

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.

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

CREATE a deduction from an OPEN INVOICE:	CREATE a deduction from a CREDIT MEMO
1. VIEW AN OPEN SHORT-PAID INVOICE (STANDARD NETSUITE) 2. CLICK THE DEDUCTION BUTTON SHORT-PAY TAKEN AGAINST ONE INVOICE SHORT-PAY TAKEN ACROSS MULTIPLE INVOICES 3. NEXT ACTION & DATE (OPTIONAL) 4. ASSIGN DEDUCTION, REASON CODE (OPTIONAL) 5. NOTES, ATTACHMENTS (OPTIONAL) NOTE: ALL OF THE OPEN BALANCE BECOMES A DEDUCTION 6. SAVE	1. VIEW A CREDIT MEMO CREATED TO PROCESS A SHORT-PAY 2. CLICK THE DEDUCTION BUTTON 3. NEXT ACTION & DATE (OPTIONAL) 4. ASSIGN DEDUCTION, REASON CODE (OPTIONAL) 5. NOTES, ATTACHMENTS (OPTIONAL) NOTE: ALL OF THE CREDIT MEMO BECOMES A DEDUCTION 6. SAVE

Ways to MANAGE deductions: (OPTIONAL WORKFLOW)	Three ways to RESOLVE OPEN DEDUCTIONS:
1. VIEW OPEN DEDUCTION LIST 2. NEXT ACTION & DATE 3. ASSIGN A DEDUCTION, REASON CODE 4. NOTES, ATTACHMENTS 5. DISPUTE A DEDUCTION & DEDUCTION STATUS 6. QUICK SPLIT AND/OR SPLIT A DEDUCTION AND/OR 7. SPLIT (CSV) UPLOAD CSV FILE AND SPLIT A DEDUCTION 8. Use Deduction Aging & Open Deduction Report	Promotional Deduction: SETTLEMENT button, or use EXPENSE button. Non-Promotional Deduction: Expense to a chart of account: EXPENSE button. Re-invoice disputed deduction: REINVOICE button. For more details, See Quick Reference for Resolutions

For a list of your deductions, **iTPM -> Deductions -> List** Click **VIEW**, or the deduction ID to view the deduction.
 To see deduction splits that are in the queue awaiting processing, go to **iTPM -> Deductions -> SPLIT Queue**

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 three ways.

I made a mistake, what do I do?

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

If you create an **incorrect SETTLEMENT**:

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

If you have a **settlement that appears stuck in processing status**:

- Click on the link to view the promotion, and click the *REFRESH KPI* button
- If the settlement is still stuck, simply EDIT and SAVE any allowance.
- For most back-dated promotions, the settlement should be *applied* within an hour or less.

If you accidentally **EXPENSE a deduction to the wrong GL-account**:

- Find the journal entry that resolved the deduction
- EDIT the journal entry, and change the GL-account
- Save the journal entry. (This assumes the period is still open.)

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. No difference if created from a credit memo or invoice.

If you **accidentally created a deduction, and you can't delete it** because there are transactions associated with it, or the period is closed and can't be reopened:

- REINVOICE the deduction to put it back into A/R. If you split the deduction, Reinvoice every split.
- Reinvoice creates a journal entry that returns the open balance of the deduction to A/R. You can edit the journal entry and change the lines if needed, but DON'T change the total amount of the journal entry.

If you **incorrectly REINVOICE a deduction** and need it to go back to being 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 reinvoiced 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 **you find a duplicate journal entry associated with a deduction**:

- Email support@cgsquared.com with the details so we can determine what happened.
- While this should NOT happen, here's how to fix it.
- Option 1: If the period is open, you can void the duplicate journal entry.
- Option 2: If the period is closed, make a copy of the duplicate and reverse the JE lines.

*If you have a **deduction stuck in processing status** (because you had an incorrect reason code):*

- See section [4.7](#) for steps on how to fix your CSV Split data entry error.

If you have a **deduction stuck in pending status** (because you approve ALL journal entries):

- Approve the journal entry associated with the deduction.
- If the JE is approved, then simply viewing the JE will change the deduction to CLOSED status.

Quick Reference: RESOLUTIONS

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<u>RESOLUTION WORKFLOW</u>	<u>Settlement Workflow:</u>	<u>TYPES of valid deductions:</u>
Proactive: You pay the vendor by check. Use ADJUST SPEND to update KPIs Reactive: Customer already deducted. You need to research it. Four ways to resolve a deduction: <ul style="list-style-type: none"> Promotional Settlement Expense to account Dispute and REINVOICE 	Voided: Settlement is voided. In Process: Settlement is being allocated to items in the promotion. Applied: Settlement completed.	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 Non-Promotional: Expense these to a NetSuite GL-account you select.

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

<u>SETTLEMENT button on DEDUCTIONS</u>	<u>RESOLVE DEDUCTIONS button on PROMOTIONS</u>
<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-> ALL 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.

