

## AR Down Payment Request and Invoice Processes

### *Before you start*

When you decide a customer needs to make a Down Payment on an order, SAP offers two ways of doing this:

1. AR Down Payment Request (DPR)

This is **not** an invoice or tax document. The DPR will not appear on an Account Balance and closing a DPR has no financial or other implications. It is simply a request for a payment.

In the payment wizard, therefore, the DPR **will** be available for allocation of the payment.

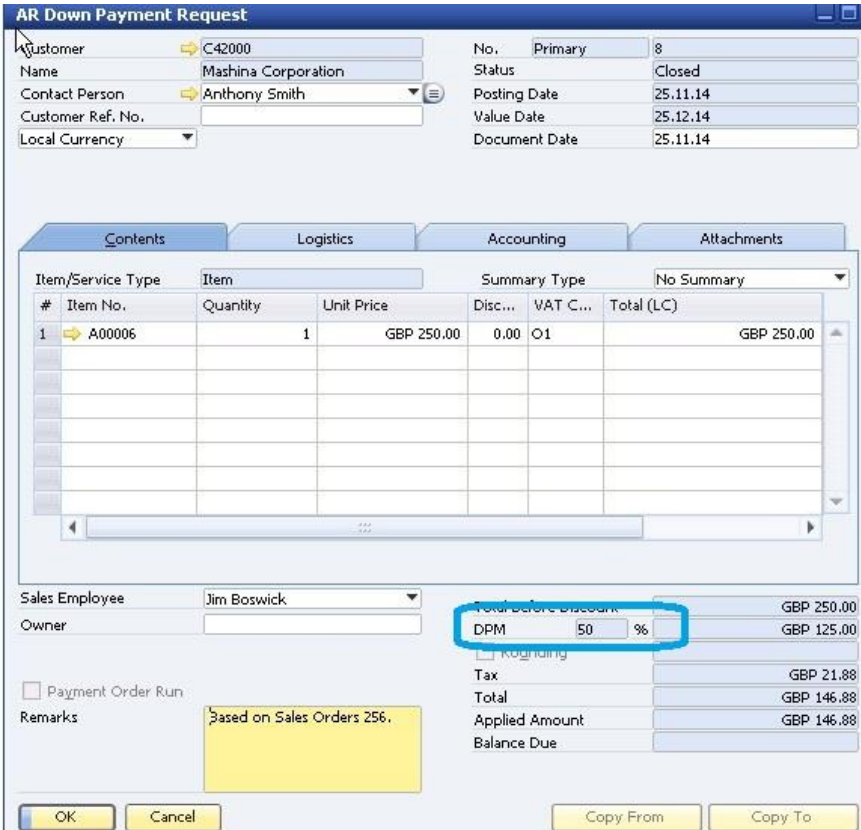
If a DPR is used, the customer will see only **one** formal invoice.

2. AR Down Payment Invoice (DPI)

This is a formal invoice and tax document. Payment of the Down Payment amount will be allocated to and reconciled with the DPI, after which the final invoice will be created. A DPI will therefore involve 2 invoices rather than one only.

### *Correct procedure - DPR*

When a customer is required to pay a Down Payment in order to confirm a Sales Order, but only one invoice is sent to the customer, an AR Down Payment Request (DPR) needs to be created. When the customer details are added to the DPR, the Sales Order(s) can be copied into the DPR:



**AR Down Payment Request**

Customer: C42000  
 Name: Mashina Corporation  
 Contact Person: Anthony Smith  
 Customer Ref. No.:  
 Local Currency:

No.: Primary 8  
 Status: Closed  
 Posting Date: 25.11.14  
 Value Date: 25.12.14  
 Document Date: 25.11.14

#	Item No.	Quantity	Unit Price	Disc...	VAT C...	Total (LC)
1	A00006	1	GBP 250.00	0.00	O1	GBP 250.00

Sales Employee: Jim Boswick  
 Owner:

Payment Order Run:

Remarks: Based on Sales Orders 256.

