Sales Orders Review and Close Guidance

This document was created as a guide for reviewing sales orders throughout the fiscal year and for closing sales order.

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Sales Orders Analyses

Sale order analyses and corrections should be completed throughout the fiscal year.

1) **Review the Reimbursable Orders Report.**
   Note that transactions processed outside of the sales order process (e.g. refunds via Accounts Payable) will not be reflected. Also the data is retrieved from the FMMI Funds Management Module (FM) and the Sales & Distribution Module (SD). In theory, these should reconcile to each other and to the Financial Module (FI).

<table>
<thead>
<tr>
<th>Column Heading</th>
<th>Descriptive Text</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>FM Sales Order</td>
<td>The availability created for the funded program and budget period; the amount of consumable budget reflected in the Funds Management Module; should reconcile to the &quot;Consumable Amount&quot; displayed on the Budget Availability Control Report.</td>
<td>These should equal.</td>
</tr>
<tr>
<td>SD VBAP Order</td>
<td>The value of the sales order in the Sales &amp; Distribution Module by sales order number and line item number; the amount shown on the sales order line item.</td>
<td></td>
</tr>
<tr>
<td>Total Consumption</td>
<td>The sum of Commitments, Obligations and Expenditures in the Funds Management Module; the amount of consumption by funded program and budget period; should reconcile to the &quot;Consumed Amount&quot; displayed on the Budget Availability Control Report.</td>
<td></td>
</tr>
<tr>
<td>Commitments</td>
<td>For agencies that utilize commitment accounting, this is a step to set aside funds prior to obligation as reflected in the Funds Management Module and should reconcile to the balances in the 4700 series general ledger accounts from the Financial Module.</td>
<td></td>
</tr>
<tr>
<td>Obligations</td>
<td>Unliquidated obligations in the Funds Management Module by funded program and budget period; should reconcile to the balances in the 4800 and 4900 series (excluding 4902) general ledger accounts from the Financial Module.</td>
<td></td>
</tr>
<tr>
<td>Expenditures</td>
<td>Liquidated obligations in the Funds Management Module by funded program and budget period; should reconcile to the balances in general ledger account 4902 from the Financial Module.</td>
<td></td>
</tr>
<tr>
<td>Total Revenue</td>
<td>Revenue recognized for this funded program and budget period in the Funds Management Module; should reconcile to 5100 (goods) and 5200 (services) series general ledger accounts from the Financial Module.</td>
<td>These should equal.</td>
</tr>
<tr>
<td>Billed Amount</td>
<td>The amount billed for this funded program and budget period.</td>
<td></td>
</tr>
<tr>
<td>Non-Billable</td>
<td>Amounts not selected for Resource Related Billing.</td>
<td></td>
</tr>
<tr>
<td>Earned Unbilled</td>
<td>The amount of costs incurred for the funded program and budget period that remain unbilled; represents orders that may be filled (should be GL 4251 or 4252) but are still reflected in the general ledger as unfilled (GL 4221 or 4222); also represents understated revenue.</td>
<td></td>
</tr>
<tr>
<td>Sales Order Unbilled</td>
<td>The &quot;SD VBAP Order &quot; less the billed amount.</td>
<td>These should equal.</td>
</tr>
<tr>
<td>Available</td>
<td>The amount available for consumption for the funded program and budget period; the FM Sales Order amount less Total Consumption; should equal the available amount on the Budget Availability Control Report.</td>
<td></td>
</tr>
<tr>
<td>SD Available</td>
<td>The amount available for consumption as determined by the sales order line item; SD VBAP Order less Total Consumption; should equal the available amount on the Budget Availability Control Report.</td>
<td></td>
</tr>
<tr>
<td>Advances Only</td>
<td>Down Payments Not Cleared</td>
<td>Down Payment Requests within the document flow related to the sales order line that have not been cleared by collection documents or reversal documents.</td>
</tr>
<tr>
<td>---------------</td>
<td>---------------------------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td>Down Payments Cleared</td>
<td>Down Payment Requests within the document flow related to the sales order line that has been cleared by collections or reversal documents.</td>
</tr>
<tr>
<td></td>
<td>Down Payments Recognized as Revenue/Billed</td>
<td>Billings against the down payments that have been billed and, therefore, generate revenue postings and reduce the unfilled orders liability.</td>
</tr>
<tr>
<td></td>
<td>Down Payments Remaining</td>
<td>The Down Payments Cleared less the Down Payments Recognized as Revenue/Billed.</td>
</tr>
</tbody>
</table>

2) **Correct Deficits.**
Utilize the Budget Availability Report to investigate negative availability and take action, where necessary.

