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How Do You Decide when to close an order/invoice?

Tammy Mason - 2017-09-13 - in Quotes, Orders & Invoices

How Do You Decide when to close an order/invoice?

Short Answer: Based on your company's preference. You can handle it manually or use the pre-set criteria in System Preferences to automatically close an order/invoice.

Manually close order/invoices:

Explanation: **It is VERY IMPORTANT to understand that closing an order does not automatically mean it has been invoiced or completed**. When done manually by you, this is determined by your company and not ASI SmartBooks.

For Orders: You may choose to close the order:

* Once you physically remove the job jacket from the work in process area.

* Once the order has been invoiced.

* When you are paid by the customer.

* Once all the vendor bills have been applied.

* Once all three things have occurred: customer invoice created, vendor bills have been applied, and the customer has paid the invoice.

Whatever the determining factors are for deciding when an order is closed, the list should be reviewed to make sure those orders that need to be closed are.

For Invoices: You may choose to close the invoice:

> * Once you physically remove the job jacket from the work in process area.

> * Once it has been paid by the customer (in this case the list would contain all the invoices found on a Receivables list).

> * Once all the vendor bills have been applied

> * Once vendor bills have been applied and the customer has paid the invoice.

Whatever the determining factors are for deciding when an invoice is closed, the list should be reviewed to make sure those invoices that need to be closed are.
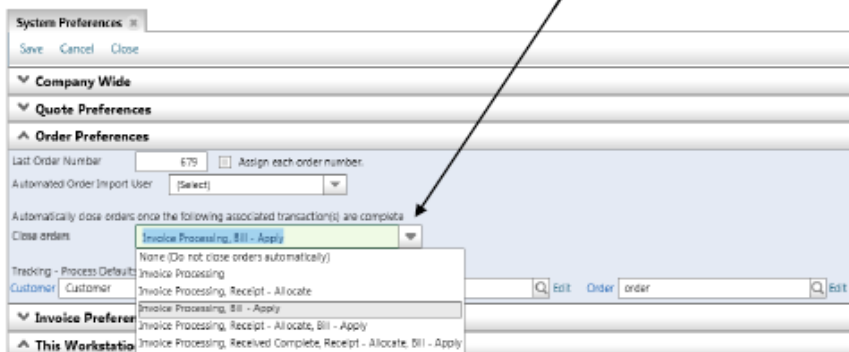
System Preferences: Automatically Close Orders/Invoices:
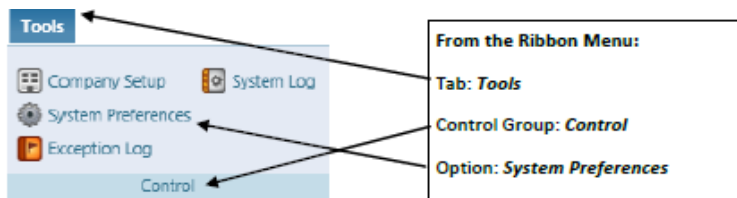
Explanation: This allows you to set a preference as to when you consider an order and/or invoice to be closed. Once an order and/or invoice meet this/these criteria it will be closed by the software.

NOTE: Once an option is chosen, the system **will not** update existing orders/invoices. These will need to be closed manually. It is the same if you modify these settings, the system will not update existing orders/invoices.

Options for Closing Orders:

- **None (Do not close orders automatically)** The system will not

close orders automatically. You will need to manually close each order based on your own criteria.

- **Invoice Processing:**

  The system will change the status of an order to closed once all the invoice(s) associated with this order have been Processed.

  - If not all product lines are marked complete the system assumes there is a need for an additional invoices and will not close the order.
  - If the only product line on the invoice not marked complete was added to the invoice and not associated with the order, the order will close.
  - Unchecking the complete box on a product line after an order has been closed will NOT reopen the order.

NOTE: This option does not take into consideration if costs have been applied to the order or if any payments have been made by the customer. This would not be the best option for those that apply cost to the order because the order may not appear in the Bill Apply lookup because of its "closed" status.

- **Invoice Processing, Receipts – Allocate (Customer Paid in Full)**

  The system will change the status of an order to closed once the criteria for Invoice Processing has been met (see Invoice Processing) **and** the receivables created from the invoices associated with the order <u>have a zero balance</u>.