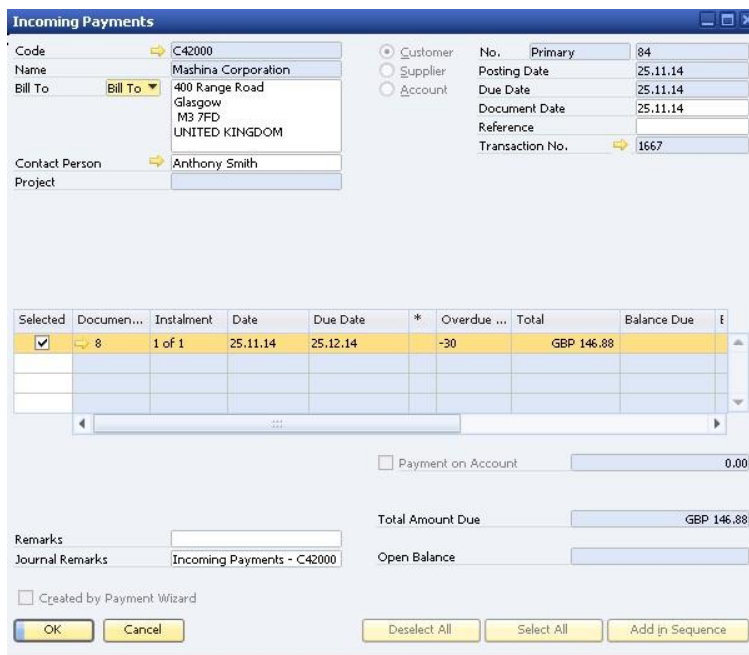
Total Before Discount	GBP 250.00
DPM 50 %	GBP 125.00
Roundings	
Tax	GBP 21.88
Total	GBP 146.88
Applied Amount	GBP 146.88
Balance Due	

Buttons: OK, Cancel, Copy From, Copy To

Then apply the required % of the Down Payment, which can be anything between 1 and 100%.  
Creating a DPR, or recording payment against it, will not close the Sales Order.

Save the DPR and send it to the customer for payment. Please remember, a DPR is not a formal invoice, even though it will include a tax amount.

**Upon payment**, in the Payment Wizard or the Incoming Payment window, you will be able to select the DPR:



Selected	Documen...	Instalment	Date	Due Date	*	Overdue ...	Total	Balance Due
<input checked="" type="checkbox"/>	8	1 of 1	25.11.14	25.12.14		-30	GBP 146.88	

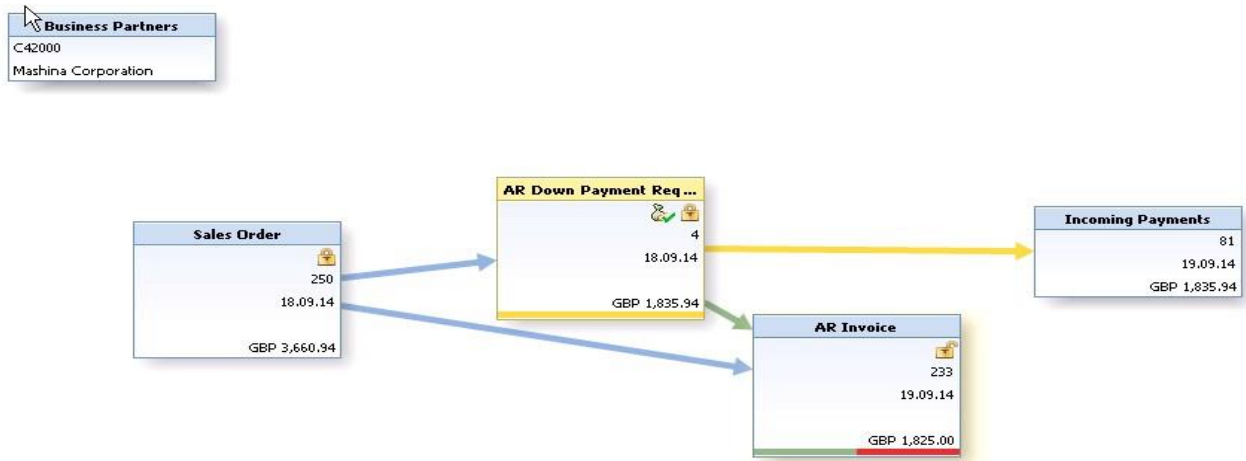
Payment on Account      0.00  
 Total Amount Due      GBP 146.88  
 Open Balance     

Created by Payment Wizard  
               

Only after recording the incoming payment to the DPR, the Sales Order should be processed into either a Delivery or the formal invoice.