3) **Review Non-Billable Charges.**
If the charges are billable, reclassify them to billable BOC's.

<table>
<thead>
<tr>
<th>Line Item</th>
<th>Funded Program</th>
<th>Budget Period</th>
<th>Total Consumption</th>
<th>Non-Billable</th>
</tr>
</thead>
<tbody>
<tr>
<td>3700000516</td>
<td>AR.RC.5438.93.0067</td>
<td>10XX</td>
<td>55,188.15</td>
<td>15,000.00</td>
</tr>
</tbody>
</table>

a) To locate the actual non-billable charges, run the Line Items - Actual Costs/Revenues Report twice.

b) In both instances, provide the WBS element and remove the beginning posting date. Also, in one instance, enter the Cost Element Group of "RIA_CEL.ALL" to view the billable items.
c) Upon generating the reports, filter the data to the budget period in question.

d) Compare the output of both reports and locate the differences, the non-billable items.

For the example, the $15,000 high-lighted in orange below relates to an accrual, as noted by the “99” in the last two digits of the general ledger account. Accruals are not billed and should reverse. In this instance, it appears that a $15,000 reversal occurred but within a different (and billable) general ledger account. Before closing the order, the agency must take steps to clear the accrual. Otherwise, billable consumption is understated by $15,000.
4) **Verify the Sales Order Value.**

For sales orders with advances, ensure that the Funds Management sales order value and the Sales & Distribution sales order value equals.

<table>
<thead>
<tr>
<th>Sales Order</th>
<th>Line Item</th>
<th>Funded Program</th>
<th>Budget Period</th>
<th>Contract End Date</th>
<th>FM Sales Order</th>
<th>SD VBAP Order</th>
<th>FM/SD Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>3700001070</td>
<td>10</td>
<td>AR.CL.6659.01.0103</td>
<td>10XX</td>
<td>9/29/2010</td>
<td>29,772.00</td>
<td>29,772.00</td>
<td>-</td>
</tr>
</tbody>
</table>

Common issues to remedy:

a) **For advances only, the billing plan lines are not accurate.** Upon completion, the net amount of the Down-Payment requests equal the Sales Order Total line equals the Net value of the sales order line item. Also, the Milestone billing line has zero dollars and the Sales Order Total line is blocked (bill status is "02").
1. **Ensure that the amounts attached to the net down payment requests on the billing plan tab reconcile to the net sales order line item value.** Review all lines labeled "Down payment." A down payment request with billing type "FAZ" should be added. Whereas, a down payment request with billing type FAS should be subtracted. Where the net of these down payment lines exceeds the sales order line item value, the FM sales order will be larger (and vice versa).

Also, ensure that the "BillSt" equals "C" for complete. Otherwise, accounting documents were not generated.

2. **Ensure that a Milestone billing line exists. This line should have a zero value.**

If billing has not taken place, it should be possible to reduce the value to $0 using the sales order change mode.

3. **Ensure that the Sales Order Total line equals exists. This line should have a value equivalent to the sales order line item value, and the Block should be set to "02".**

The best alternative is to have a combination of a zero-dollar Milestone billing line along with a Sales Order Total line equivalent to the Net value of the sales order line item. (See EXAMPLE below.)

If it is not possible to reduce the Milestone billing line to $0 as recommended in #2 above, then the Sales Order Total line should be reduced to $0 after removing the "02" block. Upon completion, replace the "02" block.

**EXAMPLE:**

<table>
<thead>
<tr>
<th>Sales A</th>
<th>Sales B</th>
<th>Contract data</th>
<th>Shipping</th>
<th>Billing Document</th>
<th>Billing plan</th>
<th>Conditions</th>
<th>Account assignment</th>
<th>Schedule</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Billing plan:**

- **BillingPlanType**: 06 Milestone billing
- **Start date**: 04/27/2010 01
- **Today's Date**: Reference: 0000000006

<table>
<thead>
<tr>
<th>InvoicePercent</th>
<th>Billing value</th>
<th>Net value</th>
</tr>
</thead>
<tbody>
<tr>
<td>100.00</td>
<td>279,261.27 USD</td>
<td>279,261.27</td>
</tr>
</tbody>
</table>

