AR INVOICE DISCOUNT PRODUCTS

Products flagged as ***Discount Products*** can be added to AR Invoices to discount one product, a product subtotal, the entire invoice, or to any combination thereof.

Invoice Discount Products *do not change the price* and have no effect on product cost, therefore they have **no effect on product margins**.

Taxes cannot be discounted, and individual products can be flagged as ***Exclude From Invoice Discounts***.

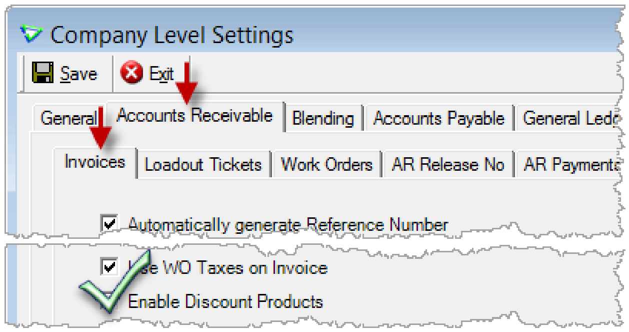
What you'll find:

Last Updated: 2025.04.10

Setup

Company Config Options

Enable Discount Products for invoices must be checked.



File > Config Options > Company / Accounts Receivable / Invoices

Once any discount product has been used, the config option <u>cannot</u> be unchecked until 2 years *after* the last discount product was added to an invoice (deactivate the discount products in the meantime so they cannot be added to any new invoices).

It *should not* be unchecked until all fiscal years with invoice discount products have been closed.

Discount Products

All invoice discount products are **non-inventory** items.
The setup for each type is very similar, with just a different ***Discount Type*** selected.

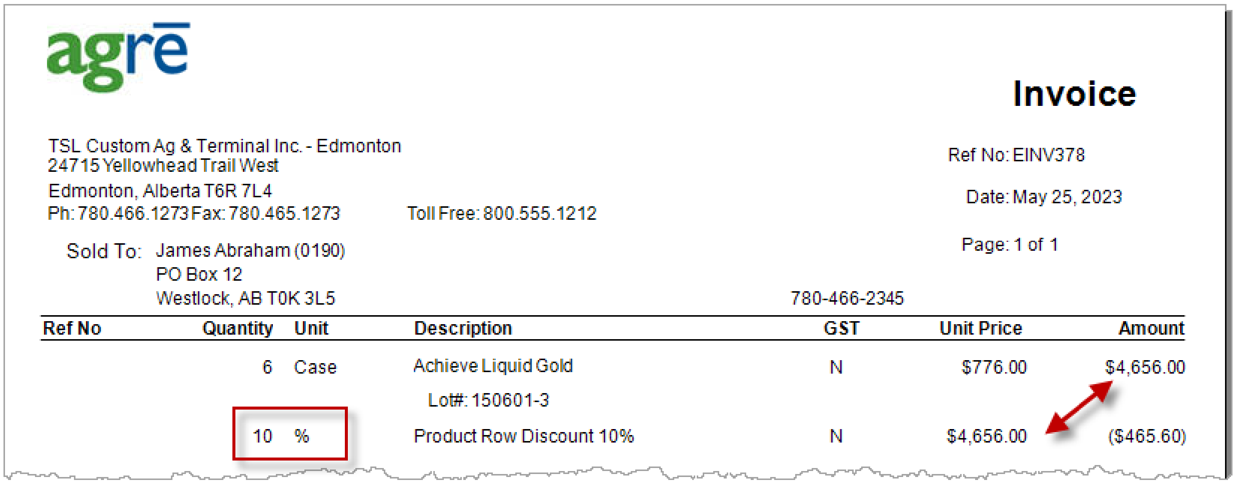
A **default discount percentage** can be specified (which can be changed on each invoice) *or* default percentage can be left blank and entered manually on each invoice.

AR Invoice Discount Product Business Rules

- **Discount** checkbox available for non-inventory products only.
  Once discount product has been used, checkbox is disabled.
- Default **Discount %** is optional, but if entered
  - must be positive
  - cannot exceed 100%
  - is just a default, can be changed on invoice
- **Taxes** and products flagged as **Exclude From Invoice Discounts** are not discounted
- **Product Subtotal** discount product cannot follow a **Product Row** discount product
- Invoice Discount Products cannot be an added to the Additional Products tab

Product Row Discount Products

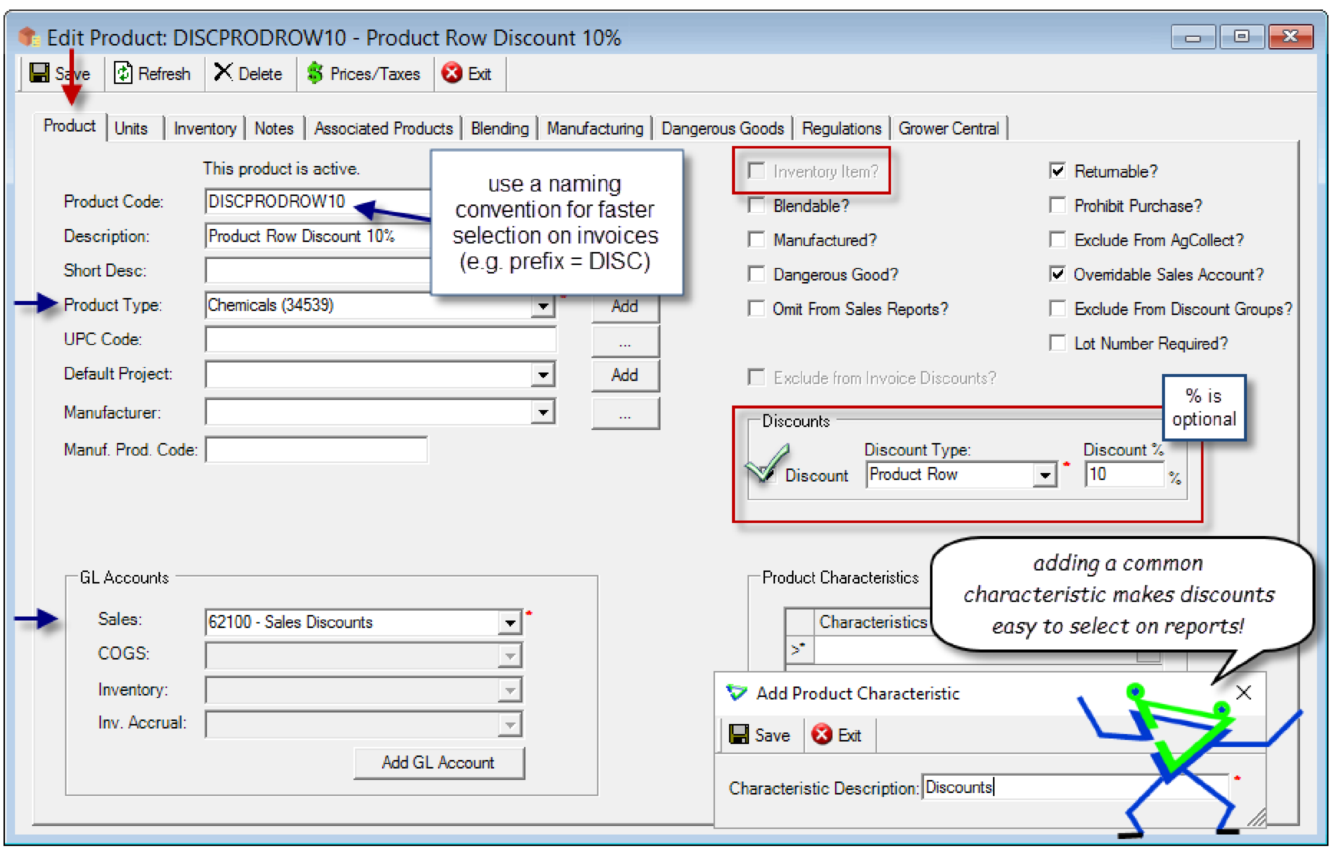
A **Product Row** discount is based on the line total amount of the product row directly above it.



