MODULE 6: PROCESS SALES AND PURCHASES

Module Overview

Microsoft Dynamics® NAV 2013 supports all typical tasks and information that you need to manage sales and receivables, and purchase and payables - two essential business areas in all companies.

This module introduces basic sales and purchase concepts by showing the complete sales and purchase process flows and its integration to other application areas. For detailed information about sales and receivables, and purchase and payables features, refer to the courses *Trade in Microsoft Dynamics NAV 2013* and *Finance Essentials in Microsoft Dynamics NAV 2013*.

After you follow the demonstrations and perform the labs in this module, you are equipped to discuss the program's core sales and purchase functionality and to perform the basic tasks covered.

Objectives

The objectives are:

- Outline a complete sales process and how it connects to other application areas.
- Outline a complete purchase process and how it connects to other application areas.
- Create a purchase order.
- Process the receipt and invoicing of goods.
- Create and process a purchase invoice.
- Create a sales quote, and convert it to a sales order.
- Create, post, and review sales orders.
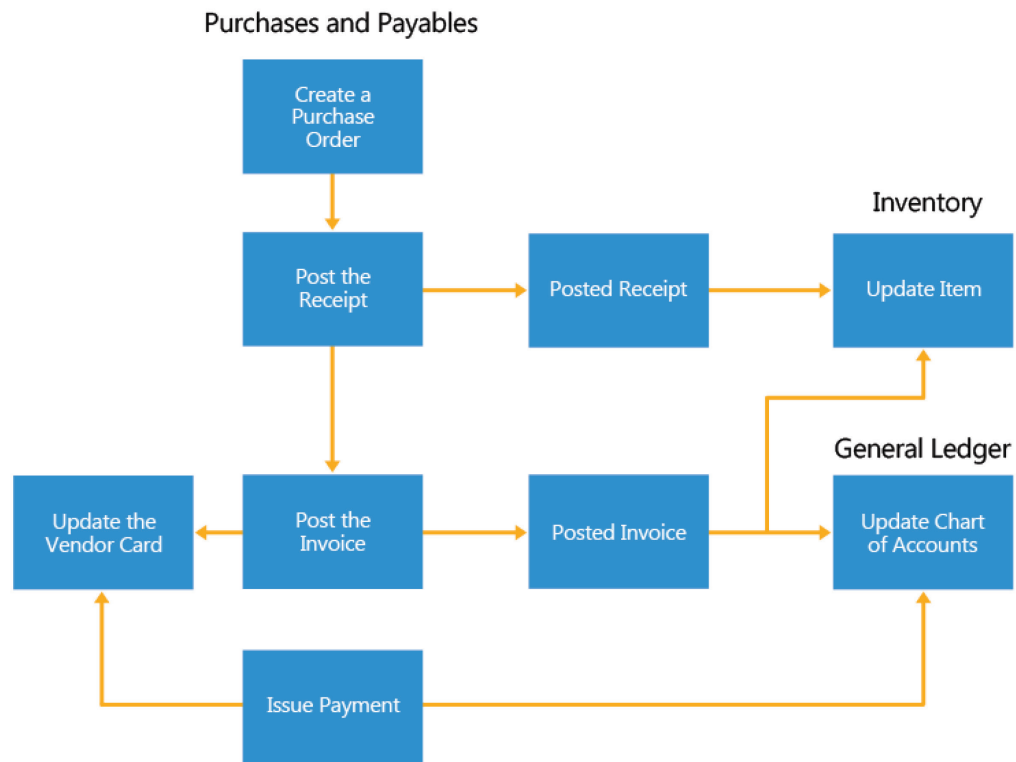- Process the shipment and invoicing of goods.

Process Flows

When you want to purchase items, you typically start the purchase process with a purchase order. A sales process frequently starts with a sales quote. Microsoft Dynamics NAV 2013 provides the flexibility to use different types of purchase and sales documents.

The diagrams in this topic provide an overview of a typical purchase and sales process.

Purchase Process Flow

The figure Flow of the Purchase Process and Its Effect on Inventory and G/L shows the process performed in typical purchases and payables tasks and the impact they have on other application areas.

FIGURE 6.1: FLOW OF THE PURCHASE PROCESS AND ITS EFFECT ON INVENTORY AND G/L

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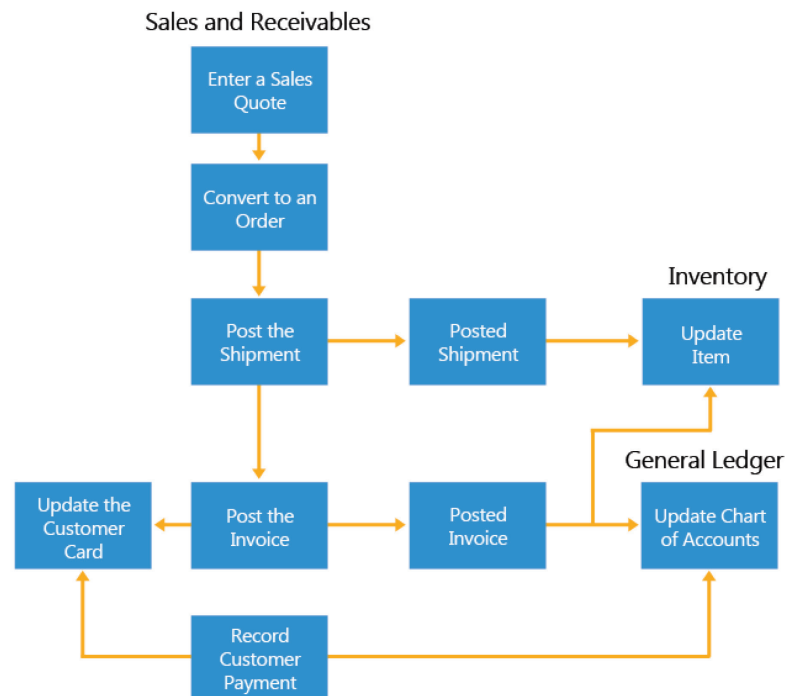The following lessons represent a scenario that is almost an exact representation of the process:

1. Create a purchase order to buy an item from the new vendor.
2. Post a purchase receipt. (This increases the inventory of the item.)
3. Post a purchase invoice. (This updates the vendor card with the liability and updates related G/L accounts.)

How to create basic data, such as vendors, is described in the module "Master Data for the Sales and Purchase Process" of this course.

How to record a vendor payment by using the payments functionality is discussed in the course *Finance Essentials in Microsoft Dynamics NAV 2013*.

Sales Process Flow

The figure Flow of the Sales Process and Its Effect on Inventory and G/L shows the steps performed in typical sales and receivables tasks and the impact they have on other application areas.

FIGURE 6.2: FLOW OF THE SALES PROCESS AND ITS EFFECT ON INVENTORY AND G/L

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The following lessons represent a scenario that is almost an exact representation of the process:

1. Create a sales quote, and convert it to a sales order.
2. Ship the item by posting a shipment from the sales order. (This decreases the inventory of the item.)
3. Post the sales invoice from the sales order. (This updates the customer card with the receivable and updates related G/L accounts.)

How to create basic data, such as customers, is described in the module "Master Data for the Sales and Purchase Process" of this course.

How to record customer payment by using the cash receipt functionality is discussed in the course *Finance Essentials in Microsoft Dynamics NAV 2013*.

From Purchase Order to Purchase Invoice

This lesson describes how you can create and process a purchase order.

The purchase order is a cornerstone of purchase management functionality in the program. In principal, a purchase order can register both a physical and financial transaction. You can create purchase orders manually or generate them from purchase quotes and blanket purchase orders.

Demonstration: Create a Purchase Order

Scenario: As the purchasing agent, you are responsible for making sure that demand is met by timely supply. To fulfill this responsibility, you maintain contacts with the company's vendors and manage purchases through purchase orders. The sales department has asked you to order for 100 cans of sunflower yellow paint to fulfill customer demand.

You decide to order a total of 200 cans to keep some in inventory because you expect additional demand for this item.

