



Infor LN Sales User Guide for Sales Contracts

Important Notices

The material contained in this publication (including any supplementary information) constitutes and contains confidential and proprietary information of Infor.

By gaining access to the attached, you acknowledge and agree that the material (including any modification, translation or adaptation of the material) and all copyright, trade secrets and all other right, title and interest therein, are the sole property of Infor and that you shall not gain right, title or interest in the material (including any modification, translation or adaptation of the material) by virtue of your review thereof other than the non-exclusive right to use the material solely in connection with and the furtherance of your license and use of software made available to your company from Infor pursuant to a separate agreement, the terms of which separate agreement shall govern your use of this material and all supplemental related materials ("Purpose").

In addition, by accessing the enclosed material, you acknowledge and agree that you are required to maintain such material in strict confidence and that your use of such material is limited to the Purpose described above. Although Infor has taken due care to ensure that the material included in this publication is accurate and complete, Infor cannot warrant that the information contained in this publication is complete, does not contain typographical or other errors, or will meet your specific requirements. As such, Infor does not assume and hereby disclaims all liability, consequential or otherwise, for any loss or damage to any person or entity which is caused by or relates to errors or omissions in this publication (including any supplementary information), whether such errors or omissions result from negligence, accident or any other cause.

Without limitation, U.S. export control laws and other applicable export and import laws govern your use of this material and you will neither export or re-export, directly or indirectly, this material nor any related materials or supplemental information in violation of such laws, or use such materials for any purpose prohibited by such laws.

Trademark Acknowledgements

The word and design marks set forth herein are trademarks and/or registered trademarks of Infor and/or related affiliates and subsidiaries. All rights reserved. All other company, product, trade or service names referenced may be registered trademarks or trademarks of their respective owners.

Publication Information

Release: Infor LN 2022.x

Publication Date: December 5, 2022

Document code: ln_2022.x_salesscug__en-us

Contents

About this Guide.....4

 Contacting Infor.....4

Chapter 1: Introduction.....6

 Sales contracts - overview.....6

Chapter 2: Procedure.....8

 Specifying sales contracts.....8

Chapter 3: Contract retrieval.....10

 Retrieving sales contracts.....10

Chapter 4: Scheduled contract deliveries.....12

 Scheduled requirements for a sales contract.....12

 Contract deliveries using delivery schemes.....12

Chapter 5: Additional processes.....14

 Sales contracts - additional processes.....14

 Copying sales contracts.....15

 Evaluating sales contracts.....16

Appendix A: Graphs.....18

 Contract line graph.....18

Index.....20

About this Guide

This document provides an introduction to sales contracts and explains the sales contract procedure and functions. The process to manage scheduled deliveries based on a contract and contract retrieval, is also described.

Assumed knowledge

Although you need no detailed knowledge of the LN software to read this guide, general knowledge of the LN functionality will help you understand this guide.

References

Use this guide as the primary reference for purchase contracts. Use the current editions of these related references to research information that is not covered in this guide:

- *User Guide for Sales Master Data*
- *User Guide for Terms and Conditions*
- *User Guide for Sales Orders*
- *User Guide for Purchase and Sales Schedules*
- *User Guide for Pricing*
- *User Guide for Material Pricing*
- *User Guide for Retrobilling*

How to read this document

This document is assembled from online Help topics. Text in italics followed by a page number represents a hyperlink to another section in this document.

Underlined terms indicate a link to a glossary definition. If you view this document online, clicking the underlined term takes you to the glossary definition at the end of the document.

Contacting Infor

If you have questions about Infor products, go to Infor Concierge at <https://concierge.infor.com/> and create a support incident.

The latest documentation is available from docs.infor.com or from the Infor Support Portal. To access documentation on the Infor Support Portal, select **Search > Browse Documentation**. We recommend that you check this portal periodically for updated documentation.

If you have comments about Infor documentation, contact documentation@infor.com.

