Financials

QAD Financials consists of a set of financial modules that provide a complete solution for global manufacturing companies to:

- Support accounting transactions and financial management across the organization.
- Offer both simple internal reporting tools and sophisticated budgeting and analysis.

This release of QAD Financials contains some functionality of the core financial administrative processes: General Ledger, Accounts Payable, and Accounts Receivable.

The term *financials* is used to refer to those modules, programs, and functions that deal with financial accounting and reporting. The term *operational* is used to refer to the other types of activities that take place in QAD applications, such as sales orders, purchasing, inventory transactions, and manufacturing activity.

Core Financials

Financials consists of a set of financial modules that provide a complete solution for global manufacturing companies to:

- Support accounting transactions and financial management across the organization.
- Offer both simple internal reporting tools and sophisticated budgeting and analysis.

The term *financials* is used to refer to those modules, programs, and functions that deal with financial accounting and reporting. The term *operational* is used to refer to the other types of activities that take place in QAD applications, such as sales orders, purchasing, inventory transactions, and manufacturing activity.

Financials Foundations

Many financials foundation functions are set up in the Base on page 631 app. In the financials app, you can set up profiles and entity groups.

Profiles

Main

Profile

Specify a code (maximum 20 characters) that identifies a profile.

Description

Enter a brief description (maximum 40 characters) of the profile.

Profile Type

Choose a profile type from the drop-down list. The table lists the possible types. When you select a profile type, all of the shared sets with the associated shared set type display in the grid below. For example, if you select the Customer Profile value for Profile Type, all of the customer shared sets in the system display in the grid below.

Profile Types

Profile Type	Description	Shared Set Type
Accrued COGS Account Profile	Use to define the account for accrued COGS.	Account
Accrued Revenue Account Profile	Use to define the account for accrued revenue. Specify this profile on the Revenue Recognition sub-panel in the customer record.	Account
Banking Entry Daybook Profile	Use to define the daybook for recording bank transactions. Specify this profile in the Banking Daybook Profile field in GL Accounts.	Daybook
COGS Offset Account Profile	Use to define the account for the COGS offset.	Account
Cash Paid Daybook Profile	Use to define the daybook for recording cash payments from a	Daybook

Profile Type	Description	Shared Set Type
	bank account. Specify this profile in the Cash Paid Daybook Profile field in GL Accounts.	
Cash Received Daybook Profile	Use to define the daybook for recording cash receipts into a bank account. Specify this profile in the Cash Received Daybook Profile field in GL Accounts.	Daybook
Cost Center Profile	Use to define cost centers when cost center analysis is being defined for an account. Specify this profile in the Default Cost Center field in GL Accounts.	Cost Center
Cost Center COA Mask Profile	Use to define cost center COA Mask Profiles. Specify this profile in Cost Centers.	
Customer Account Profile	Use to define customer control accounts. Specify this profile in the Sales Account GL field in GL Accounts.	Account
Customer Deduction Daybook Profile	Used to define the daybook to use for deduction postings. Specify the Customer Deduction Daybook Profile profile in GL Accounts.	Daybook
Deferred COGS Account Profile	Used to define a deferred COGS account profile.	Account
Deferred Revenue Account Profile	Use to define the account for deferred revenue. Specify this	Account

Profile Type	Description	Shared Set Type
	profile on the Revenue Recognition sub-panel in the customer record.	
Project Profile	Use to define projects when project analysis is being defined for an account. Specify this profile in the Default Project field in GL Accounts.	Project
Project COA Mask Profile	Used to define a project COA mask profile. Specify this profile in GL Projects.	
Purchase Account Profile	Use to default the Purchases account for non-inventory purchases.	Account
Sales Account Profile	Use to default the Sales account for non-inventory sales.	Account
Sub-Account Profile	Use to define sub-accounts when divisional analysis is being used. Specify this profile in the Sub-Account field in Suppliers.	Sub-Account
Sub-Account COA Mask Profile	Use to define a sub-account COA mask profile. Specify this profile in Sub-Accounts.	
Supplier Account Profile	Use to define supplier control accounts. Specify this profile in the Purchase Account GL field in Suppliers.	Account

Shared Set Type

The system displays the type of shared set associated with the selected profile type.

Active

Indicate if this is an active profile.

Linked Objects

The following fields display in the grid:

Linked Object

Specify a specific record to link to this profile. For example, for a supplier account profile, you select a specific account from each account shared set. Then, when you associate this profile with a supplier in the Purchase Account Profile field, a valid account is available, regardless of which company references the supplier.

Object Description

This read-only field defaults from the description of the selected record.

Shared Set

This column is populated when you select the shared set type and cannot be modified.

Entity Groups

Entity groups allow you to save time by carrying out period end activities for multiple entities at once without the need to switch between entities. Multi-entity activities reduce data maintenance time and provide better control over routine and largely repetitive period end tasks.

The following activities are possible at entity group level:

- Entity GL Period Lock by Daybook
- Revaluation Simulate
- Revaluation Post
- Entity GL Period Lock
- Entity GL Period Report

First, decide if multi-entity processing is applicable; if so, determine the entities to which multi-entity processing applies.

Main

Entity Group

Specify a code (maximum 20 characters) that identifies the entity group. This code must be unique within the current database and any connected databases, as entity groups are stored at database level.

Description

Enter a brief description of the entity group. You can optionally enter descriptions in more than one language.

Active

Indicate if this entity group is active.

To add an entity to the group, click New to add a row to the grid. Then type an entity code or select from the lookup. Alternatively, you can click Select. A pop-up with check boxes then displays, enabling you to select multiple entities to add to the grid.

Exchange Rates

Currency setup on page 818 is done in the Base app. In the Financials app, you can set up and maintain exchange rates and import exchange rates from third-party providers.

Exchange Rate Types

Before setting up exchange rates, you can add user-defined exchange rate types, if necessary. User-defined exchange rate types are not system owned. This type of exchange rate type can be deleted. A number of predefined or system-owned types are supplied with the system, which are used in financial and operational functions.

Note If the exchange rate type selected in a function or report does not exist, the system uses the accounting exchange rate type by default.

Exchange Rate Types

Exchange Rate Types	Financials Only	Description
ACCOUNTING	No	Used in the general operation of the system such as sales and purchasing activities. It is the default exchange rate type for the system.
CASH	Yes	Used for cash flow forecasts denominated in non-base currencies.
INTRASTAT	No	Used for cash flow forecasts denominated in non-base currencies. For details about Intrastat, see *QAD Intrastat User Guide*.
INVENTORY	No	Used for inventory, purchase order, scheduled order receipt, and work order transactions to convert between the base currency and the statutory currency. The system uses the inventory exchange rate to convert inventory transaction amounts to statutory currency. If the inventory rate is not available, the system calculates the statutory

Exchange Rate Types	Financials Only	Description
		currency value using the statutory rate, with the option to fall back to using the accounting rate.
REVALUATION	YES	Used for revaluing GL accounts denominated in non-base currencies, relative to the base currency. It can also be used to revaluate the transaction currency, relative to the statutory currency.
STATUTORY		Used to convert transaction currency amounts to statutory currency. The system always looks for a statutory exchange rate type first. If the system cannot find a statutory exchange rate that is valid for that date, it reverts to using the accounting exchange rate, if the Fallback to Accounting field in Exchange Rate Types is selected for the statutory exchange rate.
TAX	YES	Used to translate amounts in tax reports. See *QAD Global Tax Management User Guide* for more information on tax reports.

Accounting exchange rates are the standard rates used throughout the system in manufacturing and distribution transactions.

Main

Exchange Rate Type

Enter a code identifying an exchange rate type. A number of types are predefined and required by the system.

Description

Enter a brief description of the exchange rate type to help identify its use.

Active

Indicate if this is an active record.

System Owned

This read-only field indicates if the record is supplied with the system or has been added after installation. You cannot delete system-owned records.

Fallback to Accounting

Select this field if the system must revert to using the ACCOUNTING exchange rate type when it cannot find a valid exchange rate of the type for which you have enabled this option. For exchange rate type ACCOUNTING, this field is disabled.

Use Validity End Date

Select the field to enable users to specify the validity end dates for exchange rates of this type.

Note You cannot use the validity end date option for an exchange rate type if you are also using the Fallback to Accounting option. Having these options mutually exclusive prevents the system from reverting to looking for an accounting type rate when the exchange rate's validity has passed.

Default Validity Days

Specify the default number of days for which exchange rates of this type are valid.

When a new exchange rate of this type is created in Exchange Rates, the system automatically proposes a validity end date by adding the default validity days value to the start date entered, and then deducting one day.

For example, if the exchange rate start date is 01/15/2020, and the default validity days value is set to 1, the default validity end date is 01/15/2020—the same as the exchange rate start date.

If the exchange rate start date is 01/15/2020, and the default validity days value is set to 7, the default validity end date is 01/21/2020—seven days, including the start and end dates.

In the drill-down links, two browses are provided:

- Exchange Rate Providers
- Exchange Rates

Exchange Rates

Exchange rates are stored at the shared set level. Therefore, any changes made to exchange rates in a domain affect all other domains using the same shared set.

The chart of accounts must include a single realized and unrealized gain and loss account, and an exchange rate rounding differences account. These are used for all currency exchange conversions in the system.

Exchange rates are specified as the amount by which you multiply a single unit of a From Currency to reach the equivalent number of the To Currency units. Exchange rates can be expressed in up to 10 decimal places.

Example

If 1 Pound Sterling is equivalent to 1.40 Euros, the exchange rate is expressed as follows:

From Currency Code: GBP

To Currency Code: EUR

Exchange Rate: 1.4000000000

To enter the exchange rate with the From Currency as EUR and To Currency as GBP, you specify:

From Currency Code: EUR

To Currency Code: GBP

Exchange Rate: 0.7142857143

Note You can create an exchange rate in only a single direction; you cannot create an exchange rate and a reciprocal rate.

Exchange rates can have both a start date, and an end date. An exchange rate between two currencies is superseded by an exchange rate of the same type between the same two currencies with a later start date.

Exchange rates can also have a scaling factor. Use scaling factors for currencies that have a very small value relative to other currencies. The actual exchange rate used is the product of the entered exchange rate and the scaling factor. The scaling factor can have up to seven decimal places.

Example

If 1 Pound Sterling is equivalent to 250,000 units of Turkish Lire, the exchange rate could be expressed as follows:

From Currency Code: TRL

To Currency Code: GBP

Exchange Rate: 4.0000000000

Scaling Factor: 0.0000010

This means that an invoice for 1,000,000 TRL is equal to 4 GBP.

Main

From Currency

Enter the first currency of the exchange rate relationship. It must be a valid, active currency, and cannot be the same as the To Currency Code.

To Currency

Enter the second currency of the exchange rate relationship.

Exchange Rate Type

Specify the business area where the exchange rate is applicable. For a list of exchange rate types, see Exchange Rate Types on page 5668.

Valid From

Enter the start date of the currency exchange relationship. The effective period of an entry cannot overlap with another entry for the same relationship. The exchange rate relationship is used as the default for all transactions during the specified time period.

Valid To

Specify the date after which the exchange rate type becomes inactive.

When creating a new exchange rate type, the system proposes a default validity end date, based on the value you entered in the Default Validity field in Exchange Rate Types for the exchange rate type. However, you can overwrite the default value.

You can only specify a value in the Valid To field if:

- The Use Validity End Date field is selected in Exchange Rate Types for the exchange rate type.
- You modify an exchange rate where the Valid From field before modification has a value of 31/12/9999.
- You create an exchange rate.

Exchange Rate

Enter the exchange rate. Exchange rates are specified as the amount by which you multiply a single unit of a From Currency to reach the equivalent number of the To Currency units.

Scale Factor

Enter a number used in the exchange rate calculation to adjust the amount of the From Currency. This is typically used in hyper-

inflationary environments when the differences between currency values is large.

Actions

The Actions drop-down offers actions that you can take for a record or set of records. Individual actions are for individual records and bulk actions are for sets of records, based on your selected criteria. For bulk actions, once you select the records and set options, you can submit the action.

Derive Exchange Rates

The system determines base currencies for all other entities that use the same exchange rate shared set as the current entity. For each combination of these currencies, if a corresponding exchange rate of the specified exchange rate type and start date does not exist, the system determines if an exchange rate can be derived using the current entity's base currency.

For example, if an exchange rate is defined between entity base currencies A and B and another exchange rate is defined between currencies A and C, you can run this function to create the missing exchange rate between currencies B and C.

You can specify the exchange rate type to use for the calculation and the resulting exchange rates. Any of the available exchange rate types can be specified.

Derived Exchange Rate Example 1

Entity 1 has a base currency of EUR and exchange rates as follows:

1 EUR = 2 GBP

1 EUR = 3 USD

Entity 2 has a base currency of GBP. The derived rate between GBP and USD is:

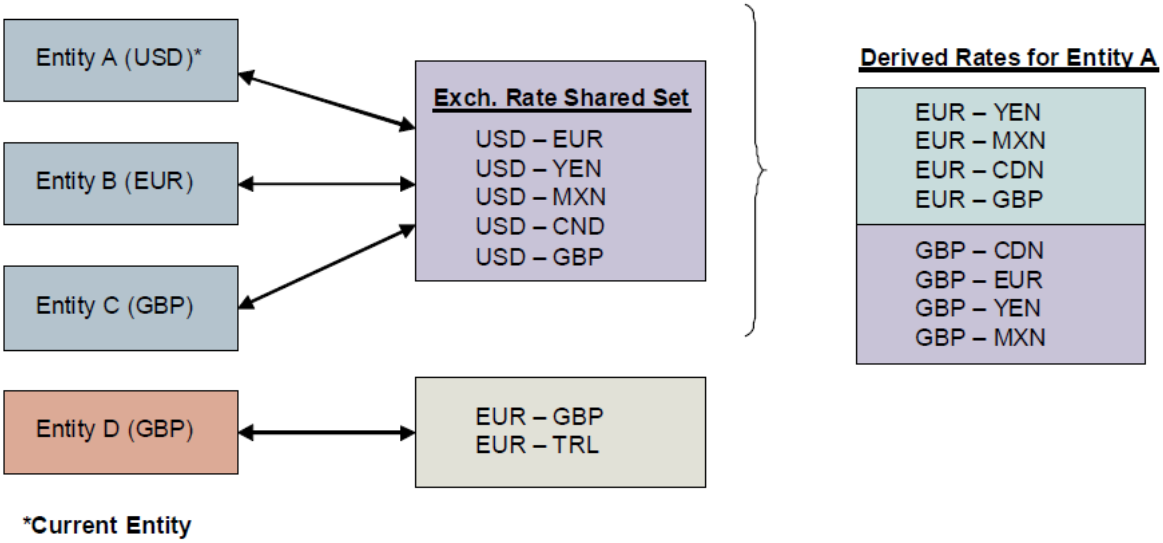
1 GBP = 3/2 USD = 1.5

For Entity 3 with a base currency of USD, the derived rate between USD and GBP is:

1 USD = 2/3 GBP = 0.66 GBP

Derived Exchange Rate Example 2

The following accounting exchange rates already exist for an exchange rate shared set:



Entities A, B, and C are part of the same exchange rate shared set. If entity A is the current entity, the system derives exchange rates from Euro to Yen and Mexican Pesos (MXN), and from British Pounds (GBP) to Canadian Dollars (CDN), Euro, and Yen. This is because an exchange rate exists between US Dollars and the other base currencies in the same shared set (Euro and GBP), and between US Dollars and the Yen, MXN, and CDN.

However, because YEN, MXN, and CDN are not base currencies of entities in the shared set, the system cannot derive exchange rates for the value of these three currencies relative to each other.

Criteria

The Criteria panel displays the base currency for this entity and the exchange rates used by this shared set.

Options

Valid From

Specify the start date for derived exchange rate records. The default value is the current date.

Exchange Rate Type

This field displays the exchange rate type to use. The default value is the accounting exchange rate type.

Lines

When you click Apply, the derived exchange rates are displayed in the grid. You can add these exchange rates by clicking Submit. When you click Submit, any errors are displayed at the bottom of the screen. Two buttons, Clear Unselected Lines and Uncheck error lines, help you to update the grid so that you can successfully submit the exchange rates. The fields in the grid are read-only.

From Currency/Description

These fields display the origination currency for the exchange rate, along with its description.

To Currency/Description

These fields display the destination currency for the exchange rate, along with its description.

Exchange Rate

This field displays the derived exchange rate.

Scale Factor

This field displays the number used in the exchange rate calculation to adjust the amount of the From Currency.

Import From Provider

Only providers who have been imported into the system already are available for integration. See Setting Up Exchange Rate Provider Integration on page 5680. Currently, import is possible only on today's date. Historical exchange rates cannot be imported.

Note When you open the Import From Provider action and there are no active exchange rate providers in the system, a warning is displayed stating that you have not yet defined an active provider.

Main

Exchange Rate Provider

Select an exchange rate provider.

Exchange Rate Type

Select an exchange rate type from the menu to import the rates from the provider.

When you click Apply, the grid is populated according to the setup of the selected exchange rate provider and exchange rate type in the Exchange Rate Provider screen.

From Currency/Description

These fields display the origination currency for the exchange rate, along with its description.

To Currency/Description

These fields display the destination currency for the exchange rate, along with its description.

Rate

This field displays the exchange rate.

Scale Factor

This field displays the number used in the exchange rate calculation to adjust the amount of the From Currency.

Valid From/To

These fields display the date range for which these exchange rates are valid.

Exchange Rate Type

This field displays the exchange rate type.

Inventory Exchange Rate

The inventory exchange rate is used for inventory, purchase order, scheduled order receipt, and work order transactions to convert between the statutory currency and base currency.

Note The inventory exchange rate is optional, and its use depends on whether your business process requires a dedicated rate for inventory transactions.

For purchase order or scheduled order receipt transactions where the inventory exchange rate is in effect at the time of PO receipt, the system uses the following calculation for statutory currency:

1. For inventory transactions on inventory accounts, the system firsts look for the inventory exchange rate type to convert the base currency value to the statutory currency value.

2. If the system cannot find an inventory exchange rate type, it looks for a statutory exchange rate type.
3. If the system cannot find a statutory exchange rate type, it has the option, depending on a setting in Exchange Rate Types, to revert to using the accounting type rate for inventory transaction conversions to statutory currency.
4. As a result of using different rates for the inventory account and other accounts in the same posting, a variance in statutory currency can occur. In PO receipt transactions, this results in a purchase price variance in statutory currency.
5. The system posts the exchange rate difference to the purchase price variance account for statutory currency.
6. For other inventory transactions, the statutory currency amounts from all posting lines is converted using the inventory exchange rates. Therefore, no variance occurs.

Note In general, the rates valid on the posting date of the transaction are used. However, in receiver matching, the posting lines on the PO Receipt account, Expense Accrual accounts, and Reversal of Old Taxes accounts are an exception to this and use the exchange rate from the receipt transaction. Because the other posting lines in the receiver matching use the statutory rate at invoice date, the posting shows a balance difference in statutory currency, which is posted as a realized gain or loss in statutory currency.

Note Any GL accounts used in inventory and work order GL transactions, with the exception of PO Receipts accounts, Tax accounts, and Purchase Price Variance accounts use Inventory Exchange Rates in GL postings, when defined.

Similarly, in payment transactions, the posting on the customer and supplier control accounts uses the exchange rate used for the invoice creation. Other accounts, such as the bank account, use the rate at the posting date of the payment. The difference is automatically posted as a realized gain or loss to system-type Realized Gain and Realized Loss accounts.

Inventory Exchange Rate Example

For this transaction, the base currency is USD, the statutory currency, is MXN, and transaction currency is USD. A PO is created for 25 items at 14 USD per item.

The exchange rates from MXN to USD were:

1 USD = 12.8 MXN when the PO was created

1 USD = 12.9 MXN at the time of the PO receipt

The extended PO amount without taxes or charges is 350.00 USD (14.00 USD transaction currency * 25).

When the PO was created, the MXN value was 4480 (350.00 USD using the 12.8 exchange rate).

The PO is received and recorded in the base currency.

Inventory: 350 USD

PO receipts: 350 USD (350.00 USD/12.9 =4515 MXN, the exchange rate in effect when the PO receipt was created)

Purchase Price Variance: 35 MXN

Setting Up Exchange Rate Provider Integration

Manually entering exchange rates on a daily basis is time-consuming and also leads to errors. To save time and to improve accuracy, you can integrate the system with third-party exchange rate providers to automate the update process.

There are a number of third-party providers who offer reliable exchange rates for many currencies. The exchange rates are updated daily to reflect the fluctuations in the markets.

For each third-party exchange rate provider, you can configure a set of exchange rates to update at a particular time of day.

1. Request an authentication key from the third-party exchange rate provider.
2. Add the authentication key property to the configuration.properties file.

   This step is required for the rest of the exchange rate properties to be inserted from the server.tpl template file. The lines to add differ, depending on which exchange rate provider you use or if you use both providers.

   If you use the *Currencylayer* exchange rate provider, add:

   fin.serverxml.exchangerate.currencylayer.authentication=<value>

   Alternatively, if you use the *ECB* exchange rate provider, add:

   fin.serverxml.exchangerate.ecb.authentication=<value>

   Important If you use *both* providers, add *both* lines to the configuration.properties file.
3. If you need to change the default values for the fin.serverxml.exchangerate properties, modify the properties, as needed.
4. Run the following command to implement the property changes:

   yab fin-server-xml-update -clean
5. Define the third-party provider in the system.
6. Configure the exchange rate pairs that you want to maintain.
7. Schedule daily updates of the exchange rates.

8. Send the exchange rate import results to the email address defined for users linked to the role specified in Exchange Rate Providers.

Exchange Rate Providers

You can also configure a tolerance level for rate fluctuations and a schedule for using a daemon to update the exchange rate sets automatically.

Main

Exchange Rate Providers

Select the third-party exchange rate provider you want to set up; for example, Currencylayer.

Exchange Rate Type

Select an exchange rate type from the defined types.

Default Tolerance %

This field enables you to set a default fluctuation tolerance for this set of exchange rates. However, the tolerance only automatically applies to any rates you create in the grid after you set the tolerance. You can manually change any rates that already exist when you are modifying an existing record.

Role Name

Optionally, you can enter a role. Any users linked to this role will receive an email when this set of exchange rates is updated.

Use Daemon to Process

When you select this field, the exchange rates are processed by the Batch daemon rather than being imported manually.

Request Start Time (UTC)

Enter the time when the updated exchange rates are to take effect each day. The daemon will run at this time. You cannot modify an exchange rate set while any records are being processed by the daemon.

Active

Select this field to make the set of exchange rates active.

Currency Pairs

In the grid, add rows of currency pairs that you want exchange rates for. Add a currency to the From Currency field, the To Currency field, and specify a tolerance percentage for each exchange rate. The entries in the From Currency and To Currency fields cannot be identical.

Note The exchange rate updates available depend on your provider subscription package. For example, the free-of-charge package for

Currencylayer allows you to enter only exchange rates from USD and from EUR (European Central Bank).

The drill-down links provide access to the following browses:

- Exchange Rate Types
- Roles

Importing Exchange Rates From Third-Party Provider

You can import exchange rates manually for each exchange rate provider and each exchange rate type by selecting Import from Provider on page 5677 on the Exchange Rates Action menu or exchange rates can be automatically processed by the Batch daemon. According to the settings you configure in **Exchange Rate Providers**, the Batch daemon automatically imports exchange rate sets on a daily basis at the selected start time (UTC).

Note You also use the Batch daemon to process exchange rate sets that you change manually in **Exchange Rate Providers**.

You can configure the Batch daemon to process a specific number of records in one batch. You can also monitor the Batch daemon to view the current daemon status, whether there are records queued for processing, and the results of any processing. At the time specified in **Exchange Rate Providers**, the exchange rates from the third-party provider are queued and processed, and the updated rates take effect.

When you use the daemon to import exchange rates, there is an error when the exchange rate is outside the tolerance value. The result of processing is emailed to all users associated with the role specified in **Exchange Rate Providers**.

Setting Up General Ledger

GL reports include trial balance, transactions in a given GL period, open items, and monthly closing. Each report is filtered by criteria; for example, by GL calendar year and period, daybook code, currency, or posting date.

Next, you set up a chart of accounts (COA). Accounts show values for financial elements such as cash, inventory, and sales. The individual account balances show values at a given point in time, and these values change as a result of transactions. Account balances provide the content for financial statements.

For more detailed financial reporting, you can use sub-accounts, cost centers, and projects. Sub-accounts provide a further level of detail within an account, and can be linked to customers and suppliers and their individual transactions. For more information on generating GL reports, see GL Reports and Views on page 6349.

You can refine account and sub-account information further by defining cost centers. For example, a cost center can be a profit center or department within the account or sub-account. Balances in sub-accounts and cost centers can be listed separately or summarized under account codes. For more details, see Cost Centers on page 5723.

Project codes provide analysis on costs and revenue for the projects defined in your organization. For more details, see GL Projects on page 5732.

A company that is part of a larger organization may be required to define an alternate COA according to local GAAP, and then report to their head office using the operational COA. The Alternate COA function provides the ability to generate reports using alternate COAs, in addition to a company's operational COA. Alternate COA cross-references let you specify mappings from source GL combinations to target alternate accounts. You can also create cross-reference mappings for use in consolidation. See Alternate Chart of Accounts on page 5694 and Setting Up the Chart of Accounts on page 5688.

You can verify valid combinations of COA elements using a COA mask. A COA mask is a matrix that defines the combinations of GL accounts, sub-accounts, cost centers, and projects to which you can post transactions. The mask you define applies to all transactions posted for the current domain. For more details, see COA Masks on page 5746.

Use supplementary analysis fields (SAFs) to provide additional reporting on specific areas within GL accounts, cost centers, or projects. SAFs are typically used to track the volume of sales or purchases of a product in a region in a given period. For more details, see Supplementary Analysis Fields on page 5762.

Accounting layers let you define different types of transaction postings, from official postings to statutory books to temporary postings for analysis or simulation. For more details, see Accounting Layers on page 5778.

Daybooks are system- or user-defined views of the general ledger, and contain the transaction posting lines. Using different types of daybooks lets you group GL transactions to satisfy legal reporting requirements. Each daybook is assigned to an accounting layer. Depending upon the daybook type, the layers to which the daybook can be assigned may be restricted; for example, Customer Payments can be assigned to the official layer only. For more details, see Using Daybooks on page 5782.

The financial calendar consists of user-defined GL calendar years and GL periods. You can define custom start and end dates for each GL period to correspond with your accounting cycles. For more details, see Defining the GL Calendar on page 5792

Costs and revenues can be allocated directly to the relevant GL accounts, sub-accounts, cost centers, and projects during journal entry. However, for some costs, such as utility bills, organizations may prefer to define and run an allocation after the journal entry is created, depending on how the organization chooses to apportion such overhead costs across departments and divisions. For information on defining an allocation structure, see Financial Allocations on page 5824.

General Ledger Flow

The general ledger is a record of all transactions that occur in the entity. It is maintained by recording debit and credit transactions in a process known as posting. After posting, the balance of each account is updated, and the transaction becomes a permanent part of your financial records and cannot be modified directly. Account balances can, however, be changed using adjusting entries.

The posting process is controlled by associating daybook types with one of the three system-defined accounting layers: official, management, and transient. Accounting layers provide different ways of segregating transactions within a single GL account.

Although account balances are updated by transactions, an update does not always occur at the time of its corresponding transaction. Most operational GL transactions originate from manufacturing, purchasing, and inventory movement, and are created as unposted transactions. The system collects most operational transactions in an unposted transaction table that is not associated with an accounting layer. You can review the transactions to ensure that amounts, accounts, and dates are correct. Once the transactions are verified, you must post them to the official layer to update GL account balances. However, certain operational transactions, such as invoice post, are not collected in an unposted transaction table, and are posted directly to the official layer of the general ledger.

You can temporarily record unfinalized financial transactions in a transient layer for review and analysis. Transactions recorded in transient layers do not update account balances. When the records are verified, you can then post them by transferring them to the official layer.

Finalized financial transactions can be entered directly in the official layer using a single journal-entry process. During posting, the transaction detail in the posting line is used to update cumulative account balance detail records.

Once transactions are posted to the official layer, you cannot change or correct them directly. Use reversing transactions to make any required changes. on page 5865

The management layer is used for management accounts—for example, auditing adjustments—or for IFRS- and GAAP-specific requirements. Transactions recorded in the management layer do not affect account balances. For more details, see Accounting Layers on page 5778.

At the end of each GL period, it is recommended that you close the GL calendar for each transaction type to new activity. You cannot close a GL period if unposted transactions exist. Transactions are generally posted daily, although some organizations post weekly or monthly.

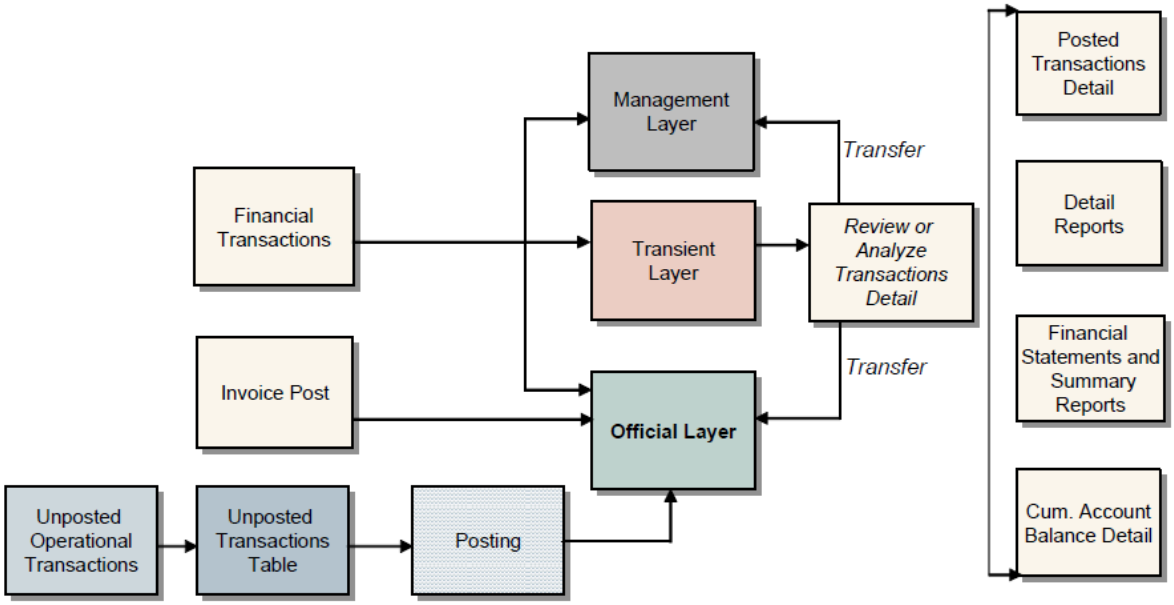
Posted transaction data remains in the system for detailed reporting. During posting, the transaction detail is used to update cumulative account balance detail records for the period. The account balance records are then used to generate financial statements and summary reports.

Most organizations print a trial balance summary or detail report before printing statements. The trial balance lists the title and amount for all accounts, making it easier to identify errors and make adjusting entries before printing formal statements.

After all reports are printed, you close the GL period to the general ledger. At the end of the fiscal year, the GL calendar year is also closed for the year, and the year-end close updates the retained earnings for the current year’s net profit or loss. on page 5806

In multiple currency entities, unrealized exchange gains and losses are calculated and posted prior to running reports. See Revaluations on page 5904.

The following figure shows the flow of data in the general ledger.



General Ledger Components

The GL account is the base unit in the general ledger. as many different types of GL account as are required for your business environment.

Posting is executed during predefined GL periods within the framework of the GL calendar year. Analysis of transactions is further refined using sub-accounts, cost centers, projects, and supplementary analysis fields (SAF).

Transactions are recorded in daybooks, which can enable temporary postings through links to accounting layers. The general ledger mask allows you to combine accounts, sub-accounts, and cost centers in a predefined posting framework.

The following table summarizes GL components. Define each of these components in turn to set up the general ledger.

General Ledger Components

Components	Description
GL Account	Plan the different types of accounts required for the chart of accounts. Define accounts for cash, bank, inventory, sales, fixed assets, open items, cross-company control, customer control, customer payments, supplier control, supplier payments, or WIP control.
System Account	This is a category of account that is required by the system, such as

Components	Description
	rounding accounts and exchange rate difference accounts. When the GL type is system account, you must specify which system subtype applies.
Sub-account, Cost Center, and Project	These elements provide finer detail in financial reporting. Balances in sub-accounts and cost centers can be listed separately or summarized under account codes
Supplementary Analysis Field (SAF)	SAFs provide reporting data on specific customer or supplier items within GL accounts. SAFs can be used to provide costings on a particular service before you create a purchase order for the service.
GL Mask	The GL mask is a matrix of your accounts. The GL mask allows you to combine accounts, sub-accounts, and cost centers in a predefined posting framework.
GL Period	You must define a GL calendar year and GL periods before you can post transactions. Periods have start and end dates that do not have to correspond with calendar months. All entities in a domain share the same GL calendar year, but each entity can manage the opening and closing of periods separately.
Daybook	Daybooks contain transaction posting lines and control the posting of transactions because each daybook must be linked to an accounting layer. The system provides a range of daybook types, which lets you group transactions by type, such as banking, revaluation, or consolidation, or by payment type, such as supplier or customer payments. Journal entries are

Components	Description
	automatically entered in the daybooks with which they are associated. Daybooks also control the numbering of invoices and credit notes, in addition to GL transaction numbers.
Period Mark	Period marks are automatically generated by the system and let you trace transactions by period. The mark is an attribute of the posting and appears in posting reports.
Accounting Layer	Accounting layers provide ways of segregating transactions within a single GL account. The posting of transactions is controlled by associating daybook types with one of three system-defined accounting layers: official, management, and transient. • If a daybook is associated with the official layer, transactions are immediately posted to the general ledger. • Management layers provide different types of GAAP reports within one organization. • Transient accounting layers enable temporary posting for review or analysis, before official posting.
Unit of Measure	Units of measure are the values used in transactions that involve any type of quantifiable unit.

Setting Up the Chart of Accounts

The chart of accounts consists of combinations of four elements:

- GL Account Types
- Sub-Accounts
- Cost Centers
- Projects

GL Account Types

The following table lists GL account types.

General Ledger Account Types

Account Type	Description
Bank Account	Use to configure a bank account.
Cash Account	Use to record cash transactions.
Closing Account	Use in the year-end closing process to post the total balance for each account type. Normally, you create four year-end closing accounts: • Profit/loss closing account • Balance sheet closing account • Profit/loss closing account including sub-account analysis • Balance sheet closing account including sub-account analysis
Cross-Company Control Account	Use to record postings from one entity to another. The corresponding balances are kept in mirrored cross-company accounts.
Customer Control Account	Use as the control account for customer Accounts Receivable activity.
Customer Payment Account	Use to record customer payment transactions, such as those involving checks, direct debits, and drafts.
Fixed Assets Account	Use to record fixed assets activity.
Inventory Control Account	Use to record the inventory sub-ledger activity.
Open Items Account	Use to record open item transactions. Open items are unpaid and partly settled invoices, both from customers and suppliers, where the transaction is not completed at the end of the GL period. You can perform

Account Type	Description
	reconciliation on open item accounts.
Standard Account	Use to define basic, non-specific accounts.
Supplier Control Account	Use as the control account for supplier Accounts Payable activity.
Supplier Payment Account	Use to record supplier payment transactions, such as those involving checks, paper and electronic transfers, and drafts.
System Account	Use system accounts for accounting functions that affect all data and transactions for a shared set, such as rounding differences, revaluation, or fixed-asset disposals.
Tax Account	Use to record tax entries and transactions, such as the tax charged on sales, known as output tax, and the tax paid on purchases, known as input tax. Use the information in the account when completing your tax return at the end of each tax period.
WIP Control Account	Use to record the cost of open work orders, such as raw materials taken from inventory and being used in the manufacturing process. WIP control accounts also include the cost of component issues, labor, burden, and subcontracts.

System Accounts

Use system accounts for system-wide functions, such as rounding differences or exchange rate gains and losses.

The System Type field in GL Accounts is enabled when you specify a system account. The following table lists the available types of system accounts.

System Account Types

System Account Type	Description
Auto Balance	Used to record journal entry auto balancing transactions. If the balance of a posting is not zero in base currency or in statutory currency, the system can create a balancing posting line automatically. The resultant posting line balances the whole posting transaction, and the posting is made to an Auto Balance system account.
Deduction Suspense	Used to transfer deduction balances from the payment posting to the deduction open item posting. Its balance is always backed out immediately in the same transaction. The Deduction Suspense account always has a zero balance. See Processing Deductions on page 6032.
Purchase Order Receipts	Used to record that a supplier has fulfilled all or part of a commitment by delivering items or services ordered on a purchase order.
Realized Exchange Loss Realized Exchange Gain	Used in the foreign currency revaluation process for accounts that can be considered as realized profit or loss due to exchange rate differences.
Unrealized Exchange Loss Unrealized Exchange Gain	Used for revaluation of customer open items and supplier open items.
Result of the Current Year	Used in reporting to incorporate the balance of profit and loss accounts for the current year. The Result of the Current Year accounts are automatic balance sheet accounts, without actual postings.

System Account Type	Description
Result of Previous Years	Used in reporting to incorporate the balance of profit and loss accounts for previous years that have not yet been closed. The Result of Previous Years accounts are automatic balance sheet accounts, without actual postings.
Rounding Differences	When the conversion from one currency to another results in rounding differences in the base currencies, this account is used to record the differences
Unmatched Invoices	When posting a supplier invoice in Accounts Payable that is not yet approved or allocated through the final costs, the amount to be allocated is posted to the Unmatched Invoices account. You create one Unmatched Invoices account per system. This account is used by default for all supplier invoice postings.

Account Analysis

To support different types of reporting and analysis, some accounts can be used in combination with sub-accounts, cost centers, and projects. The following tables list the valid combinations.

Analysis Type by Account Type (Standard Accounts)

Account Type	Sub-Acct	Cost Center	Project	SAF
Bank Account	Yes	No	No	No
Cash Account	Yes	Yes	Yes	Yes
Closing Account	Yes	No	No	No
Cross-Company Account	No	No	No	No
Customer Control Account	Yes	Yes	Yes	Yes
Fixed Assets Account	Yes	Yes	Yes	Yes

Account Type	Sub-Acct	Cost Center	Project	SAF
Inventory Control Account	Yes	Yes	Yes	Yes
Open Items Account	Yes	Yes	Yes	Yes
Standard Account	Yes	Yes	Yes	Yes
Supplier Control Account	Yes	Yes	Yes	Yes
Supplier Payment Account	Yes	Yes	Yes	Yes
Tax Account	Yes	No	No	No
WIP Control	Yes	Yes	Yes	Yes

Analysis Type by Account Type (System Accounts)

Account Type	Sub-Acct	Cost Center	Project	SAF
Conversion (for conversion activity only)	N/A	N/A	N/A	N/A
PO Receipts	Yes	Yes	Yes	Yes
Realized Exchange Gain	Yes	No	No	No
Realized Exchange Loss	Yes	No	No	No
Result of Current Year	Yes	No	No	No
Results of Previous Year	Yes	No	No	No
Rounding Differences	Yes	No	No	No
Unmatched Invoices	Yes	No	No	No
Unrealized Exchange Gain	Yes	No	No	No
Unrealized Exchange Loss	Yes	No	No	No

Operational Account Structure Validation Report

The report indicates any invalid combinations. It is important to run this report before go-live and then periodically to ensure that the combinations are still valid.

Invalid combinations can exist for several reasons, such as when accounts, sub-accounts, and cost centers are made inactive. Another reason might be when a GL Account field, for example, is added to an operational screen, and the actf_mstf file has not been updated.

Invalid combinations can result in operational GL transactions that cannot be posted to the Financials module.

You can find the report using the menu, or you can find it in the drill-down links on the **Operational Account Tables & Fields** browse. If you select a record in the browse and click the **Operational Account Structure Validation** drill-down, the report is set by default to run for that record only. However, you can run the report for all tables.

When you click Run, the **Operational Account Structure Validation** report generates a report of all of the places in the system where default GL accounts, sub-accounts, and cost centers can be specified and are used to generate GL transactions in the operational modules. The report indicates any invalid combinations.

The **Operational Account Structure Validation** report runs at domain level.

Important The **Operational Account Tables & Fields** browse and the associated maintenance form are intended for use mainly by QAD Services developers.

Alternate Chart of Accounts

In some countries, such as China and France, the legal COA can be different from the operational COA for business or legal reasons. A company that is part of a larger organization may be required to define an alternate COA according to local GAAP, and then report to their head office using the operational COA. An alternate COA is a secondary grouping of accounts that is generally used for statutory reporting.

The Alternate COA function provides the ability to generate reports using alternate COAs, in addition to a company’s operational COA. However, alternate COAs can be used for reporting purposes only—you cannot post transactions to alternate accounts.

An alternate COA consists of one or more account structures, each containing a group of non-duplicate alternate accounts. Each alternate account is assigned an account code, description, and account level indicator, and, optionally, a column label and an alternate COA group code. You can create an alternate COA structure manually or copy from

an existing structure. The Alternate COA function also includes an Excel integration feature that lets you import alternate COA structures from an Excel spreadsheet.

In the example alternate COA structure below, the following accounts are lowest level nodes:

- AC-1-1-1
- AC-1-2
- AC-2-1
- AC-3

Alternate Account Code			Level
AC-1			1
	AC-1-1		2
		AC-1-1-1	3
	AC-1-2		2
AC-2			1
	AC-2-1		2
AC-3			1

Alternate COA Groups

Main

Alternate COA Group

Specify a code for the alternate COA group that you want to create.

Note If the value you enter already exists, you will receive an error notice.

Description

Enter a brief description of the alternate COA group.

Note You cannot delete an alternate COA group which is in use in an alternate COA structure.

Creating an Alternate COA Structure

Main

Alternate COA Structure

Enter a maximum of 20 characters to identify the alternate COA structure.

Description

Enter a brief description of the alternate COA structure.

Alternate COA Structure

Alternate COA

Specify the alternate COA that you want to use.

Description

Enter a brief description of the alternate COA.

Alternate COA Group

Specify the alternate COA group that you want to use. You cannot edit this field for Child rows.

COA Cross Reference

This column is read-only, it will be populated automatically based on you selection.

This field will automatically be selected for Child rows.

Actions

Copy

Use this action to copy an existing alternate COA structure. The action will run the developed alternate COA structure and will modify the Alternate COA Structure code. Existing rows in the structure will be added, updated, and deleted where necessary. Once saved, the structure will be created with the new Alternate COA Structure code.

COA Cross Reference

Select this action to automatically run the COA Cross References function with the Type field set to Alternate COA. Only Child levels from the Alternate COA Structure will be used to create the COA Cross Reference.

Alternate COA Structure Excel Integration

The Alternate COA Structure function includes an Excel integration feature that lets you import alternate COA structures from an Excel spreadsheet.

From the More drop-down list, select Export to generate an Excel report of the alternate COA structure.

From the More drop-down list, select Import to load an alternate COA structure from the Excel file.

Integrating XML Documents

Data can be imported into QAD from an external customer system in a number of ways:

- In Excel files, using the Excel integration function available for many components. This function is mainly used for static components, such as GL accounts or cost centers (but can also be used for journal entries).

  The Excel integration function lets you export existing static components to an Excel spreadsheet. You use the spreadsheet as a template in which to enter new data, and re-import the data as new data objects.
- As XML files, using the XML Daemon or QXtend Inbound functions. This technique is mainly used for dynamic components, such as transactions.
- As XML files, using EDI eCommerce.

The Excel and XML-based functions convert the imported file to a business object, such as a business relation or customer invoice, which can then be processed by Financials applications. The imported file must contain essential data and conform to a set file structure in order to be processed successfully as a Financials business object.

Each component has an XML schema file, which describes the structure of its data. The structure of XML documents must conform to the schema file of the business component to which they will be converted. You must therefore prepare your document carefully before beginning the integration process.

Planning the Integration

There are a number of scenarios in which a customer uses XML to migrate their data into the Financials application. For example:

- The customer is using an add-on product (for example, a payroll system) and needs to process payroll transactions using Financials functions.

- The customer is using an add-on product (for example, a separate order entry system) and needs to process orders as Customer Invoices.

In these situations, the original data must be converted to XML in order to be integrated into the Financials system.

Before you begin the integration process, you must identify key information:

- Which Financials business component will be used to process the data?
- How is the component structured, and what are its dependent components?
- Which tables are updated by this component and what are its mandatory fields?
- Which component schema files and sample files do you require?
- What are the editing guidelines for creating an XML file from your data?
- Which Enterprise Edition tools do you use to complete the integration?

Identifying Business Components

When you have decided on the purpose of the integration (to create a customer or supplier opening balance, to complete banking entries for posted transactions, or to complete AR or AP payment cycles), you then identify the business components you want to be use to process the imported data.

For example, you may want to process payroll transactions for wages already paid as banking entries. You need to import both the transaction data and the employee data, and may want to import the employee data to be used as Financials system Employees. The components you will need are Banking Entry and Employee, and the data you import must comply with the schema files for these components.

To identify the name of the business component you need to:

1. Click on the menu item
2. Choose Properties
3. Check the URL field

For Financials objects, the name is typically in the format:

urn:cbf:<businessComponent>.<Activity>.

(for example, BBusinessRelation.Modify)

You can now view the HTML documentation for this component.

You normally use the Business Relations component when importing customer or supplier address and contact information. Business relations contain location and contact information for all addresses defined in the system. They also contain tax details that are directly referenced or used as defaults for customers and suppliers. Therefore, when converting your data to a dataset that can be processed as a Financials component, you should be aware of the component structure.

Identifying Components for Customer and Supplier Invoices

Posted customer and supplier invoices differ from other components in that the invoice can consist of two parts:

- The invoice posting
- The related journal entry postings

A standard Financials supplier or customer invoice posted to the official layer automatically contains all the required posting data. If you are integrating invoices that match the standard posted Financials invoice in every respect, you can therefore generate an XML dump from a Financials invoice to use as a template for integration. The components you need in this case are BDInvoice and BCInvoice.

If, however, you are integrating invoices that use different posting rules (for example, different expense or tax accounts, or different allocation), you should be aware that your integrated file must contain both the customer invoice data and the related journal entry data. In this case, the components you need for a posted customer invoice are BDInvoice and BCJournalEntry, and for a posted supplier invoice, BDInvoice and two BJournalEntry components (containing SI Posting data and Matching Posting data respectively).

When you have modified the field values with your data, you then combine the files into one. Schema files are available for a posted customer invoice (BDInvoiceJournalEntry) and posted supplier invoice (BCInvoiceJournalEntry), and you must rename the tags in your combined files to conform with these schemas.

Business Component Structures

Each business component dataset contains data tables. Static components, such as SAF concepts, contain master or parent data tables only, whereas complex components such as transactions contain both parent and child data tables.

For example, the BJournalEntry component contains the tPosting table, a tPostingLine table for each posting line in the transaction, the tax tables tPostingVAT for tax postings, and optionally, the SAF posting table tPostingSAF.

The component tables also contain fields. In the case of tPostingLine, GL account, currency, amount, sub-account, and other accounting fields are defined for each posting line. Each posting line can also optionally have tax tables and SAF tables (when SAFs have been defined for cost centers or projects).

When creating an XML file to be processed as a Financials journal entry, therefore, it is important to identify the fields, tables, and table relations of the BJournalEntry component. The XML file you import into Financials must contain the same fields and tables as the component you intend to use. This information is defined in the component schema file.

The schema files for each Financials business component are located in the \qadfin\components\progress\xml*.xsd directory.

Tables and Mandatory Fields

Each component contains mandatory fields, which must be given values in order for the component to be validated. Information on these fields, and on the component tables, is contained in the component API documentation.

API documentation is provided in HTML format with each Financials release. It is stored in the HTMLdocumentation folder in your installation directory in a file called QADFIN_Documentation.zip.

The API documentation provided for each Financials business component consists of HTML pages with information about Financials projects, and the components used in projects. The main index.htm file for the project lists each component by business area, and you click the link for the specific component to display its own index page.

The component index page is divided into the following areas:

- Public data items
- API queries
- API methods
- Other methods
- Activities

Click the class dataset link in the public data items area to display the component dataset attributes.

Component Schema and Sample Files

Each QAD Enterprise Edition calling program is associated with an XML schema file. The schema file provides the definition of the component structure.

The XML schema for a calling program such as Supplier Invoice (BCInvoice.XSD) contains all possible data entry fields in the component, and details the component tables. It also includes the information required to start data iterations and information on the calling procedure.

The tc_Rowid and tc_Parentrowid fields in each table section indicate the parent or child table relations.

Sample values for these fields are displayed in the component sample file.

Supported Components

The following table lists the components that you can import using Excel, QXtend Inbound (QXI), or the XML Daemon:

bbudgetgroup	bcashgroup	bcdocument	bcinvoicejournalentry
bcurrency	bddocument	bdebtorcreditrating	bdebtorenduser
bdebtorshipto	bdebtortype	bdinvoice	bdinvoicejournalentry
bdomain	bemployee	bexchangerate.xsd	bexchangeratetype
bgl	bglcalendar	bglmask	bjournalentry
blanguage	blayer	bmirroringgl	bmirroringjournal
bpaymentcondition	bpaymentformat	bpaymentgroup	bperiod
bprofile	bproject	bprojectgroup	bprojectstatus
bpurchasetype	breason	broundingmethod	brole.xsd
bsaf	bsafconcept	bsafstructure	bsafstructurelink
bsettings.xsd	bsharedset	bstate	buser.xsd
buserrole	bvat	bvatbox	bvatgroup
bvatperiod	byearclosing		

Creating the XML File

The following section describes rules and editing guidelines for XML file content.

tContextInfo Table

Each component schema file contains a tContextInfo table, which must be included in the XML file to be processed. This table is necessary for the system to process the XML file correctly.

tContextInfo contains the following fields:

- tcCompanyCode

The tcCompanyCode field is mandatory, and indicates the code for the entity in which the data will be processed. If you do not specify the company code, the company code of the current XML daemon process is used, which can lead to data conflict. The daemon does not give an error if this code is not specified.

- tcAction

  The tcAction field is optional. The value of tcAction will only be taken into account if the XML daemon is configured so that the default action specified in the daemon configuration can be overridden by the tcAction specified in the XML file.
  The possible values for tcAction are:

  - save

    The data is passed to the back end, and the system attempts to validate and save it. If this is not successful, the load of the XML document fails.

  - store

    The data is passed to the back end. The system does not validate it, but saves the data as a draft object.

  - validate

    The data is passed to the back end and the system tries to validate it without saving to the database.

  - savestore

    The data is passed to the back end, and the system tries to validate it. If the data validates, it is saved to the database. If it does not validate, the data is saved as a draft object. In mode it means that the object is not available as a real object in the system yet, and needs to be completed. In Modify mode the modification of the object is incomplete, and it can be completed only by completing the draft object.

- tcOriginator

  The tcOriginator field is optional. (XML daemon only). It can be used by the external party to specify the origin of the data. This can refer to an originator defined within the configuration of the XML daemon, and can indicate if the default action for the originator can be overridden by the value in the XML file.

- tiPriority

  The tiPriority field is optional. (XML daemon only). It can be used to indicate the priority of the XML document. The XML documents in the queue are processed in order of the lowest value set in tiPriority.

- ttRequestStartDate

The ttRequestStartDate field is optional. (XML daemon only). It can be used to indicate that the object in the XML document can only be processed after a certain date.

- tiRequestStartDate

  The tiRequestStartDate field is optional. (XML daemon only). It is useful in combination with ttRequestStartDate to specify an integer value for the time before which the XML document will not be processed.

- tcComment

  The tcComment field can be used to specify extra comments for the XML document in the queue. (XML daemon only). It can be viewed in the XML daemon monitor.

  Note The tcComment field can also include:

  PartialUpdate=<true/yes>

  PatialUpdateExceptionList=t<table>.<field>

  These fields exist as separate configurable fields in later releases.

- tcCBFVersion

  The tcCBFVersion field is mandatory and should contain the expected Component Builder version number. This field defines the way in which the XML document is constructed. (XML daemon only). The current version is 9.2

- tcActivityCode

  The tcActivityCode field is not mandatory, but is used to indicate the activity that needs to be executed for the data inside the XML document. If the tcActivityCode field is not specified, or left blank, the system decides the activity. If it cannot find the object based on the alternate key, it assumes the object must be created, and assumes that the activitycode is Create. If it finds the object, it assumes the activitycode is Modify. Possible values are:

  - Modify

    The object is taken in Modify mode. If this is specified, the validation will return an error if the object does not exist (based on the alternate key field search).

  - Create

    The object is taken in mode. If this is specified, the validation will return an error if the object already exists (based on the alternate key field search).

  - Delete

    The object is taken in Delete mode. The system tries to find the object, and deletes it.

- tlPartialUpdate

  The tlPartialUpdate field is optional. It can be used to indicate how the system should treat the data that is passed to it. By default the value of this field is false; this means that the data supplied in the XML document is assumed to be complete. This is typical for a activity.
  For a Modify activity, however, tlPartialUpdate is useful in preventing the need to pass the complete component with all fields. This can be difficult when components have records in multiple class tables.
  If tlPartialUpdate is set to true, the data supplied in the XML document is assumed to be incomplete. This allows for the situation in which there may be missing tables or fields. The system then performs a partial update, and does not try to assign default empty values to these fields, or delete child records.
  However, you also have the option to identify records to be deleted. By assigning the tc_Status field of a child record to D, you indicate to the system that this record is to be deleted.
  In this way, you can use the PartialUpdate option to supply only relevant field data for integration instead having to supply the complete dataset. PartialUpdate not only disregards fields that were missing in the input, but also disregards fields that are passed with an unknown value.

- tcPartialUpdateExceptionList

  The tcPartialUpdateExceptionList field is not mandatory, and is only read by the system when the tlPartialUpdate field is set to true.
  When a field has an unknown value, the system assumes that this field does not need to be updated. Use the tcPartialUpdateExceptionList field to specify a comma-separated list of fields that must be updated in the database, even if their value is unknown.
  The syntax for the exception list field names is t<table-name>.<field-name>.

eBusinessRelation.BusinessRelationName1

Rowid Fields

The values of the rowid fields in the XML document are used to map the parent-child relationships between tables. You can assign any values to these fields, while ensuring that the tc_parentrowid of the child record matches the tc_rowid of the parent. When the system processes the XML files, it uses this matching to map the tables, then assigns its own values to the rowids in the database.

Important The tc_rowid value must be unique within the records of the same table in one XML document.

Example: An XML file containing business relation data contains the tables tBusinessRelation and two tAddress tables, one of which contains a tContact table.

To map these tables, you set the value of the tc_rowid of the tBusinessRelation record to -1.

The tc_parentrowid values of the tAddress child records are therefore also set to -1.

The tc_rowid values of the tAddress tables are set to -2 and -3.

The tContact table is the child of the tAddress table whose tc_rowid is -3. Its tc_parentrowid is therefore set to -3, and its tc_rowid to -4.

You must specify the rowid fields if you have multiple record requests in your XML request.

Custom Fields

Most tables contain custom fields (for example, <CustomShort0/>,<CustomShort1/>). Unless you have used these fields for customization, you can remove them from your document.

All components also have tCustomTable0, tCustomTable1, and tCustomTable2 tables in their schema file. These are not mandatory and can also be used for customization of the business component. If defined, you may want to keep these fields in your document.

Last Modified Fields

These fields are generated by the system and can be removed from your document. For example:

<LastModifiedDate>2009-01-15</LastModifiedDate>

<LastModifiedTime>9874</LastModifiedTime>

<LastModifiedUser>mfg</LastModifiedUser>

ID Fields

ID fields are not necessary for XML integration. These fields are generated by the Financials component when the file is processed.

You can remove these fields automatically using the Only Dump Fields for Import option in the Dump XML feature (see “Sample XML Files” on page 130). For XML files that have not been created using this option, you can remove the ID fields manually.

For example, in the following section of a supplier invoice sample XML file, you remove the CInvoice_ID, Company_ID, Period_ID, Creditor_ID, Division_ID, and Journal_ID fields, but retain the CInvoiceType and CInvoiceVoucher fields:

<CInvoice_ID>738175</CInvoice_ID>

<Company_ID>9144</Company_ID>

<Period_ID>16683</Period_ID>

<Creditor_ID>173655</Creditor_ID>

<Division_ID>11438</Division_ID>

<Journal_ID>271904</Journal_ID>

<CInvoiceType>INVOICE</CInvoiceType>

<CInvoiceVoucher>0</CInvoiceVoucher>

Primary Key Fields

Primary key fields are a combination of fields that combine to uniquely identify the object in the system.

For example, the primary keys for Supplier Invoice and Journal Entry are a combination of Entity, Posting Year, Daybook, and Voucher. The Entity, Posting Year, and Daybook require values in an XML file to be integrated. The Voucher field is generated by the system.

When you modify or delete a record, the key field is also required. You can view the field by dumping the XML for a particular business object using Actions| Properties and then Dump XML. You can also query the AddressLogicKeyString key field using a Progress editor.

Note You cannot view the <AddressLogicKeyString> field in the user interface.

Integrating Multiple Records in an XML Document

You must apply the XML document guidelines described in this chapter to all the records you want to integrate, and you include all records of the same type (for example, all Employee records) in a single XML document.

Processing the XML File

The completed XML file can be processed in one of two ways:

- Using the XML daemon to collect the file and process it. The XML daemon processes external XML data. You store the XML file to be processed in a specified directory on the server. The daemon then reads and processes the file. See XML Daemon on page 6810
- Using QXtend to convert the XML file to a QDoc to be processed by the QXInbound engine.
- QXtend Inbound delivers inbound data to business component programs in Financials. The inbound data is in the form of XML data documents, called QDocs, delivered in either a proprietary XML format or, for a select few programs, as direct code APIs. QXtend Inbound operates over SOAP (Simple Object Access Protocol), and XML documents must be contained in a SOAP envelope in order to be processed.

GL Accounts

GL Accounts allows you to create and maintain the following types of account:

- Bank
- Cash
- Closing
- Cross-Company Control
- Customer Control
- Customer Payment
- Fixed Assets
- Inventory Control
- Open Items
- Standard
- Supplier Control
- Supplier Payment
- System
- Tax
- WIP Control

System accounts are used for system-wide functions, such as rounding differences or exchange rate gains and losses. The System Type drop-down list is enabled when you specify a system account. You cannot delete a GL account if it is referred to by another system element. You can modify certain attributes of an existing GL account if it has not been used in posting.

GL Accounts contains these panels: Main, Posting, Currency, Analysis, Banking, Cash, SAF Defaults, and Consumption Tax. Use the Posting panel to set posting attributes for the account. Use the Currency panel to specify the currency attributes of the account. Use the Analysis panel to set analytical parameters for the account. When you define analysis for an account, you can specify the individual sources or targets, such as cost centers or SAFs, of transaction amounts.

The Banking panel is displayed when you create an account with the GL type Bank Account or Cash Account. Use this panel to enter bank account details. You can assign multiple bank accounts for each GL account to support each entity where the GL account is used. The bank information you specify here identifies your company banks. You associate these banks with customer and supplier banks in the customer and supplier functions. When you select a GL type of Cash Account, the Cash panel is used to set the daybook profiles for incoming and outgoing cash transactions. Use the SAF Defaults panel to specify which concepts within a structure to associate with the account and specify default values

for the concepts. Only one default can be specified for each concept. The defaults are used when a code value is not supplied in a transaction. These fields are not required.

Main

GL Account

Enter a code (maximum eight characters) identifying the account. You cannot create a GL account that has the same code as an existing operational allocation code.

Description

Enter a brief description (maximum 24 characters) of the GL account. You can optionally enter descriptions in more than one language.

GL Type

Select the type of account.

System Type

This drop-down menu is enabled when you select a system account as the account type. Select a value from the list.

Category

Select a code for classifying the account based on its function on financial statements. Choices are:

- Asset: These represent economic resources owned by an entity, both tangible and intangible, such as bank balances, amounts owed by customers, inventories, land, buildings and machinery, investments, and goodwill. Asset accounts appear on the balance sheet.
- Liability: Liabilities are amounts owed to other parties for goods and services supplied and loans. This category also includes capital—sometimes termed equity or net worth—which represents the economic resources supplied to an organization such as share capital, reserves, and loan capital. Liability and capital accounts appear on the balance sheet.
- Expense: Any account to appear in the income statement and not defined exceptionally as an income account is defined as an expense. Typically, materials, labor, and expense accounts are all expense accounts. Some revenue accounts may also be defined in the expense category; for example, scrap sales and recovery accounts.
- Income: This category identifies any account to appear as a sales account in the income statement. The system assumes, in some reports, that the income account values provide the denominator when the system calculates percentages of sales. For example,

Labor account (expense category) is 50% of the sum of the sales accounts (income category).

Active

Indicate if this is an active account. Inactive accounts cannot be used to record new transactions. An inactive account is still available, however, for historical transactions in overviews and reports.

Reporting Group

Use this field to categorize GL accounts into meaningful KPI data like Gross Income, Opex, COGS. You can use the lookup to select an existing Reporting Group on page 5722.

Note The Reporting Group field is also available in the Cube Trial Balance View browse. As this browse is the data source for the Financial KPIs, the Reporting Group field is important if you want this GL account to be included in KPI calculations for display in Action Centers.

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Budget Enabled

Select the field to enable budget checking. This field is effective if budget checking is enabled at system level.

Cash Group

Select the cash group to which the account belongs. Cash groups are used to categorize information in the Cash Flow Report.

Consumption Tax

Select this field to enable consumption tax for this account. Use the Consumption Tax grid to specify the tax code to use for consumption tax in each domain that you add. The GL account must be of standard and open item with manual posting.

Referenced

This read-only field indicates that the account is already referenced within the system. For example, when the account is used in a payment instrument process, this field is automatically selected.

In Posting

This read-only field indicates that the account has been used in postings.

Posting

Balance/P&L

Indicate whether this is a Balance or Profit and Loss account. Profit and loss accounts are cleared at year-end closing, and the total balance

of profit and loss is transferred to a profit and loss transfer balance account. This selection is available for standard account types, and for these system type accounts:

- Rounding Differences
- Realized and Unrealized Exchange Profit and Loss

All other account types are balance accounts by default, and this field is disabled.

Note For standard accounts, you cannot modify the Balance/P&L field after transactions have been posted to the GL account.

Debit/Credit

Select the posting designation for this account. The posting designation is a convenient way of identifying accounts that hold only debit postings or only credit postings; however, the designation is not binding. You can hold both debit and credit postings in the same account. The system also supports negative debits and negative credits as a correction of a previous transaction.

Quantity

Select this field if you want to store quantity values for posting lines for this account. When selected, the GL Account Unit of Measure field is enabled in postings using this account, and you must specify a quantity and unit of measure in the posting lines.

Unit of Measure

When Quantity is selected, specify a unit of measure for quantities specified for this account. By default, all quantities on the account are assumed to be in the same unit of measure.

Auto/Manual

Indicate what types of posting this account accepts.

- Automatic: The account cannot be used for a manual posting line entry such as Journal Entry or Supplier Invoice Allocation.
- Manual: The account can be used for all manual posting line entries, as well as in programs that create transactions automatically. Manual posting is available for the following types of account:
  - Bank
  - Cash
  - Cross-company
  - Fixed Asset
  - Open items
  - Standard

- Tax

Posting is automatic for all other account types. System accounts and control accounts must use automatic posting with the exception of the Conversion system account, which has manual posting. You cannot modify the value in the Auto/Manual field after transactions have been posted to the GL account.

Intercompany Account

Select to designate the account as an intercompany account. This field is always selected for cross-company control accounts and cannot be modified. The intercompany identifier distinguishes organizations that are members of a group of entities that trade with each other. When the field is selected, you can choose to enter an intercompany code for postings to this account. Intercompany codes are configured in business relation records.

Default Intercompany

Optionally, specify the default intercompany code associated with the GL account. This field becomes active when you select the Intercompany Account field. This field is used only if the system cannot find an intercompany code from the business relation associated with a transaction.

Fixed Intercompany

Select this field if you do not want the default intercompany code to be changed during manual entry. When this field is clear, the system uses any intercompany code associated with the business relation in the transaction, rather than the code associated with the account.

Currency

Base Currency Only

Select to ensure that postings are performed in the base currency only. When selected, you cannot specify a currency code in the next field.

Note For most accounts, this field is cleared. For accounts where transactions are enacted in a number of currencies, separate balances are maintained for each currency against the account.

Currency

Select a unique currency for the account. You typically enter a currency for accounts that use only a specific currency, such as bank and cash accounts, or customer and supplier control accounts. Postings for the account use this currency only. If you do not specify a currency, postings can use any of the currencies configured for the entity. This field is disabled when you select the Base Currency Only option.

Revaluation

TC Revaluation in BC

Select a transaction currency revaluation method from the following options:

- None: No revaluation is performed on transactions.
- Accounting Rate: The accounting exchange rate for that date is used; this is the most common option.
- Revaluation Rate: You can use a separate rate. For example, in certain countries, the government sets the rate that must be used for revaluation, and this is separate from the accounting exchange rate.
- User Defined Rate: This option accommodates situations where different revaluation rules apply for particular types of assets.

Rate Type for Revaluation in BC

When you select User Defined Rate in the TC Revaluation in BC field, specify a revaluation exchange rate type for determining rates. Otherwise, this field is disabled.

TC Revaluation in SC

Select a revaluation method for the statutory currency. Select from None, Accounting Rate, Revaluation Rate, Statutory Rate, or User Defined Rate.

Statutory Rate: This option is available for revaluation relative to the statutory currency, and uses the statutory exchange rate. If the option is defined in Exchange Rate Type Create, the system can revert to using the accounting exchange rate if there is no valid statutory exchange rate available at the time of revaluation.

Inventory Rate: This option is available for revaluation relative to the statutory currency for Inventory and Work in Process (WIP) Control accounts, and uses the inventory exchange rate. You must revalue open balances in Inventory and WIP Control accounts relative to the statutory currency to report closing valuations for the balance sheet. Inventory and WIP balances in statutory currency must be revalued to use the latest inventory exchange rate when:

- The inventory exchange rate type is used to calculate standard costs in statutory currency.
- Standard costs in base currency are reviewed periodically and the inventory exchange rates are modified.

Rate Type for Revaluation in SC

When you select User Defined Rate in the TC Revaluation in SC field, specify a revaluation exchange rate type for determining rates. Otherwise, this field is disabled.

Revaluation GL

Specify an account to be used for revaluation postings.

Note This field is activated if the account you are creating or updating has a GL Type of control account.

When the parent account is a control account, the Revaluation GL account acts as a mirror balance account, to which revaluation differences of unrealized exchange profits and losses are posted. You cannot select a revaluation account for bank, cash, open items, standard, or system accounts. The revaluation account tracks unrealized gains and losses that occur on assets and liabilities that have not yet been converted to cash, such as AR. When the AR payment is received and converted to cash, the exchange gain or loss associated with that payment becomes a realized gain or loss.

Unrealized Gain GL

This field is active when one of the TC Revaluation fields is set to a value other than None. The unrealized gain account you specify in this field must be a standard account with TC Revaluation in BC and TC Revaluation in SC set to None. The field is optional, but when this field and the Unrealized Loss GL field contain entries, the accounts cannot be the same. When the field contains a valid GL, this unrealized gain GL overrules the system unrealized accounts when you revaluate the GL transactions and balances. When the field is blank, the system uses the system unrealized gain account.

Unrealized Loss GL

This field is active when one of the TC Revaluation fields is set to a value other than None. The unrealized loss account you specify in this field must be a standard account with TC Revaluation in BC and TC Revaluation in SC set to None. The field is optional, but when this field and the Unrealized Gain GL field contain entries, the accounts cannot be the same. When the field contains a valid GL, this unrealized loss GL overrules the system unrealized accounts when you revaluate the GL transactions and balances. When the field is blank, the system uses the system unrealized loss account.

Consolidation

Consolidation Method

If this account will be used by a domain that is the target of a consolidation, select the revaluation exchange method from the drop-down list. The exchange method of the account in the consolidation entity determines how subsidiary transaction amounts are converted to

transactions in the consolidation entity. In each case, the system uses the exchange rates defined in the domain of the consolidation entity. The possible settings of the Consolidation Method are as follows:

- Current Exchange Rate: The system recalculates the value of transactions based on current exchange rates.
- Historical Exchange Rate: The system consolidates transactions at the exchange rate effective on the date of the transaction.
- Simple Average Exchange Rate: The system determines a set value for a transaction by averaging the rates for the first and last dates in the range of transaction effective dates. For example, if transactions are imported for the month of January, the system averages the rates for January 1 and January 31.
- User-Defined Exchange Rate: If you select the User-Defined Rate option, you must set up specific exchange rates for each subsidiary base currency, for each GL account with this method, and for each GL period.
- Weighted Average Exchange Rate: The system determines a set value for a transaction by averaging the rates for all dates in the range of transaction effective dates. For example, if transactions are imported for the month of January, the system adds up the rates for each date (January 1, January 2, and so on) and then divides by 31.

Consolidation Rate Type

When you select User-Defined Exchange Rate for the consolidation method, specify a user-defined exchange rate type for determining rates. Otherwise, this field is disabled.

The Consolidate Rate by Entity grid enables you to specify a different user-defined exchange rate for each consolidated entity. You can apply the exchange rate to any account type for consolidation purposes. For each of the rate types that you specify here, you must also create the actual exchange rates before you can run the consolidation. These rates must be entered in the shared set used by the consolidation entity.

Analysis

GL Analysis Set On Date

This field displays the date on which analysis was activated for the account. This field is unavailable if analysis is not activated for the account.

GL Sub-Account Set On Date

This field displays the date on which sub-account analysis was activated for the account. This field is unavailable if sub-account analysis is not activated for the account.

GL Analysis Set by

This field displays the user who activated analysis for the account. This field is unavailable if analysis is not activated for the account.

GL Sub-Account Set by

This field displays the user who activated sub-account analysis for the account. This field is unavailable if sub-account analysis is not activated for the account.

Sub-Account Analysis

Sub-Account

Select to indicate that this account uses sub-account analysis. Enter the default sub-account profile in the next field.

Default Sub-Account

This field is enabled when you select the Sub-Account field. Specify a default sub-account profile. When you enable sub-account analysis for bank accounts, tax accounts, and accounts with automatic posting, you must specify a default sub-account profile.

Cost Center/Project Analysis

Cost Center

Select this field to enable cost center analysis.

Default Cost Center

You must specify a default cost center profile when:

- Only Cost Center Analysis is enabled.
- Both Cost Center Analysis and Project Analysis are enabled, and the analysis limitation is Both Required or Cost Center Required.

Project

Select this field to enable project analysis.

Default Project

You must specify a default project profile when:

- Only Project Analysis is enabled.
- Both Cost Center Analysis and Project Analysis are enabled, and the analysis limitation is Both Required or Project Required.

Analysis Limitation

When you enable both cost center and project analysis, you can specify any analysis limitation. Choose from the following options:

- Both Required: You must specify both a project and a cost center on the transaction.

- Cost Center Required: You must specify a cost center. The Default Project field must be blank.
- Excluding Each Other: You must specify either a project or a cost center on the transaction. You cannot specify both types of analysis and you cannot leave both blank.
- None: There is no limitation on how you use cost centers and projects on the transaction. In this case, the Default Cost Center and Default Project fields must be blank.
- One Required: You must specify either one project or one cost center on the transaction.
- Project Required: You must specify a project. The Default Cost Center field must be blank.

Note The analysis limitations are validated by the system when you save them. Any validation problems return errors for automatic GL accounts and return warnings for manual GL accounts. You can change the analysis limitation setting at any stage even after transactions have been posted using the account.

Default SAF Structure

Enter a default SAF structure associated with the cost center or project analysis.

SAF Analysis

SAF

Select this field to enable SAF analysis. This field is enabled when neither cost center nor project analysis is enabled.

SAF Structure

Enter a default SAF structure to use for analysis.

Banking

The Banking panel is displayed when the GL Account is of type Bank or Cash. You can add a list of bank accounts that are used for these GL accounts. Each row represents a bank account.

The Bank Payment Format Links button is activated when you select a row in the grid. When you click this button, it opens the Bank Payment Format Links on page 6290 hybrid browse, where you can add bank payment formats and bank file formats for a bank account.

The Bank Payment Processing Configuration button is also activated when you select a row in the grid. When you click this button, it opens the Payment Processing Configuration on page 6292 hybrid browse, where you can define how to process bank files containing the actions to create or pay a customer payment.

Entity

You must select at least one entity to link to this bank account, usually your own entity. When you select the Default field, you effectively designate this account as the default bank account for your entity.

You must also enter at least one bank account number. The bank number you enter here is displayed in all outgoing payments; for example, in customer or supplier invoices or as header information in payment files to other banks.

In cases where a parent company and its subsidiaries use different account numbers within the same company account, you can enter a default bank account number for each entity in the domain. You can assign bank account numbers only to entities within the same domain.

When you switch entities within a domain, and create transactions that update the company account, the bank account number used and displayed in subsequent reports is the one you assigned to this entity in the account grid.

However, you can define only one bank account number for each linked entity. If you link multiple account numbers to a single entity, the system cannot identify the correct account number when you use the account in a payment selection.

You can, however, define two bank account numbers for the same entity when you have selected inbound and foreign validations for the account. In this case, the system identifies which of the accounts to use from the account information contained in the Payment Format Link.

Note When you click to save the account details, the system displays a warning to say that you have not defined bank accounts for all the other entities using this account shared set. You need only define bank accounts for the entities in which you are working, and this message does not prevent you from saving the account.

Default

Select this field to make this account the default for the entity.

Bank Account Format

If the bank account number must be validated, choose the validation method from the drop-down list. When you select a bank number format, the system creates a child row in which you enter the number to be validated. See Bank Account Formats on page 6263.

Own Bank Number

Specify your own bank account number, which is the account number for the entity in which you are currently working. The account number is validated by the bank format you selected.

Business Relation

Specify a business relation for the bank if necessary.

For example, if the company bank account for the parent organization is with Bank of America, create a business relation that contains the bank address.

This links the account details you define to your bank address and tax details, and provides address, tax, and contact information for payment processing. For example, bank address details are required for certain formats and are retrieved from the business relation linked to the account.

This field is mandatory when the Bank Charge field is selected.

Active

Indicate if this is an active record.

SWIFT

If the bank supports SWIFT (the Society for Worldwide Interbank Financial Telecommunication), specify the SWIFT code.

SWIFT is a network banks use to perform world-wide AP payments between banks. SWIFT payments require additional data.

Branch

The branch code for the bank. Many banking systems use branch codes as identification codes in transactions. This field is mandatory when the Bank Charge field is selected.

Bank Charge

Select this field if payments posted to the bank account represented by this GL account can incur bank charges. If you select this field, the Business Relation Code and Branch fields become mandatory fields. This field is hidden by default.

Bank Account Type

Enter a code that represents the bank account type. This bank account type code appears in the payment file that is sent to the bank during the AP payment process. This field is hidden by default.

Bank Charge Acct

The bank account that bank charges on payments are posted to. This field is hidden by default.

Last Modified Date/Time/User

These read-only fields are maintained by the system and display the ID of the user who last updated this record and the date and time of update. These fields are hidden by default.

Type

This field displays the type of account, typically GL. This field is hidden by default.

Owner

This field displays the user who is responsible for this bank account.

Daybooks and Accounts

Banking Daybook Profile

Specify the daybook profile to be used for registering bank transactions.

AP Discount Account

Specify a discount account to be updated when an AP discount is applied to a payment.

AP Interest Account

Specify the AP interest account to use for EDI Advanced Banking. The AP Interest Account field is hidden by default, but you can activate it using design mode. See *QAD System Administration User Guide* for more information on design mode.

Deduction Daybook Profile

Specify a deduction daybook profile to associate it with the entity bank account used for deductions.

AR Discount Account

Specify a discount account when an AR discount is applied to a payment; for example, for credit terms payment amounts.

AR Interest Account

Specify the AR interest account to use for EDI Advanced Banking. The system posts interest received if customers do not pay by the due date. The AR Interest Account field is hidden by default, but you can activate it using design mode.

Cash

Cash Received Daybook Profile

Select a profile that indicates the daybook used to record cash receipt transactions using Petty Cash. Only profiles that have a Cash Received Profile Type are available to select.

Cash Paid Daybook Profile

Select a profile that indicates the daybook used to record cash payment transactions using Petty Cash. Only profiles that have a Cash Paid Profile type are available to select.

SAF Defaults

SAF Concept

Select a SAF concept to link to this account.

SAF Concept Description

This field contains a description of the SAF concept.

SAF

Select a SAF code related to the concept for this account.

SAF Description

This field contains a description of the SAF.

Consumption Tax

This panel is displayed when the Consumption Tax field is selected on the Main panel.

Domain

Specify the domain in which consumption tax applies.

Tax

Specify the default consumption tax code for the GL account. You can only get one tax code per entity for each GL account.

Tax Description

This field displays the description associated with the specified tax code.

VAT In/Out

This field specifies whether VAT is included in the consumption tax.

Actions

The Actions drop-down offers actions that you can take for a record or set of records. Individual actions are for individual records and bulk actions are for sets of records, based on your selected criteria. For bulk actions, once you select the records and set options, you can submit the action.

Update GL Account Restrictions

Main

By default, an account applies in all entities with the same GL shared set

Large corporations with many entities and general ledger accounts in a shared set may need to restrict an account to a particular entity. For example, a general ledger expense account may be shared across a domain, but used to record expenses incurred by one entity in that domain. Therefore, other entities should not be able to post to the account.

If you attempt to post to a restricted account, the system checks if the account is allowed in the corresponding entity. If not, the posting is prevented. Similarly, GL lookups only retrieve GLs that are available for the target entity. Any GL account that you manually input is also validated when you save to ensure that the account is permitted in the target entity.

For menus at domain level, the system checks whether an account is allowed in at least one entity in that domain. For menus at entity level, the system checks whether the account is allowed in that entity.

When you enter a GL account for an operational program, the account is validated. However, for menus that generate operational transactions, such as PO Receipts, no check is performed because there are scenarios where the GL or entity is changed without user interaction.

For example, a sales order must be shipped from Site A and validated for the entity to which Site A belongs. However, during the shipping process, the site is changed to Site B, which belongs to another entity. The shipping process does not require you to reenter the GL account. Therefore, there is no additional validation at shipping to check whether the GL account is allowed for Site B's entity. This scenario results in an error in Operational Transaction Post. In this case, you can correct the unposted GL transactions or change the GL restriction by entity settings.

To populate the grid, use the Select button. Use the search criteria in the GL Account Restriction browse to find the accounts that you want to use in the restriction and then add them to the grid.

The grid displays the Allow, GL Account, GL Description, Domain, Domain Name, Entity, and Entity Description columns by default. The Comment, GL Type, System Type, and Last Modified User/Date fields are hidden by default. The fields are read-only, expect for the Allow field and the Comment field.

Allow

By default, this field is selected for every GL account. When the account type is Standard, Bank, Cash, Open Item, PO Receipts, Supplier Payment Account, or Customer Payment Account; you can disallow the account by clearing the Allow field. For other account types, this field is read only.

Comment

This field enables you to enter a comment explaining why you are disallowing this account for the entity. The comment is only displayed when the account is disallowed. This field is hidden by default.

When you click Save, any changes that you have made take effect in the system.

Note

By default, the GL Accounts Restrictions browse is not available on the menu, although you can add it if you have permissions. However, the browse is available as a drill down from **GL Accounts**.

Reporting Groups

User Roles

Finance roles that typically use Reporting Groups are:

- Financial Controller
- CFO
- Operational Controller
- Accounting Clerk
- Consolidation Manager
- Accounting Manager

Main

Reporting Group

Select the reporting group that you want to run the action for.

Description

Enter a meaningful description for the reporting group.

Active

This field is selected by default.

Sub-Accounts

Sub-accounts are typically used to report on the financial activity of business units or divisions within an entity. You can create sub-accounts to correspond to those parts of the entity for which you would like to generate separate balance sheets, profit and loss statements, or open customer and supplier items. You can further analyze the sub-account by including it within a budget group. A single GL account can be associated with multiple sub-accounts. You cannot modify an existing sub-account code.

You can also use sub-accounts to enable financial reporting at site level. You can have multiple sites in the same entity and have the sub-account that is used in the AR/AP control account defaulted to the site of the associated sales order. You can enable this functionality using the AR/AP Sub-Account field in **Sites**.

Main

Sub-Account

Enter a code for the sub-account (maximum eight characters). You cannot modify an existing sub-account code.

Description

Enter a brief description (maximum 24 characters) of the sub-account. You can optionally enter descriptions in more than one language.

Active

Indicate whether this is an active sub-account.

Budget Group

Select a budget group for the sub-account.

Sub-Account Mask

Specify the COA mask that applies to the sub-account. Click the lookup to display all sub-account masks for the assigned sub-account COA mask shared set. A sub-account COA mask defines the list of GL accounts that the sub-account can be combined with during posting.

The COA Element without Mask field set for the domain controls how the system treats sub-accounts that are not assigned a sub-account COA mask. If sub-account COA masks are enabled for the current domain and the COA Element without Mask field is set to Exclude from Posting, the system prevents all sub-accounts without a sub-account COA mask from being used in postings.

If the COA Element without Mask field is set to No Posting Restrictions, you can use the sub-account with any GL account. If sub-account COA masks are not enabled for the current domain, this field is read only.

Cost Centers

Cost centers provide an additional reporting level for the GL account and sub-account. Typically, a cost center can be a department or profit center within the entity for which you want to generate separate reports. You can associate a range of different accounts and sub-accounts with a cost center, and also associate a number of cost centers with a single account. You can further analyze a cost center by including it within a budget group. You can also assign a COA mask to the cost center. A cost center COA mask defines the lists of GL accounts and sub-accounts that the cost center can be combined with during posting.

The SAF Defaults grid lets you specify which SAF concepts within a structure to associate with the cost center and to specify default values for the concepts. Only one default can be specified for each concept. The defaults are used when a code value is not supplied in a transaction. You cannot delete a cost center if it is assigned to a GL account, used in consolidation, used in a COA cross-reference, or used in transactions.

Main

Cost Center

Enter a code (maximum four characters) that identifies the cost center. You cannot modify an existing cost center code.

Description

Enter a brief description (maximum 24 characters) of the cost center.

Budget Group

Select a budget group to associate with the cost center.

Administrator

Select a user to associate with the cost center; for example, the department (cost center) manager.

Cost Center Mask

Specify the COA mask that applies to the cost center. Click the lookup to list all cost center masks for the assigned cost center COA mask shared set. A cost center COA mask defines the lists of GL accounts and sub-accounts that the cost center can be combined with during posting.

The COA Element without Mask field set for the domain controls how the system treats cost centers that are not assigned a cost center COA mask. If cost center COA masks are enabled for the current domain and the COA Element without Mask field is set to Exclude from Posting, the system prevents all cost centers without a cost center COA mask from being used in postings.

If the COA Element without Mask field is set to No Posting Restrictions, you can use the cost center in combination with any GL account or sub-account. If cost center COA masks are not enabled for the current domain, this field is read only.

Active

Indicate if this is an active cost center.

SAF Structure from GL

Select the field to use the SAF structure from the GL account for posting purposes. To enable this setting, a SAF structure must be set for all accounts that have analysis type Cost Center or Both. In addition, a SAF Structure Code cannot be specified for the cost center.

SAF Structure

Select a SAF structure code to link to the cost center. The SAF structure cannot be removed from a cost center if the cost center has been used in posting.

SAF Set by

This read-only field displays the ID of the user who activated the SAF analysis.

SAF Set on Date

This read-only field displays the date on which SAF analysis was activated for the cost center.

SAF Defaults

SAF Concept

Select a default SAF Concept.

SAF Concept Description

This field contains the SAF Concept description.

SAF

Select a default SAF code.

SAF Description

This field contains the SAF description.

Cost Center Security Settings

Main

Cost Center

Select the cost center that you want to apply security settings for.

Note The cost center must be in the current domain.

Security

Type

Select the type of security setting that you want to apply to the user/role for the cost center in the current domain.

There are three types of security settings:

- Allowed Role
- Allowed User
- Disallowed User

User/Role

Select the user/role that you want to apply the security setting to.

Description

Enter a brief description of the user/role.

Note You can add multiple lines for various user/role security settings in the Security panel.

Set Cost Center Security

Use **Set Cost Center Security** from the Actions drop-down menu in **Cost Center Security Settings** to search for cost centers across several domains. You can then apply the allowed users/roles and disallowed users to multiple cost center accounts.

Search Criteria

Cost Center

Select the cost centers that you want to apply security settings for.

Domains

Specify the domains that you want to use to search for cost centers.

Note You can select multiple domains.

Options

Allowed Roles

Select the roles that you want to list as allowed roles.

Allowed Users

Select the users that you want to list as allowed users.

Disallowed Users

Select the users that you want to list as disallowed users.

Security Settings

Select the cost centers to which you want to apply the security settings.

Actions

The Actions drop-down offers actions that you can take for a record or set of records. Individual actions are for individual records and bulk actions are for sets of records, based on your selected criteria. For bulk actions, once you select the records and set options, you can submit the action.

Update Cost Center Restrictions

Main

If you restrict the use of a cost center to one entity in a domain, you cannot use the cost center in other entities. If you attempt to post to a restricted cost center, the system checks if the cost center is allowed and, if not, the posting is prevented.

To populate the grid, use the Select button. Use the search criteria in the Cost Center Restriction browse to find the accounts that you want to use in the restriction and then add them to the grid.

The grid displays the Allow, Cost Center, Cost Center Description, Domain, Domain Name, Entity, and Entity Description columns by default. The Comment and Last Modified User/Date fields are hidden by default. The fields are read only, except for the Allow field and the Comment field.

Allow

By default, this field is selected for every cost center. To disallow a cost center for a particular entity, clear the Allow field.

Comment

This field enables you to enter a comment explaining why you are disallowing this cost center for the entity. The comment is only displayed when the cost center is disallowed. This field is hidden by default.

When you click Save, any changes that you have made take effect in the system.

Note

By default, the Cost Center Restrictions browse is not available on the menu, although you can add it if you have permissions. However, the browse is available as a drill down from Cost Centers.

Project Groups

Main

Project Group

Enter a code (maximum of 20 characters) to identify the project group.

Description

Enter a description (maximum of 40 characters) of the project group.

Active

Indicate if this is an active project group.

Project Status

You can post transactions to a project only if its system status is active. Before you can begin to create GL projects, you must first define the set of statuses that control how the project code can be used. The status assigned to a project determines whether it can be used for postings

in GL transactions, in invoices, and if costs can be assigned to it. You must associate each project status you define with one of five predefined system statuses:

- Initial
- Open
- Closed for Accounting
- Closed for Costs
- Closed

The system status you assigned determines the effect of the project status you define, and consequently how the projects assigned to that status can be used. The project statuses you define populate the Status drop-down list in Projects, and are then available to assign to projects.

Note Only projects that have a system status of Open or Closed for Costs can be used in profile creation.

Main

Project Status

Enter a code (maximum 20 characters) that identifies a user-defined project status.

Description

Enter a description (maximum 40 characters) of the project status.

System Status

Select the system status to associate with the project status. The restrictions for that system status apply to the status code you create. The possible values are:

- Initial: A project with this status cannot be used in accounting transactions, but can be used in operational activities, such as purchase order creation.
- Open: A project with this status can be used in GL transactions and in invoice creation.
- Closed for Accounting: A project with this status cannot be used in posting costs or revenue, but is still visible on reports.
- Closed for Costs: A project with this status cannot have expenses posted to it.
- Closed: Projects with this status cannot be used in transactions.

The table displays the system statuses and the restrictions that they apply to projects when assigned.

System Status	Allowed in GL Postings	Allowed in Supplier Invoices	Allowed in Customer Invoices
Initial	No	No	No
Open	Yes	Yes	Yes
Closed for Accounting	No	No	No
Closed for Costs	Yes	No	Yes
Closed	No	No	No

Active

This field indicates whether the project status is active. Only active project statuses can be assigned to projects.

GL Projects

GL projects are chart of account (COA) elements that provide analytical reporting on activities such as engineering design work or production rework. You can associate a range of accounts, sub-accounts, and cost centers with a specific project or multiple projects. The COA mask determines the valid COA combinations (account, sub-account, cost center, and project) for posting. Before creating projects, you must define project statuses. You can post transactions to a project only if its system status is active.

Optionally, you can use the SAF Defaults sub-panel to specify which concepts within a structure to associate with the project and to specify default values for the concepts. Only one default can be specified for each concept. The defaults are used when a code value is not supplied in a transaction. These fields are not required.

Main

Project

Enter a code (maximum eight characters) that identifies the project.

Description

Enter a brief description (maximum 24 characters) for the project. You can optionally enter descriptions in more than one language.

Project Group

Use the lookup to specify the project group to which the project belongs, if any. Define the project group first.

Main Project

Enter the code of the main project. This can be used when the current project is a sub-project of a larger one. The main project is used

for reporting purposes, and the linked projects behave completely independently.

Status

Select the project status code from the drop-down list, which shows codes defined using Project Status. The system status assigned to the project status controls how the projects can be used.

Project Administrator

Select a system user to associate with the project; for example, the department (project) manager.

Project Mask

Specify the COA mask that applies to the project. A project COA mask defines the lists of GL accounts, sub-accounts, and cost centers that the project can be combined with during posting.

The COA Element without Mask field on the domain record controls how the system treats projects that are not assigned a project COA mask. If project COA masks are enabled for the current domain and the COA Element without Mask field is set to Exclude from Posting, the system prevents all projects without a COA mask from being used in postings.

If the COA Element without Mask field is set to No Posting Restrictions, you can use the project in combination with any GL account, sub-account, or cost center. If project COA masks are not enabled for the current domain, this field is read only.

EAM Project

This field is read-only, it can only be updated by EAM to define the ownership of the project.

The Status field is disabled when the this field is selected and its value changes to Open.

To enable this field, you must enable the project in the Projects screen.

Project Details

Sub-Account Profile

Select a sub-account profile to indicate which division or business unit is responsible for the project.

Budget Group

Select a budget group to associate with the project. Project budgets track cost and revenue evolution during a project life cycle.

Retrieve SAF Structure from GL

Select the field to use the SAF structure found in the Analysis panel of the GL account for posting purposes. To enable this setting, a SAF structure must be specified for all accounts that have analysis type

Project or Both. In addition, a SAF Structure Code cannot be specified for the project.

SAF Structure

Select a SAF structure code to link to the project. The SAF structure cannot be removed from a project if it has been used in posting. If a SAF structure code is specified, Retrieve SAF Structure from GL cannot be selected.

SAF Set on Date

This read-only field displays the date on which SAF analysis was activated for the project.

SAF Set by

This read-only field displays the ID of the user who activated the SAF analysis.

Currency

Specify the currency in which project transactions are denoted and recorded.

Start Date

Enter the start date of the project activities. No transactions can be posted before that date.

End Date

Enter the date on which the project is expected to end. No transactions can be posted after that date.

Original Completion Date

Enter the initial planned completion date of the project.

Revised Completion Date

If necessary, enter the date that the completion date was revised to.

Date Revised

Enter the date on which the revised project completion date was set.

SAF Defaults

SAF Concept

Select a SAF concept.

SAF Concept Description

The description defaults from the associated SAF concept.

SAF

Select the default SAF code.

SAF Description

The description defaults from the associated SAF.

GL Account Units of Measure

Units of measure are the values used in transactions that involve any type of quantifiable unit. Units of measure might describe dimensions, weights, volumes, or amounts of locations, containers, or business activities. Examples include inches, pounds, work hours, and days.

For example, an organization hires a communications consultant to help staff with their presentation skills. The consultant charges a daily rate and works for three days. The unit of measure is days. The transaction displays the quantity and unit of measure specified.

Note Another example of the use of units of measure is in allocations. If an organization allocates its electricity bill by department, the unit of measure would be kilowatt hours (kWh).

You use these units of measure to define the quantity and unit of measure attributes for a GL account.

The term unit of measure is also used elsewhere in the system. For example, in Receiver Matching on page 6153, an operational unit of measure is used to quantify items being invoiced.

Main

Unit of Measure

Specify a code that identifies a unit of measure to be associated with an account.

Description

Enter a brief description of the unit of measure. You can optionally enter descriptions in more than one language.

Active

Indicate if this is an active unit of measure.

GL Account Security Settings

Main

GL Account

Select the GL account that you want to apply security settings for.

Note The GL account must be in the current domain.

Security

Type

Select the type of security setting that you want to apply to the user/role for the GL account in the current domain.

There are three types of security settings:

- Allowed Role
- Allowed User
- Disallowed User

User/Role

Select the user/role that you want to apply the security setting to.

Description

Enter a brief description of the user/role.

Note You can add multiple lines for various user/role security settings in the Security panel.

Set GL Account Security

Use **Set GL Account Security** from the Actions drop-down menu in **GL Account Security Settings** to search for GL accounts across several domains. You can then apply the allowed users/roles and disallowed users to multiple GL accounts.

Search Criteria

GL Account

Select the GL accounts that you want to apply security settings for.

Domains

Specify the domains that you want to use to search for GL Accounts.

Note You can select multiple domains.

Options

Allowed Roles

Select the roles that you want to list as allowed roles.

Allowed Users

Select the users that you want to list as allowed users.

Disallowed Users

Select the users that you want to list as disallowed users.

Security Settings

Select the GL accounts to which you want to apply the security settings.

COA Cross References Overview

The COA Cross Reference function lets you map GL accounts, sub-accounts, cost centers, and projects in source entities to GL combinations in consolidation entities. In addition, you can also use COA Cross References to define mappings from GL combinations to alternate COAs. The alternate COA mappings can be used to group and report data in statutory reports.

You can create COA cross-references from the source COA elements to the target COA elements in a many-to-one relation. For example, you can map a range of source GL accounts to a single GL account in the target domain.

When creating an alternate COA mapping, you do not need to specify a target domain; alternate COA mappings are created at the system level.

The Validate panel enables you to validate the cross-references that you have defined against posting history. If the cross-reference type is Separated COA Dimensions or Combined COA Dimensions, you can indicate whether to validate the sub-account, cost center, or project.

If gaps exist in the cross-reference mappings used in a report or consolidation, the system displays an error. If there are any overlaps in the cross-reference mappings you create, the system uses the first mapping record it finds in the grid.

The figure shows an alternate COA structure with the operational elements to which the alternate accounts are mapped.

Alternate Account Code			Operational COA Equivalent	Level
AC-1				1
	AC-1-1			2
		AC-1-1-1	GL Account 1001 Blank Sub-Account Cost Center 100	3
	AC-1-2		GL Account 1001 Blank Sub-Account Blank Cost Center Project Eng	2
AC-2				1
	AC-2-1		GL Account 2001 Sub-Account 20	2

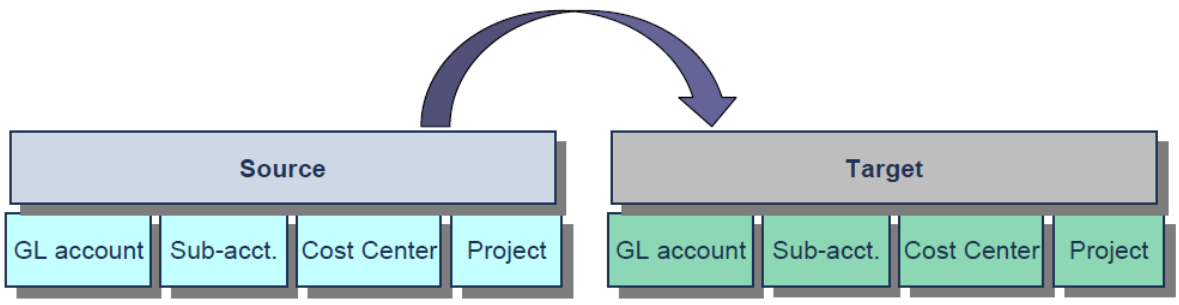
COA Cross-Reference Types

You can create three types of cross-reference mappings:

- Combined COA Dimensions
- Separate COA Dimensions
- Alternate COA

Combined COA Mapping

Combined COA mappings are used in consolidation, and let you specify cross-references from source GL combinations to target GL combinations.



The table below shows a combined COA cross-reference, where combinations (including ranges) of GL COA elements in the source domain are mapped to single COA elements in the target domain.

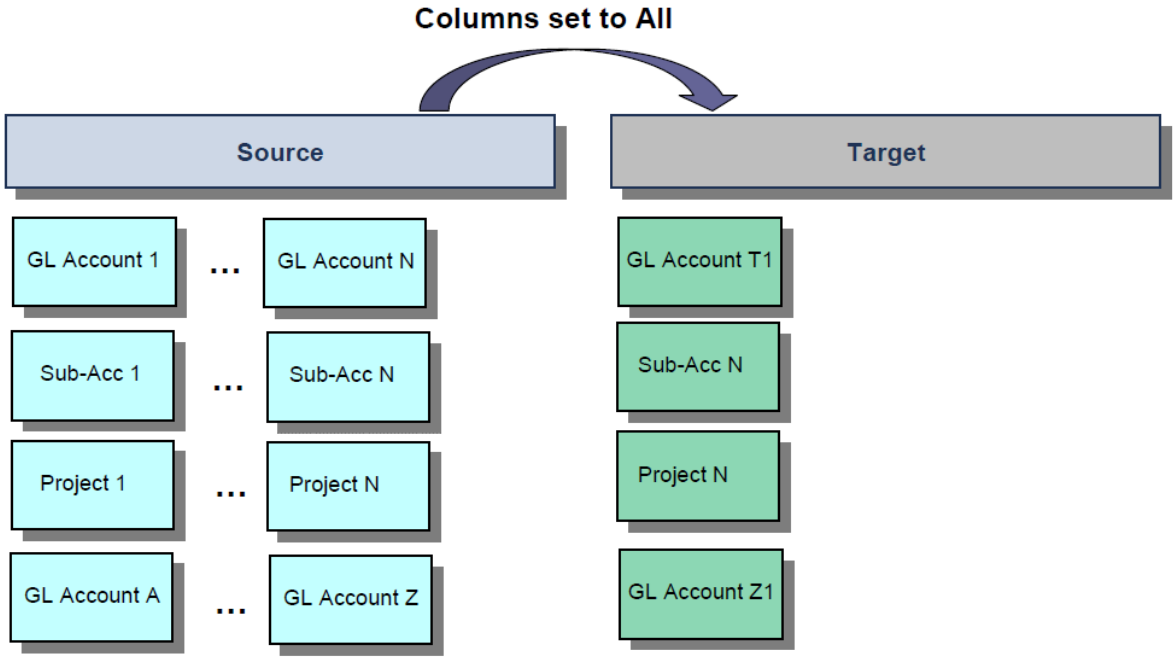
Source				Target			
GL	Sub-Acc	CC	Proj	GL	Sub-Acc	CC	Proj
1000-9000	100-808	10-99	*	0900	999	9	All

Separate COA Mapping

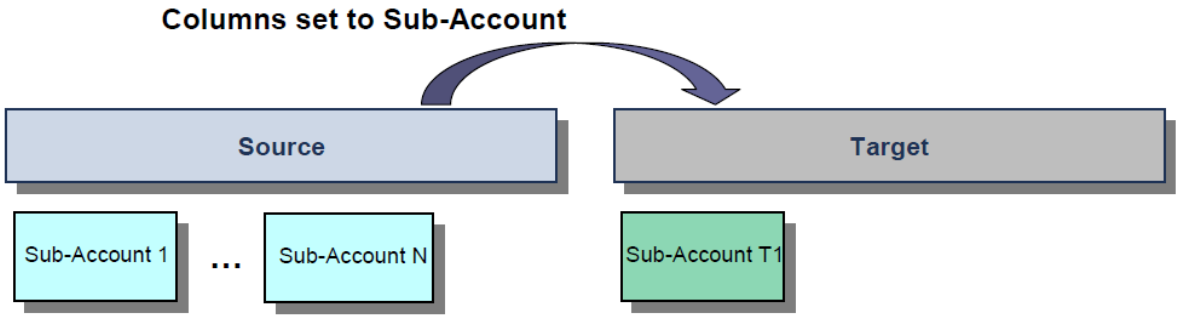
Separate COA mappings are used in consolidation, and let you specify separate cross-references from source COA elements to separate target COA elements (GL accounts to target GL account, sub-accounts to target sub-accounts, and so on).

When creating separate COA cross-references, use the Columns field to indicate the type of mapping to filter on—All, GL Account, Sub-Account, Cost Center, or Project. The filter lets you focus on one element at a time, and you can change the filter type during input.

The figure below shows a separate COA cross-reference mapping with the Columns field set to All in COA Cross Reference Create. In this case, you can create mappings for each type of COA element on a separate row.

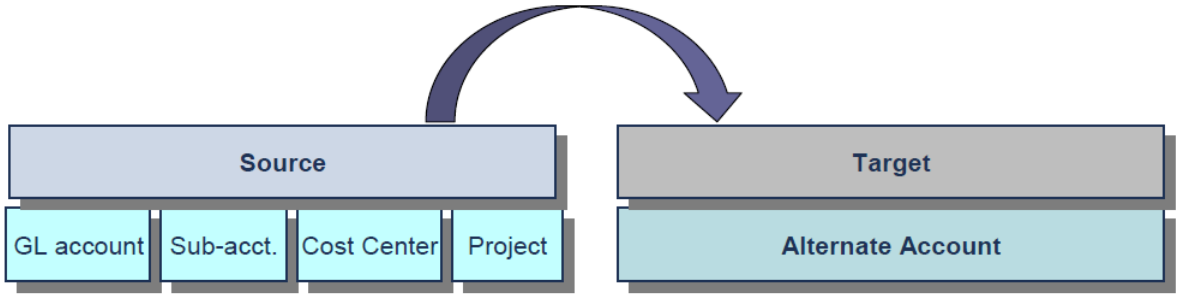


The figure below shows a separate COA cross-reference mapping with the Columns field set to Sub-Account.