- Receipts Allocate after Invoice Processing
  - If payment is made after the invoice is processed, and the receivable balance(s) are zero, the order will close when the receipts allocate transaction is processed.
  - Examples at the time of Receipts Allocate:
    - Overpayment of one or more invoices associated with the order exists, the Order stays open.
    - Underpayment of one or more invoices associated with the order exists, the Order stays open.
    - Balances paid or adjusted off, the Order will close.

- Adjustments made to a Receipts-Allocate that causes a balance to reappear will not reopen the order. However, if the user manually reopens the order and then the adjusted receivable is paid, the Order will close.

- **Receipt-Allocate before Invoice Processing (Order Deposit)**
    - If payment is made before the invoice is processed (Order Deposit), and the receivable balance(s) are zero when the invoice(s) are processed, the order will closed.
    - Examples at the time of Invoice Processing:
        - Partial deposit or over deposit and receivable balance is created, the Order stays open.
        - Balances on invoices net to zero, the Order will close.
    - Adjustments made to an already processed Invoice that causes a balance to no longer be zero will **not** reopen the order. However, if the user manually reopens the order and then the adjusted receivable is paid, the Order will close.

This option does not take into consideration if costs have been applied to the order. This would not be the best option for those that apply cost to the order because the order may not appear in the Bill Apply lookup because of its "closed" status.

- **Invoice Processing, Bill – Apply**

The system will change the status of an order to closed once the criteria for Invoice Processing has been met (see Invoice Processing) and a Bill-Apply transaction has been posted to the order.

- **Bill -Apply after Invoice Processing**
    - If bills are applied after the invoice(s) are processed, and all the vendors listed on the order/invoice have a bill apply transaction made, the Order will close.
    - Examples at the time of Bill-Apply:
        - Bill from one vendor has been applied; other vendors have

not, the Order stays open.

- Bills from all vendors have been applied, however, an additional bill is expected, the Order will close.
- All vendors listed on the order/invoice have at least one Bill-Apply transaction for them against this order, the Order will close.

- Adjustments made to a Bill-Apply transaction that causes a status of a vendor for this order to show as unapplied **will not** reopen the order.

- **Bill-Apply before Invoice Processing**
  - If bills are applied before the invoice(s) are processed, and the all the vendors listed have a bill apply transaction made, the order will close when the last order product line has been invoiced 'complete'.
  - Examples at the time of Invoice Processing:
    - Bill from one vendor has been applied; other vendors have not, the Order stays open.
    - Bills from all vendors have been applied, however, an additional bill is expected, the Order will close.
    - All vendors listed on the order/invoice have at least one Bill-Apply transaction for them against this order, the Order will close.
  - Adjustments made to an invoice (adding an additional vendor) will keep the order from closing since the invoice vendors update back to the order status window. The order will not close until all the vendors listed on the order and associated invoices have their applied status updated.

This option does not take into consideration if any payments have been made against the order, but it does check if costs have been applied to the order. This would be a suggested option for those that apply cost to the order.

- **Invoice Processing, Receipt – Allocate, Bill – Apply**

The system will change the status of an order to closed once the criteria for all of the previously mentioned above *(see Invoice Processing, Receipt Allocate and Bill Apply)* have been met

This option takes into consideration if any payments have been made against the order and checks if costs have been applied to the order. This would be the number one suggestion to give customers. It allows for the order to stay open until all the processes associated with the order have been completed.
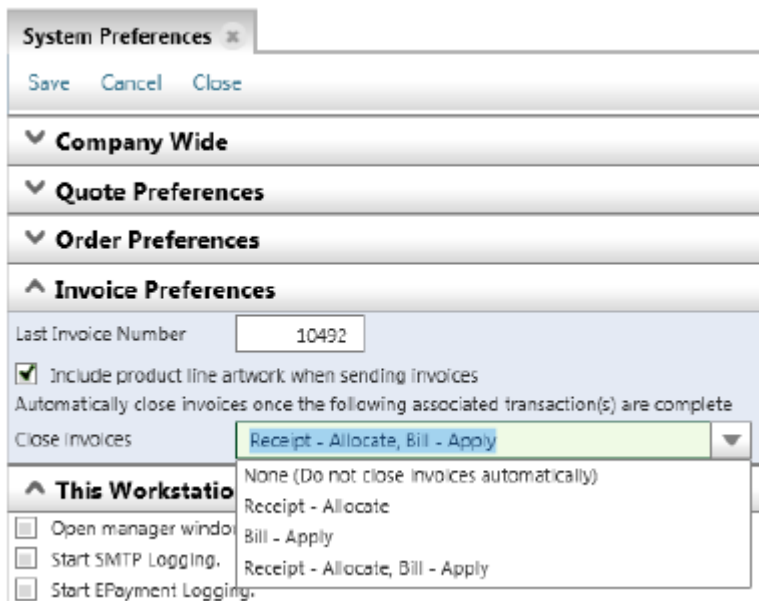
None (Do not close invoices automatically)