Chapter 1: Introduction

Sales contracts - overview

Sales contracts are used to register agreements about the delivery of specific goods to a sold-to business partner.

These agreements can be registered at the following levels:

- **Sales contract lines**
In contract lines, the delivery agreements for an item or group of items for a specified period of time are registered. These agreements include the total quantities, prices, and discounts. You can specify an *effective period* and indicate whether the minimum quantity to be sold is binding.
- **Terms and conditions agreements**
In terms and conditions agreements, detailed terms and conditions regarding orders, schedules, planning, logistics, invoicing, and demand pegging are registered for the sale, purchase, or transfer of goods. To use a sales terms and conditions agreement, you must link it to a sales contract before you can use it.

You can create the following contract types:

- *Normal contracts*
- *Special contracts*

Special contracts are used to record agreements that relate to specific projects. A special contract can also be a *promotional contract*. For each sold-to business partner, you can close multiple special contracts in one period. In a specific period, you cannot specify more than one normal contract per item or price group for a sold-to business-partner.

Sales contracts are used as the basis of sales orders or sales schedules. The data specified in the sales contract serves as a parent of the data that you specify in the linked sales order or sales schedule. Sales schedules and terms and conditions agreements can be linked only to normal contracts and not to special contracts.

Specifying sales contracts

Before you can specify sales contracts:

- 1 Select the Contracts check box in the **Sales Parameters (tdsls0100s000)** session.
- 2 Specify the sales contract parameters in the Sales Contract Parameters (tdsls0100s300) session.

For more information, refer to Specifying sales contracts.

Retrieving sales contracts

For more information, refer to Retrieving sales contracts.

Additional processes

A number of processes do not always occur in the sales contract procedure, but can be applicable in specific situations.

For more information, refer to Sales contracts - additional processes.

Chapter 2: Procedure

Specifying sales contracts

To record the agreements that you made with a sold-to business partner:

1 Sales Contracts (tdsls3500m000)

Specify the general data for a sales contract header in the Sales Contracts (tdsls3500m000) session. This session includes mainly sold-to business partner-related information. On the contract header, you can also link a *terms and conditions agreement*.

A terms and conditions agreement can be linked as follows in this session:

- Manually, by selecting an agreement from the **Terms and Conditions (tctrm1100m000)** session.
- By generating an agreement from a template, which is automatically linked to the contract header. Click **Generate Terms and Conditions from Template** from the *appropriate* menu to start the Generate Terms and Conditions from Template (tctrm2200m000) session.

The following can be linked to a contract:

- Both a terms and conditions agreement and contract lines
- Only a terms and conditions agreement and no contract lines
- Only contract lines and no terms and conditions agreement

2 Sales Contract Lines (tdsls3501m000)

Specify sales contract lines in the Sales Contract Lines (tdsls3501m000) session, which include the item's agreements with a sold-to business partner. If you do not use *sales contract price revisions*, sales contract lines also contain prices and discounts. Contract line data refers to the **Sales Contract Lines (tdsls3501m000)** session.

3 Sales Contract Prices (tdsls3103m000)

If the Contract Prices in Use check box is selected in the **Sales Contract Lines (tdsls3501m000)** session, specify *sales contract price revisions* for the contract line. Sales contract price revision data refers to the Sales Contract Prices (tdsls3103m000) session.

If no valid price and discount can be retrieved from the sales contract, LN will continue searching for a price and discounts in other sources.

4 Sales Contract Line Logistic Data (tdsls3102m000)

If the Use Contracts for Schedules check box is selected in the **Sales Schedule Parameters (tdsls0100s500)** session, specify *logistic agreements* for the contract line. Contract line logistic data refers to the Sales Contract Line Logistic Data (tdsls3102m000) session.

5 Scheduled requirements for a sales contract

If you do not receive schedules from your sold-to business partners but you do want to set up a list of time-phased deliveries based on a sales contract, you can define scheduled requirements for a sales contract.

For more information, refer to Scheduled requirements for a sales contract.

