

Business One in Action – Returning an Item from a Drop-Ship Warehouse When the Reserve Invoice Is Paid



Applies to:

SAP Business One, [Logistics](#), [Sales/Purchasing](#)

Summary:

This article illustrates how to return a drop-ship item when the reserve invoice is fully paid and the row status is closed.

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Author Bio:

Murielle Saliber joined SAP in 2002 and is currently active as Senior Support Consultant for SAP Business One. She has worked as both technical and business consultant. She authored this article as a direct response to a partner enquiry during the Expert-on-Phone project, where she consulted on mainly logistics, administrative, Printing and data migratory topics.

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Returning an Item from a Drop Ship Warehouse When The Reserve Invoice Is Paid

Once a delivery is based on a reserve invoice, the base row in the reserve invoice and the entire delivery document is set to status *Closed*, as long as the entire quantity specified in the invoice has been delivered. Since the delivery document status is *Closed*, it cannot serve as a base document for a return. Similarly, the row is closed in the reserve invoice and may no longer be copied into a credit memo. Note that the open row in the reserve invoice, can only be copied using the *Copy To* functionality from the Reserve Invoice.

The need might arise to reflect in SAP Business One that an item which had been delivered from a drop-ship warehouse after full payment of a reserve invoice had been received, is now returned and the customer demands a refund.

This may be achieved by creating an independent credit memo with the appropriate data which is then either paid in a payment to customer, taken into consideration against an outstanding invoice in an incoming payment or may be used to reduce the balance of an outstanding invoice in an internal reconciliation.

Note: Since the warehouse involved is a drop-ship warehouse, there is no stock transaction noted in any of the journals. It is hence irrelevant at what cost the item left the warehouse and at which price it was returned.

Consider this fully paid reserve invoice and note that the warehouse is defined as a drop-ship warehouse:

AR Reserve Invoice

Customer: TIE_C, Name: Take it Easy, Contact Person: [dropdown], Customer Ref. No.: [dropdown], BP Currency: XCD, 3.4800

No. Primary: 54, Status: Paid, Posting Date: 22.08.08, Due Date: 30.08.08, Document Date: 22.08.08

#	Item No.	Quantity	Unit Price	VAT C...	Total (Doc)	Whse	C...
1	001	2	XCD 250.00	O1	XCD 500.00	04	
2	002	2	XCD 600.00	O1	XCD 1,200.00	04	
3	EG	2	GBP 3.75	O1	XCD 17.40	04	
4	HM	2	GBP 3.75	O1	XCD 23.52	04	

Sales Employee: BabaCool, Owner: [dropdown]

Remarks: [yellow box]

Total Before Discount: XCD 1,740.92
Discount: %
Freight: [dropdown]
Rounding:
Tax: XCD 304.66
WTax Amount:
Total: XCD 2,045.58
Applied Amount: XCD 2,045.58
Balance Due:

Buttons: OK, Cancel, Copy From, Copy To

Warehouses - Setup

Warehouse Code: 04, Warehouse Name: Pa isi a

General, Accounting

Drop Ship

The items in one row of the paid reserve invoice are now drawn completely into a delivery document, closing this row in the reserve invoice and also creating a delivery document with the status *Closed*. As a result, this row cannot be copied into a credit memo standing on the reserve invoice and the delivery cannot be used as base document for a return.

Should the need arise to return the item to the drop-ship warehouse and also to reimburse the customer, a stand-alone credit memo with the appropriate data should be created where the items are returned to the drop-ship warehouse:

AR Credit Note

Customer: TIE_C
 Name: Take it Easy
 Contact Person: [dropdown]
 Customer Ref. No.: [dropdown]
 BP Currency: XCD 3.4800

No. Primary: 12
 Status: Open
 Posting Date: 26.08.08
 Due Date: 26.08.08
 Document Date: 26.08.08

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#	Item No.	Quantity	Unit Price	VAT C...	Total (Doc)	Whse
1	EG	2	GBP 3.75	01	XCD 17.40	04

Sales Employee: BabaCool
 Owner: [dropdown]

Remarks: [yellow box]

Total Before Discount: XCD 17.40
 Discount: %
 Total Down Payment: [dropdown]
 Freight: [dropdown]
 Rounding
 Tax: XCD 3.05
 WTax Amount: [dropdown]
 Total: XCD 20.45
 Applied Amount: [dropdown]
 Open Balance: XCD 20.45

OK Cancel Copy From Copy To

Since there is no link between the credit memo and the reserve invoice, it should be manually noted on the reserve invoice in the *Remarks* field that the affected row had been credited with credit memo number xxxx.

