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iQ Retail
INTEGRATED ACCOUNTING SOFTWARE

HANDLING OF ITEMS ON DEPOSIT FOR RETURN

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PREFACE

This is the reference guide for handling of items on deposit for return, for IQ Business & IQ Enterprise software systems.

The document will aid in understanding and configuration of the handling of items on deposit for return, for it to function correctly.

Although every effort has been made to keep this document up to date, some of the screen examples may not be 100% the same as the ones reflected in previous versions of IQ Enterprise & IQ Business. This is due to the continuous development and improvement of IQ Enterprise & IQ Business.

Unfortunately, there will be a discrepancy from time to time. We do apologize for the inconvenience that it may cause.

Should you feel that the handling of items on deposit for return document is inadequate or requires further explanation or more and better examples, please feel free to email us.

We would love to have some feedback to improve the handling of items on deposit for return document in some way or another.

Regards,

IQ Retail (PTY) LTD

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INTRODUCTION

This document is prepared to explain the handling of items on deposit for return in the IQ Enterprise and IQ Business systems. In other words, this document explains how to handle and keep track of empty containers, that are refunded on their return.

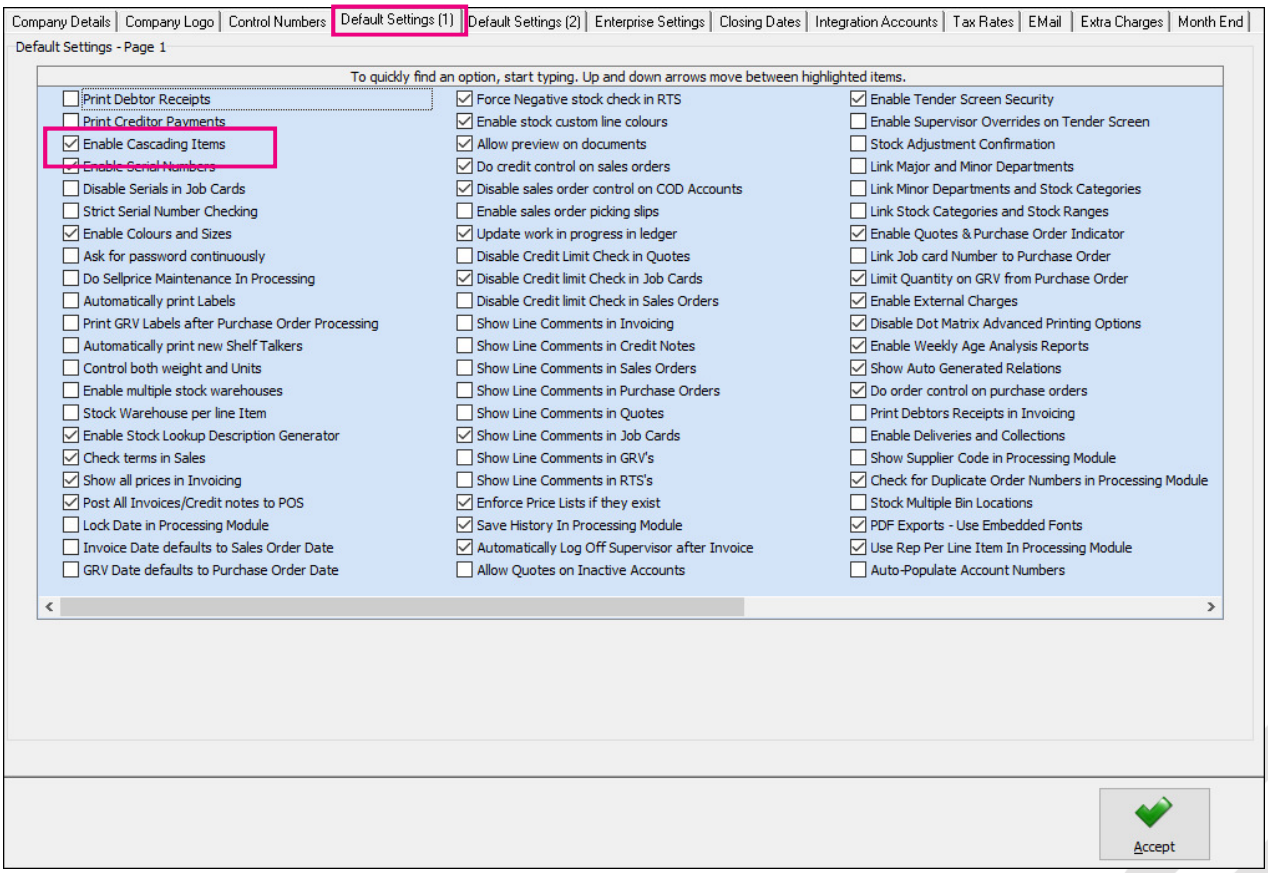
SETUP

For the IQ Enterprise & IQ Business systems to handle single, packs and cases of the same item, cascading items must be enabled in Default Settings (1) in Company Details. A few items also must be created in Stock Maintenance.

DEFAULT SETTINGS (1)

From the IQ main menu → Utilities → Setup → Company Details → Default Settings (1) tab and tick the option "Enable Cascading items" and Click on the Accept button at the bottom of the screen to save the setting.

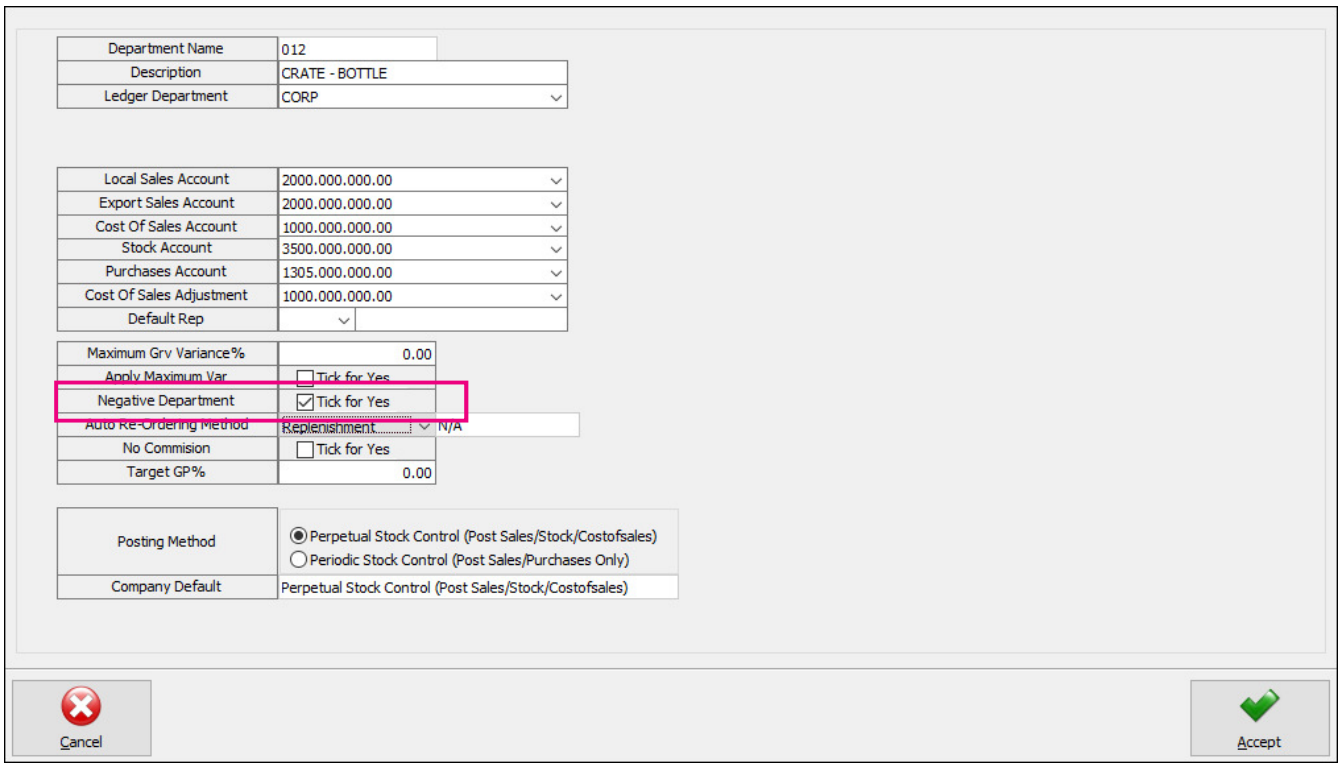
Enabling cascading Items, enables you to link Sub items (bulk item) to report to Main Items (usually singles) i.e. One Case of 24 Cokes reports to a single can of Coke.



MODULE PARAMETERS

You must set up a negative department, which can be used for the processing of empties, returns or item deposits.