Alternate COA Cross-Reference

Alternate COA mappings let you specify cross-references from source GL combinations to target alternate accounts. You can only create mappings for the lowest level alternate accounts.



Grid Mapping Options

You can create mappings using ranges, single elements, or wildcards.

Ranges

You can map a range of accounts, sub-accounts, cost centers, or projects to the target element in the target entity.

Source GL Account From	Source GL Account To	Target Account
1030	1099	1100
2000	2300	2300

In line 1, all accounts from 1030 to 1099 inclusive are mapped to target account 1100.

In line 2, all accounts from 2000 to 2300 inclusive are mapped to target account 2300.

Single COA Element

You can map a single account (or sub-account, cost center, or project) to the target element. In this case, you enter the source COA element in both the Source From and Source To fields.

Source GL Account From	Source GL Account To	Target Account
1030	1030	1100
2000	2000	2300

As a result of the mappings in the table above, source account 1030 is mapped to target account 1100 in the consolidation entity, and source account 2000 is mapped to target account 2300 in the consolidation entity.

Wildcards

You can enter an asterisk (*) as a wildcard when creating COA cross-reference mappings.

When an asterisk alone is entered in the Source From field, this means “include all.” Only the Source From field can contain just an asterisk. In this case, any value specified in the Source To field is irrelevant.

Source GL Account From	Source GL Account To	Target Account
*	1030	1100
*		1100

In the table above, all accounts in the source entity are mapped to target GL account 1100 in the consolidation entity. Specifying account 1030 in the Source To field did not affect the mapping.

COA Cross References

Main

COA Cross Reference

Enter a maximum of 20 characters for the code that identifies the COA cross-reference.

Description

Enter a brief description (maximum 40 characters) of the COA cross-reference. You can optionally enter descriptions in more than one language.

Type

Specify the type of cross-reference that you want to define. You cannot change the type after the cross-reference has been saved.

Columns

This field is only enabled when you select the value Separate COA Dimensions in the Type field. The Columns filter lets you focus on one element at a time, and you can change the filter type during input. Specify which grid columns you require to create separate COA cross-

references. You can only enter values in the grid when a specific element has been selected. The options are:

All: This option is read only and displays fields for mapping ranges of source GL accounts, sub-accounts, cost centers, and projects to COA elements in the target domain. It enables you to review the cross-references you have created.

- GL Account: Displays fields for mapping ranges of source GL accounts to a single GL account in the target domain.
- Sub-Account: Displays fields for mapping ranges of source sub-accounts to a single sub-account in the target domain.
- Cost Center: Displays fields for mapping ranges of source cost centers to a single cost center in the target domain.
- Project: Displays fields for mapping ranges of source projects to a single project in the target domain.

Active

Indicate if this is an active cross-reference.

Target Domain

Specify the target domain. This field is relevant when creating separate or combined mappings for use in consolidation. You must have already defined the target consolidation domain in Domains.

After you have saved the COA cross-reference, you can only change the target domain to a domain that uses the same shared sets of GL accounts, sub-accounts, cost centers, and projects as the current target domain.

This field is not required when creating alternate COA mappings.

Alternate COA

Specify the alternate COA structure to which the alternate account belongs.

This field is only enabled when you select the value Alternate COA in the Type field.

Export

Select this field to mark the COA cross reference for export.

Note You cannot select this field for COA cross references of type Alternate COA.

COA Mappings

The grid fields that are displayed depend on the settings you have selected in the Main panel.

Source GL Account/Sub-Account/Cost Center/Project From

Specify the first COA element in the source range that you want to map.

Source GL Account/Sub-Account/Cost Center/Project To

Specify the last COA element in the source range that you want to map.

Target GL Account/Sub-Account/Cost Center/Project

Specify the target COA element that you want to map to.

Target Alternate Account

Specify the name of the alternate COA account to which the source COA elements must map. This field is only displayed when creating alternate COA mappings. The available alternate COA values are restricted to those associated with the alternate COA structure specified in the Alternate COA field in the header. Only the lowest level code (no children) in the alternate COA structure can be mapped.

Export GL Account/Sub-Account/Cost Center/Project

Enter a character string to specify the target COA element that you want to export to. You can enter up to 256 alphanumeric characters in this field.

This field replaces the Target GL Account/Sub-Account/Cost Center/Project field when Export is selected in the Main panel.

Note As this is for export, you are not specifying an account in the QAD ERP system.

Validation

The validation facility in COA Cross References allows you to check the mapping combinations that you have specified for the source and target against posting history. If the COA cross-reference type is Combined COA Dimensions or Separate COA Dimensions, you can indicate whether to include the sub-account, cost center, or project in the validation. If a cross-reference contains invalid or missing mappings, this impacts the output of reports run using alternate COA or the result of a consolidation. The validation facility allows you to determine if the mappings are valid against the current posting history and chart of accounts (both operational and alternate). When you click Validate, the result of the validation is displayed on the screen.

Even if a corresponding mapping does not exist in posting history or in the chart of accounts, you can still save cross-reference mappings that return error messages. Posting history is constantly growing with new transactions, and the chart of accounts can change also. Therefore,

mappings that are currently invalid could become valid at a later date. However, you receive an error if you try to save a cross-reference that contains invalid mappings.

From Accounting Year/Period

Specify the GL calendar year and GL period for which you want to validate COA cross-reference mappings against posting history. The system validates against all postings from the GL calendar year and GL period you enter up to the current system date.

Note You can also enter a future GL calendar year and period to validate postings in the posting history table. In this case, the system validates postings future-dated from the specified GL calendar year and period, and after.

Validate Sub-Account

Select the field to validate sub-accounts in the COA cross-reference mappings against posting history for the specified time period.

Validate Cost Center

Select the field to validate cost centers in the COA cross-reference mappings against posting history for the specified time period.

Validate Projects

Select the field to validate projects in the COA cross-reference mappings against posting history for the specified time period.

Min. Size Export GL Account

Specify a minimum and maximum value to validate the length of the character string in the Export GL Account field in the COA Mappings panel. The validation is successful if the length of the character string matches the minimum and maximum values that you specify.

Min. Size Export Sub-Account

Specify a minimum and maximum value to validate the length of the character string in the Export Sub-Account field in the COA Mappings panel. The validation is successful if the length of the character string matches the minimum and maximum values that you specify.

Min. Size Export Cost Center

Specify a minimum and maximum value to validate the length of the character string in the Export Cost Center field in the COA Mappings panel. The validation is successful if the length of the character string matches the minimum and maximum values that you specify.

Min. Size Export Project

Specify a minimum and maximum value to validate the length of the character string in the Export Project field in the COA Mappings panel.

The validation is successful if the length of the character string matches the minimum and maximum values that you specify.

Note If you select minimum and maximum values of 0 for the size validation, no validation is done for the export field.

Search Order for COA Cross Reference Mappings

When searching for COA cross-references to use in Chinese GL reports and in consolidation, the system searches for mappings in the following order:

1. Matching account, sub-account, cost center, and project
2. Matching account, sub-account, cost center, and blank project
3. Matching account, sub-account, blank cost center, and project
4. Matching account, sub-account, blank cost center, and blank project
5. Matching account, blank sub-account, blank cost center, and blank project

Example

A user defines the following COA cross-references:

Example Cross References

GL Account	Sub-Account	Cost Center	Project	Alternate Account
1000	10	0100		AC-2
1000				AC-5
1000	10		White	AC-3
1000	10	0100	White	AC-1
1000	10			AC-4

The user then runs the Account Transaction Journal report and specifies the cross-reference code for the mappings created in the table. At run time, the system searches mappings in the order specified above on page 5745. The mappings listed in the table are searched in following order:

Search Order

GL Account	Sub-Account	Cost Center	Project
1000	10	0100	White
1000	10	0100	
1000	10		White
1000	10		
1000			

The mapping search result is:

Mapping Search Result

	Postings				Mapping Search Result
	GL Account	Sub-Account	Cost Center	Project	
1	1000	10	0100	White	AC-1
2	1000	10		White	AC-3
3	1000	10		I19	AC-4
4	1000	10	0100		AC-2
5	1000	10			AC-4
6	1000				AC-5
7	1000	20	0200	I19	AC-5
8	1000	10	0200	White	AC-3

Excel Integration

You can use Excel Integration to load COA cross-references defined in an Excel spreadsheet. You can only load cross-references for the current domain. Using Excel Integration reduces the time required to set up consolidation. From **COA Cross References** select Import from the More drop-down list to import COA cross-references.

Copy Action

The Copy action lets you create new COA cross-references based on an existing COA cross-reference. You can only copy COA cross-references from domains that use the same shared sets of GL accounts, sub-accounts, cost centers, and projects as the current domain. Specify a new cross-reference code, description, and modify the mapping definitions in the copied cross-reference, as required.

COA Masks

The system supplies two methods for validating account combinations used during posting:

- Use COA masks during day-to-day operation to determine which combinations of accounts, sub-accounts, cost centers, and projects are allowed for posting.
- During initial implementation, use Operational Account Structure Validation to ensure that only valid account types and combinations have been defined in various operational areas where account

defaults are defined. This program can also be run later if changes are made.

The COA mask is a matrix that defines the combinations of GL accounts, sub-accounts, cost centers, and projects to which you can post transactions.

Every COA element type has a separate COA mask maintenance function:

- Sub-Account Masks

  You specify a sub-account COA mask code and list the ranges of GL accounts with which sub-accounts assigned that COA mask can be combined.

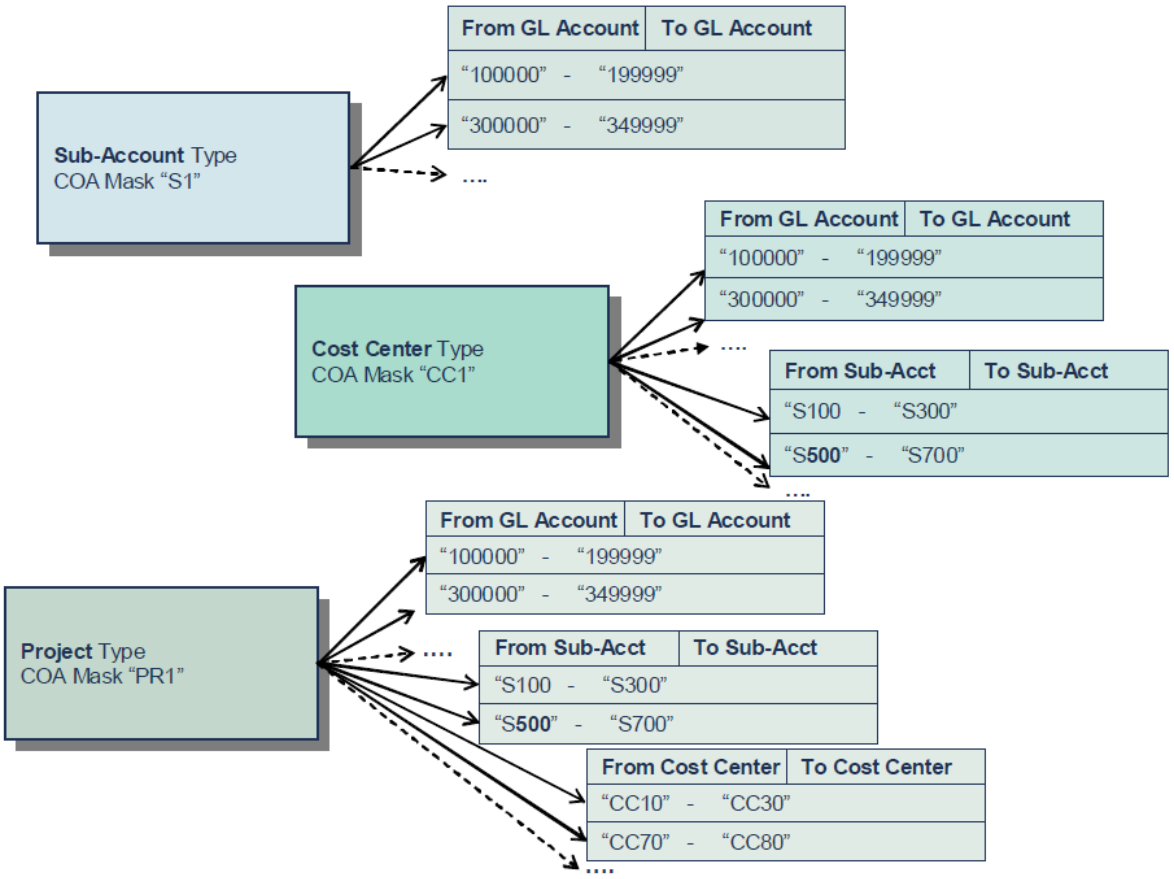
- Cost Center Masks

  You specify a cost center COA mask code and list the ranges of GL accounts and sub-accounts with which cost centers assigned that COA mask can be combined.

- Project Masks

  You specify a project COA mask code and list the ranges of GL accounts, sub-accounts, and cost centers with which projects assigned that COA mask can be combined.

You assign a COA mask to an element using the COA Mask fields in Sub-Accounts, Cost Centers, and Projects. The COA mask code you specify must be of the same type as the COA element. One COA mask can be reused by many COA elements.



Three fields in Domains indicate which COA mask types are active: Sub-Account Mask, Cost Center Mask, and Project Mask. You can only define a COA mask if it has been activated in Domain Create. Postings are validated for each of the types marked as active.

For each type marked as active, you can then choose how the system treats COA elements that are not assigned a COA mask. You can select No Posting Restrictions or Exclude from Posting. If, for example, you activate cost center masks and select No Posting Restrictions in the COA Element without Mask field, cost centers that are not assigned a COA mask can be used in any posting. Alternatively, if you select Exclude from Posting in the COA Element without Mask field, cost centers that are not assigned a COA mask cannot be used in postings. For more information, see Domains on page 916.

COA masks can be shared by multiple domains, and are, therefore, stored at shared set level. You can share a set of COA masks across domains using shared sets of the following types:

- Sub-Account Mask Shared Set
- Cost Center Mask Shared Set
- Project Mask Shared Set

The COA mask codes are stored in the shared sets, and you can share COA masks regardless of how the COA elements are shared. The COA mask ranges are stored according to the COA shared sets for the current domain.

Different domains that use the same chart of accounts can use different sets of COA masks. For example, the same sub-account COA mask can be shared by Domain1 and Domain2, a particular project COA mask can be used by Domain1 only, and a different project COA mask can be used by Domain2.

When domain setup is complete, you can no longer modify the shared sets assigned to the domain. However, this restriction does not apply to the three COA mask shared sets, which can be modified at any time.

The system also uses the COA masks you define to restrict lookup values wherever account combinations are entered. For example, if sub-account COA masks are active and you create a journal entry posting line and specify the GL account, the sub-account lookup only lets you select from the sub-accounts that can be used with the GL account you specified.

COA mask combinations are synchronized with the analysis you define for GL accounts. You define the default sub-account, cost center, and project for an account on the account Analysis tab, and these combinations must match those of the active COA masks.

When you have defined Both as the analysis type, and At Least One or None as the analysis limitation in GL Account Create, the cost center and project analysis for the account does not have to match the COA mask combination exactly. Instead, the system checks the COA mask for at least one of the elements in the combination. If this is found, the posting is validated. If the COA mask contains any cost center or project in combination with the account, you can choose to leave the Cost Center or Project fields blank for the account when generating a posting.

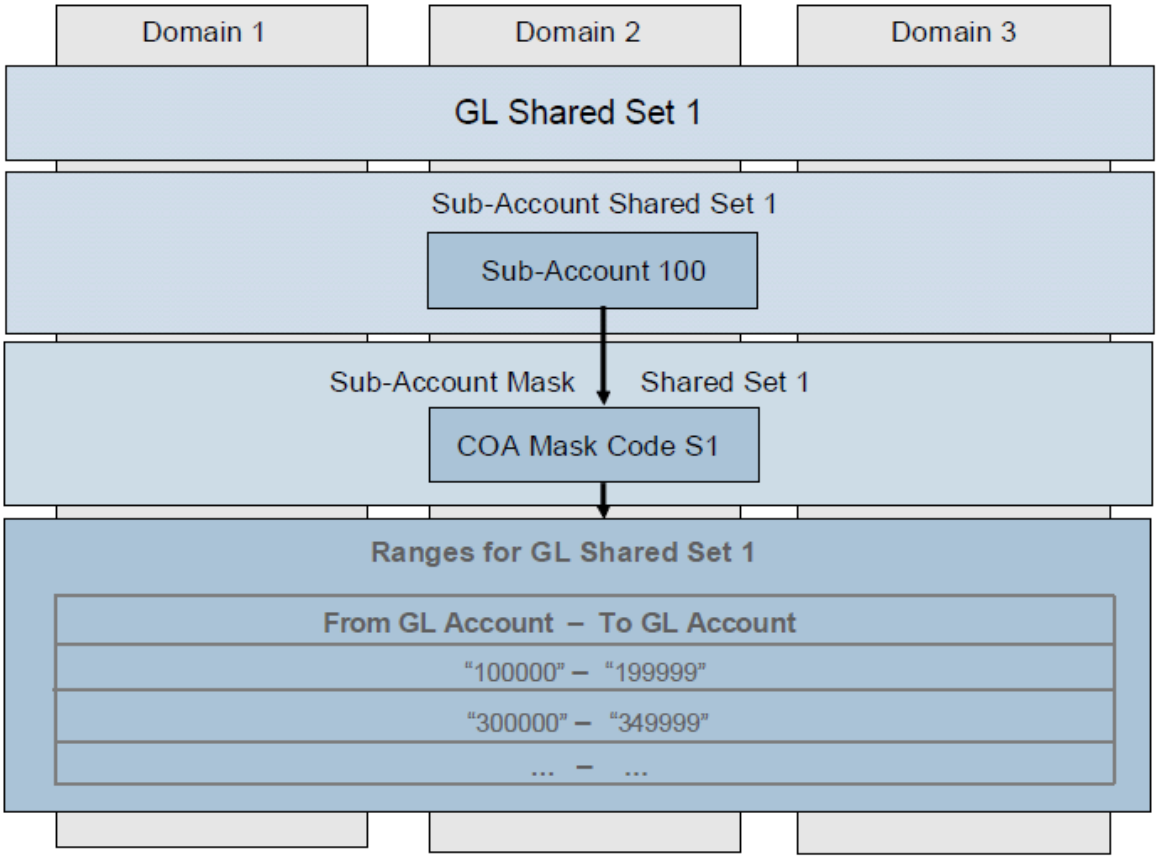
Implementing COA Masks

Before implementing COA masks and shared sets, you must first determine who will be responsible for maintaining both the COA element shared sets and COA mask shared sets. You must also consider whether the COA shared sets and COA mask shared sets will be administered locally or centrally, or a combination of both.

Both of these considerations greatly influence the setup of the COA masks and their shared sets, as described in the following scenarios.

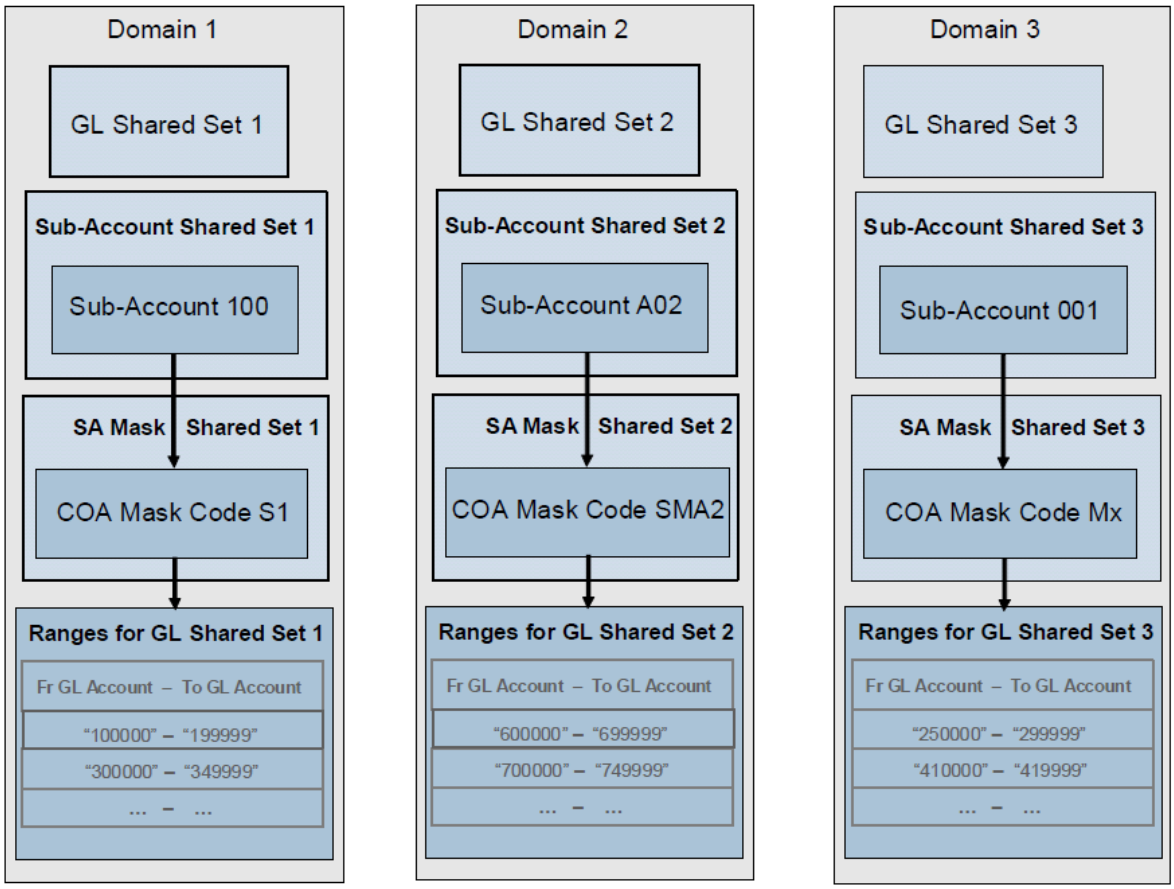
Scenario 1

In this scenario, the GL shared set, sub-account shared set, and sub-account mask shared sets are administered centrally in the organization’s head office by corporate finance and accounting personnel. The data is then shared across all domains.



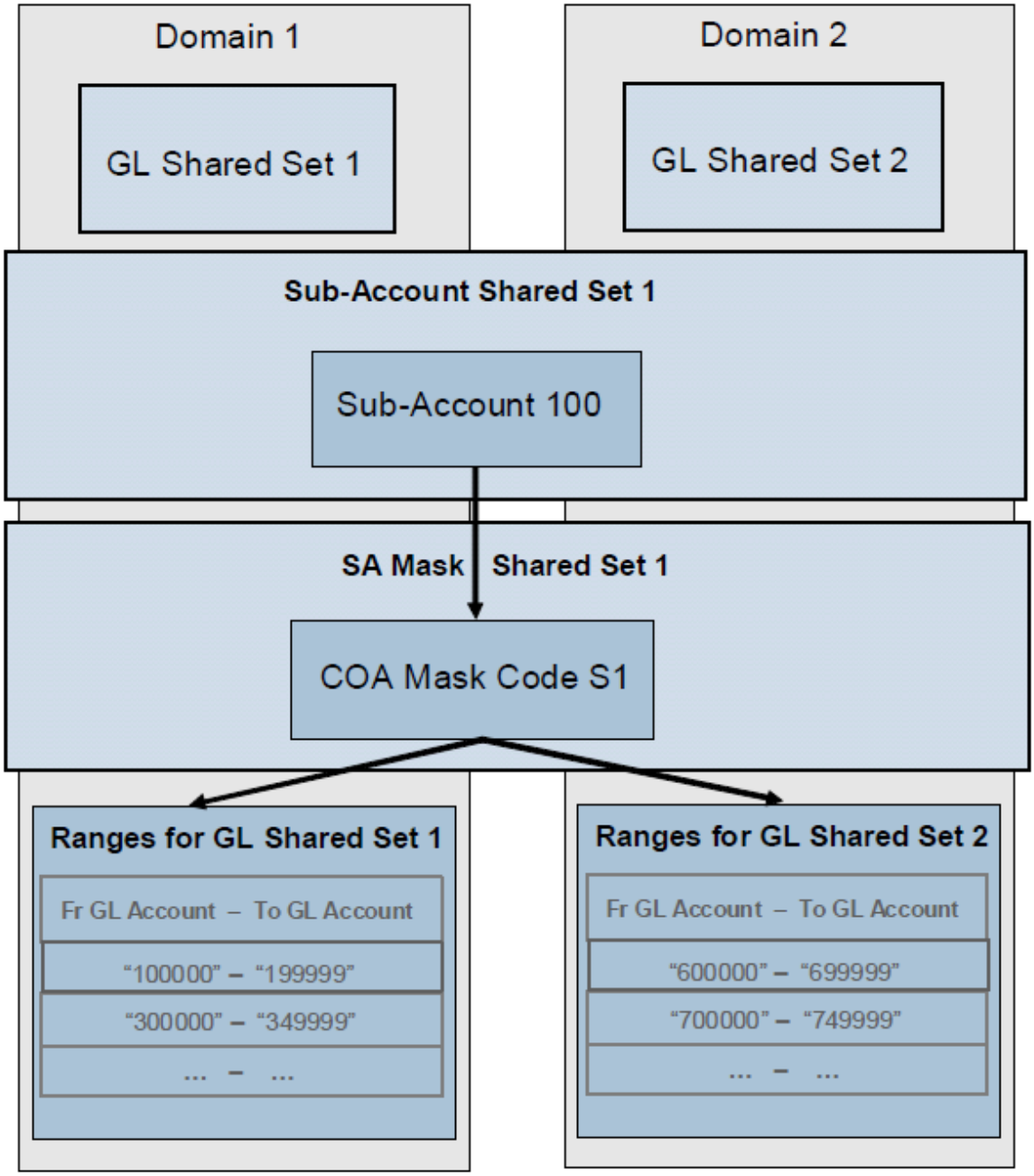
Scenario 2

In this scenario, the GL account, sub-account, and sub-account mask shared sets are maintained locally by each site's finance and accounting personnel. An organization may want to separate shared sets due to varying levels of complexity within the COA and within the COA masks for each domain.



Scenario 3

In scenario 3, the GL shared sets are not shared across domains and are maintained locally by each site's finance and accounting personnel. The sub-account and sub-account mask shared sets are shared across domains, and are maintained by one person centrally in the corporate head office.



Sub-Account Masks

The sub-account mask is assigned to the sub-account using **Sub-Accounts**. If you assign a COA mask to a sub-account, the system prevents it from being used with any GL account not specified within the ranges defined in **Sub-Account Masks**.

When you open **Sub-Account Masks** and sub-account masks are not activated in the domain, a warning message is displayed.

Note To facilitate data entry, you can copy an existing mask using the Actions menu. You can also load masks from an Excel spreadsheet using the More menu.

Main

Sub-Account Mask

Enter a maximum of 20 characters for the sub-account GL mask code. A mask code is created within the COA mask shared set of its type—in this case, the sub-account COA mask shared set. The mask code you assign must be unique within the sub-account COA mask shared set.

Description

Enter a brief description (maximum 40 characters) of the sub-account GL mask code. You can optionally enter descriptions in more than one language.

Active

Indicate if this is an active GL mask reference.

GL Account Rules

Use the grid to define the ranges of GL accounts that can be used with this sub-account. Each range is defined for the COA shared sets that the current domain is using. A range can be shared at the COA shared set level.

You can define multiple ranges of GL accounts for which you can use the sub-account. Normal ranges cannot overlap. However, disallowed ranges can overlap normal ranges. You must define at least one range in the COA mask grid. The ranges are stored according to the COA shared sets of the current domain, and a COA mask code can include ranges for different COA shared sets.

If you specify a non-blank value in the From field and a blank in the To field, this indicates that you want to map all values beginning with the non-blank value to the end of the range. If you specify a blank in the From field and a non-blank value in the To field, this indicates that you want to map all values from the beginning of the range up to the non-blank value.

From/To

Specify the first and last GL accounts in the range.

Disallowed Range

Select the field to indicate that you want to exclude the range of GL accounts specified from being combined with sub-accounts that are assigned this COA mask.

If you select the Disallowed Range field for a range, this setting overrules any normal range that the COA element is included in. For example, a user attempts to post a transaction that uses GL account

1505 and sub-account 10. Sub-account 10 has the following COA mask ranges:

GL Account From	GL Account To	Disallowed
1200	1999	No
1500	1509	Yes

The COA combination is not validated for use in the posting because GL account 1505 is used in a negative validation range, which overrides the normal range that the account is also included in.

Description

Specify a maximum of 40 characters for a description of the GL account range.

Cost Center Masks

You associate the COA mask with a cost center by specifying the cost center COA mask code in the Cost Center Mask field in the cost center record in Cost Centers on page 5723. If you have activated cost center COA masks in **Domains**, you must specify ranges in at least one of the grids in **Cost Center Masks**.

Note To facilitate data entry, you can copy an existing mask using the Actions menu. You can also load masks from an Excel spreadsheet using the More menu.

Main

Cost Center Mask

Enter a maximum of 20 characters for the cost center mask code. A mask code is created within the COA mask shared set of its type—in this case, the cost center COA mask shared set. The mask code you assign must be unique within the cost center COA mask shared set.

Description

Enter a brief description (maximum 40 characters) of the cost center mask code. You can optionally enter descriptions in more than one language.

Active

Indicate if this is an active cost center mask reference.

GL Account Rules

From/To

Specify the first and last GL accounts in the range.

Disallowed Range

Select the field to indicate that you want to exclude the range of GL accounts specified from being combined with cost centers that are assigned this COA mask.

Description

Specify a maximum of 40 characters for a description of the GL account range.

Sub-Account Rules

From/To

Specify the first and last sub-accounts in the range.

Disallowed Range

Select the field to indicate that you want to exclude the range of sub-accounts specified from being combined with cost centers that are assigned this COA mask.

If you select the Disallowed Range field for a range, this setting overrules any normal range that the COA element is included in. For example, sub-account 25 is assigned the following COA mask:

GL Account From	GL Account To	Disallowed
010	1999	No
2010	3000	No
2050	2055	Yes

Cost center Dept1 is assigned the COA mask CCMatrix1.

GL Account From	GL Account To	Disallowed	Sub-Account From	Sub-Account To	Disallowed
010	1999	No	01	99	No
2010	3000	No	102	199	No
2050	2055	Yes			

The COA masks are used to validate the postings listed in the following table:

Postings and Validation Result

GL Account	Sub-Account	Cost Center	Validated
1873	100	Dept1	No
2010	25	Dept1	Yes

GL Account	Sub-Account	Cost Center	Validated
2051	10	Dept1	No
3025	26	Dept1	No

- The posting with GL account 1873 and sub-account 100 fails to validate because sub-account 100 is not defined in the sub-account range for the cost center.
- The posting with GL account 2010 and sub-account 25 is validated because both are within valid ranges for the cost center mask and because the sub-account mask assigned to sub-account 25 includes GL account 2010 within its valid ranges.
- The posting with GL account 2051 and sub-account 10 fails to validate because GL account 2051 is within a disallowed range.
- The posting with GL account 3025 and sub-account 26 fails to validate because GL account 3025 is not within a valid GL account range for COA Mask CCMatrix1.

Description

Specify a maximum of 40 characters for a description of the sub-account range.

Project Masks

You then associate the COA mask with a project by specifying the project COA mask code in the Project Mask field in GL Projects on page 5732. If you have activated project COA masks in **Domains**, you must specify ranges in at least one of the grids in **Project Masks**.

Note To facilitate data entry, you can copy an existing mask using the Actions menu. You can also load masks from an Excel spreadsheet using the More menu.

Main

Project Mask

Enter a maximum of 20 characters for the project mask code. A mask code is created within the COA mask shared set of its type—in this case, the project COA mask shared set. The mask code you assign must be unique within the project COA mask shared set.

Description

Enter a brief description (maximum 40 characters) of the project mask code. You can optionally enter descriptions in more than one language.

Active

Indicate if this is an active project mask reference.

GL Account Rules

From/To

Specify the first and last GL accounts in the range.

Disallowed Range

Select the field to indicate that you want to exclude the range of GL accounts specified from being combined with projects that are assigned this COA mask.

Description

Specify a maximum of 40 characters for a description of the GL account range.

Sub-Account Rules

From/To

Specify the first and last sub-accounts in the range.

Disallowed Range

Select the field to indicate that you want to exclude the range of sub-accounts specified from being combined with projects that are assigned this COA mask.

Description

Specify a maximum of 40 characters for a description of the sub-account range.

Cost Center Rules

From/To

Specify the first and last cost centers in the range.

Disallowed Range

Select the field to indicate that you want to exclude the range of cost centers specified from being combined with projects that are assigned this COA mask.

Sub-account 28 is assigned the following COA mask:

GL Account From	GL Account To	Disallowed
010	1999	No
2002	3000	No
2050	2055	Yes

Cost center Dept2 is assigned the COA mask CCMatrix2.

GL Account From	GL Account To	Disallowed	Sub-Account From	Sub-Account To	Disallowed
010	1999	No	01	99	No
2010	3000	No	102	199	No
2050	2055	Yes			

The project code Engineering is assigned the COA mask PrjMatrix1. Project COA mask PrjMatrix1 contains the following ranges:

GL Account From	GL Account To	Disallowed	Sub-Account From	Sub-Account To	Disallowed	Cost Center From	Cost Center To	Disallowed
010	999	No	01	99	No	Dept1	Dept2	No
1002	2999	No	101	150	Yes	Dept6	Dept8	Yes
						Dept8	Dept9	No

The COA masks are used to validate the postings listed in the following table:

Postings and Validation Result

GL Account	Sub-Account	Cost Center	Project	Validated
998	100	Dept1	Engineering	No
1004	28	Dept2	Engineering	Yes
2000	10	Dept8	Engineering	No
2997	123	Dept9	Engineering	No

- The posting with GL account 998, sub-account 100, and cost center Dept1 fails to validate because sub-account 100 is not defined in the sub-account range for the project mask.
- The posting with GL account 1004, sub-account 28, and cost center Dept2 is validated because:
  - The sub-account mask assigned to sub-account 28 includes GL account 1004 within its valid ranges.
  - The cost center mask assigned to Dept2 includes GL account 1004 and sub-account 28 within its valid ranges.
  - The project mask assigned to project Engineering includes GL account 1004, sub-account 28, and cost center Dept2 within its valid ranges.

- The posting with GL account 200, sub-account 10, and cost center Dept8 fails to validate because Dep8 is part of a disallowed range.
- The posting with GL account 2997, sub-account 123, and cost center Dept9 fails to validate because sub-account 123 is part of a disallowed range.

Description

Specify a maximum of 40 characters for a description of the cost center range.

COA Mask Validation

The system validates the COA mask for a given GL combination using these three validation rules:

- If the sub-account in the GL combination is not blank, the system matches the GL account using the sub-account COA mask.
- If the cost center in the GL combination is not blank, the system matches the GL account and sub-account using the cost center COA mask.
- If the project in the GL combination is not blank, the system matches the GL account, sub-account, and cost center using the project COA mask.

Example

The following COA masks are defined in a system and assigned to the COA elements in the rightmost column.

COA Mask							COA Link
Sub-Account Masks	GL From	GL To					Sub-Account
	5000						10-20
	7*						10-30
	1200	1999					10-60
	6000						10-60
	9000						10-60
	8100	8200					40-50
Cost Center Masks	GL From	GL To	S-A From	S-A To			Cost Center
	1000	1199	*				A
	1200	1999	*				A - B
	7*		10				A - G
	2000		20				B
	2000		30				F - G
	6000		10				G
Proj Masks	GL From	GL To	S-A From	S-A To	CC From	CC To	Project
	7*		10		C	D	I19
	7*		10		D		White

The COA mask is used to validate the following postings:

Postings

	Postings				GL Mask Validations
	GL Account	Sub-Account	Cost Center	Project	
1	1020	60	A		N
2	1200	60	B		Y
3	1200	10	B	I19	N
4	8100	50	B		N
5	8100	45			Y
6	5000	10	G		N

	Postings				GL Mask Validations
7	6000	10	G		Y
8	9000	60	B		N
9	7100	10	D	I19	Y
10	2000		A		N
11	2000		B		Y

The three validation rules are all applied during validation if the COA element of the rule is not blank. A validation is considered passed only if it passes all rules applied.

Line 1 (1020+60+A+Blank)

- The sub-account validation rule for sub-account 60 fails.
- The cost center validation rule for cost center A passes.
- The project validation rule is not applicable because the project is blank.

Line 1 fails at the sub-account mask rule.

Line 2 (1200+60+B+Blank)

- The sub-account validation rule for sub-account 60 passes.
- The cost center validation rule for cost center B passes.
- The project validation rule is not applicable because the project is blank.

Line 2 passes all validations.

Line 3 (1200+10+B+I19)

- The sub-account validation rule for sub-account 10 passes.
- The cost center validation rule for cost center B passes.
- The project validation rule for project I19 fails.

Line 3 fails at the project mask rule.

COA Mask Browses

The system contains two browses for retrieving and viewing COA masks: COA Masks and COA Masks All. COA Masks displays all mask definitions for the domain in which you are currently logged in, whereas COA Masks All displays all mask definitions across the whole system.

Supplementary Analysis Fields

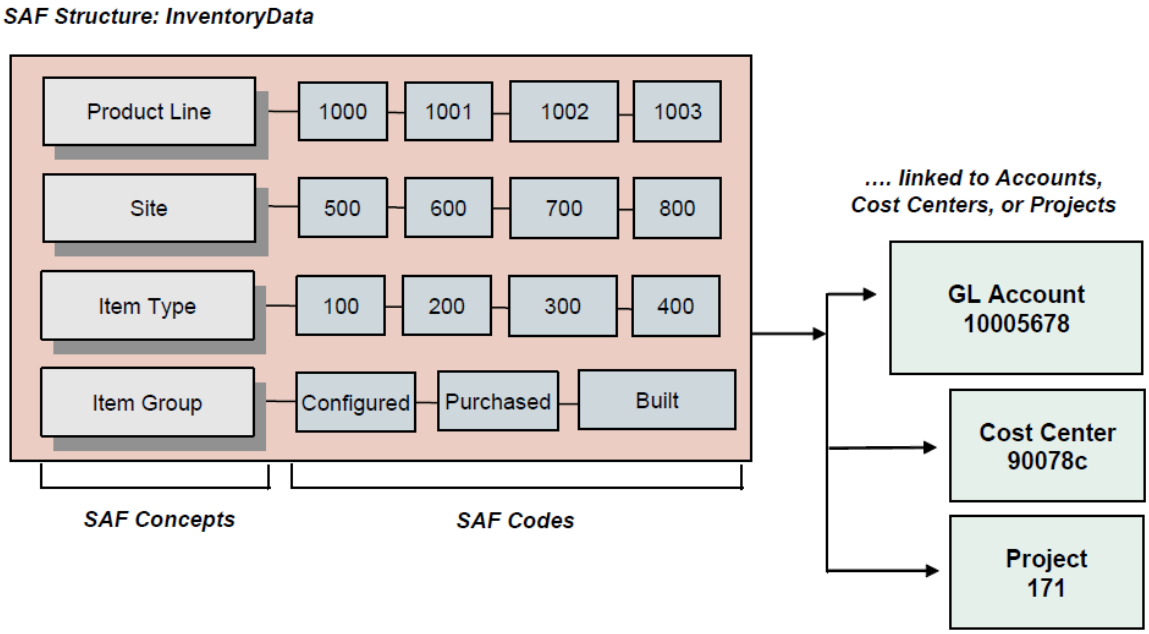
The system provides sub-account, cost center, project, and SAF analysis to be used for additional analytical reporting on transactions. SAF analysis is optional, but lets you create detailed views of data. Using SAFs, you can analyze a single account in many different ways by filtering based on the SAFs included in the postings to the account. A carefully planned set of SAF structures avoids the need to set up separate COA elements for individual reporting.

SAF analysis can be applied to all standard GL accounts, except for bank, closing, and tax accounts. SAF analysis is not supported for system accounts, except for Purchase Order Receipts. You can apply SAF analysis to both revenue and expenses, and normally a separate SAF structure would be set up for each of these types of transaction.

SAF analysis can be further streamlined by using system SAF concepts that retrieve key data from operational transactions performed in manufacturing, sales and purchase orders, and inventory control. System SAF Concepts on page 5764 are predefined in the system. However, you must manually define SAFs for them. User-defined SAF analysis can augment the operational reporting or be used only with financial transactions. For these concepts, you must also define the values; see User-Defined SAF Concepts on page 5768.

SAF analysis is managed through a combination of three elements:

- SAF concepts identify the type of analysis required.
- SAFs define the analysis details.
- SAF structures contain a selection of concepts in a logical sequence. You associate the structure with a GL account, cost center, or project.



You can optionally associate concepts and default codes with accounts, cost centers, projects, customers, suppliers, and business relations. You must define a default code for each concept in an SAF structure when you set up the structure. This value is used when none of the other defaults are available. The system uses a search algorithm for finding defaults depending on the type of transaction. See SAF Defaulting on page 5772.

Defaults are used differently depending on whether the SAF is being used in an operational or financial transaction:

- In operational transactions, the default is used automatically when a code in the structure is missing a value. For example, if the structure includes an item type concept and the item involved in the transaction does not have an associated type code, a default is used instead.
- In financial transactions, the default displays and can be changed.

Identify the accounts you want to analyze and also the types of analysis you want to apply before creating your SAF system. You can subsequently change your SAF system by defining a different SAF structure for the account, but remember that SAF reporting must be consistent to be of value: changing the structure renders the analysis up to that point invalid. Once an SAF structure has been used in a transaction, you cannot redefine the concepts within the structure.

You can also define an SAF structure as an element of a budget. Budgets are structured using budget topics, which are linked to elements of the general ledger, including GL accounts, sub-accounts, cost centers, projects, and SAFs. You can also use SAFs in Budgets on page 6328.

System SAF Concepts

Seven SAF concepts are available and provided with the system. However, before using the system SAFs, you must first define SAFs for them.

System SAFs are designed to interact with operational transactions and capture key analysis details useful for reporting the GL effects of operations, such as sales by region, sales to OEM customers, or work orders by item type.

The following system concepts are available:

Product Line

This concept captures values created in Product Lines and associated with items involved in operational transactions.

Site

This concept captures values created in Sites and associated with items involved in operational transactions.

Item Type

This concept captures generalized code values created in Generalized Codes and associated with items when those items are used in operational transactions.

Item Group

This concept captures generalized code values created in Generalized Codes and associated with items when those items are used in operational transactions.

Region

This concept captures generalized code values created in Generalized Codes and associated with customers when those customers are referenced on operational transactions.

Customer Type

This concept captures codes created in Customer Types and associated with customers when those customers are referenced on operational transactions.

Supplier Type

This concept captures codes created in Supplier Types and associated with suppliers when those suppliers are referenced on operational transactions.

While the system concepts are specifically designed for capturing details of operational transactions, you can use a combination of system and user-defined concepts in the same structure if you want.

System concepts cannot be deleted, but can be disabled by clearing the Active field. Data is captured for a concept only when it is active. Since system concepts have a predefined meaning, you cannot modify other fields of the concept or create new system concepts.

Note If you are using a system concept and then decide to deactivate it, errors may result if all transactions have not been posted that include data that references the concept. The transaction fails to post in this case, and you must reactivate the concept.

Not all concepts apply to every transactions. For example, when you post a sales order, the supplier type field does not apply, since a customer—not a supplier—is associated with the sales order shipment. The following table lists the system concepts that apply to particular types of operational transactions.

Operational Transaction	Concept
Inventory Control (IC), including purchase order receipts	Product Line
	Site
	Item Type
	Item Group
	Customer or Supplier Type is possible for some consignment inventory issues and receipts.
Sales Order (SO)	Product Line
	Site
	Item Type
	Item Group
	Region
	Customer Type
Work Order (WO)	Product Line
	Site
	Item Type
	Item Group
	Region
	Customer Type
	Supplier Type

You can include a maximum of five system SAF concepts in each SAF structure, and you can use the same SAF system concept in different SAF structures.

Retrieving SAFs for System Concepts

SAFs for system concepts are updated based on data captured when the operational transactions occur. SAF concepts are predefined in the system. However, you must define the SAFs for them.

If new system SAFs are used in operational transactions, you must manually update the system SAFs before you can use the codes in a Financials posting.

Example of System SAF Usage

Customer Sports Inc. in the Canada region periodically buys quantities of item 030001 from site 500 with item type COMP. This item belongs to product line 6000. The sales order transactions for these line items are posted to the sales account GL10001. Occasionally the customer also buys item 030002 from that same product line; it has a blank item type.

SAF system concepts for site, region, item type, and product line are active. You must create a SAF for the Site, Region, Item Type, and Product Line SAF concepts when you set up the SAF structure, and assign a default SAF. When the system uses the default value, it means that the code was blank in the originating transaction. You might want to assign defaults like the following to indicate that the code was not relevant in the transaction:

- Default code Any for the Site concept
- Default code All for the Region concept
- Default code None for the Item Type concept
- Default code None for the Product Line concept

You combine these four concepts in a SAF structure, such as Sales, and assign the SAF structure to account GL10001.

You now create sales order SO2001 for customer Sports Inc. with two lines: one for item 030001 and one for 030002.

When you post an invoice that updates account GL1001, the codes for all the active concepts are stored with the transaction history so they are available for analysis. In this example, the SAFs would have the following values.

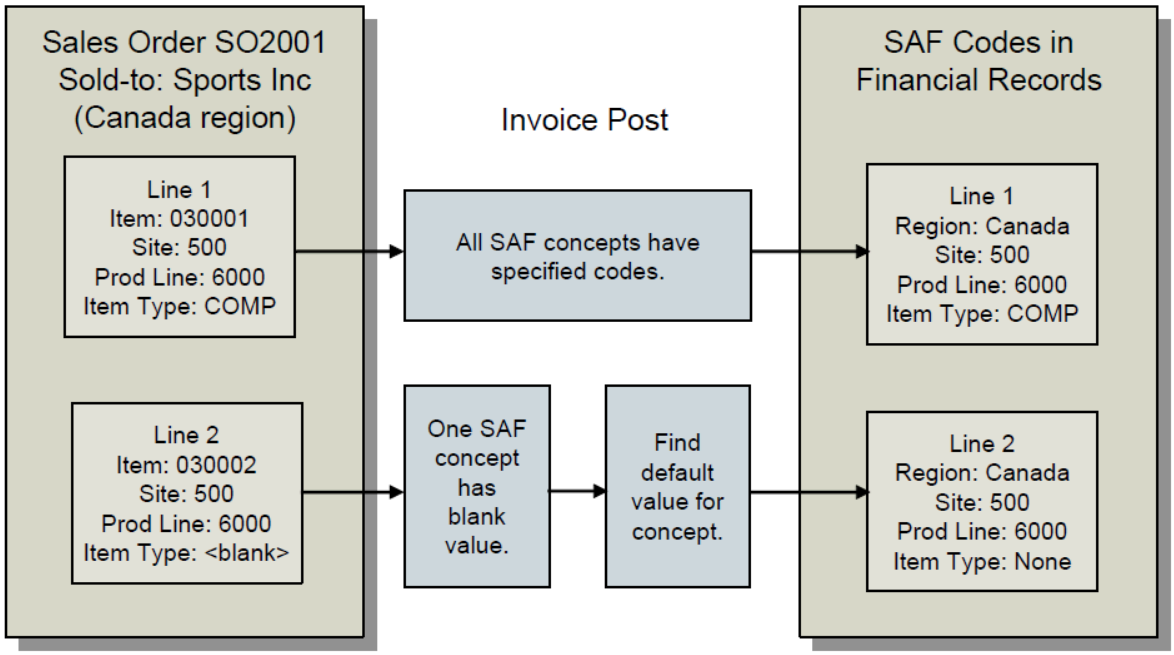
For line item 030001:

- Site is site 500 from the sales order line.
- Region is Canada from the sales order customer.
- Item Type is COMP from the sales order line item.

- Product line is 6000 from the sales order line.

For line item 030002:

- Site is site 500 from the sales order line.
- Region is Canada from the sales order customer.
- Item Type is None from the default value.
- Product line is 6000 from the sales order line.



The system concepts are predefined in the system. However, you must supply the SAFs for those concepts.

Summarized Transactions and System Concepts

All inventory transactions normally create GL daybook transactions. These can be created in detail, with one GL transaction for each inventory transaction, or in summary by day.

How transactions are created is determined by the Summarized Journal option in **Inventory Control**. When this field is selected, the system creates summarized journal transactions by day; generating just one transaction for each entity, account, sub-account, cost center, and project combination used.

Note You can specify a summarized journal setting at daybook level in Daybooks on the Domain Settings panel.

Receiver Matching and System SAF Concepts

The system retrieves the values for system SAF concepts using the supplier and item associated with receiver matching lines.

System SAF concepts can be included in SAF structures attached to PO receipt accounts and purchase price variance accounts. During receiver matching, the system posts transactions to PO receipts accounts, and automatically creates postings to other accounts, such as AP rate variance and AP usage variance. When a receiver matching is saved as Finished and the COA elements include SAF structures with system SAF concepts, the system retrieves the Product Line, Site, Item Type, Item Group and Supplier Type concepts using the item and supplier data associated with the receiver matching lines.

User-Defined SAF Concepts

You create user-defined SAF concepts based on your business requirements. You must manually create both the concept and the SAFs for user-defined SAFs and then select the SAF or define defaults.

User-defined SAF concepts are normally applied only to financial transactions, although you can also use them with Fixed Assets. Like system concepts, you can include a maximum of five user-defined SAF concepts in each SAF structure, and you can use the same user-defined SAF concept in different SAF structures.

You can create user-defined SAF analysis to track specific costs arising from any type of financial transaction.

Important If you intend to use a particular cost center and project within the same transactions, ensure that only one of the elements has SAF analysis. If a posting line contains both a project and a cost center, and both have SAF structures, only the cost center SAFs are used and the project SAFs are ignored.

Sample User-Defined Concept

You want to create an SAF analysis system for insurance and maintenance costs for company vehicles. Set up the structure, concepts, and SAFs in the following way:

1. the following SAF concepts and SAFs.

SAF Concept	SAF	SAF Description
Vehicle	MSL500	Mercedes SL500 HIJ8976
	F150WDS	Ford F-150 WDS 2114
	F150JKN8997	Ford F-150 JKN 8997
	FRangerDDT3452	Ford Ranger DDT3452
	TTLQW5674	Toyota Tacoma LQW5674
Fuel	Gasoline	Gasoline
	Diesel	Diesel

SAF Concept	SAF	SAF Description
	LPG	LPG
Usage	CompanyCar	Company Car
	Truck	Truck
	Personal	Personal

2. Add these concepts and SAFs to a SAF structure called VEHCOSTS.
3. Link the structure to GL cost accounts for company vehicle insurance and company vehicle maintenance.

   You can analyze vehicle insurance and maintenance costs by applying SAF analysis to these two accounts. By creating an SAF structure that can be applied to both accounts, you avoid the need to create multiple accounts for both types of cost, and also the need to create a customized SAF structure for each account.
4. When you receive an invoice from your insurance supplier, you match the invoice amount with the 01VEHINS account, enabling the SAF analysis.

   When the posting is created, the SAF concepts and default SAFs display; you can change them as needed.

When you post this transaction, the transaction record retains the SAF information you defined and you can then use the SAFs for filtering in reports.

SAF Concepts

When creating and modifying SAF concepts, these restrictions apply:

- You cannot delete a system SAF concept.
- You cannot delete a user-defined SAF concept if it has already been used in a transaction.
- You cannot create system concepts.
- The only value you can modify for a system concept is the Active setting.
- You cannot deactivate a concept if it is linked to an active SAF structure.

Main

SAF Concept

Specify a SAF structure and concept code for the first SAF level in the structure. The system creates rows for each SAF concept and automatically links the SAF concepts to the rows. These fields are enabled only when the topic references a SAF level.

Description

Enter a brief description of the concept code. This field is mandatory; the description cannot be blank. You can optionally enter descriptions in more than one language.

System

When this read-only field is selected, this is a system concept; it cannot be deleted.

Active

Indicate if this is an active SAF concept.

SAF Structures

With SAF structures, you can combine up to five SAF concepts in a sequence. You then link the structure to general ledger accounts, cost centers, or projects. You can associate only one SAF structure with a GL account, cost center, or project. When a SAF structure is associated with a project, cost center, or GL account and a transaction updates that element, the SAF concepts and default codes are displayed in the transaction posting lines.

- For system concepts based on operational transactions, the SAF concepts are predefined in the system, but you must create the corresponding SAFs.
- When user-defined concepts have more than one value, you must select the value to use when you create the transaction.

SAF structures are independent of the entity and domain, and can contain both system and user-defined concepts. Each structure must contain a minimum of one concept and up to a maximum of five concepts. Each concept must have one and only one default value, which is used to supply a value based on the defaulting logic. Other defaults are optional, but the one associated with the structure is required and used when more specific defaults have not been defined. After a SAF structure has been used in a transaction, you cannot delete any of the associated SAF concepts.

Main

SAF Structure

Enter a code (maximum 20 characters) that identifies the SAF structure.

Description

Enter a brief description (maximum 40 characters) of the SAF structure. You can optionally enter descriptions in more than one language.

Active

Indicate if this is an active SAF structure.

Structure Details

Line

Enter a value to uniquely identify each concept associated with the structure. If you do not enter a value, the system automatically assigns a line number. The lowest line number must be 1 and the highest line number cannot be greater than 5. You cannot change the line sequence when the structure has been linked to an account, sub-account, or cost center.

SAF Concept

Specify a SAF concept to be linked to this structure. At least one concept but no more than five concepts must be specified.

SAF Concept Description

The SAF concept description defaults based on the SAF concept.

Default SAF

Specify the default SAF value for the concept. Every concept must have one default code.

Default SAF Description

The SAF description defaults based on the SAF.

SAFs

SAFs generally correspond to the individual item for which you require analysis. For example, you can track transactions relating to a particular vehicle belonging to the organization by creating a SAF of the vehicle registration number. Every SAF concept must have at least one default SAF—defined in the SAF structure where it is used—and you can link any number of SAFs to the same concept. You build SAF analysis for an account by creating a SAF for each type of transaction that updates the account. You build the list of SAFs for both system-defined and user-defined SAF concepts manually.

Main

SAF

Enter a code (maximum 20 characters) that identifies a specific value associated with a SAF concept.

Description

Enter a brief description (maximum 40 characters) of the SAF. You can optionally enter descriptions in more than one language.

SAF Concept

Specify a SAF concept to associate with the SAF.

Budget Group

Specify a budget group to associate with this SAF. Budget groups are optional links for reporting.

Active

Indicate if this is an active SAF.

SAF Defaulting

The system validates the SAF structure to ensure that each SAF concept, both system and user-defined, has a default SAF code.

System SAF concepts use the SAF codes you define and associate with them; see System SAF Concepts on page 5764. Operational transactions are posted automatically, and you cannot manually correct SAF data before posting. Therefore, to ensure that posting is successful, you must define default values. The defaults are used when a code for an active SAF concept cannot be retrieved for a transaction. This substitute SAF code ensures that the transaction is processed. See User-Defined SAF Concepts on page 5768 for an illustration of how defaults are used.

You define default codes for user-defined SAF concepts manually. Defaults for user-defined concepts applied to financial transactions are suggested by the system during the creation of postings. But if user-defined concepts are combined in a structure with system concepts and applied to operational transactions, values must be found through defaulting logic, since the values cannot be retrieved from the transaction. In this case, the default value is applied to every transaction, which might make this scenario of limited usefulness.

Default SAF codes can be defined on multiple levels. The defaulting mechanism selects the most likely default SAF code for the concept, based on an order of precedence determined by the type of transaction in which the SAF is being used. Only the default at the structure level is required; others are optional.

Default codes for SAF concepts are defined for multiple components:

- Customers, on the Defaults tab
- Suppliers, on the Defaults tab
- Business relations, on the Defaults tab
- Projects, on the Defaults tab
- Cost centers, on the main screen
- GL accounts, on the Defaults tab

The table below lists the defaulting sequence for retrieving a code when a value is not found in the transaction or when the SAF data is being specified manually in screens such as **Journal Entries**. The system always finds the correct structure to use based on the type of analysis and the value of Retrieve SAF Structure from GL. It then finds default

values for codes by searching the components listed in the table in the listed order. If no values are defined for a component, the system then checks the next component. Since default values must be defined for the SAF structure, a value is always found.

SAF Defaulting Sequence

Transaction Type	Defaulting Sequence
Customer Invoices and Credit Notes	Customer Business relation Cost center or project GL account SAF structure
Supplier Invoices and Credit Notes	Supplier Business relation Cost center or project GL account SAF structure
All other transaction types (Non-Invoice, Operational, and Journal Entries)	Cost center or project GL account SAF structure

SAF Reporting

The following reports provide detailed and summarized information on transactions, filtered by specific SAF codes or concepts:

- SAF Transactions Detail. This report provides a detailed breakdown of GL postings based on SAFs.
- SAF Transactions Summary. This report lists all transactions in which SAFs are used in combination with GL accounts and sub-accounts.
  - SAF 1
  - SAF Concept 1
  - Groupings Level 1 – 3
- SAF Summarization Reconciliation. This report displays SAF matches and also any SAF mismatches for transactions containing SAFs that are posted on a particular date.

GL Corrections

Financial reporting standards in some countries—particularly in Eastern Europe—require that correction transactions are represented by a negative debit and negative credit instead of the standard processing.

In addition, the GL summarization that takes place during invoice post must also account for the differences between negative and positive lines for the same entity, account, sub-account, cost center, and project. These differences create separate GL transactions.

If you need to set up your accounting system to meet these requirements, you must define the proper settings on the GL Correction panel of Base Control on page 787. Using these settings, you can:

- Produce correction transactions for invoices generated as a result of sales orders for a total negative amount, such as credit notes. Also generate correction transactions for GL distribution lines that reduce a customer's accounts receivable liability, such as discounts.

  Note If you enable sales order/invoice correction accounting settings, you must also define the corresponding daybook sets for recording these corrections. The daybook set programs validate daybooks based on whether correction is enabled.
- Configure invoice post to consolidate positive and negative GL postings to the same entity, account, sub-account, cost center, and project to produce a single GL posting instead of two.
- Configure specific areas of inventory control and work orders to generate correction transactions by selecting specific transaction types.
- Enable or disable the creation of daybooks for correction transactions for either AP or AR.

Correction Example

Most inventory transactions are for positive quantities. However, to register a correction, a negative inventory quantity can be entered. For example, an inventory clerk does an unplanned receipt using Receipts–Unplanned (3.9) for 10 items at a cost of $20 each.

Posting for Positive Receipt

Account	Description	Debit	Credit
1500	Inventory	200.00	
5100	Purchases (Expenses)		200.00

A later count shows only 9 items were actually received. A correction is made by executing the same program for a quantity of –1. Two different conventions can be used to represent this correction transaction in the GL. The standard processing is shown in the next figure, which shows the transaction for the original issue of 10 and the correction of –1.

Standard Posting for Negative Receipt

Account	Description	Debit	Credit
1500	Inventory	200.00	
5100	Purchases (Expenses)		200.00
1500	Inventory		20.00
5100	Purchases (Expenses)	20.00	

In the standard processing, the correction credits the account that was previously debited and debits the account that was credited. When correction postings are used, the correction transactions are represented by a negative debit and negative credit instead of the standard processing. In the current example, the transactions are shown in the next figure, which uses the transaction for the original issue of 10 and the correction of –1.

Correction Posting for Negative Receipt

Account	Description	Debit	Credit
1500	Inventory	200.00	
5100	Purchases (Expenses)		200.00
1500	Inventory	–20.00	
5100	Purchases (Expenses)		–20.00

Configuring Transactions in GL Transaction Control

If you want to implement correction transactions, you can select the specific transactions you want to be affected using fields on the GL Correction panel of Base Control on page 787.

Sales Orders & Invoices

GL correction transactions for sales orders are enabled by selecting the GL Correction field on the Sales Orders & Invoices sub-panel of Base Control on page 780.

The next figure illustrates the GL postings for discounts when the correction feature is not activated during a normal (positive quantity) sales order shipment.

Invoice Posting for AR Discount

Account	Description	Debit	Credit
1200	AR	396.00	
2400	Tax		36.00
3000	Sales		400.00
3900	Discount	40.00	
	Total	436.00	436.00

The next figure illustrates the GL postings for discounts when the correction feature is activated during a normal (positive quantity) sales order shipment.

Invoice Posting for AR Discount as Correction

Account	Description	Debit	Credit
1200	AR	396.00	
2400	Tax		36.00
3000	Sales		400.00
3900	Discount		–40.00
	Total	396.00	396.00

The next figure illustrates the GL postings when the correction feature is not activated during a sales order return.

Invoice Posting for Return

Account	Description	Debit	Credit
1200	AR		396.00
2400	Tax	36.00	
3000	Sales	400.00	
3900	Discount		40.00
	Total	436.00	436.00

The next figure illustrates the GL postings when the correction feature is activated during a sales order return.

Invoice Posting for Return as Correction

Account	Description	Debit	Credit
1200	AR	–396.00	
2400	Tax		–36.00
3000	Sales		–400.00
3900	Discount		40.00
	Total	–396.00	–396.00

GL Summarization

The Sales Orders and Invoices sub-panel of Base Control on page 780 also includes the GL Summarization field. Use it to activate summarization of transactions during invoice post.

Summarizing the transactions can make the reconciliation process less complex. The next figure shows GL postings when summarization is deactivated. In the example, the positive ($200.00) posting and one negative ($–50.00) posting to Sales create two GL transactions with the net effect of $150.00.

GL Postings with Summarization Deactivated

Account	Description	Debit	Credit
1200	AR	150.00	
3000	Sales		200.00
3000	Sales	50.00	

The next figure shows the same posting when summarization is activated. This creates a single positive line ($150.00).

GL Postings with Summarization Active

Account	Description	Debit	Credit
1200	AR	150.00	
3000	Sales		150.00

Inventory Corrections

You can choose to perform inventory transaction corrections on different inventory transaction types by selecting the relevant fields on the Inventory sub-panel of the GL Correction panel in Base Control on page 780.

Production Order

You can choose to perform production order transaction corrections on different production order transaction types by selecting the relevant fields on the Production Order sub-panel on page 789 of the GL Correction panel in Base Control.

AP and AR Correction

The Accounts Payable and Accounts Receivable fields on the AP and AR sub-panel on page 790 of the GL Correction panel in Base Control determine whether you can define some specific daybook types in Daybooks.

Accounting Layers

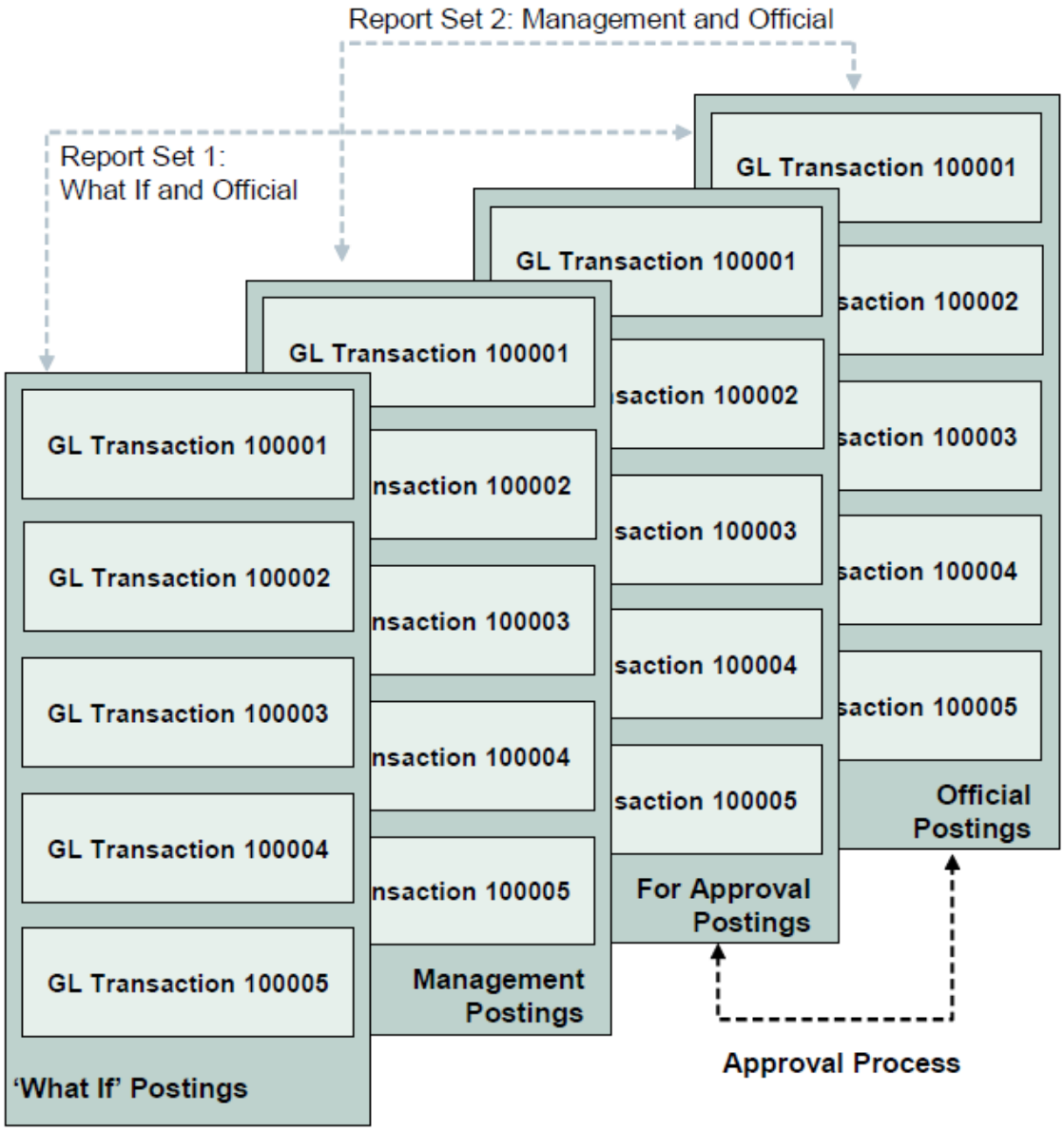
Accounting layers provide different ways of segregating transactions within a single GL account. The posting of transactions is controlled by associating daybooks with one of the three system-defined accounting layers: official, management, and transient.

Transient accounting layers enable temporary posting for review or analysis, before official posting and publication of accounts. When a daybook is associated with the transient layer, transactions are posted to this layer for temporary review. If the daybook is associated with the official layer, transactions are immediately posted to the general ledger.

Use management layers to provide different types of GAAP reports within one organization. For example, you can compile a set of local accounts for a French subsidiary of a US parent organization that comply with French GAAP standards. You can then compile US GAAP accounts for the parent company, and generate reports on the combination of the two sets. Then, review your subsidiary accounts, and create correction and adjustment transactions to make these accounts comply with the parent company GAAP standards.

Auditor adjustments are generally applied in the management layer. IFRS and US GAAP requirements are also implemented in management layers.

When transferring between layers, the daybooks must be of the same type. You can transfer only from the transient layer to the other layers. When the transaction is transferred, a new daybook and reference is created for it.



The figure above shows a series of transactions that were posted to the transient layer in order to test a GL simulation scenario (what if postings). By running a set of GL reports and selecting the daybooks that contain the transient layer simulations and the relevant official layer postings, the user obtains Report Set 1.

The figure also shows a set of transactions posted to the management layer for auditor adjustments. By running a set of GL reports and selecting the daybooks that contain the management postings and the relevant official layer postings, the user obtains Report Set 2.

The For Approval postings contain a set of preliminary postings. When these postings are reviewed and approved by a manager, they can then be transferred to the official layer.

Transient Layer

The transient layer is used for postings for internal use only, and should be separate from legal accounting. Certain transactions can, for example, require approval by management before being officially posted. Accounting transactions can be registered in transient layers and then transferred to official layers. Reporting can be applied to combinations of layers to produce a complete record of transaction records. A limited number of transactions can be posted to the transient layer:

- Consolidation
- Journal entries
- Reversing entries
- Matching postings for supplier invoices

The transient layer is optional. Transactions posted to this layer have no impact on GL, and can be modified or deleted. You can also define custom transient layers, which behave in the same way as the system-defined transient layer.

All templates for journal entries, recurring entries, and invoices are stored in the transient layer. It is recommended to keep the templates separate from transient postings by storing them in a separate custom transient layer. Otherwise, the templates could accidentally be moved with other postings during a layer transfer.

Management Layer

The management layer is used for management accounts. Types of posting suitable for the management layer include accruals, stock valuation, elimination postings for consolidation, auditing adjustments, or for IFRS- and GAAP-specific requirements.

The management layer is also optional, and you can define custom management layers, which behave in the same way as the system-defined layer.

Note Postings to the management layer do not update account balances. You cannot transfer postings to another layer from the management layer.

Official Layer

The official layer is mandatory and system-defined. All official postings are posted to the official layer, and cannot be deleted or transferred to another layer.

The official layer is used for statutory postings; for example, fiscal stock valuation or fiscal depreciation.

Important Postings to the official layer cannot be deleted or transferred. The official layer can accept transfers from the transient layer only.

GL Layers

Accounting layers provide different ways of segregating transactions within a single GL account. The posting of transactions is controlled by associating daybook types with one of the three system-defined accounting layers: official, management, and transient.

The official layer is mandatory and system-defined. All official postings are posted to the official layer, and cannot be deleted or transferred to another layer.

The management layer is optional, and you can define custom management layers, which behave in the same way as the system-defined layer.

The transient layer is also optional. Transactions posted to this layer have no impact on GL, and can be modified or deleted. You can also define custom transient layers, which behave in the same way as the system-defined transient layer. You cannot delete an accounting layer that has been used in transactions.

Main

Layer

Specify a code (maximum 20 characters) that identifies an accounting layer.

Description

Enter a brief description (maximum 40 characters) of the accounting layer. You can optionally enter descriptions in more than one language.

Layer Type

Select a layer type from the drop-down list: management, transient, or official.

Active

Indicate if this is an active layer.

Use Additional GL Numbering

Select the field if the system should include transactions in this layer in additional GL numbering. This field defaults to selected for all official layers, and is cleared by default for all management layers. You cannot select the field for transients layers.

Note You can no longer modify the field value when transactions are posted to the GL layer and are assigned sequence numbers.

Using Daybooks

Daybooks, also known as journals, are system or user-defined views of the general ledger and contain all transactions.

The use of daybooks is mandatory in all modules. Daybooks provide many advantages in terms of analysis, segregation of transactions, numbering, and consequently, speed of period close.

Using different types of daybooks lets you group GL transactions to satisfy legal reporting requirements or to ensure that GL reporting is consistent with common business practices:

- Operational Daybooks are used for postings that originate from operational functions, such as Sales, Inventory Control, Fixed Assets, and Manufacturing. They are created as unposted transactions, which then require a separate posting activity to update the general ledger with the transaction amounts. Operational daybooks are also used to generate invoice numbers during the invoice posting process.
- Financial Daybooks on page 5787 accept postings that originate from financial functions, such as the general ledger, AR, and AP.
- External daybooks can be used with an interface to external systems, such as payroll systems. See External Daybooks on page 5790.

Daybooks can be used to distinguish between different types of journal entries, such as auditor adjustments, payroll entries, GAAP adjustments, and manually prepared accruals.

Once daybooks are defined, you can use the Daybook field as a selection criterion on many GL reports and views.

Daybooks provide the ability to separate records by transaction. You use different daybooks to separate transaction types, for example, to distinguish between credit notes and invoices, and inventory receipts and stock receipts. If you use a particular daybook code for certain types of transaction, you can then browse and filter based on that code. The ability to filter based on the daybook code facilitates period close because you can easily identify and review transactions of a certain type and identify unusual activity. For example, when reconciling sub-ledger balances to the general ledger, daybooks provide a clearer analysis of the transactions, making it easier to identify any unusual activity against an account. How many daybooks are required depends on your particular accounting practices.

Daybooks record transactions chronologically, and, as such, provide dated records of the entire financial activity of the entity.

Daybooks also provide a controlled mechanism for having several different transaction numbering sequences. The numbering system prevents fraud, since each daybook produces its own integral numbering sequence.

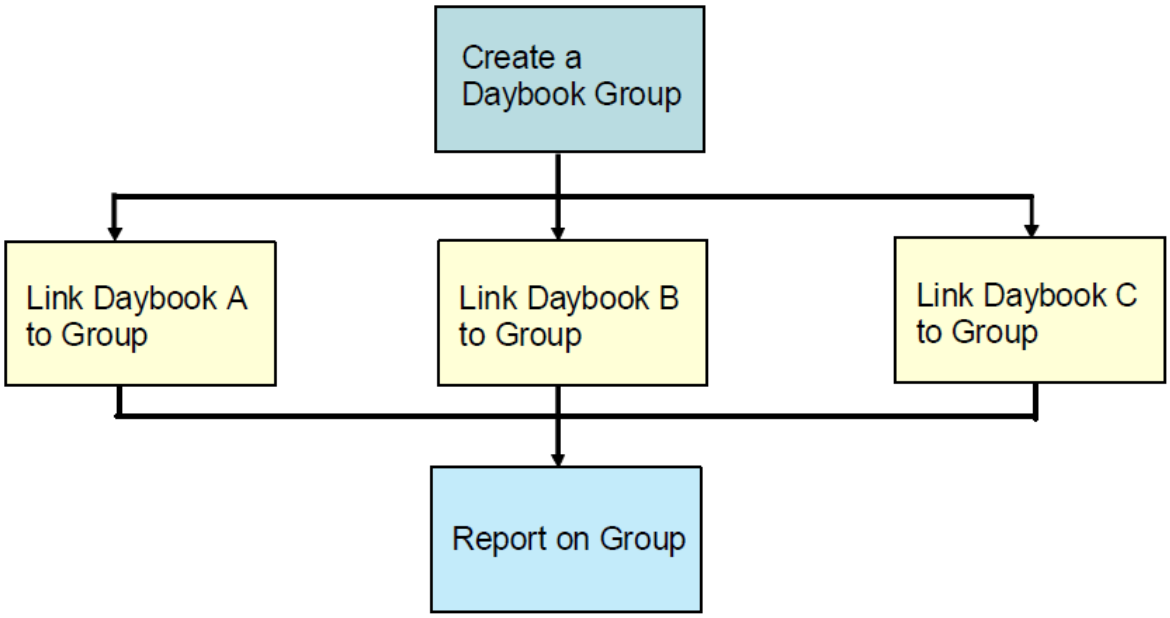
These numbers can be maximum 22 characters in length and consist of:

- Year (YYYY)
- Slash character (/) to act as a separator
- Daybook Code (maximum eight characters)
- Sequence number (000000001)

At the beginning of the year, the sequence resets to 000000001 and the year is incremented accordingly.

Daybook Groups

For example, you can create a group for all domestic supplier invoices. You link a daybook group to a daybook using the Daybook Group field in Daybooks.



If you create a daybook group, it becomes mandatory that users specify a daybook group value in Daybooks.

The following reports include daybook groups:

- Reporting Daybook Exceptions
- AP Tax Register Detail
- EU Purchases Tax Register
- EU Sales Linked to EU Purchases
- AR Tax Register Detail
- Suspended Tax Register

See Tax Registers on page 6626 for more information on tax registers and tax register reports. Reporting Daybooks on page 5791 lets you change the reporting daybook code used in financial transactions.

Main

Daybook Group

Enter a code that identifies the daybook group.

Description

Enter a maximum of 40 characters for a description of the daybook group.

Active

Indicate if this is an active daybook group.

Note You can only delete a daybook group if no daybooks have been associated with the group.

Daybooks

Daybooks contain the transaction posting lines, and control the posting of transactions because each daybook must be linked to an accounting layer. In addition, each daybook is associated with a daybook control type, which separates postings based on their source.

Main

Daybook

Enter a daybook code (maximum eight characters).

Description

Enter a brief description of the daybook. You can optionally enter descriptions in more than one language.

Second Description

Specify an additional description of the types of transactions posted to this daybook. You can display this description on the GL Numbering report and the GL Transactions by Account report.

Daybook Type

Select a daybook type from the drop-down list. For an explanation of the daybook types, see Financial Daybooks on page 5787.

Layer

Select an accounting layer: official, management, or transient.

Active

Indicate if this is an active daybook.

Daybook Control

Choose the type of daybook control from the drop-down list: Financial, Operational, or External.

Daybook control types are used to clearly separate postings based on their source. The table indicates which transaction types can be posted to each daybook control type.

Note When Summarized Journal is selected in Inventory Control, Daybook Control equals Operational, and the Daybook Type equals Journal Entries, the Domain Settings panel is displayed.

Transactions and Related Daybooks

Transactions	Daybook
Banking Entries	Financial, External
Cash Entries	Financial, External
Consolidation	Financial, External
Customer Adjustments	Financial, External, Operational
Customer Credit Note Corrections	Financial, External, Operational
Customer Credit Notes	Financial, External, Operational
Customer Deduction	Financial
Customer Invoices	Financial, External, Operational
Customer Invoice Corrections	Financial, External, Operational
Customer Payments	Financial, External
Finance Charge	Financial, External
Journal Entries	Financial, External, Operational
Matching Daybook	Financial
Periodic Costing	Financial, External, Operational
Revaluation Customer Payments	Financial
Revaluation Customer	Financial
Revaluation GL	Financial
Revaluation Intercompany	Financial
Revaluation Supplier Payments	Financial
Revaluation Suppliers	Financial
Revaluation Tax	Financial

Transactions	Daybook
Reversing Entries	Financial
Supplier Adjustments	Financial
Self-Bill Invoices	Financial, External, Operational
Supplier Credit Note Corrections	Financial, External
Supplier Credit Notes	Financial, External
Supplier invoice Corrections	Financial, External
Supplier Invoices	Financial, External
Supplier Payments	Financial, External
Year-End Closing	Financial

Daybook Group

Specify a daybook group to associate with the daybook for ease of reporting. If you have created at least one daybook group, it is mandatory that you specify a daybook group value. Otherwise, this field is optional. If no active daybook groups exist, the Daybook Group field is blank and read-only.

Access Role

Specify a role to restrict access to the daybook. Only users with that role can post transactions to the daybook.

You can specify a role for the following types of daybook:

- Journal Entries, for Daybook Control types other than Operational
- Consolidation
- Matching

If no role is specified for a daybook, the daybook can be used by all roles. See Daybook Security on page 5790 for more information.

Approvals

This panel will become visible when the main daybook layer is transient and Enable Journal Entry Approval Workflow is enabled in Entities on page 927.

Approval Required

Select this field to set up the daybook for approval.

Approval Daybook

Specify the daybook that you want to submit for approval.

Approval Layer

The approval layer associated with the daybook will be populated here. This field is read-only.

Approval Layer Type

The approval layer type associated with the daybook will be populated here. This field is read-only.

Domain Settings

In Inventory Control on page 2901, the Summarized Journal field determines how transactions are created. When this field is selected, the system creates summarized journal transactions by day—generating just one transaction for each entity, account, sub-account, cost center, and project combination used.

However, you can then specify operational transaction summarization settings for individual daybooks of type Journal Entries on the Domain Settings panel.

Transaction Summarization Limit

The values are:

- 0 - Summarization with no limit
- 1 - No journal summarization
- Any other positive integer - A new journal reference is started when the number specified is exceeded.

When Summarized Journal is selected in Inventory Control, the default value for each daybook is zero.

Important Any fields updated on the Main Panel applied for all Domains using the same daybook shared set. However, Summarization Limits on the Domain Settings panel are updated for the logged in Domain only.

You can set summarization limits for multiple daybooks in the Domain using Excel Integration. If you update the Excel sheet with invalid combinations of Daybook Control and Daybook Type, you receive a notification in your Inbox when importing the file. If you try to import a file to set summarization limits and the Summarized Journal field in Inventory Control is not selected, you receive an inbox notification, and the Excel file displays error details for the invalid records.

Financial Daybooks

The table below lists the available types of financial daybooks.

Each daybook type is linked to an accounting layer, ensuring that transactions recorded in the daybook are automatically posted to the associated layer. Several daybooks can have the same daybook type.

Daybooks define the accounting layers to use for posting: official, management, or transient. For example, IFRS adjustment postings can be applied to the management layer to make the books conform to an IFRS standard. Therefore, transactions that require verification can be easily grouped and isolated.

Depending upon the daybook type, the layer codes available for selection can be limited. Each posting belongs to a single daybook and each daybook is linked to a single layer type. Some postings can be transferred between layers. See Using Daybooks on page 5782.

Certain daybook types are linked by default to particular layers, as indicated in the Layer Type column of the table.

Daybook Types

Daybook Type	Comment	Layer Type
Banking Entries	Use Banking Entry daybooks to record all incoming and outgoing transactions to the bank.	Official only
Cash Entry	Use Cash Entry daybooks to record all incoming and outgoing cash transactions.	Official only
Consolidation	Use to record consolidation transactions. Consolidation daybooks are defined during the setup of the consolidation cycle.	All layers
Customer	Use customer daybooks to record the following types of transaction: • Adjustments • Credit Notes • Credit Note Corrections • Customer Deduction • Invoices • Invoice Corrections • Payments **Note** You can create daybooks of type Customer Credit Note Corrections and Customer Invoice Corrections only when	Official only

Daybook Type	Comment	Layer Type
	Accounts Receivable is selected on the GL Correction panel in Base Control.	
Journal Entries	Use this daybook type to record non-specific transactions.	All layers
Matching Daybook	Use the Matching Daybook type to record posted supplier invoices. See Supplier Invoice Functions on page 6084.	Official (for receiver matching and financial matching) and transient layers (for financial matching only)
Periodic Costing	Use the Periodic Costing type to record periodic costing transactions posted to the GL.	All layers
Revaluation	Use Revaluation daybooks to record the following types of revaluation transaction: • Suppliers • Supplier Payments • Customers • Customer Payments • Fixed Assets • GL • Intercompany • Inventory • Personnel • Tax	Official and management layers
Reversing Entries	Use when reversing journal entries.	All layers
Self-Billing	Use to record self-bill transactions created using Self-Bill Auto-Create.	Official

Daybook Type	Comment	Layer Type
Supplier	Use Supplier daybooks to record the following types of transaction: • Adjustments • Credit Notes • Credit Note Corrections • Invoices • Invoice Corrections • Payments	Official only
Year-End Closing	For legal reasons, year-end closing transactions must be clearly denoted.	Official and management layers

Prior to deleting or inactivating a daybook, ensure that there are no unposted transactions in the operational functions that reference the daybook. If unposted transactions exist, the daybook cannot be deleted or inactivated until these transactions are posted.

Daybook Security

The daybook security feature lets you add security to daybooks to protect them against unauthorized transactions. You can implement daybook security by optionally linking a role to a daybook in **Daybooks** so that only users with that role can create and modify transactions posted to the daybook. You can specify an access role for the following types of daybook:

- Journal Entries, for Daybook Control types Financial and External only
- Matching
- Consolidation
- Periodic Costing
- Year-End Closing

If you do not specify a role for a daybook, the daybook can be used by all roles.

External Daybooks

External daybooks are designed as an interface to external systems, such as payroll systems.

For example, an organization outsources the calculation of its employee salaries and the breakdown between gross salary, taxes, social security, net salary, and fringe benefits to an external company. This external company returns the results for each employee, and, in addition, the

results grouped by GL account, sub-account, and cost center. If the external company sends the resulting postings in electronic format (in addition to paper documents), an external daybook must be defined.

External daybook transactions have a daybook type of Journal Entries. For external daybooks, sequence numbers are generated by the external transaction. However, Record Numbers on page 6816 still generates a number series, which is unused. The system also validates duplicates when numbers are passed from an external application. Record Numbers is used if a number is not passed from the external system.

Reporting Daybooks

When various transactions are reported on the tax register reports, it is important that the transactions are reported correctly with the correct description. The transaction description is taken from the description of the posting daybook used on the transaction. However, it is possible that a transaction used an incorrect daybook, resulting in the wrong description being used for the transactions reported.

For invoice-type transactions, the reporting daybook normally matches the posting daybook. However, if a transaction was posted using an incorrect daybook, you can use **Reporting Daybooks** to modify the reporting daybook to ensure that the transaction is reported on correctly. You can also use Excel Integration to update the reporting daybook.

After using **Reporting Daybooks**, you can use the Reporting Daybooks Exception report to identify transactions for which the reporting daybook has been modified.

When you open **Reporting Daybooks**, a browse displays, listing all invoice type transactions for the current domain. Use the selection criteria to refine the list to show only the transactions wanted.

The drill-down links enable you to view the original transactions, and you can also view exceptions in the Reporting Daybook Exceptions report.

The following reports make use of the reporting daybook on the transactions:

- AP Tax Register
- AP Tax Register Details
- AR Tax Register
- AR Tax Register Details
- EU Purchases Tax Register
- Suspended Tax Register

Main

Year/Daybook/Voucher

This field displays the posting reference. The system generates a posting reference for all invoices, credit notes, open item adjustments

and banking entries based on the combination of the entity, year, and daybook.

Posting Date

This field displays the date on which the transaction was posted. This date defaults from the invoice or transaction creation date.

Description

This field displays a description of the posted transaction.

Daybook

This field displays the daybook code associated with the posted transaction.

Reporting Daybook

Select the reporting daybook that you want to apply to the transaction. You can only specify a reporting daybook that has the same daybook type as the original daybook.

Defining the GL Calendar

The financial calendar consists of user-defined GL calendar years and GL periods. Creating GL periods lets you divide the fiscal year into smaller subsets in order to manage and report on business activities. Opening or locking a GL period allows an organization to better control its accounting and reporting processes.

Operational transactions are entered with a GL effective date. This date —and not the transaction date, although they are often the same— determines which GL calendar period the transaction affects.

By default, the GL calendar year consists of twelve monthly GL periods. Each GL period does not have to correspond to a calendar month. You can define custom start and end dates for each GL period to correspond with your accounting cycles, and the GL calendar year can exceed twelve calendar months in length. The GL calendar year is defined at the domain level; all entities within a domain use the same GL calendar year definition.

Important You cannot create GL periods and tax periods unless you have confirmed the setup of the domain in which you are working.

The system contains two functions related to GL calendars and periods:

- Use **Domain GL Periods** to create, modify, and view the GL calendar year and its related GL periods for a specific domain. The GL periods defined at the domain level are copied to all entities linked to the current domain. GL periods created with this function always have a Normal period type.
- **Entity GL Periods** lets you apply GL period settings to entities and lets you lock and report for GL periods per entity or entity group. For increased granularity, you can apply daybook masks to the period to

prevent particular types of postings within that period. When you lock a GL period for a single entity, it remains open for other entities in the same domain. Using **Entity GL Periods**, you can also create, modify, and delete entity-specific GL periods with a type of Correction or Year-End Closing. Normal GL period types are read only.

Note A GL period cannot be closed if unposted transactions exist with effective dates within the GL period.

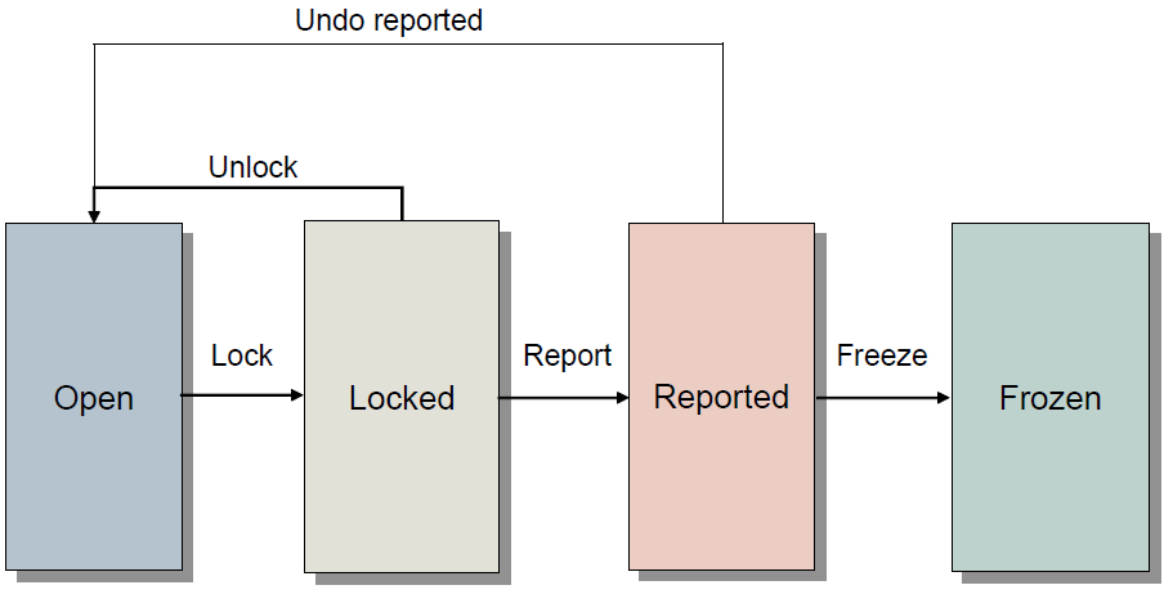
Note You cannot delete a GL period if it is closed, or if it is open and has had activity posted to it. In addition, you can delete only GL periods of type Correction.

Two other system functions can be used to define specialized calendars:

- Use **Tax Periods** to define entity-based calendars for tax reporting periods. When defined, closing a tax period prevents additional tax transactions from being posted.
- Use **Budgets** to define periods used within the budgeting area.

The ability to filter based on the daybook code facilitates period close because you can easily identify and review transactions of a certain type and identify unusual activity.

Before you close a GL period, verify that there are no unposted transactions, such as those created in the operational activities. You can run the Unposted Transaction Register report to identify transactions not yet posted to the general ledger.



Year-End Closing Overview

Closing the GL calendar year has the effect of changing the status of all of its GL periods to frozen, and of marking all periods as reported. Year-end closing postings are done only at account and sub-account level, and in the base and management currencies only.

Validate the year-end closing by manually running closing reports on every period.

Year-End Transactions

Year-End Closing on page 5806 lets you run a process to automatically create closing postings, and to close the GL calendar year to new transactions. You can run year-end closing on the official layer and also on management layers. You can close management layers before or after closing the official layer. The year-end closing process comprises three steps:

- A setup step to create all accounts and daybooks required.
- A verification step that includes a number of checks on the GL calendar year to close.
- A registration step where the process creates correction periods (if required), postings, and closes all GL periods in the GL calendar year.

The year-end closing postings include:

- A P&L transfer to balance sheet posting
- A P&L closing posting
- A balance sheet closing posting
- A balance sheet opening posting

You can transfer the P&L to the balance sheet manually before the year-end closing is run or it can be included as the first step in closing postings. You can create the other three postings automatically using the year-end closing process. Year-end postings are created in the base and statutory currencies, and for a single entity at a time. The postings can optionally include sub-accounts, but no other account analysis.

Setting Up Year-End Closing

Before running year-end closing, you must set up the GL accounts and daybooks used by the process, as displayed in the following tables.

Accounts for Year-End Closing

Accounts Required	Restrictions
P&L Closing Account (without sub-account analysis)	The account must be: • A P&L account of GL type Year-End Closing

Accounts Required	Restrictions
	• Defined without sub-account or other analysis • A non-intercompany account • Defined to accept postings in the base currency only
P&L Closing Account (with sub-account analysis)	Restrictions as above, except that the account must be defined with sub-account analysis
Balance Sheet Account (without sub-account analysis)	The account must be: • A balance sheet account of GL type Year-End Closing • Defined without sub-account or other analysis • A non-intercompany account • Defined to accept postings in the base currency only
Balance Sheet Account (with sub-account analysis)	Restrictions as above, except that the account must be defined with sub-account analysis

Daybooks for Year-End Closing

Daybooks Required	Restrictions
P&L to retained earnings daybook	• Daybook of type Year-End Closing • Official or management layer
P&L closing daybook	
Balance sheet closing and opening daybook	

Note You must also create a record for the subsequent GL calendar year, with at least one GL period.

Period Types

There are three types of GL periods:

- Normal
- Correction
- Year-End Closing

Note The correction and year-end closing types are associated with only the entity calendar; all domain periods are of a normal type.

The purpose of a period type is to differentiate special activity from the standard period activity. You create a correction period in cases where a review of the year-end statements results in the need to make adjustments to the accounts before official publication. The correction period is normally the last period in the GL calendar year. There are no restrictions on the daybook types that you can use in a correction period. You can close AR and AP for a GL period and leave the period open for GL corrections (Journal Entry). You can lock periods at daybook level.

Periods are normally reset to year-end closing when final reporting is complete and the year-end process is started.

The default period type is normal.

Period Statuses

The status associated with a GL period determines what kind of activity can take place. A period can have one of four assigned statuses:

Open

This is the normal period status and applies when no closing date has been set for the period. Transactions are normally posted during open periods, except when the period has been closed and re-opened. The closing date for the period is automatically set once you begin the process of closing the period. Some entities within a domain may need to keep a GL period open for longer than other entities in the same domain.

Closed/Locked

This status applies when the period is subject to a monthly closing. You can close a GL period for one entity and leave it open for all other entities in the same domain. You can unlock a GL period if more transactions need to be processed for that period.

Reported

The Reported status applies to a period for which Monthly Closing has been successfully run and reported. You can reset a reported GL period to a different status.

Frozen

When you run Year End Closing, the Frozen status is automatically applied to all GL periods in the year. A Frozen period cannot be reopened.

Application Areas

You can close GL accounting periods by GL transaction type. This lets you, for example, prevent any more sales order shipments, while still allowing banking entry in the GL. The GL module overrides the other area modules, and when closed, prevents transactions of any type for the period.

The application areas that can be closed separately are:

- GL, which closes all areas including fixed assets.
- AP, which closes the AP sub-ledger in financials.
- Sales, which closes the AR sub-ledger in financials. This also prevents the posting of sales invoices through Invoice Post and Print and posting of any SO transaction in Operational Transaction Post.
- Inventory, including all inventory (IC) and work order (WO) transactions created in operational functions.
- Periodic Costing. You can manually close the Periodic Costing module for a particular GL period if there are no unposted periodic costing GL transactions for that period.

When an application area is open (indicated by a selected check box) for a period, you enable transactions of that type to be posted during the GL period. The area check box acts as a switch, opening or closing the period to transactions of that type. You can update the area switch only when the period is open.

Note You can also lock postings from a daybook or daybook group for a GL accounting period. To do this, create a daybook mask and apply it to the GL period using **Entity GL Periods**.

Domain GL Periods

The GL periods defined at the domain level are copied to all entities linked to the current domain. GL periods created with this function always have a Normal period type. You cannot create GL periods and tax periods unless you have confirmed the setup of the domain in which you are working.

By default, the GL calendar year consists of twelve monthly GL periods. Each GL period does not have to correspond to a calendar month. You can define custom start and end dates for each GL period to correspond with your accounting cycles, and the GL calendar year can exceed twelve calendar months in length.

Main

GL Calendar Year

This field displays the new GL calendar year to create. The default value is the latest GL calendar year, incremented by one.

How to Create

By default, the option selected is to copy the calendar from the previous year. The options are:

- Copy From GL Calendar Year
- Copy Months as Periods

- Manually

When you select one of the Copy options, click Generate to populate the grid. In the grid, you can modify the period numbers, the number of periods, and the period start and end dates. It is possible to create a maximum of 99 GL periods for a GL calendar year. When you click Manually, the Generate button is disabled and you can manually create the calendar by adding rows to the grid. Domain-level periods are always of type normal.

Entity GL Periods

You can lock and unlock application areas separately, so that the period can be open to sales transactions, but closed to inventory transactions.

Apart from locking or reporting on an entity GL period, the activities in this function cannot affect the other entities in a domain. It is possible to specify that locking or reporting applies to a group of entities within a domain.

You can:

- Lock periods to prevent further transactions or unlock them.
- Report the period, closing it to further updates, and also undo the reporting if additional changes are needed.

  Note Running technical and business consistency checks is a prerequisite to reporting a GL period.
- Delete a GL period if the period is open and no outstanding transactions exist for it.

Using **Entity GL Periods**, you can also create entity-specific GL periods with a type of Correction or Year-End Closing. Normal GL period types are read only.

From the Actions menu, you can also run a consistency check. This action is also available as its own screen, Consistency Checks on page 5811.

Main

GL Calendar Year

The GL calendar year defaults to the current year.

GL Period Type

This field displays the appropriate period type, which is assigned by the system.

All periods are initially of Normal type. If you need special periods for year-end processing or corrections, create new GL periods of the appropriate type.

- Normal is the default standard period.

- Correction is used when a review of the year-end statements results in the need to make adjustments to the accounts before official publication. The correction period is normally the last GL period in the GL calendar year.

  Note Once you have created a Correction GL period for a GL calendar year, you cannot create any further periods of type Normal.

- Year-End Closing periods are generated by the system as part of the Year-End Closing process.

Status

The system displays the current period status. You cannot modify this field manually; it is changed by the system when you lock or report the period.

Start Date

This field displays the official start date of the calendar period. You cannot modify the GL period start date. You must modify the GL period start date at domain level using **Domain GL Periods**.

End Date

This field displays the official end date of the calendar period. You cannot modify the GL period end date. You must modify the GL end date at domain level using **Domain GL Periods**.

Mark

This field displays a system-defined period mark for the period, if one has been defined.

Open/Close Sub-Ledgers

GL Open

Select to enable the creation of GL and Fixed Asset transactions for this period. When GL is cleared, all other areas are also cleared.

Purchases Open

Select to enable posting of AP transactions during this period.

Sales Open

Select to enable posting of AR transactions during this period.

Inventory Open

Select to enable posting of inventory and work order transactions from operation activity during this GL period. Transactions affecting inventory accounts include purchase order receipts, work order issues or receipts, sales order shipments, physical inventory counts, and manual inventory transactions. Each transaction affects inventory by creating a GL transaction that either debits or credits the account value.

Periodic Costing Open

Select to enable posting of periodic costing transactions during this period.

You can open the Periodic Costing subledger if Periodic Costing is activated for the current domain. You cannot open the Periodic Costing subledger if any future GL periods are still closed for period costing.

Note You can manually close the Periodic Costing module for a particular GL period when there are no unposted operational or GL transactions where the origin reference begins with IC or WO and if the inventory and AP subledgers are both closed.

Apply To

The Apply To field is read-only and is displayed when you close a sub-ledger or when you lock the GL Period. When you lock a GL Period, the value of this field defaults from the Apply To field on the Lock/Unlock Panel.

Lock/Unlock

Use the Lock/Unlock panel to:

- Lock a GL period to all posting activity for a single entity or an entity group.
- Apply a daybook mask to an entity or entity group.

GL Period Locked

When you select this field and click Save, the GL Period is automatically locked and any daybook mask is withdrawn. The Open/Close Sub-Ledgers panel is disabled and the sub-ledgers are automatically closed. The other fields on Closing Date and Daybook Mask fields are disabled and the Apply To field is displayed. To unlock the period, simply clear the field and click Save. When you unlock the period, only the GL sub-ledger is automatically reopened.

Closing Date

The closing date is generated automatically by the system.

Daybook Mask

Specify the daybook mask code for the mask that you want to apply to the GL period. You can only apply active daybook masks to GL periods, and only one mask can be associated with a GL period at any time. There are some restrictions on applying daybook masks to GL periods. You cannot apply a daybook mask to a GL period if:

- The GL period is a year-end closing period.
- The daybook mask contains customer invoice daybooks with operational control, and Invoice Post and Print is running.

- The daybook mask contains daybooks of type journal entry with operational control, and there are operational transactions outstanding.

  Note To overcome this restriction, run Operational Transaction Post and then apply the mask.

- The daybook mask contains revaluation daybooks, and there are unposted revaluations for the GL period.

- The daybook mask contains daybooks of type AP matching, and AP matching postings for the GL period exist in the transient layer.

Note Locking a GL period that has a daybook mask applied to it removes the daybook mask automatically; removing the lock from the GL period does not reapply the daybook mask.

To remove a daybook mask from a GL period, clear the contents of the Daybook Mask field and click Save.

Apply To

This field is displayed when a daybook mask is applied to the period or when you lock the period. Use this drop-down menu to specify if you want to apply the current settings to the current entity or to a group of entities. Only entity groups that contain the current entity appear in this list. If the start date or end date for the selected GL period is not the same for all entities in the group, a warning displays. If the daybook shared set is not the same for all of the entities in the entity group, an error occurs.

When a daybook mask is applied to a GL period, the overall status of the GL period remains Open, even if certain postings are blocked depending on the daybooks defined in the mask.

The following behavior occurs when running activities on entity groups:

- If the activity fails for one entity within the entity group, you are informed of the entities that the activity failed for. The activity completes for all remaining entities. For example, if you do not have role permission for a specific activity for an entity in the group, an error displays for that entity; the activity completes for the other entities.
- If the start date or end date for the selected GL period is not the same for all entities in the group, a warning displays.

Report/Undo Report

The Report/Undo Report panel controls settings for reporting and non-reporting periods. You can report the period in the current entity or a group of entities, closing it to further updates.

GL Period Reported

This field is enabled when the GL period is locked. If you want to report this period, select the field and click Save. When you select this field, the system validates whether consistency checks have been run for this period.

Note Running the technical and business consistency checks is a prerequisite to reporting a GL period. If these consistency checks have not been run for a GL period, the system displays an error if you attempt to set the GL period to reported.

If additional changes are needed to a GL period after you have reported it, clear this field and click Save to undo the reporting for that period before making the changes. You can report on groups of entities but you can only undo reporting on one entity at a time.

Checked/Reported

This read-only field indicates whether the GL period has been checked and reported.

Apply To

This field is displayed when you select the GL Period Reported field. Use this drop-down menu to specify if you want to report the current entity or to a group of entities.

Trial Balance Export

This grid records all of the transactions by Layer and Layer Type that have been generated from **Trial Balance Export**.

