

## Setting up Sales Items

### What are sales items?

Sales items are units of product or service that your business sells. Each unit is described and a unit price is attached (both can be updated easily), this enables sales invoices to be both prepared easily and consistently and in a manner compliant with the VAT invoicing directive (2001/115/EC)

Examples could be:

| <u>Sales Item Description</u> | <u>Unit of sale</u> | <u>Unit Sales Amount</u> |
|-------------------------------|---------------------|--------------------------|
| Motor Cycle Helmets           | Each                | 35                       |
| Consulting                    | Daily Rate          | 450                      |
| Boiler Service                | Job Rate            | 150                      |

Note that the unit sales amount is entered as an amount; it is not any particular currency. Customers are set up with an invoicing currency (the default for which is sterling GBP) so that a sales invoice is created by extending a number of units of a sales item by the unit sales amount, the currency being determined by the customer invoicing currency.

### Setting up Sales Items

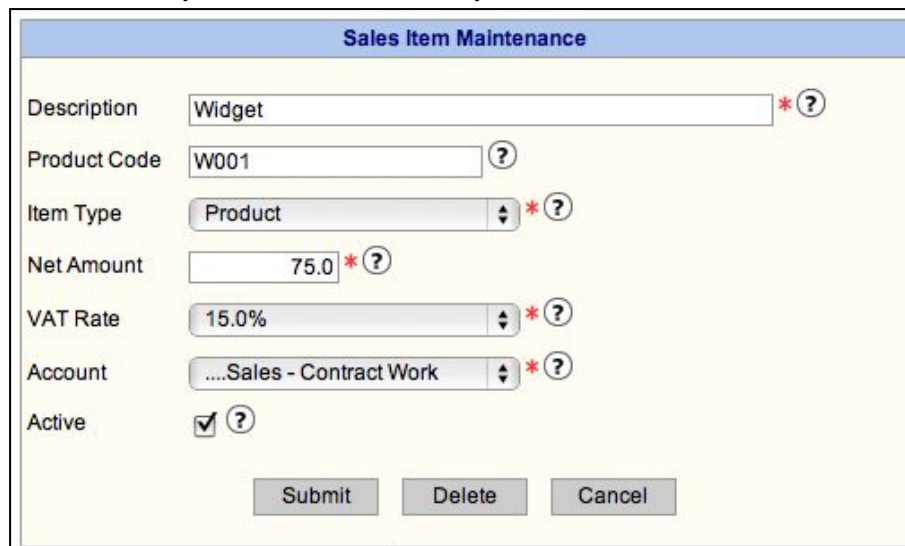
Setting up sales items is accessed via the **LISTS** menu.

**LISTS → SALES ITEMS → LIST SALES ITEMS** then **ADD** or **ADD SALES ITEM**

The Sales Item Maintenance Screen is presented.

- ◆ Enter a **DESCRIPTION** of the sales item (see examples above)
- ◆ The **Product Code** field may be used to hold a user-defined alpha-numeric code as a product code. If you enter a '+' the system will automatically insert the record id for the current item. This record id is guaranteed to be unique in Liberty Accounts - but may not be a consecutive sequence.

This code will be picked for inclusion as the product code when a "goods" style sales invoice or credit note are created.



The screenshot shows the 'Sales Item Maintenance' window with the following fields and values:

- Description: Widget
- Product Code: W001
- Item Type: Product
- Net Amount: 75.0
- VAT Rate: 15.0%
- Account: ...Sales - Contract Work
- Active:

Buttons at the bottom: Submit, Delete, Cancel.

Additionally this field is useful for entering codes that cross-reference codes in other systems and is also used for the invoice and bill uploads. Note that the codes are case-sensitive and must match exactly during uploads for an item to be loaded. (See **Invoice upload** user guide for more information.)

- ◆ From the **ITEM TYPE** (see note below) drop down list select the nature of the sales, for example is it a product or service, a reimbursable expense or a commission.
- ◆ Enter **Net Amount** per unit of sale for the item. See the examples above. If usually the amount varies, leave as zero, and edit the Net amount when creating an Invoice.
- ◆ If the entity has VAT tracking enabled a default **VAT Rate** can be selected from the drop down list. Note that at the point of creating the invoice this may be amended.
- ◆ When sales invoices are created the sales value is recorded in a sales account. Select from the drop down list the relevant sales **ACCOUNT** for this type of sales item. If a desired account is not available, set it up using **ADD A CUSTOM ACCOUNT** via the **ACCOUNTS** menu. See **Chart of Accounts** user guide for more information.
- ◆ When complete click on **SUBMIT** to store the new sales item.

## Item Type

There ten item types, some have a special purpose in addition to describing the nature of the sales item.

- **Service**, an activity such as design, consulting and hiring
- **Other Charge**, used for unusual charges, such as penalties
- **Discount**, used for showing discount amounts on a sales invoice
- **Product**, used for Goods.
- **Commission**, if you invoice for sales commission
- **EU Ancillary Service**, use for amounts that are ancillary to the supply of a product to an EU customer.
- **Reimbursable Expenses** use when you have incurred expenses that a client will reimburse.
- **Fixed Asset Sale**, will also be picked up in the EC sales list if relevant (see note above)
- **Deposit**, used to record a deposit received pending a final sales invoice. See **Sales Deposits Received User Guide** for more information.
- **Pseudo Sales Item** can be used to create description headers over line items. In the Description box enter some text as a header for example "Item description". A text narrative of 500 characters can then be added in the **Additional Item Text** box on creation of the invoice. Although zero values are required in setting up the item, all values are suppressed when the invoice is prepared.

**Note:** If you are UK VAT registered trader that supplies goods or services to a registered trader in another member state, then an EC sales list (VAT101) is required either monthly or quarterly. A sales item with an item type of Product or EU Ancillary service will have a transaction indicator **B2B Goods**, all other item types will give **B2B Service**. An EC sales list can be created by the system by configuring VAT appropriately via the VAT Configuration menu item. (See the **VAT User Guide** for more information.)

Additionally in the VAT100 return the value of supplies of goods (but not services) are reported in box 8 of the return. To ensure this happens automatically make sure the relevant sales item has an item type selected as **Product**.

If you are uncertain on these points you are strongly advised to consult your advisor.

## Editing a Sales Item

The details of any sales item may be edited. Edit is accessed via the **LISTS** menu

**LISTS → SALES ITEMS → LIST SALES ITEMS** then **EDIT** the relevant item.

The sales item maintenance screen (see above) is presented for the particular item. Amend as necessary and **SUBMIT** or if you wish to exit without making any changes click on **CANCEL**.

## Deleting a Sales Item

A sales item may be deleted via the **LISTS** menu

**LISTS → SALES ITEMS → LIST SALES ITEMS** then **EDIT** the relevant item.

Click on **DELETE** and the sales item will be removed.

## Inactive Sales Item

A user created sales item is given an active status so that it appears in drop down lists. If it is preferred to suppress the appearance in drop down boxes untick the **Active Box**

**LISTS → SALES ITEMS → LIST SALES ITEMS** then **EDIT** the relevant item.