**Dates:**

<table>
<thead>
<tr>
<th>Billing Date</th>
<th>DdDs</th>
<th>MileRel</th>
<th>%</th>
<th>Billing value</th>
<th>Ccy</th>
<th>Block</th>
<th>MSin</th>
<th>BR</th>
<th>BilSt</th>
<th>PayT</th>
<th>DCat</th>
<th>Billing T</th>
</tr>
</thead>
<tbody>
<tr>
<td>04/27/2019</td>
<td>0609</td>
<td>Down payment</td>
<td>215,050.00 USD</td>
<td>4</td>
<td>C</td>
<td>0631</td>
<td>B4</td>
<td>FAZ</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>05/18/2019</td>
<td>0609</td>
<td>Down payment</td>
<td>64,483.04 USD</td>
<td>5</td>
<td>C</td>
<td>0631</td>
<td>B4</td>
<td>FAZ</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>05/15/2021</td>
<td>0010</td>
<td>Sales Order Total</td>
<td>279,261.27 USD</td>
<td>02</td>
<td>1</td>
<td>X</td>
<td>0001</td>
<td>01</td>
<td>F2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12/08/2021</td>
<td>0609</td>
<td>Down payment</td>
<td>221.77 USD</td>
<td>5</td>
<td>C</td>
<td>0631</td>
<td>B4</td>
<td>FAS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12/09/2021</td>
<td>0607</td>
<td>Milestone billing</td>
<td>0.00 USD</td>
<td>2</td>
<td>C</td>
<td>01</td>
<td>F2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Upon completion, the net Down-Payment requests equal $279,261.27 (+ $215,000.00 + $64,483.04 - $221.77), the Sales Order Total line equals $279,261.27, and the overall Net value of the sales order line item equals $279,261.27.
b) **Same Sales Order and Line....Duplicate Amounts in the SD VBAP Order column.**

In the event that two or more lines exist with the same sales order number, line item number, funded program, and budget period, review the project structure. The billing element should be checked only at the level of the sales order.

The report creates one line for each level of the WBS project structure that contains a check as a billing element. If a sales order is not established for a specific level, it should not have the billing element checked. In the project builder change mode, only those WBS elements not previously used are available for this update.

**EXAMPLE:** 3200000294 10 NI.RA.4HDP.00.ARMY.48680

Sales Order Report lines:

<table>
<thead>
<tr>
<th>Bus Acct</th>
<th>Sales Ord</th>
<th>Line Item</th>
<th>Funded Program</th>
<th>Fund</th>
<th>Budget Fund</th>
<th>FM Sales Ord</th>
<th>SD VBAP Ord</th>
<th>Total Consumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>N100</td>
<td>3200000294</td>
<td>10</td>
<td>NI.RA.4HDP.00.ARMY.48680</td>
<td>0090</td>
<td>17,030,000.00</td>
<td>17,030,000.00</td>
<td>3,475,831.55</td>
<td></td>
</tr>
<tr>
<td>3200000294</td>
<td>10</td>
<td>NI.RA.4HDP.00.ARMY.48680</td>
<td>0090</td>
<td>-</td>
<td>17,030,000.00</td>
<td>13,554,188.45</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3200000294</td>
<td>10</td>
<td>NI.RA.4HDP.00.ARMY.48680</td>
<td>0090</td>
<td>-</td>
<td>17,030,000.00</td>
<td>-</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Project Structure:**

In reviewing project NI.RA.4HDP below, the level 2 WBS (NI.RA.4HDP.00), the level 3 WBS (NI.RA.4HDP.00.ARMY), and the specific level 4 WBS (NI.RA.4HDP.00.ARMY) have the billing element field checked (See the "Bill" column below.) Therefore, three lines were generated on the Sales Order Report; three billing levels equals three sales order lines for the same sales order and line number.

Based upon the sales order (see below) and the WBS, the billing occurs at level 4. Therefore, the Bill column for the other levels needs to be removed. In this example, only NI.RA.4HDP.00 can be corrected (not grayed out). Once the check in the Bill column is removed, two lines will be created on the report instead of three. The agency will have to review the two remaining lines together.
5) **Review Activity on Related WBS elements.**

Review each sales order line with any other line that has that same or similar WBS and budget period. FMMI assigns consumption business to the WBS and budget period, not to a sales order. (Note: For future processing, a WBS and budget period should only be used on one sales order.) Therefore, a manual summation of the details for all associated lines

a) **The same WBS and budget period in two different sales orders.** Review each sales order line with any other line that has that same WBS and budget period. FMMI assigns consumption business to the WBS and budget period, not to a sales order. **A funded program and budget period should only be used on one sales order.**

