

Statement Payment Remittance & Sales Volume Discounts

Accounts Receivable Operations

How to set up, calculate, and apply Payment Remittance and Sales Volume discounts in Evolution.

This guide explains how **Payment Remittance Discounts** and **Sales Volume Discounts** work in *Evolution* — how to set them up, how they are calculated during statement processing, and how to apply or remove them during payment entry.

Overview

Payment Remittance Discounts are calculated on the customer's Current Month INVOICE BALANCE (the amount of balance due in the CURRENT period for this customer at statement time).

Sales Volume Discounts are calculated on the customer's Current Month INVOICE NET TOTAL (total current sales for this customer at statement time).

Neither **Payment Remittance Discounts** nor **Sales Volume Discounts** should be confused with **Invoice Discounts**, which allow a specific percent discount to be set by account so that any invoice for the account automatically has that discount applied. This document specifically covers **Payment Remittance Discounts** and **Sales Volume Discounts**.

Payment Remittance Discounts (PRD) and **Sales Volume Discounts** (SVD) work essentially the same way in the system: they are calculated when statements are generated, they depend on the payment being made by a certain date, and they have no impact on accounts receivable until they are applied to invoices by the payment-entry operator.

Rules for Payment Remittance and Sales Volume Discounts

1. Both **PRDs** and **SVDs** may be used simultaneously in the system, with some accounts associated with one type and some accounts associated with the other.
2. Any given account may be associated with **either** a **PRD** or an **SVD** code, not both.
3. For accounts associated with these discounts, the **PRD** or **SVD** amounts are calculated and stored at Statement Processing time.
4. No payment records are created during statement processing for these discounts. They are created when the discount is actually applied from the Payment Entry form.
5. When balances are rolled, the **PRD/SVD** information is stored for the active accounting period.
6. The Payment Entry form uses this stored information to display the appropriate available-discount information to the end user.

7. If a calculated **PRD/SVD** exists for an account, the user may create a payment and must click the **Distribute Oldest to Newest** button to apply the discount amount. The discount functionality is invoked ONLY when the user clicks **Distribute Oldest to Newest**.
8. **SVD/PRD** payments are treated like any other payment — they can be Unapplied and Deleted.
9. If you plan to use **SVD/PRD** payments, ensure everything is defined before attempting to apply payments and use the discounts.
10. For accounts that are a sub-account of a Bill To account, the exact same **SVD** assigned to the Bill To account MUST also be assigned to all sub-accounts for their sales to be counted.
 - o This allows a payment to be posted without using the discount — for example, if the payment is not made in full.
 - o If the operator does use the discount, the system applies the discount amount first to pay off invoice balances, then uses the entered payment to pay off the remaining invoices.

Setting Up Sales Volume & Payment Remittance Discounts

To use just ONE type of A/R discount in *Evolution*, follow the setup instructions for either the **PRD** or the **SVD**, then follow the instructions to set up accounts.

To use BOTH types of discounts simultaneously in *Evolution*, a Department and a Pay Code for each one must be set up.

The Pay Code used by the system will NOT display in Payment Entry to be used manually by an operator. If operators occasionally need to calculate and post discounts manually, a “Payment” type department is also needed that can be associated with a “Payment Discount” Pay Code so it can be used in Payment Entry.

Setting up Payment Remittance Discounts (PRD)

1. Set up a “Payment-AR Discount” department.
 - From the **Products** menu, choose **Departments** to open the Departments form.
 - Navigate to the bottom of the existing departments and click into the asterisk (*) row.
 - Give this department a name in the **Name** column.
 - Choose **Dept Type** “Payment-AR Discount.”
 - Choose a GL Sales account if applicable, and click **Save**.
2. Set up a “Payment Remittance Discount” Payment Code.
 - From the **A/R** menu, choose **Pay Codes** to open the Pay Code Maintenance form.
 - Click **Add**.
 - Check the **Active** flag.
 - In the **Department/Type** column, select the “Payment-AR Discount” department created in Step 1.
 - **Name** — a short name for this code.
 - **Display Order** — not used; this Pay Code will NOT display in Payment Entry, but is used by the system when a calculated discount is applied.

