V5.70 Goods Return Handover Document

Returns Module Primer

Glossary of terms:-

For the purposes of this handover document the following terms apply from the perspective of an Exchequer User (E U). For illustrative purposes our mythical Exchequer user is an electrical wholesaler purchasing supplies from various manufacturers, reselling them on to their own customers.

Customer: The Exchequer users customer.

Manufacturer: The Exchequer users supplier.

Sales Return: The process of managing items previously sold to a *customer* and subsequently returned to the Exchequer user for replacement, credit, or repair.

Purchase Return: The process of managing items previously supplied to the Exchequer user by their *manufacturer* and subsequently returned by the Exchequer user to the *manufacturer* for replacement, credit, or repair.

Back to Back Repair: The processes of receiving *Sales Return* Stock from a *customer*, sending the returned stock back to the *manufacturer* via a *Purchase Return* for repair and upon receipt of it, returning it back to the *customer.*

Module Objective

The returns module has been designed to manage Sales and Purchase returned stock, which falls outside the normal selling, and buying operation of Enterprise. Its primary objective is to manage the return of faulty/damaged goods and help effect their replacement or recompense.

The management of returned stock, can be from three perspectives.

- The first is the effective management of goods between an Enterprise user and their Customer.

- The second is the effective management of the returned goods from a Customer, to the Enterprise user, but then on to the Enterprise users' original Manufacturer/Wholesaler of the goods.

- The third is the effective management of goods between an Enterprise user and their Wholesaler/Manufacturer.

Versions of Exchequer Enterprise

The returns module will be designed to function in conjunction with the following module mixes of Exchequer Enterprise.

- Stock control ONLY with NO Sales/Purchase Order processing
- Stock control WITH Sales/Purchase Order processing
- Description ONLY Stock

Returns and Project/Job Costing Module

The design of the returns module will not include any direct relationships with the Project/Job costing module (and related modules), which is available within the Exchequer Enterprise module portfolio.

Returns and Stock Control Module

Although not documented specifically throughout this guidance document, the returns module will operate within the existing structure of the stock control module. This encompasses functional behaviour such as

- Product valuation methods
- Serial/Batch Tracking
- Multi-Bins
- Stock Take

- Description Only Stock types

Returns and the Financial modules

Although not documented specifically throughout this guidance document, the returns module will operate within the existing structure of the following features:

- Transaction matching
- Multi-currency
- VAT/GST

Integration with Exchequer Enterprise

Returns will be accessible as documents via the Form Designer, Report Writer, SDK Toolkits, Import Module, CSV Converter and Sentimail.

Core concepts and assumptions

A prior knowledge of the Exchequer core and stock systems is assumed for the Returns module as a basic pre-requisite. Additionally knowledge of the Serial/Batch, Multi location stock, Multi bins and Works Order Processing modules will also be required where those features are to be used with the Returns module.

During the design of the Returns module a core principle was observed in terms of the stock valuation treatment during the Returns cycle:-

The Returns module supports either Sales Returns, Purchase Returns, or both as defined in the glossary of terms. Although the operation the Sales and Purchase Returns sub systems is very similar, there is one subtle, but very significant difference in terms of the stock handling of the respective modules.

The Purchase Returns module handles the Exchequer users own stock. Ownership (Title) and therefore valuation of the Purchase Returned stock is retained by the Exchequer user until it is credited or replaced by the manufacturer, or written off by the Exchequer user.
Therefore in terms of stock valuation Purchase Returned stock is to all intents and purposes still regarded in valuation terms as included in the overall stock value of the Exchequer user.
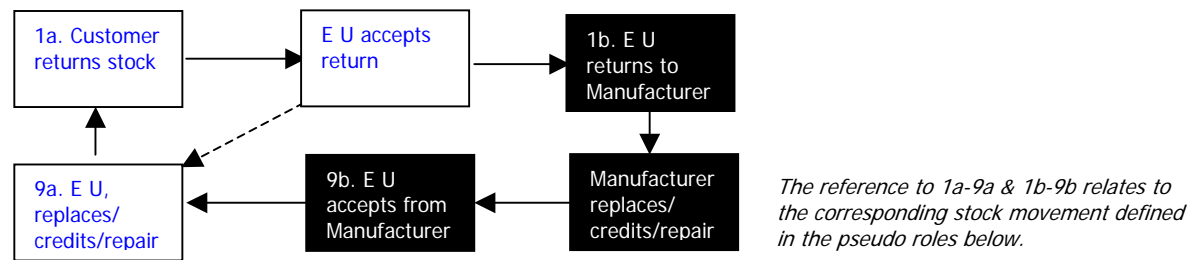
The Sales Return module handles the Exchequer users' customers stock. Ownership (Title) and therefore valuation of the Sales Returned stock is still retained by the customer until it is credited or replaced by the Exchequer user, or written off by the customer.
Therefore in terms of stock valuation Sales Returned stock does not form part of the Exchequer users stock valuation.

It is important to grasp this core principle in order to understand how the Returns module interacts with the various stock levels and stock valuation methodologies supported by Exchequer, as well as its integration with the Exchequer's General Ledger.

<u>Typical Returns Choreography</u>

The Returns module will fulfil either the role of Customer, Supplier (Enterprise User) or Manufacturer, or all roles combined.

The diagram below outlines a simplified process flow. In this case the Enterprise User (E U) is acting as a middleman/ distributor and including the manufacturer in the process, which is a worst case scenario. The dashed line indicates that the action of the Supplier with relation to the Customer may not depend on the manufacturers return process, which is subject to the contractual relationship between the Supplier and Manufacturer.

The reference to 1a-9a & 1b-9b relates to the corresponding stock movement defined in the pseudo roles below.

Clearly there are numerous steps between these actions, which the Returns module will need to cope with. The Enterprise User may well have to replace the goods if they are within warranty, but not be able to demand the same action from their manufacturer. For this reason the Returns module has separate Sales and Purchase Return elements.

In addition to tracking the status of a return, the system will also maintain a returned Sales & Purchase stock level that will be reconciled back to the Returns module.

There are two basic stages of operation for either the Sales or Purchase Return modules. The initial stage is the creation (raising) of the Sale or Purchase Return Note (SRN/PRN) detailing the stock and quantity expected to be returned. If appropriate at the same time as setting expected stock, the actual quantity of stock returned may also be set, or it can be left until later. A Sale or Purchase Return Note can be based on a corresponding Sale or Purchase transaction (or Works Order in the case of a Purchase Return) as the basis for it, or it can be raised stand alone.

After setting the quantity of returned stock, the Sales/Purchase Return Note has effectively either been sent in the case of a Purchase return, or received in the case of a Sales Return the returned stock, and the status of the stock is marked accordingly.

The second stage is to action the return following its sending or receiving. There are a number of possible actions as follows:-

Purchase Return Possible Actions	Module Action	Effect on Physical Stock Level
Manufacturer accepts Returned stock, agrees basis of return and offers to credit returned stock.	Raise Purchase Credit Note, allocate to original invoice as appropriate.	Quantity in stock reduced by amount returned.
Manufacturer accepts Returned stock, agrees basis of return and offers to credit returned stock, <u>and</u> sends replacement stock.	Raise Purchase Credit Note, allocate to original invoice as appropriate. Raise either Purchase Invoice (PIN) or Purchase Delivery Note (PDN) to cover replacement stock.	Quantity in stock initially reduced by amount returned, and then increased by amount replaced.
Manufacturer accepts Returned stock, but only offers to repair and return the stock.	Raise Purchase repair invoice to cover receipt of same stock back. Often this will be zero priced if items repaired FOC/under warranty.	Quantity in stock initially reduced by amount returned, and then increased by amount repaired.
Manufacturer does not accept returned stock/ not economical to repair	Write off returned stock	Quantity in stock reduced by amount returned.

Sales Return Possible Actions	Module Action	Effect on Physical Stock Level
E U accepts Returned stock, agrees basis of return and offers to credit returned stock.	Raise Sales Credit Note, allocate to original invoice as appropriate.	None
E U accepts Returned stock, agrees basis of return and offers to credit returned stock, _and_ sends replacement stock.	Raise Sales Credit Note, allocate to original invoice as appropriate. Raise either Sales Invoice (SIN) or Sales Order (SOR) to cover replacement stock.	Quantity in stock reduced by amount replaced.
E U accepts Returned stock, but only offers to repair and return the stock.	Raise Sales repair invoice to cover despatch of same stock back. Often this will be zero priced if items repaired FOC/under warranty.	None
E U does not accept returned stock/ not economical to repair	Write off returned stock	None
E U accepts returned stock back into stock.	Issue returned stock back into stock. No other financial implications.	Quantity in stock increased by returned stock.

There is a final scenario which transcends both Purchase and Sales Return modules, and that is the back to back repair of a customers stock via the manufacturer. In this scenario the E U will receive returned stock from the customer, and decide to send it back to the manufacturer for repair before returning the same repaired stock back to the customer.

This is by far the most complex of the scenarios especially if it involves Serial/Batch or Multi Bin stock when you consider the core principles upon which the two modules have been built. A separate section has been dedicated to covering this as a separate topic since it involves concepts contained in both Sales and Purchase Return modules which must be understood before this scenario will make sense.

Outlined below is a more detailed the effect on physical and returned stock levels each Return step will have for a particular scenario.

	ROLE	Pseudo-Task	Stock Movements from Customer to EU (Supplier), and onto Manufacturer					
			Customer - Stk Qty	Customer - Returns Qty	EU - Stk Qty	EU - Returns Qty	Manufacturer - Stk Qty	Manufacturer - Returns Qty
1a	Customer	Wishes to return goods and requires immediate replacement, contacts EU (Supplier)	10					
2a	EU (Supplier)	EU (Supplier) requests original customer SOR/SDN/SIN ref and issues SRN number to cover transit of goods which are matched back to original SOR						
3a	Customer	Raises own PRN, with SRN as Your Ref for supplier and sends goods back to EU (Supplier)	-4	+4				
4a	EU (Supplier)	EU (Supplier) raises an SOR via SDN, for replacement goods and sends them to customer.			-4			
5a	Customer	Replacement goods received via normal goods in procedure, which may require a POR being created from the PRN to allow the goods to be received via a PDN. Alternatively, it may be preferable to create a PDN directly from a PRN.	+4					
6a	EU (Supplier)	Goods received by EU (Supplier) and verified as being faulty. (SRN Status upgraded, and Qty Received completed.				+4		
7a	EU (Supplier)	Credit note raised against customer, value only and matched to SRN						
8a	Customer	Credit note received and matched against PRN. Goods are written off. PRN Marked as completed/ returned to history.		-4				
9a	EU (Supplier)	Goods repaired and put back into stock. SRN Status updated.			+4	-4		
		OR						
1b	EU	Goods need to go back to manufacturer, so EU contacts manufacturer						
2b	Manufacturer	Manufacturer requests original EU POR ref, or own SDN if available and issues an SRN number to cover the transit of the goods, which are matched against the original sales order						
3b	EU	Raises own PRN with SRN as your ref and sends goods back			-4	+4		
4b	Manufactuer	Manufacturer raises an SOR for replacement goods, and sends them back to EU. Other than being matched to SRN, this SOR would follow normal SOR processing/sequence and be invoiced accordingly					-4	
5b	EU	EU receives replacement items received under normal goods in procedure which may require a POR being created from the PRN to allow the goods to be received via a PDN.			+4			
6b	Manufacturer	Goods received by manufacturer and verified as being faulty						+4
7b		Credit note raised against EU, value only, also matched to SRN						
8b	EU	Credit note received and matched to PRN. Goods are written off.				-4		
9b	Manufacturer	Goods repaired and placed back into stock					+4	-4

Initial Setting up of the Returns Module

When the Returns module is enabled, an additional G/L control code is required to cover the raising of re-stocking charges. *(See section stock set up for more information on recharges).*

Return Line Reasons.

