of items in inventory have been decreased appropriately.

Tran. Type	Inventory ID	Warehouse	Location	Quantity	UOM	Unit Price	Ext. Price	Unit Cost	Ext. Cost
Invoice	APJAM96	WHOLESALE	MAIN	20.00	PIECE	45.1500	903.00	6.7717	135.43
Invoice	ORJAM96	WHOLESALE	MAIN	20.00	PIECE	35.9900	719.80	2.2835	45.67

Figure: Inventory issue generated on release of the invoice

The sales order processing is now complete.

Lesson 2: Direct Sales

This lesson explains how you can process a direct sale of stock items.

Direct Sales: General Information

A point-of-sale (POS) system is an electronic system that is used to record the sales, payment, and return transactions of a retail store. The POS system can be operated by a cashier or can be a self-service terminal where customers perform all operations. Your organization can integrate Acumatica ERP with an external POS system for simplified processing of direct sales if the [Advanced SO Invoices](#) feature is enabled on the [Enable/Disable Features](#) (CS100000) form.

With a *direct sale*, a customer purchases and immediately procures goods and services in the retail store. These purchased items may or may not be linked to a sales order that the customer has placed previously. In the POS system, a direct sale is processed through the creation of a sales invoice on the [Invoices](#) (SO303000) form. The processing of the sales invoice records the sale and updates inventory without a sales order and a shipment being processed.

Learning Objectives

In this lesson, you will do the following:

- Create a sales invoice for a direct sale
- Add to the sales invoice a sale line not linked to a previously prepared sales order
- Add to the sales invoice a line with a link to a previously prepared sales order
- Process the direct sale to completion

Applicable Scenarios

You may need to create and process a direct sale in the following cases:

- A customer comes to the retail store, purchases goods, and directly procures the items, so that you need to process a direct sale through the POS system. In this case, you create and process only the sales invoice; there is no need to process a related shipment or sales order.
- A customer picks up all or a part of items included in a sales order that has been added to the system based on a phone or online sale. In this case, you need to process a direct sale through the POS system by linking the sales invoice you create to the related sales order.

Direct Sale Process

To process a direct sale, you create a sales invoice of the *Invoice* type on the [Invoices](#) (SO303000) form. To the sales invoice, you add a line for each item included in the sale, and specify the quantity of items to be sold. For serialized items, you should add a separate invoice line with this item and a quantity of 1 for each serial number.

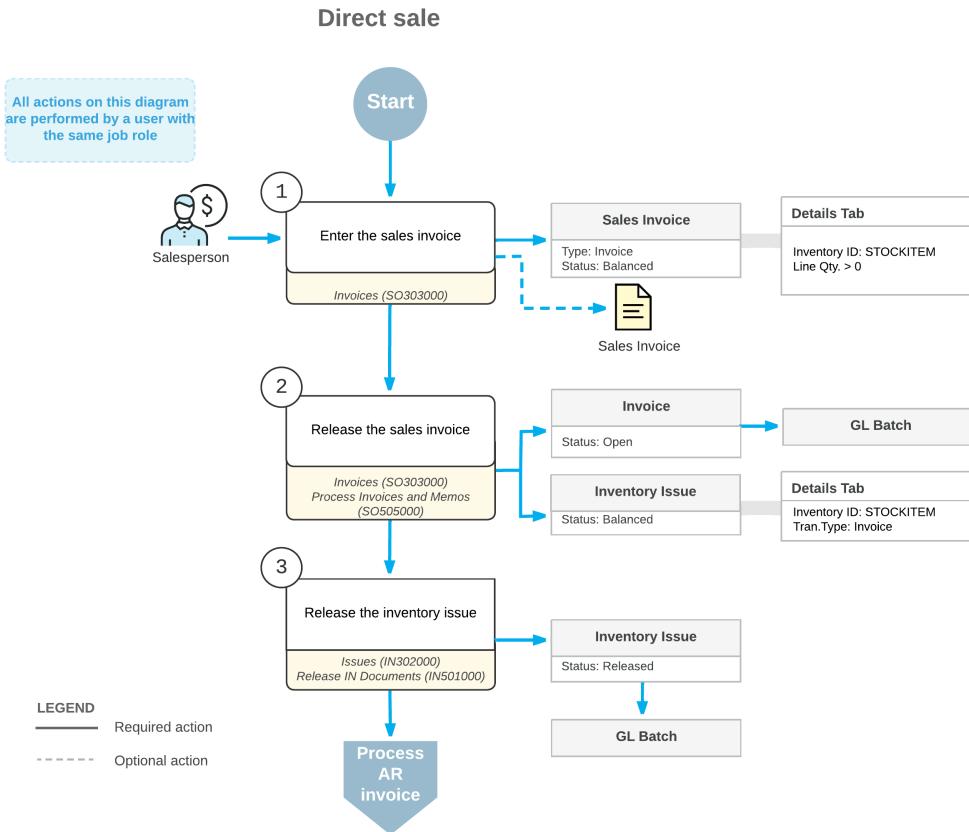
To release the sales invoice, you click **Release** on the More menu. The system does the following:

- Automatically generates a batch of general ledger transactions.
- Automatically generates and releases an inventory issue for the stock items, which causes the system to decrease the on-hand item quantity. For the lines in the sales invoice, the system adds to the inventory issue lines with the *Invoice* transaction type.
- Makes the invoice visible on the [Invoices and Memos](#) (AR301000) form as an AR invoice.

An AR invoice on the [Invoices and Memos](#) form is a financial document that does not contain links to the applicable shipments and sales orders, as the sales invoice does. The AR invoice and sales invoice have the same reference number, which the system prints in the customer statement. On both the [Invoices](#) form and the [Invoices and Memos](#) form, you can view the link to the batch of the general ledger transactions that was generated when the invoice was released. For more information on processing AR invoices, see [Processing AR Invoices](#).

Workflow of a Direct Sale

For a sales invoice created for processing a direct sale, the typical processing involves the actions and generated documents shown in the following diagram.



Direct Sales: Process Activity

In this activity, you will learn how to process a direct sale through a point-of-sale (POS) terminal, and how to link an existing sales order to the direct sale.

Story

Suppose that on January 29, 2025, an individual customer (that is, a customer purchasing items for personal use rather than for a company) ordered five small jars of apple jam and 15 pounds of oranges on the company's website, and selected the option to pick up the jars and pay for them in the SweetLife retail store. When the customer submitted the order on the website, a sales order was created in Acumatica ERP.

Then on January 30, 2025, the customer comes to SweetLife store and picks up ordered apple jam (five small jars) from the store shelves; the customer also picks up one small jar of orange jam (which was not in the online sales order). For the remainder of the website order, the customer asks to have the items shipped to the customer's address. The sales manager of the SweetLife store needs to scan the goods that the customer has picked up, enter them by using the POS terminal, and collect a payment from the customer. After the customer pays for the picked goods, sales manager Regina Wiley needs to give him a receipt. You will act as the sales manager in performing the needed actions in the system.

Configuration Overview

In the U100 dataset, for the purposes of this activity, the following tasks have been performed:

- On the [Enable/Disable Features](#) (CS100000) form, the following features have been enabled:

- *Inventory and Order Management*, which provides the standard functionality of inventory and order management
- *Inventory*, which gives you the ability to maintain stock items by using forms related to the inventory functionality and to create and process sales and purchase documents that include stock items
- *Advanced SO invoices*, which provides support for direct sales and returns and integration with POS systems
- In the SweetLife store, the integration between the store's POS system and Acumatica ERP has been configured to work as follows:
 - When a sales manager processes a sale through the POS system, the POS system creates two documents in Acumatica ERP by using the API: a sales invoice on the *Invoices* (SO303000) form with all the lines from the receipt given to the customer, and a released payment on the *Payments and Applications* (AR302000) form that is linked to the sales invoice.
 - If any lines of a direct sale relate to an existing sales order, the POS operator selects the needed lines directly via the POS terminal when processing a sale.



In this activity, to simulate the POS functionality that occurs in a production system, you will link lines of an existing sales order to lines of the sales invoice.

- When the sales manager releases the sales invoice, Acumatica ERP creates an inventory issue that decreases the quantities of items in inventory by the quantity of the sold items.
- On the *Customers* (AR303000) form, the *RETSALE (Individual Retail Customer)* customer has been defined. This is the customer account used to represent any individual customer making a retail purchase in the store.
- On the *Stock Items* (IN202500) form, the *APJAM08* and *ORJAM08* stock items have been created.

Process Overview

In this activity, to process a direct sale with a link to a sales order, you will create a payment on the *Payments and Applications* (AR302000) form that will later be applied to a sales invoice used to record the direct sale. Then you will create this sales invoice on the *Invoices* (SO303000) form. You will add the appropriate lines to the sales invoice. Then you will apply the payment to the sales invoice and release the sales invoice.

System Preparation

Before you start processing a direct sale with a link to a sales order, you should do the following:

1. Launch the Acumatica ERP website with the *U100* dataset preloaded, and sign in as sales manager Regina Wiley by using the *wiley* username and the *123* password.
2. In the info area, in the upper-right corner of the top pane of the Acumatica ERP screen, make sure that the business date in your system is set to *1/30/2025*. If a different date is displayed, click the Business Date menu button and select *1/30/2025* on the calendar. For simplicity, in this activity, you will create and process all documents in the system on this business date.
3. On the Company and Branch Selection menu in the top pane of the Acumatica ERP screen, select the *SweetLife Store* branch.

Step 1: Preparing a Payment

To prepare a payment document that represents the customer's payment for the direct sale, do the following:

1. On the *Payments and Applications* (AR302000) form, add a new record.
2. In the Summary area, specify the following settings:
 - **Type:** *Payment*

- **Customer:** RETSALE
- **Payment Method:** CASH
- **Cash Account:** 10100ST
- **Application Date:** 1/30/2025 (inserted by default)
- **Application Period:** 01-2025 (inserted by default)
- **Description:** Payment for retail sale
- **Payment Amount:** 26.34

3. On the form toolbar, click **Remove Hold**.

4. Click **Release**.



As an alternative to the workflow described in this activity, you can enter a sales invoice prior to entering a payment.

You have created and released the payment.

Step 2: Entering a Sales Invoice

To enter a sales invoice to record the direct sale, do the following:

1. On the [Invoices](#) (SO303000) form, add a new record.
2. In the Summary area specify the following settings:
 - **Type:** *Invoice*
 - **Customer:** RETSALE
 - **Date:** 1/30/2025 (inserted by default)
 - **Post Period:** 01-2025 (inserted by default)
 - **Description:** Retail sale, website order #00687 partial
3. On the **Details** tab, add a row for the jar of orange jam the customer picks up in the retail store, and specify the following settings:
 - **Branch:** RETAIL
 - **Inventory ID:** ORJAM08
 - **Warehouse:** RETAIL
 - **Quantity:** 1
 - **Unit Price:** 3.44
4. To add a line for the jars of apple jam in the already-entered sales order, on the table toolbar of the **Details** tab, click **Add SO Line**.
5. In the **Add SO Line** dialog box, which opens, select the unlabeled check box in the line with APJAM08 item, and click **Add & Close**.

The system adds the line to the sales invoice with a link to the sales order on which the item was added. Notice that in the **Order Type** and **Order Nbr.** columns in this line, the system has inserted the type of the related sales order and the link to the order. In the sales invoice line that you have added, these columns are empty thus indicating that this line is not related to a sales order.

6. On the form toolbar, click **Remove Hold**; the invoice now has the *Balanced* status.
7. On the form toolbar, click **Save**.

Step 3: Applying the Payment to the Sales Invoice

To apply the payment to the sales invoice, do the following:

1. While you are still viewing the invoice on the **Invoices** (SO303000) form, on the table toolbar of the **Applications** tab, click **Load Documents**. The system adds a line with the payment that you have created in Step 1 of this activity.
2. In the **Amount Paid** column, specify 26.34 (which is the payment amount to be applied to the invoice).
3. On the form toolbar, click **Save**.

Step 4: Releasing the Sales Invoice

To release the sales invoice, do the following:

1. While you are still viewing the sales invoice on the **Invoices** (SO303000) form, click **Release** on the form toolbar. Notice that the invoice now has the *Closed* status.
2. On the **Details** tab, in either of the invoice lines, click the link in the **Inventory Ref. Nbr.** column. The system opens the **Issues** (IN302000) form in a pop-up window with the inventory issue that was generated on release of the sales invoice.
3. On this form, review the details of the inventory issue, and make sure that it includes both invoice lines, and it has a status of *Released*.
4. Return to the **Invoices** (SO303000) form with the sales invoice that you have processed, and on the **Details** tab, click the **Order Nbr.** link in the **APJAM08** line to open the related sales order.
5. On the **Sales Orders** (SO301000) form, which opens in a pop-up window, review its details. On the **Details** tab, in the **APJAM08** line, notice that **Qty. on Shipments** is 5 and the **Open Qty.** is 0, which means that the line was shipped in full.
6. Review the **Shipments** tab. The processed sales invoice acts as a shipment for the related SO line with **APJAM08** item (see the following screenshot): On release of the sales invoice, the inventory issue that records the issuing of the items from inventory has been generated and released. The sales order retains a status of *Open*; the sales manager can process a shipment for the rest of the items to the customer's location.

The screenshot shows the Sales Orders (SO301000) form for Order Nbr. 000029. The form displays various details such as Order Type (SO), Customer (RETSALE - Individual Retail Customer), Location (MAIN - Primary Location), and Project (X - Non-Project Code). The Status is set to Open. The Payments tab shows a payment of 20.00. The Totals section shows a Tax Total of 3.45 and an Order Total of 56.45. The Shipments tab is active, showing a single shipment line for an Invoice. The shipment details are: Shipment Type (Invoice), Document Nbr. (Invoice_000127), Status (Auto-Generated), Shipment Date (1/30/2025), Shipped Qty. (5.00), Shipped Weight (0.000000), Shipped Volume (0.000000), Invoice Type (Invoice), Invoice Nbr. (000127), Inventory Doc. Type (Issue), and Inventory Ref. Nbr. (000075). The entire shipment row is highlighted with a red border.

Figure: Partial shipment of the sales order via the sales invoice

Lesson 3: Sales from Multiple Warehouses

This lesson explains how you can process a sales order with goods from multiple warehouses.

Sales from Multiple Warehouses: General Information

When you are entering a sales order, you may notice that some of the ordered items are not available in the warehouse from which you are going to ship the order, but the quantity needed to fulfill the order is available in another warehouse. For fulfilling this sales order, you need to allocate items in the other warehouse, and then transfer these items to the warehouse from which the order will be shipped. In Acumatica ERP, you can process the transfer of allocated goods from one warehouse to another by creating and processing a transfer order based on the applicable sales order.

Learning Objectives

In this lesson, you will do the following:

- Create a sales order with items allocated in different warehouses.
- Prepare a transfer order for a sales order.
- Process a transfer order to completion to transfer the included items.
- Process a sales order after the items have been transferred to the destination warehouse.

Applicable Scenarios

You may need to process a sales order with goods from multiple warehouses in the following cases:

- You have only a part of the ordered items in the warehouse specified in the sales order, but the rest of the items are currently available at another warehouse (or multiple warehouses), so the sales order can be completed with the items from different warehouses.
- Your company uses one warehouse as a distribution center, so that all items are received to this warehouse and then are distributed to smaller warehouses on demand.

Sale of Stock Items from Multiple Warehouses

When you process a sale of inventory items, you can reserve one line or multiple lines of an open sales order of the SO type in a warehouse other than the warehouse selected in the line. To be able to process a sales order with stock items that you have allocated (that is, reserved) in a remote warehouse (that is, a warehouse other than the one specified in the order), you first need to transfer the reserved items from the remote source warehouse (where you reserved the items) to the destination warehouse (for which the sales order is processed). For this purpose, you need to prepare and process a transfer order (that is, an order of the *TR* predefined order type).

The standard sales process typically starts with the entry of a sales order on the [Sales Orders](#) (SO301000) form. To obtain the sufficient quantity of items for the sales order, you manually reserve the quantity for each specific item in the source warehouse. For the items allocated in a warehouse other than the warehouse specified in the sales order, the system automatically generates transfer requests of the *SO Allocated* plan type based on which you generate transfer orders related to sales orders. To be able to complete the sales order, you need to perform a transfer of the items allocated in a source warehouse to the destination warehouse by creating and processing a transfer order (or multiple orders).

To create a transfer order for a sales order, while viewing the sales order with allocated items on the [Sales Orders](#) form, you click **Create Transfer Order** on the More menu; then you create one transfer order or multiple transfer orders on the [Create Transfer Orders](#) (SO509000) form, which opens. This form shows transfer requests for the sales orders that have the *Open* status.

A transfer order is fulfilled by one shipment or by multiple shipments from the source warehouse (in which the item is allocated) to the destination warehouse. You create a shipment for a transfer order from the [Sales Orders](#) form by

clicking **Create Shipment** on the More menu; on the **Shipments** (SO302000) form, which opens, you then confirm the shipment by clicking **Confirm Shipment** on the More menu.

To update the item quantities in the source warehouse and complete the shipment, while you are still viewing the shipment on the **Shipments** form, you click **Update IN** on the More menu; the system generates the two-step inventory transfer transaction, which issues items from the source warehouse. On release of this inventory transfer, the system generates a batch of general ledger transactions.

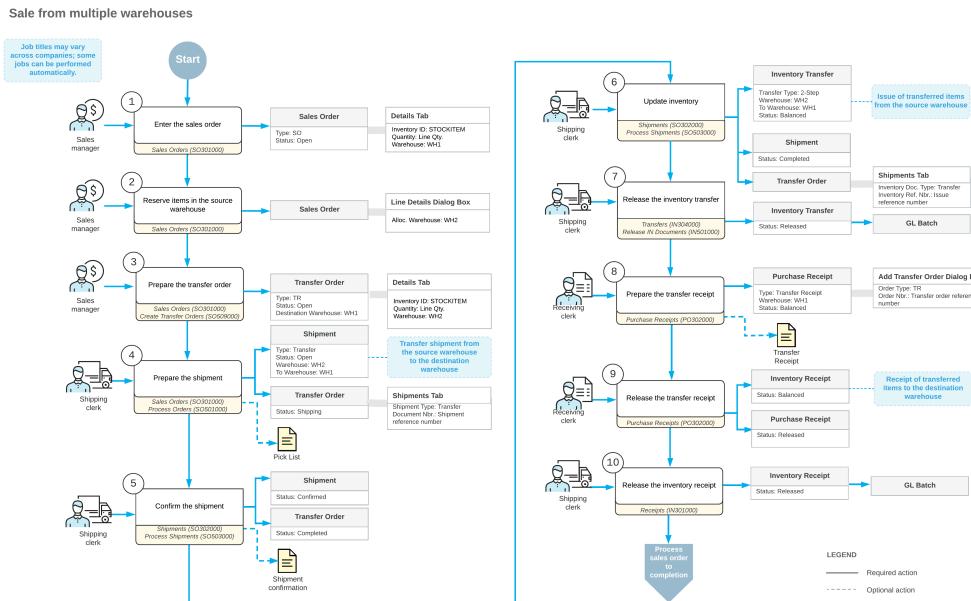
To complete the processing of the two-step inventory transfer, you prepare a transfer receipt to record the receiving of items to the destination warehouse. You manually create the transfer receipt (a receipt of the *Transfer Receipt* type) on the **Purchase Receipts** (PO302000) form and add to the receipt the lines from one transfer order or multiple transfer orders. A transfer receipt may include only some of the lines from a transfer order; also, you can change the quantity in a particular line if the items specified in this line were received partially.

On release of the transfer receipt, the inventory receipt transaction is generated in the system to reflect the receipt of the items to the destination warehouse. On release of the inventory receipt, a batch of GL transactions is generated. Thus, the quantity of the item that has been transferred from the source warehouse to the destination warehouse becomes available for sale.

After all transferred stock items have been received to the destination warehouse, you complete the sales order as you would if you had just entered it: You process a shipment of all items from the destination warehouse, and you process the related sales invoice. For details about the general steps of sales order processing, see [Processing Sales of Stock Items](#).

Workflow of a Sale from Multiple Warehouses

For a sales order for which the items have been allocated in multiple warehouses, the processing involves the actions and generated documents shown in the following diagram.



Sales from Multiple Warehouses: Process Activity

In the following activity, you will process a sales order with items allocated in multiple warehouses.

Story

Suppose that the FourStar Coffee & Sweets Shop customer ordered cherry jam in 32-ounce jars and lemon jam in 96-ounce jars at SweetLife's retail store. When entering this sales order, a sales manager has noticed that the 32-ounce jars of cherry jam are currently out of stock in the retail warehouse, and has decided to allocate the unavailable quantity of jam in the SweetLife's wholesale warehouse.

To complete the customer's request, acting as sales manager of the SweetLife store Regina Wiley, you need to enter the sales order and allocate the needed items, process a transfer of cherry jam from the wholesale warehouse to the SweetLife store's warehouse, and then process the sales order to completion.

Configuration Overview

In the *U100* dataset, for the purposes of this activity, the following tasks have been performed:

- On the *Enable/Disable Features* (CS100000) form, the following features have been enabled:
 - *Inventory and Order Management*, which provides the standard functionality of inventory and order management
 - *Inventory*, which gives you the ability to maintain stock items by using forms related to the inventory functionality and to create and process sales and purchase documents that include stock items
 - *Multiple Warehouses*, which provides the ability to process transfers of items between warehouses
- On the *Warehouses* (IN204000) form, the *WHOLESALE* and *RETAIL* warehouses have been created.
- On the *Customers* (AR303000) form, the *COFFEESHOP* customer has been created.
- On the *Stock Items* (IN202500) form, the *CHERJAM32* and *LEMJAM96* stock items have been created.
- On the *Order Types* (SO201000) form, the *TR* order type has been configured.