To set up a Negative Department, from the IQ main menu → Utilities → Setup → Module Parameters → Stock Tab → Major Departments. Create the department as normal, but remember to enable the option for by ticking the box.



Stock items linked to a negative department (module parameters) have a reversed effect of the transaction on the stock and ledger accounts. It is used to keep track of empty containers that are refunded on their return.

Example: Processing empties, returns or item deposits, is to enter the quantity of the crate for the negative item when invoicing a case of cold drinks and the client returns an empty crate.

The empty crate would be entered on the invoice as a positive quantity (using the negative item code) and the case of cold drinks would be entered as per normal. The system displays the quantity as negative on the screen and on the slip. When the invoice is processed, the system will increase the On-Hand quantity for the empty crate received and reduce the cold drinks.

Tax Invoice			
Till 1 Sale # 147	14:12:05		11/04/2018
Code	Description	Qty	Total
COK002	COKE CASE (	1	500.00
EMC006	EMPTY CRAT	-1	-20.00
Vat Included			62.61
Subtotal			**480.00**

STOCK MAINTENANCE

The system caters for multi relational products, when an item is purchased in bulk and then broken into separate packs or sub-items that are sold as individual products. The On-Hand quantity and all the transactions on the cascading items will only reflect on the Main Item.

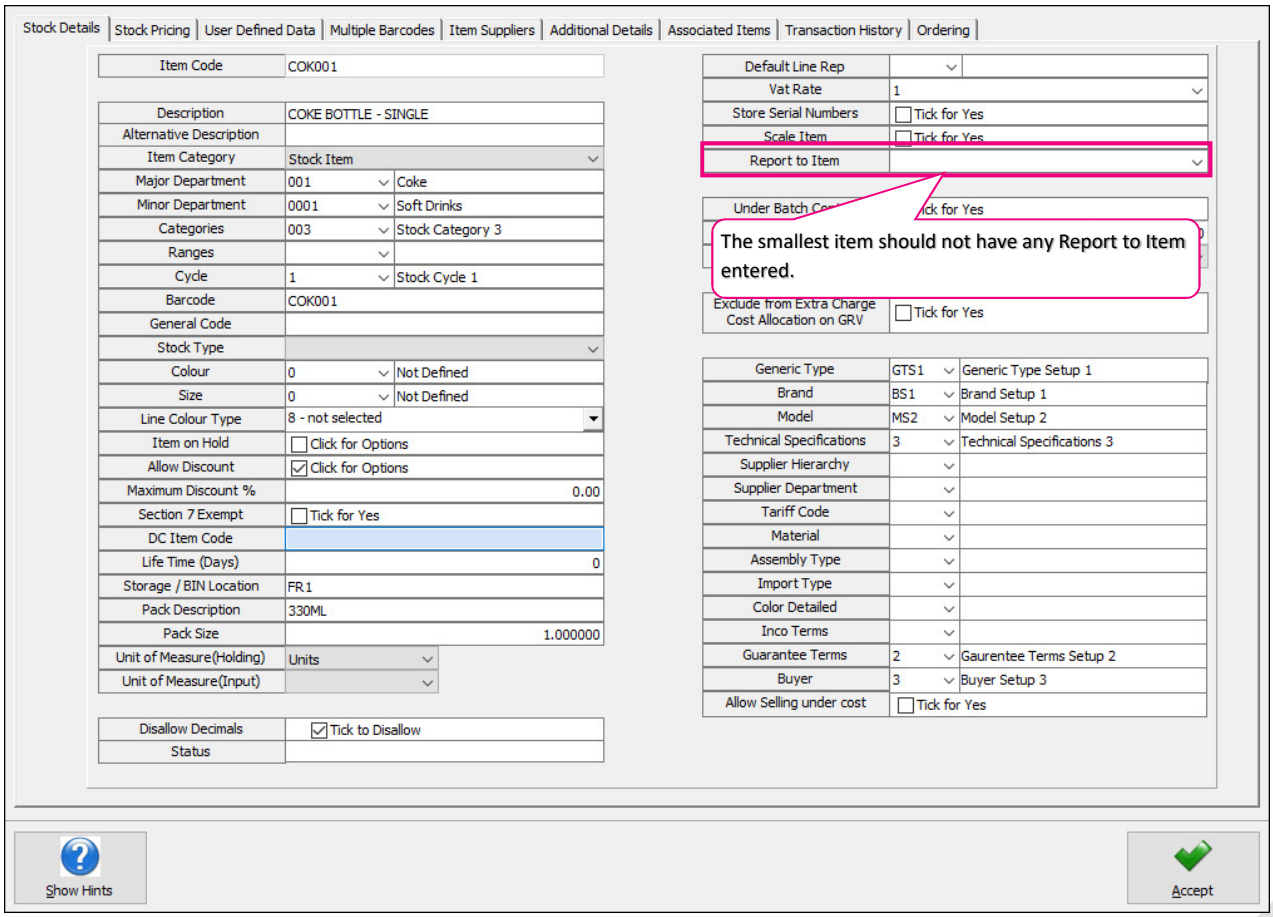
Stock items can be associated with other stock items, to be automatically processed if the main item is processed. For example, if a case of cold drinks is sold, the system will automatically add the crate to the document.

To explain the whole process, the following stock items were created in Stock Maintenance:

Code	Description	Barcode	Main Supplier	Supplier Code	Dept	Bin	PackSize	ORD_LVL	ORD_QU
COK001	COKE BOTTLE - SINGLE	COK001	ABC001	C1	001	FR1	1	520.0000	48.00
COK002	COKE BOTTLE - CASE	COK002			001	FR1	24	0.0000	0.00
COK003	COKE BOTTLE 330ML - 6PACK				001	FR1	6	0.0000	0.00
COKE001	COKE CAN 330ML	COKE001	STAR001		001		0	0.0000	0.00
CRA001	CRATE (Associated Item)	CRA001			001		0	0.0000	0.00
EMC006	EMPTY CRATE (BOTTLES)	EMC006			012		0	0.0000	0.00

MAIN ITEM

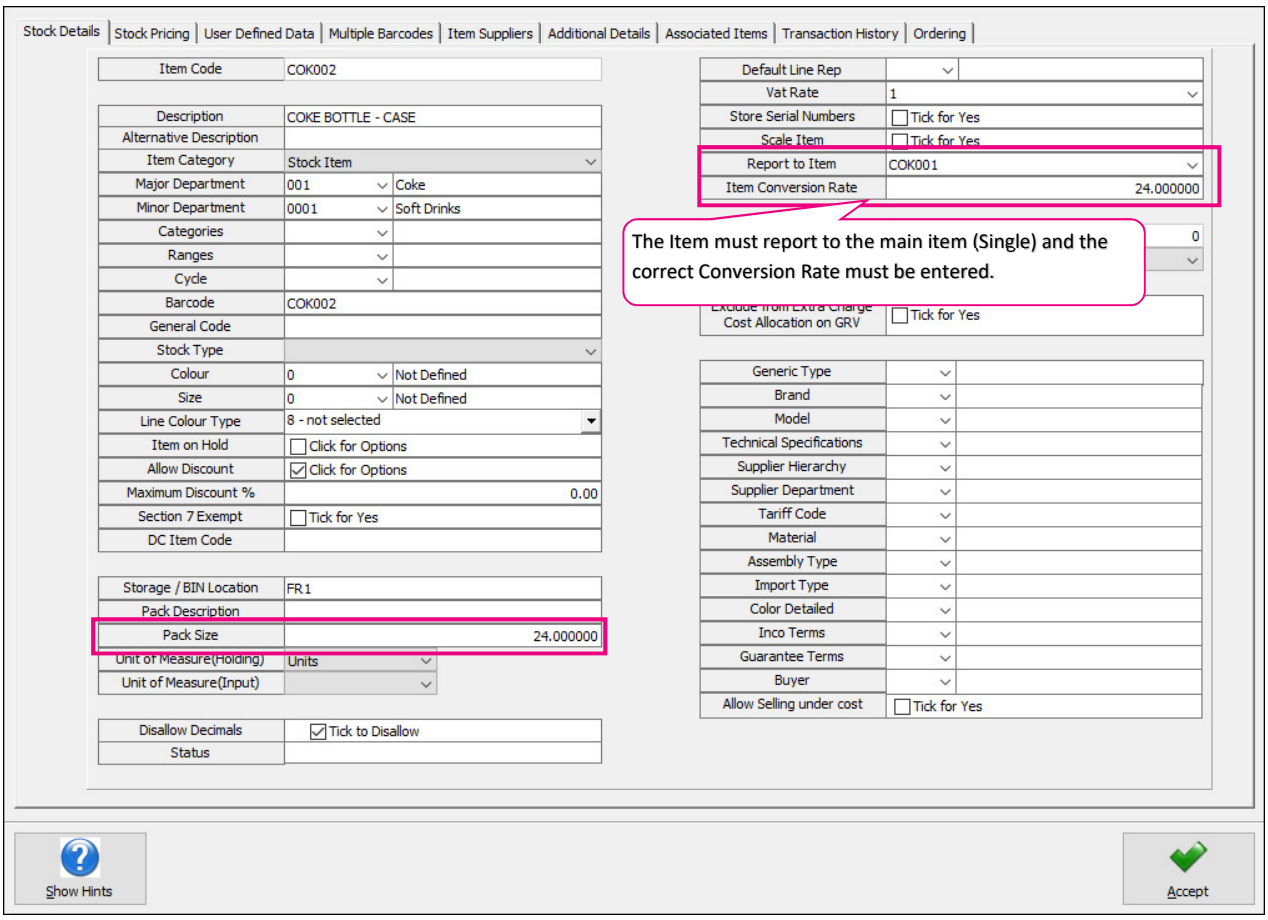
The single item is usually setup as the Main Item, which is linked to the bulk items as the sub-items.



