

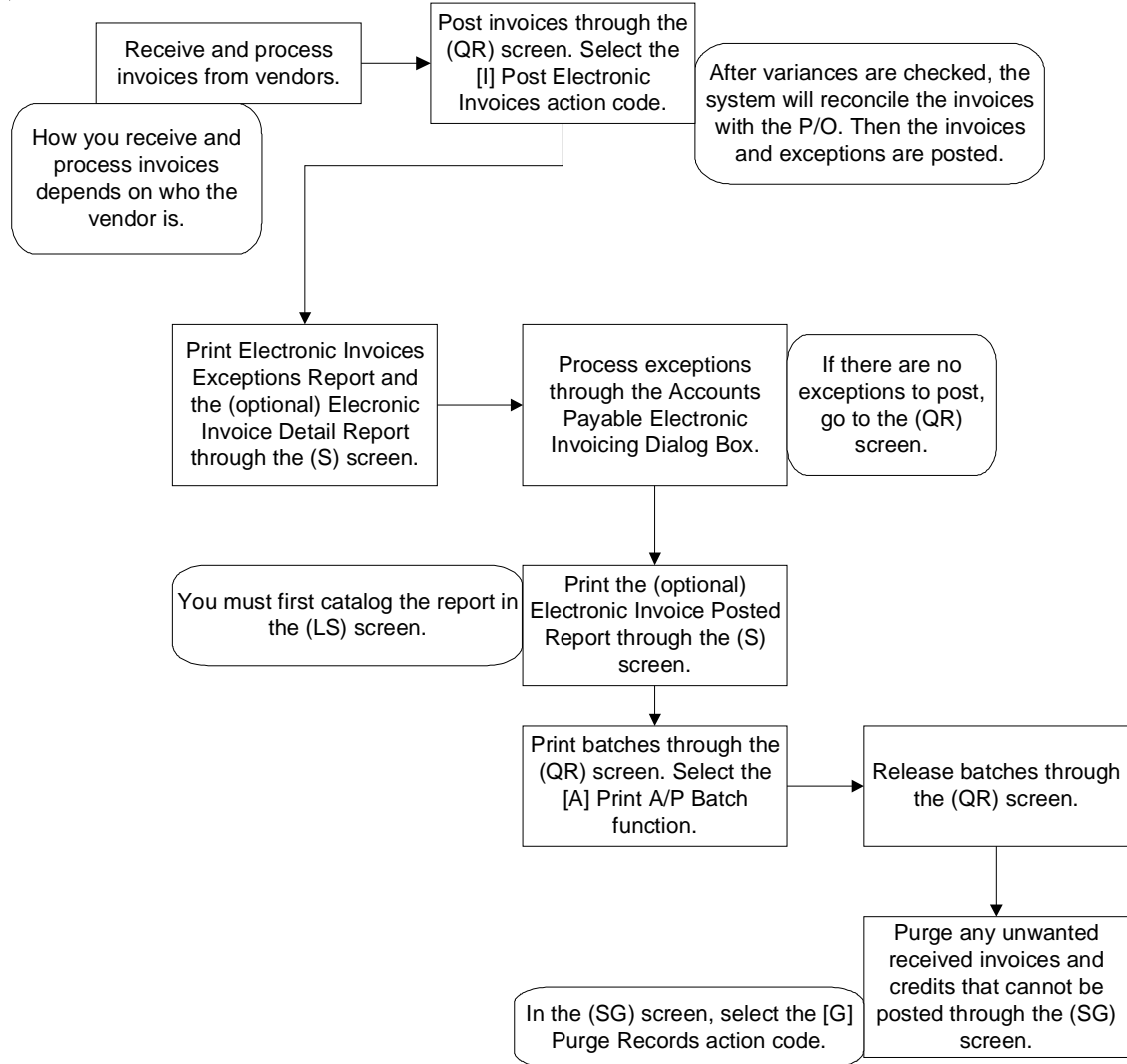


*Setting Up & Receiving  
Electronic Invoices  
S.P. Richards*

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# Chart 1: The Flow of Electronic Invoicing



## Understanding Electronic Invoicing

Electronic invoicing lets dealers who are using the Electronic Data Interchange (EDI) application accept electronic invoices from vendors. This electronic link allows paperless transactions and bridges the gap between corporations that use different computer systems.