Process Overview

In this activity, to perform a sale of stock items from multiple warehouses, you will create a sales order on the *Sales Orders* (SO301000) form, select the customer to which the items are being sold, and add items to the order. Then you will allocate the unavailable items in the warehouse in which these items are currently on hand.

To transfer items from the source warehouse to the destination warehouse, you will create a transfer order on the *Create Transfer Orders* (SO509000) form. Then you will process the transfer order to completion as follows:

1. Process the related shipment between warehouses (which causes the items to be issued from the source warehouse) on the *Shipments* (SO302000) form.
2. Process the related transfer receipt (which records the receipt of the items to the destination warehouse) on the *Purchase Receipts* (PO302000) form. After you process the transfer receipt, all the items required for the sales order become available in the destination warehouse, so that you can process the initial sales order to completion.

On the *Shipments* form, you will create a shipment document for the sales order and confirm the shipment. You then will use the *Invoices* (SO303000) form to prepare the corresponding invoice for the customer and release it.

System Preparation

Before you start performing a sale of stock items from multiple warehouses, you should do the following:

1. In the info area, in the upper-right corner of the top pane of the Acumatica ERP screen, make sure that the business date in your system is set to today's date. For simplicity, in this activity, you will create and process all documents in the system on this business date.

- On the Company and Branch Selection menu in the top pane of the Acumatica ERP screen, select the *SweetLife Store* branch.

Step 1: Creating the Sales Order

To create the sales order, do the following:

- On the [Sales Orders](#) (SO301000) form, add a new record.
- In the Summary area, specify the following settings:
 - Order Type:** SO
 - Customer:** COFFEESHOP
 - Description:** Sale of cherry jam and lemon jam
- On the **Details** tab, add rows with the settings shown in the following table.

Branch	Inventory ID	Warehouse	Quantity	Unit Price
RETAIL	CHERJAM32	RETAIL	10	16.89
RETAIL	LEMJAM96	RETAIL	3	49.49

Notice that the system displays a warning in the **Quantity** column of the *CHERJAM32* line indicating that the specified quantity is not available in the selected warehouse.

- On the form toolbar, click **Save**. The sales order is saved with the *Open* status.

Now you can reserve 32-ounce jars of cherry jam, which are not available in the SweetLife Store warehouse, in a warehouse which has a sufficient quantity of the item.

Step 2: Allocating the Items in Another Warehouse

To allocate the items that are not available in the *RETAIL* warehouse, while you are still viewing the sales order on the [Sales Orders](#) (SO301000) form, do the following:

- On the **Details** tab, click the *CHERJAM32* line, and on the table toolbar, click **Line Details**.
- In the **Line Details** dialog box, which opens, do the following:
 - In the only line, select the **Allocated** check box.
 - In the **Alloc. Warehouse** box, select *WHOLESALE*.
 - Click **OK** to save your changes and close the dialog box.

Notice that the warehouse in the line on the **Details** tab has not changed, but in the table footer, the **Allocated** quantity is now equal to 10.

- On the form toolbar, click **Save**.

Now you can create a transfer order to move the items from the Wholesale warehouse to the SweetLife's Store warehouse.

Step 3: Creating the Transfer Order

To create the transfer order for the allocated items from the sales order, do the following:

- While you are still viewing the sales order on the [Sales Orders](#) (SO301000) form, click **Create Transfer Order** on the More menu.

2. On the [Create Transfer Orders](#) (SO509000) form, which opens, select the unlabeled check box in the line with *SO Allocated* specified as the **Plan Type** and *CHERJAM32* specified as the **Inventory ID**. This line is the transfer request related to the line of the sales order that you have allocated in another warehouse. In the line, make sure that *WHOLESALE* is specified as the **From Warehouse** and *RETAIL* is specified as the **To Warehouse**.
3. On the form toolbar, click **Process** to process the transfer request you have selected. The system creates a transfer order of the *TR* order type and opens it on the [Sales Orders](#) form.
4. In the **Description** box in the Summary area, type Transferred goods for sales order from COFFEESHOP.
5. On the form toolbar, click **Save**.

Now you can process the created transfer order to completion.

Step 4: Processing the Transfer Order

To process the transfer order to completion, do the following:

1. While you are still viewing the transfer order that you have created on the [Sales Orders](#) (SO301000) form, on the form toolbar, click **Create Shipment**.
2. In the **Specify Shipment Parameters** dialog box, which opens, make sure that today's date and the *WHOLESALE* warehouse are selected, and click **OK**. The system creates a shipment with the *Transfer* type and opens it on the [Shipments](#) (SO302000) form.
3. Review the Summary area of the shipment, and make sure that **Warehouse ID** is *WHOLESALE* and **To Warehouse** is *RETAIL*. Also, review the only line included in the shipment, and make sure its details are correct.
4. On the form toolbar, click **Confirm Shipment**. The shipment is assigned the *Confirmed* status.
5. On the form toolbar, click **Update IN** to generate the inventory transfer transaction that issues the items from the source warehouse to the destination warehouse. The shipment is assigned the *Completed* status.
6. On the **Orders** tab, click the link in the **Inventory Ref. Nbr.** column in the only row.
7. On the [Transfers](#) (IN304000) form, which opens in a pop-up window, make sure that the generated inventory transfer has the *Released* status.

Step 5: Processing the Transfer Receipt

To process the transfer receipt, do the following:

1. On the [Purchase Receipts](#) (PO302000) form, add a new record.
2. In the Summary area, specify the following settings:
 - **Type:** *Transfer Receipt*
 - **Warehouse:** *RETAIL*
3. On the table toolbar of the **Details** tab, click **Add Transfer**. The **Add Transfer Order** dialog box opens. It shows the list of completed transfer orders with completed shipments whose items have not been received to the destination warehouse yet.
4. In the dialog box, select the unlabeled check box for the transfer order you have processed earlier, and click **Add & Close** to close the dialog box and return to the [Purchase Receipts](#) form.
5. On the **Details** tab, review the details of the added line with the *CHERJAM32* item.
6. On the form toolbar, click **Release** to release the transfer receipt.
7. On the **Other** tab, click the **IN Ref. Nbr.** link to open the related inventory receipt transaction on the [Receipts](#) (IN302000) form.

8. Make sure the inventory receipt has the *Released* status, which means that the items have been received to the *RETAIL* warehouse and are now available for shipping. Close the pop-up window.

Now you can finish processing the sales order, because all of the ordered items are on hand in the SweetLife's Store warehouse.

Step 6: Processing the Shipment

To create and process the shipment that is associated with the sales order, do the following:

1. On the [Sales Orders](#) (SO301000) form, open the sales order of the SO type that you have created in Step 1, and on the form toolbar, click **Create Shipment**.
2. In the **Specify Shipment Parameters** dialog box, which opens, make sure that today's date and the *RETAIL* warehouse are selected, and click **OK**. The system creates a shipment and opens it on the [Shipments](#) (SO302000) form.
3. On the **Details** tab, make sure that both order lines have been included in the shipment and that the shipped quantity in both lines is equal to the ordered quantity.
4. On the More menu, click **Confirm Shipment**.

The shipment is assigned the *Confirmed* status, and now you can prepare the invoice to bill the customer and increase the customer's debt in the system.

Step 7: Processing the Sales Invoice for the Customer

To complete the processing of a sale, you need to generate an invoice to the customer. Do the following:

1. While you are still viewing the shipment that you have created on the [Shipments](#) (SO302000) form, on the form toolbar, click **Prepare Invoice**.
2. On the [Invoices](#) (SO303000) form, which opens, review the details of the invoice to make sure that both items have been included in the invoice.
3. On the form toolbar, click **Release** to release the invoice.
4. Return to the sales order of the SO type on the [Sales Orders](#) (SO301000) form that you created in Step 1, and notice that the order is now assigned the *Completed* status, as shown in the following screenshot.

Line Description	UOM	Quantity	Qty. On Shipments	Open Qty.
Cherry jam 32 oz	PIECE	10.00	10.00	0.00
Lemon jam 96 oz	PIECE	3.00	3.00	0.00

Figure: Sale from multiple warehouses completed

Lesson 4: Sales with Drop Shipping

This lesson explains how you can sell goods that your company does not have in stock to a customer, with the customer receiving the goods directly from a vendor of your company.

Sales with Drop Shipping: General Information

In Acumatica ERP, you can create sales orders whose goods are intended for drop shipping. Drop shipping means that a customer orders the goods from your company, pays your company for the order, and receives the goods (which your company has ordered) directly from one of your vendors. With the *Drop Shipments* feature enabled on the [Enable/Disable Features](#) (CS100000) form, you can mark particular goods for drop shipping and create drop-ship orders for these goods.

Learning Objectives

In this lesson, you will do the following:

- Configure the processing of drop shipments in Acumatica ERP
- Mark items for drop shipment in a sales order
- Create a drop-ship purchase order for a sales order and process the drop shipment to completion
- Process the sales order and related purchase documents, inventory documents, and accounts payable documents

Applicable Scenario

You use drop shipment to fulfill a sales order with items that your company does not have in stock.

Drop Shipment Process

To process a sale with drop shipment, you create a sales order of the SO order type on the [Sales Orders](#) (SO301000) form, and add the stock items ordered by the customer. You mark items for drop shipping by selecting the check box in the **Mark for PO** column and selecting *Drop-Ship* in the **PO Source** column, which means that the items will be ordered from the vendor and shipped directly to the customer. The system does not allocate stock items in inventory based on the quantities of goods and the document amounts on sales orders for drop shipping.

When you mark items for drop shipping, the system creates purchase requests of the *Drop-Ship* plan type. You create drop-ship purchase orders by processing *Drop-Ship* purchase requests on the [Create Purchase Orders](#) (PO505000) form. Each drop-ship purchase order generated from purchase requests has a reference number of the related sales order in the **Sales Order Nbr.** box on the **Shipping** tab of the [Purchase Orders](#) (PO301000) form; you can create a separate purchase order for each sales order line that is marked for drop shipping but a drop-ship purchase order can only be linked to one sales order.

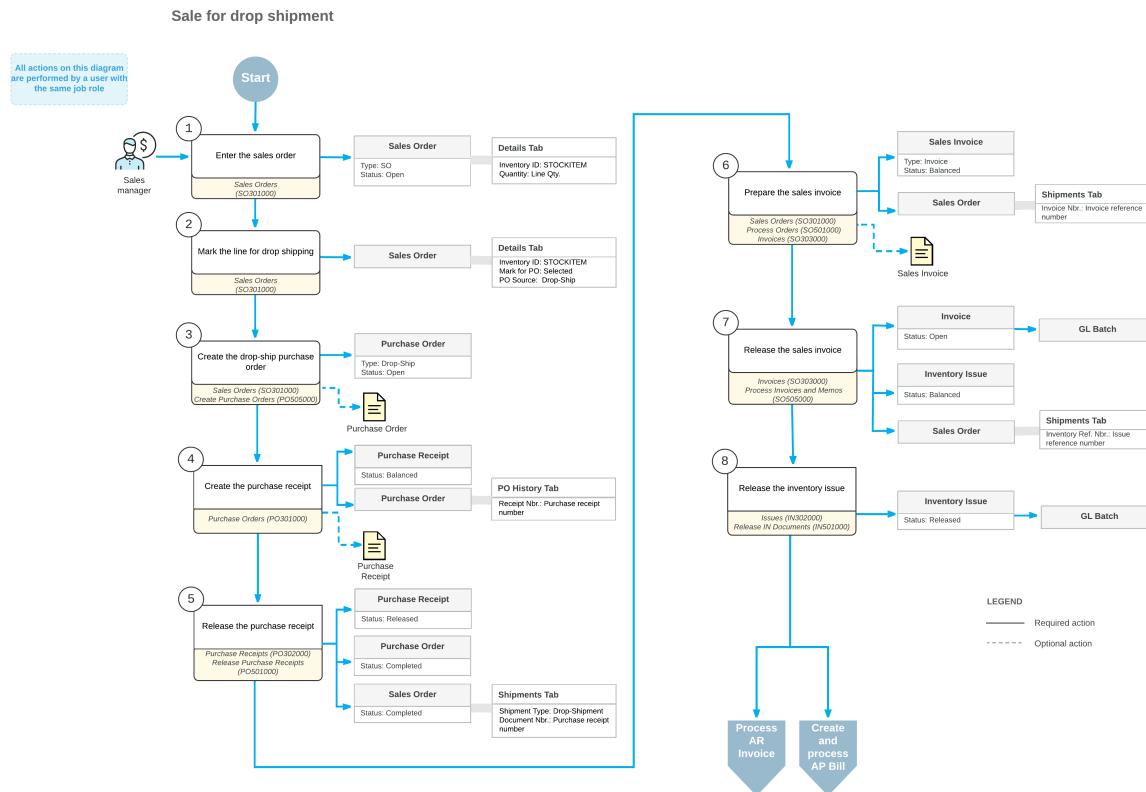
The items from the drop-ship purchase order are not shipped to the company's warehouse; rather, they are shipped directly to the customer. After you have received confirmation that the customer has received the goods from the vendor, you prepare and release the purchase receipt for the drop-ship purchase order. When you release the purchase receipt (which functions as a shipment document for drop-ship lines of sales orders), the status of the drop-ship purchase order is changed to *Completed*; the sales order is also assigned the *Completed* status, and then you prepare a sales invoice to the customer.

On release of a purchase receipt prepared for drop-ship purchase order, the system does not create an inventory receipt, because the items are not received to inventory and are instead delivered directly to the customer. The

quantities of stock items on completed drop-ship orders are not included in the quantities available at any warehouse of your company.

Workflow of a Sale with Drop Shipment

For a sales order that includes stock items intended for drop shipping, the typical processing involves the actions and generated documents shown in the following diagram.



Sales with Drop Shipping: Process Activity

In the following activity, you will learn how to prepare and process to completion a sales order with items marked for drop shipping.

Story

Suppose that the FourStar Coffee & Sweets Shop (*COFFEESHOP*) customer ordered a variety of green, black, and fruit teas at the SweetLife's retail store. Although the tea varieties are presented in SweetLife's website catalog, the company does not keep tea in the wholesale or retail warehouse. When a customer orders tea, SweetLife drop-ships it from the Tea & Spices (*TEACOMPANY*) vendor directly to the customer who ordered the tea. To complete the customer's request, acting as the sales manager of the SweetLife store, you need to process a drop shipment.

Configuration Overview

In the *U100* dataset, for the purposes of this activity, the following tasks have been performed:

- On the *Enable/Disable Features* (CS100000) form, the following features have been enabled:

- *Inventory and Order Management*, which provides the standard functionality of inventory and order management
- *Inventory*, which gives you the ability to maintain stock items by using forms related to the inventory functionality and to create and process sales and purchase documents that include stock items
- *Drop Shipments*, which provides the ability to create and process drop-shipped orders
- On the [Customers](#) (AP303000) form, the *COFFEESHOP* customer has been created.
- On the [Vendors](#) (AP303000) form, the *TEACOMPANY* vendor has been created.
- On the [Stock Items](#) (IN202500) form, the *GREENTEA06*, *BLACKTEA06*, and *FRUITTEA12* stock items have been created. For each of these items, the *TEACOMPANY* vendor has been added to the **Vendors** tab.

Process Overview

In this activity, to process a sale with drop shipment, you will create a sales order of the *SO* order type on the [Sales Orders](#) (SO301000) form; on the **Details** tab, you will add the inventory items ordered by the customer. Because the items are not in stock, you will mark each of them for drop shipping by selecting the check box in the **Mark for PO** column and selecting *Drop-Ship* in the **PO Source** column, which means that the items will be ordered from the vendor and shipped directly to the customer. You will create drop-ship purchase orders by processing *Drop-Ship* purchase requests on the [Create Purchase Orders](#) (PO505000) form. Each drop-ship purchase order generated from purchase requests can be viewed and processed further on the [Purchase Orders](#) (PO301000) form and contains links to the related sales order.

After you have received confirmation that the customer has received the goods from the vendor, on the [Purchase Receipts](#) (PO302000) form, you will prepare and release the purchase receipt for the drop-ship purchase order. After drop shipping has completed, you will prepare an invoice for the customer by using the [Invoices](#) (SO303000) form.

System Preparation

Before you start processing a sale with drop shipping, you should do the following:

1. In the info area, in the upper-right corner of the top pane of the Acumatica ERP screen, make sure that the business date in your system is set to today's date. For simplicity, in this activity, you will create and process all documents in the system on this business date.
2. On the Company and Branch Selection menu in the top pane of the Acumatica ERP screen, select the *SweetLife Store* branch.

Step 1: Creating a Sales Order

To create a sales order, do the following:

1. On the [Sales Orders](#) (SO301000) form, add a new record.
2. In the Summary area, specify the following settings:
 - **Order Type:** SO
 - **Customer:** COFFEESHOP
 - **Description:** Website order #00784 (tea)
3. On the **Details** tab, add rows with the settings shown in the following table.

Branch	Inventory ID	Warehouse	Quantity	Unit Price
RETAIL	GREENTEA06	RETAIL	2	22.99
RETAIL	BLACKTEA06	RETAIL	1	23.99

Branch	Inventory ID	Warehouse	Quantity	Unit Price
RETAIL	FRUITTEA12	RETAIL	2	32.99

Notice that the system displays warnings in the **Quantity** column in each line on the **Details** tab indicating that the specified quantity is not available in the selected warehouse.

4. On the form toolbar, click **Save**. The sales order is saved with the *Open* status.

Step 2: Marking the Items for Drop Shipment

To mark items for drop shipment, do the following:

1. While you are still viewing the sales order on the [Sales Orders](#) (SO301000) form, for each of the lines on the **Details** tab, do the following:
 - Select the **Mark for PO** check box.
 - Select *Drop-Ship* in the **PO Source** column.
2. On the form toolbar, click **Save**.

Step 3: Creating a Drop-Shipment Purchase Order

To create a drop-shipment purchase order from purchase requests, do the following:

1. While you are still viewing the sales order on the [Sales Orders](#) (SO301000) form, on the More menu, click **Create Purchase Order**.
 2. On the [Create Purchase Orders](#) (PO505000) form, which opens, select the unlabeled check boxes in the three lines with *SO to Drop-Ship* specified as the **Plan Type**. These are the lines that are related to the sales order that you have prepared earlier in this activity.
 3. In all of the lines, specify *TEACOMPANY* in the **Vendor** column.
 4. On the form toolbar, click **Process** to process the purchase requests you have selected.
- The system creates a drop-shipment purchase order for the *TEACOMPANY* vendor and opens it on the [Purchase Orders](#) (PO301000) form. On the **Details** tab, in the **Sales Order Nbr.** column, review the number of the sales order to which this purchase order lines are linked.
5. In the **Description** box in the Summary area, type *Purchase for website order #00784*.
 6. On the form toolbar, click **Remove Hold**.

Step 4: Processing the Drop-Shipment Purchase Order

To process the drop-shipment purchase order to completion, do the following:

1. While you are still viewing the purchase order on the [Purchase Orders](#) (PO301000) form, on the form toolbar, click **Enter PO Receipt**.
2. On the [Purchase Receipts](#) (PO302000) form, which the system opens with the created receipt, review the details of the prepared purchase receipt, and make sure that all purchase order lines have been added with the appropriate quantities.
3. In the Summary area, select the **Create Bill** check box to make the system generate the bill automatically on release of the purchase receipt.
4. On the form toolbar, click **Release** to release the purchase receipt.

The system releases the purchase receipt and assigns it the *Released* status.

5. On the **Billing** tab, review the only line in the table, which shows the generated bill, and make sure that the bill has the *Open* status.
6. On the **Other** tab, notice that **IN Ref. Nbr.** is empty. No inventory documents need to be generated because the items are shipped directly from the vendor to the customer.

Step 5: Processing the Sales Invoice for the Customer

To complete the processing of a sale with drop shipment, you need to generate an invoice to the customer. Do the following:

1. On the **Sales Orders** (SO301000) form, open the sales order for the COFFEESHOP customer that you have created earlier in this activity.
2. On the form toolbar, click **Prepare Invoice**.
3. On the **Invoices** (SO303000) form, which opens, review the details of the invoice to make sure that all items have been included in the invoice.
4. On the form toolbar, click **Release** to release the invoice.
5. Return to the sales order on the **Sales Orders** form, and on the **Shipments** tab, review the only line, which has the shipment for the order. Notice that the purchase receipt that you have processed acts as a shipment for this sales order, and the reference number link to this purchase receipt is shown in the **Document Nbr.** column in the only line in the table (see the following screenshot).

The screenshot shows the Sales Orders form for SO 000077 - FourStar Coffee & Sweets Shop. The main grid displays order details: Customer: COFFEESHOP - FourStar Coffee & Swee..., Location: MAIN - Primary Location, Contact: Andrea A. Weaver, Project: X - Non-Project Code, Description: Website order #00784 (tea). The total order amount is 148.02. Below the main grid, the **SHIPMENTS** tab is selected, showing a single row for a Drop-Shipment. The row contains: Shipment Type: Drop-Shipment, Document Nbr.: Receipt_000050 (highlighted with a red box), Status: Auto-Generated, Shipment Date: 9/25/2024, Shipped Qty.: 5.00, Shipped Weight: 0.900000, Shipped Volume: 0.900000, Invoice Type: Invoice, Invoice Nbr.: 000122 (highlighted with a red box), Inventory Doc. Type: Issue, and Inventory Ref. Nbr.: 000071.