In the example below, WBS AR.Cl.6659.01.0103 10XX on sales order on 3700001070, item 10, shows positive availability of $29,772. However, when combined with sales order 3700000968, item 10, the remaining net availability is $717.70 (-29,054.30 + 29,772.00).
<table>
<thead>
<tr>
<th>Sales Order</th>
<th>Line Item</th>
<th>Funded Program</th>
<th>Budget Period</th>
<th>Contract End Date</th>
<th>SD VBAP Order</th>
<th>Total Consumption</th>
<th>Available</th>
</tr>
</thead>
<tbody>
<tr>
<td>3700000968</td>
<td>10</td>
<td>AR.CI.6659.01.0103</td>
<td>10XX</td>
<td>9/30/2011</td>
<td>-</td>
<td>29,054.30</td>
<td>(29,054.30)</td>
</tr>
<tr>
<td>3700001070</td>
<td>10</td>
<td>AR.CI.6659.01.0103</td>
<td>10XX</td>
<td>9/29/2010</td>
<td>29,772.00</td>
<td>-</td>
<td>29,772.00</td>
</tr>
</tbody>
</table>

To understand the true authority and consumption, manually sum the details of all associated lines.
Rejecting Duplicate Sales Order Lines for Proper Close

The agency should block the invalid $0.00 sales order lines AND set the reason for rejection to “Closed – Incorrectly Setup (No Activity).” This reason is configured to mark the sales order as no longer relevant for billing and will cause the line to be ignored by the close program. Upon completion, the close program will link the consumption to the valid sales order.

The agency should remove the WBS and the funded program from the Account Assignment and budget period from 3700000968 and block this invalid sales order line, as noted by the SD VBAP Order value of $0. Upon completion, the Reimbursable Orders will link the consumption to the valid sales order.

b) **Review other budget periods of that WBS to ensure that adjustments are not necessary between budget periods.**

With regards to AR.CI.6659.01.0103, 11XX has negative availability. Therefore, the agency must determine if that overage in 11XX must be reclassified to 10XX prior to adjusting 10XX.
6) **Confirm the Positive Available Balance.**
Run the Budget Availability Control report using the Funded Program and a Commitment Item of not equal to "Revenue" and ensure that the available amount reconciles to the Reimbursable Orders Report.
7) **Bill the Earned Unbilled Revenue.**
Where Earned/Unbilled Revenue is positive, take the necessary billing steps to liquidate the outstanding advance.

For sales order with advances, ensure that a zero dollar milestone line exists in the billing plan line before creating the billing request and the billing document.

To create the empty Milestone in the Billing Plan tab, enter a new line, populating the following fields:
- Billing Date: Current
- DtDs: 0007
- %: blank
- Bill. Value: 0.00
- BR: 2
- PayT: 0001
- Dcat: 01
- Billing Type: F2

After entering the Milestone billing line, save the sales order before proceeding.

Create the Billing Requests and Billing Documents by following the instructions in the Online Help Procedures.

8) **Liquidate Outstanding Excess Obligations.**
If the activity is complete but the obligation was greater than expected, write the obligation down.
Sales Orders-Automated Close

Where possible, the sales order close program reduced the availability on sales orders without advances for lines associated with an expired budget period (e.g., 1010, 1111 for the fiscal year end 2011 close) or associated with an expired contract end date (e.g., 9/30/2011 or earlier for the fiscal year end 2011 close).

Where the contract end date on an expired budget period went beyond 9/30/2011, a new line in the sales order was created for budget period 1212.

For example, sales order 123 had a line for Fund A budget period 1111 for $1000. $900 was consumed, leaving a net availability of $100. Therefore, Fund A budget period 1111 was reduced by $100 and general ledger transactions were generated as follows:

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>4210</td>
<td>Anticipated Reimbursements</td>
<td>$100</td>
</tr>
<tr>
<td>4221</td>
<td>Unfilled Customer Orders without Advances</td>
<td>$100</td>
</tr>
<tr>
<td>4610</td>
<td>Allotments</td>
<td>$100</td>
</tr>
<tr>
<td>4590</td>
<td>Apportionments-Anticipated</td>
<td>$100</td>
</tr>
</tbody>
</table>

The contract end date on sales order 123 was 12/31/2011. Therefore, a new line within the sales order was created to Fund A budget period 1212 for $100 and general ledger transactions were generated as follows:

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>4221</td>
<td>Unfilled Customer Orders without Advances</td>
<td>$100</td>
</tr>
<tr>
<td>4210</td>
<td>Anticipated Reimbursements</td>
<td>$100</td>
</tr>
<tr>
<td>4590</td>
<td>Apportionments-Anticipated</td>
<td>$100</td>
</tr>
<tr>
<td>4610</td>
<td>Allotments</td>
<td>$100</td>
</tr>
</tbody>
</table>

The agency will have a negative 4590 budget type until the apportionment is created for the budget period 1212 line.