Exported

This field indicates if the layer has been successfully exported based on the previous trial balance export.

Date/Time

This field specifies the date and time in which the trial balance data was exported.

Layer

This field specifies the layer code.

Description

This field displays a description of the layer.

Layer Type

This field specifies the layer type.

Active

This field indicates if the layer is active.

For more information, see Trial Balance Export on page 5943.

Period Marks

Use the Period Mark drill-down to view period-specific activities. Report periods are further controlled using period marks, which identify the period during which a transaction was posted and also describe the status of the period in GL reporting. In addition, period marks are used to identify tax periods. Period marks are system-defined.

The Open period mark identifies periods during which transactions have been posted between the normal start and end dates. Transactions can then be reviewed and the period closed to normal activity. The following auto-generated period marks are also supplied with the system:

- Close Report Period
- Undo Close Report Period
- Report Period
- Undo Report Period

These marks are automatically applied during the monthly closing and reporting process. Transactions posted during each of these periods are subsequently identified by the corresponding system period mark.

The Close Report Period mark is auto-generated when you close a report period, and date stamps the period end. The Undo Close Report Period mark is then auto-generated if the period is re-opened.

Note There is a Run Consistency Check action available on the Actions menu. This is also available as a main program, Consistency Checks on page 5811.

GL Period

Use the Period Mark drill-down to view the detailed information on the selected GL period (status, any daybook masks applied, sub-ledgers) for the selected year and month in all entities that you have access to.

Attachments

When a consistency check has been run for a GL Period, you can view a detailed report for each type of consistency check (technical, business, others) in the attachments.

Daybook Masks

This functionality prevents postings to these daybooks for the current entity and GL period. You can also lock daybooks for groups of entities. You can also lock daybooks for Entity Groups on page 5666 groups of entities using **Entity GL Periods**. To lock one or more daybooks for a GL period, you must:

1. Decide the order in which to apply the daybook masks, and draw up a suitable timetable.
2. the daybook mask or masks.

3. Apply the mask or masks to the GL period.

Daybook masks introduce a greater level of granularity to the closing process by enabling you to build separate daybook masks for each stage of your closing process. You can also use daybook masks to prevent postings to particular accounting layers such as the US GAAP layer and local GAAP layers.

Example

You create three daybook masks for accounts receivable: AR-001, AR-002, and AR-003. Mask AR-001 contains a list of all the daybooks of type customer invoice, customer credit note, customer invoice correction, customer credit note correction—all with a daybook control of operational. Mask-AR002 contains a list of all the daybooks in AR-001, all daybooks of type customer invoices, customer credit notes, customer invoice corrections, customer credit note corrections with a daybook control of financial, and all daybooks of type customer adjustments with a daybook control of operational and financial. Mask AR-003 contains a list of all daybooks of type customer payments, banking entry, and cash entries. You use Entity GL Period Lock by Daybook to lock the daybooks as follows:

- On the last day of the GL period, apply mask code AR-001.
- On the first day of the new GL period, apply mask code AR-002.
- On the second day of the new GL period, apply mask code AR-003.

Finally, you close the Sales application in **Entity GL Periods** to complete the period close of AR.

Use **Entity GL Periods** to apply the mask to a GL period in the current entity or in a group of entities.

You must include at least one daybook or daybook group in the daybook mask to save an active daybook mask. You can only select daybooks or daybook groups that belong to the shared set displayed in the Shared Set field. Daybook masks cannot include periodic costing daybooks. If you select a daybook or daybook group that is inactive, a warning advises you of this.

Note It is not possible to delete a daybook mask if it is currently applied to a GL period.

On the Actions menu, use the Copy action to copy an existing daybook mask, and subsequently, to make changes to it. The Mask field defaults to the name of the original mask preceded by the words Copy of. You can rename the mask if you want to. Apart from the Mask field, the Copy action copies the source mask exactly.

Note If the source mask is inactive, the copied mask will also be inactive. You must activate it to assign the daybook mask to an entity GL period.

Main

Mask

Specify a code that identifies the daybook mask. This code must be unique within the current shared set.

Description

Enter a brief description of the daybook mask. You can optionally enter descriptions in more than one language.

Shared Set

This field displays the daybook shared set for the current domain. This field is read-only.

Active

Specify if the mask is active or inactive. You can only assign a daybook mask to entity GL periods if the mask is active.

You can then choose whether to add a daybook group or groups, a daybook or daybooks, or a combination of both.

Daybook Group

To add a daybook group to the mask, click New. To select multiple daybook groups simultaneously, click Select.

Daybooks

To add a daybook to the mask, click New. To select multiple daybooks simultaneously, click Select.

In the Daybook grid, there are two fields named Accept Base Currency Postings and Accept Statutory Currency Postings. These fields enable you to manage which postings can be made to a daybook after revaluations have been run. You can select the Accept Base Currency Postings field, the Accept Statutory Currency Postings field, both fields, or neither. When you select neither field, no postings are allowed.

The contents of both the Daybook Group and Daybook grids are included in the mask. You must include at least one daybook or daybook group in the daybook mask to save an active daybook mask. You can only select daybooks or daybook groups that belong to the shared set displayed in the Shared Set field. Daybook masks cannot include periodic costing daybooks. When you save a mask with an inactive daybook or daybook group selected, a warning displays.

In Entity Groups on page 5666, specify this daybook mask to set the daybooks in which postings are blocked or restricted.

Multi-Entity Closing View

You can view:

- The status of the period: open, closed, frozen, or reported.

- Whether or not there is a daybook mask code assigned to a period.
- Which of the application areas are open or closed for a period; available ledgers are Inventory, Purchases, Sales, and GL.
- Whether or not there are unposted operational transactions in a period.
- Whether or not there are posted revaluations in a period.
- Supplier invoices with an allocation status of Transient Allocation.
- Whether or not there are pending invoices in a period.
- Details of accounting layers (official or management) that have been closed for a year and entity.

Fields in Multi-Entity Closing View are highlighted in red when they are set to:

- Yes, in the Unposted Transactions, Transient Inv Alloc, or Pending Invoices columns.
- No, in the Revaluation column.

The data displayed in the browse is sorted by year, then period, then domain, and finally by entity. For any period that you select in the browse, there are drill-downs available for further information. They include:

- Pending Invoices
- Unposted Transactions
- Year-End Closing
- Revaluations hybrid
- Supplier Invoices (filtered on invoices with a Transient Allocation status)

By default, the advanced search filter on the browse enables you to filter by:

- Year
- Period
- Domain
- Entity
- Status

Year-End Closing

Year-End Closing Checks

When you run the year-end closing process for a layer, the system performs a number of checks. You can create year-end closing postings only when the following conditions are met:

- Each GL period for the specified GL calendar year and entity has been closed to transactions from modules other than GL.
- For a management layer being closed before the official layer is closed, the periods must be set to at least Reported status for the entire year. When you close the management layer, the periods remain Reported.
- For a management layer being closed after the official layer has been closed, all periods must have a Frozen status.

  Note GL Periods are frozen when the official layer is closed. Period 00 of the new GL calendar year is set to Locked and not Frozen.
- The GL calendar year has not been closed.
- The system history tables are up to date, and the History daemon has no records to process.
- The trial balance sums to zero.
- The profit and loss balance has already been set to zero, in cases where you choose to close the GL calendar year manually.
- There is no outstanding balance on the Auto Balance system account for that year. This check is performed on the official and management layers only. Postings to the transient layer for the Auto Balance account do not affect the Year End Closing.
- You have the appropriate role access to create postings against the year-end closing daybooks.

  Note You can set up permissions for Year-End Closing daybooks in Daybooks so that only certain roles can close specific layers. In this scenario, the system verifies that the current user has the role required to make postings to a Year-End Closing daybook.

If any of the checks fail when closing the layer, the system displays an error message and stops the year-end closing process. If all the checks are passed with a warning, the system displays a warning message but allows the year to be closed. If all checks pass, the system displays a message indicating you can register the year-end closing.

Closing periods are created when the first layer is closed. Therefore, when a second layer—management or official—is created, the periods already exist and are not duplicated.

To close a management layer manually, journal entries must be made using Year-End Closing daybooks and must be posted to Correction Periods and Year-End Closing periods. It is only possible to make a Year-End Closing posting to a normal accounting period when there is no correction period and the period concerned is the last normal accounting period for the year.

Note When Additional GL Numbering on page 5884 is enabled, you can specify numbering dates for year-end closing postings.

Year-End Closing

The Year-End Closing browse displays the list of year-end closings that have already been run. You can view the details of any closing by double-clicking the relevant record. However, you cannot edit or delete the record.

To run year-end closing, click New. An editable form in the hybrid browse is displayed.

If it is your first year-end closing, the daybook will default if there is only one daybook of type Year-End Closing for the selected layer available. Otherwise, you must select the daybook. For the following year, the system defaults the accounts you used the previous year.

When Additional GL Numbering is enabled, you can specify numbering dates for year-end closing postings.

Main

GL Calendar Year

Specify the GL calendar year for which you want to run the year-end closing process. This field defaults to the previous year.

Layer

Specify the layer code of the layer you want to close. Only the official and management layers are available for selection. By default, the field displays the official layer code. Changing this field also changes the values in the daybook fields.

Auto-Transfer P&L to BS

Select the field to automatically transfer the profit and loss to the balance sheet during the year-end closing process. If you clear the field, the year-end closing process assumes that you have transferred the profit and loss manually. By default, the field is selected.

Note If you do not transfer the profit and loss to the balance sheet either manually or automatically, the sum of the profit and loss accounts will not be zero and you cannot register the year-end closing.

Include Sub-Accounts

Select the field to close sub-accounts during year-end closing. If you clear the field, the year-end closing process does not include sub-accounts in the postings.

P&L Closing Account

Specify the profit and loss GL account to which the year-end closing procedure posts the total balance of the profit and loss accounts. The

account must be a profit and loss GL account defined without sub-accounts and analysis. The year-end closing process uses this account only when you select the Auto-Transfer P&L to BS field.

P&L Closing Sub-Account

Specify the profit and loss GL account to which the year-end closing process posts the total balance of profit and loss accounts that include sub-accounts. The year-end closing process uses this account only when you select the Auto-Transfer P&L to BS field. This field is unavailable if the Include Sub-Accounts field is cleared.

BS Closing Account

Specify the balance sheet GL account to which the total balance of the profit and loss accounts will be transferred. The account must not include sub-accounts. The year-end closing process uses this account only when you select the Auto-Transfer P&L to BS field.

BS Closing Sub-Account

Specify the balance sheet GL account to which the year-end closing process transfers the total balance of the profit and loss accounts with sub-accounts. This account is required only when the Auto-Transfer P&L to BS field is selected. This field is unavailable if the Include Sub-Accounts field is cleared.

Auto-Transfer P&L Daybook

Specify the daybook to use for the posting that transfers the total balance on the profit and loss accounts to the balance sheet. When you change the layer to close, the daybook in this field automatically changes. When only one daybook exists, it defaults to that daybook. When multiple daybooks exist, it defaults to the daybook used to close a year previously. Otherwise, the field is blank. The daybook must be of type Year-End Closing. This daybook is required only if you have selected the Auto-Transfer P&L to BS field.

Note You can manually transfer the profit and loss to the balance sheet using Journal Entries. You can use daybooks of type Journal Entries or Year End Closing.

P&L Closing Daybook

Specify the daybook to use for the posting in which the individual profit and loss accounts are set to zero. When you change the layer to close, the daybook in this field automatically changes. When only one daybook exists, it defaults to that daybook. When multiple daybooks exist, it defaults to the daybook used to close a year previously. Otherwise, the field is blank. The daybook must be of type Year-End Closing.

BS Closing Daybook

Specify the daybook to use for the postings in which the individual balance sheet postings are closed and reopened. When you change

the layer to close, the daybook in this field automatically changes. When only one daybook exists, it defaults to that daybook. When multiple daybooks exist, it defaults to the daybook used to close a year previously. Otherwise, the field is blank. The daybook must be of type Year-End Closing.

Default Tax Code

Specify the default tax code to associate with the year-end closing transactions. This rate is required to make the closing postings for tax accounts. While the amount of the posting is zero, the rate is required to create a valid record.

Transfer Numbering Date

When using additional GL numbering, you can specify a numbering date for the system-generated posting that transfers the profit and loss to the balance sheet. This numbering date is optional, and the Transfer Numbering Date field is only available when you select the Auto Transfer P&L to BS field.

Closing Numbering Date

When using additional GL numbering, you must specify a numbering date for the profit and loss and balance sheet closing posting. This field is mandatory, and its default value is the system date.

Reopen Numbering Date

When using additional GL numbering, you must specify a numbering date for the balance sheet reopening posting. This field is mandatory, and its default value is the system date.

Records and Postings

The process creates a number of records and postings:

- A closing period.
- An opening period (00). The system reopens the balance sheet for this GL period.
- Four postings.

Transfer Profit and Loss to Balance Sheet

The system creates a posting that transfers the profit and loss to the balance sheet. The posting is made in the last correction or normal period (if there are no correction periods) of the GL calendar year. The posting date is the last day of the GL period.

Profit and Loss Closing

The system creates a profit-and-loss closing posting that nets off each income and expense account. If the Include Sub-Accounts field is selected, the posting contains a line for each combination of profit and loss account and sub-account, or for each profit and loss account if the

field is cleared. The posting date is the last day of the closing period created by the year-end closing process. The amounts used in the posting are:

- The reverse of the open balance for the closing profit and loss account without sub-accounts
- The reverse of the open balance for the closing profit and loss account that includes sub-accounts (if Include Sub-Accounts is selected).

Balance Sheet Closing

The balance sheet closing posting sets the balance of each balance sheet account to zero. If the Include Sub-Accounts field is selected, the posting contains a line for each combination of balance sheet account and sub-account, or a line for each balance sheet account if not.

The posting date is the last day of the GL period created by the year-end closing.

The amounts in the posting are:

- The reverse of the open balance on the closing balance sheet account without sub-accounts
- The reverse of the open balance on the closing balance sheet account that includes sub-accounts (if Include Sub-Accounts is selected)

Balance Sheet Reopening

The balance sheet opening posting sets the balance of each balance sheet account to a value. It is similar to the balance sheet closing posting, with the following differences:

- Every credit amount in the closing posting becomes a debit amount in the balance sheet opening posting.
- Every debit amount in the closing posting becomes a credit amount in the balance sheet opening posting.
- The system creates the posting in GL period 00 of the new calendar year. The posting date is the first day of the GL period.

Consistency Checks

There are three categories of consistency check:

- Technical

  The technical checks focus on the referential integrity of the Financials tables, ensure that mandatory fields are populated, and ensure that redundant fields are populated and consistent. The list of technical consistency checks is fixed. You cannot select to run certain technical consistency checks and not others.

- Business

The business checks focus on the consistency of the tables, such as general ledger and sub-ledger administration, from a business point of view. For example, the checks verify that the balance of a customer control account equals the open customer invoices posted to the account. The list of business consistency checks is fixed. You cannot select to run certain business consistency checks and not others.

- Other

  You can modify the other validations using non-intrusive customization to include any required additional consistency checks. The Numbering Completeness check is included in this section by default, but can be removed using non-intrusive customization.

You can run Consistency Checks for Open, Locked, Frozen, or Reported GL periods. Running the technical and business consistency checks is a prerequisite to closing a GL period. If these consistency checks have not been run for a GL period, the system displays an error if an attempt is made to set the GL period to Reported. When you have run the consistency checks for a GL period, the period can be set to Reported, even if the consistency check run found errors. Setting a GL period to Reported is a manual process, and you must decide whether to proceed with the closure, based on the results of the consistency checks.

You can run the consistency checks from the menu or from the Actions menu in Entity GL Periods. A separate report, Consistency Checks, presents the results of previous checks in report format.

Consistency Checks runs by background processing. You can run consistency checks for several entities simultaneously by selecting several entities in the grid.

When you set a period to Reported, the system displays a warning if previously run consistency checks for that period are out of date. This facility helps to protect against inconsistencies introduced in the following scenarios:

- You run the consistency checks at the beginning of a period, enter the period transactions (possibly creating inconsistencies), and then lock and report the period.
- You reopen a reported period, enter new data, and then lock and report the period again.

The out-of-date warning reminds you to rerun outdated consistency checks whose results have limited value from an audit perspective.

Consistency Checks Browse

The browse displays records for only the entities that you have access to. The information is sorted by year/period and then by entity code.

To run Consistency Checks for a GL period, select the period in the browse, and choose Actions → Run Consistency Check. The Run Consistency Check window opens. See Run Consistency Check Window on page 5815.

Consistency Checks Window

To run Consistency Checks from the maintenance window, choose Actions → Run Consistency Check. The Run Consistency Check window opens. See Run Consistency Check Window on page 5815.

Main Panel

GL Calendar Year

Displays the GL calendar year for which you can run the consistency checks.

GL Period

Displays the GL period and year for which you can run the consistency checks. You can run the consistency checks for entities from different domains, even if the GL period definitions for the domains are different.

Period Type

Displays the GL period type. The options are:

- Normal
- Correction
- Year-End Closing

Period Status

Displays the period status. The options are:

- Frozen
- Locked
- Open
- Reported

Entity

Displays the entity for which the consistency checks apply.

Consistency Check

Displays the status of consistency checks for that period. The possible values are:

- Not Executed
- Executed

Result

This column displays the status of the consistency check. The possible values are:

- Pass: After you run the consistency checks in interactive mode, checks that pass are assigned this status.
- Warning: After you run the consistency checks in interactive mode, checks with warnings are assigned this status.
- Failed: After you run the consistency checks in interactive mode, checks that fail are assigned this status.
- Not Executed: This value is displayed for all available checks before they are run.

Last Modified User

Displays the ID of the last user to run the consistency checks.

Start Date

This column displays the date on which the validation was run. The column is blank before you run the consistency checks. After you run the consistency checks, this column is updated.

Start Time

This column displays the time at which the validation was started. The column is set to 00:00:00 before you run the consistency checks. After you run the consistency checks, this column is updated with the relevant start time.

Grid Fields

The grid lists the results for each individual check that was run.

Start Date

This column displays the date on which the validation was run. The column is blank before you run the consistency checks. After you run the consistency checks, this column is updated.

Start Time

This column displays the time at which the validation was started. The column is set to 00:00:00 before you run the consistency checks. After you run the consistency checks, this column is updated with the relevant start time.

Sequence

Indicates the number of times that the checks have been run for that GL period. If the field is blank, the checks have never been run.

Type

This field displays the type of check run: Business, Technical, or Other.

Detailed Type

This field displays the sub-category of check run. For example, Allocations, Banking Entry, and so on.

Result

This column displays the status of each consistency check run. The possible values are:

- Pass: After you run the consistency checks in interactive mode, checks that pass are assigned this status.
- Warning: After you run the consistency checks in interactive mode, checks with warnings are assigned this status.
- Failed: After you run the consistency checks in interactive mode, checks that fail are assigned this status.
- Not Executed: This value is displayed for all available checks before they are run.

Run Consistency Check Window

The Run Consistency Check window opens when you choose Run Consistency Check from the Actions menu in **Entity GL Periods** or in **Consistency Checks**.

In the Run Consistency Check window, select the:

- Types of checks that you want to run
- Entities for which you want to run checks

Then, click Submit.

Main Panel

GL Period

Displays the GL period and year that you selected from the view. However, you can modify these values.

Technical

Select this field to run the technical consistency checks. The system selects records to check based on their posting dates.

The technical consistency checks are run for the entities and for the GL period specified.

Business

Select this field to run the business consistency checks. The business consistency checks are run for the entities and for the GL period specified.

For balance type validations, the program checks up to the GL period specified. For cross-company transactions, the system performs cross-company consistency checks between the entities and any other

entities in the same database to which the cross-company transactions link.

The following business consistency checks are performed:

Check	Description
Daemon Queues	Checks for unprocessed records, failed queue records, and successfully processed records in all daemons.
Unposted Transactions	Verifies that there are no unposted transactions for the period.
Trial Balance	Verifies that the trial balance transactions balance for the period.
AP Sub-Administration with GL	Verifies that the total value of the AP transactions matches the balance of the supplier control account. This process performs identical checks to those in the AP versus Control GL Validation report.
AR Sub-Administration with GL	Verifies that the total value of the AR transactions matches the balance of the customer control account. This process performs identical checks to those in the AR versus Control GL Validation report.
AP Payments with GLs of Type Supplier Payment Account	Reconciles the balances of the supplier payment accounts with the open AP payments.
AR Payments with GLs of Type Customer Payment Account	Reconciles the balances of the customer payment accounts with the open AR payments.
GL Open Items with GL	Reconciles the total value of the GL open item transactions with the balance of the accounts of type GL Open Item.
Banking Entry	Reconciles the amount on each banking entry line with the amount posted to the bank account in the linked posting.
Cross-Company Accounts	Verifies that the balance of all cross-company transactions is zero. Additionally, the program checks that the cross-company accounting positions of the selected entities mirror each other. For

Check	Description
	example, the position in entity A toward entity B must be the same as (but the reverse of) the accounting position from entity B toward entity A.
Unmatched Invoices	Reconciles the value of the unmatched invoices with the balance of the Unmatched Invoices system account.
Revaluations	Checks for unposted revaluation simulations.
Recurring Entries	Checks for unposted recurring entries. This process performs identical checks to those in the Pending Recurring Entries report.
Allocations	Checks for transactions that are pending allocation. This process performs identical checks to those in the Pending Allocations report.
Auto-balance GL account clear	Checks to determine if any postings remain on the Auto Balance system account at period end.

Other

Select this field to run other validations. You can modify the other validations list using non-intrusive customization to include any required additional validations. The Numbering Completeness check is included in this section by default. The other validations are run for the entities and for the GL period specified.

Entity Grid

Specify the entity or entities for which to run the consistency checks. You can select entities from different domains.

Note The entity that was highlighted when you chose the Run Consistency Check action from the browse or maintenance window is selected in the grid by default.

You must select at least one entity; otherwise, the Submit button is disabled.

Options Panel

Process In Background

This read-only field is automatically selected to run Consistency Checks in background processing mode.

Description

Displays the default description of ConsistencyCheck"+date+time. For example, ConsistencyCheck-05272020-13:00:04. You can edit this field and type a different description.

Consistency Check Results

After you click Submit to run Consistency Checks, the message "Information submitted. User can see the list of submitted processes" is displayed. The result of the processing is sent to your QAD Inbox as a notification.

In the Inbox, you can view a summary of the processing run, for example:

Submission Summary:

Failed 7

Successful 10

Warnings 0

Processed 17

When you click on the notification heading in the QAD Inbox, the application opens details of the background process in the Submitted Background Processing window. Each entity for which Consistency Checks was run has a separate record in Submitted Background Processing.

The results of Consistency Checks are appended as .txt files attachments in **Consistency Checks** and **Entity GL Periods**. New consistency check runs do not overwrite older attached files for the same entity and GL period.

Consistency Checks Report

The Consistency Checks report displays the results of the selected consistency check validation run in report format.

The following are the selection criteria:

- Company Code: Select the entity for which you want to display the consistency checks.
- Consistency Check Type: Select the type of consistency check to include in the report: Technical, Business, or Other. Leave the field blank to include all three types.
- GL Year: Specify the GL calendar year range for which you want to run the report.
- GL Period: Specify the GL period range for which you want to run the report.

The generated Consistency Checks displays a results overview in the header. The body of the report displays a list of validation items for each type of check included, the result and error count for each item, and the duration of each validation.

Operational GL Allocations

You can specify an allocation code anywhere you enter an account in operational transactions such as sales orders and purchase orders. Transactions involving an amount allocated among several accounts can reference an allocation code, rather than individual accounts, sub-accounts, cost centers, and projects. Transaction amounts are distributed automatically to allocation accounts when transactions are posted.

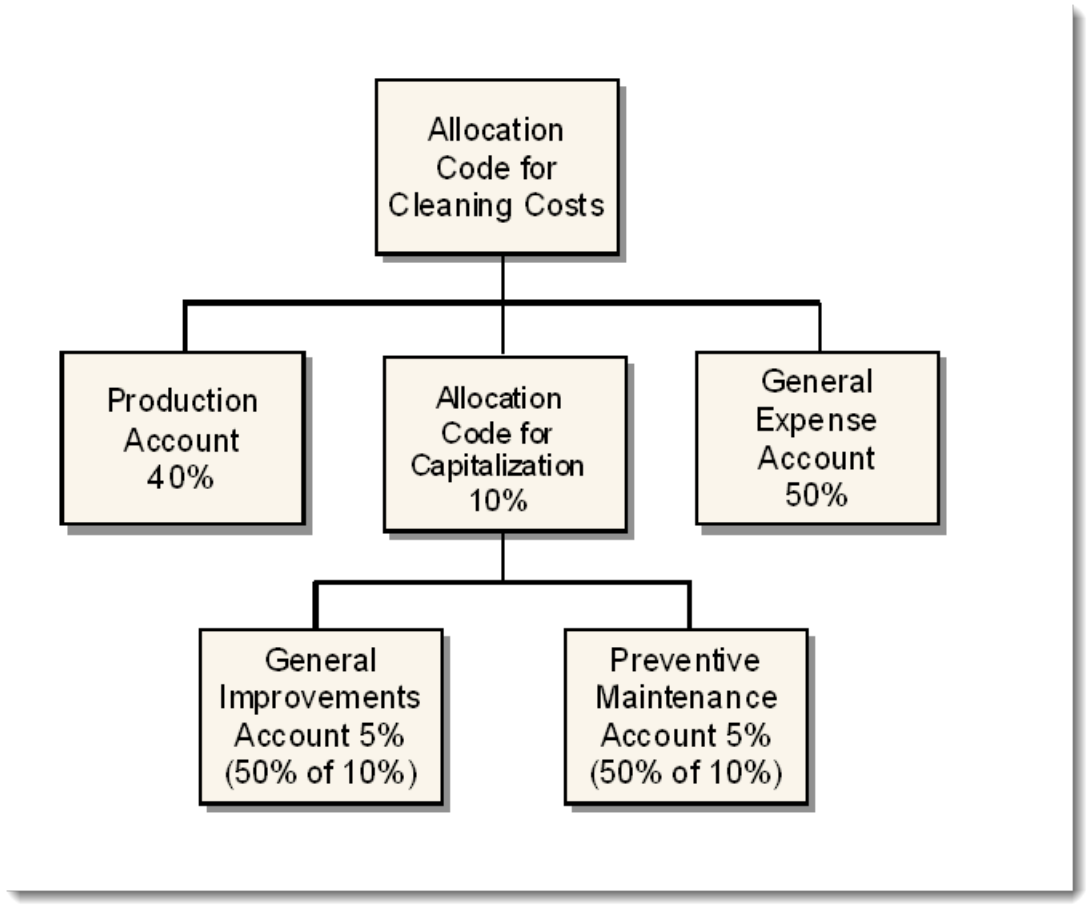
You can define nested allocation codes so that one allocation code references another. When the system calculates amounts, it explodes each level of allocation codes, multiplying the amount to be apportioned by the percentages at each level.

Example

When ABC Company posts utility expenses to Accounts Payable, a part of the expense is posted to cleaning costs. Cleaning costs are pro-rated among several accounts: 40% to Production, 50% to General Expense, 10% to Capitalization. Rather than enter multiple account codes for each transaction, ABC defines an allocation code for the group of accounts, allowing the data entry operator to enter one allocation code rather than three accounts.

Taking this example one step further, allocation codes can be nested. In the example above, 10% of cleaning cost is capitalized as improvements. This 10% is split evenly between accounts for general improvements and preventive maintenance. An allocation code is set up for capitalization. The accounts for general improvements and preventive maintenance each have an allocation percentage of 50%. However, only 5% of the total cleaning cost expense is posted to each account.

GL Allocation Code Examples



Main

Operational Allocation

Specify an operational allocation code.

Description

Enter a meaningful brief description of this code.

Accounts

The Accounts grid enables you to specify the allocation percentages for this allocation. The editable fields are:

Percentage

Specify the percentage of the allocation that is to be allocated to this account. The total allocation percentage for all accounts must equal 100%.

Account

Select a standard GL account from the lookup.

Operational Allocation

Specify an existing operational allocation, if this is a nested allocation. For each line in the grid, either Account or Operational Allocation can be selected. When Operational Allocation is selected, the Sub-Account, Cost Center, and Project fields are unavailable.

Sub-Account

Enter a sub-account for the allocation account.

Cost Center

Enter a cost center for the allocation account.

Project

Enter a project for the allocation account.

Setting Up Allocations

The system supports two types of allocations:

- Operational allocation codes are used in operational transactions such as sales and purchasing.
- More complex allocations can be set up for use in general ledger transactions within financial modules.

Operational Allocation Codes

To simplify data entry in operational transactions, use Operational Allocation Codes to define codes that allocate fixed percentages of expenses to different accounts, sub-accounts, cost centers, and projects. You can specify an allocation code anywhere you enter an account in operational transactions, such as sales orders and purchase orders.

Transactions involving an amount allocated among several accounts can reference an allocation code rather than individual accounts, sub-accounts, cost centers, and projects. Transaction amounts are distributed automatically to allocation accounts when transactions are posted.

You can define nested allocation codes so that one allocation code references another. When the system calculates amounts, it explodes each level of allocation codes, multiplying the amount to be apportioned by the percentages at each level.

When ABC Company posts utility expenses to Accounts Payable, a part of the expense is posted to cleaning costs. Cleaning costs are pro-rated among several accounts: 40% to Production, 50% to General Expense, 10% to Capitalization. Rather than entering multiple account codes for each transaction, ABC defines an allocation code for the group of accounts, allowing the data entry operator to enter one allocation code rather than three accounts.

Taking this example one step further, allocation codes can be nested. In the example above, 10% of cleaning cost is capitalized as improvements. This 10% is split evenly between accounts for general improvements and preventive maintenance. An allocation code is set up for capitalization. The accounts for general improvements and preventive maintenance each have an allocation percentage of 50%. However, only 5% of the total cleaning cost expense is posted to each account.

Purchase Order Lines

When you purchase a memo item in Purchase Orders, you can use operational allocation codes at line level to split the posting lines across several GL accounts, sub-accounts, cost centers, or projects. To use operational allocation codes, specify the allocation code in the Purchase Account field when you create the purchase order.

During Operational Transaction Post, operational allocation codes in PO Receipt and other transactions are “exploded” to split the posting lines across the GL accounts, sub-accounts, cost centers, and projects in the relevant allocation codes. Therefore, in most cases, the system creates the required allocation postings for memo item purchases during Operational Transaction Post.

Receiver Matching

Receiver Matching supports the use of operational allocation codes.

If you set up an operational allocation code for several GL accounts and then specify the allocation code on a purchase order, Receiver Matching splits the posting lines across the GL accounts, sub-accounts, cost centers, and projects in the allocation code.

If you set the Use Exp Item Var Accts field to Yes in Supplier Invoices, you can view the operational allocation code in Receiver Matching, but the code is not actually used in the matching process. This situation occurs because the system has already charged the expense to the allocation code. The expense posting was created during PO Receipt, and was offset by the posting to the Expensed Item Receipts account and posted using Operational Transaction Post. In Receiver Matching, the main posting is to the Expensed Item Receipts account, and other accounts (other than tax accounts, the supplier control account, and the unmatched invoices account) are only used if there are usage or rate variances for the memo item purchase. If usage or rate variances occur, these are charged to the Expensed Item Usage Variance account or to the Expense Item Rate Variance account defined in Base Control.

If you set the Use Exp Item Var Accts field to No in Supplier Invoices, any usage or rate variances that arise from the matching of a memo item receipt are instead charged to the expense account defined on the purchase order line. If you specify an allocation code instead of a GL account, the allocation code is used in Receiver Matching.

For memo purchases only, you can change the GL account on the Receiver Matching line to an allocation code or you can change the allocation code on the matching line to a different one. In each of these cases, the Receiver Matching GL postings reverse the original postings made at PO receipt and replace those with the new account or allocation code. As part of Receiver Matching, the allocation code is then exploded to its constituent accounts, sub-accounts, cost centers, and projects.

You can view operational allocation codes in Receiver Matching when you are matching memo items. The Op Alloc Code field in the Receiver Matching grid displays an operational allocation code if one was specified on the purchase order for the memo item. For memo items only, you can also enter a new allocation code, even if one was not used on the purchase order line.

See Receiver Matchings on page 6153.

Evaluated Receipts Settlement

If you set up an operational allocation code for several GL accounts and then specify the allocation code on a purchase order, you can use ERS to split the posting lines for the invoice and receiver matching across the GL accounts, sub-accounts, cost centers, and projects in the allocation code.

See ERS Configuration on page 6248.

Cross-Company Postings

If you create and receive a purchase order for a memo item that uses an operational allocation code in one entity and then create the supplier invoice and receiver matching in another entity, the system creates cross-company postings. The GL accounts in the operational allocation code must be Standard accounts, and the system then uses the AP cross-company control account specified in the domain for the cross-company postings. During Operational Transaction Post, the posting lines, split according to the operational allocation code, are transferred to the other entity, where the original expense was recorded.

You must set the Use Expensed Item Var Accts field in Supplier Invoices to No to use any postings from allocation codes in Receiver Matching. To split the operational allocation code, the system takes a single posting line and splits the posting into two or most combinations of account, sub-account, cost center, and project, according to the allocation code. For each one of these postings, there must be an equal and opposite posting to the cross-company account in the invoice entity. Related cross-company control account postings in two entities must be equal and opposite.

Financial Allocations

Allocation is the process of distributing costs and revenues to the appropriate accounts, sub-accounts, SAFs, cost centers, and projects. Use GL Allocation Groups to identify types of cost and to automatically distribute them to the correct cost targets.

allocations using the following sequence of steps in GL Allocation Groups:

1. On the Main panel, define the allocation group. Specify the effective date and expiry date.
2. Add individual allocations in the Allocation grid, defining the structures consisting of the source, allocation rule, and journal entry template for the transfer algorithm.
3. On the Actions menu, process the GL allocations.
4. You can review the posted allocations in GL Allocation Results and in Journal Entries.

The structure consists of the following elements:

- Source: This is the base amount for the allocation.
    - To use the posted amount, choose a report analysis code to retrieve the transaction amounts.
- Allocation Rule: This consists of the Allocation Method and Journal Entry template, which defines the offset and target COAs.
    - To allocate the GL transactions proportionally based on the transactions; choose the analysis code and select the allocation dimension that includes the COA elements such as the account, sub-account, cost center, project, or SAF to which the fraction is to be posted. Then, define the dimensions to be allocated.

GL Allocation Groups

Main

GL Allocation Group

Enter the name of the GL allocation group.

Description

Enter the description of the GL allocation group.

Source Cube

Specify a source cube for the GL allocation group. The cube summarized data can be used for the source transaction or used as a proportional allocation percentage.

Active

Indicate if this is an active GL allocation group.

Effective Date

Specify the effective date for which you want to post transactions. If the posting date is earlier than the effective date, the system will not post the transactions.

Expire Date

Specify the expiry date when the allocations in this allocation group cease to be effective. If the posting date is later than the expiry date, the system will not post the transactions.

Allocation

Use the Allocation grid to create all allocations that belong to a particular group. To create an allocation, click New. An allocation can consist of a source, a fraction, and a target.

Sequence

This field displays the sequence number, and it defaults from the previous number. However, you can edit this field.

Entity

This field displays the entity of the GL allocation.

GL Allocation

This field displays the name of the GL allocation.

Description

This field contains the description of the GL allocation.

Daybook

Specify a daybook for posting the GL allocation.

Source Type

Select an allocation source type from the following:

- Analysis Code: The source amount is calculated by totaling the postings of the COA elements using the report analysis code.
- Fixed Value: The source is a constant value that can be modified before executing the allocation batch. The value can be entered as a base currency amount, or as a base currency amount with a quantity.
- Standard Charge: The source amount is calculated as the multiplication of a quantity and a unit price. The per-unit cost for electricity is an example of a standard cost.

BC Amount

This field is available when you select Fixed Value as the source type. Specify a base currency amount to be allocated. When the source type

is Standard Charge, this field is read only and displays the calculation of quantity multiplied by base currency price.

Quantity

This field is available when you select Standard Charge as the source type. It contains the quantity value.

BC Price

This field is available when you select Standard Charge as the source type. Specify a price in base currency.

Source Analysis Code

This field is available when you select Analysis Code as the source type. Specify a report analysis code that has the same report chart of account as the cube selected in the GL allocation group. The analysis code must be of type Analysis.

Allocation Type

Select a fraction type from the drop-down list. Choose from Fixed Percentage and Analysis Code.

Fraction Analysis Code

This field is available when you select Analysis Code as the allocation type. Specify a report analysis code that has the same report chart of account as the cube selected in the GL allocation group. The analysis code must be of type Analysis.

Allocation Dimension

This field is available when you select Analysis Code as the source type. Select from the following drop-down options:

- Cost Center
- Project
- SAF
- Sub-Account

Template

Specify a daybook template for the target posting. When the allocation type is defined as Fixed Percentage, the template also defines how the amount to be posted is prorated over the different posting lines of the template.

Active

Indicate if this is an active GL allocation.

Allocation SAF

This field is available when you select SAF in the Analysis Dimension field. Specify the SAF concept code that you are going to allocate with.

Note You can post allocations to both system and user-defined SAFs.

You can further view and edit individual allocations in the group by clicking the Details button. The GL Allocations popup is displayed, which contains the same fields as GL Allocations on page 5831.

Actions

The Actions drop-down offers actions that you can take for a record or set of records. Individual actions are for individual records and bulk actions are for sets of records, based on your selected criteria. For bulk actions, once you select the records and set options, you can submit the action.

Process

Main

GL Allocation Group

Enter the name of the GL allocation group that you want to process and click Search. The individual allocations in the group are added to the Allocations grid. You can search for further allocation groups and the allocations are appended to the list.

Options

Posting Date

The Posting Date defaults to today's date. However, you can update the posting date before you process the allocations. If analysis code is selected for the source type or allocation type, the system uses the report period that the date falls in to calculate the source amount or allocation fraction.

Allocations

The Allocations grid displays a list of the allocations returned by your search. To remove the lines from the grid, click the Clear button. Only the GL allocations that you select in the grid are processed when you click Submit. You must select at least one record to submit.

Processing Options

Process in Background

The Process in Background field is selected by default, although you can clear the field and process the postings in real time.

Background Processing Description

The Background Processing Description field contains a default description but you can edit it.

GL Allocations

The fields that are displayed depend on the source type and allocation type you have used when you created the GL allocation in GL Allocation Groups on page 5824.

Main

GL Allocation

This field displays the name of the GL allocation.

Entity

This field displays the entity of the GL allocation.

Description

This field contains the description of the GL allocation.

Daybook

Specify a daybook for posting the GL Allocation.

Active

Indicate if this is an active GL allocation.

Source

Use the grid to specify the source for the allocation.

Source Type

Select an allocation source type from the following:

- Analysis Code: The source amount is calculated by totaling the postings of the COA elements using the report analysis code.
- Fixed Value: The source is a constant value that can be modified before executing the allocation batch. The value can be entered as a base currency amount, or as a base currency amount with a quantity.
- Standard Charge: The source amount is calculated as the multiplication of a quantity and a unit price. The per-unit cost for electricity is an example of a standard cost.

BC Amount

This field is available when you select Fixed Value as the source type. Specify a base currency amount to be allocated. When the source type is Standard Charge, this field is read only and displays the calculation of quantity multiplied by base currency price.

Quantity

This field is available when you select Standard Charge as the source type. It contains the quantity value.

BC Price

This field is available when you select Standard Charge as the source type. Specify a price in base currency.

Source Analysis Code

This field is available when you select Analysis Code as the source type. Specify a report analysis code that has the same report chart of account as the cube selected in the GL allocation group. The analysis code must be of type Analysis.

Value Of

This field is available when you select Analysis Code as the source type. Select from the following drop-down options:

- BC Amount: Only a base currency amount is calculated from the source and allocated to the target. The target posting does not include quantity fields.
- Both: A base currency amount and a quantity are taken from the source and are allocated to the target.
- Quantity: The quantity is taken from the source and allocated to the target.

From Amount

This field is available when you select Analysis Code as the source type. Choose from:

- Balance
- Credit
- Debit

This determines whether only credit activity, debit activity, or both (the balance) are used to calculate the source amount.

Allocation Rule

Allocation Type

Select a fraction type from the drop-down list. Choose from Fixed Percentage and Analysis Code.

Fraction Analysis Code

This field is available when you select Analysis Code as the allocation type. Specify a report analysis code for the proportional fraction that has the same report chart of account as the cube selected in the GL allocation group. The analysis code must be of type Analysis.

Allocation Dimension

This field is available when you select Analysis Code as the source type. Select from the following drop-down options:

- Cost Center
- Project
- SAF
- Sub-Account

Allocation SAF

This field is available when you select SAF in the Analysis Dimension field. Specify the SAF concept code that you are going to allocate with.

Template

Specify a daybook template for the target posting. When the allocation type is defined as Fixed Percentage, the template also defines how the amount to be posted is prorated over the different posting lines of the template.

Dimensions Grid

The grid shows the dimension value and related description. The column label for the dimension changes, based on the allocation dimension. When SAF is selected in the Allocation Dimension field, the column label is taken from the concept in the Allocation SAF field.

GL Allocation Results

The GL Allocation results screen allows you to display the results of the GL allocation process. You can choose to filter the results using the various available filters in the Search bar.

General Customer and Supplier Data

You define three types of codes used within the system to manage the invoice process, format payment files, and calculate credit and due dates for both customers and suppliers. Define these codes before you begin setting up either customers or suppliers:

- Invoice statuses on page 5834 manage the stages of invoice processing.
- Credit terms on page 851 manage the calculation of due dates. These are part of the Base app.
- Payment formats on page 5843 create files for electronic delivery to customer and supplier banks.

Invoice Status

Use invoice statuses to:

- Manage the approval, allocation status, and payment of invoices for suppliers.
- Identify contested invoices for filtering reports and managing finance charge calculation for customers.
- Associate a default invoice status with each customer and supplier record.

Invoice statuses are primarily used with suppliers. You approve supplier invoices and release them for payment by modifying the invoice status applied to the invoice. You also control when and how postings occur by specifying an invoice status with a different allocation status.

For more information, see Allocating, Approving, and Releasing for Payment on page 6124.

The allocation status is typically changed after receiver matching, and you can specify the status the system should use after matching by linking two statuses together. This linking is used to provide defaults during the processing of supplier invoices when receiver matching is done as a separate step. The defaults can be changed, as needed.

Note When you define linked statuses; you should work backwards. Define the after matching statuses first so they are available when you create the before matching statuses.

Sample Invoice Statuses

Typically, you define a set of status codes that reflect all the activities associated with a supplier invoice. The following table illustrates one possible set.

Note The Do Not Increment After Reminder Count field is only relevant to customer invoices.

Invoice Status	Description	Block Payment	Invoice Approved	Allocation Status	Initial Status	Receiver Matching	Status After Match	Do Not Increment After Reminder Count	Active
Registered	New Invoice	Yes	No	No Allocation	No	No	N/A	No (Default)	Yes (Default)
Registered (PO)	New Invoice	Yes	No	No Allocation	No	Yes	Complete (PO)	No (Default)	Yes (Default)
Approved	Approved Invoice is Valid	Yes	Yes	No Allocation	No	No	N/A	No (Default)	Yes (Default)
Approved (PO)	Approved Invoice is Valid	Yes	Yes	No Allocation	No	Yes	Complete (PO)	No (Default)	Yes (Default)
Released	Released for Payment	No	Yes	No Allocation	No	No	N/A	No (Default)	Yes (Default)
Released (PO)	Released for Payment	No	Yes	No Allocation	No	Yes	Complete (PO)	No (Default)	Yes (Default)
Posting Prepared	Detailed Posting Prepared	No	Yes	Transient	No	No	N/A	No (Default)	Yes (Default)
Complete	Posting Complete	No	Yes	Allocation	No	No	N/A	No (Default)	Yes (Default)
Complete (PO)	Posting Complete	No	Yes	Allocation	No	Yes	N/A	No (Default)	Yes (Default)
Hold	On Payment Hold	Yes	Yes	Allocation	No	No	N/A	No (Default)	Yes (Default)
Initial	Initiate receiver matching from Initial Invoice	Yes	N/A	No Allocation	Yes	Yes	Complete (PO)	No (Default)	Yes (Default)

These sample statuses define several potential steps for processing supplier invoices when different roles in the organization are responsible for each step. In some organizations, a simpler approach may be adopted using fewer steps. For example, if invoices are first registered and then approved, released for payment, and posted all as one operation, only the Registered and Complete statuses are needed.

Different sets of statuses may be needed, depending on whether you are creating a financial invoice or an invoice for matching with a purchase order (PO). In the sample set up, the statuses for POs have Receiver Matching selected, and specify a status to be assigned—Complete (PO)—when the matching is done. Since you need to define the Complete (PO) status before the others, this type of table is helpful in designing the statuses you want to use.

The Hold status can be used when a problem arises with a supplier after invoices have been completed and released for payment. In this case, it may be necessary to put one or many invoices for a supplier on payment hold until the problem is resolved.

Note None of the invoice status settings has any effect on customer invoices; the status is used for filtering in reports and determining how invoices are included in finance charge calculations. Invoice statuses do not have a blocking effect on customer invoices and do not form part of the credit checking process

Main

Invoice Status

Enter a code that identifies a combination of values for managing supplier invoices or a filter criteria for customer invoices. This field is mandatory; the code cannot be blank.

Description

Enter a brief description of the invoice status. This field is mandatory; the description cannot be blank.

Lock Payment

Select this field to prevent supplier invoices with this invoice status from being included in payment selections.

Invoice Approved

Select this field if supplier invoices with this status can be approved for payment. This field must be selected in order to complete the supplier invoice approval activity.

Allocation Status

Choose the allocation status for supplier invoices with this invoice status. This status controls how the system manages posting of GL

transactions related to the invoice. Posting of a supplier invoice always has two steps:

1. Posting to the temporary Unmatched Supplier Invoices account
2. Posting from the Unmatched Supplier Invoices account to the correct cost account

How these steps occur is determined by the status code. Possible status values are:

- No Allocation: The invoice is posted to the Unmatched Supplier Invoices account; posting to the cost account must occur later as a separate step.
- Allocation: Two postings are created, the first to the Unmatched Supplier Invoices account and then immediately to the cost account in the official layer.
- Transient Allocation: Two postings are created, the first to the Unmatched Supplier Invoices account and then immediately to the cost account in the transient layer.
- Any: This option lets you choose either Allocation or Transient Allocation, as long as you have the appropriate daybook specified. A status code with this value would be used only for financial invoices; not receiver matching. The official daybook defaults in the supplier invoice, but you can select a transient one if you want. This setting can simplify setup in some situations by avoiding the need to have two different codes.

Initial Status

Select this field when you are creating an invoice status to be used for initial invoices. Invoice statuses for initial invoices must be locked for payment, not approved, and have a status of No Allocation. You can optionally select Receiver Matching as another attribute for initial invoices that are to be used in a matching process. This field is only available when you have selected No Allocation as the previous attribute.

Receiver Matching

Select this field when you are creating an invoice status code to be used for receiver matching. Selecting this field and No Allocation also makes the Status After Match field available. The status before match must have No Allocation and Receiver Matching set to Yes; the status used in the Status After Match field has Allocation selected and Receiver Matching also set to Yes.

Note You cannot modify this field if the status has been referenced in the Status After Match field of another status. You also cannot delete a status that is referenced by another status.

Status After Match

When No Allocation and Receiver Matching are selected, use the lookup to specify the invoice status to be applied to the invoice after it has been matched. The Status After Match field links a status code that is applied to the invoice before matching—with no allocation—and after matching—with allocation, so that the one is automatically replaced by the other, reducing errors and streamlining the process.

The statuses available in the lookup have Allocation selected and Receiver Matching set to Yes.

Do Not Increment After Reminder Count

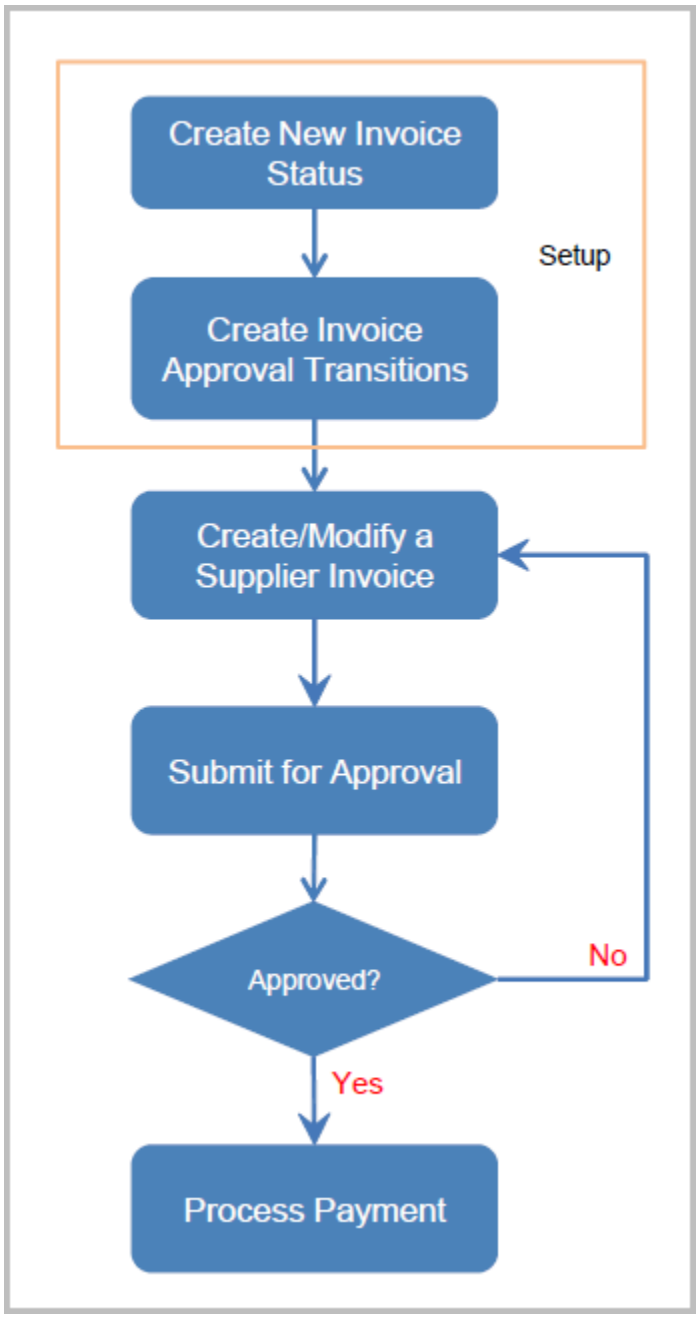
Select this field to create an invoice status that prevents reminder levels on customer reminder letters from incrementing. You can use these statuses to create invoices that remain at the same reminder level for each print run. This field is cleared by default.

Active

Indicate if this is an active record. The field is selected by default.

Invoice Approval Transitions

Supplier invoice generic approval workflow allows you to implement a workflow to approve supplier invoices. You can implement supplier invoice approval workflow for invoices submitted for approval after creating the invoice or later after receiver matching when the status is no longer initial. The steps in the workflow are displayed below.



Important To enable workflow, you must first select the Enable Supplier Invoice Approval Workflow field on the Approvals panel of the Entity record.

You can define multiple records for one invoice status, as long as you set a default value. You can also modify previously defined transitions.

Main

Invoice Status Before Approval

Use the lookup to select the invoice status code to transition from. The Invoice Status Before Approval cannot be of status Initial.

Invoice Status After Approval

Use the lookup to select the invoice status code that reflects the invoice status when it is approved.

Invoice Status After Denial

Use the lookup to select the invoice status code that reflects the invoice status when it is denied. The status after denial must be different to the status before approval.

Default

You can create multiple transitions for an invoice status code before approval. To make the current status transition the default, select this field.

Approving the Invoice

When approval workflow is enabled, approval requests are sent to the appropriate role, who can approve or deny an invoice. The approval status is displayed on the supplier invoice. When an invoice has been approved, you can begin the payment process.

Note After you submit a supplier invoice for approval, you can no longer modify any supplier invoice fields. To change the credit term, bank, or other details, you need to change the status to an invoice status other than Approved and save the invoice. You can then modify the supplier invoice.

Payment Formats Overview

Payment formats are used in customer and supplier payments to define the layout of the payment output. These codes ensure that each payment from your account is formatted according to the requirements of the receiving customer or supplier bank. Each individual payment contains your own bank account details, the required format, and the correct customer and supplier account information.

Payment formats determine aspects of the payment such as:

- Whether the payment is for AR or AP
- Whether it is domestic, foreign, or both
- Which payment instrument to use, such as check, draft, or electronic transfer

Payment electronic formats are used with paper-based payments such as checks or drafts and with electronic payments such as direct debit or electronic transfer. Formats tend to be common to certain regions.

For example, US banks tend to deal with AP and AR checks, while AP electronic transfers and AR direct debits are more commonly used by Northern European banks, and checks, drafts, and transfers by Southern European banks.

Note Payment formats are not required for cash transactions, which are processed using Petty Cash.

Preconfigured formats are available on the QAD Support website for download and can be loaded in the system using an import function. These formats are designed for specific banking systems, and are used to create electronic payment files to be transferred to these banks. See Bank File Formats on page 6289.

You ensure that supplier and customer payments automatically use the correct format by linking the format to your bank account and then associating the linked account number to the supplier or customer bank account number. Once the account numbers are linked, the system selects the correct format.

When you create a customer or supplier payment, the customer or supplier default bank is automatically displayed in the payment screen. If you have defined multiple account numbers for a supplier or customer, you can select another account number for the payment but only if it has been linked to a format in Bank Payment Format Links on page 6290.

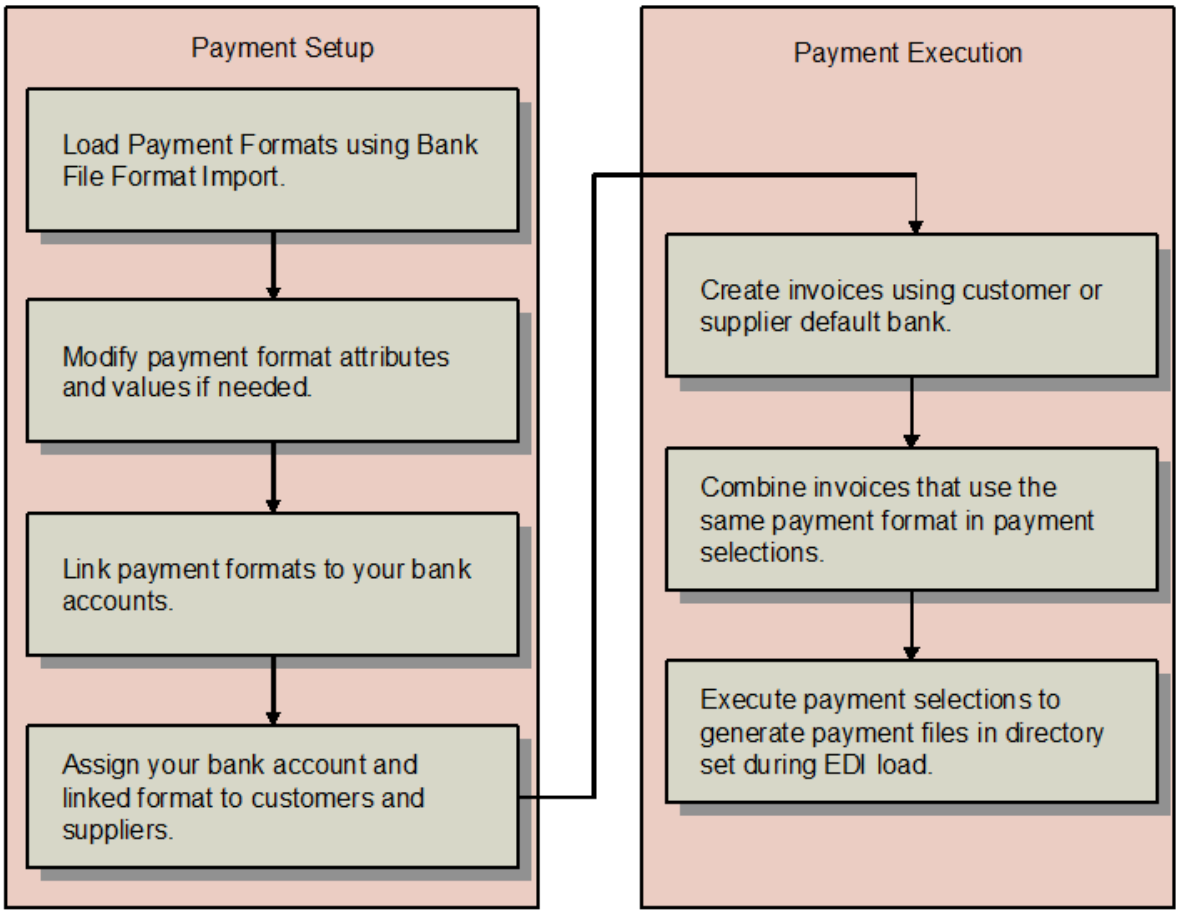
Manual or paper payments and electronic payments are treated differently in the system, and require different formats.

The system lets you change the default bank account and payment format within a supplier payment selection, provided the status of the selection is initial, and the bank account and linked format have already been configured.

Payment Format Setup Workflow

A number of different types of data must be set up before you can generate customer and supplier payments.

The following graphic illustrates the general flow. This figure assumes that you have already created bank account validations and defined your entity banks.



1. Load the payment formats you need using the import function in **Bank File Formats**. This function imports predefined file formats for electronic bank files.

   Note You can also use the Excel Import function in **Payment Formats** to create a template and load data. However, this is typically not required, since the import function in **Bank File Formats** provides this data for you.

2. Typically, no changes are needed to these formats, but if necessary, attributes and values can be changed in Payment Formats on page 5843.
3. Link the payment formats to your entity bank account using Bank Payment Format Links on page 6290.
4. In GL Accounts, associate your bank account and the correct linked format with the customer and supplier bank account numbers specified on the Banking panel of **Customers** or **Suppliers**.
5. When this setup is complete, you can create invoices using this payment information, combine them in payment selections, and execute the selections to generate payment files. For more details, see Customer Payments on page 6001.

SEPA

The Single Euro Payments Area (SEPA) is a payment-integration initiative of the European Union (EU) to simplify electronic bank transfers. Within SEPA, all euro payments are treated as domestic payments.

A SEPA reference number is an alphanumeric string, up to 25 characters long. The letters RF always appear at the beginning of a SEPA reference. The two characters following RF are check digits and the remaining characters make up the actual reference.

For example, an organization outsources the calculation of its employee salaries and the breakdown between gross salary, taxes, social security, net salary, and fringe benefits to an external company. This external company returns the results for each employee, and, in addition, the results grouped by GL account, sub-account, and cost center. If the external company sends the resulting postings in electronic format (in addition to paper documents), an external daybook must be defined.

Every electronic transaction within SEPA is assigned a SEPA reference. For customer payments, SEPA payment references are generated within the system and saved as a unique identifier for each transaction. According to SEPA standards, SEPA references are to be stored in four-character blocks. Therefore, numbers generated by the system are created and stored with blanks.

For supplier invoices received, the supplier generates the SEPA payment reference and the AR clerk enters the reference in the system. The SEPA reference is then validated by the system. For supplier transactions, the number is stored as you enter it. However, the system is able to process and validate the reference numbers whether they include blanks or not.

The Payment Reference fields on customer and supplier screens also enable you to use SEPA to allocate payments. SEPA references are also printed on financial reports such as Customer Invoices and Supplier Remittances. In these reports, the SEPA references are always displayed with blanks. The SEPA payment reference is also used for matching in Bank Files and is integrated in the XML message of the outgoing supplier payment file. The SEPA reference in the XML message must be without blanks for processing purposes. Therefore, if the original reference contained blanks, these are removed for XML transmission.

When a customer or supplier bank account is set up to use the SEPA payment format, then any transaction must include a valid SEPA reference number. When SEPA messages are switched on at entity level, any deviation from SEPA format returns a warning message.

Payment Formats

For electronic payment formats, most users use the Import function on the More menu to import predefined formats so that manually creating payment formats is not needed. This function imports formats as bank-specific XML files, and automatically creates payment formats that are

customized for the bank’s individual requirements. The imported formats are displayed in the list of available payment formats and can then be linked to the bank accounts used for the payments.

Once you have used a payment format in a payment, you cannot subsequently modify the format code, but you can modify the description and currency. The exception to this rule is the use of bank accounts and formats within a supplier payment selection, which you can change when the status of the selection is initial.

Main

Payment Format

Enter a name for the payment format.

Description

Enter a brief description (maximum 40 characters) of the payment format.

Module

Specify Accounts Payable or Accounts Receivable depending on whether the format is used for supplier payments or customer payments.

Payment Type

Specify Domestic, Foreign, or Both as the payment type. A payment is defined as foreign if the country code of the supplier is different than that of your own entity. The system verifies that the payment type of the format is correct based on the bank validations:

- If the validation format associated with your GL bank account is the same as the validation specified for the customer or supplier bank, only formats marked as domestic or both can be used.
- If the validation format associated with your GL bank account is different than the one specified for the customer or supplier bank in the customer or supplier record, only formats marked as foreign or both can be used. See Bank Account Formats on page 6263.

Payment Instrument

Select Check, Draft, Direct Debit, Electronic Transfer, Promissory Note, Summary Statement, Transfer, or Credit Card as the payment instrument for this format.

You use checks, drafts, direct debits, promissory notes, summary statements, and credit cards in AR payments. Transfers and electronic transfers are used in AP payments only. See Customer Payments on page 6001.

Currency

Specify a currency for the payment format.

Active

Indicate if this is an active record.

Invoices Per Check

If you are creating a check format, enter the number of invoice lines that can be printed on the check. This limit ensures that you do not have more invoice lines on a single check than can be printed on a single page, and prevents an error in the numbering sequence of a check print run.

Last Modified Date/Time/User

These fields are not displayed by default. They display time and user details of the last modification.

TP Address/TP Site/ Sub System

These fields are not displayed by default. They display information used in the EDI eCommerce load program.

SEPA

This field is not displayed by default. Select this field to indicate that the format is of type SEPA.

Attributes

Payment attributes provide additional information about the payment, and can be mandatory or optional depending on the requirements of the banking system that is to receive the payment. Attributes are typically used for electronic payments, since you are unlikely to need attributes and values for a paper payment format.

You can add values to attributes, in cases where you want to apply an attribute to a number of different payments and identify each payment by a different value.

When you change the bank account and payment format on a supplier payment selection, you must ensure that attributes linked to the new format are consistent with the original attributes you defined for the invoices and supplier referred to in the selection.

For example, the sales commission codes for payments to a particular customer are 400, 500, and 600. You create an AR payment attribute called Commission Code which has the values 400, 500, and 600. When creating customer payments, you can select the correct commission code for each payment.

When you load predefined payment formats, all required attributes are already defined and loaded.

Three types of payment attributes correspond to three sections of an electronic payment file:

- Header-level attributes can be used for addressing details in the payment header of the file. When a format containing header attributes is used in a customer or supplier payment selection, you can modify the header-level attributes of the format in the payment selection. See Supplier Payment Selections on page 6201.
- Payment-level attributes are used to provide payment information for customer or supplier orders. These attributes can be modified during the creation of the invoice.
- Invoice-level attributes are used to provide invoice information in the payment file. These attributes can be modified during the creation of the invoice.

Attribute Name

Enter an appropriate attribute name.

Description

Enter a brief description (maximum 40 characters) of the attribute.

Data Type

Select the payment format data type:

- Date. When you select a date type, you must enter a valid date as the attribute value. For example, enter the expiration date for the payment as a date attribute.
- Text: When you select a text type, enter an attribute name as a generic description of the attribute values. For example, use a text type to record the Cost Commission code for the payment.
- Amount: An amount attribute must be a positive or negative decimal number. Use the amount attribute to indicate a set quantity; for example, the quantity of goods sold for which this payment is being made.
- Logical: A logical attribute is either true or false and must have the values Yes or No. You must select one of these attribute values as a default value. For example, define an attribute for domestic sales and assign the values Yes or No. For payments for domestic sales, you select the Yes value when creating the payment. For non-domestic sales, you select the No value.
- Integer. This type must consist of a negative or positive whole number. For example, you can create an attribute to indicate the central bank reporting ID of your bank.

Input Option

Select an input option for the attribute:

- Selectable: Users must select one of the attribute values when creating the payment.

- Editable: Users can edit the value on the payment screen.
- Both: Users can select from the values defined, or edit the value on screen.

Level

This field indicates the level of the payment file to which the attribute applies: Header, Invoice, or Payment.

Mandatory

This field indicates if the attribute is mandatory in a payment using this format. When an attribute is mandatory, you must supply a value for the attribute in order to complete the payment.

Active

This field indicates that the attribute is active.

Group

This field is an internal reference ID for a set of attributes.

Last Modified Date/Time/User

These read-only fields are maintained by the system and display the ID of the user who last updated this record and the date and time of update. By default, they are not displayed.

Select an attribute line and expand it to assign attribute values.

Attribute Value

Enter a text or numerical value for the attribute, depending on the attribute data type. When the value is of type Selectable, you create multiple rows each with a value. You must select one of these values when creating the payment.

Description

Enter a brief description (maximum 40 characters).

Active

Indicate if this is an active record.

Default

Select this value as the default value to be displayed in the payment create screen.

Last Modified Date/Time/User

These read-only fields are not displayed by default. They display the ID of the user who last updated this record and the date and time of update.

Grouping Payment Attribute

You can use the Grouping attribute to group payments. If your bank charges a fee for each payment transaction, you can use this attribute to group multiple invoice payments for the same supplier in order to reduce bank charges. In this case, Grouping is set to True.

If your bank does not charge a fee for each transaction line, it is better to have a single payment for each invoice because this helps the supplier to match the payments to open invoices. In this case, Grouping is set to False.

Set the default Grouping value to False in any supplier record where you want to use a single payment for each invoice. If you do not specify this attribute, the default behavior is that Grouping is set to True.

When the attribute is set for a supplier, all newly created invoices for that supplier inherit the setting. However, you can modify the attribute on a case by case basis using Supplier Invoices. When you confirm a payment selection, if all the selected invoices for a supplier have Grouping set to False, the system separates the payment selection into single payments for each invoice.

The Grouping attribute is pre-added for some payment formats. However, you can add the attribute for any payment formats using Payment Formats.

The Grouping attribute must have a type of Logical. If you specify Selectable as the Input Type, you can create two possible values for the Grouping attribute: True and False. To create the two values, insert two child rows and select the Value field for one of the rows. The selected row indicates the True value.

Associating Your Bank with Customers and Suppliers

You set up the relationships between your entity bank account and customer and supplier accounts on the Banking panel of the customer and supplier definitions.

Associating Your Bank with Customers and Suppliers

You can assign multiple bank account numbers to the customer or supplier, but you designate one default account. Once you have completed the setup, the system automatically loads the account and format details when you create a customer or supplier payment.

The Banking Information panel of customer and supplier invoices displays the customer or supplier bank number, your entity bank number, and the payment format and payment instrument to apply to the invoice.

For customer or supplier payments, the system loads your bank account, the customer or supplier bank account number, and the payment format to apply to the payment. To load a different format for the customer or supplier, select a different account number. a new line for each account number.

When you change the bank account and linked format on an initial supplier payment selection, the system automatically loads the new account and format details into the Banking panel of the supplier record.

Customer Credit Rating Categories

Use **Customer Credit Rating Categories** to select groups of customers for reporting. Customer credit rating codes are system-wide data and apply to all domains and entities. You cannot delete a customer credit rating when it has been assigned to a customer. Credit rating is for reference only to help you evaluate customer credit issues.

Main

Category

Enter a category code.

Description

Enter a meaningful description for this category.

Active

Select this field to make the category active. When a category is inactive, it cannot be assigned to a customer.

Customer Opening Balance Excel Integration

Overview

Customer Opening Balance Excel Integration allows you to quickly import opening balances using a template. You can also export existing transactions from the system for manipulation in Excel and then reload them into the system.

Use **Customer Opening Balance Excel Integration** to create an open item in the sales sub-ledger, and generate postings for customer invoice and credit note control accounts. The activity lets you transfer the outstanding open items (invoices, credit notes, adjustments, prepayments, deductions) for a specific customer in detail from an external system to your QAD application.

a standard GL account to act as a balancing transfer account for the control accounts. The opening balance activity updates the following accounts:

- For invoices, debits Customer Control and credits the GL Transfer account.

- For credit notes, debits GL Transfer and credits Customer Control.
- For item adjustments, if the adjustment involves a debit on the item, the accounts referenced are the same as those for an invoice. If it involves a credit, the accounts referenced are the same as those for a credit note.

The transfer account is used in postings to the control account balances, because you cannot initially post to the control accounts. You cannot modify these postings, and the input of customer, supplier, and GL opening balances ensures that the transfer accounts are referenced in the postings balance.

Ensure that all the values you enter in the Excel spreadsheet are valid for this customer. When you import the file, the transaction currency amounts are automatically converted into the base currency and statutory currency using the default exchange rate.

When you save an opening balance entry, you receive a notification in your Inbox with the results of the import. If the import fails due to the chronological invoice numbering setting, this will be indicated in the notification. More details on numbering methods are described in Opening Balance and Invoice Numbering on page 5850.

Opening Balance and Invoice Numbering

The system includes three options for numbering invoices, credit notes, and invoice and credit note corrections:

- Standard invoice numbering without numbering checks. This option is the default, and applies if consecutive and chronological numbering are not enabled.
- Consecutive invoice numbering. If consecutive invoice numbering is enabled, the system ensures that invoices, credit notes, and invoice and credit note corrections are consecutive without gaps.
- Chronological invoice numbering—an extension of consecutive invoice numbering. If chronological invoice numbering is enabled, the system ensures that invoices, credit notes, and invoice and credit note corrections are sequentially numbered in the correct date order and without gaps. Chronological invoice numbering can only be enabled if consecutive invoice numbering is also enabled.

  You can configure whether the system displays a warning or an error when users attempt to save transactions with past or future posting dates, thereby disrupting the chronological numbering sequences.

For standard, consecutive, and chronological invoice numbering, invoices, credit notes, and invoice and credit note corrections are numbered by entity, year, GL period, and daybook.

You enable consecutive and chronological invoice numbering, and select a warning or error option at domain on page 916 level.

When chronological invoice numbering is enabled, the numbering controls described in this section apply in **Customer Opening Balance Excel Integration** and **Supplier Opening Balance Excel Integration**, and in all customer and supplier invoice functions.

The following chronological invoice numbering controls apply:

- If you attempt to save an invoice with a posting date that is earlier than the posting date of a saved invoice with the same entity and daybook combination, the system displays an error or warning message, depending on the option selected on the domain Invoice Numbering panel.
- If you attempt to save an invoice with a future posting date, the system displays an error or a warning, depending on the option selected on the domain Invoice Numbering panel.
- When you attempt to save the first invoice in a new GL period for a daybook and entity combination, the system displays a warning. This message is always a warning.

Supplier Opening Balance Excel Integration

Overview

Supplier Opening Balance Excel Integration allows you to quickly import opening balances using a template. You can also export existing transactions from the system for manipulation in Excel and then reload them into the system.

Use **Supplier Opening Balance Excel Integration** to create open items (invoices, credit notes, or adjustments) in the purchases sub-ledger and to generate appropriate postings. The activity lets you transfer the outstanding open items (invoices, credit notes, adjustments) for a specific supplier, in detail, from an external system to your QAD application.

a standard GL account to act as a balancing transfer account for the control accounts. The opening balance activity updates the following accounts:

- For invoices, debits the GL Transfer account and credits Supplier Control.
- For credit notes, debits Supplier Control and credits GL Transfer.
- For item adjustments, if the adjustment involves a debit on the item, the accounts referenced are the same as those for a credit note. If it involves a credit, the accounts referenced are the same as those for an invoice.

The transfer account is used in postings to the control account balances because you cannot initially post to the control accounts. You cannot modify these postings, and the input of customer, supplier, and GL opening balances ensures that the transfer accounts are referenced in the postings balance.

Ensure that all the values you enter in the Excel spreadsheet are valid for this supplier. When you import the file, the transaction currency amounts are automatically converted into the base currency and statutory currency, using the default exchange rate.

When you successfully save an opening balance entry, the Supplier Opening Balance browse is updated with the invoice number. The numbering methods you can use are described in Opening Balance and Invoice Numbering on page 5850.

Purchase Types

When you group supplier invoices by purchase type, it enables you to track your cash expenditures for different types of expenses. For example, use EX for miscellaneous expenses and PO for purchases of raw materials or components.

You must use at least three purchase codes—for Rents, Royalties, and Non-Employee Compensation—if you are submitting 1099 tax reports. Each of these categories is summarized into a different box on the 1099 report.

Main

Purchase Type

Enter a code that identifies this purchase type.

Description

Enter a brief description of the purchase type. You can optionally enter descriptions in more than one language.

Active

Indicate if this is an active record.

Payment Groups

You can select payments for processing by payment group code in customer and supplier payment selections. You use payment groups to link multiple customers or suppliers together and to use as filter criteria when making payment selections. Payment groups are linked to customers or suppliers, and let you search for invoices from multiple customers or suppliers when you create the payment selection. Payment groups can be defined for suppliers or customers on the Payment panel of **Suppliers** or **Customers**.

Main

Payment Group

Enter a code (maximum of 20 characters) to identify the payment group.

Description

Enter a description (maximum of 40 characters) of the payment group.

Active

Indicate if this is an active payment group.

General Ledger Activities

The general ledger (GL) is a record of all transactions that occur in an entity. It is maintained by recording debit and credit transactions in a process known as posting. After transactions have been posted, the balance in each account is updated.

Journal entries are the basis of most GL records. Journal entries directly map to GL postings, and the general ledger lets you view the activity and balance of each account at a glance.

Transactions recorded in the official layer or management layer are created and posted as part of the same journal entry process. Transactions recorded in the transient layer can be transferred to the official layer or management layer.

Simple GL transactions consist of multiple posting lines associated with amounts and GL accounts. During posting, the transaction detail in the posting line is used to update cumulative account balance detail records for the GL period. This detail is then used when generating financial statements and summary reports.

Journal Entries

A journal entry, or posting, is the basic transaction in the accounting system. Journal entries are often composed of multiple posting lines, each associated with a GL account and an amount. Use Journal Entries on page 5856 to create, view, modify, delete, and reverse journal entries.

Posting Templates

If you plan to record the same journal entry on a regular basis, posting templates on page 5859 let you save the posting details for reuse. Templates are usually used with recurring entries, in which the template is posted at recurring intervals according to a predefined schedule.

Reversing Entries

Reversing entries are used for two purposes:

- Correcting errors in posted transaction by posting an opposing entry to net out the original amounts.
- Posting accruals, such as payroll earned, but not yet paid.

You can reverse a journal entry in two ways: manually or automatically.

Layer Transfer

Unfinalized transactions are generally posted to daybooks in a transient layer for review or for simulation purposes. Mass layer transfer on page 5867 lets you move postings from the transient layer to the management or official layers. When transactions are moved to another layer, the overall account balances remain the same, but the balances are now stored in the layer to which you have moved them.

Additional GL Numbering

Additional GL Numbering lets you generate a secondary numbering sequence for GL transactions. This sequence number is an alternative reference number for use in countries where local GAAP constraints require that GL posting numbering be sequential, without any gaps.

Revaluation

Each GL transaction is denominated in a transaction currency. Currency fluctuation means that transaction amounts can inflate or devalue, with respect to the base currency amounts or statutory currency, within the GL period in which they are posted. Revaluations on page 5914 enable you to identify the results from variances in exchange rates.

Adjustments

Open items are unpaid and partly-settled invoices, both from customers and suppliers. You can resolve open items and balance the relevant accounts by posting journal entries, by closing invoices and reducing the open balance, or by posting payments. See Open Item Adjustments on page 5924.

You can also reconcile the outstanding balance of a GL open item account with the underlying transaction detail using the Reconcile on page 5898 action in GL Open Item Accounts.

You can correct errors in GL transactions by reversing on page 5865 the transaction in the current or subsequent GL period. Recording a reversing transaction as a correction effectively mirrors the original transaction, which lets you net the transaction amount and balance the account.

Recurring Entries

The majority of GL transactions are similar in nature. For example, monthly or quarterly GL postings often use the same account, currency, and exchange rate types, and credit or debit the same amounts each time. You can use posting templates to save the structure of the journal entry for reuse. Recurring transactions are set up to post according to a predefined schedule; for example, a direct debit payment for building rent or insurance. By creating a posting template for a predetermined number of GL periods, you automate these transactions. Recurring entries on page 5920, as with all other GL transactions, can also be adjusted at any stage before posting.

Allocations

Costs and revenues must be correctly sourced in the chart of accounts. Allocation on page 5831 is a method of breaking a single payment or cost down to its constituent parts, and identifying and distributing the correct amounts to each source component.

Intercompany and Cross-Company Transactions

An intercompany transaction is a single GL transaction or journal entry that indicates trade with another entity in your organization. The transaction only updates the GL of the entity in which it is recorded, but contains an intercompany code within the GL transaction, as a reference to another entity. The GL transaction posts to one entity only.

Cross-company transactions reference each other across more than one entity, and the associated GL transaction posts to both entities. Both of these types of accounting are required to generate the account balances for multi-entity organizations. You can also use Journal Entry Cross Company Excel Integration on page 5872 to load cross-company journal entries defined in an Excel spreadsheet.

Mirror Accounting

Mirror accounting on page 5934 links a set of source (balance sheet) accounts to a set of mirror (income statement) accounts. This function ensures that inventory transactions are reflected immediately in the income statement, as well as in the balance sheet.

When an inventory transaction is posted that updates the source accounts, the system generates a mirror posting that updates the mirror accounts simultaneously. A mirror transaction can optionally be split into two sub-transactions. You create source and mirror daybooks as part of the configuration task; and the split transactions can be posted to either the source or mirror daybooks.

Year-End Closing

Year-end financial statements are the most important reports generated by the organization. Generate year-end transactions once all GL periods, except the last period, are closed. GL transactions primarily affect the current fiscal year. You can create adjusting transactions in a separate correction period, and optionally, use a different daybook to help distinguish between audited and unaudited results. See Year-End Closing on page 5806.

Reviewing Posted Transactions

There are a wide range of browses and reports that enable you to analyze GL transaction activity.

Journal Entries

A journal entry, or posting, is the basic transaction in the accounting system. In its most simple representation, a journal entry is a transaction composed of multiple posting lines, each of them associated with a GL account and an amount. Nevertheless, in most cases, journal entries also have other dimensions, represented by analytical codes.

Use Journal Entries to create, view, modify, delete, and reverse journal entries. You can only manually record transactions for financial daybooks. However, you can view transactions posted to operational and external daybooks, in addition to financial daybooks.

Journal entries are always created in the transaction currency.

Note You can only modify or delete journal entries posted to a transient layer.

Main

Posting Date

Specify the date for the posting. The posting date for transactions must occur within the GL calendar year and period. By default, the date is today.

Year

Specify an accounting year and period for the posting. By default, the field displays the current year and period.

Daybook

Specify a daybook code for the transaction. The daybook must be of type Journal Entries or Year-End Closing.

Voucher

This field displays a nine-digit sequence number generated for the journal entry. This is an alternative reference number for use in countries where local GAAP constraints require that GL posting numbering be sequential, without any gaps. The sequence number is generated when additional GL numbering is activated for the entity.

Description

Enter a brief description of the journal entry. The description defaults to each entry line.

Second Description

Specify a plain, easily understood additional description for this journal entry.

Submit for Approval

Select this field to submit the journal entry for approval.

Note This field will become visible when Enable Journal Entry Approval Workflow is selected in Entities on page 927.

Note You can edit this field when the daybook is defined in the transient layer and the Approval Required field is selected in Daybooks on page 5784.

Replacement

Select this field if the journal entry is a replacement posting. Normally, if a GL posting is incorrect, it is rectified using two subsequent GL postings: a reversal posting to balance out the original, incorrect posting, and a new replacement posting with the correct values.

Reversal

Select the field if the journal entry is a reversal posting to balance out a previous, incorrect posting. You cannot reverse and replace a journal entry at the same time. You can select only one of the Replacement and Reversal fields for a journal entry.

Original Posting Reference

Use this field to select the original posting reference in cases where a posting has been reversed or replaced.

Layer Type

This field displays the layer with which the daybook is associated.

Sequence Number

This field displays a nine-digit sequence number generated for the journal entry. This is an alternative reference number for use in countries where local GAAP constraints require that GL posting numbering be sequential, without any gaps. The sequence number is generated only if Additional GL Numbering is activated for the entity.

Additional GL Numbering Date

This field displays the GL numbering date associated with the additional GL sequence. When creating a journal entry in a normal GL period, the numbering date defaults to the posting date and cannot be modified. When creating or modifying a posting for a correction period, the Additional GL Numbering Date field becomes active and you can specify the numbering date to use.

Approval Status

This field displays the approval status of the journal entry.

Note This field will become visible when Enable Journal Entry Approval Workflow is selected in Entities on page 927.

Reversing Entry

Reversing Entry lets you create a journal entry that reverses automatically in the next GL period; you do not have to manually reverse the transaction. You also have the option to use correction of accounting for the reversing journal entry. When you create an automatic reversal posting, both the original and reversing journal entries are created.

For example, a company uses temporary workers during December 2019, and the cost estimate is $18,000. The actual invoice will not be received until January 2020. In order to correctly reflect the costs for 2019, the cost for temporary staff must be included in the year 2019 books.

The company creates an automatically reversing journal entry on December 31 for the estimated cost of $18,000. On January 1, the posting is automatically reversed. The financial statements for 2019 now correctly reflect the cost of temporary staff.

Automatic Reversal

Make the journal entry a reversal entry by selecting this field.

Correction

Select this field to reverse the journal entry as a correction. When you create a correction, the postings are netted out, and the balance becomes zero.

Reversal Posting Date

The reversal posting date defaults to the first day of the GL period following the original journal entry posting date. However, you can change the default date, and specify a new date.

Note The reversing posting must always be posted to a future period. The posting occurs even if the posting GL period is not yet open.

Additional GL Numbering Reversal Date

When creating a journal entry in a normal GL period, the numbering date defaults to the posting date and cannot be modified.

Posting Template

Use Template

Specify an existing template code. Posting templates retain the following transaction details:

- GL account, including the associated sub-account, cost center, project, or SAF details
- Description
- Currency
- Debit amount
- Credit amount

The account details are loaded into the posting grid when you select the template. You need change only the monetary amount and the reference each time you reuse the template, or maintain and use the same values. You can save the transaction or edit the details as required.

Save as Template Name

If you plan to record the same journal entry on a regular basis, posting templates let you save the posting details for reuse. Templates are usually used with recurring entries, in which the template is posted at recurring intervals according to a predefined schedule. However, you can use templates for any type of repetitive posting. If you select Save As Template, you must specify a posting template name in this field.

Save As Template

Select to save the entry details as a posting template. If you select this field, you must specify a new posting template name.

Note When modifying a journal entry, you can edit this field for journal entries on all layers. You can remove the existing template code, replace the existing code, or add a code when the field was blank. However, if you enter a code that is already used in another journal entry, an error is displayed, stating that a template with this code already exists.

Posting Lines

Define the transaction posting lines in the grid. Depending on how the GL accounts used in the transaction are defined, you can enter information in various fields and information is also defaulted. Each posting line displays key columns. By default, the following columns are visible:

- GL Account and description
- Sub-Account, cost center, and project
- Journal entry description
- Transaction currency details and amounts

However, the columns that you see depend on your configuration. The following columns are available:

GL account and Description

Specify a GL account. The associated account description is then displayed by default.

Sub-account and Description

These fields display the sub-account defined for the account and its description. You can specify a different sub-account if necessary.

Cost Center and Description

These fields display the cost center defined for the account and its description. You can specify a different cost center if necessary.

Project and Description

These fields display the project defined for the account and its description. You can specify a different project if necessary.

Description

This field displays a brief description of the posting line. This defaults from the description on the Main panel.

Transaction Currency, TC Debit, and TC Credit

These fields enable you to specify the debit or credit amount in the transaction currency. The credit amount is set to zero when you enter a debit amount. The debit amount is set to zero when you enter a credit amount.

BC Debit and Credit

The system displays the debit or credit amount calculated in the base currency.

SC Debit and Credit

The system displays the debit or credit amount calculated in the statutory currency.

Exchange Rate and Scale Factor

The system displays the default exchange rate for the currencies defined for the shared set. Edit the rate if necessary. The Scale Factor field displays the scaling factor for the exchange rate. The scale factor is used for currencies that have a very small value relative to other currencies.

SC Exchange Rate and SC Scale Factor

These fields display the exchange rate and scale factor in statutory currency.

Quantity

Enter a positive or negative quantity amount.

UM

This field displays the unit of measure defined for the account.

Intercompany

The intercompany code defined for the account displays. Specify a different intercompany code if necessary.

Cost Center and Project SAF Structure

If a SAF structure is associated with the cost center or project defined for the account, it displays in these fields.

Allocation

Choose a transaction type from the drop-down list.

- New Open Item: Allocate transaction amounts to a new open item.

- Link to Open Item: Use the allocation key to link this transaction to an existing open item.
- Allocate Later: Save the transaction without an allocation key. The system does not create a GL open item or a GL open item movement.

Allocation Key

Specify an allocation key for a new open item. This key subsequently identifies the GL open item in browses and reports. If you chose Link to Open Item, click the lookup to display the allocation keys of existing open items and select the one you want to link to.

Open Item Posting

This field displays the posting reference for the open item.

GL Type

This field displays the GL type on the posting.

Cross-Company

This field is read-only when creating intercompany transactions. When creating cross-company transactions, you specify the code of the other entity in the transaction.

GL (Cross-Company)

This field displays the GL account for the cross-company posting.

Gross Income Accounting Reference

If Gross Incoming Accounting is used, this field displays the Year/ Daybook/Voucher of the related Gross Income Accounting posting.

Consumption Tax

If Consumption Tax is used, this field displays the consumption tax code, which is the same as the tax code on the tax tab.

Click the line expander to view further information on the posting line in tab format. The tabs displayed depend on the type of posting.

Details

The Details tab displays key amounts in base and statutory currencies and an overview of GL analysis. You can modify these amounts. The Details tab also displays GL analysis. Quantity and unit of measure information is also displayed when the GL account is a quantity account.

SAFs

The SAFs tab displays when the account, cost center, or project specified in the posting is defined with SAF analysis. This tab displays the SAF concept, description, and structure details. SAFs provide additional

reporting on specific areas within GL accounts. If SAF analysis has been defined for an account, cost center, or project, the codes appear automatically in the posting lines.

Journal Entries can only display a single SAF structure on a posting line. If a posting line contains more than one set of SAFs, you receive the error message: “Dual SAF structures are not allowed within a single posting line.”

If a posting line contains both a project and a cost center, and both have SAF structures, only the cost center SAFs are used and the project SAFs are ignored.

GL Open Item

Open items are displayed on the GL Open Item tab. This tab displays when the account specified in the posting is defined as an open item account. GL open items are typically used for posting accruals; for example, insurance costs for an entire year, broken down into monthly values.

You can save transactions on GL open item accounts to the official, management, or transient layers. When you post to GL accounts of type Open Items, you have three options:

- New Open Item: a new GL open item denoted by a new allocation key.
- Link to Open Item: Link to and update an existing GL open item by specifying the existing item’s allocation key. The system then creates a GL open item movement.
- Allocate Later: Save the transaction without an allocation key by selecting the Allocate Later option. In this case, the system does not create a GL open item or a GL open item movement.

For details on performing reconciliation on GL open items, see GL Open Item Accounts on page 5895.

Intercompany & Cross-Company

When the GL account is an intercompany account, information is displayed on the Intercompany & Cross-Company tab. This tab is displayed when the account specified in the posting was defined as an intercompany or cross-company account. An intercompany transaction is a GL transaction or journal entry that affects only one entity, but contains an intercompany code within the GL transaction, as a reference to another entity. Cross-company transactions span more than one entity. You can select the target entity using the lookup in the Cross-Company field. Click the Cross-Company Posting button to create the posting line in the target entity.

Tax

Tax information is displayed on the Tax tab, which is displayed when the account specified in the posting is defined as a tax account. The posting line includes the following fields:

- Tax Type and Tax Transaction Type
- Tax Date
- From/To Tax Zone
- Tax Usage, Tax Environment, Tax Class
- Base and tax amounts in TC

The system determines the tax rate to use based on the values specified for the above fields. To calculate values for the Base Debit, Base Credit, Full Debit, and Full Credit fields, the system uses the rules defined in Global Tax Management.

Auto Balance

The Auto Balance button enables you to quickly balance a journal entry. Select the relevant line and click Auto Balance. The system calculates the existing debits and credits and balances the transaction by inserting the correct amount on this line.

The exchange rate on the balance line will be a calculated rate rather than the system-defined rate. This occurs as the Auto Balance button has to set the BC, TC, and SC values to ensure that the journal entry balances in all three currencies, not just in one of them. This results in an exchange rate that has to be calculated from the BC, TC, and SC values used on the line.

Cross-Company Posting

When the journal entry is a cross-company posting, one posting line is in the current entity and the second posting line is in the target entity. After you specify the correct target entity in the Cross-Company field, click the Cross-Company Posting button. A new Journal Entries window opens where you can complete the posting in the target entity. When you update the posting in one entity, the corresponding entry is automatically updated in the other entity. You can also change the target entity for a cross-company posting. This deletes the original cross-company posting and you can then create a new one for the new target entity.

Totals

This read-only panel displays the debit and credit totals for the transaction in transaction and base currencies. The totals are calculated from the values you enter in the Posting Lines grid.

Note The Journal Entry Report enables you run and print a report on journal entries.

Daybook Security

Daybook Security on page 5790 lets you restrict access to transactions associated with certain daybook types to users that have roles linked to that daybook. You can apply daybook security to journal entry transactions posted to daybooks with a control type of Financials or External. When saving a journal entry posting, the system checks the daybook and displays an error if the transaction uses a daybook that you do not have role permissions for.

Note Daybook security for journal entries also applies to journal entries created using Journal Entry Excel Integration, Journal Entry Excel Integration Repair, and Journal Entry Cross Company Excel Integration.

Approval History

This panel displays a list of journal entries that have been submitted for approval.

Login

This field displays the user that submitted the journal entry for approval.

Date

This field displays the date the journal entry was submitted for approval.

Action

This field displays the action that is required for the journal entry.

Status

This field displays the current approval status of the journal entry.

Approved

This field will be selected if the journal entry has been approved.

Approval Comments

Any comments regarding the approval left by the administrator will be displayed here.

Actions

The Actions drop-down offers actions that you can take for a record or set of records. Individual actions are for individual records and bulk actions are for sets of records, based on your selected criteria. For bulk actions, once you select the records and set options, you can submit the action.

Reverse

Main

Reversing journal entries are made on the first day of a new GL period to reverse the effects of adjusting entries made on the last day of the previous GL period, without changing the period or amount.

Reversing entries are used for two purposes:

- Correcting errors. Correct a posted transaction by posting an opposing entry to net out the original amounts.
- Posting accruals, such as payroll earned, but not yet paid. Post an entry (typically, on the last day of a GL period) and immediately reverse the entry on the first day of the next GL period. This procedure lets you record subsequent payments without having to recognize the portions that were accrued at an earlier date.

Note It is recommended that you set up a standard Journal Entries daybook for accruals. Use the daybook code as a search filter, select all accruals, and reverse them simultaneously.

A reversing entry consists of two parts: the original adjusting entry, and the reversing, or opposite entry. The second entry reverses the position of all debits and credits.

Posting Date

Reversals are usually processed on the first day of the GL period that follows the original posting period. The posting date, therefore, defaults to this value.

Year/Period

Reversals are usually processed on the first day of the GL period that follows the original posting period. The year and period, therefore, default to these values.

Daybook

Enter the daybook for this reversal.

Description

Enter a description for this reversal.

Original Posting Reference

This field is read-only and displays the original posting reference.

Layer Type

This field is read-only and displays the layer type.

Correction

In certain countries, you must post a reversing correction journal entry at the same side of the general ledger (debit/credit) as the original posting. This step is required because the total balance of the original and the correction reversal must equal zero in the general ledger.

To post a reversing correction, select the Correction field. When you reverse a journal entry as a correction, the postings are netted out and the balance is zero.

Mass Layer Transfer

Unfinalized transactions are generally posted to a daybook in a transient layer for review or for simulation purposes. If these transactions are subsequently approved, you can transfer them in batch to the other layers using the Mass Layer Transfer action. See Accounting Layers on page 5778.

When transferring, the target daybook must have the same GL type as the original transient daybook. If you do not specify a source daybook, all postings in the source daybook that have the same GL type as the target daybook and meet the other selection criteria are selected for transfer.

Note During the transfer to the official or management layers, the original transient GL transaction reference is stored. You can view the original transaction reference in GL Transactions and GL Transactions Detail.

All selected postings are transferred to the same target daybook, which can be linked to the official layer, a management layer, or another transient layer. However, the target daybook must be different from any of the source daybooks. The postings are transferred from the source daybook in blocks to ensure that they appear sequentially in the target daybook.

The following types of postings cannot be transferred using Mass Layer Transfer:

- Journal entries for posting templates or recurring entries
- Journal entries that have a different GL type than the target daybook.

For example, A US parent entity has a French subsidiary. In France, the accounts are compiled to conform with French GAAP standards. However, the French accounts must also conform to the GAAP standards of the parent entity, which is US GAAP. The subsidiary creates a transient layer for French accounts. It then reviews the accounts for errors, removes invalid transactions, and posts correction or adjustment transactions to make the French accounts apply to US GAAP. The subsidiary then uses the Mass Layer Transfer bulk action to move the postings to a specific management layer for final consolidation.

Important You can only use the Mass Layer Transfer action to transfer regular, non-periodic costing postings. To transfer periodic costing postings, use the Mass Layer PC-Transfer action.

Search Criteria

Transient Layer

Specify the layer that identifies the transient layer to transfer postings from.

Year/GL Period

Specify the GL calendar year and the GL period range for which postings are to be transferred. These fields are mandatory.

Posting Date

Specify the first and last dates in a range to search for postings to transfer.

Description

Enter a brief description of the postings to be transferred.

Target Daybook

Select the daybook to which to transfer the postings. The target daybook must be of the same GL type as the source daybook. If daybook security is implemented and you specify a Journal Entries daybook with Financial or External daybook control, you must be assigned the role associated with the daybook you select. Otherwise, an error is displayed and you cannot save the mass layer transfer transactions.

Daybook

Specify the daybook in the transient layer from which to transfer postings. If daybook security is implemented and you specify a Journal Entries daybook with Financial or External daybook control, you must be assigned the role associated with the daybook you select. Otherwise, an error is displayed and you cannot save the mass layer transfer transactions. See Daybook Security on page 5790.

Target Layer

This field displays the layer associated with the daybook to which to transfer the postings.

Journal Entries

When you click Search, the system populates the Journal Entries grid with postings that match the selection criteria. From this list, you can choose which postings to include in the transfer by selecting or clearing the Select field for that posting.

Processing Options

Process In Background

By default, this field is selected. When selected, the process takes place in the background and results are sent to your inbox. When this field is not selected, the processing takes place on the screen and a message is displayed when processing is complete.

Background Processing Description

This field contains a description of the operation. By default, the description contains a time stamp and the target daybook. However, you can change this description.

Transient Journal Entries

Transient Journal Entries provides the same functionality as Journal Entries, except that you can only select daybooks linked to transient layers. You can use the Reverse action to create reversal postings that you can only post to transient layers. The Journal Entries actions Reverse and Mass Layer Transfer work in the same way as the Journal Entries actions. For full details, see Journal Entries on page 5856.

Periodic Costing Journal Entries

Periodic Costing Journal Entries provides the same functionality as Journal Entries, except that you can only select daybooks of type Periodic Costing. You can use the Reverse action to create reversal postings. The Periodic Costing Journal Entries actions Reverse and Mass Layer Transfer work in the same way as the Journal Entries actions. For full details, see Journal Entries on page 5856.

Journal Entry Excel Integration

Overview

From within Journal Entries, you can import and export journal entries using the More menu. You can use this functionality to import journal entries for different types of GL accounts and to create correction reversals and automatic reversals.

Note You cannot load postings for accounts that do not accept manual postings; for example, control accounts, customer and supplier payment accounts, inventory accounts, WIP accounts, and purchase order receipt system type accounts.

Creating Correction Reversals with Excel

You can create journal entry reversals using Journal Entry Excel Integration, although it is recommended that you use Journal Entry Cross Company Excel Integration. To generate correction reversal postings, you must enter the correct values in the relevant columns of the Excel file. The table displays the Excel file settings for Journal Entry Excel Integration.

Journal Entry Excel Integration Correction Reversal File Settings

Column Position	Column Name	Field Name	Normal	As Correction	Replace
W	Original Posting Reference	tPosting.PostingOriginalVoucherReference	Your original number of journal to be reversed	Your original number of journal to be reversed	Full original reference of journal to be reversed
X	Is Replacement	tPosting.PostingIsReplacement			TRUE
Y	Is Reversal	tPosting.PostingIsReversing	TRUE	TRUE	
Z	Correction	tPosting.PostingIsReversingBySign			
AO	Automatic Reversal	tPosting.PostingIsAutoReversal	FALSE	FALSE	

Creating Automatic Reversal Journal Entries

You can create automatic reversal journal entry using Journal Entry Excel Integration, although it is recommended that you use Journal Entry Cross Company Excel Integration. To generate automatic reversal postings, you must enter the correct values in the relevant columns of the Excel file. The table displays the Excel file settings for Journal Entry Excel Integration.

Journal Entry Excel Integration Correction Reversal File Settings

Column Position	Column Name	Field Name	Normal	As Correction
AO	Automatic Reversal	tPosting.PostingIsAutoReversal	TRUE	TRUE
AP	Automatic Reversal Type	tPosting.PostingAutoReversalType	ORIGINAL ENTRY	ORIGINAL ENTRY
AQ	Reversal Posting Date	tPosting.PostingReversalDate	*Reversal date*	*Reversal date*
AS	Correction	tPosting.PostingIsCorrection	FALSE	TRUE

Journal Entry Excel Integration Repair

Unlike in Journal Entry Excel Integration on page 5870, the GL account validation in Journal Entry Excel Integration Repair is unrestricted, and it is possible to post to control accounts, without posting to the

corresponding sub-ledger. It is important to restrict user access to this tool because it can create inconsistencies between GL control accounts and the sub-ledgers. Journal Entry Excel Integration Repair should only be used by authorized personnel to solve existing inconsistencies in the system.

The functionality enables you to browse the list of repairs. By default, the repairs are filtered on today's date. As with all Excel Integration screens, you can export to Excel in import format so you can prepare a file for reimport. When you perform an import, a notification is sent to your Inbox.

Journal Entry Cross Company Excel Integration

When you open Journal Entry Cross Company Excel Integration, the browse is always empty. No records are displayed in this browse. Simply use the More menu to export and import Excel files.

To use this function, you must have access to all entities for which you want to create postings, and you must also be assigned role permissions that grant you access to Journal Entries in those entities.

Note It is recommended that you use Journal Entry Cross Company Excel Integration for all journal entry postings from Excel. This function offers transaction posting line by line, detailed error messages, and the ability to automatically create correction reversal and auto reversal journal entries.

Using Journal Entry Cross Company Excel Integration

Exporting

To facilitate the creation of journal entries for import, you can export a template. Make sure that in the File Properties panel of the Export screen, you select Export With Import Format in the Type field.

When you click Export, the export file is sent to your inbox. Open the spreadsheet in Excel and create your journal entry data.

Journal Entry Levels

Journal entries defined in Excel must contain a minimum of three levels of data. However, a posting loaded through Excel can contain up to seven levels.

- Level 1 (parent)

  This level contains details that relate to the overall posting. Each level 1 entry maps to one cross-company transaction.
  An Excel file can contain many separate level 1 records. If a posting fails at level 1, all postings within that record remain unposted. However, all other valid level 1 records and their level 2 and level 3 lines are posted.
  When you are creating a cross-company posting, each level 1 record must have at least two level 2 records associated with it: one record for the source entity posting and one record for the target entity

posting. For a standard single-entity posting, only one level 2 record is required.

- Level 2 (child)

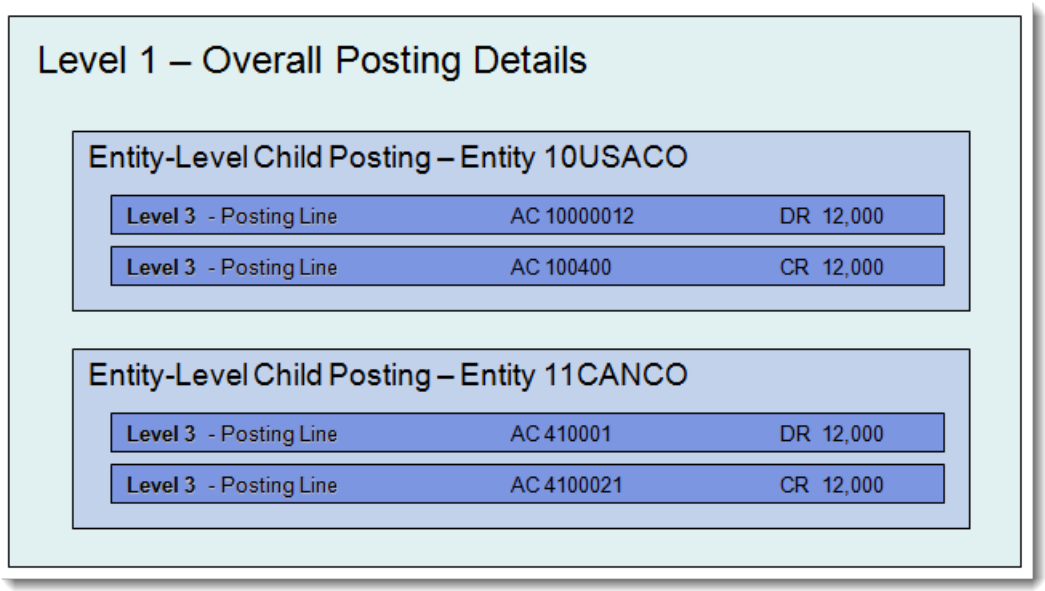
  This level contains details specific to the entity posting. For cross-company postings, the Excel spreadsheet must contain level 2 entries for each entity to which you want to post. For single entity postings, there is only one level 2 entry.
  The level 2 row structure matches that of level 1, and must also include a cross-company code and an entity code for cross-company postings.
  If you leave certain fields blank at level 2, such as the daybook, posting date, and description, these values default from level 1 when you load the Excel file in Journal Entry Cross Co Excel Integration and click Save. See “Defaulting” on page 445. If you specify all required values, no defaulting occurs.
  You must define a year and period at level 2.