Shipment Type	Document Nbr.	Status	Shipment Date	Shipped Qty.	Shipped Weight	Shipped Volume	Invoice Type	Invoice Nbr.	Inventory Doc. Type	Inventory Ref. Nbr.
Drop-Shipment	Receipt_000050	Auto-Generated	9/25/2024	5.00	0.900000	0.900000	Invoice	000122	Issue	000071

Figure: Sales order with drop shipment processed to completion

Part 2: Customer Returns

The lessons of this part explain how you perform processes related to customer returns, such as direct returns, returns for credit with receipts, and returns for replacement at the same price.

Lesson 5: Direct Returns

This lesson explains how you can process a direct return of stock items.

Direct Returns: General Information

A point-of-sale (POS) system is an electronic system that is used to record the sales, payment, and return transactions of a retail store. The POS system can be operated by a cashier or can be a self-service terminal where customers perform all operations. Your organization can integrate Acumatica ERP with an external POS system for simplified processing of direct returns if the *Advanced SO Invoices* feature is enabled on the [Enable/Disable Features](#) (CS100000) form.

With a *direct return*, a customer returns stock items directly to the retail store rather than shipping them. In the POS system, a direct return is processed through the creation of a credit memo—a sales-related document of the *Credit Memo* type created on the [Invoices](#) (SO303000) form.

Learning Objectives

In this lesson, you will do the following:

- Create a credit memo (an invoice of the *Credit Memo* type) for a direct return
- Add to the credit memo a return line with a link to an original sales document
- Add to the credit memo a replacement line
- Process the direct return to completion

Applicable Scenarios

You may need to create and process a direct return in the following cases:

- A customer returns goods directly at the store. In this case, you process a credit memo in the system.
- A customer returns goods directly at the store and requests the replacement of returned items. In this case, you process either a credit memo or a sales invoice, and the document includes both return lines and replacement (sales) lines.

Direct Return Process

You use the [Invoices](#) (SO303000) form to enter a credit memo (an invoice of the *Credit Memo* type), and you add a line for each returned or replaced item. To add a line (or multiple lines) with a link to related sales invoice, you click **Add Return Line** on the table toolbar of the **Details** tab. In the dialog box that opens, you select the invoice line or lines to be added as return lines to the document you are creating. In the added line, you can correct the quantity to be returned if partial return of the item quantity is requested (for example, if four units of the item were purchased and the customer is returning only two). For serialized items, you should add a separate line with this item and a quantity of 1 for each serial number.

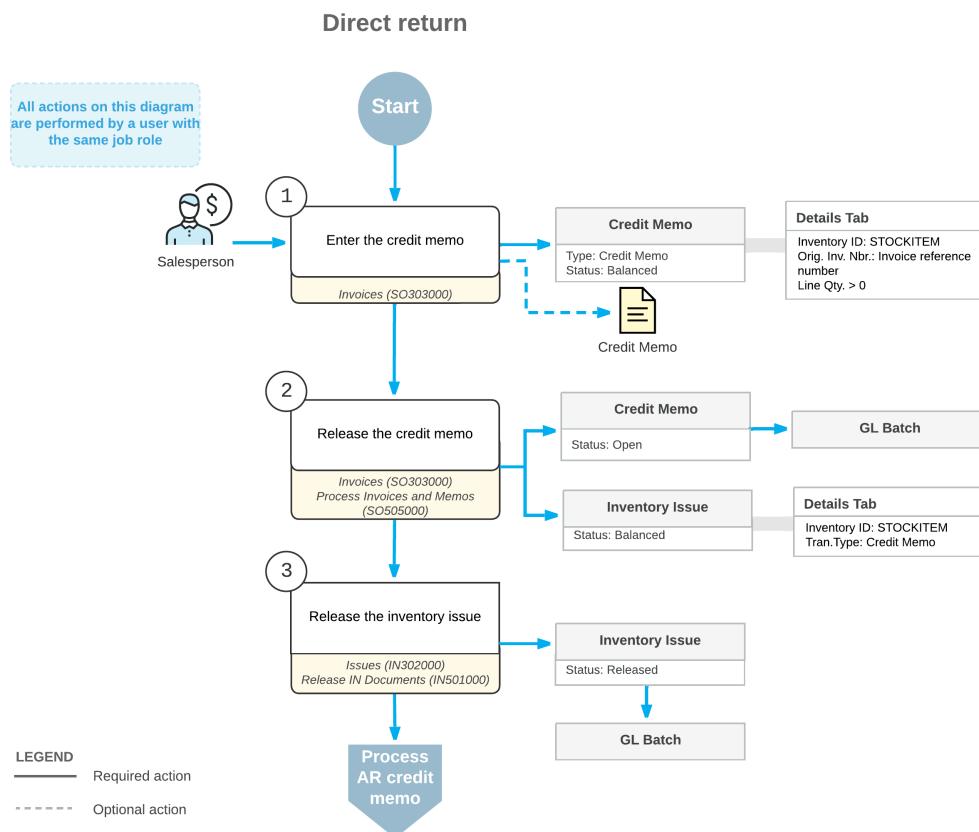
To release the credit memo, you click **Release** on the More menu. The system does the following:

- Automatically generates a batch of general ledger transactions.
- Automatically generates and releases an inventory issue for the stock items, which causes the system to increase the on-hand quantity with the quantity of the returned items. For return lines, the system adds lines with the *Credit Memo* transaction type to the inventory issue.
- Makes the credit memo visible on the *Invoices and Memos* (AR301000) form as an AR credit memo.

An AR credit memo on the *Invoices and Memos* form is a financial document that does not contain links to the applicable shipments and sales orders, as the credit memo (an invoice of the *Credit Memo* type) does. The credit memos have the same reference number, which the system prints in the customer statement. On both the *Invoices* form and the *Invoices and Memos* form, you can view the link to the batch of the general ledger transactions that was generated when the credit memo was released.

Workflow of a Direct Return

For a credit memo created for processing a direct return, the typical processing involves the actions and generated documents shown in the following diagram.



Direct Returns: Direct Return with Replacement

If a customer returns stock items directly to the retail store and requests for the exact replacement of these items, you can process both return and replacement in a single document.

Processing Direct Return with Replacement

To process a direct return with replacement, you create sales invoice or credit memo on the [Invoices](#) (SO303000) form, and add to the document the lines with items to be returned and the lines with items for replacement.

In the created document, return and replacement lines will have different signs. In a credit memo (an invoice of the *Credit Memo* type), return lines have quantities with positive sign, and replacement lines have quantities with negative sign. In a sales invoice, return lines have quantities with negative sign, and replacement lines have quantities with positive sign. You must select the type of the document for processing a direct return for replacement so that the total balance of the document will be equal to zero or above zero.

When the sales invoice or credit memo is released, the system generates an inventory issue transaction to update the item information in inventory. The inventory operation is specified on the line level in the generated inventory transaction, in the inventory issue. For a replacement line, an inventory issue line with the *Invoice* type is generated to issue the replacement item from inventory. For a return line, an inventory issue line with the *Credit Memo* type is generated to return an item to inventory.

Also, on release of the sales invoice or credit memo, this invoice or credit memo, respectively, becomes visible and available for further processing on the [Invoices and Memos](#) (AR301000) form.

Direct Returns: Process Activity

In this activity, you will learn how to process a direct return of stock items through a point-of-sale (POS) terminal, and how to process a replacement of the returned items.

Story

Suppose that on January 30, 2025, an employee of the small retail customer FourStar Coffee & Sweets Shop came to the SweetLife store and asked for an exact replacement of a large jar of apple jam that is leaking. This jar is one of ten jars that were bought two days ago, on January 28, 2025.

Acting as the sales manager of the SweetLife company, you need to process the return of the jar and the sale of the new jar by using the POS terminal. The previous sale, dated January 28, 2025, was recorded through the sales invoice (created automatically through the integration of the POS system and Acumatica ERP), which was paid in full and now has the *Closed* status. You need to replace the inventory item with the same item at the same price, so that no payment needs to be processed.

Configuration Overview

In the *U100* dataset, for the purposes of this activity, the following tasks have been performed:

- On the [Enable/Disable Features](#) (CS100000) form, the following features have been enabled:
 - *Inventory and Order Management*, which provides the standard functionality of inventory and order management
 - *Inventory*, which gives you the ability to maintain stock items by using forms related to the inventory functionality and to create and process sales and purchase documents that include stock items
 - *Advanced SO invoices*, which provides support for direct sales and returns and integration with POS systems
- In the SweetLife store, the integration between the store's POS system and Acumatica ERP has been configured to work as follows:
 - When the sales manager processes a return through the POS system, the POS system creates an invoice of the *Credit Memo* type with the item or items being returned on the [Invoices](#) (SO303000) form.

- If any lines of a direct return relate to an existing sales order, the POS operator selects the needed order directly via the terminal when processing a return.



In this activity, to simulate the POS functionality that occurs in a production system, you will add a return line with a link to the original sales invoice.

- To process a replacement, the sales manager adds to this credit memo a line with the same inventory item or items and a quantity with the opposite sign.
- When the sales manager releases the credit memo, Acumatica ERP creates an inventory issue that includes two lines with different operation types: one line adds the returned item or items to inventory, and another line issues the replacement item or items from inventory.
- On the *Customers* (AR303000) form, the COFFEESHOP customer has been created.
- On the *Stock Items* (IN202500) form, the APJAM96 stock item has been created.
- On the *Invoices* (SO303000) form, the sales invoice for which you will process a return has been entered into the system.

Process Overview

In this activity, to handle a direct return, you will create a credit memo on the *Invoices* (SO303000) form. You will add the appropriate lines to the credit memo, some of which are linked to the original sales order and some of which are for replacement items and have a negative quantity. Then you will release the invoice to process both the receipt of returned items to inventory and the issue of replacement items from inventory.

System Preparation

Before you start replacing the inventory item with the same item at the same price, do the following:

1. Launch the Acumatica ERP website with the U100 dataset preloaded, and sign in as sales manager Joseph Becher by using the *becher* username and the 123 password.
2. In the info area, in the upper-right corner of the top pane of the Acumatica ERP screen, make sure that the business date in your system is set to 1/30/2025. If a different date is displayed, click the Business Date menu button and select 1/30/2025 on the calendar. For simplicity, in this activity, you will create and process all documents in the system on this business date.

Step 1: Entering a Credit Memo

To enter a credit memo, do the following:

1. On the *Invoices* (SO303000) form, add a new record.
2. In the Summary area, specify the following settings:
 - **Type:** Credit Memo
 - **Customer:** COFFEESHOP
 - **Date:** 1/30/2025
 - **Post Period:** 01-2025
 - **Description:** Replacement of the leaking jar
3. On the form toolbar, click **Remove Hold**. Notice that the credit memo has the *Balanced* status.

Step 2: Adding the Return Line

To add a line with the item to be returned, do the following:

1. While you are still viewing the credit memo on the *Invoices* (SO303000) form, on the table toolbar of the **Details** tab, click **Add Return Line**.
2. In the **Add Return Line** dialog box, which opens, select the unlabeled check box in the line dated 1/28/2025 with the *APJAM96* item, and click **Add & Close**. The system adds the return line to the credit memo and closes the dialog box.
3. In the line added to the credit memo, change the **Quantity** to 1 (because only one of the jars is being returned). In the **Orig. Inv. Nbr.** column in the line, notice that the system has inserted the reference number of the original invoice for which the return is being performed.
4. On the form toolbar, click **Save**.

Step 3: Adding the Replacement Line

To add the line with the replacement item the credit memo, do the following:

1. While you are still viewing the credit memo on the *Invoices* (SO303000) form, on the **Details** tab, add one more line (for the replacement item) with the following settings:
 - **Inventory ID:** *APJAM96*
 - **Warehouse:** *RETAIL*
 - **Quantity:** -1
The quantity is negative because the item is to be issued from inventory.
 - **Unit Price:** 45.15 (the same as in the line with the item being returned)
2. On the form toolbar, click **Save**.

Step 4: Releasing the Credit Memo

To release the credit memo, do the following:

1. While you are still viewing the credit memo on the *Invoices* (SO303000) form, on the form toolbar, click **Release**.
Notice that the status of the credit memo is now *Closed*. On release of the credit memo, the returned item has been received to inventory, and the replacement item has been issued from inventory. Because the price of the returned item was the same as the price of the replacement item, the credit memo balance is 0.00; thus, no payment needs to be processed.
2. On the **Details** tab, in either of the lines, click the link in the **Inventory Ref. Nbr.** column. On the *Issues* (IN302000) form, the system opens the inventory issue that was generated on release of the credit memo.
3. On this form, review the settings of the inventory issue, and make sure the inventory issue has the *Released* status, as shown in the following screenshot. Notice that the line with the returned item has the *Credit Memo* transaction type, while the line with the replacement item has the *Invoice* transaction type.

Tran. Type	Inventory ID	Warehouse	Location	Quantity	UOM	Unit Price	Ext. Price	Unit Cost	Ext. Cost
Credit Memo	APJAM96	RETAIL	MAIN	1.00	PIECE	45.1500	45.15	0.0000	0.00
Invoice	APJAM96	RETAIL	MAIN	1.00	PIECE	45.1500	45.15	0.0000	0.00

Figure: Inventory document generated for processing the direct return

Lesson 6: Returns for Credit with Receipts

This lesson explains how you can process a return of stock items for credit with a receipt.

Returns for Credit with Receipts: General Information

Acumatica ERP provides support for the most common types of return processes, which gives you the flexibility to manage various types of customer returns according to the return policies of your company.

Returns for credit with receipt of items are one type of returns. These returns are processed in the system as return orders of the *RC* order type. With this type, a customer returns an item, which you need to receive to inventory. You then process a credit memo to adjust the customer's balance in the system.

Learning Objectives

In this lesson, you will do the following:

- Create a return order that is linked to the sales order in which the returned items were sold
- Create an incoming shipment (receipt) of the returned item or items, and confirm the shipment
- Create a credit memo for the original sales order
- Process the credit memo and the related inventory and AR documents

Applicable Scenario

You create a return order for credit (that is, an order with the *RC* predefined order type) to perform a customer return for credit with the returned item or items received to inventory and the AR documents issued to adjust the customer balance in the system.

Processing of Returned Items for Credit

The standard process of return for credit typically includes the entry of a return order, the addition of items to be returned, the processing of the receipt of the returned items to inventory, and the preparation of the related AR document to a customer.

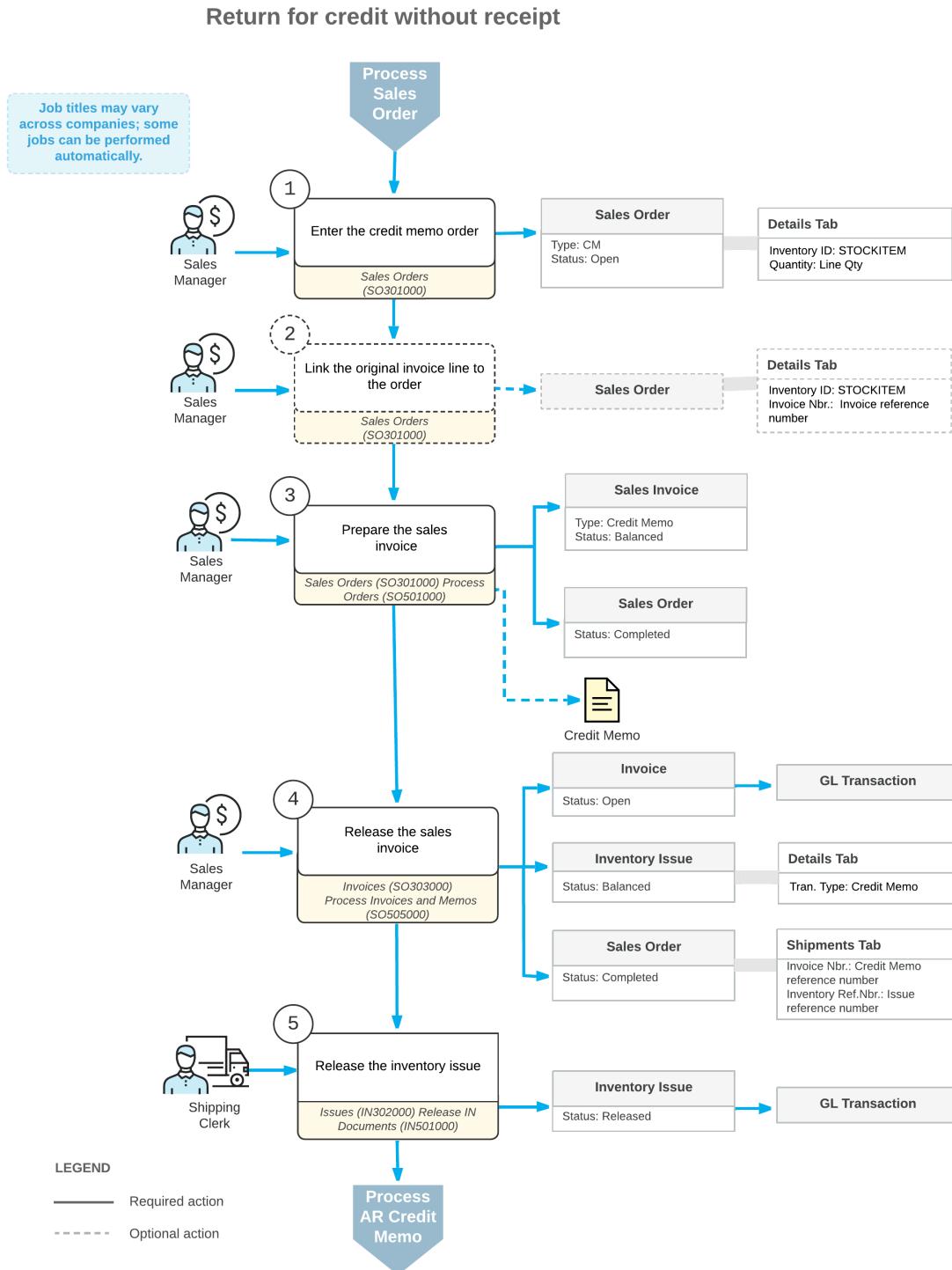
In general, the [Sales Orders](#) (SO301000) form is the starting point for the creation of a customer return. You create a new return order and add the item or items that are being returned by the customer. You can add a line and select the item to be returned without linking it to a sales document, or add a line with a reference to the original sales invoice for which the return is performed. To add an item with a link to the original sales invoice, on the [Sales Orders](#) form, you click **Add Invoice** on the table toolbar of the **Details** tab and select the line of the needed invoice in the **Add Invoice Details** dialog box (which opens). If an item to be returned has a specific lot or serial number, you should select this particular item from the list of invoice lines.

The receipt of the items returned to inventory is processed in the system as an incoming shipment document with the *Receipt* operation type. After you have prepared and confirmed the document reflecting the receipt of items to inventory, you need to update the customer's balance in the amount of the returned items by preparing and releasing a credit memo (which is a sales invoice of the *Credit Memo* type). The credit memo is a financial document in the system that contains links to the applicable shipments and sales orders. You can review the prepared credit memo on the [Invoices](#) (SO303000) form; then you can release it. When the credit memo is released, you can view it on the [Invoices and Memos](#) (AR301000) form as an AR credit memo. An AR credit memo does not contain the links to the applicable shipments and sales orders. Also, the AR credit memo can be applied to the customer balance.

To finish the return process, you need to process the AR credit memo to completion. You can apply the credit memo to the original invoice, or process a customer refund if the original invoice was already paid. For details on credit memo application, see [AR Invoice Correction: General Information](#). For details on the processing of a customer refund, see [Refunds: To Create a Refund and Apply a Credit Memo to It](#).

Workflow of a Return for Credit with a Receipt

The processing of a return order for credit involves the actions and generated documents shown in the following diagram.



Returns for Credit with Receipts: Process Activity

The following activity demonstrates how to prepare and process to completion a customer return for a particular sales order with the returned item or items being received to inventory and a credit memo to the customer being created.

Story

Suppose that you are Grace Norman, a sales manager in the SweetLife Fruits & Jams company. On January 30, 2025, the FourStar Coffee & Sweets Shop customer requests authorization for the return of the oranges ordered on January 29, 2025, because the customer was not satisfied with the quality of the shipped fruits. You authorize the return with shipping of the returned items to SweetLife's main warehouse. Acting as the sales manager, you need to process this return.

Configuration Overview

In the *U100* dataset, for the purposes of this activity, the following tasks have been performed:

- On the [Enable/Disable Features](#) (CS100000) form, the following features have been enabled:
 - *Inventory and Order Management*, which provides the standard functionality of inventory and order management
 - *Inventory*, which gives you the ability to maintain stock items by using forms related to the inventory functionality and to create and process sales and purchase documents that include stock items
- On the [Order Types](#) (SO201000) form, the *RC* order type has been configured and activated.
- On the [Customers](#) (AR303000) form, the *COFFEE SHOP (FourStar Coffee & Sweets Shop)* customer has been defined.
- On the [Stock Items](#) (IN202500) form, the *ORANGES* and *LEMONS* stock items have been created.
- On the [Invoices](#) (SO303000) form, an invoice for the *COFFEE SHOP* customer has been created that has the *ORANGES* and *LEMONS* stock items and is dated 1/29/2025.
- The following sales document, for which you will process a return, have been created:
 - On the [Sales Orders](#) (SO301000) form, a sales order for the *COFFEE SHOP* customer dated 1/29/2025
 - On the [Shipments](#) (SO302000) form, a shipment for the *COFFEE SHOP* customer dated 1/29/2025

Process Overview

To process a return for credit with a receipt, you will create a return order of the *RC* type on the [Sales Orders](#) (SO301000) form, and add to it the line or lines of the sales invoice that has been prepared for the sales order for which you need to process a return. Then you will receive the returned items to inventory on the [Shipments](#) (SO302000) form by creating a shipment with the *Receipt* operation and confirming it. After the items have been received to inventory, you will create a credit memo to decrease the customer's debt in the system by the amount of the returned items. Finally, after reviewing the details of the prepared credit memo on the [Invoices](#) (SO303000) form, you will release it.