example of a Product Row discount

Discount Product **Unit Price = Amount** of previous product row

On the ***Product tab***



Inventory > Manage > Products

Inventory Item: must be unchecked

Product Code: consider a naming convention that allows you to quickly find and add discount products to invoices

- specific e.g. DISCOUNT10
  - tip: set the **Discount % to 10** so a 10% discount is calculated by default (shown above)
- generic e.g. DISCOUNT
  - tip: leave the **Discount % blank** and agrē will default to 0% so you can set it to the percentage applicable to each invoice (with a popup reminder on save if you forget to change it)

Description: appears on the invoice

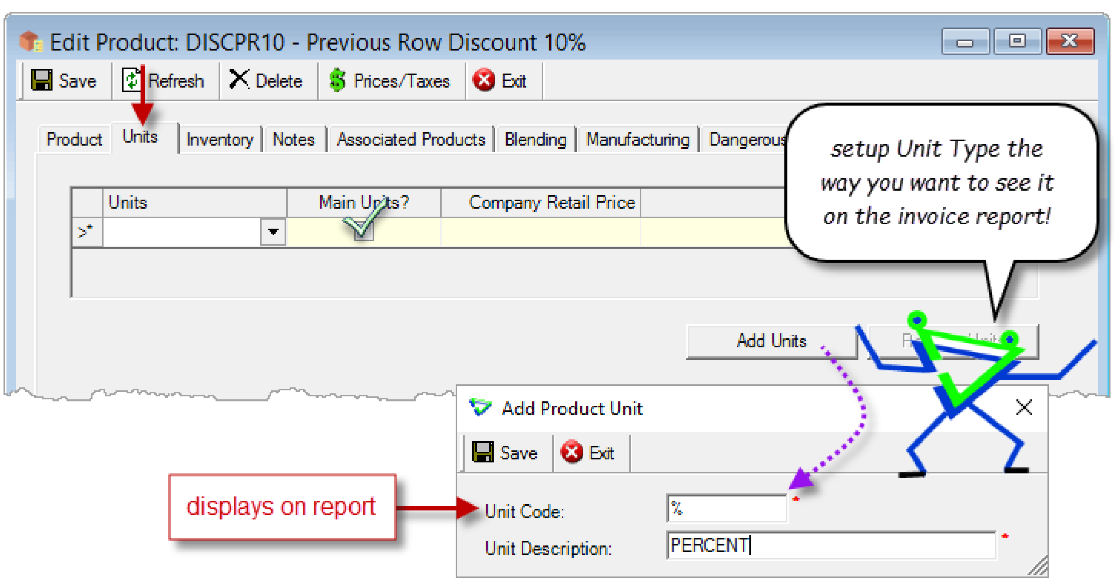
Product Type: can be a regular product type, or a separate Discounts product type; think about how you currently run reports by product type and where you want discounts to fit in

Sales GL: discounts can be recorded as an **Expense** (6-9 account), an increase to **COGS** (5 account), or as negative **Revenue** (4 accounts); your accountant may have a preference

Discounts: box must be checked; select **Product Row** from ***Discount Type*** drop down; optionally enter a **default %** (can be changed on each invoice if needed)

Characteristics: (optional) adding a common characteristic to all your discount products gives you another way of filtering report results

On the ***Units tab:***



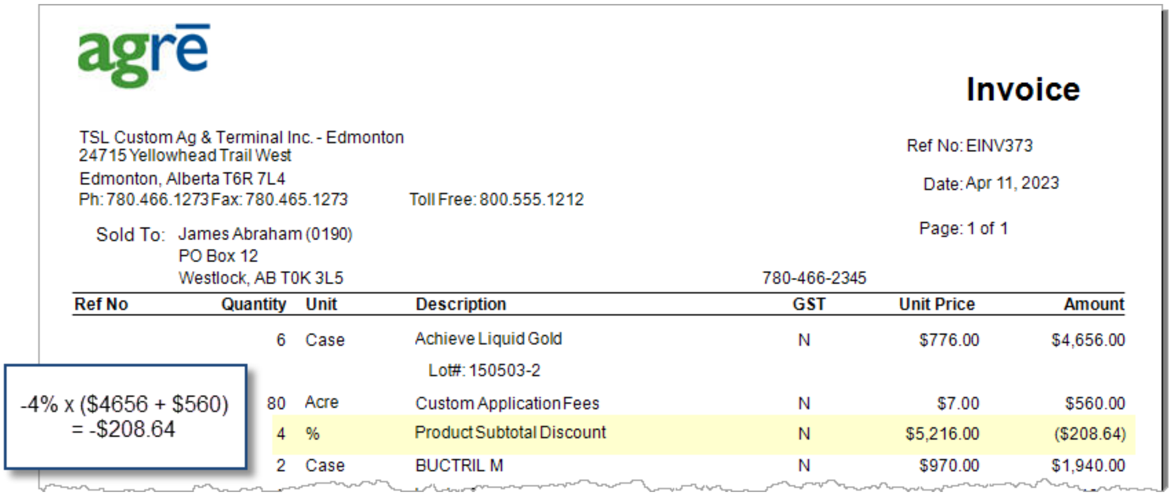
Inventory > Manage > Products

Units: select the unit type that is setup the same way you want to see it displayed on the invoice report