- Level 3 (grandchild)

  This level contains details specific to a single posting line. Each level 2 entry must have at least two level 3 lines associated with it. The sum of these posting lines must be zero.

- Lower Levels

  A posting line can be composed of multiple sub-levels containing additional posting information, depending on how the GL accounts used in the transaction are defined. If you specify a tax account, GL open item account, an account with SAF analysis, or an account defined with quantities, you must enter details pertinent to these accounts at lower levels in the spreadsheet.



Importing

When you have prepared the Excel file with the relevant records, open Journal Entry Cross Company Excel Integration, and click Import on the More menu. Choose the file you want to import and click Import. When you click Import, the system creates journal entries for the source entity and for each of the corresponding postings for the target entities. It also performs all validation and defaults values if some key fields are blank. If you specify all required values, no defaulting occurs.

The results of the import are sent to your inbox. The results indicate whether the import was successful. If any record fails, the notification email status is displayed as Import Failed. However, this does not mean that all the records failed. The results email has an attached report excel file that enables you to see which records processed successfully and which ones failed.

Validation

The system validates all values when you click Import. No validation occurs until this point. When creating standard or cross-company posting entries, the accounts, daybooks, sub-accounts, cost centers, and projects you specify must be valid within their associated shared sets for the entity in which the posting is being created. If you specify an invalid value, an error message is created.

You can create standard and cross-company postings on the following types of account: Standard, GL Open Item, Bank, Year-End, Fixed Assets, Tax, and System. The following fields must be entered in Excel for a cross-company posting to be valid. If these mandatory fields are blank, an error is displayed.

- Level 1
  - Posting Date
  - Daybook Code
  - Description
  - Default Period
  - Default Year
- Level 2 (non-source entity postings)
  - Entity
- Level 3
  - Account
  - Amount
  - Sequence Number

The system also ensures that the sum of the postings to the source entity equals the sum of the postings to the target entities.

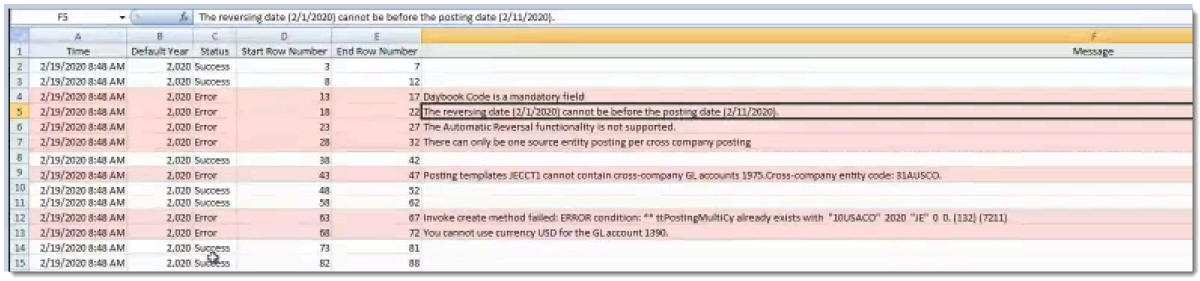
You can use different currencies when posting to particular entities. The system then ensures that all postings balance. You can also post to entities that have different GL calendar years and GL periods to the source entity.

You can only post to daybooks from the official and management layers. However, daybook layers must be consistent across a posting; that is, postings can be to the official layer or the management layer, but a posting cannot contain a combination of both layers.

At level 3, the system ensures that the year and period entered are valid for the entity in which the cross-company posting occurs. In addition, the Sequence Number field must contain a non-zero value.

Error Messages

For each transaction posting that fails, an error message is created in the attached Excel file. displayed at the bottom of the screen. Each message contains a summary of the reason why the posting failed.



	A	B	C	D	E	F
1	Time	Default Year	Status	Start Row Number	End Row Number	Message
2	2/19/2020 8:48 AM	2,020	Success	3	7	
3	2/19/2020 8:48 AM	2,020	Success	8	12	
4	2/19/2020 8:48 AM	2,020	Error	13	17	Daybook Code is a mandatory field
5	2/19/2020 8:48 AM	2,020	Error	18	22	The reversing date (2/1/2020) cannot be before the posting date (2/11/2020).
6	2/19/2020 8:48 AM	2,020	Error	23	27	The Automatic Reversal functionality is not supported.
7	2/19/2020 8:48 AM	2,020	Error	28	32	There can only be one source entity posting per cross company posting
8	2/19/2020 8:48 AM	2,020	Success	38	42	
9	2/19/2020 8:48 AM	2,020	Error	43	47	Posting templates JECCT1 cannot contain cross-company GL accounts 1975.Cross-company entity code: 31AUSCO.
10	2/19/2020 8:48 AM	2,020	Success	48	52	
11	2/19/2020 8:48 AM	2,020	Success	58	62	
12	2/19/2020 8:48 AM	2,020	Error	63	67	Invoke create method failed: ERROR condition: ** tlPostingMultiCy already exists with "10USACO" 2020 "JE" 0 0. (132) (7211)
13	2/19/2020 8:48 AM	2,020	Error	68	72	You cannot use currency USD for the GL account 1390.
14	2/19/2020 8:48 AM	2,020	Success	73	81	
15	2/19/2020 8:48 AM	2,020	Success	82	88	

The information includes whether the posting was successful, the relevant start and end row in the Excel spreadsheet, and details of why the posting failed. You can then fix the errors in the Excel file and perform the import again.

Defaulting

The system defaults values if you do not specify data in all required fields in the imported Excel spreadsheet. If you specify all required values, no defaulting occurs. If you leave certain fields blank at lower levels, such as the daybook, posting date, and description, these values default from level 1 when you load the Excel file in Journal Entry. No defaulting occurs until this point.

- Currency: If the Currency field is blank at level 1, the system defaults the base currency of the source entity. If the Currency field is blank at level 3, the system defaults the currency value from level 1.
- Exchange rates: If the loaded spreadsheet contains a base currency amount and a transaction amount, but does not specify an exchange rate between the two, the system calculates the exchange rate and uses that value. However, if the spreadsheet does not contain a transaction amount or an exchange rate, the system retrieves

the current accounting exchange rate for the base and transaction currencies from the exchange rate table and uses that to calculate the transaction amount. If you specify an exchange rate in the Excel file, the system uses this value instead.

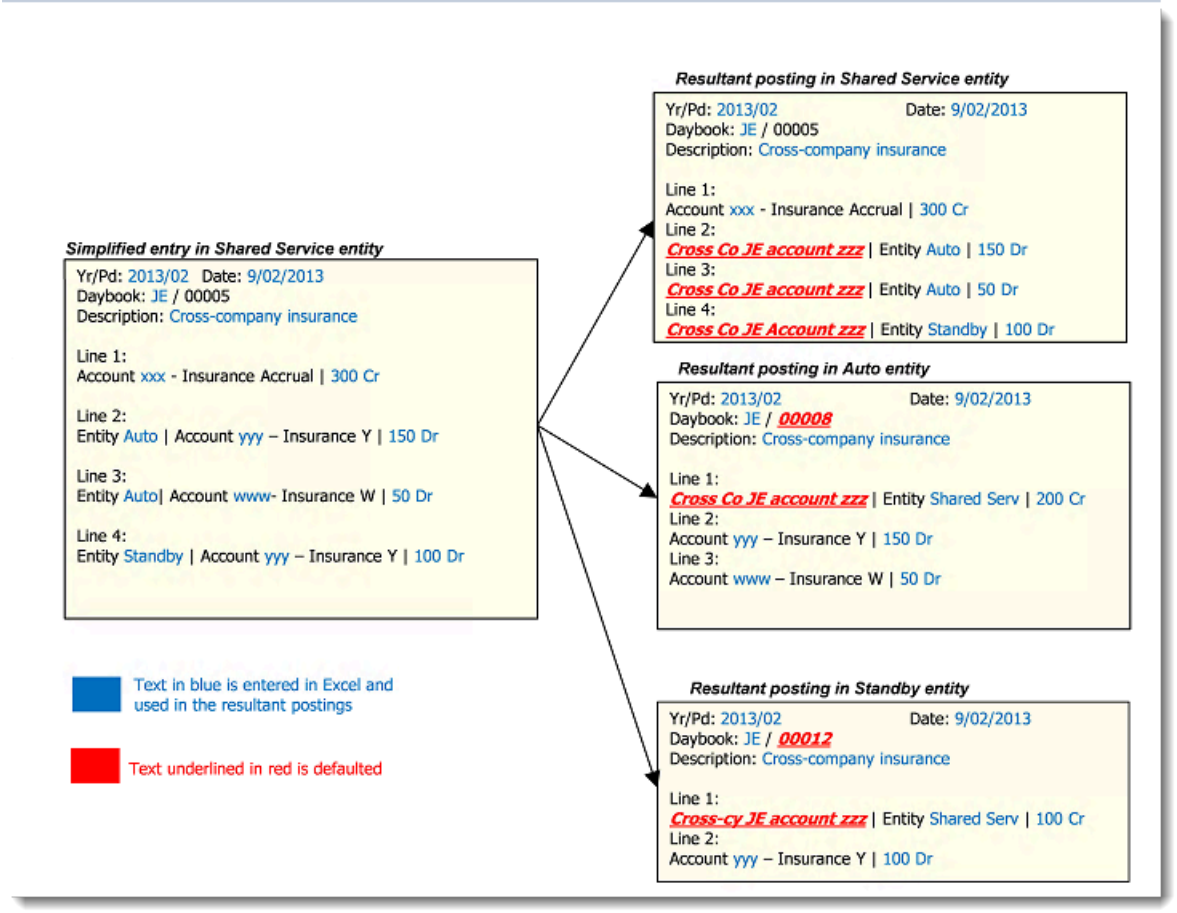
- Year and period: For source entity postings, if no GL calendar year and GL period are defined, the system calculates the year and period values from the posting date. For non-source entity postings, the system also uses the posting date to calculate the year and period in the target entity.
- Posting date and description: If you do not define the posting date and description on a level 2 line, these values default from the level 1 line.
- Entity: If you do not specify an entity at level 2, the system defaults the source entity when you import from Excel and click Save. The source entity defaults from the entity you are logged in to when you import from Excel.
- Daybook: If no daybook is defined at level 2, the daybook defined at level 1 defaults to the level 2 line. The system validates that daybooks entered at level 2 are valid within the target entity they are specified for.
- Control account: Cross-company postings to an entity must contain the cross-company control account for that entity. If you do not specify cross-company postings in the Excel file, the system generates these postings when you click Save. If you specify cross-company postings in the Excel file, the system uses these postings and does not generate its own. If an entity posting does not specify a cross-company control account, and the sum of the specified lines is zero, an error message is displayed. The cross-company control account used is defined in the domain record of the domain to which the entity belongs.

Defaulting Example

This example illustrates defaulting, and shows cross-company postings from the source entity Shared Service to two target entities Auto and Standby. In Excel, you specify the Year/Period, Posting Date, Daybook, Voucher Number, and Description fields at level 1. In the first level 2 line, you specify the account, debit or credit indicator, and amount. For lines 2 and 3, you enter the entity, account, amount, and debit or credit indicator.

You import the file from within the Shared Services entity. The values loaded from Excel are shown in the simplified entry on the left of the image below. Some of the required values are missing, and are defaulted by the system when you click Import.

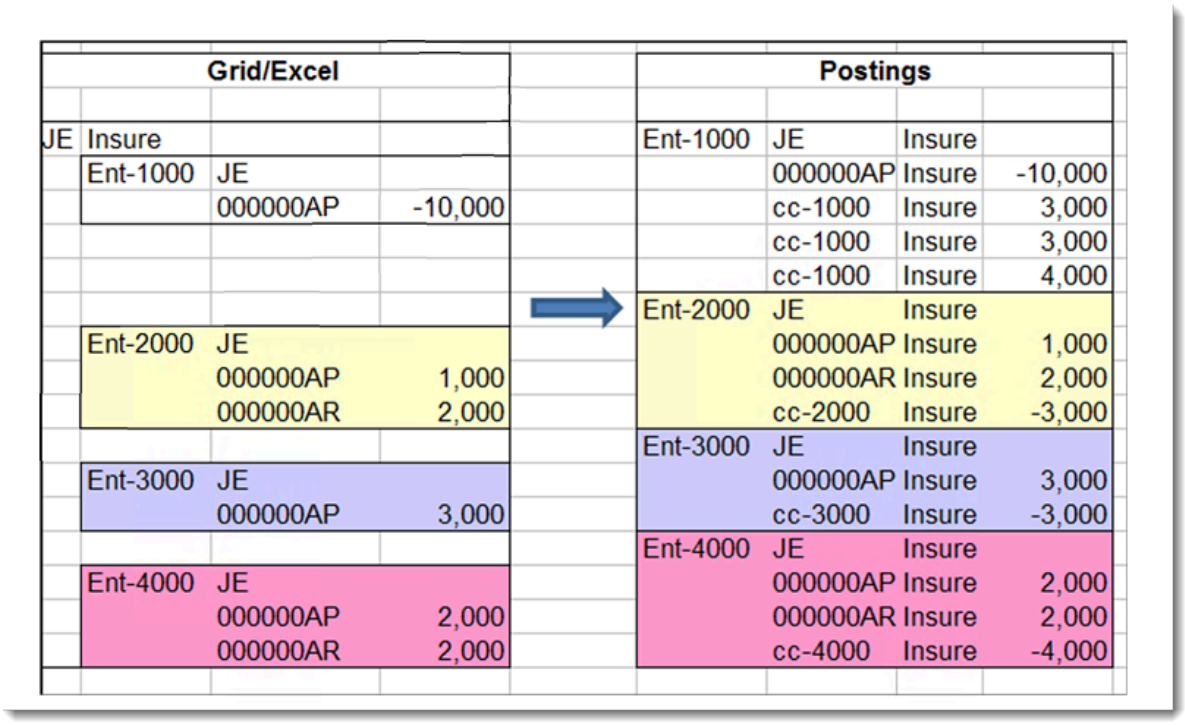
The system defaults the values shown on the right of the image. Values underlined in red are generated by the system. The right side of the image also shows the postings generated in the Shared Services, Auto, and Standby entities when the data is imported.



Control Account Defaulting Example

This example illustrates how control accounts are used and defaulted in the cross-company journal entries loaded from Excel. You are posting from source entity Ent-1000 to target entities Ent-2000, Ent-3000, and Ent-4000. As shown in the image below, the Excel spreadsheet entries for the target entities do not contain a cross-company control account so the system adds postings to the relevant cross-company control account for the target entity when you save. Using the example of Ent-2000, the cross-company journal entry posting created in Ent-2000 contains the two

posting lines from the original Excel spreadsheet data, and a third posting to the cross-company control account for Ent-2000 with the reversed amount.



Grid/Excel				Postings			
JE	Insure			Ent-1000	JE	Insure	
	Ent-1000	JE			000000AP	Insure	-10,000
		000000AP	-10,000		cc-1000	Insure	3,000
					cc-1000	Insure	3,000
					cc-1000	Insure	4,000
	Ent-2000	JE		Ent-2000	JE	Insure	
		000000AP	1,000		000000AP	Insure	1,000
		000000AR	2,000		000000AR	Insure	2,000
					cc-2000	Insure	-3,000
	Ent-3000	JE		Ent-3000	JE	Insure	
		000000AP	3,000		000000AP	Insure	3,000
					cc-3000	Insure	-3,000
	Ent-4000	JE		Ent-4000	JE	Insure	
		000000AP	2,000		000000AP	Insure	2,000
		000000AR	2,000		000000AR	Insure	2,000
					cc-4000	Insure	-4,000

Excel Correction Journal Entry Reversal or Replace

To generate correction reversal postings, you must enter the correct values in the relevant columns of the Excel file. The table displays the Excel file settings.

Column Position	Column Name	Field Name	Normal	As Correction	Replace
AD	Original Posting Reference	tPostingMultiCy.PostingOriginalReference	*Voucher number of journal to be reversed*	*Voucher number of journal to be reversed*	*Enter original reference of journal to be reversed*
AE	Replacement	tPostingMultiCy.PostingIsReplacement	FALSE	FALSE	TRUE
AF	Reversal	PostingMultiCy.PostingIsReversing	FALSE	TRUE	
AG	Correction	tPostingMultiCy.PostingIsReversingBySign	FALSE	TRUE	
AV	Automatic Reversal	tPostingMultiCy.PostingIsAutoReversal	FALSE	FALSE	

Automatic Reversal

To generate automatic reversal postings, you must enter the correct values in the relevant columns of the Excel file. The table displays the auto reversal Excel file settings.

Column Position	Column Name	Field Name	Normal	As Correction
AV	Automatic Reversal	tPostingMultiCy.IsAutoReversal	TRUE	TRUE
AW	Automatic Reversal Type	tPostingMultiCy.AutoReversalType	ORIGINAL ENTRY	ORIGINAL ENTRY
AX	Reversal Posting Date	tPostingMultiCy.ReversalDate	*Posting Date*	*Reversal Date*
AZ	Correction	tPostingMultiCy.IsCorrection	FALSE	TRUE

Intercompany and Cross-Company Transactions

Overview

The system supports two types of transaction between entities within the same domain and across domains: intercompany transactions and cross-company transactions.

An intercompany transaction is a GL transaction or journal entry that affects only one entity, but contains an intercompany code within the GL transaction, as a reference to another entity. The GL transaction posts to one entity only. Use this feature to isolate internal transactions from those that relate to third parties. Intercompany transactions are identified using intercompany codes.

Cross-company transactions span more than one entity, and the associated GL transaction posts to both entities.

Intercompany codes identify organizations that are members of a group of entities that trade with each other. This activity forms the basis for consolidation reporting at period closing, when the financial results of multiple entities are consolidated, and intercompany transactions are eliminated before consolidation.

If an entity is to be used in intercompany and cross-company transactions, select the Intercompany field in its associated Business Relation and define the intercompany code in the field provided.

If required, select the Intercompany field on the Business Settings panel of the Business Relation on page 743 to ensure that the intercompany business relation cannot be overwritten when posting transactions to accounts for the entity.

To identify GL accounts used in intercompany transactions, select the Intercompany Account field in GL Accounts on page 5706. This makes the Default Intercompany field available. Use this field to assign the intercompany code defined in the business relation of the intercompany entity.

Note Cross-company transactions use cross-company control accounts. When you select Cross-Company Control Account as the GL type in Account Create, the Intercompany Account field in GL Accounts on page 5706 is automatically selected.

Intercompany Transactions

An intercompany transaction is a posting within an entity on an intercompany account. An entity is identified as intercompany based on its business relation. For example, an organization supplies goods to an affiliated company. When creating the invoice, the user assigns an intercompany code to indicate that the sale was to an associated entity. In this instance, the system generates only one GL transaction for the invoice. When you generate a sales invoice and post to a customer account that uses an intercompany code, the resulting transaction identifies that the invoice was sent to the entity specified by the intercompany code.

Cross-Company Transactions

Use cross-company accounting features to create balanced transactions between entities in a domain. When transactions or invoices are generated by another entity in the organization, these features let you process the transactions or invoices in your current working entity.

Cross-company transactions use cross-company control accounts to link across entities. Each domain must include a cross-company control account for AR, AP, fixed assets, inventory, and manual journal entry transactions. Cross-company account codes are specified on the Cross-Company GL Accounts panel in Domains.

The accounts specified in domain setup are used for every cross-company posting line for each entity in the domain. Each domain in the database uses a different set of cross-company control accounts.

Note You cannot create cross-company postings in the transient layer, unless the daybook type is Periodic Costing.

When you enter a cross-company control account on a journal entry posting line, the system recognizes that the transaction is cross-company, and opens a level two posting line, where you enter the code of the other entity in the Cross-Company Code field. Cross-company posting are of two types: manual and automatic.

Manual Cross-Company Posting

A manual cross-company posting is a two-part process, consisting of a parent and child transaction, each of which you complete separately. The parent and child transactions are posted from within different entities to different daybooks. You can create manual cross-company postings in only the management and the official layers. The parent transaction is the initial posting that references a cross-company control account.

For example, Entity 1000 and entity 2000 are both subsidiaries of a large organization. Human resource management and IT services for the entire organization are centralized in entity 1000. Cross-company transactions are generated when entity 2000 uses either centralized service.

Entity 1000 uses a journal entries template to record the charges that entity 2000 and other entities in the organization have incurred.

When the appropriate GL accounts are selected, you can enter the details of the corresponding posting in the target entity.

Run a GL Transactions by Intercompany Code report and select the parent entity in the criteria to view the posting details. To view details of the child transaction, rerun the report for that entity.

You can create manual cross-company postings in the following functions:

- Supplier Invoices
- Customer Invoices
- Journal Entries
- Bank Statements
- Petty Cash Statements
- Receiver Matchings (click the Journal Entry button.)

Automatic Cross-Company Postings

For automatic cross-company transactions, the Cross-Company daemon on page 6799 creates the balancing transaction. You are not prompted to create the child transaction, and the processing occurs in the background. There are two types of automatic cross-company postings: financial and operational.

Automatic Financial Postings

The automatic cross-company functionality supports activity on:

- Banking entries across multiple domains
- Customer and supplier payment selections across multiple domains
- Open item adjustments across multiple domains

Automatic cross-company postings are possible only for transactions in the official layer. Post the transaction in the source entity using the cross-company control account for the target entity that owns the open

item. A request is created for the Cross-Company daemon. The daemon processes the request and creates the posting in the sub-ledger of the target entity.

Automatic Operational Cross-Company Transactions

The system separates cross-company transactions that originate in operational functions into separate postings for the relevant entities. Each transaction posts entirely within the associated entity, but cross-references the corresponding transaction in the other entity. All operational cross-company transactions are processed using the cross-company control accounts defined for the domain so that cross-company activity by entity can be tracked easily within the GL.

AR Cross-Company Postings

Cross-company postings are generated by posting pending invoices on page 1221 when one or more lines on a sales order are shipped from a site with an entity other than the sales order header entity. In this case, the sales amount associated with the line is posted to the shipment entity, but the AR amounts are posted to the header entity.

Posting creates both a customer invoice and GL transactions. However, when a transaction spans more than one entity, it includes information on the appropriate cross-company AR accounts so that the correct GL transaction is created. This single transaction is split into two separate transactions when posted.

For cross-company invoices, the operational transaction is split as described in the following example: A sales order is created for header site 1000, associated with entity A. It has one line item priced at $50, which is shipped from site 2000, associated with entity B. When this invoice is posted, the system debits the customer control account for $50 using a Customer Invoice daybook and credits the cross-company AR account for entity A for $50 using entity B’s intercompany code. The system retrieves the cross-company AR account to use from the domain setup. It uses the intercompany daybook from the relevant daybook set for the posting. A corresponding set of entries is made for entity B. The system debits cross-company AR $50 using entity A’s intercompany code and credits the sales account $50 using a Journal Entries daybook.

Entity A				Entity B			
AR Cust Ctrl		Cross-Comp Ctrl		Cross-Comp Ctrl		Sales (Stand Acct)	
50			50	50			50

AP Cross-Company Postings

Cross-company postings can be created during purchase order receiving on page 4522 when a line item on a purchase order is received at a different site than the one on the order header. These transactions are managed through operational transaction postings.

A different kind of cross-company posting can occur when one entity pays the invoices for goods received at another site. These postings are created during receiver matching on page 6153 and handled by the Cross-Company daemon. The value of the PO Expensed Item Receipts amount—for non-inventory items—or PO Receipts amount—for inventory items—associated with the line is transferred to the AP payment entity.

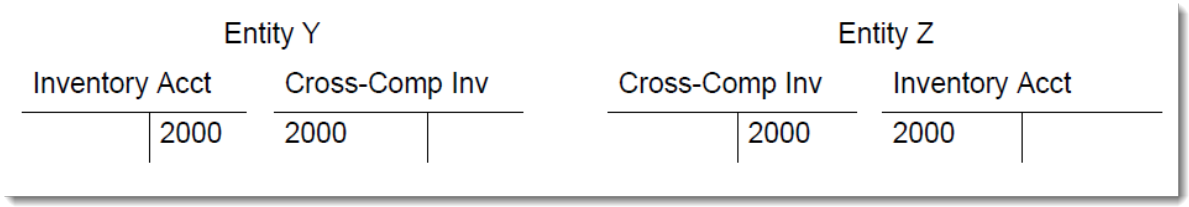
Inventory Cross-Company Postings

Cross-company postings occur when inventory is transferred from one site to another site associated with a different entity. The value of the inventory is transferred to the receiving entity, using Cross-Company Inventory and Transfer Variance accounts as clearing accounts.

Note The Transfer Variance account is used to record differences in the cost of items at different sites. The following example assumes the costs are the same at both sites, and the posting is not shown.

A user creates an inventory transfer for items valued at $2000 from site 10 in entity Y and site 20 in entity Z. The system:

- Credits the Inventory account for entity Y for $2000
- Debits the Cross-Company Inventory account of the current domain for $2000, referencing the intercompany code of entity Z
- Credits the cross-company inventory account of the current domain for $2000, referencing the intercompany code of entity Y
- Debits the Inventory account of entity Z $2000



Cross-Company Fixed Asset Transactions

Cross-company postings in Fixed Assets on page 6653 can occur when an asset is transferred between entities. The value of both the asset cost and the accumulated depreciation is transferred to the receiving entity with balancing entries made to the Cross-Company Fixed Asset account, using the intercompany codes of the two entities.

Daybook Security and Cross-Company Postings

When creating cross-company journal entries, daybook security on page 5790 means that you must be assigned to the role specified for the daybooks used in both the source and target entities in order to save the postings. Daybooks of type Journal Entries are also used in cross-company postings created in the Customer Invoices, Supplier Invoices, Open Item Adjustments, and Bank Statements functions. In these cases, you must be assigned to the role specified for the daybook used in the target entity.

Discounting at Payment on Cross-Company Transactions

When dealing with cross-company payments, there are often discounts to consider, both on goods and on taxes. When taxes are discounted at payment, in some countries, it is a requirement for both discounts to be in the same entity. If the Discount Tax at Payment field in Tax Rates is selected, then both the tax and the goods discounts are posted from the cross-company control account to the tax and discount account in the invoicing entity, provided that:

- The invoicing entity and the payment entity use the same GL account shared set.
- All of the tax rates on the invoice have non-blank AR/AP discount accounts.

If neither of these two criteria is met, then tax discounts are transferred to the invoice entity, but the goods portion of the discount remains in the paying entity. Also, for tax rates used in accounts payable, the Accrue Tax at Receipt field in Tax Rates must be cleared.

Note Where transactions are tax free, you must also select the Discount Tax at Payment field in Tax Rates for the non-tax record. Otherwise, the goods discount is transferred to the paying entity.

This functionality works for all programs where you can make payments. It includes customer and supplier payments and payment selections, bank and petty cash statements, and open item adjustment transactions.

Additional GL Numbering

Additional GL Numbering lets you generate a secondary numbering sequence for GL transactions. This sequence number is an alternative reference number for use in countries where local GAAP constraints require that GL posting numbering be sequential, without any gaps. Additional GL Numbering is enabled at entity on page 931 level.

When additional GL numbering is activated for an entity, a sequence number is generated for all postings in official and management layers for which additional GL numbering applies. The system assigns the

sequence number to any posted GL transactions that originate from all modules, both financial and operational, such as purchasing and sales. The sequence number has the following format:

- It has nine digits starting from 000000001.
- The number increments by 1 per posting. For example, if the current posting is numbered 000000005, the next posted transaction will be numbered 000000006.

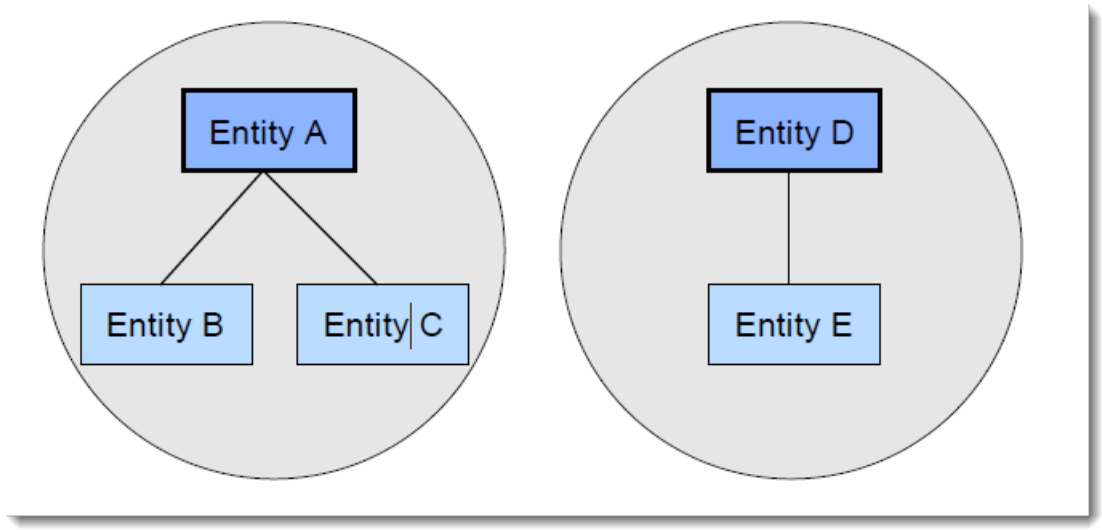
The sequence number of a transaction subsequently appears in statutory reports, such as the GL Numbering report. In certain countries, such as Italy, auditors can request that accounts be reclassified on statutory reports. The auditor may require, for example, that some transactions from the prior year be represented in one of the current year's reporting periods. You can renumber additional GL sequences using the GL Sequence Renumber report.

Additional GL Numbering Setup

When additional GL numbering is enabled for an entity on page 931, you can specify another active entity from the same domain as the numbering source for additional GL numbering in the current entity. You can also indicate whether the numbering sequence must be reset yearly.

If an entity is the numbering source for dependent entities, you can only configure the Reset Number Yearly field in the source entity. In addition, a dependent entity cannot itself be the numbering source for another entity. For example, if entities A, B, and C belong to the same domain, and entity A is the numbering source for entity B, then entity B cannot be the numbering source for any other entities. However, entity A can simultaneously be the numbering source for multiple entities, such as entity B and entity C in the example in the graphic. A grouping of source and dependent entities for additional GL numbering purposes is referred to as a numbering group.

Number Groups



Use the Additional GL Numbering field in GL Layers on page 5781 to denote the layers for which the system must generate additional GL numbers. You can generate additional GL numbers for transactions in the official and management layers.

Use Record Numbers on page 6816 to specify the first number in an additional GL numbering sequence. Specify a transaction type of FIXEDJOURNAL and a status of Free when specifying additional GL numbering starting sequences.

Sequence Number for Posted Transactions

When creating journal entries in entities and layers for which additional GL numbering is active, a sequence number is generated. This number remains at zero until you save the journal entry.

Numbering Dates

The sequence number is also associated with a numbering date. The numbering date for a transaction can be the same as or later than the transaction's posting date. When creating a posting in Journal Entries, the numbering date is set to the posting date and cannot be modified unless you are creating, approving, or modifying a posting in a correction period. When Additional GL Numbering is enabled, you can specify numbering dates for official layer and management layer year-end closing postings in Year-End Closing on page 5806.

GL Sequence Renumber Report

The GL Sequence Renumber report can be used to renumber additional GL numbering sequence numbers for the current entity or for all the entities in a numbering group, if the current entity is a source entity. If

you want to renumber additional GL numbering sequence numbers for another entity, you must make that entity the current entity before you run the GL Sequence Renumber report.

The GL Sequence Renumber report removes the original sequence numbers and reassigns sequence numbers to the postings, based on the starting sequence number you specify when you run the report.

Note In order to reassign sequence numbers, the GL periods for which you run the GL Sequence Renumber report must be locked.

If you reassign sequence numbers to an entity that is the numbering source for other entities, sequence numbers are reassigned for the whole numbering group of entities.

The GL Sequence Renumber report renumbers postings sequentially and consecutively based on their numbering date. The posting with the earliest numbering date is assigned the first number in the new sequence. If several postings share the same numbering date, these postings are assigned sequence numbers by daybook code and entity code.

If the Reset Number Yearly field is selected on the Additional GL Numbering panel for the entity, the reassigned sequence numbers are numbered sequentially and consecutively within the GL calendar year.

Before reassigning sequence numbers, the system checks to ensure that no transactions without sequence numbers exist within the numbering group for the specified GL calendar year and period. If GL transactions without sequence numbers are found, an error displays and no sequence numbers are reassigned. You must then assign sequence numbers to the prior GL periods before proceeding.

The GL Sequence Renumber report has the following selection criteria:

Period

Specify the GL period for which you want to renumber additional GL sequence numbers. The default is the current GL period. The period must be locked before you can renumber the additional GL sequence numbers.

Renumber

Select Yes to renumber the sequence numbers that match the selection criteria. The function removes the original assigned sequence numbers and reassigns new sequence numbers for the specified GL periods. An audit report then summarizes the updates made. Select No to print a simulation of the sequence number reassignment based on the criteria you have entered. This option does not update sequence numbers.

Start Sequence Number

Specify the first sequence number you want to assign. This number is assigned to the posting with the earliest numbering date.

Year

Specify the GL calendar year for which you want to renumber additional GL sequence numbers. The default is the current GL calendar year.

The GL Sequence Renumber report displays the following information for each posting that matches the selection criteria:

- Sequence number
- Numbering date
- Posting date, if it is different than the numbering date
- Daybook
- Entity
- Voucher
- Posting description

GL Numbering Report

The GL Numbering report lists all transactions posted over the specified time frame. The pages in the GL Numbering report are numbered progressively for the whole year. The report has the following selection criteria:

Additional GL Sequence Number

Specify the range of sequence numbers for which to run the report.

Additional Numbering Date

Specify the range of numbering dates for which to run the report.

Print Address

Select Yes to print the entity's address details at the top of each page of the report.

Print Second Description

Select Yes to print the second description for each posting. The second description is a user-specified, plain description of the posting.

The report lists the following detail for each transaction:

- Numbering date
- Sequence number
- Supplier or customer code
- •Supplier or customer name
- Posting description and the secondary GL description, if this option is selected
- Voucher

- Invoice number
- Invoice date
- Account
- Account description
- Debit amount
- Credit amount
- Posting date. The posting date is printed if it is different from the numbering date.

At the beginning of a period, the report prints the accumulated balance of all transactions from the beginning of the year. The following information is printed at the end of the GL Numbering report:

- The total debit and credit amounts in base currency for the selected period.
- The total debit and credit amounts in base currency from the beginning of the year to the end of the period.
- If the report selection criteria includes transactions from the prior year, the total debit and credit amount in base currency for these transactions is printed.

Numbering Examples

This example uses two entities, Entity 1000 and Entity 2000. The entities have the following additional GL numbering settings:

Settings	Entity 1000	Entity 2000
Additional GL Numbering:	Yes	Yes
Reset Number Yearly:	No	N/A
Source Numbering Entity	N/A	Entity 1000
Next Sequence Number:	000000001	N/A

The entities use the following GL periods:

GL Period	Period Type	From - To Dates
202411	Normal	11/01 - 11/30
202412	Normal	12/01 - 12/31
202413	Correction	12/15 - 12/31
202414	Year-End Closing	N/A
202500	Year-End Closing	N/A
202501	Normal	01/01 -01/31

GL Period	Period Type	From - To Dates
202502	Normal	02/01 - 02/28
202503	Normal	03/01 - 03/31
202504	Normal	04/01 - 04/30

The entities use the following daybooks:

Daybook	Layer Type	Number Included in GL Numbering?
Inv1	Management	Yes
Inv2	Management	No
JE	Official	Yes
Trans1	Transient	No
Year-End	Official	Yes

At the end of 2024, Entity 1000 and Entity 2000 contain the following postings:

Entity 1000

Posting	Daybook	GL Period	Posting Date	System Date	Numbering Date
1000-N01	JE	202411	20241110	20241120	20241110
1000-N02	JE	202411	20241115	20241115	20241115
1000-N03	Trans1	202411	20241115	20241115	20241115
10000-N04	Inv1	202411	20241115	20241115	20241115
1000-N05	Inv2	202411	20241115	20241115	20241115
1000-N06	JE	202412	20241211	20241218	20241211

Entity 2000

Posting	Daybook	GL Period	Posting Date	System Date	Numbering Date
2000-N01	JE	202411	20241109	20241109	20241109
2000-N02	JE	202411	20241115	20241115	20241115
2000-N03	Inv1	202411	20241115	20241115	20241115
2000-N04	Trans1	202411	20241120	20241120	20241120

Posting	Daybook	GL Period	Posting Date	System Date	Numbering Date
2000-N05	Inv1	202412	20241215	20241215	20241215

You run GL Sequence Renumber for Entity 1000 for periods 201411 and 201412. Entity 1000 is the numbering source for both Entity 1000 and Entity 2000. The following sequence numbers are assigned:

Sequence	Posting	Numbering Date	Daybook	GL Period
000000001	2000-N01	20241109	JE	202411
000000002	1000-N01	20241110	JE	202411
000000003	1000-N04	20241115	Inv1	202411
000000004	2000-N03	20241125	Inv1	202411
000000005	1000-N02	20241115	JE	202411
000000006	2000-N05	20241115	JE	202411
000000007	1000-N06	20241211	JE	202412
000000008	2000-N05	20241215	Inv1	202412

Postings 1000-N03, 1000-N05, and 2000-N04 are not assigned sequence numbers because the daybooks to which they are posted belong to layers that are excluded from additional GL numbering.

Posting 2000-N01 is assigned sequence number 000000001 because it has the earliest numbering date.

Postings 1000-N04, 2000-N03, 1000-N02, and 2000-N05 have the same numbering date, and their sequence numbers are assigned in order by daybook code, and then by entity code.

This example uses correction postings for Entity 1000 and Entity 2000. The following are the correction postings:

Entity 1000

Posting	Daybook	GL Period	Posting Date	System Date	Numbering Date
10000-C01	JE	202413	20241201	20241220	20241201
1000-C02	JE	202413	20241203	20241215	20241231
1000-C03	Inv1	202413	20241207	20250115	20250115
1000-C04	JE	202413	20241215	20250315	20250315

Posting	Daybook	GL Period	Posting Date	System Date	Numbering Date
1000-C05	Inv1	202413	20241220	20250325	20250325
1000-C06	Inv1	202413	20241225	20250404	20250404

Entity 2000

Posting	Daybook	GL Period	Posting Date	System Date	Numbering Date
2000-C01	JE	202413	20241209	20250109	20250109
2000-C02	JE	202413	20241231	20250225	20250225

In Journal Entries, you approve postings 1000-C03, 1000-C04, and 1000-C05, and specify their numbering date as 20250331. Posting 1000-C06 does not need to be approved at this time so you manually modify its numbering date to 20250331.

Entity 1000

Posting	Daybook	GL Period	Posting Date	System Date	Numbering Date
10000-C01	JE	202413	20241201	20241220	20241201
1000-C02	JE	202413	20241203	20241215	20241231
1000-C03	Inv1	202413	20241207	20250115	*20250331*
1000-C04	JE	202413	20241215	20250315	*20250331*
1000-C05	Inv1	202413	20241220	20250325	*20250331*
1000-C06	Inv1	202413	20241225	20250404	*20250331*
2000-C01	JE	202413	20241209	20250109	20250109
2000-C02	JE	202413	20241231	20250225	20250225

In addition, Entity 1000 and Entity 2000 contain the following normal postings in GL periods 202501 to 202502:

Entity 1000

Posting	Daybook	GL Period	Posting Date	System Date	Numbering Date
1000-N07	JE	202501	20250101	20250101	202501
1000-N08	JE	202502	20250201	20250201	20250201
1000-N09	Inv1	202503	20250301	20250301	20250301

Entity 2000

Posting	Daybook	GL Period	Posting Date	System Date	Numbering Date
2000-N06	JE	202501	20250120	20250120	20250120
2000-N07	JE	202502	20250220	20250220	20250220
2000-N08	Inv1	202503	20250320	20250320	202520

You try to run GL Sequence Renumber for Entity 1000 for GL periods 202501 to 202502. The renumbering process fails for 1000-C01 and 1000-C02 because these postings must be numbered within GL period 202412 before you can proceed to renumber GL periods 202501 and 202502. You run GL Sequence Renumber again for GL period 202412, and the system creates the following numbered postings:

Sequence	Posting	Numbering Date	Daybook	GL Period
000000007	1000-C01	20241201	JE	202413
000000008	1000-N06	20241211	JE	202412
000000009	2000-N05	20241215	Inv1	202412
000000010	1000-C02	20241231	JE	202413

Finally, you run GL Sequence Renumber for Entity 1000 for GL periods 202501 to 202502. The system creates the following numbered postings:

Sequence	Posting	Numbering Date	Daybook	GL Period
000000011	1000-N07	20250101	JE	202501
000000012	2000-C01	20250109	JE	202413
000000013	2000-N06	20250120	JE	202501
000000014	1000-N08	20250201	JE	202502
000000015	2000-N07	20250220	JE	202502
000000016	2000-C02	20250225	JE	202413

Example:

On April 6, 2025, you run Year-End Closing and specify the numbering date as March 31, 2025. The system creates the following closing postings:

Entity 1000

Posting	Daybook	GL Period	Posting Date	System Date	Numbering Date
1000-Y01	Year-End	202413	20241231	20250406	20250331
1000-Y02	Year-End	202414	20241231	20250406	20250331
1000-Y03	Year-End	202414	20241231	20250406	20250331
1000-Y04	Year-End	202500	20250101	20250406	20250331

Entity 2000

Posting	Daybook	GL Period	Posting Date	System Date	Numbering Date
1000-Y01	Year-End	202413	20241231	20250406	20250331
1000-Y02	Year-End	202414	20241231	20250406	20250331
1000-Y03	Year-End	202414	20241231	20250406	20250331
1000-Y04	Year-End	202500	20250101	20250406	20250331

You run GL Sequence Renumber for Entity 1000 for GL period 202503. Entity 1000 is the numbering source for both Entity 1000 and Entity 2000. The following sequence numbers are assigned:

Sequence	Posting	Numbering Date	Daybook	GL Period
000000017	1000-N09	20250301	Inv1	202503
000000018	2000-N08	20250320	Inv1	202503
000000019	1000-C03	20250331	Inv1	202413
000000020	1000-C05	20250331	Inv1	202413
000000021	1000-C06	20250331	Inv1	202413
000000022	1000-C04	20250331	JE	202413
000000023	1000-Y01	20250331	Year-End	202413
000000024	1000-Y02	20250331	Year-End	202414
000000025	1000-Y03	20250331	Year-End	202414
000000026	1000-Y04	20250331	Year-End	202500
000000027	2000-Y01	20250331	Year-End	202413
000000028	2000-Y02	20250331	Year-End	202414

Sequence	Posting	Numbering Date	Daybook	GL Period
000000029	2000-Y03	20250331	Year-End	202414
000000030	2000-Y04	20250331	Year-End	202500

GL Open Item Accounts

For certain Balance Sheet accounts, an accountant must be able to show that the outstanding balance can be reconciled with the underlying transaction details. Details of account balances are also important for practical operational reasons.

GL open items are typically used for posting accruals; for example, insurance costs for an entire year, broken down into monthly values. For GL open item accounts, the system tracks matched and unmatched items in a GL open item sub-ledger. The identifier used to mark and link related transactions is called an allocation key. Through the use of allocation keys, debit and credit transactions can be matched and reconciled. After matching debit transactions with credit transactions, the remaining unmatched transactions explain the account balance.

You specify allocation keys when creating the GL open item accounts, which you can do in these functions:

- Bank Statements
- Open Item Adjustments
- Receiver Matchings
- Supplier Invoices
- Customer Invoices
- Recurring Entries
- Journal Entries
- Petty Cash Statements

You can save transactions on GL open item accounts to the official, management, or transient layers. You can modify and delete transient layer transactions, and **GL Open Item Accounts** enables you to update the balances and status of the open items accordingly.

When you post to GL accounts of type Open Items, you have three options:

- New Open Item: a new GL open item denoted by a new allocation key. The user can manually specify an allocation key or leave it blank. If it is blank, an allocation key is created automatically by the application. A new GL open item is created.
- Link to open item: Link to and update an existing GL open item by specifying the existing item’s allocation key. You must select

one existing open key. The system then creates a GL open item movement.

- Allocate Later: Save the transaction without an allocation key by selecting the Allocate Later option. In this case, the system does not create a GL open item or a GL open item movement. (This is the default option).

GL Open Item Accounts has drill-down links to:

- Cross Company GL Transactions
- GL Account Extended
- GL Balance
- GL Open Item Activities
- GL Open Items
- GL Summarized Transactions
- GL TC Balance
- GL Transactions
- GL Transactions View Extended
- Trial Balance View

GL Open Items Report

The GL Open Items report lists and totals GL open items within the open items sub-ledger. The output is grouped by allocation key. The following are the report selection criteria:

Allocation Key

Specify the allocation key for which to run the report. This field is optional.

Entity

Specify the entities for which to run the report. You can only select entities in the current domain.

GL Account

Specify the range of accounts for which to run the report. Only GL open item accounts within this range that match the other selection criteria are included in the report output.

Include Activity

Select Yes to display the transactions for each allocation key. Select No to display totals for each allocation key.

Include GL Open Item Transactions

Leave blank to display all GL open item transactions that match the selection criteria. Select Allocated Transactions to only display allocated GL open item transactions that match the selection criteria.

Select Unallocated Transactions to only display unallocated GL open item transactions that match the selection criteria.

Layer

Specify the GL layer for which to run the report. Only transactions in this layer are included in the report output.

Open at Date

Specify the date for which you want to run the report. GL items that were open on this date and that meet the other report selection criteria are included.

Actions

The Actions drop-down offers actions that you can take for a record or set of records. Individual actions are for individual records and bulk actions are for sets of records, based on your selected criteria. For bulk actions, once you select the records and set options, you can submit the action.

Initialize

It is possible to create and use a standard account and afterward change the account type to become an open item account. You perform this change in GL Accounts. When you convert a standard account to a GL open item account, all existing transactions on the account are assigned the default allocation value of Allocate Later.

Note If a standard account was created for use in the operational modules and specified in, for example, Product Lines, Purchasing Accounts, or Inventory Accounts, the system prevents you from changing the standard account to a GL open item account.

The Initialize action in **GL Open Item Accounts** gathers all unallocated transactions in the specified date range for the selected open item account, reconciles any transactions that can be reconciled, and then creates a closing and an opening transaction for the account. The closing transaction is automatically assigned the allocation key you specify.

The same key is also assigned to all unallocated transactions on the account, linking the historical transactions in one process. This prevents the older unmatched transactions on the account from being continuously listed as unallocated when you run the Reconcile action or the GL Open Items report.

To initialize a GL open item account, select the relevant account in the browse and on the Actions menu, choose Initialize.

Main

GL Account

This read-only field displays the active GL open item account you selected, previously converted from standard account, for which to create an initial open item.

Start Date

Specify a start date to search for transactions on GL open item accounts that were converted from standard accounts. The default is the current system date.

End Date

Specify an end date to search for transactions on GL open item accounts that were converted from standard accounts. The default is the current system date.

Currency

Specify a currency to search for open items denominated in this currency.

Allocation Key

Enter the allocation key to assign to the new initial open item.

Posting Daybook

Specify the daybook to which you want to post the reconciled initial open item.

Posting Layer

This read-only field displays the layer to which the daybook belongs.

Posting Date

Specify the posting date that the system must use when posting the reconciled initial open item. The default is the current system date.

Year/Period

Specify the GL calendar year and GL period in which to create the initial open item. The defaults are the GL calendar year and GL period of the current system date.

Reconcile

The outstanding balance is the sum of the unmatched transactions on the account. After matching debit transactions with credit transactions, the remaining unmatched transactions reflect the true account balance.

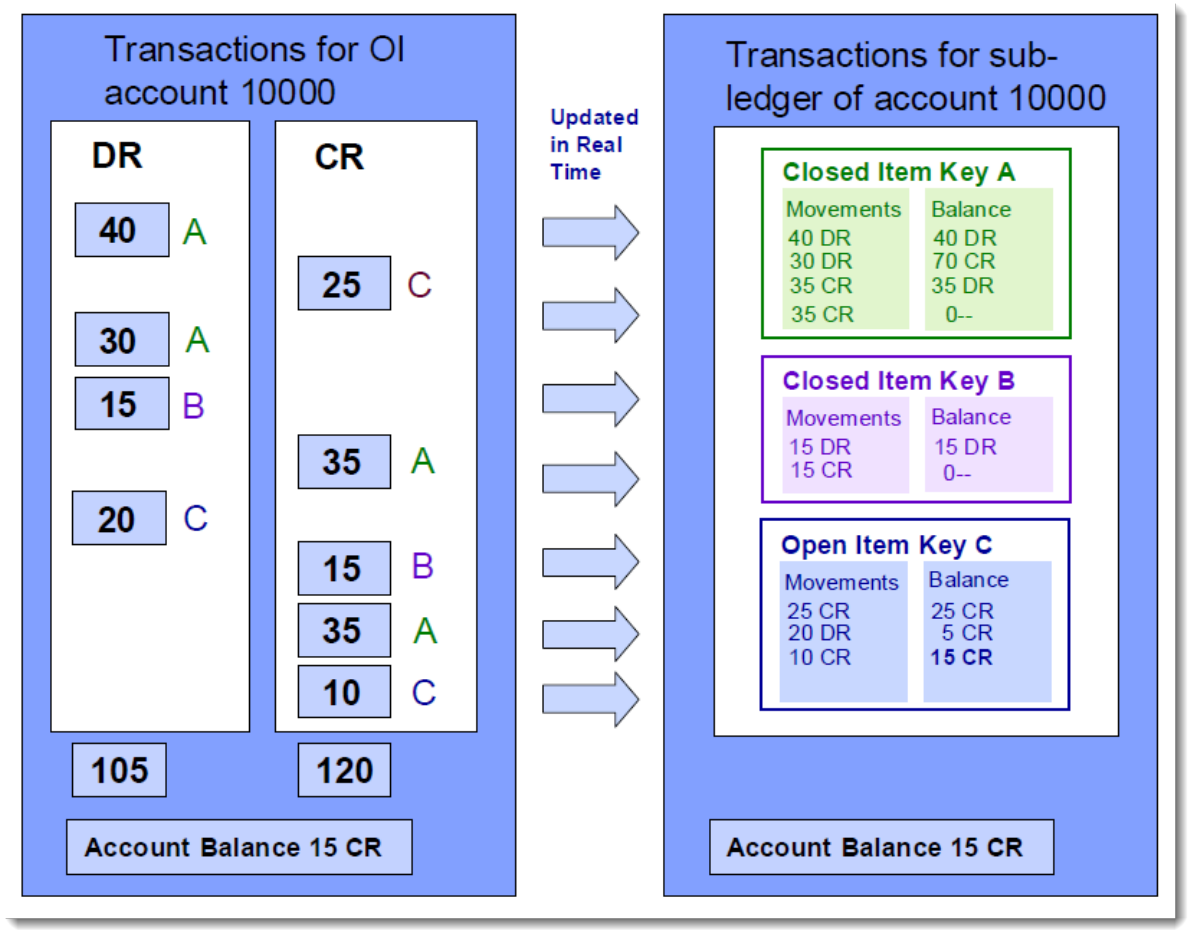
When creating open item postings, the transactions can be created with one of three statuses:

- New Open Item: a new GL open item denoted by a new allocation key.

- Link to Open Item: Link to and update an existing GL open item by specifying the existing item's allocation key. The system then creates a GL open item movement.
- Allocate Later: Save the transaction without an allocation key by selecting the Allocate Later option. In this case, the system does not create a GL open item or a GL open item movement.

The graphic shows transactions for GL open item account 10000. Using allocation keys, the outstanding debit and credit movements on account 10000 are matched, leaving an outstanding credit balance of 15 USD.

Transactions and Reconciliation for Account 10000



Search Criteria

Use the search criteria to locate open items for a single GL open items account. Open items movements created for that account in Journal Entries and other functions and that match the selection criteria are displayed. You also have the option to include closed GL open item movements in the search criteria. Open item movements are closed when the balance of their associated allocation key becomes zero.

GL Account

This field is read-only and displays the GL open item account you selected for reconciliation.

Currency

Specify the currency for which you want to search for open item movements. This field is optional.

Posting Date

Specify the posting date range for which you want to search for GL open items. The default end date is the current date. If you are including closed items, you must also include a start date.

Allocation Status

Select an allocation status to search for open items with that status. The possible values are:

- Blank (any status)
- Allocated
- Unallocated

Allocation Key

Specify an allocation key to search for GL open items with that key. This field is optional.

Layer Type

Specify a GL layer type to search for GL open items posted to that layer. You can post GL open items to the official, management, or transient layers. This field is optional.

Daybook

Specify a daybook to search for GL open items posted to that daybook. This field is optional.

Sub-Account

Specify a sub-account to search for GL open items posted to that sub-account. This field is optional.

Cost Center

Specify a cost center to search for GL open items posted to that cost center. This field is optional.

Project

Specify a project to search for GL open items posted to that project. This field is optional.

Include Closed Items

Select the field to include closed GL open items in your search. This option is deselected by default.

To retrieve the results based on the specified criteria, click Search. To clear the search criteria, click Reset. To clear the GL Open Items grid, click Clear.

GL Open Items

As you select the open items in the grid, the outstanding balance of open line items in the BC Balance of Selection field on the Summary panel (at the top of the page) is updated. Apart from the Select field, the fields in the grid are read only. For all transactions displayed in the grid, you can drill-down and view the source transactions.

Select

Select this field to include a transaction in the reconciliation.

Allocation

This read-only field displays the allocation status of the transaction line. The possible values are:

- New Open Item
- Link to Open Item
- Allocate Later

Allocation Key

This read-only field displays the allocation key assigned to the transaction. If the Allocation Type is Allocate Later, the Allocation Key field is blank.

Open

This read-only field indicates if the open item key to which the movement is allocated is open. The Open field is automatically selected for movements allocated to an open item key that has an open balance. If you include closed items in the selection, the Open field is cleared for lines belonging to the closed item key. For unallocated transactions with a status of Allocate Later, both the Allocation Key and Open fields are blank.

GL Description

This read-only field displays the GL account description of the GL open item account.

Currency

This read-only field displays the currency of the open item.

BC Debit

This read-only field lists the debit transaction amounts.

BC Credit

This read-only field lists the credit transaction amounts.

BC Balance

This read-only field displays the overall balance for an allocation key. The balance value is preceded by a minus sign if the balance is a credit

balance. If the transactions have not been allocated, the BC Balance field displays zero.

SC Balance

This read-only field displays the overall balance for an allocation key in statutory currency.

BC Activity

This read-only field displays the value of the open item transaction. The field contains a positive value for debit transactions and a negative value for credit transactions.

GL Period

This read-only field displays the GL period in which the open item was created.

Year

This read-only field displays the year in which the open item was created.

Note You can add additional columns to the grid using the settings.

Reconciliation Criteria

This panel enables you to define the reconciliation to execute. You can allocate selected lines from the grid to a new open item, or you can match items by linking them to the same allocation key. In addition, you can unallocate allocated transactions by resetting their statuses to Allocate Later.

The New BC Balance of Applied Open Items field on the Summary panel displays the new balance in base currency of the applied allocation key after reconciliation. This value is the sum of all transactions linked to the allocation key specified in the New Allocation Key field. The balance includes all transactions for the allocation key, even if you have not selected these lines in the grid. If the new allocation status is Allocate Later, there is no allocation key and this balance is always zero.

New Allocation Status

Select the new allocation status for the items you selected in the grid. Choose from:

- New Open Item: Allocate the transactions to a new open item.
- Link to Open Item: Use the allocation key to link this transaction to an existing open item.
- Allocate Later: Save the transactions without an allocation key. The system does not create a GL open item or a GL open item movement.

New Allocation Key

Specify the allocation key to apply to the transactions selected in the grid.

When creating a new open item, this allocation key is assigned to the new open item. This key subsequently identifies the GL open item in browses and reports.

If you chose Link to Open Item in the Allocation Status field, click the lookup to display the allocation keys of existing open items and select the one you want to link to. Alternatively, if you know the allocation key, you can just enter it in the field, without using the lookup.

Revaluation

A transaction in a foreign currency is recorded initially in the base currency by applying the exchange rate between the base currency and the transaction currency at the date of the transaction. However, GAAP rules stipulate that balances on accounts denominated in foreign currency be reported using the closing rate for the GL period in which the transaction was recorded.

You typically revaluate at the end of every GL period, and the process is more commonly used by international organizations, since a US entity dealing in USD only never needs to revalue.

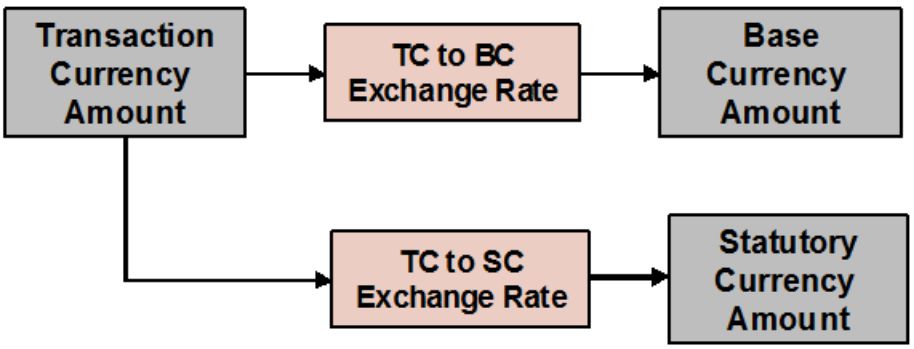
The revaluation process involves revising amounts in non-base currency accounts, based on the exchange rate in effect at the end of a GL period. GL accounts denominated in non-base currency or accounts that accept postings in all currencies are subject to revaluation.

When you create transactions in the system, you can use either the base currency or the transaction currency. If you use the transaction currency, the system converts the transaction amounts to the base currency using the current accounting exchange rate. You can modify or replace this exchange rate before posting.

There are two types of revaluation:

- Revaluation of transactions denominated in a non-base currency, relative to the base currency
- Revaluation of transactions denominated in a non-base currency, relative to the statutory currency

Types of Currency Amount and Exchange Rates



The exchange rate differences for a certain item must be recorded in each GL period until the period in which the item is closed. The exchange rate difference is then reversed on the first day of the next GL period. When the item is closed, the exchange difference is realized. Accounts can also be revalued based on balances or activity. Balance sheet accounts are revalued based on the year-to-date balance, and profit and loss accounts are revalued based on activity. These settings cannot be changed.

Accounts Subject to Revaluation

Revaluation affects the following account types:

- Customer, supplier, and cross-company control accounts: Open items denominated in a foreign currency are subject to revaluation until paid. Cross-company control accounts with open items denominated in a foreign currency are included in the revaluation when you select the Balance Sheet Accounts field in Revaluations.
- Customer and supplier payment accounts: The effect of revaluation on customer and supplier payment accounts depends on the payment instrument. If the payment instrument is direct debit (customer accounts only), the foreign currency transactions are performed using the accounting exchange rate for the direct debit date, and revaluation is not required. However, for drafts and post-dated checks denominated in a foreign currency, the payee must wait until the due date to collect the value. The value of the check or draft can vary from the date of issue until the due date, and is subject to revaluation.
- Standard GL accounts: Some standard GL accounts accept transactions in any currency, and are, therefore, subject to revaluation.
- Bank and cash accounts: Bank and cash accounts can be denominated in a non-base currency, which must be expressed in the base currency of the entity.
- Tax accounts: Some tax accounts accept transactions in any currency, and are, therefore, subject to revaluation.
- Inventory and WIP control accounts: You must revalue open balances in Inventory and WIP control accounts relative to the statutory currency to report closing valuations for the balance sheet.

  Note Base currency Inventory and WIP control account balances must be revalued in the books of a consolidation entity if the base currency of a source entity is different than that of the consolidation entity.

Setting Up Revaluations

To enable accounts to be revalued, you must configure currencies and revaluation parameters on the accounts, and then create a posting structure for revaluation postings.

Typically, two or three accounts are involved in revaluation: the source account, target account, and revaluation account.

- The source account is the original GL account to which the transaction affected by revaluation was posted.
- The system account is the account that contains the exchange rate differences produced by the revaluation.

- The revaluation account is the account into which the revaluation results are posted—that is, the profit or loss.

Note Only the system account and the revaluation account (for sub-ledger accounts) are used in the posting. However, for standard GL accounts, the source and revaluation accounts are the same, and the source account is also used in the posting.

Sub-ledger accounts require a separate target account for revaluation. The target account in these cases is a separate standard GL account, in which you post the exchange rate differences. These separate accounts are then reconciled to the general ledger. For all account types, the unrealized loss or gain must be posted to one of the following accounts:

- Unrealized Exchange Loss
- Unrealized Exchange Gain

You can define only one of each type of account at a shared set level. You can also configure only one set of revaluation accounts at shared set level. The system uses the same set of accounts for both transaction currency and statutory currency revaluation.

However, for particular GL accounts, you can specify alternative unrealized exchange loss and unrealized gain accounts in GL Accounts. These GL accounts allow unrealized gains or losses to be posted to different parts of the COA, depending on the nature of the transaction. These GL accounts overrule the system unrealized accounts and are used during revaluation to post the unrealized gain and loss.

When you define these GL accounts with SAF analysis and you post revaluations, the system retrieves SAF details from the source transactions and balances and posts the same SAF details to the Unrealized Gain and Loss accounts. When the unrealized gain or unrealized loss GL account has the same SAF concept as the source GL account, the system retrieves the SAF value of that concept from the source GL account. Otherwise, the system uses the default SAF value of the Unrealized Gain or Loss GL account.

When the source GL account has a revaluation GL account defined and the revaluation GL account is defined with SAF analysis, when you post revaluations, the system retrieves SAF details from the source transactions and balances. It then posts these SAF details to the Revaluation GL account. If the Revaluation GL account has the same SAF concept as the source GL account, the system retrieves the SAF value of that concept from the source GL account. Otherwise, the system uses the default SAF value of the Revaluation GL account.

Revaluation Example

The base currency of an entity is British pounds (GBP). AR account 12785643 is denominated in Euros, and has a balance of €10,000. On the day of posting, €10,000 is equivalent to £6,800. However, at the end

of GL period, €10,000 is equivalent to £6,600. Because the account is a sub-ledger account, a second account is required for the revaluation difference. The postings are as follows:

Unrealized Loss Account	
200	

Revaluation GL Account	
	200

The balance of the source account is:

12785643 AR Account	
6800	

Therefore, the value of the account (£6,600) is attained by combining the revaluation GL account with the 12785643 AR account.

Revaluation posting to these accounts is automatic. Revaluation postings for all balance sheet accounts are automatically reversed in the revaluation accounts on the first day of the following period.

Reversing revaluation amounts in a standard profit and loss GL account is optional. To enable this option for all standard GL accounts in an entity, select the Reverse P&L Revaluations field on the Main panel of the entity record.

Typically, revaluation of a profit and loss GL account is not required. However, it may be necessary in hyper-inflationary regions, where organizations restate their profit and loss using, for example, an average exchange rate for the quarter.

Revaluation Methods and Rates

You define the revaluation methods and rates for a source GL account on the Currency panel of GL Accounts. You can define both methods and rates for the revaluation of transaction currencies against the base currency and the statutory currency. The options available for the revaluation method are described in Revaluation on page 5712.

When you select the Revaluation method in the TC Revaluation in BC field, ensure that a revaluation exchange rate type is defined for all currencies used in postings to the account. Similarly, when you select

the Revaluation method in the TC Revaluation in SC field, ensure that a statutory exchange rate type is defined for all currencies used in postings to the account.

The default exchange rate type is the accounting exchange rate. When you use a currency for which no exchange rate has been configured, the system has the option to revert to using the accounting exchange rate, depending on a setting in Exchange Rate Types. If no accounting exchange rate is defined, the transaction cannot be posted. See Exchange Rate Types on page 5668 for more information.

You can also use a user-defined exchange rate type for revaluation. This rate is active when you define the TC and SC revaluation methods as User-Defined in the target GL account. Typically, you use User-Defined as the revaluation method when you want to keep historical records of revaluation for different GAAP reporting purposes.

The table describes the revaluation parameters and values for transaction currencies.

Revaluation Parameters

TC Revaluation in BC/SC	Rate Type for Revaluation in BC/SC	Description
None	Revaluation is not applicable, and the Rate Type for Revaluation in BC/SC field is unavailable.	The account is not revalued.
Accounting Rate	Revaluation is applied, and the Rate Type for Revaluation in BC/SC field is unavailable.	The system uses the accounting exchange rates that are valid at month-end.
Revaluation	Revaluation is applied, and the Rate Type for Revaluation in BC/SC field is unavailable.	The system uses the revaluation exchange rate type that is valid at month-end, but it can revert to using the accounting exchange rate, if the Fallback to Accounting field in Exchange Rate Types is selected for the revaluation exchange rate. The system displays a warning during the revaluation if it is reverting to using the

TC Revaluation in BC/SC	Rate Type for Revaluation in BC/SC	Description
		accounting exchange rate.
User-Defined	Any exchange rate with a user-defined exchange rate type.	The system uses the exchange rates of the user-defined type in the Rate Type for Revaluation in BC/SC field.
Statutory	Only available in the TC Revaluation in SC field. Statutory currency revaluation is applied, and the Rate Type for Revaluation in SC field is unavailable.	The system uses the statutory exchange rate type that is valid at month-end, but it can revert to using the accounting exchange rate, if the Fallback to Accounting field in Exchange Rate Types is selected for the statutory exchange rate. The system displays a warning during the revaluation if it is reverting to using the accounting exchange rate.
Inventory	Only available in the TC Revaluation in SC field. Statutory currency revaluation is applied, and the Rate Type for Revaluation in SC field is unavailable.	Inventory and WIP balances in statutory currency must be revalued to use the latest inventory exchange rate when: • The inventory exchange rate type is used to calculate standard costs in statutory currency. • Standard costs in base currency are reviewed periodically and the

TC Revaluation in BC/SC	Rate Type for Revaluation in BC/SC	Description
		inventory exchange rates are modified.

Revaluation Postings

You must define revaluation daybooks for each account type that is being revalued, and the daybook type must match the account type. The table lists the revaluation daybook types and corresponding GL accounts.

Revaluation Daybooks

Daybooks	GL Account Types
Revaluation Customer Payments	Customer Payment Account
Revaluation Customers	Customer Control Account
Revaluation GL	Bank, Cash, Standard GL, and Tax Accounts
Revaluation Intercompany	Cross-Company Control Accounts
Revaluation Suppliers	Supplier Control Account
Revaluation Supplier Payments	Supplier Payment Account

Use the Revaluation GL daybook type as the default daybook for account types for which no revaluation daybook type exists. The revaluation posting is based on the system and revaluation accounts.

For GL Accounts (non sub-ledger)

Debit	Credit
Revaluated GL Account	
	Unrealized

For AR Accounts

Debit	Credit
Revaluation	
	Unrealized

GL Periods

Multiple revaluation runs can be made during the same GL period.

When a revaluation posting has been created for a particular GL period, a subsequent revaluation posting for the same period reverses the existing posting. You can also choose up to three source layers to be revalued and the target layer to which the revaluation posting must be made. A subsequent revaluation that has the same target layer as a previous revaluation for the same GL period must also use the same source layers as the previous revaluation. Alternately, all the source layers must be different in the subsequent revaluation for the same GL period to prevent overlap.

If the target layer is the same and the source layers overlap, then an error message is displayed, and you cannot save the revaluation posting.

Example

A domain contains four accounting layers: Official, Mgt1, Mgt2, and Mgt3. You make subsequent revaluations for the GL period 2021/05.

Revaluation 1

Source Layers	Target Layer
Official, Mgt1	Mgt1

Revaluation 1 is posted. There are no limitations because it is the first revaluation for the GL period.

Revaluation 2

Source Layers	Target Layer
Official, Mgt2	Mgt2

Revaluation 2 is posted because the target layer is different from that of Revaluation 1. Revaluation 1 is preserved.

Revaluation 3

Source Layers	Target Layer
Official, Mgt1	Mgt1

Revaluation 3 is saved and posted. The system allows the revaluation because the source and target are the same as Revaluation 1. Revaluation 1 is reversed.

Revaluation 4

Source Layers	Target Layer
Mgt3	Mgt1

Revaluation 4 is saved and posted. The system allows the revaluation because the source is different from any previous revaluation in the GL period.

Revaluation 5

Source Layers	Target Layer
Mgt2	Mgt2

The system does not save Revaluation 5 because the target was already used in Revaluation 2 with source layers that are different, but overlapping (Mgt2).

Note When the system validates subsequent revaluation runs for the same layers, it considers whether you have chosen to revalue relative to the base currency, statutory currency, or both. Revaluation 3 would only be allowed if the revaluation settings for base currency and statutory currency were the same as those for the previous revaluation run.

You cannot recreate revaluation postings that occur in correction periods, or create a reverse posting to occur in a correction period. For example, the last GL period of the calendar year is 2021/12, and the correction periods are 2021/13 and 2021/14. The revaluation is processed in the same period (2021/12), and reversal postings are processed in 2022/1.

You can modify or delete revaluations only when all revaluation areas have an initial status.

Subsequent Revaluations for Different Revaluation Areas

If you post a revaluation for a particular GL period and layer and then post a second revaluation for the same GL period and layer, the system undoes all postings for the first revaluation, even if the new revaluation is for a different area selection.

For example, you create a revaluation simulation for customer open item accounts and balance sheet accounts for GL period 07 and layer Mgt2. You then post the revaluation for both account types and the system assigns a revaluation identifier number of 10.

Subsequently, you create a second revaluation simulation for customer open items and balance sheet accounts for GL period 07 and layer Mgt2. However, you only post the revaluation for the balance sheet accounts. The system assigns the second revaluation an identifier number of 11.

In the Journal Entries browse, you notice that the system has undone all postings for revaluation 10, even though the second revaluation posting did not include customer open item accounts.

Revaluations

Revaluations enables you to simulate the revaluations to be run for the GL periods and revaluation areas specified. You can also specify the source layers, where the balances are calculated, and the target layer, where the revaluation is posted when you post the revaluation. You identify specific types of accounts for which to run the revaluation process; for example, customer or supplier payment or control accounts, or balance sheet accounts.

There are two ways of running revaluation simulations:

- In real time
- Using Background Processing

It is expected that most users will use the background processing option to simulate revaluations. When you use Background Processing, the grids are not displayed and the selection criteria can be set very quickly. When you click Save, you can then continue with other tasks until the revaluation is simulated. However, when you post a simulation, you can only do this in real time.

The Revaluations hybrid browse displays revaluations with a status for all entities. However, you can only see entities for which you have permissions and you can only create and edit simulations for the logged in entity. You can post an individual simulation for the logged in entity only.

The Status field on the browse displays the current status of each simulation. The four statuses are:

- Simulated
- Failed Simulating
- Simulating
- Posted

After you have run a simulation, you can use the Post action to post the simulation. You cannot post a simulation unless you have simulated it first. By default, the hybrid-browse only displays revaluations that do not have a status of Posted. You can only delete a simulation with one of these statuses:

- Simulated

- Failed Simulating

If the current entity is included in one or more entity groups, you can choose to run the simulation for the current entity or for an entity group on page 5666.

Important When you run a revaluation simulation, the exchange rates used are saved with it. Therefore, if the exchange rates change before you post the revaluation, you must delete the simulation and recreate it using the latest rates. There is no way to update the rates on a simulation after you have saved it.

The Process in Background column in the browse enables you to see whether the revaluation was run using Background Processing. Background Processing Details is also available as a drill-down link for a revaluation, where this column is set to Yes.

The Revaluations report is also available as a drill-down link. The drilldown is only available when the status in the browse is Simulated or Posted. It includes all transactions in the revaluation scope. In addition, transactions that have no revaluation impact are included; that is, transactions where the revaluation difference is zero because the historical rate is the same as the revaluation rate. By including all transactions in the report, the system provides a complete reconciliation between the transaction amounts from before and after revaluation.

Main

Entity

This drop-down list contains the current entity, along with entity groups that contain the current entity, provided that you have access to all of the entities within the entity group. Select the entity or group of entities that you want to apply the revaluation simulation to. If you add the current entity to an entity group for the first time, you must log out and log in again before it is added to the group.

Note If you do not have role permission for simulation for all of the entities in the group, an error displays and the simulation completes only for the entities for which you have the required role permission. Similarly, if the GL period is not open in all of the entities, an error displays for the relevant entity and the simulation completes for the other entities.

GL Calendar Year/Period

Specify the GL calendar year and period in which to revalue transactions. The fields default to the current period.

Revaluation Description

Enter a brief description of the revaluation.

Revaluation Date

This read-only field indicates the last day of the GL period.

Revaluation Number

This field displays a system-generated sequence number for the revaluation. If you create a simulation for an entity group, the system generates a separate revaluation number for each entity in the group.

Status

This read-only field displays the current status of the revaluation. This field can have the following values:

- No value – No simulation has been attempted.
- Simulating – Simulation is currently taking place using Background Processing.
- Simulated – The revaluation is simulated.
- Posted – The revaluation is posted.
- Failed Simulation – The revaluation that was processed using Background Processing has failed.

Search Criteria

This panel enables you to specify what will be revalued. The Simulate button is only enabled when background processing is not selected.

Source Layer 1/2/3

Specify up to three source layers from which to revalue transactions. You can select official or management layer types. Source layers 2 and 3 are hidden by default.

Target Layer

Specify the layer in which the result of the revaluation is saved. The layer you specify in the first source layer you set automatically defaults to the Target Layer Code field, if this field is blank. However, you can overwrite this value.

Include Base Currency

Select this field to revalue using the base currency. This field is selected and disabled if statutory currency is not enabled for the domain.

Include Statutory Currency

This field is displayed when statutory currency is enabled for the domain. Select this field to revalue using the statutory currency. The statutory currency revaluation uses the statutory exchange rate, unless you have specified a different revaluation rate in the currency settings in GL Accounts. When using the statutory exchange rate, you have the

option to revert to using the accounting exchange rate if the statutory rate is unavailable. The fallback option is set in Exchange Rate Types.

Note When you select this field and run a simulation on an entity group, if some entities in the group do not have statutory currency enabled, the revaluation completes for the entity without statutory currency, but the system displays a warning.

For example: You run an entity group simulation from 11CANCO for the NAMER group and select the Include SC field. The simulation completes for 10USACO (also part of the NAMER group) for base currency only because statutory currency is not enabled in this entity. The application displays a warning to highlight this situation.

The base currency revaluation and the statutory currency revaluation are not dependent. You can run the revaluations separately or together.

Revaluation Area

Select the types of account to check for balances that are subject to revaluation. By default, all account types are included. You can choose from:

- Supplier Open Items
- Supplier Payments
- Balance Sheet Accounts
- Customer Open Items
- Customer Payments
- Profit and Loss Accounts

Click Reset to clear the fields on the Search Criteria panel and the Revaluation Area sub-panel. It also clears the Description field on the Main panel. If running the simulation in real time, the Revaluations grid is also cleared.

Revaluations

The Revaluations grid is only displayed when the Background Processing field is not selected. For each of the revaluation areas, the grid displays the revaluation differences that will be posted to the relevant accounts. Statutory currency amounts are displayed when statutory currency is enabled for the domain.

Exchange Rates

The Exchange Rates grid is only displayed when the Background Processing field is not selected. When displayed, the grid contains a read-only list of all the exchange rates, including those used in the revaluation.

Processing Options

Process In Background

By default, this field is selected. When selected, the simulation takes place in the background and results are sent to your inbox. This field is selected and read only for entity groups because these simulations can only be processed in the background. You can clear this field for single entity simulations, and then processing takes place on the screen. When you run a simulation for an entity group, a single result is sent to your inbox for all entities in the group. If one of the entities fails, you can still post the revaluation for the other entities in the group.

Background Processing Description

This field contains a description and the current date and time stamp. However, you can change this description.

Actions

The Actions drop-down offers actions that you can take for a record or set of records. Individual actions are for individual records and bulk actions are for sets of records, based on your selected criteria. For bulk actions, once you select the records and set options, you can submit the action.

Post

You can only post a revaluation after you have saved it as a simulation and its status is Simulated. To post the simulation, click Submit.

Important When you run a revaluation simulation, the exchange rates used are saved with it. Therefore, if the exchange rates change before you post the revaluation, you must delete the simulation and recreate it using the latest rates. There is no way to update the rates on a simulation after you have saved it.

The panels display details of the simulation that you are about to post.

Bulk Post

You can post a multi-entity revaluation after you have saved it as a simulation. The Post action will succeed for any entity in the group with a successful simulation. When an entity in the group has not simulated successfully, you receive an error message for that entity when the application tries to post the revaluation.

Important When you run a revaluation simulation, the exchange rates used are saved with it. Therefore, if the exchange rates change before you post the revaluation, you must delete the simulation and recreate it using the latest rates. There is no way to update the rates on a simulation after you have saved it.

Main

Simulate For

Select the entity group for which you are posting the revaluation.

GL Calendar Year/Period

Enter the year and period of the simulation.

Target Layer

Specify the layer in which the revaluation is posted.

To post the multi-entity simulation, click Submit.

Recurring Entries

Recurring entries are transactions that are repeated regularly, such as monthly rent payments.

Note Depending on your permissions, you can create recurring entries on all layers, or only for specified layers such as transient.

You can run recurring entry transactions in several GL periods, eliminating some of the manual effort required. An expected end-of-year expense might be accrued month-by-month to distribute the effect on the balance sheet. Rather than making a manual entry each month, you can set up a recurring entry.

A recurring entry consists of a posting template linked to a posting calendar. If you have created a recurring entry recorded in the transient layer, you then post the entry to the official layer using the Post action. If the template was recorded in the official layer, this step is not required.

Example

An organization pays $12000 a year to rent an office. The rental expense for the entire year is allocated to a rent prepayment account, and accounts payable is credited. The rent is recorded as a supplier invoice, and the initial $12000 to the rent prepayment account is entered on the Supplier Invoice screen. The daybook used must be of type Matching Daybook. Every month, in the standard Journal Entries daybook used for recurring entries, the rent expense account is debited by $1000, and the rent prepayment account is credited for the month’s office rental.

Main

Recurring Entry

Enter a code (maximum 20 characters) to identify the recurring entry.

Template

Specify a posting template to use as the basis of the recurring entry.

Daybook

Specify the daybook code to which the recurring entry is posted.

Start Date

Specify a start date for the recurring entry.

End Date

Specify an optional end date for the recurring entry. If you do not specify an end date, the recurring entry is run only once on the start date.

Active

Indicate if this is an active record.

Reverse in Next GL Period

Select to reverse the recurring entry in the next period. Specify the reversing date for the entry in the Reversing Date column of the entry grid.

Frequency

Select a posting frequency from the following options:

- GL Period. The GL Period option is the same as Monthly if your GL periods correspond exactly to calendar months.
- Manually. The grid is not populated automatically when you click Apply. You must run the posting manually at intervals. Use this option when the intervals required are irregular.
- Monthly
- Quarterly
- Weekly

Update Type

Choose an option to indicate if details in the template can be updated when the postings are run.

- Allowed: You can optionally update posting details marked as Allowed. In the Post action, the details with this status are displayed in yellow.
- Forbidden: You cannot update posting details marked as Forbidden. In the Post action, the details with this status are displayed in red.
- Mandatory: You must update posting details marked as Mandatory. In the Post action, the details with this status are displayed in orange.

BC Amount

Enter the base currency amount of the recurring entry.

Click the Apply button to generate recurring entries based on the information you specified. If you do not specify an end date, the grid displays one instance of the entry only.

Entries

You can modify the recurring entry details before posting the transactions. However, you cannot modify the status, which is assigned by the system.

Recurring Entry Line

Edit the recurring entry code, if required.

Status

This field displays Posted or Waiting as the recurring entry status. Posted entries are color-coded green and entries with waiting status are color-coded turquoise.

Posting Date

Edit the posting date, if required.

Reversing Date

This field displays the reversing date for the entry, which is the first day of the next GL period.

BC Amount

Edit the posting amount in the base currency.

GL Period

Specify the GL period in which to post the transactions.

GL Calendar Year

Specify the GL calendar year in which to post the transactions.

Actions

The Actions drop-down offers actions that you can take for a record or set of records. Individual actions are for individual records and bulk actions are for sets of records, based on your selected criteria. For bulk actions, once you select the records and set options, you can submit the action.

Post

Main

The fields on the Main panel enable you to search for the entries you want to post. The fields available are a subset of the fields available in Recurring Entries on page 5920. When selecting recurring entries to post, you must specify End Date as a search criterion. Refine the search further using the Recurring Entry, Template, Daybook, Frequency, and Update Type criteria. Recurring entries without an end date are also included in searches, if they match the other search criteria. When you have set the fields, click Search. Click Reset to clear the grid and the search criteria. Click Clear to clear the grid.

Entries

The Entries grid displays the entries that are available to post based on your search result. The To Post field enables you to select or deselect the entries. To post the entries, click Post.

Open Item Adjustments

You can link invoices to credit notes using:

- Customer Invoices and Supplier Invoices
- Customer Payment Selections and Supplier Payment Selections

Use **Open Item Adjustments** if you have not linked and reduced or netted invoices and credit notes using the above options.

Open Item Adjustments also lets you adjust supplier or customer balances without linking an outstanding payment; for example, to resolve unallocated cash payments. You can make customer and supplier adjustments in the same adjustment transaction. When the invoice or credit note is paid or when a prepayment is allocated, the open item is closed. If the Customer/Supplier Compensation Allowed field is selected for the entity and for the business relation, customer and supplier open items belonging to the same business relation can be adjusted directly against each other.

Often, organizations are billed for services they have not yet benefited from; for example, rent is often paid in advance. You can use **Open Item Adjustments** to record prepayments for revenue received or expenses paid in advance. You can also create adjustments for prepayment open items created in Banking Entities or in **Supplier Payment Selections**.

After you have saved an open item adjustment, you can only modify its description.

Setting Up Open Item Adjustments

Netting settings in the entity on page 927 record let you control the level of flexibility provided in Open Item Adjustments for the netting of transactions. In addition, customer and supplier compensation settings at entity and business relation level control whether you can net credits and debits for customers and suppliers that belong to the same business relation. The entity record includes three fields that let you control open item adjustment: Open Item Netting Restriction, Open Item Cross Entity Allowed, and Customer/Supplier Compensation Allowed.

The values of two business relation on page 743 fields also affect open item adjustments: Group Name and Customer/Supplier Compensation Allowed.

The following example illustrates how the netting controls at entity level and their possible values, and the customer and supplier compensation controls at entity and business relation level and their possible values interact to control open item adjustment. The example uses the following customers, suppliers, business relations, and corporate groups.

Suppliers and Customers	Business Relations	Customer/ Supplier Compensation for Business Relation?	Group
Supplier 1	BR 1	Yes	Group 1
Supplier 2	BR 2	No	Group 2
Supplier 3	BR 3	Yes	Group 1
Supplier 4	BR 4	Yes	Group 1
Customer 1	BR 1	Yes	Group 1
Customer 2	BR 2	No	Group 2
Customer 3	BR 3	Yes	Group 1

Transactions are created for these customers and suppliers in four different entities: Entity 1000, Entity 2000, Entity 3000, and Entity 4000.

Entity 1000

Open Item Netting Restriction	Netting Across Entities Allowed?	Customer/Supplier Compensation Allowed?
None	No	Yes

You attempt to save the following open item adjustments in Entity 1000:

- An invoice from Supplier 1 is netted against a credit note for Supplier 2. The transaction is saved. The Supplier 1 and Supplier 2 belong to separate business relations. However, there are no restrictions on netting across business relations in Entity 1000.
- An invoice from Supplier 1 is netted against an invoice from Customer 1. The transaction is saved. Supplier 1 and Customer 1 belong to the same business relation, and Customer/Supplier Compensation is allowed for the business relation.
- An invoice from Supplier 2 is netted against an invoice from Customer 2. An error is displayed, and the adjustment cannot be saved. Supplier 2 and Customer 2 belong to the same business relation, and the Customer/Supplier Compensation Allowed field is disabled for the business relation.

Entity 2000

Open Item Netting Restriction	Netting Across Entities Allowed?	Customer/Supplier Compensation Allowed?
Related Business Relations	Yes	Yes

You attempt to save the following open item adjustments in Entity 2000:

- An invoice from Supplier 1 is netted against a credit note for Supplier 2. An error is displayed, and the adjustment cannot be saved. Supplier 1 and Supplier 2 belong to separate business relations and separate corporate groups. In Entity 2000, you can only net transactions from business relations that belong to the same corporate group.
- An invoice from Supplier 1 is netted against a credit note for Supplier 3. The adjustment is saved because the suppliers belong to the same corporate group.
- An invoice from Supplier 1 is netted against a credit note for Supplier 4. The adjustment is saved because the suppliers belong to the same business relation.
- An invoice from Supplier 1, created in Entity 1000, is netted against an invoice from Customer 2, created in Entity 2000. The adjustment is saved. Supplier 1 and Customer 1 have the same business relation, customer and supplier compensation is allowed for the business relation, and cross-entity netting is enabled.

Entity 3000

Open Item Netting Restriction	Netting Across Entities Allowed?	Customer/Supplier Compensation Allowed?
Single Business Relation	Yes	Yes

You attempt to save the following open item adjustments in Entity 3000:

- An invoice from Supplier 1 is netted against a credit note for Supplier 3. An error is displayed, and the adjustment cannot be saved. In Entity 3000, you can only net transactions from the same business relation. This restriction applies even though the suppliers have the same corporate group.
- An invoice from Supplier 1 is netted against a credit note for Supplier 4.The adjustment is saved. The suppliers belong to the same business relation.

- An invoice from Supplier 2 is netted against an invoice for Customer 2. An error is displayed, and the adjustment cannot be saved. Customer and supplier compensation is disabled for the business relation to which Supplier 2 and Customer 2 belong.
- An invoice from Supplier 1, created in Entity 2000, is netted against a credit note for Supplier 4, created in Entity 3000. The adjustment is saved. Netting across entities is enabled for Entity 3000, and Supplier 1 and Supplier 4 belong to the same business relation.

Entity 4000

Open Item Netting Restriction	Netting Across Entities Allowed?	Customer/Supplier Compensation Allowed?
None	Yes	No

You attempt to save the following open item adjustments in Entity 4000:

- An invoice from Supplier 1 is netted against an invoice for Customer 1. An error is displayed, and the adjustment cannot be saved. Customer and supplier compensation is disabled for the entity, and this setting overrides the compensation setting for the business relation to which Supplier 1 and Customer 1 belong.
- An invoice from Supplier 1, created in Entity 2000, is netted against an invoice for Customer 1, created in Entity 4000. An error is displayed, and the adjustment cannot be saved. Entity 4000 does not allow customer and supplier compensation. Both entities must allow compensation for the transaction to be saved.

Main

The fields in Open Item Adjustments are as follows:

Posting Date

Specify a GL calendar year, GL period, and posting date for the adjustment posting.

Daybook

Specify a daybook.

Description

Enter a maximum of 256 characters to describe the reason for the open item adjustment. For customer adjustments, the description displays in the **Customer Activity Dashboards**. For supplier adjustments, the description displays in the **Supplier Activity Dashboards**.

Voucher

The Voucher field is a read-only display of the system-generated voucher number.

Daybook Type

You must specify a type of either Supplier Adjustment or Customer Adjustment.

Layer

This read-only field indicates that the adjustment is to be posted to the official layer.

Adjustments

Customer/Supplier

Specify a customer or supplier. Use the multi-select lookup to select multiple customers or suppliers.

Business Relation

Specify a business relation.

Invoice Reference

Specify an invoice reference. This applies to supplier invoices only.

Year/Daybook/Voucher

Specify a year, daybook, or voucher number for the open item to adjust.

Year/Daybook/Voucher List

Specify a list.

Group Name

Specify a corporate group code to display the open items for all customers and suppliers belonging to that group.

Payment Reference

Specify a payment reference.

Shipper

Specify a shipper.

Include Customers

Select to display open items of customers linked to the selected business relation. To display all open items for all customers, select this field without specifying a business relation. When you specify a customer adjustment (CA) daybook type, this field is selected by default.

Include Suppliers

Select to display open items of suppliers linked to the selected business relation. To display all open items for all suppliers, select this field without specifying a business relation. When you specify a supplier adjustment (SA) daybook type, this field is selected by default.

Purchase Order

You can search for invoices by purchase order by specifying the purchase order from the Operational Information panel in **Customer Invoices**.

Bill Year/Number

Enter the year and number of the bill that this amount belongs to.

Amount/Currency

Specify an amount and a currency for the open item.

Specify a calculation operator and a margin for the amount. The amount and margin must be positive. The search returns both debit and credit matches.

- When the operator is set to = and the margin is set to zero, the search returns open balances that equal the value in the Amount field.
- When the operator is set to = and the margin is set to, for example, 10, the search returns open balances within a range of +10 or –10 of the value in the Amount field.
- When the operator is set to <= or >=, the margin field is unavailable and the search returns amounts less than or greater than the value in the Amount field.

Posting Date

Specify a posting date.

Invoice Due Date

Specify an invoice due date.

Include Closed Items

Select to include open items that have previously been closed. Use this field in combination with the Start from Year/GL Period field to limit the number of results. If you have closed an item in error or if the item you want to adjust is not listed with the open items, use the Include Closed Items field to expand the search criteria.

Start from Year/GL Period

Specify a GL calendar year and GL period from which to search for closed items.

Only Over Allocated Items

Select this field to display only open items that have been over-allocated in the results grid. The sign (positive or negative) on the invoice amount should be the inverse of the sign on the balance amount. An item is over-allocated if the invoice debit TC amount and

balance TC amount are both less than zero, or if the invoice credit TC amount and balance TC amount are both greater than zero.

Include All Entities

Select to display open items from all entities in the database. This field is controlled by the Open Item Cross Entity Allowed field in the entity record.

When the Open Item Cross Entity Allowed field is enabled for the entity, you can use **Open Item Adjustments** to display and net items from other entities.

If the Open Item Cross Entity Allowed field is disabled for the entity, the All Entities field in **Open Item Adjustments** is disabled for editing, and you cannot display and net items from other entities.

When an open item adjustment includes cross-entity transactions, the entities involved must have compatible netting control settings. If the entities have different control settings, the most restrictive setting is applied.

When you adjust an open item from another entity, you create a cross-company posting.

Click Search to display the results.

Open Items Grid

When you click Search, the grid displays all open item transactions for which you can specify new balances.

You can make multiple adjustments for a single customer or supplier, or for multiple business relations. Each adjustment is displayed in the open item grid in sequence. The transaction is posted when you save the adjustments.

The sum of all debit and credit adjustments results in a balance. When that balance is zero, the adjustments can be saved. When the balance is less than or greater than zero, you must clear the balance using a new open item or by allocating it to a GL account.

You can use **Open Item Adjustments** to adjust open items subject to withholding tax.

When the transaction currency is different than the base currency, the balance must still net to zero. If you allocate the new balance to a GL account, you must use the same transaction currency as is used in the invoice. For example, you adjust the balance of an invoice from $500 US dollars to $2000 US dollars. To net this balance to zero, you can allocate to a GL account. When you create the posting line in Journal Entries, you allocate $1500 in US dollars, and not in the base currency (provided the base currency is not USD).

The exchange rate used for multi-currency adjustments is that of the original open item, and rounding differences are automatically applied.

Where an invoice is staged, you can expand the line and view the different stages on the invoice.

Note For this release, you can only adjust the invoice at invoice level. It is not possible to adjust a single stage.

The key fields in the grid are:

Full Adjustment

Select this field if the adjustment is in full and closes the open item.

TC New Balance

Adjust the open item by entering a new balance in the TC New Balance column for the item. You can adjust a number of items in the same transaction. The new balance is always in the currency of the open item, and must net to zero. You clear the balance by creating a new open item, or by allocating it to a GL account. The new balance must also net the original balance. Updating the balance automatically updates the Paid TC field.

Paid TC

Enter the amount paid of the open item. The TC New Balance field is automatically updated.

TC Discount Amount

This field displays the discount amount on any payment on a discounted invoice. You can also manually update the field.

Click Save to apply the adjustment.

Buttons

New Open Item

New Open Item displays the New Open Item popup, where you can create a new open item, either an adjustment or a prepayment.

The New Item screen is available when the open item search has returned results. Depending on the type of search you conducted, the New Item screen defaults to new items for customers or suppliers. You enter the open item date, due date, and the adjustment amount. The GL calendar year, GL period, daybook, and voucher of the invoice created are the same as the adjustment parameters you specified in the header of the main **Open Item Adjustments** screen.

The fields on the New Open Item popup include:

Customer/Supplier

Only one of these fields is displayed, depending on whether the adjustment is for a customer or a supplier. You can specify the customer or supplier for which the open item applies.

Business Relation

Specify the business relation for which the open item applies.

Invoice Type

Select Adjustment or Prepayment to indicate the type of open item.

Invoice Description

Enter a brief description of the open item.

Invoice Date

Specify an invoice date. This defaults to today's date. This date is normally prior to the posting date and within the same GL period.

Due Date

Specify a due date for the invoice. This defaults to today's date.

Discount Due Date

Specify a discount due date for payments that are subject to discount. This defaults to today's date.

TC Adjustment Amount

Enter the adjustment amount in the transaction currency. By default, this field contains the value needed to balance the item when you have selected an open item in the grid on the main page.

Exchange Rate

This field displays the accounting exchange rate when the transaction currency is different from the base currency. You can modify this value.

Exchange Rate Scale

This field displays the scaling factor for the exchange rate.

BC Adjustment Amount

This field displays the adjustment amount in the base currency.

Purchase Order

Specify the purchase order to which the open item applies.

Invoice Status

Specify an invoice status code to associate with the invoice. The code indicates whether the invoice is contested, allowed to be paid, approved, or locked for payment.

On the GL Analysis sub-panel, you can specify a sub-account, cost center, and project to add analysis to the customer or supplier control account used for the adjustment posting.

Allocate to GL

Allocate to GL opens **Journal Entries**, where you can create a journal entry in which completed adjustments are represented as read-only posting lines in control accounts. The Main panel of **Journal Entries** is read-only, but you can add a posting line to the grid. You can also use the Autobalance button to balance the open item. You can post the adjustment balance to an appropriate GL account. You balance the accounts by creating additional posting lines on standard GL accounts. You can optionally apply sub-account, intercompany, cost center, project, and SAF analysis to the postings. You typically use the Allocate GL option to write off bad debts or short payments, or to reduce the outstanding balance on an account. Select the open item, net it to zero, or reduce it, and click Allocate to GL to post the remainder of the balance.

For example, a customer has been invoiced for $1000 and the invoice remains open. A payment of $700 from the customer is netted against the open balance, and the value is entered in the TC New Balance field. The user then clicks the Allocate to GL button. The **Journal Entries** screen opens with the balance remaining on the invoice ($300) displayed in the top right. The user can then allocate this value to an appropriate GL account.

Details

When you select a line in the grid and click Details, an Adjustment Details popup displays relevant information for the open item. All fields are read-only.

Deduction Details

When you select a line in the grid that is a deduction, Deduction Details opens a popup where you can view details of the deduction.

Adjusting Zero-Amount Invoices

In some cases, a customer may have to make a prepayment before receiving goods. When the prepayment is recorded, no taxes are accounted for in the system. However, if no invoice is sent to the customer within a reasonable time (by the next tax period), the tax included in the prepayment must be recognized.

To handle this situation, you can create a zero customer invoice (or tax invoice). The taxes for the zero-amount invoice are then included in your tax declarations, and the invoice does not impact your customer’s AR balance.

Note Another approach is to create an internal invoice with taxes (also called a tax invoice) for the value of the prepayment.

When you create the customer’s official invoice, you must also create a zero-amount credit note with the same taxes as the original zero-amount invoice. You must then adjust the zero-amount invoice with taxes and the zero-amount credit note with taxes against each other using **Open Item Adjustments**.

Realized Exchange Gains and Losses

Realized exchange gains and losses in open item adjustment typically occur in the following two situations:

- When handling prepayments in foreign currency, customers typically use the same exchange rate on invoices as on prepayments. Since this is a manual process, exchange gains or losses are likely to occur.
- When recording payments in advance before a customer has provided details of the invoices to be paid. When you match the prepayment to the invoices in **Open Item Adjustments**, exchange gains and losses can occur.

Allocate to GL lets you post the difference to either an unrealized exchange gain account or an unrealized exchange loss account, depending on whether the difference is a debit or credit value.

Open Item Adjustments does not automatically create postings for gains or losses in statutory currency. An error message displays when the amounts in statutory currency do not balance. To rectify this, you must manually create an additional line using Allocate to GL, and manually post the statutory currency exchange rate gain or loss. You can leave the base currency amount at zero, and then enter a statutory currency amount. To do this, select the posting line and expand it. The statutory currency fields are in the Details panel.

Mirror Accounting

Mirror accounting is used in several European accounting systems to ensure that inventory transactions are reflected immediately in the income statement, as well as in the balance sheet. This lets you analyze purchases and inventory movement in the GL in internal management reports.

You can apply mirror accounting to inventory control transactions only such as PO Receipts, WO receipts, inventory movements, and SO shipments.

Mirror accounting links a set of source (balance sheet) accounts to a set of mirror (income statement) accounts. When an inventory transaction is posted that updates the source accounts, the system generates a mirror posting that updates the mirror accounts simultaneously:

Account	Debit	Credit
Source 1 - GL1	100	
Mirror 1 - GL 3		100
Source 2 - GL2		100
Mirror 2 - GL4	100	

Mirroring adds two posting lines to the original transaction, which update the mirror accounts you defined. You can select the following types of source account:

- Standard account
- Cross Company Control account
- Inventory Control account
- WIP Control account
- System accounts of type Purchase Order Receipts and Unmatched Invoices

All mirror accounts must be standard GL accounts. When your source account is a cross-company account, the cross-company mirror transactions are posted as usual across the entities.

Inventory transactions normally use operational daybooks in the official layer only. When mirror accounting is enabled, you can choose to post both source and mirror transactions to daybooks in either the official or the management layer, and can also select either journal entry or matching as the daybook type. This option lets you generate mirror transactions in different layers for reporting purposes.

A mirror transaction can, optionally, be split into two sub-transactions, which can be posted to either the source or mirror daybooks. See Mirroring GL Accounts on page 5938.

You typically select balance accounts as source accounts and P&L accounts as mirror accounts, and define daybooks and split transactions, as required.

Mirror accounting is also affected by two other options:

- When Summarized Journal is selected on the Inventory Accounting panel of Inventory Control, operational transactions are summarized before they are posted. In this case, the mirroring information on individual transactions is executed but the split transactions are summarized, and the individual split transactions are not displayed in subsequent reports.

Note When Summarized Journal is selected and transactions contain legal document numbers, not all legal document numbers are tracked in the summarized inventory transactions. Therefore, when legal documents are used to track inventory transactions, it is recommended not to select the Summarized Journal field.

- When GL Transactions is set to No in Inventory Control, the system does not generate IC transactions, and mirror accounting is disabled.

Triggering Mirror Accounting Using Analysis

When your source accounts have sub-account, cost center, or project analysis defined, you can decide to apply some or all of the analysis as conditions to trigger the mirror transactions. For example, when you specify a sub-account on a source account, mirroring is triggered for only those transactions that contain that sub-account. If the sub-account field is not specified for the source account, then mirroring is triggered for all transactions that update the source account.

Note SAF analysis cannot be used to trigger mirror accounting.

Setting up Mirror Accounting

Configure mirror accounting using the following steps.

1. Define mirror accounting for the entity or domain. Mirror accounting is defined as an attribute of the entity and can be enabled per entity or per domain. When you enable mirror accounting for the domain, it is activated for each entity by default.
2. Define your source and mirror daybooks. See Mirroring Daybooks on page 5936.
3. Define your source and mirror accounts, and define the settings for split transactions, if required. See Mirroring GL Accounts on page 5938.

Mirror accounting is then enabled in the current entity when:

- It is activated for this entity.
- A daybook for inventory control transactions has been defined for the entity.
- Each source daybook has a mirror daybook.

Mirroring Daybooks

You create the source and mirror daybooks as a linked pair.

You can select the same daybook for both source and mirror, and the mirror daybook can be any daybook of type Journal Entry in either the official or management layer. You can also use source and mirror daybooks of type Periodic Costing with both belonging to the transient layer. You can, for example, define management layer daybooks for your

mirror transactions, and generate management reports for this layer only. Each source daybook must have a mirror daybook to enable mirroring, and at least one transaction must be posted in the source daybook.

The following restrictions apply when defining source and mirror daybooks:

- The daybooks can be in either official or management layer, but at least one must be in the official layer.
- The source and mirror daybook type must be of type Journal Entry or of type Periodic Costing.
- The source and mirror daybook control (operational only) must be the same.

When a mirror transaction is split, and a sub-transaction is posted to a mirror daybook, the system retrieves the mirror daybook by checking the source daybook and identifying the other half of the pair.

Main

Domain

This read-only field displays the current domain.

Entity

Specify the entity in which the mirror transactions are generated. You can only select entities in the current domain.

Source Daybook

Specify a daybook for the source transactions.