Each line of a Purchase or Sales Return document can be assigned a Return Line Reason. These are maintained via System Set-up and need to be created prior to any Returns being generated.
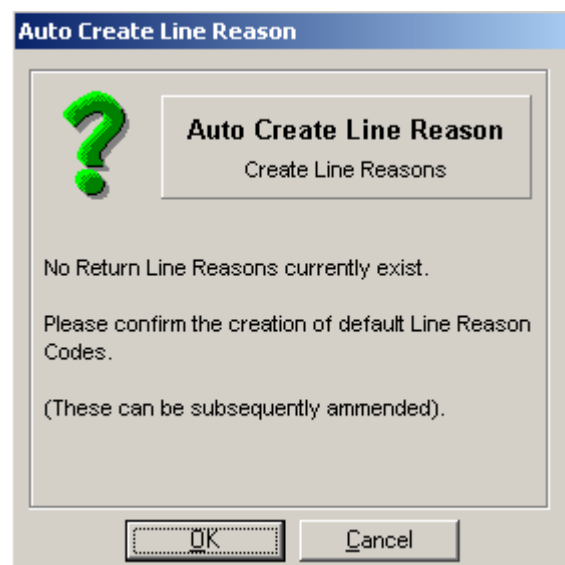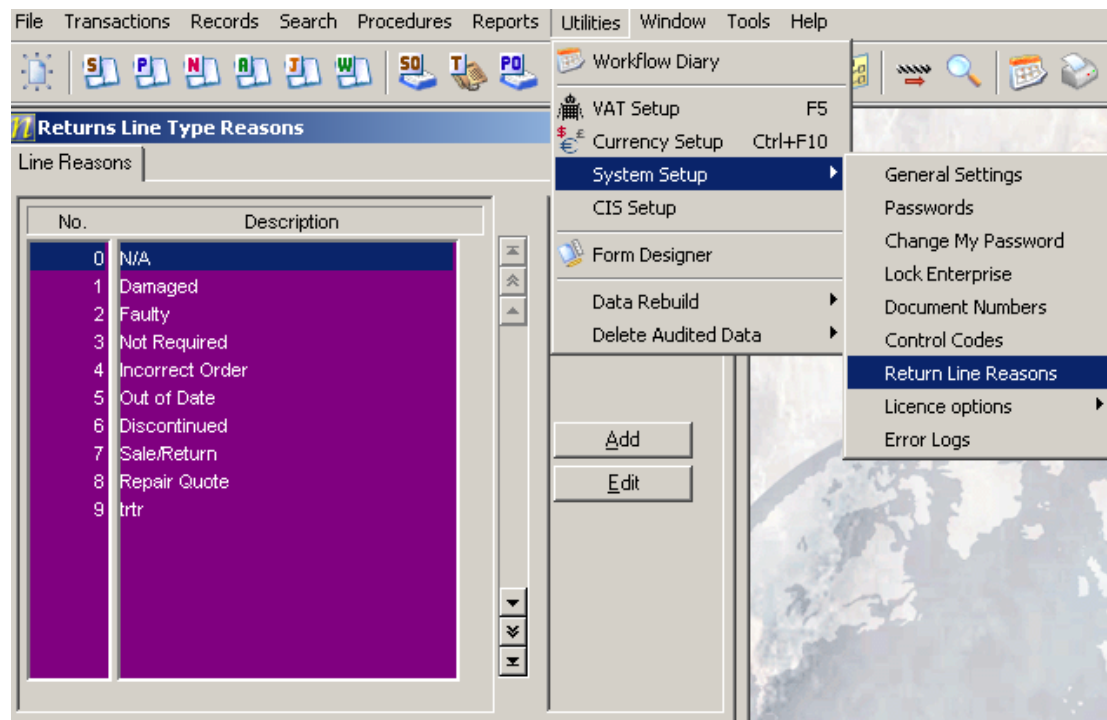
When this option is first accessed, Enterprise will detect that no Return Line Reasons currently exist, and offer to create a set of defaults.

Note: Because the Return lines store the Return Line Reason codes by number, it is not possible to delete the Return Line Reasons , only amend them once created otherwise their meaning on historical Returns will be altered. If a Return Line Reason is no longer required, simply set the Reason text to blank.

Stock Record Set-up for Returns

A Returns Tab is available on the stock record to cover the additional stock details required to support the Returns module.

When a Sales Return is based on a sales transaction, The **Sales Warranty** determines if Sales Returned stock is within the E U's warranty period by comparing today's date with the original sales transaction date to determine if it falls within the Sales Warranty period defined in the individual stock record of the item.
If the item is within warranty the E U has the option of raising a zero priced Sales Returned note so that in turn any replacement stock or further action will also be zero priced.

When a Purchase Return is based on a purchase transaction, The **Purchase Warranty** determines if Purchase Returned stock is within the manufacturers warranty period by comparing today's date with the original purchase transaction date to determine if it falls within the Purchase Warranty period defined in the individual stock record of the item.
If the item is within warranty the E U has the option of raising a zero priced Purchase Returned note so that in turn any replacement stock or further action will also be zero priced.
In either case a zero warranty indicates no warranty period for that particular stock item.

Sales & Purchase Return G/L codes: Although as discussed previously there is no real impact on overall stock valuation for returned stock, the returns module has provision for generating an accrual for Purchase and Sales Returned stock. The G/L codes for these accruals are set up here.

Restock Charge: In some cases an E U may have terms of trading which include the right to charge a restocking fee for returning stock. A percentage of the original price can be set up within the returns tab, and any Sales Credit note sent against a Sales Return can optionally apply the restocking surcharge against it. A zero % indicates no restock charge will be applied for this particular stock item. Restocking charges only apply to Sales Returns.

Sales & Purchase Return Levels: These show the current returned quantities still outstanding on Sale & Purchase Return notes.

In addition the stock ledger screen is extended to show the movements of both Sales and Purchase Returns.

Note too, the ability to filter the stock ledger by Sales or Purchase Return

Where Multi location stock is enabled, both the master location and stock location records have been extended to support the Returns module.

Using the Purchase Return Module

A Purchase Return Note (PRN) can be created manually as a stand-alone document, or by basing it on an existing Purchase Invoice (PIN), Purchase Delivery Note (PDN), directly from a Serial or Batch item, Works Order line, or Sales Return Note (SRN). *(Creation of a PRN from an SRN is covered in the Sales Return Section).*

Creating a manual Purchase Return Note
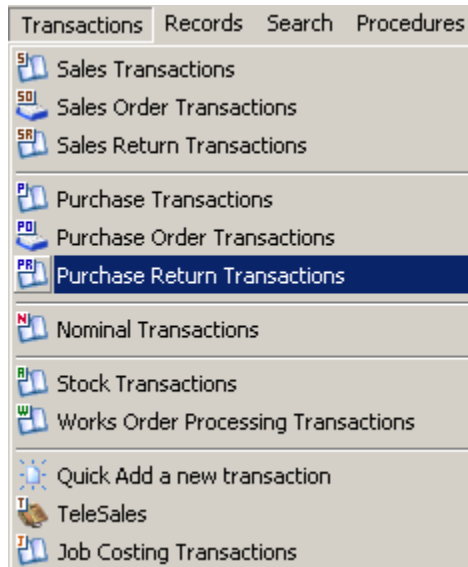
The Purchase Return daybook is accessed via the Transactions menu option on the Exchequer main menu.
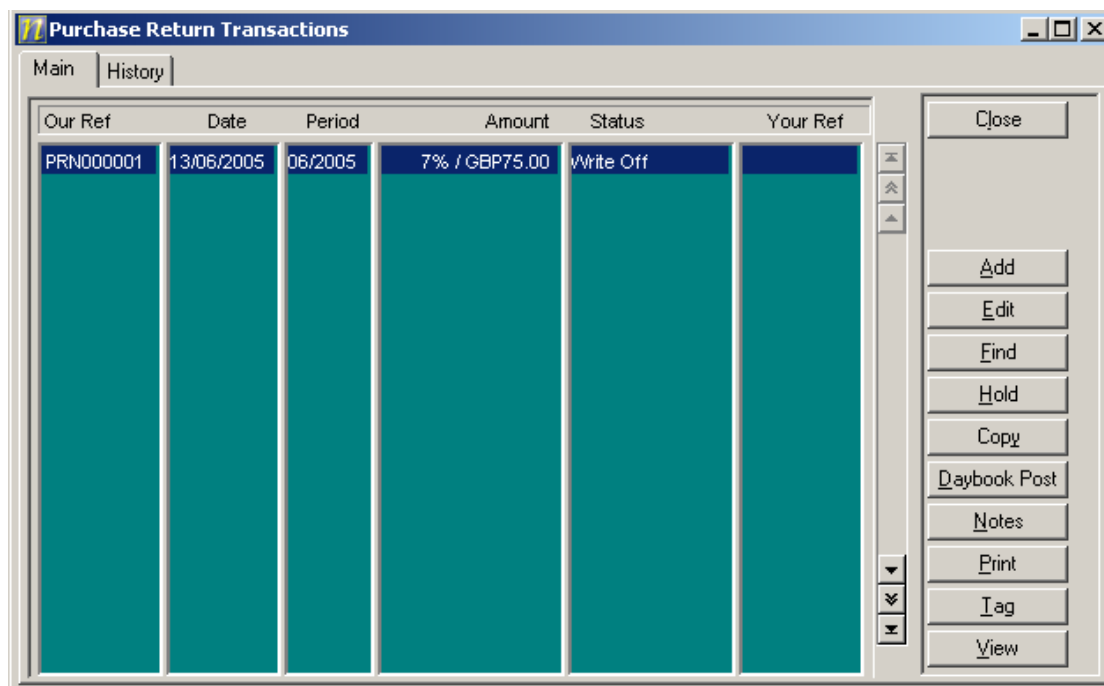
Add: Allows the ability to add a stand alone Purchase Return Note. (See adding a Purchase Return Note later).
Edit: Says what it does on the tin!

Find: Gives the ability to search on the daybook via various methods.

Hold: Gives the normal hold options of most daybooks.
Copy: Says what it does on the tin! (Reverse not an option for Returns)
Daybook Post. Allows you to action the currently highlighted Return, or all returns applying various filters. It is also possible to re-print a previous Sales run via this option.
Notes, Tag, Print, View : Says what it does on the tin!

Adding a Purchase Return Note

Having selected **Add** from the Purchase Return Daybook, the following Purchase Return Note Screen is displayed.

The **Stat** field shows the current status of the Return.

The first two options, Pending Action, and Quarantined are manual options which may be controlled by the user. The remainder will be controlled by the module as the Return is progressed through various actions until completed.

The **Returned total** at the bottom shows the financial value of the Return. The **Repaired total** shows what value of the return has been repaired as opposed to written off.
The **% Complete** shows the percentage of the overall returned quantity, which has either been repaired or written off.

Adding a Purchase Return Note Line

Although usually each line will be for a stock item, it is possible to add in description lines for narrative if required.

The **Locn.** field determines from which location the stock is being returned from in systems where multi location stock is enabled.

The Return line has two distinct quantity sections. Those that deal with the initial creation of the return i.e. **Expected Qty**, **Qty. Returned**, and those that deal with the actioning of the return i.e. **Qty Repaired, Qty W.Off.** It is only possible to access one or other of the quantities during the editing of a line. The other quantity fields will be grayed out as soon as the Returns modules detects which operation - set-up or action is being performed.

The **Expected Qty** is the quantity of stock we are expecting to return to our manufacturer and is set initially to create the Purchase Return in the first instance. Normally that actual **Qty. Returned** is set at the same time unless there is a physical break in time between the raising of the PRN and its physical despatch to the manufacturer. It is also normal for these two quantities to match, but it is not mandatory and there may be a need to track any discrepancies as a separate reporting exercise.

The **Expected Qty** has no effect on any stock levels and it is purely notational. On a PRN, the **Qty. Returned** will immediately reduce the physical stock level, and increase the Purchase Returned stock level.

During the setting of the Expected quantity or the Qty Returned, the action quantities are grayed out.

Note also the line reasons. These are set-up via System Set-up for subsequent analysis.

On a stand alone Return the other default fields are all derived from the account and stock master records as they would be on any other account and stock based transaction.