Demonstration Steps

1. Create a new purchase order, and complete the purchase header.
    a. In the **Search** box, type "Purchase Orders", and then click the related link.
    b. Click **New**.
    c. Press ENTER to automatically insert a purchase order number in the **No.** field.
    d. In the **Buy-from Vendor No.** field, enter V00010, vendor XY Paint Supply.

Notice that some fields on the header are now populated with the information that you entered on the vendor card. However, you can change them on the order document. For example, you can change the Buy-from Contact No. field if the person to whom you speak when ordering this product is different than the contact on the vendor card.

Changes that you make in documents do not affect the default settings in the master data record, which in this case is the vendor card.

e. Expand the **Invoicing** FastTabs, and note the date in the **Due Date** field. The document date and the payment terms code determine the due date. Because this vendor is set up with seven days as payment terms, the due date is seven days after the document date.

2. Fill in the minimum required fields in the purchase order lines.
    a. Expand the **Lines** FastTab, and go the first line.
    b. In the **Type** field, enter **Item**.

The other four line types, including Blank, relate to more advanced purchase transactions.

c. In the **No.** field, enter 70105, item Paint, Sunflower Yellow.

Notice that the **Description** field is now filled with Paint, Sunflower Yellow, which is the description from the item card. You can modify this field as you want.

d. In the **Quantity** field, enter 200. This is the total number of items being ordered with this purchase order.
    e. In the **Location Code** field, enter BLUE.

The **Location Code** field now specifies that the items must be received and put in BLUE location, which may represent, for example, a certain warehouse.

f. Notice that the **Direct Unit Cost Excl. VAT** field is filled with the value of the **Last Direct Cost** field on the Item card.
    g. Notice also that the value in the **Line Amount Excl. VAT** field is automatically calculated as the Quantity * Direct Unit Cost Excl. VAT (200 * 1.40).

h. Notice also that the **Qty. to Receive** and **Qty. to Invoice** fields are updated with the value that you entered in the **Quantity** field, 200.

FIGURE 6.3: NEW PURCHASE ORDER CREATED

Demonstration: Process a Purchase Order

Scenario: Your new vendor can deliver 100 cans immediately. Therefore, you do a partial receipt of the first 100 cans.

After a month has passed, the last 100 cans of sunflower yellow paint arrive at the BLUE location, together with the invoice from the vendor. You must now post the receipt of the last 100 and at the same time invoice the whole purchase order.

Demonstration Steps

1. Preview the statistics, and then modify the purchase line to receive only 100 of the 200 items.

   a. On the Navigate tab in the ribbon, click Statistics.

   This page provides a quick overview of the quantities that will be invoiced and received on a purchase order by use of the following FastTabs:

   - The **General** FastTab displays information about the whole purchase order.

   - The **Invoicing** FastTab displays information about the quantity of items to be invoiced.

   - The **Shipping** FastTab displays information about the quantity of items to be received.

   - The **Prepayment** FastTab displays information about VAT amount and prepayment information

   - The Vendor FastTabs displays the vendor's current balance.

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- Notice that now all the FastTabs, other than the Vendor FastTab, display the same information.

FIGURE 6.4: PURCHASE ORDER STATISTICS PAGE

b. Click **OK** to close the **Purchase Order Statistics** page.

c. On the **Lines** FastTab, move to the **Qty. to Receive** field, change the value to 100, and press ENTER.

d. Notice that the **Qty. to Invoice** field is updated to 100 also. Clear this field.

You will do a partial receipt before you prepare to pay the vendor.

The Qty. to Receive field is used to define how many pieces to post as received when you post the purchase order.

The Qty. to Invoice field is used to determine how many of the items are to be invoiced when you post the purchase order.

Every time that the **Quantity** field is updated and you post an order, the program automatically suggests that you invoice the remaining quantity.

*Note: You can never invoice more quantities than you have received.*

You can run the two processes, receive and invoice, at the same time if you enter the received quantity in both the **Qty. to Receive** and **Qty. to Invoice** fields and then use the default, **Receive and Invoice** posting method.

Generally, an order is invoiced when you receive the invoice from the vendor. At that time, you have to enter the quantity to invoice into the **Qty. to Invoice** field and then post the order. After the order is fully posted, a posted purchase invoice is created, and this also triggers a payable in the general ledger.

 e. On the **Navigate** tab in the ribbon, click **Statistics**.

 f. Notice that the **General** FastTab still displays the total amounts of the order.

 g. Expand the **Invoicing** FastTab, and notice that there are no values displayed. This is because the **Qty. to Invoice** field was cleared on the order.

 h. Expand the **Shipping** FastTab and notice that the partial receipt amounts are displayed.

 i. Click OK to close the Purchase Oder Statistics page.

 j. On the **Actions** tab in the ribbon, click **Post**.

 k. The posting request form appears showing the default option, **Receive and Invoice**. Select the **Receive** option, and then click **OK**.
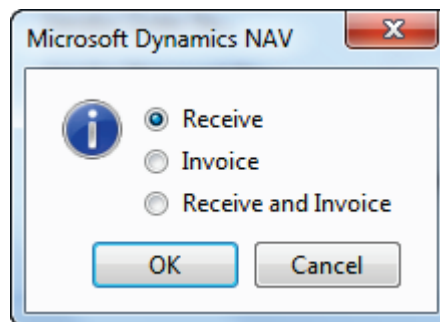

FIGURE 6.5: POSTING REQUEST FORM

The (initial) purchase order posting function is now done, but the purchase order remains open - for the following reasons:

- Only a part of the total order quantity is posted.
- Only the (physical) receipt of items is posted - not the invoicing.

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As long as quantities remain to be received or invoicing has not occurred, a purchase order remains open.
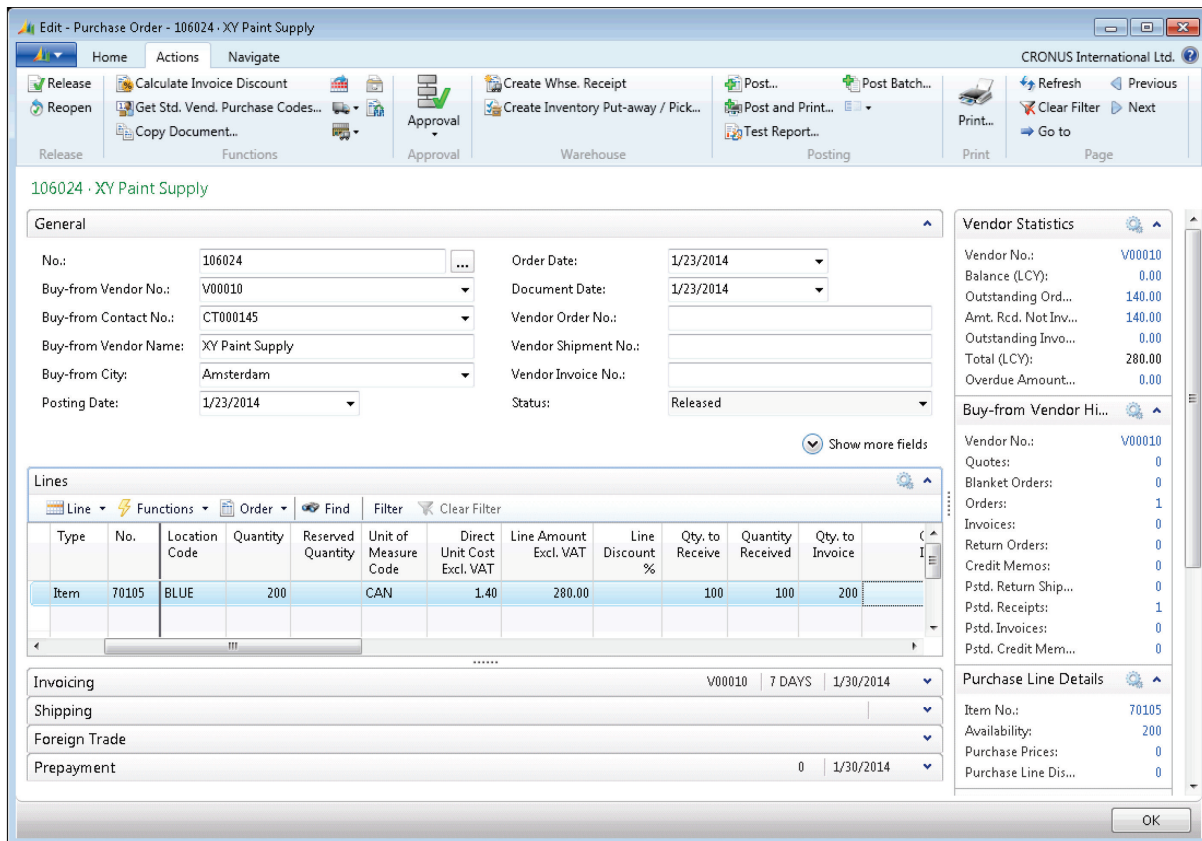
FIGURE 6.6: PARTIALLY POSTED PURCHASE ORDER

In the purchase order for XY Paint Supply, notice the following:

- The **Qty. to Receive** field now shows 100 because only 100 of the 200 are received.
- The **Qty. Received** field shows the 100 items that are now in inventory.