Getting started with EDI is easy. Most new users require no additional hardware and only minimal training.

After setting up your vendor and several EDI parameters, you can receive and process invoices through the (SG) EDI Communications Screen.

Invoices are reconciled and posted through the (QR) Accounts Payable Reports screen using the [I] Post Electronic Invoices function. For posting instructions, see the handout *Posting Electronic Invoices* which is available at [www.ddms.com/Resources/Support/faq/ecommerce/PostElecinv.pdf](http://www.ddms.com/Resources/Support/faq/ecommerce/PostElecinv.pdf).

## Before You Begin

- 1 You must have a transmission or wholesaler modem or broadband internet connection.
- 2 Arrange to receive invoices. Contact S.P. Richards.
- 3 You can use the same PSN connection you use to transmit P/Os. If you are connecting via a communications modem, connect the modem before beginning.

## What You Need To Set Up

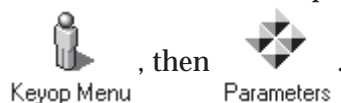
- 1 Install required software.
- 2 Set up parameters.
- 3 Build the indexes.

## Installing the Software

If you are not using version 6.1.79 or later, you must install a version update on your server. Follow the printed instructions that came with your software or go to [www.ddms.com](http://www.ddms.com) and download the installation instructions.

## Setting Up Parameters

Once the software is loaded, you must configure your system by setting parameters. To access the parameter screens in DDMS, double-click



You must set parameters in the:

- (LF) Purchase Order Parameters screen
- (LF2) P/O Journals Parameters screen
- (LS) P/O Standard Reports screen
- (L6C) Sparco Ez-Order / Interactive Parameters screen
- Vendor window
- Vendor Electronic Invoice Parameters dialog box.

## Setting Up the (LF) Screen

You must set up the Build Acknowledgment Index For JOUR-PO field in the (LF) screen, shown in Figure 1. This field is used to create an index file to match the received invoices to the original purchase orders.

The JOUR-P-ACK file is built when completed purchase orders are purged to the JOUR-PO file or when the JOUR-PO file is reindexed from the (SR) Purchase Order Reports screen.

To set up the (LF) screen:

- 1 In the (LF) screen, select the [C] Chg action code.
- 2 Tab to the Build Acknowledgment Index for JOUR-PO field and type Y.
- 3 When finished, press Enter.

**Figure 1: The (LF) Purchase Order Parameters Screen**

```

11:47:13                (LF) Purchase Order Parameters                06/22/04
=====
ACTION [C] (C=Chg,I=Inq,1=Flushing,2=Journals,3=Debit Memo,4=O/E P/O's,A=ASB)
===== G/L Loc[ 1]
Next P/O #      25101      Next Debit Memo # -      Logo on P/O ?Y

PASSWORDS:  Delete ?DDMS  Release ?DDMS  Purge ?DDMS  Use Super Index Y/N ?

Round Quantities when Needed U/D/N ?U      Archive Specials during Purge Y/N ?Y
Build Ack. Index for JOUR-PO Y/N Y          Allow O/E Online Purchasing Y/N ?
Only Print P/O's that have been ENDED Y/N ?N      Call Code O/E Purchasing [ ]
Only Update I-AUX on P/O's that have been ENDED Y/N ?N
Allow Adding on to P/O's that have been ENDED Y/N ?Y
Always Display Unassigned P/O's for Items on SHORT-BUY Y/N ?
When Ordering, Display Allocated Added into the On-Hand Y/N ?N
Prompt for Using a Contract Cost on Purchase Orders Y/N ?
Prompt for Percent to Up Cost when Receiving Y/N ?
Allow Updating Wholesaler Cost if Vendor Matches Y/N ?
Receiving By Item: Add New Bar Codes Y/N ? Overs O/R/I ? Not on P/O A/I ?
Split Lines on Partial Received Quantities Y/N ?Y
Update Average Cost at Release to On-Hand Y/N ?Y
Default Selector: [PO2-F ] Printer: [2]
=====
    
```

## Setting Up the (LF2) Screen

The (LF2) screen, shown in Figure 2, lets you specify the names and locations of journalized P/O files. This list is used when invoices are received via EDI from vendors.