Note also the ability to enter multiple lines of description.

Once the line is completed in terms of Expected and Returned quantities it can be stored, and additional lines entered as required.

In the case of Serial/Batch items the completion of the **Qty Returned** also necessitates the specification of which serial/batch items are being returned to the manufacturer from the usual list of serial numbers available for sale.

In the case of multi bin items, the completion of the **Qty Returned** also necessitates the specification of which bin the stock is being sent from, just as you would from any transaction that depletes bin stock.

As soon as all the lines have been completed with their Qty Returned set, the Purchase Return is now ready for actioning once the user knows what fate awaits the returned stock.

Raising a Purchase Return Note based on a prior Purchase Transaction

It will be more typical to raise a Purchase Return Note (PRN) from an existing Purchase Transaction or Works Order than stand alone. When basing a PRN on an existing transaction the user has the option to base the PRN on the entire transaction, or on a single line of a transaction.

Based on entire transaction

If a PRN is based on an entire transaction, the original quantities are assumed to be the Returned quantities.
Any variation to this, or exclusion of lines which are not to be required will need to take place within the PRN after it has been created.

To base the PRN on an entire transaction you must first locate the transaction from its daybook, or daybook history or Supplier Ledger list. Having located it, you can select the **Return** Button/right click Menu option.

Having chosen the Return option, the Return Creation Wizard is displayed.

It is at the Return creation stage you can determine to set the value of the PRN to be zero by checking for the individual warranty status of each line. Checking the warranty is the default option. (*See Stock record set-up for more details of warranty rules*)

The Date and Period of the PRN can be set as well as a Your Ref. The longer your ref will automatically be set to the originating transactions OurRef.

The location from which the Returned stock will be taken, and subsequently returned if applicable is also set here.

N/A
Damaged
Faulty
Not Required
Incorrect Order
Out of Date
Discontinued
Sale/Return

Each of the returned lines can be marked with a reason for the return. As we are returning an entire transaction all lines will be marked with the same line reason.

The **Set Returned Qty** option will determine if the actual Returned Qty will be set at the same time as the Expected Qty. In the case of PRN's this defaults to ticked as usually these quantities are set at the same time.

It is also possible to append this Return to an existing PRN by supplying a valid PRN number. The PRN to be appended to must share the same account code and currency, and must still be outstanding.

Once all the settings are complete, **Finish** may be clicked and a completed PRN will be displayed.

Had this return contained any Serial/Batch or multi bin items, the appropriate Serial/Batch/Multu bin selection lists would have been displayed for each applicable line and would have needed to be completed as the PRN was being created.

Once the PRN is complete any variation in quantity or actual items can take place. Additional items or more narrative may also be added.

If a Return line is under warranty it will be shown underlined. A Bold line indicates the line is still outstanding.

A warranty line can have it price overridden, but by so doing will loose its warranty status.

Date	Notes	User
13/06/2005	PRN000005 was created from PIN999999 /	

The notes on the Return are updated accordingly.

The effect on the Stock ledger is as shown.

As soon as the Return quantity is completed, the physical stock goes down by the same amount, and the Qty on Purchase Return increased by the same amount.

Creating a Purchase Return Note from a single line

The procedure for creating a Purchase Return Note from a single line of an existing transaction is almost identical for that of an entire transaction. The main difference is from where it is executed. For a single line, all that is required is the location of the original transaction and then viewing it in its entirety. When the Returns module is enabled an additional **Return** button becomes available from within the transactions in all modes except when the transaction is being initially added. It is also possible to raise a Return for a single line from within the Stock Ledger of any given stock item.

Having selected **Return** against the desired line, the Return Creation Wizard is displayed. In this version the item being returned is shown, and it is possible to vary the quantity to be returned. A check is made to ensure that original transaction quantity is not exceeded.
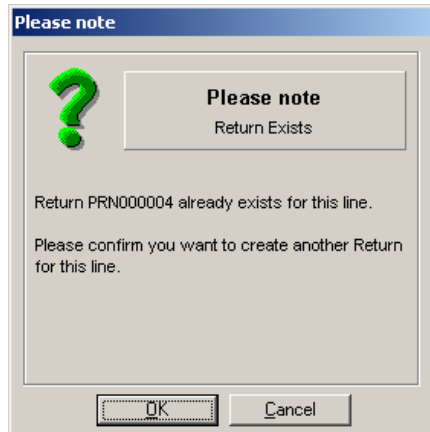
At any time a Return is created from an original transaction, a check is made for an existing Return against that transaction and an appropriate warning given.

Please note

Please note
Return Exists

Return PRN000004 already exists for this line.

Please confirm you want to create another Return for this line.

OK   Cancel

A matching link is also established between the Return and its originating transaction.
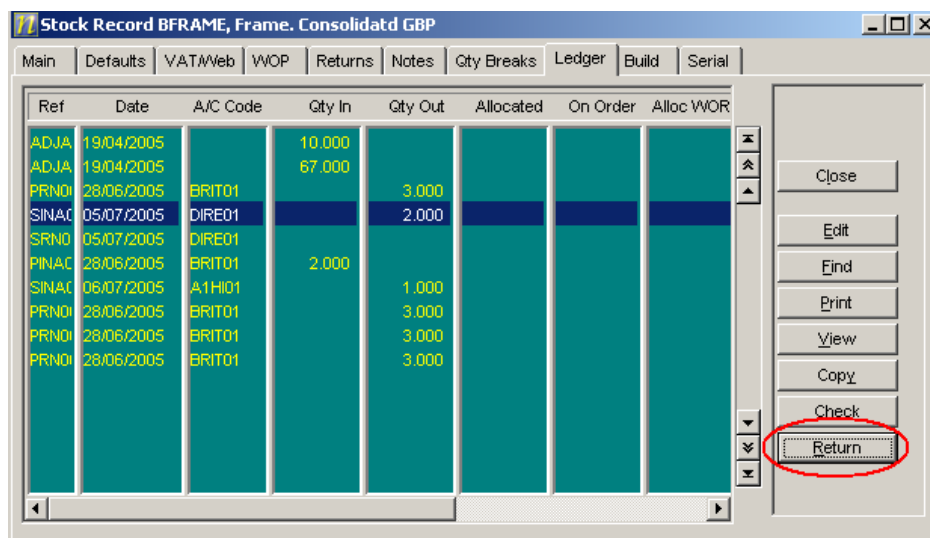
ObjectDrill

PRN000005
Account
BRIT01, British Telecom
Matching Information
PIN999999. GBP450.00
Stock Details
BAT-1.5-AA-AK, 1.5 AA Battery
Location : DE1, London Depot

Close

Creating a Purchase Return Note via the Stock Ledger

Stock Record BFRAME, Frame. Consolidatd GBP

| Main | Defaults | VAT/Web | WOP | Returns | Notes | Qty Breaks | Ledger | Build | Serial |

Ref	Date	A/C Code	Qty In	Qty Out	Allocated	On Order	Alloc WOR
ADJA	19/04/2005			10.000			
ADJA	19/04/2005			67.000			
PRN0	28/06/2005	BRIT01		3.000			
SINAC	05/07/2005	DIRE01		2.000			
SRN0	05/07/2005	DIRE01					
PINAC	28/06/2005	BRIT01	2.000				
SINAC	06/07/2005	A1HI01		1.000			
PRN0	28/06/2005	BRIT01		3.000			
PRN0	28/06/2005	BRIT01		3.000			
PRN0	28/06/2005	BRIT01		3.000			

Close
Edit
Find
Print
View
Copy
Check
Return

Another way to create a Return Note is via the Stock Ledger itself. This is achieved by simply highlighting a valid line, and choosing the Return option.

The originating transaction type will automatically determine if a Sales or Purchase Return is raised.

Creating a Purchase Return Note from a Serial/Batch record

It is possible to generate a Purchase Return Note directly from a Serial/Batch Record. To achieve this, the required Serial/Batch record needs to be located. Within the Serial/Batch list screen is a **Return** button.

In the case of a Purchase Return Note, a Serial/Batch item must be unsold in order to raise a PRN against it. It must also have originated from an account based transaction.
If any of these conditions are not met, then this warning is shown.

Creating a Purchase Return Note from a Works Order

It is possible to raise a Purchase Return Note for a component line of a Works Order that has unissued stock against it. The assumption being that the Returns module can only return stock still freely available rather than stock already absorbed within the assembly of a Bill of Material.

To Return unissued component stock from a Works Order, open the Works Order, and highlight the desired component line.

The Return Creation Wizard will be displayed, automatically suggesting the remaining unissued qty as the expected return quantity.

Optionally, the Returns module can be set to auto pick the stock on the Works Order once replacement stock, or repaired stock is received.

In addition it is necessary to specify the supplier the Purchase Return Note will be sent to. By default the supplier from the items stock record is suggested.

If the Purchase Return Note is set to auto pick the works order, and the returned stock is repaired, the returns module will automatically try to reassign any Serial/Batch or Multi Bin stock back to the Works Order, if however the Return is replacing stock, manual allocation of Serial/Batch and Mutli Bin stock will need to take place.

Actioning a Purchase Return Note

There will normally be a physical break in time before we are able to action the Purchase Return Note since the action depends very much on the E U's desired outcome from the manufacturer, and the actual response of the manufacturer.

Referring back to the list of possible actions let us examine how each would be handled by the Returns module. (Also bear in mind that different actions may well apply to different lines of the same Return, for instance one item may be returned, another repaired, and indeed the same line may be split into different actions. Some stock returned, some replaced, some written off etc. These are all perfectly legitimate scenarios).

Purchase Return Possible Actions	Module Action	Effect on Physical Stock Level
Manufacturer accepts Returned stock, agrees basis of return and offers to credit returned stock.	Raise Purchase Credit Note, allocate to original invoice as appropriate.	Quantity in stock reduced by amount returned.
Manufacturer accepts Returned stock, agrees basis of return and offers to credit returned stock, and sends replacement stock.	Raise Purchase Credit Note, allocate to original invoice as appropriate. Raise either Purchase Invoice (PIN) or Purchase Delivery Note (PDN) to cover replacement stock.	Quantity in stock initially reduced by amount returned, and then increased by amount replaced.
Manufacturer accepts Returned stock, but only offers to repair and return the stock.	Raise Purchase repair invoice to cover receipt of same stock back. Often this will be zero priced if items repaired FOC/under warranty.	Quantity in stock initially reduced by amount returned, and then increased by amount repaired.
Manufacturer does not accept returned stock/ not economical to repair	Write off returned stock	Quantity in stock reduced by amount returned.

The Daybook will reflect what percentage of the Return is complete.

Manufacturer accepts Returned stock, agrees basis of return and offers to credit returned stock.

All of the actions must be considered with respect to the effect on stock the action will have. In this case the manufacturer is saying they will be keeping the returned stock, and sending us a financial credit note to cover the stock returned.

From the perspective of the returned stock, this action in effect is writing it off as far as we, the owner of it are concerned. To reflect this in the Returns module we need to set the lines that are being credited to be written off.

This is achieved by editing the appropriate line in the PRN and setting the Qty Written off.

At this stage we have not written anything off, merely marked those lines we intend to write off once we action the PRN. Note that the Expected and Returned quantities are grayed out as now we are dealing with the action side of the line.

The two total quantity fields **Tot. Repaired,** and **Tot. W.Off** track the cumulative totals of the amounts to date repaired and written off. These values are only updated as part of the Return action process.

Having set the quantity written off, we are now ready to action the Return. If the module detects either the Written off, or Repaired quantities have been set it will automatically display the Return Action Wizard (passwords permitting). Alternately it is possible to manually instigate an Action by highlighting the desired Return in the Return

Daybook, and choosing **Daybook Process**|Action this Return

However called the Action Wizard looks like this.

The first option determines what action we wish to perform. The options are these.

The actions are constrained by which quantity boxes are filled in on the Return line.