System Preparation

Before you start preparing and processing the customer return, you should do the following:

1. Launch the Acumatica ERP website with the *U100* dataset preloaded, and sign in as sales manager Grace Norman by using the *norman* username and the *123* password.
2. In the info area, in the upper-right corner of the top pane of the Acumatica ERP screen, make sure that the business date in your system is set to *1/30/2025*. If a different date is displayed, click the Business Date menu button and select *1/30/2025* on the calendar. For simplicity, in this activity, you will create and process all documents in the system on this business date.
3. On the Company and Branch Selection menu, in the top pane of the Acumatica ERP screen, make sure the *SweetLife Head Office and Wholesale Center* branch is selected.

Step 1: Creating a Return Order

To create a return order, do the following:

1. On the [Sales Orders](#) (SO301000) form, add a new record.
2. In the Summary area, specify the following settings:
 - **Order Type:** RC
 - **Customer:** COFFEESHOP
 - **Date:** 1/30/2025
 - **Requested On:** 1/30/2025
 - **Description:** Return of unconditional fruits
3. On the form toolbar, click **Save**.

Step 2: Adding the Item to Be Returned

To add the invoice line with the SO type to the return order, do the following:

1. While you are still viewing the return order on the [Sales Orders](#) (SO301000) form, on the table toolbar of the **Details** tab, click **Add Invoice**.
2. In the **Add Invoice Details** dialog box, which opens, do the following:
 - a. In the **AR Doc. Type** box, select *Invoice*.
 - b. In the **AR Doc. Nbr.** box, select the reference number of the invoice to COFFEESHOP dated 1/29/2025. The invoice lines appear in the table of the dialog box.
 - c. In the table, select the unlabeled check box in the *ORANGES* line.
3. Click **Add & Close**, which closes the dialog box and adds the line to the **Details** tab of the return order.
4. Review the details of the added line, and make sure that the related invoice reference number is specified in the **Invoice Nbr.** column.
5. On the form toolbar, click **Save**.

Step 3: Receiving the Returned Items

To process the receipt of items to inventory, do the following:

1. While you are still viewing the return order on the [Sales Orders](#) (SO301000) form, on the form toolbar, click **Create Receipt** to create a receipt of the returned items.
2. In the **Specify Shipment Parameters** dialog box, which opens, make sure that 1/30/2025 is selected as the **Shipment Date** and *WHOLESALE* is selected as the **Warehouse ID**.
3. Click **OK**. The system closes the dialog box and opens the prepared shipment with the *Receipt* operation on the [Shipments](#) (SO302000) form.
4. On the form toolbar, click **Confirm Shipment**.

Step 4: Processing a Credit Memo

To prepare a credit memo to the customer to adjust the customer's balance, do the following:

1. While you are still viewing the shipment on the [Shipments](#) (SO302000) form, on the form toolbar, click **Prepare Invoice**. Wait for the system to complete the operation. The system creates a credit memo to the customer and opens it on the [Invoices](#) (SO303000) form.

2. In the Summary area, make sure that the **Date** is set to **1/30/2025**.
3. On the form toolbar, click **Release** to release the credit memo, which is assigned the *Open* status, as shown in the following screenshot.

The screenshot shows the Acumatica Credit Memo screen for document number 000121. The 'Status' field is highlighted as 'Open'. The 'Type' is 'Credit Me...', 'Customer' is 'COFFEE SHOP - FourStar Coffee & Sweets Shop', and 'Location' is 'MAIN - Primary Location'. The 'Detail Total' is \$64.50. The 'Description' field contains 'Return of unconditional fruits'. The 'DETAILS' tab is selected, showing a grid of items. One item is selected, highlighted with a red border: Order Nbr. 000120, Order Type RC, Item ORANGES, Description Fresh oranges 1 lb, Warehouse WHOLESALE, Location MAIN, Quantity 30.00, UOM LB, Unit Price 2.1500, and Amount 64.50.

Figure: Credit memo prepared for the return order

You have completely processed the customer return.

Lesson 7: Returns for Replacement at the Same Price

This lesson explains how to process a customer return of stock items with replacement items being received to inventory and replacement items being shipped to the customer.

Returns for Replacement at the Same Price: General Information

Acumatica ERP provides support for the most common types of return processes, which gives you the flexibility to manage various types of customer returns according to the return policies of your company.

Returns for replacement at the same price are one type of returns. These returns are processed in the system as return orders of the *RR (Return with Replacement)* order type. With this type, a customer returns an item and requests that the item be replaced with the same or another item at exactly the same price, so that you do not need to process an invoice or a credit memo. Return orders of the *RR* type may involve the exact replacement of a single item or multiple items.

Learning Objectives

In this lesson, you will do the following:

- Create a return order that is linked to the invoice that was used to record the sale of the returned items
- Create an incoming shipment (receipt) of the returned items, and confirm the shipment
- Create a shipment of the replacement items to the customer
- Update inventory to reflect the replacement of the returned items

Applicable Scenario

You create a return for replacement at the same price (that is, an order with the *RR* predefined order type) to perform a customer return in which the customer receives an exact replacement of a particular item or specific items. The exact replacement is the replacement of the same items at the same price. The customer returns the rejected goods, the goods are returned to inventory, and the customer receives a replacement for the rejected goods. Since the items are replaced at exactly the same price, you do not need to process any AR documents.

Processing of Returned Items for Replacement

The standard process of return for replacement at the same price typically includes the following steps:

- The entry of an order of the *RR* type
- The addition of the items to be returned and the items to be shipped for replacement
- The processing of the receipt of the returned items to inventory
- The processing of a shipment of replacement items to the customer
- The updating of the inventory

In general, the [Sales Orders](#) (SO301000) form is the starting point for the creation of a customer return. You create a new order of the *RR* type and add the item or items that the customer has returned. You can add an item to be returned without linking it to a sales document, or add a line with a reference to the original sales invoice for which you perform the return. To add the item to be returned with a link to the original sales invoice, on the [Sales Orders](#) form, you click **Add Invoice** on the table toolbar of the **Details** tab and select the line of the needed invoice in the **Add Invoice Details** dialog box, which opens.

A line corresponding to an item being returned (whether or not it is linked to a sales invoice) has the *Receipt* operation specified in the **Operation** column. Because this is an order of the *RR* type, each return line should have a corresponding replacement line: a line with the *Issue* operation type for a replacement item. If the item in a line with the *Receipt* operation is not tracked by serial or lot numbers, you can select the **Auto-Create Issue** check box for the line so that the system will automatically add the corresponding replacement line when you confirm the receipt of the returned items.

If an item to be returned has a specific lot or serial number, you should select this particular item (with its lot or serial number) from the list of invoice lines. For the items to be returned that are lot- or serial- tracked, you must clear the **Auto Create Issue** check box for the return line. Instead, you add the replacement line manually.

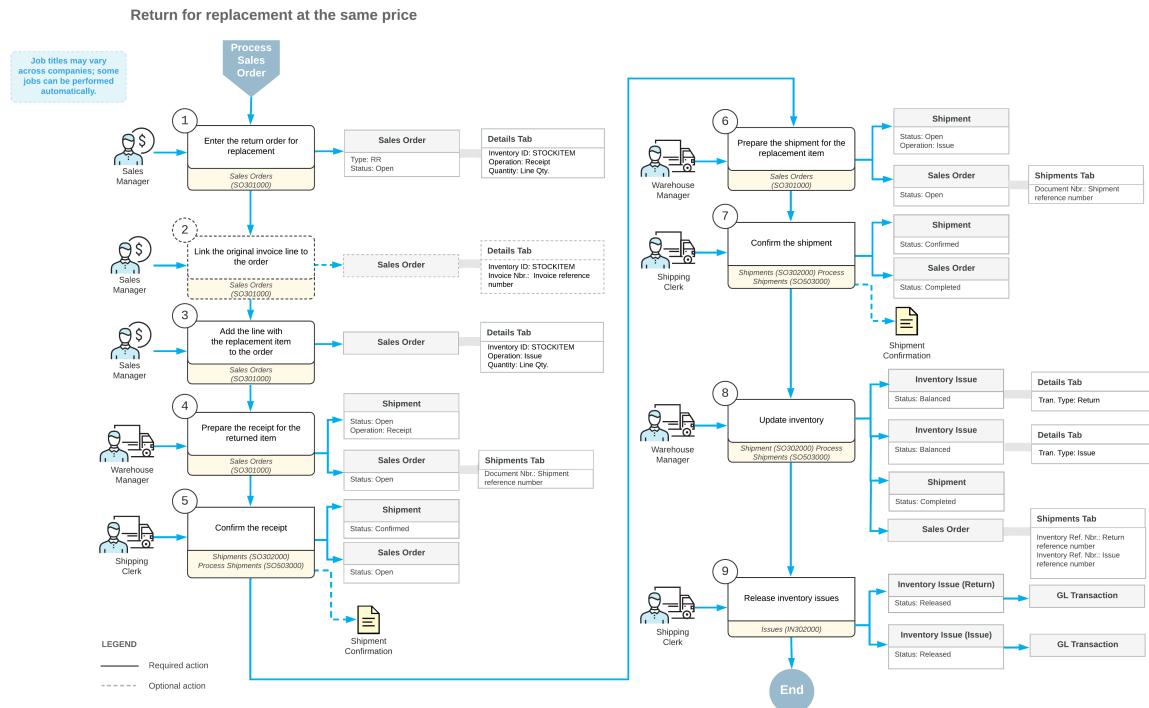
After you have specified the details in the *RR* order, you need to create and confirm two documents: a receipt of returned items (also referred to as an *incoming shipment*) and a shipment of replacement items to customer. To create a receipt, on the More menu of the [Sales Orders](#) form, you click **Create Receipt**. To create a shipment, on the More menu of the [Sales Orders](#) form, you click **Create Shipment**. You create the incoming shipment for the return of items on the [Shipments](#) (SO302000) form and confirm it by clicking **Confirm Shipment**. Then you create the outgoing shipment for the replacement of items; you also review and confirm the shipment.

You can update the inventory for each shipment separately by opening the shipment on the [Shipments](#) form and clicking **Update IN** on the More menu; this causes the system to generate the appropriate inventory transaction and to update the item availability data. On release of the inventory documents, batches of GL transactions are generated.

Sales invoices are not generated for an *RR* order because the returned item is replaced with another item at the same price.

Workflow of a Return for Replacement at the Same Price

The processing of a return for replacement at the same price involves the actions and generated documents shown in the following diagram.



Returns for Replacement at the Same Price: Process Activity

The following activity demonstrates how to prepare and process to completion a customer return of items with the exact replacement of items (that is, with the same items for the same price), which does not require an invoice to be processed.

Story

Suppose that you are Grace Norman, a sales manager in the SweetLife Fruits & Jams company. On January 30, 2025, the GoodFood One Restaurant customer asks for the replacement of five small jars of orange jam (ordered on January 25, 2025) with the same number of the same jam jars because the lids appeared to be dented. The returned jars must be temporarily placed to inventory so that the quality assurance would assess them to track the source of the damage. You authorize the return.

Acting as the sales manager, you need to process the return of items to inventory with shipping the exact replacement of the returned items to the customer.

Configuration Overview

In the *U100* dataset, for the purposes of this activity, the following tasks have been performed:

- On the *Enable/Disable Features* (CS100000) form, the following features have been enabled:
 - Inventory and Order Management*, which provides the standard functionality of inventory and order management
 - Inventory*, which gives you the ability to maintain stock items by using forms related to the inventory functionality and to create and process sales and purchase documents that include stock items
- On the *Sales Orders Preferences* (SO101000) form, the **Automatically Release IN Documents** check box has been selected.
- On the *Order Types* (SO201000) form, the *RR* order type has been configured and activated.

- On the [Customers](#) (AR303000) form, the *GOODFOOD (GoodFood One Restaurant)* customer has been defined.
- On the [Stock Items](#) (IN202500) form, the *ORJAM08* and *APJAM08* stock items have been created.
- The following sales documents, for which you will process a return, have been created:
 - On the [Sales Orders](#) (SO301000) form, the sales order for the *GOODFOOD* customer that includes the *ORJAM08* and *APJAM08* stock items and is dated *1/25/2025*
 - On the [Invoices](#) (SO303000) form, the invoice for the *GOODFOOD* customer in the amount of \$201.74 has been created.
 - On the [Shipments](#) (SO302000) form, the shipment to the *GOODFOOD* customer that includes the *ORJAM08* and *APJAM08* stock items and is dated *1/25/2025*

Process Overview

To process a customer return with an exact replacement, you will create an order of the *RR (Return with Replacement)* type on the [Sales Orders](#) (SO301000) form, and add to it the line or lines of the sales invoice that has been prepared for the sales order for which you need to process a return. You will receive the returned items to inventory by creating a shipment with the *Receipt* operation. Then you will process another shipment to record the delivery of the replacement items to the customer. Because the returned and replacement items have the same price, you will not need to process any accounts receivable documents.

Finally, you will update the inventory by using the **Update IN** command on the [Process Shipments](#) (SO503000) form; this action generates inventory documents that record the receiving and issuing of the items in this order.

System Preparation

Before you start preparing and processing the customer return for replacement at the same price, do the following:

1. In the info area, in the upper-right corner of the top pane of the Acumatica ERP screen, make sure that the business date in your system is set to *1/30/2025*. If a different date is displayed, click the Business Date menu button and select *1/30/2025* on the calendar. For simplicity, in this activity, you will create and process all documents in the system on this business date.
2. On the Company and Branch Selection menu, in the top pane of the Acumatica ERP screen, make sure the *SweetLife Head Office and Wholesale Center* branch is selected.

Step 1: Creating a Return Order of the RR Type

To create a return order of the *RR (Return with Replacement)* type, do the following:

1. On the [Sales Orders](#) (SO301000) form, add a new record.
2. In the Summary area, specify the following settings:
 - **Order Type:** *RR*
 - **Customer:** *GOODFOOD*
 - **Date:** *1/30/2025*
 - **Requested On:** *1/30/2025*
 - **Description:** Authorized replacement of orange jam
3. On the form toolbar, click **Save**.

You have created a sales order of the *RR* type, but have not added lines to it. Now you can add to the return order the line of the sales invoice that had been prepared for the sales order for which you need to process a return.

Step 2: Adding the Items to Be Returned

To add the line of the sales invoice to return order for which you need to process a return, do the following:

1. While you are still viewing the return order on the [Sales Orders](#) (SO301000) form, on the table toolbar of the **Details** tab, click **Add Invoice**.
2. In the **Add Invoice Details** dialog box, which opens, do the following:
 - a. In the **AR Doc. Type** box, select *Invoice*.
 - b. In the **AR Doc. Nbr.** box, select the reference number of the invoice to *GOODFOOD* in the amount of *201.74* dated *1/25/2025*. The invoice lines appear in the table of the dialog box.
 - c. In the table, select the unlabeled check box in the *ORJAM08* line.
 - d. Click **Add & Close**, which closes the dialog box and adds the line to the **Details** tab.
3. Review the details of the added line, and make sure that the related invoice reference number is specified in the **Invoice Nbr.** column.
4. In the line, change **Quantity** to *5*, which is the number of jars to be replaced.
5. Also, in the line, make sure that the **Auto Create Issue** check box is selected. With this check box selected, the line with the item for replacement will be created and added automatically to the return order on receipt confirmation.
6. On the form toolbar, click **Save**. Notice that the return order has the *Open* status.

Step 3: Receiving the Returned Items

To process the receipt of items to inventory, do the following:

1. While you are still viewing the return order on the [Sales Orders](#) (SO301000) form, on the form toolbar, click **Create Receipt** to create a receipt of returned items.
2. In the **Specify Shipment Parameters** dialog box, which opens, make sure that *1/30/2025* is selected as the **Shipment Date** and *WHOLESALE* is specified in the **Warehouse ID** box.
3. Click **OK**. Wait for the system to complete the operation. The system closes the dialog box and opens the prepared shipment with the *Receipt* operation on the [Shipments](#) (SO302000) form.
4. On the form toolbar, click **Confirm Shipment** to confirm the receipt of the returned items.

Now you can process the shipping of the items replacement to the customer.

Step 4: Shipping the Replacement Items

To process the shipping of the items replacement to the customer, do the following:

1. Open the *RR* order that you have prepared on the [Sales Orders](#) (SO301000) form and review it. On the **Details** tab, notice that the line with the replacement item has been added automatically when you confirmed the receipt of the returned items. The line has the same inventory item and unit price as the item that had been returned. Also, it has *Issue* in the **Operation** column, and a negative quantity in the **Quantity** column.
2. On the form toolbar, click **Create Shipment** to create a shipment of the replacement item to the customer.
3. In the **Specify Shipment Parameters** dialog box, which opens, make sure that *1/30/2025* is selected in the **Shipment Date** box and *WHOLESALE* is specified in the **Warehouse ID** box. Click **OK**. Wait for the system to complete the operation. The system opens the prepared shipment with the *Issue* operation on the [Shipments](#) (SO302000) form.
4. On the **Details** tab, in the only line, specify *Main* in the **Location** column.
5. On the form toolbar, click **Confirm Shipment**.

The replacement item has the same price and quantity, so no invoice to the customer is required. To record the movement of items and complete the process, you need to update the inventory.

Step 5: Updating Inventory

To update the inventory, do the following:

1. Open the [Process Shipments](#) (SO503000) form.
2. In the **Action** box, select *Update IN*.
3. In the **End Date** box, specify 1/30/2025.
4. In the table, select the unlabeled check boxes next to the lines with two confirmed shipments to the **GOODFOOD** customer that you have prepared earlier in this activity.
5. On the form toolbar, click **Process**. The **Processing** dialog box opens. Wait for the system to complete the operation. Close the dialog box. The table no longer lists any lines with shipments. For the selected shipment lines, the system generates two inventory issues: an issue with the *Return* transaction type for the receipt, and an issue with the *Issue* transaction type for the shipment of the replacement item.
6. Open the order of the **RR** type that you have prepared on the [Sales Orders](#) (SO301000) form and review the return order. The return order now has the *Completed* status, as you can see in the following screenshot. On the **Shipments** tab, make sure that the reference numbers of the issues generated for both the receipt and the shipment are shown in the **Inventory Ref. Nbr.** column (also shown in the following screenshot), which indicates that the corresponding inventory documents have been generated.

The screenshot shows the Sales Orders form for order number RR 000122 - GoodFood One Restaurant. The top section displays basic order details: Order Type (RR), Customer (GOODFOOD - GoodFood One Restaurar), Ordered Qty. (5.00), and Status (Completed). The bottom section shows the Shipment tab, which lists two entries. Both entries have the same Document Nbr. (000070), Status (Completed), Shipment Date (1/30/2025), and Shipped Qty. (5.00). The first entry has a Shipped Weight of 1.550000 and an Inventory Doc. Type of Issue, with an Inventory Ref. Nbr. of 000071. The second entry also has a Shipped Weight of 1.550000 and an Inventory Doc. Type of Issue, with an Inventory Ref. Nbr. of 000072. The table header includes columns for Shipment Type, Document Nbr., Status, Shipment Date, Shipped Qty., Shipped Weight, Shipped Volume, Inventory Doc. Type, and Inventory Ref. Nbr.

Shipment Type	Document Nbr.	Status	Shipment Date	Shipped Qty.	Shipped Weight	Shipped Volume	Inventory Doc. Type	Inventory Ref. Nbr.
Shipment	000070	Completed	1/30/2025	5.00	1.550000	1.550000	Issue	000071
Shipment	000071	Completed	1/30/2025	5.00	1.550000	1.550000	Issue	000072

Figure: Return order processed to completion

7. Click the link in the **Inventory Ref Nbr.** column in the first line. On the [Issues](#) (IN302000) form, which opens in a pop-up window, make sure that the issue has the *Released* status. Close the issue.
8. Click the link in the **Inventory Ref Nbr.** column in the second line. On the [Issues](#) form, which opens in a pop-up window, make sure that the issue has the *Released* status. Close the issue.

The customer return with replacement for the same price is now complete.

Part 3: Purchases

The lessons of this part explain how you perform processes related to purchases, such as purchases of stock items, purchases for sale, purchases with billing before receipt, and prepayments for purchase orders.

Lesson 8: Purchases of Stock Items

This lesson explains how to process purchase orders with stock items being received before the related AP bills are prepared for the vendors for the purchased goods and services.

Purchases of Stock Items: General Information

In Acumatica ERP, you can process purchases of stock items: purchases in which the bills are generated after the ordered goods and services have been received into inventory from the vendors.

