SAMPLES

Samples are one of the necessary evils of this business—ordering them, tracking them, and then charging them out to either the customer or the salesman.   I doubt there's a perfect way to do it but this newsletter contains some suggestions plus a description of a new tool you can use to keep track of sample purchases.

Ordering

Sometimes a specific order is entered for the sample and sometimes the request for the sample is just called in.   The advantage of entering an actual order is that it is then in the system to track.   It is also easier to append it to a master order for billing purposes.

If you do enter an order, here are some suggestions:

1)   **Set up a "samples" order status**.

Assign this status to all your new sample orders.   This will let you get a list of all the sample orders that haven't been billed or otherwise dealt with.

2)   **Enter as an "order for stock" if you don't want the sales included in sales history.**

If you are not going to bill it out with a real order, you can "receive" it just as you would a regular order for inventory stock.   Since the items on it are not real inventory items, the receiving function will basically just mark the order complete.

Or, you can just go and change the order status to complete.

3)   **If the sample is to be included in the billing for an order**, change the type order to "Drop Ship" (if it is not already that type) and change the master order number to the same as the one you are billing it out on.

Paying for the sample

Samples are usually charged to a "sample" account.   Some users have a single account, some have one for each salesman, and some have something in between.

When you enter the A/P invoice to pay for the sample, use a sample account in your G/L distribution.   If you "piggyback" a sample along with another unrelated order from the same vendor, just pull the sample cost out to a separate G/L line on the distribution.

If you use the Vendor Rebate system, you can designate a "sample" account on your Accounts Payable system options and accumulate the total sample dollars for each vendor.

New! Tracking option for Samples & other Miscellaneous Costs

Most everyone can handle the ordering and paying functions of samples just fine.   However, keeping track of what has been ordered, whether it's been billed out, etc. is the real headache.

We have developed a new function to track samples and to disburse the cost to the appropriate place at the right time.

Since there are other miscellaneous costs you sometimes want to track by salesman such as freight or art charges, those can also be included in the new tracking system.

No matter what your procedures are regarding samples, one of the "givens" is that most samples have to be paid for.   Therefore, it seemed logical to add the new sample tracking routine to the A/P invoice entry function. It is only available when the A/P invoice is entered through the A/P menu, either through adding an A/P invoice or when entering a single A/P check.   You cannot use this particular feature on an A/P invoice entered along with a customer invoice.

If we "turn on" the sample tracking feature, then at the bottom of the A/P invoice entry screen, there will be an additional checkbox.

Check the box to add a sample or other miscellaneous cost to the sample tracking system. Ignore for other invoices.

The sample tracking entry will be added to the list of entries associated with the salesman number you enter.   Enter a short description of the sample or cost as well as the amount and the G/L account.   There are links to the right of the amount field that let you easily copy down the amount and G/L account from one of the five account distribution entries higher up on the screen.

You do **not** have to have an order number to add the sample tracking entry so it works for "call ins" as well.

When you save the A/P invoice, the sample entry will be recorded as well as adding the A/P invoice.

There are no additional journal entries made at this time.   It is simply an entry to the tracking file.

Sample/Misc.Cost tracking function

When you turn on this new feature, you will have a new item listed on your Accounts Payable menu:

Sample/Misc. Cost tracking

If you click on this menu item, you will see a display listing all the salesman numbers that have sample or miscellaneous costs posted.

The total dollar value being tracked for each salesman is displayed along with some additional links.

 Click this icon to get a report listing all the sample/costs currently being tracked for the salesman. There is also a link on the total line to get a report for all the salesmen at once.

 Click this icon to call up the list of sample entries listed for editing.

 Click this icon to enter a sample or other miscellaneous cost separately. You can use this to enter costs that aren't easily associated with an A/P invoice or that were overlooked when the A/P invoice was entered.

If you ask to review the list of entries on file for a salesman, you will see the list of samples and other costs currently being tracked.

Review/Update Salesman Samples/Misc. Costs

No change	Delete this entry	Move full cost to commission	Move to commission & split cost	Order Number	Order Status	Vendor	Vendor's Invoice Number	Description	Amount	Adjust entry
Check all	Check all	Check all	Check all			Salesman 008 HOUSE				
⦿	○	○	○			588500 Mugsy Malone	120210	Mug	10.00	🖎
⦿	○	○	○	710586	Open	900000 WIDGETS, GIZMOS, & GADGETS	092310	Gadget	25.00	🖎
⦿	○	○	○	710728	Vouched	900000 WIDGETS, GIZMOS, & GADGETS	110610	Sample widgets	2.00	🖎
								Salesman Total	37.00	

Submit   Reset   Exit

You will then have several options for each entry:

1) No change (the default)

2) Delete the entry.