Generate Credit Note & Write Off. Will generate a non Stock credit note based on the Quantity Written off on the Return line.
Generate Credit Note & Receive Replacement Stock. Acts as above, but in addition will generate a new transaction with replacement stock.
Generate Repair Invoice & Re-Stock. Expects the quantity set as Repaired on the Return line to be returned back to us, and so will generate a stock coded PIN for that quantity thus booking the stock back.
Write Off Return. Will simply write off the Return line by the Quantity Written off, and take no further action.

For this first example scenario we need to choose **Generate Credit Note & Write Off,** as the manufacturer has agreed to simply credit the stock without replacing it.

Note we also have the option to allocate the credit note against the original invoice which created it. This will default to ticked if the Returns module detects the Return originated from another transaction.

To complete the action choose **Finish**. This will generate the non stock Purchase Credit and display it on screen.

Note also the matching information has been updated, and we can see it has been allocated.

The notes on the transaction are also updated accordingly.

On the Purchase Return Daybook the status of the Return has been updated, as has the % completed.

Looking at the Return inside we can see this change of status reflected as well.

Note in order to see the Written Off status we need to use the Analysis Tab on the Return. The line is also displayed in normal font rather than bold now, as it is no longer outstanding.

Manufacturer accepts Returned stock, agrees basis of return and offers to credit returned stock, and sends replacement stock.

In the case of the second line of our Return, the manufacturer has agreed to credit us, and send us the equivalent replacement stock.

The action sequence is very similar to the previous one. In the first instance we need to set the Written off qty as the original stock we sent back is being written off and credited and new replacement stock sent.

However rather than edit the line individually, for this example we can use the **Auto** button from within the Return Note. The **Auto** button gives us the following options:-

These apply to all the lines and offer a quick way to set and unset the various quantities including the Return quantities. There is also an undo option for each of them that sets them back to zero.

In this case we will choose **Write Off**. This will set all the outstanding lines to have their Qty Write Off set to whatever remains outstanding.

We can then action the Return either from the Daybook Post menu, or automatically as we leave the transaction.

We choose **Generate Credit Note & Receive Replacement Stock.**

Choosing this option forces us to complete the **Replacement Stock via** option since if we are using Purchase Order processing, there are two ways in which we could receive the replacement stock.

Via PIN or PDN.

We will choose PIN.

Note also the checkbox which allows is to apply new pricing to the replacement stock rather then the original price. This can often happen if there is a time lag from when the original items were purchased, and is another reason why the warranty feature is there. Lines marked as warranty lines will not have their prices (zero price) overwritten even if this option is checked.

On this occasion as part of the action process, as well as generating the PCR and allocating it to the original invoice, we will also see the PIN created for the replacement stock. This is stock coded as we are receiving new stock. Had there been Serial/Batch or multi bin items replaced we would have had to add in new Serial/Batch records to cover them, and in the case of multi bins specify in which bin they were booked..

This particular Return is now in history as all lines are complete.

In terms of the stock ledger we can see the returned stock still remains going out of physical stock, but the Purchase Returned stock quantity is now zero as the items were written off, and the replacement stock invoice has booked the new stock in.

Manufacturer accepts Returned stock, but only offers to repair and return the stock.

In this scenario we are accepting some or all of the same returned stock back albeit repaired.

To action a repair instead of setting the **Qty Written Off**, we have to set the **Qty Repaired.**

Because this is a serial item we have to un-use the Serial items previously returned in order to tell Exchequer which of the returned Serial items are being repaired and returned.

We then call the action wizard in the normal way, but this time Choose **Generate Repair Invoice & Re-Stock.**

Upon finishing, this will generate a stock coded repair invoice, which will credit physical stock back with the returned stock. ObjectPrint can be used if a printout of this transaction is required.

Drill down to the Serial numbers will not be available from this transaction as they have been returned to unused status, and so have reverted to their original In transaction, however a note against the Serial item is created to explain its return/repair cycle.

Manufacturer does not accept returned stock/ not economical to repair

In this scenario we are simply going to write off the returned stock and take no further action by choosing **Write Off Return.** Inside the Action Wizard.

Upon finishing the wizard will simply update the Total Qty Written off on the Return and place it in history if appropriate.

Processing the Returns as a batch

It is possible to set up the action quantities on individual Returns and then process them all in a batch. This is achieved by choosing the **Daybook Post|Action all Returns** option off the Returns Daybook screen.

This option will then display a two stage wizard. The first stage is the same as processing a Return individually except that the option to replace or repair returned stock will not be available for Serial/Batch or Multi bin items, and any Returns containing these items will be excluded from the run due to the need for manual allocation of Serial/Batch/Multi bin items.

step two of the wizard allows for the filtering of Returns by tag no. and location.

Once complete, the individual transactions created as a result are not displayed, and must be sought in the Purchase Daybook.

Using the Sales Return Module

A Sales Return Note (SRN) can be created manually as a stand alone document, or by basing it on an existing Sales Invoice (SIN), Sales Delivery Note (SDN), or directly from a Serial or Batch item.

Although the operation of the Sales Return Module is very similar to that of the Purchase Return Module, there is the small but significant difference of the stock treatment as defined by the core design principle:-

The Sales Return module handles the Exchequer users' customers stock. Ownership (Title) and therefore valuation of the Sales Returned stock is still retained by the customer until it is credited or replaced by the Exchequer user, or written off by the customer.
Therefore in terms of stock valuation Sales Returned stock does not form part of the Exchequer users stock valuation.

This principle adds additional considerations to handling customer stock especially when it comes to Serial/Batch and Multi Bin type stock, which needs to be covered in detail.

Creating a manual Sales Return Note
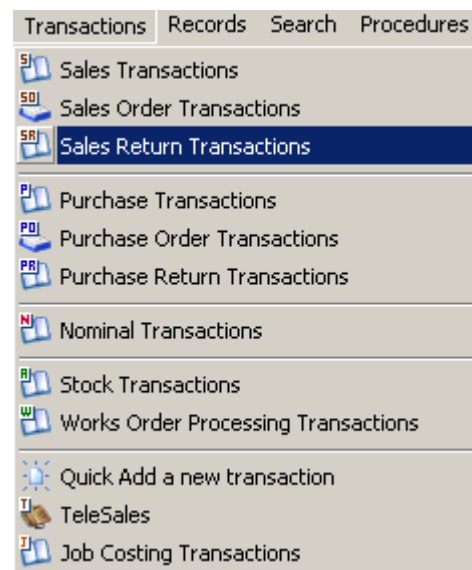
The Sales Return daybook is accessed via the Transactions menu option on the Exchequer main menu.
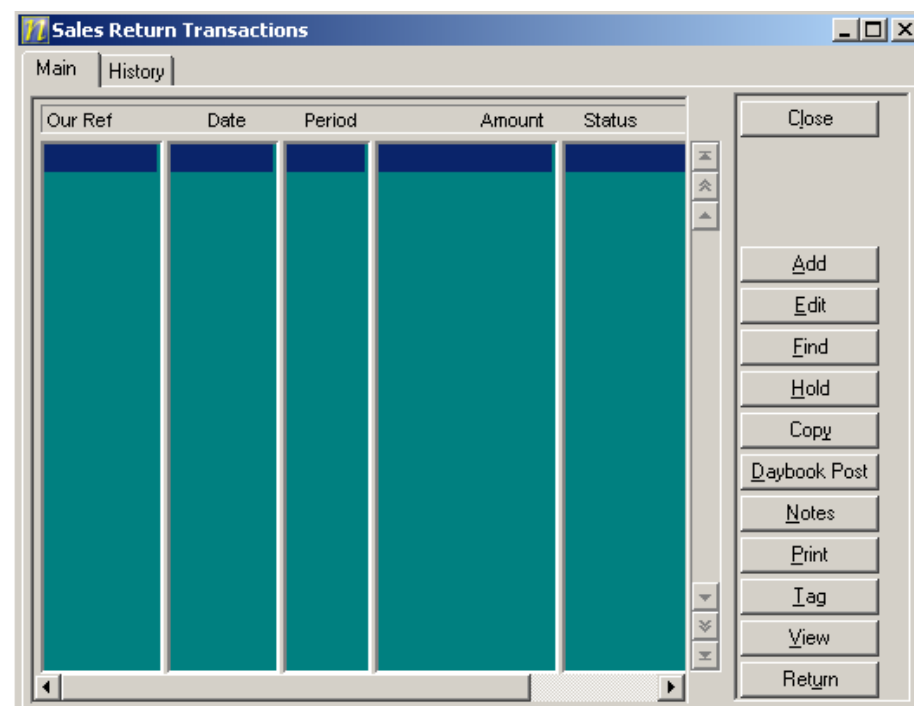
Add: Allows the ability to add a stand alone Sales Return Note. (See adding a Sales Return later).
Edit: Says what it does on the tin!

Find: Gives the ability to search on the daybook via various methods.

Hold: Gives the normal hold options or most daybooks.
Copy: Says what it does on the tin! (Reverse not an option for Returns)
Daybook Post. Allows you to action the currently highlighted Return, or all returns applying various filters. It is also possible to re-print a previous Sales run via this option.
Notes, Tag, Print, View : Says what it does on the tin!
Return: It is possible to create a back to back Purchase Return Note based upon a Sales Return Note which can be useful in a customer repair scenario where the customers stock is being sent back to the manufacturer for repair.

Adding a Sales Return Note

Having selected **Add** from the Sales Return Daybook, the following Sales Return Note Screen is displayed.

```
Pending action for SRN
Quarantined for inspection on SRN
Credit & Write off SRN
SOR generated for replacement goods from SRN
SOR <> POR gen. for replacement goods from SRN
SIN generated for replacement goods based on SRI
Repair SIN generated based on SRN
Write Off SRN
Issue Stock SRN
Return complete
```

The **Stat** field shows the current status of the Return.
The first two options, Pending Action, and Quarantined are manual options which may be controlled by the user.
The remainder will be controlled by the module as the Return is progressed through various actions until completed.

The **Returned total** at the bottom shows the financial value of the Return. The **Repaired total** shows what value of the return has been repaired as opposed to written off.
The **% Complete** shows the percentage of the overall returned quantity, which has either been repaired or written off.

Adding a Sales Return Note Line

Although usually each line will be for a stock item, it is possible to add in description lines for narrative if required.

The **Locn.** field determines from which location the stock is being returned to if issued back to stock, in systems where multi location stock is enabled.

The Return line has two distinct quantity sections. Those that deal with the initial creation of the return i.e. **Expected Qty**, **Qty. Returned**, and those that deal with the actioning of the return. **Qty Repaired, Qty W.Off.** It is only possible to access one or other of the quantities during the editing of a line. The other quantity fields will be grayed out as soon as the Returns modules detects which operation - set-up or action is being performed.

The **Expected Qty** is the quantity of stock we are expecting from our customer after initial contact regarding the return and is set initially to create the Sales Return Note in the first instance so the customer can return the goods under cover of this SRN number enabling the E U to match them up when received.

Normally that actual **Qty. Returned** on an SRN is set at the time the actual returned stock is received rather than when it is created. It is also normal for these two quantities to match, but it may well not always be the case and there may be a need to track any discrepancies as a separate reporting exercise.

The **Expected Qty** has no effect on any stock levels and it is purely notational. On an SRN, the **Qty. Returned** will increase the Sales Returned stock level.

During the setting of the Expected quantity or the Qty Returned, the action quantities are grayed out.

Note also the line reasons. These are set-up via System Set-up for subsequent analysis. On a stand alone Return the other default fields are all derived from the account and stock master records as they would be on any other account and stock based transaction.

Note also the ability to enter multiple lines of description.

Once the line is completed in terms of Expected and Returned quantities it can be stored, and additional lines entered as required.

In the case of Serial/Batch items the completion of the **Qty Returned** also necessitates the specification of which serial/batch items are being returned by the customer.

The suggested list of possible serial numbers are those that have been marked as sold only.

When these are selected by the Returns Module, they are marked as being on Return, but remain sold. (Shown as bold).

The effect of marking them as being on Return is to prevent them being "unused" back for sale by another user/process. If an attempt is made to "unsell/Unuse" these items during a normal sales process, the warning above is displayed.