Learning Objectives

In this lesson, you will do the following:

- Create a purchase order with stock items
- Prepare a purchase receipt for an existing purchase order
- Release a purchase receipt
- Enter the accounts payable bill for the receipt
- Process the purchase order and the related inventory documents and accounts payable documents

Applicable Scenario

You process a purchase order if you need to record a purchase of stock items with item quantities updated in inventory and to prepare a bill for the purchased goods to the vendor of the goods. Your purchase process includes entering a purchase order, processing the purchase receipt when the purchased items are received to inventory, and preparing a bill to the vendor.

Process of Purchasing of Stock Items

A purchase process typically includes entering a purchase order, processing the purchase receipt when the purchased items are received to inventory, and preparing a bill to the vendor. In general, the [Purchase Orders](#) (PO301000) form is the starting point for creating a purchase order. In Acumatica ERP, for processing purchases of inventory items, purchase orders of the *Normal* type are used.

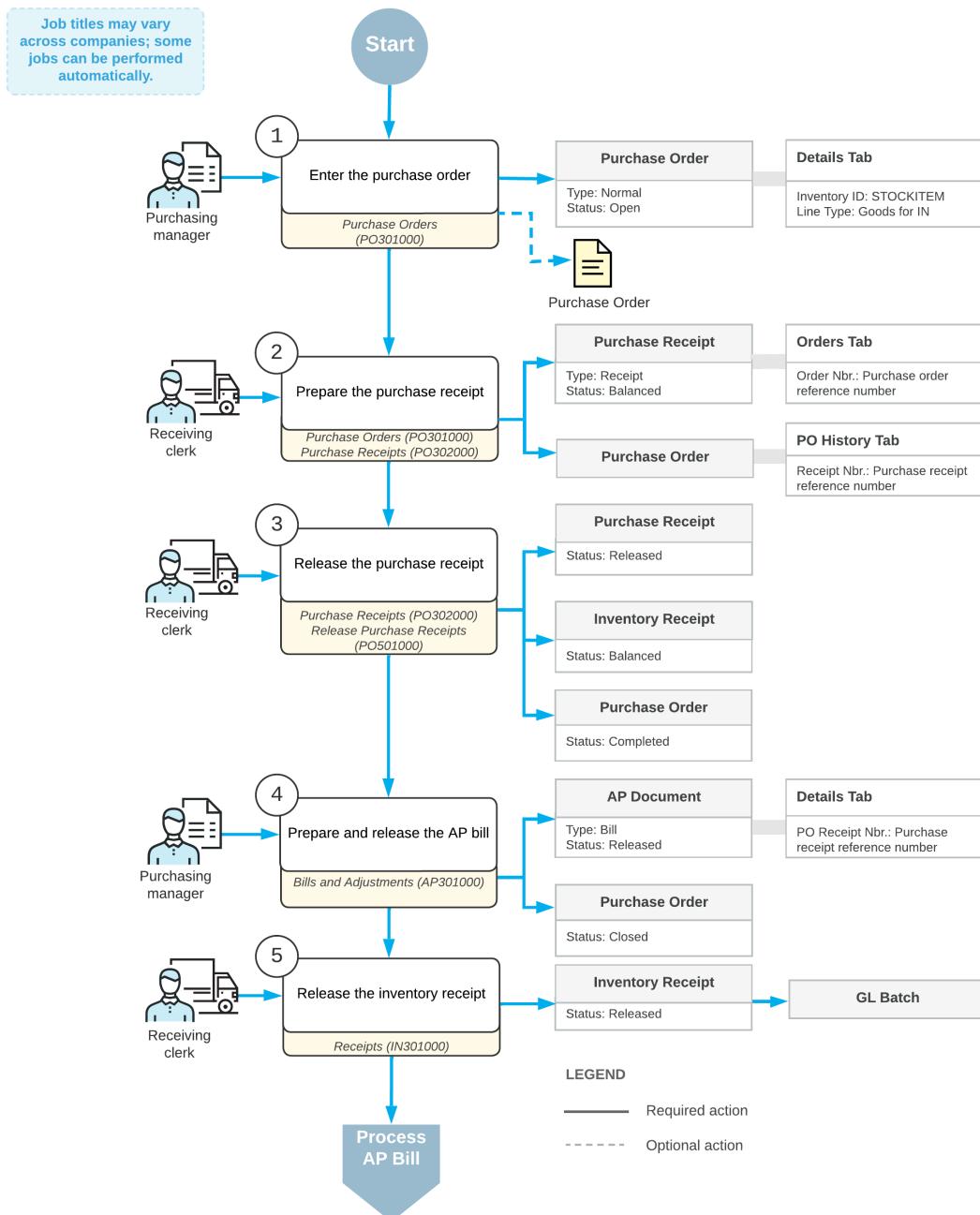
In a new purchase order created on the [Purchase Orders](#) form, you should first select the vendor. Then on the **Details** tab, you list the stock items to be purchased from the vendor. You can add stock items by clicking the **Add Items** button on the table toolbar of the **Details** tab and selecting from only the vendor's items or from the entire list of stock items. Once the purchased items have been received to inventory, you need to create a purchase receipt (or multiple partial receipts). When a purchase receipt is released, the system automatically generates a corresponding inventory receipt, with the date and posting period of the purchase receipt. On release of the inventory receipt, the system updates the inventory on hand with the quantity and cost of the received goods and generates a batch of GL transactions to update account balances in the general ledger. If all the lines in the purchase order have been received in full, the system assigns the purchase order the *Completed* status. Then you need to create a bill to increase the vendor's balance in the system with amount to be paid for received goods. If all

the lines in the purchase order have been billed in full, the system assigns the purchase order the *Closed* status. For more information on the rules that affect line closing and completion, see [Stock Item Lines in Purchase Orders](#).

Workflow of Purchasing Stock Items

The following diagram represents the general workflow of the processing of a purchase order in Acumatica ERP, in which a purchase receipt is processed before the bill is generated.

Purchase with processing a receipt before the AP bill



Purchases of Stock Items: Process Activity

The following activity demonstrates how to prepare and process to completion a purchase order with items received to inventory before the vendor is billed.

Story

Suppose that you are Regina Wiley, a purchasing manager in the SweetLife Fruits & Jams company. On January 30, 2025, you are purchasing the following fruits from the Glory Fruit Case vendor: 100 pounds of apples, 200 pounds of oranges, and 50 pounds of lemons. The purchased fruits are to be delivered to the main office's warehouse. As the purchasing manager, you need to enter and process a purchase order, process a purchase receipt, and create a bill that should be paid to the vendor for the received fruits.

Configuration Overview

In the *U100* dataset, for the purposes of this activity, the following tasks have been performed:

- On the [Enable/Disable Features](#) (CS100000) form, the following features have been enabled:
 - *Inventory and Order Management*, which provides the standard functionality of inventory and order management
 - *Inventory*, which gives you the ability to maintain stock items by using forms related to the inventory functionality and to create and process sales and purchase documents that include stock items
- On the [Vendors](#) (AP303000) form, the *GLORYFRUIT* (*Glory Fruit Case*) vendor has been configured.
- On the [Stock Items](#) (IN202500) form, the *APPLES*, *LEMONS*, and *ORANGES* stock items have been created.

Process Overview

In the process of purchasing stock items, you create a purchase order on the [Purchase Orders](#) (PO301000) form and add the purchased items to it. When the items have been received, on the [Purchase Receipts](#) (PO302000) form, you create a purchase receipt for the ordered items. On release of the purchase receipt, the system automatically generates an inventory receipt to reflect the receipt of the items in inventory. Then on the [Bills and Adjustments](#) (AP301000) form, you create an accounts payable bill to the vendor.

System Preparation

Before you start creating and processing a purchase order to completion, you should do the following:

1. Launch the Acumatica ERP website with the *U100* dataset preloaded and sign in to the system as purchasing manager Regina Wiley by using the *wiley* username and the *123* password.
2. In the info area, in the upper-right corner of the top pane of the Acumatica ERP screen, make sure that the business date in your system is set to *1/30/2025*. If a different date is displayed, click the Business Date menu button, and select *1/30/2025* from the calendar. For simplicity, in this activity, you will create and process all documents in the system on this business date.
3. On the Company and Branch Selection menu, in the top pane of the Acumatica ERP screen, make sure the *SweetLife Head Office and Wholesale Center* branch is selected.

Step 1: Reviewing the Quantity of Items in the Warehouse

To review the quantity of items in the *WHOLESALE* warehouse, you should do the following:

1. Open the [Inventory Valuation](#) (IN615500) report form.

2. On the **Report Parameters** tab, specify the following settings:
 - a. **Company/Branch:** HEADOFFICE - SweetLife Head Office and Wholesale Center
 - b. **Warehouse:** WHOLESALE
 - c. **Report Format:** Summary

Leave other settings unchanged.
3. On the form toolbar of the report form, click **Run Report**. The print form of the report opens. Review the report.
4. Memorize or write down the quantity of items with the following inventory IDs:
 - APPLES
 - LEMONS
 - ORANGES

In Step 3, you will compare the original quantity of these items with the resulting quantity.

Step 2: Creating a Purchase Order

To create a purchase order, do the following:

1. On the [Purchase Orders](#) (PO301000) form, add a new record.



To open the form for creating a new record, type the form ID in the Search box, and on the Search form, point at the form title and click **New** right of the title.

2. In the Summary area, specify the following settings:
 - **Type:** Normal
 - **Vendor:** GLORYFRUIT
 - **Date:** 1/30/2025
 - **Promised On:** 1/30/2025
 - **Description:** Purchase of fruits
3. On the **Details** tab, on the table toolbar, click **Add Row** and specify the following settings in the added row:
 - **Branch:** HEADOFFICE
 - **Inventory ID:** APPLES
 - **Warehouse:** WHOLESALE
 - **Order Qty.:** 100
 - **Unit Cost:** 2.29
4. On the table toolbar, click **Add Row** and specify the following settings in the second row:
 - **Branch:** HEADOFFICE
 - **Inventory ID:** LEMONS
 - **Warehouse:** WHOLESALE
 - **Order Qty.:** 50
 - **Unit Cost:** 2.59
5. On the table toolbar, click **Add Row** and specify the following settings in the third row:
 - **Branch:** HEADOFFICE
 - **Inventory ID:** ORANGES
 - **Warehouse:** WHOLESALE
 - **Order Qty.:** 200

- **Unit Cost:** 1 . 85
6. On the form toolbar, click **Save**.
 7. On the form toolbar, click **Remove Hold**. Now you can continue processing the purchase order, which has the *Open* status.

Step 3: Processing the Purchase Receipt

To create a purchase receipt for the purchase order, do the following:

1. While you are still viewing the *Purchase of fruits* purchase order on the [Purchase Orders](#) (PO301000) form, on the form toolbar, click **Enter PO Receipt**. The system prepares the purchase receipt for the selected purchase order and opens it on the [Purchase Receipts](#) (PO302000) form.
 2. On the form toolbar, click **Save**.
- Review the details of the prepared purchase receipt. Make sure that the **Create Bill** check box is cleared in the Summary area. (In the next step, you will prepare the bill manually.)
3. On the form toolbar, click **Release**. Wait for the system to complete the operation.
 4. On the **Other** tab, click the **IN Ref. Nbr.** link. The inventory receipt opens on the [Receipts](#) (IN301000) form in a pop-up window. Review the details of the generated inventory receipt. Make sure the inventory receipt has the *Released* status. Close the inventory receipt.
 5. Open the [Inventory Valuation](#) (IN615500) report form.
 6. On the **Report Parameters** tab, specify the following settings:
 - **Company/Branch:** HEADOFFICE - SweetLife Head Office and Wholesale Center
 - **Warehouse:** WHOLESALE
 - **Report Format:** Summary
 Leave the default settings for the other parameters.
 7. On the form toolbar of the report form, click **Run Report**. The print form of the report opens. Review the report. Make sure that the report reflects the receipt (to the warehouse) of the purchased items and their availability.

Step 4: Processing the AP Bill

To process the AP bill to the *GLORYFRUIT* vendor, do the following:

1. Open the purchase receipt that you have processed earlier in this activity on the [Purchase Receipts](#) (PO302000) form.
2. On the form toolbar, click **Enter AP Bill**. The system generates an accounts payable bill to the vendor of the goods and shows the created document on the [Bills and Adjustments](#) (AP301000) form.
3. On the form toolbar, click **Save**.
4. Click **Remove Hold**, which gives you the ability to release the bill.
5. Click **Release**.
6. Return to the purchase order to the *GLORYFRUIT* vendor on the [Purchase Orders](#) (PO301000) form, and review its details. Notice that the order now has a status of *Closed*, as shown in the following screenshot. On the **PO History** tab, notice that the information about the purchase receipt and accounts payable bill that were prepared for the order is displayed. According to this information, the purchased items have been received to inventory and billed in full, so the purchasing process is completed.

The screenshot shows the Acumatica Purchase Orders screen for purchase order number 000054. The vendor is GLORYFRUIT - Glory Fruit Case. The status is set to 'Closed'. The purchase order details include a total of 728.50, no discounts, and no taxes. The description is 'Purchase of fruits'. The PO HISTORY tab is selected, showing two entries:

Type	Receipt Nbr.	Date	Status	Received Qty.	Type	Reference Nbr.	Date	Status	Billed Qty.	Billed Amt.	PPV Amt	Currency
Receipt	000046	1/30/2025	Released	350.00	Bill	000166	1/30/2025	Open	350.00	728.50	0.00	USD

Figure: Purchase order processed to completion

Lesson 9: Purchases for Sale

This lesson explains how you can fulfill a sales order for which the quantity of a stock item is insufficient. You will also learn how you can link sales orders to existing purchase orders and receipts to allocate the items to the related sales orders.

Purchases for Sale: General Information

If your company sells certain items that are purchased only when sales orders for these items exist, a sales order may result in multiple purchase orders for different vendors, and a purchase order may include items from multiple sales orders. These factors could make it difficult to track the fulfillment of sales orders. In Acumatica ERP, you can link sales orders to existing purchase orders and receipts, so that the system will allocate the items listed on purchase receipts to specific sales orders.

Learning Objectives

In this lesson, you will do the following:

- Become familiar with the processing of purchases for sale in Acumatica ERP
- Create a sales order, and mark the items to be purchased for the sale
- Create a purchase order linked to a sales order
- Process the sales order and related purchase documents, inventory documents, and accounts payable documents

Applicable Scenarios

You may need to process purchases for sale in the following cases:

- You need to process a sales order that includes items that your company does not have in stock; such items are purchased only for specific sales orders.
- You have multiple warehouses and perform purchasing only to particular larger warehouses (distribution centers). During the processing of a purchase for sale, the system will generate the required transfers between warehouses, so you can easily track where the particular sales order is in the fulfillment process.

- You need to promptly fulfill a sales order line for which the quantity of the item is insufficient. After you have shipped the available quantity of the item (if any units are available), you need to order the quantity that was unavailable at the time of shipping.

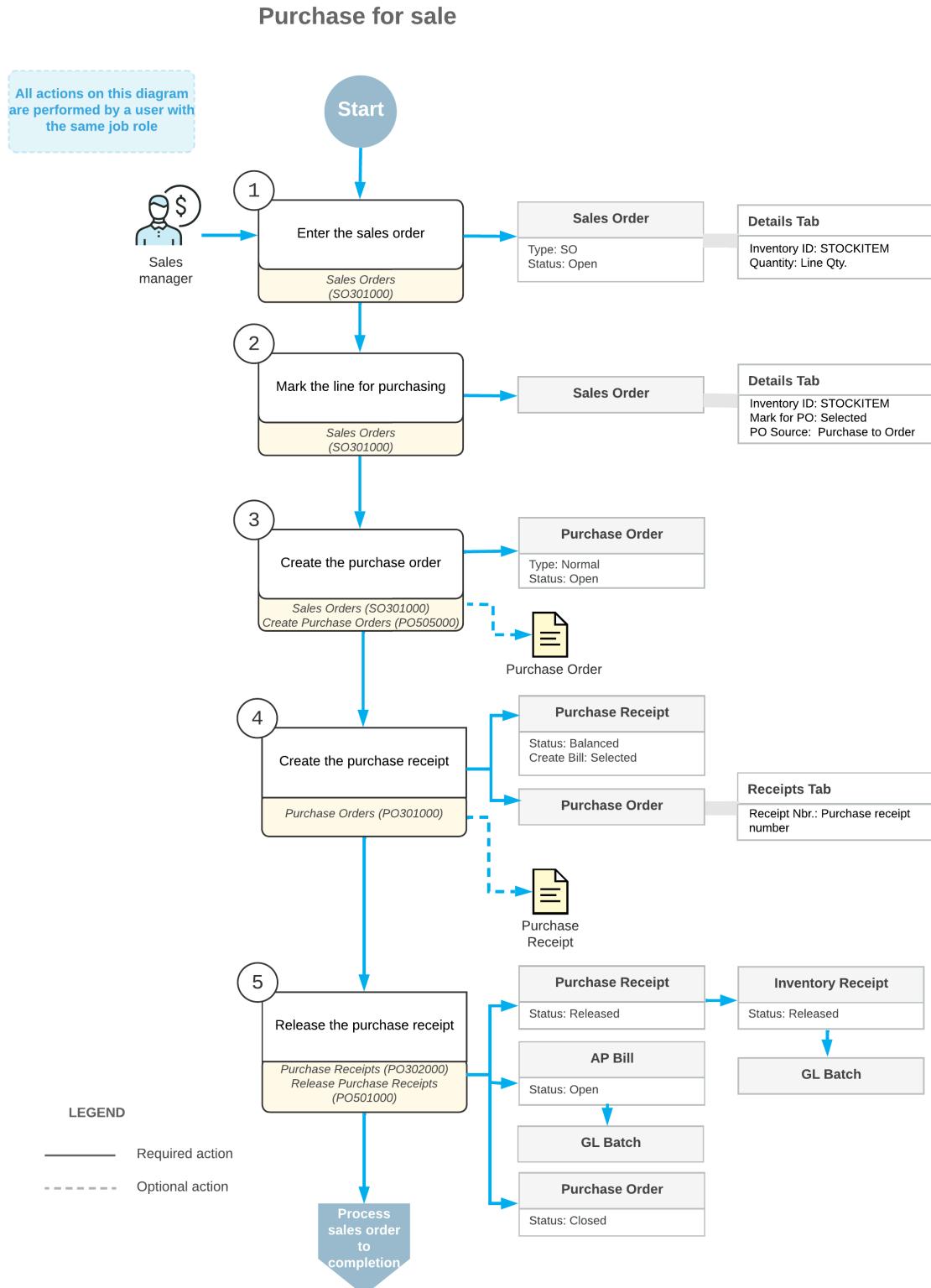
Creation of Sales Orders with Items Requested for Purchase

If the quantity of an item added to a sales order is fully or partially out of stock, you can purchase the remaining quantity. You specify that the remaining quantity should be purchased for the order by selecting the **Mark for PO** check box for the line on the **Details** tab of the *Sales Orders* (SO301000) form. The quantity initially allocated for the sales order remains allocated, while the quantity that must be purchased remains unallocated.

If you click **Remove Hold** on the form toolbar, the system creates a purchase request for this sales order on the *Create Purchase Orders* (PO505000) form. By default, for each line, the system specifies the vendor, which is set as default for a stock item specified in this line. You can change the vendor, if needed. From the purchase requests, you generate purchase orders that will be linked to the original sales order. Once you prepare and release the purchase receipt for the purchase order, the items become available for shipping, so you can complete the processing of the sales order.

Workflow of a Purchase for Sale

For a sales order that includes stock items intended for purchasing, the typical processing involves the actions and generated documents shown in the following diagram.



Purchases for Sale: Process Activity

In this activity, you will learn how to process a purchase of items that are not in stock for a particular sales order, and how to process the sales order to completion after receipt of the items that were purchased for sale.

Story

Suppose that the GoodFood One Restaurant customer has ordered tropical fruits (15 pounds of papayas and 10 pounds of lychees) on SweetLife's website. SweetLife's warehouses do not have the appropriate conditions for keeping delicate tropical fruits; also, these fruits are ordered rarely and in small quantities. To provide fresh and high-quality fruits to the customers, the sales manager purchases these tropical fruits on demand from the All Fruits Mall company, and once the fruits are delivered to the retail warehouse of the SweetLife store, they are immediately shipped to the customer that ordered them.

Acting as sales manager Regina Wiley, you need to process the sales order and the related purchase order in the system.

Configuration Overview

In the *U100* dataset, for the purposes of this activity, the following tasks have been performed:

- On the [Enable/Disable Features](#) (CS100000) form, the following features have been enabled:
 - *Inventory and Order Management*, which provides the standard functionality of inventory and order management
 - *Inventory*, which gives you the ability to maintain stock items by using forms related to the inventory functionality and to create and process sales and purchase documents that include stock items
 - *Sales Order to Purchase Order Link*, which provides the ability to link sales orders to existing purchase orders and receipts, and to create new purchase orders for existing sales orders
- On the [Customers](#) (AR303000) form, the *GOODFOOD (GoodFood One Restaurant)* customer has been created.
- On the [Vendors](#) (AP303000) form, the *ALLFRUITS (All Fruits Mall)* vendor has been created.
- On the [Stock Items](#) (IN202500) form, the *PAPAYAS (Fresh papayas 1 lb)* and *LYCHEES (Fresh lychees 1 lb)* stock items have been created. For each item, the *ALLFRUITS* vendor has been added on the **Vendors** tab.