The **Qty. to Invoice** field shows 200 because no items have yet been invoiced by the vendor.

Review the resulting posted purchase receipt and item ledger entries.

The order is now partly received, and a posted purchase receipt is created. On the **Navigate** tab in the ribbon, click **Receipts**. This page provides an overview of all posted purchase receipts for that particular purchase order.

You can also access the posted purchase receipts through the navigation pane as follows:

- **Posted Documents** > **Posted Purchase Receipts**
- **Departments** > **Purchase** > **History** > **Posted Purchase Receipts**
    a. Currently only one receipt is registered for the purchase order. Select that receipt, and then on the **Home** tab in the ribbon, click **View**.

FIGURE 6.7: POSTED PURCHASE RECEIPT

    b. Click **Close** to close the **Posted Purchase Receipt** page.

c. On the **Purchase Order** page, click **Item No.** 70105 in the **Purchase Line Details** FactBox to open the **Item Card** page.

d. Expand the **General** FastTab.

e. The **Inventory** field shows a total inventory of 100 cans of Paint, Sunflower Yellow.

f. Click the **Inventory** field, or, on the **Navigate** tab in the ribbon, click **Entries**, and then click **Ledger Entries**.

One item ledger entry was created, for the receipt of the 100 cans. The sum of all item ledger entry quantities makes up the item's inventory amount.

g. Select the item ledger entry, and then on the **Home** tab in the ribbon, click **Value Entries**.
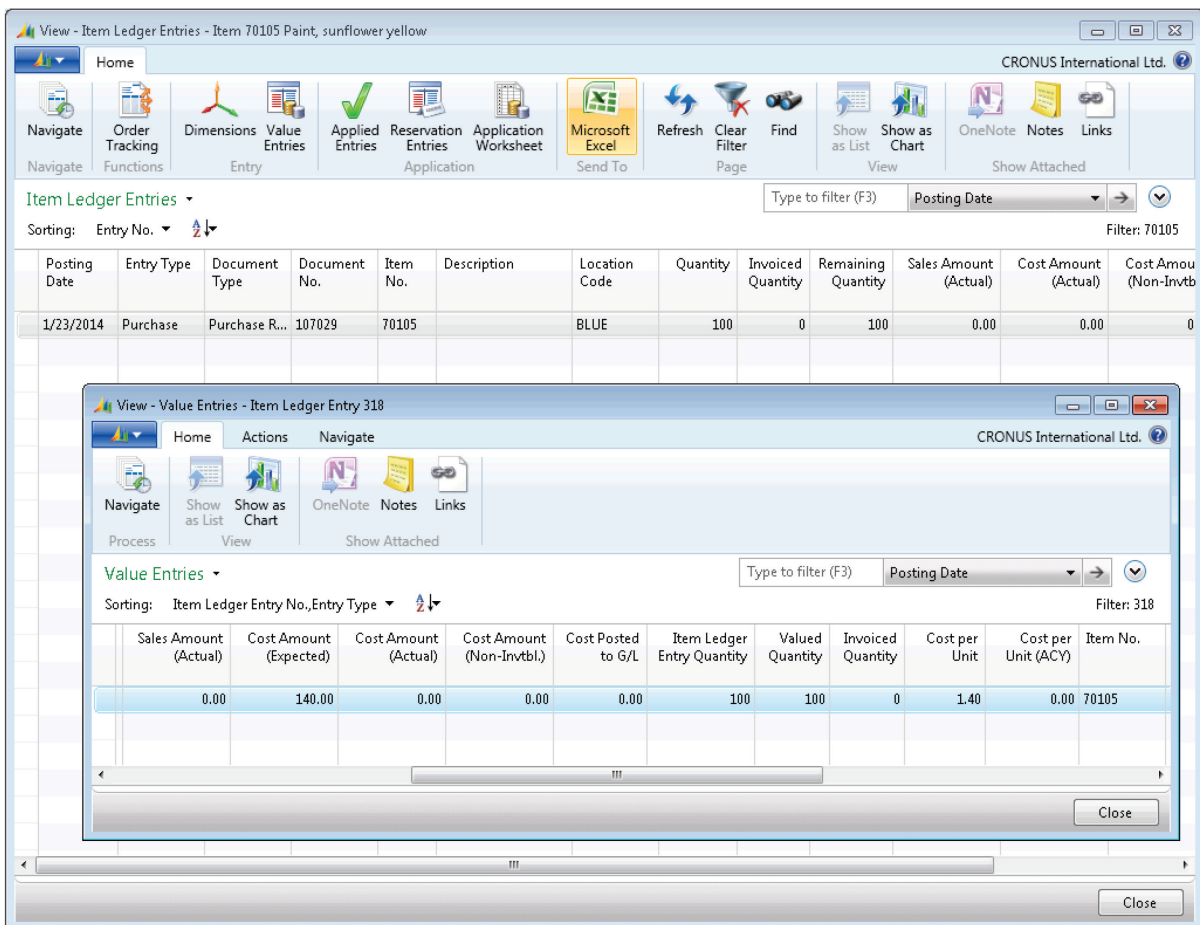
FIGURE 6.8: ITEM LEDGER ENTRIES AND VALUE ENTRIES FOR THE POSTED PURCHASE RECEIPT

The **Cost Amount (Expected)** field represents the value of the received items as entered on the purchase order. However, because the invoice has not yet been received or processed, the actual cost amount cannot yet be known.

    h. Click **Close** to close the **Value Entries** page.

    i. Click **Close** to close the **Item Ledger Entries** page.

    j. Click **Close** to close the **Item Card** page.

2. Receive the remaining 100 cans, and process the invoice for the full 200 cans.

    a. On the **Navigate** tab in the ribbon of the **Purchase Order** page, click **Statistics** and notice the following:

        ▪ The **General** FastTab still displays the total amount of the order.

        ▪ The **Invoicing** FastTab matches the values on **General** FastTab because you are invoicing the whole order.

        ▪ The **Shipping** FastTabs displays the partial receipt values.

    b. Click **OK** to close the **Purchase Order Statistics** page.

    c. Expand the **General** FastTab.

    d. In the **Posting Date** field, enter 02/28/14.

Because you are receiving and invoicing on a different date than the posting date of the receipt of the first 100 cans, you must change the **Posting Date** field to reflect this.

    e. Notice that the **Document Date** also changed. Remember that the document date determines the due date. Generally, the document date should be the same as the date on the vendor's invoice. Do not change the date for this scenario, but be aware (on the **Invoicing** FastTab) that the **Due Date** is now 3/7/14.

    f. In the **Vendor Invoice No.** field, type "9467726". This is the vendor's invoice number, typically found on the invoice the vendor sends you. If you select the **Ext. Doc. No. Mandatory** check box in the purchases and payable setup, you cannot post a purchase order for invoicing without a vendor invoice number.

    g. On the **Actions** tab in the ribbon, click **Post**. Leave the default posting option, **Receive and Invoice**, selected, and then click **OK**.

The order is now fully received and invoiced. Notice that the purchase order disappeared from the list of (open) purchase orders. It has now become two posted documents:

    ▪ One posted purchase invoice.