NOTE: Please remember to make sure that the smallest item (single Coke) does not have any information entered in the Report To Item field.

SUB-ITEM

The conversion rate is very important when using cascading items. To determine the conversion rate to use when using cascading items, is calculated as follows: The item with the biggest pack size: Coke Case = 24, divide that by the item with the smallest pack size: Coke Single. The result is 24, thus will the conversion rate be 24 for the Coke Case.



The same can be done for the 6 Pack of Coke. The convertion rate on the 6 Pack will however be 6 and the main item is still the Single Coke.

NOTE: An item can only be cascaded if the item has a zero (0) On Hand. If the item does have stock On-Hand, a stock adjustment must first be done, to zero the On-Hand. Only after the On-Hand has been zeroed, can the item be cascaded.

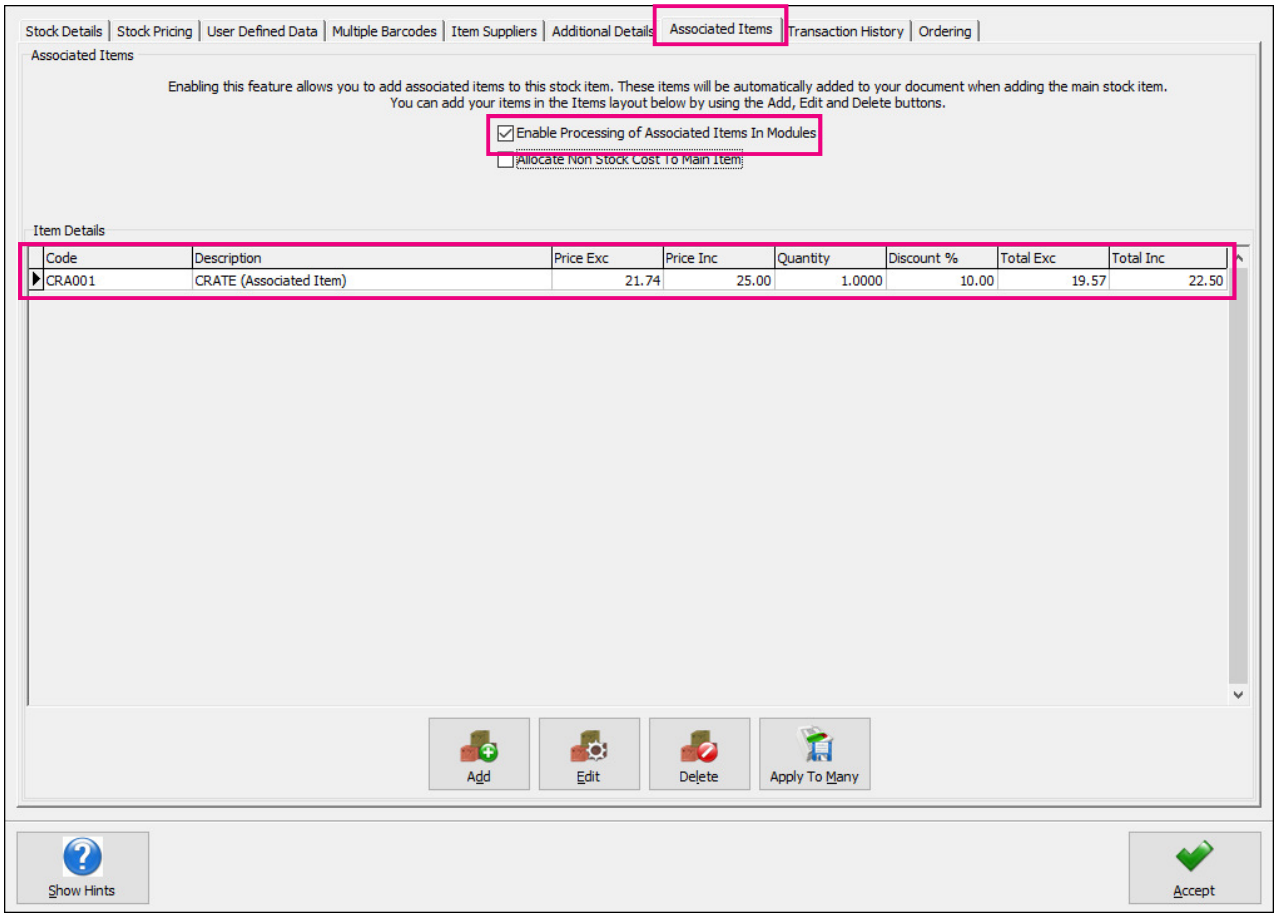
ASSOCIATED ITEM

To associate one item with another, there is an additional tab on Stock Maintenance named “Associated Items”. This section of stock Maintenance allows you to link one stock item to another (excluding linking of an item to itself). You can specify the price (either Inclusive / Exclusive), Quantity and Line Discount for the item. The associated items feature can be enabled / disabled per stock item and for each of the various processing modules. For example: this allows you to make use of Associated Items during GRV’s and Invoices, and to disable the feature for all the other modules.

The effect of using associated items, is when ringing up the main item (to which other items have been linked), the linked items will automatically be added to the document.

NOTE: The quantity entered on the linked item (in the Stock Association Section of Stock Maintenance) will be multiplied to the quantity of the main item that has been rung up on the document.

EXAMPLE: Edit the Case of Coke (Item COK002) → select the Associated Items Tab. Enable the Processing modules where the Association should be allowed → add the Association Item (the Crate).



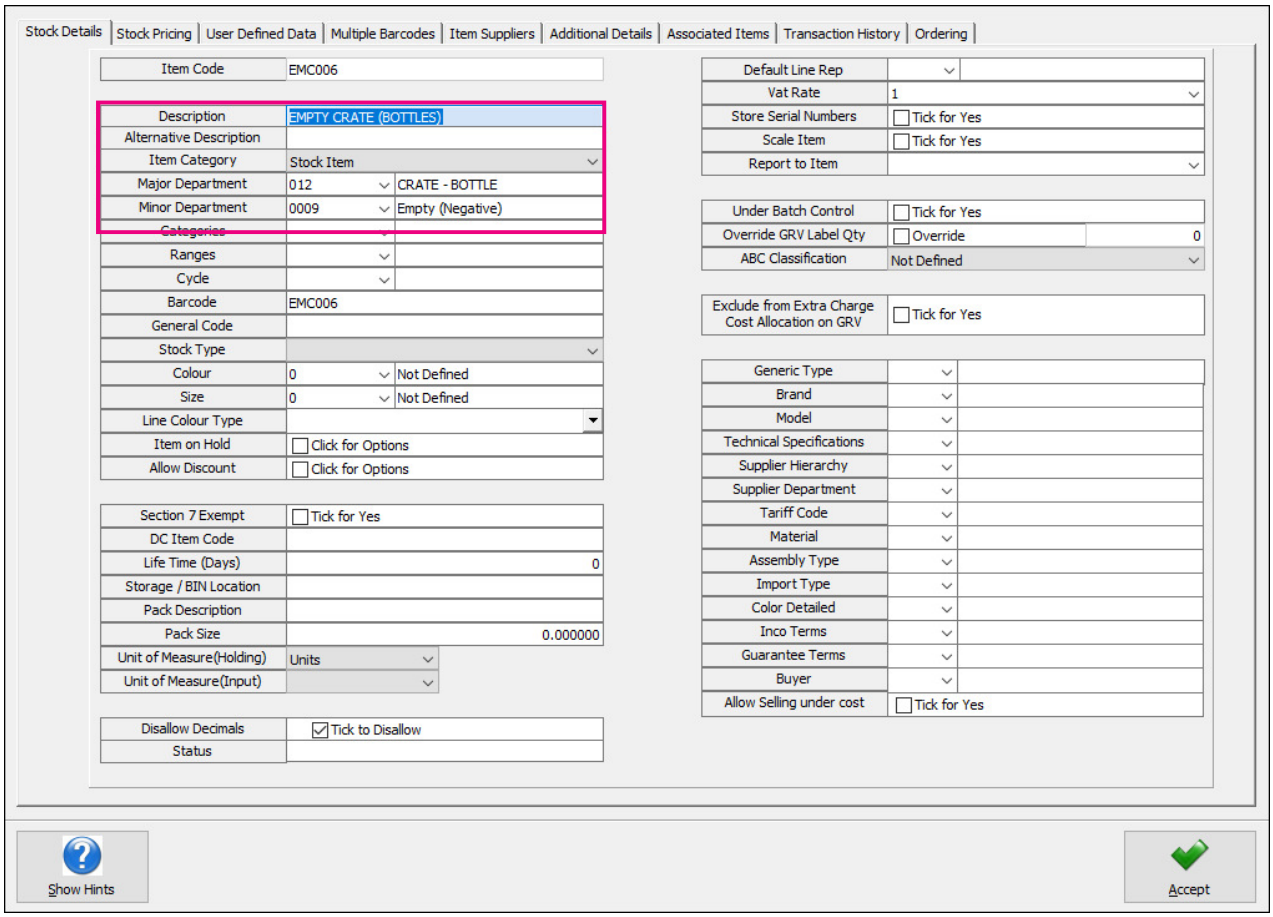
NOTE: You can add more than one associated item, to one main item.

