



User Guide

QAD Trade Activity Management

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QAD TAM UG Change Summary

The following table summarizes significant differences between this document and previous versions.

Date/Version	Description	Reference
May 2018/2.3	Added Glossary chapter	page 197 - page 203
	Reorganized the chapters	--
	Minor editing throughout the book	--
March 2018/2.2 Rev1	Some updates in Chapter 4 and Chapter 6	--
	Minor editing throughout the book	--
November 2017/2.2	Initial version	--

QAD Trade Activity Management Overview

This chapter introduces QAD Trade Activity Management.

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The Need to Manage Trade Spend

For many Manufacturers, especially in the Food & Beverage and Consumer Products industries, trade spend consistently is reported as the second largest annual expenditure behind Cost of Goods Sold. Many research companies—such as Aberdeen and Gartner—have estimated average yearly trade spend to be 20% or more of company revenue. Numerous studies and quotes over the past several years indicate how important it is for a company to properly implement and manage its trade spend process. Market research explains that:

“Today, speed is of the essence. If it's taking too long to understand the complete picture of promotional activity, as well as measure the effectiveness of trade spend, the time for change is now. Reviewing performance on a weekly basis and having the ability to move funds from under-performing activities is a common best practice among industry leaders.

“Understanding promotion profitability is the one true critical success factor of any business. Cost of goods sold and downstream data both need to be assembled to determine all the costs associated with product sales. As complexities increase, it can be very difficult for spreadsheets to manage this dynamic process. This is one of the leading reasons that promotion profitability is the most important, but least used, metric by CPG companies today.”

– *CGT Magazine, November 2013*

Introduction to Trade Activity Management

Manufacturers are continuously looking for ways to promote their products to raise sales volume and increase profitability. The management and monitoring of discounts is key to the success of a company in these areas. These trade discounts can take various forms depending on the relationship of the manufacturer to the trading partner or customer.

In situations where, for example, a manufacturer is trying to gain entry into an existing market segment or launch a new product line, the decision may be to offer a promotional pricing discount to wholesalers and distributors, within the initial product launch promotional period. This immediate discount type of deal will be granted during order entry and recognized at the time of posting the customer invoice.

The manufacturer may also support sales of items by offering more of the same product for free, or at a reduced cost, after items have been ordered by the customer. This type of deal, commonly referred to as bonus or free goods, is also offered during order entry.

An alternate or additional option in this business scenario may be to grant a deferred type of discount to the wholesaler or distributor, in which case the manufacturer prefers to reimburse the customer after they can submit proof back indicating the item has been resold. The common industry term for this is called a bill-back deal. Another type of deferred discount allows the customer to accumulate sales across a longer period of time such as a quarter or year, after which the manufacturer sends back a rebate check after the promotional period has ended. This rebate deal typically also incorporates higher discount percentages/amounts back for more sales volume or higher sales tiers a customer has achieved during that period. Yet another type of deferred deal may be to accumulate sales against a customer or group of customers, and pay back a commission on those sales to a salesperson or broker.

Manufacturers may be selling and working directly with retailers, and in order to promote their items in-store, they give the retailers extra money to manage their product. This allocated funds expense is not tied to sales (typically referred to as a Lump Sum) and may be used to place a

product at eye-level on the shelf, or at the end of an aisle (gondola end) in the store layout. These funds might also be used to place an ad in the paper, or to hand out marketing materials, run in-store contests, and so on.

Manufacturers commonly have hundreds if not thousands of these various types of promotional deals running throughout the year, often overlapping in time, customer and/or at the item level. Poor visibility into these numerous and complex promotional deals place pressure on margins and cause processing inefficiency, errors, and auditing difficulty. According to Aberdeen research published in 2012, “Companies with an upgraded trade activity management strategy saw an 80% better gross margin and 121% better revenue uplift from their promotions.”

Visibility and accuracy of promotional deals are also extremely important, especially during the deduction processing side of a business. According to a *CGT Straight Talk* article titled “Experts Debunk Common TPM Myths” published in July/August 2013, “Nearly 40 percent of deduction requests are invalid or preventable in some way. Savings generated from improving the deduction management process often covers the cost of the (trade spend) solution.”

QAD Trade Activity Management structures and controls the implementation, administration, and evaluation of pricing activities such as promotions and rebates. This structure and control brings the fluid pricing activities under effective management.

Typical benefits of QAD Trade Activity Management to a Consumer Products company include:

- Improving customer satisfaction while managing item shelf-availability costs
- Tackling increasing private-label sales, escalating promotions, deduction validation, and product life-cycle reduction

Typical benefits to a Food & Beverage include:

- Effective management of promotional activities through increased visibility of promotions
- Reduction of manual processes
- Improved reporting and analysis capabilities

Trade Activity Management and Life Sciences

The Life Sciences industry has its own set of challenges in the trade spend area. Due to many factors over the years, mainly relating to new legislation, cost-cutting has been the primary mission in this industry. In the distant past, a manufacturer might have primarily negotiated pricing directly with individual customers or hospitals. However, companies today primarily tend to negotiate pricing with buying groups, commonly referred to as Group Purchasing Organizations (GPOs). These GPOs often represent thousands of hospitals nationally and thus have a lot of influence in the industry including steering vendors to comply with certain reporting preferences.

Here are links to a couple of the top GPOs in the United States as of June 2017:

- Premiere (<http://www.premierinc.com/>)
- Vizient, formerly Novation and MedAssets Broadlane (<https://www.vizientinc.com/>)

Individual hospitals typically join one GPO in order to gain access to better pricing on items. The group membership is for at least one year but longer in many cases. The GPO negotiates pricing with manufacturers, usually through a bid process. When a bid is accepted, a contract is created to reflect the pricing details for a specific date range and groups of customers and items. These items are frequently sold from the manufacturer to a distributor or reseller at a higher price, who in turn

sells to the indirect customers (members of the GPO) at the lower contracted price. Contracts need to reflect the negotiated price or pricing tiers for items offered to GPO members and relevant dates the pricing applies. Contracts are logged and tracked often at the manufacturer, the GPO, and distributor/wholesaler facility.

Some hospitals remain with their primary GPO as negotiators with manufacturers on their behalf for many years or never change their primary GPO. This is due to the strong relationships, trust, and confidence that have been developed over time with the specific GPOs. Customers, however, may belong to multiple groups at the same time, or change GPO membership once their agreed-upon membership period is up. This happens frequently, so changes in membership are one of the biggest areas of concern for a manufacturer. Maintaining buying group contract and membership detail manually is time-consuming, inefficient, and error-prone. Statistics say that 4 to 6% of revenue is lost due to managing groups and promotions in Life Sciences companies.

It is important that accurate group membership exists to ensure on any given date that a customer is not getting access to a contract price when not part of that GPO, or is getting access to the proper contract once having changed groups. Group membership changes are often communicated to the manufacturer via email, but may also be provided through third-party vendors as a flat file to electronically load. When manufacturers are dealing with the major GPOs in the country, such as Premiere, they are in effect dealing with thousands of hospitals. A GPO contract may be 3–5 years, and manufacturers are constantly dealing with individual membership changes throughout the life of that contract.

Customers in fact may belong to more than one GPO as of a given date, and might have more than one contract price out there at any given time for the same item. Due to regulations, the price to select is not necessarily always the best price available. For this reason, contracts require the ability to specify a priority—one that may override a best price in some scenarios where multiple contract pricing exists. In general, pricing is often set to net pricing and the margin is a key driver in setting that price.

The process through which the distributor or reseller proves sales and claims reimbursement from the manufacturer is commonly called the Chargeback process. The distributor may submit a claim request to the manufacturer via email or hard copy. Most commonly, due to the high volumes of sales-related data necessary to prove out the claim process, these claim requests take electronic form and spell out sales transactions at the individual invoice line level. These indirect sales files, also called sales trace or chargeback files, represent sales information for which the distributor expects reimbursement. The ability to consistently generate accurate chargeback claims for approval as a result of the sales-trace data is required. Also, it is quite common for the distributors to earn back Service Fees after member sales have been confirmed. The volume of indirect sales data complicates validation of Deferred Contract Discounts such as Chargebacks, Rebates, Service and Admin Fees.

Distributors might also assume the claim reimbursement upfront and simply deduct the amount owed from an open invoice(s), and submit payment back to the manufacturer minus the assumed claim amount. In this process, the claim amount is first referenced on an Accounts Receivable (AR) deduction recorded during customer payment entry, then subsequently verified and either rejected or approved and having been attached to a valid contract and deal.

GPOs receive Administrative Fees (Admin Fee) from the vendor (manufacturer) for doing business with them, which is typically a flat fee or percentage of sales. The Admin Fee is paid when a GPO member makes use of a GPO contract, never before. An Admin Fee is mandated by law within a range, and there are strict auditing requirements. GPOs are required to report all

Admin Fees to their member customers at required intervals. These customers must then report to the Medicare program as part of the cost report. Report details frequently need to isolate and relate back from the manufacturer to the GPO the selling price of items and other details required to track the movement of items or drugs including industry standard numbers such as DEA#, GLN, GTIN, and HIN.

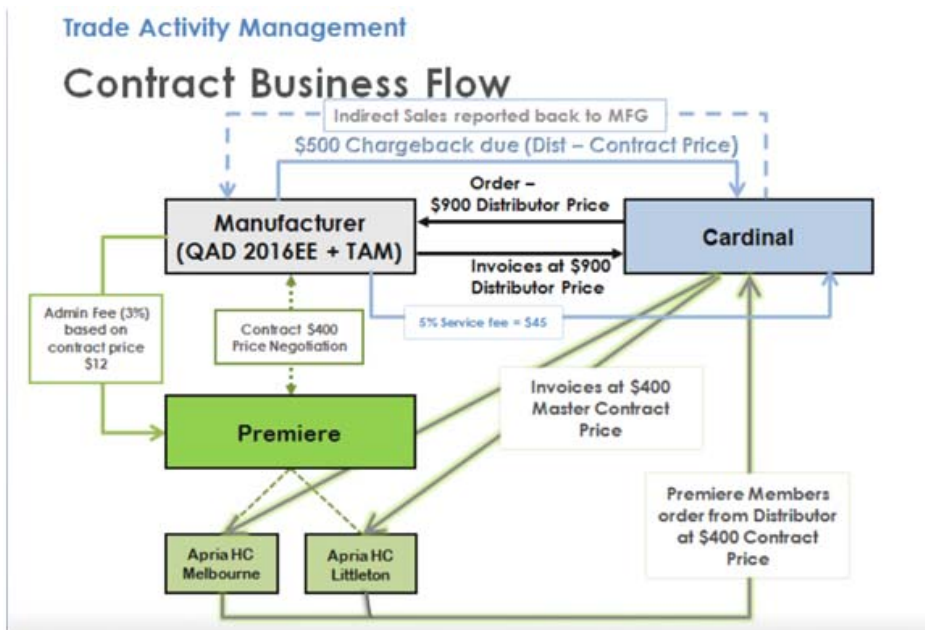
Members participate based on purchasing needs and their level of confidence in negotiation skills by their GPOs to obtain the best price. A common thread across all industries, not just Medical, is the fact that GPOs are optional; the end buyer is never forced to use the GPO contract, but often finds it to be a better deal than one negotiated individually with the vendor. Laws governing the purchasing activity for GPOs in the Medical industry on behalf of its members are numerous, and are best outlined in general within the Safe Harbor Provision in the Medicare and Medicaid Patient Protection Act.

An overall Agreement lists out all associated deal details such as:

- A contract for the initial sales to the distributor
- A contract for the Negotiated Price for the indirect customer, and optionally a listing of Distributors who may sell and charge back to the manufacturer at this price
- An Administration Fee representing payment to the GPO
- Service Fees due to the distributor

Here is a diagram representing the typical business flows in the Contracts area:

Fig. 1.1
Typical Contract Business Flow



The appropriate capturing of full contract details, tracking, visibility, and efficient management of the sales and claim data throughout this process is required for manufacturer success. Key areas include:

- GPO membership effectivity
- Contract details, pricing, audit trails

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- Agreements attaching all relative deals
- Sales tracing/chargeback data definition and efficient electronic load
- Data processing related to ability to cross-reference indirect sales data loaded against open contracts:
 - Ability to generate claims either for approval or at an approved status
 - Ability to view reasons for errors/exceptions (automated means as well), manage and report on those exceptions
 - Ability to provide detailed reports back to the GPO matching industry auditing requirements
- Ability to periodically generate Admin Fees back to GPOs as well as Service Fees back to distributors
- Ability to accrue for liabilities not yet paid but known
- Ability to track AR Deductions into claims against contracts and approve or reject where necessary
- Ability to define a matrix of GL Accounts to allow for the appropriate allocation of transactions to relevant accounts
- Legal requirements and audit trails addressed in all areas

QAD Trade Activity Management (TAM) enables trade spend management including deal monitoring and analysis, buying group contract and membership details, revenue and expense tracking, and fraudulent cost visibility. For Life Sciences companies, TAM helps to maximize revenue through better contract management with Group Purchasing Organizations as well as accurate trade activity management with distributors and marketing partners.

Pricing Functionality Changes

The standard Pricing capabilities of Enterprise Edition have been enhanced to accommodate the new features introduced by TAM. Highlights of the enhancements include:

- Dynamic pricing enhancements allow for item/customer item attribute definition, as well as definition of static/dynamic item/customer groups in Analysis Code Maintenance using these attributes. Dynamic pricing routines replace the Best Pricing functionality.
- New Volume Discount order-level price lists support the ability to provide discounts based on multiple lines of an order, including a discount percentage, discount amount, and freight or credit terms. A new version of Volume Discount Maintenance has been created to support the new price list type. (Note that you cannot manually edit TAM-generated price lists.)
- A Ship Date field has been added to price lists to support a TAM feature that lets you apply a ship date to Immediate Discount deals. During order pricing, the system compares the sales order line due date and the ship date on the price list. If the due date is later than the ship date on the price list, then that price list will not be considered.
- An Override feature on price lists supports the ability to define deals that prevent the system from applying Best Pricing logic. Instead, when Override is selected, the system applies the list created based on the associated TAM deal under all circumstances.

- A new Max Orders field on price lists supports a TAM feature that lets you specify the maximum number of times that a deal can be used on orders for the same customer. For example, a one-time deal has Max Orders set to 1 in Promotion Maintenance and in the resulting price list. After a given customer has ordered one time, the system no longer selects the price list for that customer on future orders.
- Existing Price Break Category functionality has been extended to support the way in which TAM determines discounts based on dynamic item groups. Using the new logic:
 - All lines on the sales quote/order containing an item with the specified item attribute/field are totaled to determine the discount tier.
 - All lines on the sales quote/order containing an item with the specified item attribute/field will receive the discount.
 - The discount can be applied to all lines on the order.
- Numerous user interface changes have been made to include TAM information. For example, many maintenance programs, browses, and reports have been modified to show Promotion ID and Deal Code when TAM is enabled.

Setting Up Trade Activity Management

This chapter discusses the setup programs used to prepare for TAM processing.

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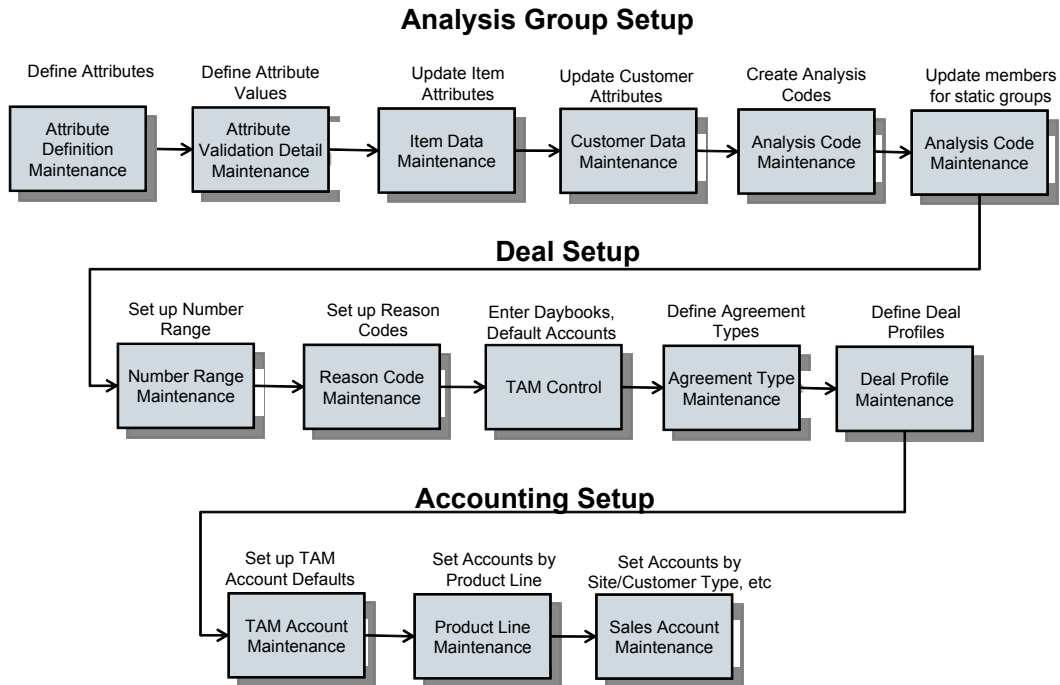
Setting up Promotion and Contract Data 29

TAM Setup Overview

You must perform the setup tasks to begin using TAM.

The following graphic summarizes the setup work flow. The subsequent topics provide more information on individual steps.

Fig. 2.1
TAM Setup Flow



Base Data

The base data includes:

- System Data
- Attributes
- Customer Records
- Item Records
- Analysis Codes
- Indirect Customers

System Data

TAM functionality depends on the following types of standard system setup records:

- Number sequence definitions set up in Number Range Maintenance. Define the following Sequence IDs to create numbers used in TAM:

Sequence ID	TAM Purpose
ACCRRUN	Accrual Run Number
CLAIM	Claim Number
CLAIMRUN	Claim Run Number
CONTRACT	TAM Contract Number
INDSALES	Indirect Sales Trace Number
PROMO	Promotion Number

- Reason codes, defined in Reason Code Maintenance for reason type Claim, entered when a claim is rejected during claim processing. Define codes: <blank>, Invalid, and Reject.

Attributes

Attributes provide extensive flexibility in selecting items and customers that promotions apply to. First you apply them to items and customers, and then you set up dynamic analysis codes based on selected attributes.

For example, you can choose to group customers by industry, region, number of employees, or any number of other characteristics. Or, for items, attributes can include color, size, seasonality, and so on.

Attributes are applied at the master record level, so they are available to the functionalities system-wide. TAM analysis codes take advantage of this powerful feature.

Customer Records

TAM uses standard customer master records for promotion/contract functions. Optionally, you can apply attributes to provide an anchor point for creating customer groupings when you use dynamic analysis codes.

Item Records

Items are also the standard Enterprise Edition records. If you choose to create item groups based on dynamic analysis codes, you can use attributes based on the needs of your business model.

Analysis Codes

TAM does not include specific functions for defining groups of customers and items that promotions apply to. Instead, use analysis codes to set up these groups. The membership of an analysis code can be static (composed of a specific list of items or customers with stated start and end membership dates) or dynamic (based on attributes that are applied to the item/customer master records). The analysis codes are used to filter group membership.

Indirect Customers

Under TAM contract agreements, goods are not typically sold directly to end customers. Instead, manufacturers sell goods to distributors, who then resell the goods at the agreed-upon contract price. To receive reimbursement for the difference between the contract price and the price they paid for the goods, the distributor submits indirect sales tracking records. Indirect customer address records allow the manufacturer to connect sales with end customers—for example, to verify that the indirect customer was eligible for the contract price because of membership in a buying group.

Financials Data

TAM uses standard Enterprise Edition accounting elements—accounts, sub-accounts, cost centers, projects, SAFs—as the basis for controlling financial data. No additional elements are needed. You add promotion and contract-related accounts to Sales Account Maintenance and Product Line Maintenance to serve as defaults; other accounting information is needed in TAM Control and TAM Account Maintenance.

Multi-currency

TAM supports standard Enterprise Edition multiple-currency functionality when recording transactions potentially in three different currencies: Transaction Currency (TC), Base Currency (BC), and Statutory Currency (SC). Also, a fourth currency—Agreement Currency (AC)—is displayed as needed.

When contract and promotion agreements are initially created, the currency field defaults as the domain Base Currency. You are allowed to change the currency as long as the agreement status is Draft or Pending. Once a contract or promotion status is set to Open, the currency cannot be changed.

For more details on multi-currency, see “Multi-Currency” on page 134.

Control Data

Before starting to use TAM programs, you must enable the functionality in TAM Control. Also, use TAM Control to specify default daybooks and accounts used in TAM processing and define other related settings.

Promotion and Contract Data

After the basic data building blocks are in place, a few more records are required to start using promotions and/or contracts.

Agreement Types

Agreement types are a way to assign promotions/contracts to top-level types—for example, promotions for seasonal launch. They are associated with deal profiles and accounting information in TAM Account Maintenance.

Deal Profiles

Defined in Deal Profile Maintenance, profiles are essentially templates for deals that you set up in Promotion Maintenance and Contract Maintenance by associating them with specific items and customers, and adding the actual terms of the deal.

Promotions

Other setup data gets specified in Promotion Maintenance. You determine the customers and items that the promotion applies to by specifying some combination of item numbers, customer address codes, and item/customer analysis codes. If you use dynamic analysis codes, the system determines the exact membership of item and customer groups based on attributes. You then associate deals with the promotion, starting with a template created in Deal Profile Maintenance and changing default values as required. You also assign tiers to the deal, defining what benefits the customer receives for ordering within specified ranges of purchased quantities or amounts.

Contracts

In TAM, contracts are agreements between:

- Manufacturers and buying groups: in the medical industry, often Global Purchasing Organizations (GPOs) represent a group of businesses to obtain discounts from vendors based on the collective buying power of the group members. The group earns an administrative fee—typically 3% of total contract sales—recovered in a Deferred Discount deal. The contract between the manufacturer and a group is sometimes referred to as a master contract.
- Manufacturers and their distributors: Distributors purchase goods at an agreed-upon price, then sell to indirect customers, often at a lower price based on a master contract with a buying group. The distributor recovers the difference as a chargeback from the manufacturer, in addition to a negotiated percentage as a service fee, which is paid as a Deferred Discount.

Typically, TAM contracts involve indirect customers; that is, the manufacturer sells the goods to an intermediate party who then provides them to the end customers, who are often members of a buying group.

Setting up Base Data

This section describes the programs that create base data records, which are used when defining such TAM elements as contracts and promotions.

Note Standard base data setup of customer and item records is not covered in this guide. See [QAD Master Data User Guide](#) for information.

Activities include:

- 1 Defining attributes that you can assign to customers and items. Optionally, set up validation records so that values are validated during data entry.
- 2 Assigning attributes to individual item and customer master records.
- 3 Defining analysis codes to group items and customers based on attributes. These groups can then be used on Promotions and Contracts.

- 4 Defining buying groups for use with TAM Contracts.
- 5 Setting up indirect customer records to represent the end customers of distributors who are covered under TAM contract deals. Indirect customer records are used only with contract deals, not on promotions.

Attribute Definition Maintenance

Use Attribute Definition Maintenance to set up user-defined characteristics of items or customers. When you set up item or customer records in Item Master Maintenance or Customer Data Maintenance, the system displays a screen where you can enter a specific value for each attribute. Optionally, use the Validation Type field to specify whether and how the system validates user input when setting up item or customer records.

Important Attribute is a general concept used elsewhere in Enterprise Edition. Not all the attribute-related programs, setups, and fields apply to TAM.

Attributes serve as links between TAM deals and the customers and items to which the deals apply:

- In Analysis Code Maintenance, define a dynamic analysis code for customers or items based on a specific value for an attribute or a combination of attributes.
- On the Customers or Items tab of Promotion Maintenance or TAM Contract Maintenance, specify that analysis code.
- When applying that deal, the system looks for customers or items whose master records meet the attribute criteria. Deals are available for customers or items with matching records.

Note Promotion Maintenance and Contract Maintenance allow you to insert multiple lines in the Customers or Items tab. You can apply the deal to multiple values of the same attribute. For example, if the customer analysis code is based on the Company Size attribute, you can set up lines for Large and Medium values, but not a line for the Small value. This method effectively excludes those customers from eligibility for the deal.

The program consists of two frames.

- In first frame, enter basic information about the attribute.
- When you click Next, another frame enables you to specify whether the attribute is used for customers or for items. You can enter multiple records by completing the first, then overwriting the values in the lower frame. For example, use this multiple-record feature to vary settings by domain. Though it is probably not a common practice, you can also use this method to associate the same attribute with both customers and items.

After you enter a record in the bottom frame, the Attribute Category Link frame displays a summary of the record you just entered. To access the detail, select the summary record. The detail appears in the bottom frame for editing.

Fig. 2.2
Attribute Definition Maintenance

Attribute Name: Size System:

Description: Size Active:

Data Type: character

Format: x(8)

Label Term: SIZE

Default Value:

Validation: AVD

Validate Program:

Default Program:

Required:

Printable:

Table:

Field:

Qualifier Type: Qualifier:

Sequence: 0

Attribute Name. Specify a unique alphanumeric identifier (up to 32 characters) for the attribute.

System. This system-maintained field indicates whether it is a QAD-provided attribute delivered with TAM. When this field is not selected, the attribute is user-defined.

Active. Indicate whether this attribute definition is available for use by related customer and item functions.

Description. Optionally, enter a description of the attribute. This description displays in Customer Data Maintenance or Item Master Maintenance.

Data Type. Specify the type of data associated with the attribute. Valid types are character, decimal, integer, date, and logical. When set to date or logical, you cannot define the format.

Note If any reference to this attribute exists, you cannot change this value.

Format. Define the format that controls the entry of the information shown in Data Type. If Data Type is Date or Logical, the format is system-defined. You cannot update this field.

If Data Type is Integer, you can enter >>9 to indicate that a valid entry for the attribute is a one, two, or three-digit number. If Data Type is character, enter the value in the form x(n), where n is the maximum number of characters.

For example, you can enter an integer with:

- >, >>9 for a maximum value displayed as 9,999 and a minimum value displayed as 0 (zero)
- >> for a maximum value displayed as 99 and a minimum value displayed as 0

You can use decimal and >>9.99% to represent percentage. You can enter a decimal with:

- >>. >>9.99 for a maximum value displayed as 99,999.99 and a minimum value displayed as 0.00

- >>>.9999 for a maximum value displayed as 999.9999 and a minimum value displayed as .0000
- >>9.99% for a maximum value displayed as 999.99% and a minimum value displayed as 0.00%

The maximum length of any format field allowed is 50 characters.

Note You can update the format even when references to this attribute exist. However, existing transaction history records are not updated. The system applies the updated format definition to records created after the change.

Label Term. Specify a label term defined in Label Master Maintenance to use for associating a label with this attribute when the attribute is used in a dynamic analysis code.

In Analysis Code Maintenance, the label associated with this term displays as a column heading in the Selection Detail frame for a dynamic customer or item group.

Default Value. Optionally, enter the default value that displays for this field in Item Master Maintenance or Customer Data Maintenance. If you do not enter a value, the field is initially blank.

Validation. To validate the value entered in Customer Data Maintenance or Item Master Maintenance, select the validation method.

When this field is blank, the system does not validate the values for attributes.

Note The system still validates the data type and format. For example, you cannot enter an alphabetical character in an integer field.

Attribute Validation Detail and Generalized Codes are user-definable. The Custom and Language Detail methods are general functionalities designed for non-TAM applications. The validation methods include the following:

- AVD: Validate against values defined for the attribute in Attribute Validation Detail Maintenance.
- CUST: Custom validation logic. This feature is not implemented in TAM.
- GC: Validate against codes set up in Generalized Codes Maintenance where the field name is the same as the attribute name.
- LD: Language Detail validation logic. This feature is not implemented in TAM.

Default Program. Not used in TAM implementation.

Required. Indicate whether the user is required to enter a value for this attribute in Customer Data Maintenance or Item Master Maintenance when a default value is not specified.

Printable. Not used in TAM implementation.

Table. Not used in TAM implementation.

Field. Not used in TAM implementation.

Qualifier Type. Not used in TAM implementation.

Qualifier. Optionally, enter a qualifying term that applies to the attribute value. This qualifier displays next to the attribute value in Customer Data Maintenance or Item Master Maintenance. For example, if you have a customer attribute based on the number of employees in the company, you can enter Emp as the qualifier.

Sequence. Optionally, enter the order in which this attribute is listed in Item Master Maintenance or Customer Data Maintenance.

If sequence numbers are not used, attributes are listed alphabetically.

Fig. 2.3
Attribute Definition Maintenance - Attribute Category

Category	Domain	System	Active
customer		<input type="checkbox"/>	<input checked="" type="checkbox"/>
item		<input type="checkbox"/>	<input checked="" type="checkbox"/>

Category	Domain	Active	Label Term	Required	Allow Mod
customer		<input checked="" type="checkbox"/>	SIZE	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Category. Specify whether this attribute is used in customer or item master records.

Note

- You can link an attribute to both categories by first completing one entry, then selecting that entry in the Attribute Category Link frame. If you change the Category or Domain value in the bottom frame, the system creates another record.
- Although the lookup includes extra values, only item and customer apply to TAM.

Domain. If this record applies only to one domain, enter it here. Leave blank to apply to all domains.

Label Term. Specify a label term (defined in Label Master Maintenance) to use for associating a label (displayed in Analysis Code Maintenance) with this attribute. The value defaults from the first frame.

Required. Indicate whether the user is required to enter a value for this attribute in Customer Data Maintenance or Item Master Maintenance if a default value is not specified. The setting defaults from the first frame.

Allow Mod. Indicate whether the value of this attribute can be updated in Customer Data Maintenance or Item Master Maintenance after it is initially entered.

Important By default, this field is NOT selected. Be sure to select it if you want to be able to update the attribute value after it is initially entered in item or customer master records.

Attribute Validation Detail Maintenance

Use Attribute Validation Detail Maintenance to define valid values for attributes that have been set up in Attribute Definition Maintenance with the Validation Method field set to AVD.

The system uses these records to validate values entered for the associated attribute in Customer Data Maintenance or Item Master Maintenance.

- To create an attribute validation record, enter the attribute name, the function (customer or item), and, optionally, the domain. Then, in the bottom frame, enter a valid value for the attribute. After you enter a detail record, it displays in the middle Attribute Validation Detail frame.
- To create an additional detail record, select an existing record and overwrite it.
- To delete a value, press Enter when the record is displaying in the bottom frame and then click Delete.

Fig. 2.4
Attribute Validation Detail Maintenance

The screenshot shows a software window titled "Attribute Validation Detail Main...". At the top, there is a menu bar with options: "Go To", "Actions", "Copy", "Print", and "Preview". Below the menu bar, the form is divided into three sections. The first section is labeled "Attribute Name:" and contains a text box with the value "Size" and a search icon. The second section is labeled "Function:" and contains a text box with the value "CUSTOMER" and a search icon. The third section is labeled "Domain:" and contains an empty text box.

Attribute Name. Specify an attribute defined in Attribute Definition Maintenance.

Domain. Optionally enter the domain in which this record is used for validation. Leave the field blank to apply the record to all domains.

Function. Specify the attribute validation function that applies to this record:

- Customer: The system validates against this value for the specified attribute in Customer Data Maintenance.
- Item: The system validates against this value for the specified attribute in Item Master Maintenance.

Note Other values shown in the selection list do not apply to TAM.

Fig. 2.5
Attribute Validation Detail Maintenance - Detail

Value	Active
LARGE	<input checked="" type="checkbox"/>
MEDIUM	<input checked="" type="checkbox"/>
SMALL	<input checked="" type="checkbox"/>

Code	Active	Comments
LARGE	<input checked="" type="checkbox"/>	Large

Value. Enter a valid value for this attribute.

The system validates your entry against the Data Type specified in Attribute Definition Maintenance.

Active. Select this field to make this value available during validation in Item Master Maintenance or Customer Data Maintenance.

By default, new records are active.

Comments. Enter a text comment (up to 40 alphanumeric characters); for example, a description of this value.

Analysis Code Maintenance

Use Analysis Code Maintenance to define groups of items or customers that can be assigned to promotions in Promotion Maintenance or TAM Contract Maintenance.

Depending on the settings of Members, analysis code groups can be:

- **Static.** In the middle frame, click Select New Members. The system displays a filterable list of items or customers at the bottom. Select items or customers, then click Add Selected Members. (Use Shift+Click and Ctrl+Click to make multiple selections.)
- **Dynamic.** In the bottom frame, select an item or customer attribute, and then associate the analysis code with a specific value for that attribute. Attributes are set up in Attribute Definition Maintenance and assigned to customers or items. When you set up item or customer records in Item Master Maintenance or Customer Data Maintenance, the system lets you enter a specific value for each attribute. The groups are called dynamic because their membership changes when the value of the related attribute is updated in a customer or item record.

You assign analysis codes to TAM deals in the Customers or Items tab of Promotion Maintenance or Contract Maintenance. When applying that deal, the system looks for customers or items whose master records include that attribute value. Deals are available for customers or items with matching records.

Note Promotion Maintenance and Contract Maintenance allow you to insert multiple lines in the Customers or Items tab, so you can apply the promotion to multiple values of the same attribute. For example, if there are customer analysis codes based on the Company Size attribute, you can set up lines for Large and Medium values, but not a line for the Small value. This way effectively excludes those customers from eligibility for the promotion.

Fig. 2.6
Analysis Code Maintenance

Type. Specify whether the analysis code applies to customers or to items.

Analysis Code. Enter a name (up to 18 characters) for the analysis code.

Description. Optionally, enter a description (up to 24 characters) of the attribute.

Members. Indicate how you want to select members for the analysis code group:

- **Static:** Select specific items or customers.
- **Dynamic:** Select attributes and values associated with item and customer master records. The group does not have specific members. Instead, processing functions dynamically select items or customers based on these values.

Buying Group Maintenance

Indirect Customers do not buy goods directly from manufacturers; instead, they do business with indirect customers: distributors, wholesalers, or resellers. Often, the indirect customers belong to a Buying Group (for Food and Beverage and Consumer Products industries) or Group Purchasing Organization, (GPO) (for Life Science industry). These entities exist to use the purchasing power of a group of businesses to obtain discounts from vendors based on the collective buying power of

the group members. These better prices are recorded on a contract, and the contract price is the price at which the indirect customers can buy from the distributors (or from the manufacturer on rare occasions).

In the medical industry, hospitals are constantly under pressure to cut costs. It is common for a hospital to belong to multiple buying groups, which can help to get a better price. As the number of available medical products continues to grow, hospitals now use GPOs to manage product catalogs.

Membership in these groups must include an effective date range. Customers may belong to a group for a limited period. They may leave a group and then rejoin it later.

This changing matrix of customers creates administrative challenges to ensure that only eligible discounts are taken. As a result, some companies provide monthly files to communicate membership changes.

Use Buying Group Maintenance to define the various groups necessary to support the indirect/contract sales process and features of TAM contracts. Then, associate a buying group with the appropriate members/indirect customers it represents using Indirect Address Maintenance.

General Tab

Fig. 2.7
Buying Group Maintenance-General Tab

GPO. Enter a code (up to 20 characters) for the Buying Group/GPO. This field cannot be updated once saved.

Active. Select this field to make this buying group available for use in other programs. By default, new records are active. Note that regardless of whether the buying group is active, you can still attach members to the group and define contracts for the buying group.

Description. Enter a meaningful text description of this buying group (up to 40 characters).

Supplier. Enter a valid supplier address code, defined in Supplier Create, that represents the Buying Group (GPO). The system uses this supplier when creating supplier invoices for the GPO/Buying group, in response to defined Deferred Discount deals on contracts. In a practice most typically found in the Life Sciences industry, the GPO is due back a 3% commission, also known as the administrative fee, for contract sales made to its group members.

Comments Tab

Comments functionality will be added in future release.

Indirect Address Maintenance

Indirect customers typically do business with the distributors, wholesalers, or resellers of a manufacturer, but do not buy directly from the Manufacturer. Often, the indirect customers belong to a Buying Group (for Food and Beverage and Consumer Products industries) or Group Purchasing Organization (GPO) (for Life Science industry). These entities exist to use the purchasing power of a group of businesses to obtain discounts from vendors based on the collective buying power of the group members. These better prices are recorded on a contract, and the contract price is the price at which the indirect customer can buy from the distributor (or from the Manufacturer on rare occasions).

Use Indirect Address Maintenance to define information about indirect customers who are members of a buying group.

Note While this program is available for you to create or update individual records, buying groups may contain hundreds—if not thousands—of group members. Companies typically receive electronic files containing relevant membership details, and TAM allows users to electronically load the membership information. Use QAD QXtend Excelerator to import a large quantity of new indirect address records from a spreadsheet. For example, Premiere—currently the largest GPO in the US with over 30,000 member hospitals—will supply a file to a manufacturer, which contains all its group members. The manufacturer would not realistically be expected to type in each member manually, but rather load the group membership using Excelerator. Once loaded, the manufacturer then can either load or enter in the monthly updates to the group as the information is received. This electronic means of loading group membership saves countless hours of data entry and eliminates potential data entry mistakes.

Indirect Address Maintenance consists of three tabs:

- Address Info tab includes basic address and other general information about the customer.
- Identifiers tab includes specialized information for the customer, including many identifiers that are commonly used in the medical industry.
- The Buying Groups tab lets you specify groups attached to this indirect address.

Fig. 2.8
Indirect Address Maintenance-Address Info Tab

The screenshot shows a web browser window titled "Indirect Address Maintenance" with a search bar and navigation buttons. Below the search bar, it indicates "Viewing 1 - 12" records and "Records per page: 100". There are "Print" and "Preview" buttons. The main form area is titled "Address Info" and contains several tabs: "Address Info", "Identifiers", and "Buying Groups". The "Address Info" tab is active and contains the following fields:

- Name:** 12 Visions International (highlighted with a red box)
- Search Name:** 12 Visions
- Active:**
- Address:** 10 Wilshire Blvd Ste 950
- Zip/City:** 78796, Santa Monica
- State:** AK, Alaska
- County:** Dallas, Dallas
- Country:** USA, USA - TAX PURPOSE
- Format:** After
- Telephone:**
- Fax:**
- Email:**
- Customer:**

Name. Enter the identifier used for this indirect customer address.

Search Name. Optionally, enter the name for this indirect customer that is used in searches. The search name can be an alternative form of the Name value.

Active. Select this field to make this indirect address record available for use in TAM Contract Maintenance.

By default, new records are active.

Address, Zip/City, State, County, Country. All optional. County, state, and country codes are validated if entered.

Format. Specify where the zip (postal) code displays relative to the address.

Telephone, Fax. Enter telephone and fax numbers for this indirect customer address.

Email. Enter an email address for this indirect customer address.

Customer. Enter a valid customer code, defined in Customer Create, that represents the customer code to use on orders regarding this indirect address. An indirect address customer or group member typically buys indirectly from a manufacturer through a distributor or reseller. However, at times they purchase directly from the manufacturer. In that case, Enterprise Edition requires a customer to be defined for that indirect address so that a sales order can be created in the system.

TAM uses this value during order entry as a cross-reference to the indirect customer name. When a direct sale is made to this indirect address, the system first looks for a contract that applies to this customer, and if found, uses that price on the direct sale. Next, if no contract price is found, the system searches for contracts against buying groups to which this customer is attached as a group member.

Fig. 2.9
Indirect Address Maintenance-Identifiers Tab

Pricing Tier	Start Date	End Date
1	10/01/2017	10/31/2017
2	11/01/2017	

HIN. Enter the Health Industry Number (HIN) associated with this indirect customer. The HIN is a unique and standardized identifier that enumerates hospitals, providers, suppliers, and all other partners doing business in the medical supply chain.

If specified, HIN must be exactly nine alphanumeric characters.

GLN. Enter the Global Location Number (GLN) associated with this indirect customer. A GLN is a globally unique identification number for locations and supply chain partners in the medical industry.

If specified, GLN must be a 13-digit number.

Class of Trade. Specify the primary class of trade associated with this indirect customer. In the medical industry, class of trade is a way of categorizing the type of service provided by a business—for example, acute care or ambulatory care.

Facility Type. Specify the type of facility associated with this indirect customer—for example, a hospital or physician's office.

DEA. Specify the registration number used by the US Drug Enforcement Agency to identify this indirect customer.

If specified, the DEA registration number must be two letters followed by seven digits.

Med Start Date/End Date. Specify the medical license start and end date.

IDN. Specify the Integrated Delivery Network associated with this indirect customer.

An IDN is a network of facilities and providers working together to offer a continuum of care to a specific market or geographic area.

Corporate. Specify the corporate entity associated with this indirect customer.

Affiliate. Specify an affiliated entity associated with this indirect customer.

Pricing Tier Grid. Right-click and select Insert a row to specify the pricing tier associated with this group member. The default is Pricing Tier 1.

This pricing tier is used to obtain the proper contract price for any given member, as contracts allow for item pricing to vary based on the customer pricing tier. The number of pricing tiers and qualifications for each are negotiated between the GPO and manufacturer and typically determined by the group member's purchasing history. A member may currently be at a certain pricing tier, however will be either downgraded or upgraded to another pricing tier as of some future effective date. Any historical changes in pricing tiers are logged in the grid using the Start/End Dates. Sales dates are compared against effective pricing tier found in the pricing tier grid to determine the proper contract price for that group member.

Use Indirect Address Pricing Tier Browse to view tier information across group members.

Fig. 2.10
Indirect Address Maintenance-Buying Group Tab

Right-click in the grid to add or delete a Buying Group record.

Buying Group. Enter or select an existing buying group record from the browse to attach the group to the indirect address. If the buying group is not flagged as active in Buying Group Maintenance, the system displays a warning message when you save the indirect address record.

Description. Displays the description of the buying group.

GroupID. Optionally enter the unique Group Identifier to this group member for this particular Buying Group. A Group ID cannot be reused across members within the same buying group.

Start/End Date. Optionally enter the Start and End Date of effective group membership for this member. These dates are evaluated during contract pricing and deal validation to determine if an indirect address is a member of a particular group, and is entitled to that group's contract price as of a specific purchase date.

Preferred. Indicate whether this is the preferred Buying Group to which the member belongs. A group member must declare which group is the preferred group in order for the distributor and manufacturer to determine which contract selling price to use when multiple contracts exist for the different groups to which a member belongs. The system displays an error if no buying group record associated with the member is flagged as preferred.

Setting up Financials Data

TAM uses standard QAD Enterprise Financials records, although you can customize your accounting structure as needed to manage associated accounts. Define relevant TAM discount, expense and liability accounts, sub-accounts, cost centers, and SAF concepts/codes/structures as needed. For information on setting up and using Enterprise Financials, see *QAD Enterprise Financials User Guide*. Refer to “Finance and Accounting” on page 133 for more information relating to the accounts used and timing of journal entries in relation to TAM.

Setting up Control Data

Use TAM Control to enable the functionality on the system level, control some elements of system behavior, and specify default account information used in transaction processing.

Fig. 2.11
TAM Control

TAM Enabled	<input checked="" type="checkbox"/>		
Price List Prefix	PL		
Accrual Daybook	FA		
Customer Credit Note Daybook	CCNHO		
Customer Credit Note Reversals Daybook	CCCOR		
Supplier Invoice Daybook	SIHO		
Supplier Invoice Reversals Daybook	SICOR		
Promotion Discount Account	3920	Cons	
Contract Discount Account	3921	Gserv	
Accrual Account	5350		Mfg
Sales Contra Account	5350		Log
Accrual Debit Account Type	Sales Contra		
Approval Required for Manual Claims	<input type="checkbox"/>		
Approval Required for System Claims	<input type="checkbox"/>		
Generate Negative Claims	<input type="checkbox"/>		
Distributor Contract Pricing Validation	<input type="checkbox"/>		
Purchasing Days	0		
Pricing Tiers	3		

TAM Enabled. Select this option to fully activate TAM functionality. Although users can create Promotions and Contracts in Draft or Pending status, they cannot set the status to Open unless TAM is enabled. Certain pricing programs, such as Pricing What-If Inquiry (S/O), do

not display promotional information related to price lists if this is not enabled. Also, order entry programs such as Sales Order Maintenance and Pending Invoice Maintenance cannot locate any Bonus Goods deals or Contract Pricing deals when TAM Enabled is not selected. TAM Enabled can be changed from Yes to No. However, if promotions exist, the system displays a warning and prompts you to continue.

Price List Prefix. Specify the alphanumeric string that the system uses as a prefix for system-assigned TAM price list identifiers.

You cannot leave the field blank; you must enter either one or two characters.

- If the prefix is one character, the number portion of the price list identifier is seven digits.
- If the prefix is two characters, the number portion of the price list identifier is six digits.

You can change this field even after price lists have been created. Existing lists stay as is, but new lists use the new value for the prefix.

TAM creates a price list when a promotion that contains an Immediate Discount deal is saved as Open status.

Accrual Daybook. Specify the daybook used when creating TAM accrual journal entries resulting from Generate Accruals Maintenance. The daybook control value may be either Financial or Operational; however, the daybook type must be defined as Journal Entries.

Customer Credit Note Daybook. This daybook is used for journal entries resulting from approved status claims where Payment Method is set to Customer Credit Note. The daybook type must be Customer Credit Notes and the daybook control value must be Financial.

Customer Credit Note Reversals Daybook. This daybook is used for journal entries resulting from reversed status claims where Payment Method is set to Customer Credit Note. The daybook type must be Customer Credit Notes and the daybook control value must be Financial

Supplier Invoice Daybook. This daybook is used for journal entries resulting from approved status claims where Payment Method is set to Supplier Invoice. The daybook type must be Supplier Invoices and the daybook control value must be Financial.

Supplier Invoice Reversals Daybook. This daybook is used for journal entries resulting from reversed status claims where Payment Method is set to Supplier Invoice. The daybook type must be Supplier Invoice Corrections and the daybook control value must be Financial

Promotion Discount Account. Specify the Income/Expense type promotion discount account used to potentially record expenses from Deferred Discount and Allocated Funds deals.

Although you must enter a valid value in Expense Account, the associated sub-account and cost center fields can be optional, depending on the COA mask setup.

The entered account/sub-account/cost center is validated to make sure that both the individual account, sub-account, and cost center and their combination are valid. The combination of account, sub-account, and cost center must be valid for its COA mask.

Contract Discount Account. Specify the Income/Expense type of account used to potentially record expenses from Contract deals.

Although you must enter a valid value in Contract Discount Account, the associated sub-account and cost center fields can be optional, depending on the COA mask setup.

The entered account/sub-account/cost center is validated to make sure that both the individual account, sub-account, and cost center and their combination are valid. The combination of account, sub-account, and cost center must be valid for its COA mask.

Accrual Account. Specify the Liability type accrual account used as the default for accruing Earned Discount amounts from Deferred Discount, Allocate Funds, and Contract Pricing - Chargeback deals. A journal entry is created when status Approved accruals are saved in Generate Accruals Maintenance; the system searches for deal-specific Accrual accounts set up in TAM Account Maintenance. If no record is found for the Agreement Type and Deal combination, then this accrual account is used.

Although you must enter a valid value in Accrual Account, the associated sub-account and cost center fields can be optional, depending on the COA mask setup.

The entered account/sub-account/cost center is validated to make sure that both the individual account, sub-account, and cost center and their combination are valid. The combination of account, sub-account, and cost center must be valid for its COA mask.

Sales Contra Account. Specify the Liability type account used to record Accrual amounts. A journal entry is created when status Approved accruals are saved in Generate Accruals Maintenance. This account is the summary accrual account used by the system to offset against the individual deal accrual accounts as defined in TAM Account Maintenance.

Although you must enter a valid value in Sales Contra Account, the associated sub-account and cost center fields can be optional, depending on the COA mask setup.

The entered account/sub-account/cost center is validated to make sure that both the individual account, sub-account, and cost center and their combination are valid. The combination of account, sub-account, and cost center must be valid for its COA mask.

Accrual Debit Account Type. Specify the account type to be debited when TAM accruals are generated and posted using Generate Accruals Maintenance.

- Expense: The accrual run (when approved) will debit the Expense Account/Sub-Account/Cost Center located in each relevant earned discount record. Credit the summarized Accrual Account/Sub-Account/Cost Center found in TAM Account Maintenance based on Agreement Type + Deal Profile combination.
- Sales Contra: Debit the Sales Contra Account/Sub-Account/Cost Center found in TAM Control with one summarized amount. Credit the Accrual Account/Sub-Account/Cost Center for each Agreement Type + Deal Profile combination found in TAM Account Maintenance.

Approval Required for Manual Claims. This setting affects the status of claims created in Claim Maintenance.

If this field is enabled, claims can only be saved with a Pending status in Claim Maintenance. To approve claims, use the Review Claims program.

If the field is disabled, claims can be created or modified to status Approved in Claim Maintenance.

Approval Required for System Claims. Use this option to control the status of claims automatically created by Generate Claims Maintenance when System Generate Claims is enabled for the specific deal.

Selected: For system-generated claims, the system sets the status of the claim to Pending. Users must use the Review Claims program to approve system-generated claims.

Cleared: For system-generated claims, the system sets the status of the claim to Approved.

Generate Negative Claims. When a deal is flagged as System Generate Claims, the setting for this field indicates whether TAM should generate claims that are negative if the open earned discount balance is below \$0. One scenario where a negative balance may occur is where indirect sales are reported that reflect returns. These returns result in a decrease in an Earned Discount amount, which may cause it go negative.

If you set Generate Negative Claims to true, negative claims can be generated by the system through Generate Claims Maintenance.

Distributor Contract Pricing Validation. Specify whether the system first searches for Distributor pricing using TAM contracts, or bypasses contracts and searches using Price Lists only.

If Distributor Contract Pricing is turned on, the Indirect Sales validation logic will first search through TAM Contracts to determine pricing for a Distributor. If no pricing is found for a particular item, the line is indicated as such, yet TAM continues to locate pricing for the Distributor via Price Lists.

If this field is turned off, then Indirect Sales bypass TAM Contracts while searching for Distributor pricing and no message is displayed indicating contract pricing not found.

In the business world, some manufacturers, especially in the Life Sciences area, maintain pricing for their Distributors using contracts, and plan to address the price in TAM Contract Maintenance. If this is your business case, QAD recommends that you select this field. Otherwise, if TAM Contracts are not used at all to maintain Distributor pricing, clear this field.

Purchasing Days. Specify the number of historical days over which the system calculates the number of items purchased by a distributor. This value is used during the matching and approval of indirect sales against a contract in Indirect Sales Maintenance.

Setting this value to 0 turns off purchasing history validation during Indirect Sales line approval. New users are encouraged to go-live with this value set to 0 if there is no invoice history already loaded into the system. Over time, as invoice history is built up sufficiently to support the evaluation of invoice sales against indirect sales being reported, then it is recommended to set this value to a number greater than 0. This number represents the days back in invoice history over which the system validates Distributor purchases from the manufacturer against those being reported by the Distributor through Indirect Sales. If invoice history does not support the full quantity of the indirect sale, the system displays an error.

Pricing Tiers. Specify the default number of pricing tiers that apply to contracts for Contract Pricing deals in TAM Contract Maintenance.

Setting up Promotion and Contract Data

Use the records set up in earlier sections to define the records:

- Set up agreement types to define categories for grouping promotional and contractual agreements.
- Define deal profiles for use as templates for deals that are later added to contracts and promotions.
- Use TAM Account Maintenance to further refine the accounting setup for specific deal profiles when they are used on promotions or contracts.

Agreement Type Maintenance

Use Agreement Type Maintenance to create promotion and contract categories that further differentiate and group promotional and contractual agreements.

For example, a contract analyst can use agreement types to differentiate contracts by type to define whether a contract is a Master Agreement Contract with a GPO, a Distributor Contract, or another form of contract, such as a direct contract with a member or a Specialty contract. A promotion analyst can create the following types to group and identify all promotions with a similar initiative or usage:

- MDF–Market development fund
- Contest–In-store contests
- Marketing–Promotional fliers/handouts
- ProdLaunch–New product launch initiative

Associate agreement types with promotions in Promotion Maintenance or with contracts in TAM Contract Maintenance, based on the settings of For Promotion Use and For Contract Use.

Use TAM Account Maintenance, when appropriate, to associate combinations of agreement type and deal profile codes with specific General Ledger Accounts, Sub-Accounts, Cost Centers, and SAF codes. This allows users to further differentiate TAM General Ledger transactions as needed.