    ▪ One posted purchase receipt.

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3. Review the resulting posted purchase invoice and general ledger entries.

    a. On the navigation pane, click **Posted Documents**, and then click **Posted Purchase Invoices**.

    b. Select the last posted invoice in the list, and then click **View**.

Posted documents are not editable, but you can print them.

FIGURE 6.9: POSTED PURCHASE INVOICE

    c. On the **Actions** tab in the ribbon, click **Navigate**.

The **Navigate** page provides an overview of all created entries, related to the posted purchase invoice.

    d. Expand the **Document Entry** FastTab, and select the line for G/L entries.

    e. Click **Show** to view the three G/L entries that were created:

        ▪ One income statement account for the purchase.

        ▪ One VAT account.

        ▪ One balance sheet account for the payable.

f.   Click **Close** to close the **General Ledger Entries** page.

g.   Click **Close** to close the **Navigate** page.

h.   Click **Close** to close the **Posted Purchase Invoice** page.

4.   Review the resulting vendor ledger entry.

a.   On the navigation pane, click **Departments**.

b.   Click **Purchase > Order Processing > Vendors**.

c.   Select vendor V00010 XY Paint Supply, and then click **View**.

d.   Expand the **General** FastTab.

e.   The **Balance (LCY)** field shows a total open debt to the vendor of 280,00 LCY. This is the purchase invoice amount including VAT. Clicking the field only shows you an overview of all open vendor ledger entries.

f.   On the **Navigate** tab in the ribbon, click **Ledger Entries**.

FIGURE 6.10: VENDOR LEDGER ENTRIES

One vendor ledger entry was created for the posted purchase invoice.

The **External Document No.** field contains the vendor invoice number that you entered on the purchase order.

The whole amount of the invoice appears in the **Original Amount**, **Amount**, and **Remaining Amount** fields. After a full payment is posted and applied, the **Remaining Amount** is 0.

    g. Click **OK** to close the **Vendor Ledger Entries** page.

    h. Click **Close** to close the **Vendor Card** page.

5. Review the resulting item ledger entry.

    a. On the navigation pane, click **Departments**.

    b. Click **Purchase > Inventory & Costing > Items**.

    c. Select item 70105, Paint, Sunflower Yellow, and then click **View**.

    d. Expand the **Invoicing** FastTab.

The **Unit Cost** field still contains the 1.40 (LCY) that you entered when you create the item because the cost of the item has not changed in any way during the purchase process.

    e. Expand the **General** FastTab.

The **Inventory** field now shows a total inventory of 200 cans.

    f. Click the **Inventory** field, or, on the **Navigate** tab in the ribbon, click **Entries**, and then click **Ledger Entries**.

There are now two item ledger entries.

The first item ledger entry originated from the first posting process, when 100 cans were received, but not invoiced.

However, with the second posting process, these 100 cans were also invoiced, resulting in an update of the existing item ledger entry.

- The **Cost Amount (Actual)** field, now contains a value of 140.00 LCY.

- On the **Home** tab in the ribbon, click **Value Entries**. You can now see that an additional value entry is created, removing the expected cost and updating the actual cost.
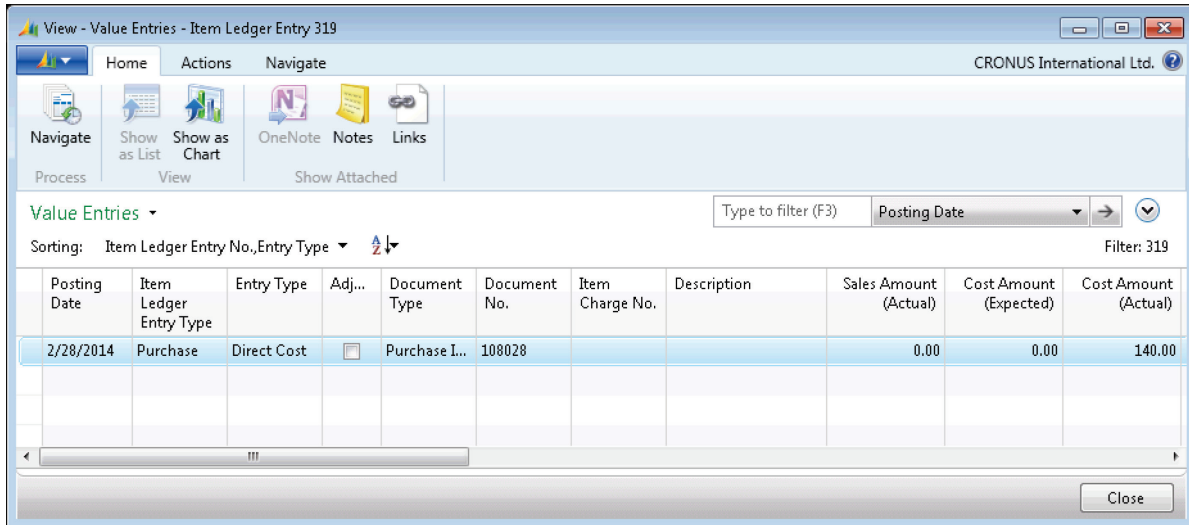

FIGURE 6.11: VALUE ENTRIES OF THE FIRST 100 CANS

- Click **Close** to close the **Value Entries** page.

The second item ledger entry represents the receipts and invoicing of the other 100 cans.

- The **Cost Amount (Actual)** field immediately contains a value of 140.00 LCY.

- On the **Home** tab in the ribbon, click **Value Entries**. You can now see that only one value entry is created. Because the receipt and invoicing occurred at the same time, you do not have to first fill in an expected value. The actual value is already known.

FIGURE 6.12: VALUE ENTRY OF THE SECOND 100 CANS

- Click **Close** to close the **Value Entries** page.

g. Click **Close** to close the **Item Ledger Entries** page.

h. Click **Close** to close the **Item Card** page.

Lab 6.1: Purchase Furniture from the New Vendor

Scenario

📋 *Note:* *To successfully complete this lab, you must complete the labs "Create a new Furniture Vendor" and "Create a New Office Furniture Item" in the module "Master Data for Sales and Purchase" of this course.*

Exercise 1: Create a Purchase Order

Exercise Scenario

You must create a purchase order to purchase two items, one of which, Antwerp Conference Chair, is recently added to your item catalog. You will order the items from a newly added vendor, Lewis Home Furniture XY.

Use the following information to create the purchase order:

Purchase Order Number	System Assigned
Vendor Name	Lewis Home Furniture XY
Item Numbers	1920-S and 2004-S
Item Name	Antwerp, Conference table & Antwerp, Conference Chairs
Location Code	BLUE
Quantity for Item No. 1920-S	2
Quantity for Item No. 2004-S	20
Unit of Measure	PCS

High Level Steps

1. Create the purchase order, based on the information that was provided.

Detailed Steps

1. Create the purchase order, based on the information that was provided.

   a. On the navigation pane, click **Departments**.

   b. Click **Purchase > Order Processing > Purchase Orders**.

   c. Click **New**.

   d. Expand the **General** FastTab.

   e. Press ENTER to automatically assign the next order number.

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f. In the **Buy-from Vendor No.** field, enter the new vendor Lewis Home Furniture XY.

g. Expand the **Lines** FastTab.

h. Move to the first purchase line.

i. In the **Type** field, enter **Item**.

j. In the **No.** field, enter 1920-S.

k. In the **Quantity** field, enter 2.

l. Move to the second purchase line.

The **Type** field automatically uses **Item**.

m. In the **No.** field, enter 2004-S.

n. In the **Quantity** field, enter 20.

Verify that the **Direct Unit Cost Excl. VAT** field is filled on both lines.