Process Overview

In this activity, to process a sales order that includes stock items that must be purchased for sale, you will first create a sales order on the [Sales Orders](#) (SO301000) form and add all of the stock items that were ordered by the customer. Because the items are not in stock, you will mark them for purchasing in the sales order; to ship these lines, you have to receive the purchased items at the warehouse specified in the sales order lines.

When you mark items for purchasing, the system creates purchase requests of the *SO to Purchase* type. You will create purchase orders by mass-processing purchase requests of this type on the [Create Purchase Orders](#) (PO505000) form. Each purchase order generated from a purchase request or from multiple requests will be linked to the related sales order. When you receive the items of each linked purchase order to inventory, the items will be allocated directly to the related sales orders.

After all purchased items have been received to inventory, you will process the sales order to completion. That is, you will ship the items to the customer and prepare the invoice for the customer.

System Preparation

Before you start processing a sales order that includes stock items that must be purchased for sale, you should do the following:

1. In the info area, in the upper-right corner of the top pane of the Acumatica ERP screen, make sure that the business date in your system is set to today's date. For simplicity, in this activity, you will create and process all documents in the system on this business date.
2. On the Company and Branch Selection menu in the top pane of the Acumatica ERP screen, select the *SweetLife Store* branch.

Step 1: Creating a Sales Order

To create the sales order for GoodFood One Restaurant, do the following:

1. On the [Sales Orders](#) (SO301000) form, create an order with the following settings:
 - **Order Type:** SO
 - **Customer:** GOODFOOD
 - **Description:** Website order #00782 (tropical fruits)
2. On the **Details** tab, add rows with the settings shown in the following table.

Branch	Inventory ID	Warehouse	Quantity	Unit Price
RETAIL	PAPAYAS	RETAIL	15	5.56
RETAIL	LYCHEES	RETAIL	10	10.99

Notice that the system displays warnings on the **Details** tab and in the **Quantity** column of both lines indicating that the specified quantity is not available in the selected warehouse.

3. On the form toolbar, click **Save**. The sales order is saved with the *Open* status.

Step 2: Marking the Stock Items to Be Purchased for Sale

To mark the stock items for purchase in the sales order, do the following:

1. While you are still viewing the order on the [Sales Orders](#) (SO301000) form, in the *PAPAYAS* line of the **Details** tab, select the **Mark for PO** check box, and make sure that *Purchase to Order* is selected in the **PO Source** column.
2. In the *LYCHEES* line, select the **Mark for PO** check box, and make sure that *Purchase to Order* is selected in the **PO Source** column.
3. On the form toolbar, click **Save**.

Step 3: Creating a Purchase Order That Is Linked to the Sales Order

To create a purchase order for the stock items that are marked for purchase, do the following:

1. While you are still viewing the sales order on the [Sales Orders](#) (SO301000) form, on the More menu, click **Create Purchase Order**.

2. On the [Create Purchase Orders](#) (PO505000) form, which opens, select the unlabeled check boxes in the two lines with *SO to Purchase* specified as the **Plan Type**. (The *SO to Purchase* plan type indicates that this line is a purchase request.)
3. In both of these lines, make sure that the stock items have the following settings:
 - a. **Vendor:** ALLFRUITS
 - b. **Warehouse:** RETAIL
4. On the form toolbar, click **Process** to process the purchase requests that you have selected.
The system creates a purchase order for the ALLFRUITS vendor, and opens it on the [Purchase Orders](#) (PO301000) form.
5. In the **Description** box of the Summary area, type Purchase for website order #00782.
6. On the **Details** tab, click the PAPAYAS line, and on the table toolbar, click **View Demand**. The **Demand** dialog box, which opens, shows the sales order to which this purchase order line is linked.
7. Click **Close** to close the dialog box.
8. On the **Details** tab, do the following:
 - In the **Unit Cost** column of the PAPAYAS line, specify 5.
 - In the **Unit Cost** column of the LYCHEES line, specify 9.
9. On the form toolbar, click **Remove Hold**.

Step 4: Processing the Purchase Order

To process the purchase order to completion, do the following:

1. While you are still viewing the purchase order on the [Purchase Orders](#) (PO301000) form, click **Enter PO Receipt** on the form toolbar.
2. On the [Purchase Receipts](#) (PO302000) form, which opens, review the details of the prepared purchase receipt, and make sure that both purchase order lines have been added with the appropriate quantities.
3. In the Summary area, select the **Create Bill** check box to make the system generate the bill automatically on release of the purchase receipt.
4. On the form toolbar, click **Release** to release the purchase receipt.
The system releases the purchase receipt, which is assigned the *Released* status.
5. On the **Billing** tab, review the only line in the table, which shows the generated bill, and make sure that the bill has the *Open* status, reflecting that it has been released.
6. On the **Other** tab, click the **IN Ref. Nbr.** link.
7. On the [Receipts](#) (IN301000) form, which opens in a pop-up window, review the generated inventory receipt. Make sure that the inventory receipt has the *Released* status.
8. Close the [Receipts](#) form.

Now the items are in stock in the *RETAIL* warehouse and can be shipped to the GoodFood One Restaurant customer.

Step 5: Processing the Sales Order to Completion

To process to completion the sales order that you have created in this activity, do the following:

1. On the [Inventory Allocation Details](#) (IN402000) form, select PAPAYAS as the **Inventory ID** and *RETAIL* as the **Warehouse**.
2. On the **Item Plans** tab, review the only line in the table, which has 15 in the **Qty.** column. This indicates that 15 PAPAYAS units are allocated directly for the sales order for which you have processed the purchase.

3. Select **LYCHEES** as the **Inventory ID**. In the only table line, make sure that **10** is specified in the **Qty.** column. This indicates that **10 LYCHEES** units are also allocated for the sales order for which you purchased them.
4. In the table, double-click the line to open the sales order on the **Sales Orders** (SO301000) form.
5. On the **Details** tab, click the **PAPAYAS** line, and on the table toolbar, click **PO Link**.
6. In the **Purchasing Details** dialog box, which opens, review the purchase order to which this sales order line is linked.
7. Close the dialog box.
8. On the **Details** tab, click the **LYCHEES** line, and on the table toolbar, click **Line Details**.
9. In the **Line Details** dialog box, which opens, review the allocation line, which shows that the ordered items are allocated in the **RETAIL** warehouse.
10. Click **OK** to close the dialog box.
11. On the form toolbar of the **Sales Orders** form, click **Create Shipment**.
12. In the **Specify Shipment Parameters** dialog box, which opens, make sure that today's date is specified in the **Shipment Date** box and the **RETAIL** warehouse is specified in the **Warehouse ID** box, and click **OK**. The dialog box is closed. The system creates a shipment and opens it on the **Shipments** (SO302000) form.
13. On this form, review the details of the shipment, and make sure that both lines have been added with the appropriate quantities.
14. On the form toolbar, click **Confirm Shipment** to confirm the shipment, and then click **Prepare Invoice** to prepare the invoice for the customer.
15. On the **Invoices** (SO303000) form, which opens, review the details of the prepared invoice.
16. On the form toolbar, click **Release** to release the invoice.
17. Return to the **Sales Orders** form with the **Website order #00782 (tropical fruits)** sales order for the **GOODFOOD** customer open, and notice that it has the **Completed** status, as shown in the following screenshot.

The screenshot shows the Sales Orders form for SO 000078 - GoodFood One Restaurant. The status is set to 'Completed'. The table below lists the items ordered:

Branch	Inventory ID	Warehouse	Line Description	UOM	Quantity	Qty. On Shipments	Open Qty.
RETAIL	PAPAYAS	RETAIL	Fresh papayas 1 lb	LB	15.00	15.00	0.00
RETAIL	LYCHEES	RETAIL	Fresh lychees 1 lb	LB	10.00	10.00	0.00

Figure: Sales order processed to completion

Lesson 10: Purchases with Billing Before Receipt

This lesson explains how you can process an accounts payable bill before the ordered stock items have been received by your company.

Purchases with Billing Before Receipt: General Information

In Acumatica ERP, you can process purchases in which the bills are received and need to be paid before the vendor ships the ordered goods.

Learning Objectives

In this lesson, you will do the following:

- Create a purchase order with stock items
- Prepare an accounts payable bill for the purchase order
- Prepare and release a purchase receipt and the related inventory documents

Applicable Scenario

In your organization, if bills are received from some vendors and entered into the system before the purchased goods arrive or if bills are imported from a third-party system, you can establish a workflow in which an accounts payable bill can be processed before the ordered items have been received. In this case, the purchasing process typically includes entering a purchase order, preparing a bill for the vendor, and then, when the purchased items are received to inventory, processing the purchase receipt.

Purchasing Process with Billing Before Receipt

In general, the [Purchase Orders](#) (PO301000) form is the starting point for creating a purchase order. In Acumatica ERP, purchase orders of the *Normal* type are used for the processing of purchases of inventory items with billing before receipt.

In a new purchase order created on the [Purchase Orders](#) form, you first select the vendor. Then on the **Details** tab, you list the stock items to be purchased from the vendor. You can add stock items by clicking the **Add Items** button on the table toolbar of this tab and selecting from only the vendor's items or from the entire list of stock items.

Then you need to create a bill on the [Bills and Adjustments](#) (AP301000) form to increase the vendor's balance in the system by the amount to be paid for the goods. You can release the prepared bill at any time—before or after the processing of the receipt of the ordered items. Once the purchased items have been received to inventory, you create a purchase receipt (or multiple partial receipts) on the [Purchase Receipts](#) (PO302000) form. When a purchase receipt is released, the system automatically generates a corresponding inventory receipt on the [Receipts](#) (IN301000) form, with the date and posting period copied from the purchase receipt. On release of the inventory receipt, the system updates the inventory on hand with the quantity and cost of the received goods, and generates a batch of GL transactions to update account balances in the general ledger. If all the lines in the purchase order have been received and billed in full, the system assigns the purchase order the *Closed* status. For more information on the rules that affect line closing and completion, see [Stock Item Lines in Purchase Orders](#), [Non-Stock Lines in Purchase Orders](#), and [Service Lines in Purchase Orders](#).

Vendor Setting for Billing Before Receipt

You can create an AP bill before the corresponding purchase receipt for a purchase order in both of the following cases:

- If on the [Vendors](#) (AP303000) form, the **Allow AP Bill Before Receipt** check box is selected for the vendor specified in the purchase order
- If on the [Vendor Locations](#) (AP303010) form, the **Allow AP Bill Before Receipt** check box is selected for the vendor location selected in the purchase order

When a purchase order is created on the [Purchase Orders](#) (PO301000) form and this vendor or vendor location is selected, the state of this check box is copied to the check box of the same name on the **Other** tab of the form.

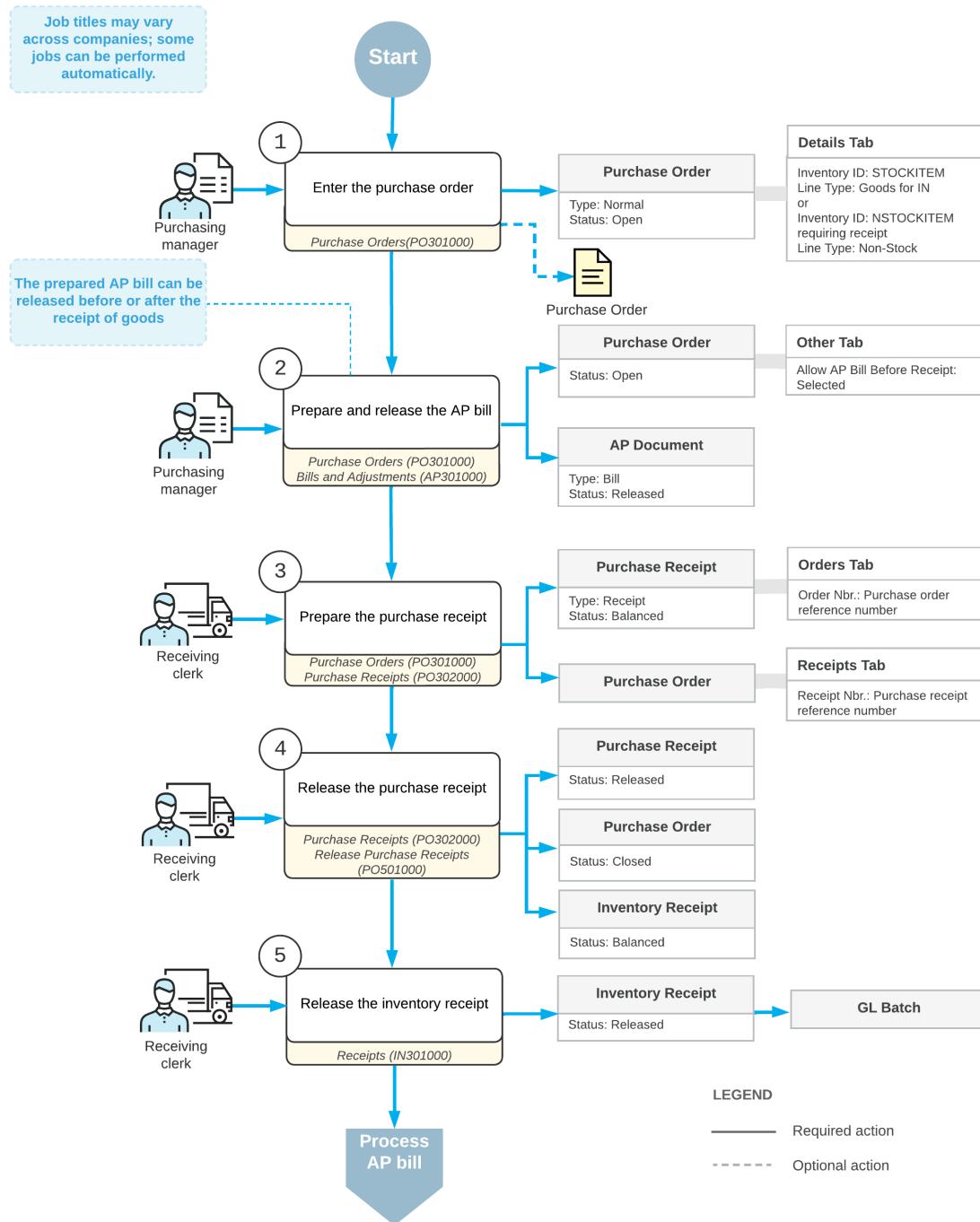


If the **Allow AP Bill Before Receipt** check box is selected for a purchase order, you can also use the inventory purchase workflow in which the purchase receipt is processed and then the AP bill is prepared; the check box merely determines whether it is permissible to create the AP bill before the corresponding purchase receipt is created. For a description of the workflow with the receipt processed before the related bill, see [Purchases of Stock Items: General Information](#).

Workflow of a Purchase with Billing Before Receipt

The following diagram represents the general workflow of the processing of a purchase order in Acumatica ERP, in which a bill is processed before the purchased items are received to inventory.

Purchase with billing before receipt



Purchases with Billing Before Receipt: Process Activity

In this activity, you will learn how to process a purchase of stock items if the accounts payable bill from the vendor is received before the goods have been delivered.

Story

Suppose that you, acting as purchasing manager Regina Wiley, order a large quantity of labeled paper bags and jar labels for SweetLife's needs. The Wingman Printing Company vendor, from which these goods were purchased, sent a bill to SweetLife, which received the original paper bill before the goods were delivered to the warehouse of the company's main office. You need to enter the purchase order, enter the accounts payable bill for the purchase order, and later, when the goods arrive to the wholesale warehouse, create and process a purchase receipt related to the purchase order.

Configuration Overview

In the *U100* dataset, for the purposes of this activity, the following tasks have been performed:

- On the [Enable/Disable Features](#) (CS100000) form, the following features have been enabled:
 - *Inventory and Order Management*, which provides the standard functionality of inventory and order management
 - *Inventory*, which gives you the ability to maintain stock items by using forms related to the inventory functionality and to create and process sales and purchase documents that include stock items
- On the [Vendors](#) (AP303000) form, the *PRINTICO (Wingman Printing Company)* vendor has been created. The **Allow AP Bill Before Receipt** check box has been selected for the vendor on the **Purchase Settings** tab.
- On the [Vendor Locations](#) (AP303010), for the *MAIN* location of the *PRINTICO* vendor, the **Allow AP Bill Before Receipt** check box has been selected on the **Purchase Settings** tab.
- On the [Stock Items](#) (IN202500) form, the *PAPERBAG* and *LABELS* stock items have been created.

Process Overview

In this activity, to process a purchase order with billing before the items have been received, you will first create the purchase order on the [Purchase Orders](#) (PO301000) form and add the purchased items to it. You will then create an accounts payable bill for the vendor on the [Bills and Adjustments](#) (AP301000) form and release the bill. When the ordered items are received, you will create a purchase receipt for them on the [Purchase Receipts](#) (PO302000) form. On release of the purchase receipt, the system generates a corresponding inventory receipt to reflect the receipt of the items to inventory, which you will review on the [Receipts](#) (IN301000) form.

System Preparation

Before you start processing a purchase order with billing before the items have been received, you should do the following:

1. In the info area, in the upper-right corner of the top pane of the Acumatica ERP screen, make sure that the business date in your system is set to today's date. For simplicity, in this activity, you will create and process all documents in the system on this business date.
2. On the Company and Branch Selection menu, in the top pane of the Acumatica ERP screen, make sure the *SweetLife Head Office and Wholesale Center* branch is selected.

Step 1: Creating the Purchase Order

To create a purchase order, which includes labeled paper bags and jar labels, for the Wingman Printing Company, do the following:

1. On the [Purchase Orders](#) (PO301000) form, add a new record.
2. In the Summary area, specify the following settings:
 - **Type:** *Normal*

- **Vendor:** PRINTICO
 - **Description:** Order of labels and paper bags
3. On the **Details** tab, add rows with the settings listed in the following table.

Branch	Inventory ID	Warehouse	Order Qty.	Unit Cost
HEADOFFICE	LABELS	WHOLESALE	40	7.49
HEADOFFICE	PAPERBAG	WHOLESALE	25	16.70

4. Review the **Other** tab, and notice that the **Allow AP Bill Before Receipt** check box is selected. This setting, which was specified for the PRINTICO vendor on the [Vendors](#) (AP303000) form, means that you can create the accounts payable bill for the purchase order even though the purchase receipt has not yet been entered for the purchase order.
5. On the form toolbar, click **Remove Hold**. The system saves the purchase order.

Step 2: Processing the Accounts Payable Bill

To create an accounts payable bill for the purchase order, do the following:

1. While you are still viewing the purchase order on the [Purchase Orders](#) (PO301000) form, click **Enter AP Bill** on the More menu. The system generates an accounts payable bill (to which it copies the vendor of goods, the details, and other relevant information) and opens the created document on the [Bills and Adjustments](#) (AP301000) form.
2. Review the details of the created bill. In a production environment, you would make sure that the details of the bill created in the system correspond to the details of the paper document that was received from the vendor.
3. On the form toolbar, click **Remove Hold**.
4. Click **Release**.

Step 3: Processing the Purchase Receipt

To create the purchase receipt for the purchase order, do the following:

1. Return to the purchase order for PRINTICO on the [Purchase Orders](#) (PO301000) form, which still has the *Open* status, and review the **PO History** tab. Notice that the details of the bill are shown in the right table.
2. On the form toolbar, click **Enter PO Receipt**. The system prepares the purchase receipt for the selected purchase order, with all lines and other relevant settings copied, and opens it on the [Purchase Receipts](#) (PO302000) form.
3. Make sure that the purchase receipt has the *Balanced* status, save the purchase receipt, and review its details. Notice that on the **Billing** tab, the bill that you have created is listed.
4. In the Summary area, make sure that the **Create Bill** check box is cleared (because you have already created a bill for the entire quantity).
5. On the form toolbar, click **Release**.
6. On the **Other** tab, click the **IN Ref. Nbr.** link, and review the details of the generated inventory receipt, which the system opens on the [Receipts](#) (IN301000) form in a pop-up window. Make sure that the inventory receipt has the *Released* status.
7. Return to the purchase receipt on the [Purchase Receipts](#) form, and on the **Orders** tab, review the information about the related purchase order, and make sure it now has the *Closed* status, as shown in the following screenshot.

The screenshot shows the Purchase Receipts screen in Acumatica. At the top, it displays 'Purchase Receipts' and 'Receipt 000054 - Wingman Printing Company'. The main area contains fields for Type (Receipt), Vendor (PRINTICO - Wingman Printing Company), Total Qty. (65.00), and Control Qty. (65.00). Below these are fields for Receipt Nbr. (000054), Location (MAIN - Primary Location), and Unbilled Quant... (0.00). The Status field is highlighted with a red border and contains the value 'Released'. Other fields include Date (9/25/2024), Post Period (09-2024), Vendor Ref., Workgroup, and Owner. Below the main fields are tabs for DETAILS, ORDERS, PUT AWAY, HISTORY, BILLING, LANDED COSTS, and OTHER. The ORDERS tab is selected. Under the ORDERS tab, there is a table with columns: Type, Order Nbr., Currency, Vendor Tax Zone, and Status. A row for a purchase order line is selected, showing Type 'Normal', Order Nbr. '000060', Currency 'USD', and Status 'Closed'. This row is also highlighted with a red border.

Figure: The line with the closed purchase order on the Purchase Receipts form

Lesson 11: Prepayments for Purchase Orders

This lesson explains how you can create and process prepayments for purchase orders and how the prepayments are applied to accounts payable bills.

Prepayments for Purchase Orders: General Information

Different vendors have different conditions for supplying goods and services. A vendor may request that your company pay a part of the order amount in advance before those goods or services are provided. To support this process in Acumatica ERP, you can process a prepayment for the purchase order; this prepayment is later automatically applied to the AP bill prepared for the vendor of goods or services.