3) Transfer the full cost of the sample/cost to the commission file. The full cost will be subtracted from the salesman's commission. The entry itself will be labeled as an "adjustment" . It will have a zero selling amount. The description of the sample will be used as the "reason" for the commission entry.

4) Transfer the cost of the sample to the commission file. Calculate the commission due based on the salesman's usual commission rate.

For options 3 and 4, the entry will be removed from the sample tracking file once it is transferred. Here is a sample entry on the commission detail.

```
RUN DATE  9/29/11 -  2:19 PM            Lakeshore Test System (v11)                        PAGE    1
THROUGH  9/29/11                           COMMISSION TO BE PAID

SALESMAN: 008 - HOUSE

  ORDER                                                      GROSS    GP  COM   APPLY    COMMISSION
NUMBER  CUSTOMER                 DATE    SRC  REASON          SALES    PROFIT  %    %   PT   %    AMOUNT

710586  RICHIE RICH             9/29/11  ADJ  Gadget           .00     25.00-   0 *  40          10.00-
                                                                                          --------------
                                              TOTAL            .00       .00    0                10.00-




RESERVE BALANCE                                              AMOUNT    BALANCE
                                              BALANCE FORWARD           15.00
```

No journal entries are made for any of these options. If some are needed, you will need to make them manually. If you delete a sample tracking entry, the cost will remain in the Samples or other account you used on the A/P invoice originally.

A report will be produced when you Submit your entries listing any entries deleted or transferred to commission.

Adding new entries/Adjusting existing entries

If you want to just adjust some of the information on the entry, click on the pen/paper icon at the end of the row.   The screen you will see is the same one as the one used for the manual entry process described below.

If you want to add a new entry without going through an A/P invoice, you may do so by clicking on the "New" icon.

Add new Sample/Misc. Cost entry

Charge to Salesman:	008	HOUSE	
Order Number:		🔍 📝	*(optional)*
Reference/Description:	Shipping		
Amount:	15.00		
G/L Account:	40500 🔍	FREIGHT COST	

Submit   Reset

The layout on the screen to add a new entry and the one to adjust an entry is the same.

Moving the sample expense to a customer invoice

Many times the sample is purchased for a specific order and when you bill the customer you want to include the cost of the sample.   Or, the cost of the sample is cleared by including it in another order for the same customer.

When doing the customer invoice, you will now have a link on the individual line item screen so that you can pull the cost of the sample into the customer invoice.

You may click on either the link under the word "Description" OR the look up icon beside the "Vnd Invc" area at the bottom of the screen.   You will then see a list of all the samples currently listed for the salesman number assigned to the invoice.

Order #	Vendor	Vendor Invoice	Description	Amount
	GOLF PLUS	100810	Shirt	15.00
	SANMAR	112310A	Purple shirt	10.15
	MANUAL		Mug	10.00
	Mugsy Malone	110310	Ceramic mug	5.00

Click on one of the sample items to pull that cost into the customer invoice.

If you do **NOT** want the customer to see the line on the invoice, be sure to check the "Don't print the line" choice for your "Zero sell print format".

Item Number:			
Description	* Purple shirt		
Include slsmn sample/misc. cost		Item report category:	
		Design number:	
		Order Number:	Added on

Quantity ordered:	* 1	Shipped:	1	Remaining:	

Pricing unit: [ ]   Taxable? ☑

	Unit amount	Extended		
Selling Price:			Discount Code: [ ] [ ] %	
Cost:	10.15	10.15	Gross profit: $ -10.15 [ ] %	

Zero sell print format   ○ Print as '.00' ○ Print as 'N/C' ○ Leave blank ⦿ Don't print the line ○ User-defined

G/L account: Sales: 30002

Commission:	Quantity: 1	Sales: [ ]	Cost: 10.15	
Use this sample:	Vnd/Invc: 770401/112310A	Cost: 10.15	Description: Purple shirt	

* Required Field

Prev   Exit   Done   Next

When you close the Sales Journal, an entry will be included to transfer the cost from the Sample G/L account (or whatever account you entered on your sample tracking entry) to the Cost of Goods sold.

```
ACCOUNT 11000 ACCOUNTS RECEIVABLE              904.52  AUDIT ONLY           BOOK PERIOD 1109
        22000 SALES TAX PAYABLE                 28.19-
        23000 DUE TO CLIENTS (C/G)             190.00-
        30000 Sales                            679.00-
        30001 SALES - DIVISION 1                 2.33-
        40002 COST OF MERCHANDISE - DIV 2       10.15  SANMAR              112310A
        40502 FREIGHT COST - DIV 2               5.00-
        51800 SAMPLES                           10.15- SANMAR              112310A
```

The sample entry will also be deleted from the sample tracking file at the same time.