IMPORTANT: Negative stock items cannot be associated with other items.

NOTE: Unwanted Associated Line Items can be deleted if not required, before the document is finalised or processed.

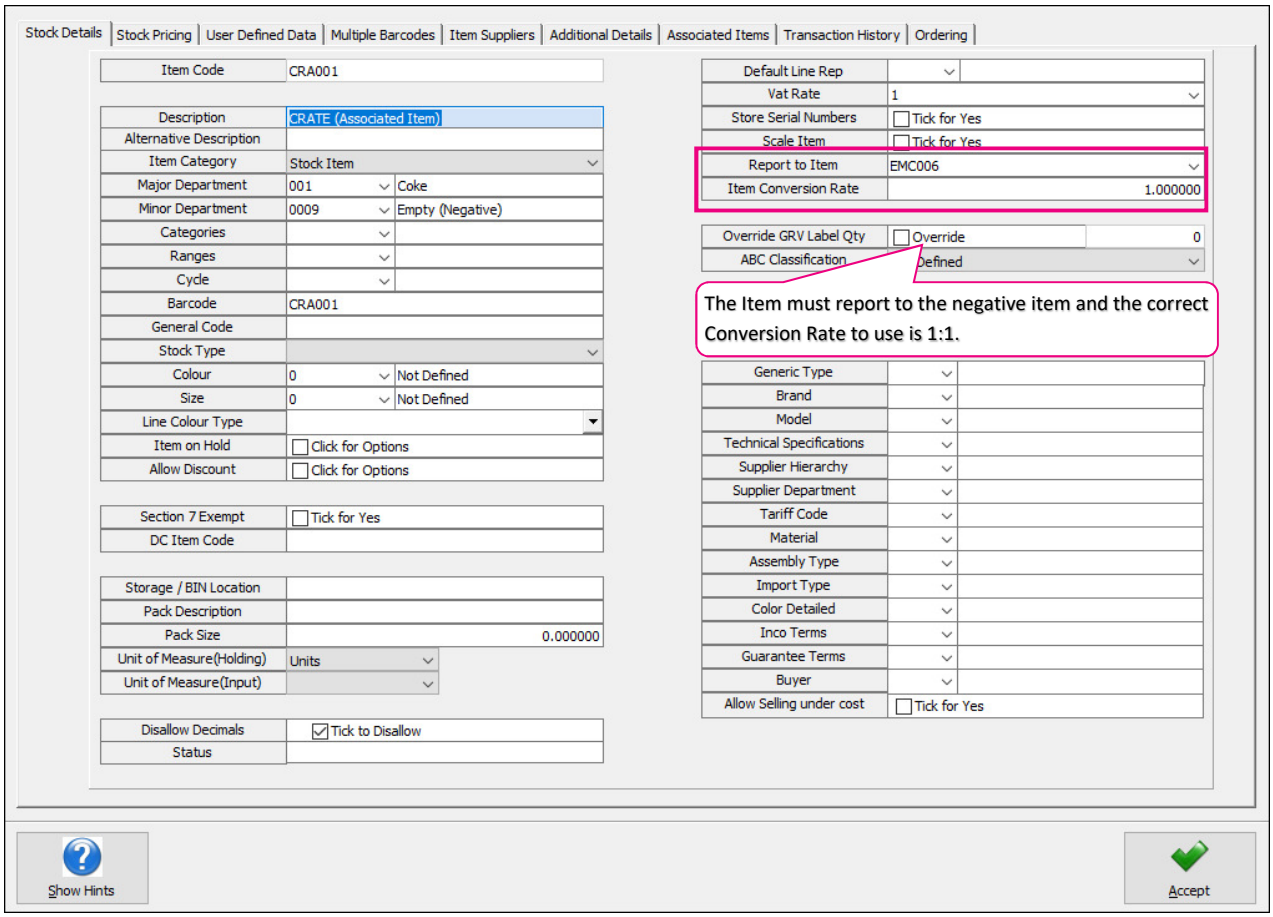
NEGATIVE ITEM

Example: Processing empties, returns or item deposits, is to enter the quantity for the negative item when invoicing a case of Coke and the client returns an empty crate. The empty crate would be entered on the invoice as a positive quantity (of the negative item) and the case of Coke would be entered as per normal. When the invoice is processed, the system will increase the On Hand quantity for the empty crate received and reduce the quantity of Cokes.



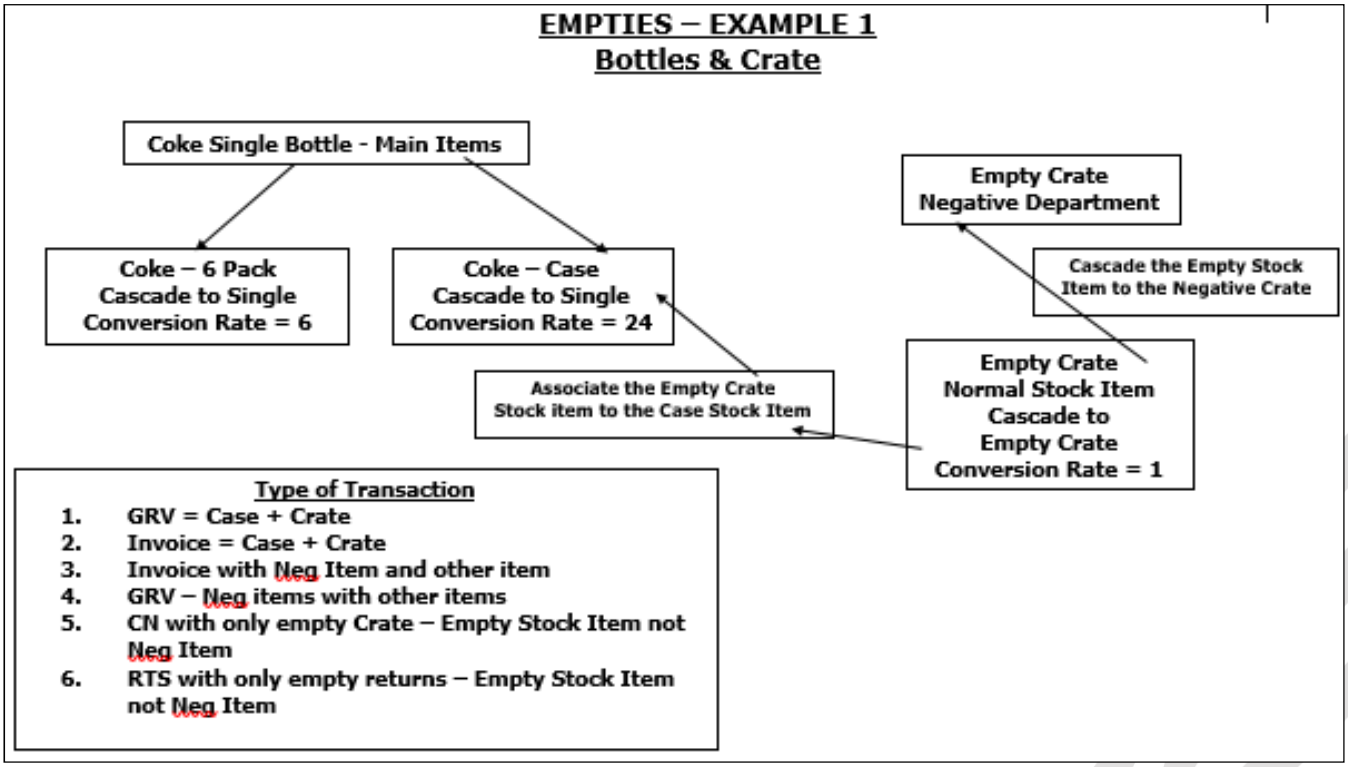
A negative item alone can't be invoiced or received alone, the system will not allow a negative total on an invoice or a GRV.