The sales order close program did not update the text fields. Therefore, it is critical for the users to update the texts, especially the purchase order number and purchase order line item prior to billing. Additionally, the Costing Sheet (ZRRB1) and the Overhead Key (R18, R15, R07, etc) on the Account Assignment Tab were not brought forward.

In the event that the agency determines that the new line should not exist, the users should change the value of the new line to $0 and check the box to block the line. Additionally, the user must specify the Reject Reason of “Closed – Incorrectly Setup (No Activity)” before saving. If the system edits that a purchase order line number is required, the user may enter any line item number (e.g. 10) for the purposes of the reduction.
Sales Orders-Manual Close

For sales orders not closed by the sales order close process and upon completion of all related sales order analyses and corrections (See Sales Order Analyses), those sales order line items that meet the following criteria must be closed manually:

1. A positive available balance AND
2. The sales order line item is expired.
   a. Either the budget period (bp) is expired (e.g., budget period 1111 or earlier in fiscal year 2012) OR
   b. The contract end date is expired.

The goal of the close is to ensure $0 availability related to an expired budget period and/or an expired contract, $0 availability for a unique funded program and budget period combination related to expired authority. Upon completion of the close, the Budget Availability Report must show $0.00 in the Available Amount column.

BEFORE BEGINNING,

1. Any adjustments between related funded programs must be complete.
2. Non-billable must be $0.
3. Unearned unbilled revenue must be $0.

STEPs TO COMPLETION:

1) Determine Amounts.
   Calculate the final amount for the original sales order line item, the amount to carry forward to a new sales order line item, and the amount of the down-payment to reapply or refund.

   a) The Ending Sales Order Line Item Value equals the consumed portion ( obrigated) of the authority.
   b) The Sales Order Remaining Availability is the un consumed portion of the amounts allotted for the unique WBS and budget period. This is the amount to remove (the incremental reduction) from the original sales order line item and, if the contract is not expired, equals the amount to carry-forward to a new sales order line item.
   c) If a customer advance is applicable, the Down-Payment Carry-Forward equals the unused down payments, down-payments less earnings less a reserve to pay for outstanding obligations. This amount equals the down-payment that must be carried forward for further processing, applied to a new sales order line item or refunded to the customer.
**EXAMPLES:** The following examples show how to determine the amounts. All examples assume that there is no remaining Earned Unbilled Revenue and no Non-Billable Charges.

<table>
<thead>
<tr>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
<th>H</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original Sales Order Line Value (Gross Contract Authority)</td>
<td>Down Payments (DP)</td>
<td>Expensed and Earned (Billing is complete and revenue is recorded.)</td>
<td>Remaining Down Payment B-C</td>
<td>Unexpended Obligations (amount of the DP to reserve for future expenditures.)</td>
<td>Down-Payment Carry-Forward D-E</td>
<td>Sales Order Remaining Availability (Original line reduction) A-C-E</td>
<td>Ending Sales Order Line Item Value A-G or C+E</td>
</tr>
<tr>
<td>a</td>
<td>$100</td>
<td>$100</td>
<td>$75</td>
<td>$25</td>
<td>$25</td>
<td>$25</td>
<td>$75</td>
</tr>
<tr>
<td>b</td>
<td>$100</td>
<td>$100</td>
<td>$100</td>
<td>$75</td>
<td>$25</td>
<td>$25</td>
<td>$75</td>
</tr>
<tr>
<td>c</td>
<td>$100</td>
<td>$60</td>
<td>$60</td>
<td>$0</td>
<td>$0</td>
<td>$40</td>
<td>$60</td>
</tr>
<tr>
<td>d</td>
<td>$100</td>
<td>$60</td>
<td>$20</td>
<td>$40</td>
<td>$40</td>
<td>$80</td>
<td>$20</td>
</tr>
</tbody>
</table>

a) FULL DOWN-PAYMENT - LIQUIDATION EQUAL TO EXPENDITURES:
The original sales order line value is for $100 with a full down payment from the customer. Expenses of $75 were fully billed and liquidated the advance. The original sales order line should be reduced by $25 and the remaining down-payment of $25 should be reapplied or refunded.

b) FULL DOWN-PAYMENT - UNLIQUIDATED OBLIGATIONS-TO BE EARNED IN THE FUTURE:
The original sales order line value is for $100 with a full down payment from the customer. $75 is obligated but not yet expended. Therefore, the remaining down-payment is $100 while remaining availability is only $25. $75 of the advance must remain to offset the expected future earnings. The original sales order line should be reduced by $25 and the remaining down-payment of $25 should be reapplied or refunded.

c) PARTIAL DOWN-PAYMENT - LIQUIDATION=EXPENDITURES=DOWN-PAYMENT:
The original sales order line value is for $100 with a partial down payment from the customer of $60. $60 of expenses liquidated the advance. Therefore, there is no carry-forward down-payment. However, since $40 of contract authority was remaining, the sales order should be reduced by $40 to $60.

d) PARTIAL DOWN-PAYMENT - LIQUIDATION=EXPENDITURES<DOWN-PAYMENT:
The original sales order line value is for $100 with a partial down payment from the customer of $60. $20 of expenses liquidated the advance, leaving $40 as the down-payment to carry-forward. Since $80 of availability remains, the original sales order should be reduced by $80 to an ending value of $20.