This is a fundamental point underpinning the principle that Sales Returned stock is still owned by the customer and does not form part of the E U stock holding hence why it is never included in the stock system.

In the case of multi bin items, the completion of the **Qty Returned** also necessitates the specification of which bin the stock is being stored in whilst in the E U's possession, just as you would from any transaction which increases bin stock.

In this instance though as it is Sales Returned stock, it is automatically marked as Quarantined, thus preventing its inclusion in any auto picking routines, and also preventing its sale by another user/process.

This is a fundamental point underpinning the principle that Sales Returned stock is still owned by the customer and does not form part of the E U stock holding hence why it is never included in the stock system, but in the case of Multi Bins the E U still needs to track its physical location whilst in their possession.

As soon as all the lines have been completed with their Qty Returned set, the Sales Return is now ready for actioning once the user decides what fate awaits the returned stock.

Raising a Sales Return Note based on a prior Sales Transaction

It will be more typical to raise a Sales Return Note (SRN) from an existing Sales Transaction than stand alone. When basing an SRN on an existing transaction the user has the option to base the SRN on the entire transaction, or on a single line of a transaction.

Based on entire transaction

If a SRN is based on an entire transaction, the original quantities are assumed to be the Returned quantities.
Any variation to this, or exclusion of lines which are not to be required will need to take place within the SRN after it has been created.
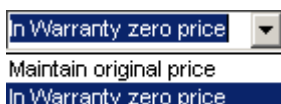
To base the SRN on an entire transaction you must first locate the transaction from its daybook, or daybook history or Customer Ledger list.

Having located it, you can select the **Return** Button/right click Menu option.

Having chosen the Return option, the Return Creation Wizard is displayed.

It is at the Return creation stage you can determine to set the value of the SRN to be zero by checking for the individual warranty status of each line. Checking the warranty is the default option. (*See Stock record set-up for more details of warranty rules*)

The Date and Period of the SRN can be set as well as a Your Ref. The longer your ref will automatically be set to the originating transactions OurRef.
The location to which the Returned stock will be sent if issued back to stock is also set here.

N/A
Damaged
Faulty
Not Required
Incorrect Order
Out of Date
Discontinued
Sale/Return

Each of the returned lines can be marked with a reason for the return. As we are returning an entire transaction all lines will be marked with the same Return Line reason.

The **Set Returned Qty** option will determine if the actual Returned Qty will be set at the same time as the Expected Qty. In the case of SRN's this defaults to unticked as usually these quantities are set at different times.

It is also possible to append this Return to an existing SRN by supplying a valid SRN number. The SRN to be appended to must share the same account code and currency, and must still be outstanding.

Once all the settings are complete, **Finish** may be clicked and a completed SRN will be displayed.

Note matching has been set up.

The notes on the Return are updated accordingly.

Had this return contained any Serial/Batch or Multi Bin items, the appropriate Serial/Batch/Multu bin selection lists would have been displayed for each applicable line and would have needed to be completed as the SRN was being created.

Once the SRN is complete any variation in quantity or actual items can take place. Additional items or more narrative may also be added.

If a Return line is under warranty it will be shown underlined. A Bold line indicates the line is still outstanding.

A warranty line can have it price overridden, but by so doing will loose its warranty status.

The effect on the Stock ledger is as shown.

As soon as the Return quantity is completed, the Qty on Sales Return increased by the same amount. No other effect on stock is seen, and the Sales Return stock does not form part of the E U stock valuation.

Creating a Sales Return Note from a single line

The procedure for creating a Sales Return Note from a single line is identical for that of a Purchase Return Note. Please refer to that section, bearing in mind the distinct treatment of Serial/Batch and Multi Bin items on Sales Returns.

Creating a Sales Return Note via the Stock Ledger

Another way to create a Return Note is via the Stock Ledger itself. This is achieved by simply highlighting a valid line, and choosing the Return option.

The originating transaction type will automatically determine if a Sales or Purchase

Return is raised.

Creating a Sales Return Note from a Serial/Batch record

It is possible to generate a Sales Return Note directly from a Serial/Batch Record. To achieve this, the required Serial/Batch record needs to be located. Within the Serial/Batch list screen is a **Return** button.

In the case of a Sales Return, a Serial/Batch item must be sold in order to raise a SRN against it. It must also have originated from an account based transaction.
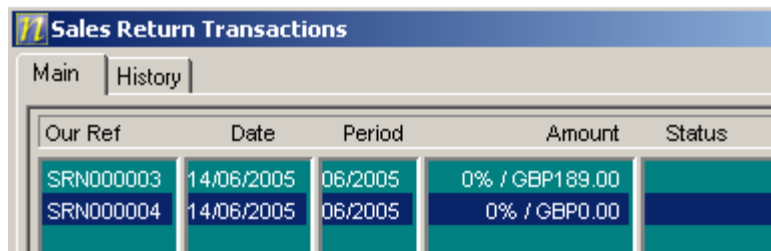
If any of these conditions are not met, then this warning is shown.

Actioning a Sales Return Note

There will normally be a physical break in time before we are able to action the Sales Return Note since the action depends very much on the customers desired outcome from the E U, and the actual response of the E U.

Referring back to the list of possible actions let us examine how each would be handled by the Returns module. (Also bear in mind that different actions may well apply to different lines of the same Return, for instance one item may be returned, another repaired, and indeed the same line may be split into different actions. Some stock returned, some replaced, some written off etc. These are all perfectly legitimate scenarios).

Sales Return Possible Actions	Module Action	Effect on Physical Stock Level
E U accepts Returned stock, agrees basis of return and offers to credit returned stock.	Raise Sales Credit Note, allocate to original invoice as appropriate.	None
E U accepts Returned stock, agrees basis of return and offers to credit returned stock, and sends replacement stock.	Raise Sales Credit Note, allocate to original invoice as appropriate. Raise either Sales Invoice (SIN) or Sales Order (SOR) to cover replacement stock.	Quantity in stock reduced by amount replaced.
E U accepts Returned stock, but only offers to repair and return the stock.	Raise Sales repair invoice to cover despatch of same stock back. Often this will be zero priced if items repaired FOC/under warranty.	None
E U does not accept returned stock/ not economical to repair	Write off returned stock	None
E U accepts returned stock back into stock.	Issue returned stock back into stock. No other financial implications.	Quantity in stock increased by returned stock.

The Daybook will reflect what percentage of the Return is complete.

Our Ref	Date	Period	Amount	Status
SRN000003	14/06/2005	06/2005	0% / GBP189.00	
SRN000004	14/06/2005	06/2005	0% / GBP0.00	

E U accepts Returned stock, agrees basis of return and offers to credit returned stock.

All of the actions must be considered with respect to the effect on stock the action will have. In this case the E U is saying they will be keeping the returned stock, and sending the customer a financial credit note to cover the stock returned.

Although the E U is going to credit the customer financially without further stock implications as far as the customer is concerned, the E U needs to make an internal decision what to do with the Returned Stock.
The options are to either scrap it/ write it off, or repair and/or issue it back into normal stock. Both the decision regarding the customer and stock needs to be made at the time of actioning the Sales Return Note because that will determine which quantity field is completed on the SRN.

If the Stock is to be subsequently written off/scrapped, then the Qty Written off on the Return Line must be completed prior to actioning the SRN.

If the Stock is going to be repaired and/ or re-issued back to stock, then the Qty Repaired on the Return Line must be completed prior to actioning the SRN.

We will follow both paths and see what difference it makes.

<u>Returned Sales Stock is to be Written Off/ Scrapped.</u>

This is achieved by editing the appropriate line in the SRN and setting the Qty Written off.

At this stage we have not written anything off, merely marked those lines we intend to write off once we action the SRN. Note that the Expected and Returned quantities are grayed out as now we are dealing with the action side of the line.

The two total quantity fields **Tot. Repaired,** and **Tot. W.Off** track the cumulative totals of the amounts to date repaired and written off. These values are only updated as part of the Return action process.

Having set the quantity written off, we are now ready to action the Return. If the module detects either the Written off, or Repaired quantities have been set it will automatically display the Return Action Wizard. Alternately it is possible to manually instigate an Action by highlighting the desired Return in the Return Daybook, and choosing

Daybook Process|Action this Return

However called the Action Wizard looks like this.

The first option determines what action we wish to perform. The options are these.

The actions are constrained by which quantity boxes are filled in on the Return line.

Generate Credit Note & Write Off. Will generate a credit note based on the Quantity Written off on the Return line. The credit note will contain a stock code depending on the setting of the **Returned Items** option.
Generate Credit Note & Send Replacement Stock. Acts as above, but in addition will generate a new stock coded transaction for replacement stock.
Generate Repair Invoice. Expects the quantity set as Repaired on the Return line to be returned back to the customer, and so will generate a non stock coded SIN for that quantity thus simply charging the customer for the repair.
Write Off Return. Will simply write off the Return line by the Quantity Written off, and take no further action.
Issue Back to Stock (Qty Repaired). Will create an ADJ based on the Quantity Repaired issuing the returned stock back into normal stock. No further action regarding the customer is taken.

The Returned Items setting allows us to determine what action is taken regarding the returned stock. It will be automatically set/ enabled depending on the action chosen.

For this first example scenario we need to choose an action of **Generate Credit Note & Write Off,** as the E U has agreed to simply credit the customer without replacing any stock. Internally the E U has decided to write off the returned stock as it is beyond economical repair, so we also need to set the Returned items to **Written Off.**

Note we also have the option to allocate the credit note against the original invoice which created it. This will default to ticked if the Returns module detects the Return originated from another transaction.

As part of this process we can also elect to charge any applicable restocking charge since we are generating a credit note.

To complete the action choose **Finish**. This will generate the non stock Sales Credit Note and display it on screen.

Note the restocking charge has been deducted, and also the matching information has been updated, and we can see it has been allocated.

The notes on the transaction are also updated accordingly.

On the Sales Return Daybook the status of the Return has been updated, as has the % complete.

The SCR has no stock code information as it is purely financial and so the original returned stock remains written off, however the original Sales Invoice upon which the SRN was based was a stock based invoice which would have caused an automatic G/L movement between Stock Value and Cost of Sales. Because the Stock is being written off we do not wish to affect the Stock Value, but we do need to correct the Cost of Sales movement, or it will be overstated. At the same time as generating the SCR, the Returns Module also creates a Nominal Transfer to cover the Cost of Sales correction.

Looking at the Return inside we can see the change of status reflected as well.

Note in order to see the Written Off status we need to use the Analysis Tab on the Return. The line is also displayed normal rather than bold now, as it is no longer outstanding.

Returned Sales Stock is to be Issued back to stock.

Issuing Returned Stock back is an almost identical procedure to scrapping it/writing it off. This is achieved by editing the appropriate line in the SRN and setting the Qty Repaired.

At this stage we have not issued anything off, merely marked those lines we intend to issue once we action the SRN. Note that the Expected and Returned quantities are grayed out as now we are dealing with the action side of the line.

This time when we action the SRN, we choose the following options:-

We still want to only issue a Credit Note to the customer, but at the same time we wish to issue the Returned stock back into main stock, so we have to choose the **Returned Items** setting to be **Issued Back to Stock**.

When we **Finish** this time, the Returns module generates a Stock coded Credit note.

Due to the stock code, the stock will be issued back, and there will be an automatic adjustment to Cost of Sales as part of the posting process, so no separate Nom is required.

If we are issuing returned stock back into main stock, there will be Serial/Batch and Multi Bin implications.

In the case of Serial/Batch items any Serial Numbers marked as on Sales Return, would have to be unmarked. These would then be transferred automatically as available for sale and so no drill down would be available to them from the SCR.

In the case of Multi Bins, as the Return Line was marked as being repaired, we would need to tell the Returns system from which bins they are being sent from.

As the SCR was created we would then have to tell the Returns system into which bins the newly issued stock was being booked.

E U accepts Returned stock, agrees basis of return and offers to credit returned stock, and sends replacement stock.

In this scenario E U has agreed to credit the customer, and send the customer the equivalent replacement stock.