Fig. 2.12
Agreement Type Maintenance

Agreement Type. Enter an alphanumeric code for an agreement type (up to 20 characters).

Description. Enter a meaningful text description of this agreement type (up to 40 characters).

Active. Select this field to make this agreement type available for potential use in Promotion Maintenance, TAM Contract Maintenance, and TAM Account Maintenance.

By default, new records are active.

For Promotion Use. Specify whether this agreement type can be applied to promotions. The same type can apply to both promotions and contracts.

If you do not select either this field or For Contract Use, the deal cannot be used; the system displays a warning message.

For Contract Use. Specify whether this agreement type can be applied to contract pricing. The same type can apply to both contracts and promotions.

If you do not select either this field or For Promotion Use, the system displays a warning message.

Deal Profile Maintenance

Use Deal Profile Maintenance to create generalized templates for deals. Use the most common settings that your company associates with deals of a specific type. Then, apply the deal profile to a promotion or a contract by selecting it on the Deals tab in Promotion Maintenance or TAM Contract Maintenance. You can then update fields copied from the deal profile with promotion/contract-specific values and add eligible customers and items, discount percentages, item prices, contract pricing tiers, and so on.

The top portion of the screen includes fields that identify the profile and associate it with a category. The tabs at the bottom relate directly to the Deal Category field. Only the tab for the selected category is enabled for each profile.

Note Some fields in a tab are relevant only when another field has a specific value. For example, the Freight Terms field applies only when Amount Type is Freight Terms. When a field does not apply, it displays in gray and cannot be updated.

Fig. 2.13
Deal Profile Maintenance

Deal Profile. Enter an alphanumeric (up to 20 characters) identifier for the deal profile.

Consider setting up naming conventions to categorize deal profile codes—making them easier to identify.

Note You cannot update this field after you have saved the record.

Description. Enter a meaningful text description of this profile (up to 40 characters).

Deal Category. Select a category that indicates how the deal is used when it is copied to a promotion. The options are:

- **Immediate Discount:** The discount is available during order entry, based on a price list generated when the associated promotion is opened. An immediate discount can apply at either the line or the order level. It can be applied as an amount or a percentage of the price, or as credit or freight terms. This deal type applies only to promotions.

- **Deferred Discount:** The discount is based on sales activity over a period defined for a specific promotion. Payment typically takes the form of an AP payment, an AR credit note, or a deduction. This deal type applies to promotions, and can also be used on a contract as a method of paying administrative and service fees.
- **Bonus Goods:** During sales order and pending invoice entry, extra goods can be offered for free or at a discount before reaching the order trailer frame, based on the order quantity of given items on previous lines. For example, buy 10 of item A and get a free item B. This deal type applies only to promotions.
- **Allocated Funds:** Fixed amounts of money are provided on a specified schedule based on criteria not related to sales activity. For example, an amount provided to a retailer for placing a product in a prime store location. This deal type applies only to promotions.
- **Scan-back:** Planned item quantities and discount amounts specified on the deal result in relevant Earned Discounts. Retailers/wholesalers/grocers provide the summarized scanned sales information back to the manufacturer, serving as necessary claim documentation. This deal type applies only to promotions.
- **Contract Pricing:** For Master Agreement type contracts, the deal price is negotiated between the manufacturer and a buying group, whose members can get the negotiated price when they buy the item either from a distributor or directly from the manufacturer. For Distributor type contracts, the contract pricing represents the sales price of items directly to the Distributor. This deal type applies only to contracts.

Note The system allows you to change the Deal Category value after you have saved the deal profile. However, all fields on the tab associated with the original Deal Category selection are reset to their default values.

Active. Select this field to make this deal profile available for use in Promotion Maintenance or TAM Contract Maintenance. Note that turning the Active field off will result in preventing that Deal Profile code from being added onto new Agreements; however, it has no impact on deals already attached to Agreements. Likewise, claims may still be entered against existing open Agreements referencing the deal.

By default, new records are active.

Immediate Discount Deal Category

Fig. 2.14
Immediate Discount Tab

Deal Profile	OI Line	
Description	Diff-Invoice Line Level Discount	
Deal Category	Immediate Discount	Active <input checked="" type="checkbox"/>
<div style="display: flex; border-bottom: 1px solid black; margin-bottom: 5px;"> Immediate Discount Deferred Discount Allocated Funds Bonus Goods Contract Pricing Scan-back </div>		
Discount Level	Line	Volume Type
Quantity Type	Amount	Apply To
Amount Type	Discount %	Credit Terms
Combination Type	Combinable	Freight Terms
Max Orders	0	Override
Disc Sequence	10.0	Print
All Items	<input type="checkbox"/>	Spread Method
		Even Spread

Discount Level. Specify whether discount calculations during order entry apply to individual lines or to the entire order.

On a multi-line order, customers can optionally qualify for discounts based on the entire order, rather than on individual lines.

Volume Type. This field is for future development and is read-only. By default, it is set to <BLANK> for line-level discounts and Order Value for order-level discounts.

Quantity Type. Specify whether discount calculations during order entry are based on the number of items ordered or on the total monetary amount of the line or order.

When Discount Level is Order, the system sets Quantity Type to Amount. You cannot change it.

Apply To. Specify whether order-level discounts are applied at the line level or at the order trailer.

When Apply To is Line, the customer invoice shows the qualified discount against each order line.

Amount Type. Specify how the customer receives the discount. For example, you can provide it by subtracting a percentage or amount from the line or order total, or by offering better credit or freight terms on the order.

- For line-level discounts, you can set Amount Type to Discount %, Discount Amt, or Net Price.
- For order-level discounts, you can set Amount Type to Discount %, Discount Amt, Credit Terms, or Freight Terms. If you select Credit Terms or Freight Terms, you can specify a terms code in the adjacent field.

Credit Terms. When Amount Type is Credit Terms for order-level discounts, specify the credit terms code for the order. Valid codes must be set up in Credit Terms Create.

Combination Type. Specify whether the price list generated when you apply this deal profile to a promotion can be combined with other lists, or must be an exclusive, stand-alone list.

If Combination Type is Combinable, the price list created from a TAM promotion can be combined with other price lists in Best Pricing. It does not matter whether the price list is generated from a TAM promotion or has been created using Price List Maintenance.

For line-level discounts with Amount Type set to Net Price, the system fixes Combination Type to Exclusive.

Freight Terms. When Amount Type is Freight Terms for order-level discounts, specify the freight terms code for the order. Valid codes must be set up in Freight Terms Maintenance.

Max Orders. Indicate the maximum number of times that price lists generated by promotions using this deal profile can be used for orders from the same customer. For example, for a one-time-only deal, enter 1. The system allows each associated customer to use the deal only once.

Note The limitation does not apply to multiple lines on the same order. The deal can be used on all qualifying lines.

Leave the field set to the default (0) to allow unlimited use of the list.

Note When the promotion includes a Max Orders value, you can increase the value while the promotion is active. However, on an Open promotional deal, you cannot reduce the value to less than the number of times the deal has been used by any customer on that promotion.

Override. Select this field to have the system use the resulting price list even if Best Pricing logic finds a better price.

When Override is selected, the system-generated price list created for the promotion is defined as Manual and Exclusive. Attempting to define a deal with the Override option selected that is not Manual not Exclusive will result in errors.

Disc Sequence. Optionally specify the discount sequence number to be written into the Discount Sequence value for the resulting price lists from this immediate discount deal.

Print. Specify the setting of the Print field in Price List Maintenance for price lists that the promotions generated using this deal profile. Discount information associated with a price list can be printed on documents such as invoices only when Print is selected.

Note The Print field may be turned on or off while the Promotion is status Open, unlike several other Immediate Discount deal fields.

All Items. Select this field to make the deal available for all items; in that case, item-specific information cannot be entered.

When the field is cleared, users can access the Item Detail grid in the promotional deal and enter specific item numbers and/or item analysis codes and corresponding deal information.

Spread Method. For Immediate Discounts, the Spread Method field is fixed as “even” and indicates how the planned quantities of promotional item are spread across the life of the promotion.

Deferred Discount Deal Category

Fig. 2.15
Deferred Discount Tab

The screenshot displays the 'Deferred Discount Tab' configuration form. At the top, the Deal Profile is 'Admin Fee' and the Description is 'BPO Admin Fee for use on Contracts Only'. The Deal Category is set to 'Deferred Discount' and the 'Active' checkbox is checked. Below this are tabs for 'Immediate Discount', 'Deferred Discount', 'Allocated Funds', 'Bonus Goods', 'Contract Pricing', and 'Scan-back', with 'Deferred Discount' being the active tab. The form is divided into two columns of settings:

- For Promotion Use:**
 - Amount Type: Discount %
 - Payment Method: Supplier Invoice
 - Discount Base: Net Price
 - Accumulation Period: Promotion
 - Apply Current Tier to Previous Sales:
 - Sales Basis: Member
 - Tax Level: (empty)
 - Spread Method: Even Spread
- For Contract Use:**
 -
 - Quantity Type: Amount
 - Payment Cycle: Current
 - All Items:
 - Claim Over Excess: Error
 - System Generate Claims:
 - Fee Pricing Point: Member
 - Fixed UOM:

For Promotion Use. Specify whether this deal profile can be applied to promotions in Promotion Maintenance. If turned off, the deal cannot be attached to a promotion.

Note A deferred discount deal profile can be applied to both promotions and TAM contracts.

For Contract Use. Specify whether this deal profile can be applied to contracts in TAM Contract Maintenance. If turned off, the deal cannot be attached to a contract.

Note A deferred discount deal profile can be applied to both promotions and contract pricing.

Amount Type. Specify how the buyer receives the discount—as a fixed amount per some ordering unit or as a discount percentage.

Quantity Type. Specify whether discount calculations are based on the number of items ordered (Quantity) or on the total monetary amount of the line or order (Amount).

Payment Method. Specify the default resulting document for claims related to this deferred discount deal: Customer Credit Note or Supplier Invoice.

Payment Cycle. Specify how often claims are generated against the deal: Current or End of Deal.

This value is related to the System Generate Claims field. When that field is selected, Generate Claims Maintenance considers generating claims for this deal. In that case:

- When Payment Cycle is Current, the system generates a claim for the current period and any previous unclaimed periods when you run Generate Claims Maintenance.
- When Payment Cycle is End of Deal, the Generate Claims Maintenance function only creates a claim if the promotion end date, as specified on the Promotion header, has been reached.

Discount Base. Specify whether the discount is based off the List Price or the Net Price of the order line.

All Items. Select this field to make the deal available for all items; in that case, item-specific information cannot be entered.

When the field is cleared, you can access the Item Detail grid in the promotional deal and enter specific item numbers and/or item analysis codes and corresponding deal information.

Accumulation Period. Specify the period over which discounts are accumulated and reset: Promotion (no reset; discounts continue to accumulate for the entire effective date range of the promotion), Month, Quarter, or Year.

Claim Over Excess. Indicate how the system responds when users attempt to create and process a claim in Claim Maintenance whose claim amount exceeds the open Earned Discount balance:

- Warning: The system displays a warning, but allows the claim.
- Error: The system displays a hard error and does not allow the claim.

Apply Current Tier to Previous Sales. Select this option to have the discount specified in the current tier (as defined in the associated promotion) apply to the qualifying previous sales in earlier tiers.

Example The first tier specifies that a 1% discount applies to a minimum quantity of 0 and the next tier specifies a 2% discount to a minimum quantity of 1000. A customer places an order for 500, then an order for 1000. If Apply Current Tier to Previous Sales is selected, the customer would receive the 2% deferred discount on the entire quantity of 1500, instead of just the second order for 1000.

System Generate Claims. Specify whether claims associated with this deal can be automatically created when you run Generate Claims Maintenance.

Sales Basis. Specify the basis used to determine which sales are to be considered for earned discount calculations in a distributor/member (end customer) relationship:

- **Customer:** The quantity purchased by the customer, or distributor, is used. For example, the distributor is entitled to 1% back of purchases during a certain period. The 1% is based on the invoiced sales contained in the system.
- **Member:** The quantity purchased by the member, or end user, is used. For example, a contract deal dictates that the distributor is entitled to 2% back of the resale of purchases to group members at the contracted price during a certain period. Since this applies to sales transactions outside the system, only indirect sales to members, reported back from the Distributor to the Manufacturer using Indirect Sales Maintenance, should generate Earned Discounts back to the distributor for this deal.

Another scenario where you would specify Member relates to buying groups, or GPOs. For example, a GPO is entitled to a 3% administrative fee for sales to its members at the contract price. These sales can take place either directly to the member from the manufacturer, or indirectly to the member from the distributor. Set Sales Basis to Member so that all sales to the members—both directly from the manufacturer and indirectly from the distributor—will qualify for the 3% administrative fee back to the GPO.

Fee Pricing Point. When For Contract Use is selected and Sales Basis is set to Member, specify which price the system uses in calculating distributor fees in a distributor/member (indirect customer) relationship:

- **Customer:** The price paid by the direct customer, or distributor, is used. In this scenario, a distributor or customer does not qualify for any deferred discount until the purchased items are resold at the contract price to the group members (Sales Basis is set to Member). However, the deferred deal is based on the price at which the distributor or customer initially purchased the item from the manufacturer.
- **Member:** The price paid by the indirect customer, or member, is used.

Tax Level. Specify the Tax Level for the deal:

- **Non-taxable:** No tax is calculated for the deal regardless of customer/item tax settings.
- **Tax by Customer:** Apply the customer tax settings to all items on this deal.
- **Tax by Item:** Apply the individual item-level tax settings in this deal.

Note The Tax Level field only applies to Deferred Discounts that will be used on Promotions. The Tax Level field does not apply to contracts.

For more details, see “Finance and Accounting” on page 133.

Fixed UOM. Specify whether the Deferred Discount is to be applied only to invoice lines matching the unit of measure specified against the promotional item.

Spread Method. For Deferred Discounts, the Spread Method field is fixed as “even” and indicates how the planned quantities of promotional item are spread across the life of the promotion.

Allocated Funds Deal Category

Fig. 2.16
Allocated Funds Tab

Deal Profile: AF

Description: Allocated Funds

Deal Category: Allocated Funds Active

Immediate Discount | Deferred Discount | **Allocated Funds** | Bonus Goods | Contract Pricing | Scan-back

Payment Method: Customer Credit Note Payment Cycle: Current

Claim Over Excess: Error System Generate Claims:

Spread Method: Even Spread Items Required:

Tax Level: Non-taxable

Payment Method. Specify the resulting claim document for this allocated funds deal: Customer Credit Note or Supplier Invoice.

Payment Cycle. Specify how often claims are generated against the deal: Current or End of Deal.

This value is related to the System Generate Claims field. When that field is selected, Generate Claims Maintenance considers generating claims for this deal. In that case:

- When Payment Cycle is Current, the system generates a claim if there is an open earned discount balance when you run Generate Claims Maintenance.
- When Payment Cycle is End of Deal, the Generate Claims Maintenance function only creates a claim if the promotion end date, as specified on the Promotion header, has been reached.

Claim Over Excess. Indicate how the system responds when users attempt to create and process a claim in Claim Maintenance and the claim amount exceeds the open Earned Discount balance:

- Warning: The system displays a warning, but allows the claim.
- Error: The system displays a hard error and does not allow the claim.

This value is related to the System Generate Claims field. When that field is selected, Generate Claims Maintenance considers generating claims for this deal. In that case:

- When Payment Cycle is Current, the system generates a claim for the current period and any previous unclaimed periods when you run Generate Claims Maintenance.
- When Payment Cycle is End of Deal, the Generate Claims Maintenance function only creates a claim if the promotion end date, as specified on the Promotion header, has been reached.

System Generate Claims. Specify whether claims associated with this deal can be automatically created by the system using Generate Claims Maintenance.

Spread Method. Specify how the allocated funds are scheduled to be paid to the customer: All in the first promotion period, the last promotion period, or evenly spread across the promotion time.

Items Required. Specify whether the Allocated Funds deal is a general deal or item-specific. When this field is selected, you are allowed to specify items on the promotion deal.

Tax Level. Specify the Tax Level for the deal:

- Non-taxable: No tax is calculated for the deal regardless of customer/item tax settings.
- Tax by Customer: Apply the customer tax settings to all items on this deal.
- Tax by Item: Apply the individual item-level tax settings in this deal.

For more details, see “Finance and Accounting” on page 133.

Bonus Goods Deal Category

Fig. 2.17
Bonus Goods Tab

Deal Profile: Buy Two Get One Free
 Description: Buy two get one free
 Deal Category: Bonus Goods (dropdown) Active
 Immediate Discount | Deferred Discount | Allocated Funds | **Bonus Goods** | Contract Pricing | Scan-back
 Discount Base: List Price (dropdown) Add To Order: Prompt

Discount Base. Specify whether the discount is to be calculated off the list price or the net price of the order line.

Add To Order. Currently this field is read-only and set to Prompt. When order entry is complete and you exit order line entry to access the trailer details, the system prompts you if any Bonus Goods deals apply.

Scan-back Deal Category

Fig. 2.18
Scan-back Tab

Deal Profile: Scan-Back
 Description: Scan-back per Case
 Deal Category: Scan-back (dropdown) Active
 Immediate Discount | Deferred Discount | Allocated Funds | Bonus Goods | Contract Pricing | **Scan-back**
 Amount Type: Discount Amt Payment Method: Customer Credit Note (dropdown)
 Claim Over Excess: Error (dropdown) Tax Level: Non-taxable (dropdown)
 Spread Method: Even Spread

Amount Type. Specify how the buyer receives the discount—as a fixed amount per some ordering unit or as a discount percentage. Only Discount Amount is supported for Scan-back deals.

Payment Method. Specify the default resulting document for claims related to this deferred discount deal: Customer Credit Note or Supplier Invoice.

Claim Over Excess. Indicate how the system responds when you attempt to create and process a claim in Claim Maintenance whose claim amount exceeds the open Earned Discount balance:

- Warning: The system displays a warning, but allows the claim.
- Error: The system displays a hard error and does not allow the claim.

Tax Level. Specify the Tax Level for the deal:

- Non-taxable: No tax is calculated for the deal regardless of customer/item tax settings.
- Tax by Customer: Apply the customer tax settings to all items on this deal.
- Tax by Item: Apply the individual item-level tax settings in this deal.

For more details, see “Finance and Accounting” on page 133.

Spread Method. For Scan-backs, the Spread Method field is fixed as “even” and indicates how the planned quantities of the promotional items are spread across the life of the promotion.

Contract Pricing

Fig. 2.19
Contract Pricing Tab

Discount Level. This field is set to Line for contract pricing; you cannot update it.

Claim Over Excess. Indicate how the system responds when you attempt to create and process a claim in Claim Maintenance when the claim amount exceeds the open Earned Discount balance:

- Warning: The system displays a warning, but allows the claim.
- Error: The system displays a hard error and does not allow the claim.

Quantity Type. For Contract Pricing deals, the Quantity Type value is fixed as Quantity, meaning each item will receive the Contract Price.

Amount Type. This field is set to Net Price for contract pricing; you cannot update it.

Payment Method. Specify the resulting chargeback claim document for this deal: Customer Credit Note or Supplier Invoice.

Payment Cycle. Specify how often chargeback claims are generated against the deal: Current or End of Deal.

This value is related to the System Generate Claims field. When that field is selected, Generate Claims Maintenance considers generating claims for this deal. In that case:

- When Payment Cycle is Current, Generate Claims Maintenance creates a chargeback claim for the current period and any previous unclaimed periods.
- When Payment Cycle is End of Deal, Generate Claims Maintenance only creates a chargeback claim if the contract end date, as specified on the Contract header, has been reached.

Combination Type. This field is set to Exclusive for contract pricing; you cannot update it.

Pricing Point. For contract deals only (For Contract Use is selected), specify which price the system uses in calculating service fees in a distributor/member (indirect customer) relationship:

- Direct: The price paid by the direct customer, or distributor, is used.
- Indirect: The price paid by the indirect customer, or member, is used.

Chargeback. Specify whether the distributor is allowed to charge back to the manufacturer for the difference between the price the distributor pays and the lower contract resale price paid by the distributor's customer (that is, the indirect customer, or group member, in TAM).

This field only applies when Pricing Point is set to Indirect. When Chargeback is cleared, the system automatically clears System Generate Claims and you cannot select it.

System Generate Claims. Specify whether chargeback claims for the associated contract pricing deal are eligible for selection when you run Generate Claims Maintenance.

When Chargeback is cleared, this field is also cleared. You cannot select it.

TAM Account Maintenance

Use TAM Account Maintenance to define TAM accounts for a combination of agreement type and deal profile. For example, you can set up records for Deferred Discount deals that are used to pay fees to buying groups and distributors, providing a greater degree of granularity for financial reporting purposes.

If SAFs are required to further differentiate GL transactions, or to align with budgets set up at a user-defined SAF level, you can optionally enter SAF Concept codes and SAF codes.

Note See “Finance and Accounting” on page 133 for more information relating to the accounts used and timing of journal entries in relation to TAM.

Fig. 2.20
TAM Account Maintenance

The screenshot displays the TAM Account Maintenance web application. At the top, there is a search bar with a dropdown for 'Agreement Type' set to 'ProdLaunch', a 'starts at' field, and a search button. Below the search bar, there are navigation options like 'Print' and 'Preview'. The main form area contains several fields: 'Agreement Type' (ProdLaunch), 'Deal Profile' (NeoAF), 'Deal Category' (Allocated Funds), 'Promotion Discount Account' (3925), 'Contract Discount Account', and 'Accrual Account'. A dropdown menu for 'Expense SAFs' is open, showing a list of SAF codes including 'TAM-SAF-Concept' and 'TAM-SA'.

Agreement Type. Specify an agreement type created in Agreement Type Maintenance. Mandatory.

Deal Profile. Specify a profile created in Deal Profile Maintenance. Mandatory.

Deal Category. The system displays the category of the specified deal profile.

For Contract Use. This value defaults from Deal Profile Maintenance and is read-only.

When For Contract Use is specified on a Deferred Discount deal, users can specify the Contract Discount Account in TAM Account Maintenance. Different accounts, for example, can be used to track fees paid to a distributor and fees paid to a GPO.

Promotion Discount Account. Specify the Income/Expense type account, sub-account, and cost center used to record expenses for this agreement type/deal profile combination.

Higher SA+CC. The purpose of this field is to allow you to reuse the account for the same combination of Agreement Type and Deal Profile, but potentially vary the Sub-Account and Cost Center depending on variables such as Customer Type and/or Product Line.

If the Higher SA+CC field is not selected, TAM takes the Sub-Account (SA) + Cost Center (CC) from here. If the Higher SA+CC field is selected, then TAM pulls the SA and CC from Sales Account Maintenance based on the matching combinations of Product Line, Site, Channel, Customer Type, as defined in the existing QAD EE search logic. If no matching record is found in Sales Account Maintenance, TAM pulls the SA + CC from Product Line Maintenance based on the matching product line.

Contract Discount Account. Specify the Income/Expense account, sub-account, and cost center used to record contract discounts for this agreement type/deal profile combination.

This field is accessible only for Deferred Discount deals that have For Contract Use selected in Deal Profile Maintenance.

Accrual Account. Specify the Liability type account, sub-account, and cost center used to record accruals for this agreement type/deal profile combination.

Expense SAFs. Optionally, enter the appropriate SAF concepts and codes, to write onto GL transactions when they are related to agreements matching this Agreement type and Deal profile combination.

Note You must specify both SAF concept and code to use SAFs.

Using Promotions and Contracts

This chapter explains how to set up promotions and contracts.

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Promotion Overview

Promotions are agreements with customers to provide discounts during or after a specified period of time, allocate funds for promotional activities, or offer bonus goods at a discounted rate or for free. Depending on how the promotion is set up, discounts can be taken immediately during sales order entry, deferred and claimed later based on actual sales, or given as required for promotional activity. There are five main deal categories for promotions:

- Immediate Discount
- Bonus Goods
- Deferred Discount
- Scan-back
- Allocated Funds

For each deal category, you can create one or more deal profiles to represent variations of the deal category. This provides a mechanism to predefine and name deals consistent with the company's business and their specific industry. Each deal profile provides a template to be used in setting up deals on promotions, including default values. (Not all fields found on the promotional deal are found in the deal profile.) Deal profiles provide a way to quickly create promotions. See the "Deal Profile Maintenance" on page 31 for more details.

Budgeting for trade promotions is optionally done along with standard budgeting on an annual basis. Budgets are set up at a level that makes the most sense for the company, ranging from a single budget for market development funds, down to multiple budgets defined at the product line level. The TAM solution approach is to use the budgeting functionality as it is today in Enterprise Financials and make the connection to TAM through reporting. TAM Reporting allows you to analyze the effectiveness of promotions by comparing budget, planned, and actual expenses. Budget topics and codes can optionally be assigned to promotions on the General tab of each individual promotion.

Before setting up promotions, define the following relevant policies:

- Accounting Structure
Accounting structure to be used for accrual and expense accounts, ranging from a single trade spend account to multiple accounts for Agreement Type/Deal Profile combinations. Refer to the "Accounting Transactions" on page 137 for more information relating to the accounts used and the timing of journal entries in relation to TAM.
- Attributes
Attributes related to items and customers are defined elsewhere in the system, and can be used to group items and customers using Analysis Code Maintenance. For more details, see "Attributes" on page 11.
- Customer Groups
The name of customer groups varies depending on the nature of the business. For example, in the food services industry, customers are typically associated with a broker. For the retail industry, a customer group can represent a national or regional chain. Customer groups are defined and maintained in Analysis Code Maintenance. For more details, see "Analysis Codes" on page 11.

Note In the medical industry, it is common for customers to belong to one or more buying groups or GPOs. Buying groups used on TAM Contracts are maintained in Buying Group Maintenance, not Analysis Code Maintenance. See “Buying Group Maintenance” on page 20 for more information.

- Item Groups

Items can also be grouped for various reasons. You can quickly refer to commonly grouped items when selecting which items to include on a promotion or for reporting purposes. Although item groups are defined internally, they still can have an associated effective date. Item groups are defined and maintained in Analysis Code Maintenance. For more details, see “Analysis Codes” on page 11.

Note Items can belong to more than one item group at a time.

- Agreement Type

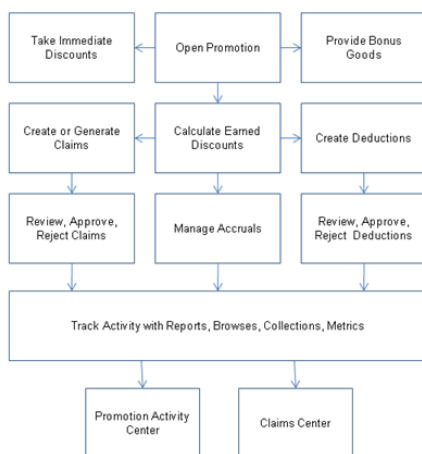
Agreement types allow you to further differentiate promotions and contracts; for example, promotions to be used for certain events, tournaments, contests, or channels. Agreement types, along with deal profiles, are used to define accounting defaults for certain TAM deals.

To enter a promotion, you define information about the promotion itself in the following areas:

- General information
- Dates the promotion is effective
- What, how, and when discounts are calculated
- Who receives payment for the discount
- Overall comments

After a promotion is defined, you can associate customers with it by specifying individual customers, customer groups, or all customers. Similarly, items can be associated with each promotion either by individual items and item groups, or all items. Discount rates for the promotion deal are defined against each deal and can also be tiered, based on accumulated quantities or amounts. After a promotion is created, if the promotion is required to go through an approval process, save the promotion in Draft or Pending status before setting it to Open.

The following graphic summarizes the flow of the promotion process.



Promotion Maintenance

Use Promotion Maintenance to define promotions in terms of type, effective date range, eligible customers and items, and the deals that are available. Optionally attach documents to promotions as needed.

The top portion of the screen includes basic information about the promotion. The tabs at the bottom provide details.

Fig. 3.1
Promotion Maintenance

The screenshot displays the 'Promotion Maintenance' form. At the top, the 'Promotion' field contains 'PR-1317' and the 'Status' is set to 'Draft'. The 'Description' is 'Spring Electronics Deals - phasing out packaging'. The 'Promotion Type' is 'Invoice Reduce'. The 'Buy Dates' are '04/01/2017' to '06/30/2017'. The 'Currency' is 'USD' and the 'Entity' is '10USACO'. Below these fields are tabs for 'General', 'Customers', 'Deals', and 'Comments'. The 'General' tab is selected, showing fields for 'Responsible', 'All Customers' (with a checkbox), 'Project Code', 'Budget Code', 'Budget Topic', and 'Reference'.

- **General:** Includes accounting and other information. The All Customers field controls access to Items and Customers tabs.
- **Customers:** Available only when the All Customers field is not selected. Right-click to add rows that let you specify customer address codes and/or customer groups that are eligible for the specified deals. When a customer group is attached, the type field displays whether the group is dynamic or static, as defined in Analysis Code Maintenance.
- **Deals:** Right-click to add rows that let you select deal templates defined in Deal Profile Maintenance. Use the look-up browse to view available deal templates. A pop-up window then lets you modify default values from the template to fit the specific promotion.
- **Comments:** Optionally, enter comments that apply to the promotion. The system displays a history of previous comments, including the date, time and user ID of the person making the comment.

Minimal field information is required to save in a Draft status, but the promotional details must be completed in full in order to save as a Pending or Open status.

Note Most fields cannot be modified on a Promotion saved in an Open status.

Deal-specific tabs, fields, and settings fluctuate across the five available deal categories.

Promotion Header

Fig. 3.2
Promotion Header

Promotion	PR-1317	Status	Draft
Description	Spring Electronics Deals - phasing out packaging		
Promotion Type	Invoice Reduce	Reduction of Inventory	
Buy Dates	04/01/2017	06/30/2017	Retail Dates
Currency	USD		
Entity	10USACO	USA DIVISION	

Promotion. You can enter your own promotion number, or leave it blank for the system to generate a number based on the sequence rule defined in Number Range Maintenance. You cannot update this field once the promotion has been saved.

Status. Specify the status of this promotion. All status changes are manually performed by the user.

- **Draft.** Default status on new promotion records. The following fields are the only fields required to save a promotion in Draft status: Description, Agreement Type, Buy Dates, Currency. All details on a Draft promotion can be modified.
- **Pending.** Use this status to indicate that the promotion record is more mature than draft, but is still not ready to set to Open. For example, your company has a work flow that requires promotions to be approved, so you can leave a promotion set to Pending during the review process. Pending promotions must contain all elements necessary for a promotion to be set to status Open, including customers, items, and at least one fully defined deal. All details on a Pending promotion can be modified.
- **Open.** The promotion is available for use. For Immediate Discount type deals, the system automatically generates the required price lists when users set Status to Open and successfully save the promotion. The following fields can be modified on Open promotions:
 - **Header**
 - Status (The status can be changed to Closed. If the promotion has not been used, you can revert back to Pending or Draft status.)
 - Description
 - Buy End Date
 - Retail Dates
 - **General tab**
 - Responsible
 - Reference
 - **Deal tab**
 - Deal reference
 - Deal Description
 - **Comments tab**
 - Comments can be added
- **Closed**

A promotion with Status set to Closed cannot be reopened or modified. No Claims or Accruals can be created against closed promotions. If there are any Pending status claims or deduction against any deal on the promotion, you cannot close the promotion.

Note You cannot revert a saved status Open promotion back to status Pending or Draft if any Earned Discounts have been calculated for deals attached to the Promotion.

Description. Enter a meaningful text description of this promotion (up to 40 characters).

Promotion Type. Specify the agreement type (set up in Agreement Type Maintenance) associated with this promotion.

Buy Dates. Specify the range of dates during which this promotion applies. You can modify the Buy End date after a promotion is saved with a status of Open. The new date cannot be earlier than the current date. If an Open promotion has not been used, then the promotion status can be set back to Pending/Draft and Buy Dates can then be modified as needed.

- For Immediate Discount deals, Buy Dates represent the effective dates recorded in any resulting price lists.
- For Bonus Goods deals, Buy Dates represent the dates (based on order date) on which a Bonus Goods deal is available during order entry.
- For Deferred Discount deals, this date range represents the dates that sales are accumulated against the deal (based on Invoice Date). You cannot modify the end date for a promotion with a deferred discount deal attached, whose current end date is in the past. You can only modify the buy end date for an open promotion with a deferred discount deal attached where the current buy end date is or is later than the current system date.
- For Allocated Funds deals, the buy dates outline the available periods in which the planned costs create earned discount records.
- For Scan-back deals, Buy Dates represent the period in which the customer is expected to purchase stock to support the promotion. The buy period typically starts before the in-store promotion, to build up stock in anticipation of increased sales.

TAM allows entering a prior date as the buy start date. When a backdated promotion is set to Open, be aware that this will not adjust prior posted lines regarding Immediate Discount and Bonus Goods deals. For Allocated Funds deals on backdated promotions, Earned Discount records will be created for the periods in the past, by the Promo AF Earned Discount Calc program. For Deferred Discount deals, when the Promo DD Earned Discount Calc program is run the first time after the promotion is set to Open, TAM will look into prior processed TAM history records to create earned discounts for prior posted activities. For Scan-back deals, this means potential discounts apply to past in-store sales.

Retail Dates. Optionally specify the range of dates this promotion is available for retail customers to use. The start date cannot be before the start of the Buy Date range.

You can modify this date range in all statuses but Closed.

Currency. Specify the currency associated with this promotion. The default is the domain Base Currency. It must be a valid currency value as defined in Currency Create. For Immediate Discount deals, the currency is written onto any resulting price lists, and thus only orders entered in that order currency qualify for that discount. For Bonus Goods deals, only orders defined in matching currency will locate the bonus details.

Entity. Specify an entity that this promotion applies to. When the field is blank, any entity in the domain can use the promotion. If, however, an entity is specified, then only sales activities relevant to that entity qualify for the deals linked to this promotion. This field affects both Deferred Discount, Allocated Funds, and Scan-back types of deal categories.

For example, if a rebate type of deferred discount deal is defined on a Promotion, and that promotion entity is blank, then sales from all sites qualify for the deferred rebate. If this same promotion has an entity specified, then only sales linked to sites attached to the promotion entity qualify for the deferred rebate.

Note This field is mandatory for promotions with Allocated Funds and Scan-back deals because they are not tied to invoice sales where an entity is referenced. Entity is recorded onto all earned discounts created in TAM.

Promotion Entity has no effect on Immediate Discount deals. If an entity is specified on a Promotion and that promotion has an immediate discount deal attached, the price lists generated from the deal do not store the entity. You cannot limit the use of a price list to one particular entity, because price list records in Enterprise Edition do not currently include an Entity field.

Promotion Entity has no effect on Bonus Goods deals. Specifying an entity on a promotion header does not currently limit bonus goods activity to sales for that specific entity.

General Tab

Fig. 3.3

Promotion Maintenance - General Tab

The screenshot shows the 'General' tab of the 'Promotion Maintenance' form. It contains the following fields:

- Responsible:** A text input field with a search icon.
- All Customers:** A checkbox that is checked.
- Project Code:** A text input field with a search icon.
- Budget Code:** A text input field with a search icon.
- Budget Topic:** A text input field with a search icon.
- Reference:** A text input field.

Responsible. Specify the user ID of the person responsible for this promotion. The user records are defined in User Maintenance.

All Customers. Select this field to make the promotion available to all customers. The Customers tab is disabled.

If the promotion includes an Allocated Funds deal, do not select All Customers. The system displays an error message when attempting to save the deal.

When the field is cleared, you can access the Customers tab and enter specific customer codes and/or customer analysis codes to identify customers that are eligible for this promotion.

Project. Optionally, enter a project code associated with this promotion.

Projects are chart of accounts elements that provide analytical reporting on various activities, including promotions. These are defined and maintained using the standard functions available in QAD Enterprise Edition.

Budget Code. Optionally, enter a budget code (defined in Budget Create) associated with this promotion.

A valid value in Budget Topic must then also be entered. These are defined and maintained using the standard functions available in QAD Enterprise Edition.

Budget Topic. When Budget Code has a value, specify an associated budget topic.

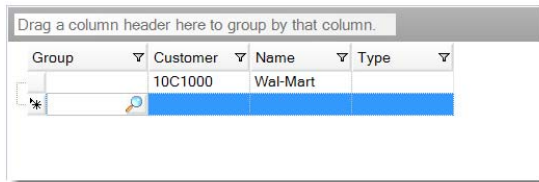
Use the lookup to display a filtered list of budget topics that are valid for the specified budget code.

Reference. Optionally, enter reference information about this contract (up to 40 characters). The reference can be used to represent a different internal promotion number, an external reference number, or for whatever other reason you feel applies. The reference is not formally linked to anything or validated in any way. The reference is displayed on certain browses and/or reports.

Customers Tab

The Customers tab is accessible only when the All Customers field on General tab is set to No. You can add customers that are eligible for this promotion by entering customer codes and/or customer analysis codes.

Fig. 3.4
Promotion Maintenance - Customers Tab



Group	Customer	Name	Type
	10C1000	Wal-Mart	

To add customers, right-click in the blank area and choose Insert a Row. You can then select a customer or a group using the lookup browse.

To delete, export, or print customer records, right-click the row and choose the needed option.

Group. Specify the Customer Group(s) to which this promotion applies. Customer groups would have been previously defined in Analysis Code Maintenance.

Customer. Specify the individual customer to which this promotion applies. You can add multiple customers as needed.

Name. The description attached to either this Customer Group or Customer.

Type. If this is a Customer Group, the Type indicates whether this has been defined as a Static or Dynamic group in Analysis Code Maintenance.

Deals Tab

Use the Deals tab to attach deals to the Promotion. These deals are first defined in Deal Profile Maintenance and brought onto the Promotion, where the field default settings can be updated as needed on a case-by-case basis. When a deal profile is pulled onto a Promotion, the Deal Description and Deal Category tied to the deal appear.

Use the right-click options to either insert or delete a deal as needed.

Note Multiple deal profiles can be placed onto the same promotion, with the exception of Scan-back deals. If a Scan-back deal is placed on a promotion, then no other deals are allowed.

Immediate Discount Deals

Immediate Discount deals represent discounts that are found immediately during order entry and that are recorded into the general ledger once invoices post. They result in a price list being written into the system when the promotion is saved as status Open, and are visible in Price List Maintenance (where discount level = line), Volume Discount Maintenance (where discount level = order), as well as other pricing reports and inquiries such as Pricing Report and Pricing What-if Inquiry (S/O).

Note Even though they are visible in the various pricing programs, TAM-generated price lists are read-only as they are strictly managed through the promotional deal.

Many of the fields and functions found in Immediate Discount deals are similar in name and behavior to those in Price List Maintenance. They are subject to Best Pricing routine logic, just as any other price list in the system, including the ability to be viewed as exclusive, or as combinable with other price lists

Fig. 3.5
Immediate Discount Deals - Details Tab

The screenshot shows a window titled "Immediate Discount" with the following fields:

Deal	DP22	Description	desc
Deal Category	Immediate Discount	Deal Reference	

Deal Description. The deal description defaults from the deal profile, and may optionally be changed at the promotional deal level to more accurately reflect the deal usage for this particular promotion.

Deal Reference. Optionally, enter reference information about this deal. Used for informational purposes only on browses and reports. (up to 40 characters).

Fig. 3.6
Immediate Discount Deals - Details Tab

The screenshot shows the "Details" tab of the "Immediate Discount" window. The fields are organized as follows:

Deal	DP22	Description	desc
Deal Category	Immediate Discount	Deal Reference	

Discount Level	Order	Volume Type	Order Value
Quantity Type	Amount	Apply To	Trailer
Amount Type	Freight Terms	Credit Terms	
Combination Type	Exclusive	Freight Terms	COLLECT
Max Orders	0	Override	<input type="checkbox"/>
Price Break Code		Ship Date	
Disc Sequence	10.0	Print	<input checked="" type="checkbox"/>
All Items	<input type="checkbox"/>		

Discount Level. Specify whether discount calculations during order entry apply to individual lines or to the entire order. Access to other Immediate Discount deal fields depends on the setting of Discount Level:

- **Line:** You can specify Quantity Type, Amount Type, Combination Type, Max Orders, Override, Price Break Category, Ship Date, Disc Sequence, Print, and All Items.
- **Order:** The system sets Volume Type field to Order, and you can specify Apply To, Amount Type, Combination Type, and Print.

Note Quantity Type is hard-coded to Amount when Discount Level is set to Order.

Volume Type. By default, Volume Type is set to Order Value for Order level discounts and cannot currently be changed. Potential future development may provide new options for this field.

Quantity Type. Specify whether discount calculations during order entry are based on the quantity of items ordered or on the total monetary amount of the line or order.

When Discount Level is Order, the system fixes Quantity Type to Amount, as order-level discounts are solely based on the entire order amount.

Apply To. Specify whether order-level discounts are applied at the line level or at the order trailer.

When Apply To is Line, the customer invoice shows the qualified discount amount against each line.

Amount Type. Specify how the customer receives the discount; percentage off, amount off, net price, or better credit or freight terms.

- For line-level discounts, options available include Discount %, Discount Amt, or Net Price.
- For order-level discounts, options include Discount %, Discount Amt, Credit Terms, or Freight Terms. If Credit Terms or Freight Terms, users can specify the relevant terms code in the adjacent field, then modify as needed against each tier level specified in the next tab.

Credit Terms. When Amount Type is Credit Terms for order-level discounts, specify the credit terms code for the order. The codes of credit terms are set up in Credit Terms Create.

Combination Type. Specify whether the price list generated can be combined with other lists, or is viewed as an exclusive, stand-alone list by the Best Pricing routine.

If Combination Type is Combinable, the price list created from a TAM promotion can be combined with other combinable price lists, regardless of whether the price list is generated by TAM or created directly in Price List Maintenance.

For line-level discounts with Amount Type set to Net Price, the system sets Combination Type to Exclusive. You cannot change it.

Freight Terms. When Amount Type is Freight Terms for order-level discounts, specify the freight terms code for the order. The codes for freight terms are set up in Freight Terms Maintenance.

Max Orders. Indicate the maximum number of times that the price list generated for this deal can be used for orders from the same customer. For example, for a one-time-only deal, enter 1. The system allows each associated customer to use the deal on one order only. The price list for a deal with a Max Orders limitation is flagged as Manual. The usage limitation does not apply to multiple lines on the same order. The deal can be used on all qualifying lines.

Leave the field set to the default (0) to allow unlimited use of the discount.

Note When the promotion includes a Max Orders value, you can increase the value while the promotion is open. However, you cannot reduce the value to less than the number of times the deal has been used by any customer on that promotion.

Override. For line-level deals only, when Override is selected, the system-generated price list created for the promotion is defined as Manual and Exclusive. During order entry, if you manually specify this override price list on an order line, the system overrides the Best Pricing logic to calculate the line price based solely on this price list.

Price Break Category. Immediate discounts can be granted based on the accumulation of items on the same order having a certain attribute.

Dynamic Item Analysis Codes are first created in Analysis Code Maintenance for item attributes. In essence, you create an item group that dynamically links all items to it with the matching attributes. Next, in an Immediate Discount deal, when Discount Level is Line, you can enter into the Price Break Category field a value matching any Dynamic Item Analysis code. Once the promotion is set to status Open, a price list is created where Price Break category matches the dynamic Item Analysis code, and items matching those found on the Immediate Discount deal.

A sales order is entered for applicable customer of time period matching the promotion deal. As order lines are entered, if the attributes of the order line match the attributes defined in Dynamics Analysis Code, the amounts are accumulated. Discount tier is determined against the Deal Price List based on accumulated sales, and the Discount % or Amt is applied to lines on the order containing Items on the Promotion.

A typical business use for the TAM price break functionality is where a manufacturer is going to only give a discount on certain items when a customer also is purchasing a certain amount of other items. For example, if you buy \$10,000 from the sprinkler line of products, you will qualify for an additional 10% discount on fertilizer products.

Ship Date. Optionally, specify the latest shipping date that can apply to orders that qualify for the discount under this deal. The ship date must be greater than or equal to the promotion Buy End date. When order pricing ensues, assuming the pricing date is within the start and expire date range of the price list, it will compare the sales order line due date and the ship date on the price list, and if the due date is greater than the ship date on the price list then that price list will not be considered.

Note The Ship Date value can be modified while the Promotion is status Open.

Disc Sequence. Optionally specify the discount sequence number to be written into the Discount Sequence value for the resulting price lists resulting from this immediate discount deal. The default value is 10.0.

Note The Disc Sequence value can be modified for open promotions.

Print. Specify the setting of the Print field in Price List Maintenance for the price list that is generated for this deal.

Discount information associated with a price list can be printed on documents such as invoices only when Print is selected.

Note The Print field can be turned on or off when the Promotion's status is Open.

All Items. Select this field to make the deal available for all items, in which case item-specific information cannot be entered.

When the field is cleared, you can access the Item Detail grid in the promotional deal and enter specific item numbers and/or item analysis codes and corresponding deal information.

Fig. 3.7
Immediate Discount Deal - Default Deal Values and Items

The screenshot shows a software window titled "Immediate Discount". At the top, there are fields for "Deal" (DP22), "Description" (desc), "Deal Category" (Immediate Discount), and "Deal Reference". Below this is a "Details" section with a tab labeled "Default Deal Values and Items". This section contains several input fields: "Default Planned Qty" (empty), "Total Planned Qty" (0.00), "Spread Method" (Even Spread), and "Discount Estimate" (empty). To the right of these fields is a "Min Amount" field with a dropdown arrow and a "Freight Ter" dropdown menu. Below the "Details" section is a grid with columns: "Selects", "Item", "Group", "Description", "Planned Q", "UO", "Discount Amo", "Discount %", "Net Price", and "Discount Estim". The grid is currently empty. At the bottom of the window are "OK" and "Close" buttons.

Default Planned Qty. Optionally specify the planned quantity value that defaults into each Item/Item Group line added into the deal grid. Each planned quantity default value can be modified as needed.

Total Planned Qty. Displays the total of the planned quantity calculated across all the item grid lines.

Spread Method. For Immediate Discounts, the Spread Method field is fixed as “even” and indicates how promotional item planned quantities are spread evenly across the life of the promotion. For example, an item's Planned Qty value is 300 and the Promotion buy date range spans three periods. When the promotion is saved as an Open status, the item's total planned quantity spread evenly into three periods with a quantity of 100 in each.

Discount Estimate Total. The sum of the Discount Estimates calculated against the individual grid item records.

Min Amount/Min Qty. Values for this field are entered either as amount or quantity depending on the setting for Quantity Type. For example, if there are two quantity breaks with different percentages, the first is for sales quantity up to 1000, then another percentage for sales of quantity 1000 or more. In this case, define two tiers. The first tier is set to Min Qty = 0; the second is set to Min Qty = 1000.

To add a second line, right-click and select the Insert a row option.

Discount %/Discount Amt/Credit Term/Freight Term. Values for this field are entered either as a discount percentage, discount amount, credit term, or freight term depending on the Amount Type setting.

Example If the deal calls for giving back the customer \$1 for every item they buy over the course of a defined period, then Quantity Type is set to Quantity and Amount Type is set to Discount Amt. The Min Qty is set to 0 and the Discount Amt is set to \$1.

Items Grid

Add Items and Item Groups (depending on the deal category) to the grid by right-clicking and choosing “Insert a row.” Also, if you want to add items from an existing item group, but explode the group members onto the item grid for individual modification, use the “Add Items From Group” option in the context menu.

Note If the All Items field is turned on in the Details tab, the ability to add any items/item groups into the Items grid is disabled. The default deal values then apply to All Items.

Selected. The item rows can be selected individually. To select all the items in the grid, use the “Check all” option in the right-click menu. Selected rows can be deleted all at once using the “Delete selected rows” option, or one by one using the “Delete a row” option.

Item. Enter, or select from the lookup browse, the item to which the deal applies. Multiple items can be entered.

Item Group. Enter, or select from the lookup browse, the item group to which the deal applies. Multiple item groups can be entered.

Description. Displays the item description as specified in Item Master Maintenance or the item group description as specified in Analysis Code Maintenance.

Planned Qty. Defaults to “Default Planned Qty” field value as new lines are entered, and can be modified.

UOM. This value defaults to the item stocking unit of measure as specified in Item Master Maintenance and optionally can be modified. The item unit of measure value is written onto any corresponding price lists and enforced accordingly.

Discount %/Discount Amt/Net Price. Values for this field are entered either as a percentage, amount, or net price depending on the Amount Type setting.

Example If the deal calls for giving users \$1 back for every item they buy over the course of a defined period, then Quantity Type is set to Quantity, Amount Type is set to Discount Amt. The Min Qty is set to 0 and the Discount Amt is set to \$1.

Note If there is just one tier, then the Discount Amount, Discount % or Net Price makes its way into the individual item lines and may be updated on an item-by-item basis. If there are multiple tiers, then these apply to all items on the deal and may not be modified on a line-by-line basis.

Discount Estimate. If Amount Type is set to Discount Amt and there is only one tier, then the Discount Estimate is calculated as the item line Planned Quantity multiplied by the Discount Amount per item.

If Amount Type is Discount % or Net Price, and/or there are multiple tiers on the deal, then this field is not calculated.

If there are multiple tiers on the deal, then this field is not calculated.

Tax Class. The item tax class as assigned in Item Master Maintenance.

Product Line. The product line to which the item belongs as assigned in Item Master Maintenance.

Deferred Discount Deals

Deferred Discount deals on Promotions involve discounts based on actual sales across the Buy Period, as an amount per unit sold or a percentage of sales. These deals are sometimes called Bill-Backs, Rebates, or Commissions. The discount rate structure can be either tiered or flat rate.

If the rate structure is a flat rate, a single rate is used to calculate the discount across all sales. For example, if the flat rate is 3%, then it is 3% discount against a \$100 sale. If the flat rate is \$1 per unit sold, then the discount is \$1 off per unit, regardless of the quantity sold.

If the rate structure is tiered, it is important to specify how the Earned Discounts are accumulated. Tier rates and amounts can apply to quantities in the current tier, or be used to recalculate discounts for previous sales based on the new tier rate or amount. Earned Discounts for Tiers may need to be reset on specified dates. The tiers can be defined for specific customers, Customer Groups, or all customers on the deal. The tiers can also be defined for specific Items, Item Groups, or all items on the deal. Discount rates can be applied against List Price or the Net Price on the Invoice (minus any other discounts).

Payment of Deferred Discounts on a promotion can be made to a specific customer (representing a broker or buying group) or to each individual customer who orders the promotional items during the promotional period.

For some customers, the structure of a Deferred Discount is the same as what is required to calculate sales commissions. Therefore, “Commissions” can be handled as a form of Deferred Discount, with a different Pay-To.

Payments can be made in Accounts Payable, requiring a supplier invoice, or by customer credit note in Accounts Receivable. There is a default Payment Method associated with each deal, but this default value can be overridden.

Following the posting of invoices, Earned Discounts are accumulated for Deferred Discount Deals and by customer as a basis for Claim limits and accruals. Earned Discounts will continue to accumulate after Deal Limits have been reached, since Deal Limits may be increased while the Promotion is Open. The capping of an Earned Discount based on Deal Limits is enforced during claim processing and accruals.

Fig. 3.8
Deferred Discount Deals

Amount Type. Specify how the buyer receives the discount, as a discount amount or as a discount percentage.

Quantity Type. Specify whether discount calculations are based on the quantity of items ordered or on the total monetary amount of the invoice line.

Payment Method. Specify the default resulting document for this deferred discount deal claim: Customer Credit Note or Supplier Invoice.

Payment Cycle. Specify how often claims are generated against the deal: Current or End of Deal.

This value is related to the System Generate Claims field. When that field is selected, Generate Claims Maintenance considers generating claims for this deal. In that case:

- When Payment Cycle is Current, the system generates a claim for the current period and any previous unclaimed periods when you run Generate Claims Maintenance.
- When Payment Cycle is End of Deal, the Generate Claims Maintenance function only creates a claim if the promotion end date, as specified on the Promotion header, has been reached.

Discount Base. Specify whether the discount is based on the list price or the net price of the invoice line. The Discount Base field setting typically has a major impact on Deferred Discount calculations, since a discount will typically be considerably different if based upon the list price of an order line item versus the net price of the line item—especially when compounded over time.

All Items. Specify whether the deal is available for all items, in which case item-specific information cannot be entered.

When this field is cleared, you can access the Item Details grid in the promotional deal and enter specific item numbers and/or item analysis codes and corresponding deal information.

Claim Over Excess. Indicate how the system responds when you attempt to create and process a claim in Claim Maintenance whose claim amount exceeds the open Earned Discount balance:

- Warning: The system displays a warning message, but you can still process the claim.
- Error: The system displays an error message. You cannot process the claim.