2) **Reduce the Original Sales Order Line Item.**
The Sales Order Processor modifies the value of the sales order line item to the final value determined in step 1 (column H).

3) **Create a New Sales Order Line Item.**
*If the contract end date is not expired, create a new sales order line item.* The Sales Order Processor creates a new sales order line item equal to the amount of the reduction of the original line (column G from step 1).

For contracts that have not expired, steps 2 and 3 should offset each other, producing a net zero impact on overall availability.
4) **Update the Billing Plan of the Expired Sales Order Line Item.**

For sales orders with advances only, update the Billing Plan of the expired sales order line item.

a) The Sales Order Processor must update the blocked (Block = "02") Sales Order Total line to the ending sales order line item value. (See step 1, column H.)

b) The Sales Order Processor must update the Billing Plan to generate a negative down payment request to cancel that portion of the down-payment request that will be carried forward for further processing. (See column F from step 1.)

If there are negative future or blocked open down payment lines in the billing plan, these need to be deleted prior to adding the new line.

Add the negative down-payment request with the following parameters:

- **Billing Date:** Current
- **DtDs:** 0009
- **Billing Value:** the amount of the decrease (as a positive number)
- **BR (Billing Rule):** 5 Based on value, not percentage.
- **PayT:** 0001
- **DCat:** 04 Based on value, not percentage.
- **Billing Type:** FAS This signifies a cancelation.

Save the changes by clicking through the warning messages.

This line will have a billing type of "FAS" and will offset against positive down payment request lines, those having a billing type of "FAZ".

Upon completion of Step 4, the net down-payment requests in the billing plan must equal the final Sales Order Total line in the billing plan and must equal the net value for the sales order line item. **For example**, sales order 3300000180 required a negative down-payment of $221.77 on line item 10.
c) After saving, go back into the billing plan tab to review the transaction. Ensure that the BillSt (Bill Status) changed to “C” for completed.

If the BillSt remains “A,” the accounting document was not created. Check your input. If incorrect, delete the FAS line and re-input.

If an accounting document is still not generated, request that one is manually created by the Sales Order Billing Processor via Accounts Receivable=>Manage Billing=>Create Billing Document. Enter the sales order number and save or execute.

d) Once the status of the billing plan line is “C” for completed, review the document flow for the accounting document associated with the Canceled Down-Payment Requests. The "Not Cleared" accounting document number (e.g., 3000406721) will be required for transferring the actual down-payment.
5) **Update the Billing Plan of the New Sales Order Line Item.**

For unexpired sales orders with advances where the Down-Payment Carry-Forward is greater than $0, update the Billing Plan of the new sales order line item.

a) The Sales Order Processor must ensure that a blocked (Block = "02") Sales Order Total line exists within the Billing Plan for the value of the new sales order line.

b) The Sales Order Processor must unblock the down payment request associated with the new line item. If applicable, update the amount of this line to be the same as the negative down-payment processed in step 4. (See column F from step 1.) This line will have a billing type of "FAZ."

Upon completion of Step 5, the net down-payment requests in the billing plan must equal the value of the Sales Order Total line in the billing plan and must equal the net value for the sales order line item. Therefore, if a partial down-payment is entered, another Down-Payment request line should exist for the difference and should remained blocked ("02") until needed.

For example, sales order 3300000180, line item 30 required a down-payment request of $221.77 related to original line item 10 and a down-payment request of $13,741.08 related to original line item 20. Since both requests are current, neither is blocked.

<table>
<thead>
<tr>
<th>Display Reimb - With Advance 3300000180: Item Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Document Item</td>
</tr>
<tr>
<td>Material</td>
</tr>
</tbody>
</table>

Upon completion, the net Down-Payment requests equal $13,962.85 (+ $221.77 + $13,741.08), the Sales Order Total line equals $13,962.85, and the overall Net value of the sales order line item equals $13,962.85.

c) After saving, go back into the billing plan tab to review the transaction. Ensure that the BillSt (Bill Status) of the unblocked Down-Payment requests in the Billing Plan changed to "C."