- Select the **Credit** flag for this code.
- Do NOT select the **Require Ck Num...** flag.
- **Pay Date Limit** — not necessary for this code.
- **Description** — “Payment Remittance Discount.”
- Click **Save**.

Note: You may add as many PRD options as needed. There is NO LIMIT to the number of options that may be defined and used.

3. Set up the Payment Remittance Discount.
 - From the **A/R** menu, choose **Pay Discounts** to open the Payment Remittance Discounts form.
 - Add/update records as required:
 - o **Days** — how many days into the new accounting period the discount is valid.
 - o **Ignore Past Due** — tells statement processing to calculate a discount even if the account has a past-due balance.
 - o **Percentage** — the percentage of discount to allow.
 - o **Pay Code** — choose the Pay Code created in Step 2.
 - o **Description** — describe the discount. For example, 2% if paid by the 10th of next month can be “2Net10”; 2% with all month to pay can be “2Net30.”
4. Click **Save**.

Setting up Sales Volume Discounts (SVD)

1. Set up a “Sales Volume Discount” department.
 - From the **Products** menu, choose **Departments** to open the Departments form.
 - At the bottom of the existing Departments form, click into the asterisk (*) row.
 - Give this department a name in the **Name** column.
 - Choose **Dept Type** “Sales Volume Discount.”
 - Choose a GL Sales account if applicable, and click **Save**.
2. Set up a “Sales Volume Discount” Payment Code.
 - From the **A/R** menu, choose **Pay Codes** to open the Pay Code Maintenance form.
 - Click **Add**.
 - Select the **Active** flag.
 - In the **Department/Type** column, select the “Sales Volume Discount” department created in Step 1.
 - **Name** — a short name for this code.
 - **Display Order** — not used; this Pay Code will NOT display in Payment Entry, but is used by the system when a calculated discount is applied.
 - Make sure the **Credit** flag is selected.
 - Do NOT select the **Require Ck Num...** flag.
 - **Pay Date Limit** — not necessary for this code.
 - **Description** — “Sales Volume Discount.”
 - Click **Save**.

3. Set up the Sales Volume Discount(s).
 - From the **A/R** menu, choose **Lab AR Setup** and select the **Statement Volume Discounts** tab.
 - Click **Add Discount**.
 - Select the currency from the **Pick Currency** popup and click **Continue**.
 - Specify the following in the **Volume Discounts** grid:
 - o **Name** — a name you choose for the discount.
 - o **Days** — how many days into the new accounting period the discount is valid.
 - o **Ignore Past Due** — tells statement processing to calculate a discount even if the account has a past-due balance.
 - o **Pay Code** — choose the Pay Code defined in Step 2.
 - o Click **Save**.
 - Add **Volume Discount Detail** as required to create the appropriate tiers. For example, to offer 3% on monthly sales over \$500.00 (with a \$500.00 minimum) and 5% on monthly sales over \$1,000.00, define the following tiers:

Name	Sales Amt.	Discount %
Sales < \$500	\$499.99	0.00
Sales between \$500 - \$1,000	\$999.99	3.00
Sales > \$1,000	\$9,999,999.99	5.00

- Click **Save**.

The screenshot shows the 'AR Location Setup for ABS Dental Lab' window. The 'Statement Volume Discounts' tab is active. The 'Volume Discounts' grid on the left shows two entries: '5% SVD' and 'VIP Discount', both with a 'Days' value of 10 and 'Ignore Past Due' checked. The 'Volume Discount Detail' grid on the right shows three tiers: 'Sales < \$500.00' (0.00%), 'Sales between \$500.00-\$1000.00' (3.00%), and 'Sales over \$1000.00' (5.00%). A red arrow points to the 'Sales over \$1000.00' row. At the bottom, there are 'Add Discount' and 'Save' buttons. A status bar at the bottom indicates 'Data for the selected Volume Discount was Loaded!'.

Applying Discounts to Accounts

1. From the **A/R** menu, choose **Doctor AR Setup** and select the **Pricing** tab.
2. Select a value from either the **Payment Remit Discount** field or the **Volume Discount** field. You CANNOT select both for the same account.
3. Click **Save**.

If the number of days defined for the discount has been exceeded, **Discount Amount Unused** displays \$0.00. In this case, an **Override Disc Days** check box appears just below the discount area. If the user selects it, the number of days is ignored and the unused discount amount becomes available for use.

