Understanding Shipping Costs and Prices for Orders

Last Modified on 10/17/2025 1:56 pm EDT

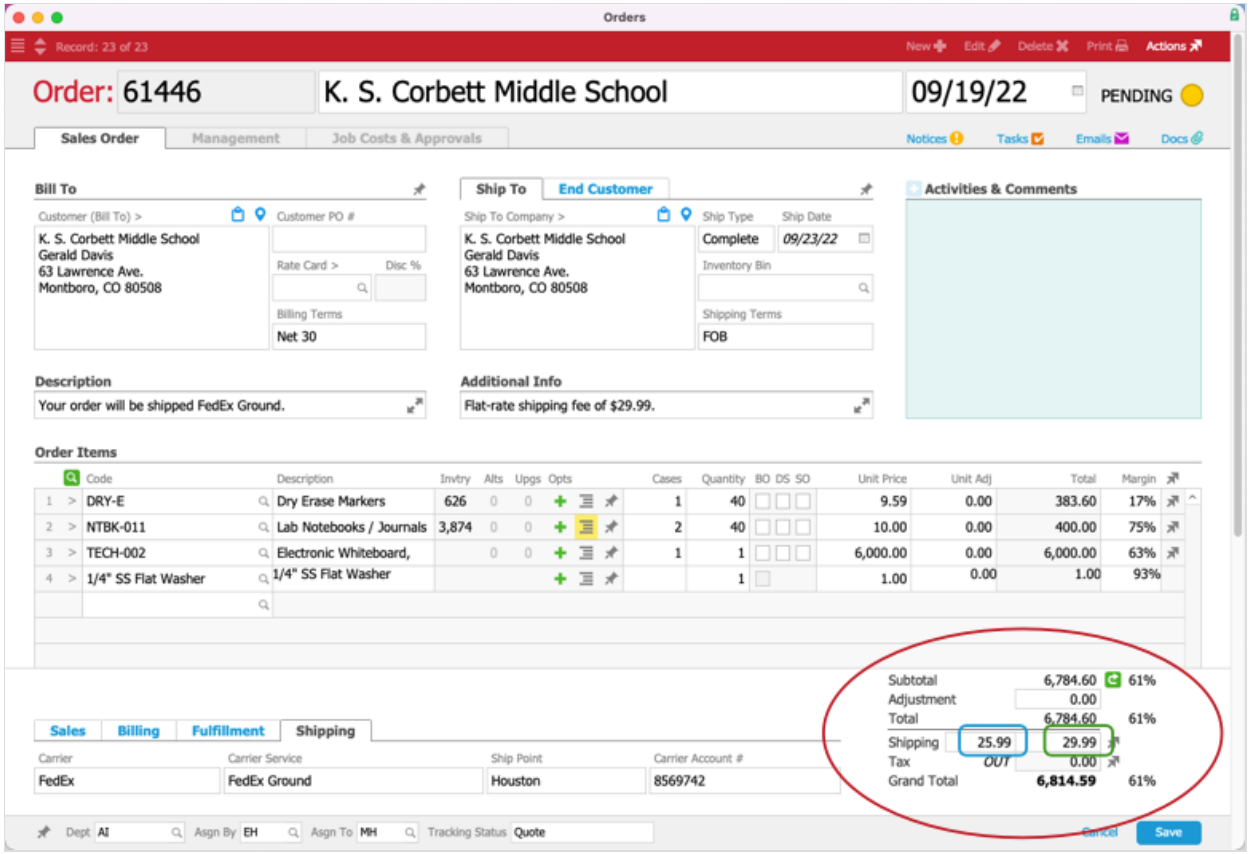
This guide discusses aACE features you can use to manage shipping costs and prices. It is intended for advanced users.

aACE provides various shipping calculations for your customized workflows. It also offers preferences for shipping price automation and rate calculations.

Shipping Price and Cost

During order entry, you can view an estimated shipping *price* in the Totals section. This price is the amount you will charge the customer to have the product delivered. In contrast, the shipping *cost* is the amount your organization will pay the carrier.