If the BillSt remains "A," the accounting document was not created. Check your input. If incorrect, delete the FAZ line and re-input.

If an accounting document is still not generated, request that one is manually created by the Sales Order Billing Processor via Accounts Receivable=>Manage Billing=>Create Billing Document. Enter the sales order number and save or execute.
d) Once the status of the billing plan line is “C” for completed, review the document flow for the accounting document associated with the Down-Payment Request. The “Not Cleared” accounting document number (e.g., 3000410767) will be required for transferring the actual down-payment.

6) **Request further processing of the Down-Payment Carry-Forward.**  
   If a negative down payment request was processed in step 4 to cancel all or a portion of the original down-payment, the Sales Order Processor must provide further processing instructions via the *Down-Payment Reapplications/Refunds Form*.

   a) Retrieve the original collection information (reference and document date).

      i) From the document flow, click the accounting document of the original down payment request and select “Display Document.” If more than one down-payment was collected, select the most recent collection first.

   With regards to example sales order 3300000180, the last collection of $64,483.04 on line item 10 was processed against down payment request 0090062116 on 08/18/2010 under accounting document 3000062017.
ii) Double-click on the customer number.

![Display Document: Data Entry View](image1)

iii) Double-click the “Clearing” document number.

![Display Document: Line Item 001](image2)

iv) Note the “Reference” (e.g., 500141) and the “Document Date” (e.g., 08/24/2010) from this collection document.

![Display Document: Data Entry View](image3)
b) Complete the Down-Payment Reapplications/Refunds Form. Use the collection reference and document date retrieved in step 6a, the cancel down-payment request information retrieved in step 4d, the new down-payment request information retrieved in step 5d (if applicable) along with the customer number that is associated with all of these transactions.

If step 5d is not applicable, use the refund line on the form to authorize a refund.

c) Submit the form along with screen prints of the document flow to the agency's collection organization (e.g., CODCOLLECTIONS.DEBTMGT@nfc.usda.gov).

d) Capture FMMI screen prints of the data used to complete the form (i.e., customer, sales order, down payment numbers-not processed from the document flow).

For refunds, also capture the FMMI screen print of the Vendor Master file.
   i) Verify that the vendor number and address used for payment is correct.
   ii) Verify that vendor number has a “D” in the Payment method field on the Vendor Payment transactions accounting screen (5th page of the Vendor Master record). If any data is incorrect or missing, send a request to the COD Table Management Group for the appropriate update.

The screen prints must me submitted with the form to COD. Following these steps will ensure the timely and accurate processing.

e) Submit the Down-Payment Reapplications/Refunds Form and captured FMMI screen prints to the agency's collection organization. For collections serviced by COD, forward the information via email to CODCOLLECTIONS.DEBTMGT@nfc.usda.gov. In the subject, insert Sales Order Reapplication.

7) Verify the Results.
   After the collections have been reclassified or refunded, the following verifications should be accomplished.

a) Ensure that the negative down payment request and the positive down payment requests have cleared via the document flow.
b) Check the Budget Availability Report for accurate results.

### Control Objects Data: Overall Values

<table>
<thead>
<tr>
<th>FH Area</th>
<th>Control Ledger</th>
<th>USDA (USD)</th>
<th>Fund</th>
<th>AR0008REIM</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>9H</td>
<td>Funds Center</td>
<td>AR12351200</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Commitment Item</td>
<td>ALLOBJECTS</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Functional Area</td>
<td>AGDEFAULT</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Funded Program</td>
<td>AR RA 12351200</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Overall Values of Control Objects</th>
<th>Consumable Amt</th>
<th>Consumed Amt</th>
<th>Available Amt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Several Budget Period Values</td>
<td>472,032.16</td>
<td>149,693.31</td>
<td>13,062.35</td>
</tr>
<tr>
<td>1010</td>
<td>279,261.27</td>
<td>279,261.27</td>
<td>0.00</td>
</tr>
<tr>
<td>1111</td>
<td>179,708.04</td>
<td>179,708.04</td>
<td>0.00</td>
</tr>
<tr>
<td>1212</td>
<td>13,962.86</td>
<td>0.00</td>
<td>13,962.85</td>
</tr>
</tbody>
</table>
Researching Cash Collections

Accounting documents may be researched (drilled into) within the Sales and Distribution Module via the sales order. Use the procedures described in Sales Order Manual Close steps 6-a to research if a collection actually cleared a down-payment request on a sales order with advance.

For sales orders without advances, perform the same procedure but on the first accounting document under the debit memo within the document flow.

If the document displayed in step 6-a-iv does not have a posting to cash (1010...), then some other type of adjustment cleared the document (reversal, cancellation, etc.).