Note: You can also complete the previous steps using the Sales Contract (tdsls3600m000) or Sales Contracts (tdsls8330m000) sessions.

Chapter 3: Contract retrieval

Retrieving sales contracts

The following origins are used to search for sales contracts:

- Sales order line
- Sales schedule header
- Sales schedule line
- Manufacturing, when searching for prices for BOM components
- Project, when searching for prices

When searching for **Active** sales contract lines for these origins, only contract lines for which the following fields match the original values are displayed:

- **BP Prices/Discounts** or **Sold-to Business Partner**
- **Ship-to Business Partner**
- **Item**
- **Price Group**
- **Sales Office**
- **Effectivity Unit**
- **Effective Date**
- **Expiry Date**

Sales contracts and sales schedules

By default, a *normal contract* line can be linked to a *sales schedule* when:

- Processing a sales release to a sales schedule
- Inserting a sales schedule line
- Approving a sales schedule line

When searching for a sales contract line for a sales schedule header, LN:

- Considers the *customer order number* if the Use Customer Order for Schedules check box is selected in the **Sales Schedule Parameters (tdsls0100s500)** session.

The contract lines are linked based on the value of the Action on Deviating Customer Order and Action on Deviating Empty Customer Order fields in the **Sales Contract Lines (tdsls3501m000)** session:

- **Block**
Contract lines for which the value of the **Customer Order** field in the **Sales Contract Lines (tdsls3501m000)** matches the **Customer Order** in the **Sales Schedules (tdsls3111m000)** session, are linked.

- **Continue with Sales Release**
Contract lines can be linked to a different **Customer Order** instead of the sales schedule. In this case, the sales release's **Customer Order** is used for the sales schedule.
- **Continue with Sales Contract**
Contract lines can be linked to a different **Customer Order** instead of the sales schedule. In this case, the sales contract's **Customer Order** is used for the sales schedule.
- Verifies if the *customer contract reference* is identical in the **Sales Contract Lines (tdsls3501m000)** and **Sales Schedules (tdsls3111m000)** sessions.

Note:

- For sales schedules, LN uses the current date to search for effective and **Active** sales contracts.
- If the Use Terms and Conditions for Schedules check box is selected in the **Sales Schedule Parameters (tdsls0100s500)** session, the sales contract must be linked to the terms and conditions agreement for the sales schedule.

Sales contracts and sales orders

The sales contracts are linked to *sales orders* based on the value of these parameters in the **Sales Contract Parameters (tdsls0100s300)** session:

- Interactive Contract Linking
- Link Special Contract Automatically

For sales orders, LN uses the date specified in the Sales Price Date Type field of the **Pricing Parameters (tdpcg0100m000)** session (which can be **Order Date**, **System Date**, or **Delivery Date**) to search for effective and **Active** sales contracts.

Note: If the Use Customer Order for Schedules and Use Customer Contract Reference for Schedules check boxes are selected in the **Sales Schedule Parameters (tdsls0100s500)** session, for sales orders, LN only retrieves contract lines for which the **Customer Order** and **Customer Contract Reference** fields are not specified in the **Sales Contract Lines (tdsls3501m000)** session. Consequently, sales orders cannot be linked to sales contract lines that are set up for sales schedules.

To retrieve terms and conditions, for an order line, from an active contract, the link to the order line is not required. Consequently, the contract number is only defaulted for the order line if an active contract line is linked to the order line. For more information, refer to Retrieval of terms and conditions.

If the item specified for the sales contract is *unit effective*, the sales order price includes *upgrade prices*. If the item specified for the sales order is unit effective, and the contract item is not, the sales order price, which includes the upgrade prices, is used as the contract price.

Chapter 4: Scheduled contract deliveries

Scheduled requirements for a sales contract

To use a simplified *sales schedule*, you can specify scheduled deliveries based on a *sales contract*. You can use this process if you do not receive schedules from your sold-to business partners, but you want to set up a list of time-phased deliveries using a sales contract.