Learning Objectives

In this lesson, you will do the following:

- Change the default prepayment amount for a vendor
- Create a prepayment request for a purchase order
- Create a prepayment from a prepayment request
- Apply a prepayment to an accounts payable bill created for a purchase order
- Process a single prepayment for a purchase order
- Process multiple prepayments for a purchase order

Applicable Scenarios

You may want to create and process a prepayment in the following cases:

- You are processing a new purchase order for the vendor that requires a partial payment in advance before the ordered items will be sent.

- You have corrected the details of an existing purchase order that was already prepaid, so that an extra prepayment amount needs to be processed.

Prepayments for Purchase Orders

To process a prepayment in the system, you have to first create and release the prepayment request, which denotes the vendor's request for prepayment in the system. A prepayment request is not a financial document; it is an internal document that can be approved (if required in your system) before the prepayment is actually paid to the vendor.

In general, the [Purchase Orders](#) (PO301000) form is the starting point for creating a prepayment request for a particular purchase order. You can create prepayment requests for purchase orders of the *Normal* and *Drop-Ship* types.

On the More menu of the [Purchase Orders](#) form, you click **Create Prepayment Request**. On the [Bills and Adjustments](#) (AP301000) form, which opens, you specify the quantity and extended cost in each of the prepayment request lines. The total amount of prepayments prepared for a purchase order cannot exceed the total amount of the purchase order. After you have specified the details, you release the prepayment request. A prepayment request does not generate general ledger transactions and does not change the vendor balance.



If approval is required in your system, the prepayment request must be approved on the [Approve Bills for Payment](#) (AP502000) form before it can be paid. For details on approval configuration, see [Approval Configuration: Approval Maps](#).

To create a prepayment document from a prepayment request, you need to pay the prepayment. A prepayment request is always paid in the full amount; you cannot pay it partially. To pay the prepayment, you prepare an accounts payable payment on the [Checks and Payments](#) (AP302000) form, apply it to the prepayment request, and release the payment along with the application; depending on the system settings, processing a payment may require you to print it before releasing it. After you apply the AP payment to the prepayment request, the system changes the status of this payment to *Closed* and changes the status of the original prepayment to *Open*. Also, a document with the *Prepayment* type and the same reference number as that of the original prepayment request becomes available on the [Checks and Payments](#) form. Then you can apply this prepayment to bills and credit adjustments prepared for the vendor of the goods.

Once the purchased items have been received to inventory, you create a purchase receipt on the [Purchase Receipts](#) (PO302000) form and an accounts payable bill on the [Bills and Adjustments](#) form.

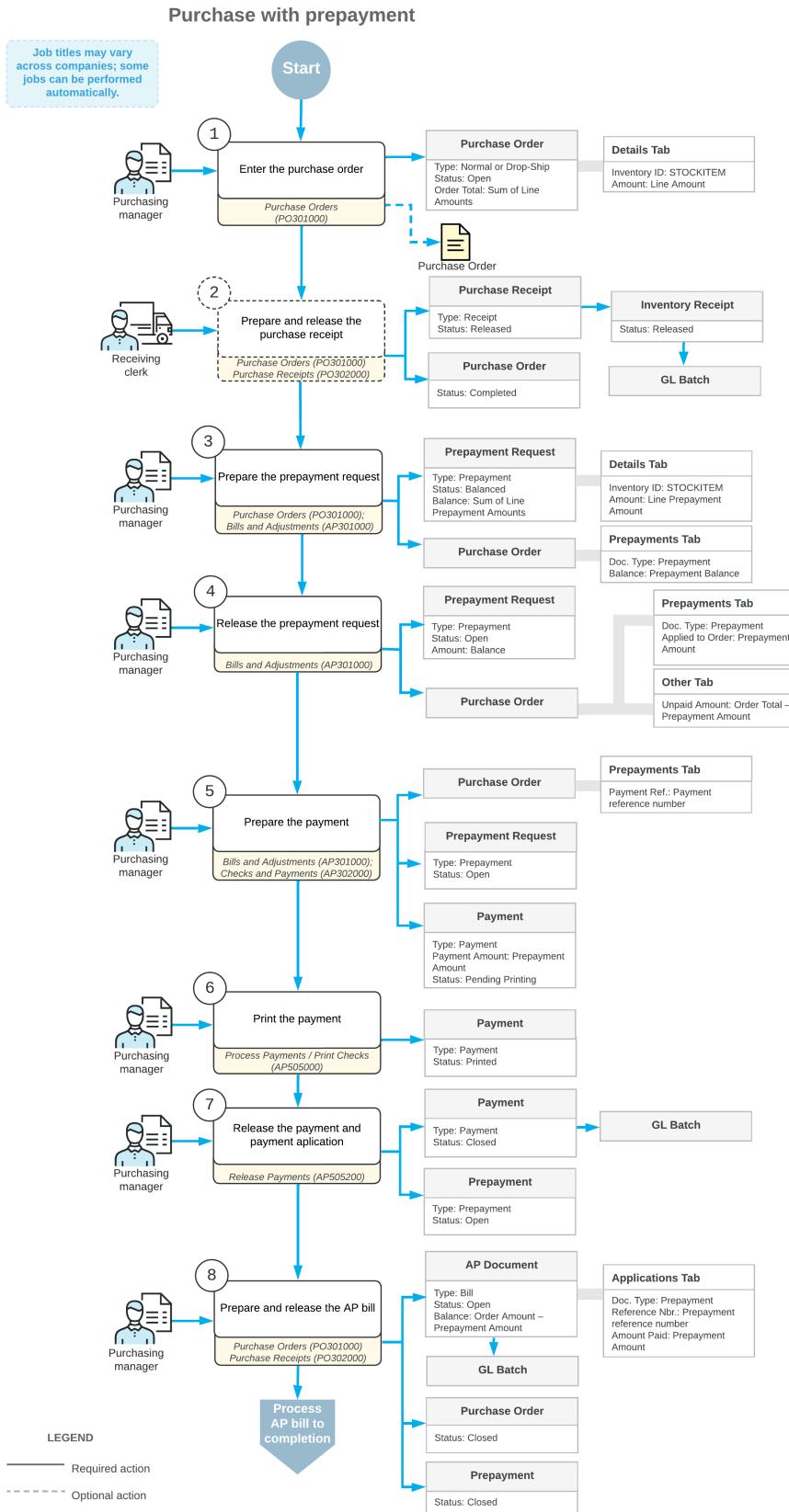


Depending on the vendor's settings, you may need to process the bill before the receipt or the receipt before the bill. The prepared prepayment document is automatically applied to the accounts payable bill; on release of the AP bill, the prepayment is applied to the bill.

On release of the prepayment application to the bill, a batch of general ledger transactions is posted. The open balance of the bill is decreased by the balance of the applied prepayment.

Workflow of Purchase with Prepayment

The following diagram illustrates the workflow of processing a purchase with prepayment.



Prepayments for Purchase Orders: Calculation of the Prepayment Amount

In some cases, you need to prepay a percent of the cost of a purchase order before the vendor produces, ships, or delivers the goods to your company. While you are working with the purchase order on the [Purchase Orders](#) (PO301000) form, you can click **Create Prepayment Request** on the More menu. The system opens the [Bills and Adjustments](#) (AP301000) form with a new prepayment request linked to the purchase order, with the lines of the purchase order copied to the **Details** tab and the prepayment amount inserted in each prepayment request line.

To simplify the creation of prepayment requests for purchase orders, you can define a standard percentage of the prepayment amount for the applicable records (those that correspond to a particular requirement for a prepayment); these default percentages can be used in the appropriate situations for calculating the prepayment amount in prepayment request lines. You can specify a default prepayment percent for the following records:

- A particular purchase order: On the **Vendor Info** tab of the [Purchase Orders](#) form, specify this percent in the **Prepayment Percent** box.
- A stock item purchased by a specific vendor: On the **Vendors** tab of the [Stock Items](#) (IN202500) form, in a row with this vendor selected, specify this percent in the **Prepayment Percent** column.
- A non-stock item purchased by a specific vendor: On the **Vendors** tab of the [Non-Stock Items](#) (IN202000) form, in a row with this vendor selected, specify this percent in the **Prepayment Percent** column.
- A particular vendor: Specify this percent in the **Prepayment Percent** box on the **Payment** tab of the [Vendors](#) (AP303000) form.

For each line of the prepayment request, the system calculates the value in the **Prepayment Amount** column by using the value in the **Prepayment Percent** column. The system checks related system settings in the following order and uses the first source value it finds:

1. If a default prepayment percent is specified in the settings of a purchase order for which the prepayment request is prepared, the system inserts this percentage for the line (regardless of the applicable vendor and item settings).
2. If a default prepayment percent is specified in the settings of the stock item or non-stock item selected in the line, the system inserts this percentage for this line (regardless of the applicable vendor settings).
3. If a default prepayment percent is specified for the vendor selected for this prepayment, the system inserts this percentage for this line.

If a default prepayment percent is not specified for any of these system settings, the system inserts 100 as the default value, which indicates that the full amount of the purchase order line should be inserted in the related line of a prepayment request.

You can manually override the default prepayment percent that the system has inserted into any line to change the prepayment amount on the [Bills and Adjustments](#) form; also, you can delete any of the lines copied from the original purchase order to exclude them from prepayment.

Prepayments for Purchase Orders: To Process a Prepayment

In the following activity, you will create a prepayment request for a purchase order, make a payment based on the prepayment request, and apply the prepayment to an AP bill.

Story

Suppose that the SweetLife Fruits & Jams company has ordered a large quantity of eco-friendly reusable bags with the company's logo for SweetLife's needs. The Ginkgo Tree Printing Company vendor has requested an advance payment in the amount of \$500.

Acting as purchasing manager Regina Wiley, you have to enter the purchase order and record a request for a prepayment. You then need to make a payment for the prepayment request, process the purchase order to completion, and make sure that the prepayment was applied to the bill created for the purchase order.

Configuration Overview

In the *U100* dataset, for the purposes of this activity, the following tasks have been performed:

- On the *Enable/Disable Features* (CS100000) form, the following features have been enabled:
 - *Inventory and Order Management*, which provides the standard functionality of inventory and order management
 - *Inventory*, which gives you the ability to maintain stock items by using forms related to the inventory functionality and to create and process sales and purchase documents that include stock items
- On the *Vendors* (AP303000) form, the *GINKGO (Ginkgo Tree Printing Company)* vendor has been created. The **Allow AP Bill Before Receipt** check box has been selected for the vendor on the **Purchase Settings** tab (which means that for this vendor, accounts payable bills can be processed before purchase receipts).
- On the *Stock Items* (IN202500) form, the *ECOBAG* stock item has been created.

Process Overview

In this activity, you will start with creating a purchase order on the *Purchase Orders* (PO301000) form and adding the purchased item to it. Then you will create a prepayment request by clicking **Create Prepayment Request** on the More menu; on the *Bills and Adjustments* (AP301000) form, you will specify the prepayment amount for the line copied from the purchase order. To create a prepayment document from the prepayment request, you will pay the prepayment by clicking **Pay/Apply** on the More menu of the *Bills and Adjustments* form; you will review the prepared payment on the *Checks and Payments* (AP302000) form. Then you will print a check and release the payment.

To complete the processing of the purchase order, you will create a purchase receipt for the ordered items on the *Purchase Receipts* (PO302000) form and an accounts payable bill to the vendor on the *Bills and Adjustments* form. On release of the AP bill, the system automatically applies the prepayment to the bill and updates the vendor's balance.

System Preparation

Before you start processing a prepayment, you should do the following:

1. In the info area, in the upper-right corner of the top pane of the Acumatica ERP screen, make sure that the business date in your system is set to today's date. For simplicity, in this activity, you will create and process all documents in the system on this business date.
2. On the Company and Branch Selection menu, in the top pane of the Acumatica ERP screen, make sure the *SweetLife Head Office and Wholesale Center* branch is selected.

Step 1: Editing the Stock Item Settings

To specify the prepayment percent of the *ECOBAG* stock item when it is included in a purchase order for the *GINKGO* vendor, do the following:

1. On the *Stock Items* (IN202500) form, open the *ECOBAG* item.
2. On the **Vendors** tab, click **Add Row**.
3. Specify the following settings in the added row:
 - **Active:** Selected
 - **Vendor ID:** *GINKGO*

- **Prepayment Percent:** 25.
- On the form toolbar, click **Save**.

You have specified the default prepayment settings for the *GINKGO* vendor and item-specific prepayment settings for the *ECOBAG* stock item.

Step 2: Creating the Purchase Order

To create the purchase order, do the following:

- On the *Purchase Orders* (PO301000) form, add a new record.
- In the Summary area, specify the following settings:
 - **Type:** *Normal*
 - **Vendor:** *GINKGO*
 - **Description:** Purchase of eco-friendly bags with company logo
- On the **Details** tab, click **Add Row**.
- Specify the following settings in this row:
 - **Branch:** *HEADOFFICE*
 - **Inventory ID:** *ECOBAG*
 - **Warehouse:** *WHOLESALE*
 - **Order Qty.:** 15
 - **Unit Cost:** 250
- On the form toolbar, click **Remove Hold** to save the purchase order and prepare for further processing.

Step 3: Creating a Prepayment Request

To prepare a prepayment request for the purchase order, do the following:

- While you are still viewing the purchase order on the *Purchase Orders* (PO301000) form, on the More menu, click **Create Prepayment Request**.
- On the *Bills and Adjustments* (AP301000) form, which opens, in the only line of the prepared prepayment request, specify the following settings:
 - **Ext. Cost:** 2000
 - **Account:** *81000 - Other Expenses*
- Make sure that the calculated **Prepayment Amount** is 500 in the prepayment request line.
- On the form toolbar, click **Remove Hold**.
- Click **Release** on the form toolbar to release the prepayment request.

You have created a prepayment request to make the prepayment to the vendor.

Step 4: Creating a Payment to Pay for the Prepayment Request

To prepare an AP payment to pay the vendor in the prepayment amount, do the following:

- While you are still viewing the prepayment request on the *Bills and Adjustments* (AP301000) form, on the form toolbar, click **Pay/Apply**.
- On the *Checks and Payments* (AP302000) form, which opens, review the payment and verify that it has the following settings in the Summary area:
 - **Type:** *Payment*

- **Vendor:** G/NKGO
 - **Payment Method:** CHECK
 - **Cash Account:** 10200WH - Wholesale Checking
 - **Payment Amount:** 500
3. Change **Description** to Prepayment for eco-friendly bags with company logo.
 4. On the **Documents to Apply** tab, make sure that the following settings are specified in the only row:
 - **Document Type:** Prepayment
 - **Reference Nbr.:** The reference number of the prepayment document you created in Step 2
 - **Amount Paid:** 500
 5. On the form toolbar, click **Remove Hold**.
 6. Click **Save**. The payment is assigned the *Pending Print* status, which means that it requires printing before it can be released.

Step 5: Processing the Payment

To apply the payment to prepayment request, do the following:

1. While you are still viewing the payment on the *Checks and Payments* (AP302000) form, on the form toolbar, click **Print/Process**.
2. On the *Process Payments / Print Checks* (AP505000) form, which opens, notice that the system has added a row with the payment and selected the unlabeled check box for it. On the form toolbar, click **Process**.
A new browser tab opens showing a printable check for the selected payment.
3. Review the printable check for the payment. Notice that the check has 500 as the **Payment Amount**.



In a production system, you would print out the payment.

Close the browser tab.

4. On the *Release Payments* (AP505200) form, which opens, click **Process**. The **Processing** dialog box opens. Wait for the system to complete the operation.
5. Click **Close** to close the dialog box.

You have created a payment and applied it to the prepayment request you created earlier. Now the prepayment is ready to be applied to the vendor's bill.

Step 6: Processing the Accounts Payable Bill with the Prepayment

To create an accounts payable bill for the purchase order, do the following:

1. On the *Purchase Orders* (PO301000) form, open the purchase order that you created in Step 1.
2. On the More menu, click **Enter AP Bill**. The system creates an accounts payable bill for the vendor of the goods and opens the created document on the *Bills and Adjustments* (AP301000) form.
3. Review the details of the prepared bill.



In a production environment, you would make sure that the details of the bill created in the system correspond to the details of the document that was received from the vendor.

4. On the **Applications** tab, make sure that the line with the prepayment has been automatically added to the table and that 500 has been specified in the **Amount Paid** column.

- On the form toolbar, click **Remove Hold**, and then click **Release** to release the bill. Make sure that the bill now has the *Open* status and that the bill's open balance has been decreased by the prepaid amount (see the following screenshot).

The screenshot shows the 'Bills and Adjustments' screen for Bill 000173. The bill details are as follows:

- Type: Bill
- Vendor: GINKGO - Ginkgo Tree Printing Company
- Reference Nbr.: 000173
- Status: Open (highlighted with a red box)
- Date: 9/25/2024
- Post Period: 09-2024
- Description: Purchase of eco-friendly bags with company logo
- Location: MAIN - Primary Location
- Terms: 30D - 30 Days
- * Due Date: 10/25/2024
- * Cash Discount: 10/25/2024
- Pay by Line:
- Joint Payees:
- Detail Total: 3,750.00
- Line Discounts: 0.00
- Document Discou...: 0.00
- Retained Amount: 0.00
- Tax Total: 0.00
- With. Tax: 0.00
- Amount: 3,750.00
- Balance: 3,250.00 (highlighted with a red box)
- Cash Discount: 0.00

The 'APPLICATIONS' tab is selected. A table below shows the applied prepayment:

Branch	Doc. Type	Reference Nbr.	Amount Paid	Cash Discount Taken	Date	Balance	Description	Post Period
HEADOFFICE	Prepayment	000172	500.00	0.0000	9/25/2024	0.00	Purchase of eco-friendly bags with co...	09-2024

Figure: Prepayment applied to the bill prepared for the purchase order

You have applied the prepayment that you made for the vendor to the vendor's bill and released the application.

Step 7: Processing the Purchase Receipt

Now you need to complete the processing of the purchase order. To create the purchase receipt for the purchase order, do the following:

- Return to the purchase order to *G/NKGO* on the [Purchase Orders](#) (PO301000) form, which still has the *Open* status, and review the **Prepayments** tab. Notice that the prepayment is now closed and that the full amount of the prepayment was applied to the order and is shown in the **Applied to Order** column.
- On the form toolbar, click **Enter PO Receipt**. The system prepares the purchase receipt for the selected purchase order and opens it on the [Purchase Receipts](#) (PO302000) form.
- In the Summary area, make sure the **Create Bill** check box is cleared because you have already prepared a bill for the entire quantity.
- On the form toolbar, click **Release**.
- On the **Orders** tab, make sure that the related purchase order now has the *Closed* status.

Part 4: Purchase Returns

The lesson of this part explains how you perform purchase returns.

Lesson 12: Purchase Returns

This lesson explains how you can process a purchase return at the items' original cost and at the cost calculated by the system.

Purchase Returns: General Information

In Acumatica ERP, you can create and process purchase returns if any purchased items need to be returned to the vendor for some reason.

Learning Objectives

In this lesson, you will do the following:

- Create a purchase return document
- Specify the items to be returned and define at which cost the items will be issued from inventory
- Process the purchase return and the related inventory and accounts payable documents

Applicable Scenarios

In most cases, the purchasing process is completed when your company receives the goods and the corresponding accounts payable bill is released to adjust your outstanding balance with the vendor. In some cases, however, items are delivered in an unsatisfactory condition or shipped by mistake and should be returned to the vendor for replacement or reimbursement. A purchase return can also occur when services were not rendered or were provided partially, and your company should be reimbursed.

A purchase return process includes the creation of a purchase return document, the specification of the returned items and their quantities, the issuing of the returned item from inventory, and the adjustment to the outstanding vendor balance in the system in the returned amount.

Creation of a Purchase Return

A purchase return is a purchase receipt of the *Return* type created on the [Purchase Receipts](#) (PO302000) form that includes a line for each stock or non-stock item being returned. You can create a purchase return from scratch on this form or by first opening the corresponding purchase receipt on this form.

To create a purchase return manually on the [Purchase Receipts](#) form, you specify the needed settings in the Summary area of the form. Then on the **Details** tab, you add any number of purchase receipts or purchase receipt lines to it by clicking **Add PR** or **Add PR Line**, respectively, on the table toolbar.

To create a purchase return by using the purchase receipt as a starting point, you open the purchase receipt on the [Purchase Receipts](#) form, select the unlabeled check boxes on the **Details** tab in the lines of the purchase receipt with the items to be returned, and click **Return** on the form toolbar. The system copies the relevant information, including the lines you selected, from the purchase receipt to a new purchase return on the same form.

Regardless of how you have created the purchase return, in each copied line on the **Details** tab, you specify the quantity of items to be returned in the **Receipt Qty.** column and a reason code of the *Vendor Return* usage type in

the **Reason Code** column. By default, the system inserts the reason code that is specified in the **PO Return Reason Code** box on the [Purchase Orders Preferences](#) (PO101000) form.

For each item on the **Details** tab of the [Purchase Receipts](#) form, you must specify the warehouse (and warehouse location, if applicable) from which the items will be issued to be sent back to the vendor. For stock items with lot or serial numbers, you have to click **Allocations** on the table toolbar of the **Details** tab and specify the particular lot or serial numbers for the units being returned.