The screenshot shows the 'Aging Totals' window with the following data:

[Aging Totals]		
USD Balance	\$7,355.72 /	\$7,208.61
USD Value	\$7,355.72 /	\$7,208.61
Unapplied Pay	\$0.00	
Current	\$0.00	
30 days	\$7,355.72	
60 days	\$0.00	
90 days	\$0.00	
120 days	\$0.00	
150+ days	\$0.00	
		Period Invoices
		\$0.00
		Period Payments
		\$0.00
		Pay Remittance Discount
	\$147.11 /	\$0.00

Below the table, there is an 'Apply' button, an 'Override Disc Days' checkbox (which is unchecked), and three radio buttons for '90 Day', '120 Day', and '150+ Day'.

When a valid discount is available, the unpaid-invoices grid displays an extra **Disc \$ Applied** column. This column is not directly editable, but is populated when the user honors an earned discount as described below.

The screenshot shows the 'Unpaid Invoices' grid with the following data:

Case #	Type	Invoice #	Inv Date	First Name	MI	Last Name	Amount	Balance	Payment Amt	Disc \$ Applied	Dr Acct#	D
2017-363	Invoice	2017-326	3/14/2017	Nicky		Barkley	\$502.35	\$502.35	\$0.00	\$0.00	1014	N
2017-470	Invoice	2017-501	3/31/2017	Edward		Haynes	\$66.30	\$66.30	\$0.00	\$0.00	1014	N

Applying a Full Payment with Discount

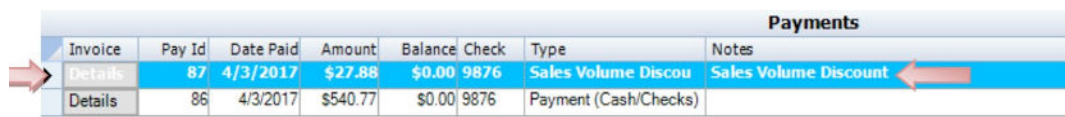
- From the **A/R** menu, choose **Payment Entry** to open the AR Payments form.
- Enter the dollar amount of the payment.
- Complete the **Ck/CC Number** field if applicable.
- Select the appropriate **Pay Code** for the payment.
- Click the **Distribute Oldest to Newest** button.
- When asked "Do you want to apply the Available Discount?" click **Yes**.
- **Distribute Oldest to Newest** MUST be clicked to apply the discount. The system applies the Discount Amount to the oldest invoices, then applies the payment amount to the remaining invoices.
- Click **Apply**.

The screenshot shows the 'Unpaid Invoices' grid after applying a payment with discount. The 'Disc \$ Applied' column now shows values for the first two invoices.

Case #	Type	Invoice #	Inv Date	First Name	MI	Last Name	Amount	Balance	Payment Amt	Disc \$ Applied	Dr Acct#	D
2017-363	Invoice	2017-326	3/14/2017	Nicky		Barkley	\$502.35	\$502.35	\$474.47	\$27.88	1014	N
2017-470	Invoice	2017-501	3/31/2017	Edward		Haynes	\$66.30	\$66.30	\$66.30	\$0.00	1014	N

- A pop up will appear informing the user the payments have been applied to selected

- A pop-up confirms the payments have been applied to the selected invoices. Click **Ok**.
- Open **A/R History** for the account to see payments similar to the following:



Payments							
Invoice	Pay Id	Date Paid	Amount	Balance	Check	Type	Notes
Details	87	4/3/2017	\$27.88	\$0.00	9876	Sales Volume Discou	Sales Volume Discount
Details	86	4/3/2017	\$540.77	\$0.00	9876	Payment (Cash/Checks)	

Applying Payment with Discount after the Applicable Payment Date

- Select the **Override Disc Days** option.
- Enter the dollar amount of the payment.
- Complete the **Ck/CC Number** field if applicable.
- Select the appropriate **Pay Code** for the payment.
- Click the **Distribute Oldest to Newest** button.
- When asked “Do you want to apply the Available Discount?” click **Yes**.
- The system applies the discount and payment amounts as described above.