System Generate Claims. Specify whether claims associated with this deal can be automatically created when you run Generate Claims Maintenance.

Note This value can be changed for open promotions.

Tax Level. Specify the tax level for the deal. The available options are:

- Non-taxable: No tax is calculated for the deal regardless of customer/item tax settings.
- Tax by Customer: Apply the customer tax settings to all items on this deal.
- Tax by Item: Apply the individual item level tax settings in this deal.

For more details about tax, see “Taxes” on page 145.

Deal Limit. Enter the maximum amount for which any customer on the promotion can benefit from a deal. Leave the field as \$0 to enforce no limit.

Pay To. If a customer is to receive payment on behalf of all customers on the deal, then specify it here. Earned Discounts are accumulated as summary against the pay-to customer. When this field is blank (the default), the earned discounts are accumulated and claims are created against individual customers.

Fixed UOM. Specify whether the deferred discount is to be applied only to invoice lines matching the unit of measure specified against the promotional item.

When Fixed UOM is checked and All Items is checked, TAM determines if the invoice line item UOM is equal to the default UOM of the item. If they are the same, the item line gets the earned discount; otherwise, it does not.

When Fixed UOM is cleared and All Items is checked, TAM converts the invoice line quantity to the item’s default UOM and then calculates earned discounts based on the converted quantity.

Fig. 3.9
Deferred Discount Deals - Default Deal Values and Items Tab

Accumulation Period. Specify the period over which discounts are accumulated and reset: Promotion (No reset, discounts continue to accumulate for the entire effective date range of the promotion), Month, Quarter, or Year.

Apply Current Tier to Previous Sales. Select this option to have the discount specified in the current tier (as defined in the associated promotion) apply to qualifying previous sales in earlier tiers.

Example The first tier specifies that a 1% discount applies to a minimum quantity of 0 and the next tier specifies a 2% discount to a minimum quantity of 1000. A customer places an order for 500, then an order for 1000. If Apply Current Tier to Previous Sales is selected, the customer would receive the 2% deferred discount on the entire quantity of 1500, instead of just the second order for 1000.

Default Planned Qty. Optionally specify the planned quantity value that will default into each Item/Item Group line added into the deal grid. Each planned quantity default value can be modified as needed.

Total Planned Qty. Displays the total planned quantity calculated across all the item grid lines.

Spread Method. For deferred discounts, the Spread Method field is fixed as Even Spread and indicates that the quantity of the promotional item planned is spread evenly across the life of the promotion. For example, an item's Planned Qty value is 300 and the promotion buy date range spans three periods. When the promotion is saved as an Open status, the item's total planned quantity is spread evenly into three periods with a quantity of 100 in each.

Discount Estimate Total. The sum of the Discount Estimates calculated against the individual item records in the grid.

Min Amount/Min Qty. Values for this field are entered either as amount or quantity depending on the setting for Quantity Type. If there are two quantity breaks with different percentages, the first is for sales quantities up to 1000, then another percentage for sales of qty 1000 or more. In this case, define two tiers. The first is set to Min qty = 0; the second is set to Min qty = 1000.

Discount %/Discount Amt. Values for this field are entered either as a percentage or amount depending on the Amount Type setting.

Example If the deal calls for giving back customers \$1 for every item they buy over the course of a defined period, then set the Quantity Type to Quantity and Amount Type to Discount Amt; Set the Min Qty to 0 and the Discount Amt to \$1.

Items Grid

The operation on the Items Grid is the similar to the Items Grid for Immediate Discount. See "Items Grid" on page 55.

Allocated Funds Deals

Allocated Funds deals involve fixed amounts of money to be paid to the customer or group of customers for a defined promotional period and are used on a discretionary basis. Examples of allocated funds are "General Expense" and "Lump Sum." They can be used for programs such as slotting, market development, or new product lines. There are no discount tiers for these types of deals. An allocated funds deal can be associated with specific items if desired, but items are not mandatory. The liability for Allocated Funds deals is calculated after the promotion is set to open and the AF Earned Discount Calc program is run. Open liabilities are recognized during accrual processing for the difference of the total amount of the deal less any claims taken.

The timing of claims payments varies for Allocated Fund deals:

- Up front in the first fiscal period of the promotion
- Evenly over fiscal periods in the promotion period

- At the last fiscal period of the promotion
- By user-specified amounts in the fiscal periods during the promotion period

Planned costs over the promotional periods must be entered against Allocated Funds deals to indicate the claim payment schedule, and also indicate when Earned Discounts are to be created/updated using AF Earned Discount Calc.

Accrual generation evaluates Allocated Funds deals and determines when accrual entries are created for the fiscal period.

Claims are made against Allocated Funds deals up to the amount of the funds allocated.

The payment for Allocated Fund deals can go to a specific customer or can be broken down to all customers on the deal. Claims can be created individually using Claim Maintenance, or generated automatically when System Generate Claims is “Yes” on the Deal, based on the user-defined period in the Planned Costs frame.

Note Only one allocated fund deal can be attached to a single promotion.

Fig. 3.10
Allocated Funds - Details Tab

The screenshot shows a software window titled "Allocated Funds". At the top, there are fields for "Deal" (value: AF), "Deal Category" (value: Allocated Funds), "Description" (value: Allocated Fund), and "Deal Reference" (empty). Below this is a "Details" section with a sub-tab "Default Deal Values and Items". This section contains several fields: "Payment Method" (dropdown: Customer Credit Note), "Payment Cycle" (dropdown: Current), "Claim Over Exces" (dropdown: Error), "System Generate Cl" (checkbox: checked), "Pay To" (text field with a search icon), "Items Required" (checkbox: checked), and "Tax Level" (dropdown: Tax by Item).

Payment Method. Specify the resulting claim document for this allocated funds deal: Customer Credit Note or Supplier Invoice.

Payment Cycle. Specify how often claims are generated against the deal: Current or End of Deal.

This value is related to the System Generate Claims field. When that field is selected, Generate Claims Maintenance considers generating claims for this deal. In that case:

- When Payment Cycle is Current, the system generates a claim for the current period and any previous unclaimed periods when you run Generate Claims Maintenance.
- When Payment Cycle is End of Deal, the Generate Claims Maintenance function only creates a claim if the promotion end date, as specified on the Promotion header, has been reached.

Claim Over Excess. Indicate how the system responds when you attempt to create and process a claim in Claim Maintenance whose claim amount exceeds the open Earned Discount balance:

- Warning: The system displays a warning message, but you can still process the claim.

- Error: The system displays an error message. You cannot process the claim.

System Generate Claims. Specify whether claims associated with this deal can be automatically created when you run Generate Claims Maintenance.

Note This value can be changed for open promotions.

Pay To. If a customer is to receive payment on behalf of all customers on the deal, then specify it here. Earned Discounts are accumulated as summary against the pay-to customer. When this field is blank (the default), the earned discounts are accumulated and claims are created against individual customers.

Items Required. Specify whether the allocated funds deal is for specific items. Clear this field to make the deal generally available, in which case you cannot add item-specific information. When the field is selected, you can access the Item Detail grid in the promotional deal and enter specific items and the corresponding deal information.

Tax Level. Specify the tax level for the deal. The available options are:

- Non-taxable: No tax is calculated for the deal regardless of customer/item tax settings.
- Tax by Customer: Apply the customer tax settings to all items on this deal.
- Tax by Item: Apply the individual item level tax settings in this deal.

For more details about tax, see “Taxes” on page 145.

Fig. 3.11
Allocated Funds - Default Deal Values and Items Tab

Period	Planned Cost
2017/10	1,000.00
2017/11	1,000.00
2017/12	1,000.00

Selected	Item	Description	Planned Qty	UOM	Discount Amount	Discount Estimate	Tax Class	Product Line
<input type="checkbox"/>	03021	Pump/Refill, Unscented	1,000.00	EA	1,500.00	1,500.00	22	
<input checked="" type="checkbox"/>	03031	Pump/Refill, Scented	500.00	EA	1,500.00	1,500.00	22	

Deal Amount. Specify the total amount of allocated funds due to each customer on the Promotion.

Spread Method. Specify how the value in Deal Amount is paid to the customer: in the first promotion period, the last promotion period, or evenly spread across the promotion time. When you choose Even Spread, the system divides Deal Amount by the number of periods in the promotion date range and enters that amount as the planned cost for each period.

The specified deal amount is placed into the appropriate planned cost period based on this setting, but you can modify the period Planned Cost amounts as desired.

Note Ensure that the totals of the planned cost periods are equal to the full deal amount.

Default Planned Qty. Optionally specify the planned quantity value that defaults into each Item line added into the deal grid. Each planned quantity default value can be modified as needed.

Total Planned Qty. Displays the total planned quantity calculated across all the item grid lines.

Discount Estimate Total. The sum of the discount estimates calculated against the individual grid item records. For Allocated Funds deals, the Discount Estimate Total matches the Deal Amount.

Period. The promotion Buy Start and Buy End date range is compared against the existing GL calendar, and periods are brought in accordingly.

Planned Cost. The deal amount per customer is spread across the periods based on the specified Spread Method, and initially determines the planned cost per period. These default planned cost values can be modified in each period and saved as long as the total amount matches the full deal amount.

Apply button. Use the Apply button to evenly spread the Deal Amount across the items in the grid. Suggested mode of entry is to first specify the deal amount, next enter all items into the grid, then use the Apply button to generate the deal amount evenly across the items. Last, optionally manipulate the default item level discount amounts as needed.

Items Grid

The operation on the Items Grid is the similar to the Items Grid for Immediate Discount. See “Items Grid” on page 55.

Bonus Goods Deals

Bonus Goods deals are used during order entry to give away items for free or at an extra discount based on qualifying order line purchases. These deals can include:

- Additional quantities of the same item ordered
- Different items added to the order
- Selection of items from a list

After a deal has been entered and the promotion is set to status Open, the deal is available during sales order and pending invoice entry. As a Customer Service Representative (CSR) enters order lines, the system evaluates whether the lines entered qualify that order for additional items for free or at a reduced cost. If so, the CSR is prompted with the details and can select any deals being offered. Once selected, these deals are written automatically onto the order as additional order lines, rather than requiring the CSR to manually enter them.

Note Bonus Goods deal detail is also available in Sales Quote entry.

If a CSR is to re-access an order and enter into a line previously added in TAM based on a bonus deal, a message appears “WARNING: This is a bonus line from Promotion: <promotion> Deal: <deal> Offer <offer>”. The system though will allow the modification of a bonus line.

Fig. 3.12
Bonus Goods Deals - Details Tab

Discount Base. Specify whether the discount is to be calculated off the list price or the net price of the order line.

Description. Specify the description of the bonus goods deal relevant to this promotion.

Add To Order. The system prompts the user with any available bonus good offer lines. If the Get side of the deal is not a list of “Or” items, then the Get line items are selected by default.

Deal Reference. Optionally, enter reference information about this deal (up to 40 characters).

Note Once the promotion is open, you cannot modify the details on the attached Bonus Goods deals.

Fig. 3.13
Bonus Goods Deal - Items Tab

Buy Item Group	Buy Item	Buy Item/Group Description	Buy Qty	Buy UOM	Fixed UOM	Buy Operand
	80-10000-001	Home Trainer	10.00	EA	<input checked="" type="checkbox"/>	

Get Item	Get Item Description	Get Qty	Get UOM	Discount	Order Max	Inventory	Get Operand
	80-10000-001	Home Trainer	1.00	EA	100.00	<input checked="" type="checkbox"/>	

The Items tab allows you to define which item or items need to be bought on an individual order (Buy Side defined at top of grid) and which item or items are allowed to be given away for free or at a reduced cost (Get Side defined at bottom of grid). There must be at least one Buy row and one Get row defined to save the offer details.

After having added an offer, double-click on the offer line to enter the offer item details.

Buy Item Group. Enter a valid item group, as defined with Analysis Code Maintenance. When buying any item within the group, the customer is eligible to get an item or items, free or at reduced price, specified in the Get Item grid. Each Buy Item Group line can contain only one buy item group. You can add multiple lines in the grid.

Example When specifying an Item Group, this is to be interpreted as any item within the group: not every item needs to be purchased within the group. For example, Item Group: “Active Wear” has items “T-shirt1”, “T-shirt2” and “T-shirt3” in it. Buy 2 of Item Group “Active Wear” get one T-shirt free should be interpreted as Buy two of any item in Item Group: “Active Wear” and then get one T-Shirt free. So, you would get one T-shirt free if you buy any of the following:

- 2 of T-Shirt1, or
- 2 of T-Shirt2, or
- 2 of T-Shirt3

Note If you buy one of T-Shirt1 and one of T-Shirt2, you will not get a free T-Shirt.

If the item group is inactive, a warning is displayed. Either a Buy Item Group or Buy Item must be specified on each Buy line.

Buy Item. Enter a valid item, as defined in Item Master Maintenance, to be bought to qualify for the Get deal. Each Buy Item line can contain only one buy item or item group. You can add multiple lines in the grid.

Buy Item/Group Description. Shows the description of the item or item group.

Buy Qty. Specify the quantity of the item that must be bought to be eligible for the Get deal. It must be greater than 0.

Buy UOM. Specify the unit of measure for the item to be bought, in relation to the Buy Quantity. It defaults to the unit of measure specified in Item Master Maintenance when Buy Item is specified. This field cannot be left blank as TAM requires it to interpret the Buy Qty.

Fixed UOM. If this field is checked, then only the buying in the specified Buy UOM is qualified for the Get deal. It is useful where items contained only in a certain package are to be considered.

Buy Operand. The Buy Operand allows a string of Buy items to be considered as part of an “AND” or an “OR” condition. A value is required if multiple Buy Items apply to same Get Item details. Buy 10 of Item A and 1 of Item B, then get 1 of Item B free. Buy 4 of Item A or 1 of Item B, or 2 of Item C, then Get 1 of Item D at 50% off.

Note It is not allowed to have both “AND” and “OR” operands in the same deal.

Get Item. Specify the item, as defined in Item Master Maintenance, to be given away for free or at a discount. At least one get item must be specified to save the deal.

Get Item Description. Shows the item description.

Get Qty. The quantity to be given away or at a discount must be greater than 0. During order entry, the CSR is prompted to give away the full quantity of the Get item. The quantity can be modified at order entry.

Get UOM. The Unit of Measure in relation to the Get Quantity that will be placed onto the order. It defaults to the item’s unit of measure as found in Item Master Maintenance when Get Item is specified.

Discount. The discount percentage to apply to this get item. Enter 100 to represent 100% of that item is to be given away for free, or a lesser value to grant off a percentage. The value must be between 0-100.

Order Max. This is the optional maximum quantity that may be given away to each customer on an order. Leave this value set as 0 if no maximum quantity is needed.

Example A deal exists where customers buy 5 sprinklers and get 1 timer free, but the manufacturer has only 1000 timers on hand. The manufacturer wishes to ensure more than one customer takes advantage of the deal before they run out of inventory for timers. The promotion is defined for a group of customers and Order Max is set to 5, ensuring that any individual customer in the group can get a maximum of 5 timers free before the deal is no longer valid for them. If they buy 25 then they get 5 free, however if they buy 30, the CSR is still prompted to only give away 5 free.

Inventory. Specify whether the inventory for this Get Item needs to be on hand in order to be given away for free or at a discount.

Get Operand. The Get Operand allows a string of Get items to be considered as part of an “AND” or an “OR” condition. A value is required if multiple Get Items apply to the same Buy Item details. Buy 10 of Item A, then get 1 of Item B and 2 of Item A free. Buy 10 of Item B, then get 1 Item C at 50% off or get 2 of Item D.

Note It is not allowed to have both “AND” and “OR” operands in the same deal.

Scan-back Deals

Scan-back deals are similar to deferred discount deals. One typical example of a scan-back deal is where the manufacturer gives back to the grocers an amount per item case sold. In this scenario, the grocer does not earn any discount when purchasing from the manufacturer, but reports the sales numbers back to the manufacturer after reselling the items. The manufacturer then calculates the deferred discount per item scanned or reported back.

Another common example of a scan-back deal is where the manufacturer’s items are found in kiosks in various retail stores. When these items have scanned sales, the sales information is provided back to the manufacturer, then the scan-back deferred discount is calculated.

Scan-back deals are always defined as a fixed amount back per item sold. The planned quantities are necessary as TAM uses this information to determine the Discount Estimates calculated on the item deal lines. The item Discount Estimates are evenly spread across the promotional periods, and these are used to generate the scan-back earned discounts. To view the item planned amounts broken out by period, use the Promotion Deal Item Period Browse and Planned Quantities by Item Browse.

Fig. 3.14
Scan-back Deal - Details Tab

Amount Type. This field is set to Discount Amount for scan-back deals and cannot be changed.

Payment Method. Specify the default resulting document for claims against the scan-back deal. The available options are Customer Credit Note and Supplier Invoice.

Claim Over Excess. Indicate how the system responds when you create or process a claim whose claim amount exceeds the open earned discount balance in Claim Maintenance.

- Warning: The system displays a warning, but will allow the excess claim amount.
- Error: The system displays an error and does not allow the excess claim amount.

Tax Level. Specify the tax level for the deal. The available options are:

- Non-taxable: No tax is calculated for the deal regardless of customer/item tax settings.
- Tax by Customer: Apply the customer tax settings to all items on this deal.
- Tax by Item: Apply the individual item level tax settings in this deal.

For more details about tax, see “Taxes” on page 145.

Fig. 3.15
Scan-back Deal - Default Deal Values and Items Tab

Selected	Item	Description	Planned Qty	UOM	Discount Amount	Discount Estimate	Tax Class	Product Line
<input type="checkbox"/>	04001	Fruit Juice	100.00	EA	10.00	1,000.00		10

Discount Amount. The discount amount defaults to each item and represents the discount amount for each item in the UOM specified.

Spread Method. For scan-back deals, the Spread Method field is fixed as Even Spread and indicates that the quantity of the promotional item planned is spread evenly across the life of the promotion. For example, an item's Planned Qty value is 300 and the promotion buy date range spans three periods. When the promotion is saved as an Open status, the item's total planned quantity is spread evenly into three periods with a quantity of 100 in each.

Default Planned Qty. Optionally specify the planned quantity value which defaults into each Item line added into the deal grid. Each planned quantity default value can be modified as needed.

Total Planned Qty. Displays the total planned quantity calculated across all the item grid lines.

Discount Estimate Total. The sum of the Discount Estimates calculated against the individual item records in the grid. This represents the discount amount per customer, across items, across periods.

Items Grid

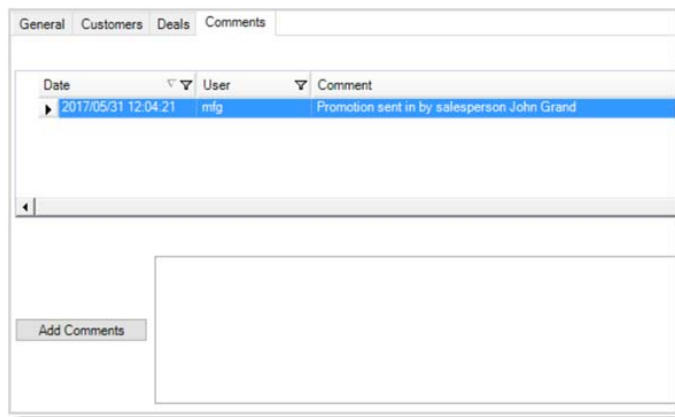
The operation on the Items Grid is the similar to the Items Grid for Immediate Discount. See "Items Grid" on page 55.

Note The Deal Values and Items information cannot be modified on Open status promotions.

Comments Tab

Use the Comments tab to attach comments to the Promotion. The Date, Time, User ID, and Comment will be saved.

Fig. 3.16
Promotion Maintenance - Comments Tab



Creating a Promotion Using Copy

Instead of creating a promotion manually in Promotion Maintenance, you can copy an existing promotion and modify it as needed.

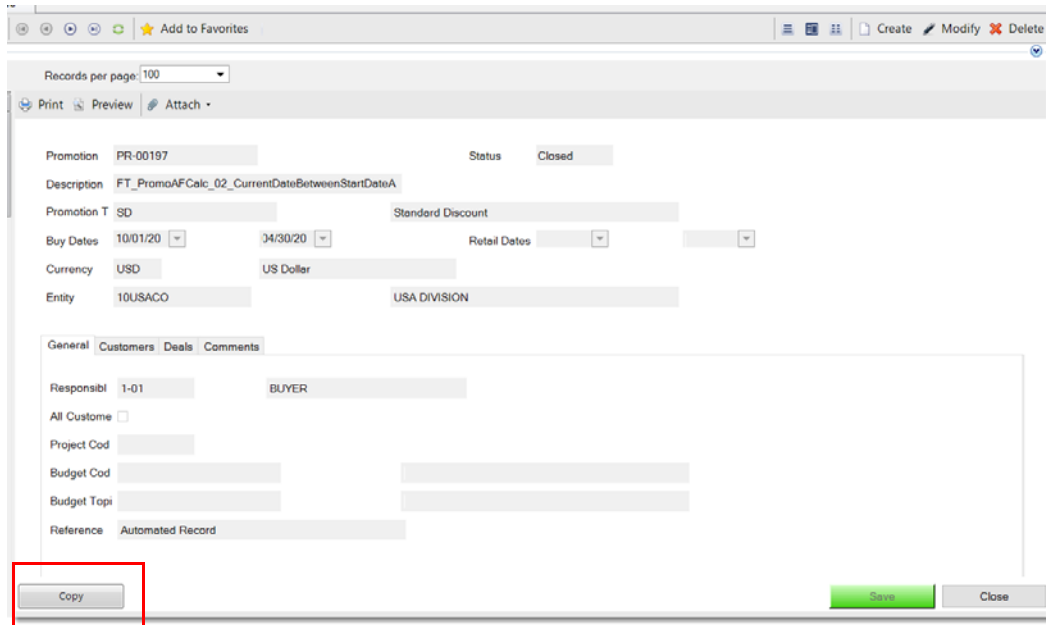
The Copy function is useful for promotions that typically are reused often. A helpful business process is to define a template promotion as status Draft, and copy it over to a new promotion every time a live promotion is required to be created.

To create a promotion using the copy function:

- 1 Access Promotion Maintenance and click a promotion record.

Important Ensure that you are in the View mode for the promotion. Otherwise, the Copy button is not accessible.

- 2 Click Copy at the bottom left.

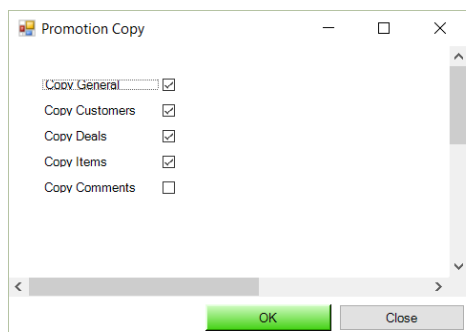


The system prompts you to select which details are to be copied onto the new promotion: General information, Customers, Items, Deals, Comments.

- 3 Select the kinds of information you want to copy and click OK.

The system copies the information to a new promotion and displays it in Promotion Maintenance.

Fig. 3.17
Promotion Copy



- 4 Modify the record as needed to match the requirements of the new promotion.
- 5 Save your changes.

Contracts Overview

TAM contracts typically involve indirect customers; that is, the manufacturer sells the goods to an intermediate party who then provides them to the end customers. The end customers are often members of a buying group. This business flow and the details surrounding it differ from the flow found on promotions, thus a separate contract setup and definition exists in Trade Activity Management.

Contracts are legal and binding agreements between:

- **Manufacturers and Buying Groups**

In the medical industry, groups are often referred to as Global Purchasing Organizations (GPOs). The GPOs represent a group of businesses to obtain discounts from vendors based on the collective buying power of the group members. The negotiated and agreed upon pricing for group members are logged onto legal contracts. The GPO earns an administrative fee—typically 3% of total contract sales as logged on the legal contract—recovered in a Deferred Discount deal. The contract between the manufacturer and a group is sometimes referred to as a master agreement or a master contract.

- **Manufacturers and Distributors**

Distributors purchase goods typically at a negotiated distributor contract price, then sell to indirect customers, also known as buying group members, often at a lower price based on an existing master contract with a buying group. They recover the difference as a chargeback to the manufacturer, and other fees such as a negotiated percentage as a service fee, which is paid as a Deferred Discount.

Though referred to as indirect customers, they can buy directly from the manufacturer rather than through an approved distributor or reseller. For example, after a master agreement contract has been formalized, the manufacturer sells a new item directly to group members for the first few months, until they establish a predictable usage pattern. Once sales patterns are stable, distributors know their stocking needs and can take over recurring sales. In this case, the GPO still qualifies for the administrative fee defined in the master contract for member sales purchased directly from the manufacturer. However, the distributor is not paid a service fee on these initial sales since the distributor has not been involved.

- **Manufacturers and Specialty Distributors**

Sometimes, a manufacturer can sell to a distributor who buys the item for less than the member contract price (sometimes known as a specialty distributor). In this case, the deal does not include either a chargeback to the distributor or a service fee, since the distributor's profit is built into the resale price. A common example of this is when the manufacturer allows the distributor to penetrate the market for a new competing item, or to gain entries into a new sales region. In this business scenario, the distributor is assuming the full risk of reselling the items. It is important to note that the specialty distributor, however, is included as a valid distributor on the Master Agreement contract, to ensure distributor sales to group members at the master agreement price are to be included for the administrative fee calculations due back to the buying group.

- **Manufacturers and group members**

The manufacturer can sometimes have a “one-off” contract directly with a member customer. In the example of offering a price incentive for large, near-term sales volume, the price on this direct contract with a group member takes precedence over the group contract. Administrative fees to the associated buying group are also calculated on these direct sales, based on the

direct-contract price. When such a contract is in place, the member customer receives the same direct-contract price even when buying from a distributor. In this case, standard chargebacks and service fees are calculated when the distributor reports the resale.

In summary, contracts are agreements between a manufacturer and any combination of: buying group, indirect customers and distributors. This leads to two main deal categories for contracts:

- Contract Pricing
- Deferred Discounts

You can create one or more Deal Profiles to represent variations of each contract Deal Category. This provides a mechanism to predefine and name deals consistent with the company's business and their specific industry. Each Deal Profile provides a template to be used in setting up deals on Contracts, including default values. Not all fields found on the contractual deal are found in the deal profile. Deal Profiles provide a way to quickly create Contracts. See "Deal Profile Maintenance" on page 31 for more details.

Budgeting for contracts is typically done along with standard budgeting on an annual basis. The TAM solution approach is to use the budgeting functionality as it is in Enterprise Financials and connect the budgeting functionality to TAM through reporting. Reporting allows you to analyze the effectiveness of promotions by comparing budget, planned, and actual expenses. Budget topics and codes can optionally be assigned to contracts on the General tab of each individual contract.

Before setting up Contracts, define policies regarding the following:

- Accounting Structure. Accounting structure to be used for accrual and expense accounts, ranging from a single trade spend account to multiple accounts for Agreement Type/Deal Profile combinations. See "Accounting Transactions" on page 137 for more details.
- Attributes. Attributes relevant to Items and Customers are defined elsewhere in the system, and can be used to pull items and customers onto groups using Analysis Code Maintenance. See "Attribute Definition Maintenance" on page 14 for more detail.
- Buying Groups. In the medical industry, it is common for customers to belong to one or more buying groups or GPOs. Buying Groups to be used on TAM Contracts are maintained in Buying Group Maintenance. See "Buying Group Maintenance" on page 20 for more details.
- Customer Groups. In terms of the usage of Customer Groups on contracts, a static customer group can be defined in Analysis Code Maintenance to represent a group of approved distributors. This group then can be attached to contracts indicating that distributors are allowed to sell contract items to group members. Distributors can be added and removed from this group using Analysis Code Maintenance as needed. See "Analysis Code Maintenance" on page 19 for more details.
- Indirect Addresses. Represent customers who purchase indirectly from a manufacturer via distributors/wholesalers/re-sellers, hence the label "Indirect" as they typically do not buy directly from the Manufacturer. Often, the indirect customers belong to a Buying Group (common term in the F&B, CPG industries) or Group Purchasing Organization—GPO (Life Sciences). Indirect customers can also decide to buy directly from a manufacturer, in which case it is necessary to associate a customer record with the indirect address. See "Indirect Address Maintenance" on page 22 for more details.

- **Item Groups.** Items can also be grouped for various reasons and are used to quickly refer to commonly grouped items when selecting which items to include on a promotion or for reporting purposes. Although Item Groups are defined internally, they still can have an associated effective date. Item groups are defined and maintained in Analysis Code Maintenance. See “Analysis Code Maintenance” on page 19 for more details.

Note An item can belong to more than one Item Group at a time.

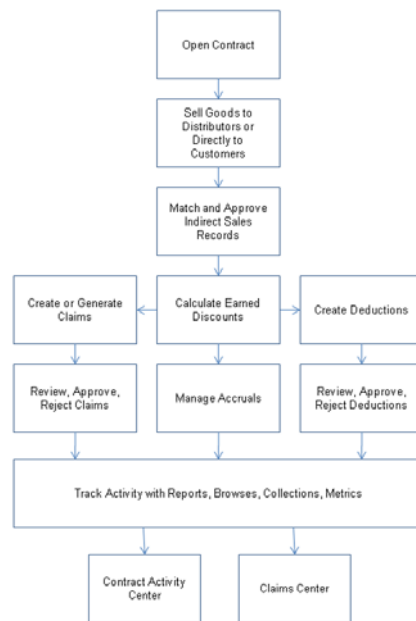
- **Agreement Type.** Agreement Types allow users to further differentiate Promotions and Contracts. Examples of common contract agreement types include Master Agreements, Distributor Contracts, One-Off Contracts, and Specialty Distributor contracts. Agreement Types (along with Deal Profiles) are used to define accounting defaults for certain TAM deals. See “Agreement Type Maintenance” on page 30 for more detail.

Entering contracts requires defining information in the following areas:

- Who the contract is with
- Effective dates of the contract
- General information
- What, how, and when discounts are calculated
- Who receives the discount and relevant fees

After a Contract is created, the business process may require it goes through an approval process. Thus, a Contract may be saved in Draft or Pending status before being set to status Open.

The following graphic summarizes the flow of the TAM contract process.



TAM Contract Maintenance

Use TAM Contract Maintenance to define contracts in terms of type, effective date range, eligible customers/distributors, buying groups, items, and relevant deals such as Contract Pricing, as well as Deferred Discount deals used to track related fees. Optionally attach documents to TAM contracts as needed.

The top portion of the screen includes basic information about the contract. The tabs at the bottom provide details.

- **General:** Includes accounting and other information. The All Members field controls access to the Members tab.
- **Customers:** Available only when the All Customers field is not selected. Right-click to add rows and specify customer analysis groups or customer address codes that are eligible for the specified deals. For example, on a master contract for a buying group, you can enter an address code for the distributor, or an analysis code that represents multiple distributors. You also can specify start and end dates to control when a distributor is eligible for the terms of the contract. When a customer group is attached to the customers tab, the type field displays whether the group is dynamic or static as defined in Analysis Code Maintenance.
- **Members:** When All Members is not selected, right-click to add rows and specify indirect customers who are eligible for the deals on this contract.
- **Items:** Right-click to add rows and specify items and/or item groups that are eligible for the deals on this contract.

Note If you add a contract pricing deal, items can be specified directly in the deal itself and TAM will place them on Items tab. In this case, you do not have to specify the items on the Items tab first.

When an item group is attached, the type field displays whether the group is dynamic or static as defined in Analysis Code Maintenance.

- **Deals:** Right-click to add rows and select a deal template defined in Deal Profile Maintenance. Use the look-up browse to view available deal templates. A pop-up window then lets you modify default values from the template to fit the specific promotion.

Note Only Contract Pricing deals and Deferred Discount deals (used to pay administrative and service fees) are available in TAM Contract Maintenance.

Most fields cannot be modified after Status is set to Open.

None of the fields on the tabs are required to save the basic record, so you can initially set up the information in the header frame and save it in Draft status.

Contract Header

Fig. 3.18
TAM Contract Maintenance - Header

Contract	CR-02653	Status	Draft
Description	COPY - CR-02652		
Contract Type	Master Agreement	Master Agreement	
Customer			
Buying Group	PremiereB	Premiere B	
Buy Dates	10/02/20	10/02/20	Expire Date
Origination Contr		Retail Dates	
Currency	USD	US Dollar	
Entity	10USACO	USA DIVISION	

Contract. You are allowed to manually enter a contract number (up to 20 characters) or leave it blank for the system to generate based on the rules defined in Number Range Maintenance. You cannot enter or update this field once saved.

Description. Enter a meaningful text description of this contract (up to 40 characters).

Status. Specify the status of this contract:

- **Draft:** Default status on new contract records.
- **Pending:** Use this status to indicate that the contract record is more mature than draft, but is still not ready to set to Open. For example, your company might have a work flow that requires contracts to be approved. You might leave a contract set to Pending during the review process.
- **Open:** The contract is available for use.
- **Closed:** The contract can no longer be used. You cannot update the TAM Contract Maintenance record when it is in this status. A contract with Status set to Closed cannot be reopened.

Important The contract is not available until you set Status to Open.

Status changes are performed manually on a contract.

Contract Type. Specify the type (set up in Agreement Type Maintenance) associated with this contract.

Customer. If this contract is available to only one customer, enter the address code. When this field has a value, you cannot enter a buying group or access the Customers and the Members tabs. If Buying Group has a value, you cannot enter a value in Customer.

Buying Group. Specify the buying group (defined in Buying Group Maintenance) that represents indirect customers on this contract. You cannot enter a buying group when the Customer field has a value. If you specify a buying group, the Members tab is not accessible.

Buy Dates. Specify the range of dates during which this contract is valid. You can modify the end date after Status is set to Open, but only if the new value is no earlier than the current date.

Expire Date. Optionally specify a date when the contract expires. For example, you can use this field to identify a contract that should end earlier or later than originally specified in the Buy Date range. One reason for using this field is to allow time for claim processing before the contract is actually closed.

Retail Dates. Optionally, specify the range of dates during which this contract is available for retail customers to use. The start date cannot be earlier than the start of the Buy Date range. You can modify this date range in all statuses but Closed.

Origination Contract. If it is a lower-level contract—for example, for a distributor—enter the number of the master contract.

This field is for reference only; no validations occur.

Currency. Specify the currency associated with this contract. The default is the domain Base Currency. It must be a valid currency value as defined in Currency Create. Order currency is evaluated against contract currency when searching for contract pricing to apply to order lines.

Entity. Specify an entity that this contract applies to. When this field is blank, the contract can be used by all entities in the domain. If an entity is specified, then only sales made from order line sites attached to the contract entity, as defined in Site Maintenance, qualify for the Contract Pricing deal details, and likewise qualify against Deferred Discount deals.

General Tab

Fig. 3.19
TAM Contract Maintenance - General Tab

Responsible. Specify the user ID of the person responsible for this contract. User records are maintained in User Maintenance.

All Members. This field can only be active when a Buying Group is specified on the contract header. Select this field to make the contract available to all the buying group members as defined in Indirect Address Maintenance. If the All Members field is selected, the Members tab is disabled.

If a Buying group is attached to the contract header and All Members is off, then access to the Members tab is granted. You can enter specific indirect address codes to identify members that are eligible for this contract. You may also specify another buying group. This may be misleading, as a buying group is attached on the contract header and another potentially on the members tab if the All members field is not selected. On the business side, there can be one main buying group. That buying group can have purchased or have taken over other buying groups over time. A contract can be negotiated through the main buying group, but just for those group members belonging to the old or subset buying group. Rather than entering each

subset buying group member individually on the members tab, TAM allows you to enter the main buying group on the contract header, clear the All Members field, and then specify the subset buying group value on the members tab.

All Items. Not currently used for Contract Pricing deals.

Project Code. Optionally, enter a project code associated with this contract.

Projects are chart of accounts elements that provide analytical reporting on a variety of activities, including promotions.

Budget Code. Optionally, enter a budget code (defined in Budget Create) associated with this contract.

If you enter a budget code, a valid value in Budget Topic is required.

A budget is a set of amounts that is expected to be spent or earned during a given time period.

Budget Topic. When Budget Code has a value, specify an associated budget topic.

Use the lookup to display a filtered list of budget topics that are valid for the specified budget code.

Budget topics are elements of a budget. Topics are linked to COA components.

Reference. Optionally, enter reference information about this contract (up to 40 characters). You can use the reference to represent a different internal contract number, an external reference number, or for whatever other reason you feel applies. It is not formally linked to anything or validated in any way.

Customers Tab

The Customers tab is accessible only when no customer is specified in the Customer field on the contract header.

You can add customers that this contract applies to by entering customer codes and/or customer analysis codes.

Fig. 3.20
TAM Contract Maintenance - Customers Tab

Group	Customer	Name	Type
	10C1003	Pacific Health Care Sy..	
	10C1001	MedLogic	

To add customers, right-click in the blank area and choose Insert a Row. You can then select a customer or a group.

To delete, export, or print customer records, right-click the row and choose the needed option.

Members Tab

On the Members tab, you can add buying groups and/or individual members that this contract applies to. The Members tab is accessible only when:

- A buying group is specified on the contract header; and
- The All Members field is cleared on the General Tab.

Fig. 3.21
TAM Contract Maintenance - Members Tab

Buying Group	Description	Indirect Address	Search Name	Address	City
PremiereA	Premiere A			932 Fifth Avenue	Palmetto

To add members or buying groups, right-click in the blank area and choose Insert a row from the menu. You can then select the members or buying groups using the lookup browse.

To delete, export, or print member records, right-click the record and choose the needed option.

Items Tab

The Items tab allows you to specify individual items or group items that this contract applies to.

Note Items can be specified directly in Contract Pricing deals, and then display in this tab.

Fig. 3.22
TAM Contract Maintenance - Items Tab

Group	Item	Name	Type
AutoDynamicGr...		AutoDynamicGroup1	dynamic

To add items, right-click in the blank area and choose Insert a row from the menu. You can then select the analysis codes or items using the lookup browse.

To delete, export, or print item records, right-click the record and choose the needed option.

Deals Tab

On the Deals tab, you can add deal profiles to the contract.

To add a deal onto a contract, right-click on the blank area and choose Insert a row. Select the appropriate deal profile from the available browse and the corresponding profile screen pops up for you to input the details.

Currently, contract pricing deals and deferred discount deals are supported.

Contract Pricing Deals

When you add a contract pricing deal to the contract, the Contract Pricing screen pops up.

Fig. 3.23
Contract Pricing - Details Tab

Indirect Sales Entity. If an entity is specified on the contract header, this field defaults from the contract header and is read-only. If no entity is specified on the contract header, the value defaults to the primary entity of the domain and can be changed. This field serves as the entity code for earned discounts.

- When the contract header has an entity specified:

For a contract pricing deal, if the pricing point is set to direct, then Indirect Sales Entity field is blank and not accessible. If the pricing point is set to indirect, then indirect sales entity is set to the contract header entity and not accessible.

- When the contract header does not have an entity specified:

For a contract pricing deal, if the pricing point is set to direct, then Indirect Sales Entity field is blank and not accessible. If the pricing point is set to indirect, then Indirect Sales Entity field is initially set to the primary entity. However, you are allowed to update it to any valid entity in the domain.

This field is used when populating the entity field on indirect sales lines when matched to this contract deal. Earned discount records based upon approved indirect sales lines reference this entity.

Discount Level. This field is set to Line for contract pricing and cannot be changed. The contract pricing API is called during order line entry to determine if a contract price applies.

Quantity Type. This field is set to Quantity for contract pricing and cannot be changed. Discount calculations are based on the number of items.

Amount Type. This field is set to Net Price for contract pricing and cannot be changed. Contract pricing is always assumed to be negotiated as a net price.

Payment Method. Specify the default resulting document for chargeback claims against this deal. The available options are Customer Credit Note and Supplier Invoice. This field is accessible only when Chargeback is selected.

Payment Cycle. Specify how often claims are generated against the deal. This value is related to the System Generate Claims field and accessible only when Chargeback is selected.

- **Current:** If the System Generate Claims field is selected, the system generates a claim for the current period and any previous unclaimed periods when you run Generate Claims Maintenance.
- **End of Deal:** If the System Generate Claims field is selected, the Generate Claims Maintenance function only creates a claim for the contract pricing deal with the deal end date reached.

Claim Over Excess. Indicate how the system responds when you create or process a claim whose claim amount exceeds the open earned discount balance in Claim Maintenance. This field is accessible only when Chargeback is selected.

- **Warning:** The system displays a warning, but allows the claim.
- **Error:** The system displays a hard error and does not allow the claim.

Deal Limit. Set up a maximum amount that a customer can claim from this deal. 0 indicates no maximum limit. This field is accessible only when Chargeback is selected.

Combination Type. This field is set to Exclusive for contract pricing. You cannot update it.

Pricing Point. Specify which price the system uses in calculating service fees in a distributor/member (indirect customer) relationship:

- **Direct:** The price for the direct customer or the distributor is used.
- **Indirect:** The price for the indirect customer or the member is used.

Note If a Buying Group is attached to the contract header, then this field is set to Indirect and cannot be updated.

Pricing Tiers. Specify the number of pricing tiers that the system includes on the Tiers tab of the contract pricing deal. When a Buying Group is attached to the contract header, this value defaults from TAM Control and can be modified as needed to allow for flexibility on a deal-by-deal basis. Remember that group members may have different pricing tier values as specified in Indirect Address Maintenance. TAM contracts enable you to specify different prices for each of these tiers on the same contract pricing deal.

Note Modifying the Pricing Tiers value removes existing pricing tier information found in the Tiers tab.

If a customer is attached to the contract header, the Pricing Tiers field is set to 1. You cannot update it. Only one price needs to be defined for a contract pricing deal directly with a customer.

Chargeback. Specify whether the distributor is allowed to charge back to the manufacturer for the gap between the price that the distributor pays and the lower contract resale price for the distributor's customer (that is, the indirect customer, or group member, in TAM).

This field is active only when Pricing Point is set to Indirect.

System Generate Claims. Specify whether claims associated with this deal can be automatically created by the system using Generate Claims Maintenance.

Note This value can be changed for open contracts.

Fig. 3.24
Contract Pricing - Tiers Tab

Item	Name	Line	UOM	Expire Dat	Start Date	End Date	Min Qty	Tier 1	Tier 2
01010	Medical Ultrasou...	10	EA		10/02/2017	10/02/2017	5.00	1.00	5.00

The Tiers tab on contract pricing deals allows you to specify each individual item pricing. The pricing can have the same start date as the contract. Alternatively, the item can be subsequently added onto a live contract, in which case the start date for the item pricing is well into the life of the contract. Pricing for the item may change as the life of the contract progresses; thus, an end date can be specified reflecting the last day that the initial pricing for the item is in force. You can then add another date range for the new pricing for the item to take effect. Sometimes, pricing once negotiated for a longer period of time is cut short, in which case an Expire Date can be added onto the item line.

You specify the specific price per customer pricing tier in the right-most section. Multiple Quantity or Amount breaks are allowed, but at least one level must be specified for each item record to save an open contract.

Item. Specify the item as defined in Item Master Maintenance.

Name. Displays the item description as defined in Item Master Maintenance.

Line. Displays the product line attached to the item.

UOM. Unit of measure for the item. Defaults from Item Master Maintenance and can be changed to any valid unit of measure as defined in Unit of Measure Maintenance. Especially relevant if pricing is based upon Quantity.

Expire Date. Optionally specify Expire Date for the pricing of the item. The expire date must be in the valid period of the contract and cannot be earlier than the Start Date.

Start Date. The date on which the pricing takes effect.

End Date. The last day that the specified pricing applies to. If only one pricing date is specified for an item, the End Date should be left blank. The open end date of the deal accommodates the cases with extended contract end dates. If the contract buy end date is extended, the open pricing end date can still match the new contract buy end date. You are not able to modify the pricing end date on the existing deal. Instead, you can copy the deal and then modify the pricing date on the copied deal.

Min Qty/Amount. Specify the minimum quantity or amount (dependent on Amount Type deal setting) for this break level. Multiple levels can be added.

Tiers. Specify pricing for each pricing tier. The number of pricing tiers that display are based upon the Pricing Tiers value on the Details tab of the contract pricing deal.

Deferred Discount Deals

Fig. 3.25
Deferred Discount - Details Tab

The screenshot shows a 'Deferred Discount' dialog box with the following fields and values:

- Description: GPO Admin Fee for use on Contracts Only
- Category: Deferred Discount
- Quantity Type: Quantity
- Amount Type: Discount %
- Discount Base: Net Price
- Buy Unit of Measure: BX
- Payment Method: Supplier Invoice
- Payment Cycle: Current
- Claim Over Excess: Warning
- System Generate CI:
- Pay To: PremiereB
- Deal Limit: 0.00
- Sales Basis: Customer
- Deal Reference: (empty)
- Fee Pricing Point: Customer

Quantity Type. For Contract Pricing deals, the Quantity Type value is fixed as Quantity, meaning each item will receive the Contract Price.

Amount Type. Specify how the buyer receives the discount, as a discount amount or as a discount percentage.

Discount Base. Specify whether the discount is based on the price list or the net price of the invoice line.

Buy Unit of Measure. The unit of measure the customer has to buy in to be qualified for the promotional deal.

- When the field is blank, the deal is available regardless of the UOM on the order.
- When Quantity Type = Quantity:
 - The Buy Unit of Measure field is mandatory and represents the UOM to interpret the quantity breaks found on the tiers tab.
 - When Sales Basis is set to Customer, the Contract DD Earned Discount Calc program calculates the earned discount only for the Invoice Lines ordered in that Buying UOM.
 - When Sales Basis is set to Member, the Contract DD Earned Discount Calc program calculates the earned discount only for approved Indirect Sales Lines purchased in that Buying UOM.
- When Quantity Type = Amount, the Buy Unit of Measure field is not relevant and Invoice Lines entered in any Unit of Measure qualify for the discount.

Payment Method. Specify the default resulting document for this deferred discount deal claim: Customer Credit Note or Supplier Invoice.

Payment Cycle. Specify how often claims are generated against the deal: Current or End of Deal.

This value is related to the System Generate Claims field.

- **Current:** If the System Generate Claims field is selected, the system generates a claim for the current period and any previous unclaimed periods when you run Generate Claims Maintenance.
- **End of Deal:** If the System Generate Claims field is selected, the Generate Claims Maintenance function only creates a claim for the contract pricing deal with the deal end date reached.

Claim Over Excess. Indicate how the system responds when you create or process a claim whose claim amount exceeds the open earned discount balance in Claim Maintenance.

- **Warning:** The system displays a warning, but allows the claim.
- **Error:** The system displays a hard error and does not allow the claim.

System Generate Claims. Specify whether claims associated with this deal can be automatically created when you run Generate Claims Maintenance.

Note This value can be changed for open promotions.

Pay To. On TAM contracts, if a Buying Group is specified on the contract header, then the Deferred Deal pay-to field is set to the buying group and is read-only. This is in line with an Admin Fee type of deferred deal, payable to the buying group. When a customer is specified on the contract header, leave this field blank to accumulate sales against and pay to that specific customer.

Deal Limit. Set up a maximum amount that a customer can claim from this deal. 0 indicates no maximum limit.

Deal Reference. Optionally, enter reference information about this deal (up to 40 characters). The reference information is not formally linked to anything or validated in any way.

Sales Basis. Specify the basis to be used to determine which sales are to be considered for earned discount calculations in a distributor/member (end customer) relationship:

- **Customer:** The quantity purchased by the customer, or distributor, is used. For example, the distributor is entitled to 1% back of purchases over a certain period. The 1% is based on the invoiced sales contained in the system.
- **Member:** The quantity purchased by the member, or end user, is used. For example, a contract deal dictates that the distributor is entitled to 2% back of the resale of purchases to group members at the contracted price over a certain period. Since it applies to indirect purchases, only approved indirect sales to members, reported back from the distributor to the manufacturer using Indirect Sales Maintenance, should generate Earned Discounts to the distributor for this deal.

Another example of where you would specify Member relates to buying groups, or GPOs. For example, a GPO is entitled to a 3% administrative fee for sales to its members at the contract price. These sales can take place either directly to the member from the manufacturer, or indirectly to the member from the distributor. Set Sales Basis to Member so that all sales to the members—both directly and indirectly—will qualify for the 3% administrative fee back to the GPO. (Remember that indirect address records allow you to attach a customer code, in cases where you permit that group member to buy directly from you as well as from a reseller.)

Fee Pricing Point. When Sales Basis is set to Member, specify which price the system uses in calculating distributor fees in a distributor/member (indirect customer) relationship:

- **Customer:** The price paid by the direct customer, or distributor, is used. In this scenario, a distributor or customer does not qualify for any deferred discount until the purchased items are resold at the contract price to the group members (Sales Basis is set to Member). However the deferred deal is based upon the price at which the distributor or customer initially purchased the item from the manufacturer.
- **Member:** The price paid by the indirect customer, or member, is used.

Fig. 3.26
Deferred Discount - Tiers Tab

The screenshot shows the 'Deferred Discount' dialog box with the 'Tiers' tab selected. The 'Description' field contains 'GPO Admin Fee for use on Contracts Only' and the 'Category' is 'Deferred Discount'. The 'Accumulation Per' dropdown is set to 'Contract' and the 'Apply Current Tier to Previous Sales' checkbox is checked. A table displays two tiers:

Min Qty	Discount %
0.00	4.00
11.00	10.00

Accumulation Period. Specify the period over which discounts are accumulated: Contract (that is, the entire life of the contract), Month, Quarter, or Year.

Apply Current Tier to Previous Sales. Select this option to have the discount specified in the current tier apply to qualifying previous sales in earlier tiers.

Example The first tier specifies that a 1% discount applies to amounts up to \$9,999.99 and the second (current) tier provides a 2% discount for amounts \$10,000.00 and above. A customer places an order for \$9,999.99, then an order for \$1000. If Apply Current Tier to Previous Sales is selected, the customer would receive the 2% deferred discount on the entire \$10,999.99. If not checked, then the calculation is $(\$9,999.99 * 1\%) + (\$1,000 * 2\%)$.

Managing Indirect Sales Records

This chapter describes how TAM uses indirect sales records to associate the sales activities of distributors with contract deals.

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Matching Process 94

Indirect Sales Overview

To receive reimbursement for the difference between the selling price and the contract price on sales made to indirect customers based on contract deals, distributors provide sales-tracing documents back to manufacturers outlining indirect sale details. When matched against contracts and approved, these records result in Earned Discounts for chargebacks and service fees for distributors, as well as administrative fees for buying groups.

There are two ways of recording indirect sales:

- Manually Creating Indirect Sales Records
- Importing Indirect Sales Records using QAD QXtend Excelerator

Manually Creating Indirect Sales Records

This section covers the manual creation of indirect sales records using Indirect Sales Maintenance and is intended to show how the user can create, modify, and read information, and the implications of these actions in the system.

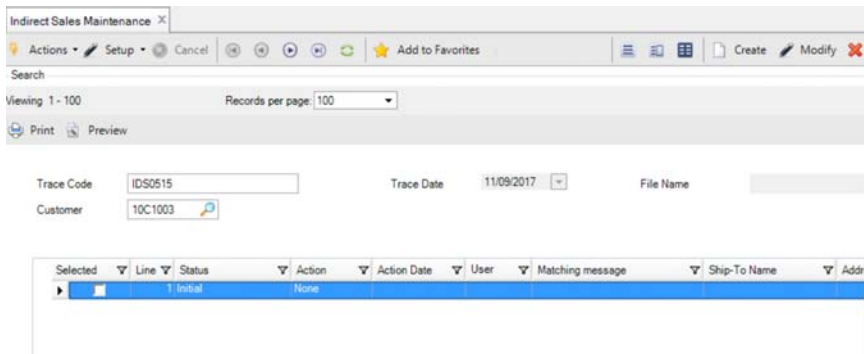
Indirect Sales Maintenance

Use Indirect Sales Maintenance to view, create, modify, and delete indirect sales records.

Indirect Sales Maintenance - Header

The main screen of Indirect Sales Maintenance contains two sections. At the top, the Header section displays the sales trace information. At the bottom, the grid displays individual trace line details.

Fig. 4.1
Indirect Sales Maintenance - Main Screen



The Header contains the following fields:

Trace Code. Enter the trace code as 20 characters or less. Note that a dash (-) is allowed, but any special characters other than dash are not allowed, such as !.@#\$%^&*()_+=. If trace code is left blank, upon save, the system populates the trace code value using the next sequence available for IndSales sequence code. To create a sequence, go to Number Range Maintenance.