Exercise 2: Receive and Invoice the Furniture

Exercise Scenario

The furniture you ordered from Lewis Home Furniture XY (in the previous lab) has arrived in the BLUE warehouse together with the invoice from the vendor. You must now fully receive and invoice the purchase order based on the following information:

Purchase Order Number	Previously System Assigned Number
Vendor Name	Lewis Home Furniture XY
Item Numbers	1920-S and 2004-S
Item Name	Antwerp, Conference table and Antwerp, Conference Chair
Location Code	BLUE
Quantity for Item No. 80216	2
Quantity for Item No. 2004-S	20
Vendor Invoice Number	LHF-10021

High Level Steps

1. Receive and invoice all quantities in one action.

Detailed Steps

1. Receive and invoice all quantities in one action.

   a. Expand the **General** FastTab.

   b. In the **Vendor Invoice No.** field, enter LHF-10021.

   c. Expand the **Lines** FastTab.

   d. Make sure that the **Qty. to Receive** and **Qty. to Invoice** fields contain 2 for item 1920-S and 20 for item 2004-S.

   e. On the **Actions** tab in the ribbon, click **Post**.

   f. Leave the default posting option, **Receive and Invoice**, and then click **OK**.

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Create Purchase Invoices

When a vendor sends an invoice for items that you have received in the inventory, you can post that purchase invoice in one of the following two ways:

- By posting the invoice from the purchase order.
- By creating a separate purchase invoice.

If you invoice from a purchase order, you are limited to only invoice the lines of that order.

If a vendor sends an invoice that combines different orders, you can create a separate purchase invoice and use the **Get Receipt Lines** function to retrieve all non-invoiced receipts from all orders.

You can also use purchase invoices to record the purchase of services or non-physical items such as electricity.

The most important difference with a purchase order is that you cannot post the physical transaction (the reception) separately from the financial one.

Demonstration: Create and Receive Multiple Purchase Orders

Scenario: Two orders were placed with vendor London Postmaster. The first order contains 15 pcs of item 1964-W, and the second order contains 250 pcs of item 70060.

London Postmaster delivers 10 items 1964-W and 50 items 70060.

Demonstration Steps

1. Create and receive the first order.
    a. In the **Search** box, type **Purchase Orders**, and then click the related link.
    b. Click **New**.
    c. Expand the **General** FastTab.
    d. Press ENTER to automatically assign the next order number.
    e. In the **Buy-from Vendor No.** field, enter 10000, London Postmaster.
    f. Expand the **Lines** FastTab.
    g. Move to the first purchase line.
    h. In the **Type** field, enter **Item**.
    i. In the **No.** field, enter 1964-W.
    j. In the **Quantity** field, enter 15.

      k.   Verify that the **Direct Unit Cost Excl. VAT** field is filled in.

      l.   In the **Qty. to Invoice** field, enter 0.

      m.   On the **Actions** tab in the ribbon, click **Post**.

      n.   Select the **Receive** posting option, and then click **OK**.

      o.   Click **OK** to close the **Purchase Order** page.

2.   Create and receive the second order.

      a.   On the **Purchase Orders** page, click **New**.

      b.   Expand the **General** FastTab.

      c.   Press ENTER to automatically assign the next order number.

      d.   In the **Buy-from Vendor No.** field, enter 10000, London Postmaster.

      e.   Expand the **Lines** FastTab.

      f.   Move to the first purchase line.

      g.   In the **Type** field, enter **Item**.

      h.   In the **No.** field, enter 70060.

      i.   In the **Quantity** field, enter 250.

      j.   Verify that the **Direct Unit Cost Excl. VAT** field is filled in.

      k.   In the **Qty. to Invoice** field, enter 0.

      l.   On the **Actions** tab in the ribbon, click **Post**.

      m.   Select the **Receive** posting option, and then click **OK**.

      n.   Click **OK** to close the **Purchase Order** page.

Demonstration: Create the Purchase Invoice Using the Get Receipt Lines Function

Scenario: London Postmaster immediately sends one invoice for both deliveries. The invoice also includes transportation costs of 50.00 LCY. This must be posted to the relevant G/L Account.

- The date of the invoice is 01/31/14.
- The invoice number is 88574.
- The total amount is 2,621.25 LCY.

Demonstration Steps

1.   Fill in the purchase invoice header.

      a.   On the navigation pane, click **Departments**.

      b.   Click Purchase > Order Processing > Purchase Invoices.

      c.   Click **New**.

      d.   Expand the **General** FastTab.

      e.   Press ENTER to automatically assign the next invoice number.

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    f.   In the **Buy-from Vendor No.** field, enter 10000, London Postmaster.

    g.   In the **Vendor Invoice No.** field, enter 88574.

    h.   Expand the **Lines** FastTab.

    i.   Click Functions, and then click Get Receipt Lines.

    j.   The **Get Receipt Lines** page provides an overview of all receipts of the vendor that have not yet been invoiced.

    k.   Select both lines, and then click **OK**.

The **Lines** FastTab is now automatically filled with two purchase invoice lines.

📋   *Note: Do not enter the purchase invoice lines manually. Posting the invoice causes the items to be received again, and you will create double stock. With the* **Get Receipt Lines** *function, you can connect the cost to the already received items.*

    l.   Move to the next invoice line to fill in the transportation costs.

    m.   In the **Type** field, enter **G/L Account**.

    n.   In the **No.** field, enter 7150, Delivery Expenses, Retail.

    o.   In the **Quantity** field, enter 1.

    p.   In the Direct Unit Cost Excl. VAT field, enter 50.00.

    q.   On the **Actions** tab in the ribbon, click **Post**.

    r.   Click **Yes**.

Notice that the purchase invoice disappeared from the list of (open) purchase invoices. It is now a posted purchase invoice.

Lab 6.2: Record an Automobile Maintenance Expense

Scenario

As the accounts payable clerk, you are responsible for posting expenses. You have received a bill from Mortimer Car Company for routine automobile maintenance services. Record this expense for payment.

Use the following information to enter the expense:

Purchase Invoice Number	System Assigned Number
Vendor Number	44127914
Vendor Name	Mortimer Car Company
Posting Date	01/30/14
Vendor Invoice Number	LP-45002
Item Type	G/L Account
G/L Account Number	8530
Description	Repairs and Maintenance
Direct Unit Cost Excl. VAT	132.94

High Level Steps

1. Create the purchase invoice based on the information that was provided.
2. Post the invoice.

Detailed Steps

1. Create the purchase invoice based on the information that was provided.

    a. In the **Search** box, enter **Purchase Invoices**, and then click the related link.

    b. Click **New**.

    c. Expand the **General** FastTab.

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    d.   Press ENTER to insert the next purchase invoice number.

    e.   In the **Buy-from Vendor No.** field, enter 44127914.

    f.   In the **Posting Date** field, enter 01/30/14.

    g.   In the **Vendor Invoice No.** field, enter LP-45002.

    h.   Expand the **Lines** FastTab.

    i.   In the **Type** field, enter **G/L Account**.

    j.   In the **No.** field, enter 8530.

    k.   In the **Quantity** field, type 1.

    l.   In the **Direct Unit Cost Excl. VAT** field, type 132.94.

2. Post the invoice.

    a.   Click **Post**.

    b.   Click **Yes** to post the purchase invoice.

From Sales Quote to Sales Invoice

The sales order cycle and process resembles the purchase order cycle and process. This section includes demonstrations to create sales quotes, convert sales quotes to sales orders, and process sales orders

Demonstration: Create a Sales Quote

Scenario: Paint Outlet has requested a quote for 100 cans of Paint, Sunflower Yellow. As the order processor, you must therefore generate a sales quote that will be sent to the customer.

Demonstration Steps

1. Fill in the quote header and lines

    a. On the navigation pane, click **Home**, and then click **Sales Quotes**.

       The **Sales Quotes** page opens. It shows an empty sales quote list because no other sales quotes exist in the database. On the right of the page are FactBoxes that contains summary information and links to relevant sales details.

    b. Click **New**.

    c. Press ENTER to automatically assign a number.

    d. In the **Sell-to Customer No.** field, enter the new customer Paint Outlet.

    e. Expand the **Lines** FastTab, and move to the first line.

    f. In the **Type** field, enter **Item**.

    g. In the **No.** field, enter 70105, item Paint, Sunflower Yellow.

    h. In the **Location Code** field, enter BLUE.

       The **Availability** field in the **Sales Line Details** FactBox, now shows 200.

    i. In the **Quantity** field, enter 100.

       Notice that the standard unit price on the item card is converted to the customer's currency, and inserted in the **Unit Price Excl. VAT** field.