Mirror Daybook

Specify a daybook for the mirror transactions.

Note You can select journal entry or matching daybook types only.

Source/Mirror Daybook Type

These read-only fields display the daybook type for the source and mirror daybooks.

Source/Mirror Layer

These read-only fields display the source and mirror daybook layers.

Source/Mirror Layer Type

These read-only fields display the source and mirror daybook layer types. You can select daybooks in the official and management layers only.

Source/Mirror Daybook Control

These read-only fields display the source and mirror daybook control types.

Mirroring GL Accounts

Splitting Mirror Transactions

When you split mirror transactions, you define the daybooks into which the transactions are to be posted. You can split mirror transactions into sub-transactions in two ways:

- Mixed. The sub-transactions use the source accounts with their paired mirror accounts:

Split Transaction	Debit	Credit
Transaction 1	Source Account 1	Mirror Account 1
Transaction 2	Mirror Account 2	Source Account 2

- Separate. The sub-transactions use a mix of source and mirror accounts:

Split Transaction	Debit	Credit
Transaction 1	Source Account 1	Source Account 2
Transaction 2	Mirror Account 2	Mirror Account 1

When splitting transactions, you must specify the daybook in which each split transaction is to be posted. You must post at least one transaction in the source daybook.

Mirror Account Analysis

Mirror accounting handles account analysis in the following way:

- When both the source and mirror accounts have the same type of analysis (sub-account, cost center, or project), but no values are defined for the mirror account, the system uses the source account value in the transaction.
- If a value is defined for the mirror account, the system uses that value in the transaction.
- If analysis is defined for the mirror account but not for the source account, the system retrieves a default value for the analysis from the mirror account definition.

Main

Domain

This read-only field displays the current domain.

Entity

Specify the entity in which the mirror transactions are generated. You can only select entities in the current domain.

Source 1

Source 1 Account

Specify the first source account.

Mirror 1 Account

Specify a mirror account for the source account.

Source 1 Account Type

This field displays the source account type.

Source 1 System Type

When the source account is a system account, this field displays the system type.

Source 1 Sub-Account

Specify a sub-account for account analysis.

Source 1 Cost Center

Specify a cost center for account analysis.

Source 1 Project

Specify a project for account analysis.

Mirror 1 Sub-Account

Specify a sub-account for mirror account analysis.

Mirror 1 Cost Center

Specify a cost center for mirror account analysis.

Mirror 1 Project

Specify a project for mirror account analysis.

Source 2

Source 2 Account

Specify the second source account.

Mirror 2 Account

Specify a mirror account for the source account.

Source 2 Account Type

This field displays the source account type.

Source 2 System Type

When the source account is a system account, this field displays the system type.

Source 2 Sub-Account

Specify a sub-account for account analysis.

Source 2 Cost Center

Specify a cost center for account analysis.

Source 2 Project

Specify a project for account analysis.

Mirror 2 Sub-Account

Specify a sub-account for mirror account analysis.

Mirror 2 Cost Center

Specify a cost center for mirror account analysis.

Mirror 2 Project

Specify a project for mirror account analysis.

Split and Daybook

Account Type Split

Choose a method for splitting transactions:

- No Split. Mirror transactions are not split.
- Source and Mirror Accounts Mixed. The mirror transaction is split, and the sub-transactions use a mix of source and mirror accounts.
- Source and Mirror Accounts Separated. The mirror transaction is split, and the sub-transactions use separate source and mirror accounts.

Transaction 1 Daybook

Specify the daybook for the first split transaction. Choose the source daybook or mirror daybook.

Transaction 2 Daybook

Specify the daybook for the second split transaction. Choose the source daybook or mirror daybook.

Note When you define two mirror accounts with differing consolidation methods, the system displays a warning, but does not prevent the mirroring from taking place.

Example

In this example, mirror accounting is applied to a work order transaction to reflect inventory movement in the income statement, as well as the balance sheet. By applying a split to the mirror transaction, you ensure that the inventory transaction is posted to the management layer for analysis, while the mirror transaction is posted to the official layer.

A quantity of 10 items with a standard cost of $10 per item is issued to WIP from Inventory as a work order. This generates the following posting:

Account	Debit	Credit
WIP	100	
Inventory		100

Use the following steps to create a mirrored transaction with a separated split:

1. Define a source daybook in the management layer and a mirror daybook in the official layer.
2. Define the following mirroring accounts:

Account	Debit	Credit
Source 1 - WIP	100	
Mirror 1 - Cost of Production		100
Source 2 - Inventory		100
Mirror 2 - Raw Material Expense	100	

3. Define a split of type Source and Mirror Accounts Separated.
4. Select the source daybook (management layer) for Transaction 1, and the mirror layer (official layer) for Transaction 2.
5. Post the transaction. The posting generates the following split transactions:

   Transaction 1 to the management layer:

Account	Debit	Credit
WIP	100	
Inventory		100

Transaction 2 to the official layer:

Account	Debit	Credit
Cost of Production		100
Raw Material Expense	100	

GL Mirror Accounting Report

The GL Mirror Accounting Report displays the source and mirror postings for a selection of source accounts and source daybooks. The report identifies the source and mirror posting lines and daybooks both for split and non-split transactions.

Trial Balance Export

Filter

Entity

Use this field to filter on entity codes.

Year/GL Period

Specify the year and GL period that the trial balance browse can be run for.

Summarize SAF

Select Yes to summarize the results to exclude the SAF level of analytical detail.

Summarize Daybook

Select Yes to summarize the results to exclude the daybook level of analytical detail.

Summarize Project

Select Yes to summarize the results to exclude the project level of analytical detail.

Summarize Currency

Select Yes to summarize the results to exclude the currency level of analytical detail.

Include Results of Previous Year

Select Yes to include the results of the previous year in the trial balance output.

Summarize Intercompany Code

Select Yes to summarize the results to exclude the intercompany code level of analytical detail.

Summarize Cost Center

Select Yes to summarize the results to exclude the cost center level of analytical detail.

Summarize Sub-Account

Select Yes to summarize the results to exclude the sub-account level of analytical detail.

Summarize Entity

Select Yes to summarize the results to exclude the entity level of analytical detail.

Only Balances with SAFs

Select Yes to include only balances with SAFs in the output.

Suppress Zero Amounts

Select Yes to exclude the account lines with zero amounts from the browse.

Use COA Cross References

Select Yes to include the COA Cross Reference defined on the entity.

Update the Entity GL Period

Select Yes to update the Entity GL Period when the trial balance is exported.

Browse

Transient Transactions

This field indicates whether the layer code used is a transient layer and if there are transactions in the transient layer for the year and GL period range specified.

The values for this field include:

- Not Applicable

  There are transactions in the official and management layers.

- Transactions

  This is a transient layer daybook. There are transactions for the specified year and GL period. This is indicated by a red color-coding.

- Empty

  This is a transient layer daybook. There are no transactions for the specified year and GL period. This is indicated by a green color-coding.

Accounts Receivable

Businesses can agree to trade on cash or credit terms. With a credit sale, the seller delivers and then invoices the goods and services before payment is made by the customer. The credit terms are agreed to by the buyer and seller before sale, and are typically included on the invoice addressed to the customer, together with the value of the goods and services supplied. The buyer has an obligation to pay for the goods or services supplied on the terms agreed. Securing payment is, however, just one of the purposes of an invoice. The primary purpose of the invoice is to document and confirm the sales agreement, the terms and conditions of the sale, and the taxes that apply. The sales invoices and payments received against these invoices are recorded in the Accounts Receivable ledger. The total balance on the Accounts Receivable ledger is the total monies outstanding for credit sales and is itemized by individual customer within the ledger. The purpose of the Accounts Receivable ledger is to monitor the amount of credit extended to customers and to help secure payment.

The Accounts Receivable flow begins with the sales order. When the sales order is confirmed, the process of shipping goods or delivering services is started. When the shipment or delivery is confirmed, the system creates an invoice. You can then process the invoice using the AR functions described in the following sections. You collect receivables by tracking customer activity, and identifying and resolving overdue invoices. These stages are represented by the following processes:

- Invoice Customers
- Process Receivables
- Collect Receivables
- Customer Billing

Customer Invoices Overview

Most customer invoices are generated from sales transactions in Sales Orders on page 976.

Shipping a sales order creates a pending invoice, which can be printed using Preview Invoice Print, reviewed, and corrected using Pending Invoices. Additionally, a credit controller can review credit-related information using Sales Order Credit and indicate that the order has been reviewed. A field in Sales Control determines if an order can be updated after it has been marked as reviewed. Once the pending invoice is reviewed, you can post and print the final invoice.

Note When Delivery Based Invoicing is selected on the Sales Accounting panel on page 1506 of Sales Control, the last shipment date is used as the posting, invoice, and tax point dates in the customer invoice.

Posting the invoice creates the customer invoice in the AR module. Only a limited number of fields can be modified on customer invoices generated from sales orders; most corrections need to be made through the sales order functions. For example, a sales order indicates that four items shipped when only three items were received by the customer. You must correct this by completing a sales order return, which creates a negative invoice (credit note).

Note In addition to orders created in Sales Orders, several other types of orders can go through invoice post, such as return material authorizations and call activity created Service Orders.

Each invoice record is posted individually; there is no summarization. This supports full drill-down into individual posting details. However, the posting function assigns a batch number, which can then be referenced in AR functions for grouping and reporting.

Disputes on a payment can be due to a mistake in the quantity ordered or on the price charged. In cases where incorrect invoices have been posted, use the correction invoice feature—enabled in Sales Control on page 1487—to create a correct sales order in Sales Orders. Follow standard shipping and invoice post processes to create a correction invoice.

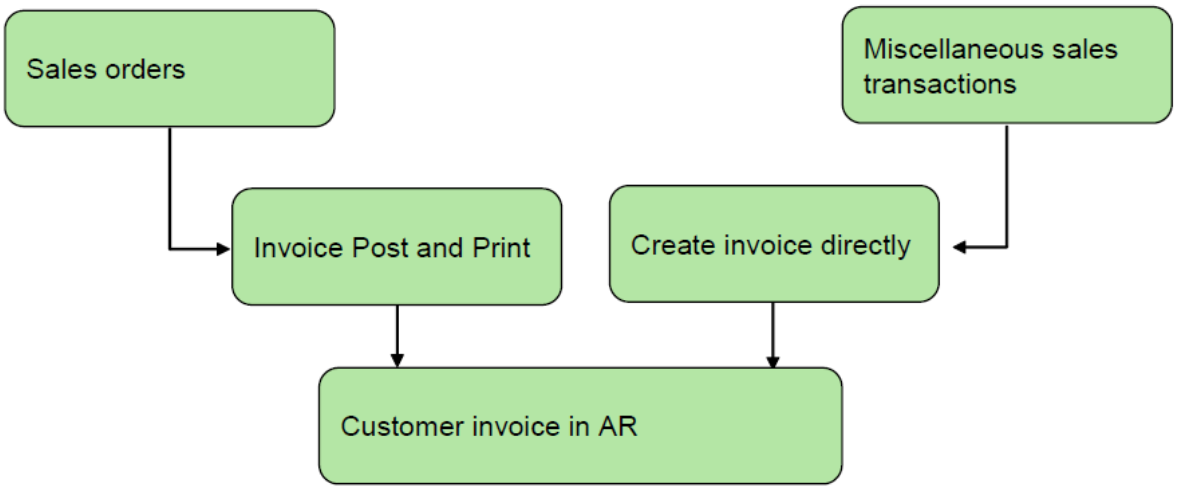
Note When selected, the Allow Closed Invoice Correction field in Sales Control lets you correct closed invoices using Sales Orders.

If the customer has been under- or over-charged, you can also create a manual invoice or credit note for the outstanding amount using Customer Invoices on page 5948.

Customer Invoice Functions

The Customer Invoice function is used for two purposes:

- You can view and modify invoices and credit notes created by Invoice Post. Most of the information on these sales-related invoices defaults from the associated sales order and is set during invoice post; you can modify only a small subset of fields.
- You can directly create invoices for miscellaneous customer charges or credit notes. For this type of manual invoice, you must specify most of the fields that are automatically populated during invoice post.



Sales-Related Invoices

Most fields in an invoice generated by invoice post cannot be changed. The financial information, such as the total invoice amount, the accounts that are updated when the transaction is posted, and the tax rates and amounts, is defined when you create, ship, and post the original sales order. You can view the resulting customer invoice in Customer Invoices, and in most cases, can process the invoice immediately using customer payments. You can also optionally modify certain fields on the specified tabs of a sales-related invoice.

Customer Invoices

For manual customer invoices, you must specify most of the fields that are automatically populated during invoice post.

Customer Invoices initializes with a browse that allows you to filter the list of existing invoices using various criteria.

The eInvoice Status field in the browse displays an icon to indicate the status of the eInvoice. The various options include:

- Error
- Pending with Update
- Processing
- Rejected
- Received

Use the Main panel to complete the customer details, invoice or credit note amount and exchange rate, posting date, invoice details, and analytical details. Use the Addresses panel to specify the ship-from address—the address that identifies one of your inventory sites—and the

customer ship-to address. The address on the General panel is the bill-to address for the invoice. The fields on this panel display mostly read-only information for sales-related invoices.

Use the Tax panel to provide details of the tax associated with this invoice. When the invoice is taxable, the system calculates tax information and displays it here. This information is read-only for sales-related invoices, and reflects the tax amounts generated based on the order tax details. Use the Banking Information panel to provide details of the bank accounts and payment information associated with this invoice. Use the Credit Terms Details panel to specify the discount due date. The Operational Information panel and the Sales Persons and Sales Order sub-panels do not apply to a manually created invoice. The values on these panels are defaulted from the sales order when it is posted. The Comments panel lets you enter comments related to the invoice.

Main

Type

This field displays the invoice type. When creating an invoice, choose the invoice type from the drop-down list:

- Credit Note
- Credit Note Correction
- Finance Charge
- Invoice
- Invoice Correction

Invoice Correction and Credit Note Correction display as choices only when the appropriate daybook types have already been defined.

Customer

Specify the code that identifies the customer address that pays the invoice. The business relation code associated with the bill-to automatically displays, as well as other details based on today's date such as the credit terms and the posting date. When you create a new invoice, you can specify a business relation before selecting the customer. In this case, the customer code is loaded. When more than one customer is linked to the business relation, you must select from the available customer codes. The bill-to address can represent a corporate parent or simply a different location for billing. Credit information defaults from the bill-to address, including credit limit, terms, and currency. For sales-related invoices, the customer code displays the customer bill-to address specified on the associated order. You can retrieve customers by selecting their business relation codes or business relation names.

Business Relation

This field displays the business relation code, when one has been defined. Alternatively, you can also select customers by their business relation. When the code is entered, the system automatically retrieves the business relation and customer codes.

TC Invoice Amount

Enter the total invoice amount and specify a transaction currency. For a new invoice, currency defaults from the customer bill-to. For sales-related invoices, this field displays the total invoice amount, including tax, in the transaction currency. For manually created invoices, the value of Tax Excluded determines whether this amount includes tax. You can save zero-value invoices, which have no TC invoice amount. However, the system displays a warning to prevent you from doing so by mistake.

Description

Enter a brief description (maximum 40 characters) of the invoice.

Invoice Date

Specify an invoice creation date; the default is the system date. A warning displays if this date is not prior to the posting date. The system uses the invoice date with the credit terms to calculate due date and discount date.

Posting Date

This field displays the date the sales-related invoice was generated. When creating an invoice, specify a date on which the invoice is to be posted. This date defaults from the invoice creation date, if that belongs to an open GL period. If you select another GL calendar year or GL period, the end date of that GL period is used as the default value for the posting date. The date must be within the start date and end date limits for that GL period.

Control Account

This field displays the account specified in the GL Control Profile in Customers.

GL Analysis

Specify a sub-account if the customer control account is defined with sub-account analysis. Otherwise, the field cannot be updated. The system also uses the specified sub-account for all invoice posting GL transactions to GL accounts with sub-account analysis. The system uses the specified cost center and project for all invoice posting GL transactions to GL accounts with cost center and project analysis.

Credit Terms

Specify the credit terms that apply to this invoice. Credit terms determine invoice due dates and any settlement discounts on early payments. Credit terms also determine if multiple payments are made in stages based on invoice percentages. When the credit terms code is changed, the invoice due date is recalculated. Credit terms default from the customer record. Credit terms for sales-related invoices default from the associated sales order.

Due Date

The Due Date field displays the date when payment is due. You can modify the due dates without affecting the credit terms. If the credit terms have a base date specified, this is used in the due date calculations rather than the invoice creation date.

Discount Due Date

This field contains the last date a discount applies, calculated by the system based on the credit terms and the invoice date. You can modify the due dates without affecting the credit terms.

Taxable

Select if this invoice is subject to taxes. For a new invoice, this defaults from the customer. For sales-related invoices, this field is based on the taxable status of the associated order.

Tax Excluded

When selected, this field indicates that the amount specified for Invoice Amount excludes tax. This means that the system uses the total amount as the basis for tax calculation. When tax is included (that is, the Tax Excluded field is cleared), it is assumed that the value you specify in the Invoice Amount field includes the tax. This field defaults from the Customer Invoice Total Excludes Tax field in Global Tax Management.

Daybook

This field displays the daybook specified on the associated order of a sales-related invoice. The system selects the appropriate daybook based on the invoice type: adjustment, invoice, invoice correction, credit note, credit note correction, deduction, prepayment, or finance charge. The system-generated invoice number is based on the daybook. When creating an invoice, you must specify an internal daybook with a type that matches the invoice type.

Voucher

This field displays the invoice voucher number.

Invoice Number

You cannot edit this field. It contains the invoice number, which is automatically generated on invoice creation.

Invoice Status

This field displays the default invoice status code associated with the customer. Invoice status codes can be used on customer invoices to indicate whether the invoice is contested and—if so—why it is contested. Invoice status codes have a different usage for supplier invoices where they are used to control the invoice approval process.

Open

When selected, this read-only field indicates the invoice has not been completely paid. It is updated automatically when complete payment is registered.

Payment Reference

Optionally, specify a reference number to identify a customer payment for this invoice. If the payment format is of type Single Euro Payments Area (SEPA), leave this field blank. When you click Save, the field is then automatically populated with a valid system-generated SEPA payment reference number. However, if you enter a reference and then click Save, no SEPA payment reference number is generated and assigned to this invoice. When SEPA messages are turned on at entity level, a warning message is displayed before allowing you to continue the Save operation. For any entity outside SEPA, you can enter a reference such as a Transfer with Structured Message (TSM) number. The TSM is a standard reference numbering system for electronic transfers, used by many banks.

Reminder Counter

This field displays the reminder level that applies to this invoice.

Batch Number

If this is a sales-related invoice, the batch number specified during invoice post displays. For manually created invoices, you cannot enter a value in this field.

Currency Details

BC Exchange Rate

If the transaction currency is not the same as the domain base currency, the applicable accounting exchange rate displays and can be edited; otherwise, the system displays 1 and the field cannot be changed. The BC Invoice Amount is calculated based on the exchange rate. If you modify the BC Invoice Amount, the exchange rate is automatically adjusted. For example, the base currency is Euro, the transaction currency is GBP, and the default exchange rate for these currencies is 0.5 (2 euro to 1 GBP). The transaction amount is 1000

euro, and the base currency amount is 500 GBP. By increasing the base currency amount to 750 GBP, you change the exchange rate for this transaction from 0.5 to 0.75.

BC Invoice Amount

When the transaction and base currencies are the same, this field is read-only and displays the same amount as TC Invoice Amount. Otherwise, it is TC amount adjusted based on the exchange rate. If you modify the base currency amount when creating an invoice, the system automatically recalculates the exchange rate to ensure that the transaction currency amount remains the same.

SC Exchange Rate

If the transaction currency is not the same as the domain statutory currency, the applicable accounting exchange rate displays and can be edited; otherwise, the system displays 1 and the field cannot be changed. The SC Invoice Amount is calculated based on the exchange rate. For example, the statutory currency is Euro, the transaction currency is GBP, and the default exchange rate for these currencies is 0.5 (2 euro to 1 GBP). The transaction amount is 1000 euro, and the statutory currency amount is 500 GBP. By increasing the statutory currency amount to 750 GBP, you change the exchange rate for this transaction from 0.5 to 0.75.

SC Invoice Amount

When the transaction and statutory currencies are the same, this field is read-only and displays the same amount as TC Invoice Amount. Otherwise, it is TC amount adjusted based on the exchange rate. If you modify the statutory currency amount when creating an invoice, the system automatically recalculates the exchange rate to ensure that the transaction currency amount remains the same.

Adjustments

Link To Invoice

Specify an invoice or credit note to which you want to link the current document. A credit note can have a one-to-one link to an invoice. You can select invoices for this customer that have opening balances greater than or equal to the amount of the credit note. When you create the link, the system creates an automatic open item adjustment (customer adjustment) of linked documents with a posting date equal to that of the credit note, using a Customer Adjustment daybook. The following links are possible.

- Credit Note - Invoice
- Correction Invoice - Invoice
- Correction Credit Note - Credit Note

Adjustments

If an invoice is linked to a credit note, specify a daybook for the credit note and invoice adjustment. The internal daybook must be of type Customer Adjustment (CA), and the voucher number is system-generated.

Addresses

Ship-From

Enter the code that identifies the business relation associated with the site where items being invoiced are shipped from. If this is a miscellaneous invoice or credit note, the ship-from site is still required. The default for a new invoice is the business relation associated with the company address defined for the bill-to customer site.

Address Type

This read-only field displays the ship-from address.

Sold-To

Enter the code identifying the sold-to customer who received the items being invoiced. On a new manually created invoice, the code entered in the Customer field on the Main panel displays by default. The sold-to address displays on the printed invoice.

Ship-To

Enter the code that identifies the address receiving the items being invoiced. This field defaults from the sold-to address; you can change it to another valid ship-to defined for the business relation. The system uses the tax detail for the ship-from and ship-to addresses to select the correct tax environment for tax calculation.

- For the ship-from, this is the head-office address of the business relation.
- For the ship-to, the tax details defined for the customer record are used.

Business Relation

This read-only field displays the business relation code related to the sold-to customer.

Address Type

This read-only field displays the address of the customer.

Contact

Specify a contact name for the customer. The lookup displays the contact details defined for the customer’s business relation.

Tax

Tax Point Date

This field displays the date to be used in tax calculations, which by default is the same as the posting date. For sales-related invoices, this field displays the tax calculation date on the associated order.

Note For invoices created from sales orders using advanced exchange rates, the tax point date is the shipment date.

Own Tax Number

This field displays the state tax ID of the ship-from business relation, which is associated with the current entity and displayed on the Addresses tab.

TC Amount With Taxes

This field displays the trade currency amount of the invoice including taxes.

Customer Tax Number

This field displays the state tax ID of the bill-to customer, which is displayed on the General tab. If no customer bill-to is defined, the state tax ID of the ship-to customer is displayed.

Tax Grid

When the invoice is taxable, the system calculates tax information and displays it in the Tax grid.

Tax Class

For a new invoice, this field defaults from the tax definitions for the customer and determines the tax calculation amounts. For an invoice posted from a sales order, tax details default from the order. The default tax environment is calculated using the tax zone of the ship-to site, the tax zone of the supplier's address, and the tax class of the supplier or PO, if linked. You can overwrite the default tax environment, tax class, tax usage, and tax codes to select new values. If you modify any of these fields, the system resets the TC Base Amount (Cr) field to zero, and a new tax rate can be applied. Instead of modifying the default tax details, you can also insert a new tax row, enter the new tax details, and delete the original default tax row. To recalculate the tax amounts after modifying default details or after entering tax details in a new tax row, re-enter the invoice amount before tax in the TC Base Amount (Cr) field.

Tax Usage

For a new invoice, this field defaults from the tax definitions for the customer and determines the tax calculation amounts. For an invoice posted from a sales order, tax details default from the order. The default tax environment is calculated using the tax zone of the ship-

to site, the tax zone of the supplier’s address, and the tax class of the supplier or PO, if linked. You can overwrite the default tax environment, tax class, tax usage, and tax codes to select new values. If you modify any of these fields, the system resets the TC Base Amount (Cr) field to zero, and a new tax rate can be applied. Instead of modifying the default tax details, you can also insert a new tax row, enter the new tax details, and delete the original default tax row. To recalculate the tax amounts after modifying default details or after entering tax details in a new tax row, re-enter the invoice amount before tax in the TC Base Amount (Cr) field.

Tax Environment

For a new invoice, this field defaults from the tax definitions for the customer and determines the tax calculation amounts. For an invoice posted from a sales order, tax details default from the order. The default tax environment is calculated using the tax zone of the ship-to site, the tax zone of the supplier’s address, and the tax class of the supplier or PO, if linked. You can overwrite the default tax environment, tax class, tax usage, and tax codes to select new values. If you modify any of these fields, the system resets the TC Base Amount (Cr) field to zero, and a new tax rate can be applied. Instead of modifying the default tax details, you can also insert a new tax row, enter the new tax details, and delete the original default tax row. To recalculate the tax amounts after modifying default details or after entering tax details in a new tax row, re-enter the invoice amount before tax in the TC Base Amount (Cr) field.

Tax Type

For a new invoice, this field defaults from the tax definitions for the customer and determines the tax calculation amounts. For an invoice posted from a sales order, tax details default from the order. The default tax environment is calculated using the tax zone of the ship-to site, the tax zone of the supplier’s address, and the tax class of the supplier or PO, if linked. You can overwrite the default tax environment, tax class, tax usage, and tax codes to select new values. If you modify any of these fields, the system resets the TC Base Amount (Cr) field to zero, and a new tax rate can be applied. Instead of modifying the default tax details, you can also insert a new tax row, enter the new tax details, and delete the original default tax row. To recalculate the tax amounts after modifying default details or after entering tax details in a new tax row, re-enter the invoice amount before tax in the TC Base Amount (Cr) field.

Tax

For a new invoice, this field defaults from the tax definitions for the customer and determines the tax calculation amounts. For an invoice posted from a sales order, tax details default from the order. The default tax environment is calculated using the tax zone of the ship-to site, the tax zone of the supplier’s address, and the tax class of the

supplier or PO, if linked. You can overwrite the default tax environment, tax class, tax usage, and tax codes to select new values. If you modify any of these fields, the system resets the TC Base Amount (Cr) field to zero, and a new tax rate can be applied. Instead of modifying the default tax details, you can also insert a new tax row, enter the new tax details, and delete the original default tax row. To recalculate the tax amounts after modifying default details or after entering tax details in a new tax row, re-enter the invoice amount before tax in the TC Base Amount (Cr) field.

Domain

This field displays the current domain.

TC Base Amount (DR)

This field displays the debit base amount in the transaction currency. This is calculated by the system using the total invoice amount (TC) and the applicable tax rate code.

TC Base Amount (CR)

This field displays the credit base amount in the transaction currency. This is calculated by the system using the total invoice amount (TC) and the applicable tax rate code.

TC Tax Amount (DR)

This field displays the debit tax amount (TC) calculated by the system using the total invoice amount (TC) and the applicable tax rate code.

TC Tax Amount (CR)

This field displays the credit tax amount (TC) calculated by the system using the total invoice amount (TC) and the applicable tax rate code.

Recalculate

When you change the Tax Class, Tax Usage, Tax Environment, or the Taxable fields, or modify one of the base amounts, this field is automatically selected, and the system recalculates the amounts when you have completed the line in the grid. You can also manually set this field.

Update Tax Allowed

When this field is selected, you can modify the base and tax credit and debit amounts during transaction entry. This field is set in the tax rate. This feature is useful for overriding the system if there is a need to match amounts on manually issued documents. In some environments, tax authorities require that you cannot modify the calculated tax amounts.

Absorbed

This field indicates whether the tax rate in use has been configured to absorb taxes or to retain them for payment directly to the government.

Accrued At Receipt/Usage

This field indicates whether tax is accrued at receipt or usage.

Tax Transaction Type

This field displays the tax transaction type.

Reverse Charge

Sometimes, item amounts already include tax. This field indicates whether this amount is a reverse charge.

TC Non-tax Base Amount (DR)

This field displays the non-tax base debit amount in trade currency.

TC Non-tax Base Amount (CR)

This field displays the non-tax base credit amount in trade currency.

Suspended Tax

When selected, this field indicates that the taxes on this invoice are suspended. Suspended taxes are enabled for invoices through the customer tax setup.

Tax Amount on Suspended Account (TC)

This field displays the tax amount in the suspended account.

Normal Tax Account

This field displays the normal tax account.

Normal Tax Sub-Account

This field displays the normal tax sub-account.

Absorbed Tax Account

This field displays the absorbed tax account.

Absorbed Tax Sub-Account

This field displays the absorbed tax sub-account.

Suspended Tax Account

This field displays the suspended tax account.

Suspended Tax Sub-Account

This field displays the suspended tax sub-account.

Tax Totals

The read-only fields on this sub-panel display the tax totals for the invoice.

Banking Information

The Banking Information panel contains the banking and payment details for this customer invoice. If you have configured multiple bank accounts for this customer, you can add these account details by inserting a new row in the grid for each account. This lets you split the invoice amount over several accounts. You can add a customer bank number and TC payment amount for each row. The rest of the fields in the grid are read-only.

Expected Payment Date

Specify the date when payment is expected to be received. The expected payment date is used in cash flow reporting.

TC Non-Disc Amount

This read-only field displays the non-discounted amount on the invoice in trade currency.

Credit Terms Details

Discount Due Date

The Discount Due Date field displays the last date a discount applies, calculated by the system based on the credit terms and the invoice date. You can modify the due dates without affecting the credit terms.

Reminder Counter

This field displays the reminder level that applies to this invoice.

Operational Information

Purchase Order

If a purchase order number was recorded on the original sales order, it displays in this field. This number indicates the original number of the document that initiated the sale, and can be useful when communicating with the customer.

Golden Tax Trans Type

The system supports two types of Golden Tax invoice transactions. Special invoices are for general taxpayers selling goods or providing taxable services. Ordinary invoices are for small-scale taxpayers.

Sales Amount

Specify the amount for which the salespersons should receive commission credit. This is normally the invoice total minus any non-commissioned charges such as freight or tax. This defaults from the order and is the only field that can be modified in this tab.

Salespersons

Salesperson

This field in the grid displays the code of the salespersons specified on the order to receive commission and quota credit for the order. The commission percentage defaults from the salesperson record.

Name

This field in the grid displays the code of the salespersons specified on the order to receive commission and quota credit for the order.

Commission

This field in the grid displays the commission percentage each salesperson receives. For invoices posted from sales orders, this amount defaults from the associated sales order. For manually created invoices, commission defaults from Salesperson Commissions, if rates have been defined for the customer; otherwise, from the salesperson record.

Sales Order

Sales Order

This read-only field in the grid displays the sales order number related to this invoice.

Description

This field in the grid displays the description of the sales order related to this invoice.

Shipper

Shipper

This field displays the shipper number related to this invoice.

Description

This field in the grid contains the description of the associated shipper.

Comments

Enter comments in the Comments field. The field is only available for new manually created invoices.

eInvoicing

eInvoicing

This checkbox will remain cleared if setup is completed in **Customer eInvoicing Configuration**.

If no record exists in the configuration setup, the default value will be No, and disabled.

If the domain, entity, or site used in the customer invoice is excluded in the Customer eInvoicing Configuration, the eInvoicing checkbox in Customer Invoices will be cleared and disabled.

If the Daybook, Customer, or Customer Type is excluded in the Customer eInvoicing Configuration, the eInvoicing checkbox will be cleared, but enabled. The user is warned about this exclusion when they select the eInvoicing checkbox.

If the eInvoicing checkbox is:

- Selected: the subpanels below would be Visible
- Not selected: the subpanels below would be not visible

eInvoice Details

eInvoice Status

Specify the internal status of the eInvoice to track the eInvoice progress. The options are:

- Inactive
- Pending
- Pending After Update
- Error
- Processing
- Rejected
- Received

Document Code

Specify the document code for country-specific requirements.

Days to Declare

This field specifies the number of days remaining to declare the invoice.

Declaration

This field displays the country-specific declaration for which customer invoices get created.

Receiving Details

eInvoicing Number

This field specifies the einvoice number.

Authorization Number 1

This field specifies the transaction number (authorization number 1) received from the government.

Authorization Number 2

This field specifies the transaction number (authorization number 2) received from the government.

External Link

This field gives a link to the einvoice on the partners website (SOVOS).

Date & Time

Specify the date & time that the einvoice was received from the government.

Invoice Reference Number

This field displays a unique identification number received from the government.

Receipt Status

This field displays the status of the invoice based on the response from the government.

Status Action

This field specifies the action that is requested by the partner (SOVOS).

eInvoice History Status

This grid contains both successful and error responses from the server, indicating information in corresponding columns.

You can view the status of transactions of the einvoice that you sent to the web service (an invoice may be sent multiple times due to errors/ rejections). The grid also includes a sequence column that shows a user how many times an invoice status was changed.

The fields in this grid are read-only and data can only be added through the API or the Update action.

Suspended Tax on Customer Invoices

Taxes on sales orders and customer invoices or credit notes are generally due at the same time as the invoice date. In some countries, however, the payment of taxes is deferred until the invoice has been fully or partially paid. Use the Suspended Tax option to defer the payment of taxes on a customer invoice until the invoice has been paid.

You suspend taxes on AR payments only. Use the Delayed Taxes option to defer recoverable taxes on AP payments.

Suspended taxes are normally applied to all sales orders and invoices for designated customers. You enable suspended taxes per entity. You then define a dedicated suspended tax rate and apply a tax environment that retrieves this rate for the customer. This ensures that sales orders and invoices for this customer are automatically subjected to suspended tax. You can also apply normal taxes when creating individual sales orders and customer invoices by selecting a tax environment that retrieves a normal tax rate.

Actions

The Actions drop-down offers actions that you can take for a record or set of records. Individual actions are for individual records and bulk actions are for sets of records, based on your selected criteria. For bulk actions, once you select the records and set options, you can submit the action.

Reverse

Main

You cannot reverse operational invoices. You can only reverse invoices that are unpaid or that have not been included in payments. You can reverse an invoice using a credit note or an invoice correction, if invoice corrections are enabled.

Note You must ensure that a daybook of the correct reversing type is available in the shared set.

The amounts and postings on the new invoice are the reverse of the original. When you click Submit to save the reversal, the system creates a credit note or invoice correction for the same amount as the original invoice and performs an open item adjustment for the two invoices. The original invoice and the reserving invoice are then closed.

Customer

This field displays the customer code and name.

Invoice Description

This field displays the invoice description.

TC Invoice Amount

This field displays the invoice amount in transaction currency.

Posting

This field displays the invoice voucher number.

Invoice Date

This field displays the invoice creation date.

Reverse

Reverse With

Choose the reversing option. You can reverse an invoice using a credit note or an invoice correction, if invoice corrections are enabled.

Posting Date

Specify a posting date for the reversal.

Year / Period

Specify a GL calendar year and period to assign to the reversal. The current year and period are displayed by default.

Reverse Description

Enter a brief description for the reversal.

Reverse Daybook

This field displays the default reversal daybook code. You must define a separate reversal daybook for credit notes and for corrections. The default value for this field changes, depending on the option you choose in the Reverse With field.

Reverse Daybook Number

This field displays the reverse daybook number.

Adjustment Daybook

This field displays the default daybook for customer adjustments.

Adjustment Daybook Number

This field displays the adjustment daybook number.

Finance Charge

Note Finance charges are calculated only for customers that have the Finance Charge field selected on the Payment subpanel in Customers. You can also define the statement cycle for the customer using the Statement Cycle field and select overdue items by statement cycle.

The due dates and payment terms for open items are contained in the credit terms assigned to the open item. The system follows these steps when calculating finance charges:

1. The system calculates unapplied credits from all prepayments and unapplied payment instruments and any credit notes that are not matched to invoices.
2. The system then identifies all open invoices with due dates that are the same as or before the As of Date specified for the calculation. If any grace days are specified, these are added to the due dates first. Any contested invoices are not included.

Note If an open item does not have a due date, the creation date of the open item is considered.

3. The unapplied credit amount calculated in the first step is applied to the open amount identified in the second step, starting with the oldest documents first. Any invoices marked to be excluded from credit application are not included.
4. The system then calculates the number of overdue days for each qualifying invoice.
5. Finance charges are calculated by applying the interest rate per annum to the final open amount.

For more information on invoice status codes and contested invoices, see Invoice Status on page 5834.

You can run the finance calculation as a simulation simply by generating selections and then not saving the results. You can export the result to Excel for further analysis. Saving the Finance Charge Calculation results generates finance charge invoices for the calculated amounts. The finance charge invoices are generated as customer invoices and are not subject to taxes. Use the Finance Charge Calculation fields as search criteria for overdue open items. Select a range of bill-to customers and an open item currency. You must run separate calculations for each currency you select, which produces separate finance charge invoices. Foreign currency open items are converted to the finance charge currency using the accounting exchange rate.

Note Contested items and items with zero amount due do not display in the results.

Main

On the Main panel, create a new finance charge for a single customer by clicking New. From the lookup, select a customer for this finance charge. When you click OK, the Name and Statement Cycle fields are populated by default.

To create new finance charges for multiple customers simultaneously, click Select. In the browse, select the relevant customers and click OK. When you click OK, the Name and Statement Cycle fields are populated by default.

Note By default, only active customers who are set up in Customers for finance charges are displayed in the lookup.

Additional Criteria

On the Additional Criteria subpanel, the Currency field is mandatory.

Currency

Specify the currency of the open items to be selected.

As Of Date

Specify the date the system uses for finding open items. Open items with due

dates on or before this date are selected.

Posting Date

Specify a posting date for finance charge invoices generated by this calculation.

Minimum Finance Charge

Enter a minimum finance charge threshold. Calculated charges below this amount are automatically brought up to the threshold.

Include Previous Finance Charges

Select this field to include previous finance charges that are still overdue in the current calculation.

Excluded Invoice Status

For example, specify the invoice status code that you use to identify contested invoices. The system then ensures that these contested invoices are not included in the open amount.

Unapplied Credit Exclusions Status

Specify an invoice status code used to identify invoices that should be included in the open amount but that should not have credit applied to them. For example, if you have negotiated a long-term payment period for purchased goods and the invoice is subject to finance charges until it is paid, you do not want the system to automatically apply unapplied cash or credit notes.

Calculation Options

Interest Rate % Per Annum

Enter the annual interest rate to be charged on the overdue amounts.

Grace Days

Enter the number of days to be added to the financial due date of an open item, after which interest charges are calculated. The default is zero.

Daybook

Specify the daybook of type Finance Charge to be used for the finance charge posting.

When you complete these fields, click Search. The Lines subpanel populates with invoices and credit notes for the bill-to customer based on the set criteria. Finance charges are applied to each open item selected in the grid. The system then adds a finance charge invoice to the grid for the total of charges to be applied. You can select and clear items from the list using the checkboxes. When the list is ready, click Submit.

Calculating Finance Charges

Finance charges are applied on a per overdue day basis. The system calculates the number of days for which the open item is overdue, and applies a percentage of the open item total for each overdue day.

The formula for calculating finance charges is:

Open Amount x (Overdue Days/365) x % Interest Rate

This calculation is applied to each open item in turn. The open amount is the total amount of the open item minus any credit to be applied. The overdue days are determined using the credit terms, as of date, and grace days you apply to this finance charge. You then set the Interest Rate Per Annum % value and enter a minimum finance charge amount. The system calculates a finance charge for each open item, and creates a finance charge invoice for the total of these charges. The finance charge invoice has the following postings:

Account	Debit	Credit
Customer Control	100	
Sales Finance		100

The Sales Finance account is taken from the Finance Charge profile specified on the Customer record on the Accounting Profile subpanel.

For example, you post two invoices and a credit note for Customer A during the month of August, without

matching the credit note against either invoice. Customer A has a credit term of 30 days.

- Invoice I001 for $1000 is posted on 1 August and has a due date of 31 August.
- You post Invoice I002 for $1500 on 8 August, giving a due date of 10 September.
- You also post a credit note CN001 for $500 for this customer on 8 August, which is also due on 10 September.

A number of other invoices sent to Customer A are contested, and you have associated the invoice status code Contested with these open items.

You also have a number of long-term hire-purchase agreements with Customer A with specially negotiated repayment terms. These agreements exist in the system as overdue invoices created using the invoice status code HP.

You create a finance charge on 12 September and set a grace day period of 3 days, a minimum charge of $10, and an interest rate of 10%.

To prevent the system from including the contested invoices, you enter Contested for the Excluded Invoice Status field. To prevent any unapplied credit being applied to the hire-purchase agreements, you enter HP in the Unapplied Credit Exclusion Status field.

You retrieve all open items for Customer A. These consist of:

Item Reference	Amount	Due Date
I001	1000	31 August
I002	1500	10 September
CN01	–500	10 September

The As Of Date for this finance charge is 12 September. Invoice I001 was due on 31 August and the grace days period of 3 days has elapsed. Therefore, the amount to which you apply finance charges is $1000 and the number of overdue days is 12.

Invoice I002 was due on 10 September. This is within the grace day period of 3 days, and the invoice amount of $1500 is not subject to finance charges.

The system applies CN01 as a credit for $500 on the overdue amount for this customer, which is $1000. Once the credit is applied, the total open amount for finance charges is $500.

In this example, the open amount is $500, the overdue days value is 12, and the interest rate to be applied is 10%. The calculation is therefore:

$500 x 12/365 x 10% = $1.64

The system creates a Finance Charge invoice for $1.64 for Customer A.

eDocument Configuration

Main

Domain

This field specifies the domain of the e-invoicing setup. This is always the current domain.

Entity

Specify the entity that the e-invoicing setup is based on.

The selected entity must belong to the current domain. When left blank, setup applies to all entities of the current domain.

Site

Specify the site that you want to use for the e-invoicing setup.

The selected site must belong to the selected entity. When left blank, setup applies to all sites of the selected entity.

Exclude e-Invoicing

Select this field to exclude transactions related to the Entity and Site from e-invoicing.

Exclude Daybooks

Daybook

Specify the daybook that you want to exclude when generating an e-invoice.

Note This field is only enabled when the Exclude e-Invoicing field in the Main panel is unselected.

Description

This field displays a description of the daybook that you have selected.

Exclude Customer Types

Customer Type

Specify the customer type that you want to exclude when generating an e-invoice.

Note This field is only enabled when the Exclude e-Invoicing field in the Main panel is unselected.

Description

This field displays a description of the customer type that you have selected.

Exclude Customers

Customer

Specify the customer that you want to exclude when generating an e-invoice.

Note This field is only enabled when the Exclude e-Invoicing field in the Main panel is unselected.

Description

This field displays a description of the customer that you have selected.

Draft Customer Invoices

The **Draft Customer Invoices** browse enables you to view a list of all draft customer invoices. You can specify filters to view particular invoices, and you can also sort the invoices using the column fields.

To create a new draft customer invoice, click New. You can also edit an existing invoice. However, you can no longer edit an invoice or its lines after it is posted.

Important Before you create a new draft customer invoice, you must create a **Number Ranges** record to define the format to be used in the Draft Customer Invoice Number field. You must then define this number range sequence in **Financials Control**. If you do not create a number range sequence and set it in **Financials Control**, you cannot create a draft customer invoice. An error message is displayed.

Main

You must complete the mandatory fields on the Main panel.

Sold-To

Specify the customer who placed this order. Many of the fields default, based on the customer you select.

Bill-To

This field specifies the customer who pays the draft customer invoice. The field defaults, based on the sold-to customer setup, but you can change the bill-to.

Draft Customer Invoice Number

When the invoice is posted, this number is used for the creation of the invoice. This field is read-only. The number is generated using **Number Ranges**.

Site

The site from which the items were shipped (Ship-From). This field defaults, based on the sold-to customer setup.

Entity

The entity in which the draft customer invoice takes place. This field defaults based on the Site (Ship-From) field and it is read-only.

Project

Optionally, from the lookup, select the project that the invoice is due to.

Daybook Set

Specify the daybook set that you want to use. The default value is the daybook set associated with the bill-to customer in Customer Domain Settings on page 858.

Invoice Date

The draft customer invoice date. The invoice date defaults to the current system date. You can change it, as needed.

Due Date

The draft customer invoice due date according to the customer. The due date defaults to the system current date. You can change it as needed.

Discount Due Date

The discount due date.

Taxable

If this invoice is subject to taxes, select this field. For sales-related invoices, this field depends on the taxable status of the associated order.

Tax Date

The date on which the draft customer invoice becomes taxable. The tax date defaults to the system current date. You can change it, as needed.

Invoice Posted

This field is read-only. It is selected when the draft customer invoice is posted.

Customer Invoice

This field is read-only. When the draft customer invoice is posted, this field is updated by the customer invoice number.

Remarks

Enter annotations, as needed.

Last Modified User

This field displays the user who last modified the invoice.

Discount %

The discount percentage.

Draft Customer Invoice Options

Currency

Specify a currency for this draft customer invoice. The currency will default, based on the selected bill-to customer.

Credit Terms

Specify the default credit terms. The credit terms default from the terms of the bill-to address.

Post Blocked

This field enables you to block the posting of a draft customer invoice when the Enable Block Flag is selected for this customer in Customer Domain Settings on page 858.

When selected, all lines on the draft customer invoice are blocked from posting and you cannot post the invoice. The settings of the invoice lines affect whether this field is selected. Before posting, ensure that the field is set to FALSE. By default, the field is set to FALSE. The field is FALSE when no lines are Post Blocked. When at least one record on the Draft Customer Invoice Lines is Post Blocked, you can edit the Post Blocked field on the Draft Customer Invoice header level.

Language

Specify a language for this self-bill invoice. The language will default, based on the bill-to customer.

Draft Customer Invoice Lines

The Draft Customer Invoice Lines panel enables you to add invoice lines. You can add and edit lines by using the grid. The Details button opens Draft Customer Invoice Detail, which enables you to edit or delete a line. You can also choose to delete all lines.

The fields in the Draft Customer Invoice Lines grid are:

Line

The line number defaults to the next in the sequence. However, if necessary, you can edit the line number.

Item

Enter the customer item number. Most of the other fields are disabled until you enter a customer item. To select the number from the lookup, the customer item needs to be defined for the sold-to in **Customer Items** beforehand.

Shipment Date

When you create a draft customer invoice line, this field displays the current date, by default.

Quantity Invoiced

This field defaults to a value, based on the combination of shipment reference and customer item. Enter the quantity to invoice when no valid combination is available. You can update the quantity invoiced with the agreed quantity to invoice.

Price Invoiced

This field defaults to a value, based on the combination of shipment reference and customer item. When no valid combination is available, the price invoiced defaults, based on the price in Items or any applied price list. You can change it, as needed.

Discount

Specify a discount to be applied to the invoice line.

Total Amount

Specify the total amount to be invoiced for this invoice line.

Unit of Measure

Unit of measure of the items invoiced.

Unit of Measure Conversion

This field displays the unit of measure conversion, based on the unit of measure. For example, if the unit of measure is EA, the conversion will be 1.

Ship-To

Enter a valid ship-to or use the lookup. This field defaults to a value, based on the combination of shipment reference and customer item.

Site

Enter a valid site. This field defaults to a value, based on the combination of shipment reference and customer item.

Note When you update the Site field at invoice level, it updates the Site field for any lines in the grid that inherited the site value from this field. However, any line-level site that you entered manually or added from an unmatched shipper is not changed.

Purchase Order

This field contains the customer purchase order for this line item record.

Sales Account

When you enter a valid combination of shipment reference and customer item, this field defaults, based on the GL settings in **Customer Scheduled Orders** for the shipment. If you only enter a customer item, the field defaults, based on the product line sales account. For line type Other Charges, the value defaults, based on the setting for miscellaneous charges in Customer Domain Settings on page 858.

Sub-Account

When you enter a valid combination of shipment reference and customer item, this field defaults based on the GL settings of the customer scheduled order of the shipment. If you only enter a customer item, the field defaults, based on the product line sales account. For line type Other Charges, the value defaults, based on the setting for miscellaneous charges in Customer Domain Settings on page 858. You can update the value using the lookup.

Cost Center

When you enter a valid combination of shipment reference and customer item, this field defaults, based on the GL settings of the customer scheduled order of the shipment. If you only enter a customer item, the field defaults, based on the product line sales account. For line type Other Charges, the value defaults, based on the setting for miscellaneous charges in Customer Domain Settings on page 858. You can update the value using the lookup.

Project

There is no Project field available to set up the default values either in **Customer Scheduled Orders**, **Product Lines**, or on **Customer Domain Settings**. A project can be defined on the Draft Customer Invoices header level and then it is defaulted on Draft Customer Invoice lines. When the GL account selected requires a project, use the lookup to select one.

Sales Discount Account

Specify a sales discount account.

Sales Discount Sub-Account

Specify a sales discount sub-account.

Sales Discount Cost Center

Specify a sales discount cost center.

Sales Discount Project

Specify a sales discount project.

Taxable

This field defaults from the value on the customer order when there is a valid combination of shipment reference and customer item. Otherwise, the value is taken from the self-bill invoice.

Tax Class

Tax classes help determine the default tax environment (set of tax types) for the transaction. This field defaults from the value on the customer order when there is a valid combination of shipment reference and customer item. Otherwise, the value is taken from the draft customer invoice.

Tax Environment

The tax environment determines which tax types apply to the line. If you change the site on an existing line, the system displays a warning to verify the tax environment. This field defaults from the value on the customer order when there is a valid combination of shipment reference and customer item. Otherwise, the value is taken from the Tax Environment field for the draft customer invoice. Only one tax environment is allowed for all draft customer invoice lines.

Tax Usage

Tax usage codes identify the normal use of this line item. The system uses the tax usage code, along with tax class and tax date, to determine which tax rates apply to the line item. Tax rates may vary, depending on the nature of operation of the buyer or seller or on the intended usage of the item. Common tax usages are retail, manufacturing, and industrialization. This field defaults from the value on the customer scheduled order when there is a valid combination of shipment reference and customer item. Otherwise, the value is taken from the draft customer invoice.

Draft Customer Invoice Details

Use the Details pop-up to maintain the details of each line on the invoice.

Note Draft customer invoices do not have an inventory effect in the system and therefore all items are treated as memo items.

You can use the Item field in the following ways:

- You can enter a description of the memo item in the Item field. In this case, the item will not exist in the database in the item master table. The program will recognize this and will allow the user to proceed in creating the draft customer invoice line. The item description will be set to Item Not in Inventory.
- You can enter an item that is defined as a stock item in the database using **Items**. If you choose to do this, the item will always be considered a memo item. This means that the inventory data stored in the database will not be updated. The existing stock of the item will

not change and no inventory transactions will be recorded for the item as a result of the draft customer invoice being posted.

The following fields are mandatory:

Ship-To

This field defaults from the Sold-To field on the header of the draft customer invoice.

Site

This field defaults from the Site field on the header of the draft customer invoice.

Tax Environment

This field defaults from the Tax Environment field on the header of the draft customer invoice.

Sales GL Account

This field defaults from the Sales account field on the header of the draft customer invoice.

Settings

Taxes

Tax Class

Optionally, enter a tax class. It must be a valid class for the specified tax environment.

Tax Environment

This field is mandatory and specifies a tax environment. The value defaults, based on the combination of site (ship-from) and sold-to customer. If you update the Site or Sold-To fields, the tax environment is updated after confirmation.

Tax Usage

Optionally, enter a tax usage for this invoice.

Tax Included

If the tax is already included in the price, select this field.

Exchange Rates

The Exchange Rates panel is displayed when the currency of the draft customer invoice is different from the entity base currency.

Exchange Rate From

This field displays the value of the transaction currency in relation to one unit of the base currency.

Exchange Rate To

This field displays a unit of the base currency.

Fixed Rate

Select this field when the exchange rate is fixed for this draft customer invoice.

Totals

Charges

Freight

The code displayed is the default for freight. You can enter the total freight charges on this invoice.

Taxable Service

The code displayed is the default for a taxable service. You can enter the total taxable service charge on this invoice.

Taxable Special

The code displayed is the default for taxable special. You can enter the total for special taxes on this invoice.

Taxes

The Taxes grid displays the taxes setup associated with this invoice. The tax setup depends on the:

1. Tax Environment from the Draft Customer Invoice Lines grid (only one tax environment is allowed).
2. Tax Rates (Tax-By-Line that influences whether taxes are calculated for each draft customer invoice line separately or summarized on the header level, Update Tax Allowed influencing the possibility to update the Tax Base) and the Tax Included field.

Each time a draft customer invoice line is added, updated, or deleted, taxes are automatically re-calculated. Taxes are also recalculated each time you add, delete, or update Trailer Charges and click Save. If Update Tax Allowed is selected in **Tax Rates**, when you click the Details Button, you can update the Transaction Amount, Non-Taxable Base, Taxable Base, Tax Amount, and Recoverable Tax in the Tax Detail popup window. When fields are updated, the Edited disabled button is automatically selected.

If you click Reset all Lines into Automatic Calculation, all taxes are recalculated based on the default taxes setup. All manual updates of Transaction Amount, Non-Taxable Base, Taxable Base, Tax Amount, and Recoverable Tax are lost, and the Edited field is automatically cleared.

Tax Totals

Most of the fields on this panel are read-only and display the different totals on the invoice. However, you can edit these fields when needed:

Tax Date

This field inherits its value from the Tax Date field on the Main panel. If you change the value here, it also updates that field.

Discount %

This field enables you to enter a discount percentage on the totals displayed on this panel.

Taxable

This field inherits its value from the Taxable field on the Main panel. If you change the value here, it also updates that field.

When you complete the self-bill invoice, click Save.

Notes

You can create, modify, and delete notes on the customer invoice. The notes are entered as pages that can be classified by reference, language, and type.

Reference

This defaults to the Bill-To customer code entered on the draft customer invoice.

Language

The language code that the note is written in.

Type

Master notes typically have a type code assigned to them. For example, a note created for a sales order would have a type code of SO. The type codes are maintained and validated in **Generalized Codes**.

Any note created for a draft customer invoice will use DI as the default code for the note. You can change the code used on the note for a draft customer invoice.

Note You can create master notes using **Master Notes**. This allows you to set up a set of commonly used notes that can be re-used on multiple draft customer invoices. For example, you can create a master note that outlines a set of terms and conditions. When creating draft customer invoices, you can then look up and assign the note containing the terms and conditions and assign it to a draft customer invoice.

Invoice Post

Note You can only post invoices that have the following fields in **Draft Customer Invoices** unchecked:

- Post Blocked
- Invoice Posted

When you run Invoice Post, the process determines which daybook should be used from the daybook set on the invoice. If the draft customer invoice is for a positive amount, then the invoice daybook will be used. If the draft customer invoice is for a negative amount, then credit note daybook will be used.

The GL Correction field in **Base Control** controls which daybook type can be used for the credit daybook on the daybook set.

If the GL correction field is unchecked, the daybook set will only allow you to set the credit notes daybook to a Customer Credit Note type daybook. This means that if you post a draft customer invoice that is for a negative amount, the invoice is posted to the financials as a credit note.

If the GL corrections field is checked for sales orders and invoices, the daybook set will only allow you to set the credit notes daybook for a Customer Invoice Correction type daybook.

Criteria

Search Criteria

This field contains details of the filters that you have specified in the browse.

Required Criteria

This field contains details of the required fields: Post Blocked and Invoice Posted.

Options

GL Effective Date

Specify a GL effective date.

This field will default to the current system date.

Invoice Date

Specify an invoice date.

This field will automatically be set to the invoice date of the draft customer invoice.

If you change the invoice date, the customer invoice created will use this new invoice date.

Draft Customer Invoice Lines

This panel contains a read-only grid displaying the lines on the draft customer invoice.

Use this grid to review the lines that are posted.

Processing Options

Process in Background

Select the checkbox in this field to run the invoice post using background processing.

Processing Receivables

When processing customer transfer payments, you can use Banking functions to record the payments directly in your bank account while allocating the payment directly to invoices. For other payment instruments, such as check payments, draft payments, and direct debit payments, you typically use Customer Payment and Customer Payment Selection functions to complete the payment process. These functions let you process a payment through a series of statuses, with postings to payment accounts for each status change. In this way, the payment is fully recorded in the AR sub-ledger, from allocation of the payment to an invoice to acknowledgment from the bank that the payment amount has been transferred to your bank account. Once the amount is paid, you use Banking functions to update your account statement. The Payment functions handle all types of payment instrument (including checks, drafts, credit card, and direct debits), and both paper and electronic payment formats.

Customer Payments

Use customer payments to resolve customer open items. The payment system lets you process the following:

- Customer-initiated drafts
- Supplier-initiated drafts, for processing collections or bills of exchange
- Checks
- Credit card payments
- Summary statements, for processing third-party summary payments
- Promissory notes

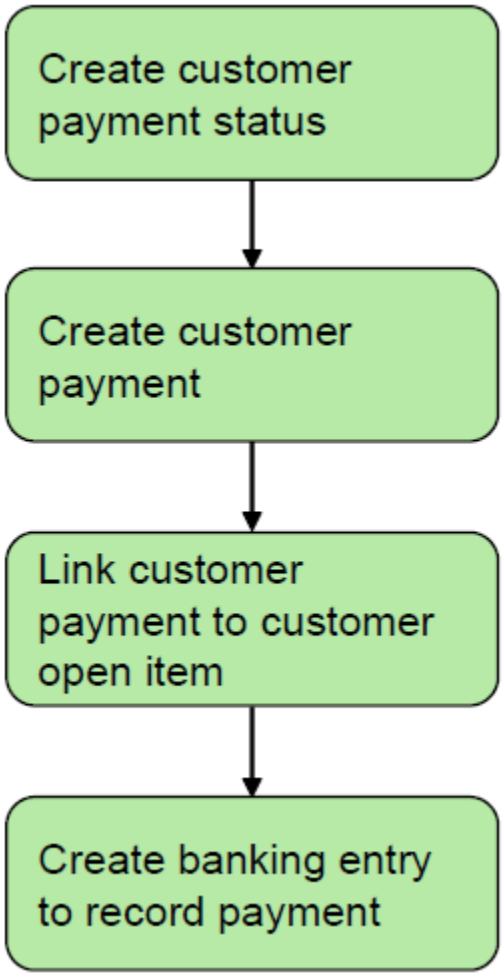
For each of the payment instruments listed, the payment can be directly allocated to open invoices or can be recorded as a prepayment.

The instruments you use to complete these processes are described in Customer Payment Instruments on page 5986.

Note The system uses a similar process for both customer and supplier payment instruments and for both paper and electronic payments.

Payments are associated with status codes, which are used to manage the payment process through final collection and updating of accounts. You process the payment by changing the payment status from one status to the next in the sequence that meets your business requirements. See Customer Payment Statuses on page 5987.

To complete the process, create a banking entry to record the payment, as shown in the following figure.



Note You can also generate customer payments in the system from the transaction messages contained in imported bank files. See Bank Files on page 6295.

Setting Up Customer Payments

To set up a customer payment instrument, you must do the following:

1. Ensure that you have defined the own bank account you will use in the process.

   This bank account is defined on the Banking panel of a GL account of type Bank and is referred to in the customer record in Customers. The system retrieves your bank account details and the formats required for payments from the account information you define on the Banking panel of the customer record. See the Banking panel on page 5716 in GL Accounts.

2. You must link payment formats to your bank accounts.

   Payment formats include information on the type of payment (AR or AP), the direction (inbound, foreign, or both), the currency, and the instrument, such as check or draft. For electronic customer collection (direct debit and electronic draft), the payment format is also linked to an imported Bank File Format driver.

   You must define as many payment formats as you have different types of customer payments. See Bank Payment Format Links on page 6290 for information on creating payment format links and Customers for a description of how to link payment formats to bank accounts for customers.

3. Define Customer Payment accounts to be associated with payment statuses. The account balance then reflects the total value of payments in each status. See GL Accounts on page 5706 for more information.
4. Define a Customer Payments daybook on page 5782 to contain the postings generated by the status transitions.
5. a set of payment statuses on page 5999 to match the stages through which you want to process the payment.

Customer Payment Instruments

Use the following payment instruments for customer payments.

Types of Customer Payment Instruments

Payment Instrument	Description
Check	Checks are unconditional orders to pay an open item, and are effective when presented to the customer's bank.
Direct Debit	Direct debit is an agreement between you, the customer, and the customer's bank that regular amounts are to be debited from the customer's account to settle open items. Direct debits can be in paper or electronic form. Direct debits are automatic payments, and use the electronic payment formats (bank file).
Draft	The draft or bill of exchange is a negotiable security signed and dated by its issuer (the bank). It contains an unconditional order or instruction for the customer,

	who draws upon it to pay a fixed amount on the agreed due date. The customer accepts the draft by signing it. Once signed, the draft is considered a collection instrument. Its form, content, and legal consequences are governed by law.
Promissory Note	The promissory note is a promise of payment made by the customer, instead of an unconditional payment order. The promissory note carries more risk for the beneficiary and has fewer legal consequences for the issuer if payment is defaulted.
Summary Statement	The summary statement is sent to the customer by a third party, and used when the third party is responsible for the collection of amounts. For example, factoring companies and banks that provide credit card services use summary statements.
Credit Card	A credit card payment is a customer payment by credit card that has been validated by QAD Customer Self-Service (CSS).

Customer Payment Statuses

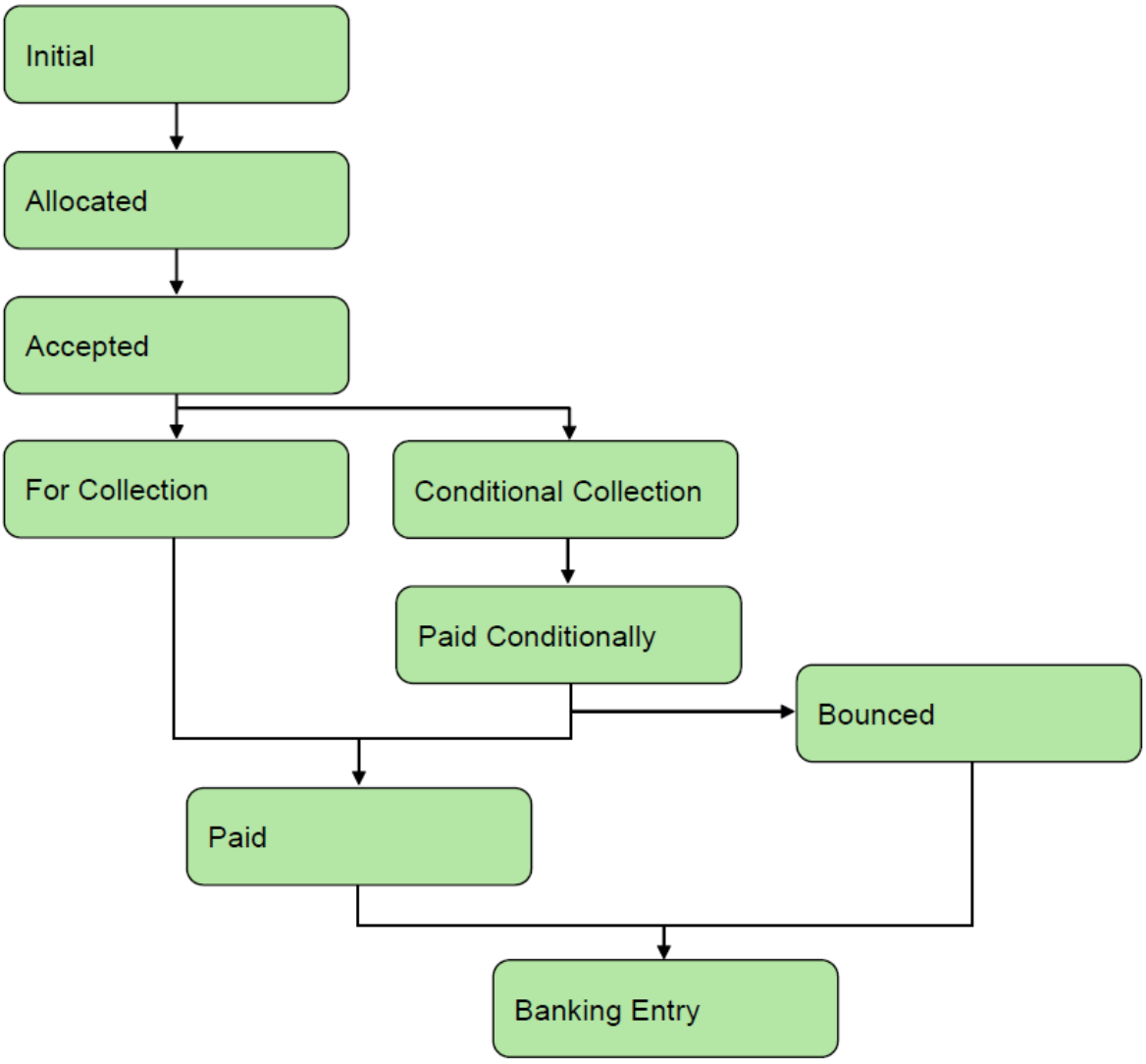
Payment processing is controlled by payment status codes. Different payment instruments follow different status sequences. The number of statuses you need depends on your particular implementation. At a minimum, you must have two statuses: Paid and Bounced. Typically, you also use a For Collection status for payments sent to the bank. The Initial status is used if you want to do an initial payment registration.

You can define an account for each status through which the payment is processed, or use one GL account to record the transitions. For example, if you are processing a draft through the Initial, Allocated, Accepted, For Collection, and Paid statuses, you can define a GL account on page 5706 of type Customer Payment for each status. This approach supports detailed reporting requirements.

Each status transition usually generates a posting, which updates the account associated with the status and bank or payment accounts. The posting information, including account and daybook details, is contained in the payment status definition.

You can move a payment back from status Paid to status Initial using Customer Payments on page 6001. You can reset the status for standard and for staged invoices.

The diagram below illustrates the status flows through which you can process the payment.



It is not mandatory to process a payment through all of the statuses described. Some European and South American companies use the interim statuses and customer and supplier payment accounts to log the

progress of the payment. In this process, the last step constitutes creating a banking entry based on a bank statement. This step sets the payment to Paid and debits the bank account.

US organizations, however, generally do not require interim statuses, and sometimes use Initial, For Collection, and Paid statuses only. You can use the Mass Changes action on page 6009 to select payments with a For Collection status and change their status directly to Paid. This status change immediately updates your bank account, without the need to create a banking entry.

You can also use the Mass Changes action on page 6009 to change any payment at any stage in the flow to Bounced or back to Initial. This is useful for payments that are sent directly to the bank once they are accepted, and are then refused by the bank.

You can also change a customer payment status to Paid automatically by importing a bank file using EDI Document Import and using Bank Files on page 6295.

The table below describes each payment status, and lists the postings created by status transitions.

Customer Payment Statuses and Account Activity

Status	Description	Account Activity	
		Debit	Credit
Initial	Initial payment status. The payment is in your system but does not generate any postings.	Not applicable	Not applicable
Allocated	The payment is received and is linked to open items. The transition to Allocated generates postings and sub-ledger updates.	Allocated Customer Payment account	Customer Control account
Accepted	The payment is signed by the relevant parties. When a draft is signed	Accepted Customer Payment account	Customer Control account, if this is the first posting for the payment

Status	Description	Account Activity	
		Debit	Credit
	by a customer, you change the status of the associated customer payment to Accepted.		Otherwise, the account associated with the previous payment status
For Collection	The payment is presented to the bank for immediate payment. Some examples of payments for collection include a check, a payment selection that is transferred directly to the bank, and paper transfers to the bank. A selection is automatically created when a payment status is changed to For Collection.	For Collection Customer Payment account	Customer Control account, if this is the first posting for the payment Otherwise, the account associated with the previous payment status
Conditional Collection	The payment is presented to the bank conditionally, the condition being that a draft is honored by the bank before the draft due date. This status is followed by the Paid Conditionally status in banking entry.	Conditional Collection Customer Payment account	Customer Control account, if this is the first posting for the payment Otherwise, the account associated with the previous payment status

Status	Description	Account Activity	
		Debit	Credit
	The Conditional Collection status is also referred to as Discounted Draft.		
Paid Conditionally	When a draft is discounted to the bank and the payment is conditionally received, change the payment status to Paid Conditionally. Payments are automatically be assigned this status when they are marked as Paid during banking entry and when their previous status was Conditional Collection. Unlike other statuses, the Paid Conditionally posting does not transfer the amount from the control account linked to the previous status to the control account of the current status. Instead, it credits a liability account, which is backed out again when the status of the payment	Bank account	Liability account associated with Paid Conditionally status

Status	Description	Account Activity	
		Debit	**Credit**
	is changed from Paid Conditionally to Paid (final).		
Paid For payments coming from any status, except Paid Conditionally	The incoming payment amount has been paid. Individual Payments are either fully paid or not paid at all. The payments cannot be partially paid. A Payment Selection can be said to be partially paid if individual payments within it are bounced.	Bank account	Customer Control account, if this is the first posting for the payment Otherwise, the account associated with the previous payment status
Paid For payments coming from Paid Conditionally	The incoming payment was already posted on the bank account with the previous status Paid Conditionally and is now confirmed as final.	Liability account associated with the Paid Conditionally status	Conditional Collection Customer Payment account
Bounced For payments coming from any status, except Paid Conditionally	The incoming payment, which was sent to the bank for collection, has been refused by the bank. The linked open items are re-opened and the invoice payment links are deleted.	Customer Control account	For Collection Customer Payment account

Status	Description	Account Activity	
		Debit	Credit
Bounced For payments coming from Paid Conditionally	The incoming payment, which was sent to the bank for collection, has been refused by the bank. The linked open items are re-opened and the invoice payment links are deleted.	Liability account and Customer Control account	Conditional Collection Customer Payment account and Bounced Customer Payment account

For each of the different payment statuses, a specific GL account representing the status can be defined.

Payment Processing Examples

This section illustrates how you can combine payment statuses to create different kinds of payment processing scenarios.

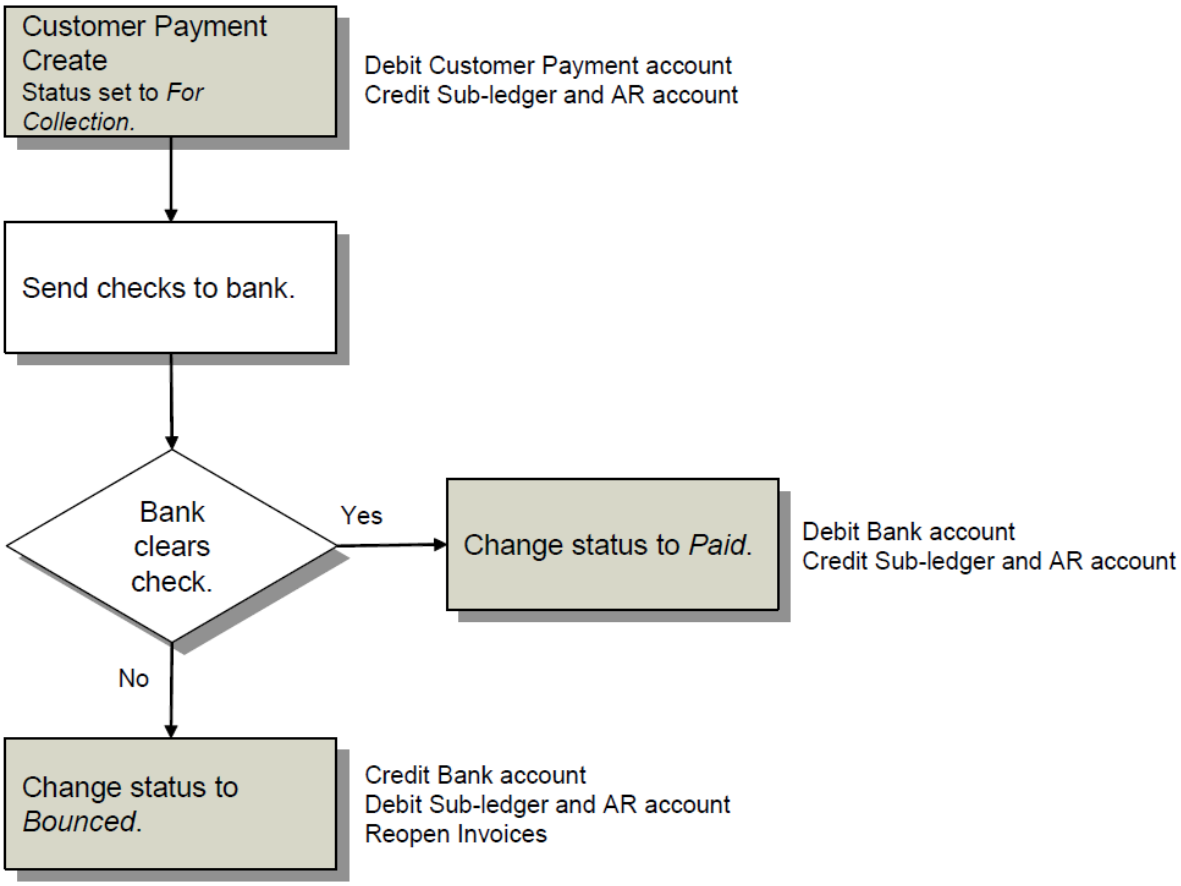
Direct Payment by Check

In a very simple scenario, you can receive payments by check and record payments that directly update the GL. Then, if the payment fails, an additional step to back out the update is required.

Note While it is possible to set the initial status to Paid, this approach is not recommended since reversing the payment requires extra work.

The recommended approach is to have at least one customer control account for the For Collection status.

The following diagram illustrates that scenario.



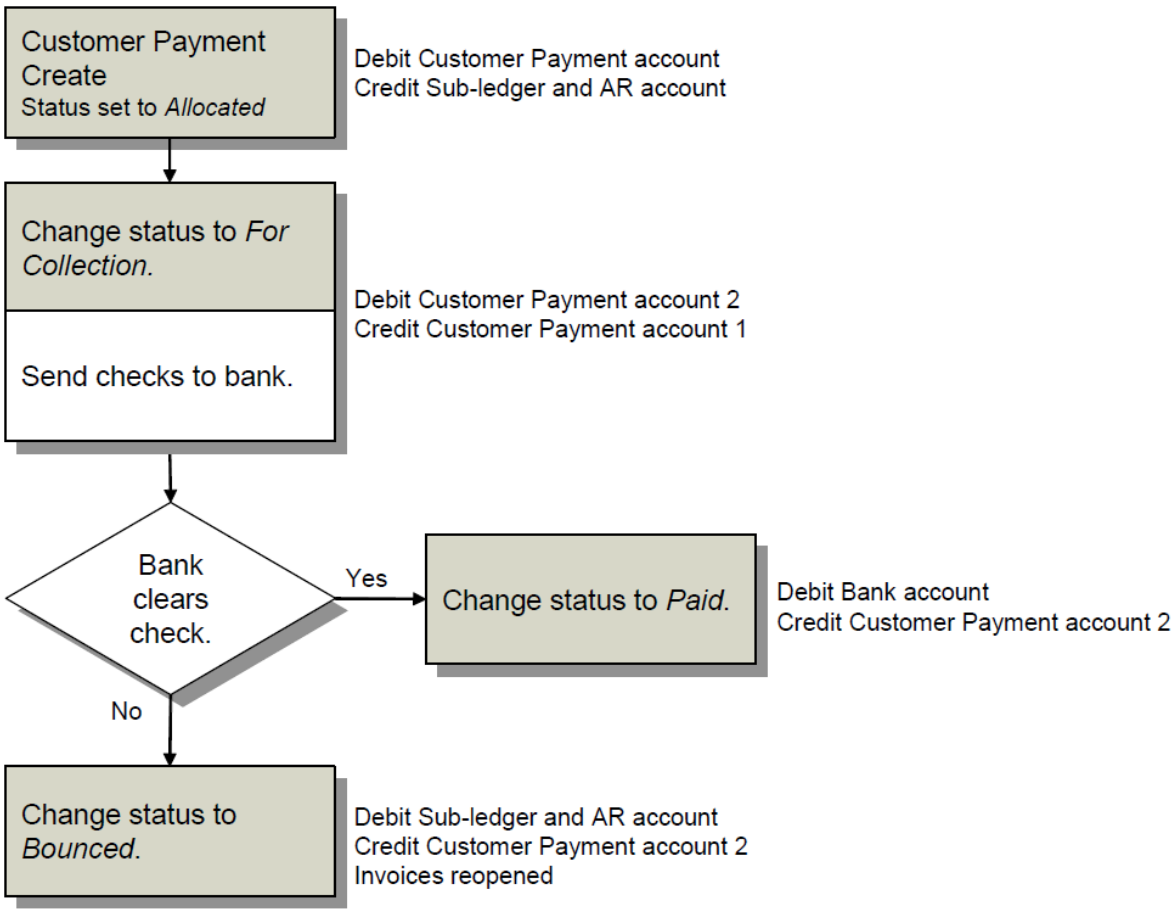
This payment flow uses three status codes:

- When the payment is created, the For Collection status debits the Customer Payment account and credits the customer's AR account.
- When notification is received that the bank has cleared the check, the status is changed to Paid. The bank account is debited and the For Collection Customer Payment account is credited.
- If the check fails to clear, changing the status to Bounced reverses the effects of the For Collection status.

Staged Payment by Check

To avoid fluctuation in your bank account balance when receipt of payment is more uncertain, you can use one or more customer payment accounts to manage the payment. This process provides more control, but also generates more GL transactions within the system.

The following diagram illustrates using two additional statuses and corresponding customer payment accounts.



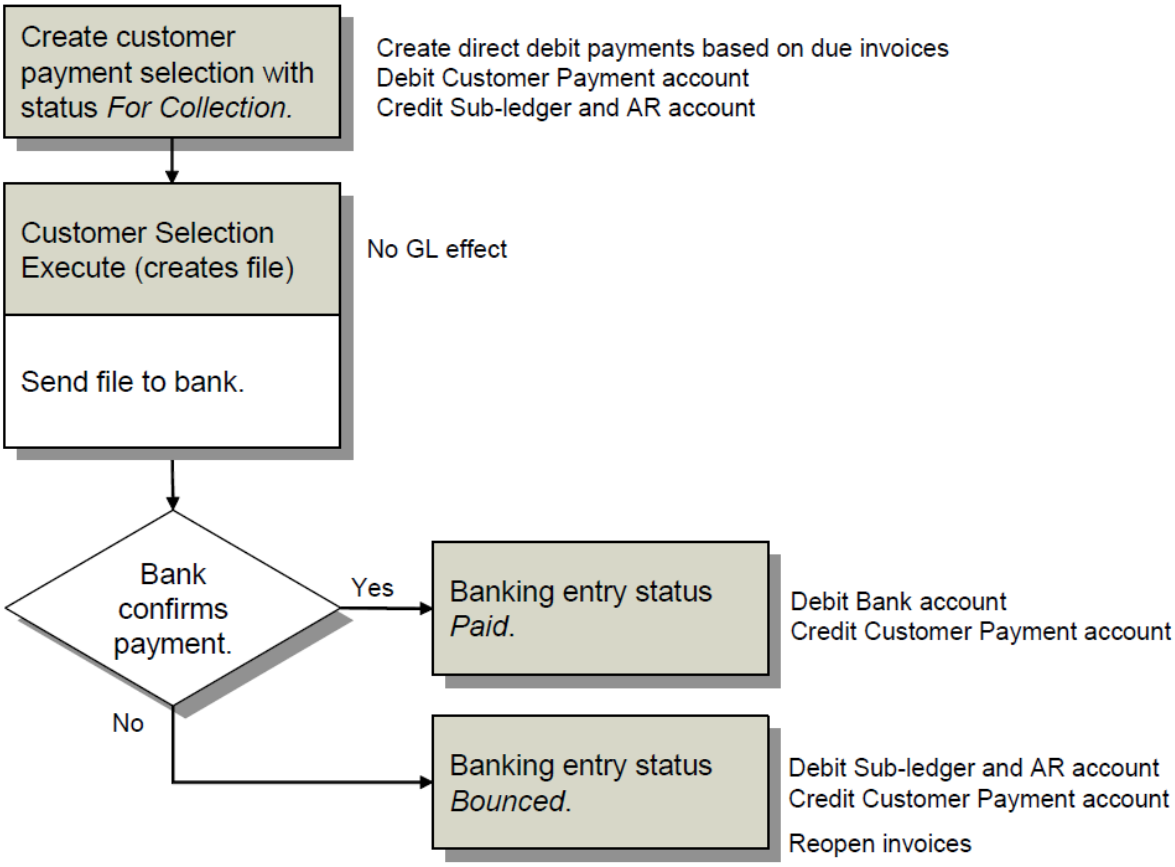
This payment flow uses four status codes:

- When the payment is created, the status Allocated debits a customer payment account and credits the customer's AR account.
- If you change the status to For Collection when the payment documents are sent to the bank, the system debits the second customer payments account, and credits the first one.
- When notification is received that the bank has cleared the check, the status is changed to Paid. This debits your bank account and clears the second customer payment account.
- If the check fails to clear, changing the status to Bounced reverses the effects of the Allocated status.

Customer Direct Debit

Direct debit is managed by using the Customer Payment Selection on page 6026 activity, which groups payments based on due date and generates an electronic file to be sent to the customer bank.

The following diagram illustrates this process.

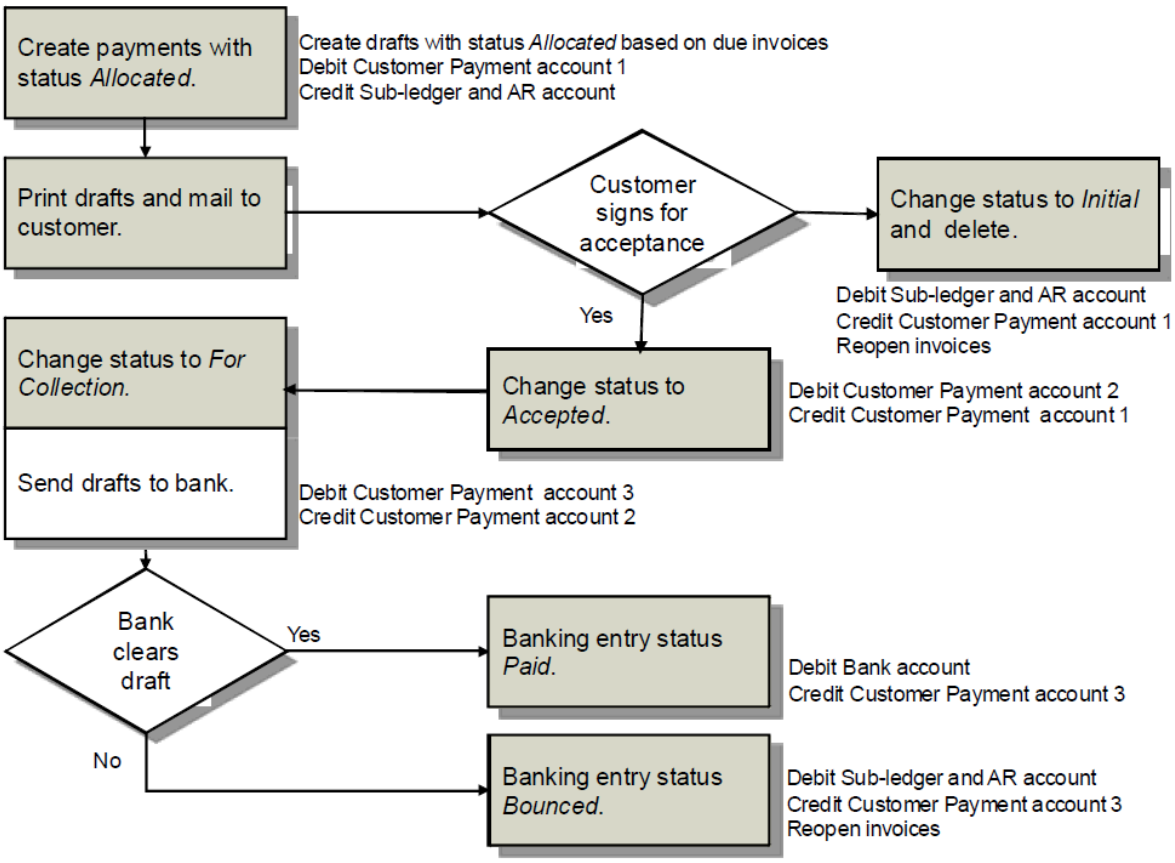


This payment flow uses four status codes:

1. payments with the status For Collection, which debits a customer payment account and credits the customer's AR account.
2. Generate an electronic file to be sent to the bank. This has no GL effect.
3. When the bank confirms that payment has cleared, the payment status is changed to Paid, debiting your bank account and clearing the customer payment account.
4. If the payment fails to clear at the bank, changing the status to Bounced reverses the effects of the For Collection status.

Payment with Company-Initiated Drafts

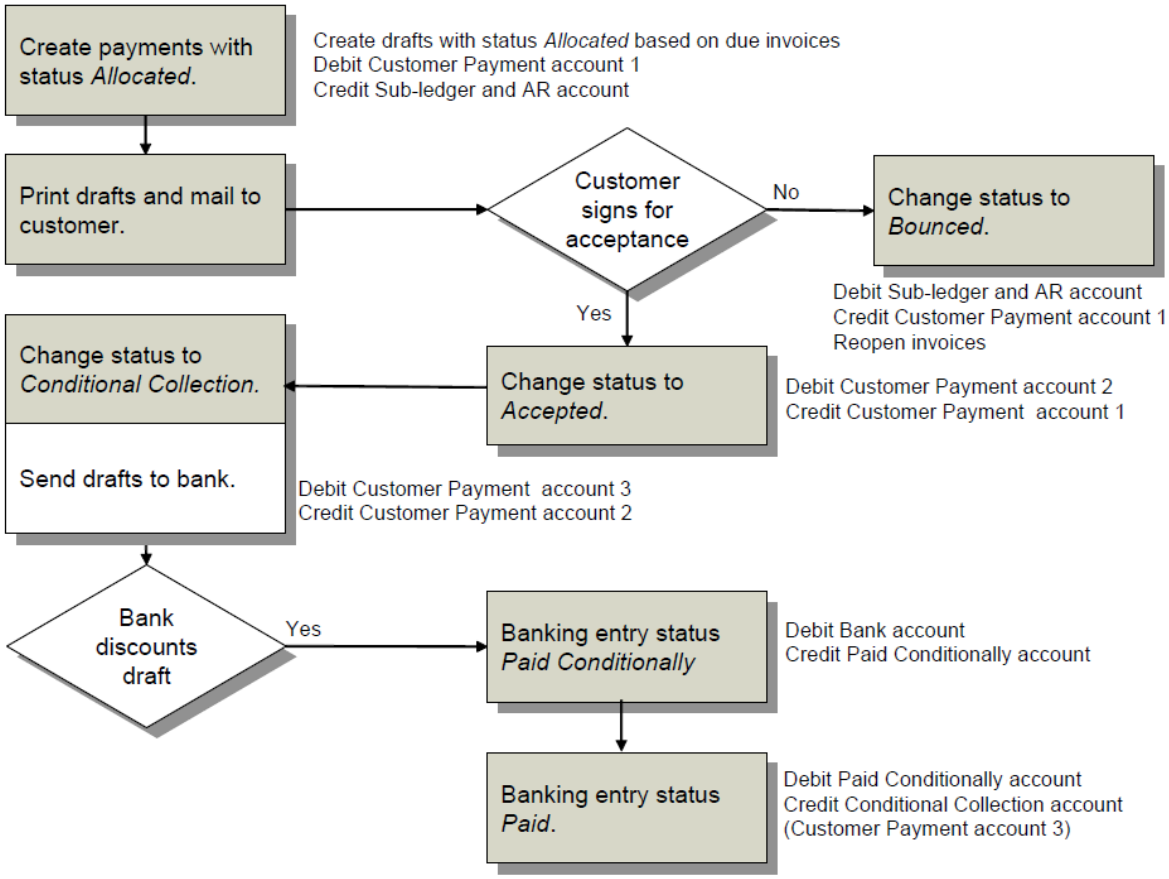
Managing payment with drafts requires more statuses, since the draft is subject to approval by the customer. The following diagram illustrates the process for drafts that you initiate and send to the customer.



1. When the payment is created, the Allocated status debits a customer payment account and credits the customer's AR account.
2. The draft is printed and sent to the customer. What happens next depends on whether the customer approves the draft:
   a. If the draft is not accepted, the status is changed to Initial and the GL effects of the first step reversed.
   b. If the draft is accepted, the status is changed to Accepted. This moves the amount from one customer payment account to another.
3. The draft is then sent to the bank. Changing the status to For Collection debits a third customer payment account.
4. The action of the bank determines the next status transition:
   a. If the bank clears the draft, the status is changed to Paid. This debits your bank account and clears the customer payment account.
   b. If the draft fails to clear, changing the status to Bounced reverses the AR credit and clears the customer payment 3 account.

Conditional Payment of Discounted Drafts

When you present a draft to the bank for collection, you may request payment of the draft before the draft due date has elapsed. The following figure illustrates the discounting flow.



The first two steps are the same as the flow for payment of drafts.

1. When the payment is created, the Allocated status debits a customer payment account and credits the customer's AR account.
2. The draft is printed and sent to the customer. What happens next depends on whether the customer approves the draft:
   a. If the draft is not accepted, the status is changed to Bounced and the GL effects of the first step reversed.
   b. If the draft is accepted, the status is changed to Accepted. This moves the amount from one customer payment account to another.
3. The bank honors the draft and charges a fee for early payment, based on a percentage of the draft value. In this case, the payment is considered conditional since you are still liable for the full amount and is posted as a liability on your accounts. Instead of changing the payment status to For Collection when you are ready to present the

payment to the bank, you use the Conditional Collection status when you request early payment from the bank. This process is also called discounting a draft.

4. When you create a banking entry to confirm the payment, the system sets the payment status to Paid Conditionally. This debits the Bank account and credits a Liability account that you define for the Paid Conditionally status.

   This posting reflects the fact that you received the money (DR on bank account), that the amount is still liable (CR on liability account), and that this liability is balanced (DR on customer payment account). Generally, the bank gives a smaller amount (DR) than the nominal value of the payment document (CR). Therefore, in the banking entry, there is a debit amount remaining that you must post to a GL account for discounting drafts.

5. Finally, you use Customer Payment Status on page 5999 to change the payment status from Paid Conditionally to Paid, which backs the payment amount out from the customer payment and liability accounts into a discounted account (which you define when creating the Paid status). This leaves a Debit balance on your Bank account.

Credit Card Payments

Customer payments by credit card are validated and authorized using QAD Customer Self-Service (CSS).

When an order is placed from a QAD CSS Web site, QAD CSS communicates with the credit card issuing company to approve or decline the payment, and generates a sales order in the QAD Sales app for approved payments. The sales order is processed using standard shipment functions and Invoice Post and Print. During invoice post, the system creates the corresponding customer invoice, captures the payment amount through the credit card authorization, and creates a new customer payment with a For Collection status. Receiving the banking information from the bank sets the payment status to Paid.

Important Bank payment formats are defined per entity. Customer sites are also defined per entity. When the customer site and the customer bank payment format are defined for different entities, the system generates errors during Invoice Print and Post, which prevent the sales order from being posted, and so also prevent the automatic customer payment. Therefore, you must verify that bank payment formats and sites are defined for the same entity when setting up credit card payments.

Customer Payment Status

The payment status is the transition state through which you process the payment, and contains the posting details for the transitions. You can create customer payment statuses for checks, drafts, direct debits, promissory notes, credit card transactions, and summary statements. Using **Customer Payment Status**, you can create the following statuses:

- Accepted
- Allocated
- Bounced
- Conditional Collection
- For Collection
- Initial
- Paid
- Paid Conditionally

When a payment status has been used in a transaction, it cannot be deleted or modified.

Main

Payment Instrument

Select a payment instrument from the drop-down list.

Status

Select a status to associate with the payment instrument from the drop-down list.

Bank GL Account

Specify the GL account code for your bank that is used to process the payment.

Daybook

Specify a code for the daybook to contain the status transition postings. The daybook must be of type Customer Payments. Daybook cannot be specified for the Initial status.

Customer Payment Account

Specify the code of the account used for status transition postings. For all statuses except Initial and Bounced, you must specify an account type of Customer Payment. For the Initial status, this field does not apply. For the Bounced status, this must be an account of type Open Items. This account is only used for Paid Conditionally payments that are bounced. Instead of crediting the bank account, the open item account is credited so that a special follow-up process can be started for requesting a new payment from the customer. Accounts are updated automatically when you change the payment status. The account balance reflects the value of all payments that have this status.

Default Value Days

Specify the number of value days it takes to change from one payment status to another. This value defaults to zero. When a status transition requires some activity on the part of the bank, you can increase the

number of days, in line with banking practice. This information is added to the current date when determining the due date for cash reporting.

Customer Payments

You can link a customer payment to an existing open item through allocation, creating a prepayment, or creating a deduction. You can allocate items to a customer payment immediately or you can modify an initial payment to enable allocation at a later stage. The following rules apply to customer payments:

- When you create a payment with a status other than Initial and do not link it to an open item, the system automatically creates a prepayment open item (CR) for the customer.
- You can adjust the prepayment and the invoice paid later using **Open Item Adjustments**.
- When you change a customer payment status to Bounced or Initial, open items are unlinked and reopened.

When a customer payment is in the Initial status, you can modify all aspects of the payment, including the customer and the amount. When the payment status changes to a status other than Initial, you can only modify the status and the description. However, you can reset the payment status to Initial, provided that the payment has not been paid, bounced, or voided. When a payment is set to the Paid, Bounced, or Void status, you can no longer modify the payment. At this point, the only way to correct the payment is to manually reopen all customer invoices linked to the payment using **Open Item Adjustments**, and then create a new payment with the correct details. You can delete only Initial customer payments. To delete a customer payment with a status other than Initial, you must first change the status to Initial.

Main

Customer

Specify the code that identifies the customer making a payment. The system loads the customer's default bank information defined for that customer. Most bank details default from the bank and cannot be modified.

Business Relation

This field displays the business relation associated with the customer.

Amount

Specify the value of the payment in the transaction currency. The amount must be positive and can be entered manually or automatically by linking the payment to open items in the Allocations panel. The payment currency must be the same as that of the open items against which you allocate the payment. If an invoice for this customer is in US dollars, your customer payment must be in the same currency.

Reference

Enter reference text (maximum 40 characters) for the payment. When the payment instrument is check, this is typically the check number. A warning displays if a duplicate reference is specified for a customer.

Year/Number

This field displays the accounting year and payment sequence number, which is automatically generated by the accounting year.

Posting Date

Specify a posting date for the payment.

Due Date

Specify the date on which the payment is receivable.

Status

Choose a payment status from the drop-down list. Choose from Accepted, For Collection, Initial, or Paid.

Note The available list of statuses depends on your permissions for creating and modifying customer payments.

Value Days

Enter a value for the number of days required by the bank to process the transaction. The default number of days is retrieved from the payment status definition.

Bank

Bank GL Account

Specify the GL account of type bank receiving the payment. If you specify a customer first, the banking details default from the customer. If you leave customer blank, the lookup retrieves all the bank account numbers and formats defined for all customers on the customer record. Selecting a bank account fills in all of the other relevant fields, most in read-only mode.

Payment Format

This field displays the payment format associated with the selected customer bank account number.

Subtype

This read-only field indicates that the payment is manual or automatic. You create manual customer payments through **Customer Payments**, and automatic payments through Customer Payment Selections.

Own Bank Number

This field displays the number of your own bank account, which is defined in the customer record.

Bank Number

This field displays the customer bank associated with the specified bank account.

Allocations

Use the Allocations panel to retrieve open items for this customer to which you can allocate the customer payment. Use the search criteria fields to select open items for allocation to the customer payment. You can simply search for all open items for this customer, or specific invoices or invoice amounts. You can also allocate to open items for any customer in the system. The system retrieves the customer name and business relation details into the Allocation grid from the payment record as defaults.

You can create a deduction or a prepayment by clicking the Prepayment or Deduction actions.

Search for Invoices

Invoice Reference

Specify the invoice reference text to search for open items.

Shipper

Specify a shipper number to select invoices related to a specific shipment. This field applies to automatically created sales-related invoices.

Purchase Order

Enter a purchase order to find invoices associated with that order.

Payment Reference

Specify the payment reference to search for open items.

Amount

Specify an amount for the open item.

Amount Range

Enter an amount range to return all open invoices within that range.

Bill Year/Number

Enter the year and number of the bill that this amount belongs to.

Customer

Specify the customer code to search for open items.

Business Relation

Specify the business relation code to search for open items.

Sold To

Enter a sold to customer in this field to find invoices related to a particular customer associated with a business relation.

Group Name

If you enter a group name, all invoices related to the business relations in that group are displayed in the grid.

Year/Daybook/Voucher

Specify a GL calendar year, daybook, or voucher number.

Include All Entities

Select this field to retrieve open items from other domains. The domains do not need to have the same shared set as the current domain.

Allocations Grid

To allocate the payment to an existing invoice, select the invoice line in the grid. You can then enter the TC Allocated Amount, TC Discount Amount, TC Interest Amount, and the TC Payment. Allocating the payment fully to an invoice for the full amount is equivalent to paying the invoice. This means that general rules for financial discounting apply.

You can also create an adjustment by clicking the New button. A line is added to the grid and you can then enter the TC Allocated Amount, TC Discount Amount, TC Interest Amount, and the TC Payment.

Prepayment

You can create a new prepayment instead of allocating the payment amount by clicking Prepayment. Click Prepayment when you have received a payment and do not know which invoice it is related to or when you receive payments before invoices are sent.

Customer

These values display from the Payment screen.

Invoice Description

Enter a description of the prepayment.

Reconciliation Key

Optionally, enter a reconciliation key, which helps you to search and find tax invoices and prepayments for manual reconciliation.

Business Relation

These values display from the Payment screen.

TC Prepayment Amount

Specify the amount of the prepayment in transaction currency. This defaults from the invoice amount.

GL Analysis

Specify analysis values if they are required by the prepayment account.

Deduction

Deductions occur when a customer pays less than the amount owed. To create a deduction, on the Allocations panel, click the Deduction button. The Deduction screen opens. Many of the fields in the Deductions window are automatically populated. The important fields are described here.

Customer

This value defaults from Customer Payments.

Business Relation

This value defaults from Customer Payments.

Deduction Description

Enter a description of the deduction. This field is mandatory.

GL Analysis (Sub-Account, Cost Center, Project)

Optionally, specify the analysis values that the account requires.

These fields in the grid are important for recording the deduction:

Deduction Category

Specify the deduction category for this deduction. Categories can include rounding differences, reductions due to quality issues, perceived entitlements based on commercial agreements, damaged goods, spoilage, improper packaging or labeling, or any other reason for which a customer pays less.

TC Deduction

Specify the deduction amount in transaction currency. The default value is the invoice amount, but you can modify this value.

Deduction Status

This field displays the deduction status, as determined by the system, and is read only.

When the conditions for automatic write-off are satisfied, the status of the deduction line is Auto Write-Off.

When the deduction has multiple detail lines and some lines have the status Auto Write-Off and other lines have the status Pending (based on the category and detail amount), the system uses the total deduction amount to create the new deduction open item. However, for each of the Auto Write-Off lines, the value of the open item is immediately reduced and results in an additional account posting line.

Customer Reference

Specify the deduction reference submitted by the customer. This field is optional.

Invoice Entity, Invoice Year, Invoice Daybook, Voucher

The lookups list invoices that are already allocated to the payment. When you select an invoice, all four invoice fields are updated.

If you specify an invoice number on a Deduction Detail line, the payment posting is not affected. However, if you subsequently approve the deduction using Deduction Review, the information on related invoices can help you to identify the entity in which to write off the deduction.

Promotion

This field displays any promotion code that is associated with this deduction.

Comment

Specify a comment for the deduction details. This field displays the invoice description by default. This field is optional.

You can create multiple detail lines in the Deductions pop-up. To do this, simply click New. You can then specify other categories on the lines. You can also specify the same deduction categories on multiple deduction detail lines for the same payment if each line is linked to a different invoice. The total amount must equal the total deduction amount of the deduction invoice. You can only save the payment when the line total is equal to the deduction total.

If the deduction category allows automatic write-off and if the deduction amount is below the automatic write-off limit, the status of the line is Auto Write-Off. If the category does not allow automatic write-off, the status of the line is Pending. For a single customer payment, you can have multiple deduction lines, some with the status Pending and others with the status Auto Write-Off.

You can also use the Deduction Details panel to modify deduction details without creating additional deduction lines. You can modify the deduction category associated with any line. You can also delete lines.

When you click OK, the system adds a new line to the grid with allocated invoices. The grid lines contain fields that display the deduction category and the status. You can create more deductions by clicking on the Deductions button. When you save the customer payment, a new open item is created in the entity associated with the GL bank account. In Deduction Review on page 6042, you can manually allocate the deduction invoice to one or more entities.

Totals

Amount to Allocate

This read-only field is updated by the allocation process.

Amount Allocated

This field indicates whether the payment was a short payment or an overpayment.

Balance

This read-only field displays the unallocated balance from this customer payment after the allocation process.

Difference Allowed

This field indicates whether a payment difference has been allowed. For example, if payment tolerances are enabled for the customer or for the own bank number, but the difference for a payment is outside the range allowed by the tolerance settings, the Difference Allowed field is cleared.

Difference Amount

This field displays the difference between the payment amount and the allocated amount.

Difference Type

This field indicates whether the payment was a short payment or an overpayment.

History

Creation Date

This read-only field indicates the payment creation date.

Last Printed Date

This read-only field indicates the last printed date.

Times Printed

This read-only field indicates the number of times the payment has been printed.

Actions

The Actions drop-down offers actions that you can take for a record or set of records. Individual actions are for individual records and bulk actions are for sets of records, based on your selected criteria. For bulk actions, once you select the records and set options, you can submit the action.

Mass Changes

To change the status of single payments, use **Customer Payments**; for changing the status of multiple payments at one time, use the Mass Changes bulk action. This action also lets you select external payments in different formats for status transition.

Note Use **Customer Payments** to change the status of a payment from Paid to Initial.