Company Retail Price: ignored, can be left blank

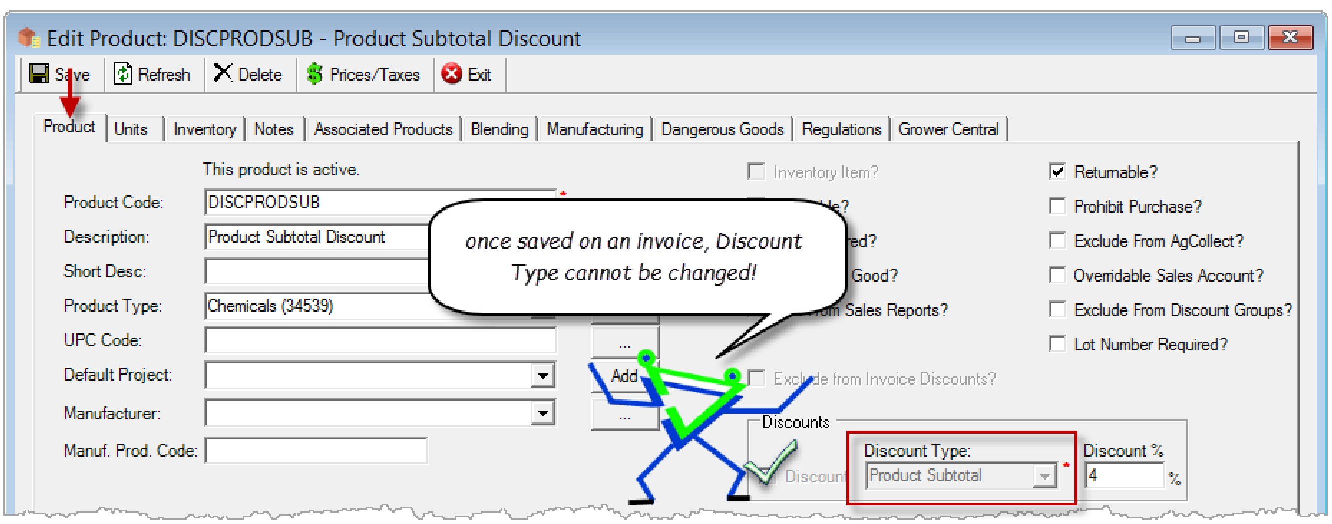
Product Subtotal Discount Products

Product Subtotal discount products are based on the line total amount of all product rows above it (up to another discount row).



example of a Product Subtotal discount on the 2 products above it

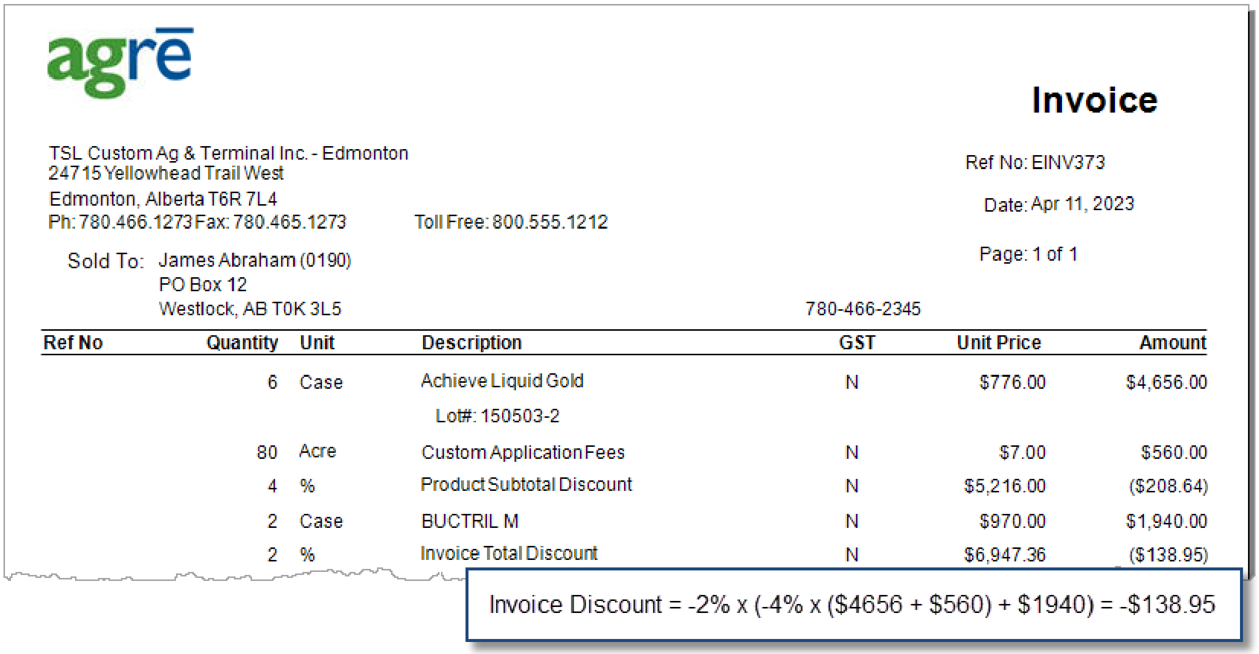
Setup the same as for Product Row, but on the ***Products tab*** select **Product Subtotal** as the ***Discount Type***



Inventory > Manage > Products

Invoice Total Discount Products

Invoice Total discount products are based on the *discounted* line total Amounts of all product rows on the invoice.