The action sequence is very similar to simply issuing a Credit Note. In the first instance we need to decide the fate of the returned stock. In exactly the same way as simply crediting the stock, if we decide to scrap the stock, then we need to set the Written off qty as the original stock we received back is being written off. If the returned stock is to be issued back to main stock, then we must set the Qty Repaired on the Returned. Once this is done we can action the SRN and the SRN will be credited and new replacement stock sent.

We can then action the Return either from the Daybook Post menu, or automatically as we leave the transaction.

We choose

Generate Credit Note & Send Replacement Stock.

Choosing this option forces us to complete the **Replacement Stock sent via** option since if we are using Sales Order processing, there are several ways in which we could send the replacement stock.

Via SIN or SOR. In addition we can elect to raise a back to back POR at the same time as raising a SOR.

We will choose SIN.

Note also the checkbox which allows is to apply new pricing to the replacement stock rather then the original price. This can often happen if there is a time lag from when the original items were purchased, and is another reason why the warranty feature is there. Lines marked as warranty lines will not have their prices (zero price) overwritten even if this option is checked.

As we have chosen to Issue the returned stock back into main stock the resultant SCR is stock coded.

On this occasion as part of the action process, as well as generating the SCR and allocating it to the original invoice, we will also see the SIN created for the replacement stock. This is stock coded as we are sending new stock. Had there been Serial/Batch or multi bin items replaced we would have had to specify which new Serial/Batch records to send, and in the case of multi bins specify from which bin they were being sent.

In terms of the stock ledger we can see the returned stock has been issued back into main stock via the SCR, but the Sales Returned stock quantity is now zero as the items were actioned, and the replacement stock invoice has taken the new stock out.

| E U accepts Returned stock, but only offers to repair and return the stock. | In this scenario the E U is offering to repair the returned stock and send it back to the customer. |

To action a repair instead of setting the **Qty Written Off**, we have to set the **Qty Repaired.**

Because this is a Multi Bin item we have to specify from which bin the Repaired stock is being taken.
Had it been a Serial/Batch item, we would have had to specify which Serial/Batch items were being sent back to the customer.

We then call the action wizard in the normal way, but this time Choose **Generate Repair Invoice.**

Because this is a customer repair all other options are disabled since we are sending the stock back we have no scope to issue it into main stock. Once **Finish** is chosen, a repair invoice is generated.

Note the Invoice is not stock coded since we do not desire any effect on main stock, and are merely covering the transit of the items back.

If the item was being repaired under warranty, it would be zero value.
ObjectPrint can be used if a printout of this transaction is required.

E U does not accept returned stock/ not economical to repair

In this scenario we are simply going to write off the returned stock and take no further action by choosing **Write Off Return.** Inside the Action Wizard.

Upon finishing the wizard will simply update the Total Qty Written off on the Return and place it in history if appropriate.

E U accepts returned stock back into stock.

In this scenario we are simply going to issue the returned stock back into main stock and take no further action by setting the **Qty Repaired** inside the Sales Return Note, and choosing **Issue Back to Stock (Qty Repaired)** Inside the Action Wizard.

Upon finishing the wizard will generate a Stock Adjustment (ADJ), booking the stock back into main stock, and update the Total Qty Repaired on the Return and place it in history if appropriate.

Processing the Returns as a batch

It is possible to set up the action quantities on individual Returns and then process them all in a batch. This is achieved by choosing the **Daybook Post|Action all Returns** option off the Returns Daybook screen.

This option will then display a two stage wizard. The first stage is the same as processing a Return individually except that the option to replace or repair returned stock will not be available for Serial/Batch or Multi bin items, and any Returns containing these items will be excluded from the run due to the need for manual allocation of Serial/Batch/Multi bin items.

When processing a batch of Sales Returns, it is also not possible to select the SOR to POR back to back option due to the manual intervention required.

step two of the wizard allows for the filtering of Returns by tag no. and location.

There is also provision to print any credit notes or invoices out produced as a result of running the batch.

Once complete, the individual transactions created as a result are not displayed, and must be sought in the Sales Daybook.

Each run is allocated a unique Run number. The Run number can then be used to reprint a batch of Return based transactions if necessary by choosing the **Reprint Return Action** option off the **Daybook Post** menu.
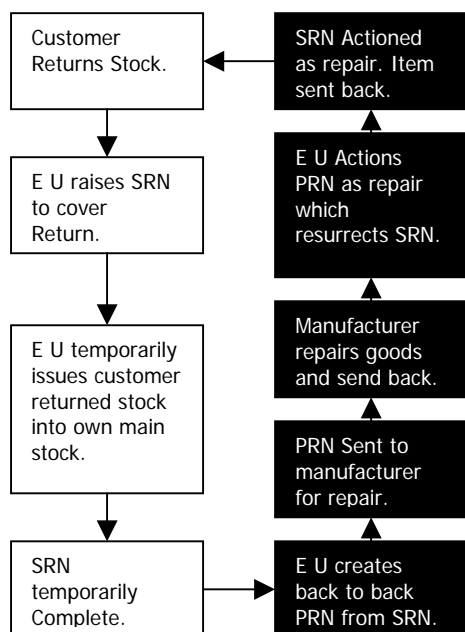

This option brings up a selection window allowing further sub filtering of which items to reprint.

Dealing with a Customer Back to Back Repair

In most cases the Sales and Purchase Return modules work independently of each other, and its fair to say that the two different core principles which govern them are not mutually compatible. To recap:- Purchase Returns deal with the E U's own stock, the E U retaining ownership during the process. Sales Returns deal with the customers own stock, the customer retaining ownership during the process.

In the situation of a back to back repair it is necessary to transcend the two systems. In this scenario the E U will receive returned stock from the customer, and decides to send it back to the manufacturer for repair before returning the same repaired stock back to the customer.

This is by far the most complex of the scenarios especially if it involves Serial/Batch or Multi Bin stock because it will involve the E U having to take temporary ownership of the customers stock whilst it is being processed within the Purchase Return system, and then revert ownership back again to the customer in order to send it back.

Customer Returns Stock.	SRN Actioned as repair. Item sent back.
E U raises SRN to cover Return.	E U Actions PRN as repair which resurrects SRN.
E U temporarily issues customer returned stock into own main stock.	Manufacturer repairs goods and send back.
	PRN Sent to manufacturer for repair.
SRN temporarily Complete.	E U creates back to back PRN from SRN.

The following section will run through the procedure step by step to illustrate how the Returns system deals with this scenario from both the Purchase and Sales perspectives.
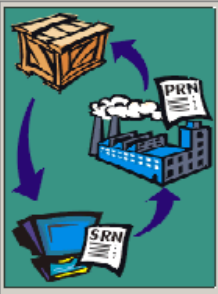
The background to the scenario is that the E U has sold 7 serial items (BFrame), and 4 Multi bin items (Bbell) to its customer A1 Hire & Sales who is returning 5 of the serial items, and 4 of the multi bin items. As these are high value items the E U decides to return them to the manufacturer for repair and intends to return them back to the customer once they have been repaired and returned by the manufacturer.

Having located the original invoice we can choose to return it in its entirety initially, and then edit the resultant SRN to reduce the list of serial numbers down to 5.

Note we have opted not to check for warranty, use DE1 as the default location, and set the reason code to be faulty.

We are also awaiting the receipt of the goods so elect not to set the Returned Qty at this time.

Once the goods are actually returned, we can set the returned quantity to the actual number received, in this case 5.

We will then have to identify which serial numbers the 5 are.

Note that we are only shown a list of sold serial numbers. When we choose **Use** the sold items are turned bold and the **Items Required** count is reduced.

These items are now marked as being on Sales Return, and during normal selling it will not be possible to return them to stock.

An attempt to do so will show a warning message as shown in the Sales Return section of this document.

For the multi bin items we need to specify into which bin the items are being placed, whilst in the care of the E U.

Having booked in the Sales Returned stock, we now need to issue it into main stock so it can be picked up and sent back under the cover of a Purchase Return. This is done by setting the **Qty Repaired** on both lines of the SRN. Do save time we can use the **Auto: Repair with Sno.** Option.

We have to specify which serial numbers are being repaired and from which bin they are being taken from.

At this point we are ready to action the SRN but only want to issue the returned stock back into main stock.

During this process, the Sales Return module is generating an ADJ to book the stock back via.

The ADJ will need to be told into which bin the issued stock is being placed.

As we have issued all the lines, the SRN will now go into history. We now need to locate it from the history tab of the Sales Return Daybook, view it, and choose the **Return** option from inside it. Although it is possible to generate a Purchase Return Note for the entire SRN, in this mode you are restricted to one overall supplier, and only those lines with a **Qty Repaired** will be set as **Direct Customer repair,** otherwise it is better to instigate a customer repair on a line by line basis.

The Generate Return Wizard is displayed with two additional options. By default when a PRN is generated based on the line of an SRN the **Direct Customer repair** option defaults to ticked. We also have to complete the Supplier code reference, which by default is taken from the items stock record.

Having chosen **Finish**, we can see the PRN generated.

Note the Serial numbers have been transferred across automatically.

We now also need to append the second item Bbell to this purchase Return.

This is achieved by locating the SRN once again, highlighting the second line, and choosing **Return** from within the SRN screen.

On this occasion we will elect to append it to the existing PRN rather than generate a new one.

Note that the Bins have also been automatically transferred across.

There will then be a time lag as we await the return of the PRN stock from the manufacturer. Once the stock has been received it will be accompanied by a repair invoice from the manufacturer. We therefore need to action the PRN by setting the quantity received back from the manufacturer as **Qty Repaired**, and then action the PRN.

Once the PRN is actioned, we need to specify in which bin the PRN returned stock is to be stored.

Once this has been done several things will happen.

The Repair Pin is generated. But as part of the action because the PRN lines were marked as Direct customer Repairs, the Actioning of the PRN has resurrected the SRN, and reset the corresponding lines ready for them to be set as repaired and despatched back to the customer. All Serial and Bin information has also been automatically transferred across to the SRN, hence there will be no serial no drill down from the Repair PIN.

Returns Module – Effect on G/L

The Returns module has been designed to be integrated with the G/L following the two core design principles separating the two modules:-

The Purchase Returns module handles the Exchequer users own stock. Ownership (Title) and therefore valuation of the Purchase Returned stock is retained by the Exchequer user until it is credited or replaced by the manufacturer, or written off by the Exchequer user.
Therefore in terms of stock valuation Purchase Returned stock is to all intents and purposes still regarded in valuation terms as included in the overall stock value of the Exchequer user.

The Sales Return module handles the Exchequer users' customers stock. Ownership (Title) and therefore valuation of the Sales Returned stock is still retained by the customer until it is credited or replaced by the Exchequer user, or written off by the customer.
Therefore in terms of stock valuation Sales Returned stock <u>does not</u> form part of the Exchequer users stock valuation.

Purchase Returns

Although a Purchase Return will reduce the main Physical Qty, and at the same time increase the Purchase Return qty, by the amount of Purchase Stock returned, there is no effect on the G/L at that stage due to the ownership principle that title of the stock has not altered by this process. If required, the distribution of Purchase Returned stock can be reflected in the G/L by running the Purchase Return Accrual routine which will generate a self reversing accrual between the Purchase Return G/L code on the stock record, and stock valuation representing the value of outstanding Purchase Returns.

Operation	G/L Debit (+)	G/L Credit (-)	Effect on Physical Stock	Effect on Purchase Returned Stock
Raise PRN	NIL	NIL	- Decrease	+ Increase
Purchase Accrual	Purchase Return G/L	Stock Value/ Finished Goods for BOM	NIL	NIL
Purchase Returned Stock written off by manufacturer via PCR	Written Off G/L	Stock Value/ Finished Goods for BOM	NIL	- Decrease
Purchase Returned Stock Written off by manufacturer via PCR and replacement stock sent via PIN	Written Off G/L	Stock Value/ Finished Goods for BOM	NIL	- Decrease
Replacement Stock PIN	Stock Value/ Finished Goods for BOM	Creditors	+ Increase	NIL
Purchase Returned Stock Repaired via Repair PIN (Auto NOM Generated to credit effect of repair)	Written Off G/L	Stock Value/ Finished Goods for BOM	NIL	- Decrease
Repair PIN	Stock Value/ Finished Goods for BOM	Creditors	+ Increase	NIL
Purchase Returned	Written Off G/L	Stock Value/	NIL	- Decrease

Stock Written off		Finished Goods for BOM		

The main point worth making for Purchase Returns, is that overall stock levels are derived by adding Physical Stock to Purchase Returned stock.