To send the invoices to A/P, each invoice must be matched to its P/O(s). The list is used to find P/O locations. The file JOUR-PO is searched first. If the P/O(s) is not found, the next file on the list is searched. This second file is probably the most recent journalized file (for example, from last month). Enter only journal names that are necessary. For example, to match on invoices from the past three months, only enter journal names from that time period.

**Note:** The information in this screen only applies if you set the Match On P/O # box in the Vendor Electronic Invoice Parameters dialog box to Y or N.

*When adding new journals to the (LF2) screen, the P/O journal in the 1) field of the Journal Name column moves to the 2) field, the journal in the 2) field moves to the 3) field, and so on. If there is a journal in the 12) field, it moves off the list.*

To set up the (LF2) screen:

- 1 In the (LF2) screen, select the [C] Change action code.
- 2 In the G/L Location field, specify the general ledger location or press Enter to accept the default. The cursor moves to the Volume field.
- 3 The first field in the Journal Name column defaults to JOUR-PO. This file represents the current purchase order file. Press Tab to accept the default volume, or enter the volume serial where the JOUR-PO file is located, for example, W1. Press Tab.

**Note:** You *must* specify the volume where the JOUR-PO file is located.

**Figure 2: The (LF2) P/O Journals Parameters Screen**

```

13:40:04                (LF2)  P/O JOURNALS PARAMETERS                03/05/98
-----
ACTION [C] (C-Change, I-Inquiry, N-New Journal)                G/L Location [ 1 ]
-----
Journal Name  Volume
JOUR-PO      [W1 ]
1) [JULYPO ] [W1 ] (Newest Journal to Oldest Journal)
2) [JUNEPO ] [W1 ]
3) [MAYPO ] [W1 ]
4) [APRILPO ] [W1 ]
5) [ ] [ ]
6) [ ] [ ]
7) [ ] [ ]
8) [ ] [ ]
9) [ ] [ ]
10) [ ] [ ]
11) [ ] [ ]
12) [ ] [ ]
    
```

- 4 Use the Journal Name field to list your purchase order files from most recent (at the top) to oldest (last on the list). You can list up to 12 journalized purchase order files.

In the Journal Name field, enter the name of the P/O file to add to the list. For example, if you renamed your JOUR-PO from August to AUGPO, enter AUGPO to add that file to the list.

Continue to enter journals and their corresponding volumes as needed. Press Tab to move the cursor from one field to the next.

- 5 When you finish, press Enter.

### Setting Up the (LS) Screen

Catalog the selectors, INVPOS, INVDET and INVEXC in the (LS) screen so you can print the reports from the (S) Purchase Order Selectors screen.

- 1 In the (LS) screen, select the [C] Change action code.
- 2 In the G/L Location field, enter the location for which to catalog the report. Press Tab until the cursor moves to a blank line.
- 3 There are three reports you can catalog:

<b>INVPOS</b>	Electronic Invoice Posted Report
<b>INVDET</b>	Electronic Invoice Detail Report
<b>INVEXC</b>	Electronic Invoice Exceptions Report

With your cursor on a blank line, type the report's name, INVPOS, for example. See Figure 3.