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Invoice

TSL Custom Ag & Terminal Inc. - Edmonton
24715 Yellowhead Trail West
Edmonton, Alberta T6R 7L4
Ph: 780.466.1273 Fax: 780.465.1273 Toll Free: 800.555.1212

Ref No: EINV373
Date: Apr 11, 2023
Page: 1 of 1

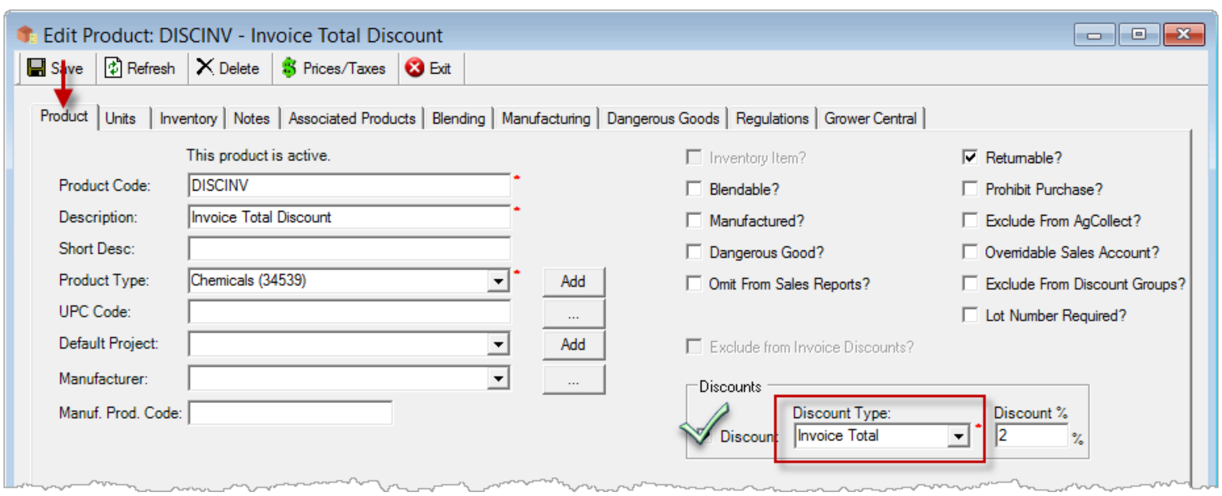
Sold To: James Abraham (0190)
PO Box 12
Westlock, AB T0K 3L5
780-466-2345

Ref No	Quantity	Unit	Description	GST	Unit Price	Amount
	6	Case	Achieve Liquid Gold	N	$776.00	$4,656.00
			Lot#: 150503-2			
	80	Acre	Custom Application Fees	N	$7.00	$560.00
	4	%	Product Subtotal Discount	N	$5,216.00	($208.64)
	2	Case	BUCTRIL M	N	$970.00	$1,940.00
	2	%	Invoice Total Discount	N	$6,947.36	($138.95)

Invoice Discount = -2% x (-4% x ($4656 + $560) + $1940) = -$138.95

example of a 4% Product Subtotal discount on 2 products combined
with a 2% Invoice Total discount on all

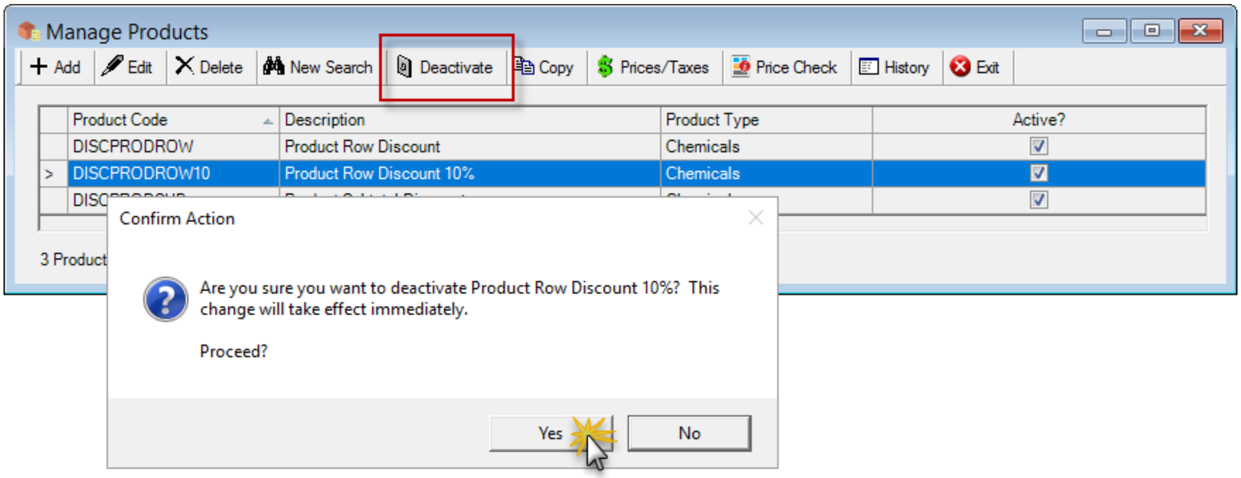
Same as for Product Row, but on the ***Products tab*** select **Invoice Total** as the ***Discount Type***



Inventory > Manage > Products

Deactivating Discount Products

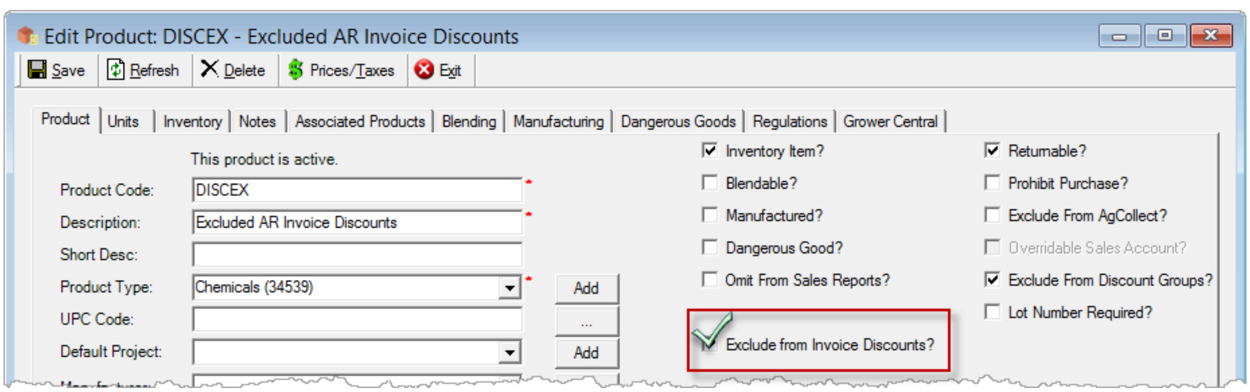
Deactivate discount products that are no longer in use.
Deactivated discounts cannot be *added* to transactions.
Ones already on *existing* transactions will not be affected but cannot be edited.



