

Quick Reference: DEDUCTIONS

HELP! Email questions & issues to support@cgsquared.com



FIRST TIME USER OF NETSUITE? Read the first three chapters of the **NetSuite Basics User Guide** found at www.i-TPM.com/training-resources.com.

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|--|---|
| Deduction CONDITION: Based on open deduction balance | Deduction DISPUTED? checkbox: |
| <p>Open: Deduction has an open balance.</p> <p>Pending: Associated journal entry is awaiting approval.</p> <p>Processing: Deduction SPLIT is being processed.</p> <p>Resolved: Deduction has a zero balance.</p> | <p>Checked Disputed Deduction validity is questioned. You may re-invoice, return to customer A/R</p> <p>UnChecked: Deduction assumed to be valid.</p> |

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|---|---|
| CREATE a deduction from an OPEN INVOICE: | CREATE a deduction from a CREDIT MEMO |
| <ol style="list-style-type: none"> VIEW AN OPEN SHORT-PAID INVOICE (STANDARD NETSUITE) CLICK THE DEDUCTION BUTTON SHORT-PAY TAKEN AGAINST ONE INVOICE SHORT-PAY TAKEN ACROSS MULTIPLE INVOICES NEXT ACTION & DATE (OPTIONAL) ASSIGN DEDUCTION, REASON CODE (OPTIONAL) NOTES, ATTACHMENTS (OPTIONAL) NOTE: ALL OF THE OPEN BALANCE BECOMES A DEDUCTION SAVE | <ol style="list-style-type: none"> VIEW A CREDIT MEMO CREATED TO PROCESS A SHORT-PAY CLICK THE DEDUCTION BUTTON NEXT ACTION & DATE (OPTIONAL) ASSIGN DEDUCTION, REASON CODE (OPTIONAL) NOTES, ATTACHMENTS (OPTIONAL) NOTE: ALL OF THE CREDIT MEMO BECOMES A DEDUCTION SAVE |

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| Ways to MANAGE deductions: (OPTIONAL WORKFLOW) | Three ways to RESOLVE OPEN DEDUCTIONS: |
| <ol style="list-style-type: none"> VIEW OPEN DEDUCTION LIST NEXT ACTION & DATE ASSIGN A DEDUCTION, REASON CODE NOTES, ATTACHMENTS DISPUTE A DEDUCTION & DEDUCTION STATUS QUICK SPLIT AND/OR SPLIT A DEDUCTION AND/OR SPLIT (CSV) UPLOAD CSV FILE AND SPLIT A DEDUCTION Use Deduction Aging & Open Deduction Report | <p>Promotional Deduction: SETTLEMENT button, or use EXPENSE button.</p> <p>Non-Promotional Deduction: Expense to a chart of account: EXPENSE button. Re-invoice disputed deduction: REINVOICE button.</p> <p>For more details, See Quick Reference for Settlements</p> |

For a list of your deductions, **iTPM -> Deductions -> List** Click **VIEW**, or the deduction ID to view the deduction.

TPM terminology and reference section

Split: The result of breaking up deductions to represent the individual claims that were rolled up into one iTPM deduction.

Settlement: In iTPM, a settlement is customer’s promotional claim that you associate with a specific iTPM promotion. Settlements reduce a promotion’s net liability, and optionally also reduce the iTPM accrual balance.

Short-pay: Customer short-pays one or more invoices without explanation. You need to research so you can properly resolve it.

Deduction: Customer is owed promotional money, so they subtract the amount owed from their payment of an unrelated invoice(s). This term also relates to deductions created in iTPM. Research each deduction and resolve in one of four ways.

I made a mistake, what do I do?

Here are some common settlement & deduction mistakes, and how to fix them:

If you accidentally **create a deduction** when you did not want to:

- If there are no resolutions for that deduction, and the period is not closed, a NetSuite admin user can DELETE the deduction.
- Same approach if deduction is created from an invoice or from a credit memo.

If you create an **incorrect SETTLEMENT**:

- Examples: Wrong amount, wrong method-of-payment, wrong event, wrong deduction, etc.
- Find the settlement
- VOID the settlement
- Amount is returned to deduction's open balance and available to start over again.

If you accidentally **EXPENSE a deduction to the wrong chart-of-account**

- Find the JE that resolved the deduction
- EDIT the JE, and change the chart-of-account
- Save the JE

If you **incorrectly REINVOICE a deduction**:

- You will not be able to undo the Reinvoice, but these steps will reduce the customer statement and create a deduction for the same amount:
- Create a credit memo for the same amount
- Click DEDUCTION button on that credit memo
- ADD reference #, etc. to deduction
- Deduction is ready for correct resolution, and A/R is reduced by the same amount.
- Apply the credit memo to the invoiced amount in A/R

If you **split a deduction by mistake**:

- Current version of iTPM does NOT support UN-SPLIT or the ability to Merge Deductions
- Resolve every split as you would the original
- Email support@cgsquared.com if you need UN-SPLIT as a future enhancement

If you **accidentally EXPENSE a deduction** and need it to go back to OPEN and undo the Expense.