Customer. This is the customer/distributor reporting back the indirect sales details to the manufacturer. The customer entered must be a valid customer in the system. You can type the customer code in manually or select from the look-up/browse. This field is mandatory.

Trace Date. This field is read-only and defaults to the current system date.

File Name. If the information is loaded using Excelerator, this field contains the name of the file.

Indirect Sales Maintenance - Line Grid

The bottom part is the line detail grid where you can add the indirect sales line information that distributors provided.

Selected. Select the check boxes to select lines. When you are performing an action, the system processes the selected lines against the action performed. Regardless of which lines are selected, the system saves all lines when you save the trace code.

Line. Read-only integer field; automatically increased as lines are added.

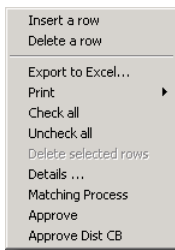
Status. Read-only field. Possible values: Initial, Unmatched, Match-Review, Match-Passed, Chargeback-Review, Approved, Approved Dist CB, Rejected. (See “Matching Process” on page 94 for further Status details.)

Action. Dynamic drop-down list. Possible values: None, Reject, Reverse, Approve, Approve Dist CB. Given the value of the Status, you are able to carry out one or more of these actions.

Action Date. The system automatically fills this field with the current system date.

Action User. The system automatically fills this field with the ID of the user performing the action.

Right-Click Grid Navigation



There are two ways of adding lines in the grid: Right-click and choose “Insert a row” option or, if you are in the last column of the last Line, press the TAB key on your keyboard.

Note If indirect sales lines are in status Approved, Approved Dist CB, Chargeback-Review (when Dispute Qty is not 0), or Rejected, the “Delete a row” and “Delete selected rows” options are disabled.

The “Check all” and “Uncheck all” options are useful when you attempt to select/deselect several lines at the same time, such as to Approve or Reject them all at once.

The “Delete selected rows” option allows you to delete multiple rows at the same time. This option only becomes available when rows are selected and only those rows selected will be deleted. This feature is useful for removing multiple lines that have been loaded inadvertently.

The “Details...” option leads you into the Indirect Sales Line detail pop-up screen (see “Indirect Sales Line Detail” for more information). Alternatively, you can double-click a line to add or modify the line details.

Note Adding line information is visually much easier in the details frame, as data is grouped and displayed in a more robust layout than it appears in its single-line form in the main grid.

The “Matching Process” option allows you to re-execute the matching validation logic for each line that is currently selected, which is not in status “Rejected,” “Approved,” or “Approved Dist CB.” The Matching Process option treats the line as if it is being entered as status Initial. This validation logic is the same as that which is executed when an indirect sales line is first created.

The “Approve” option allows you to set the Action value of all selected lines to Approve. For example, there are 100 lines at a Match-Passed status that you want to approve. Simply filter the main grid to display only lines with Match-Passed status. Then, right-click and choose the Approve option. This method is much quicker than going into each line, one by one, and changing the Action status to Approve.

The “Approve Dist CB” option allows you to set the Action value of all selected lines which are currently at Chargeback Review status to Approve Dist CB. This option differs from the Approve option in the fact that TAM accepts the chargeback amount that the distributor is assuming they are entitled to, rather than the chargeback calculated by TAM.

Indirect Sales Line Detail

Record the detailed information in the Indirect Sales Line Detail frame. To access this frame, double-click a record in the line grid, or right-click and select Details from the popup menu.

The Indirect Sales Line Detail screen includes a Header and three tabs:

- Address Info
- Indirect Sales
- Chargeback

Fig. 4.2
Indirect Sales Line Detail - Header

To open this pop-up, you can either double-click a given line, or, once the line is highlighted, right-click and select the “Details...” option.

This screen is made up of two main parts. On the top, a header contains some reference fields, such as Line, Status, and Matching message, and the Ship-To Number and Ship-To Name fields indicating the information of the Indirect Address member.

Ship-To Number. An optional field, where you can store any Ship-To number referenced by the customer submitting the indirect sales line detail.

Ship-To Name. This field is mandatory and represents the name of the member to which the customer has made the indirect sale. You can physically type in the name, and then enter all the address information supplied in the below grid, including unique identifier information. Alternatively, you can select the Ship-To Name from the look-up/browse. When you select an indirect address from the look-up/browse, all the information that is stored in TAM about this Indirect Address is automatically populated into the Address Info tab (see Figure 4.3).

At the bottom is a panel with three tabs containing detailed information.

Note The fields that have a yellow background are determined by TAM during the Matching process.

Fig. 4.3
Indirect Sales Line Detail - Address Info

The screenshot shows a software interface for 'Indirect Sales Line Detail'. At the top, there are 'Print' and 'Preview' buttons. Below that, the 'Line' is set to '1' and the 'Status' is 'Initial'. The 'Ship-To Number' is empty, and the 'Ship-To Name' is 'APRIA HC-LITTLETON'. A 'Matching message' field is present but empty. The main section is titled 'Address Info' and has three tabs: 'Address Info', 'Indirect Sales', and 'Chargeback'. The 'Address Info' tab is selected. It is divided into 'Ship To' and 'Bill To' sections. The 'Ship To' section includes fields for Address (7910 SHAFFER PKWY), Zip (516336), City (LITTLETON), County (Los Angeles), State (CO), and Country (US). The 'Bill To' section includes fields for Name, Address, Zip, City, County, State, and Country. Below these are fields for 'Indirect Address Name' (highlighted in yellow), 'Trace Buying Group', 'Group ID', 'HIN' (123422222), 'DEA' (ID1211111), 'Region', 'Buying Group' (highlighted in yellow), 'Pricing Tier' (1), 'GLN' (2345623444444), and 'IDN' (1234567777).

This screen contains the identifying information being supplied back to the manufacturer by the customer, which relates to whom the items have been resold. When clicking the OK button, TAM uses the Ship-To address information, as well as the Group ID, HIN (Hospital Identification number), GLN (Global Location Number), DEA (Drug Enforcement Agency #), and IDN (Integrated Delivery Network) to determine the matching Indirect Address Name in TAM, as defined in Indirect Address Maintenance.

If no match is found and the Indirect Address Name remains <BLANK>, you can manually populate the Indirect Address Name. In this case, TAM learns as it goes; that is, if you have to physically enter the matching Indirect Address Name for a line, once that line is approved, TAM stores the indirect address information. When the same address information is entered next time, TAM uses the Indirect Address Name from the prior approved line.

Example Suppose, in your system, you have indirect address “South Amboy Hospital” defined as 10 Main Street, South Amboy NJ, 08772. Indirect Sales supplied back from a customer, sometimes has the exact matching address information, and at other times might truncate text such “10 Main St” or “S. Amboy”. The first time a line comes in as S. Amboy, perhaps a match is not found. So you have to physically enter in South Amboy Hospital as the Indirect Address Name and then approve the line. Every subsequent time a line is submitted as S. Amboy, TAM knows which indirect address to match to.

The Trace Buying Group field represents the optional buying group specified in the indirect sales file that the customer provided back. This field is optional and is just the suggested buying group your customer indicates the end user that they have sold the item to belongs. TAM uses the Indirect Address Name and Group ID to determine the Buying Group (yellow field) of which it considers is correct. The Pricing Tier value defaults into the screen when the appropriate Indirect Address Name has been determined.

The Region field is an optional field that is not validated anywhere in the system against an indirect address. A region is sometimes, by default, included in the data supplied by a distributor. The manufacturer may add this information before a load to indicate additional information for sales-related activities.

Fig. 4.4
Indirect Sales Line Detail - Indirect Sales Tab

The screenshot displays the 'Indirect Sales' tab within a software interface. At the top, there are three tabs: 'Address Info', 'Indirect Sales', and 'Chargeback'. Below the tabs is a form with the following fields and values:

- Invoice Date: A dropdown menu.
- Invoice Number: An empty text input field.
- Invoice Line: An empty text input field.
- Currency: A dropdown menu showing 'USD' with a search icon.
- Item: A dropdown menu with a yellow highlight and a search icon.
- Trace Item: A dropdown menu with a search icon.
- Trace Item Desc: A long empty text input field.
- Selling Quantity: A text input field containing '0.00'.
- Selling UOM: A dropdown menu with a search icon.
- Unit Cost: A text input field containing '0.00'.
- Extended Cost: A text input field containing '0.00'.

On the Indirect Sales tab, specify relevant sales information that the distributor provided.

Invoice Date. A mandatory field. The date when the sale occurred.

Invoice Number. Optionally enter the invoice number that your customer used when billing to the indirect customer for this sale.

Invoice Line. Optionally enter the invoice line number that your customer used when billing to your indirect customer for this sale.

Note Even though the Invoice Number and Invoice Line fields are optional, if this information is supplied, it is best to record this information. The invoice information is then available in the various browses and collections in TAM, and can expedite the process when you reconcile data with a customer later.

Currency. A mandatory field. Automatically set to the domain Base Currency and can be changed for multi-currency needs. You can select a currency from the lookup browse.

Item. You can either select an item code from the lookup browse or leave it blank for the system to determine the matching internal item number. Even though the Item field is mandatory, the system does not throw a hard error when it is left blank because it must go through the matching process and TAM checks the history when closing the pop-up, in case something is found.

- a If you entered the item number and it exists in the system (item master table), the item is retained when closing the pop-up.
- b If you entered the item and it does not exist in the System, there is a hard error when closing the pop-up indicating “Invalid Item.”
- c If the item is left blank and a trace item is populated (as in the case of Excelerator load), the matching logic is run when closing the pop-up.

For this scenario, the matching algorithm is as follows:

Given a customer and a trace item, TAM checks the purchasing history (also known as indirect sales history). If any record is found in the history that shares the customer and trace item of the new line, then the item specified in the history line is automatically assigned to the item of the new line. This feature requires you to initially define the item the first time an indirect sales line is entered, but after that the item will be found using the trace item value. The distributor might send in a trace item that does not exist in the system. The item field in yellow color is left blank during the matching process, and then you manually assign an item to the item field and approve that line. The goal is to ensure that this manual process is to be done only once. Next time an indirect sales line comes in with the same customer and trace item, the system can go through the purchasing history and find the corresponding item for the new line.

- d If both the item and the trace item fields are left blank, the scenario is the same as scenario c, although it will never find a match and the line will never be approved. It will remain as unmatched and showing matching message “Item not found.”

Note Item description is automatically retrieved.

Trace Item. Select a trace item from the lookup browse. The trace item can be an external distributor item number. The external item is the distributor item code as it appears in the sales trace file sent back to the manufacturer. Most likely, it is the same item code appearing on the contract. However, if the distributor codes the item in a different way, you can track this name for future reference and fill the Item field with our internal item number matching that found on the contract. The Trace Item field is for reference only, whereas only the Item value is used during the contract matching process.

Trace Item Description. The description of the suggested item.

Selling Quantity. A mandatory field. Enter the quantity of items sold.

Selling UOM. A mandatory field. Enter a valid unit of measure in which the item is sold. You can select a UOM from the lookup browse.

Unit Cost. A mandatory field. Enter the unit cost for the distributor to sell the item.

Extended Cost. A mandatory field. After you have entered the Selling Quantity and Unit Cost and either tabbed or clicked another field, the system automatically calculates the extended cost. The result is the Selling Quantity multiplied by the Unit Cost. You can also enter a value here or modify it as needed. The extended cost represents the distributor's total selling cost to the end user for the items.

Fig. 4.5
Indirect Sales Line Detail-Chargeback Tab

Note The fields that have a yellow background are calculated by the system during the Matching process.

Trace Contract. An optional field, for reference only. TAM does not use this value for pricing validation. A distributor might provide the Contract Code they believe should be used to determine the member pricing for this sale. If the trace contract has been provided, enter the value here.

Trace Dist Contract. An optional field, for reference only. A distributor might provide the Distributor Contract Code they believe should be used to determine their pricing for the item related to this sale. If the contract has been provided, enter the value here.

Contract. Retrieved by the system during the Matching process. The contract contains the pricing for the end user, also known as the group member or indirect address, to whom the distributor sold the item.

Distributor Contract. Retrieved by the system during the Matching process. The distributor contract contains the pricing that applies to the distributor for the item, as of the selling invoice date.

Note Sometimes manufacturers maintain distributor pricing using Price List Maintenance, rather than TAM contracts. In this case, clear the Distributor Contract Pricing Validation field in TAM Control. TAM then skips the search for a distributor contract.

Entity. Retrieved by the system during the Matching process. The value defaults to the Indirect Sales Entity value provided in the Contract Pricing Deal attached to the Contract found by TAM. You can optionally modify it to another valid and active entity in the given Domain. Earned discount records based on approved indirect sales lines reference this entity.

Trace Dist Unit Price . An optional field, for reference only. If the distributor provided the unit price, enter the price here. A distributor may provide the value which they believe represents the price they bought this item. TAM does not use this unit price to validate pricing.

Distributor Unit Price. When establishing the Distributor Unit Price during Indirect Sales validation, TAM uses the invoice date on the indirect sales line. The system first looks for a Distributor Contract with pricing effective on that date to establish the distributor price. If no contract is found, then TAM uses a pricing API to see what the price would be calculated as of that date using price lists in the system. Next, if pricing still cannot be established, then the price is taken from the item master.

Trace Contract Unit Price. An optional field, for reference only. If the distributor provided the price, enter it here. A distributor might provide the Contract Unit Price they believe should be used to determine their pricing for the item sold to this particular end user.

Note If a value is provided, it should match the Unit Cost value provided earlier under the Indirect Sales tab.

Contract Unit Price. A read-only field. This is the Contract price found by TAM from the Contract retrieved, which should have been used by the distributor when selling to the specified end user and item, on the invoice date.

Note The four suggested Trace fields/values appear on the left, and the corresponding values retrieved by TAM are directly across on the right. Thus, if the trace values are supplied by the distributor, they can be easily cross-referenced against what TAM has determined to be the appropriate values based on the information in the system.

Distributor Chargeback. The distributor chargeback is the distributor-assumed chargeback. In other words, the amount distributors are asking for as compensation for the price they assume that they purchased the item at, and the lesser price they have resold the item for, times the quantity they have sold.

Extended Chargeback. Chargeback calculated by TAM based on the information found during the Matching process. The extended chargeback is calculated as:

*Chargeback Per Unit * Chargeback Quantity*

Discrepancy. For display only. The discrepancy is the difference between the system-calculated chargeback and the chargeback that the distributor assumed. The discrepancy is calculated as:

Distributor Chargeback - Extended Chargeback

Chargeback Per Unit. This is the extended chargeback amount divided by the units sold. It is calculated as:

Distributor Unit Price - Contract Unit Price

Trace Contract UOM. Optional field, for reference only. If the distributor provided the unit of measure, enter it here. TAM does not use the trace contract UOM for pricing validation.

Contract UOM. This UOM is the item Unit of Measure reflected by the Contract Unit Price set on the indirect Contract retrieved by TAM.

Chargeback Quantity. A read-only field. In later steps, this field could be modified.

Dispute Quantity. A read-only field. Shows if the distributor tries to charge back a quantity greater than the quantity actually bought from the manufacturer. This validation checks the direct sales to this Customer in the last "Purchasing days" (set in TAM Control) going backward from the Invoice Date of this Line.

Importing Indirect Sales Records

The first step related to electronically loading indirect sales information is to install and configure QAD QXtend. After QXtend is configured, Excelerator must be installed and configured.

Once Excelerator is set up and an Excel sheet has been formatted, the data is loaded into the system and is visible in Indirect Sales Maintenance.

The load file mimics the fields available to a user as if entering directly into Indirect Sales Maintenance, with the addition of a few fields needed for technical reasons:

- **LoadStatus:** Leave blank. This field is used to relay back the status of each line after the load has been executed. If the line has been loaded as expected, the field is populated with “Saved Successfully”. Otherwise, an error status is displayed.

Note If one line fails to load, this does not prevent all other lines in the file from loading. Lines are evaluated and loaded on a line-by-line basis, with separate line load statuses assigned to each.

- **LoadID:** A mandatory field used for technical reasons behind the scenes. Any character, such as the letter ‘a’ can be placed in this field.
- **TraceFileName:** A mandatory field. Enter the filename which will display next to the trace code in Indirect Sales Maintenance. This value may be useful if you want to know whether a particular trace code has been loaded from a particular file.

Note If you initially load using file 1, into Trace Code “test1,” then subsequently load using file 2, into Trace Code “test1,” and file 2 specifies TraceFileName “file 2,” then the existing Trace Code reflects TraceFileName “file 2.”

- **TraceCode:** A mandatory field when loading from a file. Determines if you want to load data into an existing trace code or create a new trace code. Note that a dash (-) is allowed, but any special characters other than a dash are not allowed, such as !.@#\$%^&*()_+=.
- **SalesLine:** A mandatory field. The default value of 0 may be left for all lines. However, as lines are successfully loaded, the file is updated to reflect the line number in the trace code created, corresponding to that specific row of data in the file.

In the file itself, certain fields have a “*” character next to the field name. The “*” does not indicate a mandatory field. Each line must have a unique combination of all “*” marked fields; otherwise there will be errors upon load.

Certain numeric fields default as 0 and should not be blanked out; otherwise there are errors upon load. These fields include SalesLine*, SellingQuantity*, UnitPrice, ExtendedPrice, ContractUnitPrice, DistributorUnitPrice, ChargebackPerUnit, ExtendedChargeback, and DistAssumedChargeback.

To easily see which fields require a numeric value, simply place your cursor in the last field (DistAssumedChargeback) of an existing line, and press the TAB key. This action creates a line underneath. All numeric fields that require a value contain a “0.”

Other than the technical fields outlined as mandatory above, the following fields are also required:

- **CustomerCode*** - the customer/distributor that you sold to originally, who is now reporting back the indirect sales.
- **ShipToName** - the name of the indirect customer the distributor sold to.
- **InvoiceDate*** - the date of sale by the distributor to the indirect customer.

- ItemCode* - the item sold to the indirect customer.
- SellingQuantity* - the quantity of items sold.
- SellingUnitOfMeasure - the unit of measure of the items sold.
- UnitPrice - the price of an individual item sold.
- SellingQuantity - the quantity of items sold.

Note Both UnitPrice and SellingQuantity should contain non-zero values, as the line load will fail if the calculated Extended Cost equals 0.

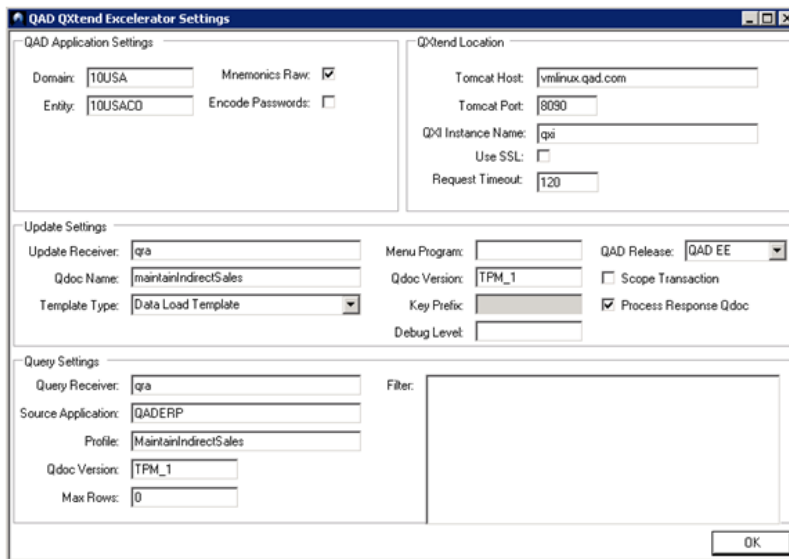
Note If the file contains only the ShipToName and no ShipTo address information, nor any unique identifier such as GroupID, GLN, HIN, IDN, and DEA, then TAM will have issues in matching the end user to whom the distributor sold an item to, with an indirect address in your system. Typically, all or part of the ShipTo address information may be supplied, in addition to one or more unique identifiers.

Lastly, even though DistAssumedChargeback is not mandatory, if the distributor is assuming they are due back a chargeback amount, then they should include that amount in the file sent. If they do not, then TAM calculates a Chargeback, compares it against the Dist Assumed Chargeback value, and always sets the loaded line to status Chargeback-Review. Whereas, if the Dist Assumed CB is included in the file, and if it matches the amount calculated by TAM, then the line goes to status Match-Passed.

The following sample screenshot indicates the QXtend Settings to use, under the Developer Tab in the Excel file:

Note Domain, Entity, Tomcat Host, and Tomcat Port field values differ on an environment-by-environment basis.

Fig. 4.6
QAD QXtend Exceleator Settings



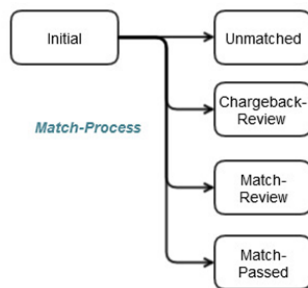
To load the file, after the QXtend settings have been properly set, choose the Update QAD button under the QAD Tools tab. Select either Process All or Process Changes, then enter a valid user ID and password and click OK.

During load, errors could occur due to the following reasons:

- Trace Code is greater than 20 characters long
- Trace Code specified contains invalid characters such as a ‘. !@# \$% ^ & * () _ + =’
- Customer is not a valid customer in the DB
- Currency is not valid currency in the DB
- Ship-To name cannot be <blank>
- Selling UOM cannot be <blank>
- Selling UOM is not a valid UOM in the DB
- Item Code cannot be <blank>
- Extended Price (Selling Quantity * Unit Price) cannot be 0

Matching Process

The matching process is launched when you click OK in the pop-up, as long as the Status is Initial, Unmatched, Match-Review, or Chargeback-Review, and Dispute Quantity (located in Chargeback tab) is equal to 0.



Unmatched Status

Indirect sales record has an Unmatched Status in the following scenarios:

- Indirect Address not found: System could not find a matching Indirect Address record using the address information provided. The following outlines the search order:
 - Find Indirect Address by looking at GLN
 - Find Indirect Address by looking at GroupID
 - Find Indirect Address by looking at HIN
 - Find Indirect Address by looking at DEA Number
 - Find Indirect Address by looking at Address information
 - Find Indirect Address by looking at Address information and City but not Zip
 - Find Indirect Address by looking at Address information and Zip but not City
 - Find Indirect Address by looking at Sale Trace records. Exact match of the following fields for approved lines:

GLN, GroupID, HIN1, DEANumber, shipToStateID, AddressName, AddressStreet1, AddressStreet2, AddressStreet3, AddressZip, AddressCity, billToStateID, BillToName, BillToStreet1, BillToStreet2, BillToStreet3, BillToZip, BillToCity.

- Indirect Address not a GPO member for the Contract: Indirect address is not member of GPO/Buying Group attached to the contract.
- Indirect address not on contract: This relates to contracts where the All Members flag is not checked, and the member is not listed individually on the contract members tab, nor part of a buying group listed on the contract members tab.
- Buying Group not found: A Buying group cannot be found for this indirect address.
- Contract not found for Invoice Date: There is not an Open Contract for the given Invoice date, based on match of contract Buy date range, Item, and Indirect address/group member.
- Cannot find contract for item: A contract has not been found for this item.
- Distributor not on contract for Invoice Date: The distributor is either not listed individually on the customers tab of the contract, or is part of a customer buying group attached to the contract, but they are not a member of the Customer Group as of that invoice date.
- Contract pricing deal not on contract: A contract has been found, but there is not a contract pricing deal on the contract.
- Contract found but currency differs: a contract open at the invoice date is found. That contract has a valid pricing deal for the item but the currency of the contract and the one from the indirect sales line are different.

Match-Review Status

A Match-Review status occurs in the following scenarios:

- Buying Group is inactive: A Buying Group is found but is inactive as shown in Buying Group Maintenance.
- Indirect Address is inactive: Indirect Address is found but is inactive as shown in Indirect Address Maintenance.
- Distributor contract not found: A contract cannot be found to determine the initial selling price to the distributor.
- Selling UOM cannot be converted to Contract UOM: The UOM of the sale by the distributor to the member cannot be converted to the UOM listed on the contract pricing deal for that item. There does not exist a Unit of Measure conversion in the system.
- Item not found on Contract Pricing deal: The item is found on a Contract; however, it is not specified on the contract pricing deal. How might this occur? Users are allowed to add items onto contracts via two methods: 1) using the Items tab, or 2) adding items onto Contract Pricing deals that the system then writes into the Items tab. In cases where an item has been added onto the contract Items tab, but no contract pricing deal information has been defined for it, this error will occur.
- Item price on Contract Pricing not effective as of Invoice Date: A contract has been found that contains contract pricing for this item. However, the date range or ranges on the contract pricing deal do not cover the invoice date; thus, there is no contract price to use for the invoice date. Items can be added onto Contracts after the contract has gone live, with initial pricing dates beginning after the original contract Buy Start date.
- Contract Pricing does not exist for this item at this quantity: The item is found on the contract, the item does have pricing on the contract pricing deal as of that invoice date. However, based on the quantity breaks defined in the pricing for this item, the pricing for the item does not exist at this quantity level. NOTE that when defining pricing for an item, you can begin

pricing at a minimum quantity greater than 0. This is not typical; however, it is allowed. Then, if an order line is entered for anything less than the minimum quantity defined in the contract pricing deal for that item, no contract pricing will exist.

- Item expired on Contract Pricing deal for Invoice Date: Item is found on the Contract; however, it is not part of the contract pricing deal as of that invoice date.
- Distributor is not valid for Invoice Date: The distributor is part of a Group attached to the Contract; however, it is not part of that group as of that invoice date.
- Distributor price UOM cannot be converted to Buying Group UOM: This message appears in two scenarios. First, if no Distributor Contract exists in the System and the Price List (or the Item Master) UOM conversion does not exist either between that UOM and the Buying Group Contract UOM. (It is not possible to determine the Distributor UOM unless the End User checks the UOM in the Price List or in the item master.) Second, the message is shown when the Distributor Contract exists but no UOM conversion exists between the Distributor Contract and the Buying Group Contract. However, in this case, it is possible to tell what UOM conversion is missing, because both the Distributor Contract and the Buying Group Contract appear in the Chargeback tab.

Chargeback-Review Status

The Line is set to status Chargeback-Review when there is a discrepancy between the assumed Distributor Chargeback and the one calculated by the system with the information found. At this point, you can go to the Chargeback tab for the given Line, and change Chargeback Quantity, Distributor Unit Price, Distributor Chargeback fields as needed to solve the issue.

Another scenario where status is set to Chargeback-Review occurs when a Dispute Quantity has been calculated. Dispute Quantity is populated by the system while attempting to approve a Line if: 1) the Purchasing Days field in TAM Control is greater than 0 and 2) all or part of the Selling Quantity is not supported in Purchasing History.

TAM performs a search against Purchasing history during Indirect Sales Maintenance line validation if the TAM Control, Purchasing Days field is greater than 0. Validation occurs during indirect sales line Status determination. TAM determines how many days in the past to go back to evaluate the distributor purchases, based on the Purchasing Days field value. Next, looks at the accumulated distributor purchases of the item in the TAM Contract History records and determines what portion of the quantity purchased remains to be reported as indirect sales. If the indirect sales line quantity is less than or equal to the remaining portion of sales, then the line is approved. Any portion of the indirect sales line quantity which is greater than the “open” portion of past purchases, will be placed into the Dispute quantity field of that line and status set to Chargeback-Review.

Here follows a more detailed, technical description regarding the validation of purchasing history.

If the Purchasing Days field in TAM Control is greater than 0, the system checks whether the purchased quantity is legitimately given the sale to that customer in the specific period. The system updates TAM Contract History based on the captured direct sales information in the TAM Subledger records. There are three meaningful fields to focus on in the TAM Contract History record for the direct sale: AllocatedQuantity, ReservedQuantity, and ReturnedQuantity. These fields are used to store the information of Indirect Sales lines already processed, so TAM can identify easily, without every time needing to go through all the Indirect Sales lines in the system, that the current sale is legitimate.

The following scenario illustrates how these fields are used:

Distributor buys from Manufacturer (direct sales):

100 Items - 04/08/2014

Distributor buys from Manufacturer (direct sales):

200 Items - 05/08/2014

Distributor now sends back two Indirect Sales lines (250 and 100 items, respectively). Let us say that today is 05/10/2014, and the Purchasing Days in TAM Control is 60 days.

When the system processes the first Line, and since there is not any discrepancy, the Line is set to Approved. These will be the updated values in the direct sales contract history record:

Direct Sales	AllocatedQuantity	ReservedQuantity	ReturnedQuantity
100 Items	100	0	0
200 Items	150	0	0

Next, TAM processes the second Indirect Sales line. Result is that 50 out of the 100 items goes to the second direct sales and the rest goes to ReservedQuantity. The second indirect sales line is held as Status Chargeback-Review:

Direct Sales	AllocatedQuantity	ReservedQuantity	ReturnedQuantity
100 Items	100	0	0
200 Items	200	50	0

Finally, let us say a return of 80 items is reported in the next file. This results in the following:

Direct Sales	AllocatedQuantity	ReservedQuantity	ReturnedQuantity
100 Items	100	0	80
200 Items	200	50	0

Important If you are running TAM for the first time and do not have prior sales to the distributor logged in the contract history tables, then the system is not able to validate past Distributor sales against those Indirect Sales being reported. It is necessary to set the Purchasing Days value in TAM Control to 0, in order to bypass the Purchasing history validation. Otherwise, all selling quantities registered under Indirect Sales will be seen as Dispute quantities.

When you “Go Live” with TAM, it is expected that there will be distributor contracts defined for those initial sales to the distributors, and then these distributor sales, hereafter, will be written into the Contract sales history as they occur. When sufficient time has passed to allow for the contract history to have been built up past a certain period, it is then recommended that you turn on the purchasing history validation by setting the Purchasing Days value greater than 0 in TAM Control. This value should represent the number of days in the past to which the system will evaluate Contract history sales to that distributor against those being reported back to the manufacturer via the Indirect Sales data.

The Status of Match-Passed indicates that the system has succeeded in the matching process.

Actions Allowed Depending on the Status

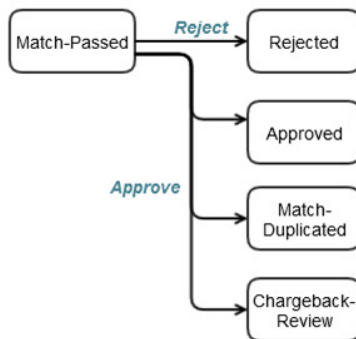
Unmatched



After the matching process, the Line might be set to Unmatched. At this point, the system allows you to:

- Delete the Line, right-click the “Delete a row” option.
- Reject the Line: It might not apply, but you do not want to delete it as it is what the distributor reported. In this case, set the line to Rejected and leave line as it exists in Indirect Sales Maintenance.
- Leave it as Unmatched for potential use later.

Match-Passed



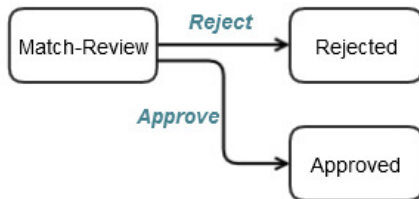
Match-Passed status indicates that the system found a Contract given the information provided. For a Match-Passed status line there are three possible actions:

- Delete the Line, right-click the “Delete a row” option.
- Reject the Line: It might not apply, but you do not want to delete it.
- Approve the Line. During Approval validations, the system determines:
 - a Whether there is an Approved Indirect Sales Line with identical information to this line
This is necessary to prevent a distributor from recording more sales than actually occurred and potentially receiving more compensation back than is due. If a duplicate is found, then Line Status is set to Match-Duplicated.
 - b If not, then the system next validates the selling quantity from the distributor against what the distributor has purchased from the manufacturer.

To accomplish this, the system looks to the TAM Control file for the Purchasing Days value, to determine how many days back in contract history to evaluate the distributor sales.

Note If value is set to 0, then Purchasing History validation is by-passed. Next, it accumulates the purchasing history and determines if the selling quantity, plus prior reported indirect sales (approved line status), is greater than the purchases from the manufacturer. If greater, then the line Status is set to Chargeback-Review and the Dispute Quantity (found on Chargeback tab) is set to the quantity exceeded.

Match-Review

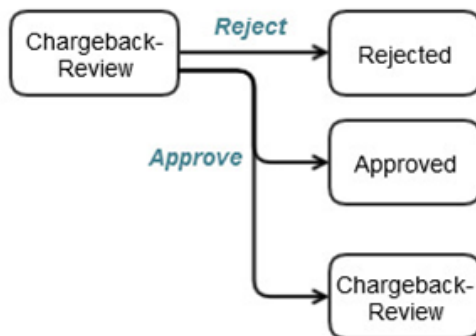


In the previous chapter, we identified in which scenarios the Line is set to Match-Review. This is a Status where the Line is not fully matched, but there is enough information for approval. The actions you can perform are:

- Delete the Line, right-click “Delete a row” option.
- Reject the Line, it might not apply, but you do not want to delete it.
- Approve the Line. As seen in “Match-Passed”, the Line can be set to Match-Duplicated, Chargeback-Review, or Approved depending on the validations.

Note It is possible to set a line to Approved status when there is a soft error indicating that no Unit of Measure conversion exists in the System. It is an End User decision to approve these lines.

Chargeback-Review



We have already described in which scenarios the Line can be set to Chargeback-Review, but to recap:

- If there is a discrepancy between the assumed Distributor Chargeback and the Extended Chargeback (calculated by the system with the information found). At this point, you can go to Chargeback tab for the given Line, and change Chargeback Quantity, Distributor Unit Price, and Distributor Chargeback fields as needed to solve the issue.

- If the system determines the distributor is selling more of an item than purchased from the manufacturer, the Dispute Quantity is set to part of or all the selling quantity considered to be unsupported by the purchasing history. The line requires your interaction due to the possible prevention of fraudulent activity.

The Actions the user can take are slightly different. As for the first situation, the user is able to:

- Delete the Line, right-click the “Delete a row” option.
- Reject the Line, it might not apply, but the user does not want to delete it.
- Approve the line.

As far as the second scenario, the actions allowed are the following:

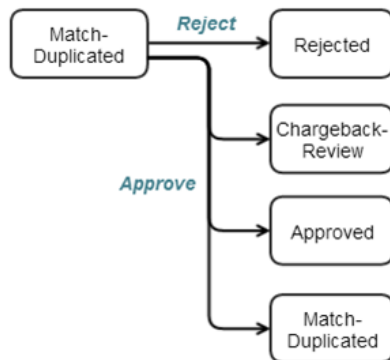
- Reject the Line, it might not apply, but the user does not want to delete it.
- Approve the Line: After further clarification with the distributor, the user might want to partially or totally approve the Selling Quantity. In the Chargeback Tab, the Chargeback Quantity can be changed to any quantity no larger than the Selling Quantity.

When there is a calculated Discrepancy (ExtendedChargeback - DistributorChargeback differs from 0), the line status is set to Chargeback-Review. At this point, the user might approve the Line, and the system then runs the Purchasing History validation. If there is now a Dispute quantity, we can have a Chargeback-Review status issued again, but for this last reason.

Approved Dist CB

This second approval option, available only for Chargeback-Review status lines, has been created to allow for situations where the manufacturer wishes to accept the amount that the distributor is assuming for chargeback, instead of the calculated extended chargeback by TAM. Business reasons for this include situations where the price which the distributor purchases from the manufacturer fluctuates frequently. TAM uses the distributor price as of the selling invoice date to calculate the chargeback. However, the distributor may be using a price from the past which the manufacturer feels is acceptable. When a line is saved as this status, the Distributor Chargeback value, not the Extended Chargeback value, will be used to create earned discount records via the Contract CB Earned Discount Calc program.

Match-Duplicated



Once in Match-Duplicated, the manufacturer is able to review or edit the record and then take one of the following actions:

- Reject the Line, it might not apply, but the user does not want to delete it.
- Approve the Line. The system then sets line status to:
 - Chargeback-Review, whether there is a Dispute on the quantity they want to charge back.
 - Approved if the quantity applies.
 - Match-Duplicated, only if the record has been edited and a new duplicate is found.

Approved



When the Line is set to Approved, the only Action the user might do is to reverse the Line, but reverse is only possible as long as the Line has not been processed. Therefore, if any of the background processes have been launched (Contract CB or DD Earned Discount Calc programs), the Line cannot be reversed, prompting you with the error accordingly.

If the Line is reversed, the status would be set to Initial, and the Line could be changed as needed.

Rejected



An indirect sales line is set to Rejected when it is rejected. You can reverse a rejected line back to the Initial status for later changes.

Field Modification Depending on Status

Note Most fields not initially Read-only or System-calculated may be changed at status: Initial, Unmatched, Match-Review, or Chargeback-Review (when there is not a discrepancy).

If the status is set to Chargeback-Review after the system attempted to approve, due to a Dispute Quantity having been populated as a result of Purchasing History validation, then the only field available for modification is Chargeback Quantity. You are allowed to modify the system calculated quantity to potentially match the selling quantity having been reported. In essence, even though the contract sales history to the distributor does not support the selling quantity, the manufacturer is telling the system to allow the full quantity for the chargeback.

Managing Claims

Claims are created by the manufacturer to formally recognize earned discounts owed to customers and buying groups.

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Claim Maintenance 104

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Claims Overview

Claims are created by the manufacturer to formally recognize earned discounts owed to customers and buying groups.

QAD TAM supports two kinds of claims:

- Manually created claims in Claim Maintenance
- System-generated claims by Generate Claims Maintenance

Important You can either use TAM Claims or TAM Deduction Review to resolve open earned discount balances, but do not mix programs for the same promotion or contract activity. The TAM Claims program allows you manage earned discount values all the way down to the item level. TAM Deductions Review manages the earned discount values at the parent total level. If you are dealing with the item-level earned discounts, use TAM Claims.

Claim Maintenance

After earned discounts have been accumulated for open Promotions and Contracts, create claims to give back the earned discounts to the appropriate customer/supplier. Use Claim Maintenance to manually create individual customer claims against open earned discounts at the Promotion or Contract deal level.

Note Ensure that all earned discount balances are up to date before creating claims.

For deals with the System Generate Claims option selected, you can alternatively run Generate Claims Maintenance to have the system create the claims for the open earned discount balances. See “Generate Claims Maintenance” on page 112 for more details.

After a customer or buying group has been specified in Claim Maintenance on the Claim Header, the Claim Amount tab is populated with available earned discount records to claim against. Information found in each earned discount record includes full Earned Discount accumulated amount, the balance of Approved Claims Taken, Pending Claims, Approved Deductions, Pending Deductions, and lastly the Open Balance that remains available to claim against.

Note The Pending Claim balances that appear do not include the current claim amount.

Claim Maintenance allows flexibility to create claims in a Pending status, as opposed to Approved status. If company process requires one person or group to enter claims in Pending status only, and another individual or group to approve the Pending status claims, then set the Approval Required for Manual Claims to Yes in TAM Control. This setting then only allows claims to be created with a Pending status in Claim Maintenance. These Pending claims can then be reviewed and approved using the Review Claims program. Use menu-level security to restrict access to the Review Claims program as needed. When Approval Required for Manual Claims is not selected in TAM Control, you are allowed to create claims immediately with an Approved status. Alternatively, you can save a claim in Pending status and change its status later in Claim Maintenance.

When settings allow for taxes to be calculated on claims, the taxes appear only after a claim is saved. Saving a claim updates the tax values and relevant fields on a claim. If you want to potentially modify the taxes on a claim, save the claim in a Pending status to first generate the

claim taxes; then, you can reenter the saved claim and review it, using the View/Edit Tax Details option from the context menu, or optionally update the claim taxes before saving it as status Approved.

Note

- The claim taxes are recalculated whenever the amount fields are modified and saved.
- Saving claims as the status of Approved results in general ledger Journal entries and either a Customer Credit Note (CCN) or Supplier Invoice (SI). A separate CCN or SI is created for each earned discount attached to the approved claim. The description of the invoices consists of the claim reference and the claim code.

The Deal Limit value indicates the maximum amount that each customer on the promotion can receive. The Claim Over Excess deal setting indicates whether you are allowed to claim more than what is open on the earned discount. The following illustrates how the Deal Limit and Claim Over Excess fields are evaluated during Claim Maintenance:

- If Deal Limit is set greater than \$0 on a deal, and Claim Over Excess is set to Warning, a warning message “Amount greater than current deal limit” is displayed in Claim Maintenance. In this case, you can proceed and allow the claim balance to exceed the deal limit. The system is looking at the current claim amount plus any other amounts claimed or deducted against this deal for this customer, and comparing that balance to the deal limit specified on the deal.
- If Deal Limit is set greater than \$0 on a deal, and Claim Over Excess is set to Error, an error message “Amount exceeds deal limit” is displayed in Claim Maintenance enforcing that you cannot allow claims to accumulate more than the deal limit. Again, the system is comparing the current claim amount plus any other amounts claimed or deducted against this deal for this customer, against the deal limit specified on the deal.
- If there is the Deal Limit set to \$0 on a deal, and Claim Over Excess is set to Warning, a warning message is displayed when the claim amount exceeds the open earned discount balance. In this case, you can decide whether to process the claim.
- If there is the Deal Limit set to \$0 on a deal and Claim Over Excess is set to Error, an error message “Amount exceeds open balance” is displayed when the claim amount exceeds the open earned discount balance.

Claim Header

Fig. 5.1
Claim Maintenance-Claim Header

The screenshot shows the 'Claim Maintenance' window with the 'Claim Header' tab selected. The form contains the following fields and values:

- Claim:** (Empty text field)
- Status:** Pending (Dropdown menu)
- Claim Date:** 03/26/2018 (Dropdown menu)
- Posting Date:** 03/26/2018 (Dropdown menu)
- Reference:** (Empty text field)
- Reversal Date:** (Empty dropdown menu)
- Customer:** 10c1003 (Text field with search icon)
- Customer Name:** Pacific Health Care Systems (Text field)
- Buying Group:** (Empty text field)
- Claim Currency:** USD (Text field with search icon)
- Exchange Rate:** 1.0 = 1.0 USD (Text field)
- Promotion:** (Empty text field with search icon)
- Contract:** (Empty text field with search icon)
- Payment Method:** Customer Credit Note (Dropdown menu)
- Responsible:** (Empty text field with search icon)
- Description:** (Empty text field)

Claim. Displays the claim number. The system automatically generates a claim number upon a successful save. The claims are numbered based on the CLAIM sequence defined in Number Range Maintenance. You cannot update this field.

Status. Specify whether the claim is to be created as Pending or Approved. By default, it is Pending for a new claim. You can create a claim with Approved status only when the Approval Required for Manual Claims option is not selected in TAM Control.

Saving a claim as Approved results in either a Customer Credit Note or a Supplier Invoice document depending on the Payment Method of the deal. The combination of claim reference and claim code (maximum of 40 characters) is written into the document description for cross-reference purposes.

Claim Date. The date on which the claim is created. It defaults to the current system date and can be updated. The claim date cannot be prior to any attached promotion or contract earned discount deal start dates.

The claim date is written as the invoice date on any resulting customer credit note or supplier invoice related to the approved claim.

Posting Date. The Posting Date of the claim will be used as the Posting Date on any resulting Customer Credit Note or Supplier Invoice records, as well as Journal Entries posted to the general ledger for a claim saved as status Approved. The claim Posting Date also drives the exchange rates to be used where there are currency conversions to consider.

This defaults to the current system date and may be updated. Note that the Posting Date may not be earlier than any attached promotion or contract earned discount deal start dates.

Reference. Optionally enter the reference information (up to 40 characters). The reference information is displayed together with the claim code as the customer invoice description in Customer Invoice View.

Reversal Date. This field is accessible only when you choose Reversed in the Status field of an approved claim. It defaults to the system date and can be changed. The reversal date cannot be earlier than the posting date of the original claim. When saving a claim in the Reversed status, the reversal date is written onto any resulting Customer Credit Note or Supplier Invoice records, and Journal Entries posted to the general ledger.

The reversal date also drives the exchange rates used for the claims involving multiple currencies.

Note A claim reversal is prevented if the matching AP/AR/GL period is closed based on the reversal date to be used.

Customer. Specify the customer code for this claim. Open Earned Discounts to claim against will be filtered out for this customer (pay-to) on the Claim Amount tab.

If the claim is for a buying group, leave this field blank.

Buying Group. Specify the buying group for this claim. Open Earned Discounts to claim against will be filtered out for this buying group on the Claim Amount tab.

If the claim is for a specific customer, leave this field blank.

Note A claim must be for either a customer or buying group. Buying groups are listed on TAM contracts and are specified as the pay-to on deferred discount deals typically referred to as Admin Fees.

Claim Currency. Specify the currency for the claim. It defaults to the default Base Currency of the domain and can be changed. The claim currency must be a valid currency defined in Currency Create.

Claims can be entered in either Base Currency or Agreement Currency. If Base Currency is specified, then all open agreements relating to the claim customer or buying group are displayed. If a non-base claim currency is specified, then agreements defined in the matching currency, and agreements defined in Base Currency are displayed.

Exchange Rate. Displays the exchange rate to the Base currency, based on the claim posting date, when the specified claim currency is not the Base currency of the domain.

Promotion. Optionally specify the open promotion that you want to apply to the claim. This field is active only when a customer is specified in the Customer field. You cannot specify both promotion and contract for a claim at the same time.

Contract. Optionally specify the open contract that you want to apply to the claim. The contract can be a contract with the specified customer or with the specified buying group. You cannot specify both promotion and contract for a claim at the same time.

Payment Method. Specify whether this claim is to be realized via Customer Credit Note or Supplier Invoice. If a buying group is specified, then only Supplier Invoice is available.

The default is Customer Credit Note, but can be changed on a claim-by-claim basis. If Supplier Invoice is selected, the supplier related to that customer, based on business relation match, is populated automatically. Use the supplier field lookup to see if there is more than one matching supplier for this customer business relation.

Responsible. Optionally specify the user ID of the person who is responsible for this claim. Other programs such as Claim Browse and Review Claims can be filtered by the Responsible field.

Description. Optionally specify a description for this claim (up to 40 characters).

Claim Amount Tab

Fig. 5.2
Claim Amount Tab

Agreement	Description	Deal	Accum P	Agreement C	ED Amount	ED Open B	CC Open	Tax Level	Full	Amount to Alloca
PR-00012	E2E_AF_04_Ge...	AF	01/31/2018	BBD	11,000.00	0.00	0.00	Tax by Customer	<input type="checkbox"/>	0.00
PR-00012	E2E_AF_04_Ge...	AF	02/28/2018	BBD	11,000.00	0.00	0.00	Tax by Customer	<input type="checkbox"/>	0.00
PR-00012	E2E_AF_04_Ge...	AF	03/14/2018	BBD	11,000.00	0.00	0.00	Tax by Customer	<input type="checkbox"/>	0.00
PR-00020	E2E_Deductions...	AF	01/31/2018	USD	11,000.00	1,000.00	1,000.00	Tax by Item	<input type="checkbox"/>	0.00
PR-00020	E2E_Deductions...	AF	02/28/2018	USD	11,000.00	11,000.00	11,000.00	Tax by Item	<input type="checkbox"/>	0.00
PR-00020	E2E_Deductions...	AF	03/15/2018	USD	11,000.00	6,000.00	6,000.00	Tax by Item	<input checked="" type="checkbox"/>	100.00

Item	Description	Product Line	Open Qty	UM	Claim Qty	Claim UM	ED Open B	CC Open	Full	Amount to Alloca	Tax Clas
00010	item 00010	10	18.19	EA	0.30	EA	2,000.00	2,000.00	<input checked="" type="checkbox"/>	33.33	
00020	item 00020	20	18.19	EA	0.30	EA	2,000.00	2,000.00	<input type="checkbox"/>	33.33	
00030	item 00030	30	18.19	EA	0.30	EA	2,000.00	2,000.00	<input type="checkbox"/>	33.34	

Claim Amount. Enter the amount to claim. The amount cannot be a negative number.

Allocated Amount. Default is \$0.00 and is not accessible. This value changes as the claim amount is allocated against open earned discount records, and eventually matches the claim amount upon saving.

Taxable. Specify whether this claim is taxable. The claim taxable value defaults from the Taxable Customer setting as viewed on the Tax Info tab in the Customer View program. Alternately, if a Buying Group is specified, or the claim payment method is set to Supplier Invoice, then the claim taxable value defaults from the claim Supplier specified. The claim taxable value can be modified as needed.

If Taxable is set to No, then taxes will not be calculated for any deal selected against this claim, regardless of the deal tax level settings.

For more details, see Chapter 8, “Finance and Accounting,” on page 133.

Tax Amount. This field displays the total tax amount calculated across all the relevant claim earned discount records. You cannot modify it. A claim must be saved in order for the taxes to be calculated.

Balance. This field displays the balance between the claim amount and the allocated amount. The balance decreases as amounts are allocated to open earned discounts, eventually reaching zero when the claim amount has been fully allocated.

Total Amount. This field displays the total amount of the allocated amount and the calculated tax amount. This value increases as the claim amount is allocated against open earned discount records.

Earned Discount Totals Grid

This grid displays the open earned discounts for the claim customer or buying group, optionally filtered by the Promotion or Contract value specified on the claim header.

Agreement. Displays the agreement, either the Promotion or the Contract, on which the deal resides.

Description. Displays the description of the Promotion or the Contract.

Deal. Displays the deal attached to either the Promotion or the Contract.

Accumulation Period End Date. Displays the last date of the accumulation for this particular earned discount. Earned Discounts are maintained and accumulated differently depending on the deal category and the accumulation period setting. For example, there is a Deferred Discount deal defined across four months that has related activities in each of these four periods. If the accumulation period for the deal is set to Monthly, then there are four separate earned discount records, each with a different accumulation period end date (monthly). In the same scenario, if the Accumulation Period of the deal is set to Promotion, then there will only be one earned discount record containing activities across the promotion periods.

Agreement Currency. Displays the currency specified in the agreement.

Earned Discount Amount. The accumulated amount of earned discount within the accumulation period, displayed in the Agreement currency.

Earned Discount Open Balance. The open balance of earned discount within the accumulation period, displayed in the Agreement currency.

Claim Currency Open Balance. The open balance of earned discount within the accumulation period, displayed in the claim currency.

Tax Level. Displays the tax level of the deal. The valid values are Non-taxable, Tax by Customer, and Tax by Item.

Full. When clicking the Full option, the open balance of the claim amount will be applied to this earned discount, not to exceed the open balance of the earned discount.

Amount to Allocate. The amount to allocate to this earned discount. You can either manually enter the amount or choose Full to let the system calculate the amount.

Tax Amount. The tax amount calculated for this earned discount. The taxes are not calculated until you save the claim.

For more details, see Chapter 8, “Finance and Accounting,” on page 133.

Total Amount. The total amount calculated for this earned discount, representing the allocated amount plus the tax amount. The taxes are calculated when you click the Save button.

Pay To. Displays the Pay-To customer specified on the deal.

Deal Limit. Displays the maximum amount that the customer can receive as specified on the deal. If set to \$0, then no maximum is enforced.

Entity. This entity code is retrieved from the Earned Discount record attached to the deal.

Pending Claims. The amount of this period earned discount currently attached to claims in a Pending status.

Note The Pending Claims balance that appears does not include the current claim amount.

Claims Taken. The amount of this period earned discount currently attached to claims in an Approved status.

Pending Deductions. The amount of this period earned discount currently attached to deductions in a Pending status.

Deductions Taken. The amount of this period earned discount currently attached to deductions in an Approved Writeoff status.

Agreement Category. Displays the agreement category, either Promotion or Contract, of the deal.

Deal Start . Displays the date when the deal begins.

Deal End . Displays the date when the deal ends.

Payment Method. Displays the payment method, either Customer Credit Note or Supplier Invoice, depending on the deal-specific setting on the agreement. It is for reference only as the payment method on the claim header determines the resulting document for all earned discounts attached to the claim.

Earned Discount Items Grid

This grid displays the item-level records associated with the earned discount total allocated to and in focus in the above grid. Not all deals require items; thus, this grid can contain no items—depending on the Earned Discount total record.

Above the grid, three system fields display allocation information:

Amount to Allocate. This field displays the amount to allocate to the item earned discount records.

Balance. This field displays the balance between the Amount to Allocate and the Item Allocated values. The balance decreases as amounts are allocated to item earned discounts, eventually reaching zero when fully allocated.