We have therefore created an extra stock item (CRA001) which is cascaded to the Negative Item at a 1:1 ratio.



This Stock Item CRA001 will not have any On Hand quantities and all the transactions will be reflected on the Negative Item (EMC001).

DIAGRAM OF HOW THE STOCK ITEMS FIT TOGETHER:



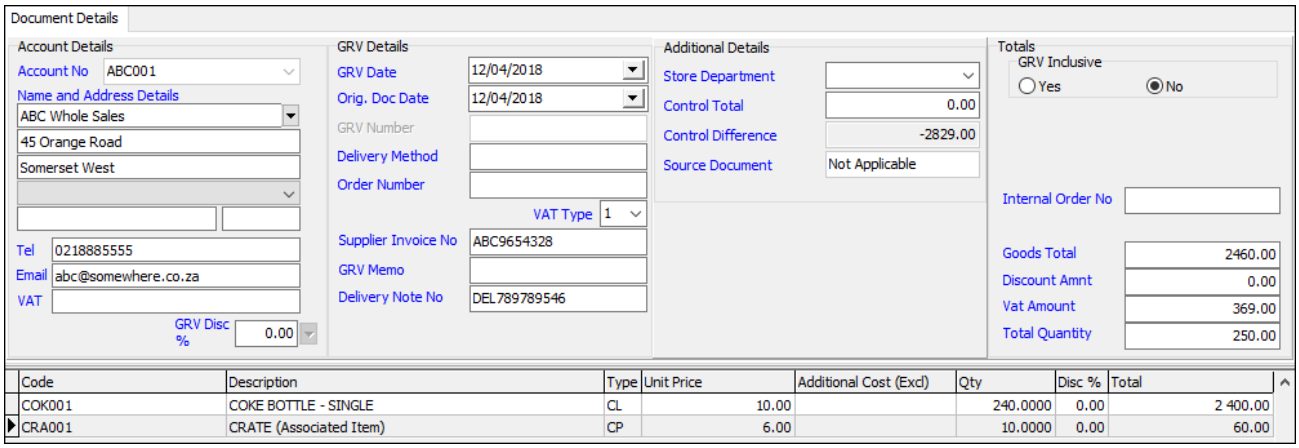
PROCESSING OF ITEMS ON DEPOSIT FOR RETURN

GOODS RECEIVING

When you order Coke from the supplier, the supplier invoice will state that there was quantity bottles Coke and they were packed in quantity crates.

EXAMPLE 1

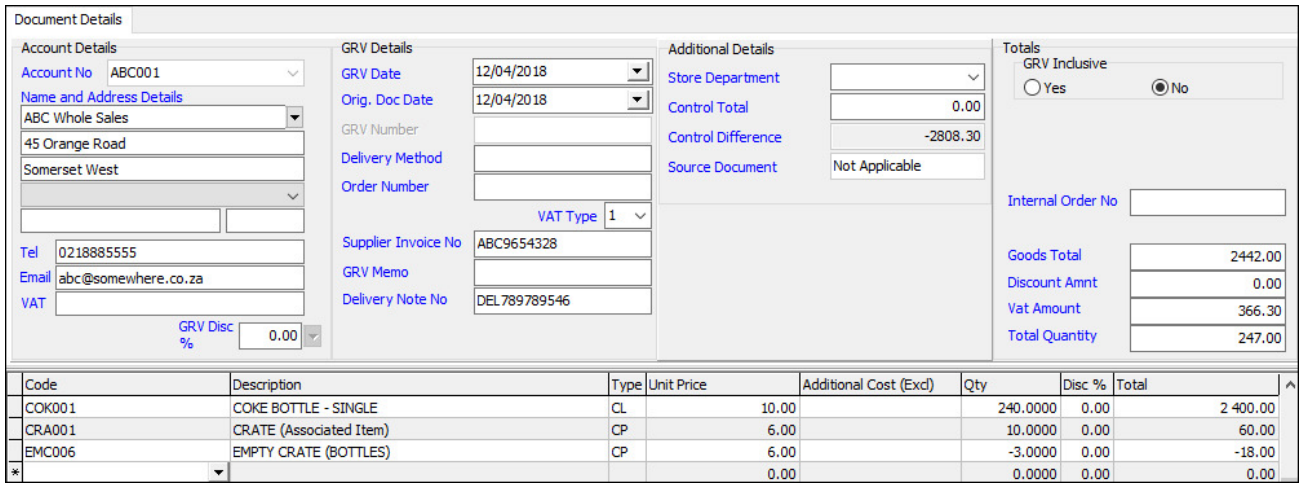
For this example, the supplier delivered the ordered 240 bottles of Coke and they were packed in 10 crates.



You must GRV the bottles of Coke and the crates received. Complete the GRV by using the single item code and the Crate (associated) item to enter the stock into the On-Hand quantities.

NOTE: At this stage, the system only allows you to setup auto-ordering formulas on the single (main) stock item.

EXAMPLE 2



If you have a few empty crates which must be returned to the supplier, those crates can be entered on the GRV too. Enter the empties to return on an extra line and use the negative item code.

The GRV document will display each line individually, thus will you know that 240 bottles of Coke and 10 Crates were received from the supplier. It also displays that 3 Empty Crates were returned.

Account No	GRV Date	Order Number	Representative	GRV Number	Page
ABC001	12/04/2018		1	GRV120	1 of 1

Item Code	Description	Quantity	Unit Price	Disc %	Vat %	Line Total
COK001	COKE BOTTLE - SINGLE	240.00	10.00	0.00%	15.00%	2 400.00
CRA001	CRATE (Associated Item)	10.00	6.00	0.00%	15.00%	60.00
EMC006	EMPTY CRATE (BOTTLES)	-3.00	6.00	0.00%	15.00%	-18.00

The result of the processed GRV document is as follows:

Main | User Data

Data

CODE	DESCRIPT	BARCODE	DEP...	PACKSIZE	AVRGCOST	SELLPRI...	ONHAND
COK001	COKE BOTTLE - SINGLE	COK001	001	1.00	10.00	13.04	240.0000
COK002	COKE BOTTLE - CASE	COK002	001	24.00	240.00	434.78	0.0000
COK003	COKE BOTTLE 330ML - 6PACK		001	6.00	60.00	21.74	0.0000
COKE001	COKE CAN 330ML	COKE001	001	0.00	3.00	8.70	0.0000
CRA001	CRATE (Associated Item)	CRA001	001	0.00	6.00	21.74	0.0000
EMC006	EMPTY CRATE (BOTTLES)	EMC006	012	0.00	6.00	17.39	7.0000

NOTE: There is no On-Hand quantity on the cascading items for the Coke, the On-Hand is only displayed on single (main) item.

There is no On-Hand quantity displayed on the Crate (associated) item. All the crates are displayed on the empty crate (negative) item.

This makes it easier to count the crates and the Coke bottles.

EXAMPLE 3

You have a few crates that must be returned to the supplier. The system will not allow you to process a GRV with a negative total. Thus, can the GRV be processed for the goods received and a Returned Goods to supplier be done.

Document Details

Account Details
Account No: ABC001
Name and Address Details: ABC Whole Sales
45 Orange Road
Somerset West
Tel: 0218885555
Email: abc@somewhere.co.za
VAT:
Return Disc %: 0.00

Return Details
Return Date: 12/04/2018
Orig. Doc No: GRV121
Return Number:
Delivery Method:
Order Number:
VAT Type: 1
Supplier Credit Note:
Return Memo:
Delivery Note No:

Additional Details
Store Department:

Totals
Return Inclusive: Yes / No
Internal Order No:
Goods Total: 18.00
Discount Amnt: 0.00
Vat Amount: 2.70
Total Quantity: 3.00

Code	Description	Type	Unit Price	Additional Cost (Excl)	Qty	Disc %	Total
CRA001	CRATE (Associated Item)	CL	6.00		3.0000	0.00	18.00
			0.00		0.0000	0.00	0.00

You have to use the crate (associated & positive) item on the returned goods document.