You can specify scheduled requirements for a *sales contract* using delivery schemes.

To define scheduled requirements for a sales contract using delivery schemes, you must specify sales contract delivery lines that contain delivery dates and quantities. You can automatically generate sales orders from a delivery scheme.

For more information, refer to *Contract deliveries using delivery schemes*.

Contract deliveries using delivery schemes

A delivery scheme is a list of time-phased deliveries based on a sales contract. To specify the time-phased deliveries, you need sales contract delivery lines that are converted to sales orders. A delivery scheme is a simplified schedule that is used to generate sales orders in time.

Example

Contract line	Sales contract delivery line	Quantity	Sales order line	Quantity
100 pieces (pcs)	01/12	20 pcs	SOL1 01/12	20 pcs
	08/12	25 pcs	SOL2 08/12	25 pcs
	15/12	40 pcs	SOL3 15/12	40 pcs
	22/12	15 pcs	SOL4 22/12	15 pcs

To specify contract deliveries using a delivery scheme:

- 1 Create a sales contract and a sales contract line

Create a sales contract in the **Sales Contracts (tdsls3500m000)** session and a sales contract line in the **Sales Contract Lines (tdsls3501m000)** session.

2 Create a delivery scheme

Click **Delivery Scheme** on the *appropriate* menu of the **Sales Contract Lines (tdsls3501m000)** session. As a result, the Sales Contract Delivery Lines (tdsls3104m000) session starts, in which you can specify the dates on which delivery must take place and the quantities to be delivered on the specified dates.

3 Activate the contract line

Activate the contract line in the **Sales Contract Lines (tdsls3501m000)** session.

You cannot activate a contract line if:

- The delivery scheme includes planned delivery dates that are outside the contract line's effectivity period
- The total delivery scheme quantity is more than the contract line's agreed quantity

If the contract line cannot be activated, you can click **Check Delivery Scheme** in the **Sales Contract Delivery Lines (tdsls3104m000)** session to check the delivery scheme and adapt it. Alternatively, you can also change the contract line.

4 Generate sales orders for the planned deliveries

If you select a sales contract delivery line and you click **Generate Sales Order** on the *appropriate* menu of the **Delivery Contract (tdpur3104m000)** session, a sales order (line) is generated from the selected delivery line.

If you do not select a specific sales contract delivery line and you click **Generate Sales Order**, the Generate Sales Orders from Delivery Schemes (tdsls3204m000) session is started in which you can generate sales order (lines) for a range of sales contract delivery lines.

You can generate sales orders for the planned deliveries only if the status of the sales contract and the sales contract line are **Active**.

Chapter 5: Additional processes

Sales contracts - additional processes

A number of processes do not always occur in the sales contract procedure, but can be used depending on specific situations.

Activating/deactivating sales contracts

You can activate or deactivate a range of sales contracts in the Activate/Deactivate Contracts (tdsls3205m000) session.

Copying sales contracts

You can copy sales contracts in the Copy Sales Contracts (tdsls3801m000) session.

Evaluating sales contracts

You can verify whether the agreed quantities are met at the end of a contract's effective period using the Evaluate Sales Contracts (tdsls3420m000) session. You can also monitor, by extrapolating, the contract's progress during the effective period. A report is printed that contains the deviations. An evaluation for the complete contract can be executed by not printing the separate contract lines. Small deviations are tolerated and are not printed.

Printing contract acknowledgements

You can print contract acknowledgements to send to the sold-to business partner in the Print Sales Contract Acknowledgements (tdsls3405m000) session.

Retrieving material prices

If the **Material Pricing in Sales** check box is selected in the Material Price Parameters (tcmpr0100m000) session and the material pricing master data is specified, LN can retrieve material price information and calculate *material prices* for a sales contract line.

Retrobilling

You can use the *retrobilling* functionality to re-invoice previously shipped items for sales orders and schedules after a price change is made to a sales contract because of price renegotiations.