This screenshot highlights the estimated *cost* field (on the left, highlighted in blue, for $25.99) and the estimated *price* field (on the right, highlighted in green, for $29.99):



The recommended workflow is to enter the *estimated* shipping cost on the order. When you later receive the bill from the freight company, you can enter the *actual* shipping cost on Shipment module. This method helps you generate the most accurate profitability report, with estimated profitability split from actual profitability. This information can also help you check orders for accuracy.

You can review an explanation of the current shipping prices for an order by hovering your mouse pointer over the estimated or actual shipping price amounts.

Manually Changing Shipping Prices

You can edit an open order and manually update the price on the Shipping line in the Totals section. The first time you edit this field for the order, aACE displays a message about the effects of overriding the shipping price. In short, overriding the automatically generated price will remove the shipping price from any further calculations. The price that you set will be the price that is charged to the customer.

You can edit the shipping price multiple times. However, after the first time you save a new price, automated calculations are disconnected.

Rate from the Default Shipping LIC

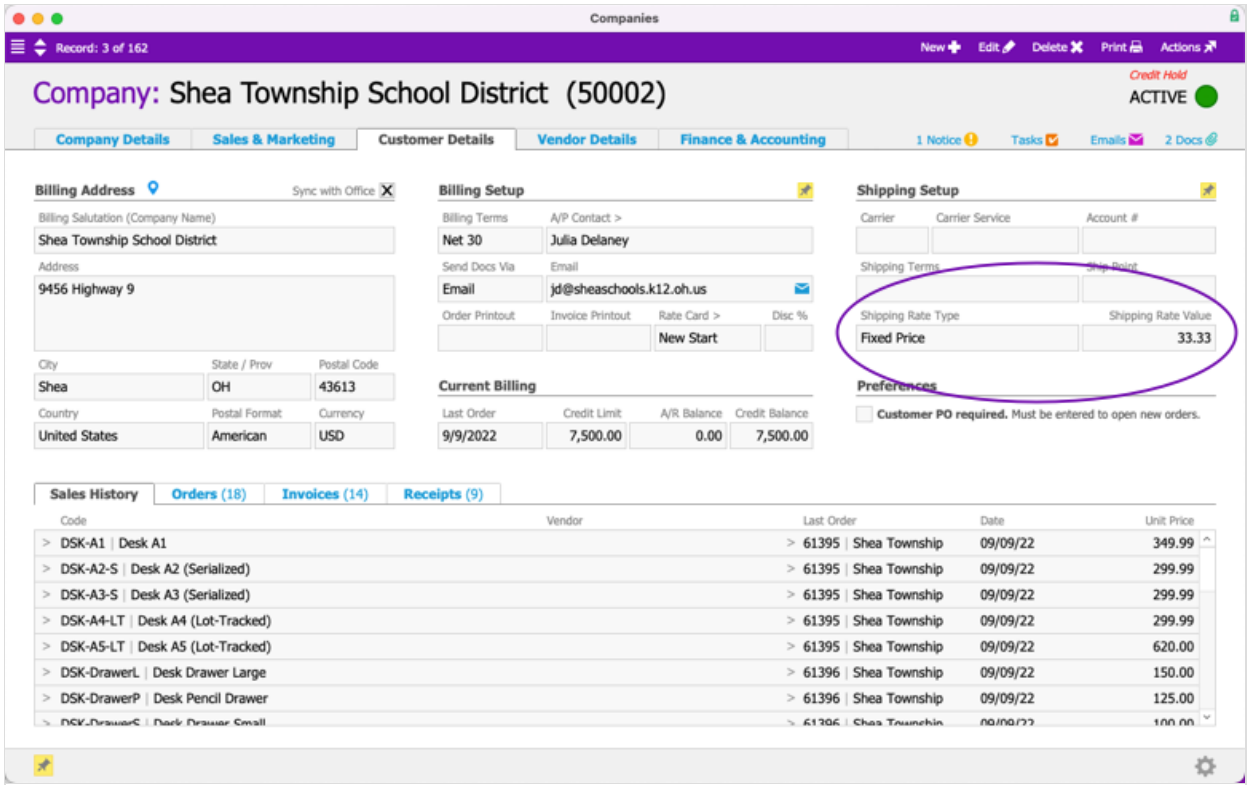
You can set a default shipping rate that aACE will automatically apply to each order. aACE draws this value from the default LIC specified in the Accounting module preferences (Main Menu > Accounting > Preferences > Data Entry > Misc Line Item Codes section > Shipping).