On the **Details** tab of the [Purchase Receipts](#) form, lines of the purchase return are linked to lines of a purchase order if the **PO Order Type** and **PO Order Nbr.** columns are filled in. These settings are copied from the associated purchase receipt. For purchase receipt lines that are linked to a purchase order, you can select the **Open PO Line** check box on the **Details** tab to specify that the system should change the status of the related purchase order to *Open* when the purchase return is released. You do this if you expect to receive replacement items for the order from the vendor and thus want to open the purchase order again. If the **Open PO Line** check box is cleared, the related purchase order remains closed.

After you have specified the settings of the returned items on the **Details** tab of the [Purchase Receipts](#) form, you define the cost at which the items will be issued from inventory by selecting one of the following options in the **Cost of Inventory Return From** box of the Summary area:

- *Original Cost from Receipt*: The items are issued from inventory at exactly the cost at which the items were purchased.
- *Cost by Issue Strategy*: The items are issued at the cost calculated by the system according to the items' valuation methods.
- *Manual Cost Input*: You can enter the cost manually.

Processing of a Purchase Return

After you have created a purchase return on the **Details** tab of the [Purchase Receipts](#) (PO302000) form, you need to process the issuing of items from inventory and adjust the vendor's balance in the system for the amount of the returned items.

On release of the purchase return, the corresponding inventory issue is generated automatically and can be viewed on the [Issues](#) (IN302000) form. On release of this issue, the quantities of each of the returned items are deducted from the item quantities available at the warehouse specified in the **Warehouse** column of the **Details** tab of the [Purchase Receipts](#) form.

Also, on release of the purchase return, an accounts payable debit adjustment is generated automatically if the **Create Bill** check box is selected in the Summary area of the purchase return on the [Purchase Receipts](#) form. You can view the generated debit adjustment on the [Bills and Adjustments](#) (AP301000) form.

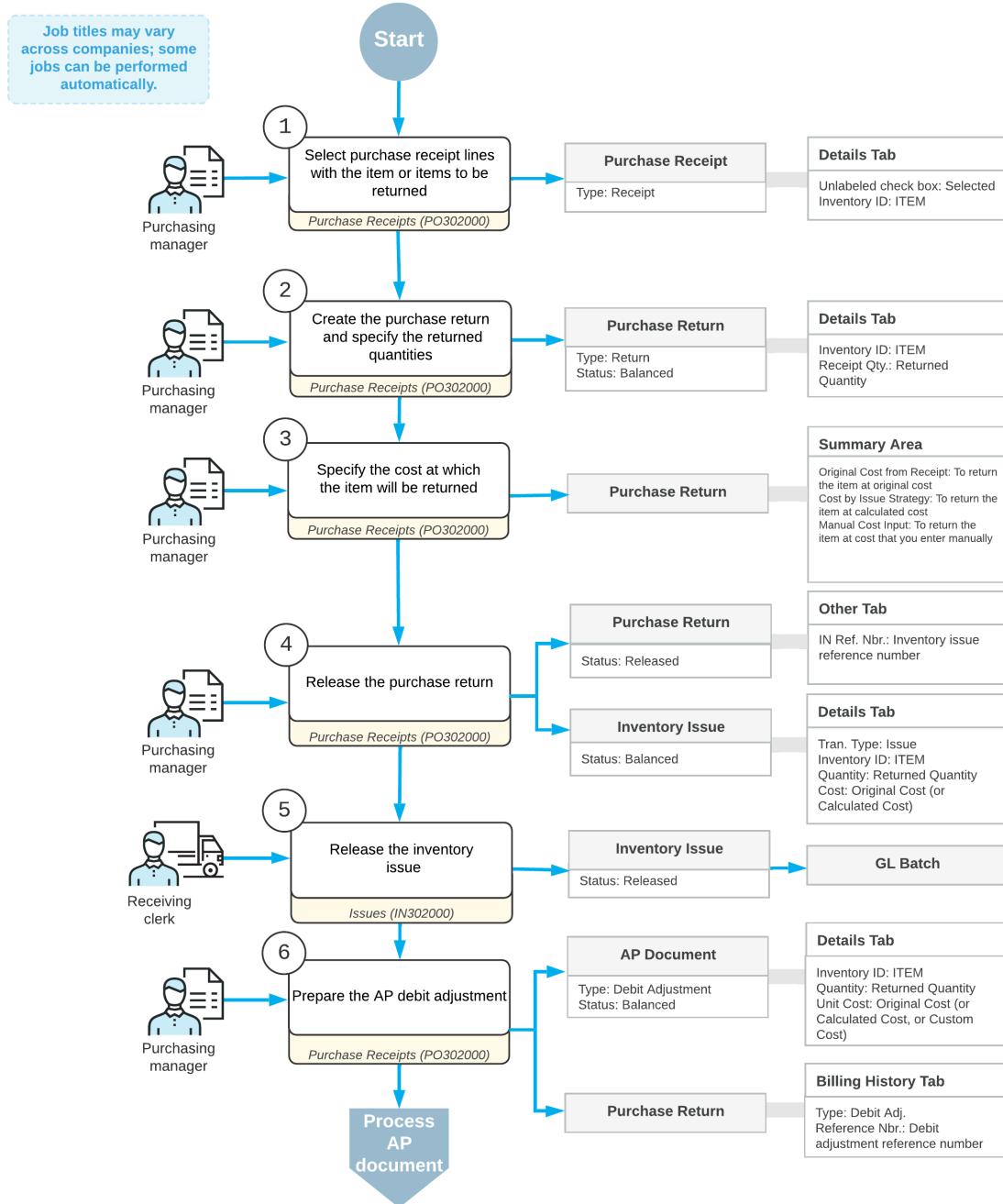
If the purchase receipt for which the return was created is linked to a line of a purchase order, then on the **Details** tab of the [Purchase Orders](#) (PO301000) form for the purchase order, the applicable values in the **Qty. On Receipts** column are decreased by the quantity of the listed item that is returned.

The further processing of a purchase return depends on the agreement between your company and the vendor. You can complete the processing of the return by processing a vendor refund or by receiving replacement items for the original purchase order.

Workflow of a Purchase Return

For purchase return documents, the typical processing involves the actions and generated documents shown in the following diagram.

Purchase return processing



Purchase Returns: To Process a Return at the Original Cost

The following activity demonstrates how to process the return of stock items from your company's inventory to the vendor at the items' original cost.

Story

Suppose that you are Regina Wiley, a purchasing manager in the SweetLife Fruits & Jams company. On January 30, 2025, you have noticed that three packs of paper that were purchased and delivered on January 29, 2025 have been damaged during shipping. You have decided to return these packs to the Spectra Stationery Office vendor without requesting a replacement. You, acting as the purchasing manager, need to create and process a purchase return of the damaged items at the items' original cost.

Configuration Overview

In the *U100* dataset, for the purposes of this activity, the following tasks have been performed:

- On the [Enable/Disable Features](#) (CS100000) form, the following features have been enabled:
 - *Inventory and Order Management*, which provides the standard functionality of inventory and order management
 - *Inventory*, which gives you the ability to maintain stock items by using forms related to the inventory functionality and to create and process sales and purchase documents that include stock items
- On the [Vendors](#) (AP303000) form, the *STATOFFICE (Spectra Stationery Office)* vendor has been defined.
- On the [Stock Items](#) (IN202500) form, the *PAPER*, *PEN*, and *PENCIL* stock items have been created.
- On the [Purchase Orders Preferences](#) (PO101000) form, the **Process Return with Original Cost** check box has been selected. The state of this check box is copied to each purchase return that is created as the default state; when the check box is selected, the system processes the return of items at the cost specified in the original receipt.
- On the [Purchase Receipts](#) (PO302000) form, a purchase receipt for the *STATOFFICE* vendor has been created.

Process Overview

A purchase return document, which represents a vendor return in the system, is prepared based on the applicable purchase receipt. In this activity, to create a purchase return, you will open the purchase receipt on the [Purchase Receipts](#) (PO302000) form, and on the **Details** tab, you will select the lines of all items that need to be returned. Then on the form toolbar, you will click **Return**; on the same form, the system will copy the relevant information to a new document of the *Return* type that includes the lines selected for return.

Before you process the prepared purchase return further, on the **Details** tab of the [Purchase Receipts](#) form, you can correct the quantities to be returned (if you need to return only part of the purchased items) and the reason code for the line (if it is different than the default reason code inserted by the system). In the Summary area, you will specify that the items should be issued from inventory at the cost at which they were purchased by selecting the **Original Cost from Receipt** option in the **Cost of Inventory Return From** box. You will then release the purchase return and review the related documents to make sure the return has been processed fully in the system.

System Preparation

Before you start processing a purchase return document, you should do the following:

1. In the info area, in the upper-right corner of the top pane of the Acumatica ERP screen, make sure that the business date in your system is set to *1/30/2025*. If a different date is displayed, click the Business Date menu button and select *1/30/2025* on the calendar. For simplicity, in this activity, you will create and process all documents in the system on this business date.
2. On the Company and Branch Selection menu, in the top pane of the Acumatica ERP screen, make sure the *SweetLife Head Office and Wholesale Center* branch is selected.

Step 1: Creating a Purchase Return from the Related Purchase Receipt

To create a purchase return from the purchase receipt, do the following:

1. On the *Purchase Receipts* (PO302000) form, open the purchase receipt from the *STATOFFICE* vendor and dated 1/29/2025.
2. On the **Details** tab, select the unlabeled check box in the line of the purchase receipt with the *PAPER* item.
3. On the form toolbar, click **Return** to create a document in which you will process the return of the item. The system opens the document on the same form. It has the *Return* type and includes the selected line. In this line, notice that the system has inserted the number of the initial purchase receipt into the **PO Receipt Nbr.** column on the **Details** tab.
4. On the form toolbar, click **Save**.

Step 2: Specifying the Settings of the Purchase Return

To specify settings of the purchase return, do the following:

1. While you are still viewing the purchase return on the *Purchase Receipts* (PO302000) form, in the Summary area, make sure that 1/30/2025 is specified as the **Date**.
2. In the **Cost of Inventory Return From** box, make sure that the *Original Cost from Receipt* option is selected. With this option selected, the items will be issued from inventory at exactly the same cost at which they were purchased.
3. Select the **Create Bill** check box so that the system generates a debit adjustment automatically on release of the purchase return.
4. In the only return line on the **Details** tab, change the **Receipt Qty.** to 3 (which is the quantity of items to be returned).
5. In the line, clear the **Open PO Line** check box to indicate that no replacement is needed for the returned items.
6. On the form toolbar, click **Save**.

The purchase return has the *Balanced* status and can thus be released.

Step 3: Releasing the Purchase Return

To release the purchase return and to review how the return of items is processed in the system, do the following:

1. While you are still viewing the purchase return on the *Purchase Receipts* (PO302000) form, click **Release** on the form toolbar. Wait for the system to complete the operation.
2. On the **Billing** tab, review the information about the debit adjustment that was prepared, and make sure that it now has a status of *Open* (indicating that it was released).
3. On the **Other** tab, click the **IN Ref. Nbr.** link, and review the inventory issue, which opens on the *Issues* (IN302000) form in a pop-up window. Make sure that the issue has the *Released* status.
4. Close the *Issues* form.
5. On the *Purchase Orders* (PO301000) form, open the purchase order to *STATOFFICE* for which the return was processed.
6. On the **Details** tab, in the **Qty. on Receipts** column, notice that the received quantity in the *PAPER* line has been decreased by the returned quantity and is now 17.
7. On the **PO History** tab, review the documents related to the purchase order, as shown in the following screenshot. The left table shows the purchase receipt and purchase return; the right table shows the bill and the debit adjustment. In the line with the debit adjustment, notice the zero purchase price variance

amount in the **PPV Amt.** column, which means that the items were returned at the cost at which they were purchased.

Type	Reference Nbr.	Date	Status	Received Qty.	Type	Reference Nbr.	Date	Status	Billed Qty.	Billed Amt.	PPV Amt	Currency
Receipt	000002	1/29/2025	Released	32.00	Bill	000015	1/29/2025	Open	32.00	342.00	0.00	USD
Return	000047	1/30/2025	Released	-3.00	Debit Adj.	000167	1/30/2025	Open	-3.00	-29.97	0.00	USD

Figure: Documents related to the purchase order

You have processed the return to the vendor without requesting a replacement.

Purchase Returns: To Process a Return at the Calculated Cost

In this activity, you will learn how to process a return of stock items from your company's inventory to the vendor, with the system calculating the items' cost.

Story

Suppose that on January 30, 2025 you, acting as purchasing manager at the SweetLife Fruits & Jams company Regina Wiley, notice that three packs of paper that were purchased and delivered on January 29, 2025 have been damaged during shipping. You have decided to return these packs to the Spectra Stationery Office vendor without requesting a replacement. You need to create and process a purchase return of the damaged items at the cost calculated by the system.

Configuration Overview

In the *U100* dataset, for the purposes of this activity, the following tasks have been performed:

- On the [Enable/Disable Features](#) (CS100000) form, the following features have been enabled:
 - Inventory and Order Management*, which provides the standard functionality of inventory and order management
 - Inventory*, which gives you the ability to maintain stock items by using forms related to the inventory functionality and to create and process sales and purchase documents that include stock items
- On the [Vendors](#) (AP303000) form, the *STATOFFICE* vendor has been created.
- On the [Stock Items](#) (IN202500) form, the *PAPER* stock item has been created.
- On the [Purchase Orders](#) (PO301000) form, the purchase order has been created with stationary items ordered from the *STATOFFICE* vendor and, on the [Purchase Receipts](#) (PO302000) form, the related purchase receipt has been created and released.

Process Overview

A purchase return document, which represents a vendor return in the system, is prepared based on the applicable purchase receipt. In this activity, to create a purchase return, you will open the purchase receipt on the [Purchase Receipts](#) (PO302000) form, and on the **Details** tab, you will select (by selecting the unlabeled check boxes) the lines of all items to be returned. Then on the form toolbar, you will click **Return**; on the same form, the system will copy the relevant information to a new document of the *Return* type that includes the lines selected for return.

Before you process the prepared purchase return further, on the **Details** tab of the [Purchase Receipts](#) form, you will correct the quantities to be returned. In the Summary area, you will specify that the items should be issued from inventory at the cost calculated by the system by selecting the *Cost by Issue Strategy* option in the **Cost of Inventory Return From** box. You will then release the purchase return and review the related documents to make sure that the return has been processed fully in the system.

System Preparation

Before you start preparing a purchase return, you should do the following:

1. In the info area, in the upper-right corner of the top pane of the Acumatica ERP screen, make sure that the business date in your system is set to 1/30/2025. If a different date is displayed, click the Business Date menu button and select 1/30/2025 on the calendar. For simplicity, in this activity, you will create and process all documents in the system on this business date.
2. On the Company and Branch Selection menu, in the top pane of the Acumatica ERP screen, make sure the *SweetLife Head Office and Wholesale Center* branch is selected.

Step 1: Creating a Purchase Return from the Related Purchase Receipt

The easiest way to create a purchase return is to start from the purchase receipt in which you received the items to be returned. To create the purchase return from the purchase receipt, do the following:

1. On the [Purchase Receipts](#) (PO302000) form, open the purchase receipt to *STATOFFICE* dated 1/29/2025.
2. On the **Details** tab, select the unlabeled check box in the line of the purchase receipt with the *PAPER* item.
3. On the form toolbar, click **Return** to create a document in which you will process the return of the item. The system opens the document on the same form. It has the *Return* type and includes the selected line. In this line, notice that the system has inserted the number of the initial purchase receipt into the **PO Receipt Nbr.** column on the **Details** tab.

Step 2: Specifying the Settings of the Return

To define the specific settings of the return document, do the following:

1. While you are still viewing the purchase return that you have created on the [Purchase Receipts](#) (PO302000) form, in the Summary area, make sure that 1/30/2025 is specified as the **Date**.
2. In the **Cost of Inventory Return From** box, select the *Cost by Issue Strategy* option. With this option selected, the items will be issued from inventory at the cost calculated by the system.
3. Select the **Create Bill** check box to make the system generate a debit adjustment automatically on release of the purchase return.
4. In the only return line on the **Details** tab, change the **Receipt Qty.** to 3 (which is the quantity of items to be returned).
5. In the line, clear the **Open PO Line** check box to indicate that no replacement is needed for returned items.

- On the form toolbar, click **Save** to save the purchase return, which has the *Balanced* status and can thus be released.

Step 3: Releasing the Purchase Return

To release the purchase return and to review how the return of items is processed in the system, do the following:

- While you are still viewing the purchase return on the *Purchase Receipts* (PO302000) form, click **Release** on the form toolbar.
- On the **Orders** tab, click the link in the **Order Nbr.** column. The system opens the purchase order for which the return was processed on the *Purchase Orders* (PO301000) form in a pop-up window.
- On the **Details** tab, in the **Qty. on Receipts** column, notice that the received quantity in the *PAPER* line has been decreased by the returned quantity and is now 14.
- On the **PO History** tab, review the documents related to the purchase order, as shown in the following screenshot. The left table shows the purchase receipt and purchase return; the right table shows the bill and the debit adjustment. In the line with the debit adjustment, notice the nonzero purchase price variance amount in the **PPV Amt** column, which shows the difference between the amounts at which the items were purchased and at which the items were returned.

Type	Receipt Nbr.	Date	Status	Received Qty.	Type	Reference Nbr.	Date	Status	Billed Qty.	Billed Amt.	PPV Amt	Currency
Receipt	00002	1/29/2025	Released	32.00	Bill	000015	1/29/2025	Open	32.00	342.00	0.00	USD
Return	000047	1/30/2025	Released	-3.00	Debit Adj.	000167	1/30/2025	Open	-3.00	-29.97	0.00	USD
Return	000048	1/1/2025	Released	-3.00	Debit Adj.	000168	1/1/2025	Open	-3.00	-29.97	-1.39	USD

Figure: Documents related to the purchase order

Additional References

You can refer to the following topics in the Acumatica ERP Help Portal (<https://help.acumatica.com>) for additional information on the processes that are described in the general information topics and the activities of this course.

Multiple Warehouses

You can configure a complex inventory structure with multiple warehouses—for example, a structure that consists of a distribution center that receives goods from vendors and then transfers goods to multiple retail warehouses, from which the goods are shipped to customers. For more information, see [Managing Warehouses](#) in the in the Acumatica ERP Inventory Management guide.

Inventory Sales

In Acumatica ERP, you can process the sale of stock items that require shipping to the customer using the predefined SO and SA order types. You can use the SA order type to reserve stock for the order so that the goods promised to a customer can't be shipped to another customer, or allocate items manually for orders of the SO type. For more information on processing a sale of stock items, see the topics of the [Processing Sales of Stock Items](#) chapter in the Acumatica ERP Order Management guide.

Taxes

For more information on how taxes are calculated for sales orders and invoices, see the [Tax Application in Sales Documents](#) topic in the Acumatica ERP Order Management Guide. For more information on how to configure the calculation of tax amounts in the system, see [Taxes](#) in the Acumatica ERP Financial Management guide.

Automatic Packaging and Freight Calculation

In the configuration settings of a company branch, you have to specify the base units of measure, which can be used for the calculation of weight and volume of goods on sales orders. Based on the total weight and volume in a sales order, the system can calculate the freight charges and suggest a box for packing the order for shipping via FedEx, UPS, or USPS. For more information, see the topics of the [Configuring Carriers, Packaging, and Freight](#) part in the Acumatica ERP Order Management guide.

Sales Via a Point-of-Sale System

For more information on how to record sales through a point-of-sale system integrated with Acumatica ERP, see the [Processing Direct Sales](#) chapter in the Acumatica ERP Order Management guide.

Sales Returns

Acumatica ERP provides a variety of predefined order types that you can use for processing customer returns with different conditions (such as return for credit, return for cash, and return with replacement). For detailed information, see the topics of the [Processing Customer Returns for Credit with Receipts](#), [Processing Customer Returns for Replacement at the Same Price](#), [Processing Customer Returns for Replacement at Another Price](#), [Processing Returns for Credit Without Receipts](#), [Processing Returns for Cash](#) and [Processing Sales with Returns](#) chapters in the Acumatica ERP Order Management guide.

Drop-Ship Orders

You can fulfill sales orders by drop-shipping the requested items from the applicable third-party vendor. For more information, see [Processing Sales with Drop Shipping](#) in the Acumatica ERP Order Management guide.

Variations in the Purchase Process

Depending on the business processes performed in your company, you may need to process bills before purchase receipts. For a more detailed description, see the topics of the [*Processing Purchases with Billing Before Receipt*](#) chapter in the Acumatica ERP Order Management guide.

Linking of AP Documents to Related Purchase Documents

If the finance documents in your system are entered manually or imported from any third-party system, you need to establish the relations between the specific accounts payable documents and the purchasing documents (purchase orders or purchase receipts) that relate to them. For more information, see the [*Purchases of Stock Items: Linking Documents*](#) topic in the Acumatica ERP Order Management guide.

Landed Costs

You can process freight, insurance, and other costs associated with purchased goods as landed costs in the system, so that you can proportionally allocate them to the cost of goods sold. For more information, see the topics of the [*Allocating Landed Costs*](#) chapter in the Acumatica ERP Order Management guide.

Purchase Returns

You can process a vendor return for the items that have been received to inventory in unsatisfactory condition or for the items that were shipped by mistake. For more details on processing returns to vendors, see the [*Processing Purchase Returns at the Original Cost*](#) and [*Processing Purchase Returns at the Calculated Cost*](#) chapters in the Acumatica ERP Order Management guide.