Details

NUMBER	CODE	TXDATE	REFERENCE	DC	TCODE	AMOUNT	GLAUDIT	QUANTITY	ONHAND
1670	EMC006	12/04/201	GRV121	D	PU	60.0000	787	10.0000	10
1671	EMC006	12/04/201	GRV121	D	PU	-18.0000	787	-3.0000	7
1672	EMC006	12/04/201	RTS32	C	RT	18.0000	788	3.0000	4

On the stock enquiry above, you bought 10 crates and returned 3 crates immediately with the truck (one Reference number). Then 3 crates were sent back at a later stage.

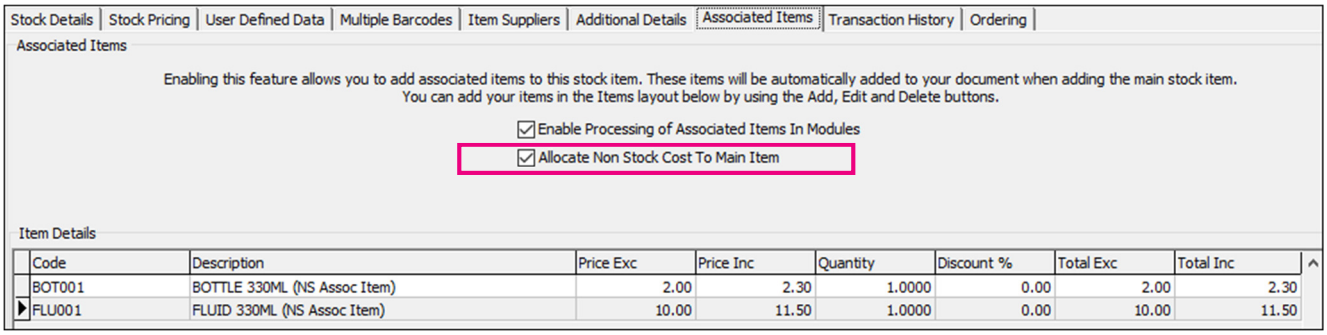
EXAMPLE 4

You receive bottled goods from a supplier where they are charged separately for the bottles and the content, but only receive discount on the content bought.

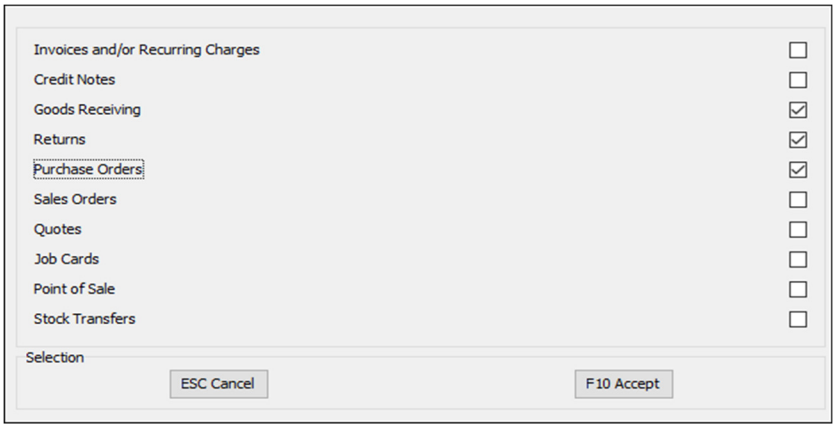
It is suggested that two (2) extra non-stock item codes be created that will only be used to facilitate the GRV-process.

Code	Description	Barcode
BOT001	BOTTLE 330ML (NS Assoc Item)	BOT001
FLU001	FLUID 330ML (NS Assoc Item)	FLU001

Associate both these non-stock items to the complete item, which will be sold to the customer (for our example COK001).



Add both the non-stock items as associated items to the item COK001. Enable Processing of Associated Items only in the Goods Receiving, Returns and Purchase Order modules.



Click on Accept to save the module selection.

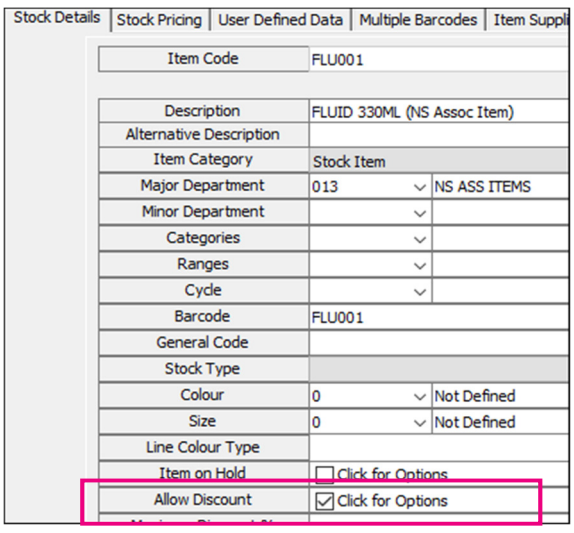
Tick the box to "Allocate Non-Stock Cost to Main Item". This allows you to enter cost prices to these Non-Stock items, which will then be used to calculate the Actual cost of the main item.

You can enter the cost prices of both items into the added fields.

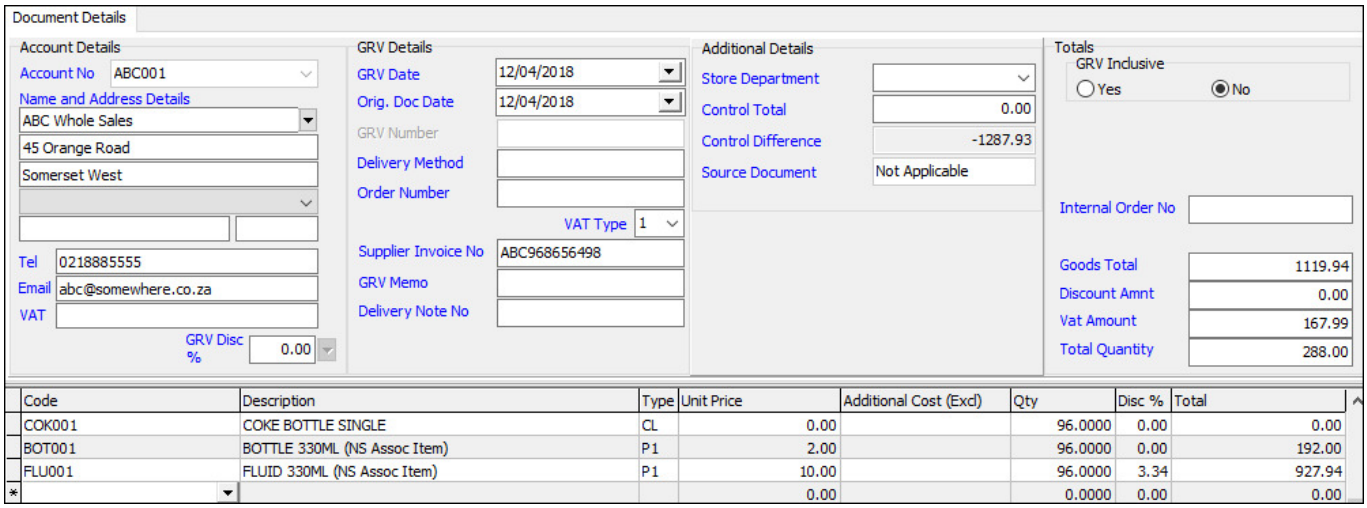
NOTE: The discount on the content of the bottles, on which you receive discount) can be entered the Discount % field.

Click on Accept to save the changes made to the main item.

IMPORTANT: Remember to allow Discount on the content (FLU001) item, where the supplier provides discount. From IQ main menu → Stock → Maintenance → select item → Edit.