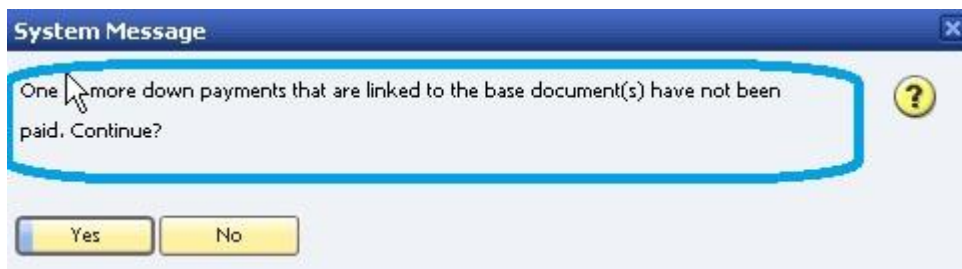
When the AR Invoice is created directly from the Sales Order or through the Delivery, the DPR will automatically be drawn in. If the DPR was for 100%, the invoice will close automatically when it is added to the system. If the DPR was for less than 100%, the invoice will be open and the net outstanding amount will show as outstanding on the customer account balance. In either case, because it is the only formal invoice, the invoice will need to be sent to the customer.

The relationship map for a Sales Order with an AR Down Payment Request:



**Please note the following:**

As a Down Payment Request is not a tax document, and not showing on a customer account balance and a Sales Order is not closed by the creation of a Down Payment document, when a payment is reconciled, it is easy to assume an invoice needs to be created to be able to reconcile the payment. When the Invoice or the Delivery is created from the Sales Order before payment is recorded, SAP will notice the existence of a Down Payment document that has not been paid. The user will be able to override this message and create the invoice.



SAP will not create a link between the DPR and the Invoice and when payment is linked to the DPR at a later stage, the incoming payment will show as unreconciled in the account balance overview. As payment has been recorded against a DPR, in Version 8.82, reconciliation with the AR Invoice is not possible.

***Correct procedure - DPI***

When a customer is required to pay a Down Payment in order to confirm a Sales Order an AR Down Payment Invoice can be created. This means the customer will receive two invoices: the AR Down Payment Invoice and the final invoice. Creating a DPI, or recording payment against it, will not close the Sales Order.

Create an AR Down Payment Invoice (DPI), copy in the Sales Order(s) and apply the percentage of the Down Payment:

**AR Down Payment Invoice**

Customer: C42000  
 Name: Mashina Corporation  
 Contact Person: Anthony Smith  
 Customer Ref. No.:  
 Local Currency:

No. Primary: 3  
 Status: Open  
 Posting Date: 18.09.14  
 Value Date: 18.10.14  
 Document Date: 18.09.14

Item/Service Type	Item	Quantity	Unit Price	Disc...	VAT C...	Total (LC)
1	A00004	10	GBP 312.50	0.00	O1	GBP 3,125.00

Sales Employee: Jim Boswick  
 Owner:

Total Before Discount: GBP 3,125.00  
 DPM: 100 %: GBP 3,125.00  
 Rounding

Payment Order Run:  
 Remarks: Based on Sales Orders 249.