Inventory > Manage > Products

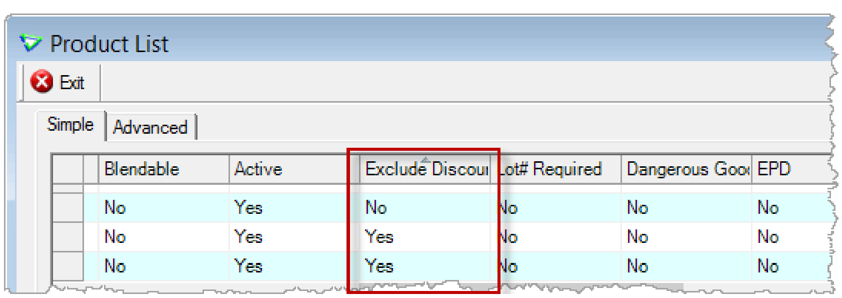
Products That Should NOT Be Discounted

If you have products that are *never* eligible for AR Invoice Discounts (like a container deposit), flag them as ***Exclude From Invoice Discounts***.



Inventory > Manage > Products

The Inventory **Product List** data export identifies which products are flagged as excluded.



File > Exports > Data

Adding Discount Products to Invoices

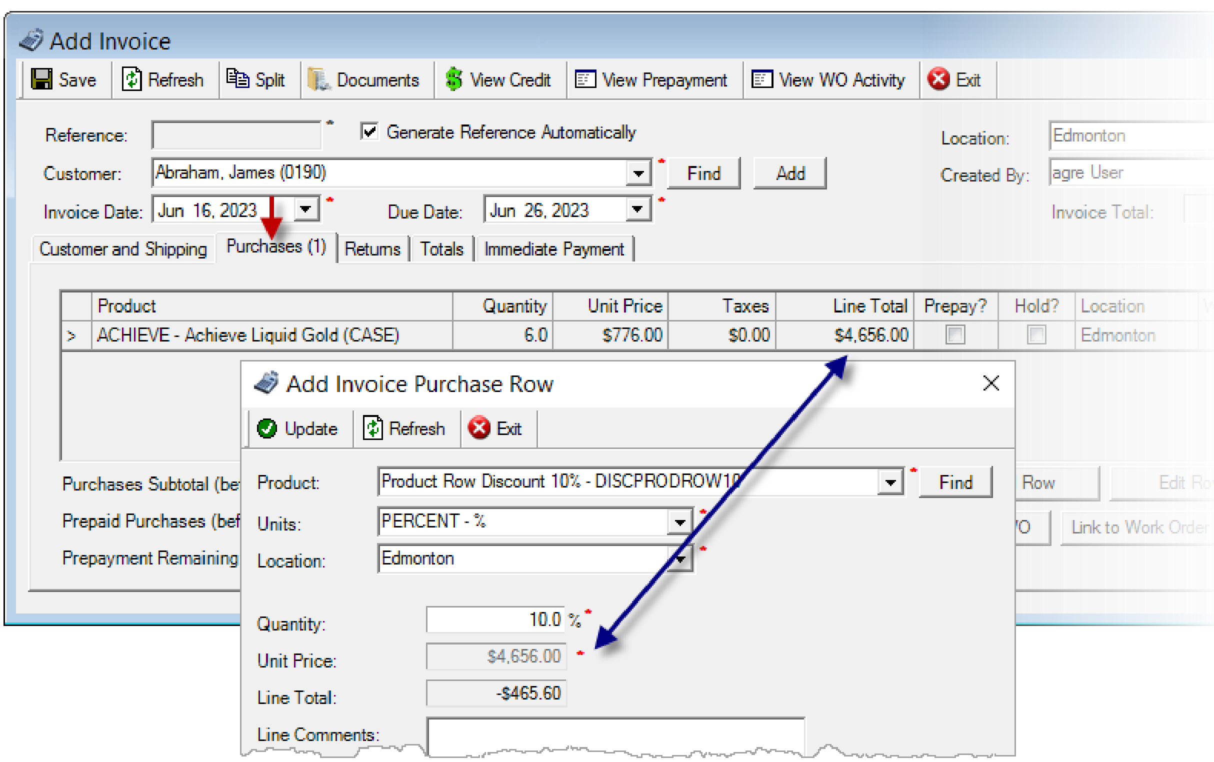
- Add or Edit an invoice.
-
- Add or Import the product(s) to be discounted.

Adding Product Row Discount Products:

Purchases Tab

- The **Quantity** defaults to the % on the Product tab (can be changed)
- The **Unit Price** defaults to the line total from the product row above and cannot be changed
- The **Line Total** (discount amount) is calculated and cannot be changed