**Figure 3: The (LS) P/O Standard Reports Screen**

```

15:33:10                (LS) P/O STANDARD REPORTS                05/31/01
=====
ACTION [C] (C=CHANGE, I=INQUIRY)  G/L LOCATION [ 1 ]
=====
SELECT SUBTITLE DESCRIPTION                REPORT TITLE
-----
INVDET ELECTRONIC INVOICE ITEM DETAIL      ELECTRONIC DETAIL REPORT
FR-REC SAR-FURNITURE PO RECEIVE REPORT    P/O RECEIVING REPORT
NPAFAX NPA/NOB FAX P/O FORMAT             NPA/NOB PURCHASE ORDER FAX FORMAT
CROSS
PO-1  OPEN PO'S;SORT;VENDOR;LIMIT;CLASSF  OPEN PO'S NOT ACKNOWLEDGED
PO-7  PO RECEIVED;SORT;PO#;LIMIT;NONE     PO RECEIVED REPORT
REG
DROP
DANC
RUSH
INVPOS
=====
INVPOS ELECTRONIC INVOICES POSTED        CATALOG THIS Y/N ?Y
    
```

- 4 The selector name and title appear at the bottom of the screen with the Catalog This prompt. Type Y or press Enter to catalog the selector.
- 5 The selector name, title, and description appear on the line where you entered the selector name, and the cursor moves to the next blank line so you can specify another selector to catalog.
- 6 Continue this process until you finish cataloging selectors, then press Enter. For example, enter INVDET, then INVEXC. The cursor returns to the action code field.

**Note:** If you do not press Enter when you finish cataloging selectors, your changes are not saved, and the selectors are not cataloged.

- 7 Press Esc twice to return to the Master Menu.

## Setting Up the (L6C) Screen

Before you can telecommunicate with S.P. Richards, you must set up parameters in the (L6C) Sparco Ez-Order Interactive Parameters screen. Contact S.P. Richards for information about the settings in this window.

**Note:** In the (L6C) Screen, you can select to pre-receive the order. To do so, type Y at the Pre-Recv prompt. See Figure 4. The purchase order is automatically pre-received when the acknowledgment prints. This updates the purchase order with the acknowledgment number. When you process the electronic invoice, you can match it to this number.

**Figure 4: The (L6C) Sparco Ez-Order Interactive Parameters Screen**




```

12:54:35          Sparco Ez-Order / Interactive Parameters          09/20/06
=====
Modem Parameters          |          SPARCO Parameters [ 1 ]
-----
Hayes Only ?   Log ?Y   Canadian Dealer ?   |   Ship Code      ?0   Backorders ?N
Prefix      ? 9,          Reliable ?Y       |   SPARCO Subs     ?Y   Print Cost ?Y
Sp/Link      #18004465507   Baud      :19.2   |   Like Item Subs ?N   Pre-Recv  ?Y
Sp/Order     #18006340563   Terminal ?       |   Convert Units  ?N   Prt Shorts ?N
Line #M1 Custom String [          ] |   Ship Partial   ?Y
Block Size #32   File Type ?S   Prefix [          ] |   Print One Order Per Invoice ?N
SPR Direct P/O ?   Inv ?       All Inv ?       |   List on Pick ?   DC on Label ?
Cust Nbr      Cust Id   Printer          |   Multiple D/S ?N   Zip Routing ?Y
 1 [999999950] [TEST2000 ] [P1]         |   Ignore NDS ?N   Alternate Whse ?Y
 2 [999999950] [TEST      ] [ ]           |   ----- Source Complete -----
 3 [          ] [          ] [ ]           |   Allow Y/N/D ?   Method Q/C ?
 4 [          ] [          ] [ ]           |   UPSable Only ?   X UPS Zones ?
Compressed Ack. Format ?Y (Y/N)
-----
Label Options
-----
Option  Tag          Option  Tag          Barcode
 1 [C]   [CUSPO]      5 [2]   [LBLZ2]      [N]
 2 [N]   [CNAME]      6 [R]   [ROUTE]      [N]
 3 [I]   [INVOI]      7 [F]   [FSCPO]      [N]
 4 [1]   [LBLZ1]
=====

```


## Setting Up the Vendor Window

You must set up an S.P. Richards vendor in the Vendor window before you can receive electronic invoices from S.P. Richards.