Total: GBP 3,660.94  
 Applied Amount:  
 Balance Due: GBP 3,660.94

OK Cancel Copy From Copy To

**Upon payment**, in the Payment Wizard or the Incoming Payment window, you will be able to select the DPI.

**Incoming Payments**

Code: C42000  
 Name: Mashina Corporation  
 Bill To: 460 Range Road, Glasgow, M3 7FD, UNITED KINGDOM  
 Contact Person: Anthony Smith  
 Project:

Customer No. Primary: 79  
 Posting Date: 18.09.14  
 Due Date: 18.09.14  
 Document Date: 18.09.14  
 Reference:  
 Transaction No.:

Selected	Documen...	Instalment	Date	Due Date	* Overdue ...	Total	Balance Due
<input type="checkbox"/>	227	1 of 1	18.09.14	18.10.14	-28	GBP 1,098.28	GBP 439.31
<input type="checkbox"/>	229	1 of 1	18.09.14	18.10.14	-30	GBP 1,464.37	GBP 1,464.37
<input type="checkbox"/>	230	1 of 1	18.09.14	18.10.14	-30	GBP 658.97	GBP 658.97
<input checked="" type="checkbox"/>	3	1 of 1	18.09.14	18.10.14	-30	GBP 3,660.94	GBP 3,660.94

Payment on Account: 0.00

Total Amount Due: GBP 3,598.44  
 Open Balance:

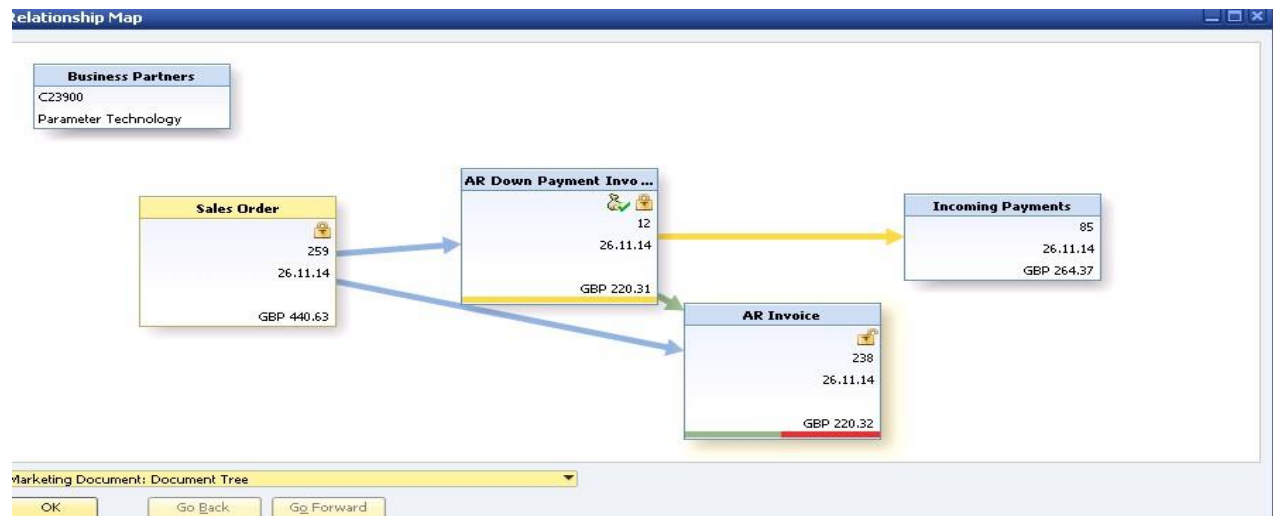
Remarks: Incoming Payments - C42000  
 Created by Payment Wizard

Add Cancel Deselect All Select All Add in Sequence

Only after recording the incoming payment to the DPI, the Sales Order should be processed into either a Delivery or the formal invoice;

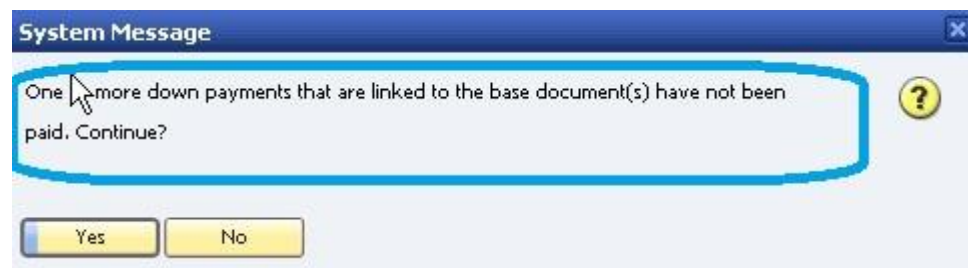
When the AR Invoice is created directly from the Sales Order or through the Delivery, the DPI will automatically be drawn in. If the DPI was for 100%, the invoice will close automatically when it is added to the system. If the DPI was for less than 100%, the invoice will be open and the net outstanding amount will show as outstanding on the customer account balance.