Posted Stock Levels
Although populating the quantity returned on a PRN immediately affects the live stock level by reducing it, it is not until the entire PRN is completed and placed in history that the posted stock level is updated and reduced by the equivalent amount.

Sales Returns
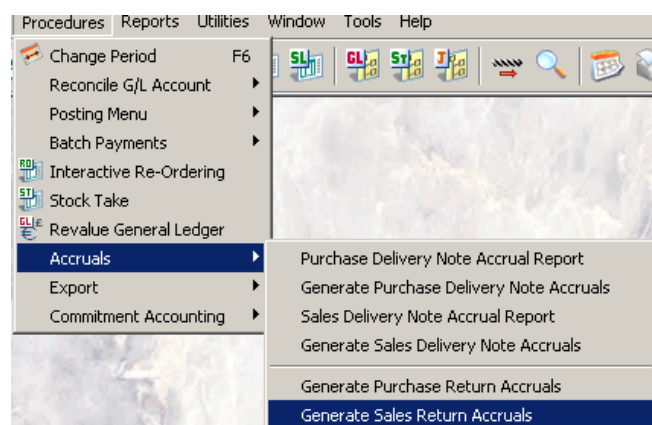
Sales Returns are slightly more complex as the system is dealing with stock belonging to the customer. When a Sales Return is created and the Qty Returned set, it increases the Sales Return qty, by the amount of Sales Stock returned. At that stage there is no effect on the G/L due to the ownership principle that title of the stock has not altered by this process and still belongs to the customer. If required, the current holding of Sales Returned stock can be reflected in the G/L by running the Sales Return Accrual routine which will generate a self reversing accrual between the Sales Return G/L code on the stock record, and stock Write Off account on the stock record.

Operation	G/L Debit	G/L Credit	Effect on Physical Stock	Effect on Sales Returned Stock
Raise SRN.	NIL	NIL	NIL	+ Increase
Sales Return Accrual.	Sales Return G/L	Stock Write Off Account	NIL	NIL
---------------------	-------------------------	------------------------	-------------------	--------------------
Sales Returned Stock written off by E U via SCR.	Stock Sales	Debtors	NIL	- Decrease
As this is a non stock coded SCR, we need to reverse the effect of the COS movement which would have occurred on the original invoice. This is achieved by the generation of a separate NOM as part of this process.	Stock Write Off	Stock COS	NIL	NIL
For the above scenario, if the returned stock is issued back to stock, then the SCR is produced with a stock code, and the reverse COS movement will be generated via the SCR, hence negating the need				

to generate a NOM.				
--------------------	------------------------	------------------------	------------------	--------------------
Sales Returned Stock Written off by E U via SCR and replacement stock sent via SIN.	Stock Sales	Debtors	NIL	- Decrease
Replacement Stock SIN.	Debtors	Stock Sales	+ Increase	NIL
As this is a non stock coded SCR, we need to reverse the effect of the COS movement which would have occurred on the original invoice. This is achieved by the generation of a separate NOM as part of this process.	Stock Write Off	Stock COS	NIL	NIL
For the above scenario, if the returned stock is issued back to stock, then the SCR is produced with a stock code, and the reverse COS movement will be generated via the SCR, hence negating the need to generate a separate NOM.				
--------------------	------------------------	------------------------	------------------	--------------------
Sales Returned Stock Repaired via Repair SIN (Non stock coded so no effect on Physical stock)	Debtors	Sales Repairs	NIL	- Decrease
--------------------	------------------------	------------------------	------------------	--------------------
Sales Returned Stock Written off	NIL	NIL	NIL	- Decrease
--------------------	------------------------	------------------------	------------------	--------------------
Sales Returned Stock Issued back to Stock via ADJ. G/L Movement via NOM generated when ADJ posted.	Stock Value/Finished Goods	Stock Write Off Account	+ Increase	- Decrease

Returns effect on Stock based reporting

Considering the fact that it is only PRN's that effect the EU's stock, then only PRN's will be reported as part of the Stock reporting system. In terms of SRN's, these will only be included as part of the main Stock reporting if SRN stock is repaired/issued back to stock, otherwise they are outside the EU's stock system.

The **Stock Valuation** report will implicitly include PRN movements because a PRN by it's very nature reduces stock and so its effect will be seen as part of the quantity in stock and where applicable Serial and FIFO movements. The same is true of SRN's which issue returned stock back into the EU's main stock via generated SCR's or ADJ's as part of that process.

The **Stock Reconciliation** report will include the G/L movements created by writing off PRN's via the resultant NOM, and by the accrual movement which also generates a self reversing NOM. The same is true of SRN's which issue returned stock back into the EU's main stock.

The **Stock History** report will include posted PRN's as part of the Posted Stock Quantity balance movement. SRN issues back to stock are all done via surrogate transactions like SCR's and ADJ's, so, as a matter of course these will be included as part of Stock History report.

New Returns Report
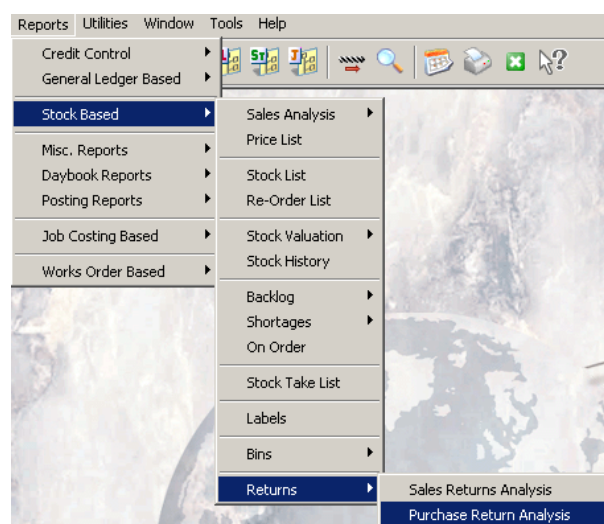
A flexible dedicated Return based report has been provided with the Returns module for both the Sales and Purchase Return modules.

The Return Analysis Report is designed to provide as much current and historical analysis as possible.

It will report on Outstanding Returns, Completed Returns or both.

Filters are provided for both stock codes and groups as well as specific account codes.

If Completed or Both Outstanding and Completed Returns are included, a date range must also be provided to cover the completed element as these will be considerable over time. For Outstanding Returns, all Outstanding Returns will be included regardless of date.

An optional Document range can be specified to further restrict the range of Return documents being reported on.

Filters for currency, Tag no and location are also provided.

In addition it is also possible to exclude specific reason and status codes by multi selecting from the Exclude list boxes.

The Sort options allow the Report to be compiled with different summary totals.

Sorting by OurRef will list all the Returns (O/S and or Completed depending on the setting of the include option) broken down by Return document.

After the primary sort option, all the options are further sorted in transaction date order.

The summary version will simply exclude the individual line details.

Sorting by Account code will sort the report by account code

However, the summary version will also sub sort by stock code.

GBP-Consolidatd Summary Purchase Return Analysis Report by A/C Code.
O/S Purchase Returns.

Stock Code•,Description		Exp. Qty	Qty Ret.	Qty Rep.	Qty WOff.	Qty O/S	Total Cost
A/C : BRIT01, British Telecom							
BAT-1.5-AA-AK-8, 1.5 AA Battery 8 P	Total :	16.000	16.000	1.000		15.000	GBP99.30
BFRAME, Frame	Total :	3.000	3.000			3.000	GBP45.00
	Total :	19.000	19.000	1.000		18.000	GBP144.30
A/C : SEET01, See-Through Windows							
BAT-1.5-AA-AK-16, 1.5 AA Battery 16	Total :	46.000	46.000			46.000	GBP460.00
BAT-1.5-AA-AK-8, 1.5 AA Battery 8 P	Total :	6.000	6.000			6.000	GBP232.50
	Total :	52.000	52.000			52.000	GBP692.50
	Total :	71.000	71.000	1.000		70.000	GBP836.80

Total Records : 7

Sorting by Stock Code will sort the report by Stock Code.

GBP-Consolidatd Purchase Return Analysis Report by Stock Code.
O/S Purchase Returns.

	Date	OurRef	Loc	A/C	Exp. Qty	Qty Ret.	Qty Rep.	Qty WOff.	Qty O/S	% Complte	Unit Cost	Total Cost	Reason	Age
BAT-1.5-AA-AK-16, 1.5 AA Battery 16 Pack														
*	05/07/2005	PRN000003	DE1	SEET01	23.000	23.000			23.000	0.0%	GBP10.000	GBP230.00	Damaged	0 days
*	05/07/2005	PRN000004	DE1	SEET01	23.000	23.000			23.000	0.0%	GBP10.000	GBP230.00	Damaged	0 days
				Total :	46.000	46.000			46.000			GBP460.00		
BAT-1.5-AA-AK-8, 1.5 AA Battery 8 Pack														
*	05/07/2005	PRN000003	DE1	SEET01	3.000	3.000			3.000	0.0%	GBP38.750	GBP116.25	Damaged	0 days
*	05/07/2005	PRN000004	DE1	SEET01	3.000	3.000			3.000	0.0%	GBP38.750	GBP116.25	Damaged	0 days
*	28/06/2005	PRN000003	DE1	BRIT01	5.000	5.000			5.000	0.0%	GBP9.410	GBP47.05	Faulty	7 days
*	28/06/2005	PRN000001	DE1	BRIT01	11.000	11.000	1.000		10.000	9.0%	GBP4.750	GBP52.25	Incorrect Order	7 days
				Total :	22.000	22.000	1.000		21.000			GBP331.80		
BFRAME, Frame														
*	28/06/2005	PRN000001	DE1	BRIT01	3.000	3.000			3.000	0.0%	GBP15.000	GBP45.00	Faulty	7 days
				Total :	3.000	3.000			3.000			GBP45.00		
				Total :	71.000	71.000	1.000		70.000			GBP836.80		

Total Records : 7

However the summary version will also sub sort by Reason Code, to give a comprehensive breakdown of possible trends and potential catastrophic failures.

GBP-Consolidatd Summary Purchase Return Analysis Report by Stock Code.
O/S Purchase Returns.

Date		Exp. Qty	Qty Ret.	Qty Rep.	Qty WOff.	Qty O/S	Total Cost
BAT-1.5-AA-AK-16, 1.5 AA Battery 16 Pack							
Damaged	Total :	46.000	46.000			46.000	GBP460.00
	Total :	46.000	46.000			46.000	GBP460.00
BAT-1.5-AA-AK-8, 1.5 AA Battery 8 Pack							
Damaged	Total :	6.000	6.000			6.000	GBP232.50
Faulty	Total :	5.000	5.000			5.000	GBP47.05
Incorrect Order	Total :	11.000	11.000	1.000		10.000	GBP52.25
	Total :	22.000	22.000	1.000		21.000	GBP331.80
BFRAME, Frame							
Faulty	Total :	3.000	3.000			3.000	GBP45.00
	Total :	3.000	3.000			3.000	GBP45.00
	Total :	71.000	71.000	1.000		70.000	GBP836.80

Total Records : 7

Sorting by Reason Code will summarise the Report by Reason code.

GBP-Consolidatd Purchase Return Analysis Report by Line Reason Code.
O/S Purchase Returns.