Typically this is a Misc Type record created specifically for this purpose and titled "SHIP" or similar. However, you can create another Misc Type LIC to use here. On the LIC you use, you can specify the exact Rate Type and Rate Value (http://aace6.knowledgeowl.com/help/overview-of-line-item-code-rates).

This default can be overridden by other shipping price automation factors (as noted below).

Rates from the Customer's Company Record

You can override the system's default shipment pricing logic for a customer (Main Menu > CRM & Sales > Companies > specific company record > Customer Details tab > Shipping Setup section > Shipping Rate Type and Shipping Rate Value fields).



aACE will automatically apply this rate to each order created for this customer. The Ship Rate Type you specify can have different effects on shipping price calculations:

- Fixed Price — aACE enters the predetermined price and stops automatic updates to the price.
- Fixed Mark Up, Mark Up %, and Margin % — aACE enters the predetermined price, but does *not* disconnect automatic updates. aACE continues to update the shipping price as shipments go out.

Shipping Price Automation

aACE evaluates and updates the shipping price as modifications are made on the order or when related records are posted. Each update based on actual shipping costs is logged. You can review them in the detail view of an order by clicking Actions > View Logs.

aACE calculates the estimated shipping price in this sequence:

1. Manual Input on Shipping Price Field — If a team member has manually set the shipping price on the order, then aACE ignores the automated pricing logic for the order. You must manually enter any subsequent updates to the shipping price. (See above for details.)
2. Order Ship Type — If this field on the order is set to either “Pick Up” or “Not Applicable”, then aACE sets the shipping price to $0.00 and ignores subsequent automated pricing

logic.

3. Free-Shipping Threshold — If the order meets your settings for free shipping, then aACE sets the shipping price to $0.00 and ignores subsequent automated pricing logic.
   Note: System administrators can adjust the free shipping threshold (Main Menu > System Admin > Preferences > Order Entry > Free Shipping Type and Free Shipping field).
4. Bill-To Company Shipping Rate Setup — If you have assigned this customer a predetermined shipping rate, then aACE sets the shipping price to that amount. The order may or may not be removed from subsequent automated pricing logic. (See above for details.)
5. Default Shipping LIC Rate — If the default Shipping LIC in your system has a predetermined shipping rate, then the shipping price will be initially set according to that calculation. aACE continues to apply subsequent automated pricing logic.
   Note: System administrators can change the default Shipping LIC (Main Menu > Accounting > Preferences > Data Entry > Misc Line Item Codes section > Shipping field). You can also modify the Rate Type and Rate Value on the currently assigned LIC.

To review the factors currently affecting the shipping price, hover your mouse pointer over the Shipping Price value.

Shipping Cost Allocation

Your actual shipping cost for an order is the sum of the related shipments. You can review all shipments and costs on the order record (Management tab > Shipping & Receiving). By default, aACE transfers this total shipping cost to the shipping price.

aACE offers additional features for managing shipping costs and prices. Your system administrator can configure these features (Main Menu > System Admin > Preferences):

- Order Entry Preferences — You can specify how the total shipping cost (and therefore the price to the customer) for the combined shipment should be allocated across the various order invoices. Click the field to 'Allocate Shipping By' and select the desired setting to allocate more of the shipping cost to:
  - Quantity — The invoice with the highest number of items
  - Value — The invoice with the most expensive items (default method if no preference is specified)
  - Net / Gross Weight — The invoice with the heaviest items
    Note: To use weight-based allocations, you must enter weights for your LICs.
- Shipping Preferences — aACE can automatically combine shipments from multiple