Item Allocated. This field displays the portion of the Amount to Allocate that has been allocated to item earned discounts.

The Earned Discount Items grid contains the following fields:

Item. Displays the item that the earned discount applies to.

Description. Displays the description of the item as defined in the item master record.

Product Line. Displays the product line for the item as defined in the item master record.

Open Quantity. The open quantity represents the portion of the accumulated item quantity that is available for claiming.

UM. The unit of measure of the open quantity.

Claim Quantity. The portion of the open item quantity that is to be claimed.

Claim UM. The unit of measure reflected by the claim quantity.

Earned Discount Open Balance. The item open balance of the earned discount, displayed in the Agreement currency.

Claim Currency Open Balance. The item open balance of the earned discount, displayed in the claim currency.

Full. When you click the Full button, the open balance of the claim amount is applied to this earned discount, not to exceed the open balance of the earned discount.

Amount to Allocate. The claim amount to allocate to this item level earned discount. The item level amount is initially populated with a prorated amount based on the ED Open Balance and the Earned Discount Total record Amount to Allocate value.

Note You can update the default amount to allocate values at the item level. You cannot save the claim unless the item level amount to allocate values summarize to the full amount to allocate specified on the parent-level.

Tax Class. The tax class applied to the item as specified in the item price data.

Tax Amount. The tax amount calculated for this earned discount. Taxes are calculated when saving a claim. For more details, see Chapter 8, “Finance and Accounting,” on page 133.

Total Amount. The total amount calculated for this earned discount, representing the allocated amount plus the tax amount. Taxes are calculated when saving a claim.

Qualifying Quantity. The accumulated quantity represents the total accumulated quantity for the earned discount, whereas the qualifying quantity is the quantity that relates to the Earned Discounts having been calculated. For example, the first tier for a deal starts at quantity 10 at which point a discount amount of \$1 is given per item. After 10 items have been invoiced, the accumulated quantity is 10 and qualifying quantity is 1.

Item Deal Amount. This represents the earned discount amount per item and is calculated as Earned Discount Amount divided by the Qualifying Quantity.

Earned Discount Amount. The accumulated earned discount amount for the item within the period, displayed in the Agreement currency.

Pending Claims. The amount of the earned discount for the item that is attached to Pending status claims.

Note The Pending Claims balance which appears does not include the current claim amount.

Claims Taken. The amount of this item earned discount currently attached to claims in an Approved status.

Pending Claims Quantity. The quantity of this item earned discount currently attached to claims in a Pending status.

Note The Pending Claims Quantity balance that appears does not include the current claim amount.

Claims Taken Quantity. The quantity of this item earned discount currently attached to claims in an Approved status.

Generate Claims Maintenance

A Company's fundamental approach to claims may be to wait for the customer to initiate payment or initiate the claim process on their own. This approach might vary depending on the promotion/contract, deal category, and/or the relationship with each individual customer.

Use Generate Claims Maintenance to have TAM generate claims based on customers' open Earned Discount balances. Generating claims mimics the behavior found in Claim Maintenance when a user allocates an amount against an ED total record in the Earned Discount - Totals grid. That amount is prorated across the open balance item records, and the taxes are calculated per the deal settings. One major difference with Generate Claims is that the defaults for the tax and allocated item amounts will be used as is, while in Claim Maintenance a user can modify these defaults before saving.

Generation of claims is particularly useful if there are many deals active—saving time by generating claims rather than requiring users to manually enter individual claims in Claim Maintenance on a day-by-day, deal-by-deal basis. A business typically would take advantage of this function if claims are to be created at a known frequency for Earned Discount amounts and no customer requests for claims are first required. Claims can be generated in a Pending status first, to allow users the ability to review claims before approving. This also saves time over the alternative method of creating claims manually one-by-one in a Pending status.

Note This program will only select open deals that have the System Generate Claims option selected.

The program generates claims in a Claim Run batch when saved. A separate claim is created for each Earned Discount record. The claim Reference field will contain the Agreement against which the claim has been generated. The Reference field of the resulting customer credit note or supplier invoice will contain the Agreement and Claim Number to which the document applies.

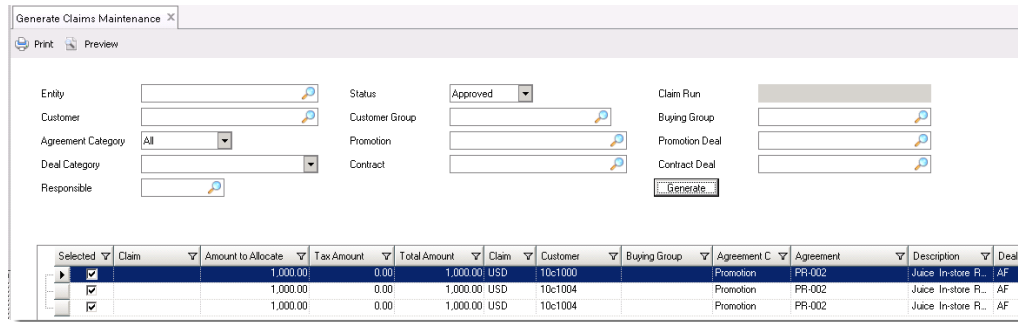
Claim runs can later be reviewed and managed using the Review Claims function. Individual claims in the same Claim Run can optionally be maintained using the Claim Maintenance program depending on system settings.

Use the fields to specify selection criteria for finding deals with Earned Discounts that have the System Generate Claims option selected, then click Generate to display matching deals in the grid.

Use the filters on the column headings to sort and/or reduce the number of deals shown in the grid. Use the check box to select deals that will have claims generated when you click Save. Right-click to access Check All and Uncheck All options.

Upon save, the system creates claims for the selected deals with the specified status.

Fig. 5.3
Generate Claims Maintenance



Entity. Enter an entity to limit the selection to earned discount deals in a specific entity.

Status. Specify the status code (Pending or Approved) for the claims to be generated.

The flexibility of this field depends on the Approval Required for System Claims option in TAM Control. If this field in TAM Control is not selected, then the default status is Approved and can be changed to Pending to allow you to save the Claim Runs in either status as needed. If the Approval Required field in TAM control is selected, then the Status defaults to Pending and cannot be changed. You can use the Review Claims function to approve the claims.

Claim Run. When a group of claims is saved, the system generates a batch identifier for the selected claims. Use the Claim Run number in Review Claims to view all claims that are part of that same claim run batch. TAM retrieves the next Claim Run reference based on the CLAIMRUN sequence defined in Number Range Maintenance. You cannot enter or update this field.

Customer. Enter a customer code to limit the selection to deals for that customer. You cannot access this field when Customer Group or Buying Group is specified.

Customer Group. Enter a customer group (previously defined in Analysis Code Maintenance) to limit the selection to deals specific to those customer group members. You cannot access this field when Customer or Buying Group is specified.

Buying Group. Enter a Buying Group (previously defined in Buying Group Maintenance) to limit the selection to deals for a particular Buying Group. You cannot access this field when Customer or Customer Group is specified.

Buying Groups are found only on Contracts.

Agreement Category. Specify whether resulting deals selected are for all deals, or filtered for either contract or promotion claims. The default is All.

Promotion. Enter a promotion ID to limit the selection to deals associated with that promotion. You cannot update this field if Agreement Category is Contract.

Promotion Deal. Enter a deal ID to limit the selection to that deal. You cannot update this field when Agreement Category is Contract.

Deal Category. Enter a deal category to limit the selection to claims for deals of that type. The valid values are:

- Deferred Discount
- Allocated Funds

- Contract Pricing
- <blank> (all deal categories)

Contract. Enter a contract ID to limit the selection to deals associated with that contract. You cannot update this field when Agreement Category is Promotion.

Contract Deal. Enter a deal ID to limit the selection to that deal. You cannot update this field when Agreement Category is Promotion.

Responsible. Enter a user ID to limit the selection to promotions or contracts where that user is specified as the person responsible. The Responsible field of each agreement is maintained in Promotion Maintenance or TAM Contract Maintenance.

Generate Claims Grid

Selected. Use the check box before each row to select or deselect a record. After you generate a claim run, you can select rows to save. When saving the claim run, only the rows that are currently selected can be saved as part of that claim run. Right-click in the grid to Check All/Uncheck All rows as needed.

Claim. A claim number is generated when a Claim Run is successfully saved. TAM retrieves the next claim code from the CLAIM sequence defined in Number Range Maintenance. You cannot enter or update this field.

Amount to Allocate. Displays the claim amount to allocate to this earned discount.

Tax Amount. Displays the tax amount calculated for this earned discount.

See Chapter 8, “Finance and Accounting,” on page 133 for more details.

Total Amount. Displays the total amount calculated for this earned discount. The total amount includes the allocated amount plus the tax amount.

Claim Currency. The currency of which the claim amount is displayed. The currency is specified for each agreement in Promotion Maintenance or TAM Contract Maintenance.

Customer. Displays the customer that this claim is attached to. If the claim is for a Buying Group, then this field is blank.

Buying Group. Displays the buying Group that this claim is attached to. If the claim is for an individual customer, then this field is blank.

Agreement Category. Displays the agreement category that the claim is due. It can be either Promotion or Contract.

Agreement. Displays the promotion code or the contract code that the claim is derived from.

Agreement Description. Displays the description of the promotion or contract, which is retrieved from Promotion Maintenance or TAM Contract Maintenance.

Deal. Displays the deal attached to the agreement.

Deal Description. Displays the deal description as found on that particular Promotion or Contract deal.

Tax Level. The Tax Level specified on the deal. The tax level can be one of the following:

- Non-taxable: No tax is calculated for the deal regardless of customer/item tax settings
- Tax by Customer: Apply the customer tax settings to all items on this deal
- Tax by Item: Apply the individual item-level tax settings to this deal

See Chapter 8, “Finance and Accounting,” on page 133 for more details on tax.

Deal Start date. Displays the beginning date of the deal.

Deal End date. Displays the ending date of the deal.

Claim Date. Defaults to the current system date indicating when the claim was generated.

Payment Method. Displays the payment method used for this deal. The payment method can be either Customer Credit Note or Supplier Invoice, depending on the payment method specified on the agreement.

Supplier. Displays the supplier code when the payment method is Supplier Invoice. The supplier code is to be printed on the resulting claim supplier invoice.

Business Relation. When the payment method is Supplier Invoice, the business relation is populated with the value used to determine the Supplier to use on behalf of the customer. TAM determines the business relation attached to the customer, then searches for a Supplier with a matching business relation.

Accumulation Period End Date. The ending date of the period in which earned discount is accumulated. If you do not generate claims for one period, but do so at the end of the next period, you still have the chance to generate a claim for the missed period. The claims are generated by period—one for each period.

Responsible. Displays the responsible person specified in the agreement to which the deal is attached.

Entity. Displays the entity specified on the earned discount record attached to the deal.

Earned Discount Amount. The accumulated earned discount amount for the period, displayed in the Agreement currency.

Pending Claims. The amount of this period earned discount currently attached to claims in a Pending status.

Note The Pending Claims balance that appears does not include the current claim amount.

Claims Taken. The amount of this period earned discount currently attached to claims in an Approved status.

Pending Deductions. The amount of this period earned discount currently attached to deductions in a Pending status.

Deductions Taken. The amount of this period earned discount currently attached to deductions in an Approved status.

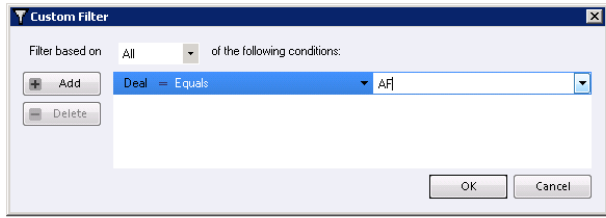
Claim Description. The description here is system-generated text. It is populated with System Generated, indicating that the claim is a system-generated claim.

Status. Displays the status for every row in the claim run. The status defaults to the Claim Run status and is not editable.

Generating Claims

To generate claims, follow these steps:

- 1 Specify the selection criteria to filter out the deals with earned discounts that have the System Generate Claims option selected.
- 2 Click Generate to display the matching deals.
- 3 Use the filters on the column headings to sort and/or reduce the number of displayed deals in the grid.

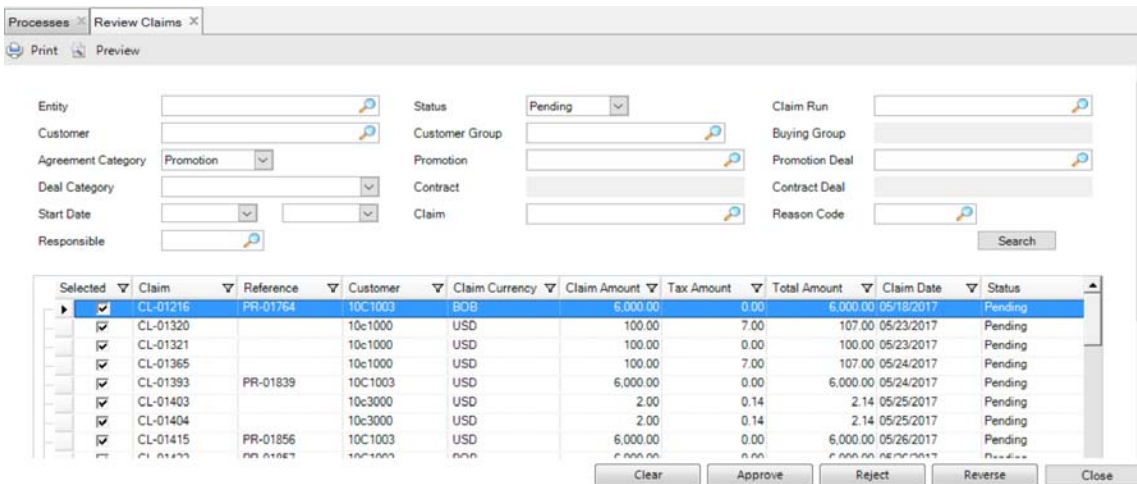


- 4 Use the check boxes to select the deals against which you want to generate claims. You can call out the Check All and Uncheck All options by right-clicking.
- 5 Click Save. The system creates claims for the selected deals with the specified status.

Review Claims

Use Review Claims to review and manage system-generated claims and the claims created manually using Claim Maintenance.

Fig. 5.4
Review Claims



Using Search Criteria

The fields on the top frame are used as search criteria to locate matching claims. Use the column heading filters in the grid to further isolate specific records.

Entity. Enter an entity to limit the selection to claims in an entity.

Status. Enter the status code—Pending, Approved, Rejected, or Reversed—associated with claims to be selected for review. The default status is Pending. A blank status returns all claims in the system, which may take a very long time to run depending on the number of claims in the system.

Claim Run. Enter a batch number automatically assigned to a group of claims in Generate Claims Maintenance to limit the selection to claims created in that run.

Customer. Enter a customer code to limit the selection to claims for that customer. You cannot access this field when a customer group or a buying group is specified.

Customer Group. Enter a customer group (previously defined in Analysis Code Maintenance) to limit the selection to claims specific to those customer group members. You cannot access this field when Customer or Buying Group is specified.

Buying Group. Enter a Buying Group (previously defined in Buying Group Maintenance) to limit the selection to claims specific to a Buying Group. You cannot access this field when an individual customer or a customer group is specified.

Agreement Category. Specify whether claims selected for review are limited to contract, promotion, or both types.

Promotion. Enter a promotion code to limit the selection to claims against that promotion. You cannot access this field when Agreement Category is Contract.

Promotion Deal. Enter a promotional deal code to limit the selection to claims against that deal. You cannot access this field when Agreement Category is Contract.

Deal Category. Enter a deal category to limit the selection to claims for deals of that category. Valid values are:

- Allocated Funds
- Contract Pricing
- Deferred Discount
- Scan-back

Contract. Enter a TAM contract code to limit the selection to claims for a particular contract. You cannot access this field when Agreement Category is Promotion.

Contract Deal. Enter a contract deal code to limit the selection to claims against that deal. You cannot access this field when Agreement Category is Promotion.

Claim Date Range. Enter a range of claim dates to limit selection to claims within a specific date range.

Claim. Enter a claim number (assigned in Generate Claims Maintenance or Claim Maintenance) to review the specific claim only.

Reason Code. Enter a reason code (defined in Reason Codes Maintenance for reason type claim) to limit selection to claims with that reason code attached.

Responsible. Enter the user ID to limit the selection to claims where that user is assigned (via Claim Maintenance) as the person responsible.

Claim Grid

The claim grid displays all the claim records that match the searching criteria. When there are many records in the grid, use the filters on the top of each column to further filter out specific claims as you need.

Use the Selected check box to select claims that you want to process. Right-clicking on the grid brings out the options of Check All and Uncheck All.

Selected. Use the check boxes to select the desired claim records. All the displayed records are set to Selected by default. When saving the claims, only the selected records are saved as either status Approved or Rejected depending on the action button chosen. Right-click in the grid to check or uncheck All rows as needed.

Claim. Displays the claim number.

Reference. Claim reference appears here if specified on a claim.

Customer. Displays the customer code that is attached to the claim. If the claim is for a Buying Group, then this field is blank.

Claim Currency. The currency at which the claim amount is displayed.

Claim Amount. The claim amount displayed in claim currency.

Tax Amount. The amount of tax calculated for the claim in the claim currency.

Total Amount. The claim amount plus any taxes calculated for the claim in the claim currency.

Claim Date. Displays the claim date when the customer submitted the claim or when the claim is recorded into the system.

Status. Displays the status for the claim record.

Claim Run. If the claim is a system-generated claim, this value is the Claim Run that generated the claim.

Buying Group. Displays the buying group that the claim is attached to. If the claim is for a Customer, then this field is blank.

Supplier. Displays the supplier code as defined in the Supplier Create program, which typically represents a Buying Group or GPO. Used when creating supplier invoices for the GPO/Buying group for approved claims.

Reason Code. Optionally specify a reason code before you reject or approve the claim. The available reason codes are defined in Reason Codes Maintenance for the “claim” reason type. The reason code value cannot be blank unless Reason Codes Maintenance includes a code with a <blank> value.

Payment Method. If the claim is approved, the payment method displays the resulting document: Customer Credit Note or Supplier Invoice.

Responsible. Displays the person responsible for this claim, as optionally assigned in Claim Maintenance.

Description. Displays the description of the claim. The description is retrieved from Claim Maintenance for manually created claims, or displayed as “System Generated” for the system-generated claims from Generate Claim Maintenance.

Posting Date. The posting date of the claim written onto any resulting Customer Credit Note or Supplier Invoice records, and journal entries posted to the General Ledger for a claim saved as status Approved. The claim Posting Date also drives the exchange rates to be used where there are currency conversions to consider.

Reversal Date. This field is populated when you choose to Reverse an approved claim. It defaults to the system date and can only be changed before saving using Claim Maintenance. The reversal date cannot be earlier than the posting date of the original claim. When saving a claim in the Reversed status, the reversal date is written onto any resulting Customer Credit Note or Supplier Invoice records and Journal Entries posted to the general ledger.

The reversal date also drives the exchange rate for claims involving multiple currencies. You cannot reverse a claim when the reversal date resides in a closed AP/AR/GL period.

Action Buttons

The action buttons at the bottom of the screen allow you to take action on the selected claims. The action buttons include:

- Clear
Clears all selection criteria and all lines shown in the grid.
- Approve
Changes the status of the selected claims to Approved and creates the relevant documents based on the payment method: Customer Credit Note or Supplier Invoice. Claim approval also results in the creation of appropriate JEs in the general ledger.
- Reject
Sets the status of the selected claims to Rejected.
When you intend to reject a claim, optionally assign a reason code for the rejection. The reason codes are created in Reason Codes Maintenance for the “claim” reason type. Right-click and select set Reason Code to apply the same reason code to all selected claims. Reason Code cannot be blank unless Reason Codes Maintenance includes a code with a <blank> value.
- Reverse
This feature sets approved claims to status Reversed. See “Claim Reverse” for details.
Note Using the Review Claims program to reverse claims simply sets the Reversal Date as the current system date. Using Claim Maintenance to reverse claims individually allows for greater flexibility assigning the reversal date value.
- Close
Closes the program window without taking any action on selected claims. If you have changed any fields in the grid, the system prompts you to confirm the close action.

Claim Reverse

There are situations when claims have been approved and later it is discovered this should not have been the case. For approved claims, you can update the status from Approved to Reversed using either the Claim Maintenance or Review Claims programs.

A claim cannot be reversed, unless it has first been saved as status Approved. So, if you are creating a claim or accessing an existing pending claim, then the reversal status is not available.

To reverse a claim using Claim Maintenance, access the approved claim and click the Modify button. Change the status to Reversed. Once a claim is reversed, the Reversal Date is populated with the current system date and you can change it as needed. The Reference, Responsible, and Description fields also are accessible for modification. You can also add comments to the claim.

When you save the reversed claim, the system validates whether the GL/AR/AP period is open, based on the claim reversal date. If the reversal date is in a closed period, you cannot save the claim.

Note If the payment method is set to Customer Credit Note on the claim header, the system looks for an open AR period. If the payment method is set to Supplier Invoice, the system looks for an open AP period.

The Reversal Date is written onto the resulting AR/AP documents and the general ledger Journal Entries recorded against the appropriate reversals daybook specified in TAM Control.

A claim reversal is allowed when all earned discounts attached to the approved claim are against open agreements. If any of the agreements have been closed since the prior saving of the claim in Approved status, an error displays preventing the reversal.

A successful reversal of an approved claim changes the claim status to Reversed. You cannot modify the reversed claims.

When there are taxes involved in claim reversals, the tax date used to retrieve the taxes for the claim reversal matches the original tax date used from the approved claim. This logic ensures that tax reversal is done in full.

Claim reversals affect the open balances of the relevant earned discounts. You can view the open balances in the Claim Maintenance grids, TAM Deduction Review - Deduction Detail grid, and the Earned Discount Balance Reports.

Managing Deductions

This chapter includes information on recording and reviewing deductions.

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Recording Deductions 122

TAM Deduction Review 122

Overview

Deductions, commonly referred to as short pays, occur when a customer submits payment for less than the amount owed. Reasons for deductions include rounding differences, reductions due to quality issues, perceived entitlements based on commercial agreements, damaged goods, spoilage, improper packaging or labeling, tax adjustments in some countries, or any other reason for which a customer pays less. In relation to TAM, deductions are created for amounts owed to customers linked to open Contractual and Promotional agreements.

Recording Deductions

You can record two types of deductions in QAD Enterprise Edition Financials based on the attached Deduction Category type: standard deductions and promotional deductions. You must process Standard type deductions using the Deduction Review program provided with QAD Enterprise Edition. Process deductions related to Promotion and Contract activities using the dedicated TAM Deduction Review program.

For more information relating to the deduction setup and creation process, as well as reviewing standard deductions using Deduction Review, refer to [QAD Financials User Guide](#).

The section that follows focuses on processing TAM deductions with TAM Deduction Review.

TAM Deduction Review

Use TAM Deduction Review to review both promotional and standard deductions. Promotional deductions are editable; standard deductions are read-only.

During the TAM deduction review process, you can approve promotional deductions and write off the deduction to the expense accounts stored on the Earned Discount records associated with the various Promotion and Contract deals. You can also reject the deduction, causing the deduction amount to become a due item on the customer's account.

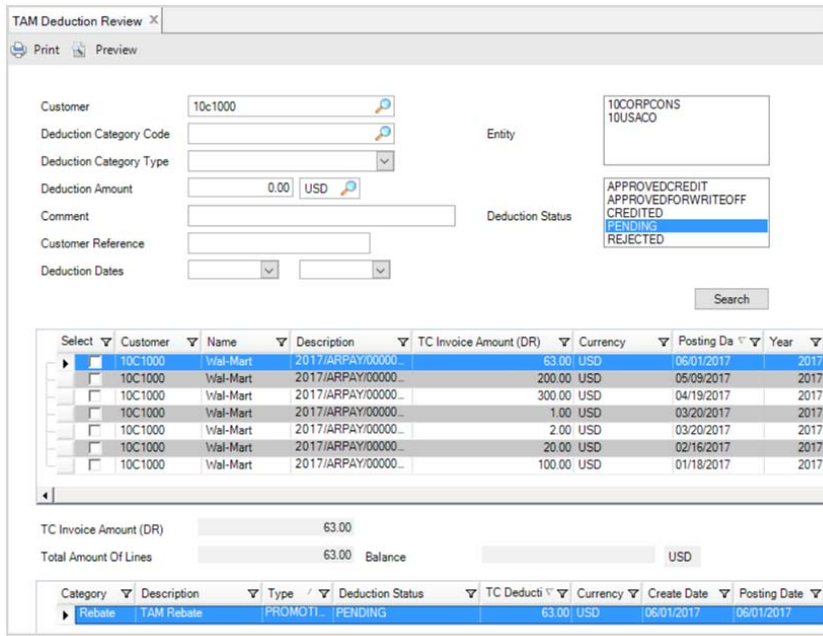
Note When rejecting a deduction line, ensure that there are no any other pending amounts tied to the deduction.

You can also change the deduction category associated with the deduction during the review process, or break down that deduction into multiple lines for various categories. Use the right-click "Insert a row" option, found within the Deduction Category line grid, to break the deduction amount into further deduction category lines. (You cannot save the deduction if the total of all deduction category lines does not sum to the full deduction amount.)

Use TAM Deduction Review to search for and resolve open TAM deductions against open contracts and promotion deals.

Important While you have the option of resolving open Earned Discount balances using TAM Claims and TAM Deduction Review, do not mix programs for the same Promotion/Contract activity. The TAM Claims functionality allows you to manage Earned Discount values all the way down to the item level. The TAM Deduction Review functionality manages at the parent Earned Discount Total level. If item-level earned discount management is needed, then use TAM Claims.

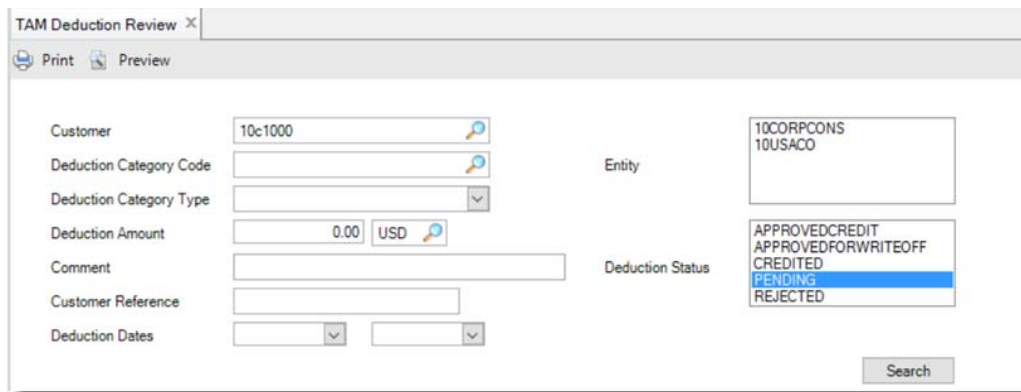
Fig. 6.1
TAM Deduction Review



The fields in the top frame are filter criteria. Enter or select values as required and click Search.

Note Running the criteria wide open may result in long wait times as you are instructing the system to return every deduction record out there as well as its child records, including every potential Earned Discount record that may apply to that deduction. It is recommended to filter this program for a specific customer, date range, and/or deduction status at the very least.

Fig. 6.2
TAM Deduction Review - Search Criteria



Click Search to retrieve all deductions that meet the search criteria.

Customer Code. Specify the customer code for which you want to review deductions. This field is optional. If you do not specify a customer code, deductions for all customers that meet the other selection criteria are displayed.

Entity. Select the entity or entities from which you want to retrieve and display deductions that match the selection criteria. If you do not specify an entity, deductions for all entities that meet the other selection criteria are displayed.

Deduction Category Code. Specify the deduction category code for which you want to review deductions. This field is optional. If you do not specify a deduction category code, deductions for all category codes that meet the other selection criteria are displayed. Define deduction category codes in Deduction Category Create.

Deduction Category Type. Indicate the type of deductions that you want to review. This field is optional. Choose Promotion, Standard, or <BLANK> from the drop-down list. The default value is <BLANK>.

- Standard: Indicates standard or non-promotional deductions which can be processed using Deduction Review program.
- Promotion: Indicates promotional deductions processed in the dedicated TAM Deduction Review program.
- <BLANK>: Displays deductions attached to Standard and Promotion categories.

Deduction Amount. Specify an amount to retrieve and review deduction category lines with matching amounts. This field is optional. If you do not specify an amount, deductions for all amounts that meet the other selection criteria are displayed.

Comment. You can retrieve deductions where a deduction comment contains a specific string of text. This field is optional.

Deduction Status. Select one or more deduction statuses to retrieve deductions with matching category line statuses. The value for this field defaults to Pending status only, which potentially avoids an extremely long wait time when clicking the Search button without changing any default search criteria.

- Pending: Promotional deduction categories do not allow automatic write-off, thus the initial status of a Deduction line is Pending.
- Approved for Write-Off: TAM Deductions can be approved after having been attached to one or more deals. You cannot change the status of an Approved for Write-Off deduction.
- Rejected: TAM Deductions rejected in TAM Deduction Review become a due item on the customer's account. You cannot change the status of a Rejected deduction.
- Approved for Credit: A deduction that has been made available for adjustment in Open Item Adjustment Create. Use TAM Deduction Review to change a deduction status to Approved for Credit, to make the deduction available for adjustment in Open Item Adjustment Create.

Note You must also change the deduction category to a standard category after setting the status to Approved for Credit; otherwise, a save is not allowed.

- Credited: The status of a deduction that has been applied against a credit note in Open Item Adjustment Create. Once applied, the deduction status is changed to Credited. You cannot change a deduction to status Credited in TAM Deduction Review, nor can you change the status of a Credited deduction, however, you can filter and view deductions with this status.

Customer Reference. Specify the customer reference recorded on the deduction to retrieve and review matching deductions. This field is optional.

Note Sometimes, a sequence number is written at the beginning of this reference for programming reasons when saving category lines.

Deduction Date From–To. Specify a date range to retrieve deductions with Posting Dates during that period. These posting dates refer to the main deduction records in the middle grid, not the posting dates for the category lines in the bottom grid.

Fig. 6.3
TAM Deduction Review - Middle Frame

Select	Customer	Name	Description	TC Invoice Amount (DR)	Currency	Posting Date	Year
<input checked="" type="checkbox"/>	10C1000	Wal-Mart	2017/ARPAY/00000...	63.00	USD	06/01/2017	2017
<input type="checkbox"/>	10C1000	Wal-Mart	2017/ARPAY/00000...	200.00	USD	05/09/2017	2017
<input type="checkbox"/>	10C1000	Wal-Mart	2017/ARPAY/00000...	300.00	USD	04/19/2017	2017
<input type="checkbox"/>	10C1000	Wal-Mart	2017/ARPAY/00000...	1.00	USD	03/20/2017	2017
<input type="checkbox"/>	10C1000	Wal-Mart	2017/ARPAY/00000...	2.00	USD	03/20/2017	2017
<input type="checkbox"/>	10C1000	Wal-Mart	2017/ARPAY/00000...	20.00	USD	02/16/2017	2017
<input type="checkbox"/>	10C1000	Wal-Mart	2017/ARPAY/00000...	100.00	USD	01/18/2017	2017

TC Invoice Amount (DR)	63.00
Total Amount Of Lines	63.00 Balance
	USD

Category	Description	Type	Deduction Status	TC Deduct	Currency	Create Date	Posting Date
<input checked="" type="checkbox"/>	Rebate	TAM Rebate	PROMOTI	PENDING	63.00	USD	06/01/2017

The middle frame shows a list of deductions. The bottom frame shows the deduction category lines attached to the deduction currently highlighted in the middle grid.

Highlight a deduction in the middle grid, and the bottom frame displays the associated deduction categories. A deduction can have one or more category lines attached to it. The TC Invoice Amount (DR) represents the total amount of the deduction. The Total Amount of Lines value represents the amount that has been dispensed in the associated deduction category lines. A Balance greater than zero indicates a portion of that deduction is yet to be added onto a deduction category line.

From a business perspective, typically the initial Deduction is created as a large amount using Customer Payment Create. Next, using TAM Deduction Review, a separate team can:

- Break that deduction amount further down into various appropriate categories.
- Resolve each deduction category line against open Contract and Promotion deals as needed.
- Reject any portion which does not qualify.
- Add or delete category lines.

Note Standard-type deduction category lines display for reference. Only Promotion-type category lines are available for modification in the bottom screen in TAM Deduction Review. You can change a category code from a Promotional type to a Standard type and save it. Once saved with a Standard category attached, then you can no longer modify this deduction category line within TAM Deduction Review.

The Create Date attached to a category line indicates when that category line was initially created.

You can separately resolve each category line attached to a deduction. To do so, double-click a category line or right-click a line and select Details; then, you are prompted with the Deduction Details.

Fig. 6.4
Deduction Details

The screenshot shows the 'Deduction Details' window. At the top, there are three input fields: 'TC Amount' with a value of 63.00, 'Total Amount Earned Discounts' with a value of 40.00, and 'Balance' with a value of 23.00 and a currency dropdown set to 'USD'. Below these fields is a table with the following columns: Agreement, Deal, Agreee, Account, Accu, Agree, Earned Discou, Open Balance, F, and TC Amount To. The table contains 18 rows of data, including promotional lines and a 'May 16A' line.

Agreement	Deal	Agreee	Account	Accu	Agree	Earned Discou	Open Balance	F	TC Amount To
RVDpromo1	BBS	Promotion	4243	12/31/2017	USD	40.00	40.00	<input checked="" type="checkbox"/>	40.00
PR-01699	AF	Promotion	4243	05/31/2017	USD	500.00	500.00	<input type="checkbox"/>	0.00
PR-01699	AF	Promotion	4243	05/31/2017	USD	500.00	500.00	<input type="checkbox"/>	0.00
PR-01919	AF	Promotion	4243	05/31/2017	USD	100.00	100.00	<input type="checkbox"/>	0.00
RVDpromo2	BBS	Promotion	4243	05/31/2017	USD	10.00	10.00	<input type="checkbox"/>	0.00
PR-01867	AF	Promotion	4243	05/31/2017	USD	100.00	100.00	<input type="checkbox"/>	0.00
PR-01935	BBS	Promotion	4245	05/31/2017	USD	27.60	27.60	<input type="checkbox"/>	0.00
PR-01934	BBS	Promotion	4245	05/31/2017	USD	27.60	27.60	<input type="checkbox"/>	0.00
PR-01935	AF2	Promotion	4243	05/31/2017	USD	100.00	100.00	<input type="checkbox"/>	0.00
PR-01934	AF2	Promotion	4243	05/31/2017	USD	100.00	100.00	<input type="checkbox"/>	0.00
PR-01694	AF	Promotion	4245	05/31/2017	USD	500.00	-1,500.00	<input type="checkbox"/>	0.00
PR-01694	AF	Promotion	4243	05/31/2017	USD	500.00	500.00	<input type="checkbox"/>	0.00
PR-01694	AF	Promotion	4243	05/31/2017	USD	500.00	500.00	<input type="checkbox"/>	0.00
PR-01694	AF	Promotion	4245	05/31/2017	USD	500.00	500.00	<input type="checkbox"/>	0.00
PR-01694	AF	Promotion	4243	05/31/2017	USD	500.00	500.00	<input type="checkbox"/>	0.00
PR-01694	AF	Promotion	4245	05/31/2017	USD	500.00	500.00	<input type="checkbox"/>	0.00
May 16A	AF	Promotion	4243	05/31/2017	USD	1,000.00	0.00	<input type="checkbox"/>	0.00

The Deduction Details frame displays all the open promotion and contract earned discounts. Apply all or part of the deduction to a line by entering an amount in TC Amount to Allocate.

To use the entire deduction on one line (up through the open balance of the Earned discount record), select the check box in the Full column. If there is an open balance after applying in full to one earned discount line, then continue to apply in full to other earned discount records until the entire amount of the deduction category has been applied.

You are not allowed to leave a part of the deduction unallocated once you begin to apply to earned discount lines. If you know that part of the deduction category line is to be left alone, break off that part into its own category line before entering into deduction allocation for the amount which you wish to apply to available earned discounts.

The TC Amount value at the top of the frame represents the full deduction category amount to allocate. The Total Amount Earned Discounts represents the portion of the deduction category amount that has been attached to the open deal earned discounts in the grid. The Balance value represents the portion of the deduction category amount which remains to be allocated. Both the Total Amount Earned Discounts and Balance fields are interactively updated as the deduction amount is allocated onto available earned discount records in the grid.

When you have allocated the entire amount, click OK to return to the category line grid.

Note After you click the OK button, TAM breaks apart the deduction category line into separate category lines against each earned discount line that has been applied.

To approve a category line, set Deduction Status of the line to APPROVEDFORWRITEOFF in the bottom grid. When you have changed the status, the posting date of the category line is set to the current system date. You can overwrite the default date before you leave this record.

Important Once you leave this record, you are no longer able to modify the posting date.

Also, when setting a category line to status APPROVEDFORWRITEOFF or REJECTED:

- The Approve/Reject Date is assigned to the current system date, but can be modified.

- You are allowed to enter optional Approve/Reject Comments.

Saving the category lines with this status results in a general ledger accounting journal entry (JE), moving the deduction amounts from the holding account to the expense account attached to the relative deal Earned Discount records as of the Posting Date on the category line. For more details, see “Accounting Transactions” on page 137.

Important There is a known issue with the display of posting date. When you re-access a Deduction, the Posting Date of the category line displays the posting date of its parent deduction, even though you originally entered a different posting date when you approved it. This is a display issue only. The cause is a current limitation in QAD Enterprise Financials.

You can also save these deduction lines as status Pending if you want to access the lines later to review and approve.

We recommend that you do not save records until you finish processing all the deductions in your current search. Once you have clicked the Save button, everything in current search is saved. If you want to continue processing other records, you must search again for the desired records.

Use the TAM Deduction Browse to view deduction category lines attached to Earned Discount records. Use the View Deductions collection to review deduction data in various ways including by category.

Managing Accruals

This chapter contains information on how to use Generate Accruals Maintenance.

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Generate Accruals Maintenance 130

Overview

Typical accounting practices dictate that companies must account for open liabilities on their accounting books at the end of every period or quarter. TAM allows you to view accruals related to promotion and contract deals at any time, with the optional ability to save the accrual, print the accrual via a report, export the accrual numbers to Excel, and post those accrual numbers to the general ledger.

Generate Accruals Maintenance

Use Generate Accruals Maintenance to accrue earned discount balances in the General Ledger for open deals. For promotions, the deal categories include Deferred Discounts, Allocated Funds, and Scan-backs. For contracts, the deal categories include Deferred Discounts and Contract pricing deals that have the Chargeback field selected.

Important Earned discount records must be up-to-date for Promotion and Contract deals to ensure that accrual calculations are accurate. Be sure that the following Earned Discount programs have been run before generating accruals:

- Contract DD Earned Discount Calc
- Contract CB Earned Discount Calc
- Promo DD Earned Discount Calc
- Promo AF Earned Discount Calc
- Promo SB Earned Discount Calc

Note These programs are designed to run in the background via a cron job, but can be executed manually from the menu prompt. These programs do not have a front-end interface output screen.

An accrual run is a snapshot in time, meaning nothing prevents users from creating further activity on the same day that an accrual run has previously been generated. To ensure that accruals remain accurate when posted to the General Ledger, it is necessary to verify that:

- Invoice postings have been completed for the day (when Deferred Discount deals are involved).
- Indirect sales have been loaded and approved with invoice effective dates in the month.
- All Earned Discount Calc programs have been run ensuring Earned Discount balances are up-to-date.
- No promotions or contracts effective in this period, or prior periods, are yet to be set as status Open, or changed from status Open to Closed.
- You have halted all deduction/claim processing effective on the date of the accrual run after the run has been generated and saved in the approved status.

As evidenced from the above precautions, it is best to generate Accruals as the final activity on any given day.

The Accrual Debit Account Type setting in TAM Control dictates how accrual accounting is to be expressed in the General Ledger.

- **Expense:** The accrual run, when approved, will debit the Expense Account/Sub-Account/Cost Center located in each relevant earned discount record. This will also Credit the summarized Accrual Account/Sub-Account/Cost Center found in TAM Account Maintenance based on Agreement Type and Deal profile combination. Reverses out the first day of the next period.
- **Sales Contra:** Debit the Sales Contra Account/Sub-Account/Cost Center found in TAM Control with one summarized amount. Credit the Accrual Account/Sub-Account/Cost Center for each Agreement Type and Deal Profile combination found in TAM Account Maintenance.

Accruals can be generated and then saved with the following Status settings:

- **Pending:** View potential Accrual results without posting them to the General Ledger. This can be run throughout the day/month to provide a snapshot of open deal balances in the system, without having any accounting effects. Also, this status can be used to save an accrual run, which can then be exported to Excel for further analysis and updating. After that, optionally create a manual Journal Entry directly into the GL to accrue as desired. This option may be attractive if your company has custom weightings to apply to various deals before posting to the general ledger.
- **Approved:** The system posts the appropriate journal entries to the General Ledger based on the selected and saved accrual records. For information related to the accounts used and journal entries created by approved Accruals, see Chapter 8, “Finance and Accounting,” on page 133.

Note Only contracts and promotions with Status set to Open are available to generate accruals.

When calculating accruals, the system considers the Contract or Promotional deal open Earned Discount balance, which represents the accumulated Earned Discount amount minus any approved claims. It also factors in the optional deal limit. For example, if a customer’s accumulated earned discount is \$120 but the deal limit is set to \$100, the accrual cannot exceed \$100.

You can enter a value in Entity to generate a list of potential accruals relevant to a single entity. Leave Entity blank to generate accruals for all entities found in the Domain.

After you click Generate, the system displays a list of potential accrual records relevant to deals with open amounts. By default, all are selected. Clear the Selected check box on individual lines as needed, or right-click and select Uncheck All or Check All. All resultant accrual records are set to the status specified, and individual line status cannot be updated.

After confirming that the desired lines are selected, you can:

- **Save the list by clicking Save.**
The system assigns an Accrual Run number and saves the record in the status specified. For example, if the company business process requires manual adjustments to accruals, you can save the record as Pending. Then, print the accrual run using the Accrual report or export the Accrual run detail using the TAM Accrual Browse and use it as the basis for creating manual journal entries.
- **Clear the list.** You can generate accrual runs and not choose to formally save the results in the system. Use the Clear button to remove the results, then generate a new Accrual run.
- **Delete the Accrual run.** This only applies to previously saved accrual runs in a Pending status. The Delete Accrual Run button does not display for runs with Status set to Approved.

Fig. 7.1
Generate Accruals Maintenance

Posting Date. The posting date for journal entries created for the selected accruals. It defaults to the current system date. Typically, this program is run on the last day of the accounting period.

Accrual Daybook. The system displays the value from TAM Control. This will be the daybook where Approved status accrual journal entries are registered.

Accrual Run. A system-generated reference number that identifies a batch of accrual records. The field is initially blank. After you generate and select accrual run records then click Save, the system assigns the next available reference based on the ACCRRUN sequence defined in Number Range Maintenance.

Click the lookup icon to select prior accrual runs as needed.

Reversal Posting Date . The system sets this date to the first day of the next period. When saved as status Approved, a reversing accrual entry is automatically generated and posted in the General Ledger.

Sales Contra Account. The system displays the Sales Contra Account value from TAM Control if the Accrual Debit Account Type field is set to Sales Contra. The Sales Contra Account is the single summary accrual account for the entire accrual run amount. Offsetting accounts can be managed at the Agreement Type + Deal profile level as defined in TAM Account Maintenance. For information related to the accounts used and journal entries created by approved Accruals, see Chapter 8, “Finance and Accounting,” on page 133.

Agreement Category. Specify whether to generate accruals for promotions, contracts, or both (All).

Entity Code. Optionally, enter an entity to filter the generated list of records. If you leave the field empty, the list includes accruals for earned discounts with deals for all entities found in the current domain.

Status. Specify whether the accruals selected and saved as part of this accrual run have a status of Pending or Approved. The default status is Pending.

Note Journal entries are created in the general ledger for Approved accruals, but not for Pending accruals.

Finance and Accounting

This chapter describes multi-currency and accounting transactions for Trade Activity Management.

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Multi-Currency

TAM allows you to define contract and promotion agreements in any currency. When contract and promotion agreements are initially created, the currency field defaults in as the domain Base Currency. You are allowed to change the currency as long as the agreement status is Draft or Pending. Once a contract or promotion is set to status Open, the currency cannot be changed.

When recording transactions against a deal, TAM maintains the transaction value potentially in three different currencies, matching QAD Enterprise Edition functionality offered in the system. These currencies are: Transaction Currency (TC), Base Currency (BC), and Statutory Currency (SC). At times, Agreement Currency (AC) is displayed as needed. The following section summarizes currency-related topics in Trade Activity Management.

Agreements

Promotions and Contracts can be defined in any currency as long as the currency is defined and active in the system. A warning message is displayed upon save when there is not an exchange rate defined between the Base currency and the non-base Agreement Currency for the life of the promotion or contract. TAM interprets currency effects differently depending on the deal category attached to the agreement.

Immediate Discount Deal Currency Effects

When a promotion with an Immediate Discount deal attached is set to status open, this results in one or more price lists being created. The promotion currency is recorded on the price list as viewed in relevant programs such as Price List Browse, Price List Inquiry, and Price List Report. This currency is enforced during best pricing considerations exactly like the currency on price lists defined in Price List Maintenance. Restated, currency behavior related to price lists created from TAM promotional immediate discount deals does not differ in functionality from those created in Price List Maintenance. During order entry, a price list is used only if the currency of the order is the same as the price list currency. If no price list is set up in the currency of the order, the price defaults to the item base price and is converted using the exchange rate on the order. Each currency must be predefined and a valid exchange rate between the Base currency and the order currency must exist for the order transaction effective date.

When the invoice is posted, the journal entry written into the general ledger records the various line amounts in Transaction currency (TC), Base currency (BC), and Statutory currency (SC). TAM creates extra history records in the TAM Subledger and Discount Detail tables based on the posted information. These tables also include relevant fields and values related to TC, BC, and SC.

Bonus Goods Deal Currency Effects

Bonus Goods deals only apply to orders entered in the matching promotion currency. This was designed intentionally to mimic the immediate discount behavior, which requires the same price list and order currency.

Allocated Funds Deal Currency Effects

The amounts entered on Allocated Funds (AF) deals are specified in the promotion currency. Earned discounts created for these deals will have TC amounts stored in the promotion currency, BC, and SC values. The exchange rate to use for the conversion of TC amount into BC and SC will be the rate effective on the first day the promotion is in force of that particular period. For example, a promotion begins the 15th day of month 1 and ends the last day of month 2. Each period there is a planned amount of \$100. To convert the earned discount \$100 TC amount for period 1 into BC and SC, the exchange rate effective on the 15th day of month 1 will be used. To convert the \$100 earned discount TC amount for period 2 into BC and SC, the exchange rate effective on the first day of month 2 will be used.

Claims against AF deals can be entered in either the Base currency or the Agreement currency using Claim Maintenance. The claim currency defaults to the base when you initially create a claim. All agreements can be claimed against when using the Base currency as the claim currency.

When Claim currency is changed to a non-Base Currency, the system displays the current exchange rate for that currency in relation to the Base currency, and filters the available Earned Discount records as those tied to agreements defined in the Base currency or the claim currency. The Earned Discount records display two open balance values: the current open balance in the Agreement currency (ED Open Bal) and the open balance in the claim currency (CC Open Bal).

If no exchange rate is available, an error occurs preventing a claim from being saved.

An approved claim results in either a Customer Credit Note or Supplier Invoice recorded in the claim currency. The general ledger journal entry associated with the claim approval uses the claim currency to record the TC values, and uses exchange rates effective as of the claim date to determine the appropriate BC and SC values.

If the Allocated Funds deal is flagged as System-Generate Claims, then Generate Claims Maintenance will generate a claim in the Agreement currency.

Deferred Discount Deal Currency Effects

Amount fields specified on deferred discount deals, such as Deal limit, Min Amount, and Disc Amount, are interpreted by TAM in the promotion or contract currency.

During Invoice Post and Print, TAM also creates history records in the TAM Subledger and Discount Detail tables for deferred discount deals related to the posted information. These tables also include relevant fields and values related to TC, BC, and SC. Behavior in Claim Maintenance and Generates Claims for Deferred Discount deals is similar to Allocated Funds deals.

Contract Pricing Deal Currency Effects

Pricing defined on contracts is searched for during order entry before executing best pricing logic. Contract pricing deals are sought by the system where the contract currency matches the order currency. This is in line with the approach taken with price lists linked to immediate discount deals. When contract pricing is used by order lines, the TAM Contract History records created during Invoice Post and Print record relevant values in TC, BC, and SC. These values may be viewed in TAM Contract History Browse.

When contract pricing is used by order lines, the TAM Contract History records created during Invoice post and Print record relevant values in TC, BC, and SC. These values can be viewed in TAM Contract History Browse.

Indirect Sales Currency Effects

During contract matching executed in Indirect Sales Maintenance, it is necessary for the indirect sales line currency to match a contract currency to determine an appropriate match. TAM Contract History records created based on approved indirect sales lines record relevant values in TC, BC, and SC. These values can be viewed in TAM Contract History Browse.

For details about indirect sales, see “Managing Indirect Sales Records” on page 83.

Deductions Currency Effects

Deductions, regardless of the currency in which they are defined, can be resolved against open deals stored in any currency using TAM Deduction Review. The Deduction details frame displays the amount of the deduction, what has been applied, and the open balance in the Deduction currency.

Also, in the grid details against each earned discount, the system displays the open balance for that record in the Agreement currency and the Deduction currency, as well as allowing the user to allocate the amount in the Deduction currency (TC Amount to Allocate) and translating that into the Agreement Amount to Allocate.

When Deductions are approved in TAM Deduction Review, the exchange rates effective when the deduction was originally created are used to create the BC and SC values where currency conversion is required.

For details about deductions, see “Managing Deductions” on page 121.

Accruals Currency Effects

Generate Accruals Maintenance creates accruals based on the open balances of earned discounts on open deals. Related Accrual table information is calculated and stores the:

- Agreement Currency, Accrual Amount in Agreement Currency
- Base Currency, Accrual Amount in Base Currency and Exchange Rate Base Currency
- Statutory Currency, Accrual Amount in Statutory Currency, Exchange Rate Statutory Currency

Use TAM Accrual Browse to view the accrual details in TC, BC, and SC.

If no exchange rate is found for the necessary conversions, an error message is displayed indicating exchange rate does not exist.

The effective exchange rates used for Base currency and Statutory currency value conversions are selected based on the Posting date of the Accrual calculation. Base Currency exchange rates use the “Accounting” exchange rate type as defined in Exchange Rate Create. Statutory exchange rates are first searched for using exchange rate type “Statutory.” If not found, then fall back to the “Accounting” exchange rate type.

Note Scaling factors can also be attached to exchange rates and involved in currency calculations.

If an accrual is saved as status Approved, an initial journal entry (JE) is created in the general ledger effective as of the accrual posting date, using the information stated above.

A reversal JE effective on the first day of the following period is created moving the accrual amounts back out of these accounts. See the “Managing Accruals” on page 129 for more details.

Important The same exchange rate from the posting date of the accrual run, not the exchange rate in the system effective on the first day of the new period, is used on the reversing journal entry. This is necessary so everything balances back out to \$0 in the Agreement currency, Base Currency, and Statutory Currency.

Important Regarding the TC amount for the Sales Contra account, when there are multiple deals in the accrual run defined in differing currencies: there is only one journal entry created for a saved Accrual run in status Approved. The Sales Contra Account value represents the total accrual value across all deals. The TC Amount on the Sales Contra journal entry line is to be set to the total Base Currency amount and the transaction currency will display as the Base currency value. In essence (just for the Sales Contra journal entry line), the TC and BC amounts will match.

Example There are currently two open promotions:

Promo1 defined in Base Currency USD. Open earned Discount is \$500 USD.

Promo2 defined in non-Base Currency CAD. Open earned Discount is \$2000 CAD.

You generate the accrual run on the last day of the period where exchange rate is 2 CAD = 1 USD.

Statutory currency in the Domain is DDD.

Effective exchange rates in relation to SC: 1 CAD = 5 DDD, 1 USD = 10 DDD

Continue to create a single journal entry for the entire accrual run, and post the contra account in TC = BC.

Promo1 Accrual Account: TC \$500 USD, BC \$500 USD, SC \$5000 DDD

Promo2 Accrual Account: TC \$2000 CAD, BC \$1000 USD, SC \$20,000 DDD

Sales Contra Account: *TC \$1500 USD*, BC \$1500 USD, SC \$25,000 DDD

Accounting Transactions

TAM creates various types of general ledger (GL) transactions, the timing of which depends on the agreement type and deal category. This section provides a summary of the relevant GL transactions in TAM.

Promotion Accounting

Immediate Discount Deals

Immediate Discount (ID) deals can be attached to TAM Promotions. Once the Promotion is set to status Open, price lists are created behind the scenes matching the information found in the promotional deal. When sales orders are created, these price lists are considered by the best pricing routine.

If the discount is a result of a TAM Immediate Discount promotion, the system looks to TAM Account Maintenance for the promotion “Agreement Type + Deal Profile” combination. If found, the system accepts the Promotion Discount account from here. The system also takes the Sub-Account (SA) and Cost Center (CC) from TAM Account Maintenance when the “Higher SA+CC” field is not selected. If the “Higher SA+CC” field is selected, then TAM will pull the (SA) + (CC) from Sales Account Maintenance based on the match of Product Line, Site, Channel, and Customer Type combinations (based on the current search logic in QAD EE). If no matching record is found in Sales Account Maintenance, the system pulls the (SA) + (CC) from Product Line Maintenance based on the match on Product Line.

Note TAM Account Maintenance allows you to specify a different Promotion Discount account for every combination of Agreement Type and Deal. You can also vary the Sub-Account and/or Cost Center at a lower-level such customer type when the “Higher SA+CC” field is turned on.

If the “Agreement Type + Deal Profile” combination is not found in TAM Account Maintenance, the system pulls the Promotion Discount Account + Sub-Account + Cost Center from the matching Sales Account Maintenance based on the invoice channel and customer type, order line site, and item product line values (based on the search logic in QAD EE). If no matching record is found in Sales Account Maintenance, the system pulls the Promotion Discount Account + Sub-Account + Cost Center from Product Line Maintenance based on the matching Product Line.

You can also define a SAF concept in the system to differentiate types of Immediate Discount deals and then attach that SAF Concept and assign a specific SAF code to an Agreement Type and Deal Profile combination in TAM Account Maintenance. When the invoice is posted, the SAF code is attached to the Journal entry (JE) line for the Promotion Discount Account posted to the General Ledger.

If a TAM Immediate Discount deal price list is used to determine the pricing on an order line or order, then a journal entry (JE) is created in the general ledger after Invoice Post and Print is run, debiting the appropriate Promotion Discount Account + (SA) + (CC) and optional SAF code:

- DR Accounts Receivable
- DR Promotion Discount
- CR Sales

Bonus Goods Deals

When a bonus goods deal is attached to an open promotion, the deal is applicable to sales orders or pending invoices during entry. The promotions with bonus goods deals result in items being given away for free or at a discounted price. The logic for determining the appropriate Promotion Discount account is the same as the Immediate Discounts outlined in “Immediate Discount Deals” on page 137.

Optionally, in TAM Account Maintenance, you can specify an existing SAF Concept and assign a specific SAF code depending on the Agreement Type and Deal Profile combination.

Deferred Discount Deals

Deferred Discount deals attached to Promotions represent the deals that are to be calculated off the relevant posted sales information. After the Invoice Post and Print program has been run and completed, the associated TAM Subledger records exist. The invoiced sales order lines are then matched against the open Deferred Discount deals (based upon Invoice Date) and the Earned Discounts are accumulated appropriately via the Promo DD Earned Discount Calc program.

This program has many complex validations and calculations to execute, and processing time is greatly affected by several areas including: the number of invoice lines needed to be processed, the number of open promotions, the number of dynamic groups attached to these promotions, and the members involved on each promotion. The Promo DD Earned Discount Calc program was initially designed to be set up as a process running in the background. The suggestion is to schedule this to run, via cron job, after a nightly Invoice Post and Print run completes. You can though run this as needed from the menu, but keep in mind that there is no true user interface to this program, nor on-screen output indicating records are processing.

The Promotion Discount Account, Sub-account, Cost Center, and optional SAF code are recorded onto the Earned Discount record during the earned discount calculation process. The determination of these values follows the similar rules outlined for the Immediate Discount deal category outlined in “Immediate Discount Deals” on page 137.

The claims saved as an approved status are attached to open earned discount records and result in the following general ledger Journal Entry:

- DR Promotion Discount (stored in Earned Discount record)
- CR Accounts Receivables (If paying by Credit Note - Customer Control Account) - or -
- CR Accounts Payable (If paying by AP Payment - Supplier Control Account)

Allocated Funds Deals

Allocated Funds deals represent a fixed amount of money going out on a certain payment schedule. These amounts are defined on a Promotion in the Allocated Funds deal detail. When the Promotion is set to status Open, Earned Discount records are generated against the deal via the Promo AF Earned Discount Calc program. These open Earned Discount amounts contain the appropriate Promotion Discount Account + Sub-Account + Cost Center to expense on resulting general ledger Journal Entries.

The determination of which Promotion Discount Account + Sub-Account + Cost Center to use depends on whether the Allocated Funds deal is set up with items (Items Required: Yes/No).

- If the Allocated Funds deal is set up with items:
TAM searches TAM Account Maintenance using the promotion “Agreement Type + Deal Profile” combination. If a matching record is found, TAM uses the Promotion Discount Account from the found record. Also take the Sub-Account (SA) + Cost Center (CC) from the record when the “Higher SA + CC” field is not turned on. If the “Higher SA + CC” field is turned on, then TAM pulls the Promotion Discount (SA)+ (CC) from Sales Account Maintenance based on the match of item Product Line, Customer Type, and the Site found in the customer record. If no matching record is found in Sales Account Maintenance, then TAM pulls the (SA) + (CC) from Product Line Maintenance based on the match on item’s Product Line.

If the “Agreement Type + Deal Profile” combination is not found in TAM Account Maintenance, then TAM pulls the Promotion Discount Account + Sub-Account + Cost Center from the matching Sales Account Maintenance based on the match of item’s Product Line, Customer Type, and the Site found in the customer record. If no matching record is found in Sales Account Maintenance, then TAM pulls the Promotion Discount Account + Sub-Account + Cost Center from Product Line Maintenance based on the match on item’s Product Line.

- If the Allocated Funds deal is not set up with items:

TAM looks to TAM Account Maintenance for the promotion “Agreement Type + Deal Profile” combination. If the matching record is found, then accept the Promotion Discount Account + Sub-Account + Cost Center from here.

If the “Agreement Type + Deal Profile” combination is not found in TAM Account Maintenance, then TAM pulls the Promotion Discount Account + Sub-Account + Cost Center from TAM Control.

An approved claim results in general ledger transactions. The claims against Allocated Funds Deals, with a saved Approved status, generate the following JE:

- DR Promotion Discount (TAM Account Maintenance: Agreement Type/Deal Profile combination. If not found, then TAM uses Promotion Discount Account from TAM Control)
- CR Accounts Receivables (If paying by Credit Note - Customer Control Account) or
- CR Accounts Payable (If paying by Supplier Invoice - Supplier Control Account)

Optionally, in TAM Account Maintenance, you can specify an existing SAF Concept and assign a specific SAF code depending on Agreement Type and Deal Profile code combination. This SAF concept and code will then be appended to the JE line for the Promotion Discount account related to an approved Claim.

Scan-back Deals

Earned discounts are created for promotional scan-back (SB) deals based on the planned item quantities and discount amounts specified on the deal. When the promotion is set to status Open, earned discounts are accumulated appropriately via the Promo SB Earned Discount Calc program. The discount account, sub-account, cost center, and optional SAF code are recorded onto the Earned Discount record when running the Promo SB Earned Discount Calc program. The earned discounts are determined following the same logic used for Allocated Funds deals where items are specified. See “Allocated Funds Deals”.

Claims are created against open Earned Discount records, just like for AF and DD deals. The main difference with SB deals is that the actual sales are reported back to the manufacturer. As the manufacturer enters claims, the claim amounts possibly are either above or below the planned earned discount amount. When the claims are approved, they result in the following general ledger Journal Entry:

- DR Promotion Discount (stored in Earned Discount record)
- CR Accounts Receivables (If paying by Credit Note - Customer Control Account) - or -
- CR Accounts Payable (If paying by Supplier Invoice - Supplier Control Account)

Deductions Accounting

When deductions are first created in the Customer Payment Create program, there is an initial JE created debiting the Deduction Suspense Account for the full amount of the deduction (for the Payment Posting side). Then, a second JE moves the deduction amount out of the Deduction Suspense account into the customer-specific Deduction holding accounts (for the Deduction Posting side).

Example A \$100 invoice is paid with a \$90 check and the \$10 is logged under a Deduction.

DR Cash	\$90
DR Deduction Suspense	\$10
CR Account Receivables	\$100
DR Deduction Holding	\$10
CR Deduction Suspense	\$10

Using the TAM Deduction Review program, if a deduction is attached to an open earned discount record and approved, the amount is moved from the deduction holding account into the deal expense account held in the earned discount record.

DR TAM Expense	\$10
CR Deduction Holdings	\$10

If the Deduction is rejected, the deduction becomes an open item available in AR for payment, much like an invoice. Rejected deductions can be selected during the allocation portion of Customer Payment Create to pay off these reopened balances.

If the Deduction is approved using the Deduction Review program (not related to a Promotion), the amount is written off to the expense account found in the Standard Deduction category.

DR Write-off Expense	\$10
CR Deduction Holding	\$10

Accruals Accounting

Open Allocated Funds, Deferred Discount, and Scan-back balances are accounted for during accrual processing maintained in Generate Accruals Maintenance. The resulting accrual amount represents the open balance between the accumulated earned discount amount and any claims/deductions. When saved as status Approved, an initial general ledger Journal Entry (JE) is created effective as of the Posting date specified from the Accrual Run. A second JE is created by the system effective the first day of the next period, reversing the amounts out of these same accounts.

The Accrual Debit Account Type field in TAM Control affects journal entry creation for TAM Accruals.

- When Accrual Debit Account Type is Expense:
 - Accrual Posting Date JE:
 - DR Expense Account/SA/CC (Earned Discount record)
 - CR Accrual Account/SA/CC (TAM Account Maintenance: Agreement Type/Deal Profile combination. If not found, then uses Accrual Account from TAM Control. Summarized by common Account/SA/CC.)

- Reversing JE effective first date of next period:
 - DR Accrual Account/SA/CC
 - CR Expense Account/SA/CC
- When Accrual Debit Account Type is Sales Contra:
 - Accrual Posting Date JE:
 - DR TAM Sales Contra (TAM Control)
 - CR Accrual (TAM Account Maintenance: Agreement Type/Deal Profile combination. If not found, then uses Accrual Account from TAM Control.)
 - Reversing JE effective first date of next period:
 - DR Accrual
 - CR TAM Sales Contra

Contract Accounting

Contract Pricing Deals

Currently for accounting purposes, when a price list created by a TAM Promotional Immediate Discount deal is used in an order, during Invoice Post, the general ledger account is determined by the order line Site and the line item Product Line, order Channel, and Customer Type. The system first searches in Sales Account Maintenance, using the Invoice and line values to determine the Promotion Discount account in which to log the discount amount related to the price list. If no match is found, then the system looks to Product Line Maintenance to determine the account based solely on a match on Product Line of the item.

Contract Pricing deals are in many ways similar to Immediate Discount deals. If Pricing Point is set to Direct in the contract pricing deal details, then discounts may also be taken off order lines and are logged during Invoice Posting. These discounts, however, need to be tracked in the GL using a different account than those discounts coming from immediate discounts deals. In this case, ensure that the Contract Discount account exists in Sales Account Maintenance and Product Line Maintenance. TAM Control also contains the same field, to serve as the default where no match is found. TAM Account Maintenance also allows for the specification of SAF codes against a Contract Pricing deal and Agreement Type combination, to allow for optional SAF code values to be written into the GL transactions.

- DR Accounts Receivable
- DR Contract Discount
- CR Sales

Contract Pricing - Chargeback

For Contract Pricing deals, if Pricing Point is set to Indirect, the deal is flagged as Chargeback. Chargebacks represent the amount owed back to a distributor for the difference in price the distributor pay initially to the manufacturer and the lower contract price they have resold the item to a contract customer (registered in the system via Indirect Sales Maintenance).

When you run the Contract CB Earned Discount Calc program, the system looks for approved Indirect Sales lines and determines whether a chargeback is due, and then creates or updates the relevant contract earned discount records appropriately. The account written onto a chargeback earned discount record is determined by the Contract Chargeback Calculation program as follows: The product line attached to the item listed on the indirect sales line is used to find the Contract Discount account in Product Line maintenance. If not found, then the Contract Discount Account in TAM Control is used.

Contract Pricing - Chargeback deals are accounted for during accrual processing maintained in Generate Accruals Maintenance. The resulting accrual amount represents the open difference between the accumulated earned discount amount and claims taken. An initial JE is created effective in the General Ledger as of the posting date specified from the Accrual Run. The system automatically creates the journal entry effective the first day of the next period, reversing the amounts out of these same accounts:

- When Accrual Debit Account Type is Expense in TAM Control:
 - Posting Date:
 - DR Expense Account/SA/CC (Earned Discount record)
 - CR Accrual Account/SA/CC (TAM Account Maintenance: Agreement Type/Deal Profile combination, if not found then use Accrual Account from TAM Control. Summarized by common Account/SA/CC)
 - JE Reversing entry first date of next period:
 - DR Accrual
 - CR Expense
- When Accrual Debit Account Type is Sales Contra in TAM Control:
 - Posting Date:
 - DR TAM Sales Contra (TAM Control)
 - Accrual (TAM Account Maintenance: Agreement Type/Deal Profile combination, if not found then use Accrual Account from TAM Control)
 - JE Reversing entry on the first date of next period:
 - DR Accrual
 - CR TAM Sales Contra

Claims against Contract Pricing-Chargeback deals are created against Earned Discount records. Approval of the claims result in the following JE:

- DR Contract Discount (stored in Earned Discount record)
- CR Accounts Receivables (If paying by Credit Note - Customer Control Account) - or -
- CR Accounts Payable (If paying by AP Payment - Supplier Control Account)

You can define a SAF concept in the system to differentiate different types of Deferred Discount deals. Next, in TAM Account Maintenance, you can attach that SAF Concept and assign a specific SAF code depending on Agreement Type and Deal Profile code combination. When the Claim is Approved, the SAF code is attached to the JE posted to the general ledger.

Deferred Discount Deals on Contracts

As stated earlier, promotional Deferred Discount deals pull their respective expense accounts from the Earned Discount records maintained by TAM. These accounts are determined for items in the same way that they are determined for Immediate Discount deals, via the Promotion Discount Account defined in Sales Account Maintenance. If not found, the system then looks in Product Line Maintenance.

Deferred Discounts in relation to contract activities represent fees paid to the Distributor and fees to the GPO. Some customers require these fees to be recorded in different GL accounts. Due to this reason, the approach taken for promotional Deferred Discount accounting is not flexible enough for the Contract area. In TAM Account Maintenance, you can specify a Contract Discount account against the combination of Deferred Discount deals and Agreement Type and set the For Contract Use field to Yes.

When a Deferred Discount deal on a contract is flagged as Sales Basis - Customer, after invoices have been posted, the Contract DD Earned Discount Calculation routine can be run. This program looks first to TAM Account Maintenance for the specific combination of the contract Agreement Type and Deal Profile combination, to determine the Contract Discount account to write into the Earned Discount record. If not found, this account is next searched for in Sales Account Maintenance, using the invoice channel and customer type, order line site and item Product Line values. If no combination is found, then search in Product Line Maintenance using the line item Product Line. Last location if still not found is from TAM Control.

When a Deferred Discount deal on a contract is flagged as Sales Basis - Member, after Indirect Sales lines have been Approved, the Contract DD Earned Discount Calculation routine can be run. This program looks first to TAM Account Maintenance for the specific combination of the contract Agreement Type and Deal combination, to determine the Contract Discount account to write into the Earned Discount record. If this combination is not found, then the program continues to search using the indirect sales line item's Product Line and looks for the Contract Discount account, sub-account, and cost center value in Product Line Maintenance. Last location if still not found is from TAM Control.

Contract Deferred Discount deals are accounted for during accrual processing maintained in Generate Accruals Maintenance. The resulting accrual amount represents the open difference between the accumulated Earned Discount amount and Claims Taken. An initial JE is created effective in the General Ledger as of the posting date specified from the Accrual Run. The system automatically creates a JE effective the first day of the next period, reversing the amounts out of these same accounts:

- When Accrual Debit Account Type is Expense in TAM Control:
 - Posting Date:
 - DR Expense Account/SA/CC (Earned Discount record)
 - CR Accrual Account/SA/CC (TAM Account Maintenance: Agreement Type/Deal Profile combination, if not found then use Accrual Account from TAM Control. Summarized by common Account/SA/CC)
 - JE Reversing entry first date of next period:
 - DR Accrual
 - CR Expense
- When Accrual Debit Account Type is Sales Contra in TAM Control:

- Posting Date:
 - DR TAM Sales Contra (TAM Control)
 - CR Accrual (TAM Account Maintenance: Agreement Type/Deal Profile combination, if not found then use Accrual Account from TAM Control)
- JE Reversing entry first date of next period:
 - DR Accrual
 - CR TAM Sales Contra

Claims against Contract Deferred Discount deals, with a saved Approved status generate the following JE:

- DR Contract Discount (stored in Earned Discount record)
- CR Accounts Receivables (If paying by Credit Note - Customer Control Account) - or -
- CR Accounts Payable (If paying by AP Payment - Supplier Control Account)

Taxes

Global Tax Management (GTM) is used to determine taxes in TAM Claims. A basic understanding of GTM is assumed. See *Global Tax Management User Guide* for information on GTM. As of the TAM 2.2 release, Tax Included updates to claims are yet to be implemented, due to:

- Potential extensive design changes involving how Earned Discounts are initially stored when tax included is involved
- Claim Amount may now also contain the tax amount, necessitating a change to claim logic, especially regarding when taxes are to be calculated/recalculated and displayed
- At least one TAM early adopter requiring Tax Included needs is necessary to justify and confirm such extensive program changes in these areas

When you create a claim in Claim Maintenance, you first enter in a customer. This customer has various tax settings defined as maintained in the Customer Modify program under the Tax Info tab:

- Taxable Customer
- Tax is Included
- Tax in City
- Tax Zone
- Tax Class (Customer)
- Tax Usage

The Taxable Customer value determines the “Taxable” default value as displayed in the Claim Amount frame. This may be updated by the user. If the claim Taxable flag is No, then taxes are not to be calculated on the claim, regardless of tax level settings on any deals/items selected in the claim details. Also, if a claim is saved in a Pending status with taxes calculated and is subsequently modified as taxable: No, then all existing tax detail records are removed.

As in other areas of QAD Enterprise Edition, such as Sales Order Maintenance, there are overall Tax Settings values which default into the claim:

- Tax Usage
- Tax Environment

- Tax Class
- Taxable
- Tax Included

The Tax Class, Tax Usage, and Tax Included values default in from the customer tax settings. The customer Tax Zone is used as the Ship-To tax zone. The tax zone associated with the site attached to the customer, as displayed in Customer Data Maintenance, is used as the Ship-from tax zone. The ship-to tax zone and the ship-from tax zone both establish the appropriate Tax Environment value for claims.

Note If the claim payment method is set to Supplier Invoice, then a Supplier is specified. In this case, the supplier's tax settings are used instead of the customer tax settings.

For earned discount total records, several factors determine the taxes applied to the details.

- If the claim is non-taxable, no taxes are to be calculated regardless of deal/item tax settings.
- When the claim is taxable, the taxes depend on the tax level settings on the deal for the earned discount total record with an allocated amount.
 - If the deal is non-taxable, then no taxes are to be calculated against the deal details, regardless of the customer/item tax settings.
 - If the deal is Tax by Customer, then TAM uses the default tax settings for the customer as the tax parameters. If the customer is set to taxable, then the deal is set to taxable regardless of the item-level tax settings.

This method is meant to be used in scenarios such as an Allocated Funds (AF) deal in Australia, where it is considered a service and everything should be taxed, regardless of whether items are attached to the AF deal and the item-level tax settings are set as non-taxable. This approach might be thought of as similar to how taxes are calculated for a Customer Invoice in Customer Invoice Create, or a memo item on an order line.

- If the deal is set to Tax by Item, then TAM uses the item-specific tax settings as parameters to calculate tax:
 - Tax Usage - same as Tax Settings, based on Customer
 - Tax Environment - same as Tax Settings, does not change item by item
 - Tax Class - Item Tax class
 - Taxable - Item Taxable setting
 - Tax In - same as Tax Settings, based on Customer

Note Currently, the tax settings are for display only. You cannot update the tax settings.

As amounts to allocate are specified against the earned discount total records, they are spread over the item's earned discount child records. Tax detail records are calculated after you save the claim. The tax amounts/totals are displayed. The tax details are visible via View/Edit Tax Details in the right-click context menu. You can update the tax details when the Update Tax Allowed field is set to Yes on the relevant GTM tax rate record.

The interaction of the Tax by Line value with the deal Tax Level setting can become a bit complex. Let's look further into the details for the interaction of 1) Tax by Line setting (specified on each tax rate found), and 2) deal Tax Level Setting.

Example The TAM claim is allocated for \$1,000 against a promotional deal's earned discount total record, which has Earned Discount Item records underneath of \$200, \$300, and \$500.

- Scenario 1: Tax by Line = No; Deal Tax Level = Tax by Customer

TAM uses the customer tax settings and applies them against the overall \$1,000 allocated amount, resulting in a single tax record assuming just one tax rate found.

- Scenario 2 - Tax by Line = Yes; Deal Tax Level = Tax by Customer

Note In this case, TAM uses the customer's tax settings and applies them against the overall \$1,000 allocated amount, resulting in a single tax record. When you are taxing by customer, you are really taxing the service rather than the individual items, and the value of the service being taxed is \$1,000 total. Effectively, when you set Tax by Customer to true, there is no difference between Tax by Line = Yes and Tax by Line = No.

- Scenario 3: Tax by Line = No; Deal Tax Level = Tax by Item

In this case, TAM uses the Item tax settings and applies them against the individual item allocated amounts (\$200, \$300, \$500), but summarizes the calculated taxes into a single tax record. The allocated amounts are added up first before calculating the taxes, which means it is again pretty much like Scenario 1. We are taxing the items, but if all of the items have the same tax settings then expect one tax amount calculated using the total value of those items, just like if you have Tax by Line set to No in a sales order for multiple line items.

- Scenario 4: Tax by Line = Yes; Deal Tax Level = Tax by Item:

In this case, TAM uses the item tax settings and applies them against the individual item allocated amounts (\$200, \$300, \$500), and creates individual tax records for each item's taxes.

Important The tax settings for TAM promotional deals directly affect the taxes on claims. TAM Contract deals do not display or allow for the maintenance of any tax settings and do not result in any tax calculations in the TAM 2.1/2.2 release.

TAM Collections and Reports

TAM features various reporting tools to keep you up-to-date with the latest available information about promotions and contracts in the organization.

Collections 150

Reports 154

Operational Metrics 162

Collections

The collections gather activity-relevant menus and browses and allow drilling down to multiple levels of details. The provided collections are:

- View Deductions
- Promotion Activity Center
- TAM Contract Activity Center
- TAM Subledger Collection
- Claim Activity Center

View Deductions

The View Deductions collection lets you research Deduction details from one central location. The deductions are sorted by, but not limited to:

- Deduction Category
- Deduction
- Customer
- Posting Date
- Daybook
- Amount
- Entity

Fig. 9.1
View Deductions

The screenshot displays the 'View Deductions' application interface, which is divided into three main sections:

- Deductions by Category:** This panel shows a search for Customer '10c1000'. It displays a table with columns for Customer, Sort Name, Description, TC Invoice Amount (DR), TC Balance, Currency, Create Date, and Posting Date. The data includes four records for Wal-Mart deductions.
- Categories:** This panel shows a list of deduction categories. It displays a table with columns for Deduction Category, Category Description, Type, Deduction Status, TC Deduction Amount, Approve/Reject Comment, and Approve/Reject Date. Two records for 'Rebate' are shown.
- Allocation Detail:** This panel shows the details for a specific allocation. It displays a table with columns for Allocated Amount, Agreement Currency, TC Allocated Amount, Transaction Currency, Code, Type, Description, Deal, and Deal Currency. The record shows an allocated amount of 40.00 USD for a promotion.

Promotion Activity Center

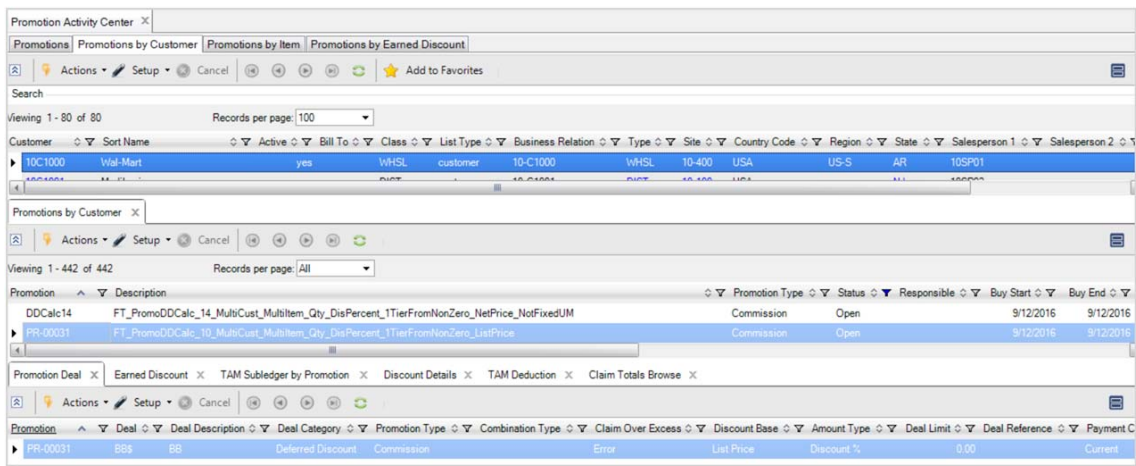
The Promotion Activity Center lets you research Promotion details from one central location, starting at the top level from either:

- Promotions
- Promotions by Customer
- Promotions by Item
- Promotions by Earned Discount

The information contained in the center represents all areas of Promotions including:

- Promotions
- Promotion Deals
- Earned Discounts/Discount Details/TAM Subledger transactions
- Deductions
- Claims

Fig. 9.2
Promotion Activity Center



TAM Contract Activity Center

This collection lets you research TAM Contracts details from one central location, starting at the top level from either:

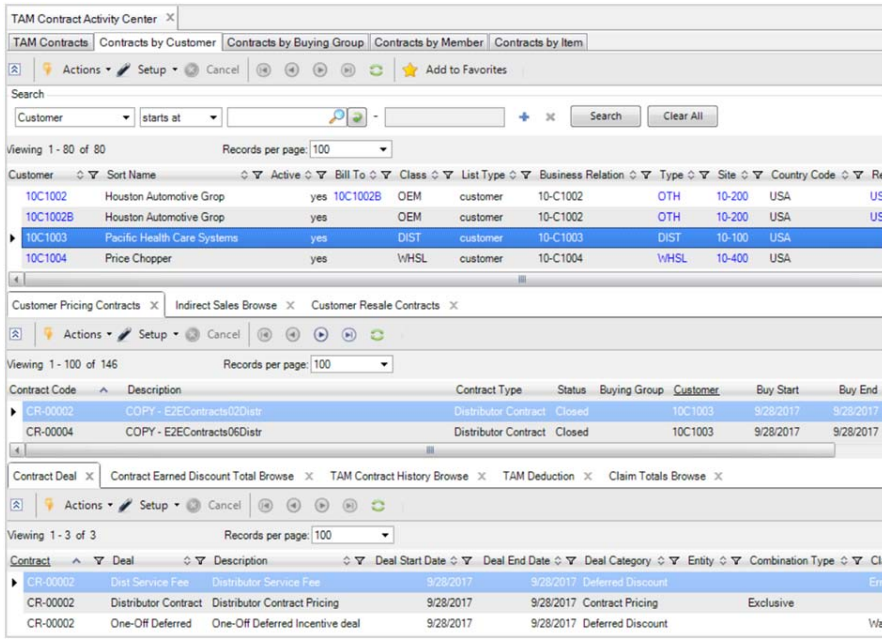
- Contracts
- Contracts by Customer
- Contracts by Buying Group
- Contracts by Member
- Contracts by Item

The information contained in the center represents all areas of TAM Contracts including:

- Contracts
- Contract Deals

- Contract Earned Discounts/TAM Contract History
- Deductions
- Claims

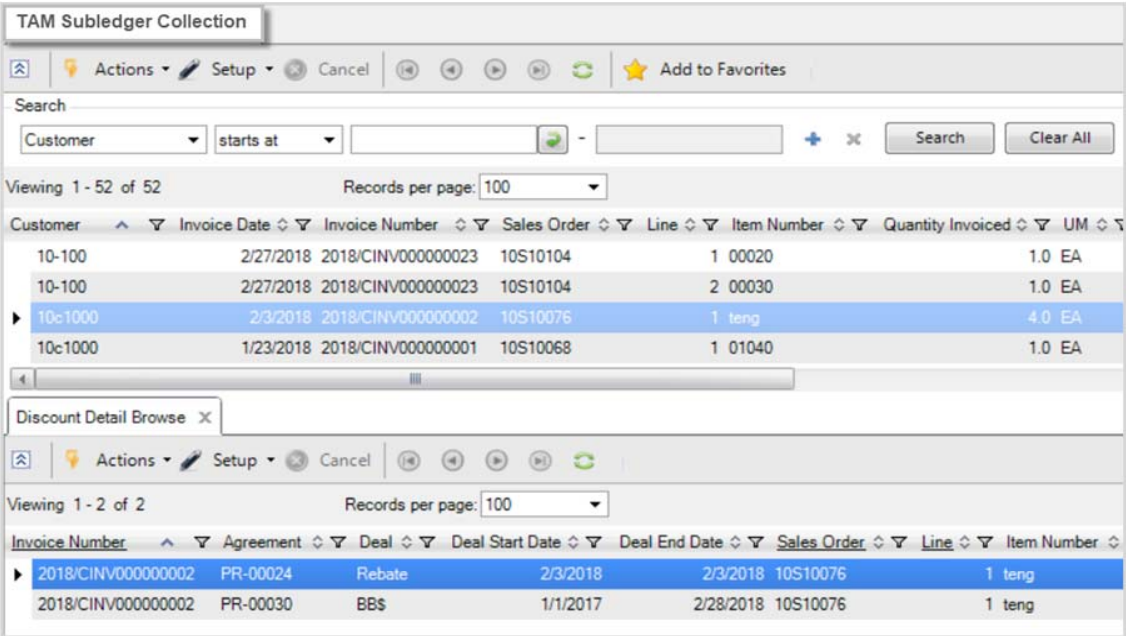
Fig. 9.3
TAM Contract Activity Center



TAM Subledger Collection

This collection lets you research TAM Subledger records created for each posted invoice line and the various Discount Detail records created for each relevant deal.

Fig. 9.4



Claim Activity Center

The Claim Activity Center lets you research TAM Claim and Deduction-related activity from one central location, starting at the top level from either:

- Claim
- Item
- Promotion
- TAM Contract

Information contained in the center represents all areas of TAM Claims including:

- Claims/Deductions
- Promotions/TAM Contracts
- Promotion/TAM Contract Deals
- Promotion & Contract Earned Discounts

Fig. 9.5
Claim Activity Center

The screenshot displays the 'Claim Activity Center' interface with three main sections:

- Claim Activity Table:** Shows a list of claims with columns: Claim Code, Description, Status, Customer Code, Sort Name, Promotion, Promotion Deal, Date, Claim Amount, and Currency.

Claim Code	Description	Status	Customer Code	Sort Name	Promotion	Promotion Deal	Date	Claim Amount	Currency
CL-01081		Approved	10C1003	Pacific Health Care Systems			5/15/2017	100.00	USD
CL-01082		Approved	10c3000	10-CB2C			5/15/2017	60.00	USD
CL-01083		Approved	10c1003	Pacific Health Care Systems			5/15/2017	20.00	USD
CL-01084		Approved	10c1003	Pacific Health Care Systems			5/15/2017	100.00	USD
- Claim Totals Table:** Shows summary data with columns: Claim Code, Reference, Claim Date, Agreement, Deal, Accumulate Period End Date, Claim Currency, and Amount to Allocate.

Claim Code	Reference	Claim Date	Agreement	Deal	Accumulate Period End Date	Claim Currency	Amount to Allocate
CL-01081	SB-01	5/15/2017	PR-01677	SB	5/31/2017	USD	60.00
CL-01081	SB-01	5/15/2017	PR-01677	SB	4/30/2017	USD	40.00
- Claim Items Table:** Shows detailed item information with columns: Claim Code, Claim Date, Agreement, Deal, Accumulate Period End Date, Item, Description, Claim Qty, UOM, and Claim Currency.

Claim Code	Claim Date	Agreement	Deal	Accumulate Period End Date	Item	Description	Claim Qty	UOM	Claim Currency
CL-01081	5/15/2017	PR-01677	SB	5/31/2017	00010	item 00010	5.00	EA	USD
CL-01081	5/15/2017	PR-01677	SB	5/31/2017	00020	item 00020	10.00	EA	USD
CL-01081	5/15/2017	PR-01677	SB	5/31/2017	00030	item 00030	11.667	EA	USD

Reports

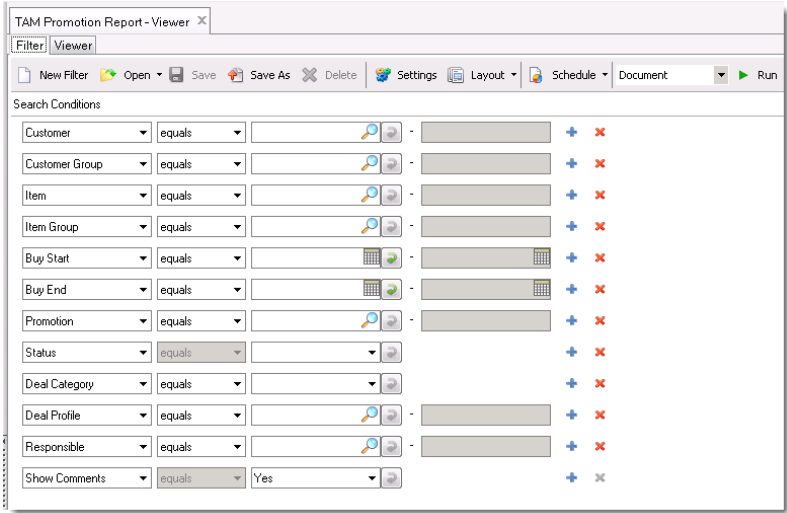
TAM provides the following reports:


- TAM Promotion Report
- TAM Contract Report
- TAM Accrual Report
- Indirect Sales Report
- Admin Fee Report
- Earned Discount Balance Reports

TAM Promotion Report

Run this report to view all details related to TAM Promotions as defined in Promotion Maintenance.

Fig. 9.6
TAM Promotion Report





TAM Promotion Report

10USA USD

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6/1/2017
4:09:51 PM

Report Date 6/1/2017

Promotion PR-01677

Promotion Type SD

Buy Dates 4/1/2017 5/3 1/2017

Currency USD

Entity 10USACCO

Reference Automated Record

Responsible 1-01

All Customers No

Project

Budget Code

Budget Topic

E2E_SB_01_ManualClaim_MultiTotals_CustomerInvoic

Standard Discount

US Dollar

USA DIVISION

BUYER

Status Open

Retail Dates

Customers

Group	Customer	Name	Type
	10C1003	Pacific Health Care Systems	

Deal SB

Scan-back SB

Deal Reference

Amount Type DiscountAmt **Payment Method** Customer Credit Note

Claim Over Excess Error **Tax Level** Non-taxable


Default Deal Values

Discount Amount 2.00 **Spread Method** Even Spread

Default Planned Quantity 10.00 **Discount Estimate Total** 140.00

Items

Item	Description	Planned Qty	UOM	Disc Amount	Disc Estimate	Tax Class	Product Line
00010	item 00010	10.00	EA	1.00	10.00	DOG	10



TAM Promotion Report

10USA USD

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4:09:52 PM

00020	item 00020	20.00	EA	2.00	40.00	DOG	20
00030	item 00030	30.00	EA	3.00	90.00		30

Comments

Date	User	Comment
------	------	---------

TAM Contract Report

Run this report to view all details related to TAM Contracts as defined in TAM Contract Maintenance.


Fig. 9.7
TAM Contract Report

TAM Contract Report - Viewer

Filter **Viewer**

Search Conditions

Distributor	equals		+ X
Customer	equals		+ X
Buying Group	equals		+ X
Member	equals		+ X
Contract	equals		+ X
Contract Type	equals		+ X
Deal	equals		+ X
Status			+ X
Show Deal Details	equals	Yes	+ X
Contract Pricing Deal	equals	Yes	+ X



TAM Contract Report

10USA USD

Page 2 / 3
10/9/2017
10:49:59 PM

Report Date: 10/8/2017 Status: Open

Distributor: Master Contract: PREM-PU-0717 Contract Type: Master Agreement Premiere Portable Ultrasound Contract

Origination Contract Reference

Customer: Buying Group: Premiere Premiere GPO

Buy Dates: 6/1/2017 5/31/2020

Expire Date: Currency: USD

Customers

Group	Customer	Name	Type
	Cardinal	Cardinal	

Deal Contract Pricing: Premiere Member Portable Ultrasound Pricing Quantity Type: Indirect

Dates: 6/1/2017 Pricing Point

Pricing Tiers: 3

Pricing Tier 1 All Contract Reference: PREM-PU-0717-Master Agreement-1

		Distributor				Contract						
Code	Description	UOM	Unit Price	UOM Price	Contract	UOM	Expire	Start	End	Min Qty	Unit Price	UOM Price
01041	Portable 10mhz Ultrasound	EA	2,750.00	2,750.00		EA		6/1/2017		0.00	1,850.00	1,850.00
											Chargeback per UOM	900.00
01042	Portable 500khz Ultrasound	EA	2,775.00	2,775.00		EA		6/1/2017		0.00	1,875.00	1,875.00
											Chargeback per UOM	900.00

Pricing Tier 2 All Contract Reference: PREM-PU-0717-Master Agreement-2

		Distributor				Contract						
Code	Description	UOM	Unit Price	UOM Price	Contract	UOM	Expire	Start	End	Min Qty	Unit Price	UOM Price

TAM Accrual Report

Run this report to view all details related to TAM Accruals as generated and saved in Generate Accruals Maintenance.

Fig. 9.8
TAM Accrual Report

The screenshot shows the 'TAM Accrual Report - Viewer' window. It features a toolbar with options like 'New Filter', 'Open', 'Save', 'Save As', 'Delete', 'Settings', 'Layout', 'Schedule', 'Document', and 'Run'. Below the toolbar is a 'Search Conditions' section with the following fields:

- Accrual Run: equals []
- Entity: equals []
- Account: equals []
- Sub-Account: equals []
- Cost Center: equals []
- Posting Date: equals []
- Auto Reversal Date: equals []
- Status: equals []
- Currency: equals USD

The screenshot displays the 'Accrual Report' output. It includes the QAD logo, page information (Page 1 / 1, 6/1/2017, 4:15:16 PM), and a table of accrual data.

Accrual Run	Account	Cost Center	Agreement	Deal	Earned Discount	Claims Taken	Deductions Taken	Deal Limit	Accrual Amount
00195		Status: Approved		Posting Date: 6/1/2017					
				Reversal Posting Date: 7/1/2017					
	5350 TAM Accrual Account 1								
	Mfg Manufacturing General								
			PR-01964	SB	140.00	0.00	0.00	0.00	140.00
				Mfg total	140.00	0.00	0.00	0.00	140.00
				Account Total: 5350 TAM Accrual Account 1	140.00	0.00	0.00	0.00	140.00
00195				Accrual Run Total	140.00	0.00	0.00	0.00	140.00

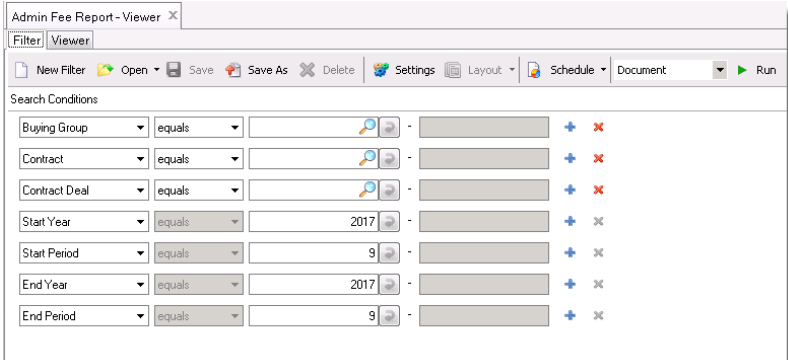
End of Report

Search Criteria

Accrual Run	equals	00195
Currency	equals	USD

Admin Fee Report

Fig. 9.10 Admin Fee Report



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6/1/2017
4:21:21 PM

Admin Fee Report
10USA USD

Contract CR-00573
Deal Admin Fee

Member APRIA HC-MELBOURNE APRIA HC-MELBOURNE
Group ID Prem-AHC-MEL
HIN1 123411111
Address 274 N WICKHAM RD 5080 MELBOURNE, FL 32935-0000

Item	Description	Sales	Fee Rate	Admin Fee
itemPL	item in palets	3,200.00	7.00	224.00
Member Total				224.00
Contract Deal				224.00

Contract CR-00621
Deal Admin Fee

Member APRIA HC-MELBOURNE APRIA HC-MELBOURNE
Group ID Prem-AHC-MEL
HIN1 123411111
Address 274 N WICKHAM RD 5080 MELBOURNE, FL 32935-0000

Item	Description	Sales	Fee Rate	Admin Fee
itemPL	item in palets	3,200.00	3.50	111.98
Member Total				111.98

Earned Discount Balance Reports

Earned Discount balances are not stored in the earned discount tables themselves, but are calculated based upon accumulated earned discount amount versus what is on claims and deductions.

Use the Contract Earned Discount Balance report or Promotion Earned Discount Balance report to review the respective agreement type Earned Discount balances. This displays the accumulated Earned Discount Amount, balances for Claims Taken, Pending Claims, Pending Deductions, as well as current Open balance. Note that these details also display in the Claim Maintenance grid when creating claims.

The Contract Earned Discount Balance report is driven by the EarnedDiscountTotal table and shows Contract Earned Discounts (EDs) only.

The Promotion Earned Discount Balance report can be filtered by Pay-to as well as Customer, shows promotional EDs only, and can display both Customer and Pay To values. This report uses the EarnedDiscount table rather than EarnedDiscountTotal, and sums up all the EDs for a given customer + deal + date combination. For example, in the case of a Deferred Discount promotion, you see one figure for the customer as opposed to the EDs from each individual invoice line; report philosophy is “one row per customer per deal per accumulation date.” Pay To will display but no Pay To level values; everything will be at customer level

Fig. 9.11
Promotion Earned Discount Balance Report

Entity		Earned Discount Balance Report				Page 1 / 3347	
Pay To		10USA USD				11/15/2017	
						10:10:19 AM	
Entity	10CORPCONS	Agreement Category	Promotion	Agreement	PR-00073	Status	Closed
Pay To		Deal Category	Allocated Funds	Deal	AF	Deal Start Date	9/12/2016
						Deal End Date	9/12/2016
						Deal Limit	0.00
Agreement Currency	USD	Accumulation Period End Date	9/12/2016				
ED in Agreement Currency	Pending Claims	Claims Taken	Pending Deductions	Deductions Taken	Open Balance		
500.00	0.00	0.00	0.00	0.00	500.00		
Customer		ED in Agreement Currency					
10c1000	Wal-Mart	500.00					

Fig. 9.12 Contract Earned Discount Balance Report

Contract Earned Discount Bala... x

Filter | Viewer

New Filter Open Save Save As Delete Settings Layout Schedule Document Run

Search Conditions

Contract	equals				+	x
Deal	equals				+	x
Deal Category	equals				+	x
Buying Group	equals				+	x
Customer	equals				+	x
Entity	equals				+	x
Accumulation Period	equals				+	x
Deal Start Date	equals				+	x
Deal End Date	equals				+	x
Negative Balances O	equals	No			+	x
Status	equals				+	x
Currency	equals				+	x

 **Earned Discount Balance Report** Page 1 / 444
11/15/2017
10:13:14 AM

10USA USD

Entity: 10USACO

Pay To: 10C1003

Agreement Category: Contract	Agreement: CR-00025	Status: Closed
Deal Category: Deferred Discount	Deal: Dist Service Fee	Deal Start Date: 9/29/2017
		Deal End Date: 9/29/2017
		Deal Limit: 0.00

Agreement Currency: BBD Accumulation Period End Date: 9/29/2017

ED in Agreement Currency	Pending Claims	Claims Taken	Pending Deductions	Deductions Taken	Open Balance
0.15	0.00	0.00	0.00	0.00	0.15

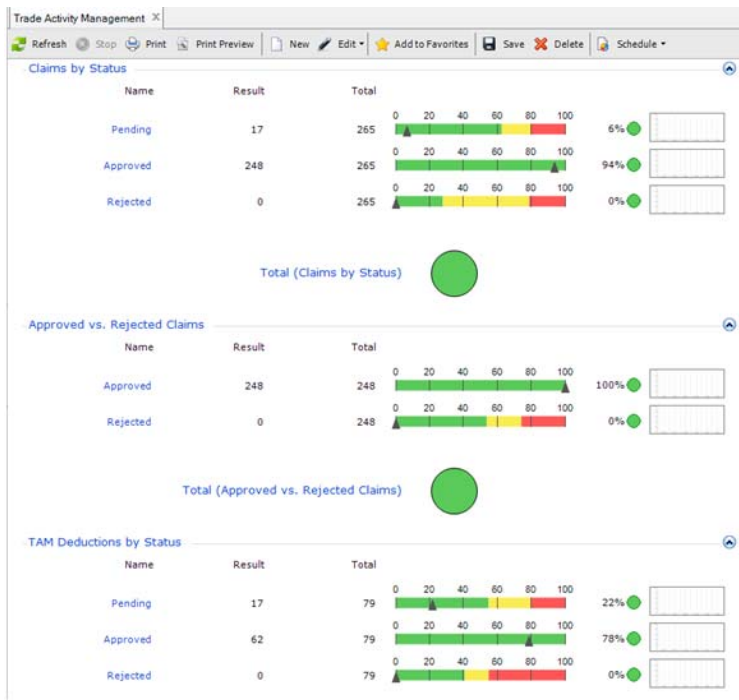
Operational Metrics

QAD Enterprise Edition offers the functionality for creating visible metrics from browse data. Operational metrics provide you with a live snapshot of production data, which lets you monitor, in real time, how the system is being used. For information on how to use and create operational metrics, see *Introduction to QAD Enterprise Applications User Guide*.

TAM is delivered with a QAD-developed metrics collection that offers the following real-time data:

- Promotions by Status
- Promotions by Promotion Type
- Promotion Claims by Status
- TAM Promotion Deductions by Status
- Contracts by Status
- Contracts by Contract Type
- Contract Claims by Status
- TAM Contract Deductions by Status
- Claims by Status
- Approved vs. Rejected Claims
- TAM Deductions by Status
- Approved vs. Rejected Deductions

Fig. 9.13
Trade Activity Management



Miscellaneous

This chapter describes the following topics:

Calculating Earned Discounts 164

TAM Contracts and History Record Creation 166

Earned Discount Total and Contract Earned Discount Total Tables 166

Clean up Temporary Data Program 167

Promotion Opening Balance Utility 167

Calculating Earned Discounts

Although the system records transactional data related to TAM using subledger and discount detail tables, earned discounts are not automatically calculated in real time when the transactions take place.

You can run the various earned discount calculation programs manually throughout the day, or instead, set up a cron job to run the programs in the background, typically at night after Invoice Post and Print completes. The programs are run as a background process; thus, running from the menu does not show any front-end criteria or true user interface. You cannot see the progress while the programs are running. When complete, there is an Earned Discount Log file that stores unrecoverable calculation errors, which record the information about Subledger, Promotion, Deal, and Session. There is no forward error correction mechanism in place or a browse to display this file in this release, as this is just the first stage for a more comprehensive ED error handling solution to be developed potentially in the future.

Run the following programs to create earned discounts for the various agreement deal categories:

- Promo AF Earned Discount Calc

Run this program to create Earned Discount records for Allocated Funds (AF) promotion deals. The program creates records for Open status promotions only, and only creates records up to and including the current period. Note that when dealing with customer groups, different behaviors exist if the group is dynamic or static. If the customer group is Dynamic, then any customer considered part of the group when the Promo AF Earned Discount Calc program is run will result in earned discounts being calculated for each customer. If the group is Static, then the first valid date of the period being calculated is used to evaluate customer group membership. If the customer is a member of the group on that date, then it will have an earned discount calculated. Customer group membership for the first period of the AF earned discount is evaluated based upon the Promotion Buy Start date.

For example, if an AF deal is attached to a Promotion with a Buy Start date of February 1, and a static group is attached with one member belonging to the group on February 1, and another beginning February 2, only the first customer will receive an Earned Discount for the period. If the Promotion Buy Start Date is February 2 or later, then both customers would have an Earned Discount calculated for the first period of the AF deal.

Another point to keep in mind is that once the period AF Earned Discount records are calculated, it does not matter if group membership changes after the fact. Meaning, the customer group members are evaluated and the period Earned Discount records are created at that point in time, and any subsequent membership changes will not affect the existing AF period Earned Discount records. So, if a member is added to a customer group effective the first day of a period, the customer will not receive the AF Earned Discount for the period if the Promo AF Earned Discount Calc program has already created records for the period, prior to the member having been added. This same logic also follows along with the removal or expiration of a group member, after an AF Earned Discount period record has been created for the member.

- Promo DD Earned Discount Calc

Run this program to create Earned Discount records for Deferred Discount (DD) promotion deals. The program creates records for Open status promotions only, based on posted invoice information (evaluated by Invoice Date). When invoices post, TAM Subledger records are

created, initially with a processed flag set to No. Once the Promo DD Earned Discount Calc program is run, these records are reviewed, Discount Detail records are created against the appropriate DD promotions, and the Processed flag of TAM Subledger is now set to Yes.

If you create a backdated promotion, this program looks at previously processed records to determine the appropriate DD earned discounts for the past. To accomplish this, we added a flag behind the scenes to the promotions to indicate if the ED calculation has been run at least once for this promotion. The ED process first retrieves all the new promotions, fetches the TAM Subledger records already processed for the new promotions date range and calculates the ED. This first step is only performed with the TAM Subledger records already processed against the promotions marked as new. Once this process is over, the promotion is flagged as processed. When the calculation for the new promotions is done, the standard calculation executes and now the unprocessed TAM Subledger records are fetched and processed against all promotions (as the ones marked as new are no longer new).

Important The Promo DD Earned Discount Calc program has many complex validations and calculations to execute, and processing time is greatly affected by several areas including: whether this is a backdated promotion being run for the first time, the number of invoice lines to be processed, number of open promotions, number of dynamic groups attached to these promotions and the members involved on each. It is very important that this program is run frequently to ensure that you are keeping up with the volume of unprocessed records in a suitable time-frame. For example, if you have thousands of invoice lines posted in a day, and hundreds of open promotions with DD deals attached, which reference many Dynamic customer and item groups containing several members, it is not unheard of for this program to take several hours to complete just processing the activity for one promotional deal alone. If left unchecked, this program could take days to run in this scenario if it has been weeks since last run-time.

Consultants are strongly recommended to set promotions open one at a time and perform test runs of this program to ensure that initial ED records are created as expected on a case-by-case basis. Where Dynamic Groups are needed, limiting these groups to as small a group as possible also helps greatly in processing time. Once the initial ED records have been created, then run this program at least once daily.

The Promo DD Earned Discount Calc program is intended to be set up as a process running in the background. The suggestion is to schedule this to run, via cron job, after a nightly Invoice Post and Print run completes. You may though run this as needed from the menu, but keep in mind that there is no true user interface to this program, nor on-screen output indicating records are processing. This information applies to all the Earned Discount Calc programs.

- **Promo SB Earned Discount Calc**
Run this program to create earned discount records for Scan-back (SB) promotion deals based on the planned item quantities and the discount amounts specified. The program creates records for only the open promotions through the current period.
- **Contract DD Earned Discount Calc**
Run this program to create earned discount records for Deferred Discount (DD) TAM contract deals. The program creates records for the open contracts only based on the posted invoices and the approved status indirect sales line information.
- **Contract CB Earned Discount Calc**

Run this program to create earned discount records for chargeback (CB) TAM contract deals. The program creates records only for the open status contracts and the contract pricing deal has the chargeback flag turned on. When the indirect sales lines are approved, chargebacks are calculated where applicable. This program formally turns these into earned discount records.

TAM Contracts and History Record Creation

Here is a sample flow on what to expect regarding the creation of TAM Subledger, Contract History, and Earned Discount records.

When a Distributor Contract price is pulled into a sale to a distributor and the invoice is posted, a TAM Subledger record is created.

If on the Distributor contract, there is a deferred deal flagged as sales basis customer, then after that invoice is posted, when the Contract DD Earned Discount Calc program is run, there is a TAM Contract History record and a resulting DD Earned Discount record created for the deal, since a sale has been made to that distributor. When the Contract ED programs are run, we copy the distributor direct sale information from the TAM Subledger into the TAM Contract History.

Next, when an indirect sales line comes in from that distributor for a sale at the Master Agreement contract price to a group member, and that line is approved, a TAM Contract History record is created for the indirect sales line. Next, running the Contract CB/DD Earned Discount Calc programs creates the Earned Discount records for chargebacks/admin fees, and other DD discounts related to contracts (if the pricing point is indirect).

Earned Discount Total and Contract Earned Discount Total Tables

For deferred discount deals on Contracts and Promotions:

- If accumulation period is set to monthly, then there is one earned discount total record per month, and the accumulation end dates for the monthly periods correspond to the monthly end date in the GL calendar.
- If accumulation period is set to quarterly, then there is one earned discount total record per quarter, and the accumulation period end date corresponds to the quarter end date in the GL Calendar
- Same logic follows for yearly.
- If accumulation period is set to Contract or Promotion, then this is for the life of the agreement, in which case we are not looking at calendar periods at all to determine dates, but using the buy end date on the agreement as the sole Earned Discount accumulation period end date.

For chargeback earned discounts related to contract pricing deals on Contracts, there is no Accumulation period field. The chargeback is maintained for the life of the contract and as such there is only one chargeback record, with an accumulation end date matching the contract buy end date.

The accumulation date referenced on the Earned Discount Total and Contract Earned Discount Total tables relates to the date of the last posted invoice or approved indirect sales line transaction date to impact the record. For chargebacks, the accumulation date is left <BLANK>.

Clean up Temporary Data Program

When you are working in Contract Maintenance and Claim Maintenance, TpmWorkTable records are created for use in look-up browses.

- In Contract Maintenance, when you add an item to the Items tab, the item is added to TpmWorkTable. You can select the item from a look-up browse to add it to item exception on Deal Popup Maintenance.
- In Claim Maintenance, when you select a customer or buying group and move the cursor away from the Customer or Buying Group, TpmWorkTable records are created. The customer or buying group is available in the look-up windows for Contract/Promotion.
- When adding an item in Contract Maintenance, if the system crashes or you close the popup window before save the changes, the TpmWorkTable records are left in the system. You are not able to delete these orphaned records in the maintenance programs.

Three related fields in TpmWorkTable:

- TpmLogical01 (indicating if it is a temporary record)
- TpmDate0 (the date when the record is created)
- TpmDecimal0 (the time when the record is created)

When a TpmWorkTable is created, TpmLogical01 is set to Yes. When you click Save, TpmLogical01 is set to No. TpmWorkTable records that are created from Claim Maintenance are always temporary.

If a TpmWorkTable is temporary and is one day old, you can clear the table using Clean Up Temporary Data. All the temporary TpmWorkTable records are deleted for the logging domain, regardless of the creator.

Promotion Opening Balance Utility

The Promotion Opening Balance Utility is used to establish opening balances for the promotions with deferred discount deals attached. This utility is created based upon one customer-specific scenario.

To use the utility, follow the process:

- 1 Define sequence PRMBAL in Number Range Maintenance. For example:

Nbr	Type	Settings	Control
1	FIXED	DB	
2	DATE	CMY (CMMYY)	no
3	INT	00000,99999,00000,00000	

- 2 Define promotions in Promotion Maintenance.

Do not set the promotions for all items nor for all customers. Attach deferred discount deals, with Quantity Type set to Amount, to the promotions and save them as status Pending.

- 3 Enter your opening balance for your promotion customers using Promotion Opening Balance Utility.

You can change the default effective date, on which your opening balance transactions are effective, to any date in the Promotion Buy Date range. You can update the effective date and specify the opening balance on each customer-specific record as needed.

- 4 In Promotion Maintenance, change the status of the promotion to Open.

When the promotion is saved in Open status, TAM Subledger records are created based on the opening balance records of the promotion. These Subledger records have a sales order and invoice number created based on the PRMBAL sequence and the matching effective dates specified in the utility.

Note Regardless of the number of items on the promotion deal, the full amount specified in the utility against the customer is placed onto the first item on the deal.

- 5 If the TAM Subledger records do not meet your needs, you can go back into the Promotion and set the status back to Pending and Save it, which will remove the TAM Subledger records (if the Promo DD Earned Discount Calc program has not been run). Keep in mind that these TAM Subledger records are now available for any promotion that has the same item, customer, and date range on it when running the Promo DD Earned Discount Calc program.

- 6 Run Promo DD Earned Discount Calc.

The promotion earned discount records are created based on the TAM Subledger records generated by Promotion Opening Balance Utility.

Running this program also creates relevant discount detail records and change the status of the subledger records to Processed.

Reference Information

This chapter includes reference information for using TAM.

Step-by-Step Instructions for TAM Promotion Initial Setup 170

TAM Contract Business Scenario 172

Negative Earned Discount Examples and Table Effects 176

TAM Process Maps 193

Step-by-Step Instructions for TAM Promotion Initial Setup

These set-up steps are not all encompassing; however, they do represent the general programs and data that need to be defined to have TAM functional for Promotions.

- 1 Number Range Maintenance: ACCRRUN, CLAIM, CLAIMRUN, PROMO, CONTRACT, INDSALES
- 2 Reason Codes Maintenance - <BLANK> value for type Claim
- 3 Daybook Create - Define daybooks as needed for TAM Control values. For Financial daybooks, you also have to create the corresponding matching sequences using Number Range Maintenance.
- 4 SAF Concept - Define TAM SAF concepts as needed
- 5 SAF Codes - Define TAM SAF concepts as needed
- 6 SAF Structure - Define TAM SAF concepts as needed
- 7 GL Accounts Create - Create TAM Expense, Accrual, Deduction Accounts as needed
- 8 GL Correction Control - Enable corrections for Account Payable & Accounts Receivable
- 9 Daybook Set Maintenance - Define daybooks sets and daybooks as needed. EXAMPLE: Daybook set "Def AP" - Correction Invoices (Negative): SICOR, Correction Credit Notes (Negative): SCCOR
- 10 Deduction Category Create - Create Promotional categories, if needed
- 11 TAM Control - Set all fields
- 12 Domain Modify - Input Credit Terms Deduction value
- 13 Supplier Create - Create suppliers matching business relation of customers for cases when the TAM Claim payment method value is Supplier Invoice
- 14 Deal Profile Maintenance - Define Deal Profiles
- 15 Agreement Type Maintenance - Define Agreement Types
- 16 TAM Account Maintenance - Define accounting for Agreement Type/Deal Profile combinations. Include SAFs as needed.
- 17 Product Line Maintenance - Set Promotion & Contract Discount Accounts
- 18 Sales Account Maintenance (if needed) - Set Promotion & Contract Discount Accounts
- 19 Generalized Codes
 - a Define for categ_fnc Values: Item & Customer
 - b Define for attr_datatype Values: Logical, Character, Date, Decimal, DateTime
 - c Define for attr_validation Values: AVD, CUST, GC
- 20 Attribute Category Maintenance - Define Item and Customer

- 21 Attribute Definition Maintenance - Define attributes for Items/Customers
- 22 Attribute Validation Detail - Define valid values for attributes
- 23 Item Master Maintenance - Attach item attributes
- 24 Customer Data Maintenance - Attach customer attributes
- 25 Analysis Code Maintenance - Create dynamic/status item/customer groups
- 26 Promotion Maintenance - Create Promotions
- 27 Pricing What-if Inquiry (S/O) - Check to ensure that Immediate Discount price lists are found.
- 28 Testing: Create Sales Orders/Pending Invoices. Ensure Immediate Discount and Bonus Goods deals appear as expected.
- 29 Testing: Invoice Post and Print - Post invoices. Run Promo DD Earned Discount Calc program and verify that ED records are created for Deferred Discount deals as expected.
- 30 Testing: Run Promo AF Earned Discount Calc program and verify that ED records are created for Allocated Funds deals as expected.
- 31 Testing: Run Promo SB Earned Discount Calc program and verify that ED records are created for Scan-back deals as expected.
- 32 Testing: Claim Maintenance - Ensure that earned discount records appear for customers as expected. Create a claim and save it as Pending status. Access claim again and save claim as Approved and verify the expected CCN created using Customer Invoice View. Verify that JEs are correct and post to the expected daybook.
- 33 Testing: Generate Claims Maintenance - Ensure generate claims working as expected if deal setting has System Generate Claims turned on.
- 34 Testing: Customer Payment Create - Create payment and a deduction attached to the promotional category, if promotional deductions are to be used. Verify JEs are correct.
- 35 Testing: TAM Deduction Review - Apply promotional deduction to an open ED amount and save as "ApprovedForWriteoff" status. Ensure that JEs are correct.
- 36 Promotion Activity Center - Verify that all activity displays properly

TAM Contract Business Scenario

This sample scenario is based on the real-world setups that a medical manufacturer uses to manage its contract relationships with its distributors and customers.

Participants include:

- **Manufacturer (TAM installed):** Makes and sells capital medical items such as feeding and pain control pumps. They also provide disposable items for these pumps, which are mainly the tube lines.
- **Distributors:** Manufacturer's business model includes two main types of Distributors:
 - "Big Box" Distributors: Sell disposable items to support use of the pumps
 - "Specialty" Distributors: Act as an extension of Manufacturer's sales team for the pumps themselves and also sell the disposal items
- **Buying groups or GPOs:** Represent end customers (hospitals, for example) to use the combined buying power of the group members
- **End customers (often members of a buying group):** The actual consumers of the Manufacturer's products

The following topics discuss the setup and usage of contracts to manage the activities of the two kinds of distributors.

Big Box Distributors

End customers may buy directly from the manufacturer or indirectly through the appropriate Big Box Distributors at the national contract price. Typically, the end customer buys directly from the manufacturer for the first few months to establish a usage pattern. After that, they are serviced by a distributor. Hospitals or GPOs specify the distributors that are under contract or serve their members. An exhibit to the contract documentation identifies approved distributors for the GPO on the contract. When the master agreement contract is agreed upon, the distributors are then sent the pricing (including pricing tiers) for the contract so they know the contract prices to apply to sales from them to the group members.

Example flow of business with Big Box:

- 1** Existing price with GPO is \$10 through national contract (end-user price).
- 2** Big Box Distributor pays initial Distributor Contract purchase price of \$40.
- 3** The distributor resells to group members at \$10, then sends back rebate tracing report (also known as Chargeback or Indirect Sales Trade data) to recover the difference from the manufacturer.
 - a** The manufacturer includes cash terms on the distributor's invoices to entice them to pay back earlier rather than later (cash terms attached to invoices is part of QAD EE functionality).
 - b** The distributor also charges the manufacturer a 5% service fee for doing business with them after they provide proof of resale.

Setup

The Master Agreement Contract 000000063 is defined with GPO for member prices and Admin Fee. Contains:

- GPO listed as Buying Group on contract Header - All Members check box is selected.
- The distributor, who is authorized to sell to the member hospitals, is recorded on the Customers tab of the contract.
- Contract Pricing Deal specifies the items and the sale prices for each of the five customer pricing tiers. The Chargeback check box is selected on the deal, which enables the distributor on the contract to be reimbursed for the difference between the price they pay (\$40) and the contract price they resell at (\$10 or less depending on the customer tier). This contract contains the contract price to group members (at the tier levels). However, it does not list the purchase price of the items for the distributor (handled under another contract, which will be referred to as the Distributor contract).

Note Typically the contract lists prices in cases - 20 units or “eaches” to a case.

- There is a Deferred Discount Deal attached representing the 3% Admin Fee payable to the GPO. Sales Basis is set to Members. Sales to the members on the contract, regardless of that the sale is from the manufacturer or from the distributor, are subject to the 3% admin fee. The 3% admin fee is to be calculated based on the contract price for the item, which varies by member depending on customer tier.

The Distributor Contract 000000064 defined with the Distributor listing the initial \$40 Distributor purchase price and a 5% Service Fee. Contains:

- Contract Customer is defined as Distributor; no customers listed on Customers tab.
- Contract pricing deal specifies the \$40 item pricing for the distributor.

Note The Chargeback check box for this deal is not selected.

- There is a Deferred Discount Deal attached representing the 5% Fee. This 5% fee is based on the \$40 purchase price of the distributor, but does not kick in until the distributor provides the manufacturer with the indirect sales data regarding the Distributor’s resale to the group member. When approved, the sales are then liable for the 5% fee payable to the distributor.

Accounting

- 1 For Contract Pricing deals, when the customer (the distributor) of the contract 000000064 buys and a contract price is used, the contract discount account is found during Invoice Post. The account comes from:

- Sales Account Maintenance

Based on the match of various combinations of Product Line, Site, Customer Type, and Channel.

If no matching is found, then look in

- Product Line Maintenance

Based on the match of Product Line.

Note SAF codes may also optionally be attached to the GL transaction via TAM Account Maintenance, by specifying the SAF Concept and SAF code to use for any particular combination of Contract Type and Deal Profile.

- 2 For Chargebacks (\$40 Dist Price contract 000000064 vs \$10 or less Member Price contract 000000063), we use the same rules as we did for contract pricing to determine the account, but the Daybook differs. If you want to further differentiate a contract discount line in the GL rather than just with the Daybook, you can attach SAF codes to the CB transactions in TAM Account Maintenance.
- 3 For 3% Admin Fee attached to Contract 000000063, the system looks for the Contract Discount Account from TAM Account Maintenance first, based on the Contract Type and Deal Profile combination of the Admin Fee deal, regardless of whether it is a direct or indirect purchase. Note again that SAFs can be included as well. If no matching is found in TAM Account Maintenance, then:
 - If it is a direct sale, the order is in the Manufacturer's system (QAD EE). TAM first searches for the Contract Discount Account from Sales Account Maintenance, then from Product Line Maintenance.
 - If it is an indirect sale, TAM searches for the Contract Discount Account from Product Line Maintenance, then from TAM Control.
- 4 For the Distributor Fee on Contract 000000064, the same logic as Admin Fee is used.

Additional Contracts

Sometimes, the manufacturer may create “one-off” contract for individual group members, which overrides the existing group contract pricing. These contracts are used to boost sales to the particular customer. This involves a contract pricing deal that is better than the existing group contract, and may also involve a deferred discount incentive. These contract sales, much like contract sales tied to the Master Agreement contract pricing, still are subject to the 3% admin fee back to the GPO.

Example Chicago Hospital is a group member which the Master Agreement contract 000000063 mentioned earlier applies. Negotiations establish that Chicago Hospital agrees to buy 10,000 more items in the next three months, and for committing to these sales, the Manufacturer will give them a one-off \$9 contract price, as well as a Deferred Discount in which they earn 5% back against the sales at \$9, once they reach that purchasing level of 10,000. These sales at \$9 apply to the admin fee deal on the master agreement - the GPO is due back the 3% admin fee for all contract sales to its members. Originally this customer was buying at \$10, but now they are buying at \$9. Regardless of whether they buy at \$10 or \$9, the GPO is due back 3% of that sale. The only variable is whether it is the \$10 or \$9 to which the admin fee is applied. Again, in this scenario, it does not matter if Chicago Hospital buys directly from the Manufacturer or from the Distributor at the one-off \$9 contract price, in that these sales are to be applied against the admin fee calculation.

Again, in this scenario, it does not matter whether Chicago Hospital buys directly from the manufacturer or from the distributor.

The One-off Contract contains:

- The member is the Customer on the contract header
- Contract Pricing deal attached for the price \$9
- Distributor is listed on the Customers tab
- Deferred Deal of 5% is attached, quantity breaks on the deal indicate 0% up to qty 9,999 then 5% at 10,000 and apply breaks to previous tiers is yes

Note The admin fee portion of this still resides on the original Master Agreement

Specialty Distributors

As mentioned earlier, the manufacturer uses Specialty Distributors as an extension of their sales force and they deal with both Capital and Disposables. Capital equipment prices to the distributors may have quantity breaks.

Example flow of business with Specialty dealers:

- 1 Specialty Distributor price, say \$7.50, is below the GPO Member contract price.
- 2 The distributor has built-in margin and sells to the indirect customer at \$10. In this case, the distributor assumes the AR risk.
- 3 The distributor sends back sales tracking files just for tracking, but does not get a rebate (Chargeback). The manufacturer requires this indirect sales information in order to generate and pay the admin fees to the GPO. In this case, the distributor, as a pass-through to get product to the customers, provides the tracing to accumulate the Admin fee to the GPO, not for tracking their own re-sales.

Specialty Contract Setup

- For Specialty Distributor contracts, set Customer to Specialty Distributor.
- Contract pricing is set to \$7.50
- The specialty distributor reports back indirect sales to the manufacturer. There is no chargeback created for the Specialty Distributor as the contract price to the member to which they sold is greater than the Price at which the Distributor bought.

The admin fee portion of the contract still resides on the original Master Agreement. The sales that the Distributor made to the members, at the Master Agreement or One-off contract price, still qualify for the 3% admin fee deal.

Negative Earned Discount Examples and Table Effects

These scenarios outline how negatives (such as returns) affect earned discount calculations and the respective earned discount tables involved.

Single Tier Scenario 1

Promotion Details

Deal: Quantity Type = Quantity, Amount Type = Disc %
 Apply Current Tier to Previous Sales = False
 Tiers: Tier 1 (Min Qty = 0, Disc % = 10%)
 Item: Item1 - 10% Item2 - 15%
 I Item price for both items: \$1.00

Scenario1												
Promotion Details												
Deal : Quantity Type = Quantity , Amount Type = Disc % Apply Current Tier to Previous Sales = False												
Tiers : Tier 1 (Min Qty = 0, Disc % = 10%) ,												
Item : Item1 - 10% Item2 - 15%												
Item price for both items: \$1.00												
Invoice	Earned Discount Total Tier			Earned Disc Total Item						Earned Discount Total		
	Tier 1			Item 1			Item 2					
	Min Qty = 0 Item1 Disc % = 10 % Item2 Disc% = 15%	Qualifying Qty	Accumulated Qty	Ed Amt	Qualifying Qty	Accum Qty	Ed Amt	Qualifying Qty	Accum Qty	Ed Amt	Qualifying Qty	Accumulated Qty
Invoice posted for Qty = 400 (item1) Amount = 400	40	400	400	40	400	400	0	0	0	40	400	400
Invoice posted for Qty = 500 (item2) Amount = 500	115	900	900	40	400	400	75	500	500	115	900	900
Invoice posted for Qty = -200 (item1) Amount = -200	95	700	700	20	200	200	75	500	500	95	700	700
Invoice posted for Qty = -300 (item1) Amount = -300	65	400	400	-10	-100	-100	75	500	500	65	400	400
Invoice posted for Qty = -600 (item2) Amount = -600	-25	-200	-200	-10	-100	-100	-15	-100	-100	-25	-200	-200
Invoice posted for Qty = 300 (item1) Amount = 300	5	100	100	20	200	200	-15	-100	-100	5	100	100
Invoice posted for Qty = 200 (item2) Amount = 200	35	300	300	20	200	200	15	100	100	35	300	300
Invoice posted for Qty = -600 (item1) Amount = -600	-25	-300	-300	-40	-400	-400	15	100	100	-25	-300	-300
Invoice posted for Qty = 300 (item1) Amount = 300	5	0	0	-10	-100	-100	15	100	100	5	0	0
Invoice posted for Qty = -200 (item1) Amount = -200	-15	-200	-200	-30	-300	-300	15	100	100	-15	-200	-200
Invoice posted for Qty = 200 (item2) Amount = 200	15	0	0	-30	-300	-300	45	300	300	15	0	0
Invoice posted for Qty = 300 (item1) Amount = 300	45	0	0	0	0	0	45	300	300	45	0	0
Invoice posted for Qty = -300 (item2) Amount = 300	0	0	0	0	0	0	0	0	0	0	0	0

Single Tier Scenario 2

Promotion Details

Deal: Quantity Type = Quantity, Amount Type = Discount Amount

Apply Current Tier to Previous Sales = False

Tiers: Tier 1 (Min Qty = 101, Disc Amt = 0.1)

Item: Item1: -0.1
Item2: -0.15

Item price for both items: \$1.00

Scenario2												
Promotion Details												
Deal : Quantity Type = Quantity , Amount Type = Discount Amount Apply Current Tier to Previous Sales = False												
Tiers : Tier 1 (Min Qty = 101, Disc Amt = 0.1) ,												
Item : Item1 - 0.1 Item2 - 0.15												
Item price for both items: \$1.00												
Invoice	Earned Discount Total Tier			Earned Disc Total Item						Earned Discount Total		
	Tier 1			Item 1			Item 2					
	Min Qty = 101 Item1 Disc Amt = 0.1 Item2 Disc Amt = 0.15	Qualifying Qty	Accum Qty	Ed Amt	Qualifying Qty	Accum Qty	Ed Amt	Qualifying Qty	Accum Qty	Ed Amt	Qualifying Qty	Accumulated Qty
Invoice posted for Qty = 400 (item1) Amount = 400	30	300	400	30	300	400	0	0	0	30	300	400
Invoice posted for Qty = 500 (item2) Amount = 500	105	800	900	30	300	400	75	500	500	105	800	900
Invoice posted for Qty = -200 (item1) Amount = -200	85	600	700	10	100	200	75	500	500	85	600	700
Invoice posted for Qty = -300 (item1) Amount = -300	50	300	400	-10	-100	-100	60	400	500	50	300	400
Invoice posted for Qty = -600 (item2) Amount = -600	-10	-100	-200	-10	-100	-100	0	0	-100	-10	-100	-200
Invoice posted for Qty = 300 (item1) Amount = 300	-5	0	100	10	100	200	-15	-100	-100	-5	0	100
Invoice posted for Qty = 200 (item2) Amount = 200	25	200	300	10	100	200	15	100	100	25	200	300
Invoice posted for Qty = -600 (item1) Amount = -600	-15	-200	-300	-30	-300	-400	15	100	100	-15	-200	-300
Invoice posted for Qty = 300 (item1) Amount = 300	5	0	0	-10	-100	-100	15	100	100	5	0	0
Invoice posted for Qty = -200 (item1) Amount = -200	-5	-100	-200	-20	-200	-300	15	100	100	-5	-100	-200
Invoice posted for Qty = 200 (item2) Amount = 200	15	0	0	-30	-300	-300	45	300	300	15	0	0
Invoice posted for Qty = 300 (item1) Amount = 300	30	200	300	0	0	0	30	200	300	30	200	300
Invoice posted for Qty = -300 (item2) Amount = -300	0	0	0	0	0	0	0	0	0	0	0	0

Single Tier Scenario 3

Promotion Details

Deal: Quantity Type = Amount, Amount Type = Disc%
 Apply Current Tier to Previous Sales = False
 Tiers: Tier 1 (Min Qty = 0, Disc% = 10%)
 Item: Item1: -10%
 Item2: -15%
 Item price for both items: \$1.00

Scenario3 Promotion Details												
Deal : Quantity Type = Amount , Amount Type = Disc % Apply Current Tier to Previous Sales = False												
Tiers: Tier 1 (Min Amount = 0, Disc % = 10 %) ,												
Item: Item1 - 10% Item2 - 15%												
Item price for both items: \$1.00												
Invoice	Earned Discount Total Tier			Earned Disc Total Item						Earned Discount Total		
	Tier 1			Item 1			Item 2					
	Min Amt = 0 Item1 Disc % = 10 % Item2 Disc% = 15%	Qualifying Qty	Accumulated Qty	Ed Amt	Qualifying Qty	Accum Qty	Ed Amt	Qualifying Qty	Accum Qty	Ed Amt	Qualifying Qty	Accumulated Qty
Invoice posted for Qty = 400 (item1) Amount = 400	40	400	400	40	400	400	0	0	0	40	400	400
Invoice posted for Qty = 500 (item2) Amount = 500	115	900	900	40	400	400	75	500	500	115	900	900
Invoice posted for Qty = -200 (item1) Amount = -200	95	700	700	20	200	200	75	500	500	95	700	700
Invoice posted for Qty = -300 (item1) Amount = -300	65	400	400	-10	-100	-100	75	500	500	65	400	400
Invoice posted for Qty = -600 (item2) Amount = -600	-25	-200	-200	-10	-100	-100	-15	-100	-100	-25	-200	-200
Invoice posted for Qty = 300 (item1) Amount = 300	5	100	100	20	200	200	-15	-100	-100	5	100	100
Invoice posted for Qty = 200 (item2) Amount = 200	35	300	300	20	200	200	15	100	100	35	300	300
Invoice posted for Qty = -600 (item1) Amount = -600	-25	-300	-300	-40	-400	-400	15	100	100	-25	-300	-300
Invoice posted for Qty = 300 (item1) Amount = 300	5	0	0	-10	-100	-100	15	100	100	5	0	0
Invoice posted for Qty = -200 (item1) Amount = -200	-15	-200	-200	-30	-300	-300	15	100	100	-15	-200	-200
Invoice posted for Qty = 200 (item2) Amount = 200	15	0	0	-30	-300	-300	45	300	300	15	0	0
Invoice posted for Qty = 300 (item1) Amount = 300	45	0	0	0	0	0	45	300	300	45	0	0
Invoice posted for Qty = -300 (item2) Amount = 300	0	0	0	0	0	0	0	0	0	0	0	0

Single Tier Scenario 4

Promotion Details

Deal: Quantity Type = Amount, Amount Type = Discount Amount
 Apply Current Tier to Previous Sales = False
 Tiers: Tier 1 (Min Qty = 100, Disc Amt = 0.1)
 Item: Item1: -0.1 Item2: - 0.15
 Item price for both items: \$1.00

Scenario4 Promotion Details Deal : Quantity Type = Amount , Amount Type = Discount Amount Apply Current Tier to Previous Sales = False Tiers : Tier 1 (Min Amount = 100, Disc Amt = 0.1) , Item: Item1 - 0.1 Item2 - 0.15 Item price for both items: \$1.00												
Invoice	Earned Discount Total Tier			Earned Disc Total Item						Earned Discount Total		
	Min Qty = 100 Item1 Disc Amt = 0.1 Item2 Disc Amt = 0.15	Qualifying Qty	Accum Qty	Item 1		Item 2				Ed Amt	Qualifying Qty	Accumulated Qty
				Ed Amt	Qualifying Qty	Accum Qty	Ed Amt	Qualifying Qty	Accum Qty	Ed Amt	Qualifying Qty	Accumulated Qty
Invoice posted for Qty = 400 (item1) Amount = 400	30	300	400	30	300	400	0	0	0	30	300	400
Invoice posted for Qty = 500 (item2) Amount = 500	105	800	900	30	300	400	75	500	500	105	800	900
Invoice posted for Qty = -200 (item1) Amount = -200	85	600	700	10	100	200	75	500	500	85	600	700
Invoice posted for Qty = -300 (item1) Amount = -300	50	300	400	-10	-100	-100	60	400	500	50	300	400
Invoice posted for Qty = -600 (item2) Amount = -600	-10	-100	-200	-10	-100	-100	0	0	-100	-10	-100	-200
Invoice posted for Qty = 300 (item1) Amount = 300	-5	0	100	10	100	200	-15	-100	-100	-5	0	100
Invoice posted for Qty = 200 (item2) Amount = 200	25	200	300	10	100	200	15	100	100	25	200	300
Invoice posted for Qty = -600 (item1) Amount = -600	-15	-200	-300	-30	-300	-400	15	100	100	-15	-200	-300
Invoice posted for Qty = 300 (item1) Amount = 300	5	0	0	-10	-100	-100	15	100	100	5	0	0
Invoice posted for Qty = -200 (item1) Amount = -200	-5	-100	-200	-20	-200	-300	15	100	100	-5	-100	-200
Invoice posted for Qty = 200 (item2) Amount = 200	15	0	0	-30	-300	-300	45	300	300	15	0	0
Invoice posted for Qty = 300 (item1) Amount = 300	30	200	300	0	0	0	30	200	300	30	200	300
Invoice posted for Qty = -300 (item2) Amount = -300	0	0	0	0	0	0	0	0	0	0	0	0

Single Tier Scenario 5

Promotion Details

Deal: Quantity Type = Quantity, Amount Type = Disc%

Apply Current Tier to Previous Sales = False
Fixed UOM = False

Tiers: Tier 1 (Min Qty = 0, Disc% = 10%)

Item: Item1: -10%
Item2: -15%

Item price for both items: \$1.00

1 CS = 100 EA

Scenario5 Promotion Details												
Deal : Quantity Type = Quantity , Amount Type = Disc % Apply Current Tier to Previous Sales = False Fixed UOM = False												
Tiers : Tier 1 (Min Qty = 0, Disc % = 10 %) ,												
Item : Item1 - 10% Item2 - 15%												
Item price for both items: \$1.00												
1 CS = 100 EA												
Invoice	Earned Discount Total Tier			Earned Disc Total Item						Earned Discount Total		
	Tier 1			Item 1			Item 2					
	Min Qty = 0 Item1 Disc % = 10 % Item2 Disc % = 15%	Qualifying Qty	Accumulated Qty	Ed Amt	Qualifying Qty	Accum Qty	Ed Amt	Qualifying Qty	Accum Qty	Ed Amt	Qualifying Qty	Accumulated Qty
Invoice posted for Qty = 4 CS (item1) Amount = 400	40	400	400	40	400	400	0	0	0	40	400	400
Invoice posted for Qty = 5 CS (item2) Amount = 500	115	900	900	40	400	400	75	500	500	115	900	900
Invoice posted for Qty = -2 CS (item1) Amount = -200	95	700	700	20	200	200	75	500	500	95	700	700
Invoice posted for Qty = -3 CS (item1) Amount = -300	65	400	400	-10	-100	-100	75	500	500	65	400	400
Invoice posted for Qty = -600 EA (item2) Amount = -600	-25	-200	-200	-10	-100	-100	-15	-100	-100	-25	-200	-200

Single Tier Scenario 6

Promotion Details

- Deal: Quantity Type = Quantity, Amount Type = Disc%
- Apply Current Tier to Previous Sales = False
- Tiers: Tier 1 (Min Qty = 0, Disc%= 10%)
- Item: Item1: 10%
- Item2: 15%
- Item 3: 20%
- Item prices are different (Item 1: 1\$, Item 2: \$2, Item 3:\$3)

Scenario6															
Promotion Details															
Deal : Quantity Type = Quantity , Amount Type = Disc % Apply Current Tier to Previous Sales = False															
Tiers : Tier 1 (Min Qty = 0, Disc % = 10 %)															
Item : Item1: 10%, Item2: 15%, Item3: 20%															
Item prices are different (Item1: 1\$, Item2: \$2, Item3: \$3)															
Invoice	Earned Discount Total Tier			Earned Disc Total Item									Earned Discount Total		
	Tier 1			Item 1			Item 2			Item 3					
	Min Qty = 0 Item1 Disc % = 10 % Item2 Disc% = 15%	Qualifying Qty	Accumulated Qty	Ed Amt	Qualifying Qty	Accum Qty	Ed Amt	Qualifying Qty	Accum Qty	Ed Amt	Qualifying Qty	Accum Qty	Ed Amt	Qualifying Qty	Accumulated Qty
Invoice posted for Qty = 400 (Item1) Amount = 400	40	400	400	40	400	400	0	0	0	0	0	0	40	400	400
Invoice posted for Qty = 500 (Item2) Amount = 1000	190	900	900	40	400	400	150	500	500	0	0	0	190	900	900
Invoice posted for Qty = 100 (Item3) Amount = 300	250	1000	1000	40	400	400	150	500	500	60	100	100	250	1000	1000
Invoice posted for Qty = -200 (Item1) Amount = -200	230	800	800	20	200	200	150	500	500	60	100	100	230	800	800
Invoice posted for Qty = -300 (Item1) Amount = -300	200	500	500	-10	-100	-100	150	500	500	60	100	100	200	500	500
Invoice posted for Qty = -600 (Item2) Amount = -600	20	-100	-100	-10	-100	-100	-30	-100	-100	60	100	100	20	-100	-100
Invoice posted for Qty = 300 (Item1) Amount = 300	50	200	200	20	200	200	-30	-100	-100	60	100	100	50	200	200
Invoice posted for Qty = 200 (Item2) Amount = 200	110	400	400	20	200	200	30	100	100	60	100	100	110	400	400
Invoice posted for Qty = -600 (Item1) Amount = -600	50	-200	-200	-40	-400	-400	30	100	100	60	100	100	50	-200	-200

Single Tier Scenario 7

Promotion Details

- Deal: Quantity Type = Quantity, Amount Type = Disc%
- Apply Current Tier to Previous Sales = False
- Tiers: Tier 1 (Min Qty = 100, Disc%= 10%)
- Item: Item1: 10%
- Item2: 15%
- Item3: 20%
- Item prices are different (Item 1: 1\$, Item 2: \$2, Item 3:\$3)

Scenario 7															
Promotion Details															
Deal : Quantity Type = Quantity , Amount Type = Disc % Apply Current Tier to Previous Sales = False															
Tiers : Tier 1 (Min Qty = 100, Disc % = 10 %)															
Item : Item1: 10%, Item2: 15%, Item3: 20%															
Item price are different (Item1: \$1, Item2: \$2, Item3: \$3)															
Invoice	Earned Discount Total Tier			Earned Disc Total Item									Earned Discount Total		
	Min Qty = 0 Item1 Disc % = 10 % Item2 Disc% = 15%	Qualifying Qty	Accumulated Qty	Item 1			Item 2			Item 3			Ed Amt	Qualifying Qty	Accumulated Qty
				Ed Amt	Qualifying Qty	Accum Qty	Ed Amt	Qualifying Qty	Accum Qty	Ed Amt	Qualifying Qty	Accum Qty			
Invoice posted for Qty = 400 (Item1) Amount = 400	30	300	400	30	300	400	0	0	0	0	0	0	30	300	400
Invoice posted for Qty = 500 (Item2) Amount = 1000	180	800	900	30	300	400	150	500	500	0	0	0	180	800	900
Invoice posted for Qty = 100 (Item3) Amount = 300	240	900	1000	30	300	400	150	500	500	60	100	100	240	900	1000
Invoice posted for Qty = -200 (Item1) Amount = -200	220	700	800	10	100	200	150	500	500	60	100	100	220	700	800
Invoice posted for Qty = -300 (Item1) Amount = -300	170	400	500	-10	-100	-100	120	400	500	60	100	100	170	400	500
Invoice posted for Qty = -600 (Item2) Amount = -600	50	0	-100	-10	-100	-100	0	0	-100	60	100	100	50	0	-100
Invoice posted for Qty = 300 (Item1) Amount = 300	40	100	200	10	100	200	-30	-100	-100	60	100	100	40	100	200
Invoice posted for Qty = 200 (Item2) Amount = 200	100	300	400	10	100	200	30	100	100	60	100	100	100	300	400
Invoice posted for Qty = -600 (Item1) Amount = -600	60	-100	-200	-30	-300	-400	30	100	100	60	100	100	60	-100	-200

Multi-Tier Scenario 1

Promotion Details

Deal: Quantity Type = Quantity, Amount Type = Disc%

Apply Current Tier to Previous Sales = False

- Tiers: Tier 1: (Min Qty = 0, Disc% = 10%)
- Tier 2: (Min Qty = 101, Disc% = 20%)
- Tier 3: (Min Qty = 201, Disc% = 30%)
- Tier 4: (Min Qty = 501, Disc% = 40%)

Item: Item1, Item 2

Scenario1		Promotion Details																					
Deal :		Quantity Type = Quantity , Amount Type = Disc % Apply Current Tier to Previous Sales = False																					
Tiers :		Tier 1 (Min Qty = 0, Disc % = 10 %) , Tier 2 (Min Qty = 101, Disc % = 20 %) , Tier 3 (Min Qty = 201, Disc % = 30 % , Tier 3 (Min Qty = 501, Disc % = 40 %))																					
Item :		Item1, Item2																					
Invoice	Item	Earned Discount Tier								Earned Discount Total Tier								Earned Disc Total Item				Earned Discount Total	
		Tier 1 Min Qty = 0, Disc % = 10 %		Tier 2 Min Qty = 101 Disc % = 20 %		Tier 3 Min Qty = 201 Disc % = 30 %		Tier 4 Min Qty = 501 Disc % = 40 %		Tier 1 Min Qty = 0, Disc % = 10 %		Tier 2 Min Qty = 101 Disc % = 20 %		Tier 3 Min Qty = 201 Disc % = 30 %		Tier 4 Min Qty = 501 Disc % = 40 %		Item 1		Item 2		ED Amt	Qual. Qty
		ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty		
Invoice posted for Qty = 400 (Item1) Amount = 400	Item1	10	100	20	100	60	200	-	-	10	100	20	100	60	200	0	0	90	400	-	-	90	400
Invoice posted for Qty = 500 (Item2) Amount = 500	Item2					30	100	160	400	10	100	20	100	90	300	160	400	90	400	190	500	280	900
Invoice posted for Qty = -200 (Item1) Amount = -200	Item1	10	100	20	100	0	0	-	-	10	100	20	100	90	300	80	200	30	200	170	500	200	700
Invoice posted for Qty = -3 CS (Item1) (100 ea = 1CS) Amount = -300	Item1	0	0	0	0	-30	-100			10	100	20	100	60	200	0	0	-30	-100	120	500	90	400
Invoice posted for Qty = -600 (Item2) Amount = -600	Item1	-10	-100							-10	-100	-20	-100	0	0	0	0	-10	-100	-20	-100	-30	-200
	Item2			-20	-100																		
Invoice posted for Qty = 300 (Item1) Amount = 300	Item1	20	200							10	100	0	0	0	0	0	0	20	200	-10	-100	10	100
	Item2	-10	-100																				
Invoice posted for Qty = 200 (Item2) Amount = 200	Item1	10	100	20	100					10	100	20	100	30	100	0	0	30	200	30	100	60	300
	Item2					30	100																
Invoice posted for Qty = -600 (Item1) Amount = -600	Item1	-20	-200	-20	-100	-30	-100			-10	-100	-20	-100	-30	-100	0	0	-70	-400	10	100	-60	-300
	Item2	10	100	0	0																		
Invoice posted for Qty = 300 (Item1) Amount = 300	Item1	-10	-100							0	0	0	0	0	0	0	0	-10	-100	10	100	0	0
	Item2	10	100																				
Invoice posted for Qty = -200 (Item1) Amount = -200	Item1	-20	-200	-20	-100					-10	-100	-20	-100	0	0	0	0	-40	-300	10	100	-30	-200
	Item2	10	100																				
Invoice posted for Qty = 200 (Item2) Amount = 200	Item1	-30	-300							0	0	0	0	0	0	0	0	-30	-300	30	300	0	0
	Item2	30	300																				

Multi-Tier Scenario 2

Promotion Details

Deal: Quantity Type = Quantity, Amount Type = Disc%

Apply Current Tier to Previous Sales = False

Tiers: Tier 1: (Min Qty = 101, Disc% = 10%)

Tier 2: (Min Qty = 201, Disc% = 20%)

Tier 3: (Min Qty = 301, Disc% = 30%)

Tier 4: (Min Qty = 501, Disc% = 40%)

Item: Item1, Item 2

Scenario2
Promotion Details
Deal : Quantity Type = Quantity , Amount Type = Disc% Apply Current Tier to Previous Sales = False
Tiers : Tier 1 (Min Qty = 101, Disc % = 10 %) , Tier 2 (Min Qty = 201, Disc % = 20 %), Tier 3 (Min Qty = 301, Disc % = 30 %), Tier 4 (Min Qty = 501, Disc % = 40 %)
Item : item1, item2

Invoice	Item	Earned Discount Tier								Earned Discount Total Tier								Earned Disc Total Item						Earned Discount Total			
		Tier 1 Min Qty = 101, Disc % = 10 %		Tier 2 Min Qty = 201, Disc % = 20 %		Tier 3 Min Qty = 301, Disc % = 30 %		Tier 4 Min Qty = 501, Disc % = 40 %		Tier 1 Min Qty = 101, Disc % = 10 %		Tier 2 Min Qty = 201, Disc % = 20 %		Tier 3 Min Qty = 301, Disc % = 30 %		Tier 4 Min Qty = 501, Disc % = 40 %		Item 1		Item 2		ED Amt		Qual. City		Accm City	
		ED Amt	Qual. City	ED Amt	Qual. City	ED Amt	Qual. City	ED Amt	Qual. City	ED Amt	Qual. City	ED Amt	Qual. City	ED Amt	Qual. City	ED Amt	Qual. City	ED Amt	Qual. City	Accm City	ED Amt	Qual. City	Accm City	ED Amt	Qual. City	Accm City	
Invoice posted for Qty = 400 (Item1) Amount = 400	Item1	10	100	20	100	30	100	-	-	10	100	20	100	30	100	0	0	60	300	400	-	-	60	300	400		
Invoice posted for Qty = 500 (Item2) Amount = 500	Item1	10	100	20	100	30	100			10	100	20	100	60	200	160	400	60	300	400	190	500	500	250	800	900	
Invoice posted for Qty = 200 (Item1) Amount = -200	Item1	10	100	0	0	0	0			10	100	20	100	60	200	80	200	10	100	200	160	500	500	170	600	700	
Invoice posted for Qty = -300 (Item1) Amount = -300	Item1	0	0	0	0	0	0																				
Invoice posted for Qty = -300 (Item1) Amount = -300	Item2	10	100	20	100	60	200	0	0	10	100	20	100	30	100	0	0	-30	-100	-100	90	400	500	60	300	400	
Invoice posted for Qty = 400 (Item2) Amount = 400	Item1	0	0			0	0			-10	-100			0	0	0	0	0	0	-100	-100	-100	-10	100	-200		
Invoice posted for Qty = 400 (Item2) Amount = 400	Item2	-10	-100	0	0	0	0													-10	-100	-100	0	0	100		
Invoice posted for Qty = 300 (Item1) Amount = 300	Item1	10	100							0	0	0	0	0	0	0	0	10	100	200	-10	-100	-100	0	0	100	
Invoice posted for Qty = 300 (Item1) Amount = 300	Item2	-10	-100																								
Invoice posted for Qty = 200 (Item2) Amount = 200	Item1	10	100							10	100	20	200	0	0	0	0	10	100	200	20	100	100	30	200	300	
Invoice posted for Qty = 200 (Item2) Amount = 200	Item2	0	0	20	100																						
Invoice posted for Qty = 600 (Item1) Amount = 600	Item1	-20	-200	-20	-100	0	0			-10	-100	-20	-100	0	0	0	0	-40	-300	-400	10	100	100	-30	-200	-300	
Invoice posted for Qty = 600 (Item1) Amount = 600	Item2	10	100	0	0	0	0	0	0																		
Invoice posted for Qty = 300 (Item1) Amount = 300	Item1	10	100	0	0					0	0	0	0	0	0	0	0	-10	-100	-100	10	100	100	0	0	0	
Invoice posted for Qty = 300 (Item1) Amount = 300	Item2	-10	-100																								
Invoice posted for Qty = -200 (Item1) Amount = -200	Item1	-20	-200	0	0	0	0																				
Invoice posted for Qty = -200 (Item1) Amount = -200	Item2	10	100	0	0	0	0	0	0	-10	-100	0	0	0	0	0	0	-20	-200	-300	10	100	100	-10	-100	-200	
Invoice posted for Qty = 200 (Item2) Amount = 200	Item1	-30	-300	0	0					0	0	0	0	0	0	0	0	-30	-300	-300	30	300	300	0	0	0	
Invoice posted for Qty = 200 (Item2) Amount = 200	Item2	30	300																								

Multi-Tier Scenario 3

Promotion Details

Deal: Quantity Type = Quantity, Amount Type = Disc%

Apply Current Tier to Previous Sales = True

- Tiers: Tier 1: (Min Qty = 0, Disc% = 10%)
- Tier 2: (Min Qty = 101, Disc% = 20%)
- Tier 3: (Min Qty = 201, Disc% = 30%)
- Tier 4: (Min Qty = 501, Disc% = 40%)

Item: Item1, Item 2

Scenario3																							
Promotion Details																							
Deal : Quantity Type = Quantity ,Amount Type = Disc% Apply Current Tier to Previous Sales = True																							
Tiers : Tier 1 (Min Qty = 0, Disc % = 10%) , Tier 2 (Min Qty = 101, Disc % = 20%), Tier 3 (Min Qty = 201, Disc % = 30%), Tier 4 (Min Qty = 501, Disc % = 40%)																							
Item : Item1,Item2																							
Invoice	Item	Earned Discount Tier								Earned Discount Total Tier								Earned Disc Total Item				Earned Discount Total	
		Tier 1 Min Qty = 0, Disc % = 10 %		Tier 2 Min Qty = 101 Disc % = 20 %		Tier 3 Min Qty = 201 Disc % = 30 %		Tier 4 Min Qty = 501 Disc % = 40 %		Tier 1 Min Qty = 0, Disc % = 10 %		Tier 2 Min Qty = 101 Disc % = 20 %		Tier 3 Min Qty = 201 Disc % = 30 %		Tier 4 Min Qty = 501 Disc % = 40 %		Item 1		Item 2		Earned Discount Total	
		ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty
Invoice posted for Qty = 400 (Item1) Amount = 400	Item1	30	100	30	100	60	200	-	-	30	100	30	100	60	200	0	0	120	400	-	-	120	400
Invoice posted for Qty = 500 (Item2) Amount = 500	Item1	40	100	40	100	80	200			40	100	40	100	120	300	160	400	160	400	200	500	360	900
	Item2					40	100	160	400														
Invoice posted for Qty = -200 (Item1) Amount = -200	Item1	40	100	40	100	0	0	-	-	40	100	40	100	120	300	80	200	80	200	200	500	280	700
	Item2					120	300	80	200														
Invoice posted for Qty = -300 (Item1) Amount = -300	Item1	0	0	0	0	-30	-100			30	100	30	100	60	200	0	0	-30	-100	150	500	120	400
	Item2	30	100	30	100	90	300	0	0														
Invoice posted for Qty = -600 (Item2) Amount = -600	Item1	-20	-100			0	0			-20	-100	-20	-100	0	0	0	0	-20	-100	-20	-100	-40	-200
	Item2	0	0	-20	-100	0	0																
Invoice posted for Qty = 300 (Item1) Amount = 300	Item1	10	100	10	100					10	100	0	0	0	0	0	0	20	200	-10	-100	10	100
	Item2			-10	-100																		
Invoice posted for Qty = 200 (Item2) Amount = 200	Item1	30	100	30	100					30	100	30	100	30	100	0	0	60	200	30	100	90	300
	Item2			0	0	30	100																
Invoice posted for Qty = -600 (Item1) Amount = -600	Item1	-30	-100	-30	-100	-60	-200			-30	-100	-30	-100	-30	-100	0	0	-120	-400	30	100	-90	-300
	Item2	0	0	0	0	30	100																
Invoice posted for Qty = 300 (Item1) Amount = 300	Item1	0	0	0	0	-30	-100			0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Item2					30	100																
Invoice posted for Qty = -200 (Item1) Amount = -200	Item1	-20	-100	-20	-100	-20	-100			-20	-100	-20	-100	0	0	0	0	-60	-300	10	100	-40	-200
	Item2					20	100																
Invoice posted for Qty = 200 (Item2) Amount = 200	Item1	-10	-100	-10	-100	-10	-100			0	0	0	0	0	0	0	0	-30	-300	30	300	0	0
	Item2	10	100	10	100	10	100																

Multi-Tier Scenario 4

Promotion Details

Deal: Quantity Type = Quantity, Amount Type = Disc%

Apply Current Tier to Previous Sales = True

Tiers: Tier 1: (Min Qty = 101, Disc% = 10%)

Tier 2: (Min Qty = 201, Disc% = 20%)

Tier 3: (Min Qty = 301, Disc% = 30%)

Tier 4: (Min Qty = 501, Disc% = 40%)

Item: Item1, Item 2

Scenario4
Promotion Details
Deal : Quantity Type = Quantity , Amount Type = Disc% Apply Current Tier to Previous Sales = True
Tiers: Tier 1 (Min Qty = 101, Disc % = 10 %) , Tier 2 (Min Qty = 201, Disc % = 20 %), Tier 3 (Min Qty = 301, Disc % = 30 % , Tier 3 (Min Qty = 501, Disc % = 40 %)
Items: Item1, Item2

Invoice	Item	Earned Discount Tier								Earned Discount Total Tier								Earned Disc Total Item						Earned Discount Total		
		Tier 1 Min Qty = 101, Disc % = 10 %		Tier 2 Min Qty = 201, Disc % = 20 %		Tier 3 Min Qty = 301, Disc % = 30 %		Tier 4 Min Qty = 501, Disc % = 40 %		Tier 1 Min Qty = 101, Disc % = 10 %		Tier 2 Min Qty = 201, Disc % = 20 %		Tier 3 Min Qty = 301, Disc % = 30 %		Tier 4 Min Qty = 501, Disc % = 40 %		Item 1		Item 2		ED Amt	Qual. Qty	Acqm Qty		
		ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	Acqm Qty	ED Amt				Qual. Qty	Acqm Qty
Invoice posted for Qty = 400 (Item1) Amount = 400	Item1	30	100	30	100	30	100	-	-	30	100	30	100	30	100	0	0	90	300	400	-	-	90	300	400	
Invoice posted for Qty = 500 (Item2)	Item1	40	100	40	100	40	100			40	100	40	100	80	200	160	400	120	300	400	200	500	300	320	800	900
	Item2					40	100	160	400																	
Invoice posted for Qty = -200 (Item3) Amount = -200	Item1	40	100	0	0	0	0			40	100	40	100	80	200	80	200	40	100	200	200	500	300	340	600	700
	Item2			40	100	80	200	80	200																	
Invoice posted for Qty = -300 (Item1) Amount = -300	Item1	0	0	0	0	-30	-100			30	100	30	100	30	100	0	0	-30	-100	-100	120	400	500	90	300	400
	Item2	30	100	30	100	60	200	0	0																	
Invoice posted for Qty = -600 (Item2) Amount = -600	Item1	-40	-200	0	0	0	0			-10	-100	0	0	0	0	0	0	0	0	-100	-10	-100	-100	-10	-100	-200
	Item2	-10	-200	0	0	0	0	0	0																	
Invoice posted for Qty = 300 (Item1) Amount = 300	Item1	0	0							0	0	0	0	0	0	0	0	0	100	200	0	-100	-100	0	0	100
	Item2	0	0																							
Invoice posted for Qty = 200 (Item2) Amount = 200	Item1	20	100							20	100	20	200	0	0	0	0	20	100	200	20	100	100	40	200	300
	Item2	0	0	20	200																					
Invoice posted for Qty = -400 (Item1) Amount = -400	Item1	-20	-200	-20	-200	0	0			-20	-100	-20	-100	0	0	0	0	-40	-300	-400	20	100	100	-40	-200	-300
	Item2	10	100	0	0	0	0	0	0																	
Invoice posted for Qty = 300 (Item1) Amount = 300	Item1	0	100	0	0					0	0	0	0	0	0	0	0	0	-100	-100	0	100	100	0	0	0
	Item2	0	-100																							
Invoice posted for Qty = -200 (Item1) Amount = -200	Item1	-20	-200	0	0	0	0			-10	-100	0	0	0	0	0	0	-20	-200	-300	10	100	100	-10	-100	-200
	Item2	10	100	0	0	0	0	0	0																	
Invoice posted for Qty = 200 (Item2) Amount = 200	Item1	0	-300	0	0					0	0	0	0	0	0	0	0	0	-300	-300	0	300	300	0	0	0
	Item2	0	300																							

Multi-Tier Scenario 5

Promotion Details

Deal: Quantity Type = Quantity, Amount Type = Discount Amount

Apply Current Tier to Previous Sales = False

- Tiers: Tier 1: (Min Qty = 0, Discount Amount = 0.1)
- Tier 2: (Min Qty = 101, Discount Amount = 0.2)
- Tier 3: (Min Qty = 201, Discount Amount = 0.3)
- Tier 4: (Min Qty = 501, Discount Amount = 0.4)

Item: Item1, Item 2 (price: \$1)

Scenario5																							
Promotion Details																							
Deal : Quantity Type = Quantity , Amount Type = Discount Amount Apply Current Tier to Previous Sales = False																							
Tiers : Tier 1 (Min Qty = 0, Disc Amount = 0.1) , Tier 2 (Min Qty = 101, Disc Amount = 0.2), Tier 3 (Min Qty = 201, Disc Amount = 0.3), Tier 4 (Min Qty = 501, Disc Amount = 0.4)																							
Item : Item1, Item2 (price: \$1)																							
Invoice	Item	Earned Discount Tier								Earned Discount Total Tier								Earned Disc Total Item				Earned Discount Total	
		Tier 1 Min Qty = 0, Disc Amount = 0.1		Tier 2 Min Qty = 101 Disc Amount = 0.2		Tier 3 Min Qty = 201 Disc Amount = 0.3		Tier 4 Min Qty = 501 Disc Amount = 0.4		Tier 1 Min Qty = 0, Disc Amount = 0.1		Tier 2 Min Qty = 101 Disc Amount = 0.2		Tier 3 Min Qty = 201 Disc Amount = 0.3		Tier 4 Min Qty = 501 Disc Amount = 0.4		Item 1		Item 2		ED Amt	Qual. Qty
		ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty		
Invoice posted for Qty = 400 (Item1) Amount = 400	Item1	10	100	20	100	60	200	-	-	10	100	20	100	60	200	0	0	90	400	-	-	90	400
Invoice posted for Qty = 500 (Item2) Amount = 500	Item2					30	100	160	400	10	100	20	100	90	300	160	400	90	400	190	500	280	900
Invoice posted for Qty = -200 (Item1) Amount = -200	Item1	10	100	20	100	0	0	-	-	10	100	20	100	90	300	80	200	30	200	170	500	200	700
	Item2					90	300	80	200														
Invoice posted for Qty = -300 (Item1) Amount = -300	Item1	0	0	0	0	-30	-100			10	100	20	100	60	200	0	0	-30	-100	120	500	90	400
	Item2	10	100	20	100	90	300																
Invoice posted for Qty = -600 (Item2) Amount = -600	Item1	-10	-100							-10	-100	-20	-100	0	0	0	0	-10	-100	-20	-100	-30	-200
	Item2			-20	-100																		
Invoice posted for Qty = 300 (Item1) Amount = 300	Item1	20	200							10	100	0	0	0	0	0	0	20	200	-10	-100	10	100
	Item2	-10	-100																				
Invoice posted for Qty = 200 (Item2) Amount = 200	Item1	10	100	20	100					10	100	20	100	30	100	0	0	30	200	30	100	60	300
	Item2					30	100																
Invoice posted for Qty = -600 (Item1) Amount = -600	Item1	-20	-200	-20	-100	-30	-100			-10	-100	-20	-100	-30	-100	0	0	-70	-400	10	100	-60	-300
	Item2	10	100	0	0																		
Invoice posted for Qty = 300 (Item1) Amount = 300	Item1	-10	-100							0	0	0	0	0	0	0	0	-10	-100	10	100	0	0
	Item2	10	100																				
Invoice posted for Qty = -200 (Item1) Amount = -200	Item1	-20	-200	-20	-100					-10	-100	-20	-100	0	0	0	0	-40	-300	10	100	-30	-200
	Item2	10	100																				
Invoice posted for Qty = 200 (Item2) Amount = 200	Item1	-30	-300							0	0	0	0	0	0	0	0	-30	-300	-30	300	0	0
	Item2	30	300																				

Multi-Tier Scenario 6

Promotion Details

Deal: Quantity Type = Quantity, Amount Type = Disc%

Apply Current Tier to Previous Sales = False

Tiers: Tier 1: (Min Qty = 100, Disc% = 10%)

Tier 2: (Min Qty = 200, Disc% = 20%)

Tier 3: (Min Qty = 300, Disc% = 30%)

Tier 4: (Min Qty = 500, Disc% = 40%)

Item: Item1, Item 2 (price: \$1)

Scenario6
Promotion Details
Deal : Quantity Type = Amount , Amount Type = Disc% Apply Current Tier to Previous Sales = False
Tiers : Tier 1 (Min Amount = 100, Disc % = 10 %) , Tier 2 (Min Amount = 200, Disc % = 20 %) , Tier 3 (Min Amount = 300, Disc % = 30 %) , Tier 4 (Min Amount = 500, Disc % = 40 %)
Item : Item1, Item2 (price: \$1)

Invoice	Item	Earned Discount Tier								Earned Discount Total Tier								Earned Disc Total Item						Earned Discount Total		
		Tier 1 Min Amount = 100, Disc % = 10 %		Tier 2 Min Amount = 200, Disc % = 20 %		Tier 3 Min Amount = 300, Disc % = 30 %		Tier 4 Min Amount = 500, Disc % = 40 %		Tier 1 Min Amount = 100, Disc % = 10 %		Tier 2 Min Amount = 200, Disc % = 20 %		Tier 3 Min Amount = 300, Disc % = 30 %		Tier 4 Min Amount = 500, Disc % = 40 %		Item 1			Item 2			ED Amt	Qual. Qty	Acum Qty
		ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	Acum Qty	ED Amt	Qual. Qty	Acum Qty			
Invoice posted for Qty = 400 (Item1) Amount = 400	Item1	10	100	20	100	30	100	-	-	10	100	20	100	30	100	0	0	60	300	400	-	-	60	300	400	
Invoice posted for Qty = 500 (Item2) Amount = 500	Item2					30	100	160	400	10	100	20	100	60	200	160	400	60	300	400	150	500	500	250	800	900
Invoice posted for Qty = 200 (Item1) Amount = -200	Item1	10	100	0	0	0	0			10	100	20	100	60	200	80	200	10	100	200	160	500	500	170	600	700
Invoice posted for Qty = 300 (Item1) Amount = -300	Item2			20	100	60	200	80	200																	
Invoice posted for Qty = 300 (Item1) Amount = -300	Item1	0	0	0	0	-30	-100			10	100	20	100	30	100	0	0	-30	-100	-100	90	400	300	60	300	400
Invoice posted for Qty = 600 (Item2) Amount = -600	Item2	10	100	20	100	60	200	0	0																	
Invoice posted for Qty = 400 (Item2) Amount = -400	Item1	0	0	0	0	0	0			-10	-100	0	0	0	0	0	0	0	0	-100	-10	-100	-100	-10	-100	-200
Invoice posted for Qty = 300 (Item2) Amount = 300	Item2	-10	-100	0	0	0	0	0	0																	
Invoice posted for Qty = 300 (Item1) Amount = 300	Item1	10	100							0	0	0	0	0	0	0	0	10	100	200	-10	-100	-100	0	0	100
Invoice posted for Qty = 200 (Item2) Amount = 200	Item2	-10	-100																							
Invoice posted for Qty = 200 (Item1) Amount = 200	Item1	10	100							10	100	20	200	0	0	0	0	10	100	200	20	100	100	30	200	300
Invoice posted for Qty = 200 (Item2) Amount = -200	Item2	0	0	20	100																					
Invoice posted for Qty = 400 (Item1) Amount = -400	Item1	-20	-200	-20	-100	0	0			-10	-100	-20	-100	0	0	0	0	-40	-300	-400	10	100	100	-30	-200	-300
Invoice posted for Qty = 300 (Item1) Amount = 300	Item2	10	100	0	0	0	0	0	0																	
Invoice posted for Qty = 300 (Item1) Amount = 300	Item1	10	100	0	0					0	0	0	0	0	0	0	0	-10	-100	-100	10	100	100	0	0	0
Invoice posted for Qty = 300 (Item1) Amount = 300	Item2	-10	-100																							
Invoice posted for Qty = 200 (Item1) Amount = -200	Item1	-20	-200	0	0	0	0			-10	-100	0	0	0	0	0	0	-20	-200	-300	10	100	100	-10	-100	-200
Invoice posted for Qty = 200 (Item2) Amount = -200	Item2	10	100	0	0	0	0	0	0																	
Invoice posted for Qty = 200 (Item2) Amount = 200	Item1	-30	-300	0	0					0	0	0	0	0	0	0	0	-30	-300	-300	30	300	300	0	0	0
Invoice posted for Qty = 200 (Item2) Amount = 200	Item2	30	300																							

Multi-Tier Scenario 7

Promotion Details

Deal: Quantity Type = Quantity, Amount Type = Discount Amount

Apply Current Tier to Previous Sales = True

- Tiers: Tier 1: (Min Qty = 0, Discount Amount = 0.1)
- Tier 2: (Min Qty = 100, Discount Amount = 0.2)
- Tier 3: (Min Qty = 200, Discount Amount = 0.3)
- Tier 4: (Min Qty = 500, Discount Amount = 0.4)

Item: Item1, Item 2 (price: \$1)

Scenario7																							
Promotion Details																							
Deal : Quantity Type = Amount , Amount Type = Disc Amount Apply Current Tier to Previous Sales = True																							
Tiers : Tier 1 (Min Amount = 0, Disc Amount = 0.1) , Tier 2 (Min Amount = 100, Disc Amount = 0.2), Tier 3 (Min Amount = 200, Disc Amount = 0.3), Tier 4 (Min Amount = 500, Disc Amount = 0.4)																							
Item : Item1, Item2 (price: \$1)																							
Invoice	Earned Discount Tier								Earned Discount Total Tier								Earned Disc Total Item				Earned Discount Total		
	Item	Tier 1 Min Amount = 0, Disc Amount = 0.1		Tier 2 Min Amount = 100 Disc Amount = 0.2		Tier 3 Min Amount = 200		Tier 4 Min Amount = 500 Disc Amount = 0.4		Tier 1 Min Amount = 0, Disc Amount = 0.1		Tier 2 Min Amount = 100 Disc Amount = 0.2		Tier 3 Min Amount = 200 Disc Amount = 0.3		Tier 4 Min Amount = 500 Disc Amount = 0.4		Item 1		Item 2		Total	
		ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty
Invoice posted for Qty = 400 (Item1) Amount = 400	Item1	30	100	30	100	60	200	-	-	30	100	30	100	60	200	0	0	120	400	-	-	120	400
Invoice posted for Qty = 500 (Item2) Amount = 500	Item1	40	100	40	100	80	200			40	100	40	100	120	300	160	400	160	400	200	500	360	900
	Item2					40	100	160	400														
Invoice posted for Qty = -200 (Item1) Amount = -200	Item1	40	100	40	100	0	0	-	-	40	100	40	100	120	300	80	200	80	200	200	500	280	700
	Item2					120	300	80	200														
Invoice posted for Qty = -300 (Item1) Amount = -300	Item1	0	0	0	0	-30	-100			30	100	30	100	60	200	0	0	-30	-100	150	500	120	400
	Item2	30	100	30	100	90	300	0	0														
Invoice posted for Qty = -600 (Item2) Amount = -600	Item1	-30	-100							-30	-100	-30	-100	0	0	0	0	-30	-100	-30	-100	-60	-200
	Item2	0	0	-30	-100	0	0																
Invoice posted for Qty = 300 (Item1) Amount = 300	Item1	20	100	20	100					20	100	0	0	0	0	0	0	40	200	-20	-100	20	100
	Item2			-20	-100																		
Invoice posted for Qty = 200 (Item2) Amount = 200	Item1	30	100	30	100					30	100	30	100	30	100	0	0	60	200	30	100	90	300
	Item2			0	0	30	100																
Invoice posted for Qty = -600 (Item1) Amount = -600	Item1	-30	-100	-30	-100	-60	-200			-30	-100	-30	-100	-30	-100	0	0	-120	-400	30	100	-90	-300
	Item2	0	0	0	0	30	100																
Invoice posted for Qty = 300 (Item1) Amount = 300	Item1	0	0	0	0	-30	-100			0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Item2					30	100																
Invoice posted for Qty = -200 (Item1) Amount = -200	Item1	-30	-100	-30	-100	-30	-100			-30	-100	-30	-100	0	0	0	0	-90	-300	30	100	-60	-200
	Item2					30	100																
Invoice posted for Qty = 200 (Item2) Amount = 200	Item1	-10	-100	-10	-100	-10	-100			0	0	0	0	0	0	0	0	-30	-300	30	300	0	0
	Item2	10	100	10	100	10	100																

Multi-Tier Scenario 8

Promotion Details

Deal: Quantity Type = Quantity, Amount Type = Discount Amount

Apply Current Tier to Previous Sales = True

- Tiers: Tier 1: (Min Qty = 100, Discount Amount = 0.1)
- Tier 2: (Min Qty = 200, Discount Amount = 0.2)
- Tier 3: (Min Qty = 300, Discount Amount = 0.3)
- Tier 4: (Min Qty = 500, Discount Amount = 0.4)

Item: Item1, Item2 (price: \$1)

Invoice		Earned Discount Tier								Earned Discount Total Tier								Earned Disc Total Item						Earned Discount Total		
		Tier 1 Min Amount = 100, Disc Amount = 0.1		Tier 2 Min Qty = 200, Disc Amount = 0.2		Tier 3 Min Qty = 300, Disc Amount = 0.3		Tier 4 Min Qty = 500, Disc Amount = 0.4		Tier 1 Min Amount = 100, Disc Amount = 0.1		Tier 2 Min Qty = 200, Disc Amount = 0.2		Tier 3 Min Qty = 300, Disc Amount = 0.3		Tier 4 Min Qty = 500, Disc Amount = 0.4		Item 1			Item 2			Total		
		ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	Accm Qty	ED Amt	Qual. Qty	Accm Qty	ED Amt	Qual. Qty	Accm Qty
Invoice posted for Qty = 400 (Item1) Amount = 400	Item1	30	100	30	100	30	100	-	-	30	100	30	100	30	100	0	0	90	300	400	-	-	90	300	400	
Invoice posted for Qty = 500 (Item2) Amount = 500	Item1	40	100	40	100	40	100			40	100	40	100	80	200	160	400	120	300	400	200	500	500	320	800	900
	Item2					40	100	160	400																	
Invoice posted for Qty = 200 (Item1) Amount = 200	Item1	40	100	0	0	0	0			40	100	40	100	80	200	80	200	40	100	200	200	500	500	240	600	700
	Item2			40	100	80	200	80	200																	
Invoice posted for Qty = 300 (Item1) Amount = 300	Item1	0	0	0	0	-30	-100			30	100	30	100	30	100	0	0	-30	-100	-100	120	400	500	90	300	400
	Item2	30	100	30	100	60	200	0	0																	
Invoice posted for Qty = 600 (Item2) Amount = 600	Item1	-40	-200	0	0	0	0			-10	-100	0	0	0	0	0	0	0	0	-100	-10	-100	-100	-10	-100	-200
	Item2	-10	-100	0	0	0	0	0	0																	
Invoice posted for Qty = 300 (Item1) Amount = 300	Item1	0	0							0	0	0	0	0	0	0	0	0	100	200	0	-100	-100	0	0	100
	Item2	0	0																							
Invoice posted for Qty = 200 (Item2) Amount = 200	Item1	20	100							20	100	20	100	0	0	0	0	20	100	200	20	100	100	40	200	300
	Item2	0	0	20	100																					
Invoice posted for Qty = 600 (Item1) Amount = 600	Item1	-20	-200	-20	-100	0	0			-20	-100	-20	-100	0	0	0	0	-40	-800	-400	20	100	100	-40	-200	-800
	Item2	10	100	0	0	0	0	0	0																	
Invoice posted for Qty = 300 (Item1) Amount = 300	Item1	10	100	0	0					0	0	0	0	0	0	0	0	-10	-100	-100	10	100	100	0	0	0
	Item2	-10	-100																							
Invoice posted for Qty = 200 (Item1) Amount = 200	Item1	-20	-200	0	0	0	0			-10	-100	0	0	0	0	0	0	-20	-200	-300	10	100	100	-10	-100	-200
	Item2	10	100	0	0	0	0	0	0																	
Invoice posted for Qty = 200 (Item2) Amount = 200	Item1	0	-300	0	0					0	0	0	0	0	0	0	0	0	-300	-300	0	300	300	0	0	0
	Item2	0	300																							

Multi-Tier Scenario 9

Promotion Details

- Deal: Quantity Type = Quantity, Amount Type = Discount%
- Apply Current Tier to Previous Sales = True
- Tiers: Tier 1: (Min Qty = 0, Disc% = 10%)
 Tier 2: (Min Qty = 101, Disc% = 20%)
 Tier 3: (Min Qty = 201, Disc% = 30%)
 Tier 4: (Min Qty = 501, Disc% = 40%)
- Item: Items have different prices.
 Item1: \$1 for each, Item2: \$2 for each, Item3: \$3 for each

Invoice		Earned Discount Tier								Earned Discount Total Tier								Earned Disc Total Item						Earned Discount Total	
Item	ED Amt	Tier 1 Min Qty = 0, Disc % = 10 %		Tier 2 Min Qty = 101 Disc % = 20 %		Tier 3 Min Qty = 201 Disc % = 30 %		Tier 4 Min Qty = 501 Disc % = 40 %		Tier 1 Min Qty = 0, Disc % = 10 %		Tier 2 Min Qty = 101 Disc % = 20 %		Tier 3 Min Qty = 201 Disc % = 30 %		Tier 4 Min Qty = 501 Disc % = 40 %		Item 1		Item 2		Item 3		ED Amt	Qual. Qty
		Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty			
Invoice posted for Qty = 400 (Item1) Amount = 400	Item1	30	100	30	100	60	200	-	-	30	100	30	100	60	200	0	0	120	400	-	-	-	-	120	400
Invoice posted for Qty = 500 (Item2) Amount = 1000	Item1	40	100	40	100	80	200			40	100	40	100	80	200	320	400	160	400	400	500	-	-	560	900
	Item2					80	100	320	400																
Invoice posted for Qty = 100 (Item3) Amount = 300	Item1	40	100	40	100	80	200			40	100	40	100	80	200	440	400	160	400	400	500	120	100	680	1000
	Item2					80	100	320	400																
	Item3							120	100																
Invoice posted for Qty = -400 (Item1) Amount = -400	Item1	0	0	0	0	0	0	-	-	80	100	80	100	240	300	120	100	0	0	400	500	120	100	520	600
	Item2	80	100	80	100	240	300	0	0																
	Item3							120	100																
Invoice posted for Qty = -300 (Item1) Amount = -300	Item1	0	0	0	0	-50	-200	-30	-100	60	100	60	100	120	100	60	0	-90	-500	300	500	90	100	300	300
	Item2	60	100	60	100	180	300	0	0																
	Item3							90	100																
Invoice posted for Qty = -600 (Item2) Amount = -1200	Item1	-30	-100	-30	-100			-30	-100	-30	-100	-30	-100	-60	-100	60	0	-90	-500	-60	-100	90	100	-60	-300
	Item2					-50	-100	0	0																
	Item3							90	100																
Invoice posted for Qty = 300 (Item1) Amount = 300	Item1	0	0							10	0	0	0	0	0	0	0	0	0	-20	-100	30	100	10	0
	Item2	-20	-100																						
	Item3	30	100																						
Invoice posted for Qty = 200 (Item2) Amount = 200	Item1	0	0							40	100	60	100	0	0	0	0	0	0	0	0	0	0	0	0
	Item2	40	100																						
	Item3			60	100																				

Multi-Tier Scenario 10

Promotion Details

- Deal: Quantity Type = Quantity, Amount Type = Disc%
 Apply Current Tier to Previous Sales = False
 Fixed UOM = False
 Currency = BBD (2BBD = 1 USD)
- Tiers: Tier 1: (Min Qty = 0, Disc% = 10%)
 Tier 2: (Min Qty = 101, Disc% = 20%)
 Tier 3: (Min Qty = 201, Disc% = 30%)
 Tier 4: (Min Qty = 501, Disc% = 40%)
- Item: Item1, Item2 (price: \$1)

Scenario10
 Verify Currency conversion and UOM conversion and check TC Earned Discout, BC Earned Discount and SC Earned Discount are all correct.
 Promotion Details
 Deal : Quantity Type = Quantity, Amount Type = Disc %
 Apply Current Tier to Previous Sales = False Fixed UOM = False
 Currency = BBD (2 BBD = 1 USD)
 Tiers : Tier 1 (Min Qty = 0, Disc % = 10 %), Tier 2 (Min Qty = 101, Disc % = 20%),
 Tier 3 (Min Qty = 201, Disc % = 30 %) Tier 4 (Min Qty = 501, Disc % = 40%)
 Item : Item1, Item2 (price: \$1)

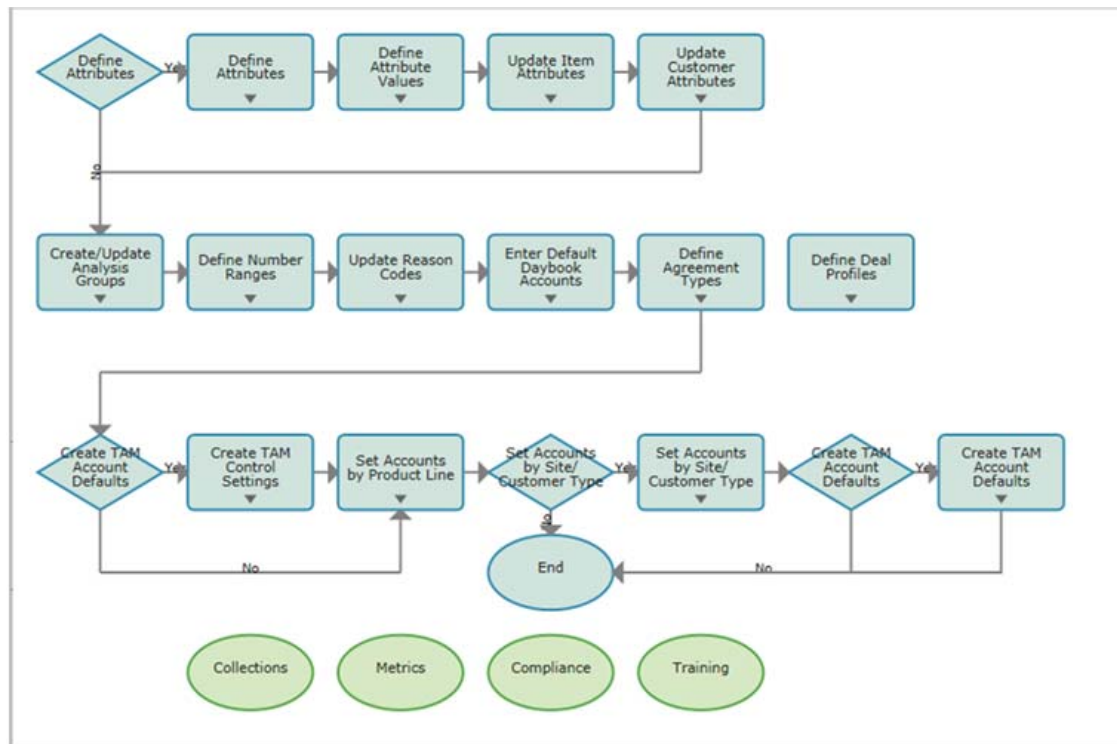
Invoice	Item	Earned Discount Tier(TC Earned Discount)								Earned Discount Total Tier(TC Earned Discount)								Disc Total Item(TC Earned Dis				Earned Discount Total(TC Earned Discount)	
		Tier 1 Min Qty = 0, Disc % = 10 %		Tier 2 Min Qty = 101, Disc % = 20 %		Tier 3 Min Qty = 201, Disc % = 30 %		Tier 4 Min Qty = 501, Disc % = 40 %		Tier 1 Min Qty = 0, Disc % = 10 %		Tier 2 Min Qty = 101, Disc % = 20 %		Tier 3 Min Qty = 201, Disc % = 30 %		Tier 4 Min Qty = 501, Disc % = 40 %		Item 1		Item 2		ED Amt	Qual. Qty
		ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty	ED Amt	Qual. Qty		
Invoice posted for Qty = 400 (Item1) Amount = 400	Item1	10	100	20	100	60	200	-	-	10	100	20	100	60	200	0	0	90	400	-	-	90	400
Invoice posted for Qty = 500 (Item2) Amount = 500	Item2					30	100	160	400	10	100	20	100	90	300	160	400	90	400	190	500	280	900
Invoice posted for Qty = -200 (Item1) Amount = -200	Item1					-60	-200	-	-	10	100	20	100	90	300	80	200	30	200	170	500	200	700
Invoice posted for Qty = -3 CS (Item1) (100 ea = 1CS) Amount = -300	Item1	-10	-100	-20	-100	-30	-100			10	100	20	100	60	200	0	0	-30	-100	120	500	90	400
	Item2	10	100	20	100			-80	-200														

TAM Process Maps

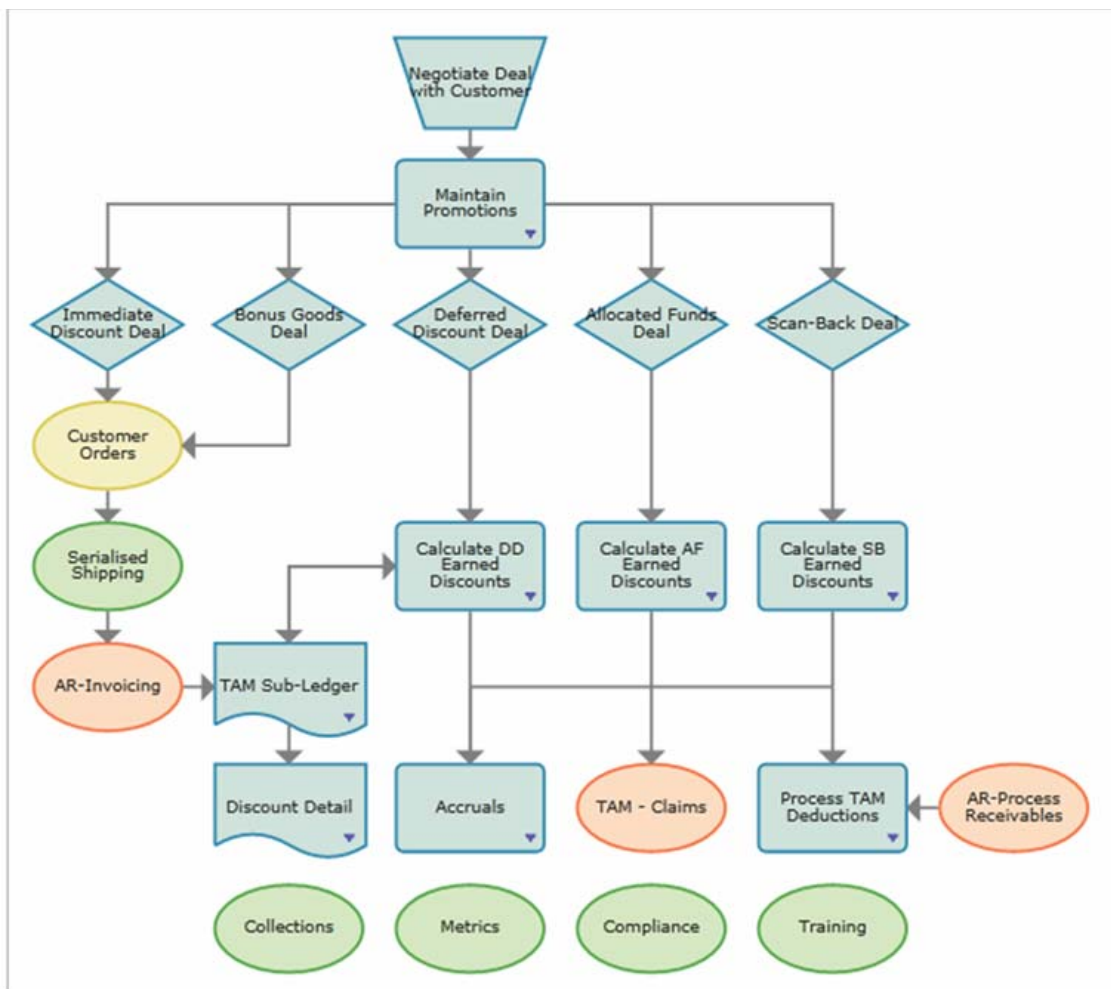
The following TAM process maps are available from several locations, such as Consumer Products/Manage Customer Relations, or Life Sciences - Medical Device/Set Up Options:

- TAM Setup
- TAM Promotions
- TAM Contracts
- TAM Claims

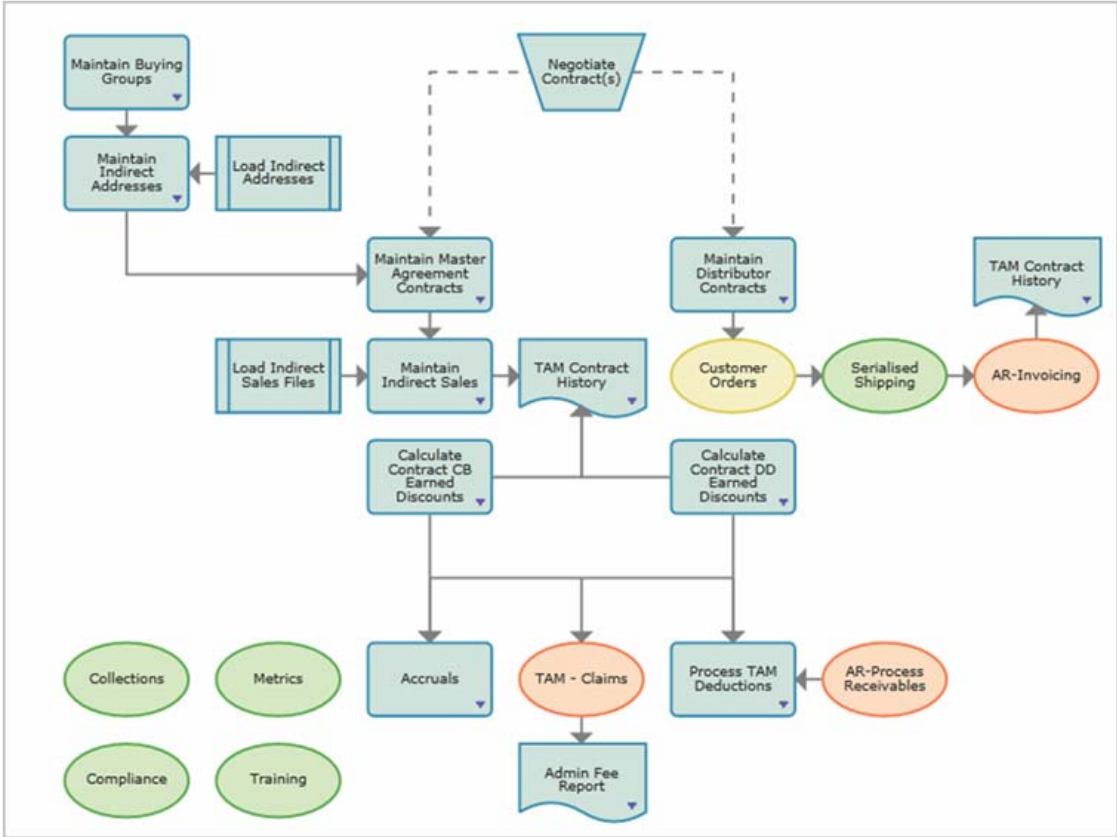
TAM Setup



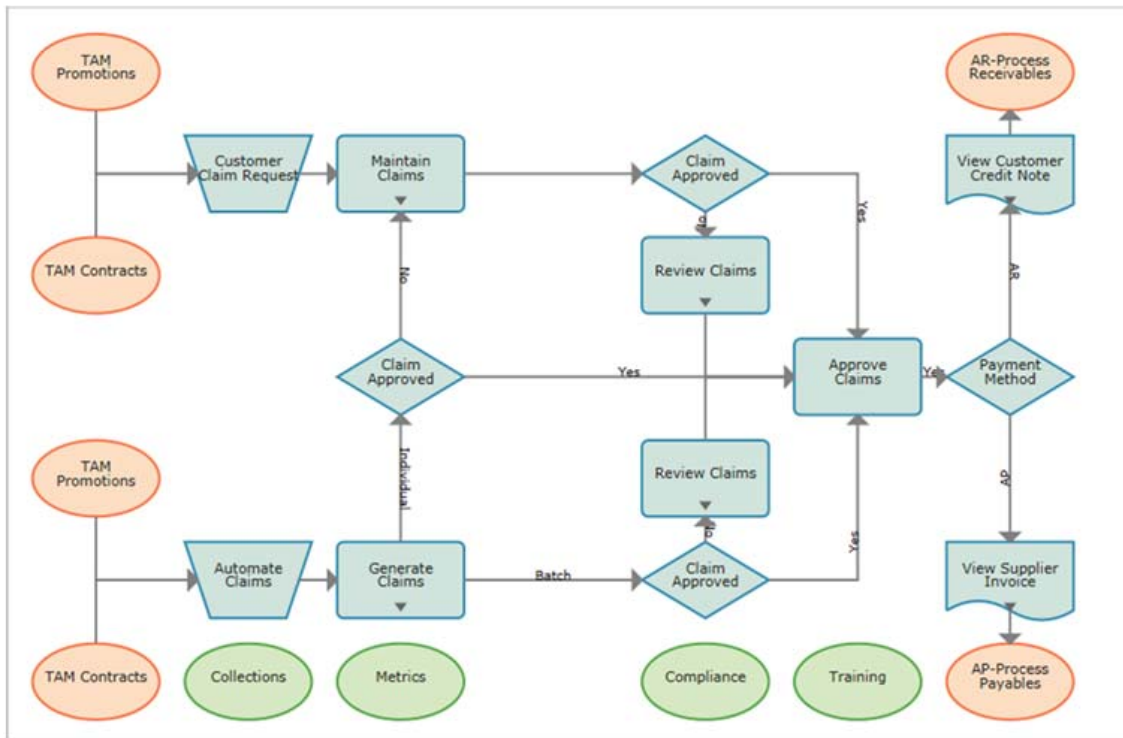
TAM Promotions



TAM Contracts



TAM Claims



Glossary

This chapter contains a glossary of some common TAM terms and concepts.

Accrual. Accruals report on current TAM liabilities at any point in time, and represent the open balance of a deal's accumulated Earned Discount amount. Generate Accruals Maintenance can be run to see a snapshot in time of the current TAM accruals. Saving the TAM accrual in a Pending status has no Financial effect. Accruals are typically run and saved as status Approved, at the end of every period/month, creating the necessary Journal Entries within the Financial General Ledger.

Administrative Fee. Within the Life Sciences industry, the commission a Buying Group or Group Purchasing Organization (GPO) earns for contracted sales to its group members, as logged on the legal contract, is called an Administrative Fee (Admin Fee for short). This is typically 3% of the contract member price, which is defined using a TAM Deferred Discount contract deal.

Attributes. Attributes allow users to define specific business characteristics to further delineate their Customers and/or Items. These attributes can be referenced when defining Customer and Item Group membership and can be used to filter reports and browses. Attributes are first defined in Attribute Definition Maintenance. Valid values for the attribute may be specified in Attribute Validation Detail Maintenance. Item attributes are attached within Item Master Maintenance, and customer attributes via Customer Data Maintenance.

Example

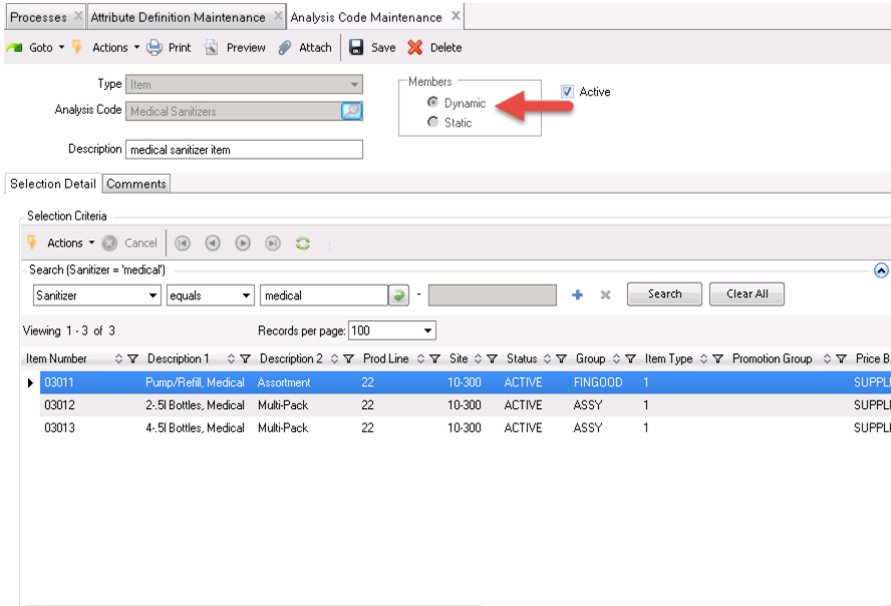
Item Attribute	Valid Values
Sanitizer	Medical
	Scented
	Unscented

Analysis Codes. Customer and Item groups are created within TAM as analysis codes, and defined within Analysis Code Maintenance. Analysis codes can either be:

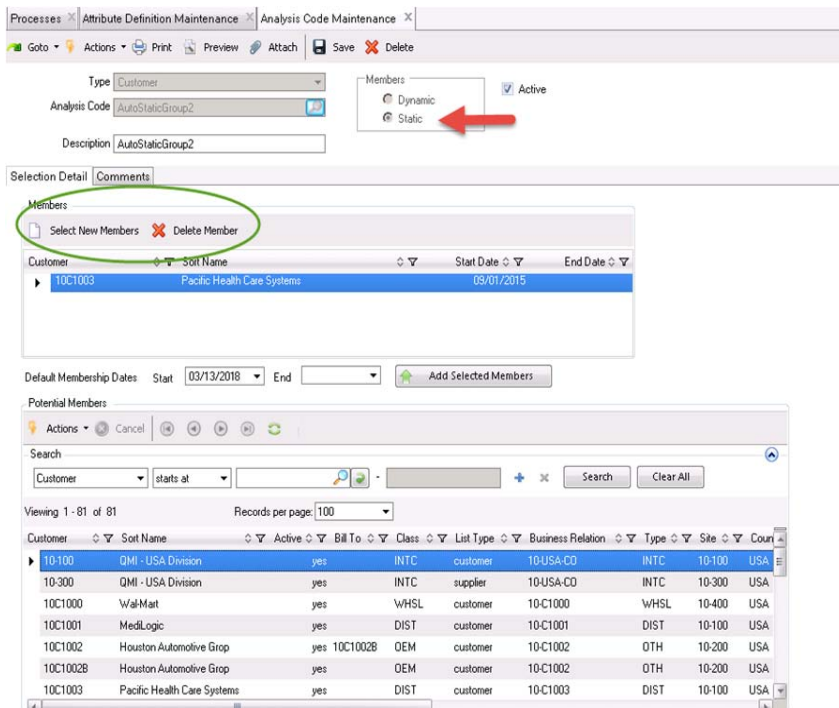
- Static—group members are specified and saved on the group and may have different start and end effective membership dates, or
- Dynamic—the Item or Customer attributes only are saved on the group and actual Item or Customer membership is determined dynamically when used. Note: The legacy program Price List Maintenance (ppacmt.p) is not the same program as is used in TAM. The TAM program is written in QRA (urn:cmgroup:analysiscodeselection) and is driven by Dynamic Pricing.

Example

Analysis Code is Medical Sanitizer with dynamic = yes. Any items with a “sanitizer” type attribute value of “medical,” as specified in Item Master Maintenance, will be pulled into the group. If the Members flag is set to Static, each item number needs to be manually added and maintained. The benefit of a dynamic group is that each time a new item is added with the attribute of “medical,” it will be automatically added as a member of this analysis code.



Static groups can have a start and end date and members are added, expired and/or deleted within Analysis Code Maintenance.



Agreement Type. Every TAM Agreement (Promotion or Contract) requires an Agreement Type. This describes the usage of the agreement and also helps segregate accounting. Users can define any number of agreement types in Agreement Type Maintenance and choose whether they will apply to Promotions and/or Contracts. Examples might be “product launch,” “sales contest,” or “marketing.”

A “promotion” agreement type will be used in Promotion Maintenance, while TAM Contract Maintenance utilizes the “contract” agreement type. Accounting for each Agreement Type and Deal Profile combination can be maintained in TAM Account Maintenance.

Bonus Goods. A type of promotional deal category, often called a BOGO or Free Goods deal. Bonus Goods deals are evaluated during order entry and may give items away for free or at an additional discount based upon qualifying order line purchases. These deals may include additional quantities of previous items ordered, or new items not previously ordered.

Buying Group. Also known as a Group Purchasing Organization (GPO), represent a group of businesses to obtain discounts from manufacturers/vendors based on the collective buying power of the group members. The negotiated and agreed-upon pricing for group members is logged onto legal contracts. The GPO earns an administrative fee, typically 3% of total contract sales as logged on the legal contract, recovered in a Deferred Discount deal.

Buying Group Membership Browse. This browse shows the indirect addresses or members that belong to a particular buying group.

Chargeback. The process in which the distributor or reseller proves sales and claims reimbursement from the manufacturer is commonly called the Chargeback or Sales Trace process. A chargeback is calculated as the difference between what the Distributor bought the item for and the contract price used to sell to the group member.

Claim. A claim is a way a Manufacturer can give back a TAM discount a customer has earned, but not received. An Approved status claim results in either a Customer Credit Note (CCN) or a Supplier Invoice (SI). The Generate Claims Maintenance program may be used to have TAM create the claims for you, for deals flagged as “System Generate Claims.”

Claim Activity Center. This TAM center brings together all relevant Claim detail information in one place, and is viewable/sortable in several different ways. This includes detailed information about the Claim, Customer(s), Deals, Item(s), and the specific claim-related Earned Discount(s).

Contract. TAM Contracts represent negotiated legal and binding agreements, and typically involve indirect customers; that is, the manufacturer sells the goods to an intermediate party who then provides them to the end customers, who are often members of a buying group. This business flow differs from that found on promotions; thus, separate TAM contract setup and definition exists within Trade Activity Management.

There are two main types of contracts: Buying Group and Distributor Contracts.

- Buying Groups—also know as GPOs—represent a group of businesses to obtain discounts from vendors based on the collective buying power of the group members. The negotiated and agreed-upon pricing for group members is logged onto legal contracts. The GPO earns an administrative fee—typically 3% of total contract sales as logged on the legal contract—recovered in a Deferred Discount deal. The contract between the manufacturer and a group is sometimes referred to as a master agreement or master contract.

- Distributors purchase goods typically at a negotiated distributor contract price, then sell to indirect customers, also known as buying group members, often at a lower price based on an existing master agreement contract with a buying group. They recover the difference as a chargeback to the manufacturer, as well as other fees such as a negotiated percentage as a service fee, which is paid as a Deferred Discount.

Contract Activity Center. This TAM center brings together all relevant TAM Contract detail information in one place, and is viewable/sortable in several different ways. This includes detailed information about the Contract, Deal, Buying Group, Group Members, Customer/Distributor(s), Item(s), Earned Discount(s), Contract History and Indirect Sales records, Deductions and Claims.

Contract Type. This is an Agreement Type used on TAM contracts. The agreement type is first defined in Agreement Type Maintenance as type Contract, then attached to contracts using TAM Contract Maintenance.

Deal. A deal is part of any TAM Agreement (Contract or Promotion), and reflects the parameters surrounding the discount. When creating an Agreement, the deal profile is chosen and the corresponding deal detail is entered. For example, if the deal category is “immediate discount,” the discount percentage or amount is entered in the deal detail. If the deal category is “bonus goods,” the qualifying item(s) and possible free goods are entered in the detail section.

Deal Categories. There are five Promotion deal categories:

- Immediate Discount (Order/line discount)
- Bonus Goods (for example, Buy 1 get 1 free)
- Allocated Funds (fixed amount of money)
- Deferred Discount (based on posted sales)
- Scan-back (accrue on planned sales, claim on reported sales)

There are two TAM Contract deal categories:

- Contract Pricing (Buying Group member and Distributor pricing)
- Deferred Discount (Admin Fees and Distributor Fees)

Deal Profile. Templates are created in Deal Profile Maintenance ahead of time for deals to be used on TAM Contracts and Promotions. The deal profile relates to a particular deal category and values are assigned. These values then default onto individual TAM Contract and Promotions, and can be updated on specific deals as needed.

Deal Profile along with Agreement Type also helps to delineate TAM accounting.

Deductions. A customer may short pay an invoice for discount amounts they feel they have earned and are due back. This is handled through deductions recorded during payment entry via functionality provided with Enterprise Financials. The standard type of deduction is then resolved using the Deduction Review program. Deductions related to open TAM Contract and Promotion deals are resolved using the TAM Deduction Review program.

Deferred Discount. Deferred discounts are percentages or discount amounts based on sales and granted in the future. The discount rate structure can be either flat or tiered. When representing Promotional deals, these are sometimes called Bill-backs, Rebates, or commissions. Deferred discounts are also used to represent Admin Fees and Distributor Service Fees in the TAM Contract business flow.

Distributor. With regard to TAM Contracts, distributors purchase goods typically at a negotiated distributor contract price, then sell to indirect customers, also known as buying group members, at a lower member contract price. They recover the loss they incur as a result of price difference, as a chargeback to the manufacturer, as well as potentially other negotiated service fees.

Earned Discounts. Represent the calculated discounts that the customer has earned on behalf of existing TAM deals. For Deferred Discounts, the accumulation of the discount over time and the storage among the various Earned Discount tables is controlled by the “accumulation period” deal setting.

Although at times the system records transactional data related to TAM using subledger and discount detail tables, earned discounts are not automatically calculated in real time when the transactions take place.

Depending on the deal category, there are five different programs that need to be run to create/update earned discount accumulated values:

- Promotion deal Earned Discount Calc programs (Promo AF, Promo DD, Promo SB)
- TAM Contract deal Earned Discount Calc programs (Contract CB, Contract DD).

You can run the various earned discount calculation programs manually throughout the day, or instead, set up a cron job to run the programs in the background at a specified frequency. For example, typically the Promo DD Earned Discount Calc program is scheduled to run at night immediately after the Invoice Post and Print program completes.

The Earned Discounts tables themselves maintain the accumulated Earned Discount values. Open balances for Earned Discounts are run-time calculations and are visible within the Promotion and Contract Earned Discount Balance reports, as well as displayed within the TAM Deduction Review and Claim Maintenance programs. Programs such as Generate Accruals Maintenance and Generate Claims Maintenance derive the generated Accrual and Claim amounts from the Earned Discount open balance value calculated at that point in time.

Earned Discounts are given back to the customer and resolved against open TAM deals using either TAM Claims, which allows you to manage your Earned Discount values down to the item level, or TAM Deductions, which are initiated by the customer. (NOTE: TAM Deductions currently manage the earned discount at the summarized parent level only—not down to the item level.)

Use the various Earned Discount browses and collections to view earned discount information, as well as the TAM Activity centers.

Group Purchasing Organization. These organizations represent and negotiate on behalf of a group of businesses, in order to obtain discounts from manufacturers/vendors based on the collective buying power of the group members. They are often referred to as a GPO, and are defined within Buying Group Maintenance in TAM. Details logged onto legal contracts include the negotiated pricing for group members, as well as the commission or administrative fee, typically 3% of member sales, the organizations receive for their work on behalf of their group members.

Immediate Discount. A type of Promotional deal category, often called an Off Invoice deal, resulting in a price list or volume discount when the Promotion is saved as status Open. The discount is visible immediately during order entry, via the Dynamic pricing logic, and expensed in the GL after invoice post. Price Lists based upon Immediate Discount deals are visible within Pricing reports and inquiries such as Pricing Report and Pricing What-if Inquiry (S/O).

Indirect Address/Indirect Customer. Manufacturers typically sell goods to an intermediate party, or Distributor, who then sells and distributes the items to the end customers. Since these customers do not usually buy directly from the manufacturer, but through a Distributor, they are often referred to as Indirect Customers or Indirect Addresses. They also may often be members of a buying group, in order to achieve better collective pricing.

Indirect addresses/ indirect customers are defined within TAM using the Indirect Address Maintenance program, or uploaded electronically using Excelerator, and are set up independently of a business relation or customer as the record is only needed for TAM. If they do buy directly from the manufacturer, then a proper customer record needs to be attached to the indirect address record.

Indirect Sales. To receive reimbursement for the difference between the purchase price of an item from the Manufacturer and the lower contract price on sales made to indirect customers based on contract deals, distributors provide indirect sales, or sales trace documents back to the manufacturer outlining the indirect sale details. When matched against contracts and approved, these records drive the calculated Earned Discounts for chargebacks and service fees for distributors as well as the administrative fees for buying groups/GPOs. Indirect sales can be loaded electronically via Excelerator or input manually using the Indirect Sales Maintenance program.

Master Agreement. Also known as the master contract, this is the negotiated contract between the Manufacturer and the Buying Group or Group Purchasing Organization (GPO). This contract contains the Contact Pricing deal details for the group members, as well as the commission or Admin Fee deal details due back to the Buying Group or GPO.

Pricing Tier. When Manufacturers negotiate pricing with Buying Groups/GPOs, they often determine pricing based on members anticipated purchasing levels. Since there are often several hundred or thousands of members, each buying group may have a different number of pricing tiers defined for members based upon the varying purchasing levels. Each member is assigned a pricing tier, based upon its anticipated purchases, and negotiated pricing differs on the pricing tier to which the member belongs. Pricing Tier is maintained within Indirect Address Maintenance in TAM.

Promotion. A TAM agreement/offer provided to a customer and/or customer group, over a specified period of time giving away some value. This discount can be received with the sale (Immediate Discounts, Bonus Goods), based upon the invoiced sale (Deferred Discount), based upon scanned sales reported back (Scan-backs), or independent of sales (Allocated Funds).

Promotion Activity Center. This TAM center brings together all relevant Promotion detail information in one place, and is viewable/sortable in several different ways. This includes detailed information about the Promotion, Deal, Customer(s), Item(s), Earned Discount(s), TAM Subledger and Discount Detail records, Deductions and Claims.

Promotion Type. This is an Agreement Type used on promotions. The agreement type is first defined in Agreement Type Maintenance as type Promotion, then attached to promotions using Promotion Maintenance.

Scan-back Deal. A type of Promotional deal category, available when the Promotion is saved as status Open, granting a discount amount back per item reported sold. The earned discount is calculated by the Promo SB Earned Discount Calc program, using the planned amount information found within the deal. However, the actual Scan-back discount amount on claims is made after scanned sales are reported back by customer. Accruals are based on the calculated earned discount open balances from the deal planned amounts; however, Claimed amounts typically differ from Planned amounts.

Service Fee. A form of compensation for services given by a distributor. With regard to TAM Contracts, distributors purchase goods typically at a negotiated distributor contract price, then sell to indirect customers, also known as buying group members, at a lower member contract price. They recover the loss they incur as a result of a price difference as a chargeback to the manufacturer, as well as potentially other negotiated service fees in order to derive a profit from the business arrangement.

Tiers. Within Immediate Discount and Deferred Discount deals, multiple tiers can be defined, allowing for different discount amounts or percentages to be applied as the sales amount or quantities accumulate over the life of the deal. For example, a Manufacturer may offer a 1% rebate on sales of Item A over the course of the next three months up to \$100,00.00. Once a customer reaches sales of \$100,000, then they now qualify to earn 2% on sales over and above that amount. There would be two tiers defined in this deal scenario.

Product Information Resources

QAD offers a number of online resources to help you get more information about using QAD products.

[QAD Forums \(community.qad.com\)](https://community.qad.com)

Ask questions and share information with other members of the user community, including QAD experts.

[QAD Knowledgebase \(knowledgebase.qad.com\)*](https://knowledgebase.qad.com)

Search for answers, tips, or solutions related to any QAD product or topic.

[QAD Document Library \(documentlibrary.qad.com\)](https://documentlibrary.qad.com)

Get browser-based access to user guides, release notes, training guides, and so on; use powerful search features to find the document you want, then read online, or download and print PDF.

[QAD Learning Center \(learning.qad.com\)*](https://learning.qad.com)

Visit QAD's one-stop destination for all courses and training materials.

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