	Stock Code•,Description	OurRef	Loc	A/C	Exp. Qty	Qty Ret.	Qty Rep.	Qty WOff.	Qty O/S	% Complte	Unit Cost	Total Cost	Date	Age
Damaged														
*	BAT-1.5-AA-AK-16, 1.5 AA Battery 16	PRN000003	DE1	SEET01	23.000	23.000			23.000	0.0%	GBP10.000	GBP230.00	05/07/2005	0 days
*	BAT-1.5-AA-AK-16, 1.5 AA Battery 16	PRN000004	DE1	SEET01	23.000	23.000			23.000	0.0%	GBP10.000	GBP230.00	05/07/2005	0 days
*	BAT-1.5-AA-AK-8, 1.5 AA Battery 8 P	PRN000003	DE1	SEET01	3.000	3.000			3.000	0.0%	GBP38.750	GBP116.25	05/07/2005	0 days
*	BAT-1.5-AA-AK-8, 1.5 AA Battery 8 P	PRN000004	DE1	SEET01	3.000	3.000			3.000	0.0%	GBP38.750	GBP116.25	05/07/2005	0 days
				Total :	52.000	52.000			52.000			GBP692.50		
Faulty														
*	BAT-1.5-AA-AK-8, 1.5 AA Battery 8 P	PRN000001	DE1	BRIT01	5.000	5.000			5.000	0.0%	GBP9.410	GBP47.05	28/06/2005	7 days
*	BFRAME, Frame	PRN000001	DE1	BRIT01	3.000	3.000			3.000	0.0%	GBP15.000	GBP45.00	28/06/2005	7 days
				Total :	8.000	8.000			8.000			GBP92.05		
Incorrect Order														
*	BAT-1.5-AA-AK-8, 1.5 AA Battery 8 P	PRN000001	DE1	BRIT01	11.000	11.000	1.000		10.000	9.0%	GBP4.750	GBP52.25	28/06/2005	7 days
				Total :	11.000	11.000	1.000		10.000			GBP52.25		
				Total :	71.000	71.000	1.000		70.000			GBP836.80		

Total Records : 7

However the summary version will sub total by stock code as well, to give a comprehensive breakdown of possible trends and potential catastrophic failures.

Stock Code•,Description		Exp. Qty	Qty Ret.	Qty Rep.	Qty WOff.	Qty O/S	Total Cost
Damaged							
BAT-1.5-AA-AK-16, 1.5 AA Battery 16	Total :	46.000	46.000			46.000	GBP460.00
BAT-1.5-AA-AK-8, 1.5 AA Battery 8 P	Total :	6.000	6.000			6.000	GBP232.50
	Total :	52.000	52.000			52.000	GBP692.50
Faulty							
BAT-1.5-AA-AK-8, 1.5 AA Battery 8 P	Total :	5.000	5.000			5.000	GBP47.05
BFRAME, Frame	Total :	3.000	3.000			3.000	GBP45.00
	Total :	8.000	8.000			8.000	GBP92.05
Incorrect Order							
BAT-1.5-AA-AK-8, 1.5 AA Battery 8 P	Total :	11.000	11.000	1.000		10.000	GBP52.25
	Total :	11.000	11.000	1.000		10.000	GBP52.25
	Total :	71.000	71.000	1.000		70.000	GBP836.80

Total Records : 7

Finally, it is possible to sort by status code. This is the Return Header status code, allowing the various stages a return is at to be grouped and reported on together.

Stock Code•,Description	OurRef	Loc	A/C	Exp. Qty	Qty Ret.	Qty Rep.	Qty WOff.	Qty O/S	% Complte	Unit Cost	Total Cost	Reason	Age
Repair PIN generated based on PRN													
* BAT-1.5-AA-AK-8, 1.5 AA Battery 8 P	PRN000001	DE1	BRIT01	11.000	11.000	1.000		10.000	9.0%	GBP4.750	GBP52.25	Incorrect Order	7 days
* BFRAME, Frame	PRN000001	DE1	BRIT01	3.000	3.000			3.000	0.0%	GBP15.000	GBP45.00	Faulty	7 days
* BAT-1.5-AA-AK-8, 1.5 AA Battery 8 P	PRN000001	DE1	BRIT01	5.000	5.000			5.000	0.0%	GBP9.410	GBP47.05	Faulty	7 days
			Total :	19.000	19.000	1.000		18.000			GBP144.30		
Return complete													
* BAT-1.5-AA-AK-8, 1.5 AA Battery 8 P	PRN000003	DE1	SEET01	3.000	3.000			3.000	0.0%	GBP38.750	GBP116.25	Damaged	0 days
* BAT-1.5-AA-AK-16, 1.5 AA Battery 16	PRN000003	DE1	SEET01	23.000	23.000			23.000	0.0%	GBP10.000	GBP230.00	Damaged	0 days
* BAT-1.5-AA-AK-8, 1.5 AA Battery 8 P	PRN000004	DE1	SEET01	3.000	3.000			3.000	0.0%	GBP38.750	GBP116.25	Damaged	0 days
* BAT-1.5-AA-AK-16, 1.5 AA Battery 16	PRN000004	DE1	SEET01	23.000	23.000			23.000	0.0%	GBP10.000	GBP230.00	Damaged	0 days
			Total :	52.000	52.000			52.000			GBP692.50		
			Total :	71.000	71.000	1.000		70.000			GBP836.80		

Total Records : 7

The summary version will simply exclude the individual line details.

Passwords

A Returns Section has been added to the passwords.
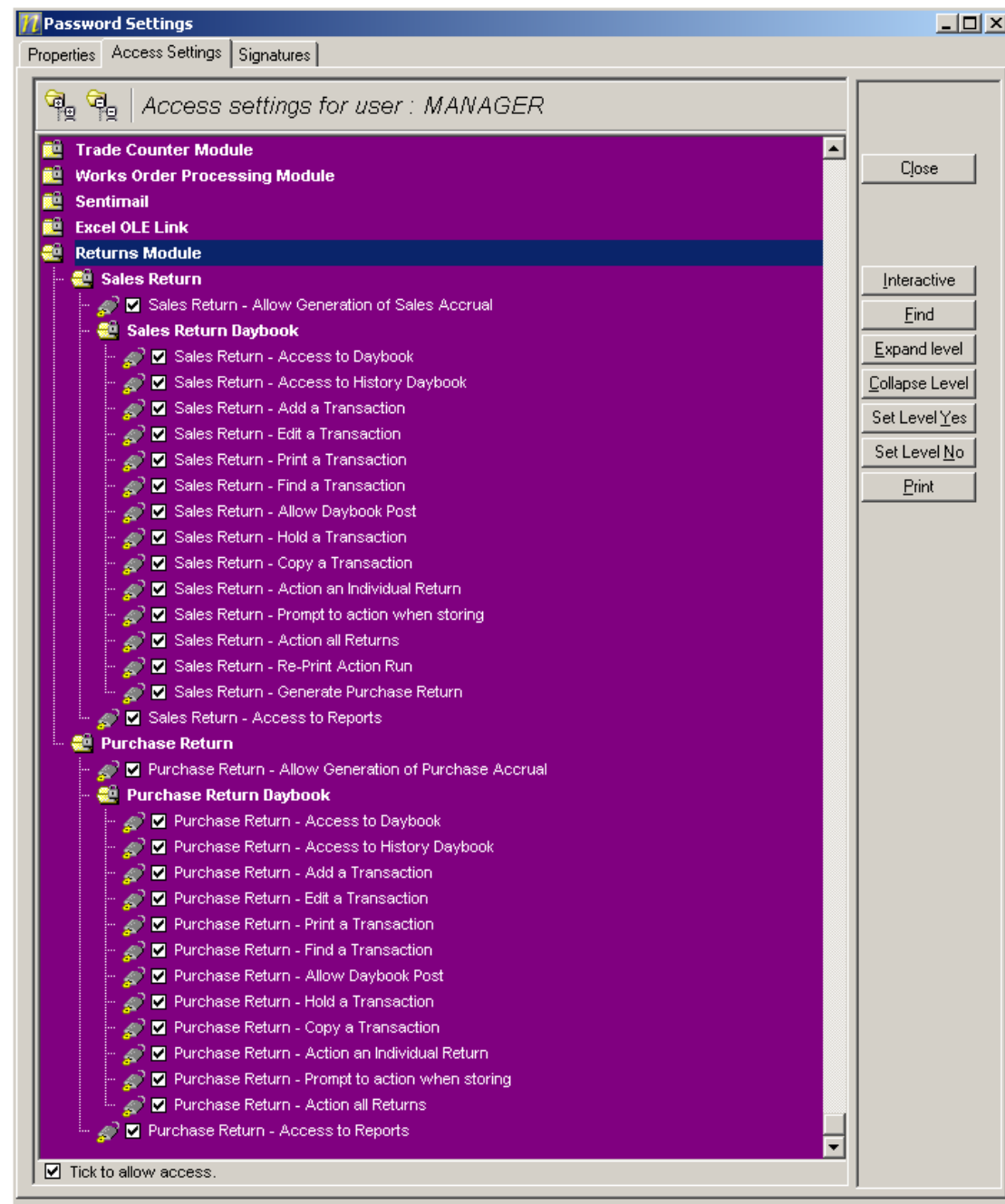
In addition, the following passwords have been integrated into the other modules:-

Sales - Generate Sales Return 019 505
 Purchase - Generate Purchase Return 028 506
Sales Orders - Generate Sales Return 035 507
 Purchase Orders - Generate Purchase Return 036 508
Customer Details - View Returns 042 509
Supplier Details - View Returns 043 510
Stock Ledger - Generate Return 041 511
Stock Serial/Batch - Generate Purchase Return 039 512
Stock Serial/Batch – Generate Sales Return 039 513

Works Orders - Generate Purchase Return 152 514
Utilities – Allow Access to Return Line Reasons List 175 545

To do:-

- ~~Back to Back Repair sequence~~
- ~~Enforce negative stock rules~~
- Module release
- Multiple Form printing
- Integration with FD
- Trace FIFO implications of PRN direct effect on Stock
- Document above for QA handover
- Technical hand over doc

Field Record Mappings

?RN Line	Note	Type	Idetail Rec
Qty Expected	Place holder/ notation only	Real	QtyPick
Returned Qty	Qty sent/ received under cover of returns note. Also reduces live stock on PRN	Real	Qty
Replaced Qty	Qty of stock physically received/ sent out to cover returns note.	Real	QtyDel
Write off qty	Qty of stock written off as unserviceable	Real	QtyWOff
Book Stock Qty	Physical qty affecting live stock levels. Will mirror either Qty for PRN's, or QtyDel for SRN's	Real	Deduct Qty
Control Qty Replaced/issued	Keep so that any edits of Qty can be tracked	Real	QtyPWOff
Control Qty WOff	Keep so that any edits of Qty can be tracked	Real	SSDUplift
Serial Qty Returned	Track how many have been replaced /issued	Double	SerialRetQty
Bin Qty Returned	Track how many have been replaced /issued	Double	BinRetQty
Action Mode	Temp storage to control which qty controls action	Byte	JapDedType
Back to Back repair flag	Set when PRN created from SRN and needs processing through	Boolean	SSDUseLine
Warranty Line	Line was within warranty so whatever action is generated must be zero price.	Byte. I = Warranty line. 0 = Normal.	NOMIOFlg
Original trans G/L code	Copy of originating transaction G/L code. Used subsequently on any action transactions	LongInt	B2BLineNo
COS Original G/L code	Copy of COS G/L code likely to be used when Sales invoice posted.	LongInt	COSNomCode
Reason Code	Linked to reason for return	Byte	DocLTLink

?RN Header	Note	Type	InvRec
Status	Return Status	Byte	TransMode
Total qty noted	Qty expected back, sum of QtyPick	Real	DocLSplit[2]
Total Returned Qty	Sum of Qty	Real	DocLSplit[1]
Total Issued Qty	Sum of QtyDel	Real	DocLSplit[3]
Total Woff Qty	Sum of QtyWOff	Real	DocLSplit[4]
Total Amount issued	Total of QtyDel x Netvalue	Real	DocLSplit[6]

Mods Done v5.70

Ref 20050317093105
When buying a bin product and booking out to a JOB the item is added to the bin but the out document is not populated so the item appear to be still available.

I have modded the bin routines to auto set the out doc if a job code is present on a purchase transaction as per the treatment of a batch. This will be part of the v5.70 release.