The relationship map for a Sales Order with an AR Down Payment Invoice:



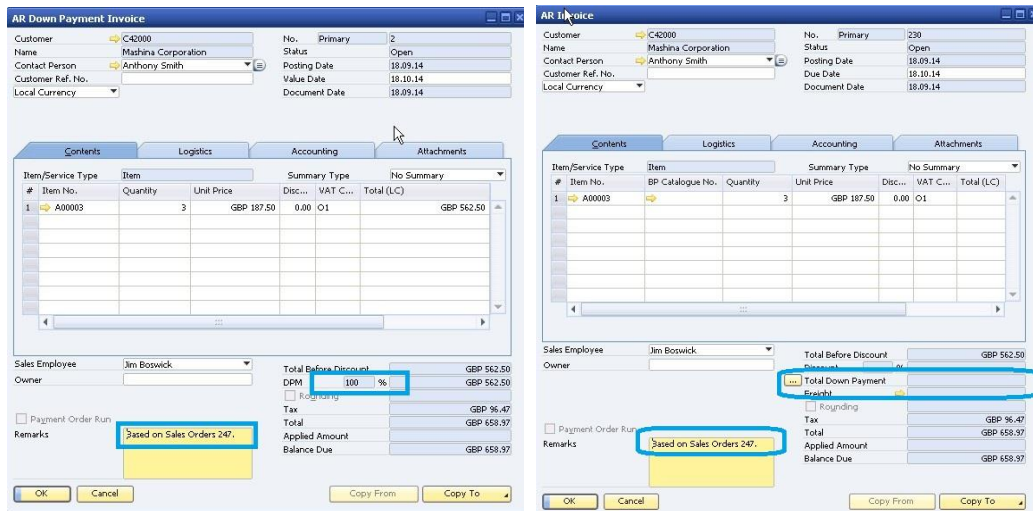
**Please note the following:**

When the Invoice or the Delivery is created from the Sales Order before payment is recorded, SAP will notice the existence of a Down Payment document that has not been paid. The user will be able to override this message and create the invoice.



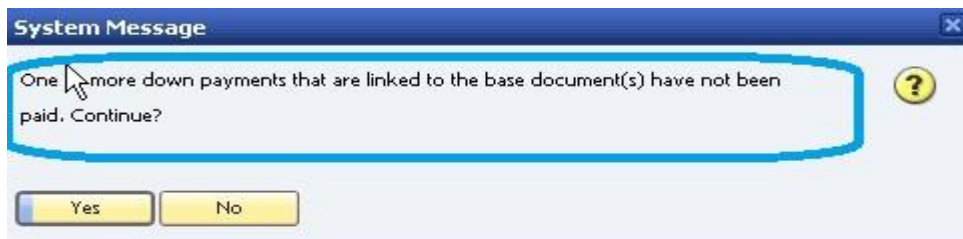
SAP will not create a link between the DPI and the Invoice and when payment is linked to the DPI at a later stage, the incoming payment will not be deducted from the outstanding amount on the final Invoice in the account balance overview. As payment has been recorded against a DPI, in Version 8.82, reconciliation with the AR Invoice is not possible.

**Example of incorrect procedure: the AR Invoice is created before payment of the DPI/DPR**



The screenshots show two SAP windows. The left window is titled 'AR Down Payment Invoice' and the right is 'AR Invoice'. Both windows display a table with one item (A00003) and a total of GBP 562.50. The 'AR Invoice' window has a red box around the 'Total Down Payment' field and a yellow box around the 'Remarks' field containing 'Based on Sales Orders 247'.