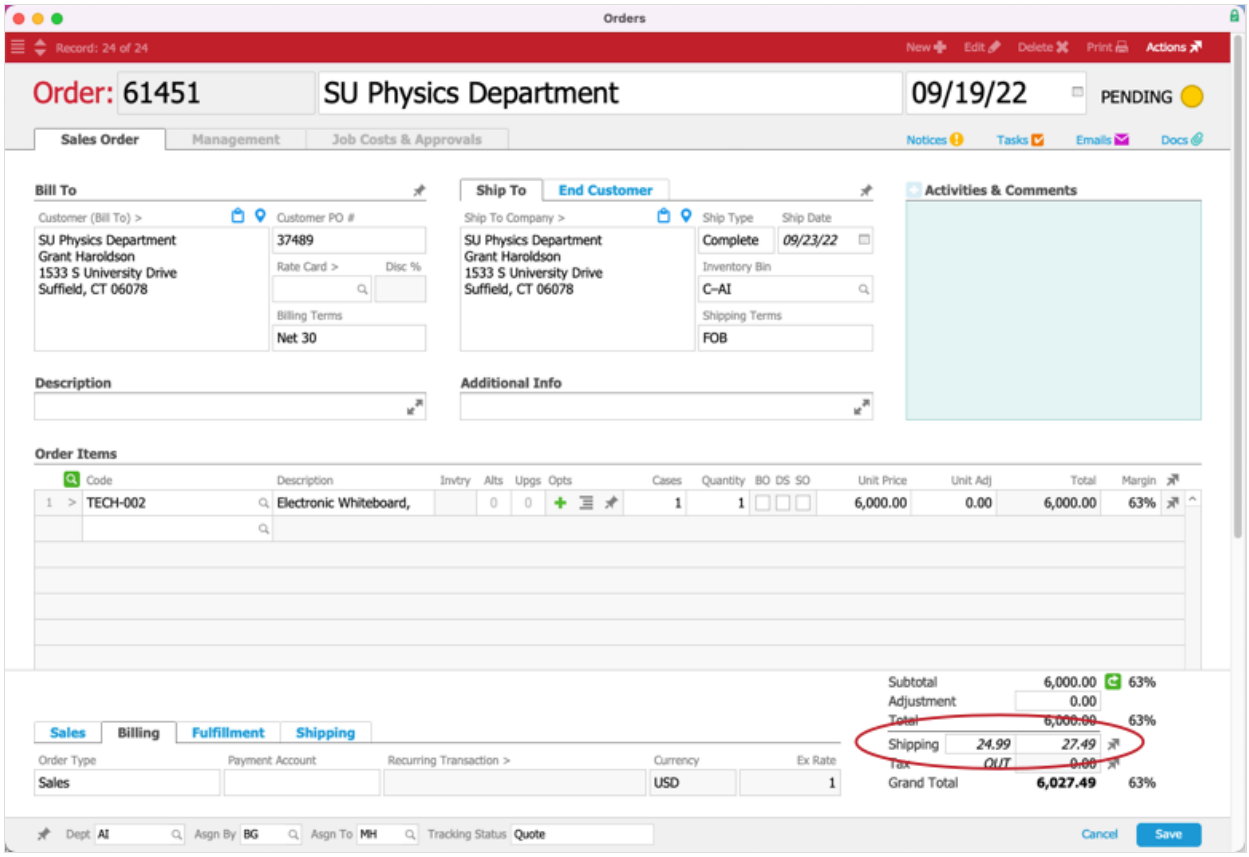
orders if they are being sent to a single customer at a single location. Mark the flag to 'Append auto-generated items to pending shipments by location'.

Shipping Scenarios

The following examples walk through some of the most common shipping price setups.

Examples of Default Shipping Logic

aACME Education Solutions receives a call from their customer at the SU Physics Department. The customer orders a new wall-mounted electronic whiteboard. This whiteboard LIC record has an initial shipping cost of $24.99. The general Shipping LIC record has a default adjustment of Mark Up % at 10%. So the default shipping price for this order is $27.49.



As a variation of this example, if the default shipping Mark Up % is 10% and a shipment costs $10.00, but the order requires five units to be shipped separately, then the total shipping cost charged to the customer would be $55.00 (i.e. five shipments priced at $11.00).

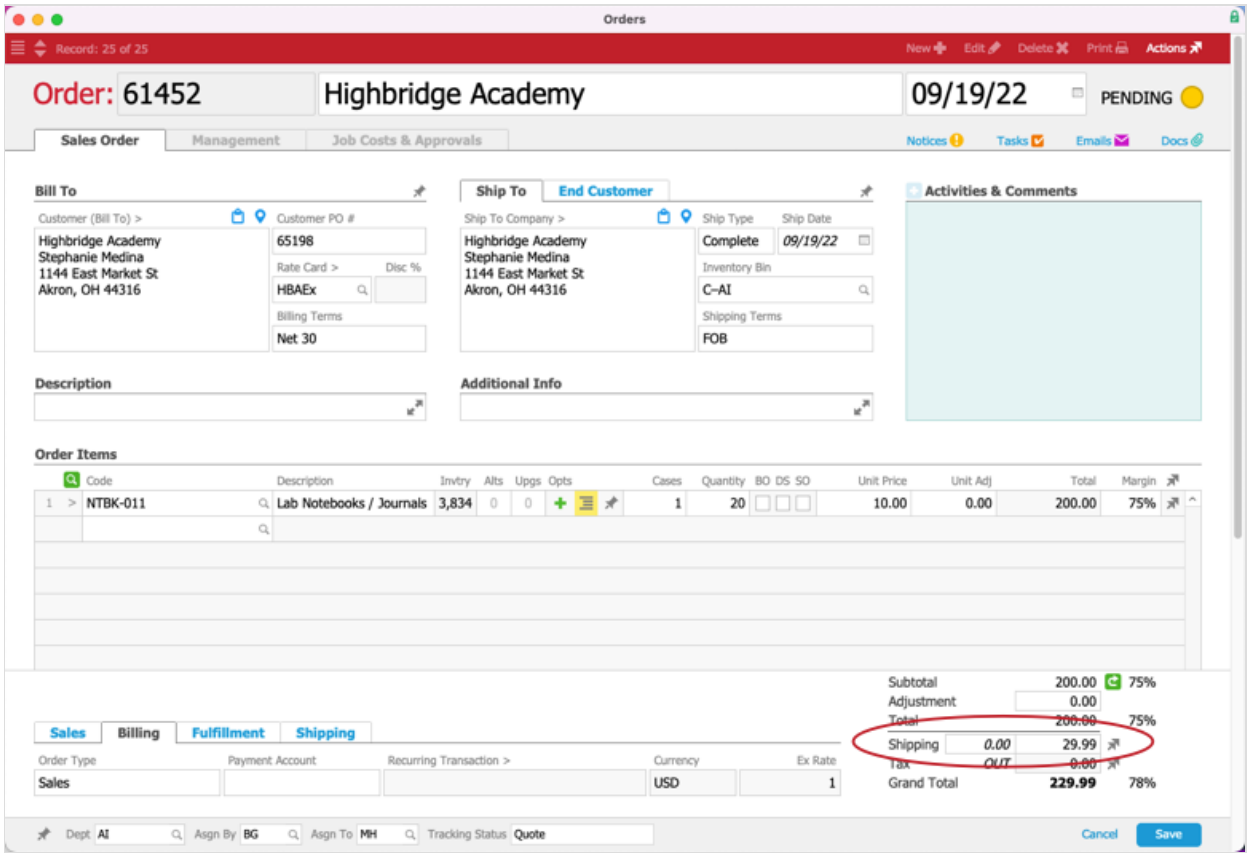
In contrast, if you set the default shipping Rate Type to a Fixed Price of $10, aACE would

charge that price per shipment, regardless of any actual shipping costs. Five units shipped separately would result in a total shipping cost of $50.00.

Example of Shipping Price from Company

aACME Education Solutions receives an order from Highbridge Academy for 20 textbooks. Highbridge has an agreement with aACME that their shipping will always have a Fixed Price of $29.99. This is recorded on Highbridge's company record.

When the aACME sales person enters the first order item, aACE checks the shipping price settings. It automatically enters $29.99 in the Shipping Price field. As the order and fulfillment process continue, the Shipping Cost will update, but the Shipping Price will remain the same.



Example of Shipping Cost Update from Quantity

aACME Education Solutions has another order of 35 workbooks for Full STEAM Charter School. The sales person creating the order estimated a shipping cost of $75.00.

For this order, each item will be shipped individually and each shipment will cost $3.00. In this case, shipments #1 through #25 will *not* affect the order. The shipping costs for those

shipments do not exceed the estimated shipping cost. However shipment #26 *will* update the order, as the actual shipping costs for the order will then be $78.00. aACE will automatically update the order to add the actual costs for shipments #26 through #35.

As a contrasting example, if each shipment for this order cost $2.00 instead, then shipping all 35 items would only cost $70.00. Because the actual shipping cost would be less than the estimate, the order would not update until all shipping is complete.