Using Mass Changes helps streamline the process of completing a payment processing flow. For example, when the bank lets you know that a set of checks has cleared, you can update the status of all of them at one time. You can also clear a batch of checks by loading a bank file.

Changing Own Bank Number for Payments

When completing customer payments, you can decide for cash flow or other reasons to change the bank account or account number into which the payment is made. Change Own Bank Number lets you specify a different bank account and account number for selected payments. You can specify a different account number for the same bank, or a different account number and bank account. The new account number, account, and payment instrument combination must be already defined in Bank Payment Format Links (available from the Banking panel of GL Accounts) and must be defined for the same entity as the original combination. You must also have defined a payment status that uses the new bank account, payment account, and payment instrument.

For example, you create a check payment using bank account 1040 and GL payment account 1048. In order to change the bank account to 1041:

- There must be an existing customer payment status of Allocated with the payment instrument Check and bank account 1041.
- Bank account 1041 must be linked to an AR check payment format in Bank Payment Format Links.

If the Allocated payment status using the new bank account uses a different GL payment account—for example, 1049—the system generates a posting to compensate for the difference. Suppose the Allocated payment status for bank account 1041 uses GL account 1049. When you change the bank account from 1040 to 1041, the system generates a GL posting that credits 1048 and debits 1049 for the payment amount. This posting uses the daybook defined for the new payment status.

When you select a new account number and bank account for a payment, this combination is then automatically added to the Banking panel of the customer record as a new default own bank account combination. Alternatively, if you change to another own bank number that is already recorded on the Banking panel of the customer record, this own bank number becomes the new default for payments from that customer. When the payment is already allocated to an invoice, the banking details are also automatically updated in the supplier invoice.

Note You can only change the bank details for payments with a status of Accepted or Allocated.

Assigning Payments to a New Payment Selection

You can use the Mass Changes bulk action to group payments created using **Customer Payments** and Customer Payment Selections in a single payment selection. The ability to combine payments in a single selection facilitates the transfer of payments to your bank.

Search Criteria

Use the Search Criteria panel to search for existing customer payments. To retrieve payments and populate the grid based on your search criteria, click Search. To clear all search filters you have applied, click Reset. To clear all unselected payments from the grid, click Clear.

Customer

Specify a customer code to search for payments from that customer.

Payment Instrument

Select a payment instrument to display payments for that instrument only.

Status

Select a payment status to display payments with that status.

Payment Selection

Specify a payment selection to display payments in that payment selection. When you update the selection, this field is automatically updated with the new selection.

Year/Number

Specify a year and payment number to display matching payments.

Reference

Specify a payment reference to display matching payments.

Due Date

Specify an operator and due date for the payment. The operator combined with the due date determines which records are retrieved.

- = Due Date: The system retrieves all payments with the due date specified.
- >= Due Date: The system retrieves all payments with a due date later than or equal to the due date specified.
- <= Due Date: The system retrieves all payments with a due date earlier than or equal to the due date specified.

Creation Date

Specify a payment creation date to display payments created on that date.

Options

The Options panel allows you to select the type of mass change you want to perform. You can only make one mass change at a time. For example, it is not possible to simultaneously change the Payment Status and Own Bank Number.

Mass Change

You can choose to change the status, own bank number, or a payment selection. By default, Status is selected.

New Status

This field is displayed when you select Status in the Mass Change field. To change the status of customer payments, select the relevant payments in the Payments grid. Next, choose a new status for the payment in the New Status field and click Apply. The status of each selected payment updates in the grid.

New Own Bank Number

This field is displayed when you select Own Bank Number in the Mass Change field. It enables you to specify a new own bank number for the selected payments. To change the Own Bank Number for customer payments, select the relevant payments in the Payments grid. Next, specify a new own bank number using the lookup. The lookup displays the numbers of bank accounts that have been linked to payment formats only. Next, click Apply. The Own Bank Number field of each selected payment updates in the grid.

New Payment Selection

This field is displayed when you select Payment Selection in the Mass Change field. To group payments or payment selections in a single payment selection, first select the relevant payments in the Payment grid. Next, specify the new name in the New Payment Selection field and click Apply. The Payment Selection field of each selected payment in the grid is updated with the new name. When you click Submit, the lines you selected in the grid are moved to the new payment selection.

Posting Date

Specify the date that the status change should be effective.

Header Attributes

The Header Attributes sub-panel is displayed only when the payment format specified for a new payment selection supports this feature. For more details, see Payment Formats on page 5843. You can change attributes associated with the payment file header of the new payment selection.

Payments

The Payments grid displays the payments found when you complete the Search Criteria panel and click Search. When you select the payments in the grid, you can then make changes to them using the Options panel. When you click Apply on the Options panel, the following changes can be made to selected payments:

- If you changed the Status, the Status field updates.
- If you changed the Own Bank Number, the Own Bank Number, GL Account, Payment Format, and Payment Instrument fields update.
- If you changed the payment selection, the Payment Selection field updates.

To save the payments with the new payment selection, own bank number, or to register the status transition postings, you must click Submit.

Customer Payments and Open Items

You can allocate invoices, invoice corrections, credit notes, credit note corrections, and prepayments to a payment. You can also select open items created for other customers and created in other entities. In this case, the allocation creates a cross-company posting.

The system marks and numbers linked items to avoid double payment.

When you modify a payment instrument, the allocated amounts of invoices that were already linked can be changed. In this case, the invoice balance is changed and, if necessary, the invoice is reopened. For more information, see Open Item Adjustments on page 5924.

Allocation Discounts

Allocating the payment fully to an invoice for the full amount is equivalent to paying the invoice. This means that general rules for financial discounting apply.

For invoices with credit terms that define discounts for early payment that are registered and paid before the discount due date, the discount percentage is applied.

In some countries, a tax correction posting for the discount is registered upon saving the allocation.

Allocation and Currencies

All allocated open items must have the same currency as the payment currency. In the exceptional case that a customer pays an invoice with a different currency, the payment can be allocated to a prepayment, which can afterward be adjusted to the invoice using Open Item Adjustments on page 5924.

Once invoices are linked, the base currency value of the payment is calculated as the sum of the base currency values of the linked invoices; the payment inherits the average exchange rate of the invoices. For detailed information on revaluation, see Revaluations on page 5906.

Modifying Bank Details on Customer Payment

When using a customer payment to process invoices, the system loads the default account number, own bank account, and payment format defined for this customer into the payment fields. These banking details are then used for all open items contained in the payment.

Because businesses can need to change the default own bank account and payment format during the payment cycle, you can change the payment banking details for a customer payment in any status other than Paid. This means that you can create and allocate a payment to open items for one or multiple customers, each with different banking details. Once the allocation is complete, you can then select a different own bank number and payment format in the payment header.

For example, you create a customer payment for Customer A, for whom the customer bank account number is 13336789, the default payment format is AR check, and the own bank number is 77778888 (linked to GL account 1012). You set the payment amount and select the invoice or invoices to which you want to allocate the payment..

To change the banking details, select the relevant invoice line in the grid again and click the Details button. On the Banking Information panel, in the grid, you select the customer bank account number 22234376, the default payment format is AR draft, and the own bank number is 88889999 (linked to GL account 2012). All the open items included in the payment inherit these payment details.

Note You can also change the bank accounts and payment format of the payment before allocating to invoices.

You can even specify that you want to pay invoices from customers with a payment from a different customer. To do this, clear the Customer Code field in the Allocation Search criteria, and replace it with another customer code.

If the own bank number and payment format is not defined for any of the customers for whom open items are included in the payment, the system automatically adds this combination as a new line in the customer record.

When the open item is fully paid, the payment details on the Banking Information panel of the invoice are replaced by the new combination. When the item is partially paid, the system adds a new line to the Banking Information grid of the invoice for the open balance, and retains the open item format and attributes for this amount.

The original and new payment formats used in this process may contain payment attributes, and the attributes of a new payment format must be consistent with the attributes applied to the original open item. The following restrictions apply:

Payment Format Attribute Restrictions

Payment Format on Open Item	Payment Format on Customer Payment	Result
Different type of format from Payment; no attributes	Different type of format from Open Item; no attributes	The format can be changed.
Same type of format as Payment; has attributes.	Same type of format as Open Item; has attributes	The format can be changed. The system checks that the payment does not contain two open items with the same format but different attributes.
Different type of format from Payment; has attributes	Different type of format from Open Item; no attributes	The system displays a warning that the open item attributes will be removed. The format can be changed.
Different type of format from Payment; has or does not have attributes	Different type of format from Open Item; has attributes.	The format cannot be changed. When the format selected for the payment is different from the open item format and has attributes, the system prevents you from allocating to open items. This is because the new format attributes may conflict with those of the open items.

Customer Payment Reports

Customer Payment reports can be used to generate overview information, as well as produce payment records for approval. Drafts, promissory notes, and summary statements are payment instruments that are printed and sent to the customer to request payment.

Customer Payment Reports

Report	Description
Customer Checks	Generates review information about customer checks entered in the system.
Customer Drafts	Lets you generate drafts to be sent to the customer for approval. Once the customer signs and returns the draft, it is a valid payment instrument. Drafts are similar to regular checks but, unlike checks, include a due date. A check is payable immediately, but a draft is payable only on or after the due date.
Customer Direct Debits	Provides a status overview of direct debits received from customers along with invoice details.

When you generate reports on payment instruments, you can select documents to print by payment selection ID, payment status, customer, and creation date, as well as other criteria. Use the following filters to manage the generation process.

Increase Counter

Select Yes to increase the counter for the number of times a payment instrument has printed. Use this in conjunction with the Only New Documents field to ensure you do not reprint instruments accidentally.

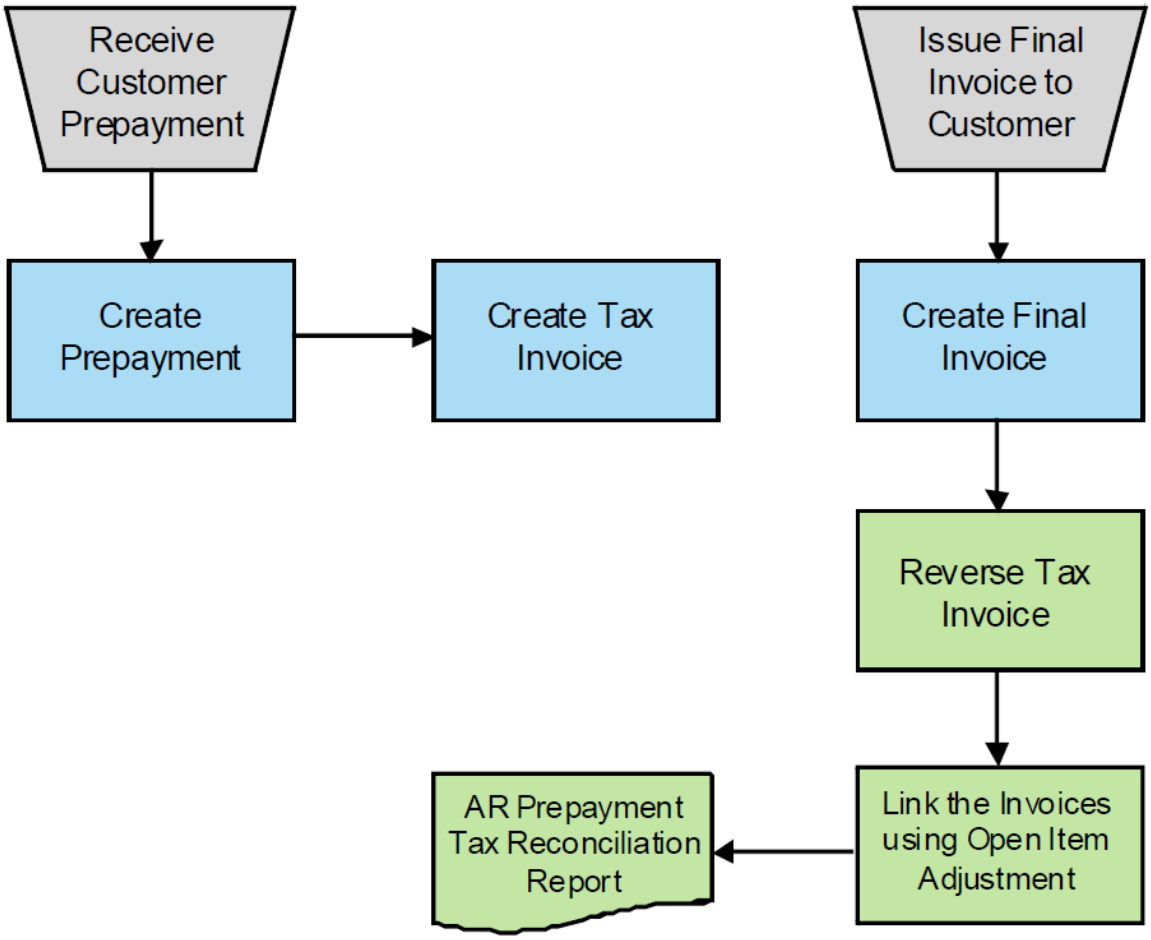
Only New Payments

Include only payments that have not been processed before, such as unprinted checks in the check run.

AR Prepayment Tax Reconciliation

In some countries, you must declare tax on a prepayment. This practice is common in Eastern European countries. For example, if you receive a prepayment from a customer and do not ship goods or provide services within a certain time period, you must issue a tax invoice.

The AR Prepayment Tax Reconciliation process lets you add reconciliation key identifiers to link prepayments, tax invoices, and final invoices, and then perform reconciliations for audit purposes.



In the AR Prepayment Tax Reconciliation process, you receive customer prepayments and record them in the system using reconciliation keys to identify them. If the tax on the prepayments must be declared, you create a tax invoice for the prepayment tax amount and assign the same reconciliation key. Before you issue the final invoice to the customer, you can record multiple prepayments and multiple corresponding tax invoices.

When your company ships goods or provides services, you send the final invoice to the customer. At this time, you create the final invoice with an identifying reconciliation key. You must then reverse the tax invoice that you created previously, run Open Item Adjustments on page 5924 to link the prepayment, final invoice, tax invoice, and tax invoice reversal so that the system can track the whole process using one adjustment record.

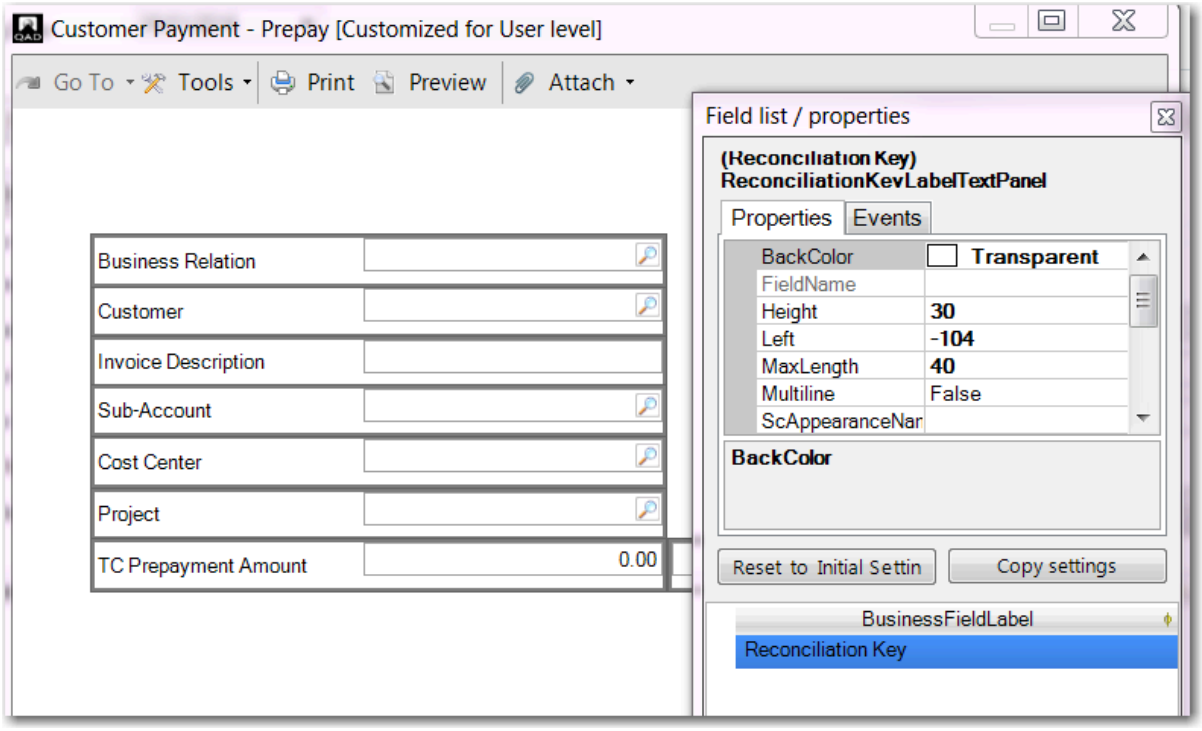
Recording Prepayments with Reconciliation Keys

In functions that allow you to enter prepayments and process them, you can record a reconciliation key, which helps you to search and find tax invoices and prepayments for manual reconciliation.

The Reconciliation Key field is hidden by default and you must add it using Design Mode. You can add the Reconciliation Key field in Design Mode in the following AR-related programs:

- *Customer Payments Create/Modify/View
- Banking Entry Create/Modify/View
- Customer Invoice Create/Modify/View

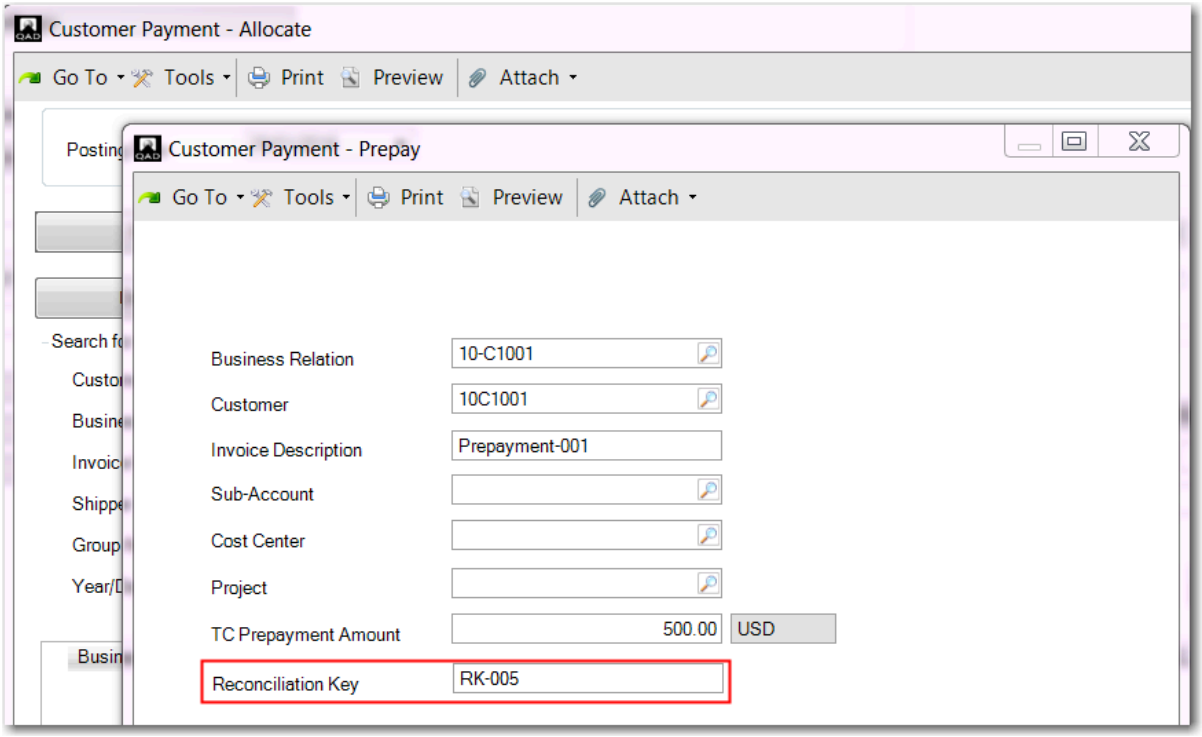
Note For invoices originating from the operational side, such as invoices generated using Invoice Post & Print, the system automatically populates the Reconciliation Key field with a default value.



In the following programs, Reconciliation Key is a grid column that you can make visible by clicking on the grid headers and choosing Columns:

- *Open Item Adjustment Create/Modify/View
- Customer Opening Balance Create/Modify/View

Before you issue a final invoice to the customer, you can record multiple prepayments.

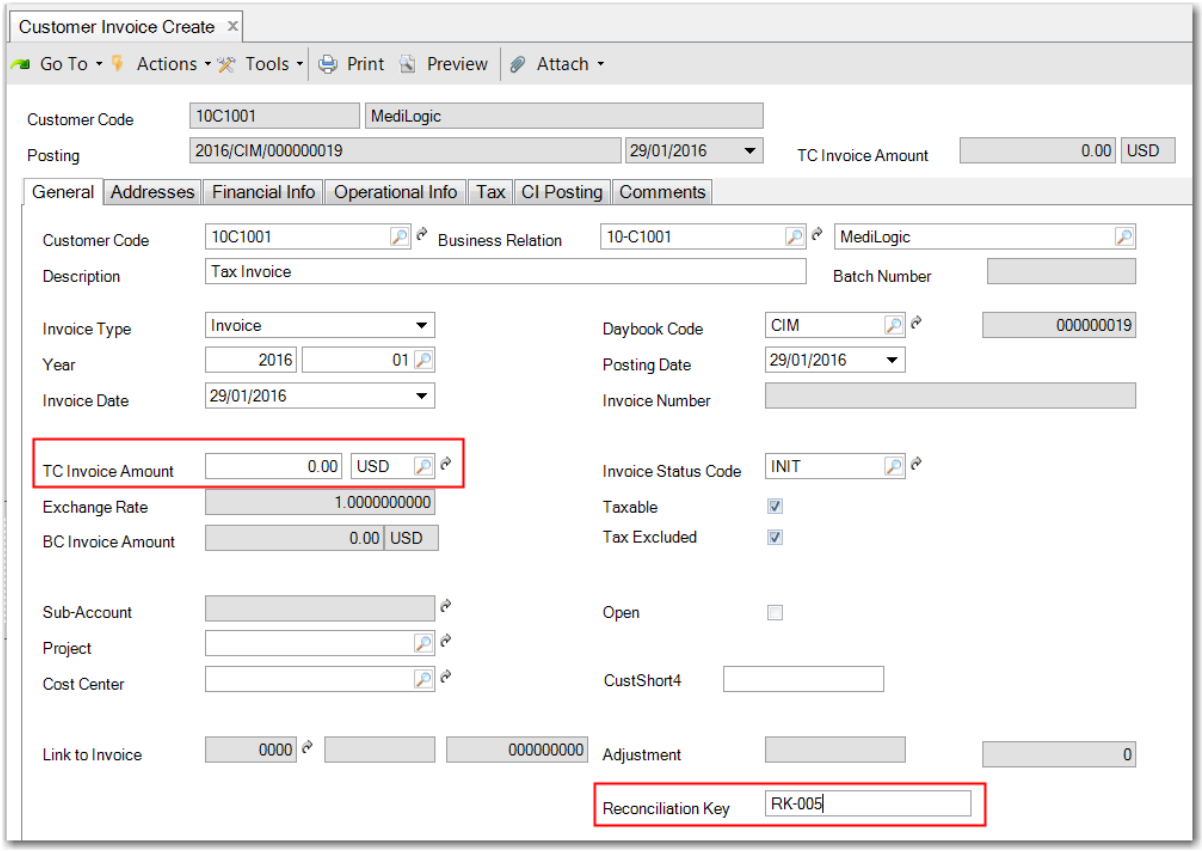


Creating a Tax Invoice

If the tax on the prepayment needs to be declared, create a zero-amount customer invoice for the prepayment and only include the applicable taxes. The taxes for the zero-amount invoice are then included in your tax declarations, and the invoice does not impact your customer's AR balance.

Add the Reconciliation Key field to the Customer Invoice functions using Design Mode and record a reconciliation key for the tax invoice so that you can easily find and reconcile it later.

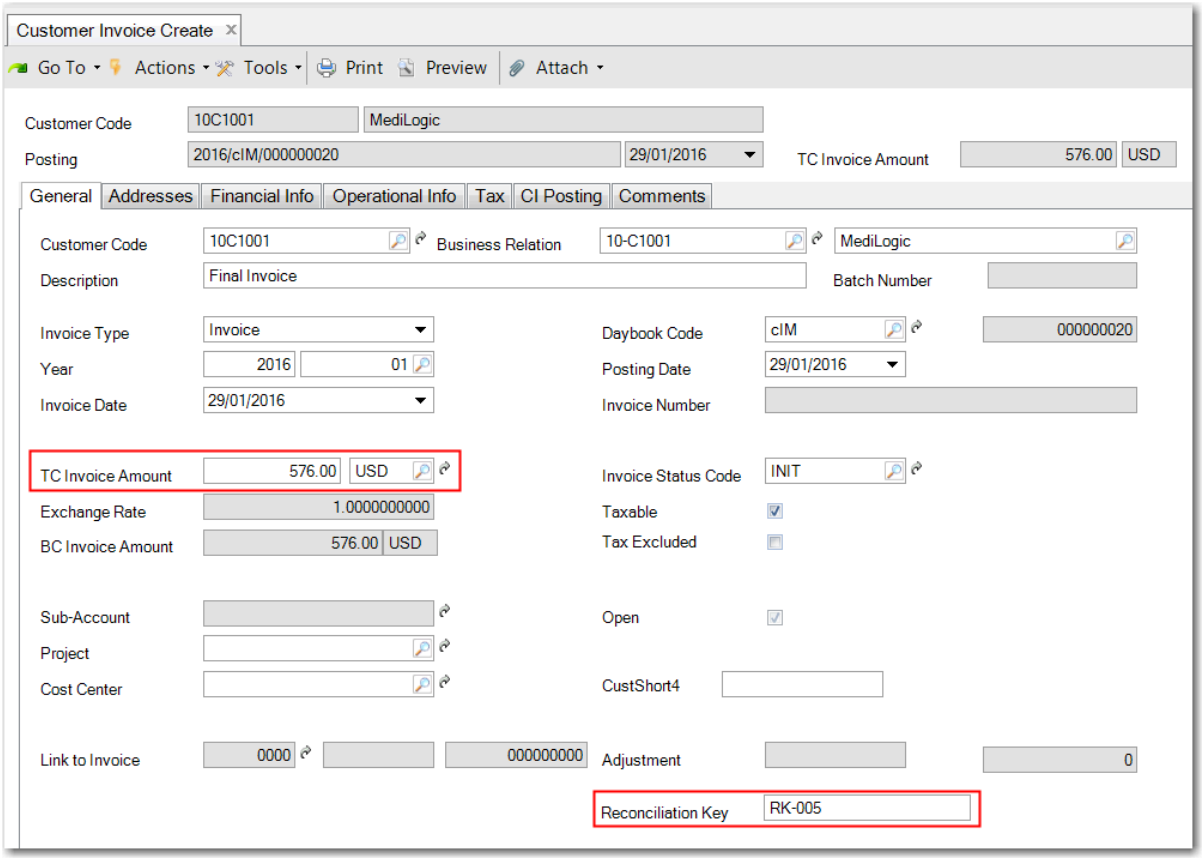
Before you issue a final invoice to the customer, you can record multiple prepayments and multiple corresponding tax invoices.



Creating The Final Invoice

When your company ships goods or provides services, you send the final invoice to the customer and record the invoice using Customer Invoice Create. As with the tax invoice and prepayment, assign the same reconciliation key so that you can easily find the invoice later.

Since this invoice is for the whole tax amount, you must reverse the original tax invoice created for the prepayment.



Reversing Customer Invoices

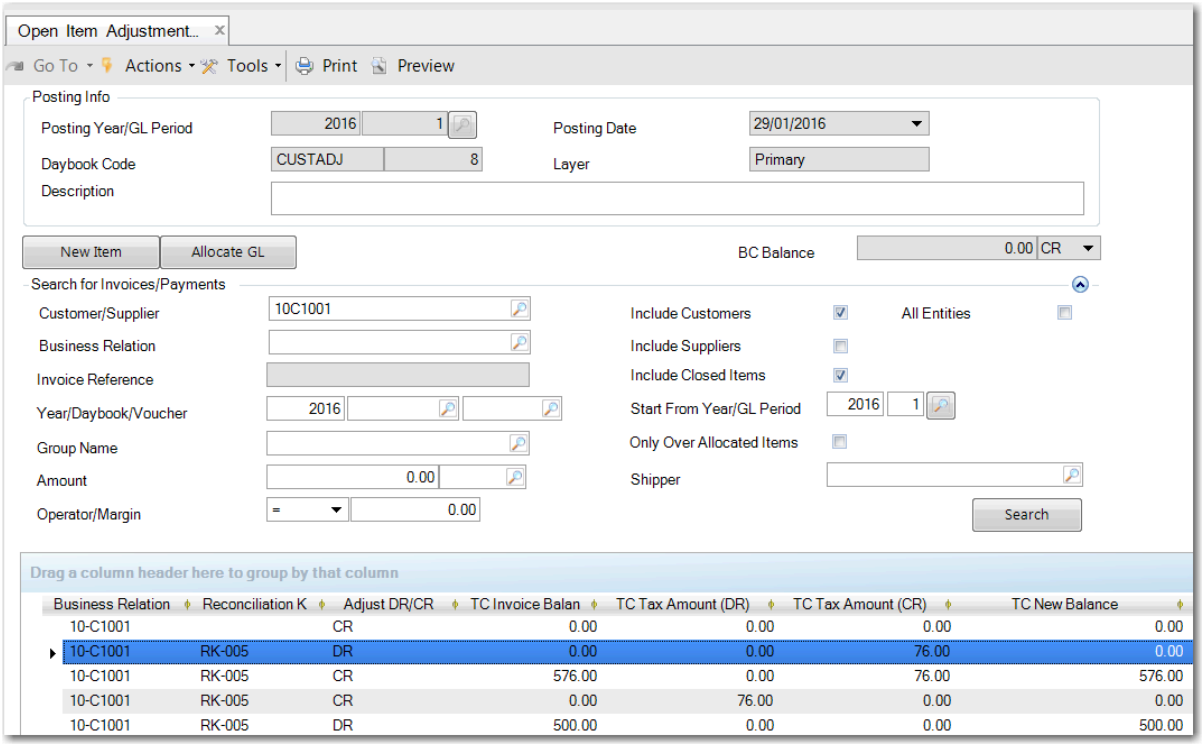
When you have recorded the final invoice for the customer in Customer Invoices, you then reverse the tax invoice that you created previously. See Reverse on page 5963.

Linking the Invoices Using Open Item Adjustment

Use Open Item Adjustment to adjust the final invoice with the prepayments. To maintain the relationship between all documents involved in the reconciliation process, you must also add the closed tax invoice and the reversal invoice to the open item adjustment. Using Open Item Adjustment, you can use the Reconciliation Key field to search for all documents in the work flow. To track the corresponding taxes, you also need to include the closed tax invoices based on prepayments and the reversal invoices as well.

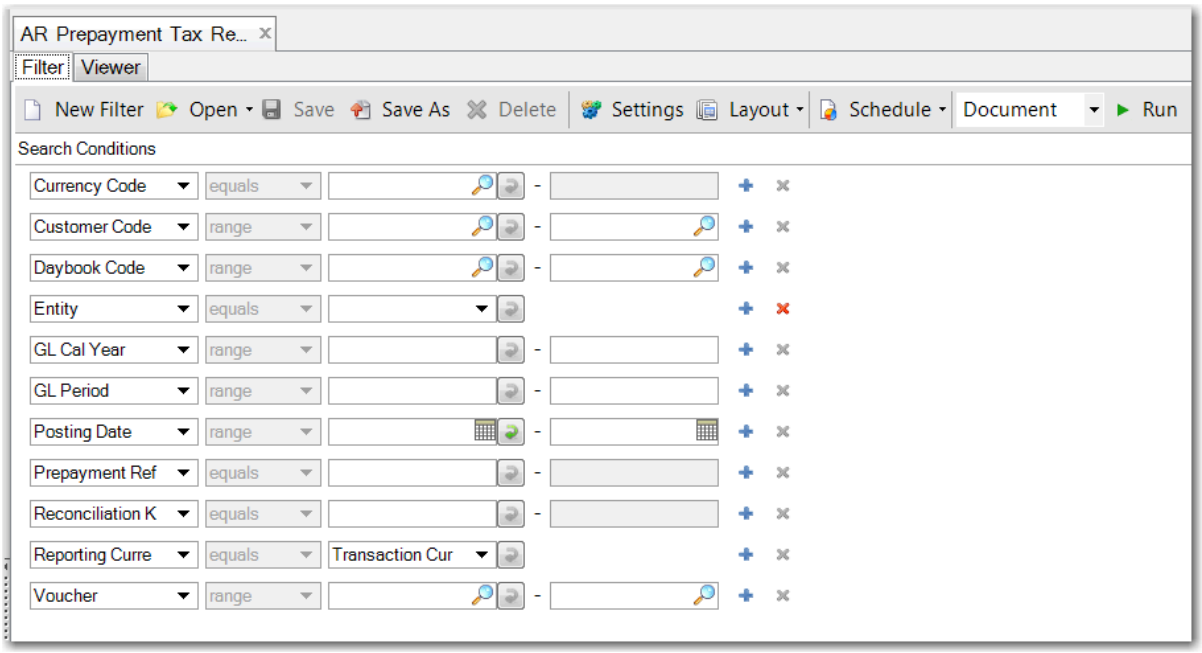
For closed items, use the Starting from Year and Period filter to narrow the search results. You need to include closed items to retrieve the reversed invoice.

The adjustment must include the prepayments, the tax invoices based on the prepayments, the reversed tax invoices, and the final invoice.



Running the AR Prepayment Tax Reconciliation Report

The AR Prepayment Tax Reconciliation report contains output on which you can base your prepayment tax reconciliations. The report lists all transactions that meet the other search criteria. The data is grouped by daybook for each open item adjustment.



The search criteria are:

Currency Code

Specify the currency code for which you want to run the report.

Customer Code

Specify the customer code or range of customer codes for which you want to run the report.

Daybook Code

Specify the daybook code or range of daybook codes for which you want to run the report.

Entity

Choose the entity for which you want to run the report. The Entity field is mandatory.

GL Cal Year

Specify the GL calendar year or range of years for which you want to run the report. The GL Cal Year field is mandatory.

GL Period

Specify the GL period or range of GL periods for which you want to run the report. The GL Period field is mandatory.

Prepayment Ref

Specify the prepayment reference for which you want to run the report.

Reconciliation Key

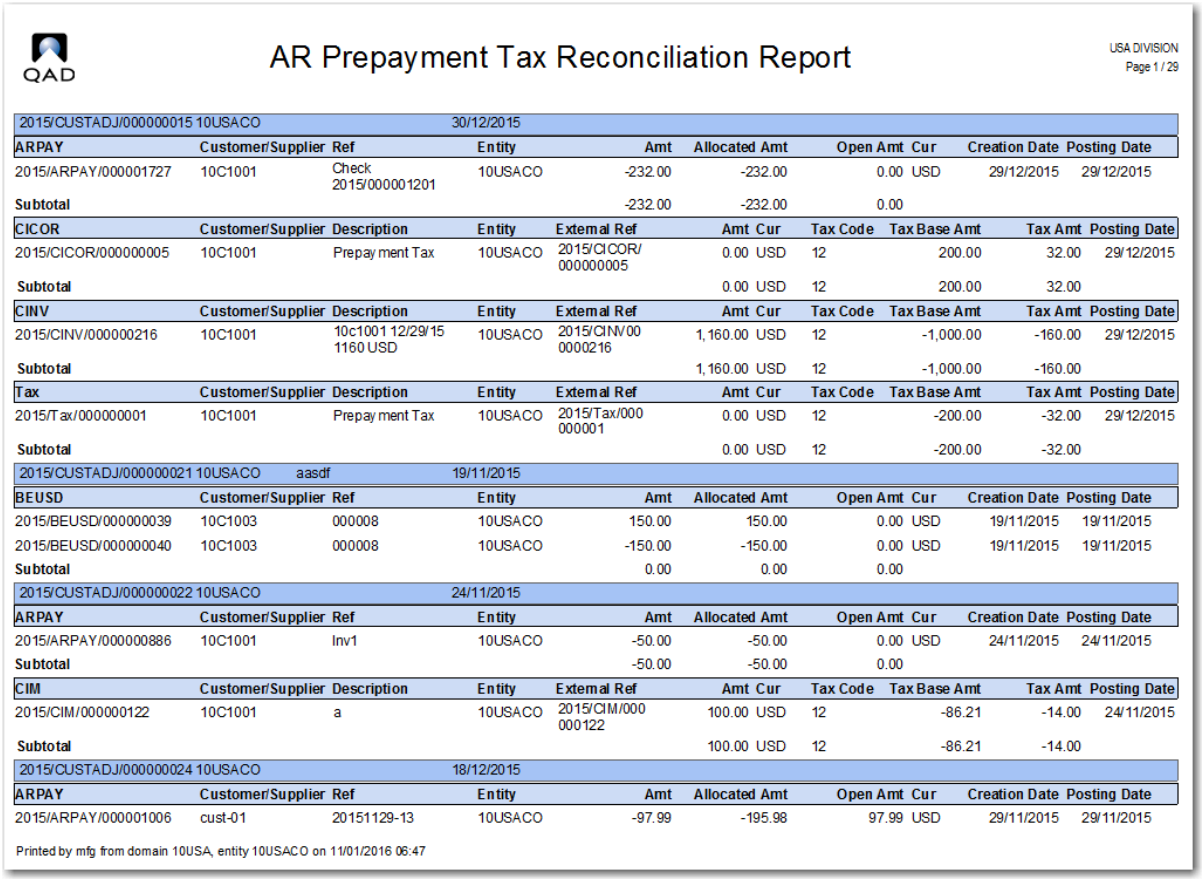
Specify the reconciliation key for which you want to run the report.

Reporting Currency

Choose the currency in which to print the report output. The options are Base Currency, Statutory Currency, and Transaction Currency.

Voucher

Specify the invoice voucher number or range of voucher numbers for which you want to run the report.



QAD

AR Prepayment Tax Reconciliation Report

USA DIVISION
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2015/CUSTADJ/000000015	10USACO		30/12/2015						
ARPAY	**Customer/Supplier**	**Ref**	**Entity**	**Amt**	**Allocated Amt**	**Open Amt**	**Cur**	**Creation Date**	**Posting Date**
2015/ARPAY/000001727	10C1001	Check 2015/000001201	10USACO	-232.00	-232.00	0.00	USD	29/12/2015	29/12/2015
Subtotal				-232.00	-232.00	0.00			

CICOR	**Customer/Supplier**	**Description**	**Entity**	**External Ref**	**Amt**	**Cur**	**Tax Code**	**Tax Base Amt**	**Tax Amt**	**Posting Date**
2015/CICOR/000000005	10C1001	Prepayment Tax	10USACO	2015/CICOR/000000005	0.00	USD	12	200.00	32.00	29/12/2015
Subtotal					0.00	USD	12	200.00	32.00	

CINV	**Customer/Supplier**	**Description**	**Entity**	**External Ref**	**Amt**	**Cur**	**Tax Code**	**Tax Base Amt**	**Tax Amt**	**Posting Date**
2015/CINV/000000216	10C1001	10c1001 12/29/15 1160 USD	10USACO	2015/CINV/000000216	1,160.00	USD	12	-1,000.00	-160.00	29/12/2015
Subtotal					1,160.00	USD	12	-1,000.00	-160.00	

Tax	**Customer/Supplier**	**Description**	**Entity**	**External Ref**	**Amt**	**Cur**	**Tax Code**	**Tax Base Amt**	**Tax Amt**	**Posting Date**
2015/Tax/000000001	10C1001	Prepayment Tax	10USACO	2015/Tax/000000001	0.00	USD	12	-200.00	-32.00	29/12/2015
Subtotal					0.00	USD	12	-200.00	-32.00	

2015/CUSTADJ/000000021	10USACO	aasdf	19/11/2015						
BEUSD	**Customer/Supplier**	**Ref**	**Entity**	**Amt**	**Allocated Amt**	**Open Amt**	**Cur**	**Creation Date**	**Posting Date**
2015/BEUSD/000000039	10C1003	000008	10USACO	150.00	150.00	0.00	USD	19/11/2015	19/11/2015
2015/BEUSD/000000040	10C1003	000008	10USACO	-150.00	-150.00	0.00	USD	19/11/2015	19/11/2015
Subtotal				0.00	0.00	0.00			

2015/CUSTADJ/000000022	10USACO		24/11/2015						
ARPAY	**Customer/Supplier**	**Ref**	**Entity**	**Amt**	**Allocated Amt**	**Open Amt**	**Cur**	**Creation Date**	**Posting Date**
2015/ARPAY/000000886	10C1001	Inv1	10USACO	-50.00	-50.00	0.00	USD	24/11/2015	24/11/2015
Subtotal				-50.00	-50.00	0.00			

CIM	**Customer/Supplier**	**Description**	**Entity**	**External Ref**	**Amt**	**Cur**	**Tax Code**	**Tax Base Amt**	**Tax Amt**	**Posting Date**
2015/CIM/000000122	10C1001	a	10USACO	2015/CIM/000000122	100.00	USD	12	-86.21	-14.00	24/11/2015
Subtotal					100.00	USD	12	-86.21	-14.00	

2015/CUSTADJ/000000024	10USACO		18/12/2015						
ARPAY	**Customer/Supplier**	**Ref**	**Entity**	**Amt**	**Allocated Amt**	**Open Amt**	**Cur**	**Creation Date**	**Posting Date**
2015/ARPAY/000001006	cust-01	20151129-13	10USACO	-97.99	-195.98	97.99	USD	29/11/2015	29/11/2015

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Customer Payment Selections

The Customer Payment Selections hybrid browse displays all customer payment selections, regardless of their status and whether they have been executed or not. The browse displays the header information for each payment selection.

You can create customer payment selections for invoices, credit notes, and invoice and credit note correction documents. This results in a payment selection containing multiple invoice details for a payment from your customer to your bank account. You then generate a payment file. The payment file is formatted according to the payment format required by your bank for payments from this customer. For example, for a customer who normally pays by check, you link an AR check format to your bank account and specify this format for payments from this customer.

You start by creating an initial status payment selection. Only initial status payment selections can be modified. You can change the status on the Actions menu to one of two statuses:

- Allocated: The Allocated payment can be sent in draft form to customers for approval.

- For Collection: The For Collection payment does not require customer approval and can be exported immediately as a payment file.

Payment Selections with a status of Allocated or For Collection are posted to the general ledger.

Note Initial status payment selections functionality used in EDI Advanced Banking in Brazil is not available. It is also not possible to delete customer payment selections, regardless of their status. In addition, individual customer payments cannot be executed. If a single customer invoice needs to be sent to the bank for collection, a payment selection must be created.

Main

Payment Selection

Enter a unique code to identify the payment selection.

Status

The payment status is always initial for a new customer payment selection. Use the Actions menu to change the status.

Date

Specify the due date to be assigned to the payment selection. This date applies to all the individual invoices in the selection, regardless of their individual due dates. After you save a payment selection, this field becomes read only. This field is ignored when Payments Per Due Date is enabled.

Executed

This field is read only and is selected for payment selections that have been executed. The field is always blank when you are creating a new customer payment selection.

Payment Total

This field displays the total of the individual invoices included in this payment selection, and includes expected discounts, even if the customer might never use the discounts. The payment total is always positive. The value is updated based on the invoices that are selected in the grid.

Number of Lines

This field displays the number of selection lines in the grid.

Payment Per Due Date

If you select this field, the system groups the open invoices by customer and by invoice due date. For each group, when the payment selection status is changed to Allocated or For Collection, the system

creates a payment record with the same due date as the invoices in that group.

If the field is cleared, then all the invoices for the same customer are grouped in a single payment that has the selection due date as the payment date.

- Clear: All selected invoices are grouped in one payment and assigned the due date specified in the Date field.
- Select: One payment selection is created but a separate payment is created for each group of invoices with the same due date. In this case, the Date field on the header is ignored, and the dates of the individual invoices apply. For staged invoices, if you are using a payment type of draft, the system creates separate payment records for each stage payment due date.

For example, you enter selection criteria that result in 10 invoices displaying in the grid. Of these, five are due on May 1 and five on May 10. When Payment Per Due Date is selected, two payments are created, with five invoices each, and assigned the due dates May 1 and May 10.

Bank

GL Account

Specify your GL bank account. You can select only bank accounts that are linked to payment formats. After you save a payment selection, this field becomes read only.

Own Bank Number

This field displays the default account number for the bank GL account defined in GL Accounts. You can select a different account if multiple account numbers are associated with the GL account. The payment format displayed is determined by the bank account number you select. After you save a payment selection, this field becomes read only.

Payment Format

This field displays the format for the payment. This format is retrieved from the payment format and attributes linked to the GL bank account selected. For details, see Payment Formats on page 5843. Depending on the payment format, you may be able to modify some header attributes for the payment. The selected invoices must match this payment format.

Selection Lines

The Selection Lines grid displays all the invoices you have added to the customer payments selection using the Add Invoices on page 6029 button. In the grid, you can modify the Due Date, TC Payment Amount, and Discount Amount fields. You can also click the Details button to open the Customer Payment Selection Lines window, which contains

details of the selected line. If there are stages on the invoice, these lines are displayed in the Customer Payment Selection Lines window on the Stages panel.

However, stage lines are not displayed in the Selection Lines grid.

The Drilldown Links enable you to drill down to the individual customer invoice that you have selected in the Selection Lines grid.

Note The Delete All button removes all the invoices from the grid.

Add Invoices Window

When you click the Add Invoices button, the Add Invoices window opens, where you can search for invoices and add them to the payment selection. The window consists of an Allocations panel and a results grid.

Note In the summary panel, the Payment Total field displays the value of invoices previously added to the payment selection. The Pending Total field displays the value of invoices selected in the Add Invoice screen - those invoices that will be added to the Payment Total.

Allocations

Business Relation/Payment Group/Group Name/Currency/ Intercompany/Sub-Account/Country

Specify one or a combination of search criteria for invoices.

Set Selected

Specify how you want the system to set the Selected field on the invoices that are displayed in the grid after you click Search.

- All: Enable the Selected field for all invoices, regardless of the due date.
- Due Only: Enable the Selected field only for invoices with a due date on or before the Ref Due Date specified.
- Due and Discounted: Enable the Selected field only for invoices that are either due on or before the Ref Due Day or are discounted within this period.
- None: Do not enable the Selected field for any of the invoices.

Due Date

Specify the date the system must use for finding invoices to be included in this payment selection. The system selects invoices due on or before this date that meet the other selection criteria.

Visible Items

Choose to display all search results or only those results that match the Set Selected filter criteria. If you choose Select All, you can manually modify the Selected field to include additional invoices if necessary.

Include All Entities

Select this field to retrieve invoices from other domains that have the same shared set as the current domain. You can create a payment selection within one entity that includes invoices created in other entities within the same domain. The system creates a record for the Cross-Company daemon to process, and the payments for the invoices in the other entity are posted as cross-company transactions.

View Invoices without Banks

Select this field to display only invoices that are not already associated with a bank account. Invoices without banks do not appear on payment selections, so may inadvertently be skipped during processing. This is especially important for supplier invoices.

Click Search to retrieve invoices that match the search criteria. Only open invoices that have the own bank number and payment format specified in the header of the selection are retrieved. You can modify the criteria and click Search again to append subsequent results to the grid.

You can use Clear Unselected Lines to remove invoices from the grid that you do not want to Add. In the grid, you can modify the Selected, Due Date, TC Payment Amount, and Discount Amount fields. If you change the TC Payment Amount, the discount changes proportionally. You cannot enter a payment amount higher than the invoice or a discount above the allowed discount.

For staged payments, a change to the parent line is reflected in the selected child. You cannot edit the Due Date on an invoice with stages. It must be changed on the invoice stage line. If any stage is selected, the parent is selected.

When you have selected the relevant invoices in the grid, click Add to add them to the payment selection.

Actions

The Actions drop-down offers actions that you can take for a record or set of records. Individual actions are for individual records and bulk actions are for sets of records, based on your selected criteria. For bulk actions, once you select the records and set options, you can submit the action.

Confirm

When you confirm a selection, the system changes the selection status from Initial to Confirmed, and creates all of the sub-ledger and GL postings for the payment selection. Only a payment selection with an Initial status can be confirmed. A confirmed payment selection is either For Collection or Allocated.

Main

Status

To be able to confirm the customer payment selection, change the status to For Collection or Allocated. The new status is only available if it has been set up in Customer Payment Status on page 5999.

Payment Per Due Date

If you select this field, the system confirms the open invoices by customer and by invoice due date. For each group, the system creates a payment record with the same due date as the invoices in that group.

If the field is cleared, then all the invoices for the same customer are confirmed in a single payment that has the selection due date as the payment date.

- Clear: All selected invoices are confirmed in one payment selection and assigned the due date specified in the Date field.
- Select: A separate payment selection is created for each confirmation of invoices with the same due date. In this case, the Date field on the payment selection is ignored, and the dates of the individual invoices apply. For staged invoices, if you are using a payment type of draft, the system creates separate payment records for each stage payment due date.

GL Account

The GL Account field cannot be changed.

Own Bank Number

The Own Bank Number cannot be changed.

When you confirm the customer payment selection, payments are created and the GL is updated. No further changes are then allowed.

Execute

The Execute action dates and numbers the payment file. This payment file is then available for a banking entry. The system uses data loaded into EDI eCommerce to create the file to be sent to the bank. Details about the payment file such as its location on the file system are specified when the electronic data interchange (EDI) data is loaded. The EDI processing is controlled by the payment format and attribute values. In this way, electronic files for export are correctly formatted for the receiving bank. This process is described in detail in Payment Formats on page 5843.

Note When you select Execute on the Actions menu for a payment selection with a status of Allocated, you can continue only when at least one payment in the selection has a For Collection status.

Main

The Execute action displays only read-only fields, with the exception of two fields.

Requested Date

Specify a payment date for the payments included in the file.

Duplicate

Select to indicate that this file is a duplicate of a previously generated payment file. If the current file is a duplicate, the fields in the Previous Execution panel display details of the previously generated file.

When you are satisfied that the fields contain correct information, you can click Execute. When an electronic payment selection type is executed, the status is then set to Transferred.

ReExecute

On the ReExecute screen, all fields are read only. When you click ReExecute, a file is generated.

Processing Deductions

Deductions, sometimes referred to as short pays, occur when a customer pays less than the amount owed. Reasons for deductions include rounding differences, reductions due to quality issues, perceived entitlements based on commercial agreements, damaged goods, spoilage, improper packaging or labeling, or any other reason for which a customer pays less.

You can record two types of deductions in Financials: standard deductions and promotional deductions. Standard deductions are processed entirely in the Financials app. However, it is recommended that you do not process deductions relating to promotions and claims in Financials, but in a dedicated trade promotion management app. Promotions are agreements with customers to provide discounts for a specified period, and to allocate funds for promotional activities or to offer free goods and services.

Deductions are processed at several different points in the system. You can:

- Record deductions using Customer Payments on page 6001, Customer Opening Balance on page 5849, Bank Statements on page 6267, or Petty Cash Statements on page 6313.
- Review and edit deductions using Deductions on page 6040, where you can approve or reject deductions. Finding and rejecting invalid or unearned deductions can result in significant savings.
- Manually create credit notes on page 5948 for deductions with the status Approved for Credit.

- Adjust credit notes against approved deductions using Open Item Adjustments on page 5924.

When you record deductions using Customer Payments, Customer Opening Balance, Bank Statements, or Petty Cash Statements, you assign characteristics to a deduction using a deduction category on page 6038. The category designates the type of deduction, the account to which the deduction is posted when approved, and whether you can write off low value amounts without review and approval.

During the deduction review process, you can approve or reject a pending deduction. You can perform two types of approvals on pending deductions. You can approve a deduction for expense, where the system writes off the deduction to the account associated with the deduction category. You can also approve a deduction by making it available for adjustment against a credit note. If you reject a deduction, the deduction becomes a due open item on the customer's account.

Setting Up Deductions

Deduction and Prepayment Credit Terms

Set up deduction credit terms by domain using the Credit Term Deduction field in Domains on page 916. When deductions are created, the domain-level deduction credit terms are used instead of the customer's default credit terms. The due date of the deduction is then calculated using the domain credit terms. The credit term you specify for the domain cannot be a staged credit term and cannot include discounts.

If you have not defined deduction credit terms for the domain and then try to save a deduction in, for example, Customer Payments, the system displays an error message.

Defining Daybooks

When setting up deductions, define one or more Customer Deduction type daybooks that are used for two purposes:

- A daybook of type Customer Deduction, where the system posts deductions you create.

  A customer invoice of type Deduction is created after you save a payment that has a deduction. The invoice uses the daybook linked to the customer daybook deduction profile associated with the bank GL account used for the payment. This daybook is also used where automatic write-offs are allowed and occur in the same transaction as the deduction.

- A daybook of type Customer Deduction, associated with the deduction category where the system posts reviewed, approved, and written-off standard deductions.

If you want to differentiate between the deduction creation and approved write-off deduction transactions, you can use different Customer Deduction type daybooks. However, you can also use the same daybook for both types of transaction.

Creating Profiles

In order to set up deductions, define two types of profile: a customer account profile for deductions and a customer deduction daybook profile.

Specify the customer account profile for deductions in the customer record in Customers on page 826. If the customer shared set is shared across domains with different GL account shared sets, the profile indicates the customer control account to use for deduction postings in each domain.

You associate the customer deduction daybook profile with the entity bank account used for deductions. The system posts deductions that you create to the daybook indicated by the profile. If the GL shared set is shared across domains that use different daybook shared sets, the customer deduction daybook profile indicates the daybook to use for deduction postings in each domain.

Associating Deduction Profiles with Customer Records

Use the Control GL (Deduction) field on the Accounting Profile panel on page 829 in Customers to assign customer account deduction profiles to customers.

Associating a Deduction Daybook Profile with a Bank Account

Use GL Accounts on page 5706 to associate a deduction daybook profile with the entity bank account used for deductions.

Defining Accounts

Define one Deduction Suspense system account and one or more accounts to which approved standard deductions are posted.

The Deduction Suspense system type account is used to transfer the balance from the payment posting to the deduction posting. The transfer occurs within the same transaction so the Deduction Suspense account always has a zero balance.

one or more accounts to which the system posts automatic write-off and approved standard deductions. The account must be a Standard or Open Item account and can have sub-account, cost center, project, or SAF analysis. If the account uses analysis, specify the appropriate analysis codes in the deduction category.

Creating and Modifying Deductions

Creating Deductions in Customer Payments

You can use Customer Payments to create deductions. The process is similar to the process for creating prepayments. However, unlike prepayments, you can enter many deductions for a single payment transaction.

When you add a deduction to a payment, the system creates two postings when the payment is saved. One posting is recorded in the customer payments daybook and the second posting is recorded in the customer deductions daybook. A customer invoice of type Deduction is created when you save the payment. The customer deduction invoice uses the daybook linked to the bank GL account for the second posting (deductions daybook).

The system uses the Deduction Suspense system type account to transfer the balance from the payment posting to the deduction posting.

If the deduction category allows automatic write-offs, the system automatically writes off any standard deduction within the specified deduction limits to the account associated with the deduction category. If you do not want to write off all or part of the deduction, use another category without automatic write-off.

Note For details of how to do this, see Deduction on page 6007 in Customer Payments. If further modifications are needed after the payment is saved, you can apply the updates in Deduction Review on page 6042.

Customer Payment with Deduction Details Example

You create a customer invoice for $450. The customer pays $440 and claims a deduction of $10 for a spoiled item.

The payment posting is:

Account	Debit	Credit
Bank Account	440	
Deduction Suspense	10	
Account		
AR Control Account		450

The system uses the total deduction amount to create the initial deduction open item posting to the deduction control account. The deduction control account is then credited by the value of the automatic write off line ($10) and this value is posted to the expense account. The deduction posting is:

Account	Debit	Credit

Deduction Control Account	10	
Deduction Suspense Account		10
Deduction Control Account		10
Expense Account	10	

Creating Deductions in Bank Statements

You can also allocate a deduction to an invoice in Bank Statements for payments for customers. For more details, see Bank Statements on page 6267.

Note You can also record deductions in Petty Cash.

Writing off Deductions

If automatic write-off is enabled for a standard deduction category and the amount is less than or equal to the deduction limit, the system automatically writes off the deduction when you record it.

The deduction is always created as a new open item (Pending status), which is immediately written off according to the write-off amount (totally or partially). The deduction is debited from the account associated with the deduction category, and the posting is recorded in the entity of the bank account.

If the payment is recorded in an entity other than the invoicing entity and you want to allocate the expense in the invoicing entity, select a deduction category that causes the posting to remain in the Pending status. You can then allocate the deduction expense to the invoicing entity using the Review action in Deductions.

If the payment is not in base currency, the system converts the deduction amount to the base currency in order to compare it to the write-off limit for the deduction category. This step is required because the write-off limit is always defined in the base currency of the domain. When it converts the deduction amount to base currency, the system uses the exchange rate that applies on the posting date of the payment.

The status of these deduction lines is Auto Write-Off.

In this example, the deduction of $2 has one detail line with a category that allows automatic write-offs up to a limit of $2.50. The payment amount is $103 and deduction amount is $2. The payment posting is:

Account	**Debit**	**Credit**
Bank Account	103	

Deduction Suspense Account	2	
AR Control Account		105

The deduction posting is:

Account	Debit	Credit
Deduction Control Account	2	
Deduction Suspense Account		2
Deduction Control Account		2
Expense Account	2	

In this second example, you can only automatically write off part of the deduction. The invoice amount is $150, the payment amount is $90, and the deduction amount is $60. You can automatically write off $10 immediately. The payment posting is:

Account	Debit	Credit
Bank Account	90	
Deduction Suspense Account	60	
AR Control Account		150

The deduction posting is:

Account	Debit	Credit
Deduction Control Account	60	
Deduction Suspense Account		60
Deduction Control Account		10
Expense Account	10	

Recording Deduction Invoice Opening Balances

Use Customer Opening Balance Excel Integration on page 5849 to create a deduction invoice open item in the sales sub-ledger, and generate postings for customer control accounts. The activity lets you transfer the outstanding open items for a specific customer in detail from an external system.

Deduction Categories

The deduction category designates whether the deduction is standard or promotional, the expense account to which the deduction is posted when approved, and whether or not low-value deduction amounts can be written off without review and approval. Deduction categories are partially stored at system level and partially stored at domain level. The deduction code, the description, and the deduction type are stored at system level. The values for the other fields are stored in the current domain. Therefore, if you reuse a category in another domain, you must specify the expense account, COA analysis elements, and daybooks that are relevant to that domain.

Deductions are removed as a lump sum in Customer Payments, in Banking Entries, and in Petty Cash. You cannot delete a deduction category if it has been used in a posting. You cannot modify the deduction category code, but you can modify deduction category details stored in the current domain; for example, the daybook, account, and write-off settings. You can also use the Excel Export and Import functions to add and edit deduction categories.

Note

Promotional deductions are handled using a different business process than standard deductions.

Main

Deduction Category

Specify a maximum of 20 alphanumeric characters for the deduction category code. The deduction category must be unique within the current domain.

Description

Specify a maximum of 40 characters for the description of the deduction category.

Type

Select Standard or Promotion. *Standard* indicates deductions used in Financials. *Promotion* indicates promotional deductions used in Trade Activity Management. You cannot update the deduction category type if the deduction category has been used in a posting.

GL Analysis

These three fields enable you to specify GL analysis. Specify an expense GL account, a sub-account, and a cost center for the deduction category. If you select the Auto Write-Off field, the system automatically writes off deductions within the deduction limit for the specified deduction category to the account associated with the deduction category. The GL account field is only available for deduction category types of Standard and is mandatory. The Sub Account field is only available for deduction category types of Standard and if the specified expense account uses sub-account analysis. The Cost Center field is only available for deduction category types of Standard and if the specified expense account uses cost center analysis.

Expense Daybook

Specify the expense daybook in which approved deduction transactions are posted. The daybook must be of type Customer Deduction.

Auto Write-Off

Select this field to automatically write off deduction amounts that are less than a predefined limit. This field is only enabled for deduction categories of type Standard. Selecting the Auto Write-Off field enables the Write-Off Limit field, where you can define the maximum amount that can be written off without approval.

Write-Off Limit

Specify the maximum amount that can be written off without approval. The write-off limit is denominated in the base currency. If the deduction amount is greater than the write-off limit, it must be approved. Zero means no limit. This field is only available if you select the Auto Write-Off field.

Active

Indicate if this is an active deduction category. You can only assign active deduction categories to deductions.

Expense SAFs

SAF Concept

Expense SAFs are only enabled for deduction category types of Standard and if the specified account, cost center, or project uses SAF analysis.

SAF Concept Description

This field contains a description of the SAF concept.

SAF

Select a default SAF code.

SAF Description

This field contains the SAF description.

Deduction Category Excel Integration

Use Deduction Categories to export data to Excel spreadsheets for analysis or reporting. You can also use Excel to create new data and import it to the database, where it is validated before being saved. Excel Integration lets you create data across multiple domains. Therefore, you can use Deduction Categories to create or maintain deduction categories that are used in several domains.

From the More drop-down menu, select Export.

File Name

Enter a name for the file.

Type

Select the type of report that you want to export. If you want to import the file again later, select Export With Import Format.

Include in Export

Select the information that you want to include in the report. This is set to Current Stored View Columns by default.

Note This field is read-only by default.

File Type

Select the file type that you want to export.

When you have entered the file information, click Export.

Deductions

In Deductions, you can review and edit existing deductions that have been created in one of these programs:

- Customer Payments
- Customer Opening Balance
- Bank Statements
- Petty Cash Statements

The Deductions browse is automatically filtered on pending deductions. However, you can remove the filter and use other criteria to populate the grid.

Note You can review both standard and promotional deductions. Standard deductions are editable; promotional deductions are read only. However, it is recommended that you do not process deductions relating to promotions and claims in Financials, but in a dedicated trade promotion management module. Promotions are agreements with customers

to provide discounts for a specified period, and to allocate funds for promotional activities or to offer free goods and services.

During the deduction review process, you can approve standard deductions and write off the deduction to the account associated with the deduction category. You can also reject the deduction, causing the deduction amount to become a due item on the customer's account. You can also change the deduction category associated with the deduction during the review process.

You can also change the status of a deduction to Approved for Credit, which indicates that a credit note must be created (manually) for the amount. When the credit note is created, you can use Open Item Adjustments to adjust the credit note against the deduction balance.

Important You cannot change the status of a deduction to Credited in Deductions. A credited deduction is an Approved for Credit deduction that has been adjusted against a credit note in Open Item Adjustments.

The table shows deduction statuses and the next statuses to which the deduction can transition.

Deduction Status Transitions

Next Status						
Current Status	**Pending**	**Auto Write-Off**	**Approved Write-Off**	**Approved for Credit**	**Rejected**	**Credited**
Pending	N/A	x	#	#	#	x
Auto Write-Off	x	N/A	x	x	x	x
Approved Write-Off	x	x	N/A	x	x	x
Approved for Credit	#	x	#	N/A	#	#
Rejected	x	x	x	x	N/A	x
Credited	x	x	x	x	x	N/A

To edit an individual deduction, select it in the browse.

Deductions

The fields on the Deductions panel are almost all read only, and display deduction details. Depending on the status of the deduction, you can edit these fields:

Status

Use the drop-down list to change the status of a deduction. You can update the status as described in the Table 102 on page 6041 table.

Comment

Use this field to add a comment to the deduction.

Approve/Reject Comment

Specify a comment if you have approved or rejected a deduction line. This field only becomes editable if you change the status of a deduction line to Approved Write-Off, Approved for Credit, or Rejected.

Approve/Reject Date

If you approve or reject the deduction, you can change the date if necessary.

When you have completed your changes, click Save.

Actions

The Actions drop-down offers actions that you can take for a record or set of records. Individual actions are for individual records and bulk actions are for sets of records, based on your selected criteria. For bulk actions, once you select the records and set options, you can submit the action.

Deduction Review

Search Criteria

This panel enables you to search for the deductions to submit for processing.

Customer

Specify the customer code for which you want to review deductions. This field is optional. If you do not specify a customer code, deductions for all customers that meet the other selection criteria are displayed.

Deduction Category

Specify the deduction category code for which you want to review deductions. This field is optional. If you do not specify a deduction category code, deductions for all category codes that meet the other selection criteria are displayed. Define deduction category codes in Deduction Categories on page 6038.

Deduction Category Type

Indicate the type of deductions that you want to review. This field is optional. Choose Standard or Promotion from the drop-down list. The default value is Standard.

- Standard indicates deductions used within the Financials module.
- Promotion indicates promotional deductions processed in a dedicated trade promotion management module.

Status

Specify the type of deductions to display. The options are:

- All: The system retrieves open and closed deductions that match the other search criteria.
- Closed: The system retrieves closed deductions that match the other search criteria. A deduction is closed when all the deduction detail lines are written off, automatically written off, or credited.
- Open: The system retrieves open deductions that match the other search criteria. A deduction is open if some of the detail lines are Pending, Approved for Credit, or Rejected.

If you change the status of a customer payment with deductions to Initial or Bounced, the deduction detail lines are set to Closed.

Deduction Amount

Specify an amount to retrieve and review deductions with matching amounts. This field is optional. If you do not specify an amount, deductions for all amounts that meet the other selection criteria are displayed.

Deduction Status

Select one or more deduction statuses to retrieve deductions with matching statuses. By default, Pending is selected.

- Pending: If the category does not allow automatic write-off, the status of the line is Pending. You can change the status of a Pending deduction in Deduction Review.
- Auto Write-Off: Deductions where the deduction amount is below the automatic write-off limit and where the deduction is automatically written off to the account associated with the deduction category. You cannot change the status of a deduction with the status Auto Write-Off.
- Approved for Credit: A deduction that has been made available for adjustment in Open Item Adjustments. Using Deductions, you can change the status of an Approved for Credit deduction.
- Credited: The status of a deduction that has been adjusted against a credit note in Open Item Adjustments. You cannot change a deduction to the status Credited in Deductions. However, you can filter and view deductions with this status. You cannot change the status of a Credited deduction.
- Approved Write-Off: Deductions above the automatic write-off limit that have been approved in Deductions and written off to the account associated with the deduction category. You cannot change the status of an Approved Write-Off deduction.
- Rejected: Deductions rejected in Deductions that have become a due item on the customer’s account. You cannot change the status of a Rejected deduction.

Entities

Select the entities from which you want to retrieve and display deductions that match the selection criteria.

Deduction Date

Specify a date range to retrieve deductions created during that period.

Customer Reference

Specify the customer reference recorded on the deduction to retrieve and review matching deductions. This field is optional.

Promotion

For promotional deductions, specify the promotion code that the deduction is associated with. This field is optional.

Comment

Specify text to retrieve deductions where this text was recorded as a comment. This field is optional.

Click Search to populate the grid with the results. Click Reset to reset the search fields. Click Clear to clear the grid.

Options

The Options panel enables you to set a new status for the selected deductions.

New Status

Select the new status for the selected deductions in the grid. Choose from:

- Pending to Approved Write-Off.
- Approved for Credit to Approved Write-Off.
- Pending to Approved for Credit.
- Pending to Rejected.
- Approved for Credit to Rejected.
- Approved for Credit to Pending.

Deduction Lines

The Deduction Lines grid displays the deductions that have been returned by your search. By default, all the lines in the grid are selected. When you change the Status on the Options panel, the status of each selected line is updated, as long as it is a valid transition. You can also update the status in the grid manually and add, if necessary, add an Approve/Reject comment.

When you have changed the status of the relevant deductions and you are ready to proceed, click Submit.

Deduction Details

You can also view Payment Details or Deduction Details for a line by selecting the line in the grid and clicking the relevant button. The read only Payment Details popup enables you to view where the deduction was created. When you click Deduction Details, the system displays the Deduction popup, where you can modify the deduction categories, modify amounts, and add lines, provided that the total deduction amount stays the same. You can only modify lines with the status Pending or Approved for Credit. The Deduction Details window is read only for the other statuses.

If you add a deduction detail line with a standard deduction category code where automatic write-off is enabled, the system sets the status of the deduction detail line to Pending by default. You can subsequently change the status of the detail line to other statuses that can follow on from Pending—Approved Write-Off, Approved for Credit, or Rejected.

After you save any changes on Deduction Details screen, updated deduction detail lines are displayed in the Deduction Review grid.

Changing the Status of a Payment with Deductions

Bouncing a Payment with a Pending Deduction

If a customer payment with a Pending deduction fails to clear, set the payment status to Bounced. When the payment is bounced, the system reverses the payment and deduction postings, reopens the invoice, and sets the deduction status to Credited (closed).

A customer invoice for $880 is due. The customer is eligible for a deduction of $80. The invoice posting is:

Account	Debit	Credit
AR Control	880	
Sales Revenue		880

The payment posting is:

Account	Debit	Credit

Payment Control (PIP)	800	
AR Control		880
AR Deduction Control	80	

The deduction has the status Pending. The payment bounces, and the posting is:

Account	Debit	Credit
Payment Control (PIP)		800
AR Control	880	
AR Deduction Control		80

Bouncing a Payment with a Written-Off Deduction

If a customer payment with an Approved Write-Off deduction fails to clear, set the payment status to Bounced. When the payment is bounced, the payment postings are reversed, but the deduction write-off posting is not, and remains as a credit on the customer's account. This situation occurs because the deduction credit was previously approved and the customer is still eligible for the deduction, even though the payment bounced.

If you set the status of a payment with Approved Write-Off deduction detail lines to Bounced, the status of the deduction lines becomes Rejected after the payment is bounced. The status is set to Rejected because deductions with this status become open or due against the customer's account and can be included in payments or adjustments later on.

If a deduction contains lines with the status Approved Write-Off, Auto Write-Off, or Credited, the system displays a warning when the payment is bounced in Customer Payments on page 6001.

After you bounce the payment, the Comment field in the Deduction Review action on page 6042 is appended with "Bounced-" for the deduction associated with the payment.

You must then process the outstanding deduction manually by adjusting it against the relevant account or else by deducting it from a subsequent payment from the customer.

In Open Item Adjustments on page 5924, the rejected deduction is displayed as an invoice of type Deduction, and is now an open item on the customer's account.

A customer invoice for $1000 is due, and a $100 deduction applies. The invoice posting is:

Account	Debit	Credit
AR Control	1000	

Sales Revenue		1000

The payment posting is:

Account	Debit	Credit
Payment Control (PIP)	900	
AR Control		1000
AR Deduction Control	100	

The write-off posting is:

Account	Debit	Credit
Deduction Expense	100	
AR Deduction Control		100

The bounced posting is:

Account	Debit	Credit
Payment Control (PIP)		900
AR Control	1000	
Deduction Control		100

Deductions in Reports and Views

Reports

Pending deduction invoices are included in the Customer Open Items, Customer Open Items Basic, the Customer Statements of Account, the Customer Aging reports, and Reminder Letters.

Customer Open Items contains selection criteria that enable you to specify whether to include deductions in the report output.

Views

You can view deduction invoices on the Activities, Invoices, and Payments panels of the Customer Activity Dashboards on page 6052.

The Invoices panel grid contains a Deduction Status column, which displays the status of invoices of type Deduction. The possible statuses are:

- Pending, where the deduction contains detail lines with the status Pending.
- Credited, where all the deduction detail lines are written off, automatically written off, or credited.
- Rejected, where the deduction invoice is rejected.

- Approved for Credit, where the statuses of all deduction detail lines are Approved for Credit.

If the invoice is not a deduction invoice, the Deduction Status column is blank.

The deduction due date is also displayed in Customer Activity Dashboards. If a deduction is rejected, the due date of the deduction is calculated.

Managing Customer Credit

Credit checking lets you monitor overdue payments and customer account balances, and place further sales orders and invoices for this customer on hold when a specified credit limit has been exceeded. The system checks all AR activity for this customer, across all entities in the database.

You define and maintain one or a combination of credit limits in Customers on the Credit Limit panel. Once defined and saved, these credit limits are automatically applied to this customer, and enable credit checking on the customer's transactions.

The following types of limit are configurable:

- A fixed maximum limit on the customer opening balance. This maximum applies for all entities using this customer.
- A percentage of the gross customer turnover for the most recent fiscal year.
- A maximum number of days overdue. This limit applies to invoices that have exceeded their overdue date.

The credit limit you set for the customer is measured against the customer AR activity for all entities in the database. The total of customer AR activity is calculated in the following way:

- The total of AR balances for all entities, plus
- The total of open item balances, plus
- The value of the current AR activity such as sales order or invoice

This AR activity includes the following types of transactions:

- Customer invoices
- Customer opening balances
- Open item adjustments
- Banking entries (for direct debit prepayments)
- Customer payments (also for direct debit prepayments)

The credit check totals these amounts and compares them against the set credit limit. When the AR total exceeds the credit limits, the system warns you of the overrun. You can ignore the warning and continue with the transaction, if required.

Customer Turnover details customer activity over a given period. For credit purposes, a Turnover Report for the customer over the previous 12-month period shows the amount to which the percentage turnover credit check is to be applied. The Customer turnover includes sales orders and invoices for the selected customers from all entities.

The maximum days overdue credit check monitors the due dates on open items, and marks those items that have exceeded the period allowed for payment. Due dates for customers and invoices are based on the associated credit terms.

Credit Limits and Invoice Statuses

You can assign invoice statuses on page 5834 to customer invoices to indicate that the invoice is contested. The status is for reference, and also acts as a search criterion when browsing for invoices. Invoice statuses do not have a blocking effect on customer invoices and so do not form part of the credit checking process. You use invoice statuses as part of the approval process for supplier invoices only.

Credit Reporting and Views

The following reports and views display customer credit information.

Customer Credit Views and Reports

Report	Description
Customer Statements of Account	Details customer AR activity as of a specified date and lists all items that would be open as of that date.
Reminder Letter	Lists open items for a customer and includes text that depends on the reminder level of the invoice.
Customer Aging Analysis Current	Calculates aging for all due customer open items by the number of periods overdue at the specified date. Current payments are all payments taken into account up to the day the report is generated.
Customer Aging Analysis by Grp Current	Groups aging analysis data by sub-account, sales account GL profile, or project.

Customer Aging Analysis History	Lists payments up until the end of the specified period.
Customer Aging Analysis by Grp History	Groups the data generated in Aging Analysis Backwards by sub-account, sales account GL profile, project, or salesperson.

Customer Activity Dashboards

Customer Activity Dashboards offers a comprehensive overview of all activity related to a single customer, in a single entity or over multiple entities. For each record, you can see the invoice or payment in more detail by clicking the Details button. The drill-down generates read-only credit information that includes sales order and open item balances, total current amount due, individual drill-downs on invoices, credit notes, and open item adjustments. You can display credit information for a customer with reference to one or multiple entities in the domain and see the balance for the selected entities and all entities. Amounts in the payment and invoice grids are displayed to two decimal places and discount calculations support negative quantities.

The Drill-Down Links on the Side Bar enable you to edit customers and customer payments, sales orders, sales order credit, and sales order detail. You can also view invoice history, sales order gross margin, customer balance, and customer invoice activity.

Main

The Main panel displays the overall state of activity for the selected customer, along with particular current credit-related settings. You can also change the currency in which the totals are displayed.

Customer

This field displays the customer that you selected previously in the browse for which you want credit information. The associated business relation name and code display.

Business Relation

These fields display the associated business relation and name.

Fixed Credit Limit

This field displays the fixed credit limit amount defined for this customer.

Turnover Credit Limit

This field displays the turnover credit amount, which is calculated as a percentage of the customer turnover for the previous 12-month period.

Highest Reminder Level

This field displays the maximum amount allowed on all open invoices for the customer before the customer is sent a reminder.

Currency

Specify a currency in which to display the information. The customer currency is loaded by default. When you specify a different display currency, amounts are converted from the customer currency using the default accounting exchange rate. For example, switch currencies to view the amounts in the currency of the current domain.

All Entities Open Items

This field displays the total amount of customer open items generated in all entities. Open items consist of invoices and credit notes entered directly using **Customer Invoices** and posted invoices and credit notes from operational activity. Unposted sales orders are not included in the balance of open items.

All Entities Sales Orders

This field displays the total amount of customer sales orders generated in all entities. The following types of orders are included:

- Discrete sales orders, both confirmed and unconfirmed
- Pending invoices
- Return Material Authorizations from Field Service Management

Note Sales quotes and customer scheduled orders are not included in the open order amount. When a quantity is shipped on a customer scheduled order, a pending invoice is created, which is included.

All Entities Exposure

This field displays the customer total liability, based on the total sales order balance plus the AR balance for all entities.

All Entities Drafts

This field displays the total amount of customer drafts generated in all entities.

Entities

The Entities grid enables you to select which entities you want to display totals for. Select those entities to include. The totals are displayed in the currently selected currency.

Highest Reminder Level

This field displays the maximum amount allowed on all open invoices in the selected entities before the customer is sent a reminder.

Selected Entities Open Items

This field displays the total amount of customer open items generated in the selected entities.

Selected Entities Sales Orders

This field displays the total amount of customer sales orders generated in the selected entities.

Selected Entities Exposure

This field displays the total amount of customer liability in the selected entities.

Selected Entities Drafts

This field displays the total amount of customer drafts generated in the selected entities.

Activities

The Activities panel displays all invoices and associated payments for the customer, including payments created by allocating a bank statement line to an invoice. Payments display as child rows beneath their associated invoices. You can also view open item adjustments, bank statements, and petty cash statements. By default, open invoices for a three-month range display. You can change the start and end dates, as needed, and choose to look at closed invoices or both closed and open invoices using the Status field. If you change the filters on the Activities panel, click Apply to display the results.

Invoice Date

Enter an invoice date range for which to display invoices. By default, the range is three months.

Due Date

Enter an invoice due date range for which to display invoices.

Status

Choose whether to return only open invoices, closed invoices, or all invoices. By default, the status is Open.

Invoices

You can view the invoice information separately on the Invoices panel. If you change the filters on the Invoices panel, click Apply to display the results.

Invoice Date

Enter an invoice date range for which to display invoices. By default, the range is three months.

Due Date

Enter an invoice due date range for which to display invoices.

Status

Choose whether to return only open invoices, closed invoices, or all invoices. By default, the status is Open.

Payments

The Payments panel displays the payments and payment selections received for this customer for a specified date range. Payments displayed include invoices allocated through bank statements. You can view open item adjustments, bank statements, and petty cash statements. The Status filter lets you select partial payments for which invoices are still open. If you change the filters on the Invoices panel, click Apply to display the results.

Creation Date

Enter a payment creation date range for which to display payments. By default, the range is three months.

Status

Choose whether to return payments for only open invoices, closed invoices, or all invoices. By default, the status is Open.

Credit Details

The Credit Details panel displays credit details for the customer credit limit.

Credit Hold

When selected, future orders for this customer are placed on credit hold, and existing orders are placed on hold so they cannot be shipped without the hold being released.

High Credit

This field displays the highest amount of credit extended to this customer to date, which is equivalent to the largest AR balance so far reported. The amount is recalculated with each revision of the customer credit limit.

Credit Terms

This field displays the credit terms assigned to this customer.

Average Days Paid Late

The average number of days this customer has paid late beyond the due date of the invoice.

Credit Rating

This field displays the internal credit rating defined for this customer, if any.

Credit Agency Reference

This field displays any credit agency reference number assigned to the customer.

Last Payment Date

This field displays the date of the last completed customer payment.

Last Sale Date

This field displays the date of the most recent sales order completed with this customer.

High Credit Date

This field displays the date on which the highest credit amount was extended to this customer. The date is recalculated with each credit revision.

Realized Gain and Loss

For payments in base or transaction currencies, the system calculates the realized gain or loss in base currency and in statutory currency, and posts the difference to the relevant gain or loss system accounts. The gain or loss is the difference between the base currency (or statutory currency) value of the invoice at the time it was created and the base currency (or statutory currency) value of the invoice at the time of payment. For partial payments, this difference is prorated according to the amount paid.

When a domain uses a statutory currency, the system calculates the gain or loss twice, once for the base currency and a second time using the statutory currency, each using the most recent statutory exchange rate.

The original exchange rates for both the base currency and statutory currencies are stored in the original transaction invoice record, and compared with the relevant exchange rate at the time of payment. The difference is then posted as a gain or loss.

The differences in the base currency calculations and statutory currency calculations for the same transactions can have a different sign. For example, the same transaction can cause a gain in base currency and a loss in statutory currency. In this case, two posting lines are created: one for the gain amount and one for the loss amount.

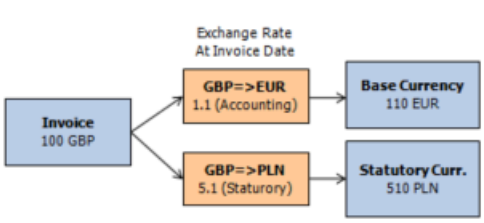
A domain has a base currency of Euros and a statutory currency of Polish Zloty (PLMN). The company sells 10 items to a British customer at a unit cost of 10 GBP each.

When the invoice is posted, the system posts a debit of 100 GBP to the AR control account and uses the accounting exchange rate of 1.1 to convert this amount to Euros for the base currency (110 Euros). It then

uses the statutory exchange rate of 5.1 to convert from GBP to PLN (510 PLN). The sales account is credited with 90 GBP (equivalent to 99 Euros and 559 PLN) and the tax account is credited with 10 GBP (equivalent to 11 Euros and 51 PLN).

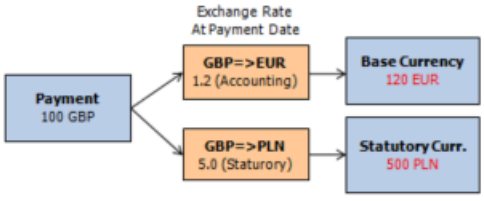
When the customer pays the invoice, the exchange rates have changed. The accounting rate from GBP to Euros is now 1.2 and the statutory rate from GBP to PLN is now 5.0. When the payment is lodged in the bank account, 100 GBP is equivalent to 120 Euros and 500 PLN. However, the payment postings to the AR control account use the exchange rates valid at the invoice date (accounting rate 1.1 and statutory rate 5.1). Therefore, the AR control account is credited for 100 GBP, which is equivalent to 110 Euros and 510 Zloty.

The system posts a realized gain of 10 Euros to the Realized Gains account and a loss of 10 Zloty to the Realized Loss account.



GL Transactions

GL Account	TC	BC	SC
AR Control	100 DR	110 DR	510 DR
Sales	90 CR	99 CR	559 CR
Tax	10 CR	11 CR	51 CR



GL Account	TC	BC	SC
Bank	100 DR	120 DR	500 DR
AR Control	100 CR	110 CR	510 CR
Gain	0	10 CR	0
Loss	0	0	10 DR

Reminding Customers of Outstanding Balances

The system supplies two documents that can be printed and sent to customers regarding their outstanding balance.

- Customer Statements of Account lists customer AR activity from selected or all entities in a domain. The Statement Date criterion sets a past effective date for the report, and the system calculates and lists all items that would be open as of that date.
- Reminder Letters lists open items for a customer and includes text that depends on the reminder level of the invoice.

Statements of Account prints only for customers that have Print Statement enabled on the Payment sub-panel of Customers on page 826. When the report is generated, you can use the statement cycle to select which customers to print statements for.

Reminder letters are printed only for customers that have Print Reminder selected on the Payment sub-panel of Customers on page 826. You can print letters for one or more entities, but you must specify a header entity for contact details that print on the report. Contact information for the customer is derived from the Reminder address type associated with the customer's business relation, if one exists. Otherwise, contact details for the headoffice address are used.

Reminder Levels

Reminder Letters also lets you optionally increase a counter for selected invoices that indicates the reminder level. Four levels, 0 to 3, are supported.

The system automatically increments the reminder level of an invoice each time a letter is printed. Level 0 means that no reminder was ever sent for the invoice. When you print a reminder for this invoice, the system prints a level 1 letter and increments the reminder level by one to indicate that one reminder has been sent. The second printing uses a level 2 letter and increments the reminder level to 2. The third printing uses a level 3 letter and increments the reminder level to 3. Every subsequent print is at level 3, although you can manually reset the level counter, as described below.

When you generate letters, the system searches for the highest level of each customer's open invoices. That level determines the letter that is printed.

Customer Big Wheels has 5 open invoices; 4 are at reminder level 1 and one is at level 3. The level 3 letter is generated for Big Wheels. When the level 3 invoice is paid, the next time the reminders are generated, a level 2 letter is generated and the reminder level changes to 2

You select the reminder level counter using the Reminder Level and Update Counters fields on Reminder Letter.

In cases where you want to issue another reminder but do not want to increase the reminder level for a particular customer (for example, that customer has invoices that remain unpaid because of delivery problems), you can reset the reminder level for all customer invoices for that customer to zero using the Reset Reminder Count field on the Credit Limit panel of the customer record. You can then set a new level for individual invoices using the Reminder Counter field on the Main panel of the customer invoice on page 5948.

The Do Not Increment Reminder Count field in Invoice Status on page 5834 lets you create invoice status codes that prevent reminder levels from incrementing. You can assign these statuses to an invoice that

should remain at the same reminder level for each print run. For example, when a particular invoice is disputed, you can assign this status, which ensures that this invoice does not influence the reminder level further.

	Reminder Level Logic		
	Print With Update Counters = Yes		Print With Update Counters = No
	Invoice Status: Do Not Increment Reminder Count = No	Invoice Status: Do Not Increment Reminder Count = Yes	Invoice Status: Any
Print Run	**Reminder Level**	**Reminder Level**	**Reminder Level**
1	0	0	0
2	1	0	0
3	2	0	0
4	3	0	0
5	4	0	0

Existing invoices are still outstanding, but there were delays in delivering to the customer, which means that you want to send further reminders for specific invoices but want to decrease the level to 0. The reminder level for these invoices is currently at 3.

Use the following steps:

1. Open the customer record and go to the Credit Limit panel.
2. Select the Reset Reminder Count field.

   The reminder level for all invoices for this customer is reset to zero.

Alternatively, you can also change the individual invoices.

1. Select the invoice to be modified in Customer Invoices.
2. On the Main panel, the Reminder Counter field displays the level 3. Select Level 0 from the drop-down list.
3. Save and close the invoice screen.

Selecting Customers for the Reminder Letter

When running Reminder Letters, you can specify entities from domains that have the same customer shared set as the current domain. Including activities from all entities ensures that the customer’s balance is accurately reflected.

The customer, Alderon, has the following balances in entities US-West and US-East:

- **Entity US-West.** This entity has an Alderon invoice for $75 and an Alderon prepayment for $22. Therefore, Alderon's outstanding balance is $53 in entity US-West.
- **Entity US-East.** This entity has an Alderon invoice for $110 and an Alderon prepayment for $150. Therefore, Alderon's outstanding balance is $-40 in entity US-East.

The sum of Alderon's activities in both entities is positive. Therefore, Alderon will not be sent a reminder.

Sample Reminders

The content of the reminder letter changes based on the highest level associated with an overdue invoice.

- For letter 1, the body of the letter includes this text, followed by a list of overdue items:

  Your account shows the following OVERDUE items to us.
  Will you please make immediate arrangements to pay this amount or alternatively let me know your reason for non-payment.

- For letter 2, the body of the letter includes this text:

  We regret there has been no reply to our request for full payment of the above account. No queries have been raised on your account so the balance remaining must be undisputed.
  Your account still shows the following OVERDUE items to us.
  Will you please make immediate arrangements to pay this amount or alternatively let me know your reason for non-payment by return so that we can continue to provide you with the prompt service you rightly expect from us.

- For letter 3, the body of the letter includes this text:

  We regret there has been no reply to our request for payment. The OVERDUE amount is itemized below.
  Unless we receive payment in full settlement within the next three days, legal action will be commenced without further reference to you and credit facilities will be withdrawn.

Customer Aging Reports

Customer Aging Analysis Current Report

The Customer Aging Analysis Current report lists all current outstanding open items, such as invoices, credit notes, and prepayments. The report output is divided between items that are not yet due and those that are past due (1 month, 2 months, 3 months, and more than 4 months).

This report calculates aging for all due customer open items by the number of periods overdue at the specified date. All payments up to the day the report is generated are included.

You can display the offset period in days or months.

The following selection criteria are of importance when running the report:

Filter	Description
Aging Offset	Specify the aging offset that you want to use in the report.
Aging Type	Select whether you want aging to be calculated in days or months in the report.
Calculate credit on turnover	Select Yes if you want to calculate credit on turnover.
Date for Aging Calculation	Specify the date you want to calculate aging for.
Currency Code	Select the currency code that you want to use for the report from the look-up.
Reporting Currency	Specify whether you want to display the base currency or the statutory currency in the report.

Customer Aging Analysis History Report

The Customer Aging Analysis History report lists overdue items payments up until the end of the specified period. Overdue items are listed by type and the amount overdue. The items are then categorized by the amount of time by which they are overdue (1 month, 2 months, 3 months, and more than 4 months).

The following selection criteria are of importance, in addition to those listed for the Customer Aging Analysis Current Report on page 6060:

Filter	Description
Invoices within Terms	Select Yes to list prepayments and adjustments on the report.
Detail Level	Specify the level of detail that you want in the report. The options are: • Customer Totals Only • Full Details

	• Transaction Summary by Customer
To GL Cal Year	Select the GL calendar year that you want to use for the report.
To GL Period	Select the GL period that you want to use for the report.

Important The Age Prepayments/Adjustments selection field only affects whether prepayments and adjustments are aged—it does not affect whether to display prepayments and adjustments on the report.

Customer Aging Analysis by Group Current Report

The Customer Aging Analysis by Grp Current report groups aging analysis data by sub-account, cost center, project, or customer type.

The following selection criteria are of importance, in addition to those listed for the Customer Aging Analysis Current Report on page 6060:

Filter	Description
Group By	Select whether you want to group information by Sub-Account, Cost Center, Project, or Customer Type.
Project Codes	Select a project to associate with the report.
Sub-Account Codes	Select a sub-account to associate with the report.

Customer Aging Analysis by Group History

The Customer Aging Analysis by Grp History report groups the data generated in Aging Analysis historically by sub-account, cost center, project, and customer type.

The report has all the same selection criteria as the Customer Aging Analysis by Group Current report, in addition to an Age Prepayments/Adjustments selection field.

Customer Aging History Across Domains Report

When you are responsible for cash collection over many domains, use Customer Aging History Across Domains to create a report that shows the open balances over multiple selected entities from multiple domains with the same customer shared set.

The Customer Aging History Across Domains report is very similar to the Customer Aging Analysis History report. The differences are:

- The Entity field can only contain one selected entity. Multiple entities can be selected by inserting additional Entity selection fields using the + sign on the selection page.
- The Type for Aging Calculate enables you to calculate the age of the invoice based on the Invoice Due Date or the Invoice Date. When the field is blank, aging is based on the invoice due date.
- The Summary Info By search field does not contain Cost Center or Sub Account.

The header section of the report contains the exchange rates used to translate the base currency amounts of the selected entities to the base currency of the current workspace entity. When all entities have the same base currency, this section is not displayed. The report also has a column with the entity of the invoice.

Customer Aging By Bill History Report

To get an overview of overdue bills, use Customer Aging By Bill History. Based on the report filter, the report displays the outstanding bills for a customer and the age of the bills. You can display bills with the detail of invoices or bills without detail.

The mandatory selection criteria are:

- To GL Cal Year
- To GL Period
- Date for Aging Calculation
- Aging Offset

If the Detail Level field is set to Full Details, the report contains details of each invoice on each bill. The header contains the customer information and a summary of due amounts for each column.

Customer Billing

The bills contain a consolidation of invoices, credit notes, and payments that have occurred since the previous billing. You can print a bill in summary form, with one line per invoice, or in full with item line details. The bill also contains a balance carried forward (opening balance from the previous bill, activity for the current period, and new closing balance to be carried forward to the next bill). Customers make payments with reference to bills, rather than to individual invoices.

Bills also have their own due date, based on the billing date and specific terms for bills. Bills do not replace normal invoicing, which still takes place as usual. Sales revenue and tax postings are posted during the invoice posting. However, billing enables you to group these invoices on a periodic basis in a formal bill document and send them to the customer. The bill document is an invitation to pay and its credit terms override those of the originating invoices. The original invoices remain open; the billing document is not a replacement AR. However, the billing document is to be paid as a single payment, with a single payment reference.

The billing solution requirements exist formally in Japan and Thailand but billing is useful in any situation where regular customer statements with a balance carried forward are needed.

The billing functionality enables you to send bills to selected customers and record the payments that the customers make:

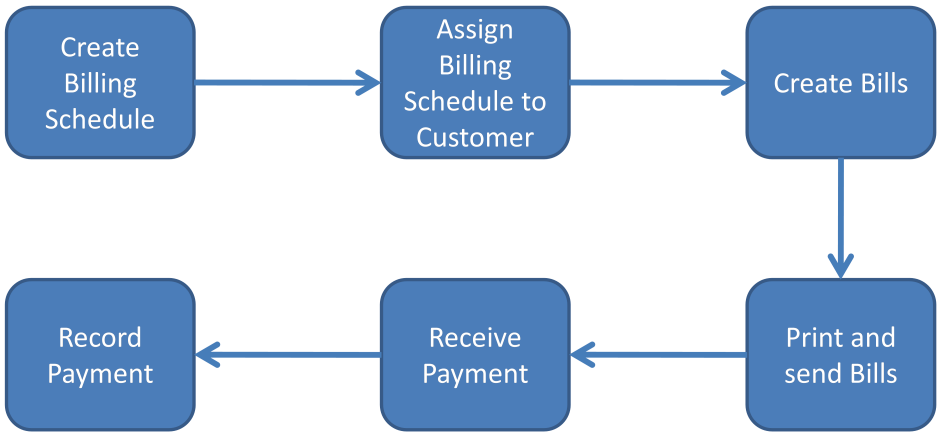
- Financial Holidays enables you to create a calendar with holidays so that billing dates or due dates never fall on a holiday or weekend.
- Billing Schedules enables you to specify when bills are created or become due and which invoices are included on the bill.
- Fields in Customers enable you to assign a billing schedule and a bill collector to a customer.
- Bills enables you to create a bill from a group of customer invoices, to specify a new bill due date, and to check and modify a bill that is not yet final.
- Print Bill lets you print the bill and send it to the customer.
- Fields in the relevant screens let you record bill payments when you allocate a customer payment or banking entry, or when you perform an open item adjustment.
- The aging report enables you to identify overdue bills.

Customer Billing Workflow

1. a billing schedule. For example, you can define schedules to generate bills once a month on a particular day, several times a month, or even weekly. You can define multiple billing patterns, depending on your needs.

2. Assign each customer a billing schedule, which specifies a default billing pattern for that customer. As part of this step, you can also assign an employee as the default bill collector.
3. a bill or bills for the customer, based on the billing schedule. You can also update or override due dates and the assigned collector.
4. Test print bills to verify that they are correct and then confirm print the bills to send them to the customer.
5. Receive payment from the customer. You may receive the payment in full or in part.
6. Record the payment to close the bill or to adjust the outstanding balance.

Customer Billing Workflow



Financial Holidays

Before creating a billing schedule, you need to ensure that billing due dates never fall on a non-work day. To set a specific date as a holiday in the calendar, click New.

Note On the Actions menu, select Set Up Default Weekend to set up a default weekend for the year.

Main

Holiday Date

From the lookup, select the day of the holiday.

Description

Enter a holiday description.

GL Year

This field displays the GL year in which the holiday falls, based on your selection in the Holiday Date field.

Weekday

This field displays the day of the week assigned as a holiday, based on your selection in the Holiday Date field.

Actions

The Actions drop-down offers actions that you can take for a record or set of records. Individual actions are for individual records and bulk actions are for sets of records, based on your selected criteria. For bulk actions, once you select the records and set options, you can submit the action.

Set Up Default Weekend

Default Weekend

Specify the year to which the weekend is to apply. Then, select the days that are part of the standard weekend. When you click Submit, a warning is displayed if a default weekend already exists for the specified year.

Billing Schedules

Billing schedules are created at system level. In addition to creating billing schedules, you can update the details of a billing schedule.

Note You can modify an existing billing schedule, except when the schedule is linked to a credit term. When you try to save your changes, the system indicates that the billing schedule code is used in credit terms. You can delete a billing schedule, as long as the billing schedule is not currently in use.

Main

Billing Schedule

Enter a meaningful code that describes the billing schedule. You cannot change this field after you have saved it.

Description

Enter a description of the billing schedule. For example, enter the dates on which the billing is to take place.

Active

To activate the billing schedule, select this field.

Pattern

Select a pattern, which is either a day in the month or weekly. If you select Day In Month, the Day In Month panel is displayed. If you select Weekly, the Weekly panel is displayed.

Select Invoice Based On

This field indicates which invoices are selected for billing. There are two options. If you select Invoice Date, the invoices included on the bill are invoices that are created in the active period. If you select Invoice Due Date, the invoices on the bill are invoices that fall due in the period.

Day in Month

Billing Day 1/2/3/4

You can create a monthly billing pattern with up to four occurrences. The invoices are selected based on the invoice date. To make the billing schedule valid, you must also complete the Due Dates panel. When you enter 31 in an occurrence field and the month does not have 31 days, a bill is created on the last day of the month instead.

Weekly

Day in the Week

Select the day of the week on which to bill the customer. The day you choose applies to all weekly occurrences.

Week 1/2/3/4

Select the weeks in the month to bill the customer. If you select all four weeks of the month, billing is assumed to take place on a weekly basis. Therefore, when a month has five occurrences of the selected day, the bill is created five times.

Bill Due Dates

Calculation Type

This field contains two options. To set the bill due date to the same date as the latest invoice in the selection, select Latest Invoice Due Date. When you select Latest Invoice Due Date, the Months Delay and Due Day fields are disabled. To specify a rule for calculating the bill due date, select Months Delay and Due Day to specify a rule for the bill being due. If you choose Months Delay and Due Day, you specify the Months Delay and Due Day for each billing occurrence.

For example, on the Day In Month panel, you have specified two billing occurrences in the month, on the 1st and the 16th. On the Bill Due Dates panel, to specify that the billing due date is a month later, the Months Delay field must contain a value of 1. The Due Day field contains 31. For the second bill occurrence, there is a value of 1 in the Months Delay field and 15 in the Due Day field.

Update Invoice Due Date

If you want to update the invoice due date to the Billing Due Date, select this field. You can verify the updated invoice date in Customer Invoices.

Note Whether you select this field or not, the bill date overrides the date on the credit terms of an invoice.

Months Delay 1/2/3/4

This field is only active when you have selected Months Delay and Due Day as the Calculation type. For each occurrence, enter the number of months delay for this bill. For example, if you enter 1, the bill is for the following month.

Due Day 1/2/3/4

This field is only active when you have selected Months Delay and Due Day as the Calculation type. Each Due Day field refers to the entry in the Months Delay field. For each due day, enter the day in the month that the bill becomes due. For example, if the Months Delay field

contains 1 and the Due Day contains 15, the bill is due on the 15th day of the following month.

Linking Billing Schedules To Customers

A billing schedule is of no use unless it is applied to a customer or customers. To link a billing schedule to a customer, open the relevant customer record and complete the Billing Schedule, Bill Collector, and Bill with Item Details fields on the Payment sub-panel. For more details, see Customers on page 826.

Bills

To create bills and to set bill dates, use the Actions menu. The Bills hybrid browse displays existing bills in the system. A bill can have one of three possible statuses:

- Initial is the status assigned when you create a bill in Bills. You can modify or delete a bill with this status.
- Confirmed is the status assigned to a bill when you do a confirm print in Bill Print. You can then no longer modify or delete the bill.
- Closed is the status assigned to a bill when a full payment is received. When one of the invoices is reopened with Open Item Adjustments, the bill status is automatically reset to Confirmed.

You can edit any existing bill by double-clicking it or by clicking Edit. You can modify the selection of invoices for any bill with the status Initial. You cannot modify bills that are already confirmed or closed. For bills with status Initial, you can modify three fields.

Main

Bill Date

You can change the bill date. However, the date must be before the bill due date and it must be in the future.

Bill Due Date

You can change the bill due date but this field cannot contain an earlier date than the Bill Date field. If you do specify an earlier date or you specify a holiday or weekend, an error message is returned. If the billing schedule is set to update the invoice due date and you update the Bill Due Date field, the invoice due date is also changed. You can verify this change in the Customer Invoices browse.

Bill Collector

Use the lookup to assign a different bill collector to the bill. However, if a bill is assigned a collector, you cannot edit the bill to have no collector.

Invoices

To remove an invoice from a bill, select the invoice line and clear the Select field. To add an invoice to a bill, click New and use the lookup to select an open invoice to add to the bill. Only invoices for the same customer, currency, and entity are displayed. If the Update Invoice Due Date field is selected in Billing Schedules, the invoice is assigned the same due date as the other invoices on the bill. To view activity for an included invoice, select the invoice in the grid and click Customer Invoice Activity. The Details button displays the invoice in Customer Invoices.

Deleting Bills

You can only delete a bill with initial status. You cannot delete bills that have been confirmed or closed. In addition, you can only delete the last bill for any customer.

For example, two bills exist for the same customer with the same currency in the same entity. One bill is due on November 20 and the other is due on November 30. When you try to delete the November 20 bill, an error message is returned, stating that only the last bill for the same customer, currency, entity, and bill date can be deleted. To delete the November 20 bill, you must first delete the November 30 bill.

Actions

The Actions drop-down offers actions that you can take for a record or set of records. Individual actions are for individual records and bulk actions are for sets of records, based on your selected criteria. For bulk actions, once you select the records and set options, you can submit the action.

Create

Search Criteria

The functionality is similar to the Set Bill Date on page 6073 action, but creates bill records for the selected invoices when you click Save. You can create several bills for different customers simultaneously. The bill records contain the invoices you select and the bills are grouped first by customer, then by currency, then by bill date, and then by entity.

The Search Criteria panel enables you to specify search criteria for the invoices and bill you want to update.

Customer

Use the lookup to select a customer or customers. You can create bills for all your customers by leaving this field blank.

Invoice Status

This field enables you to select invoices with specific statuses or to exclude invoices from a bill. By default, all statuses are selected. You must select at least one status.

Invoice Reference Date

Select an invoice reference date range. This date refers to the Invoice Date or Invoice Due Date, depending on the billing scheduling settings. You can view these settings in the Select Invoice Based On field in Billing Schedules. If you select a date range for which holidays have not yet been set up, a warning is displayed. By default, the range ends with today's date.

Invoice Reference Range

These fields enable you to enter a range of invoice references.

Bill Collector

Specify the bill collector for the invoices. The default bill collector is set in the customer record.

Currency

Specify the currency of the invoices.

Set Fixed Bill Date

To set a fixed bill date, choose a day from the calendar before you click Search. This date updates the Bill Date for all invoices to the new date in the Bill Date column. However, the date must be within the time period defined in the Invoice Reference Date fields. You can clear the Selection field for any invoices you do not want to bill on the new date. To reset the bill date to the original date, clear the field and click Search. To set a fixed bill date, choose a day from the calendar and click Search. This date updates the Bill Date for all invoices to the new date in the Bill Date column. However, you can clear the Selection field for any invoices that you do not want to bill on the new date.

Overwrite Existing Bill Date

Select this field when you want to recalculate to the date in the Billing Schedule or when you have a Set Fixed Bill Date field entry you want to apply.

Include All Entities

Select this field to search for customer invoices in multiple entities with the same customer shared set.

Invoices

When you click Search, the grid displays all invoices that fall within the search criteria, except for invoices with staged credit terms. The Bill Date and Bill Due Date display the bill dates as defined in the Billing Schedule settings. You can edit the Bill Date field, which automatically updates the Bill Due Date field. If a bill due date falls on a holiday or at the weekend, it is moved to the next available day.

When you perform a search for invoices, the invoices are grouped by Bill Group by default. All the invoices that belong to the same bill, based on the customer billing schedule and the currency, are displayed in the same group. For each bill group, summary information is displayed, including the balance. You can remove any invoice that you do not want to include on the bill by clearing the selection column.

You can also choose to group the invoices using another criteria such as currency, customer, or entity. Delete the Bill Group column header into the header row to ungroup the invoices and drag the relevant column into the area above. To display the opening balance for each bill group, use the Balance TC column. Click the menu in this column, select Summary, and then Select Sum. The opening balance summary is then displayed for each group.

When you click Save, a bill is generated for each group and each invoice is assigned a bill number.

Set Bill Date

You can also overwrite an expected bill date for some or all of the invoices attached to a bill.

Note Set Bill Date does not create a bill record. You create the bill using the action.

Search Criteria

This panel enables you to specify search criteria for the invoices and bill you want to update.

Customer

Use the lookup to select a customer or customers. You can create bills for all your customers by leaving this field blank.

Invoice Status

This field enables you to select invoices with specific statuses or to exclude invoices from a bill. By default, all statuses are selected. You must select at least one status.

Invoice Reference Date

Select an invoice reference date range. This date refers to the Invoice Date or Invoice Due Date, depending on the billing scheduling settings. You can view these settings in the Select Invoice Based On field in Billing Schedules. If you select a date range for which holidays have not yet been set up, a warning is displayed. By default, the range ends with today's date.

Invoice Reference Range

These fields enable you to enter a range of invoice references.

Bill Collector

Specify the bill collector for the invoices. The default bill collector is set in the customer record.

Currency

Specify the currency of the invoices.

Include All Entities

Select this field to search for customer invoices in multiple entities with the same customer shared set.

Options

Set Fixed Bill Date

To set a fixed bill date, choose a day from the calendar and click Apply. This date updates the Bill Date for all invoices to the new date in the Bill Date column. However, the date must be within the time period defined in the Invoice Reference Date fields. You can clear the Selection field for any invoices that you do not want to bill on the new date. To reset the bill date to the original date, clear the field and click Search.

Invoices

When you click Search, the grid displays the invoices that fall within the search criteria. The important columns are Bill Date and Bill Due Date. You can edit the Bill Date field, which automatically updates the Bill Due Date field. The dates in these columns are calculated based on the settings created in Billing Schedules. Only customers with a billing code are displayed in the list. The grid also displays the Invoice Date. All invoices that fall in this period are displayed. If a bill due date falls on a holiday or at the weekend, it is moved to the next available day.

When you are satisfied with the selected invoices on the bill and the bill due date, click Save.

Recording Bill Payments

Customer Payment Allocate

When a customer pays a bill in part or in full, you can record the payment in Customer Payments by allocating the payment to the bill.

1. Open Customer Payments.
2. In the Customer field, enter the customer code or select the customer from the look-up. The remaining fields are automatically filled, including details of the outstanding payment.
3. In the Allocations panel, in the Search For Invoices section, complete the Year/Daybook/Voucher fields and click Search.
4. All the invoices belonging to the bill are displayed in the grid. By default, all invoices are fully allocated. Clear the Full field for any invoices on the bill that are not included in this payment.
5. Click save to allocate the invoices and complete the payment.

When all the invoices on a bill have been fully allocated, the bill status is changed to Closed. You can check this in Bills on page 6069.

Banking Entry Allocate

To receive a complete or partial bill payment and to record the payment, use Bank Statements on page 6267.

1. Open Bank Statements.
2. In the GL Account field, enter the bank GL Account number.
3. In the grid, select the unallocated line and click the Allocate to Invoice button.
4. In the Allocate to Invoice popup, enter the customer in the Customer/Supplier field and click Search.
5. Complete the Bill Year/Number fields and click Search.

   Important The Bill Year/Number fields are hidden by default. You can add the fields by configuring the panel.
6. The invoices for the bill are displayed in the grid.

7. In the grid, in the TC Allocated field, enter the amount you want to allocate and click Save. If you want to allocate the full amount, select the Full Alloc field.

Open Item Adjustments

Open Item Adjustments enables you to record payment of a bill, either for a full bill or for a partial payment. In addition, if any invoices on a closed bill are reopened, you can change the status of the bill to confirmed by using Open Item Adjustments.

1. Go to Open Item Adjustments.
2. On the Main panel, enter a daybook in the Daybook field or select a daybook from the look-up.
3. On the Adjustments panel, in the Search For Invoices/Payments section, enter the customer in the Customer/Supplier field.
4. Complete the Bill Year/Number fields with the relevant bill. Before you click Search, ensure that Include Customers is selected. If you want to reopen a closed bill, ensure that Include Closed Items is also selected.
5. In the TC Paid column in the grid, adjust the relevant invoice or invoices, or make a full adjustment by selecting Full Adjustment. Alternatively, you can reopen an invoice by clicking New Item.
6. Complete the Customer/Supplier, Description, and Invoice Status Code fields and click Save.
7. The invoice is now adjusted or reopened. You can confirm the adjustment in Bills.

Customer Aging By Bill History

To find out which customer invoices are overdue on a bill, use Customer Aging By Bill History.

Customer Invoice Activity

Use Customer Invoice Activity to analyze activity on individual bill invoices. You can search for invoices by Bill Number, Bill Year, Bill Date, and Bill Due Date. You can also search for invoices by GL Year/GL Pd, Daybook, Voucher, Invoice Number, Customer, Inv Daybook, and Inv Voucher. You can also view any of these criteria as grid columns to help you ascertain the bill an invoice belongs to and its expected due date.

Note By default, not all of these criteria are displayed in the grid. You can add them using the Browse Configuration button.

Customer Activity Dashboards

In the Customer Activity Dashboards on page 6052, when you search for a customer who has bills scheduled, a Bills tab is displayed.

The Bills tab provides visibility on all bills with status Initial and Confirmed that were created in the entities that you select on the dashboard.

When you double-click a bill line, Bills is opened and you can analyze the individual invoices belonging to the bill.

Bill Print

You can select bills for printing based on Print Type, Customer, Bill Year, Bill Number, Bill Date, and Bill Collector.

For Print Type, there are three options:

- Test Print prints initial bills for review before sending them to the customer.
- Confirm Print prints initial bills and changes the status to confirmed. However, you cannot confirm print a bill when there is an earlier bill with status Initial for the same customer, currency, and entity. After a bill is set to confirmed in Bill Print, the bill is sent to the customer.

  Note For Confirm Print, if you specify a Bill Number or a Bill Date, you must specify a range for the bill to print.
- Reprint prints confirmed bills. For the reprint function, you must enter a bill number or bill date.

The print page contains a header section and the list of invoices. If the Bill with Item Details field is selected in the Customer record, item line columns are included.

Accounts Payable

Most payables transactions are accounts payable liabilities resulting from purchasing transactions with suppliers. These are usually in the form of supplier invoices, which detail the items purchased, payment due dates for this supplier, and cash discounts that may apply to these payments.

Supplier payments are recorded in the Accounts Payable ledger. The total balance on the Accounts Payable ledger is the total monies outstanding to suppliers and is itemized by individual supplier within the ledger. The purpose of the Accounts Payable ledger is to monitor amounts due and to record the settlement of outstanding payments.

Accounts Payable lets you manage the supplier payment cycle from original purchase orders for supplier goods to payment of the corresponding invoices. This cycle is represented by the following processes:

- Process Supplier Invoices
- Process Payables

You complete these processes using the following AP functions:

- and maintain supplier invoices and credit notes.
- Prepare invoices for allocation and allocate them.
- Prepare invoices for matching.
- Identify purchase orders and match with supplier invoices.
- Approve an invoice for payment and release it for inclusion in the payment cycle.
- Adjust the open balance of a supplier invoice or credit note.
- Generate payments to suppliers in various forms.
- Report on all supplier-related transactions and statuses.
- View the supplier balance and open item details.

In addition, suppliers, supplier types, and purchase types are needed to work with the AP module.

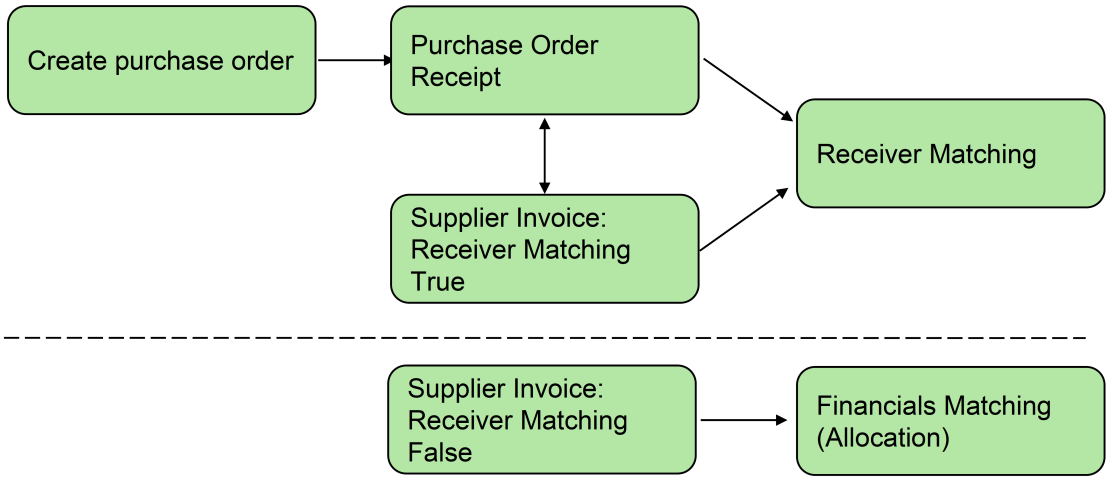
Supplier Invoices Overview

For items that you purchase for use in manufacturing, the starting point is the purchase order. The purchase order is a contract that confirms your intent to buy. It lists items, quantities, and prices, along with any related charges such as taxes and freight.

On receipt, your receiving department issues a receiver to confirm the received items and quantities against the purchase order.

When you then receive a supplier invoice, you create a version of the invoice in your system, and then process the invoice in one of two ways:

- Use receiver matching to match the invoice quantities against the original amounts on the purchase order.
- Use financial matching to allocate the invoice amount to accounts.



Receiver Matching

Supplier invoices are usually sent to your company to confirm your liability to pay for the items under the conditions specified on the purchase order.

Before you pay the invoice, you verify that the supplier invoice matches what was actually received by your receiving department and that the supplier has charged you the correct price.

If the invoiced items and quantities match the receiver, the matching can be finalized, creating GL postings and closing the receiver. If variances exist, they can be investigated. Before matching, you can use the information in the **Receiver Matchings** grids to display variances. GL transactions for variances are then created as a result of finished matchings, and you can investigate these and take appropriate action, such as requesting credit notes.

Invoices can then be approved and released for payment. Payment processing activities support multiple types of payments, both electronic and paper-based.

The Receiver Matching function compares the amounts payable on invoices with quantities and prices on received purchase orders. If these figures do not match, variances are generated.

Receiver matching can be combined with the creation of an invoice or performed as a separate activity later. This supports segregation of duties in case your company policy has one role that creates the invoice and another role that verifies and matches the lines with PO receipts.

Receiver matching calculates variances in costs between the point at which the order was made and the point at which the invoice is created. It can also update current cost values, where variances resulted from exchange rate fluctuation or other costing differences. This update is optional, depending on settings in Inventory Control. In addition, GL item costs can, optionally, be updated with variances if Average Costing is in use.

Receiver matching retrieves the following records for matching against invoice amounts:

- Purchase order receipts
- Shipper/Invoice receipts
- Pending invoices for logistics charges

For more information, see Receiver Matchings on page 6153.

Financial Matching

Financial matching is used for payments for products or services that have not been processed through the purchasing cycle. The invoice amounts are not matched against purchase order amounts. Instead they are posted to an Unmatched Invoices account, and then allocated directly to a cost account. These invoices would typically be one-time payments to suppliers for occasional goods or services, or payments for utilities, such as telephone bills and electricity, for which orders are not used.

The postings for financial matching are in two stages, moving amounts into and out of the system Unmatched Invoices account. All transactions are stored in transaction currency (TC), base currency (BC) and, if activated, in statutory currency (SC).

Note Initial Supplier Invoices on page 6106 can be used to register a supplier’s documents in the system, and do not generate postings.

Debit Unmatched Invoices

The system automatically uses an Unmatched Invoices account in all supplier invoice postings created in a particular domain; this is true for both invoices associated with purchase orders and those that are not. However, when matching credit notes, the Unmatched Invoices account is credited.

These postings are as follows:

Account	Debit	Credit
Supplier Control		120.00
Tax	20.00	
Unmatched Invoices	100.00	

The Supplier Control account is the default defined for each supplier. The Tax account is retrieved from the Global Tax Management (GTM) setup for this supplier.

You must create one (and only one) Unmatched Invoices account for your system. The Unmatched Invoices account is a system GL account.

This posting is mandatory for all invoices and is always made to the official accounting layer, using a supplier invoice daybook.

Credit Unmatched Invoices

The next stage of the update moves the amounts out of the Unmatched Invoices accounts, and debits either a Purchases accounts (for non-inventory items) or a PO Receipts account. The Purchases account specified by the Purchases Account profile on the supplier is the default. Instead of the Purchases account, the postings can involve, for example, one or more GL accounts, or the same GL accounts with multiple cost centers.

Purchases Account

This posting moves the invoice amount less tax from the Unmatched Invoice account into the Purchases account you defined for this supplier. The default account is contained in the purchase GL account profile, which you define in Suppliers on page 862. However, you can use another account instead of the default Purchases account.

The posting uses a matching daybook, and you can select a matching daybook that uses either the official layer or the transient layer for approval, depending on the invoice status code you assign.

Account	Debit	Credit
Unmatched Invoices	120.00	
Purchases		120.00

PO Receipts Account

This posting moves the invoice amount, excluding tax, from the Unmatched Invoice account into different Purchase Order Receipt and variance accounts, depending on the type of receiver matching you perform. You set the posting details for these matching postings in the Receiver Matchings on page 6153.

Note If taxes are accrued at receipt, the PO Receipts postings include taxes.

Releasing Invoices for Payment

The final step in the invoice process is to release the invoice for payment. Once released, you then use AP payment functions to process the payments.

For auditing and compliance purposes, you may want to restrict invoice allocation and approval for payment to specific roles within your organization. The system uses the following components to control the processing of invoices through creation to allocation and approval:

- Roles and role permissions. roles for each agent in your AP cycle (for example, Manager, Accountant, AP Clerk), and assign the appropriate supplier invoice activity to each role.
- Supplier invoice activities. Use the Approve, Release for Payment, Prepare Allocation, and Allocate activities to retrieve batches of invoices in different stages of approval. Assign these activities to the appropriate roles. In this way, you can ensure that, for example, the role that can approve invoices cannot release them for payment.
- Invoice statuses. Once you have retrieved the appropriate invoices, you move the invoice from one state in the AP cycle to the next by changing the invoice status.

Implement the approval cycle according to your own internal security requirements. Approving an invoice and releasing it for payment can be completed in one step by one role, or in two separate steps assigned to two roles. In some organizations, invoices for small amounts are created,

approved and released in one flow, while invoices for larger amounts are subject to cash flow considerations and held back for payment until the next accounting period.

Supplier Invoice Functions

Use Supplier Invoices to create, view, modify, and delete supplier invoices and credit notes.

You also use this function to:

- initial invoices to enter supplier documents immediately into the system.
- Match current invoices against original purchase order receipts.
- Prepare invoices for allocation and allocate the invoice.
- Approve invoices.
- Place invoices on payment hold or release invoices for payment that are currently on hold.
- Reverse incorrect invoices and their postings, and optionally replace these with new invoices.

These additional activities, with the exception of reversing and replacing, are controlled by the invoice status code associated with the invoice. The invoice status code and its attributes determine when the invoice is ready to be posted to the official layer of the AP sub-ledger. Invoice status code also control the invoice approval process.

See Using Invoice Status Codes on page 6147 for a description of how the attribute combinations manage different types of processing.

Invoices you create derive much of their default bank account, payment format, tax, and addressing information from the values defined for the supplier.

Using invoicing functions, you can process supplier invoices through allocation to GL accounts and optionally include an approval workflow cycle.

Supplier Invoice Control Settings

Use the Supplier Invoices panel in **Financials Control** to set defaults that affect the invoice process.

For more information, see Supplier Invoices on page 6339.

Invoice Allocation and Approval

For auditing and compliance purposes, you may want to restrict invoice allocation and approval for payment to specific roles within your organization. The system uses the following components to control the processing of invoices through creation to allocation and approval:

- **Roles** and **Role Permissions**.

roles for each agent in your AP cycle (for example, Manager, Accountant, AP Clerk), and assign the appropriate supplier invoice activity to each role. For more information on roles and security, see and .

- Supplier Invoice Activities

  Use the Approve, Release for Payment, Prepare Allocation, and Allocate activities to retrieve batches of invoices in different stages of approval. Assign these activities to the appropriate roles. In this way, you can ensure that, for example, the role that can approve invoices cannot release them for payment.

- Invoice statuses

  Once you have retrieved the appropriate invoices, you move the invoice from one state in the AP cycle to the next by changing the invoice status.

Implement the approval cycle according to your own internal security requirements. Approving an invoice and releasing it for payment can be completed in one step by one role, or in two separate steps assigned to two roles. In some organizations, invoices for small amounts are created, approved and released in one flow, while invoices for larger amounts are subject to cash flow considerations and held back for payment until the next accounting period.

Types of Supplier Invoice

You can create two types of supplier invoice:

- A standard invoice, which when saved generates postings to the sub-ledger.

  For more information, see Supplier Invoices on page 6087.

- An initial invoice, which when saved records the supplier, tax, and financial details required for the invoice, but which does not generate postings.

  For more information, see Initial Supplier Invoices on page 6106.

Creating Supplier Invoices

Use **Supplier Invoices** to create standard supplier invoices.

For more information, see Supplier Invoices on page 6087.

Printing a Supplier Invoice

Supplier Invoice Print lets you print a report on supplier invoices. You can run the report directly from Supplier Invoices for an invoice or you can run the report from the menu for invoices that meet your selection criteria.

Business Relation

Specify the business relation for which you want to run the report. You cannot specify a range.

Currency Code

Specify the currency for which you want to run the report. You cannot specify a range.

Daybook Code

Specify the daybook or range of daybooks for which you want to run the report.

Entity

Specify the entity for which you want to run the report. You cannot specify a range.

ERS

Select Yes to include supplier invoices created automatically using ERS. Otherwise, select No.

Invoice Date

Specify the invoice creation date or range of dates for which you want to run the report.

Invoice Due Date

Specify the invoice due date or range of dates for which you want to run the report.

Invoice Open

Select Yes to run the report for open invoices only.

Invoice Type

Select the invoice type for which you want to run the report. The options are:

- Invoice
- Credit Note
- Invoice Correction
- Credit Note Correction

Posting Date

Specify the posting date or range of dates for which you want to run the report.

Receipt Date

Specify the receipt date or range of dates for which you want to run the report.

Supplier Code

Specify the supplier or range of suppliers for which you want to run the report.

Voucher

Specify the voucher or range of vouchers for which you want to run the report.

Year

Specify the year for which you want to run the report.

Updating Supplier Invoice Hold Amounts

Use the Update Hold Amounts action in **Supplier Invoices** to update or remove the hold amount on multiple supplier invoices. You can update or remove the hold amount for partially paid invoices.

For more information, see Update Hold Amounts on page 6113.

Financial Matching and Daybook Security

Daybook security lets you restrict access to transactions associated with certain daybook types to users who have roles linked to that daybook. For more information, see Daybook Security on page 5790.

You can apply daybook security to financial and receiver matching transactions posted to daybooks of type Matching. If implemented, daybook security for financial matching restricts access to transactions in Supplier Invoices on page 6087 to users who have roles associated with the Matching daybooks used. When creating a financial matching record, if you select a Matching daybook associated with a role you are not assigned, an error message displays and you are prevented from saving the record.

Supplier Invoices

You can create two types of supplier invoice:

- A standard invoice, which when saved generates postings to the sub-ledger.
- An initial invoice, which when saved records the supplier, tax, and financial details required for the invoice. However, it does not generate postings.

Note The types of invoice you can create depend on your permissions. Some users may only have permissions to create initial invoices, for example.

Initial invoices on page 6106 are not considered open invoices, and you cannot include them in supplier payments. You can delete an invoice that has an initial invoice status code. You cannot delete an invoice that has a non-initial invoice status code.

You can also create invoice corrections, credit notes, and credit note corrections. When modifying existing saved documents, the system restricts the fields that you can modify.

When you complete certain key fields, the system then loads defaults for other key fields. When you change a key field, the system warns you that tax, financial, and posting data has changed and will be recalculated. If you click No, the update you made to the key field is discarded.

To perform receiver matching, click the Matching button. The Receiver Matchings on page 6153 and **Supplier Invoices** screens are interactive. You can automatically update the invoice amounts with the totals you produce on the matching grid, or adjust either amount before saving the matching and generating the final invoice postings.

The Journal Entry button opens Journal Entries on page 5856, where you can specify the cost accounts to which to post amounts in a financial matching invoice.

Use **Supplier Invoices** to search for invoices for which the Lock Payment attribute is selected in the associated invoice status code. You can then change the invoice status code to one in which this field is not selected, which effectively releases the invoice for payment. Invoices must be released for payment to be included in a payment selection.

Main

Type

This field displays the invoice type. When creating an invoice, choose the invoice type from the drop-down list:

- Credit Note
- Credit Note Correction
- Invoice
- Invoice Correction

Correction options display only when the appropriate daybook type has already been defined.

Supplier

Specify the code that identifies the supplier. The business relation code associated with the supplier automatically displays next to it.

Business Relation

This is the business relation code linked to the supplier and the business relation name. When you create a new invoice, you can specify a business relation before selecting the supplier. In this case, the supplier code is loaded. When more than one customer is linked to the business relation, you must select from the available supplier codes.

Purchase Orders

If you are matching this invoice to PO receipts, you can enter one or more purchase orders separated by commas or by using the

lookup. However, this step is not mandatory; you can add PO numbers separately in receiver matching.

TC Invoice Amount

Enter the total invoice amount, including tax, and specify a transaction currency. Currency defaults from the supplier record. You can save zero-value invoices, which have no TC invoice amount. The system displays a warning to prevent you from doing so by mistake, which will not be detected until you attempt to match the invoice. This warning also displays if you attempt to start **Receiver Matchings** from within the invoice.

Reference

Enter an alphanumeric reference to help identify the invoice in the system. This reference is typically the ID number of the invoice received from the supplier. When you select the saved invoice for other invoicing functions, the reference is loaded automatically with the invoice details. **Supplier Invoices** validates the uniqueness of the invoice reference for the same invoice type and supplier within the current entity. If you enter a duplicate reference, you receive a warning message. The invoice can still be posted.

Description

Enter a brief description of the invoice. This field defaults based on the Reference and Supplier. Invoice descriptions are displayed automatically for saved invoices.

Invoice Date

Specify an invoice creation date; the default is the system date. A warning displays if this date is not prior to the posting date or within the same GL period as the posting date. The system uses the invoice date with the credit terms to calculate due date and discount date.

Invoice Posting Description

This field initially defaults to the entry in the Description field. The field is read-only when the invoice has an initial status. When the status is other than initial, you can update this field with the description of your choice.

Posting Date

Specify the date on which the invoice is to be posted. This date defaults from the invoice creation date.

Control Account

This field displays the account specified in the GL Control Profile in **Suppliers**.

GL Analysis

Sub Account: Specify a sub-account code if the supplier control account is defined with sub-account analysis. This sub-account applies to all invoice posting lines. For supplier invoices, the system refers to the supplier's sub-account profile and uses the default sub-account specified in that profile for the sub-account shared set of the current domain.

Project: Specify a project to which this invoice is to be posted.

Cost Center: Specify a cost center to which the invoice is to be posted.

For receiver matching, any postings to the PO Receipts account use the cost center associated with that account in **Product Lines** or **Purchasing Accounts**. This cost center is then displayed in the GL Postings window.

Payment Reference

Optionally specify a unique reference number to be included in the supplier payment file. If the payment is of type Single Euro Payments Area (SEPA), this reference is a SEPA reference number from the supplier. If you enter an incorrect reference or no reference in this field and SEPA messages are turned on for this entity, a warning is displayed that the reference number is not a valid SEPA reference. This reference can also consist of a Transfer with Structured Message (TSM) number. The TSM is a standard reference numbering system for electronic transfers, used by many banks.

Credit Terms

Specify the credit terms that apply to this invoice. Credit terms determine invoice due dates and any settlement discounts on early payments. Credit terms also determine if multiple payments are made in stages, based on invoice percentages. When the credit terms code is changed, the invoice due date is recalculated. Credit terms default from the supplier record. When you specify a credit terms code that has been defined with stages, an additional panel displays for update of the terms. You can modify the percentage allocation of the terms or make other changes as needed. The sum of the stage amounts must equal the total invoice amount.

Due Date

The Due Date field displays the date when payment is due, calculated by the system based on the credit terms and the invoice date. You can modify the due date without affecting the credit terms. If the credit terms have a base date specified, this is used in the due date calculations rather than the invoice creation date.

Discount Due Date

The Discount Due Date field displays the last date a discount applies, calculated by the system based on the credit terms and the invoice date. You can modify the due date without affecting the credit terms.

Taxable

If the Taxable Supplier field is selected on the Tax panel of the supplier record, this field is selected by default. If the supplier has not been defined as taxable, you can select the Taxable field to subject the invoice to tax.

Tax Excluded

Select this field to indicate that the amount specified in the TC Invoice Amount field excludes tax. The system then uses the amount in the TC Invoice Amount field as the basis for tax calculation. Clear the Tax Excluded field to indicate that the amount specified in the TC Invoice Amount field includes tax.

Registration Number

The Registration Number field identifies all supplier invoices and credit notes in the system, both initial and standard, and is an automatic number generated by entity and year.

Daybook Set

Specify the daybook set you want to use to number the invoice. The default value is the daybook set associated with the supplier in supplier data. However, if you specify a PO number in the Purchase Orders field, the daybook set on the PO overrides the daybook set on the supplier data record if they are different, and defaults instead. If you specify more than one PO, the daybook set associated with the first PO defaults in. You can overwrite the default value. If read-only, this field displays the daybook set associated with the invoice.

Site

If daybook set by site is activated, specify the site for which you want to use specific invoice numbering. The default value is the site associated with the supplier in supplier data. However, if you specified a PO in the Purchase Order field, the site on the PO overrides the site on the supplier data record if they are different, and defaults instead. If you specified more than one PO, the site associated with the first PO defaults in. If read-only, this field displays the site associated with the invoice, if applicable.

Daybook

Specify an internal daybook that matches the invoice type: supplier invoice, invoice correction, credit note, or credit note correction. The system-generated invoice number is based on the daybook.

Daybook Number

The daybook number defaults in, based on the selected daybook.

Currency Details

BC Exchange Rate

If the transaction currency is not the same as the domain base currency, the applicable accounting exchange rate displays and can be edited; otherwise, the system displays 1 and the field cannot be changed. The BC Invoice Amount is calculated based on the exchange rate. If you modify the BC Invoice Amount, the exchange rate is automatically adjusted.

For example, the base currency is Euro, the transaction currency is GBP, and the default exchange rate for these currencies is 0.5 (2 Euros to 1 GBP). The transaction amount is 1000 Euros, and the base currency amount is 500 GBP. By increasing the base currency amount to 750 GBP, you change the exchange rate for this transaction from 0.5 to 0.75.

BC Invoice Amount

When the transaction and base currencies are the same, this field is read-only and displays the same amount as TC Invoice Amount. Otherwise, it is the TC amount adjusted, based on the exchange rate. If you modify the base currency amount when creating an invoice, the system automatically recalculates the exchange rate to ensure that the transaction currency amount remains the same.

SC Exchange Rate

This field contains the statutory currency exchange rate. For example, the manufacturing facility is in the UK, the invoices received are in Euro, and the company head office is in the US. In this scenario, the base currency is USD and the transaction currency is EUR. However, because you must also report to the authorities in the country where you are located, the statutory currency is GBP.

SC Invoice Amount

This field displays the invoice amount in statutory currency. When Statutory Currency is enabled on the domain, you can update the amount in this field. Changing the amount automatically updates the SC Exchange Rate field.

Adjustments

Year

Enter the year of the adjustment. The year defaults to the current year.

Daybook

If you know the daybook that contains the original document, you can specify it here.

Link to Invoice Voucher

Specify an invoice or credit note to which you want to link the current document. A credit note can have a one-to-one link to an invoice. You can select invoices for this supplier that have opening balances greater than or equal to the amount of the credit note. When you create the link, the system creates an automatic invoice adjustment (supplier adjustment) of the invoice and credit note with a posting date equal to that of the credit note, using a Supplier Adjustment daybook. The following links are possible:

- Credit Note links to Invoice
- Invoice Correction links to Invoice
- Credit Note Correction links to Credit Note
- Invoice links to Prepayment on an account

Note

When you select a correction invoice for a specific supplier in a browse, the results also display all previous invoices created for this supplier.

Adjustment Daybook

If you are linking documents, specify a daybook for the credit note and invoice adjustment. The internal daybook must be of type supplier adjustment (SA) and the voucher number is system-generated. This field is only active when the Year, Daybook, and Link to Invoice Voucher fields are completed and are valid.

Voucher

The voucher number is system-generated and read-only.

When you save an adjustment, the new invoice number is displayed. Depending on your setup, invoice numbers can be consecutive or chronological on page 6107.

Invoice Status

Invoice Status

Specify an invoice status code to determine the approval, payment, and allocation status. The default code is taken from the supplier record. The Invoice Status Code Allocation Status field displays the allocation status defined for this code.

Allocation Status

This field displays the allocation status defined for this code.

Submit for Approval

This field is only visible when supplier invoice approval workflow is enabled at entity level. When you select this field, the invoice is submitted for approval and the approver can approve or deny the invoice. The field is active when supplier invoice approval workflow is enabled at entity level and the invoice status code is set to Invoice Status Before Approval in approval transitions. Otherwise, the field will be disabled and cleared.

Approved

The Approved field indicates whether the invoice is approved. Whether the field is selected or not depends on the current invoice status.

Lock Payment

The Lock Payment field indicates whether the invoice is locked for payment.

Initial Status

The Initial Status field indicates whether the invoice status code is of type Initial.

Receiver Matching

If the Receiver Matching field is selected, this field makes the Matching button available, which you click to start **Receiver Matchings**.

Open

When selected, this read-only field indicates that the invoice has not been completely paid. It is updated automatically when complete payment is confirmed.

Selected

This read-only field indicates whether the invoice is included in a payment selection.

Ship-To Address

Business Relation

These details default from the head-office address of the business relation associated with the current entity.

Address Type

These details default from the head-office address of the business relation associated with the current entity.

Contact

Specify the name of the purchasing contact in the supplier company. This field defaults from the supplier record.

Tax

When the invoice is taxable, the system calculates tax information and displays it on the Tax panel. The tax rates, zone, and setup details derive from the tax attributes defined for the supplier. Tax accounts are defined for the current domain in **Base Control**. In the grid, you can edit tax lines to allow for changes in tax rates to be applied, and add additional lines where the invoice amount is split between multiple tax rates.

Tax Point Date

Specify the date to be used in tax calculations. This date defaults from the posting date.

Purchase Type

Select a purchase type code, if required. Purchase types group invoices together for reporting, letting you track your cash expenditures for different types of expenses. For example, use EX for miscellaneous expenses and PO for purchases of raw materials or components. You must use at least three purchase codes—for Rents, Royalties, and Non-Employee Compensation—if you are submitting 1099 tax reports. Each of these categories is summarized into a different box on the 1099 report. A default purchase type can be assigned to the supplier.

Own Tax Number

The tax number for the entity in which you are working displays. This number defaults from the head-office address of the business relation to which the entity is linked.

Supplier Tax Number

This field displays the State Tax ID of the head-office address of the business relation associated with the supplier.

Tax Grid

Tax Class

This field defaults from the supplier, and can be modified.

Tax Usage

This field defaults from the supplier, and can be modified.

Tax Environment

This field is automatically calculated based on the supplier and ship-to address details, and can be modified.

Tax Type

This field displays the tax type, which defaults from the tax environment. All tax lines of an invoice must have the same setting for Accrue At Receipt/Usage. Otherwise, an error is displayed.

Tax Code

This field displays the code of the tax rate, based on the tax environment for the combination of supplier and ship-to address.

Domain

This field displays the current domain.

TC Base Amount (DR)

This field displays the debit base amount in the transaction currency. This is calculated by the system using the total invoice amount (TC) and the applicable tax rate code.

TC Base Amount (CR)

This field displays the credit base amount in the transaction currency. This is calculated by the system using the total invoice amount (TC) and the applicable tax rate code.

TC Tax Amount (DR)

This field displays the debit tax amount (TC) calculated by the system using the total invoice amount (TC) and the applicable tax rate code.

TC Tax Amount (CR)

This field displays the credit tax amount (TC) calculated by the system using the total invoice amount (TC) and the applicable tax rate code.

Recalculate

When you change the tax class, tax usage, tax environment, or the Taxable fields or modify one of the base amounts, this field is automatically selected, and the system recalculates the amounts when you have completed the line in the grid. You can also manually select or deselect this field.

Non-Recoverable Tax Amount

This field displays the percentage of tax that is not recoverable. Taxes are recoverable whenever your company is eligible to offset a percentage of tax on purchases against tax collected on sales. Recoverable taxes are common in Europe.

Update Allow

When this field is selected, you can modify the base and tax credit and debit amounts during transaction entry. The changes you make are displayed in the SI posting tab. This field is set in the tax rate. This feature is useful for overriding the system if there is a need to match amounts on manually issued documents. In some environments, tax authorities require that you cannot modify the calculated tax amounts.

Retained

This field indicates that the tax rate in use has been configured to retain taxes for payment directly to the government. When you have selected this option, you define an AP Tax Retained account in **Tax Rates**.

Accrue at Receipt/Usage

When selected, this field displays that the tax is accrued at goods receipt or usage.

Tax Transaction Type

This field displays the tax transaction type.

Reverse Charge

When selected, this field indicates that this is a reverse charge.

TC Base Debit Non-Taxable

This field indicates the amount of the debit amount in transaction currency on the invoice document that is non-taxable.

TC Base Credit Non-Taxable

This field indicates the amount of the credit amount in transaction currency on the invoice document that is non-taxable.

Delayed Tax

When selected, this field indicates that taxes on this invoice are delayed. Delayed taxes are enabled for invoices through the supplier tax setup.

For more information, see Delayed Tax on page 6123.

Tax Amount on Delayed Account (TC)

This field displays the amount of delayed tax calculated on the invoice.

Normal Tax Account

This field displays the normal tax account for this invoice.

Normal Tax Sub-Account

This field displays the normal tax sub-account for this invoice.

Retained Tax Account

This field displays the retained tax account for this invoice.

Retained Tax Sub-Account

This field displays the retained tax sub-account for this invoice.

Delayed Tax Account

This field displays the name of the account used for delayed tax postings.

Delayed Tax Sub-Account

This field displays the name of the sub-account associated with the delayed tax account.

Discount Tax At Invoice

If the tax rate has Discount Tax at Invoice selected, the discount amount at the time of payment only applies to the tax base amount.

BC Base Amount (DR)

This field displays the debit tax base amount in base currency.

BC Base Amount (CR)

This field displays the credit tax base amount in base currency.

SC Base Amount (DR)

This field displays the debit tax base amount in statutory currency.

SC Base Amount (CR)

This field displays the credit tax base amount in statutory currency.

BC Tax Amount (DR)

This field displays the debit tax amount in base currency.

BC Tax Amount (CR)

This field displays the credit tax amount in base currency.

SC Tax Amount (DR)

This field displays the debit tax amount in statutory currency.

SC Tax Amount (CR)

This field displays the credit tax amount in statutory currency.

SC Exchange Rate

This field displays the exchange rate from transaction currency to statutory currency.

Tax Totals

The summary compares the invoice total with the sum of the base amounts and tax amounts. The system generates a warning if these amounts are different, but does not prevent you from saving the invoice.

TC Total Taxable Base Amount

This field displays the sum of the base amounts—debit or credit—of all the tax detail lines in transaction currency.

TC Total Tax Amount

This field displays the sum of the tax amounts—debit or credit—of all the tax detail lines in transaction currency.

TC Total Base + Tax Amount

This field displays the sum of the total base amount and the total tax amount—debit or credit—in transaction currency.

TC Invoice Amount (DR)

This field displays the total invoice amount—debit or credit—in transaction currency.

Invoice Lines

The Invoice Lines panel displays the invoice lines on this invoice. There are three line types;

-  Receiver Matching Lines displaying information relating to matched items.
-  General Ledger Lines displaying postings to the GL for both receiver and financial matching invoices.
  - In the case of receiver matching invoices, it displays GL lines created using the Journal Entry button during the matching process.
  - In the case of financial matching invoices, it displays the cost account postings. These postings can be the default cost account specified or it can be where the user has posted to multiple accounts.
-  Logistic Charge Lines display information relating to logistic charges; these are grouped by order.

GL Postings Button

To view the posting details, click GL Postings. This displays a read-only window with a combined view of Supplier invoice and Matching Postings, based on the invoice amounts and accounts you have defined. The Line Type column in the grid displays an icon that indicates the posting type. The nature and timing of postings displayed depend on the invoice status. For example, if an invoice status has an Allocation Status = 'No Allocation', then only the invoice postings are displayed.

-  Supplier invoice postings
-  Matching postings

GL Matching postings clear the Unmatched Invoices account and make postings on one or more GL cost accounts, which can include sub-account, cost center, intercompany codes, SAF, and other analysis. The default cost accounts derive from the posting template, or from the

purchases account profile defined for this supplier. When the invoice involves multiple currencies, all amounts in the matching posting are automatically converted and stored in base currency using the exchange rate defined for this invoice. The matching posting is created for every invoice, but is not mandatory on initial entry.

The Currency Totals sub-panel in the GL Postings window displays the currency totals in transaction and base currency. In the case of initial status invoices, the GL Postings button is disabled as there are no postings.

Note You can also configure this panel to display the Invoice Description, Invoice Posting Description, and Matching Posting Description fields.

Banking Information

Use the Banking Information panel to view and define the banking and payment details for this supplier. The grid displays the default banking and payment details configured for this supplier. The default supplier bank account details are displayed in the first line of the grid. If you have configured multiple accounts for this supplier, you can add these account details by inserting a new row for each account. You can use a maximum of three bank accounts to make the invoice payment, specifying the bank reference and amounts to be paid per account in each case. The total of the separate amounts must equal the total invoice amount.

For electronic payment instruments, you can expand a banking line to view the attributes of the payment instrument. The Pay Format Group Code attribute is read-only, but you can edit the Attribute Value field and assign a value to it.

TC Hold Amount

This field displays the amount of the invoice total that is not to be paid. Once specified, the hold amount is taken into account during payment processing. Hold amounts are typically an amount under dispute, such as an incorrect billing amount, and can be set to an amount less than or equal to the invoice total. When you match invoices to receiver amounts, and the matching process produces an adverse variance, the Hold Variance Amount field in **Financials Control** determines whether the variance amount or the total invoice amount is put on hold. When set, the system displays a warning once the variance is calculated. Once the hold amount is set, you can only select the rest of the amount for either automatic or manual payment.

For example, if you enter an invoice for $100 and enter a hold amount of $20, the system allows you to select and pay $80 only. Hold amounts must be less than the invoice total and greater than zero (for invoices or correction invoices) and greater than the document total and less than zero (for credit notes or correction credit notes).

If the document amount is less than zero—for example, a credit note—the hold amount must always be zero. You can update the hold

amount at any stage during invoice processing. You can also update the hold amount when using open item adjustment to match an invoice with a credit note. You remove the hold amount by setting it to zero. During receiver matching, if adverse variances are calculated during the receiver matching process, the whole invoice amount or just the variance amount is placed on hold, depending on the setting in **Financials Control**.

Note You can update this field for multiple invoices simultaneously using the Update Hold Amounts on page 6113 action.

During receiver matching, if adverse variances are calculated during the receiver matching process, the whole invoice amount or just the variance amount is placed on hold, depending on a setting in **Financials Control**.

TC Non-Disc Amount

Specify the non-discount amount in the transaction currency. This is the amount of the invoice total that is not subject to any discount defined as part of an early settlement discount credit term. For example, if tax and freight charges cannot be discounted, specify that amount here.

Banking Grid

Validation

This field displays the bank format validation code for the supplier bank account. Account number validation ensures that the account number is formatted according to the regulations of the national banking system. See Bank Payment Format Links on page 6290.

Supplier Bank Number

Specify the supplier bank account number. You can only specify this number by using the lookup. The bank number is mandatory when the payment instrument for the supplier is electronic.

Note You can update supplier bank numbers on multiple invoices simultaneously by using the Change Bank Numbers on page 6116 action.

Own Bank Number

This field displays the account number that makes payments to this supplier. This number is defined on the supplier record, and is normally the default bank account number for the entity you are currently working in. When you save the invoice, a warning is displayed if the own bank number is inactive.

Note You can update your own bank number on multiple invoices simultaneously by using the Change Bank Numbers on page 6116 action.

Payment Format Name

This field displays the default format you have defined for payments from your bank to this supplier. You can define multiple formats for each bank account, which are then selectable from a drop-down list. Only the formats initially defined for the account are available in this grid.

Payment Instrument

This field displays the payment instrument defined for payments to this supplier from your bank account.

Bank Extension

This field displays the bank number extension. The extension defines the currency when an account has amounts in multiple currencies.

For example, if you have a single bank account with separate accounts defined for US dollars, euro, and yen, define a bank extension for each currency.

TC Payment Amount

Specify the amount in transaction currency that is to be paid to this bank account. The total invoice amount displays initially, but you can split this among three bank accounts.

Business Relation

This field displays the business relation for the supplier’s bank, and contains bank addressing information.

SWIFT Code

This field displays the SWIFT code of the bank, if any. SWIFT (the Society for Worldwide Interbank Financial Telecommunication) is a banking network for world-wide payments between banks. Also known as the BIC or Bank Identifier Code.

Validate Payment

When this field is selected, the invoice payment is validated.

Formatted Bank No

This field displays the supplier bank account number, formatted according to the validation you applied. See Bank Account Formats on page 6263.

Bank GL Account

This field displays the account code of the bank account linked to the own bank account and payment format combination.

Own Bank Curr

This field displays the currency code of own bank’s GL account.

Supplier Bank Curr

This field displays the currency from the supplier setup.

Line

When an invoice consists of multiple lines, this field displays the line to which the information applies.

Credit Terms Details

Use the Credit Terms Details panel to view and to modify staged credit terms for this invoice. The panel is only displayed when the credit terms relate to staged terms. By default, the credit terms displayed here are taken from the credit terms on the Main panel.

Withholding Tax

This panel is displayed when withholding tax is enabled in this domain and for this supplier. The system can populate the Withholding Tax panel automatically or you can enter withholding tax details manually. You can add and delete lines from the grid. The key fields in the Withholding Tax grid are:

WHT Code

Specify the withholding tax code. If withholding tax is enabled for the domain and the supplier is subject to withholding tax, the withholding tax code defaults from the supplier withholding tax setup. However, you can change the tax code by selecting a new withholding tax code from the lookup. The lookup includes tax codes associated with tax types designated for use in withholding tax calculations. Each tax code can only be referenced on one line of an invoice.

For each withholding tax code, you can specify fee and expense amounts. You can enter fee and expense amounts on the same line or on separate lines. However, you cannot enter two lines in the grid for the same withholding tax code. If you enter an expense amount on a line without specifying a fee amount for that line, you do not need to enter a withholding tax code because withholding tax calculations only apply to fee amounts.

Description

This field displays a description of the tax rate, and is read only. This value is retrieved automatically from the Description field of the tax rate record for the withholding tax code. The tax rate description should indicate the type of service concerned.

Fees DR/CR

Specify the fees amount that is subject to withholding tax. When the first grid line is added, either automatically by GTM or manually, the TC taxable base amount from the Tax tab defaults into the respective CR or DR column. If the invoice is non-taxable, the total invoice amount

is used. For all subsequent lines inserted in the grid, the fees values default to zero.

- For invoices, specify the fees amount in the Fees Cr field.
- For invoice corrections, specify a negative fees amount in the Fees Cr field.
- For credit notes, specify the fees amount in the Fees Dr field.
- For credit note corrections, specify a negative fees amount in the Fees Dr field.

Expense DR/CR

Specify the invoice amount that is not subject to withholding tax. The default is 0 (zero).

TC Taxable Fees DR/CR

This field displays the taxable fees value, which is the withholding tax base amount. This amount is calculated by multiplying the fees amount by the tax base percentage recoverable for the tax rate used. For example, if the fee is 100, and the recoverable percentage for the withholding tax rate is 80%, the Taxable Fees amount is 80.

BC Taxable Fees DR/CR

This field displays the taxable fees value, which is the withholding tax base amount, in base currency. This amount is calculated by multiplying the Taxable Fee Amount in transaction currency by the exchange rate on the invoice.

SC Taxable Fees DR/CR

This field displays the taxable fees value, which is the withholding tax base amount, in statutory currency. This amount is calculated by multiplying the Taxable Fee Amount in transaction currency by the statutory exchange rate if the statutory currency is enabled for the domain. If the system cannot find a statutory exchange rate that is valid for that date, it reverts to using the accounting exchange rate, if the Fallback to Accounting field is selected for the statutory exchange rate.

WHT Rate %

This field displays the rate at which withholding tax is applied.

TC WHT Amount DR/CR

This field displays the withholding tax amount in transaction currency for that line. This amount is calculated by multiplying the amount in the Taxable Fees field by the tax rate percentage used.

BC WHT Amount DR/CR

This field displays the withholding tax amount in base currency for that line. This amount is calculated by multiplying the TC WHT Amount by the exchange rate on the invoice.

SC WHT Amount DR/CR

This field displays the withholding tax amount in statutory currency for that line. This amount is calculated by multiplying the TC WHT Amount by the statutory exchange rate if the statutory currency is enabled for the domain. If the system cannot find a statutory exchange rate that is valid for that date, it reverts to using the accounting exchange rate, if the Fallback to Accounting field is selected for the statutory exchange rate. If no accounting exchange rate is available, an error is displayed.

WHT Acct

This field displays the AP tax account associated with the withholding tax code in **Tax Rates**. For invoices and invoice corrections, this is the AP Inv Tax Acct. For credit notes and credit note corrections, it is the AP CN Tax Acct.

WHT Sub-Acct

This field displays the AP tax sub-account, if any, associated with the withholding tax code in **Tax Rates**.

Notional WHT Liability

TC WHT Base Amount

This field displays the total base amount that is subject to withholding tax. This value is the sum of the TC Taxable Fees fields for all lines in the grid.

TC WHT Total Amount

This field displays the total withholding tax amount in the transaction currency. This withholding tax amount is automatically calculated based on withholding tax data within the invoice. For partial payments, the withholding tax is proportional to the amount paid against the invoice. The withholding tax amount calculated for the payment cannot exceed the withholding tax amount calculated for the invoice.

Approval History

The Approval History panel is read-only. This panel is only displayed when Supplier Invoice Approval Workflow is enabled at entity level. It displays an audit of the approval history of an invoice.

Comments

The Comments panel enables you to include any other pertinent information for this invoice.

To perform receiver matching, click the Matching button. The Receiver Matchings on page 6153 and Supplier Invoices screens are interactive. You can automatically update the invoice amounts with the totals you produce on the matching grid, or adjust either amount before saving the matching and generating the final invoice postings.

Initial Supplier Invoices

Initial supplier invoices let you quickly enter each day's supplier documents into the system, without generating postings. This ensures that supplier documents are registered from the moment they enter the accounts department and prevents invoices from being mislaid or overlooked. Initial invoices also let you deal with supplier queries before accounts are updated, and provide data for accruals calculation before a period end. You can create initial versions of invoices, but not invoice corrections, credit notes, and credit note corrections. The system warns you when creating duplicate initial invoices by validating the invoice reference you enter against existing invoices.

Note You can separate the initial invoice and full invoice processing functions, and assign them to different roles.

Initial supplier invoices are also used as part of the receiver matching process. An initial invoice contains the basic information necessary to perform matching against PO receipts, namely the supplier name and code, the invoice amount, the invoice reference, and the registration number. You can initiate the matching process using the Matching button on the initial invoice, or by starting **Receiver Matchings** and selecting an initial invoice with which to match the receivers. You can automatically update the invoice amounts with the totals you produce on the matching grid, or adjust either amount before saving the matching and generating the final invoice postings.

You identify initial invoices in the system by their registration numbers. The Registration Number field identifies all supplier invoices and credit notes in the system, both initial and standard, and is an automatic number generated by entity and year. The system does not assign voucher numbers to initial invoices, and when you retrieve a daybook code during invoice creation, the voucher number is set to zero.

Initial invoices can be viewed and modified, but are not displayed in the standard AP reports. However, when you save an initial invoice, the system records the creation date. When your role has the relevant permissions, you can use Supplier Invoice Extended to view initial invoices by their creation date. You can only select an invoice status on page 5834 code with a status of Initial when creating an initial invoice. These status codes do not allow allocation.

When you intend to use an initial invoice in a matching process, you use an invoice status code that has both the Initial Status and Receiver Matching attributes selected.

Initial invoices require minimal input, for speed of entry, and can be deleted without any impact on the sub-ledger, or modified at a later stage and processed as normal simply by completing the mandatory fields.

Initial invoices are stored in the system to be modified at a later stage. When you are ready to process the invoice, you normally change the status of the invoice from initial to non-initial. The status of the invoice is controlled by the invoice status code, and you convert an initial invoice into a standard invoice by selecting a status code with a status other than Initial. When you select a non-initial status code, postings are enabled and the system retrieves a voucher number for the invoice.

When you match an initial invoice against receivers, however, the system retrieves the non-initial status code automatically. To make an initial invoice available for matching, you choose an invoice status code that has the attributes Initial, No Allocation, and Receiver Matching selected. The Receiver Matching on page 6153 attribute requires that you specify the invoice status code that is to be applied to the invoice after it has been matched. This After Matching status code is automatically retrieved after the matching is complete.

The system uses key fields on supplier invoices to generate financial, posting, and tax data. When you modify one of these fields, the system displays a warning that this data will be recalculated. When you modify an initial invoice by changing the invoice status code from initial to non-initial, however, the system does not attempt to recalculate this data.

After an initial invoice is saved as non-Initial, the invoice postings are generated and you cannot reset the invoice to Initial.

Chronological and Consecutive Invoice Numbering

The system includes three options for numbering supplier invoices, credit notes, and invoice and credit note corrections.

- Standard invoice numbering without numbering checks. This option is the default, and applies if consecutive and chronological numbering are not enabled.
- Consecutive invoice numbering. If consecutive invoice numbering is enabled, the system ensures that invoice, credit note, and invoice and credit note correction numbers are consecutive without gaps.
- Chronological invoice numbering—an extension of consecutive invoice numbering. If chronological invoice numbering is enabled, the system ensures that invoices, credit notes, and invoice and credit note corrections are sequentially numbered in the correct date order and without gaps. Chronological invoice numbering can only be enabled if consecutive invoice numbering is also enabled. You can configure whether the system displays a warning or an error when users attempt to save transactions with past or future posting dates, thereby disrupting the chronological numbering sequences.

  Note When Invoice Certification on page 6260 is enabled, chronological AP invoice numbering is optional. If you activate chronological AP invoice numbering, you can choose whether a warning or error is displayed.

For standard, consecutive, and chronological invoice numbering, invoices, credit notes, and invoice and credit note corrections are numbered by entity, year, GL period, and daybook.

You enable consecutive and chronological invoice numbering, and select a warning or error option at domain level.

For more information, see Domains on page 916.

When consecutive and chronological invoice numbering are enabled, the numbering controls described in this section apply in **Supplier Invoices** - including Reverse and Replace - and **Receiver Matchings**. Outside of AP, the controls also apply in **Customer Invoices**, **Invoice Post**, **Customer Opening Balance Excel Integration**, and **Supplier Opening Balance Excel Integration**.

Note When consecutive and chronological invoice numbering are enabled, numbering controls apply in **Receiver Matchings** when you match supplier invoices in the initial status. When an initial supplier invoice is matched, the supplier invoice becomes non-initial and an invoice number is generated for the record.

When consecutive and chronological numbering are enabled, the system does not populate the Posting information on the Summary panel until after you save the invoice or credit note record.

When you save the posting, the system assigns the invoice number, which is displayed on the Summary panel.

You also have the option to automatically display the supplier invoice number in a popup after you save the invoice. You enable this option at domain level.

When chronological invoice numbering is enabled, the numbering controls described in this section apply in **Supplier Invoices**:

- If you attempt to save an invoice with a posting date that is earlier than the posting date of a saved invoice with the same entity and daybook combination, the system displays an error or warning message, depending on the option selected in **Domains**. For more information, see Invoice Numbering on page 923.
- If you attempt to save an invoice with a future posting date, the system displays an error or a warning, depending on the option selected in **Domains**. For more information, see Invoice Numbering on page 923.
- When you attempt to save the first invoice in a new GL period for a daybook and entity combination, the system displays a warning.

  Note This message is always a warning.

Actions

The Actions drop-down offers actions that you can take for a record or set of records. Individual actions are for individual records and bulk actions are for sets of records, based on your selected criteria. For bulk actions, once you select the records and set options, you can submit the action.

Supplier Invoice Reverse

When you detect errors in an initial invoice during financial or receiver matching, you have the option to cancel both the invoice and the matching process without generating postings. Standard invoices, however, generate postings to the official layer when saved. Use the Reverse action to create a correction invoice that reverses the postings of an incorrect standard invoice.

Note You can optionally create a replacement on page 6111 invoice, too.

You can correct standard supplier invoices, invoice corrections, credit notes, or credit note corrections. You cannot reverse initial invoices. When you reverse an invoice, the system retrieves a voucher number for the reversal invoice and then creates the invoice. Both original and reverse invoices are then closed. You must enter the daybook, year and period, posting date, and description information required for the reversal. You must ensure that a daybook of the correct reversing type is available in the shared set. To reverse the invoice, click Submit. The amounts and postings on the new invoice are the reverse of the original:

- For invoices and credit notes, debits are changed to credits.
- For correction invoices or credit notes, minus amounts are changed to positive amounts.

When the invoice you are reversing was used in financial or receiver matching, the Reverse function reverses the matching postings, and in the case of receiver matching, reopens the receiver lines. You can then start the matching process again with the new invoice amounts.

GL Correction Settings

The Accounts Payable and Accounts Receivable fields in Base Control on page 787 determine how the system reverses invoices. When the field is selected for AP, the system uses a correction invoice for reversals by default; otherwise, it uses a credit note. When you use a correction invoice, the system uses negative invoice amounts to reverse the posting, instead of reversing credits with debits.

Main

The Main panel contains read-only information about the invoice.

Reverse Details

Reverse With

You can reverse standard supplier invoices, invoice corrections, credit notes, or credit note corrections. The options available in the list depend on the document being reversed.

Posting Date

Specify a posting date for the reversal.

Year/Period

Specify an accounting year and period for the reversal.

Reverse Description

This field defaults based on the original invoice description. You can edit this field.

Replacement

Select this field to automatically create a replacement invoice. When you click Submit, the system displays a message that both the original and reversal invoice will be closed. Click Yes to continue. The system creates a clone invoice displaying the retained key information and displays it in the **Supplier Invoice** hybrid view. A banner message is displayed to inform you that this is a Replacement Invoice.

Reverse Daybook

This field is read-only and it displays the reverse daybook. You must define a reversal daybook for each type of reversal you perform.

Reverse Daybook Number

The voucher number is system-generated and read-only.

Adjustment Daybook

The default daybook for an adjustment of this type is displayed by default. You can edit this field.

Adjustment Daybook Number

The voucher number is system-generated and read-only.

Supplier Invoice Replace

It is only possible to replace an invoice that has already been reversed on page 6109. When you reverse and replace a standard supplier invoice:

- The original invoice is automatically matched and both the original and the reversal invoice are closed.
- When the invoice was matched to receivers, the matching postings, including average cost updates and Intrastat, are also reversed.

- The supplier, financial, and tax data of the original is retained in the replacement invoice.
- Original receiver lines, if any, are reopened.

There are two ways of accessing the Replace action:

- In the **Supplier Invoices** browse, select Replace from the Actions menu. The menu option is only available when you have selected a reversed invoice. This displays the replacement supplier invoice in a frame.
- In the Supplier Invoices Reverse action frame, select the Replacement field before clicking Submit. This displays the replacement supplier invoice in the **Supplier Invoices** hybrid view.

Whether you open the replacement supplier invoice in a frame or in the hybrid view, the invoice is displayed like a typical supplier invoice. A banner message alerts you that this is a replacement invoice. The details of the original invoice are displayed in the frame and you can edit the details to create a correction invoice to replace the original. The exchange rates used on the original are also retained and applied to the new invoice. When the invoice you are reversing was used in financial or receiver matching, the Reverse function reverses the matching postings, and in the case of receiver matching, reopens the receiver lines. Complete the adjustments to the invoice details, and if matching the replacement to receivers, click the Matching button to launch **Receiver Matchings**.

Invoice Replacement Scenario

The following pending vouchers are generated for goods received:

- Voucher A: 100 items @ $25. Total: $2500
- Voucher B: 120 items @ $25. Total: $3000
- Voucher C: 150 items @ $25. Total: $3750
- To Match Total: $9250

The supplier document is received, and a standard supplier invoice is created for $9610. The matching clerk incorrectly adjusts the To Match amount to equal the invoice amount, by increasing the item price on Voucher B from $25 to $28, giving a To Match amount for Voucher B of $3360. This creates a total To Match amount for these receivers of $9610. This To Match amount equals the invoice amount, the matching is saved, and the invoice and matching postings are generated.

The error is detected in the original invoice amount. You reverse and replace the original invoice. The invoice and matching postings are reversed. The replacement invoice retains the financial data of the original. You adjust the invoice total from $9610 to $9250, and click the Matching button to begin matching again. The system displays a

prompt to use the original matching information, and the original pending vouchers are displayed in the matching grid and are reopened for matching.

For more information, see Sample Matching Postings on page 6160.

Prepare Allocations

The Prepare Allocations action is typically used by an AP Clerk who has permission to prepare invoices for allocation or to allocate to the transient layer but not to allocate invoices to official layers. This action is only available for invoices that are unallocated.

The Prepare Allocations frame displays read-only invoice details. You can only edit the Invoice Status field. When you click the lookup on this field, the available valid statuses are displayed. When you click Save, the invoice status is updated.

Allocate

The Allocate action is only available for invoices that are unallocated.

The Allocate frame displays read-only invoice details. You can only edit the Invoice Status field. When you click the lookup on this field, the available valid statuses are displayed. When you click Save, the invoice status is updated.

Update Hold Amounts

When you have the relevant permissions, you can update or remove the hold amount for partially paid invoices.

Criteria

The Criteria panel enables you to search for invoices to update.

Supplier

Type a supplier code or use the lookup to select one. You can only select one supplier code before you add invoices to the grid. However, you can subsequently select another supplier code and append invoices to the existing list.

Invoice Date Range

Use the Invoice Date filter to find invoices within an invoice date range.

Posting Date Range

Use the Posting Date filter to find invoices within a posting date range.

Control GL

Use the Control GL filter to find invoices within a particular control GL.

Sub-Account

Use this filter to find invoices within a particular sub-account.

Cost Center

Use this filter to find invoices within a particular cost center.

Project

Use this filter to find invoices within a particular project.

When you click Search, invoices matching the search criteria are displayed in the Invoices grid below.

The system then searches for the following invoice types:

- Invoice
- Credit Note
- Invoice Correction
- Credit Note Correction

When you click Reset, the existing search criteria are removed. You can enter new criteria to append more invoices to the grid. You can select a new supplier as well as changing the dates. When you search for invoices from another supplier, invoices returned by the new search are appended to the existing list. When you click Clear, any unselected invoices in the Invoices grid are removed.

Options

The Options panel allows you to select whether you are putting invoices on hold or removing from hold. Once you have selected invoices in the grid and made your selection, the Apply button is enabled.

Put Invoice On Hold

Select this field to put the selected invoices on hold and set the hold amount to the invoice balance amount.

Remove Invoice From Hold

Select this field to remove the selected invoices from hold and set the hold amount to zero.

To apply the settings in the fields to the selected invoices in the grid below, click the Apply button. For each of the selected invoices, the TC Hold Amount field in the grid is then updated.

Invoices

In the grid, select the invoices for which you want to update or remove the hold amount.

When you click Submit, a message is displayed to indicate that the hold amounts have been successfully updated.

Change Bank Numbers

This action enables you to modify supplier bank details for open invoices. You can change the bank details for multiple invoices for a single supplier simultaneously. However, you cannot change invoices that are selected for payment selection.

If an invoice is not paid partially, this menu deletes any existing supplier bank and creates a new supplier bank number, which is the New Own Bank Number you create. If an invoice is paid partially, this menu updates the existing bank record TC Payment Amount to zero and creates a new supplier bank record with the New Own Bank Number you created for the balance amount.

Criteria

The Criteria panel enables you to search for invoices.

Supplier

Type a supplier code or use the lookup to select one. You can only select one supplier code.

Invoice Date Range

Use the Invoice Date filter to find invoices within an invoice date range.

Posting Date Range

Use the Posting Date filter to find invoices within a posting date range.

Control GL

Use the Control GL filter to find invoices within a particular control GL.

Sub-Account

Use this filter to find invoices within a particular sub-account.

Cost Center

Use this filter to find invoices within a particular cost center.

Project

Use this filter to find invoices within a particular project.

Own Bank Number

This field displays the account number that makes payments to this supplier. This number is defined on the supplier record, and is normally the default bank account number for the entity you are currently working in.

Supplier Bank Number

Specify the supplier bank account number. The bank number is mandatory when the payment instrument for the supplier is electronic.

When you click Search, invoices matching the search criteria are displayed in the Invoices grid below. When you click Reset, the existing search criteria are removed and the grid is cleared. When you click Clear, any unselected invoices in the Invoices grid are removed.

Options

The Options panel allows you to select a New Own Bank Number / New Supplier Bank Number combination. Once you have selected invoices in the grid and made your selection, the Apply button is enabled.

New Own Bank Number

Enter the new bank number here, or select one from the lookup.

New Supplier Bank Number

When you update your own bank number, the corresponding default supplier bank number is populated in this field. However, you can change this number.

To apply the settings in the fields to the selected invoices in the grid below, click the Apply button. For each of the selected invoices, the bank numbers in the grid are then updated.

Invoices

In the grid, select the invoices for which you want to update the bank numbers.

When you click Submit, a message is displayed to indicate that the bank numbers have been successfully updated.

Change Invoice Status

Note Do not use this action to approve or deny invoices if you have selected Enable Supplier Invoice Approval Workflow in **Entities**. When enabled, invoices can only be approved and their status updated in the Adaptive UX inbox using the generic approvals workflow.

Search Criteria

The Search Criteria panel enables you to search for invoices.

Supplier

Type a supplier code or use the lookup to select one. Specify a supplier in the second field to indicate a supplier range.

Invoice Date

Use the Invoice Date filter to find invoices within an invoice date range.

Posting Date

Use the Posting Date filter to find invoices within a posting date range.

Control GL

Use the Control GL filter to find invoices within a particular control GL.

Sub-Account

Use this filter to find invoices within a particular sub-account.

Cost Center

Use this filter to find invoices within a particular cost center.

Project

Use this filter to find invoices within a particular project.

Invoice Status

Use this mandatory field to specify the existing invoice status of the invoices.

When you click Search, invoices matching the search criteria are displayed in the Invoices grid below. When you click Reset, the existing search criteria are removed and the grid is cleared. When you click Clear, any unselected invoices in the Invoices grid are removed.

Options

The Options panel allows you to select a new Invoice Status. Once you have selected invoices in the grid and made your selection, the Apply button is enabled.

New Invoice Status

Specify a new invoice status for the selected invoices.

To apply the settings in the fields to the selected invoices in the grid below, click the Apply button. For each of the selected invoices, the invoice status is updated. In addition, the columns Lock Payment and Approved are also updated. When you attempt to apply a status that is not valid, an error message is displayed.

Invoices

In the grid, select the invoices for which you want to update the invoice status.

When you click Submit, a message is displayed to indicate that the status has been successfully updated.

Supplier Invoice Print

Supplier Invoice Print lets you print a report on supplier invoices. You can run the report directly from Supplier Invoices for an invoice or you can run the report from the menu for invoices that meet your selection criteria.

Settings

Format

File Type

Specify whether you want the file to be exported as type PDF, Excel, Plain Text, or PDF Read-Only.

Filter Criteria Display

Specify whether you want the report to include a header, a footer, or neither.

Language

Select the language that you want the report to be displayed in.

Layout

Specify whether you want the report to be exported as a standard Supplier Invoice Print report or a Supplier Invoice Print for Excel report.

Date Display

Short Date Format

Select from the drop-down list how you want the date to be displayed throughout the report.

Date Separator

Specify the symbol you want to use as a separator in the date.

Decimal Display

Decimal Separator

Specify the symbol you want to use as a decimal separator.

Decimal Digits

Specify the amount of digits that you want to display after a decimal point.

Grouping Separator

Specify the symbol you want to use to separate items in a list or group.

Digit Grouping

Specify the format you want to display groups of digits in.

Filter

The following selection criteria are of importance when running the report:

Filter	Description
Currency Code	Select the currency you want to use for the report from the look-up.
Daybook	Select a daybook you want to use for the report from the look-up.
Invoice Date	Specify the date that you want to display on the report.
Invoice Due Date	Specify the due date for the invoice, to be displayed on the report.
Invoice Type	Specify whether you want the invoice to be of type Invoice, Credit Note, Invoice Correction, or Credit Note Correction.
Posting Date	Specify the posting date range that you want to run the report for.
Supplier Code	Select a supplier to use for the report from the look-up.

Delayed Tax

Taxes on purchase orders and supplier invoices or credit notes are generally due at the same time as the invoice date. However, in some countries, taxes with certain types of suppliers only become due after the invoice has been fully or partially paid.

When you account for tax after you have paid a supplier in AP, it is referred to as delayed tax. In this case, you can only deduct the tax in your declaration to the authorities after you have paid the supplier.

Delayed taxes are normally applied to all purchase orders and invoices for designated suppliers. You enable delayed taxes per entity. You then define a dedicated delayed tax rate and apply a tax environment that retrieves this rate for the supplier. This ensures that purchase orders and invoices for this supplier are automatically subjected to delayed tax. You can also apply normal taxes when creating individual purchase orders and supplier invoices by selecting a tax environment that retrieves a normal tax rate.

Note You delay taxes on AP payments only. Use the Suspended Taxes option to defer taxes on AR payments.

Allocating, Approving, and Releasing for Payment

Supplier Invoices allows you to select invoices to update based on their status code and move the invoices through a workflow cycle. In the Invoice Status panel, you can change the status of the invoices by selecting a different invoice status codes.

You control two aspects of supplier invoicing through invoice status codes:

- Allocation of the invoice amount to accounts. This determines the postings generated and which layer is updated.
- Approval of the invoice and release for payment. The approval process can be completed in as many stages as your company's business process requires. For example, a company's accounting process can require that the accounting clerk's manager must first approve the invoice, followed by the budget holder for that cost center. If the invoice is above a certain value, the financial controller may also need to approve the invoice.

  For example, you can use a different invoice status code each time to reflect each stage in the approval process with the Lock Payment field set to Yes and the Approved field to No on the invoice status code until the final stage in the process.
  Approving the invoice indicates that it is a valid transaction. However, for cash flow or other reasons, you may not want to pay the invoice before the due date. If you apply a status code for which the Lock Payment field is set to Yes, the invoice is be excluded from payment runs. You can then apply an invoice status code for which the Lock Payment field is set to No when you want to include the invoice in payment selections.

You typically create a specific invoice status code for each type of status you need when processing the invoice. You then simply change the invoice status code when necessary.

For more information, see Sample Invoice Statuses on page 5834.

Allocating Supplier Invoices

The Allocation Status attribute of an invoice status code determines whether postings occur and if they affect transient or official layers. Invoice status codes have one of these allocation statuses:

No allocation

No allocation to GL accounts is possible and no matching postings are created when you save the invoice. However, SI postings are created, unless the invoice status code has the status Initial.

Transient allocation

You can allocate to GL accounts, and postings to the transient layer are created when you save the invoice. In financial matching, these postings are to the Unmatched Invoices and to the relevant expense accounts used to create the matching posting.

Allocation

You allocate to GL accounts and create postings to the official layer when the invoice is saved. Postings to the official layer are to the Unmatched Invoices account and, by default, to the Purchases account you defined for this supplier. However, you can you another GL account other than the Purchases account.

Any

You use this for financial matching and then choose the daybook you want to use to determine whether the posting is to the transient or the official layer.

You process the invoice through allocation by changing the invoice status code to one with the appropriate allocation status.

You can save an invoice as draft when your work is interrupted and you want to return to the invoice at a later time. Draft invoices do not generate postings when saved, and so do not affect the AP sub-ledger or general ledger.

In a typical scenario, an invoice is registered as an initial invoice by an accounts clerk or a mail clerk as soon as it is received. Initial invoices do not generate postings. Registering an invoice as initial prevents the document from being lost internally between receipt and accounts processing. The allocation amounts are then reviewed by the accountant.

Following review, the accountant may decide to update the allocation details, such as the amounts or accounts to which the amounts are to be posted. You can now open the initial invoice. When the invoice is saved with a non-initial status code and with a status of Transient Allocation, the system generates matching postings to the transient layer only. However, supplier invoice postings are also generated to the official layer.

When the allocation is approved, you can use **Supplier Invoices** to save the invoice with a status code with Allocation selected. When you save the invoice in **Supplier Invoices**, postings are made to the official layer and you begin the payment process.

When you save a receiver matching with a status of Finished, the Receiver Matching process automatically moves the invoice from a status of No Allocation (before matching) to Allocation (after matching) using linked status codes.

For more information, see Receiver Matchings on page 6153.

Approving Supplier Invoices

You can also use invoice status codes to lock invoices for payment and to assign a status of Approved to invoices that you want to match against receivers or release for payment. Again, you normally create specific invoice status codes with these fields selected, and select the appropriate code for the stage in the process.

You control the release of invoices for payment using two fields on the invoice status code:

Invoice Approved

The Invoice Approved field applies a status of Approved to the invoice. You can apply an invoice status code with the Invoice Approved field selected to mark the invoice as reviewed and approved. You can then report on invoices with the Invoice Approved status.

Applying an invoice status of Approved indicates that the invoice is valid, but does not have an effect on payment selections or receiver matching. Invoices do not need to have an approved status in order to be matched against receivers or to be included in payment selections.

specific invoice codes with the Invoice Approved field selected for regular suppliers with whom you have an ongoing purchasing relationship. In this way, you can create a regular invoice, matching, and payment cycle for payments that normally do not require an internal review.

Lock Payment

When an invoice status code with the Lock Payment field selected is applied to an invoice, the invoice cannot be included in any automatic payment selections. Use this field to identify contested invoices that should not be paid until further approval, or invoices you want to keep on hold for cash flow purposes until a later accounting period.

An invoice status code with both Lock Payment and Invoice Approved is initially applied to the invoice. This allows the accountant to review the invoice and supplier details and the current cash flow situation. The accountant decides to lock payment of this invoice at this time, and the AP clerk selects an invoice status code with Lock Payment selected and applies it to the invoice. Once saved, the invoice now cannot be included in any supplier payments and is effectively on hold.

Following a change in the cash flow situation or in the supplier’s status, the accountant decides to release the invoice for payment. The AP clerk selects an invoice status code with the Invoice Approved field selected and the Lock Payment field deselected. The invoice now has an approved status and can be released for payment.

For supplier opening balance, you should choose an invoice status code that has allocation. You can choose any invoice status code of that type, but may use different ones for different invoices, so that some could be unapproved or locked for payment.

Supplier Invoice Status Activities

Use the Prepare Allocations and Allocate actions from the Actions drop-down menu in **Supplier Invoices** to search for saved invoices based on attributes of the associated invoice status code.

- The Prepare Allocation action displays all supplier invoices with an invoice status code that has an allocation status of No Allocation.
- The Allocate action displays all supplier invoices with an invoice status that has an allocation status of Transient Allocation, No Allocation, or Any.

Prepare Allocation

Use the Prepare Allocation action to search for invoices that have an invoice status code with an allocation status of No Allocation. You then change the associated status code to a code that has a Transient Allocation status and generate postings to the transient layer.

Allocate

Use the Allocate action to search for invoices that have an invoice status code with a status of Transient Allocation, No Allocation, or Any. You can then change the code to one with Allocation status.

You finalize the invoice posting by allocating the invoice amounts to the correct cost accounts. You allocate by either completing the Matching Posting panel or by confirming the previously prepared allocation posting in the official layer.

Reversing and Replacing Supplier Invoices

When you detect errors in an initial invoice during financial or receiver matching, you have the option to cancel both the invoice and the matching process without generating postings. Standard invoices, however, generate postings to the official layer when saved.

Use the Reverse and Replace actions from the Actions drop-down menu in **Supplier Invoices** to create a correction invoice that reverses the postings of an incorrect standard invoice, and optionally create a replacement. You can use these actions to correct standard supplier invoices, invoice corrections, credit notes, or credit note corrections. You also use these actions to re-open a saved receiver matching process, by re-creating the original invoice and re-opening the receiver lines.

Note You cannot reverse initial invoices.

When the invoice you are reversing was used in financial or receiver matching, the Reverse action reverses the matching postings, and in the case of receiver matching, reopens the receiver lines. You can then start the matching process again with the new invoice amounts.

For more information, see Receiver Matchings on page 6153.

All matching postings are reversed, including average cost updates and Intrastat.

When you reverse and replace a standard supplier invoice:

- The original invoice is automatically matched and both the original and the reversal invoice are closed.
- When the invoice was matched to receivers, the matching postings, including average cost updates and Intrastat, are also reversed.
- The supplier, financial, and tax data of the original is retained in the replacement invoice.
- Original receiver lines, if any, are reopened.

When a standard invoice has been matched against multiple receiver lines, the Replace and Reverse actions let you reproduce the original lines and correct errors on individual receiver lines, instead of re-creating the entire matching configuration.

You can only reverse and replace invoices that have been saved or that have been matched. You cannot reverse invoices that have been included in a supplier payment or payment selection, or to which banking entries has been allocated. If the original invoice is linked to a workflow, the workflow process for the invoice is cancelled.

GL Correction Control Settings

The Accounts Payable and Accounts Receivable fields in the GL Correction panel in **Base Control** determine how the system reverses invoices. When the field is selected for AP, the system uses a correction invoice for reversals by default; otherwise, it uses a credit note. When you use a correction invoice, the system uses negative invoice amounts to reverse the posting, instead of reversing credits with debits.

Attachments and Workflow

When the invoice to be reversed and replaced is part of a workflow and has attachments, the link to workflow is removed for the replacement. However, attachments to original invoices are relinked to invoice replacements.

Reversing Supplier Invoices

Use the Reverse action in **Supplier Invoices** to reverse standard invoices.

You can use the following types of document when reversing:

Original Invoice	Reversal Invoice
Invoice	Invoice Correction or Credit Note
Invoice Correction	Invoice
Credit Note	Credit Note Correction/Invoice
Credit Note Correction	Credit Note

If you have selected the Replacement field, the system reverses the invoice and creates a clone invoice displaying the retained key information. If you choose not to create a replacement, the system simply reverses the original invoice postings.

The system retrieves a voucher number for the reversal invoice and then creates the invoice. Both original and reverse invoices are then closed.

You must enter the daybook, year and period, posting date, and description information required for the reversal.

Note You must ensure that a daybook of the correct reversing type is available in the shared set.

The amounts and postings on the new invoice are the reverse of the original:

- For invoices and credit notes, debits are changed to credits.
- For correction invoices or credit notes, minus amounts are changed to positive amounts.

Main

Supplier

This field displays the supplier name and description.

Posting

This field displays the invoice voucher number.

Invoice Date

This field displays the invoice creation date.

Invoice Description

This field displays the invoice description.

TC Invoice Amount

This field displays the invoice amount in transaction currency.

Daybook Set

This field displays the daybook set associated with the invoice.

Site

This field displays the site associated with the invoice, if applicable.

Invoice Reference

This field displays the invoice reference.

Orders

This grid indicates PO receipts linked to the invoice to be reversed.

Reverse Details

Reverse With

Select the reversing option. These options depend on whether an invoice or credit note is being reversed.

Posting Date

Specify a posting date for the reversal.

Year/Period

Specify a year and period for the reversal. The current year and period are displayed by default.

Reverse Description

Enter a brief description for the reversal.

Replacement

Select this field to automatically create a replacement invoice.

Reverse Daybook

This field displays the default reverse daybook.

Reverse Daybook Number

This field displays the default reverse daybook code. You must define a reverse daybook for each type of reversal you perform.

Adjustment Daybook

Select an adjustment daybook.

Adjustment Daybook Number

This field displays the adjustment daybook number.

When you click Reverse, the system displays a message that both the original and reversal invoice will be closed. Click OK to continue.

Replacing Supplier Invoices

Use the Replace action in **Supplier Invoices** to retrieve invoices that have been reversed but not yet replaced. The system displays only invoices that have been reversed.

The system retains the following key fields of the invoice you want to reverse:

- Supplier

- Business Relation
- Invoice Reference
- Invoice Date
- Posting Date
- Year
- Period
- Daybook
- Voucher
- Currency
- Amount TC
- Invoice Description
- Purchase Orders

The exchange rates used on the original are also retained and applied to the new invoice. Complete the adjustments to the invoice details, and if matching the replacement to receivers, click the Matching button to launch **Receiver Matchings**. If PO numbers were linked to the original invoice, you can choose to display them in the matching grid, and begin the matching process again.

The following pending vouchers are generated for goods received:

Voucher A: 100 items @ $25. Total: $2500

Voucher B: 120 items @ $25. Total: $3000

Voucher C: 150 items @ $25. Total: $3750

To Match Total: $9250

The supplier document is received, and a standard supplier invoice is created for $9610. The matching clerk incorrectly adjusts the To Match amount to equal the invoice amount, by increasing the item price on Voucher B from $25 to $28, giving a To Match amount for Voucher B of $3360. This creates a total To Match amount for these receivers of $9610. This To Match amount equals the invoice amount, the matching is saved, and the invoice and matching postings are generated.

The error is detected in the original invoice amount. You reverse and replace the original invoice. The invoice and matching postings are reversed. The replacement invoice retains the financial data of the original. You adjust the invoice total from $9610 to $9250, and click the Matching button to begin matching again. The system displays a prompt to use the original matching information, and the original pending vouchers are displayed in the matching grid and are reopened for matching.

Note Fore examples of receiver matching postings, see

Creating Initial Supplier Invoices

Use **Supplier Invoices** to create invoices with a status of Initial.

Initial supplier invoices let you quickly enter each day's supplier documents into the system, without generating postings. This ensures that supplier documents are registered from the moment they enter the accounts department and prevents invoices from being mislaid or overlooked. Initial invoices also let you deal with supplier queries before accounts are updated, and provide data for accruals calculation before a period end. You can create initial versions of invoices, invoice corrections, credit notes, and credit note corrections.

The system prevents you from creating duplicate initial invoices by validating the invoice reference you enter against existing invoices. You can also use role-based security to separate the initial invoice and full invoice processing functions, and assign them to different roles.

Note Initial invoices are not considered open invoices, and you cannot include them in supplier payments.

Initial supplier invoices are also used as part of the receiver matching process. An initial invoice contains the basic information necessary to perform matching against PO receipts, namely the supplier name and code, the invoice amount, and the daybook. You can initiate the matching process using the Matching button on the initial invoice, or by using **Receiver Matchings** and selecting an initial invoice with which to match the receivers. The **Receiver Matchings** and **Supplier Invoices** screens are interactive. You can automatically update the invoice amounts with the totals you produce on the matching grid, or adjust either amount before saving the matching and generating the final invoice postings.

You identify initial invoices in the system by their registration numbers. The Registration Number field identifies all supplier invoices and credit notes in the system, both initial and standard, and is an automatic number generated by entity and year. The system does not assign voucher numbers to initial invoices, and when you retrieve a daybook code during invoice creation, the voucher number is set to zero.

Initial invoices can be viewed and modified by enabling the Initial Status field in **Supplier Invoices**. They are not displayed in the standard AP reports. However, when you save an initial invoice, the system records the creation date, and you can use **Supplier Invoice Extended** to view initial invoices by their creation date.

You can only select an invoice status code with a status of Initial when creating an initial invoice. These status codes do not allow allocation. For more information, see Invoice Status on page 5834. When you intend to use an initial invoice in a matching process, you use an invoice status code that has both the Initial Status and Receiver Matching attributes selected.

Initial invoices require minimal input, for speed of entry, and can be deleted without any impact on the sub-ledger, or modified at a later stage and processed as normal. The following fields are mandatory:

Panel	Field
Main	Supplier
	Reference
	Description
	TC Invoice Amount
	Daybook
Invoice Status	Invoice Status

Modifying an Initial Invoice

Initial invoices are stored in the system to be modified at a later stage. When you are ready to process the invoice, you normally change the status of the invoice from initial to non-initial. The status of the invoice is controlled by the invoice status code, and you convert an initial invoice into a standard invoice by selecting a status code with a status other than Initial. Once you select a non-initial status code, the posting tabs are enabled and the system retrieves a voucher number for the invoice.

When you match an initial invoice against receivers, however, the system retrieves the non-initial status code automatically. To make an initial invoice available for matching, you choose an invoice status code that has the attributes Initial, No Allocation, and Receiver Matching selected. The Receiver Matching attribute requires that you specify the invoice status code that is to be applied to the invoice once it has been matched. This After Matching status code is automatically retrieved once the matching is complete. For more information, see Receiver Matchings Overview on page 6133.

The system uses key fields in **Supplier Invoices** to generate financial, posting, and tax data. When you modify one of these fields, the system displays a warning that this data will be recalculated. When you modify an initial invoice by changing the invoice status code from initial to non-initial, however, the system does not attempt to recalculate this data. Once an initial invoice is saved as non-Initial, the invoice postings are generated and you cannot reset the invoice to Initial.

Receiver Matchings Overview

When you buy inventory items for manufacturing, you issue a purchase order that details the items, quantities, and prices, as well as related charges such as taxes and freight. When you receive the goods, your

receiving department generates a PO receipt to confirm the received items and quantities against the purchase order. This PO receipt in turn generates a pending invoice, which contains the details of the receipt.

Your supplier issues an invoice to confirm your liability for the items under the conditions specified on the purchase order. You then create a supplier invoice in the AP module to record the invoice received from your supplier. Before you pay the invoice, you verify that the items and quantities you received are what you originally ordered, and that the supplier has charged you the correct price.

Receiver matching retrieves the pending invoices (also called receivers) associated with the purchase order so that you can record invoice lines against them. If the invoiced items, quantities, and prices match the receiver, the receiver is closed.

When the invoiced quantities and prices are different, the system displays a discrepancy. For example, the supplier may have invoiced you at the wrong price or you may not have received all the items that were invoiced. This kind of discrepancy is called a variance on page 6136, and the system generates a variance posting for the outstanding amount when you complete and save the matching.

You must match the whole amount of the invoice against the receipt amounts. When a variance occurs in the matching, the open amount to be compared against the invoice amount is adjusted accordingly.

For example, you match an invoice for $5000 for goods delivered. The corresponding purchase order is for 1000 items with a unit cost of $5, giving an open amount of $5000. However, only 995 items were received. You manually adjust the open quantity to 995, giving an open amount of $4975. The system generates a variance of $25 and posts this amount to a variance account. You can then resolve the discrepancy with a credit note from your supplier for the outstanding amount, or write off the outstanding amount.

System Effects of Matching

Finalizing a receiver matching has consequences in several different areas, depending on the kind of invoice being matched. In general, some or all of the following effects can occur:

- GL postings are created.
- When receipts created in one entity are matched against invoices created in another, cross-company postings can be generated.
- If discrepancies exist between the supplier invoice and the receiver, variances can be calculated.
- Depending on the cost method in place, average costs and current costs may be updated.
- Intrastat history may be updated.

- Exchange rate variances may be calculated for foreign currency receipts.
- Taxes may be calculated based on the settings of the applicable tax rates.

Matching Postings

When a PO receipt is recorded for items on a purchase order, the system debits the relevant Inventory account and credits the appropriate PO Receipts account or Expensed Item Receipts account for the item cost and the quantity invoiced.

The PO Receipts account is defined in multiple programs. The system searches for an account in the following order and uses the first one it finds:

1. Supplier Domain Settings for a specific supplier.
2. Purchasing Accounts. In this case, the system searches for a complete match, and then for the product line or site only.
3. Product Lines.

This posting (without taxes) is as follows:

Account	Debit	Credit
Inventory	120.00	
PO Receipts		120.00

The system creates a preliminary supplier invoice posting for all supplier invoices. This posting updates the Supplier Control and Unmatched Invoices accounts:

Account	Debit	Credit
Unmatched Invoices	120.00	
Supplier Control		120.00

When the invoice is matched and variances are generated, the system creates a matching posting, which updates the Unmatched Invoices account, and the PO Receipts and variance accounts:

Account	Debit	Credit
PO Receipts and Variances	120.00	
Unmatched Invoices		120.00

See Sample Matching Postings on page 6160 for examples of the receipt and variance accounts typically used in the matching process.

For the most direct type of matching, you create a single supplier invoice and process it for matching. You then retrieve the corresponding purchase orders. You use the matching grid to match the costs, quantities, and non-recoverable taxes.

Cross-Company Postings

Cross-company control accounts are defined for each domain, with a separate account for AP, AR, inventory, fixed assets, and journal entry transactions. You can match receipts created in one entity against invoices created in another within the same domain. During the matching process, the system uses the AP cross-company control accounts and the intercompany code for the business relation of each entity involved in the transaction. See Intercompany and Cross-Company Transactions on page 5879.

Partial Matching

When you receive a large delivery of goods recorded on a single purchase order, you may complete payment of the whole order with a series of supplier invoices. In this case, you match the entire invoice amount against part of the purchase order amount, leaving the outstanding order amount open for matching against subsequent invoices. The system lets you partially match in this way; you can save and close the matching.

Partial matching generates a posting for only the amount of the purchase order that has been invoiced. The amount is calculated as:

*Quantity Invoiced * Purchase Order Price*

Variances

The following types of variance can be generated during the matching process:

Rate variance

This variance arises when the invoice price is different from the PO price. The variance amount is calculated as follows:

*(Invoice Unit Cost – PO Unit Cost) * Invoice Quantity*

Usage variance

A usage variance arises when the invoice quantity is different from the PO receipt quantity. This amount is calculated as follows:

*(Invoice Quantity – PO Receipt Quantity) * PO Unit Cost*

Exchange rate gain or loss

This variance is calculated when payments are generated involving multiple currencies. This variance is normally posted to the system Unrealized Exchange Gain or Loss account. See Foreign Currency PO Receipts on page 6138.

The system automatically calculates variance amounts when you enter amounts in the matching grid. When the matching is saved, the system generates variance postings. The Use GL Var Account field in **Receiver Matchings** controls whether or not variances are posted to variance accounts (the default) when average costing is used. If you clear the Use GL Var Account field when using average costing and if there is a variance, the system posts the variance to an inventory account and creates a cost update transaction to update the item cost. However, if the Use GL Var Account field is selected, the variance is posted to the AP rate variance account as normal.

The **Matching Variances** report lists the variance details that result from the matching process.

Adverse variances occur when the amount on the supplier invoice is greater than that of the original purchase order, and you have effectively been overcharged. You may want to withhold payment of this additional amount, and the system automatically places this variance amount on hold. This is displayed in the TC Hold Amount field on the supplier invoice. Whether the whole invoice amount goes on hold or just the variance is dependent on a setting in Financials Control on page 6338.

Cost Updates

The system uses cost sets and costing methods to maintain item costs. Cost sets are collections of cost data and are applied per site. Cost methods determine how the cost data is calculated.

Matching variances affect the quantities and prices of items per site. The system automatically updates item costs in the following ways:

- When the GL cost set of a receiving site uses the average costing method, the matching process can update average costs for the items concerned at the receiving site.
- The system also updates current costs for the receiving site, as long as the current cost set for the site uses average cost or last cost as the costing method and the Current Cost from Accounts Payable field is selected in Inventory Control on page 2894. The Current Cost from Accounts Payable field determines if the current material cost of the

item is updated by rate variances calculated as a result of receiver matching.

When average costing is enabled, you can choose to update item costs based on the results of the matching or decide not to update them. A price variance may be due to overcharging—in this case you do not want to update the original item cost. It also can result from a genuine change in cost—in this case the item cost should be updated. To enable cost updates, do not select the Use GL Var Account field on the Matching Lines panel. When selected, a GL Variance account and not an Inventory account is updated by the matching postings, and inventory costings are not affected by the matching.

Item costs are only updated when the matching is completed and saved with a Finished status.

Intrastat Updates

The adjustments you make on the receiver lines also update Intrastat history. Intrastat provides data collection and reporting for EU member countries using sales or purchasing activity.

Foreign Currency PO Receipts

When you match foreign currency invoices against foreign currency receivers, the system considers exchange rate fluctuation between the point at which goods are received (or the receipt is generated) and the point at which the supplier invoice is processed.

Normally, exchange gains or losses calculated at this point are posted to the Unrealized Exchange Loss or Unrealized Exchange Gain accounts.

You can also use the Purchase Gain & Loss Accounts panel in **Base Control** to define separate gain or loss accounts to be used during receiver matching for different currencies, or different combinations of currencies and product lines.

The system checks **Base Control** for the combination of currency and product line first, and uses that, if available. If the combination of currency and product line is not available, the system checks for the currency alone, and if the currency is not available, the system uses the Unrealized Gain or Loss account.

This means that a number of different GL accounts can be used on the same invoice for exchange rate fluctuations, depending on the currency of the invoice, the different product lines of the items on receivers being matched, and the records existing in **Base Control**.

Tax Calculation During Matching

The point at which you apply tax for purchased goods is determined by accounting and legal regulations. In some countries, a company is taxed when it receives goods; in others, when it receives the supplier invoice. Tax-point timing is especially critical in countries with recoverable

taxes on purchases. Usually, recoverable taxes on purchases cannot be deducted against tax collected on sales until the supplier invoice is formally processed.

The setting of Accrue Tax at Receipt on the Tax Details panel in Tax Rates on page 6521 for the tax rate specified determines when postings are created for tax amounts due on purchased goods. When this field is selected, the system generates tax postings when the PO receipt is recorded. Otherwise, tax postings are generated when the supplier invoice is processed.

Variances in tax rates between receipt and invoice are unusual. However, in countries in which tax rates change frequently, the original tax rate applied at receipt may not still be accurate when the invoice is presented for matching and payment.

When you retrieve receivers for matching, the system displays the following tax fields for each receiver line in the matching grid:

- Taxable
- Tax Class
- Tax Usage
- Tax Environment

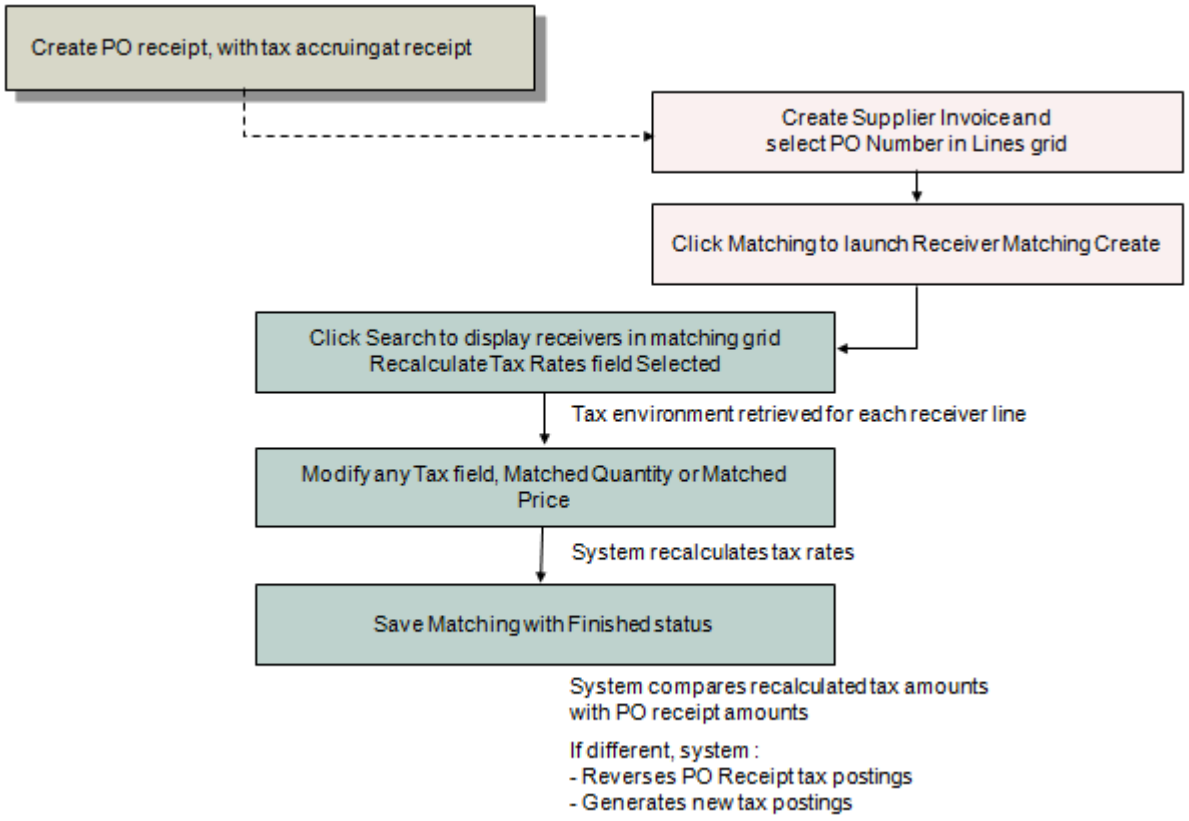
The system applies a Tax Environment to each receiver line, which can be modified if necessary. The tax environment defaults from the purchase order tax details. The Taxable, Tax Class, and Tax Usage fields default from the purchase order.

Each of these fields is editable, and when a tax environment, class, or usage is obviously not correct at matching stage, you can click the lookup to select a different value. The Taxable field can be selected or cleared to apply taxes to the receiver amounts as required.

The Recalculate Tax Rates field in **Receiver Matchings** controls whether the tax rates originally applied to the purchase order are applied to the receiver totals, or whether the tax rate for each receiver line is recalculated at this stage. This field defaults from the value set in Financials Control on page 6338 and, when selected, ensures that the most current tax rate is retrieved automatically for all matching lines, even if none of the tax parameters, such as the environment, class, or usage, have changed. If you change any of these values on a matching line, the tax rate is recalculated anyway.

The recalculation takes place when you click Search to retrieve receivers for the invoice, and the system applies the updated rate to the matching amounts. The tax point date and exchange rate to be applied to the matching are retrieved from the supplier invoice.

Note Tax amounts are also updated by a change to the matched quantity or price. In this case, the tax amounts are adjusted to allow for the variance, without recalculating the tax rate.



Note When Update Tax Allowed is selected in Tax Rates on page 6521, you can also adjust the tax amounts on the receiver line manually.

Selecting the Recalculate Tax Rates field in the Search grid ensures that the system recalculates the tax rates for all receiver lines. This option is recommended for environments in which tax rates regularly change. However, if the field is permanently selected, the system recalculates taxes in every matching session, which may not be necessary and can impact performance.

If you clear the Recalculate Tax Rates field, you can modify tax rates for individual lines by selecting a different environment, class, or usage within the line. If tax rates for purchased goods from regular suppliers are stable but an incorrect tax environment has been selected for a purchase order, you can apply the correct environment without affecting the rates being applied to other lines.

Reversing Tax Postings after Recalculation

Receiver matching postings, including tax postings, are not generated until the matching is saved with a Finished status.

When the matching is saved, and the system has recalculated tax rates for some or all receiver lines, the system compares the tax amounts at the recalculated rate with those of the original rate. If there is a discrepancy, the final matching postings contain:

- Reversal postings of the original tax postings
- Correcting postings for the matching amounts at the new tax rate

When you apply tax rates to PO receipts, you identify the percentages of tax that are recoverable and non-recoverable. For more information, see Types of Receiver on page 6142.

Recoverable taxes are posted to the AP tax account for the tax rate used on each receiver line. Non-recoverable tax amounts are posted to the AP Rate Variance account or, if average costing is enabled and you select the option in Receiver Matching, to the Inventory account for the item on the matching line. When tax postings are reversed, the final matching postings contain reversed postings and correcting postings for the new tax amounts to these recoverable and non-recoverable tax accounts.

GL Operational Allocation

Receiver Matching supports the use of operational GL allocations.

If you set up an operational allocation for several GL accounts and then specify the allocation code on a purchase order, Receiver Matching splits the posting lines across the GL accounts, sub-accounts, cost centers, and projects in the allocation code.

If you select the Use Expensed Item Variance Accounts field in Financials Control on page 6339, you can view the operational allocation in **Receiver Matchings**, but the allocation is not actually used in the matching process. This situation occurs because the system has already charged the expense to the allocation. The expense posting was created during PO Receipt, and was offset by the posting to the Expensed Item Receipts account and posted using Operational Transaction Post on page 3925. In **Receiver Matchings**, the main posting is to the Expensed Item Receipts account, and other accounts (other than tax accounts, the supplier control account, and the unmatched invoices account) are only used if there are usage or rate variances for the memo item purchase. If usage or rate variances occur, these are charged to the Expensed Item Usage Variance account or to the Expense Item Rate Variance account defined on the Domain Accounts panel of Base Control. on page 793

If you set the Use Expensed Item Variance Accounts field to No in Financials Control on page 6339, any usage or rate variances that arise from the matching of a memo item receipt are instead charged to the expense account defined on the purchase order line. If you specify an operational GL allocation instead of a GL account, the allocation is used in **Receiver Matchings**.

The Operational Allocation field in **Receiver Matchings** grid displays an operational allocation if one was specified on the purchase order for the memo item. For memo items only, you can also enter a new allocation, even if one was not used on the purchase order line.

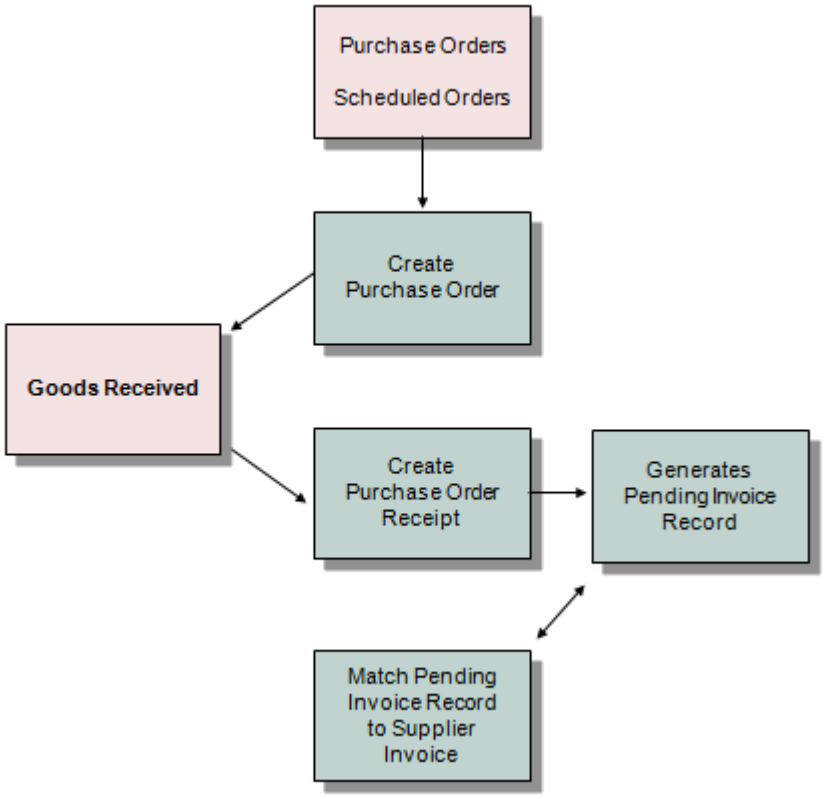
Types of Receiver

The system generates pending invoice records for purchase receipts in a number of different ways.