Say you received 96 bottles of Coke, and receives a 3.34% discount on the content only, on the Goods Receiving Voucher, you will do the following:



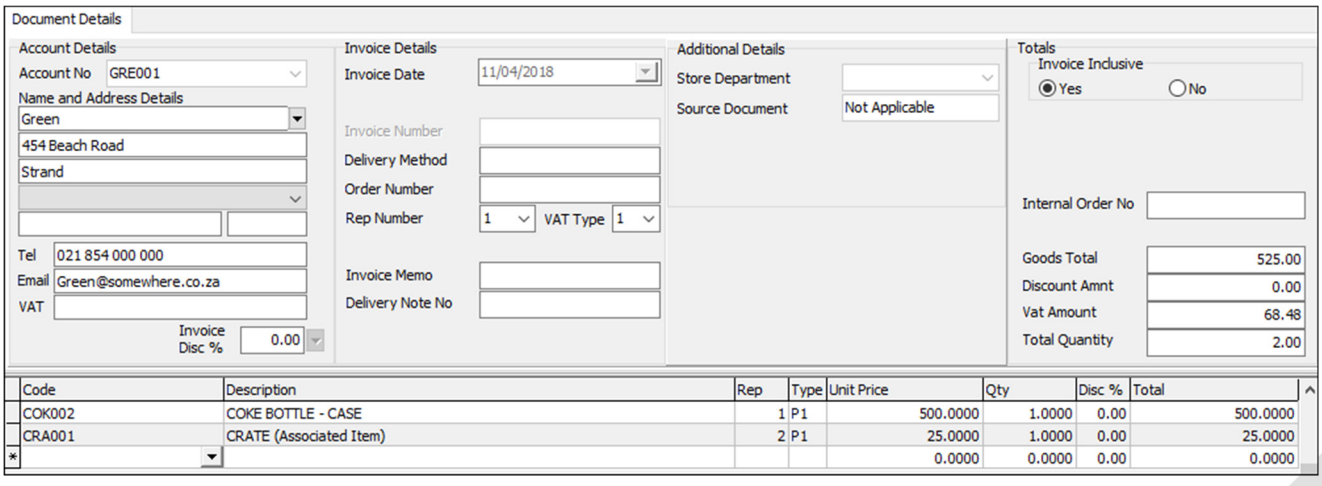
Enter the Main item (Coke Bottle 330ml – Single = COKE001) and enter the Qty (quantity) only of 96 units. The two associated items will automatically appear on the GRV and you can enter or edit the unit prices for each of the.

NOTE: If the discount doesn't appear in the discount column, or the discount entered is not displaying, remember to check on the item maintenance if discount was allowed for the item.

INVOICING

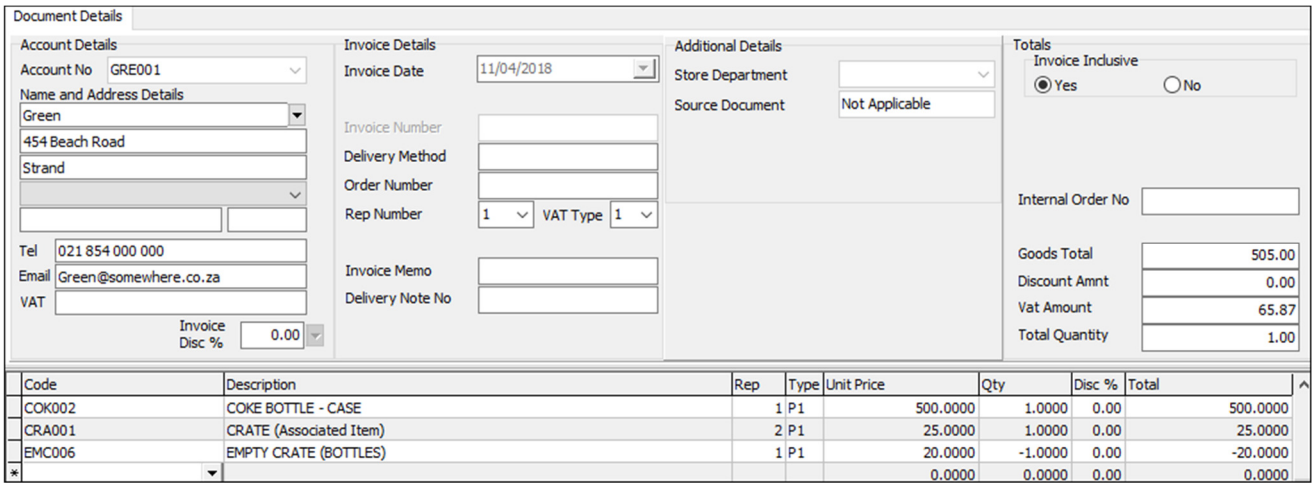
EXAMPLE 1

The customer buys a crate of Coke bottles. The Case of Coke bottles was associated with the crate, thus as soon as one case of Coke is entered, the crate will automatically appear on the document. If it happens that the customer doesn't want to take the crate, the crate can be removed from the transaction by clicking on the crate and then pressing the F5 key on the keyboard.



EXAMPLE 2

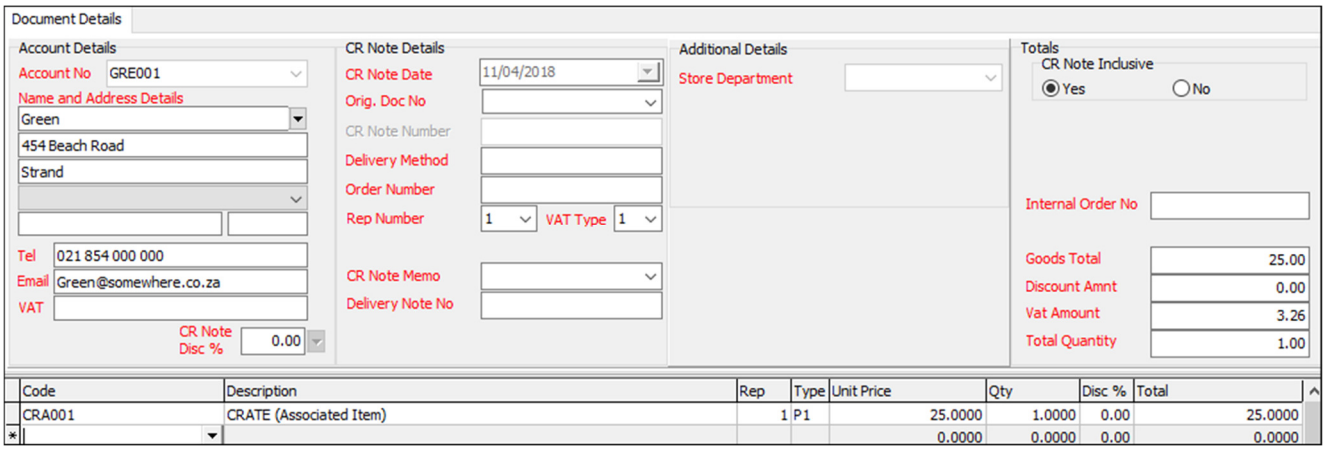
If it happens that the customer is returning 1 crate, the returned crate can be added to the document.



Each line is displayed individually on the invoice, so that there is no confusion of what happened.

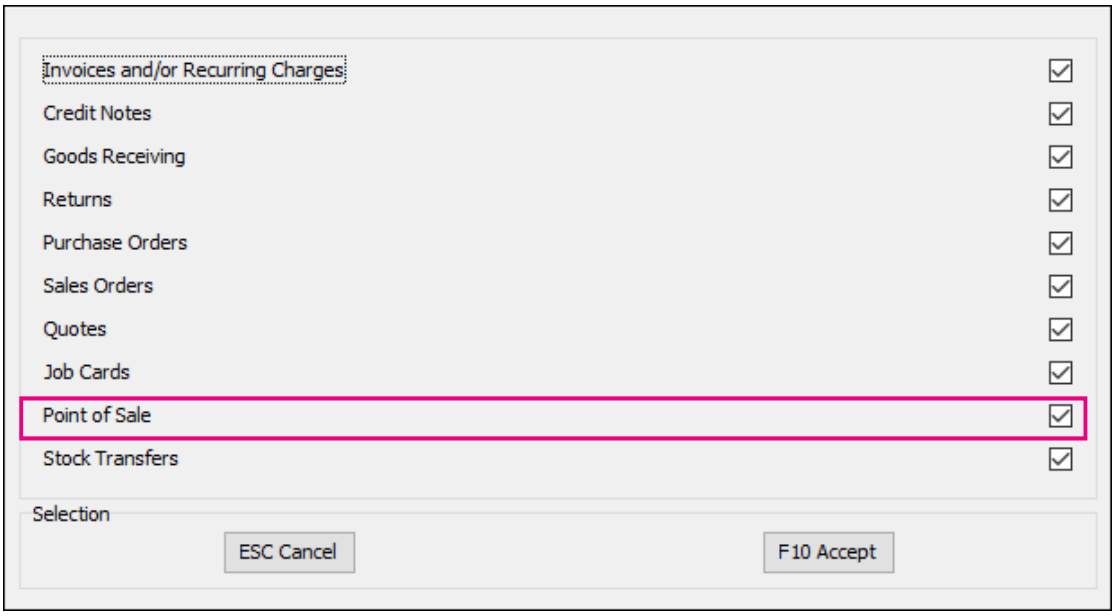
EXAMPLE 3

The customer is only returning a crate and wants his deposit on it, you will have to process a credit note.