Not Applying an Eligible Payment Discount

- Enter the dollar amount of the payment.
- Complete the **Ck/CC Number** field if applicable.
- Select the appropriate **Pay Code** for the payment.
- Click the **Distribute Oldest to Newest** button.
- When asked “Do you want to apply the Available Discount?” click **No**.
- The system distributes the payment from oldest to newest invoices as usual.
- Click **Apply**.
- The entry is complete. The Unused Discount Amount continues to display.

Applying a Discount without Entering a Payment

- Enter “0.01” in the **Amount** field (*Evolution* requires a payment amount greater than \$0.00 to process a record).
- Choose any **Pay Code** that lowers the balance. If the **Ck/CC Number** field is required, enter any text.
- Click the **Distribute Oldest to Newest** button.
- When asked “Do you want to apply the Available Discount?” click **Yes**.
- The system applies the discount in the **Disc \$ Applied** field and applies the 0.01 payment to the oldest applicable invoice. Click into the **Payment Amt** field on that invoice and change the applied amount to “0.00.”
- Click **Apply**.
- A discount payment record is created and applied. An **Unapplied Payment** record of \$0.01 is created at the bottom of the form. Select it, right-click, and choose **Delete Payment**.

Un-applying and/or Deleting a Discount Payment

- Unapply a discount payment in **AR History**, the same as any other payment type.
- Delete an unapplied discount payment in **AR History** or **Payment Entry**, the same as any other payment type.

- When an unapplied discount payment is deleted, the system increments the **Discount Amount Unused** so the discount may be honored at a later time.

Additional Information

- If a payment **Amount** is specified, right-click on an invoice line item and the system auto-populates the payment amount. In this case, you will NOT be asked whether you want to apply the discount.
- To cancel an entry, press **Shift + Escape** on the keyboard.
- If an account sends in an exact payment, double-click the right balance on the screen and the system populates the payment **Amount** field for you:

[Payment Info]		[Aging Totals]	
Amount		USD	Remaining Amount
Ck/CC Number*			\$11,823.18
Payment Type	Payment (Cash/Checks)	Credit	Authorize ...
Notes			
		USD Balance \$12,434.54 / \$11,823.18 USD Value \$12,434.54 / \$11,823.18 Unapplied Pay \$0.00 Current \$0.00 30 days \$12,434.54 60 days \$0.00 90 days \$0.00 120 days \$0.00 150+ days \$0.00	
		Period Invoices \$0.00 Period Payments \$0.00 Sales Volume Discount \$611.36 / \$611.36	

[Payment Info]		[Aging Totals]	
Amount	\$11,823.18	USD	Remaining Amount
Ck/CC Number*			\$11,823.18
Payment Type	Payment (Cash/Checks)	Credit	Authorize ...
Notes			
		USD Balance \$12,434.54 / \$11,823.18 USD Value \$12,434.54 / \$11,823.18 Unapplied Pay \$0.00 Current \$0.00 30 days \$12,434.54 60 days \$0.00 90 days \$0.00 120 days \$0.00 150+ days \$0.00	
		Period Invoices \$0.00 Period Payments \$0.00 Sales Volume Discount \$611.36 / \$611.36	

- This also works for non-discount accounts:

[Payment Info]		[Aging Totals]	
Amount		USD	Remaining Amount
Ck/CC Number*			
Payment Type	Payment (Cash/Checks)	Credit	Authorize ...
Notes			
		USD Balance \$2,238.95 / \$2,238.95 USD Value \$2,238.95 / \$2,238.95 Unapplied Pay \$0.00 Current \$0.00 30 days \$2,238.95 60 days \$0.00 90 days \$0.00 120 days \$0.00 150+ days \$0.00	
		Period Invoices \$0.00 Period Payments \$0.00	

[Payment Info]		[Aging Totals]	
Amount	\$2,238.95	USD	Remaining Amount
Ck/CC Number*			\$2,238.95
Payment Type	Payment (Cash/Checks)	Credit	Authorize ...
Notes			
		USD Balance \$2,238.95 / \$2,238.95 USD Value \$2,238.95 / \$2,238.95 Unapplied Pay \$0.00 Current \$0.00 30 days \$2,238.95 60 days \$0.00 90 days \$0.00 120 days \$0.00 150+ days \$0.00	
		Period Invoices \$0.00 Period Payments \$0.00	

Need help?

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