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The sales quote is now complete and ready to send to Paint Outlet after it is printed through the **Print** button.
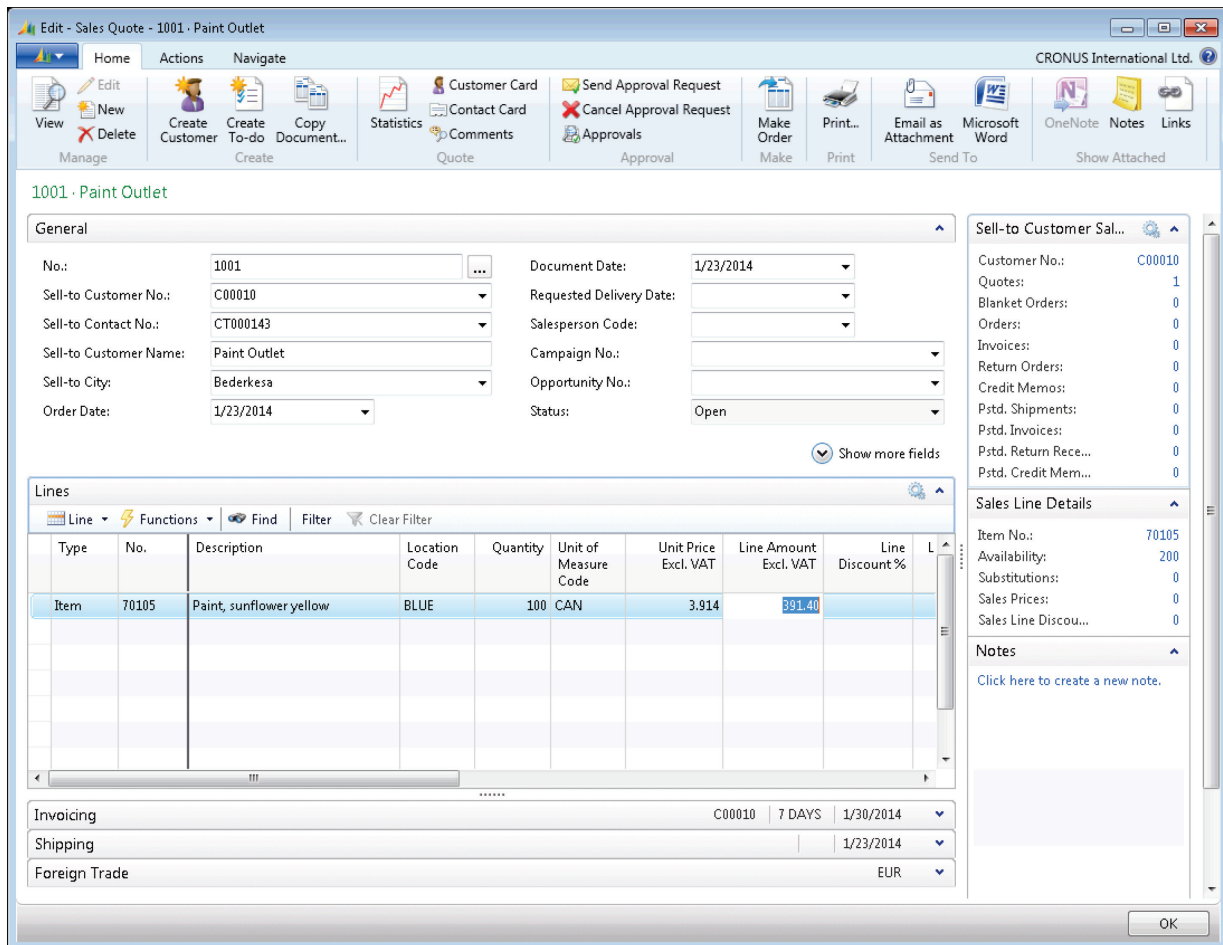
FIGURE 6.13: SALES QUOTE WINDOW

## Demonstration: Convert the Quote to a Sales Order

A quote can remain in the database for an indefinite time before you convert it to an order. This is useful when customers need time to review a quote that is sent to them.

Scenario: Paint Outlet has accepted the terms quickly, and you must now create a sales order.

Demonstration Steps

1. Create the sales order.
   a. On the **Actions** tab in the ribbon, click **Make Order**.
   b. You receive a message that asks if you want to convert the quote to an order. Click **Yes**.

You receive a message that shows which sales order number is created from the sales quote.
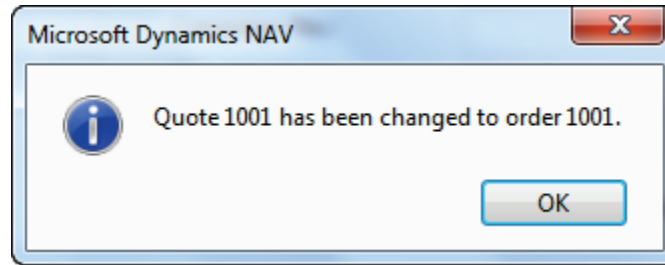
FIGURE 6.14: CONFIRMATION WITH SALES ORDER NUMBER

Notice that the sales quote is gone. This is because it is no longer used, as the sales process has moved one step forward and all the quote information is transferred to the sales order.

Demonstration: Process the Sales Order

After the sales quote is converted to a sales order, you can process the shipments and sales invoices.

Demonstration Steps

1. Ship all 100 items.
    a. On the navigation pane, click **Home**, and then click **Sales Orders**.
    b. Locate sales order 1001, and then click **Edit**.
    c. Expand the **General** FastTab.

        Notice that the sales quote header information is transferred from the quote.

    d. Expand the **Invoicing** FastTab.
    e. Make sure that the **Due Date** field shows 02/06/14.
    f. Expand the **Lines** FastTab.
    g. Move to the first line.
    h. The **Qty. to Ship** and **Qty. to Invoice** fields both show an amount of 100.

        These fields have the same functionality as the **Qty. to Receive** and **Qty. to Invoice** fields on the purchase order and define partial shipment/invoicing.

        For this scenario, leave the amounts.

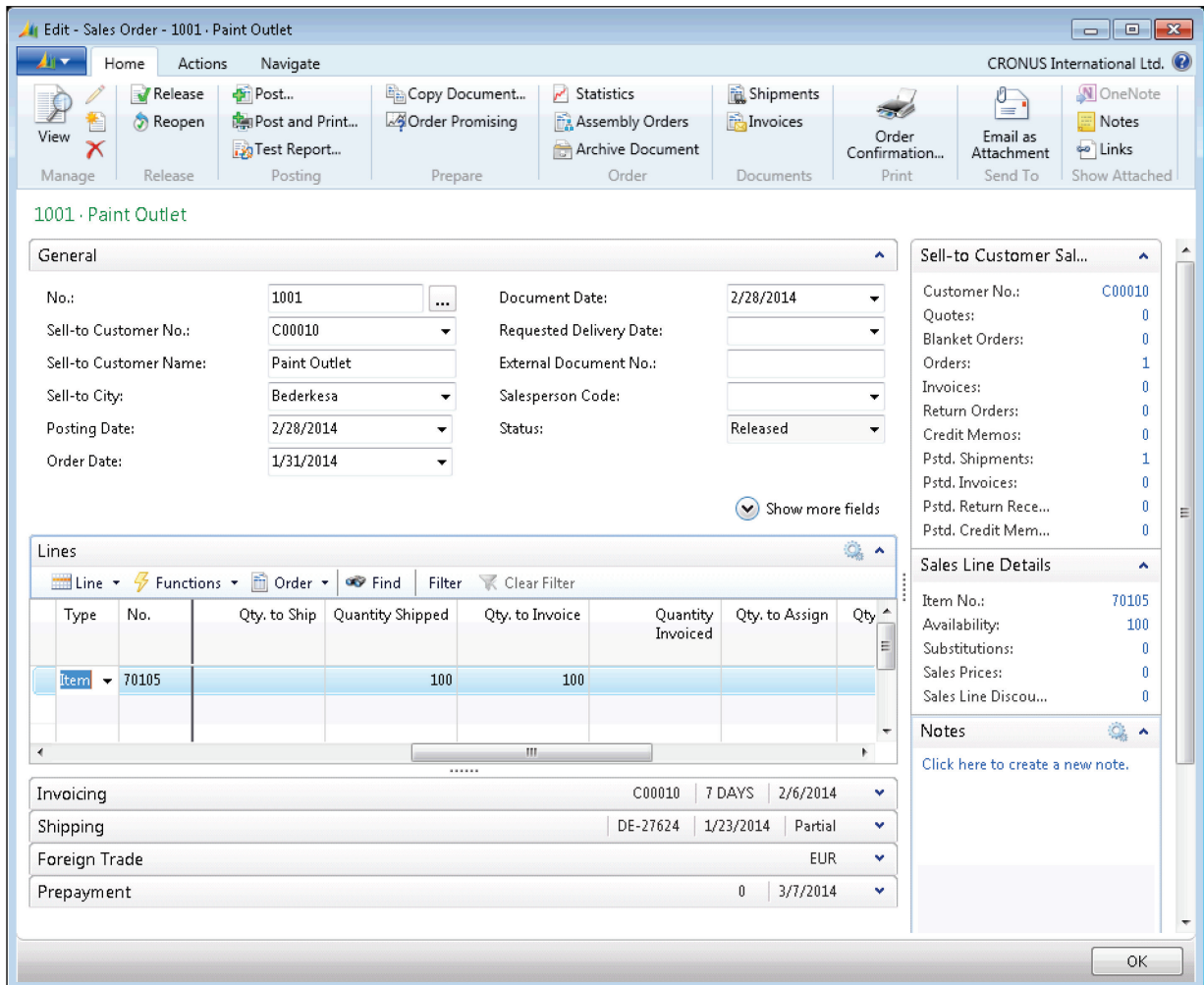   i. On the **Home** tab in the ribbon, click **Post**.