Sending reminders

If certain sold-to business partners do not meet their commitments as stated in the contract, you can print and send out reminders in the Print Sales Contract Reminders (tdsls3406m000) session to prevent a breach of contract. LN prints reminders for contracts that exceed the allowed Negative Deviation.

Terminating and deleting sales contracts

You can terminate or delete sales contracts that are no longer valid, or that have ended early in the Archive/Delete/Terminate Sales Contracts (tdsls3203m000) session.

Copying sales contracts

You can copy sales contracts in the Copy Sales Contracts (tdsls3801m000) session.

You can always copy a normal contract to a normal contract or a special contract to a special contract. Whether or not you can copy a normal contract to a special contract, and a special contract to a normal contract, depends on the settings of these check boxes in the **Sales Contract Parameters (tdsls0100s300)** session:

- **Copy Special Contract to Normal Contract**
- **Copy Normal Contract to Special Contract**

When you copy to a new normal contract, LN verifies whether a normal contract already exists:

- In the same period
- With the same price group or item
- For the same sold-to business partner

If such a contract already exists and its status is **Active**, copying is not allowed.

If no such contract exists, when you copy to a new normal contract:

- The new contract's effective date will be just after the expiry date of the old contract
- The contract period will be one year

Contracts are copied with a new contract number, which is determined in the same way as when you specify a new contract in the **Sales Contract (tdsls3600m000)** session, but with different effective and expiry dates.

If the Contract Prices in Use check box is selected on the source contract line, the *sales contract price revisions* that are linked to the source contract with effective dates that are in the *effectivity period* of the new contract, are copied to the new contract. If no valid price revision exists, and the **Copy Prices** check box is selected in the **Copy Sales Contracts (tdsls3801m000)** session, the last price revision of the old contract is copied to the new contract's price revision with the same effective date as the contract line's effective date.

Note: Discounts and discount schedules from the old contract are not automatically included if you copy prices to the new contract. To also copy discounts to the new contract, select the **Copy Discounts** check box in the **Copy Sales Contracts (tdsls3801m000)** session.

If *price books* or *discount schedules* are not valid within the run time of the contract, you can create new price books and new discount schedules for the new contract by selecting the **Create New Price Book** and **Create**

New Discount Schedule check boxes in the **Copy Sales Contracts (tdsls3801m000)** session. You can also add new price/discount lines to existing price books/discount schedules.

Delivery schemes that are linked to the old contract can be copied to the new contract. To copy the delivery scheme, select the **Copy Delivery Contract** check box in the **Copy Sales Contracts (tdsls3801m000)** session.

The currency of the *invoice-to business partner* must be the same as the contract currency. When a contract is agreed upon, the status of the business partners must be **Active**. A parent relation must exist between a sold-to business partner and the other business partner roles.

Evaluating sales contracts

If a sales contract is used for a sales order or sales schedule, you can evaluate the sales contract during and after the sales order or schedule procedure. During the contract's effectivity period, you can check if the deliveries take place as agreed in the contract. At the end of the contract's effectivity period, you can check if the agreed quantities were met.

The **Evaluate Sales Contracts (tdsls3420m000)** session is mandatory if the **Evaluate Contract before Deleting** check box is selected in the **Sales Contract Parameters (tdsls0100s300)** session.

To evaluate contracts in the Evaluate Sales Contracts (tdsls3420m000) session:

- The contract status must be **Active**
- Call orders must exist for the contract
- The time elapsed (%) must be more than the specified percentage

How a contract line is evaluated depends on the value of the **Quantity Binding** check box in the **Sales Contract Lines (tdsls3501m000)** session. This check box determines whether the **Agreed Quantity** that you agreed with your sold-to business partner is a mandatory quantity to sell.