  = **Quantity % / 100 * Unit Price * -1**



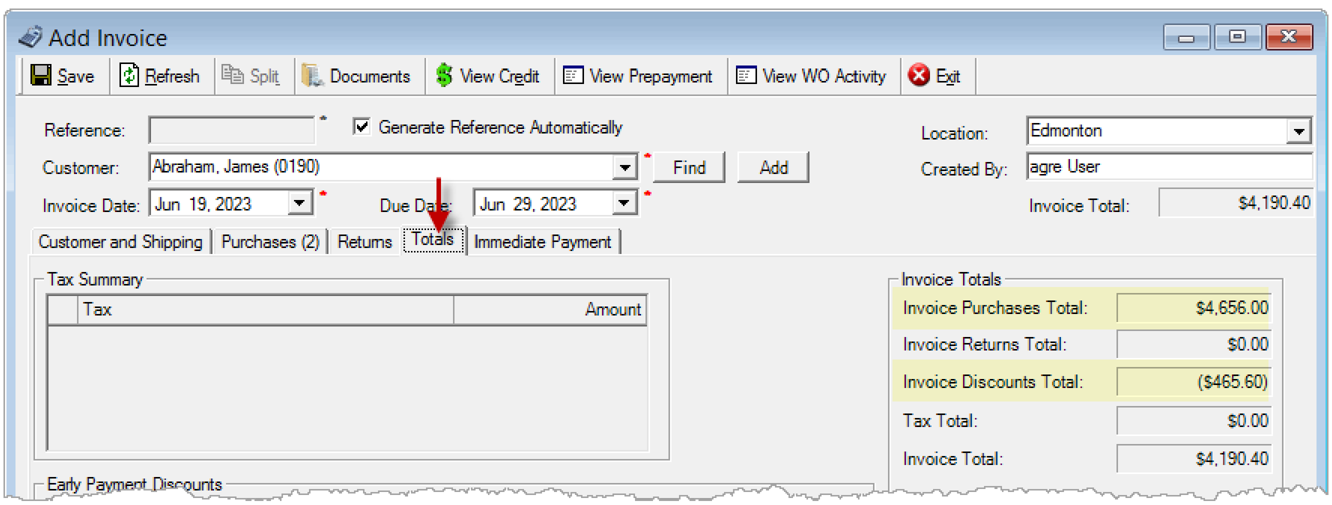
Accounts Receivable > Invoices / Add Product

What happens when a Discount Product is selected?

- **Quantity on Hand**, Details, **Bill and Hold**, **Prepay**, **Pricing** are hidden
- **Quantity** defaults to Product Discount % (if null, defaults to 0% and must be changed)
- Quantity % cannot **exceed** 100
- **Unit Price** defaults to the Line Total of last product row (without taxes) and is not editable
- **Row Sorting buttons** are **disabled**
- **Split invoice button** is **disabled**