AR Reserve Invoice

Customer: TIE_C, Name: Take it Easy, No. Primary: 54, Status: Paid, Posting Date: 22.08.08, Due Date: 30.08.08, Document Date: 22.08.08, BP Currency: XCD, 3.4800

#	Item No.	Quantity	Unit Price	VAT C...	Total (Doc)	Whse	Cod
1	001	2	XCD 250.00	O1	XCD 500.00	04	
2	002	2	XCD 600.00	O1	XCD 1,200.00	04	
3	EG	2	GBP 3.75	O1	XCD 17.40	04	
4	HM	2	GBP 3.75	O1	XCD 23.52	04	

Sales Employee: BabaCool, Owner: [blank]

Remarks: Row 3 close by delivery 23 return in Credit Note 12

Total Before Discount: XCD 1,740.92
 Discount: %
 Freight: [arrow]
 Rounding:
 Tax: XCD 304.66
 WTax Amount:
 Total: XCD 2,045.58
 Applied Amount: XCD 2,045.58
 Balance Due:

Buttons: OK, Cancel, Copy From, Copy To

The credit note is in status *Open* and can be paid to the customer, and be part of an incoming payment.

Outgoing Payments

Code: TIE_C, Name: Take it Easy, Supplier: [radio], Customer: [radio selected], Account: [radio], No. Primary: 23, Posting Date: 26.08.08, Due Date: 26.08.08, Document Date: 26.08.08, Reference, Transaction No., Doc. Currency: XCD, 3.4800

Selected	Documen...	Instalment	Date	*	Total	Balance Due	Discount %	Documen...	T...
<input type="checkbox"/>	9	1 of 1	25.08.08	*	XCD 12.22	XCD 12.22	0.00	CN	
<input type="checkbox"/>	10	1 of 1	25.08.08	*	XCD 293.75	XCD 293.75	0.00	CN	
<input checked="" type="checkbox"/>	12	1 of 1	26.08.08	*	XCD 20.45	XCD 20.45	0.00	CN	
<input type="checkbox"/>	52	1 of 1	25.08.08		XCD -470.00	XCD -470.00	0.00	IN	
<input type="checkbox"/>	52	1 of 1	04.10.07		XCD -146.41	XCD -146.41	0.00	JE	

Payment on Account: 0.00

Remarks: [yellow box]

Journal Remarks: Outgoing Payments - TIE_C

Amount Due (FC): XCD 20.45
 Amount Due (LC): GBP 5.88
 Open Balance:

Buttons: Add, Cancel, Deselect All, Select All

Alternatively, it could be used to reduce the total payment or internally reconciled with an outstanding invoice to reduce the balance due.

Internal Reconciliation

Display LC-Only Transactions

Reconciliation Currency: East Caribbean C
 Reconciliation Date: 27.08.08

#	Selected	Origin	Origin No.	Posting Date	Amount	Balance Due	Amount to Reconcile
	<input type="checkbox"/>	IN	8	14.09.07	XCD 123.33	XCD 123.33	XCD 123.33
	<input type="checkbox"/>	PS	4	04.10.07	XCD 146.41	XCD 146.41	XCD 146.41
	<input checked="" type="checkbox"/>	PU	27	22.08.08	XCD (143.58)	XCD (143.58)	XCD (143.58)
	<input checked="" type="checkbox"/>	CN	9	25.08.08	XCD -12.22	XCD -12.22	XCD -12.22
	<input checked="" type="checkbox"/>	IN	52	25.08.08	XCD 470.00	XCD 470.00	XCD 470.00
	<input checked="" type="checkbox"/>	CN	10	25.08.08	XCD -293.75	XCD -293.75	XCD -293.75
	<input checked="" type="checkbox"/>	CN	12	26.08.08	XCD -20.45	XCD -20.45	XCD -20.45
							XCD 0.00

Related Contents

- [SAP Business One in Action Catalog Page](#)
- [Link to DRC](#) documentation
- Note [1227722](#)
- For more information, visit the [Business One homepage](#).

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