No data can be pulled in, and SAP will show the following message:

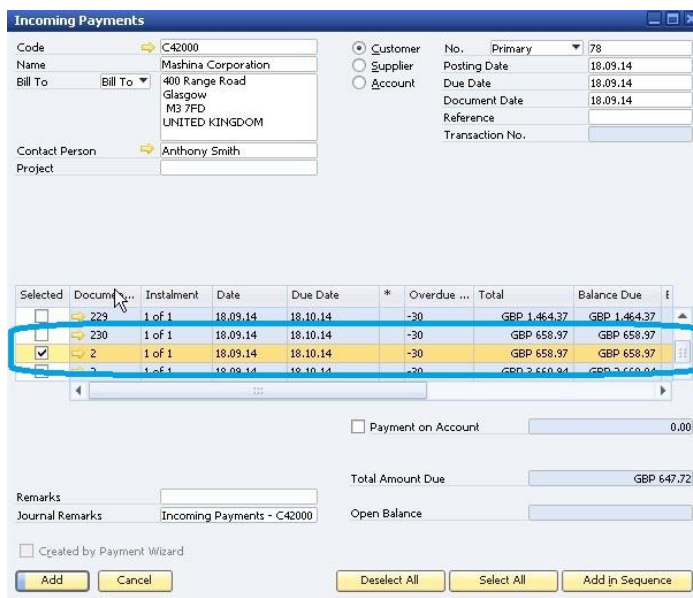


System Message

One more down payments that are linked to the base document(s) have not been paid. Continue?

Yes No

This is only a flag and will not prevent an invoice from being created.



Incoming Payments

Code: C42000  
Name: Mashina Corporation  
Bill To: 400 Range Road, Glasgow, M3 7FD, UNITED KINGDOM  
Contact Person: Anthony Smith

Customer: 78  
Posting Date: 18.09.14  
Due Date: 18.09.14  
Document Date: 18.09.14

Selected	Document	Instalment	Date	Due Date	Overdue	Total	Balance Due
<input type="checkbox"/>	229	1 of 1	18.09.14	18.10.14	-30	GBP 1,464.37	GBP 1,464.37
<input type="checkbox"/>	230	1 of 1	18.09.14	18.10.14	-30	GBP 658.97	GBP 658.97
<input checked="" type="checkbox"/>	2	1 of 1	18.09.14	18.10.14	-30	GBP 658.97	GBP 658.97
<input type="checkbox"/>	2	1 of 1	18.09.14	18.10.14	-30	GBP 2,650.94	GBP 2,650.94

Total Amount Due: GBP 647.72

Open Balance: GBP 647.72

Buttons: Add, Cancel, Deselect All, Select All, Add in Sequence

The account overview will look like this:

Account Balance - C42000, Mashina Corporation

BP Code: C42000 Mashina Corporation

Posting Date: From [ ] To [ ]

Display: 50 Last Transactions

Display Unreconciled Trans. Only:

#	Posting Date	Origin	Origin No.	Offset Account	Details	C/D (LC)	Balance Due (LC)	C/D (FC)	Balance ...
43	16.09.14	IN	227	400000	AR Invoice - C42000	GBP 1,098.28	GBP 439.31		
44	16.09.14	CN	10	400000	AR Credit Notes - C42	GBP -658.97	GBP 0.00		
45	18.09.14	DT	1	202010	AR Down Payment - C	GBP 1,464.38	GBP 0.00		
46	18.09.14	DT	2	202010	AR Down Payment - C	GBP 658.97	GBP 0.00		
47	18.09.14	RC	77	161022	Incoming Payments -	GBP (1,464.38)	GBP (0.00)		
48	18.09.14	IN	229	400000	AR Invoice - C42000	GBP 1,464.37	GBP 1,464.37		
49	18.09.14	DT	3	202010	AR Down Payment - C	GBP 3,660.94	GBP 3,660.94		
50	18.09.14	IN	230	400000	AR Invoice - C42000	GBP 658.97	GBP 658.97		
51	18.09.14	RC	78	161010	Incoming Payments -	GBP (658.97)	GBP (0.00)		
							GBP 7,687.97		0.00

View by Control Account

Ageing Report Internal Reconciliation

And the relationship map clearly shows no link between Down Payment Invoice and Invoice:

