

## Article # 1301

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### Technical Note: Understanding the Sales Order Credit Hold Feature

**Difficulty Level:** Intermediate Level AccountMate User

**Version(s) Affected:** AccountMate 12 for SQL and Express  
AccountMate 11 for SQL and Express  
AccountMate 10 for SQL, Express, and LAN  
AccountMate 9 for SQL, Express, and LAN  
AccountMate 8 for LAN

**Module(s) Affected:** SO

**Posting Date:** 03/31/2021

### DESCRIPTION

One of the best services that a company can provide its customers is prompt responses regarding their credit transaction issues. Prompt responses give customers confidence that they are prioritized. Customers who feel this way usually return and a lasting business relationship is assured.

The **Sales Order Credit Hold** feature will help you manage your customers' credit transactions. Utilizing this feature to its full capacity will help you improve control of credit verification, holds, and approval. It also increases operational productivity and lessens the risk of forgetting credit issues because the process is cut short. You can directly create a sales order but put it on hold instead of converting the sales order to a sales quote. For example, when a customer who has exceeded his credit limit places an order, the salesperson can proceed to create a sales order but put it on hold instead of saving it as a sales quote. The credit manager, when notified of the credit hold, can then hold an immediate investigation and decide whether or not to release the credit hold.

This article discusses how to activate and take full advantage of the **Sales Order Credit Hold** feature.

### SOLUTION

#### Activate the feature

The Sales Order Credit Hold feature gives you the option to put on credit hold the sales orders of customers who exceeded the credit limit at the time the sales orders were created. To activate this feature, you must mark the **Enable SO Credit Hold** checkbox found in **SO Module Setup ► General (1)** tab (Figure 1).

**Note:** The Sales Order Credit Hold feature is available only when the pay code type used when creating the sales order is set to **Terms**.

You can deactivate this feature anytime by unmarking the **Enable SO Credit Hold** checkbox. Deactivating the feature will not affect those sales orders that are already put on credit hold.

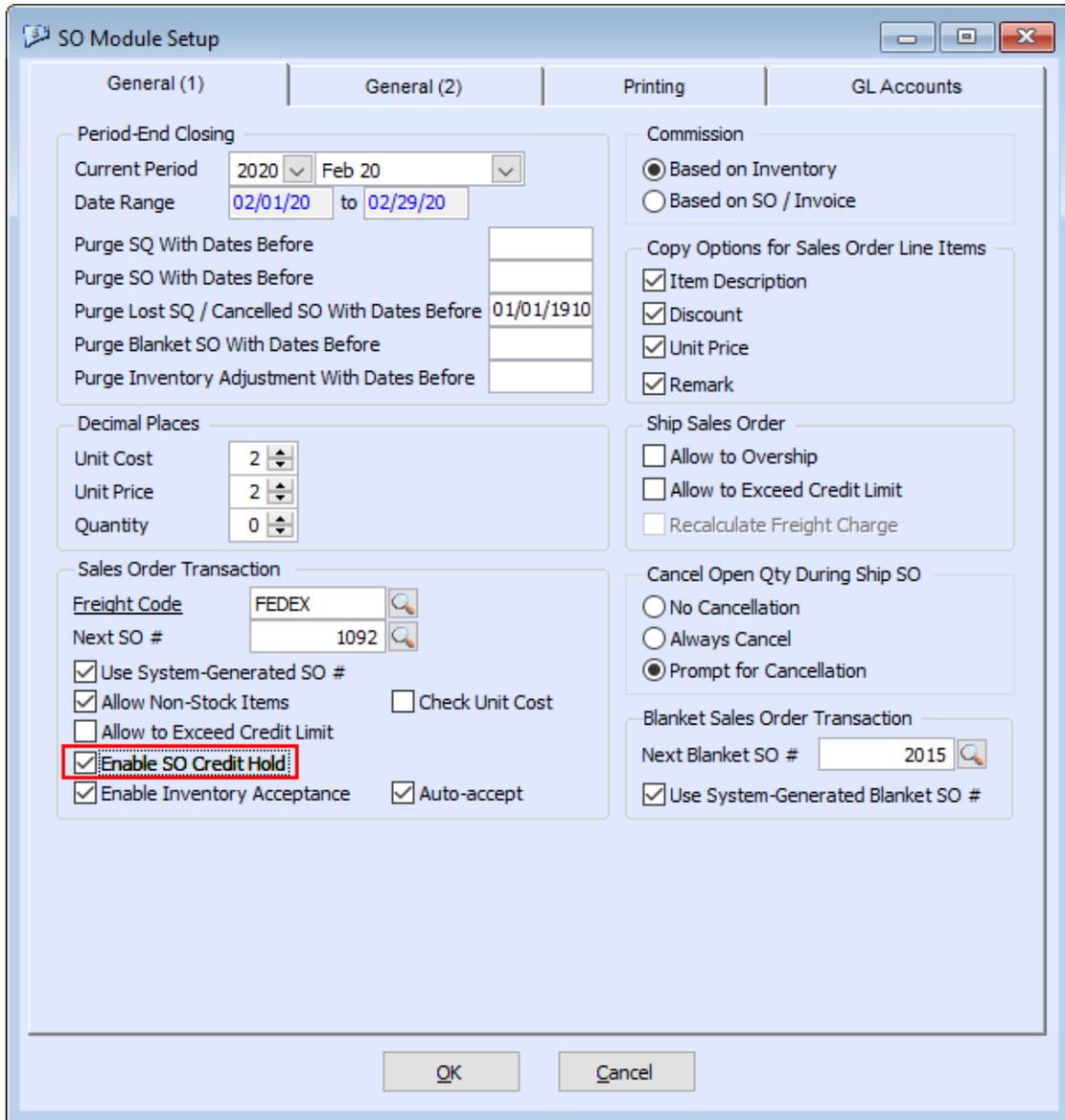


Figure 1. SO Module Setup

## How Does the Feature Work?

### 1. Sales Transactions

This section discusses several scenarios as to how the **Sales Order Credit Hold** feature affects the different kinds of sales order transactions.

## A. Create Sales Order/Amend Sales Order/Release Blanket SO

- 1) Scenario 1: The following conditions exist:
  - a) **Enable SO Credit Hold** checkbox is marked in **SO Module Setup ► General (1)** tab
  - b) **Allow to Exceed Credit Limit** checkbox is marked in **SO Module Setup ► General (1)** tab
  - c) Customer's Available Credit is greater than 0 (zero)
  - d) Sales Order transaction amount exceeds available credit or Customer has already exceeded credit limit

In this scenario clicking the **Save** button in the **Create Sales Order, Amend Sales Order, and Release Blanket SO** functions provide you with three options: if you want to **(1)** create a regular sales order, **(2)** put the sales order in to credit hold, or **(3)** convert it as a sales quote. You can confirm what your preference is in the message dialog box that will be displayed in the process.

**Note:** Amending sales orders and releasing blanket sales order follow the behavior noted below:

- **Amending sales orders on credit hold** – You will not encounter any of the messages below when amending sales orders on credit hold. The sales order will still be on credit hold even if the amendment results in a lower total SO amount that is still within the customer's credit limit.
- **Amending regular sales orders** – When amending a regular sales order and the amendment results in a larger total sales order amount that exceeds the customer's credit limit, you will be given two options as to how to proceed: **(1)** if you want to create a regular sales order or **(2)** put the sales order on credit hold. You will encounter the first and second message only.
- **Releasing blanket sales orders** – You have the same options as with amending a regular sales order; however, clicking the **No** button in the second message will display another message informing you that the customer has exceeded the credit limit. This is to inform you that a sales order will not be created because of the customer's credit limit condition. When you click the **OK** button, it returns you to the **Release Blanket SO** function. If you want to create a sales order or put the sales order on credit hold, click the **Save** button again; then, click **Yes** in the appropriate message windows.
  - First Message: *Order exceeds customer credit limit by \$xxx.xx. Do you want to continue? [Y/N]*
    - Clicking the **Yes** button saves the sales order.
    - Clicking the **No** button displays the second message.
  - Second Message: *Do you want to put this sales order on credit hold? [Y/N]*
    - Clicking the **Yes** button puts the sales order on credit hold.
    - Clicking the **No** button displays the third message.

- Third Message: *Do you want to convert this transaction into a sales quote? [Y/N]*
    - Clicking the **Yes** button converts the sales order into a sales quote.
    - Clicking the **No** button returns to the **Create Sales Order** function.
- 2) Scenario 2: The following conditions exist:
- a) **Enable SO Credit Hold** checkbox is marked in **SO Module Setup ▶ General (1)** tab
  - b) **Allow to Exceed Credit Limit** checkbox is unmarked in **SO Module Setup ▶ General (1)** tab
  - c) Customer's Available Credit is greater than 0 (zero)
  - d) Sales Order transaction amount exceeds available credit

In this scenario, clicking the **Save** button in the **Create Sales Order, Amend Sales Order, and Release Blanket SO** functions provide two options: if you want to **(1)** put the sales order on credit hold or **(2)** convert the sales order to a sales quote. You can confirm your preference in the message dialog box that will be displayed in the process.

**Note:** *Amending sales orders and releasing blanket sales orders follow the behavior noted below:*

- **Amending sales orders on credit hold** – You will not encounter any of the messages below when amending sales orders on credit hold. The sales order will be on credit hold even if the amendment results in a lower total SO amount that is still within the customer's credit limit.
- **Amending regular sales orders** – When amending a regular sales order and the amendment results in a larger total sales order amount that exceeds the customer's credit limit, you will be given the option to put the sales order on credit hold; otherwise, clicking **No** in the message window returns you to the **Amend Sales Order** function. You cannot convert an amended sales order into a sales quote.
- **Releasing blanket sales orders** – You are only given the option to put the sales order on credit hold. Clicking the **No** button in the message will display another message telling you that the order exceeds the customer credit limit. When you click the **OK** button in the message, it returns you to the **Release Blanket SO** function. You cannot convert a blanket sales order into a sales quote.
  - First Message: *Order exceeds customer credit limit. Do you want to put this sales order on credit hold? [Y/N]*
    - Clicking the **Yes** button puts the sales order on credit hold.
    - Clicking the **No** button displays the second message.
  - Second Message: *Do you want to convert this transaction into a sales quote? [Y/N]*
    - Clicking the **Yes** button converts the sales order into a sales quote.
    - Clicking the **No** button returns you to the **Create Sales Order** function.

- 3) Scenario 3: The following conditions exist:
- Enable SO Credit Hold** checkbox is marked in **SO Module Setup ► General (1)** tab
  - Allow to Exceed Credit Limit** checkbox is unmarked in **SO Module Setup ► General (1)** tab
  - Customer has already exceeded credit limit

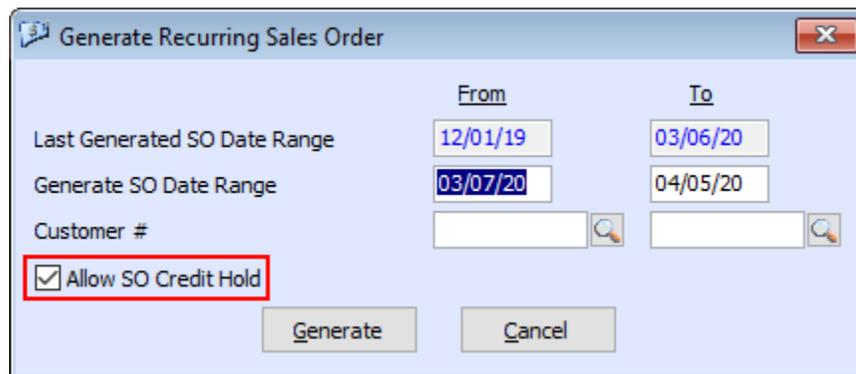
The options in Scenario 2 will apply if you create a sales order.

## B. Generate Recurring Sales Order

### 1) **Allow SO Credit Hold** checkbox

The setting of the **Allow SO Credit Hold** (Figure 2) checkbox will depend on the setting of the **Enable SO Credit Hold** and **Allow to Exceed Credit Limit** checkboxes in **SO Module Setup**.

- The checkbox will be unmarked and not accessible if the **Enable SO Credit Hold** checkbox is unmarked.
- It will be marked and accessible if the **Enable SO Credit Hold** checkbox is marked but the **Allow to Exceed Credit Limit** checkbox is not marked. This allows users to unmark this checkbox when they run the **Generate Recurring SO** function.
- It will be marked but not accessible if both the **Enable SO Credit Hold** and **Allow to Exceed Credit Limit** checkboxes are marked.



**Figure 2. Generate Recurring Sales Order Window**

### 2) Different **Generate Recurring Sales Order** Scenarios

- Scenario 1: The following conditions exist:
  - Allows SO Credit Hold** checkbox is marked
  - Allow to Exceed Credit Limit** checkbox is marked in **SO Module Setup ► General (1)** tab
  - Customer's Available Credit is greater than 0 (zero)
  - Sales Order transaction amount exceeds available credit or Customer has already exceeded credit limit

In this scenario, clicking the **Generate** button displays the message "Sales order(s) will be placed on credit hold if the order exceeds customer's credit limit. Do you want to continue? [Y/N]."

- Clicking the **Yes** button generates the sales orders for all customers whether or not they have exceeded the credit limit.
- Clicking the **No** button returns you to the **Generate Recurring Sales Order** window.

b) Scenario 2: The following conditions exist:

- **Allow SO Credit Hold** checkbox is marked
- **Allow to Exceed Credit Limit** checkbox is unmarked in **SO Module Setup ► General (1)** tab
- Customer's Available Credit is greater than 0 (zero)
- Sales Order transaction amount exceeds available credit or Customer has already exceeded credit limit

In this scenario, clicking the **Generate** button displays the message "Sales order(s) will be placed on credit hold if the order exceeds customer's credit limit. Do you want to continue? [Y/N]."

- Clicking the **Yes** button generates the sales order for all customers; however, sales orders will be put on credit hold for those customers who have exceeded their credit limit. AccountMate will then show the message:

"No. of Sales Order generated = x  
Total Sales Order Amount generated = \$xxx.xx

No. of SO on Credit Hold generated = y  
Total Credit Hold Amount generated = \$yyy.yy"

- Clicking the **No** button returns you to the **Generate Recurring Sales Order** window.

c) Scenario 3: The following conditions exist:

- **Allow SO Credit Hold** checkbox is unmarked
- **Allow to Exceed Credit Limit** checkbox is unmarked in **SO Module Setup ► General (1)** tab
- Customer's Available Credit is greater than 0 (zero)
- Sales Order transaction amount exceeds available credit or Customer has already exceeded credit limit

In this scenario, clicking the **Generate** button displays a text file with a list of customers who have exceeded the credit limit. A sales order will not be generated for them; however, sales orders will be generated for those customers who have not exceeded the credit limit.

### C. Approve Sales Quote

1) Scenario 1: The following conditions exist:

- a) **Enable SO Credit Hold** checkbox is marked in **SO Module Setup ► General (1)** tab

- b) **Allow to Exceed Credit Limit** checkbox is marked in **SO Module Setup ► General (1)** tab
- c) Customer's Available Credit is greater than 0 (zero)
- d) Sales Order transaction amount exceeds available credit or Customer has already exceeded credit limit

In this scenario, clicking the **Save** button in the **Approve Sales Quote** function provides you two options: if you want to **(1)** convert the sales quote into a sales order or **(2)** put the sales order to a credit hold. You can confirm your preferences in the message dialog box that will be displayed in the process.

- First Message: *Order exceeds customer credit limit by \$xxx.xx. Do you want to continue? [Y/N]*
  - Clicking the **Yes** button proceeds in approving the sales quote and convert it into a sales order.
  - Clicking the **No** button displays the second message.
- Second Message: *Do you want to put this sales order on credit hold? [Y/N]*
  - Clicking the **Yes** button converts the sales order into a sales quote.
  - Clicking the **No** button returns you to the **Approve Sales Quote** window.

2) Scenario 2: The following conditions exist:

- a) **Enable SO Credit Hold** checkbox is marked in **SO Module Setup ► General (1)** tab
- b) **Allow to Exceed Credit Limit** checkbox is unmarked in **SO Module Setup ► General (1)** tab
- c) Customer's Available Credit is greater than 0 (zero)
- d) Sales Order transaction amount exceeds available credit or Customer has already exceeded credit limit

In this scenario, clicking the **Save** button in the **Approve Sales Quote** function displays the message "*Order exceeds customer credit limit. Do you want to put this sales order on credit hold? [Y/N].*"

- Clicking the **Yes** button approves the sales quote and converts it into a sales order but puts it on a credit hold.
- Clicking the **No** button returns you to the **Approve Sales Quote** window.

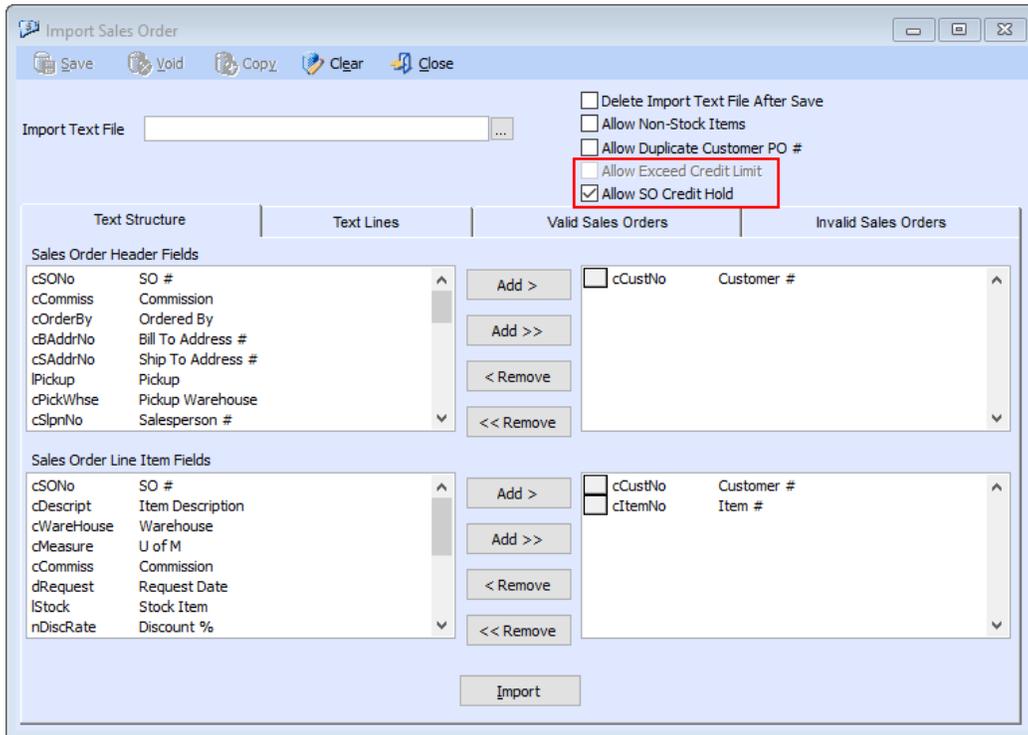
#### **D. Import Sales Order**

The **Import Sales Order** function has its own **Allow Exceed Credit Limit** and **Allow SO Credit Hold** checkboxes. The **Allow SO Credit Hold** (Figure 3) is enabled only when the following conditions apply:

- The **Import Sales Order ► Allow to Exceed Credit Limit** is unmarked.
- The **SO Module Setup ► General (1) ► Enable SO Credit Hold** checkbox is marked.

If the **Allow SO Credit Hold** checkbox is marked and the sales order that will be imported will result in making the customer exceed his credit limit; then, the message "Sales order(s) will be placed on credit hold if the order exceeds customer's credit limit. Do you want to continue? [Y/N]" will be displayed.

Clicking the **Yes** button creates the sales order; however, it will be put on credit hold. Clicking the **No** button returns you to the **Import Sales Order** function.



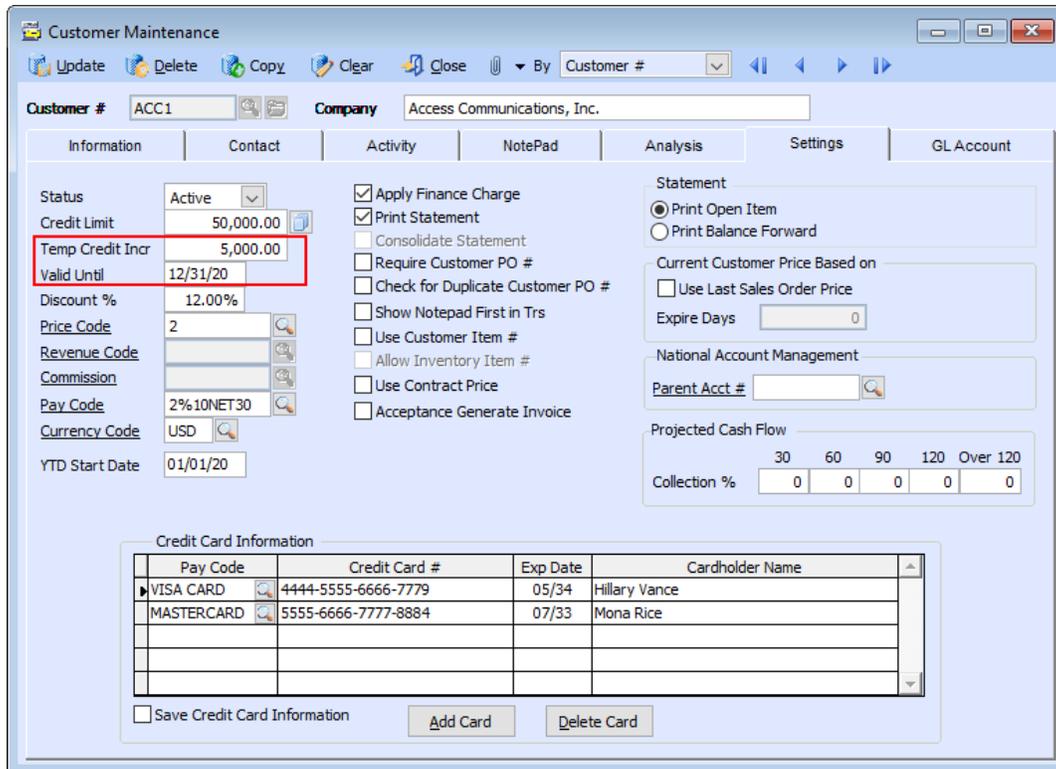
**Figure 3. Import Sales Order Window**

## 2. Temporary Credit Increase

The **Temporary Credit Increase** is a feature that allows you to give a customer a temporary increase of his available credit. You will find this feature in **Customer Maintenance ► Settings** tab (Figure 4).

If a customer is given a temporary credit increase and the **Order Date** falls on or before the **Valid Until** date, the customer's available credit will now be the combination of the customer's regular credit limit plus the temporary credit increase.

Using our example in the **Description** area of this document, the credit manager can use this feature by temporarily increasing the customer credit as of a certain date if he decides to release the credit hold.



**Figure 4. Customer Maintenance Window – Settings Tab**

### 3. Release Credit Hold

The **Release Credit Hold** function allows you to release sales orders put on credit hold.

- a. Access the **Release Credit Hold** function.

You will find the **Release Credit Hold** function from the **Transactions** menu; however, you must assign access rights to the group of users who will use this function.

To assign group access rights, mark the **SO Release Credit Hold** checkbox (Figure 5) that you will find in **AccountMate Administrator ► Group/User Setup** function.

- b. Release the Sales Orders Put On Credit Hold.

To release sales orders that were put on hold, access the **Release Credit Hold** function.

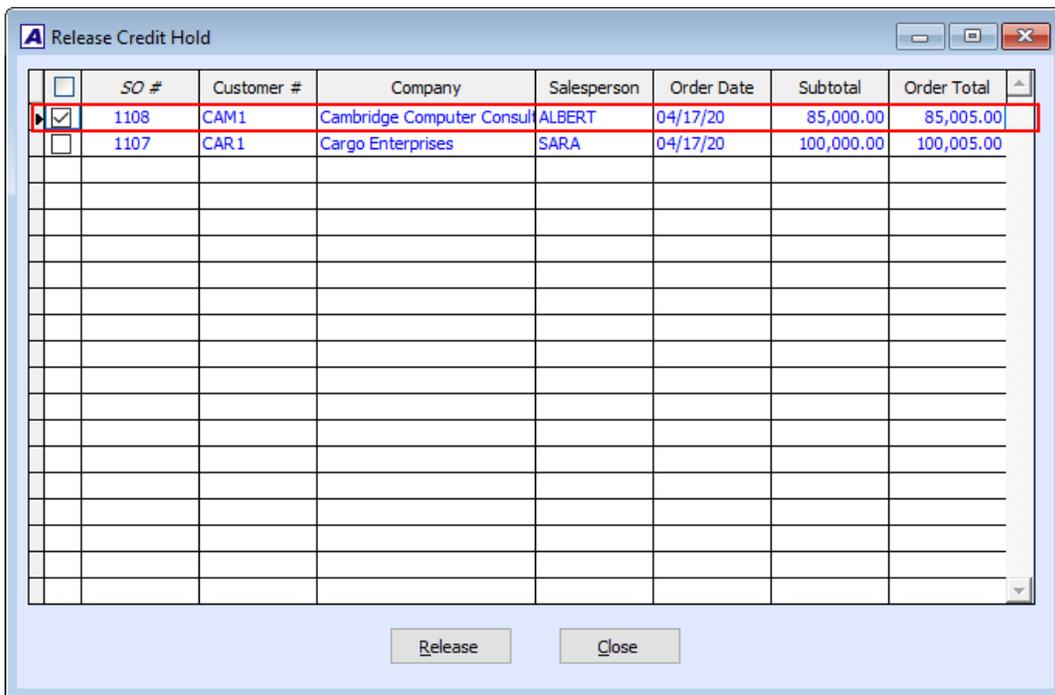
- 1) First **Release Credit Hold** Window

- a) Set in the first **Release Credit Hold** window (Figure 6) the criteria that will generate the list of sales orders that will be released from credit hold.
- b) Click **OK**.



- **Allow to Exceed Credit Limit checkbox** is marked.  
After clicking the **Release** button, AccountMate releases from credit hold all the sales orders you marked in step a) above.
- **Allow to Exceed Credit Limit checkbox** is unmarked.  
Clicking the **Release** button releases from credit hold the sales orders of those customers who have not exceeded their credit limit; then, a message informing you of the number and amount of the released sales orders will be displayed.

The sales orders of those customers who have exceeded their credit limit will not be released from credit hold. AccountMate displays a text file showing the details of the sales orders that are not released. You can use the **Temporary Credit Increase** feature to temporarily increase the customers' available credit.



**Figure 7. Second Release Credit Hold Window**

#### 4. Effects On Booked Qty, Open Order Amount, and Credit Hold Amount

The table below shows how putting the sales orders on credit hold and releasing the credit hold orders affect the inventory item's **Booked Qty** and the customers' **Open Order** and **Credit Hold** amounts (Figure 8).