- 1 From the DDMS Master Menu, double-click  .
- 2 When the Vendor window opens, click  . The cursor moves to the Vendor # box.
- 3 Enter the vendor number from the Acct# box in the Customer window.
- 4 In the Name box, type **S.P. RICHARDS**.
- 5 Click  to save your changes.

## Setting Up the Vendor Electronic Invoice Parameters

You must set up the vendor electronic invoice parameters before using electronic invoicing.


- 1 From the DDMS Master Menu, double-click  .
- 2 In the Vendor # box, enter the vendor number for S.P. Richards. The vendor name displays, and the Code and general ledger boxes are completed.

---

**Notes:** The Code box shows the vendor code for the specified vendor.

The Expense G/L # box shows the specified vendor's G/L account number.

---

- 3 After you retrieve the correct vendor, click  . The Vendor Electronic Invoice Parameters dialog box opens. See Figure 5.
- 4 In the Receivers Code ID box, type **SPARCO**
- 5 In the Allow Auto Post box, type **Y** to automatically post invoices to A/P. Type **N** to disable auto-posting.

---

**Note:** For the following parameters to work, you must specify **Y** in the Allow Auto Post box.

---

- 6 In the A/P Batch box, enter the batch number to which to post S.P. Richards invoices.

If you leave this box blank, the batch number is the Julian date, which is the number of the day in the year, counting from 1 to 365 (366 in a leap year). For example, the Julian date for January 31 is 31, and the Julian date for December 31 is 365, except in a leap year, when the Julian date is 366.

- 7 In the Period box, specify the business period to which to post electronic invoices.

Type **C** to post them in the current business period. Go to **Step 9**.

Type **I** to post them by the invoice date.

Type **P** to post them by the purchase order receiving date.

- 8 In the Cutoff box, specify the last day to post to a previous business period for invoice date or purchase order receiving date. The Cutoff box only applies if you specify **I** or **P** in the Period box.

Invoices up to and including those from the date specified in the Cutoff box are posted. This only works for invoices from the previous month.

Suppose you receive an invoice dated July 29. Today is August 7. If you specify **I** in the Period box and 10 in the Cutoff box, the invoice posts to the prior business period. If today is August 11, the invoice posts to the current business period.

If the Cutoff box is blank, the invoice posts to the prior business period.

- 9 In the G/L Loc box, specify the location to which to post when using auto-posting.

**Figure 5: The Vendor Electronic Invoice Parameters Dialog Box**

Type **P** to post to the location in the JOUR-PO file for purchase order lines. Go to **Step 11**.

Type **M** to post to the location assigned to the terminal from which you are posting (the master location). Go to **Step 11**.

Type **L** to enter the location to which to post.

- 10** In the corresponding Loc box, enter the location to which to post, only if you set the G/L Loc box to L. Otherwise, leave this box blank.

- 11** Use the Match On P/O # box to specify whether to match the invoice by acknowledgment number, to match by P/O, or not to match at all.

Type **Y** to match on the P/O number.

Type **N** to match the invoice on the acknowledgment number but not the P/O number. If you are receiving invoices from a wholesaler, type **N**.

Type **O** to post the invoice without matching at all.

- 12** The Post A/P To Billing Acct # Vendor box lets you post invoices received to an account for S.P. Richards. This account is set up in the Acct # box in the Vendor Master tab. This means you can post invoices to the vendor account number that created the purchase order.

Type **Y** to post invoices to the vendor account that created the P/O.

Type **N** if you are not posting invoices to the vendor account that created the P/O.

---

**Notes:** The vendor's account number on the invoice must match the vendor's account number in the Acct # box in the Vendor Master tab to post this invoice to the proper vendor.

The index is built using the combination of the Vendor # and Acct # boxes in the Vendor Master tab.

---

- 13** Use the Variances:Invoice boxes to specify which invoice total differences to automatically post to A/P.

There are three ways to determine whether an invoice's variance is acceptable or is an exception: by dollar amount, by the percentage of the invoice total, or both. If the invoice total exceeds the acceptable variance, an exception is created for the invoice. The invoice posts according to your response in the corresponding Post box. If the invoice is within the acceptable variance, it posts automatically.

Some price differences between you and the vendor are too small to worry about. However, you should track the larger price differences.

To set an invoice variance:

- 13.1** In the first Invoice box, enter the largest percentage of an invoice total that is an acceptable variance. If the vendor's bill exceeds your expected charge by more than this percentage, an exception is created for this invoice.
- 13.2** In the second Invoice box, enter the highest dollar amount that is an acceptable variance. If the variance is greater than this amount, an exception is created for this invoice.
- 13.3** In the corresponding Post box, specify whether to post invoices with variances.

Type **Y** to post every invoice outside the variance.

Type **N** if you are not posting invoices outside the variance.

Type **U** to post the invoice only if the difference is less than the P/O.

- 14** Using the Variances:Item boxes, you can specify which unit price differences automatically post to A/P.

You can determine whether unit price differences are acceptable or exceptions by dollar amount, by the percentage of the unit price, or both. If the unit price exceeds the acceptable variance, an exception is created. The invoice posts according to your response in the corresponding Post box. If the unit price is within the acceptable variance, the invoice posts automatically.

To set a unit price variance:

- 14.1** In the first Item box, enter the largest percentage of the unit price that is an acceptable variance. If the vendor's unit price exceeds your expected unit price by more than this, an exception is created.
- 14.2** In the second Item box, enter the greatest dollar amount that is an acceptable variance. If the variance is greater than this, an exception is created.
- 14.3** In the corresponding Post box, specify whether to post invoices with variances.

Type **Y** to post every invoice outside the variance.

Type **N** if you are not posting invoices outside the variance.

Type **U** to post invoices only if the difference is less than the P/O.

- 15** Use the Update P/O Cost box to determine whether to update the journal cost in the JOUR-PO file. The cost is only updated if there are no variances specified or if the cost falls within the variances specified.

Type **Y** to update the purchase order cost.

Type **N** if you are not updating the purchase order cost.

- 16** In the Hold Invoices In These Cases: Excessive Qtys box, specify whether to automatically post invoices when the invoice quantity is greater than the received quantity on the P/O.

Type **Y** to automatically hold the invoices when the invoice quantity is greater than the received quantity on the purchase order.

Type **N** to post the invoices even when the invoice quantity is greater than the received quantity on the purchase order.

- 17** In the Hold Invoices In These Cases: Excessive Line Item box, specify whether to automatically post invoices when there is at least one item on the invoice that is not on the purchase order.

Type **Y** to automatically hold the invoices when there are items on the invoice that are not on the purchase order. Invoices post only if the totals on the P/O match the invoice totals.

Type **N** to post the invoices, even if there are items on the invoice that are not on the purchase order. All invoices with totals that match the P/O totals are posted, show up as a Q exception and no aliases are added for mismatched items.


- 18** The Additional Charges: Code box specifies surcharges. For example, there may be charges for wrap-n-label, freight, and small orders. These codes are predefined by the vendor.

In the Code boxes, you can specify up to 10 three-character codes that correspond to charges from the vendor. For example, the vendor may assign freight charges a type code of 400.

The first Code box (blank) is for charges that do not fit in other codes.

The following is a list of the codes and their descriptions to use in the Additional Charges boxes. Enter the code in the Code box and the description information in the Description box.

<b>Code</b>	<b>Description</b>
A	Freight Allowance
T	Sales Tax
H	Handling Charge
F	Freight Charge
O	Other Charge

- 19 In the Additional Charges: G/L # box, specify the general ledger account to which to post this charge. For example, in the Code box, we entered the code of 400 for freight. In this box, enter the G/L# for freight.
- 20 In the Additional Charges: Stop box, specify how to post transactions for each general ledger account.  
Type **Y** to treat the transaction as an exception rather than automatically posting it.  
Type **N** to automatically post the charge.  
Type **E** to automatically post the charge and report the transaction as an exception.
- 21 The Additional Charges: Description box is user-defined. Use this box to enter a description of the type code. Using the previous example, enter **Freight Charge** in the description box.
- 22 When finished, click Exit to return to the Vendor window.
- 23 In the Vendor window, click  to save your changes.

## Building the Indexes

You must build indexes to incorporate the information you added to DDMS. You can only reindex in the text-based Customer screen.

- 1 Build the C-EDI Index.
  - 1.1 In the (A) Customer Master screen, select the [R] Reindex action code.
  - 1.2 Enter your password, if required.
  - 1.3 At the Enter Desired Function prompt, type **C**
  - 1.4 At the Are You Sure prompt, type **Y**
- 2 Build the PO Acknowledgment Index.
  - 2.1 In the (SR) screen, select the [R] Reindex action code.
  - 2.2 In the Reindex field, type **Y**
  - 2.3 In the Purge Purchase Orders From File field, make sure the file name is JOUR-PO. This reindexes your JOUR-PO file. Press Enter.

---

**Note:** If the file name is not JOUR-PO, type JOUR-PO, press Tab and type the correct volume for your JOUR-PO file. Press Enter.

---

  - 2.4 At the Are You Sure prompt, type **Y**
- 3 Build the V-EIP Index.

- 3.1 In the (C) Vendor Master screen, select the [R] Reindex action code.
- 3.2 Enter your password, if required.
- 3.3 At the Are You Sure prompt, type Y.

## Receiving Files from S.P. Richards

Use the (SR) screen to receive and process invoices from Sparco.

- 1 In the (SR) screen, select the [I] Receive Electronic Invoice function.
- 2 In the Who field, type C.
- 3 In the Location field, enter the location from which to receive invoices, or press Enter to accept the default.
- 4 The Printer field contains the default modem name from the (L6C) screen. Press Enter to accept the default.
- 5 In the Copies field, press Enter.
- 6 At the Are You Sure prompt, type Y.
- 7 The (SIC) Sparco Invoice Receive screen appears, as shown in Figure 6. The information in this screen comes from the (L6C) screen. The invoice dates that are available to be received appear in the middle of the screen. (The date of the invoice defaults to the day before the system date.)

To accept the highlighted date, press Enter.

To select a different invoice date, press Tab to highlight the appropriate field, and press Enter.

**Figure 6: The (SIC) Sparco Invoice Receive Screen**

```

17:08:24          (SIC) SPARCO Invoice Receive rev. (06/05/96)          08/14/97
-----
Modem Type ?1    Baud #2400    Reliable ?
Sp/Link Phone    #18001234567
Prefix ?_____

                                     [ ] Download and Process
                                     [ ] Download Only
                                     [ ] Process Only      [_____]

Monday          08/11/1997
Tuesday         08/12/1997
<Wednesday     08/13/1997>
Thursday        08/07/1997
Friday          08/08/1997

-----
Hit <Enter> to Accept Date, <Tab> for next Date, <Esc> to Abort the Program
    
```

- 8 When you select the invoice date, the cursor moves to the Download And Process field. You can download invoices, process invoices, or download and process the invoices. (To go back to the date fields, press Esc.) To select an option, tab to the appropriate field, and type X.

To begin processing invoices immediately, select Download and Process. ECI<sup>2</sup> recommends selecting this option.

To download invoices to your system without processing them, select Download Only.

To process a file previously downloaded, select Process Only.

## Posting Electronic Invoices

Invoices are reconciled and posted through the (QR) screen and exceptions are processed through the Accounts Payable Posting window. For complete instructions for processing electronic invoices, see *Posting Electronic Invoices*, available at [www.ddms.com/support/faq/ecommerce.htm#edi](http://www.ddms.com/support/faq/ecommerce.htm#edi), or refer to your online help.