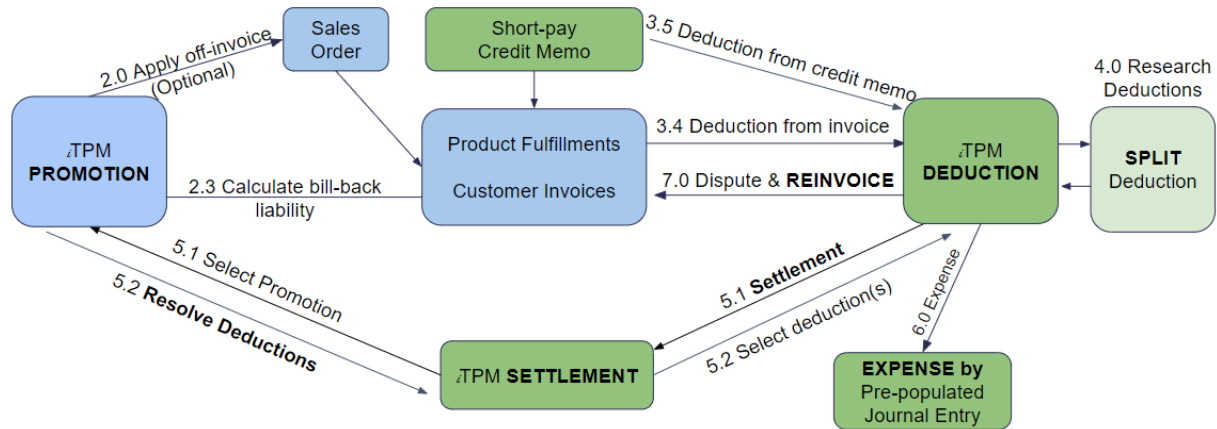
iTPM-> Resolutions -> Settlements by Month, or Reports -> Saved Reports -> All Reports and VIEW [Settlements by Month](#)

<u>EXPENSE NON-PROMOTIONAL</u> deductions and short-pays <u>EXPENSE</u> button on a deduction	<u>DISPUTE, and/or RE-INVOICE</u> a Deduction for repay <u>REINVOICE</u> 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 GL-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 <i>DISPUTED?</i> (OPTIONAL) SAVE ADD NOTES, ATTACHMENTS (OPTIONAL) CLICK REINVOICE BUTTON.

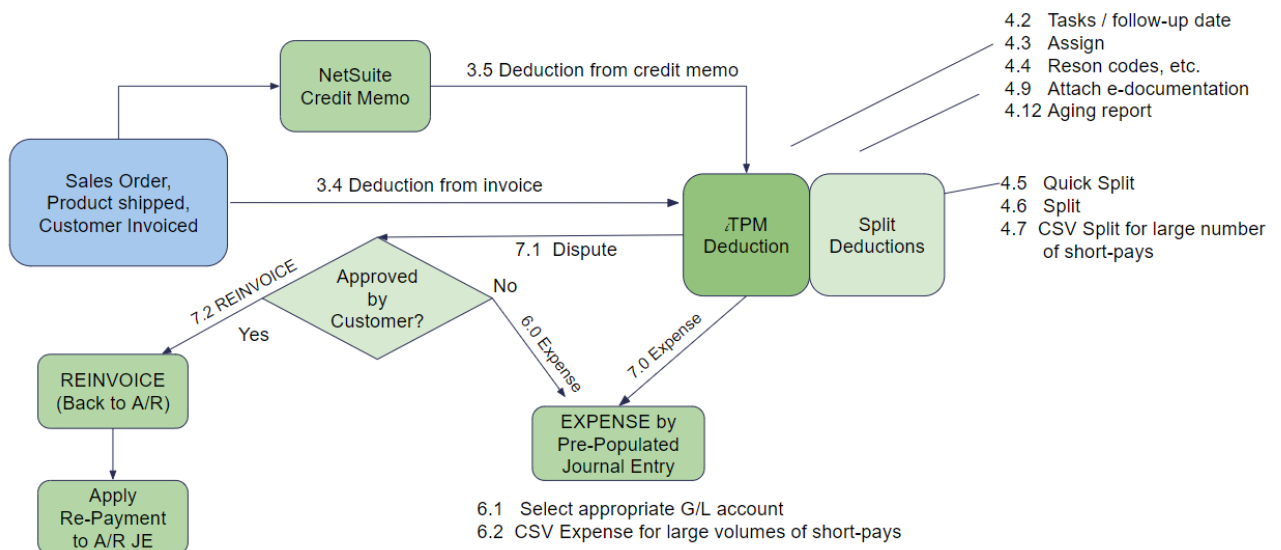
<u>How to RESOLVE a Deduction using a Credit Memo</u>	<u>Other features</u>
<ol style="list-style-type: none"> CREATE THE CREDIT MEMO FIND AND VIEW THE OPEN DEDUCTION TO RESOLVE CLICK REINVOICE TO RETURN THE DEDUCTION TO A/R ACCEPT CUSTOMER PAYMENT AND APPLY THE JOURNAL ENTRY OR ENTRIES TO THE NEWLY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

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:



1.1 Overview of Deduction & Resolution Tasks

This user Guide will show you how to use iTPM to perform these tasks for your organization.

- **Process the deductions and/or short-pays** by creating iTPM deductions
- **Research iTPM deductions** to determine resolution(s)
- **Resolve deductions** in one of three ways:
 - **Settlement:** Match the deduction to one or more promotions
 - **Expense** the deduction using a Journal Entry. (You choose the GL-account)
 - **Dispute** the deduction
 - **If customer will repay, RE-INVOICE** to move amount to A/R.
 - **If customer will NOT repay, then EXPENSE** to 'bad-debt' or other GL-account