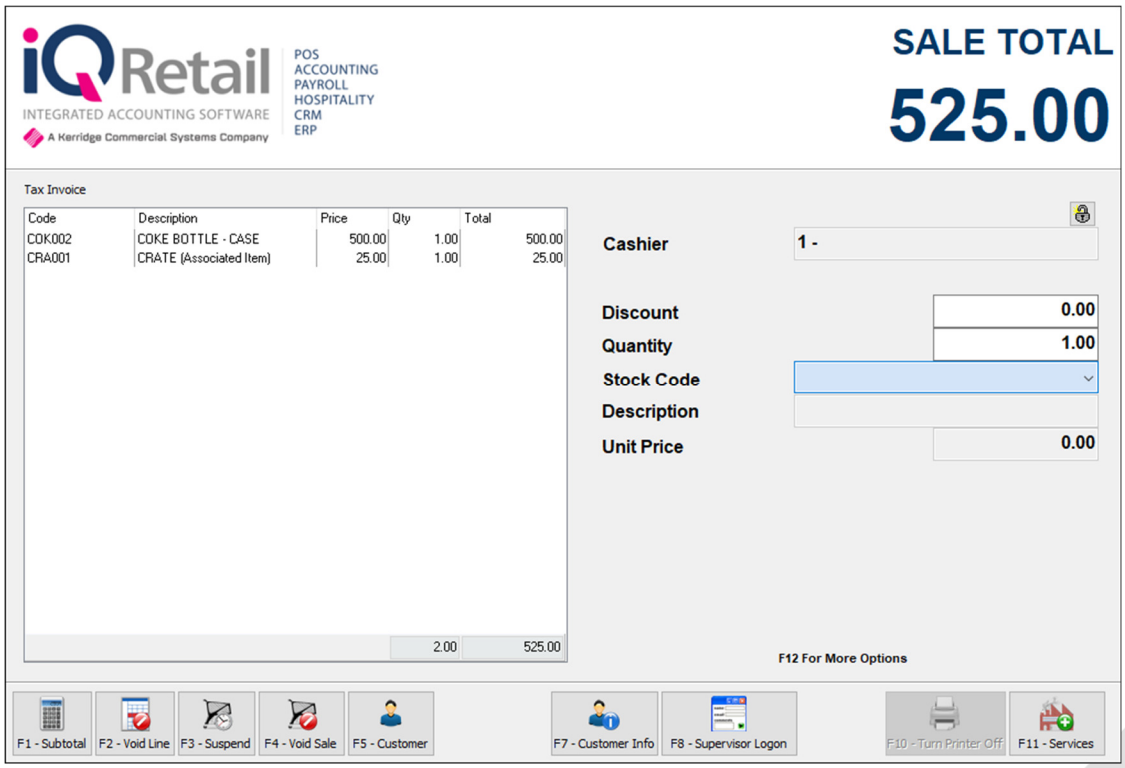
POINT OF SALE

If the Point of Sale module was selected when the Item Association was set up, the associated item will automatically appear on the Point of Sale screen when the main item is sold.



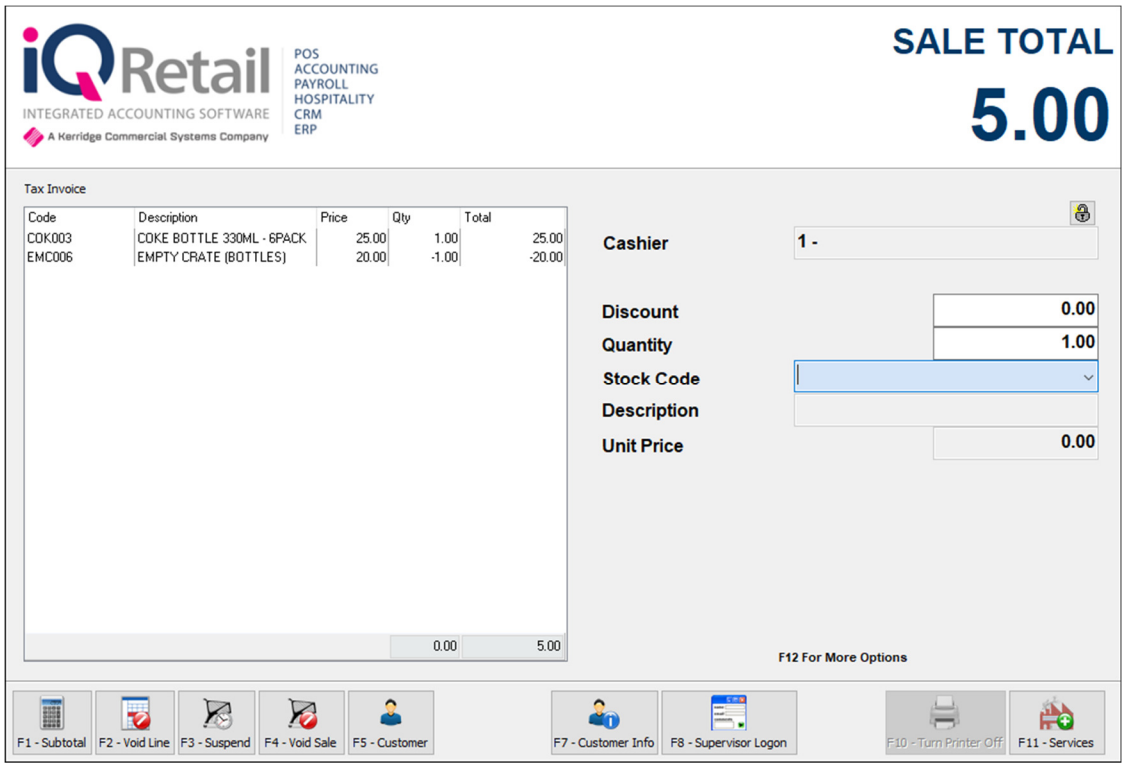
EXAMPLE 1

NOTE: For each case of Coke sold, the crate will automatically appear on the Point of Sale screen.



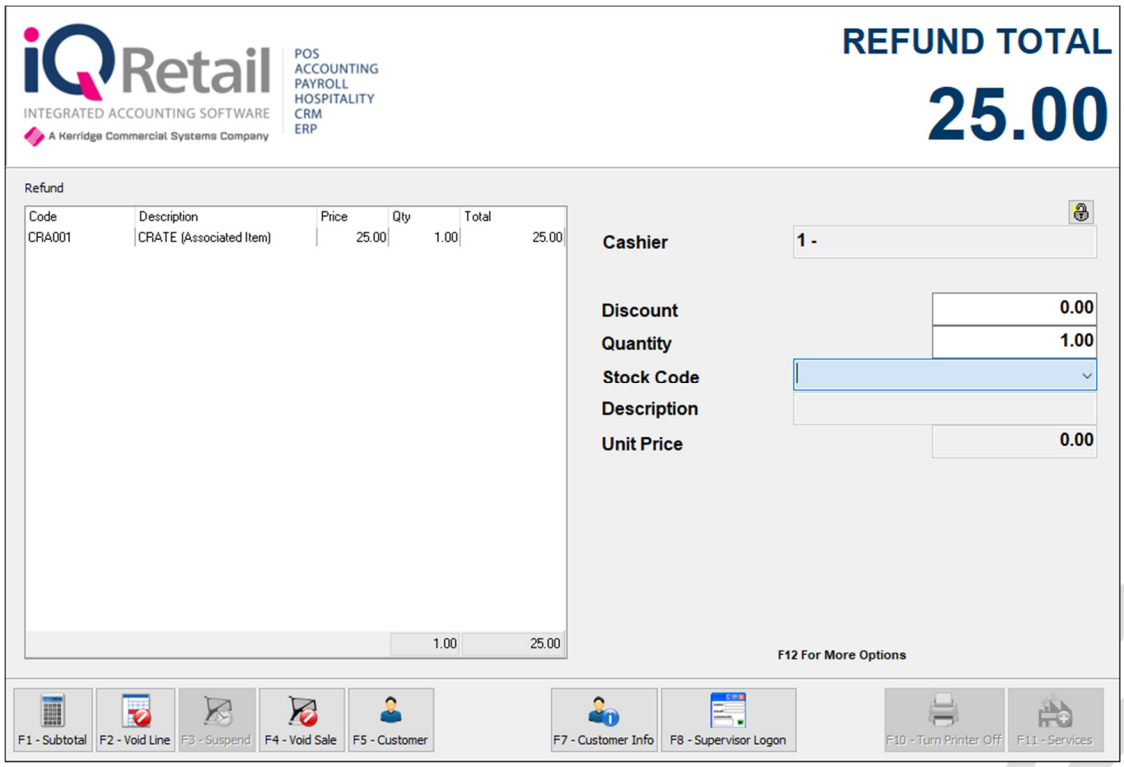
EXAMPLE 2

If the customer is buying only a six pack of Coke and returning a crate previously bought, the transaction will look like this.



EXAMPLE 3

If the customer is only returning a crate, previously bought and wants a deposit, you will process a Cash Refund.



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