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j. Select the posting option **Ship**, and then click **OK**.

The sales order remains because it is still open for invoicing.

Notice the following:

- The **Qty. to Ship** field now shows 0.
- The **Qty. Shipped** field now shows 100. These items are now out of stock.
- The **Qty. to Invoice** field still shows 100.

FIGURE 6.15: SALES ORDER AFTER SHIPMENT POSTING WINDOW

2. The order is completely shipped, and a posted sales shipment is created.

   a. On the **Home** tab in the ribbon, click **Shipments**. This page provides an overview of all posted sales shipments for that sales order.
You can also access the posted sales shipments through the navigation pane as follows:

- **Posted Documents** > **Posted Sales Shipments**

- **Departments** > **Sales & Marketing** > **History** > **Posted Sales Shipments**

   b. Currently only one shipment is registered for the sales order. Select that shipment, and then on the **Home** tab in the ribbon, click **View**.
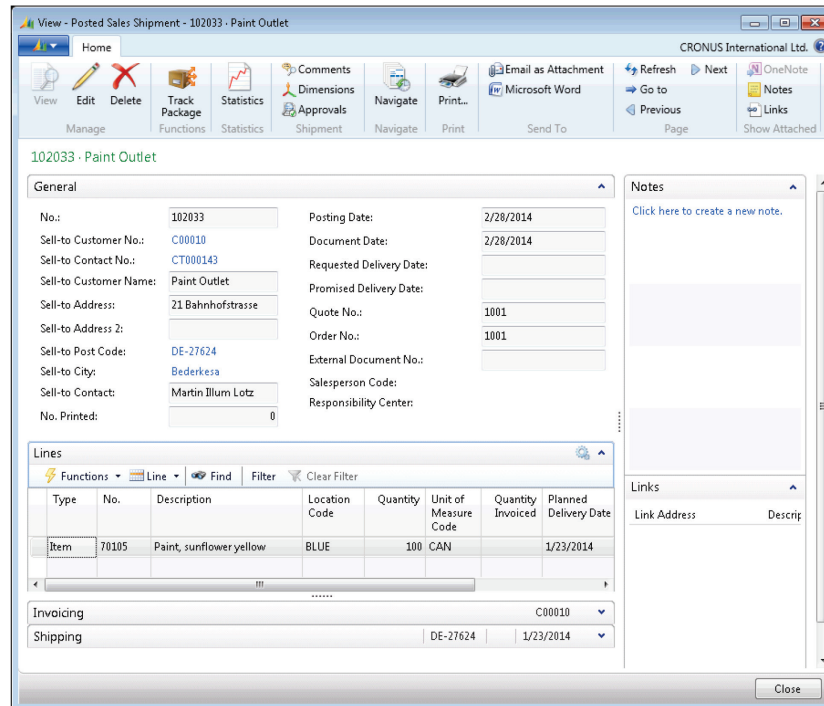

FIGURE 6.16: POSTED SALES SHIPMENT WINDOW

   c. Click **Close** to close the **Posted Sales Shipment** page.

3. Process the invoice.

   a. On the **Home** tab in the ribbon, click **Post**.

   b. Select the posting option **Invoice**, and then click **OK**.

The sales order is now fully shipped and invoiced. Notice that the sales order disappeared from the list of (open) sales orders. It has now become a posted sales invoice.

4. Review the resulting posted sales invoice and general ledger entries.

   a. On the navigation pane, click **Posted Documents**, and then click **Posted Sales Invoices**.

   b. Select the posted sales invoice that corresponds to the order just posted (the last one in the list), and then click **View**.

   Notice that all the original information about the sales order can be reviewed in the posted document.
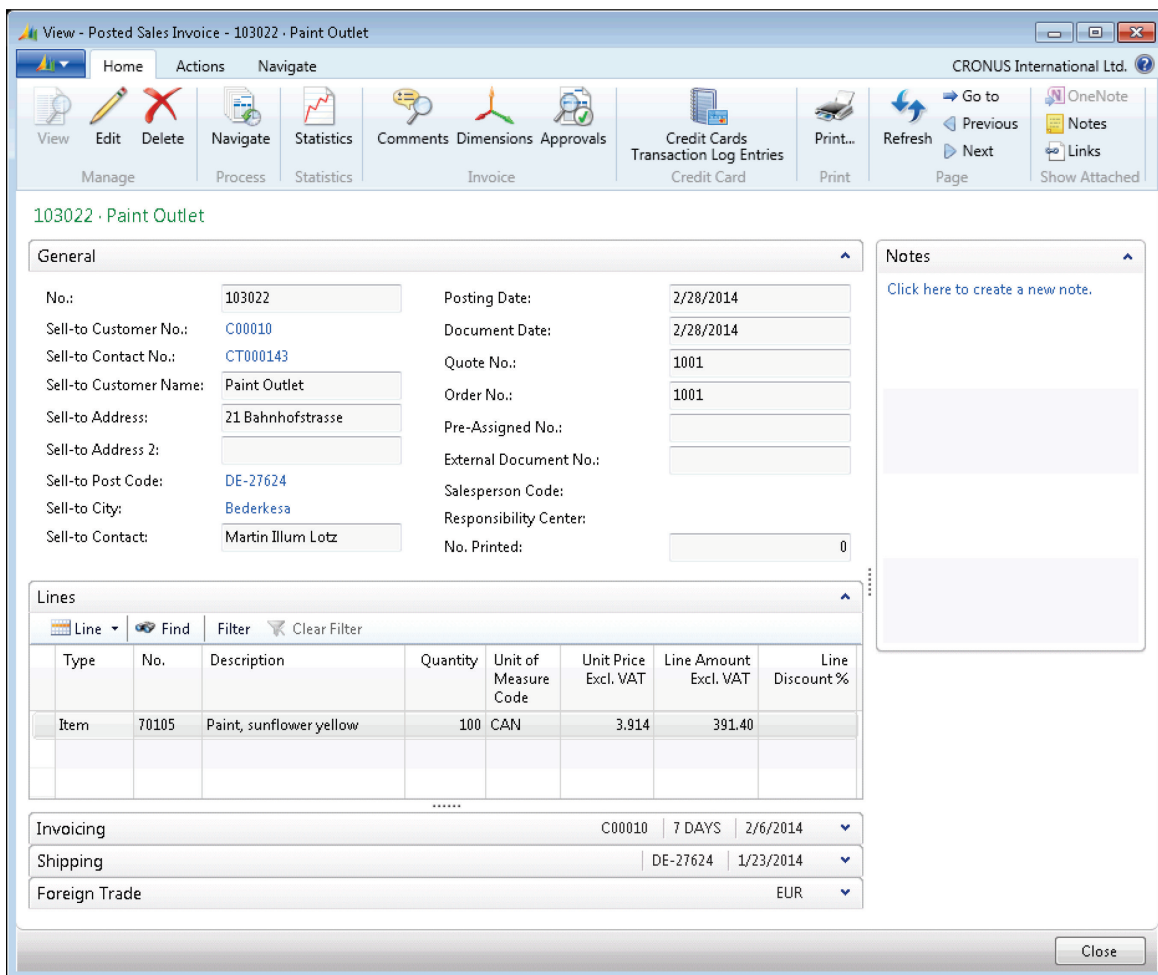
**FIGURE 6.17: POSTED SALES INVOICE WINDOW**

   c. On the **Actions** tab in the ribbon, click **Navigate**.