If the **Quantity Binding** check box is selected in the **Sales Contract Lines (tdsls3501m000)** session, the **Evaluate Sales Contracts (tdsls3420m000)** session prints the differences between:

- The **Called Quantity** and the **Maximum Quantity** fields in the **Sales Contract Lines (tdsls3501m000)** session.
- The **Called Quantity** and the **Minimum Quantity** fields in the **Sales Contract Lines (tdsls3501m000)** session.

If the **Quantity Binding** check box is cleared in the **Sales Contract Lines (tdsls3501m000)** session, the **Evaluate Sales Contracts (tdsls3420m000)** session prints the lines that exceed the boundaries that you specified in the **Evaluate Sales Contracts (tdsls3420m000)** session.

You can accept small negative or positive deviations regarding the quantities. The deviations are calculated as follows in the **Evaluate Sales Contracts (tdsls3420m000)** session:

$$((\text{Called Quantity} + \text{Invoiced Quantity}) - (\text{Agreed Quantity} * \text{Elapsed Time Factor}) \div \text{Agreed Quantity}) * 100$$

Example

- Agreed Quantity = 100
- Called + invoiced = 40
- Contract duration = 10 days
- Time Elapsed = 6 days

$$\text{Negative Deviation} = 40 - 100 * 6/10 \div 100 = -20\%$$

If this percentage is greater than the allowed percentage, the contract line is printed.

Note:

- After a sales contract is evaluated, the **Evaluation [y/n/repeat]** field is updated in the **Sales Contract Lines (tdsls3501m000)** session.
- Extrapolating can produce a distorted picture if, for instance, the largest quantities are delivered at the end of the contract period. As a result, an interim evaluation will show a backlog that does not correspond with reality.

Appendix A: Graphs

Contract line graph

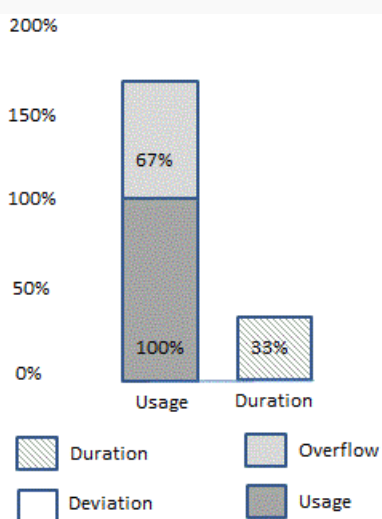
The utilization of the contract quantity is compared with the duration of the contract line and is displayed in a graph using the Sales Contracts (tdsls8330m000) or Purchase Contracts (tdpur8330m000) sessions.

When you select a contract line in these sessions, a graph is displayed in the **Usage versus Duration** group.

Example

Contract line effective date	1/1/2015
Contract line expiry date	31/12/2015
Current date	1/5/2015
Agreed quantity	300
Delivered quantity	500

The graph shows these columns:



- **Duration**
The contract line is active and only 33% (4 months) of this contract line has passed. Duration = (current date - effective date (120 days) / expiry date – effective date (365 days) * 100 = 33% (rounded).
- **Usage**

With an agreed quantity of 300 and a delivered quantity of 500, the agreed quantity is delivered. So, the usage is $(100 \times 300 / 300) = 100\%$.

- Overflow

With an agreed quantity of 300 and a delivered quantity of 500, an additional quantity of 200 is delivered. So, the overflow is $(100 \times 200 / 300) = 67\%$.

- Deviation

Because of the overflow, the deviation is zero. However, if only a quantity of 50 is delivered (usage of $(100 \times 50 / 300) = 17\%$), the deviation is 16%. Consequently, the delivery of the agreed quantity would be behind schedule.

Index

C

Contract line graph [18](#)

D

Delivery scheme [12](#)

S

sales contract
 additional processes [6](#)

Sales contract
 copying [15](#)
Sales contract delivery line [12](#)
Sales contracts
 additional processes [14](#)
 evaluating [16](#)
 retrieving [6](#), [10](#)
 specifying [6](#), [8](#)
Scheduled requirement [12](#)