Totals Tab

- the **Totals tab** displays the purchases, returns, and discounts

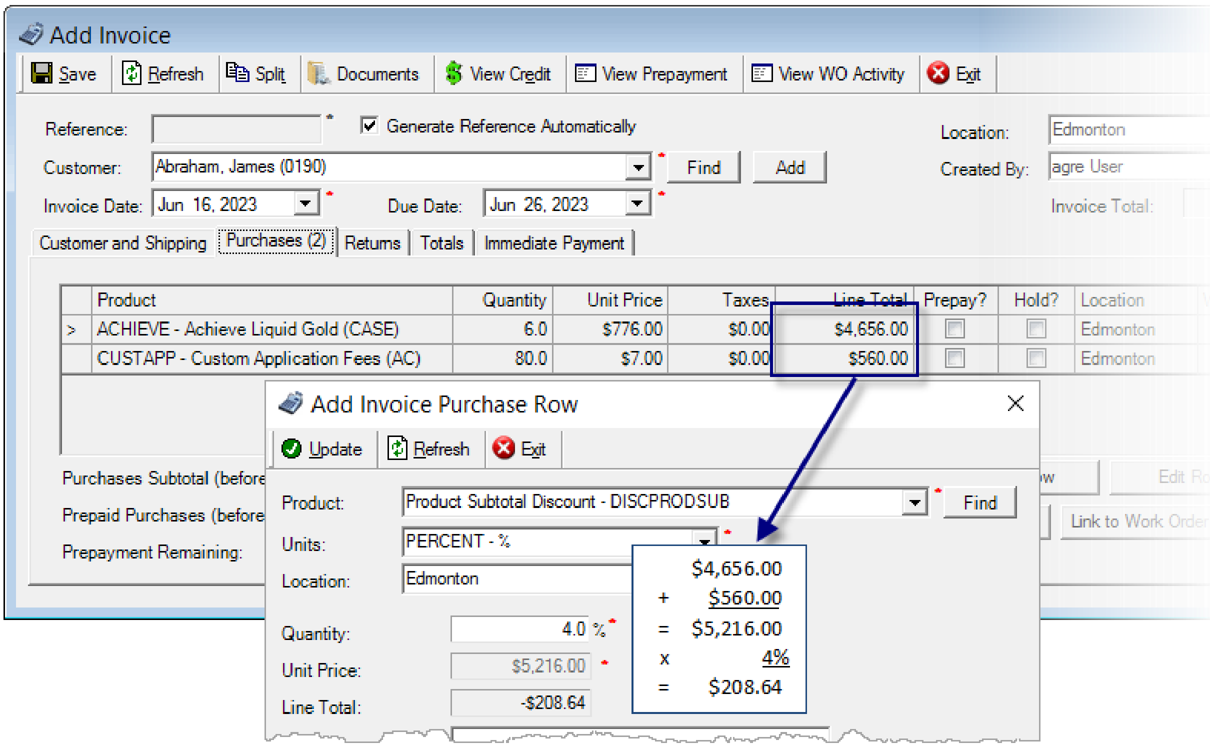


- Save and preview the invoice

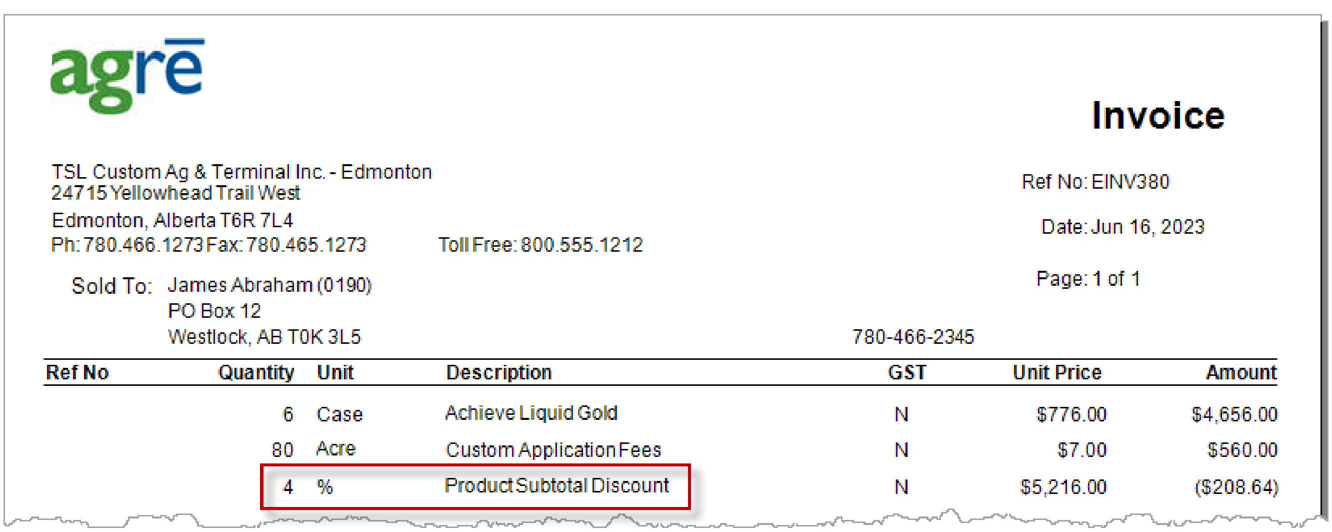
invoice with a Product Row discount

Adding Product Subtotal Discount Products

- The **Quantity** defaults to the % on the Product tab (can be changed).
- The **Unit Price** defaults to the subtotal of the product rows above (up to a previous discount row) and cannot be changed.
- The **Line Total** (discount amount) is calculated and cannot be changed.



Accounts Receivable > Invoices / Add Product



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Invoice

TSL Custom Ag & Terminal Inc. - Edmonton
24715 Yellowhead Trail West
Edmonton, Alberta T6R 7L4
Ph: 780.466.1273 Fax: 780.465.1273 Toll Free: 800.555.1212

Ref No: EINV380
Date: Jun 16, 2023
Page: 1 of 1

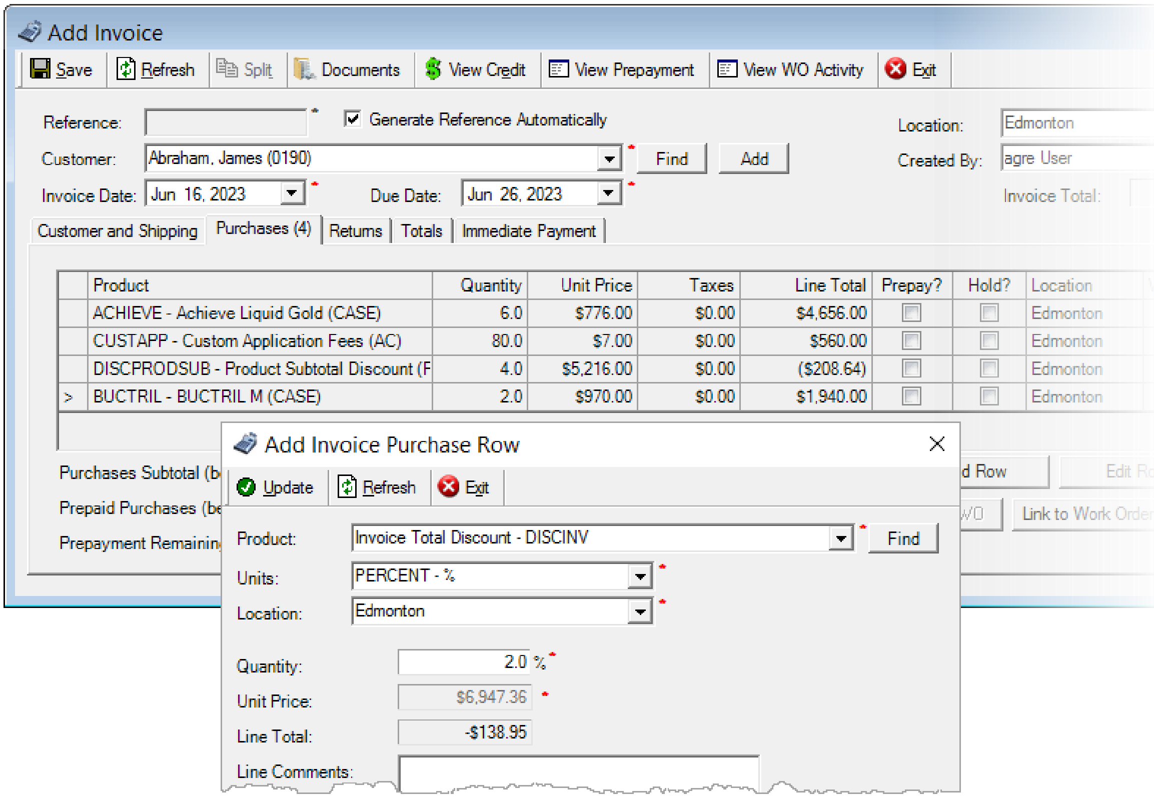
Sold To: James Abraham (0190)
PO Box 12
Westlock, AB T0K 3L5
780-466-2345

Ref No	Quantity	Unit	Description	GST	Unit Price	Amount
	6	Case	Achieve Liquid Gold	N	$776.00	$4,656.00
	80	Acre	Custom Application Fees	N	$7.00	$560.00
	4	%	Product Subtotal Discount	N	$5,216.00	($208.64)