   The **Navigate** page provides an overview of all created entries related to the posted sales invoice.

    d.   Expand the **Document Entry** FastTab, and select the line for G/L entries.

    e.   Click **Show** to view the two G/L entries that were created:

- One income statement account.

- One balance account.

Notice that there is no VAT account, because this was an EU-sales transaction.

    f.   Click **Close** to close the **General Ledger Entries** page.

    g.   Click **Close** to close the **Navigate** page.

    h.   Click **Close** to close the **Posted Sales Invoice** page.

5.   Review the customer ledger entries.

    a.   On the navigation pane, click **Home**, and then click **Customers**.

    b.   Select customer Paint Outlet, and then click **View**.

    c.   On the **Navigate** tab in the ribbon, click **Ledger Entries**.
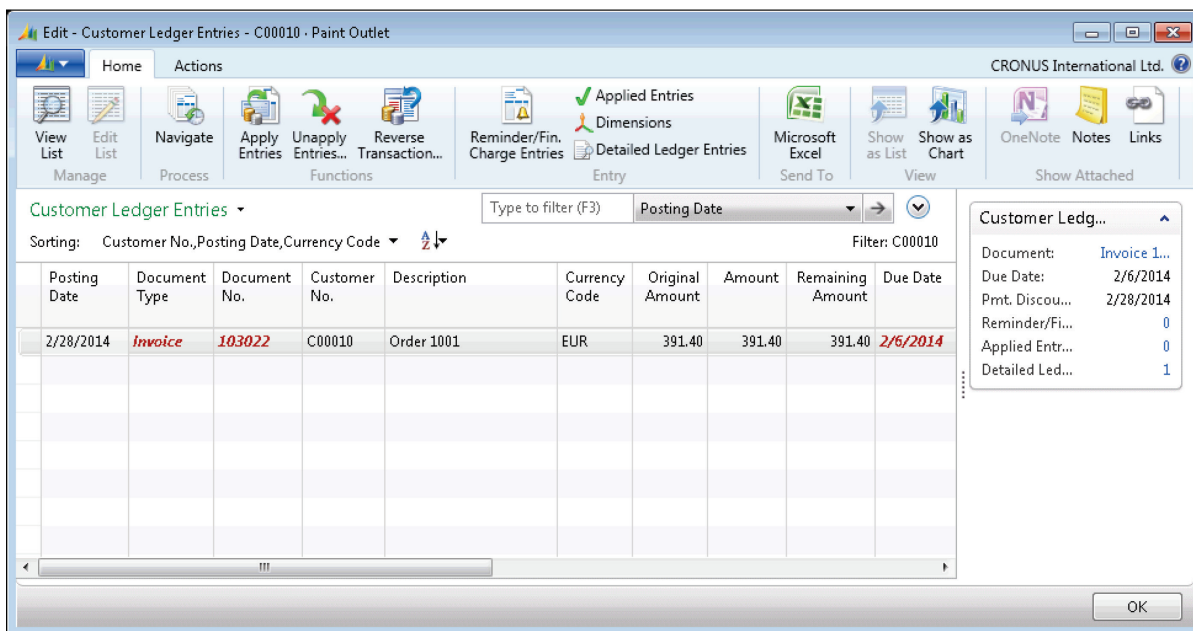
FIGURE 6.18: CUSTOMER LEDGER ENTRIES WINDOW

The whole amount of the invoice appears in the **Original Amount**, **Amount**, and **Remaining Amount** fields. After a full payment is posted and applied, the remaining amount is zero (0).

    d.   The **Due Date** field shows that payment is due on 02/06/14.

    e.   Click OK to close the Customer Ledger Entries page.

    f.   Click **Close** to close the **Customer Card** page.

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6. Review the item ledger entries.

   a. On the navigation pane, click **Home**, and then click **Items**.

   b. Select item 70105, Paint, Sunflower Yellow, and then click **View**.

   c. On the **Home** tab in the ribbon, click **Entries**, and then click **Ledger Entries**.

FIGURE 6.19: ITEM LEDGER ENTRIES WINDOW

There are now three entries: two purchase entries and one sales entry.

The **Remaining Quantity** field for two lines shows 0, whereas the one line shows 100. Because only 100 cans were shipped and invoiced, 100 cans are still in inventory because a total of 200 were purchased.

Notice also on the sales entry that the **Sales Amount (Actual)** field is filled with the sales value.

    d.   Select the sales entry.

    e.   On the **Home** tab in the ribbon, click **Value Entries**.

FIGURE 6.20: VALUE ENTRIES WINDOW

There are two value entry lines: one for the shipment and one for the invoice. You can distinguish the two lines by looking at the **Item Ledger Entry Quantity** and **Invoiced Quantity** fields. The shipment line has a value in the **Item Ledger Entry Quantity** field but not in the **Invoiced Quantity** field. The invoice line is the opposite.

    f.   Click **Close** to close the **Value Entries** page.

    g.   Click **Close** to close the **Item Ledger Entries** page.

    h.   Click **Close** to close the **Item Card** page.

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Lab 6.3: Sell Wooden Doors to an Existing Customer

Scenario

Scenario: As an order processor, you must create a sales order to sell five wooden doors to an existing customer, Libros S.A.

Use the information from the following table to create the sales order.

Order Date	01/15/14
Type	Item
No.	70010
Quantity	5
Unit Price	52.10
Qty. to Ship	5
Qty. to Invoice	5

The items are delivered to the customer on 01/30/14, together with the invoice.

Objectives

Perform this exercise to apply your knowledge about sales orders.

High Level Steps

    1. Create the sales order according to the scenario.
    2. Post the sales order.

Detailed Steps

    1. Create the sales order according to the scenario.

        a. On the navigation pane, click **Home**, and then click **Sales Orders**.

        b. Click **New**.

        c. Expand the **General** FastTab.

        d. Press ENTER to automatically assign a number.

        e. In the **Sell-to Customer No.** field, enter 34010100, Libros SA.

        f. In the **Order Date** field, enter 01/15/14.

g. Expand the **Lines** FastTab, and move to the first line.

h. In the **Type** field, enter **Item**.

i. In the **No.** field, enter 70010.

j. In the **Quantity** field, enter 5.

2. Post the sales order.

a. Expand the **General** FastTab.

b. In the **Posting Date** field, enter 01/30/14.

c. On the **Home** tab in the ribbon, click **Post**.

d. Leave the default posting option **Ship and Invoice**, and then click **OK**.

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Module Review

Module Review and Takeaways

All typical sales and purchase processes are supported by Microsoft Dynamics NAV 2013 with simple and integrated features. The program supports complete sales flows, from setting up customers to creating sales orders, where items are shipped to the customers and payment is initiated by sales invoicing. The program also supports complete purchase flows, from setting up vendors to creating purchase orders, where items are received and payment is initiated by purchase invoicing.

Because sales and purchase processes are important elements of all businesses, anyone training to become a product specialist must understand the program's basic sales and purchase processing functionality and use it for the simple tasks demonstrated in this course.