

# Understanding Invoice Automation

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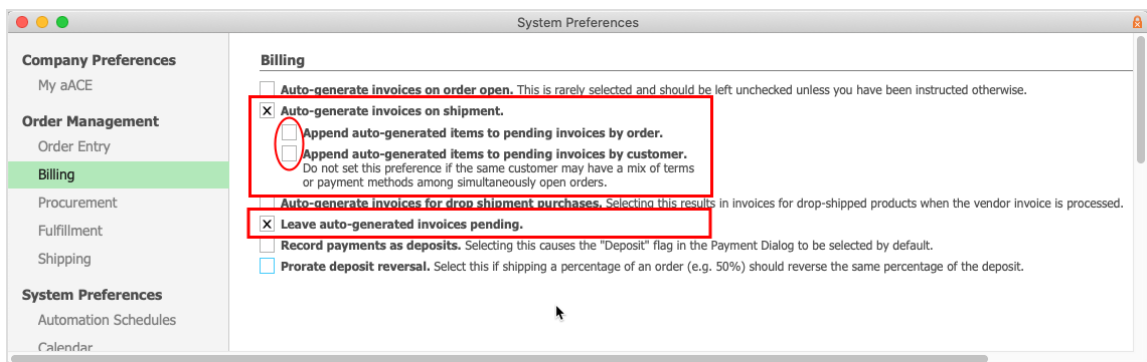
The workflow for a sales order typically moves from taking the order, preparing and shipping the products, then preparing and sending the invoice. To streamline this workflow, aACE can automatically generate records according to the preferences set by your system administrator. For example, the [system preferences for billing](#) can automate certain aspects of invoicing.

The following scenarios clarify how some of these invoicing settings can support your workflows by linking related invoices.

## Append Auto-Generated Items

Suppose you have the Billing preferences flag marked to 'Auto-generate invoices on shipment'. With this setting, when a shipment's status is changed to Shipped, aACE automatically creates the corresponding invoice. If you must send items in multiple shipments (e.g. because an item is on [backorder](#)), you can use the two subsidiary options to control how aACE manages invoicing for subsequent shipments.

Note: For aACE to automatically append invoices, the invoice record must be kept in Pending status. Be sure that your Billing preferences also have the flag marked to 'Leave auto-generated invoices pending'.



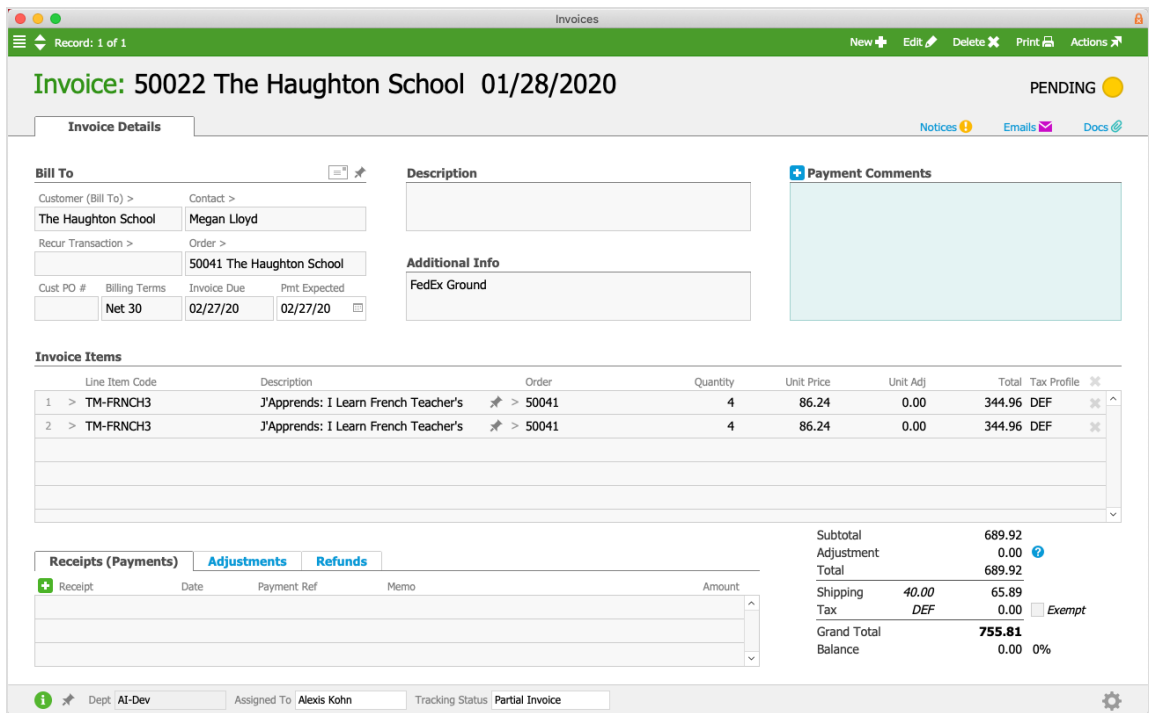
### Appending by Order

This option consolidates invoices that are related to a single order.

Suppose you have a sales order that includes ten units of an item. Although only four units

are in stock, the customer requests that the available items be sent immediately. These units would be shipped and the invoice would be automatically generated.

However before you send that invoice, four of the backordered items arrive. They are quickly prepared and sent out in a second shipment. Because the initial invoice related to the order is still in Pending status, aACE would append the second shipment to the initial invoice:



At this point, you post the initial invoice and send it to the customer. When the final two units are received and the final shipment goes out, there isn't a pending invoice, so a new invoice is generated. The order is completed with three shipments and two invoices.

### Appending Bill by Customer

This option consolidates invoices that are related to a specific customer.

Suppose your customers place many orders, but they prefer fewer invoices that each include a batch of orders (e.g. an agreement to bill once for all orders placed during the month). When a customer's shipments are shipped, aACE automatically creates invoices marked as "partial invoice". aACE also searches for other pending invoices for that customer and links them together. It calculates the sum for the customer's current outstanding shipments and displays this total on *each* invoice. Each invoice is also updated to show the LICs and quantities from all the linked pending invoices.

When you receive payment on any one of the consolidated invoices, aACE updates all the linked invoices:

- Receive the *full* amount — All the linked invoices are *replaced* by the paid invoice, which is moved to Closed status.
- Receive a *partial* amount — The received amount is subtracted from the current total, then *all* the invoices are moved to Open status. This prevents subsequent invoices from being added to this batch.

Note: Do *not* use this feature if the customer will have different billing terms or payment methods on orders that are open at the same time. Shipments that will be invoiced together should all have identical terms and methods.

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