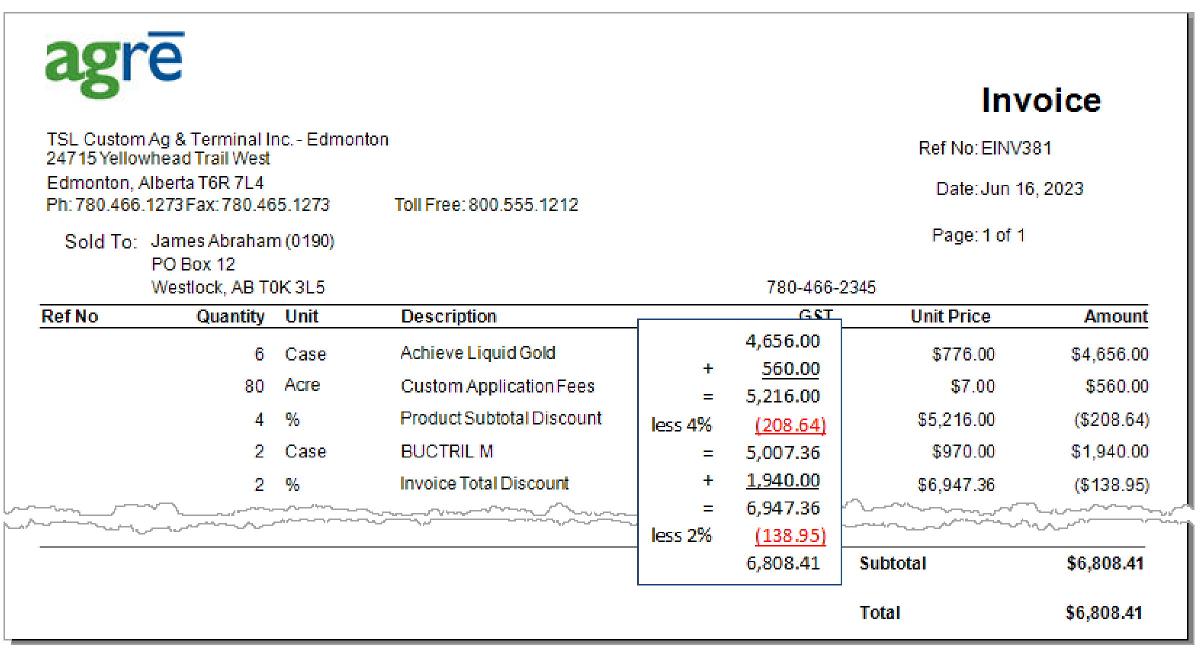
invoice with a Product Subtotal discount

Adding Invoice Total Discount Products

- The **Quantity** defaults to the % on the Product tab (can be changed).
- The **Unit Price** defaults to the subtotal of all product rows and cannot be changed.
- The **Line Total** (discount amount) is calculated and cannot be changed.



Accounts Receivable > Invoices / Add Product



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Invoice

TSL Custom Ag & Terminal Inc. - Edmonton
24715 Yellowhead Trail West
Edmonton, Alberta T6R 7L4
Ph: 780.466.1273 Fax: 780.465.1273 Toll Free: 800.555.1212

Ref No: EINV381
Date: Jun 16, 2023
Page: 1 of 1

Sold To: James Abraham (0190)
PO Box 12
Westlock, AB T0K 3L5
780-466-2345

Ref No	Quantity	Unit	Description	GST	Unit Price	Amount
	6	Case	Achieve Liquid Gold		$776.00	$4,656.00
	80	Acre	Custom Application Fees		$7.00	$560.00
	4	%	Product Subtotal Discount		$5,216.00	($208.64)
	2	Case	BUCTRIL M		$970.00	$1,940.00
	2	%	Invoice Total Discount		$6,947.36	($138.95)

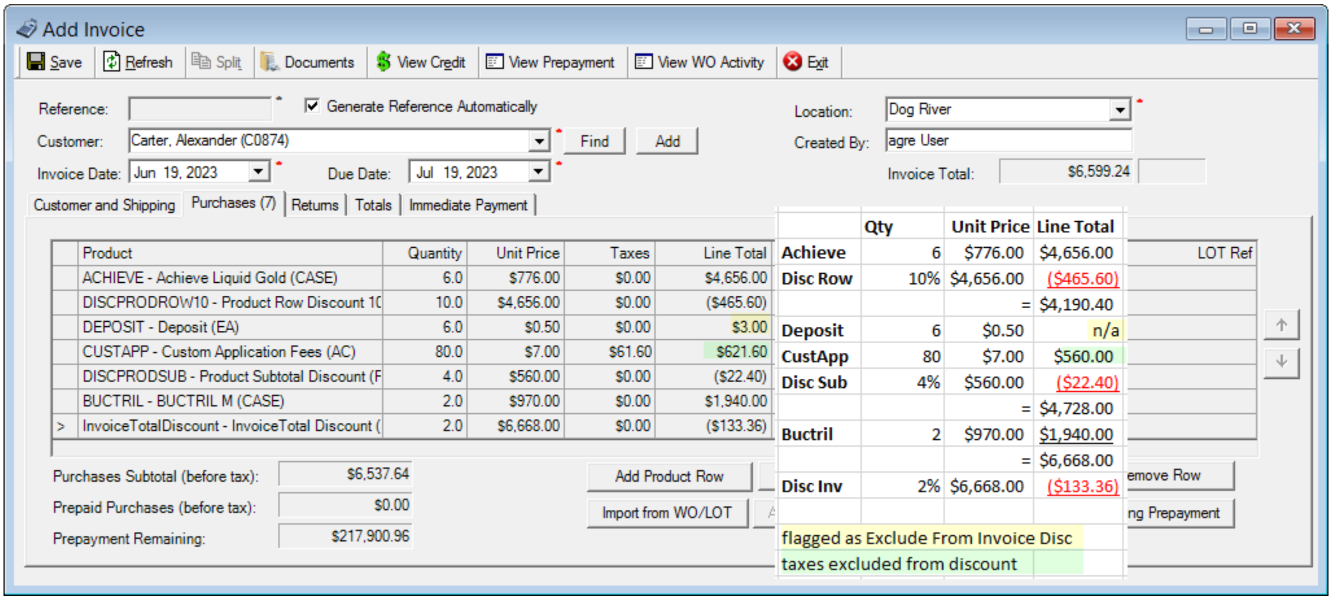
	4,656.00
+	560.00
=	5,216.00
less 4%	(208.64)
=	5,007.36
+	1,940.00
=	6,947.36
less 2%	(138.95)
	6,808.41

Subtotal **$6,808.41**

Total **$6,808.41**

example of Product Subtotal discount + Invoice Total discount

Invoice Total discounts can be used in conjunction with Product Row and Product Subtotal discounts.



example of Product Row discount + Subtotal discount + Invoice discount

What about returns?

Discount Products must be **'returned' manually** even if using the Return Invoice Process.

- e.g. purchase of **6 cases** qualifies for a **10% discount**
- customer purchases 6 cases and receives the discount
- customer later **returns 1 case**
    - does the customer have to return 1/6th of the discount?
    - does the return of 1 case require the return of the entire discount?
    - maybe it depends?
- intervention is needed from you (the smart human) to determine how much, if any, of the discount must be deducted
- if the discount must be ‘returned’ in part or in full, add the discount product manually to invoice returns tab
- discount is subtracted from the amount returned