- iTPM does not directly support reversing this. This is an enhancement candidate for iTPM
- Here is one of many ways to fix this using standard NetSuite functionality.
 - Create a Journal entry to reverse the Expense account, and place the amount back onto the customer's statement. (A/R)
 - Create a credit memo to remove the amount from A/R.
 - Click Deduction on the credit memo to create a deduction of the same amount.

Quick Reference: RESOLUTIONS

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| RESOLUTION WORKFLOW | Settlement Workflow: | TYPES of valid deductions: |
|---|---|--|
| <p>Proactive: You pay the vendor by check. Use ADJUST SPEND to update KPIs</p> <p>Reactive: Customer already deducted. You need to research it. Four ways to resolve a deduction:</p> <ul style="list-style-type: none"> Promotional Settlement Expense to account Dispute and REINVOICE | <p>Voided: Settlement is voided.</p> <p>In Process: Settlement is being allocated to items in the promotion.</p> <p>Applied: Settlement completed.</p> | <p>Promotional: Settlements are mapped to specific promotional events. View deduction and use the SETTLEMENT button. View promotion & use RESOLVE DEDUCTIONS button. No promotion in iTPM? You can use the EXPENSE button and expense to the appropriate promotional G/L</p> <p>Non-Promotional: Expense these to a NetSuite chart-of-Account you select.</p> |

RESOLVE PROMOTIONAL DEDUCTIONS when you have APPROVED, Active/Completed PROMOTIONS.

| SETTLEMENT button on DEDUCTIONS | RESOLVE DEDUCTIONS button on PROMOTIONS |
|--|---|
| <ol style="list-style-type: none"> FIND AND VIEW THE OPEN DEDUCTION TO RESOLVE SETTLEMENT BUTTON FIND THE PROMOTION, AND CLICK ON THE ID UNDER APPLY TO. ENTER AMOUNT TO RESOLVE. SELECT CLASSIFICATIONS (OPTIONAL) SAVE COMMUNICATION SUBTAB: NOTES & ATTACHMENTS (OPTIONAL) CLOSE PROMOTION IF NO MORE SETTLEMENTS | <ol style="list-style-type: none"> FIND AND VIEW THE APPROVED PROMOTION RESOLVE DEDUCTIONS BUTTON SELECT METHOD-OF-PAYMENT. (LUMP SUM, BILL-BACK, MISSED OI) CHECK ONE OR MORE DEDUCTIONS TO RESOLVE NOTE: ALL OF THE OPEN BALANCE WILL BE RESOLVED. SAVE |

Promotion KPIs for Trade Promotion Spending

| Estimated | LE: Latest Estimate | Expected Liability | Net Liability | Actual |
|-----------------------------|--------------------------------|---|--------------------------------|---|
| What you THINK will happen. | What is most likely to happen. | Your expected deal cost as of today, including paid and unpaid amounts. | What you owe but haven't paid. | What has been paid or resolved as of today. |

For a list of your settlements, *iTPM -> Resolutions-> Settlements* Click VIEW, or the settlement ID to view the settlements by item associated with the settlement. Click VIEW on any of the item rows to open the settlement form.

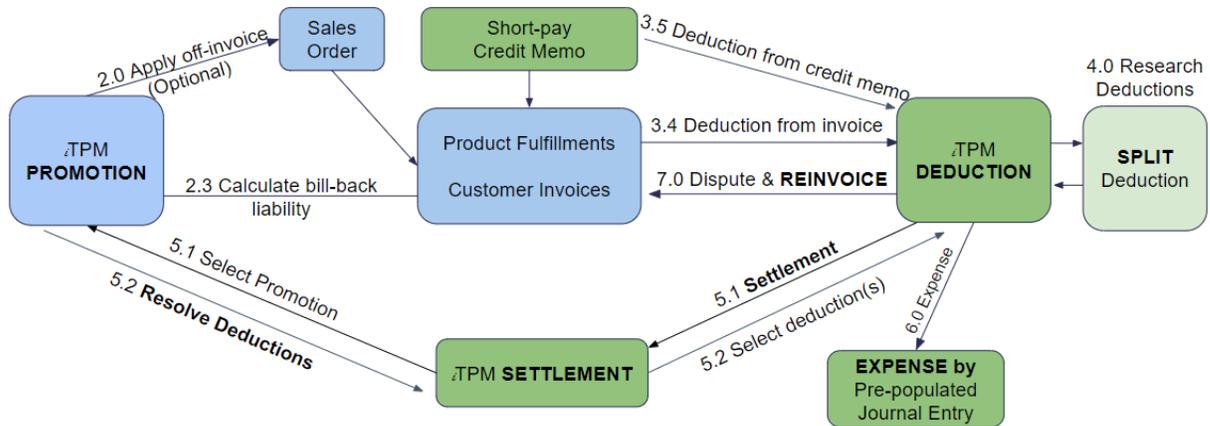
iTPM-> Resolutions -> Settlements by Month, or Reports -> Saved Reports -> All Reports and VIEW [Settlements by Month](#)