To research cash collections, other resources include the Customer Line Item Display (see online help procedures) and the Federal Transaction Register.

**Federal Transaction Register:**

**MENU PATH:** GL Management=>Financial Reports=>Other Reports=>Transaction Register Report

Be sure to UNCHECK the “Show By Original Document” under the “Option” section, remove the fiscal year parameter, and enter the funded program(s).

**EXAMPLE:** FX.RA.1100.OT.0001
Upon retrieving the results, use the filters to exclude periods 14, 15, and 16 (adjustment and closing periods), ignore closing entries (document type CL), and filter on general ledger accounts 1010230000 and 1010320000 where the Commitment String begins with SO.

1010230000 shows the activity related to lockbox collections. The information below shows $100,000 to customer 3260626 collected on 2/8/11 (Doc. Date) with collection number 580022 (Reference) posted on 2/9/2011. Then, it shows $5,951.60 being reclassified (same collection information) from budget period 1111 to 1212 on 1/20/2012. The Commitment String has the sales order number and line item number imbedded in it.

**Customer Line Item Report.** For step by step procedures, see the FMMI online help procedures.
Billing Notes

Before establishing a sales order and especially prior to billing, ensure that the customer billing information is correct. If the customer is a Federal government entity that will be billed via IPAC (Treasury's Intra-Governmental Payments and Collections System), the customer billing information is the agency location code (ALC) associated with the customer number. Also, ensure that the customer record is active, not flagged for deletion.

For additional information, refer to the FMMI online help procedure, "Display Customer Master" and also the COD website, FMMI processing, Vendor/Customer Maintenance information at http://cod.nfc.usda.gov/FMMI_Processing/VendorCustMaint.html. The USDA Vendor/Customer Master Codes-FMMI is especially useful when recording sales orders with a USDA customer.

For all Federal agencies, ensure the proper ALC is billed and provide the unique accounting required by the customer to minimize customer charge-backs and/or rejects.

To bill inter-governmental customers, ensure that the information is provided on the following tabs and fields for proper mapping to IPAC and/or the INTR (Intra-FMMI) process:

<table>
<thead>
<tr>
<th>Sales Order Field Required</th>
<th>Customer's System of Record</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Order Data Tab:</strong></td>
<td></td>
</tr>
<tr>
<td>Sold-To-Party Purchase Order Number</td>
<td>FMMI</td>
</tr>
<tr>
<td>Item Number</td>
<td>PO Line Item</td>
</tr>
<tr>
<td>Ship-To-Party Purchase Order No.</td>
<td>PO &amp; Line, separated by &quot;#&quot; (e.g.,MO10354568#001)</td>
</tr>
<tr>
<td><strong>Texts Tab (IPAC Bill Description)</strong></td>
<td>Description of Charges</td>
</tr>
<tr>
<td></td>
<td>Description of Charges</td>
</tr>
</tbody>
</table>

The customer number associated with a sales order may be changed if and only if billings have not occurred. See the FMMI online help procedure entitled, "Change Sales Order."

Billings after a sales order close:

Closing a sales order line item (reducing the order to total consumption) doesn't prevent billing as long as the obligations/accruals occurred prior to the sales order close. Use the Sales Order Report to see the "Earned Unbilled" which should be available for billing using the normal billing process.

To clarify, whether or not a sales order line item is fully expended doesn't matter to the sales order close, as the close is based upon availability (sales order amount less obligations). If the dollars were obligated, you may continue to expend and bill in subsequent periods.
Warning Message: Create Billing Document is not allowed:

Generally, this indicates that the sales order line item specified in the warning message has been blocked. Check the sales order. If there are other line items to bill, simply click the green check and proceed as usual. It's a warning letting you know that nothing will be requested for the specified line item.

Canceling a Billing Document (Debit Memo):

To cancel a billing document, use the Online Help Procedure entitled, “Cancel Billing Document.” Item #5 explains that the Billing Date is required but doesn't display the input in the associated picture. Be sure to type the current date in the Billing Date field. Otherwise, the default date reverts back to the original billing date. If the related fiscal period isn't open, the document rejects and doesn't produce the accounting document.

Rejecting a Billing Request (Debit Memo Request):

In the event that amounts require re-billing, the original billing request must be rejected with the reason for rejection of “Reject Temporarily, Redetermine.” By doing this, these amounts will revert back to $0 as unbilled in the billing request calculator and show on the document flow for $0.00. When the next billing request is processed, these dollars will be billed along with any other unbilled expenditures. Prior to rejecting a billing request, ensure that any associated billing documents have been canceled.