The system will not close invoices automatically. Users will need to manually update the closing of each invoice when they determine the invoice is ready to be closed.

- ## Receipt–Allocate

The system will change the status of an invoice to closed once the criteria the receivables created from the invoice have a zero balance.

- **Receipt-Allocate after Invoice Processing**
  - If payment is made after the invoice is processed, and the

receivable balance is zero, the invoice will close when the receipts allocate transaction is processed.

- Examples at the time of Receipt-Allocate:
    - Overpayment of the invoice, the Invoice stays open.
    - Underpayment of the invoice, the Invoice stays open.
    - Balances paid or adjusted off, the Invoice will close.
    - Adjustments made to a Receipt-Allocate that causes a balance to reappear will not reopen the invoice. However, if the user manually reopens the invoice and then the adjusted receivable is paid, the Invoice will close.

- **Receipt-Allocate before Invoice Processing (Order Deposit)**
    - If payment is made before the invoice is processed (Order Deposit), and the receivable balance at the time the invoice is processed is zero, the invoice will close.
    - Examples at the time of Invoice Processing:
        - Partial deposit or over deposit and receivable balance is created, the Invoice stays open.
        - Balances on invoices net to zero, the Invoice will close.
    - Adjustments made to an already processed Invoice that causes a balance to no longer be zero will **not** reopen the invoice. However, if the user manually reopens the invoice and then the adjusted receivable is paid, the Invoice will close.

- **Bill – Apply**

The system will change the status of an invoice to closed once Bill-Apply transactions have been posted to the order for all vendors listed in the Invoice status window.

- **Bill-Apply after Invoice Processing**
    - If bills are applied after the invoice(s) are processed, and the all the vendors listed on the order/invoice have a bill apply transaction made, the Invoice will close.
    - Examples at the time of Bill-Apply:
        - Bill from one vendor has been applied; other vendors have not, the Invoice stays open.
        - Bills from all vendors have been applied, however, an additional bill is expected, the Invoice will close.
        - All vendors listed on the order/invoice have at least one Bill-Apply transaction for them against this order, the Invoice will close.
    - Adjustments made to a Bill-Apply transaction that causes a status of a vendor for this invoice to show as unapplied will not reopen the invoice.

- **Bill-Apply before Invoice Processing**
    - If bills are applied before the invoice is processed, and the all the vendors listed have a Bill-Apply transaction made, the Invoice will close.
    - Examples at the time of Invoice Processing:
        - Bill from one vendor has been applied; other vendors have not, the Invoice stays open.
        - Bills from all vendors have been applied, however, an additional bill is expected, the Invoice will close.
        - All vendors listed on the order/invoice have at least one Bill-Apply transaction for them against this order, the Invoice will close.
        - Adjustments made to an invoice (adding an additional vendor) causing a vendor to be listed with no bill applied, the Invoice will remain open.

- **[Bill – Apply](#)**

The system will change the status of an invoice to closed once Bill-Apply transactions have been posted to the order for all vendors listed in the Invoice status window.

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    - If bills are applied after the invoice(s) are processed, and the all the vendors listed on the order/invoice have a Bill-Apply transaction made, the Invoice will close.
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    - Adjustments made to an invoice (adding an additional vendor) causing a vendor to be listed with no bill applied, the Invoice will remain open.

- **Receipt – Allocate, Bill – Apply**

The system will change the status of an invoice to closed once the criteria for all of the previously mentioned above (see Receipt Allocate and Bill Apply) have been met.