| EXPENSE NON-PROMOTIONAL deductions and short-pays EXPENSE button on a deduction | DISPUTE, and/or RE-INVOICE a Deduction for repay REINVOICE button on a deduction |
|---|---|
| <ol style="list-style-type: none"> FIND AND VIEW THE OPEN DEDUCTION TO EXPENSE NOTE: ALL OF THE OPEN BALANCE WILL BE EXPENSED EXPENSE BUTTON CHANGE CHART-OF-ACCOUNT AS NEEDED (OPTIONAL) SAVE JOURNAL ENTRY ADD NOTES, ATTACHMENTS (OPTIONAL) <p>NOTE: PROMOTIONAL EXPENSES CAN BE EXPENSED TO PROMOTIONAL ACCOUNTS IF NO PROMOTION HAS BEEN CREATED. (LEGACY RESOLUTIONS)</p> | <ol style="list-style-type: none"> FIND AND VIEW THE OPEN DEDUCTION TO DISPUTE / REINVOICE NOTE: ALL OF THE OPEN BALANCE IS RE-INVOICED AND RETURNED TO CUSTOMER'S STATEMENT EDIT, CHECK THE CHECKBOX DISPUTED? (OPTIONAL) SAVE ADD NOTES, ATTACHMENTS (OPTIONAL) CLICK REINVOICE BUTTON. |

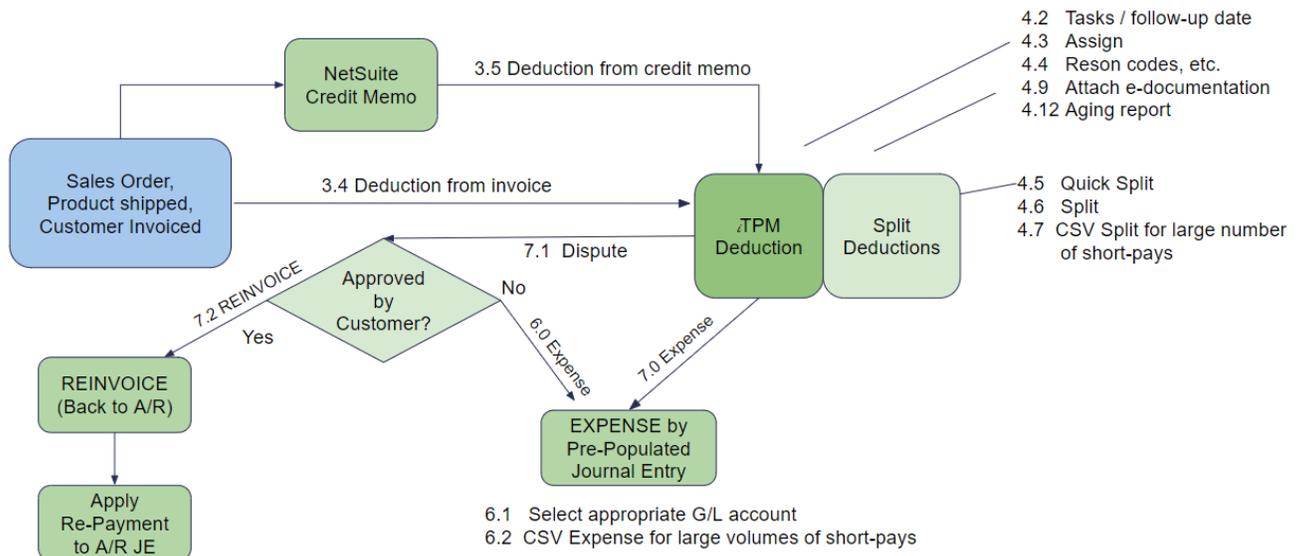
| How to RESOLVE a Deduction using a Credit Memo | Other features |
|---|--|
| <ol style="list-style-type: none"> CREATE THE CREDIT MEMO FIND AND VIEW THE OPEN DEDUCTION TO RESOLVE CLICK REINVOICE TO RETURN THE DEDUCTION TO A/R ACCEPT PAYMENT CUSTOMER PAYMENT, THEN APPLY THE JOURNAL ENTRY TO THE NEWLY CREATED CREDIT MEMO | <p>ADJUST SPEND button on promotions to update KPIs for vendor payments</p> <p>CSV Bulk-Settlements</p> <p>CSV Bulk Expense</p> <p>ADJUST SPEND</p> |

1.0 Overview: Deductions & Resolutions

Below is an overview of Trade Promotion Management (TPM) using all iTPM modules:



Below is an overview of deduction management without creating iTPM promotions and settlements:



Note: This user manual is written with the assumption that iTPM users are already familiar with NetSuite and have received basic NetSuite training on navigation and features.

Users unfamiliar with NetSuite should read the **NetSuite Basics for Brokers** User Guide at www.i-TPM.com/training-resources.com