Transaction	Inventory Item's <b>Booked Qty</b>	Customer's <b>Open Order Amount</b>	Customer's <b>Credit Hold Amount</b>
Putting sales orders on credit hold	Increase	No effect	Increase
Releasing credit hold orders	No effect	Increase	Decrease

Customer Maintenance

Update Delete Copy Clear Close By Customer #

Customer # CAM1 Company Cambridge Computer Consultant

Information	Contact	Activity	NotePad	Analysis	Settings	GL Account	
Alias				Class	SERVICE	Status	Active
Address	9811 Tully Road			Industry	COMPUTERS	Create Date	01/01/19
	Suite N			Territory	WEST	Discount %	10.00%
City	San Jose			Warehouse	MAIN	Price Code	
State	CA Zip 95111			Sales Tax		Pay Code	2%10NET30
Country	USA			FEIN/SSN		Currency	USD
First	Thomas			Resale #	SREA95437	Avg Pay Days	59
Last	Greene			ATD Sales	4,578.70	Last Sales Date	02/28/19
Dear	Thomas			YTD Sales	1,578.70	Last Invoice #	30006
Title	Manager			YTD Start Date	01/01/20	Last Sales Amt	3,000.00
Phone	408-253-0099			Credit Limit	10,000.00	Last Rcpt Date	10/18/19
Fax	408-988-8754			Sales Quote	0.00	Last Rcpt #	1000000046
E-mail	tgreene@cambridge.com			Open Order	0.00	Last Rcpt Amt	500.00
Website	www.consultacomputer.com			Adv Bill Pymt	0.00		
Sign #	ALBERT Albert Roberts			Credit Hold	85,000.00		
Bill To	MAIN			Open Credit	0.00		
Ship To	MAIN <input type="checkbox"/> Pickup			Balance	1,083.70		
Ship Via	FEDEX						
F.O.B.	POINT						

Figure 8. Customer Maintenance Window – Information Tab

## Reports Related to Sales Order Credit Hold feature

### 1. Credit Hold Sales Order Report

The **Credit Hold Sales Order Report** (Figure 9) provides information on the sales order that were put on credit hold. This can help you identify the sales orders that are yet to be released from credit hold. Using our example in the **Description** area of this document, the credit manager can make use of this report to identify the credit transactions that needs immediate investigation, and, therefore, he can make the necessary actions promptly.

### 2. Sales Order Summary Report and Sales Order Line Item Report

The **Sales Order Summary Report** and **Sales Order Line Item Report** contain the **Include Orders on Credit Hold** checkbox (Figure 10). You can mark this checkbox if you want to include in the reports the sales orders on credit hold. The reports have the new **Cr Hold** column which helps you identify the sales orders on credit hold from the regular sales orders. Sales orders on credit hold display the **Yes** mark in the **Cr Hold** column.

**Credit Hold Sales Order Report**

Macro: SYSTEM DEFAULT

Preview Print Printer Export Email Notes Batch Close

Type

- Detail
- Subtotal
- Grand Total

Sort By

SO #

Individual SO #

Report Header

- Include Time
- Include Printed By

Criteria

	All	From	To
SO #	All		
Customer #	All		
Salesperson #	All		
Pay Code	All		
Quote Date	<input checked="" type="checkbox"/>	//	// [Range]
Order Date	<input checked="" type="checkbox"/>	//	// [Range]
Entry Date	<input checked="" type="checkbox"/>	//	// [Range]

Show Multi-Currencies

**Figure 9. Credit Hold Sales Order Report**

**Sales Order Summary Report**

Macro: SYSTEM DEFAULT

Preview Print Printer Export Email Notes Batch Close

Type

- Detail
- Subtotal
- Grand Total

Sort By

SO #

Individual SO #

Report Header

- Include Time
- Include Printed By

Criteria

	All	From	To
SO #	All		
Customer #	All		
Salesperson #	All		
Pay Code	All		
Quote Date	<input checked="" type="checkbox"/>	//	// [Range]
Order Date	<input checked="" type="checkbox"/>	//	// [Range]
Entry Date	<input checked="" type="checkbox"/>	//	// [Range]

Sales Orders Only  
 Sales Quotes Only

Include Orders on Credit Hold

Show Multi-Currencies

**Figure 10. Sales Order Summary Report**

The verification of customer credit transactions is made simpler by the **Sales Order Credit Hold** feature. The **Credit Hold Sales Report** identifies collectively the sales orders that need your immediate attention. This gives you more time taking the necessary action to promptly address credit issues with your customers.

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