Standard Purchase Orders

The most common type of pending invoice is generated in the standard purchasing flow. Goods are ordered from suppliers using purchase orders or scheduled orders. When the goods are received into inventory, you create a purchase order receipt, which in turn generates a pending invoice record. You then match this record against supplier invoices.

The receipt of goods debits Inventory and credits PO Receipt accounts.



Only purchase orders for which a purchase order receipt has been created can be retrieved and matched.

Logistics Charges

Logistics charges are incurred when items are received into, shipped from, or moved between sites, and are payable to third-party suppliers. Types of logistics charges include freight charges paid to carriers, as well as insurance, duty, customs clearance, and handling charges. Logistics charge accruals are also referred to as pending invoices.

There are two types of logistics charges: inbound and outbound. Pending invoices for inbound logistics charges for purchased items are created automatically during purchase order receipts and shipments. Pending invoices for outbound logistics charges for items sold are created during shipment.

Terms of trade define the specific logistics charges associated with a purchase and whether the item supplier or the customer is responsible for payment. Logistics charges are not accrued when they are the responsibility of the item supplier, except for outbound charges, where your company is the supplier.

Separate sets of accounts can be used to track inbound and outbound logistics charges. Each logistics charge account is identified by an account code, an optional sub-account code, and an optional cost center code.

When you receive an invoice from the logistics supplier, you can match the invoice to the logistics charges pending invoices in the Search for Logistic Charges sub-panel in **Receiver Matchings**.

Inbound Logistics Charges

Inbound logistics charges are the transportation costs associated with purchasing items from external suppliers. The system then automatically creates a pending invoice for the charges during purchase receipts. During purchase receipts, the system determines which logistics charges to accrue based on the terms of trade assigned to the order supplier.

The system then creates pending invoice records and receivers for each purchase order line.

Outbound Logistics Charges

Outbound logistics charges arise from the transportation costs when you ship items to customers or to other company locations. Outbound logistics charges include the cost of freight only.

Normally, outbound logistics charges result from the sales order and distribution order processes, and accrue when the items are shipped. In order to accrue outbound logistics charges, you must first define freight charge data and freight terms, and then associate the freight terms with the customer.

When the system calculates freight terms, it takes into account the shipper, ship-from site, ship-to address, and shipment weight. For each shipment, a pending invoice is created for each logistics charge accrual.

Depending on the freight terms, outbound logistics charges can be paid by the supplier and recharged to the customer within the item price or as a trailer charge. They can also be paid by the customer directly to the carrier, insurer, customs, and so on.

If you are paying the logistics supplier and then passing the charge on to the customer, you can match the logistics invoice to the logistics charges pending invoices in the Search for Logistic Charges sub-panel in **Receiver Matchings**.

Tax

When pending invoices are created for the logistics charges, the system creates tax detail records and assigns unique tax transaction types to the logistics charge taxes.

For logistics charges, the Accrue Tax at Receipt field in **Tax Rates** determines when GL entries for taxes on both inbound and outbound logistics charges are created.

For inbound charges, taxes are calculated based on the tax class of the item supplier and the tax setting for the logistics charge in **Logistics Charge Codes**.

When determining the tax environment for inbound charges, the system uses:

- The ship-from tax zone of the logistics charge supplier, if available; otherwise, the tax zone of the purchase order line site.
- The ship-to tax zone from the purchase order line site.
- The tax class of the logistics charge supplier, if available; otherwise; the tax class of the purchase order line site.
- If the system cannot find a tax environment, the default tax environment from **Taxation Control** is used.

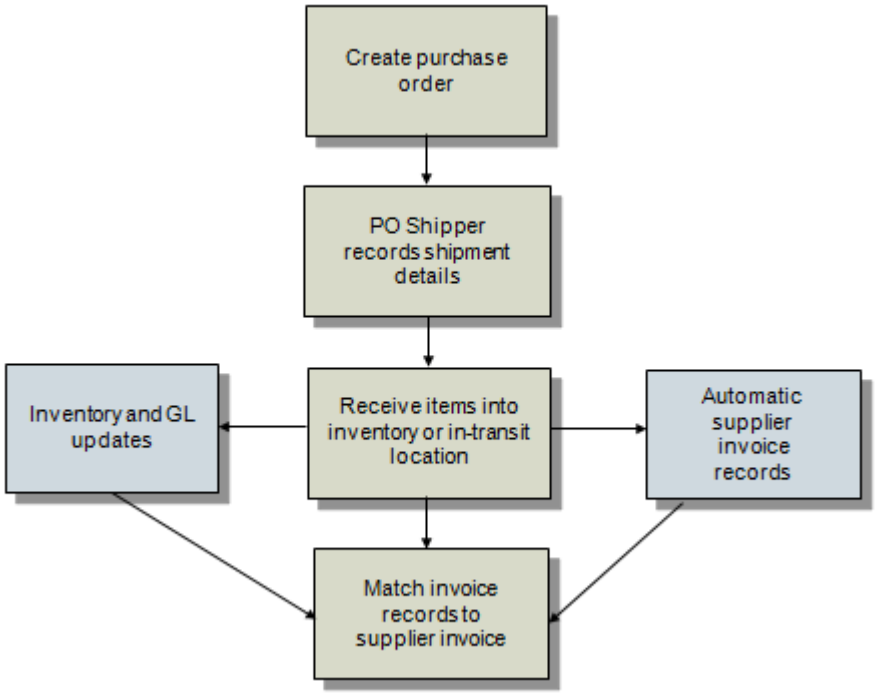
  Outbound logistics charges use the tax parameters on the trailer code associated with the freight charge on the order or shipment—they do not use the tax setup in **Logistics Charge Codes**.
  The calculation of taxes on outbound logistics charges is similar to the tax calculation that occurs for the associated order. Unique logistics charge tax transaction types are used. These tax transaction types can be used to distinguish the tax on the freight accrual from the standard transaction tax.
  For details on calculating taxes with Taxation, see Taxation on page 6486.

PO Shippers

A PO shipper is a special type of shipper that combines receipt and invoice information in one document. These are typically used when liability for purchased goods is incurred when goods are shipped, rather than when they are received.

In this case, you receive the goods into an in-transit location, even though you do not physically have the items yet. You create the receipt based on the invoice you received from your supplier, and specify the supplier invoice number as an external reference. This creates pending invoice records. You can then match these in Receiver Matching by referencing the supplier's invoice number. This matching process is a confirmation only. You cannot modify the prices or quantities for PO shippers.

Taxes on PO shippers are calculated on the item and product line purchased.



Managing the Matching Process

To complete the matching process successfully, you must match the full amount of the invoice to the receiver amounts.

For standard invoices, the invoice postings are generated and the sub-ledger updated when the invoice is saved. For this reason, you cannot adjust the invoice amount when matching, but instead must account for any difference between receivers and invoice by adjusting the matched

amount to equal the invoice amount, using manual posting if necessary. This flow is described in Matching Standard Invoices to Receivers on page 6149.

The alternative to matching receivers against posted invoices is to perform the invoicing and matching in one process, and determine the final invoice amount and final postings once the matching is complete. You can use supplier initial invoices to synchronize the process in this way. Supplier initial invoices are saved without postings. The initial invoice can be created, linked to PO numbers, and matched in one movement, and the invoice total can be adjusted to equal the matched amount before matching is completed. This flow is described in Matching Initial Invoices to Receivers on page 6150.

Tax, Sales Invoice, and Matching postings are generated at different stages of the matching flow for standard and initial invoices.

Action	Screen	Standard Invoice Postings and Tabs	Initial Invoice Postings and Tabs
Save or click Matching button	Invoice	SI posting generated	No postings generated
Cancel Matching	Receiver Matching	No matching postings generated	No postings generated
Save matching as Initial	Receiver Matching	No postings generated.	No postings generated
Save matching as Finished	Receiver Matching	Matching posting generated	Matching, SI, and Tax postings generated
		Matching Tab updated	Matching, SI, and Tax tabs updated
		Invoice amounts allocated	Invoice amounts allocated

Receiver Matching Restrictions

You can only match invoices and receivers that have been created within the same domain, and can only include purchase orders in a matching process that have the same currency as the supplier invoice.

You can match receivers with invoices that have been generated for different suppliers, with the following restrictions:

- Invoices must not have been previously matched against receivers. You must match the total amounts on each invoice completely, and once the matching is saved, you cannot re-use the invoice.
- Invoices must be designated for receiver matching. When creating the invoice, use an invoice status code with the Receiver Matching field selected. This enables matching in **Supplier Invoices**. For existing

invoices, you must change the invoice status code to one that has the Receiver Matching field selected.

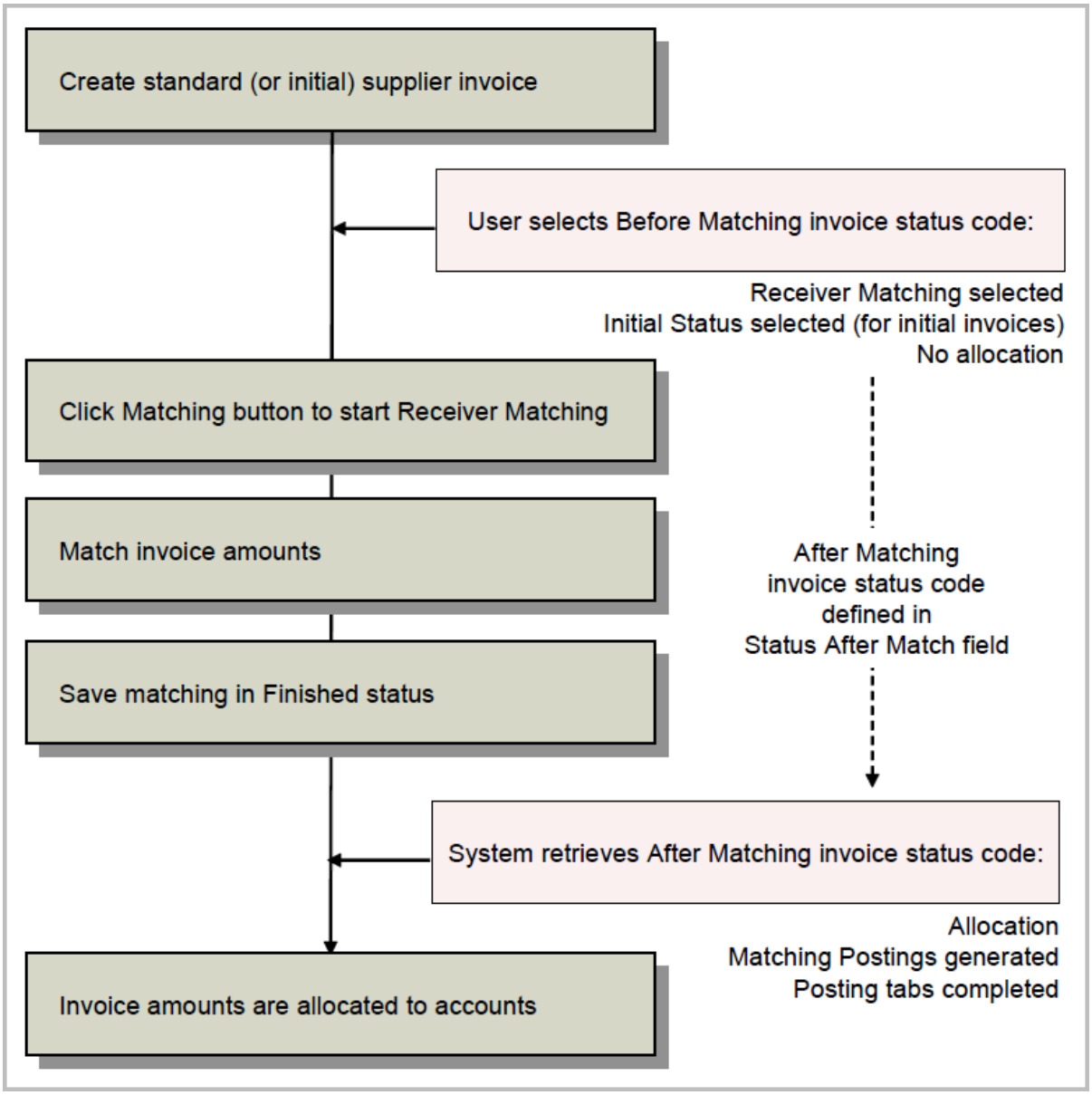
Using Invoice Status Codes

Both types of invoice go through matching and allocation stages before they are posted to the sub-ledger. When you intend to match an invoice, you must define an invoice status code for the invoice for both of these stages:

- A first status code that is defined to allow matching (Receiver Matching is selected), but does not allow allocation (No Allocation selected). You apply this status code to the invoice before matching. When no allocation is defined for the invoice, the GL Postings button is disabled and no matching postings are generated.
- A final status code that allows both receiver matching and allocation. This code is used in the **Receiver Matchings** screen, and ensures that the matching postings are generated and the matching amounts are allocated to accounts. The system automatically applies this status code to the invoice post-matching, and completes the postings on the Matching Detail panel.

You link these two codes by creating the first status code (before matching), and then selecting the final status code (after matching) as an attribute of the first. You make this selection in the Status After Match field in **Invoice Status**.

This link then ensures that when you select an invoice status code that allows matching but not allocation when creating the supplier invoice, the system automatically retrieves the linked post-matching code (which does allow allocation) when matching is complete and the invoice is posted.



For more information, see Invoice Status on page 5834.

Initial invoices use a status code that has the Initial Status field enabled. When you create an initial invoice that you intend to match, you must select an invoice status code for which both the Initial Status and Receiver Matching fields are selected. Once you select the Receiver Matching field, you are required to enter the status code to be used for matching postings and allocation in the Status After Match field. When the initial invoice is matched and the matching has a status of Finished, this final status code is retrieved to generate the final postings.

Selecting a status code for an invoice in which Receiver Matching has been enabled has two effects:

- The Matching button is enabled in **Supplier Invoices**. This lets you click Matching to go directly into the **Receiver Matchings** screen.
- This invoice is displayed when you browse for invoices to match through **Receiver Matchings**. The browse for invoices in **Receiver Matchings** displays only those invoices for which Receiver Matching has been enabled.

Matching Standard Invoices to Receivers

It is common practice in many European accounting environments to book invoices into the system immediately on receipt of the supplier's document, and to account for taxes immediately. The Unmatched Invoices account is used for these purposes.

Standard supplier invoices generate two sets of postings:

- Supplier invoice postings, which are displayed in the GL Postings screen, indicted by a Line Type of Supplier Invoice Posting.
- Matching postings, which are displayed in the GL Postings screen, indicated by a Line Type of Matching Posting.

Note To enter the GL Postings screen, click the GL Postings button in the Invoice Lines panel.

When you create a standard invoice for matching, the system creates invoice postings to the supplier control and Unmatched Invoices accounts (and tax accounts, if tax is applied). These are displayed in the GL Postings screen once you have completed the key fields on the Main panel.

You can modify SI postings before saving the invoice, by changing the tax conditions or invoice amount on the Main panel, but once you save the invoice, these postings are booked to the official layer and cannot be modified. The receiver amounts must then equal the total of the invoice amounts posted. for more information, see GL Postings Button on page 6099.

Current invoice SI postings are also booked to the official layer when you click the Matching button to begin matching. Matching postings are generated and the tab completed only when you have saved the matching with a status of Finished.

The Update Invoice option in **Receiver Matchings** allows you to apply any changes you have made to the invoice. In addition, **Supplier Invoices** remains open when you start matching an invoice, and you can then select Close to go back and examine the GL Postings screen.

Note You must use a receiver matching-enabled invoice status code when creating a standard invoice that is to be matched. The receiver matching attribute ensures that matching postings are not generated until matching is complete.

Standard Invoices and Taxes

Taxes on received goods are accrued either when the receipt is booked or when the invoice is created. When you accrue tax at receipt, tax amounts are included in the receiver amounts to be matched against the invoice total. See Tax Calculation During Matching on page 6138. Taxes accrued at invoice are not included in the total invoice amount to be matched against receivers.

When the matching amount, including taxes accrued at receipt, does not equal the invoice total, you can use manual posting to offset the difference. However, when a difference between matching amount and invoice amount is caused by a user error, you have the following options:

The matching clerk has made a mistake in entering the matching amounts.

Receiver matching can be saved with a status of Initial, which does not complete the matching postings, and which lets you review the matching amounts before completing the process.

The AP clerk has entered the wrong amount on the original invoice.

If the amount was incorrectly entered by your AP department, you can use the Reverse action in **Supplier Invoices** to reverse the invoice postings, as well as any linked matching postings, and the Replace action to replace this invoice with a corrected version. The Reverse and Replace actions allow you to retain the financial and tax data of the original invoice. When you have multiple lines on an invoice of which only one is incorrect, you can therefore use Reverse and Replace to copy the original invoice, correct the invalid line, and post the replacement, without the need to re-enter every line and detail. The Reverse and Replace actions also let you reverse matching postings linked to an incorrect invoice, and so to begin matching again with the correct version. For more information, see Reversing and Replacing Supplier Invoices on page 6127.

The supplier submitted an invoice for the wrong amount.

In cases where the matching amount is correct, but the invoice amount on the original supplier document was obviously incorrect, you process the receiver matching for the amount stated on the invoice, recording a rate variance, and then request a credit note from the supplier to offset this variance.

Matching Initial Invoices to Receivers

This flow lets you create an invoice from the incoming supplier document and match it before generating postings and updating the sub-ledger. The matching and invoicing processes are synchronized, and you build the final invoice total from the matching and tax totals on the receiver lines, if necessary adjusting the invoice total to account for differences generated in the matching.

Initial invoices retain supplier, tax (if applied at invoice), and financial information but do not generate tax, SI, or Matching postings, and both the SI and Matching Posting tabs on initial invoices are unavailable. Instead, all postings for initial invoices are generated when the matching is saved as Finished.

Like standard invoices, you can select initial invoices and PO receipts in **Receiver Matchings**. Alternatively, you can initiate matching directly from **Supplier Invoices**, by entering the invoice details, selecting PO numbers with which to match the invoice amount, and clicking Matching to launch **Receiver Matchings**.

The process for initial invoices is interactive between matching screen and invoice window:

- When the matching amounts are different from the initial invoice amount, the system displays a warning when you click to save the matching. You have the option to update the invoice amount to match the matching amount by clicking the Update Invoice button. The postings amounts are updated as soon as the matching is saved in Finished status. You can then view the updated GL Postings screen from the Invoice Lines panel.

  Note Like standard invoices, you cannot save an initial invoice with a Finished status unless the invoice amount is matched.

You can use role-based security to segregate the duties in the matching process. For example, you can assign the following functions to separate roles:

- Creating and saving the initial invoice
- Performing the matching

Initial Invoices and Taxes

Taxes on initial invoices are resolved at the receiver matching stage, when the tax amounts generated by the matching postings update the invoice tax or when the invoice status code is changed to one that does not have the Initial status.

You normally detect an error in the matching or in the invoice amount when you have matched and the system displays a difference.

Differences between initial invoice matching and To Match amounts caused by user error can be handled in the following ways:

The matching clerk has made a mistake in entering the matching amounts.

Receiver matching can be saved with a status of Initial, which lets you review the matching amounts before completing the process.

The AP clerk has entered the wrong amount on the original invoice.

When the matching and invoice totals do not agree, the system displays a warning if the matching is in Initial status, or an error if the matching is in Finished status. When in Initial status, you can update the invoice amount and save the matching. When in Finished status, you can update the invoice amount using the matched amounts, and then try to save again. If both amounts match, the matching can be saved.

The supplier submitted an invoice for the wrong amount.

If your local accounting practices permit, you can delete initial invoices with no effect on accounts, and can simply request a correct invoice from your supplier.

Matching Logistics Supplier Invoices to Pending Invoices

Like standard invoices, you can select initial invoices from logistics suppliers and the PO receipts and sales order shipments that generated the logistics charges in **Receiver Matchings**. Alternatively, you can initiate matching directly from **Supplier Invoices**, by entering the invoice details and clicking Matching to launch **Receiver Matchings**.

A single pending invoice for logistics charges can have many underlying pending invoice detail records—one for every charge on every item on the order. Therefore, if a PO receipt was for two items, and logistics charges were accrued for both freight and duty, the pending invoice would have four pending invoice detail records.

When you click Search in the filter frame of the Search for Logistic Charges panel, a pop-up window with a grid opens with a line for every matching pending invoice, without the underlying details. You can then update the matched amount for the logistics charges if the logistics supplier invoice differed from the charges accrued. Any difference between the matched amount and the accrued amount is pro-rated between the matching records created for every underlying pending invoice detail record.

When the difference is zero between the pending invoice and the logistics supplier invoice, you can save the receiver matching.

Note A pending invoice can be matched with more than one invoice.

Starting Receiver Matching

For both standard and initial invoices, you can begin the matching process through **Supplier Invoices** by selecting the appropriate Purchase Orders, Invoice Posting Description, Description, and Reference in the Main panel, and then clicking the Matching button to launch **Receiver Matchings**. This flow links the invoice directly to the selected Purchase Order receipts, and displays the receivers immediately in the Matching Detail panel in **Receiver Matchings** when you click the Search button.

You can alternatively select **Receiver Matchings**, and select invoices and Purchase Order receipts separately. The invoice and receiver must be of the same currency. Use this option for either single or multiple purchase orders from all suppliers. The main reason for starting the matching from **Receiver Matchings**, rather that from the supplier invoice, is for segregation of duties purposes. However, you could also use this option for random or monthly matching cycles.

You must have security permissions for both invoice creation and for matching to complete the process in one session. Depending on your security needs, you can assign these activities to separate roles to ensure that creating the invoice and matching it are not completed by the same user.

Receiver Matchings

Receiver Matchings enables you to retrieve pending invoices associated with a purchase order so that you can record invoice lines against them. If the invoiced items, quantities, and prices match the receiver, the receiver is closed. To complete the matching process successfully, you must match the full amount of the invoice to the receiver amounts.

The most common type of pending invoice is generated in the standard purchasing flow. However, you can also match logistics charges incurred when items are received into, shipped from, or moved between sites, and are payable to third-party suppliers. Pending invoices for inbound logistics charges for purchased items are created automatically during purchase order receipts and shipments. Pending invoices for outbound logistics charges for items sold are created during shipment. When you receive an invoice from the logistics supplier, you can match the invoice to the logistics charges pending invoices.

When the invoiced quantities and prices are different, the system displays a discrepancy. For example, the supplier may have invoiced you at the wrong price or you may not have received all the items that were invoiced. This kind of discrepancy is called a variance, and the system generates a variance posting for the outstanding amount when you complete and save the matching.

You must match the whole amount of the invoice against the receipt amounts. When a variance occurs in the matching, the open amount to be compared against the invoice amount is adjusted accordingly. The invoice and receiver must be of the same currency.

You can delete matchings, but only those that are in the Initial status. When you save a receiver matching with the Initial status, you do not generate matching postings and can modify the matching at a later stage. You cannot modify a receiver matching record that has a status of Finished.

The Drill-Down Links on the Side Bar enable you to view Supplier Invoice Activity. You can also open Supplier Invoice Extended View and Receiver Matching Lines. From Receiver Matching Lines, you can open Inventory Transactions.

The Manual Posting button lets you balance the total amount on an invoice when the matching process results in an outstanding amount. Use Manual Posting to account for freight or other charges that arise from the purchase of the goods, but are not detailed on the purchase order. The Manual Posting button is enabled when there is a difference between the To Match and Matching amounts on the matching grid. Click Manual Posting to display Journal Entries on page 5856, where you can add a posting line and specify an account, sub-account, and cost center to which to post the difference.

Click the Update Invoice button to update the amount of the invoice with the results of the matching. This button is available when the matching results in a difference between receiver and invoice amounts, and for matchings that have been saved in Initial status. The Update Invoice option is only available for initial invoices.

Segregation of Duties

For both standard and initial invoices, you can begin the matching process through Supplier Invoices on page 6087 by selecting the appropriate PO numbers and clicking Matching. This flow links the invoice directly to the selected PO receipts, and displays the receivers immediately in the matching lines grid of **Receiver Matchings**.

Alternatively, you can open **Receiver Matchings**, and select invoices and PO receipts separately. The invoice and receiver must be of the same currency. Use this option for either single or multiple purchase orders from all suppliers. The main reason for starting the matching from **Receiver Matchings**, rather that from the supplier invoice, is for segregation of duties purposes. However, you could also use this option for random or monthly matching cycles.

You must have security permissions for both invoice creation and for matching to complete the process in one session. Depending on your security needs, you can assign these activities to separate roles to ensure that creating the invoice and matching it are not completed by the same user.

Main

Use this panel to complete the posting details for the receiver matching posting.

Posting Date

Specify a date for the matching posting. The default is the system date.

GL Calendar Year

This field defaults to the year of the posting date and is read-only.

Matching Daybook

Specify a daybook for the matching entries. You must select a matching daybook. If only one matching daybook exists in the system, it defaults automatically.

Posting Voucher

The number defaults based on the matching daybook you select.

Year/Daybook/Voucher

Specify the invoice year, daybook, and number. These values default from the supplier invoice when you access **Receiver Matchings** from **Supplier Invoices.**

Registration Number

This field indicates the invoice registration number. This value defaults from the supplier invoice when you open **Receiver Matchings** from **Supplier Invoices**.

Invoice Reference

Enter a matching reference. This field is typically used to record the invoice number on the document received from the supplier. This value defaults from the supplier invoice when you open **Receiver Matchings** from **Supplier Invoices**.

Invoice Status

The system by default displays the invoice status code defined for the Status After Match field of the status code used on the invoice, when available.

Status

Specify a matching status.

- Initial. When you save the matching with an initial status, no postings are created and updates to current and average costs from variance adjustments are not completed.
- Finished. The Finished status updates costs and posts the matching to the official layer.

Invoice Type

This field indicates the type of invoice being matched: invoice, credit note, or correction.

Supplier

The system displays the supplier code defined on the selected invoice.

Business Relation

The system displays the business relation defined on the selected invoice.

Matching Lines

Search for Pending Invoices

Use these filter fields to retrieve purchase orders if you have not loaded the purchase order through **Supplier Invoices**. Click Search to apply the search criteria and display pending invoices in the matching grid.

To remove a line from the receiver matching, clear the Selected field and then click Clear. The line is removed from the Matching Details grid. If you click the Reset button, the filter fields are reset.

Orders

Click the lookup to select one or more purchase orders. You can also type the purchase orders in the field in a comma-separated list. You can only select purchase orders for which receipts have been recorded. Each pending invoice line is displayed individually so, if there are ten lines on an invoice, you will see that invoice ten times.

Transaction Date

Select transaction dates for the selected range of orders.

Transaction Detail Date

Specify the date that the receipt was processed. When the PO line is not consigned, the Transaction Date and the Transaction Detail Date are the same. When the PO line is consigned, you can have multiple usages for the same PO receipt. The Transaction Detail Date reflects the date of the usages, whereas the Transaction Date reflects only the date of the first usage for the PO line. In other words, you can have multiple usages for one purchase order receipt transaction.

External Reference

Select an external reference range for the selected range of orders. The external reference number is typically the supplier’s invoice number, carrier tracking number, bill of lading number, or packing slip number.

Internal Reference

Select an internal reference range for the selected range of orders. Internal references are used to track orders internally; for example, a receiver number.

Ship-To

Specify a range of ship-to address codes for the selected range of orders. The ship-to address is printed on the purchase order.

Item Number

Enter a range of item numbers for the selected range of orders.

Buyer

Enter a buyer for the selected range of orders.

Supplier

Enter a supplier code to display receipts for one specific supplier.

Approved By

Specify the code of the user who approved the original purchase requisition for selecting pending invoices to process.

Transaction Type

This field enables you to search for Purchase Order Receipt pending vouchers, Price Adjustment pending vouchers, or both. The default is blank (both).

Autoselect

Select this field if you want to automatically select all of the matching pending invoices in the grid for processing. You can then deselect any pending invoices that you do not want to include. Leave the field clear to display all matching pending invoices unselected. You must then select each pending invoice that you want to process. The value for Autoselect defaults from **Financials Control**.

Recalculate Tax Rates

This field defaults to the value set in **Financials Control**.

Use the grid to match the purchase order amounts and to make variance adjustments for taxes, quantities to be invoiced, and costs of items.

Note The columns you see in the grid depend on your configuration.

Search for Logistic Charges

Use this panel to match accrued logistic charges against supplier invoices. You can retrieve and match pending invoices for both inbound and outbound logistics charges.

The currency for the logistics charges you are trying to match is determined by the pending invoice created for those charges. Both the pending invoice and the matching invoice must always have the same currency.

Transaction Date

Specify a range of transaction dates for selecting pending invoices to match.

Transaction Detail Date

Specify the date that the receipt was processed. When the PO line is not consigned, the Transaction Date and the Transaction Detail Date are the same. When the PO line is consigned, you can have multiple usages for the same PO receipt. The Transaction Detail Date reflects the date of the usages, whereas the Transaction Date reflects only the date of the first usage for the PO line. In other words, you can have multiple usages for one purchase order receipt transaction.

External Reference

Specify a range of external reference numbers for selecting pending invoices to match.

For inbound logistics charges, the reference is generally the packing slip number from the Purchase Order receipt.

For outbound logistics charges where sales order shippers are used, the Carrier Reference ID is the external ID for the logistics charge pending invoice. If you are not using shippers, the bill of lading is the external reference number.

Internal Reference

Specify a range of internal reference numbers for selecting pending invoices to match.

For inbound logistics charges, the internal reference is the receiver number from the Purchase Order receipt.

For outbound logistics charges, the internal reference is the shipment ID, which is determined using the Sales Order Shipment Sequence and Distribution Order Shipment Sequence fields in **Logistics Control**. These two Sequence IDs are defined in **Number Ranges**.

Ship-To

Specify a range of ship-to address codes for selecting pending invoices to match. The ship-to address is printed on the purchase order.

Ship-From

Specify a range of ship-from address codes for selecting pending invoices to match.

Order

Specify a range of order codes for selecting pending invoices to match.

Logistic Charge

Specify a logistics charge code to select associated pending invoices to match.

Include Blank Suppliers

Select the field to include logistics charges that do not reference a logistics supplier. This field is enabled using the Match Blank Suppliers field in **Logistics Control**.

When Match Blank Suppliers is selected in **Logistics Control**, you can indicate whether to display pending invoices with blank supplier fields. Otherwise, only pending invoices for the specified supplier are displayed. When Match Blank Suppliers is not selected, the Include Blank Suppliers field is not available.

Autoselect

Select the checkbox in this field if you want to automatically select all of the matching logistic charges in the grid for processing. You can then deselect any logistic charges that you do not want to include. Leave the field clear to display all matching logistic charges unselected. You must then select each logistic charge that you want to process. The value for Autoselect defaults from **Financials Control**.

Recalculate Tax Rates

This field defaults to the value set in **Financials Control**.

Use the grid to match the purchase order amounts and to make variance adjustments for taxes, quantities to be invoiced, and costs of items. Select the logistic charge lines that you want to use for receiver matching.

Note The columns you see in the grid depend on your configuration.

When you have defined selection criteria and click Search, the grid fills with a line for every matching pending invoice header. If there has been a price variance between the charges accrued and the amount invoiced, you can enter a new matching amount. If you update the matching amount for a line and select Update Invoice, the system then pro-rates the price difference among all underlying detail lines for the pending invoice header, based on the amount that each detail line originally accrued.

Search for Logistics Charges, Grid

All fields in the grid are read-only, except the Sel field, which is used to select and deselect lines, and the TC Matched Amount and the Finished fields.

Select the checkbox in the Sel field to indicate that the corresponding line matches the search criteria you have entered. When you select the Sel field, the TC Matched Amount field is populated with the open amount. If you leave the Sel field cleared, the TC Matched Amount field is set to zero.

Matching Detail

This read-only panel displays the receiver amounts, the invoice amounts to be matched, and the difference between the two, and displays the following:

- Amounts without taxes
- Recoverable and non-recoverable taxes accrued at receipt usage
- Recoverable and non-recoverable taxes accrued at invoice
- Manual posting amounts (if any)
- Totals

Select Update Invoice to apply the changes that you have made to the invoice.

Sample Matching Postings

The following examples show the postings generated by applying different types of variance when matching the receiver amounts, and list the accounts used in the matching postings. All examples assume the transactions are in base currency.

PO for Inventory Item with Tax Accrued at Receipt

In this example, you purchase a quantity of 3 of item A, which has a standard cost of USD $20. Tax is accrued at receipt, and is charged at 20%, with 25% of the tax non-recoverable. You are invoiced for 1 delivered item at USD $20. The matching is saved with a status of Initial, and no usage variances are calculated.

Receipt Postings

Account	Debit	Credit
Inventory	60.00	
Tax (for recoverable)	9.00	
PO Price Variance account (for non-recoverable)	3.00	
PO Receipts		72.00
Total	72.00	72.00

The recoverable tax amount is calculated as:

*Price * Quantity *% Tax * (% Recoverable / 100)*

The non-recoverable tax amount is calculated as:

*Price * Quantity *% Tax * (% Non-Recoverable / 100)*

Invoice Postings

Account	Debit	Credit
Unmatched Invoices	24.00	
Supplier Control		24.00
Total	24.00	24.00

The debit amounts are calculated as follows:

*Price Invoiced * Quantity Invoiced * (% Tax + 100)*

Matching Postings

Account	Debit	Credit
PO Receipts	24.00	
Unmatched Invoices		24.00
Total	24.00	24.00

PO for Inventory Item with Rate Variance

In this example, you purchase a quantity of 3 of item A, which has a standard cost of $20. Tax is accrued at receipt and is charged at 20%, with 25% of the tax non-recoverable. You are invoiced for 1 delivered item at $30. The matching is saved with a status of Initial, and no usage variances are calculated.

Receipt Postings

Account	Debit	Credit
Inventory	60.00	
Tax (for recoverable tax)	9.00	
PO Price Variance (for non-recoverable)	3.00	
PO Receipts		72.00
Total	72.00	72.00

Invoice Postings

Account	Debit	Credit
Unmatched Invoices	36.00	
Supplier Control		36.00
Total	36.00	36.00

Again, the debit amounts are calculated as:

*Invoice Price * Quantity Invoiced * (% Tax + 100)*

Matching Postings

Account	Debit	Credit
Unmatched Invoices		36.00
PO Receipts	24.00	
AP Rate Variance	10.00	
Tax (for recoverable tax)	1.50	
AP Rate Variance (for non-recoverable tax)	0.50	
Total	36.00	36.00

The rate variance posting is calculated as:

Invoice Price – Receipt Price

The recoverable tax is calculated as:

*(Invoice Price – Receipt Price) *% Tax * (% Recoverable / 100)*

The non-recoverable tax is calculated as:

*(Invoice Price – Receipt Price) *% Tax * (% Non-Recoverable / 100)*

PO for Inventory Item with Rate and Usage Variance

In this example, you purchase a quantity of 3 of item A, which has a standard cost of $20. Tax is accrued at receipt and is charged at 20%, with 75% of the tax recoverable. You are invoiced for 1 delivered item at $30. The matching is saved with a status of Finished, which generates usage variances.

Receipt Postings

Account	Debit	Credit
Inventory	60.00	
Tax (for recoverable)	9.00	
PO Price Variance (for non-recoverable tax)	3.00	
PO Receipts		72.00
Total	72.00	72.00

Invoice Postings

Account	Debit	Credit
Unmatched Invoices	36.00	
Supplier Control		36.00
Total	36.00	36.00

Matching Postings

Account	Debit	Credit
Unmatched Invoices		36.00
PO Receipts	72.00	
AP Rate Variance	10.00	
AP Rate Variance	0.50	
PO Price Variance (for non-recoverable tax)	1.00	
Usage Variance		40.00
Tax (for recoverable tax on variance)		9.00
PO Price Variance (for non-recoverable tax on variance)		3.00
AP Tax Recoverable	4.50	
Total	88.00	88.00

The usage variance posting is calculated as:

*(Quantity Ordered – Quantity Received) * Receipt Price*

The recoverable tax on the usage variance is calculated as:

*(Quantity Ordered – Quantity Received) * Receipt Price *% Tax * (% Recoverable / 100)*

The non-recoverable tax is calculated as:

*(Quantity Ordered – Quantity Received) * Receipt Price *% Tax * (% Non-Recoverable / 100)*

PO for Inventory Item with Tax Rate Change

In this example, you purchase a quantity of 10 of item A, which has a standard cost of $100. Tax is accrued at receipt and is charged at 20%, of which 80% is recoverable. The tax account used for recoverable tax for the receipt postings is 10200. The full quantity of 10 is received.

You are invoiced for 1 item at $150, giving a price variance. The tax rate used at receipt has expired and a new rate is selected on the receiver line. The new rate retains the account settings of the previous rate, and recoverable tax is posted to a different tax account, 10202.

You select the new tax rate on the receiver line. The new rate is 21%, of which again 80% is recoverable. The system recalculates the tax amounts and there is a difference between receipt amounts and amounts due at invoice, which means the original tax postings are reversed for the amounts received.

Receipt Postings

Account	Debit	Credit
Inventory	1000.00	
Tax (for recoverable)	160.00	
PO Price Variance (for non-recoverable)	40.00	
PO Receipts		1200.00
Total	1200.00	1200.00

The recoverable tax amount is calculated as:

*Price * Quantity *% Tax * (% Recoverable / 100)*

The non-recoverable tax amount is calculated as:

*Price * Quantity *% Tax * (% Non-Recoverable / 100)*

Invoice Postings

Account	Debit	Credit
Unmatched Invoices	181.50	
Supplier Control		181.50
Total	181.50	181.50

One item has been invoiced at a price of $150 at 21%. The debit amounts are calculated as follows:

*Price Invoiced * Quantity Invoiced * (% Tax + 100)*

Matching Postings

The matching postings include:

- A credit to the Unmatched Invoices account for the invoice amount.

- The reversal of the recoverable and non-recoverable tax postings for the quantity invoiced. In this case, 10% of the tax postings are reversed.
- New recoverable and non-recoverable tax postings for the quantity received at the new tax rate of 21%.
- A debit of the AP Rate Variance account for the price variance of $50.
- A debit of the PO Receipts account for the quantity invoiced.

Account	Debit	Credit
Unmatched Invoices		181.50
AP Tax Recoverable (at old rate of 20%, 80% recoverable)		160.00
Purchase Price Variance		40.00
Purchase Price Variance	4.20	
AP Tax Recoverable (Recoverable Tax at new rate of 21%, 80% recoverable)	25.20	
AP Rate Variance	2.10	
AP Rate Variance	50.00	
AP Usage Variance		900.00
PO Receipts	1200.00	
Total	1281.50	1281.50

Matching Accrued Duty and Freight for a PO Receipt

10 units of Item A at 15 USD per unit are purchased from a single supplier, WorldGoods, and shipped to your company. The cost for these items consists of the unit cost from the item supplier and the cost to ship each item.

Duty charges for Item A are accrued at a rate of 2 USD per unit and freight charges are accrued at a rate of 1 USD per unit. The freight company, FreightLine, carried the goods and sends an invoice for the freight costs.

Tax on the accrued charges is 12%.

Receipt Postings

When the items were received from WorldGoods, the PO order generated postings to inventory, inbound accrual accounts, and tax postings.

Account	Debit	Credit
Inventory	150.00	
PO Receipts		150.00
AP Tax	18.00	
PO Receipts		18.00
Inventory	20.00	
Accrued Duty		20.00
Inventory	10.00	
Accrued Freight		10.00
AP Tax	2.40	
Accrued Duty		2.40
AP Tax	1.20	
Accrued Freight		1.20

Invoice Postings (Item Supplier)

The following postings were generated when the invoice from the item supplier (WorldGoods) was recorded in Supplier Invoice Create:

Account	Debit	Credit
AP		168.00
Unmatched Invoices	168.00	
Total	168.00	168.00

Invoice Postings (Logistics Supplier)

FreightLine sends an invoice for 67.20 USD in freight costs, and this invoice is recorded separately in Supplier Invoice Create.

Account	Debit	Credit
AP		67.20
Unmatched Invoices	67.20	
Total	67.20	67.20

Item Supplier Matching Postings

When the invoice for the items (from WorldGoods) was matched in Receiver Matching, the following matching postings were generated. The postings include a credit to the Unmatched Invoices account for the invoice amount for the items.

Account	Debit	Credit
AP	168.00	
Unmatched Invoices		168.00
Total	168.00	168.00

Logistics Supplier Matching Postings

The invoice for the logistics supplier (FreightLine) shows that duty was charged at 20 USD above the accrued charge and freight was charged at 10 USD above the accrued charges. Therefore, the matching prices for freight and duty are updated in the Receiver Matching logistics charge pop-up window and the variances are recorded.

- In Receiver Matching Create, accrued duty is recorded as 22.40 USD, the accrued value plus 12% tax.
- When the duty variance of 20 USD is added, postings are made for the tax on the updated duty amount 12% of 10 USD = 4.80 USD, and the original tax amount of 2.40 is then netted out.
- Accrued freight is recorded as 11.20 USD, the accrued value plus 12% tax.
- When the freight variance of 10 USD is added, postings are made for the tax on the updated freight amount 12% of 20 USD = 2.40 USD, and the original tax amount of 1.20 USD is then netted out.

Account	Debit	Credit
Accrued Duty	22.40	
Duty Variance	20.00	
AP Tax (tax on duty, including variance amount)	4.80	
AP Tax (original duty amount, before the variance)		2.40
Accrued Freight	11.20	
Freight Variance	10.00	
AP Tax (tax on freight, including variance amount)	2.40	
AP Tax (original freight amount, before the variance)		1.20
Unmatched Invoices		67.20
Total	70.80	70.80

Matching an Accrued Freight Pending Invoice

A company sells goods costing 8000 USD to a customer. When the goods are shipped, the accrued logistics charge for freight duty is 4620 USD plus 12% tax. A third-party carrier delivers the items and sends the company a supplier invoice for the associated freight charges. You pay the invoice in the interim, but the charges are passed on to the customer in a trailer code.

Shipment Postings

When the order is shipped, the following postings are recorded:

Account	Debit	Credit
Cost of Goods Sold	8000.00	
Inventory		8000.00

Invoice Postings (Customer Invoice for Items Sold)

The customer invoice is generated using Invoice Post and Print. The customer is invoiced for both the cost of the goods and the cost of freight.

Account	Debit	Credit
Sales		8000.00
AR	14134.40	
Freight Revenue		4620.00
Sales Tax Payable		1514.40
Total	14134.40	14134.40

Invoice Postings (Logistics Supplier)

An invoice is received from the logistics supplier for 5174.40 USD and is recorded in the system.

Account	Debit	Credit
AP		5174.40
Unmatched Invoices	5174.40	
Total	5174.40	5174.40

Receiver Matching Postings

When the logistics supplier invoice is matched to the outbound logistics charges pending invoice, the matching postings include:

Account	Debit	Credit
SO Expense Account	4620.00	
SO Accrual Account		4620.00
AP Tax	554.40	
SO Accrual Account		554.40
Total	5174.40	5174.40

Statutory Currency and Receiver Matching

Generally, for transactions in non-base currency, the system uses the exchange rate valid on the transaction posting date. However, in receiver matching, the posting lines on the PO receipt account, expense accrual account, and reversal of old taxes use the exchange rate that was used

on the receipt transaction. Because the other posting lines in the receiver matching use the statutory rate at invoice date, this posting shows a balance difference in statutory currency, which you must post as a realized gain or loss.

For example, a domain has USD as base currency and MXN (Mexican Pesos) as its statutory currency. A purchase order is created in Euros for 11 items at 8.50 Euros each PO price. The items have a standard GL cost of 9 USD.

All items are received. The supplier sends an invoice for 10 items at a higher unit price of 9 Euros.

Receipt Postings (Base Currency)

Account	DR (TC)	CR (TC)	DR (BC)	CR (BC)
Inventory (11 items at $9)			99.00	
Purchase Price Variance (Inventory - PO Receipts)			13.20	
PO Receipts (11 items at €8.50 * accounting rate of 1.2				112.20
Total			112.20	112.20

Receipt Postings (Statutory Currency)

Account	DR (TC)	CR (TC)	DR (SC)	CR (SC)
Inventory ((11 items at $9) * inventory accounting rate 1.6)			158.40	
Purchase Price Variance (Inventory - PO Receipts)			21.12	
PO Receipts (11 items at €8.50 * statutory rate of 1.92				179.52
Total			179.52	179.52

Invoice and Receiver Matching Postings (Base Currency)

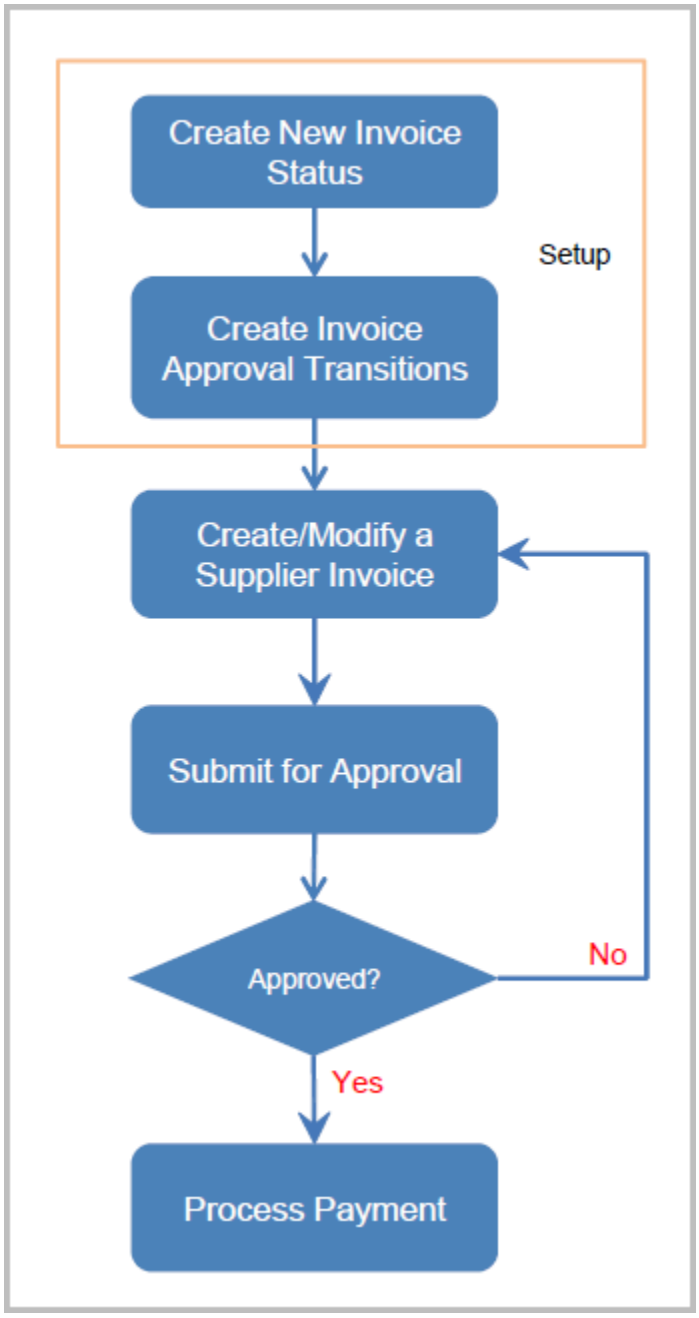
Account	DR (TC)	CR (TC)	DR (BC)	CR (BC)
PO Receipts (11 items at €8.50 * accounting rate of 1.2)	93.50		112.20	
Accounts Payable (10 items at €9 * invoice accounting rate of 1.3)		90.00		117.00
AP Rate Variance (10 * (€9 - €8.50) * invoice accounting rate of 1.3)	5		6.5	
AP Usage Variance ((10 - 11) *8.50 * invoice accounting rate of 1.3)		8.50		11.05
Exchange Loss (93.50 * (1.3-1.2))	-	-	9.35	
Total	98.50	98.50	128.05	128.05

Invoice and Receiver Matching Postings (Statutory Currency)

Account	DR (TC)	CR (TC)	DR (SC)	CR (SC)
PO Receipts (11 items at €8.50 * receipt statutory rate of 1.92)	93.50		179.52	
Accounts Payable (10 items at €9 * invoice statutory accounting rate of 1.85)		90.00		166.50
AP Rate Variance (10 * (€9 - €8.50) * invoice statutory accounting rate of 1.85)	5.00		9.25	
AP Usage Variance ((10 - 11) *8.50 * invoice statutory rate of 1.85)		8.50		15.72
Exchange Loss (93.50 * (1.85-1.92))				6.55
Total			188.77	188.77

Invoice Approval Transitions

Supplier invoice generic approval workflow allows you to implement a workflow to approve supplier invoices. You can implement supplier invoice approval workflow for invoices submitted for approval after creating the invoice or later after receiver matching when the status is no longer initial. The steps in the workflow are displayed below.



Important To enable workflow, you must first select the Enable Supplier Invoice Approval Workflow field on the Approvals panel of the Entity record.

You can define multiple records for one invoice status, as long as you set a default value. You can also modify previously defined transitions.

Main

Invoice Status Before Approval

Use the lookup to select the invoice status code to transition from. The Invoice Status Before Approval cannot be of status Initial.

Invoice Status After Approval

Use the lookup to select the invoice status code that reflects the invoice status when it is approved.

Invoice Status After Denial

Use the lookup to select the invoice status code that reflects the invoice status when it is denied. The status after denial must be different to the status before approval.

Default

You can create multiple transitions for an invoice status code before approval. To make the current status transition the default, select this field.

Approving the Invoice

When approval workflow is enabled, approval requests are sent to the appropriate role, who can approve or deny an invoice. The approval status is displayed on the supplier invoice. When an invoice has been approved, you can begin the payment process.

Note After you submit a supplier invoice for approval, you can no longer modify any supplier invoice fields. To change the credit term, bank, or other details, you need to change the status to an invoice status other than Approved and save the invoice. You can then modify the supplier invoice.

Supplier Payments Overview

You process supplier payments in the same way as customer payments. Like AR payments, manual AP payments are completed using Supplier Payment Create, and electronic AP payments consisting of electronic files to be transferred to your bank are completed using Supplier Payment Selections on page 6201. You can also use supplier payment selections for paper checks and drafts.

Supplier payments are associated with status codes, which are used to manage the payment process through final collection and updating of accounts. You process the payment by changing the payment status from one status to the next in the sequence that meets your business requirements. Different payment instruments follow different status sequences. The number of statuses you need depends on your particular implementation.

payment statuses for each stage in the payment sequence, and move the payment from one status to the next by changing its status. Each status change generates a posting that updates the accounts you defined. The default accounts used in supplier payments are the relevant supplier payment account and the supplier control account. The system uses the payment account are defined in Supplier Payment Statuses on page 6178 for the entity, bank, payment instrument, and status.

To complete the process, you can create a banking entry to record the payment. However, in some countries, such as the US, payments are created directly at the Paid status, without using banking entries.

Note You can also generate customer and supplier payments in the system from the transaction messages contained in imported bank files.

See Customer Payments on page 6001 for details about how payments are processed in AR.

Supplier Payment Instruments

Use the following payment instruments for supplier payments.

Types of Supplier Payment Instruments

Payment Instrument	Description
Check	Checks are unconditional orders to pay an open item, which you send to the supplier.
Draft	The draft or bill of exchange is a negotiable security signed and dated by its issuer (the bank). It contains an unconditional order or instruction to pay a fixed amount to the supplier on the agreed due date. Once signed, the draft is considered a collection instrument. Its form, content, and legal consequences are governed by law.
Promissory Note	The promissory note is a promise to pay the supplier, instead of an unconditional payment order. The promissory note carries more risk for the beneficiary and has fewer legal consequences for the issuer if payment is defaulted.
Summary Statement	You send summary statements to the supplier. Factoring companies

Payment Instrument	Description
	and banks that provide credit card services use summary statements.
Transfer	The transfer payment instrument is an order for payment that you submit to your bank. The bank ensures that the amount is transferred to the supplier's bank account. Transfers are in paper format.
Electronic Transfer	Electronic transfers are transfers in the form of electronic files sent by you to your bank. Use **Supplier Payment Selections** to process electronic transfers. This payment instrument is considered automatic, since it cannot be generated manually.

Setting Up Supplier Payments

The setup procedure for supplier payments is the similar to that for customer payments, and includes:

1. Define bank accounts and payment formats on page 5843. You must define as many payment formats as you have different types of supplier payments. The system retrieves your bank account details and the formats required for payments from the account information you define on the Banking panel in the supplier record.
2. To create electronic payment files for transfer to other banks, you use electronic payment formats that you can download from the QAD Internationalization website, install on your system, and associate with your bank account. Then, you can use those payment formats in supplier and customer payment selections.
3. Define Supplier Payment accounts to associate with payment statuses. For more information on defining GL accounts, see GL Account Types on page 5689.
4. Define Supplier Payments daybooks to contain the postings generated by the status transitions. You can define different daybooks for different types of payment instrument. For more information on daybooks, see Using Daybooks on page 5782.
5. a set of payment statuses on page 6178 to match the stages through which you want to process the payment.
6. Define payment groups on page 5852 for managing the selection process.

7. a supplier payment and link it to one or more supplier open items (invoices or credit notes).

Supplier Payment Status

Payment processing is controlled by payment status codes. Different payment instruments follow different status sequences. The number of statuses you need depends on your particular implementation. At a minimum, you must have two statuses: Paid and Void. Typically, you also want to have a For Collection status for payments sent to the bank. The Initial status is used if you want to do an initial payment registration. The Initial supplier payment status has no accounting effect so you can modify its associated details, such as the amount. You cannot link invoices to a payment in Initial status.

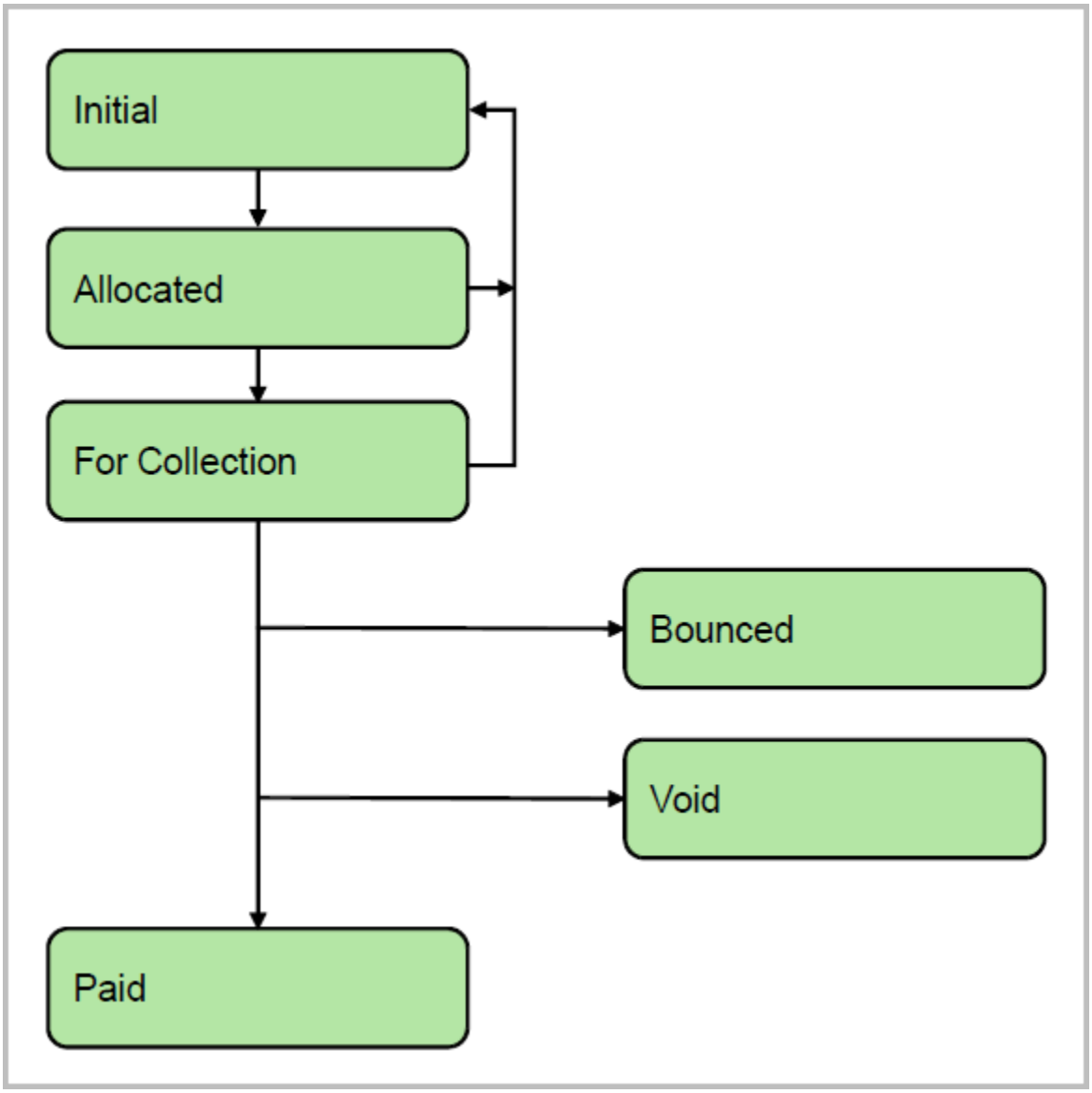
When a payment is changed to any status that creates a posting (every status except Initial), you can only change the payment status assigned in **Supplier Payments**. You cannot allocate it to a different invoice or change the payment amount.

You can define an account for each status through which the payment is processed, or use one GL account to record the transitions. For example, if you are processing a check through the Initial, Allocated, For Collection, and Paid statuses, you can define a GL account of type Supplier Payment for each status. This approach supports detailed reporting requirements.

Each status transition usually generates a posting, which updates the account associated with the status and bank or liability accounts. The posting information, including account and daybook details, is contained in the payment status definition.

If you do not need a complex payment cycle, you can use Initial, Paid, and Void statuses only, in which case you do not have to use supplier payment accounts for the Initial and Void statuses. Setting the status of a payment immediately to Paid updates your bank account automatically, without the need to create a final banking entry to record the payment.

However, note that while you can move a payment directly to the Paid status, you cannot undo a Paid document. This means that if you print checks after setting the payment to Paid and the print run fails for some reason, you cannot void the payment. You must reopen the invoice manually with Open Item Adjustment.



Like customer payments, it is not mandatory to process a supplier payment through all of the statuses described, and you can process a payment using Initial and Paid statuses only. You can also use the **Supplier Payments** Mass Changes action to select payments with an Initial status and change their status directly to Paid. This status change immediately updates your bank account, without the need to create a banking entry. You must then allocate the payment to one or more outstanding invoices.

You can also use the **Supplier Payments** Mass Changes action to void any payment at any stage in the flow (except after the Paid status) or to revert it to Initial.

Note Setting the status of a payment directly to Paid is available for payments in the base currency of the account only. You cannot change

a payment status directly to the Paid status if the payment currency is different than the base currency. In this case, you must use **Bank Statements** to complete the payment.

The table below describes each payment status, and lists the postings created by status transitions.

Supplier Payment Statuses and Account Activity

Status	Description	Account Activity	
		Debit	**Credit**
Initial	Initial payment status. The payment is in your system but does not generate any postings.	Not applicable	Not applicable
Allocated	The payment is created and is linked to open items. The transition to Allocated generates postings and sub-ledger updates.	Allocated Supplier Payment account	Supplier Control account
For Collection	The payment is presented to the bank for immediate payment. Some examples of payments for collection include a check, a payment selection that is transferred directly to the bank, and paper transfers to the bank.	For Collection Supplier Payment account	Supplier Control account, if this is the first posting for the payment Otherwise, the account associated with the previous payment status
Paid	The outgoing payment amount has been	Bank account	For Collection Supplier

Status	Description	Account Activity	
		Debit	**Credit**
	cleared on your bank account. Payments are either fully paid or not paid at all. A selection can be said to be partially paid if an individual payment is bounced.		Payment account
Bounced	The incoming payment amount has not been paid. The linked open items are re-opened and the invoice payment links are deleted.	Supplier Control account	Account associated with the previous payment status
Void	The payment is voided when, for example, a duplicate payment is detected, or a printing error corrupts the payment numbering system.	Supplier Control account	Account associated with the previous payment status

For each of the different payment statuses, a specific GL account representing the status can be defined.

The Void payment status is unique to supplier payments and is used to ensure that you can void a payment when, for example, a duplicate payment is detected, or a printing error corrupts the payment numbering system. When you void a payment, the links to open items are deleted.

When you change the status of a payment directly to Paid, you cannot subsequently change the status to Void to void the payment. The Paid status indicates that the payment has been received by the supplier.

Voiding a payment does not generate any postings. Instead, it resets the payment records, and creates an extra payment record for the current payment. Voiding also does not re-open the invoices or credit notes linked to the payment.

The Bounced payment status differs from Void in that, when a payment bounces, the incoming payment amount has failed to clear from the supplier's bank account. The linked open items are re-opened and the invoice payment links are deleted.

The payment status is the transition state through which you process the payment. It contains the posting details for the transitions. Payment statuses are linked to payment instruments. When a payment status has been used in a transaction, it cannot be modified or deleted.

Main

Payment Instrument

Select a payment instrument from the drop-down list.

- Check
- Draft
- Promissory Notes
- Electronic Transfer
- Summary Statement
- Transfer

Status

Select a status to associate with the payment instrument from the drop-down list.

- Accepted
- Allocated
- Bounced
- For Collection
- Initial
- Paid
- Void

Bank GL Account

Specify the account code for your bank to be used to process the payment. The account must be of type Bank.

Daybook

Specify a code for the daybook to contain the status transition postings. The daybook must be of type Supplier Payments. Daybooks cannot be specified for the Initial or Void statuses.

Supplier Payment Account

Specify the code of the account used for status transition postings. For the Initial and Void statuses, this field does not apply. For all other statuses, an account of type Supplier Payment must be specified. Accounts are updated automatically when you change the payment status. The account balance reflects the value of all payments that have this status.

Default Value Days

Specify the number of value days it takes to change from one payment status to another. This value defaults to zero. When a status transition requires some activity on the part of the bank, you can increase the number of days, in line with banking practice. This information is added to the current date when determining the due date for cash reporting.

Supplier Payments

Use **Supplier Payments** to create supplier payments. You specify the supplier to pay, the amount to pay, the payment status, and reference details. When you specify the supplier code, the system loads the supplier's default bank information defined on the supplier record. Most bank details default from the bank and cannot be modified. If you specify a supplier first, the banking details default from the supplier. If you leave the supplier blank, the lookup retrieves all the bank account numbers and formats defined for all suppliers.

You always specify the value of the payment in the transaction currency. The amount must be positive and can be entered manually or automatically by linking the payment to an open item. The payment currency must be the same as that of the open item against which you allocate the payment. If an invoice for this supplier is in US Dollars, your supplier payment must be in the same currency. Currency information is contained in the payment format linked to your bank account. If you have the relevant permissions, you can allocate the payment from within **Supplier Payments** on the Allocations panel.

You can delete supplier payments, but only those with Initial status. To delete a supplier payment with a status other than Initial, you must first change the status to Initial. You can revert to the Initial status from the For Collection and Allocated status, before you have sent payment to the bank.

You can also modify supplier payments. Because businesses frequently change the default own bank account and payment format during the payment cycle, you can change the payment banking details for a payment in any status other than Paid. The original and new payment

formats used may contain payment attributes, and the attributes of a new payment format must be consistent with the attributes applied to the original open item. You cannot modify supplier payments with a status of For Collection and Conditional Collection, except to change the payment status. You cannot modify payments with a status of Void or Paid.

You can save a payment without linking it to an invoice. If you do, a prepayment is automatically created.

The drill-down links on the Side Bar enable you to create or edit supplier details and supplier payment statuses on the fly through a pop-up window. You can also view bank numbers, business relations, and supplier payment postings.

Main

Supplier

Specify the code that identifies the supplier to be paid. The system loads the supplier's default bank information defined on the Supplier record. Most bank details default from the bank and cannot be modified.

Business Relation

The business relation and name associated with the supplier displays.

Amount

Specify the value of the payment in the transaction currency. The amount must be positive and can be entered manually or automatically by linking the payment to an open item. The payment currency must be the same as that of the open item against which you allocate the payment. If an invoice for this supplier is in US Dollars, your supplier payment must be in the same currency. Currency information is contained in the payment format linked to your bank account, and you ensure that the currencies match by selecting the correct bank account.

Reference

Enter reference text for the payment.

Bank Charge Amount

If there are bank charges associated with this bank account, the amount is displayed here.

Net Payment Amount

This field displays the total payment amount, minus the amount of any bank charges.

Year/Number

This field displays the accounting year and payment sequence number, which is automatically generated by the accounting year.

Posting Date

Specify a posting date for the payment.

Due Date

Enter a due date for this payment. The supplier payment date cannot be earlier than the posting date of the invoice the payment pays.

Status

Choose a payment status from the list.

Note The available list of statuses depends on your permissions for creating and modifying supplier payments.

Value Days

Specify the number of value days it takes to change from one payment status to another. This value defaults to 0 (zero). When a status transition requires some activity on the part of the bank, you can increase the number of days, in line with banking practice. This information is added to the current date when determining the due date for cash reporting.

Bank

Because businesses frequently change the default own bank account and payment format during the payment cycle, you can change the payment banking details for a payment in any status other than Paid. The original and new payment formats used may contain payment attributes, and the attributes of a new payment format must be consistent with the attributes applied to the original open item.

Bank GL Account

Specify the GL account of type bank updated by the payment. If you specify a supplier first, the banking details default from the supplier. If you leave Supplier blank, the lookup retrieves all the bank account numbers and formats defined for all suppliers on the supplier record. Selecting a bank account fills in all of the other relevant fields, most in read-only mode.

Payment Format

This field displays the payment format associated with the selected supplier bank account number.

Subtype

This read-only field indicates whether the payment is manual or automatic. You create manual supplier payments through **Supplier Payments**, and automatic payments through Supplier Payment Selections.

Own Bank Number

This field displays the number of your own bank account, which is defined on the supplier record.

Supplier Bank No

The system displays the supplier bank number associated with the specified bank account.

Allocations

The Allocations panel enables you to search for supplier invoices so that you can allocate a supplier payment. Complete the relevant fields and click Search. Any linked invoices are displayed in the grid. To allocate the payment to any line, select the line and click Clear. Only the selected line is then displayed. The Reset button removes any entries that you have made to the search filter fields.

If you choose to save a payment without linking it to an invoice, a prepayment is automatically created. However, you can also manually create a prepayment by clicking the Prepayment button above the grid. The Details button displays the details of a selected invoice or prepayment. If you click the Prepayment button to add a prepayment invoice and click the Details button, you can update the fields in the pop-up.

Search For Invoices

Invoice Reference

Specify an invoice reference. This applies to supplier invoices only.

Business Relation

Specify a business relation to search for invoices.

Payment Reference

Specify an optional payment reference number for selecting invoices to allocate. If you are in the Single Euro Payments Area (SEPA), this reference is a SEPA reference number.

Amount

Specify an amount. The currency is the currency specified on the Main panel.

Amount Range

The amount range field enables you to specify a range for the amount on an invoice.

Supplier

This search field enables you to enter a supplier. By default, the field contains the supplier entered on the Main panel.

Business Relation Name

Select a business relation name. The business relation name is typically the name of the supplier.

Group Name

If you enter a group name, all invoices related to the business relations in that group are displayed in the grid.

Year/Daybook/Voucher

Specify a GL calendar year, daybook, or voucher number. Any combination of the three sub-fields can be used. Click the lookup to select a daybook type.

Include All Entities

Select this field to extend the search to all entities defined in the system. Whenever an open item for another entity is selected, a cross-company posting is triggered.

Prepayment

When you click Prepayment, a pop-up displays, containing several fields to be completed. Click OK to confirm the prepayment.

Supplier

By default, the supplier associated with the payment is displayed.

Business Relation

This field is read only and displays the business relation associated with the selected supplier.

Invoice Description

Enter an invoice description for the invoice that this prepayment is for.

TC Prepayment Amount

By default, this is the amount in the Amount field. You can change the value.

GL Analysis

These fields enable you to add sub-account, cost center, and project analysis for the payment against the invoice.

Creating a Check Prepayment

In situations where you need to issue a supplier prepayment using a check, you can create the prepayment and then print a check for the prepayment using Supplier Checks. When you print the check, leave the payment selection blank and specify the supplier code and any other parameters that you typically enter when printing checks. The check will not be part of the supplier payment selection batch for that day, creating a one-off check print situation. When you receive the relevant invoice for the prepayment, match the prepayment to the invoice using Open Item Adjustments on page 5924.

Totals

Amount to Allocate

This field displays the amount to be allocated to this selection. This amount defaults from the statement line.

Amount Allocated

This field displays the amount allocated when you have chosen a selection.

Balance

This field displays the difference between the amount to allocate and the selection amount.

TC WHT Total

This field displays the total withholding tax amount in the transaction currency. This withholding tax amount is automatically calculated based on withholding tax data within the invoice. For partial payments, the withholding tax is proportional to the amount paid against the invoice. The withholding tax amount calculated for the payment cannot exceed the withholding tax amount calculated for the invoice.

BC WHT Total

This field displays the total withholding tax amount in the base currency.

WHT Exchange Rate

This field displays the withholding tax exchange rate. If the payment is in foreign currency, the withholding tax exchange rate defaults to the tax exchange rate applied. If a tax exchange rate does not exist, the system reverts to using the accounting exchange rate, provided that Fallback to Accounting is enabled in the Exchange Rate Type for the tax exchange rate type. If neither rate is available, an error is displayed.

WHT %

This field displays the withholding tax percentage. This is the calculated average of the withholding tax total over the total withholding tax base amount of the payment.

History

Creation Date

This read-only field indicates the payment creation date.

Last Printed Date

This read-only field indicates the most recent printing date.

Times Printed

This read-only field indicates the number of times the payment has been printed.

Actions

The Actions drop-down offers actions that you can take for a record or set of records. Individual actions are for individual records and bulk actions are for sets of records, based on your selected criteria. For bulk actions, once you select the records and set options, you can submit the action.

Mass Changes

You typically change the status of single payments by modifying the original payment and use the Mass Changes bulk action to handle multiple payments at one time. This activity helps streamline the process of completing a payment processing flow. For example, when the bank lets you know that a set of checks has cleared, you can update the status of all of them at one time.

You can also use this activity to renumber payments, such as printed checks, if needed. Renumbering should be restricted, since this would only be needed in special circumstances.

Use one or a combination of payment detail fields to search for existing supplier payments.

Changing Own Bank Number for Payments

When completing supplier payments, you can decide for cash flow or other reasons to change the bank account number from which the payment is made. The Change Own Bank Number option lets you specify a different bank account number for selected payments.

The new account number, account, and payment instrument combination must be already defined in Bank Payment Format Links (available from the Banking panel of **GL Accounts**) and must be defined for the same entity as the original combination.

You must also have defined a payment status that uses the new bank account, payment account, and payment instrument.

Search Criteria

Use the Search Criteria panel to search for existing supplier payments. To retrieve payments and populate the grid based on your search criteria, click Search. To clear all search filters you have applied, click Reset. To clear all unselected payments from the grid, click Clear.

Supplier

Specify a supplier code to search for payments for that supplier.

Payment Instrument

Select a payment instrument to display payments for that payment type only.

Status

Select a payment status to display payments with that status.

Year/Number

Specify a year and payment number to display matching payments.

Reference

Specify a payment reference to display matching payments.

Due Date

Specify an operator and due date for the payment. The operator combined with the due date determines which records are retrieved.

- = Due Date: The system retrieves all payments with the due date specified.
- >= Due Date: The system retrieves all payments with a due date later than or equal to the due date specified.
- <= Due Date: The system retrieves all payments with a due date earlier than or equal to the due date specified.

Creation Date

Specify a payment creation date to display payments created on that date.

Options

The Options panel allows you to select the type of mass change you want to perform. You can only make one mass change at a time.

Mass Change

You can choose to change the status, own bank number, or to renumber payments. By default, Status is selected.

New Status

This field is displayed when you select Status in the Mass Change field. To change the status of supplier payments, select the relevant payments in the Payments grid. Next, choose a new status for the payment in the New Status field and click Apply. The status of each selected payment updates in the grid.

New Own Bank Number

This field is displayed when you select Own Bank Number in the Mass Change field. It enables you to specify a new own bank number for the selected payments. To change the Own Bank Number for supplier payments, select the relevant payments in the Payments grid. Next, specify a new own bank number using the lookup. The lookup displays the numbers of bank accounts that have been linked to payment formats only. Next, click Apply. The Own Bank Number field of each selected payment updates in the grid.

Renumber

This field is displayed when you select Renumber in the Mass Change field. To specify a new preprinted number for a previously numbered payment, select the relevant payments in the Payment grid. Next, specify the new starting number in the Renumber field and click Apply. The Preprinted Number field of each selected payment updates in the grid. Changing the payment number lets you renumber the supplier check print sequence. You can only renumber payments for one format at a time.

Posting Date

Specify the date that the status change should be effective.

Payments

The Payments grid displays the payments found when you complete the Search Criteria panel and click Search. When you select the payments in the grid, you can then make changes to them using the Options panel. When you click Apply on the Options panel, the following changes can be made to selected payments:

- If you changed the Status, the Status field updates.
- If you changed the Own Bank Number, the Own Bank Number field updates.
- If you changed the numbering, the Preprinted Number field updates.

To save the payments with the new numbering and bank accounts, and to register the status transition postings, you must click Submit.

Split Payments

In some countries, payments to selected suppliers must be split into the invoice base amount and the tax amount. The payments of the base amount can be made to the supplier's bank account, but the tax amounts need to be paid to a regulated bank account. This is a special type of bank account that the tax authorities control and that can only be used to receive or pay tax amounts, or to settle tax credits with the tax authorities. Split payments follow the same payment flow as standard payments, except that amounts are automatically distributed to the correct bank accounts during supplier invoice creation. To set up split payments:

1. In **GL Accounts**, create two bank accounts; for example Account A1 and Account A2:
    - A1: GL Type = Bank Account; Own Bank Number = A1

      Link this account to a payment format as required
    - A2: GL Type = Bank Account; Own Bank Number = A2

      Link this account to a payment format with an electronic payment instrument.

      Note Only an electronic payment instrument is allowed for a regulated account.
2. On the Payment sub-panel in **Suppliers**, select the Split Base/Tax Payment field.
3. On the Banking panel, create two bank lines in the grid:
    - Line 1- Account A1, with Regulated Account cleared and Default selected.
    - Line 2 - Account A2, with Regulated Account selected.

      Note You cannot set a regulated account as Default.
4. a supplier invoice for this supplier in Supplier Invoices. The Banking Information panel displays two banking lines: one for the default bank

account and the other for the regulated account. For example, if the invoice amount is 100, and the taxable base is 90, the default account line displays 90 and the regulated account line displays 10.

The split payment functionality also works for supplier invoices created automatically using ERS Processor.

Note For multiple taxes, tax on tax, and manually entered tax setup, split payment lines are also created. However, when the amounts do not match the taxable base and tax amount, a warning is displayed. In this case, you need to manually update the correct amounts in the payment lines. Split payment functionality does not support withholding tax.

Supplier Payment Selections Overview

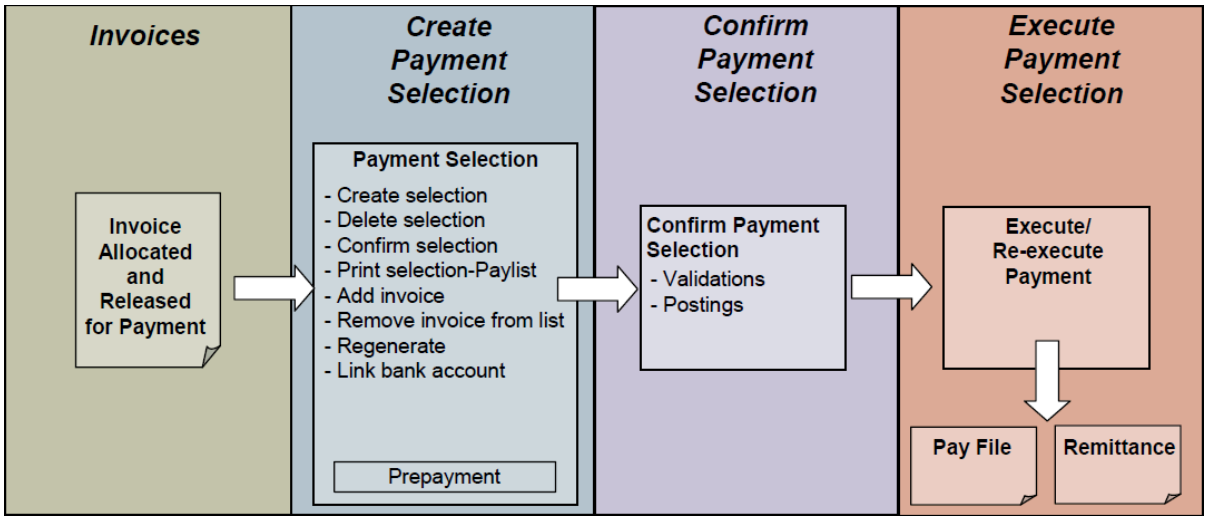
Use **Supplier Payment Selections** to process the payment of supplier invoices. The payment selection cycle has the following steps in sequence:

- a payment selection. You use the payment selection to define and select the invoices to be paid. This creates a selection with an Initial status.
- Confirm the payment selection. This action generates the postings related to the payments and changes the payment selection status to Confirmed.
- Execute the payment selection. This completes the process and creates the relevant documents and files for sending to the suppliers or your bank. This changes the payment selection status to Transferred.

  Note This step is only needed for electronic file output.
- Confirm the payment with a banking entry, which changes the payment selection status to Closed.

Note You must execute payment selections for electronic transfers. Confirm payment selections for checks moved directly to the Transferred status—you do not need to execute them.

Apply the Closed status when the final bank statement is confirmed using **Bank Statements**. For more information on banking entries, see Bank Statements on page 6267.



Logging information is confirmed for every step, including the user, date, time of creation, registration, and transfer.

A payment selection is always linked to one payment format. You must create multiple payment selections if the payments you want to process reference more than one bank account.

You can, however, split invoice amount over multiple payments by selecting separate formats and amounts on the invoice. When selecting the format for the payment selection, you can then include amounts created in this format from the invoice in the selection.

An invoice must have the following properties to be included in a payment selection:

- It must have an invoice status with Approved selected and Locked for Payment cleared.
- Its due date must be earlier than or equal to the reference due date used in the selection.
- It must have the same payment format as the selection.

You specify an internal identification code for each payment selection, and create the paper or electronic payment to be sent to the bank. The process of creating bank payment files is described in Payment Formats on page 5843.

You cannot modify a payment selection once the payment file is sent to the bank. If the bank refuses the file, you can manually resolve the issue, or repeat the file transfer.

The payment selection is validated before it can be confirmed and again before transfer. A payment selection has one pay date (execution date) that is valid for all linked invoices.

You can include new prepayments in a payment selection. Only invoices with an open amount—that is, a balance greater or less than zero—can be used in payment selections. You also cannot specify invoices that are already part of another payment selection for the full amount.

For more information, see Creating a Prepayment on a Payment Selection on page 6197.

Multiple selections can be done to create one global payment selection. The system appends new invoices selected to the list of those that are already included.

Payment Selection Processing Examples

The system supplies various activities that can be combined in different ways to support different processing scenarios for payments. The following are a few examples of how a processing flow can be created.

Direct Payment by Check

Select the invoices to pay by creating a payment selection. The selection is automatically assigned the Initial status. Following an approval stage, the selection is then confirmed and the Credit Directly on Bank field is selected. This changes the payment selection status directly to Paid, crediting the Bank account and debiting the sub-ledger and Supplier Control account.

The printed checks are sent to the supplier, and no further processing in the system is required. At the period end, the bank account balance must be reconciled with the bank GL account balance. Checks that you marked directly as Paid, but in reality are unpaid, cause discrepancies. You must identify these unpaid checks based on the bank statements you have received.

Note In this scenario, when you move a payment directly to the Paid status, you cannot void a failed check run. You must reopen the invoice manually with Open Item Adjustment.

Staged Supplier Payment by Check

In this example, a selection of checks to a supplier is processed through approval stages, and then confirmed. When you confirm the payment, the Credit Directly on Bank field is not selected. As a result, the status of the payment is changed to For Collection. The posting credits the Supplier Payment account, and debits the Supplier Control account. The control account details default from the supplier record.

When the checks are printed and mailed to the bank, a banking entry posts the payment to the bank account. You change the status of the payment to Paid by recording the cleared payment from the bank statement in Banking Entry Create. However, this could also happen when a bank statement is loaded automatically.

Note The payment selection process is, typically, the same for checks and drafts.

Supplier Electronic Transfer

In this example, a series of supplier invoices is processed in one payment selection, and you create an electronic payment file to send to your bank. Different banking systems use different electronic file formats, and you must apply the correct format to electronic payment files. See Payment Formats on page 5843.

The postings are generated when you confirm the payment selection. This step credits the Supplier Payment account and debits the sub-ledger and Supplier Control account.

To create the bank file, an additional execute step is needed. See the Supplier Payment Selection Execute on page 6218 action. When you send the file to the bank, the bank transfers funds from your account to your supplier's, based on the instructions in the file. A bank statement confirms payment, and the final banking entry sets the payment status to Paid.

Note You can also process payments directly to the Paid status.

Creating a Prepayment on a Payment Selection

You can include new prepayments in a payment selection. When creating a new prepayment, you can enter a reference for the prepayment in the External Number field. This field lets you distinguish between prepayments if the same supplier has several prepayments relating to different orders. The value you enter as a prepayment reference lets you easily identify each prepayment when allocating them to invoices later in the AP process.

To include a new prepayment:

1. In the Selection Lines grid, select Prepayment.

   A new row is inserted and the External Number field becomes available.
2. Enter the supplier, amount, and other details for the prepayment.
3. Enter up to 40 characters of reference text for the prepayment in the External Number field.

   The reference you enter for the prepayment must be unique.
4. Save the payment selection.

Changing Bank Accounts on a Payment Selection

When you save a payment selection with a status of Initial, you can subsequently modify the bank account and payment format used in the selection. This option is useful, for example, when the cash balance on the account you originally specified is not enough to pay the selection and you want to use another account. You may also want to change

the payment format on the selection from, for example, an electronic transfer to a check, provided that the new format is also applicable for that supplier.

Note This option is not available for customer payment selections.

This option is only available for selections with Initial status—when you register the selection, you generate postings and the system saves the bank and payment format information with the selection.

In addition, when the new payment format has attributes, they must also be of the same format. The changes do not work with a different format because even when the attribute names are the same, the allowed values are not necessarily the same.

For example, the SEPA payment format and the SWIFT-MT940 format both have an attribute named Reason for payment. For SEPA, the value can be A, B, or C. For SWIFT-MT940, the value can be X, Y, or Z. Therefore, an existing SEPA payment selection cannot be changed to one for SWIFT-MT940 because the payment attribute values specified on the payments have values A, B or C. These attribute values are not valid for SWIFT-MT940. See the next section, Changing Payment Attributes on a Selection on page 6198, for more details.

You define the bank account and payment format to be used for payments to a supplier in the Banking panel of **Suppliers**. The default account and format are then displayed on the Banking Information panel of all invoices for this supplier.

You change the bank account to be used for this selection by selecting another bank account. You can only select another bank account that has been defined for this entity. To change a payment format, you can:

- Select a different bank account number (associated with the same bank account). Each bank account number can be associated with a different payment format.
- Select a different bank account.

Bank account numbers are associated with the payment format, and you can only select a combination of number and format that you have already created in **Bank Payment Format Links**.

Changing Payment Attributes on a Selection

Payment attributes provide additional information about a payment, and can be mandatory or optional depending on the requirements of the banking system that is to receive the payment. You assign attributes to payment formats in **Payment Formats**.

The attributes on payment formats are designed for specific payment arrangements to suppliers, and are typically used for electronic payments. When you change the payment format, you also change the associated

attributes and values, and you should ensure that the new attributes and values are consistent with those of the original invoices, and with the details defined for the supplier.

When the original format and new format are identical, or have no attributes, the system simply replaces the format. When the new format has no attributes, the system warns you that any original attributes will be deleted. You can decide to continue with the change or to cancel.

The system prevents you from selecting a new format that has different attributes from the original, because since attributes are created for specific business reasons, you cannot apply new payment attributes and values to the invoices already contained in the selection.

The table below summarizes these effects.

Replacing Payment Formats and Attributes

Original Format	New Format	Comment
AP Draft (no attributes)	French AP Draft (no attributes)	The system replaces the format.
AP Draft with attributes Supplier ID and Payment Type	French AP Draft with attributes Sender ID and Charge Code	The system prevents you from selecting another format with different attributes.
AP Draft with attributes Supplier ID and Payment Type	French AP Draft with no attributes	When the original format has attributes and the new format has no attributes, the system warns that the original attribute values will be deleted from the payment selection header field and from the original invoice Financial Info tab. You can choose to cancel the change.
AP Draft with or without attributes	French AP Draft with attributes Sender ID and Charge Code	When the new format does not have the same attributes as the original format, the system prevents you from saving the change.

Changing Payment Formats and Supplier Invoices

The system requires that payment selections and the supplier invoices contained in them have the same bank account number and payment format. When you change the account and format details on a payment selection, the system automatically replaces the original details on the Banking Information panel of **Supplier Invoices** with the new payment information.

When a supplier invoice is part-paid from multiple accounts, the Banking Information panel displays a separate line for each account and format combination that is being used. When you create a payment selection for this supplier and retrieve this invoice for inclusion in the payment, the system retrieves only that part of the invoice payment that matches the format you choose for the selection. Therefore, when you change this account and format, the system replaces only this line on the Banking Information panel of the original invoice with the new account and format details.

Changing Payment Formats and Supplier Records

The system also requires that the bank account you use in a payment selection must be defined on the Banking tab of the supplier record. When you change the bank account or payment format in a payment selection, the system automatically creates the new number and format combination as a new line on the supplier Banking tab. When the account number and format combination has identical payment attributes and values to the previous payment format, the system retains this information in the definition.

For example, you create a payment selection PS1 to pay invoices from your bank account 10121297, account number 00001111. Account number 00001111 is associated with the payment format AP check, which is an Accounts Payable check format in US dollars.

You retrieve invoices from all suppliers for whom these account and format details have been defined. The system displays two invoices from Supplier A and three invoices from Supplier B in the results grid. You save the payment selection with an Initial status for internal approval. Following approval, you reopen the payment selection to process the payment. The Current Balance field in the Main panel of the selection indicates that because of other activity on this account, there are now insufficient funds in the account to complete the payment.

You select another account, 10121900, with an account number 11112222 and an associated electronic transfer format. This payment format includes attributes for a bank reporting ID and a payment expiration date. As these attributes cannot be applied to the original invoices, the system prevents you from saving this change. Instead, you select account number 22223333 for 10121900, which also has an associated AP check

format in US dollars (also named AP check). The new format matches the original format, and you can now save the change and proceed to register the payment selection.

The system replaces the account and format details on the Banking Information panel of each of the invoices for both suppliers. Therefore, account 10121297, account number 00001111, and format AP check are replaced with account 10121900, account 22223333, and format AP check. This new combination is also added as a new line on the Banking panel of both suppliers.

Supplier Payment Selections

Use **Supplier Payment Selections** to select multiple invoices by due date and create payments for groups of invoices.

Note You can create supplier payment selections including invoices, credit notes, invoice and credit note corrections, prepayments, and adjustments.

To create a supplier payment selection:

1. Specify the details of the payment.
2. Specify account and file format details for the bank account to which the payment file is to be exported.
3. Use a combination of criteria to retrieve invoices and add them to the selection. You can also create a prepayment in the grid.
4. Save the payment selection and, optionally, submit it for approval when approval workflow is enabled in the entity.

You can delete a payment selection with Initial status, as long as the payment selection has not been submitted for approval.

A number of actions are available for supplier payment selections:

- Confirm on page 6207
- Unconfirm on page 6213
- Execute on page 6218
- ReExecute on page 6220

Important This note is important if you are using WebUI side-by-side with NetUI. In WebUI, there is no Supplier Invoice Approval function. Approval workflow is part of Generic Approvals. Therefore, you must remove access rights in NetUI to Supplier Invoice Approve and Supplier Payment Selection Approve.

Main

Payment Selection

Enter a unique code to identify the payment selection.

Status

This read-only field displays the payment selection status. The status controls the availability of other fields.

Execution Date

Specify a date on which the bank should execute the payment selection. The execution date cannot be earlier than the date (system date) on which the payment selection is created.

Approval Status

This field is read-only. It displays the current approval status of this payment selection. The field is only displayed when approval workflow is enabled in the system.

Submit for Approval

This field is only visible when approval workflow is enabled in the system. When you select this field and save the payment selection, the payment selection is submitted for approval. The status changes to Pending and another role can then approve or deny the approval. You do not have to submit the payment selection for approval when you create it.

Current Balance

This read-only field indicates the current balance on the bank account.

Payment Total

This field displays the total amount of the payment in the payment currency. When calculating payment totals involving an exchange rate, the payment total is calculated using the invoice exchange rate for the supplier payment selection. The payment total can, therefore, differ from the real cash movement. The latter depends on the exchange rate applied by the bank when the actual payment is executed.

Number of Lines

This field displays the value of the Invoices per Check field of the payment format associated with the GL bank account selected.

Note After you save a payment selection, you cannot change the bank account or account number selected, since this would invalidate the payment formats and attributes assigned to the payment.

Hash Total

This field is read-only. The hash total is a method for ensuring the accuracy of processed data. It is the total of several fields of data in the payment selection.

Bank

Bank GL Account

Specify the code of the GL bank account in which the payments are to be executed.

Own Bank Number

This field displays the default account number for the bank GL account. You can select a different account if multiple account numbers were associated with the GL account. The payment format displayed is determined by the bank account number you select.

Payment Format

This field displays the format for the export file. This format is retrieved from the payment format and attributes linked to the GL bank account selected. Depending on the payment format, you may be able to modify some header attributes for the payment. The selected invoices must match this payment format. When the payment selection is in an initial status, you have the option to change the payment format used in the selection by selecting a different bank account from which to pay the selection.

Allocations

The Allocations panel enables you to set search criteria for the invoices you want to include in the payment selection. Click Search to retrieve invoices that match the search criteria. The results of the selection are displayed in the grid. You can modify the criteria and append subsequent results to the grid. For invoices, you can only modify the TC Payment, TC Discount Amount, TC WHT, TC Interest Amount, and Supplier Bank Number fields.

Click Clear to clear unselected invoices from the results grid. Click Reset to clear filter criteria fields. In the grid, select each line that you want included in this supplier payment selection.

Business Relation

Enter a business relation or range of business relation codes.

Payment Group

Specify a payment group to search for invoices.

Group Name

If you enter a group name, all invoices related to the business relations in that group are displayed in the grid.

Currency

Specify the currency of the invoices.

Invoice Reference

This field allows you to specify a unique invoice reference for a supplier and entity.

Payment Reference

You can specify a payment reference for the open items to find.

Intercompany

Specify an intercompany code to search for invoices.

Sub-Account

You can specify a sub-account for the open items to find.

Country

Specify a country code to search for invoices.

Set Selected

Specify how you want the system to set the Selected field on the invoices that are displayed in the grid after you click Search.

- All: Enable the Selected field for all invoices, regardless of the due date.
- Due Only: Enable the Selected field only for invoices with a due date on or before the Reference Due Date specified.
- Due and Discounted: This setting enables the Selected field for invoices that are due either on or before the date in the Reference Due Date field. It also enables the selected field for invoices that will be discounted on or after the date in the Reference Due date field but on or before the date in the Discount Up To field.
- None: Do not enable the Selected field for any of the invoices.

Reference Due Date

Specify the date the system should use for finding invoices to be included in this payment selection. The system selects invoices due on or before this date that meet the other selection criteria.

Note The system includes invoices with staged credit terms in the grid if the due date of at least one stage matches the selection criteria.

Discount Up To

This field is only enabled when the value in the Set Selected field is Due and Discounted. The value defaults to seven days after the date in Reference Due Date. When enabled, the search returns open items according to the due date and the discount due date. The selected open items are invoices due on or before the date in Reference Due Date and invoices with an invoice discount due date up to and including

the date in the Discounts up to field. It is recommended that you set the Discounts up to date to the date of the next payment run.

If you enter a date that is earlier than the Reference Due Date, a warning is displayed that some invoices may not be selected or discounts may not be received.

Visible Items

Choose to display all search results or only those results that match the Set Selected filter criteria. If you display All, you can manually modify the Selected field to include additional invoices, if necessary.

Include All Entities

Select this field to retrieve invoices from other domains that have the same shared set as the current domain. You can create a payment selection within one entity that includes invoices created in other entities within the same domain. The system creates a record for the Cross-Company daemon to process, and the payments for the invoices in the other entity are posted as cross-company transactions.

View Invoices without Banks

Select this field to display only invoices that are not already associated with a bank account. Invoices without banks do not appear on payment selections, so may inadvertently be skipped during processing. This is especially important for supplier invoices.

The following are examples of how an invoice could be recorded without banking details:

- If no bank account information is specified in **Suppliers**, when you record an invoice, the invoice is created without any bank details and can be saved.
- When you record an invoice, you can delete the proposed bank number record from the Banking tab grid, which would also result in an invoice without banking details.

You can modify the invoice later to add banking details.

Grid

The grid enables you to view the invoices returned by your search and to select the invoices to include on this payment selection. By default, all non-zero invoices are selected. Apart from the Selected column, you can only modify the amount fields in the results grid for existing invoice documents. Therefore, the fields you can change in the grid are:

- Selected
- TC Payment Amount
- TC Discount Amount
- TC WHT

- TC Interest Amount

For existing prepayments in the grid, you can modify the External Number field. The External Number field lets you distinguish between prepayments if the same supplier has several prepayments relating to different orders. The value you enter as a prepayment reference lets you easily identify each prepayment when allocating them to invoices later in the AP process.

To include a new prepayment:

1. Click New. A new row is inserted and the External Number field becomes available.
2. Enter the bank format, supplier, and amount, and other details for the prepayment.
3. Enter reference text for the prepayment in the External Number field. The reference you enter for the prepayment must be unique.
4. Save the payment selection.

Logging

The Logging panel displays payment selection history, including status changes and dates, user names, approvals, and generated files.

Actions

The Actions drop-down offers actions that you can take for a record or set of records. Individual actions are for individual records and bulk actions are for sets of records, based on your selected criteria. For bulk actions, once you select the records and set options, you can submit the action.

Confirm

When you confirm a selection, the system changes the selection status from Initial to Confirmed, and creates all of the sub-ledger and GL postings for the payments.

Note The system displays an error if you have not defined For Collection and Paid statuses for the bank account.

You can generate multiple postings for several suppliers in the same payment selection. The Transfer account and the Discount account are linked to the bank account and cannot be changed. Confirming the payment selection generates a posting that debits the Supplier Control account and credits the Supplier Payment account defined for the payment status and bank account used. The system creates supplier payments by supplier, currency, due date (if Payment Per Due Date is selected), and payment attribute, if applicable, for the batches successfully confirmed.

Processing In Batches

During confirmation, the system groups the payment selection lines into payments, and then distributes the payments into batches. Before you run the Confirm action for the first time, use the Payment Selection Confirm Batch Size field in **Base Control** to define the payment selection batch size you want to use.

The system then processes batches with a number of payment selection lines up to the maximum batch size. During the confirmation, the system optimizes the effective size of the batches so that payments to the same supplier are not split up. A payment for a single supplier is only split up into two or more batches when it contains more lines than the system batch size. Each batch is a single transaction and the status is only changed to confirmed when the transaction completes successfully.

If a system-handled error occurs during processing, the issue only affects the current batch. The transactions processed in previous batches are unaffected. The process stops and the status of supplier payment selection becomes Partially Confirmed. You can fix the cause of the error and resume the payment selection confirmation. The transaction restarts from the point where it stopped processing. The system then confirms the records in the batch that failed, provided that the reason for the failure has been addressed. Alternatively, you can unconfirm the selection, which undoes the parts that are already confirmed. While the system is confirming the payment selections, the status of the supplier payment selection is Processing.

If the status of a supplier payment selection is Processing or Partially Confirmed, you cannot modify, delete, or execute the payment selection. In **Bank Statements** and **GL Allocations**, you cannot allocate a banking entry to a supplier payment selection with the statuses Processing or Partially Confirmed. If an unhandled error occurs during processing,

the payment selection status remains Processing. When the status is Processing, you must leave at least 30 minutes of inactivity on the selection before resuming the Confirm. This delay prevents another user from restarting the Confirm for another selection while it is still being processed in another session.

Main

The fields on the Main panel are read-only, with the exception of the Execution Date field.

Execution Date

Specify a date on which the bank should execute the payment selection. The execution date cannot be earlier than the date (system date) on which the payment selection is created.

Bank

The fields on the Bank panel are read-only.

Posting

Posting Date

Select a posting date for the selection. The current posting date is displayed by default.

Credit Directly on Bank

Use this field to control the status assigned to the confirmed payment selection and the corresponding GL postings. When selected, the Paid status is applied, crediting the bank account and debiting the sub-ledger and Supplier Control account. When cleared, the For Collection status is applied, crediting the account associated with the For Collection payment status, and debiting the sub-ledger and Supplier Control account. This field is selected by default when you have defined a Paid status for the payment but not a For Collection status.

Payment Per Due Date

If you select this field, the system groups the open invoices by customer and by invoice due date. For each group, the system creates a payment record with the same due date as the invoices in that group.

If the field is cleared, then all the invoices for the same customer are grouped in a single payment that has the selection due date as the payment date.

Clear: All selected invoices are grouped in one payment selection and assigned the due date specified in Payment Due Date.

Select: A separate payment selection is created for each group of invoices with the same due date. In this case, the Payment Due Date on the header is ignored, and the dates of the individual invoices apply. For staged invoices, if you are using a payment type of draft, the system creates separate payment records for each stage payment due date.

For example, you enter selection criteria that result in 10 invoices displaying in the grid. Of these, five are due on May 1 and five on May 10. When Payment per Due Date is selected, two payment selections are created with five invoices each, and assigned the due dates May 1 and May 10.

Processing Options

Process In Background

By default, this field is selected. It indicates that the Confirm action will take place in the background. This field is also read-only when one of these two conditions is met:

- The number of allocated invoices is greater than the confirmed batch size value. When this is true, the batch cannot process all the records in one run, so the process must take place in the background to enable the process to be split into multiple batches.
- The number of allocated invoices is greater than the system hold value, which is hard-coded to 100.

You can clear this field and process manually when the number of allocated invoices does not exceed either of these limits.

Background Processing Description

By default, this field is assigned the payment code and the entity code as a description. However, you can enter any meaningful description here.

When you have completed the fields as required, you can click Confirm. A message is displayed that the confirm request is submitted. During the process, you can also check the progress of the batch job in **Submitted Background Processing**. You receive a notification when processing is complete, regardless of whether processing was successful or failed.

Unconfirm

Use the Unconfirm action to set a supplier payment selection back to the Initial status. Consequently, the supplier payment is set to Bounced, and the system removes the payment selection code from the supplier payment. You can unconfirm up to 2,000 invoices at a time. This action unconfirms each payment created during the Confirm action. The system then processes batches with a number of payment selection lines up to the maximum batch size. If an error occurs during the process, the issue only affects the current batch; the transactions processed in previous batches are unaffected.

Main

The fields on the Main panel are read-only, with the exception of the Execution Date field.

Execution Date

Specify a date on which the bank should execute the payment selection. The execution date cannot be earlier than the date (system date) on which the payment selection is created.

Bank

The fields on the Bank panel are read-only.

Posting

Posting Date

Select a posting date for the selection. The current posting date is displayed by default.

Processing Options

Process In Background

By default, this field is selected. It indicates that the Unconfirm action will take place in the background. This field is also read-only when one of these two conditions is met:

- The number of allocated invoices is greater than the confirmed batch size value. When this is true, the batch cannot process all the records in one run, so the process must take place in the background to enable the process to be split into multiple batches.
- The number of allocated invoices is greater than the system hold value, which is hard-coded to 100.

You can clear this field and process manually when the number of allocated invoices does not exceed either of these limits.

Background Processing Description

By default, this field is assigned the description Unconfirm and the payment code. However, you can enter any meaningful description here.

When you have completed the fields as required, you can click Unconfirm. A message is displayed that the unconfirm request is submitted. During the process, you can also check the progress of the batch job in **Submitted Background Processing**. You receive a notification when processing is complete, regardless of whether processing was successful or failed.

Execute

Use the Execute action to convert a series of confirmed payment selections that are using the same execution bank into payment selection files for export to your bank.

The system uses data loaded into EDI eCommerce to create the file to be sent to the bank. Details about the payment file such as its location on the file system are specified when the electronic data interchange (EDI) data is loaded. EDI processing is controlled by the payment format and attribute values. In this way, electronic files for export are correctly formatted for the receiving bank.

The Execute action displays only read-only fields. When you are satisfied that the fields contain correct information, you can click Execute. When an electronic payment selection type is executed, the status is then set to Transferred.

This process is described in Payment Formats on page 5843.

Note You cannot run the Execute action with an execution date that is earlier than the system date.

Main

Payment Selection

Specify the code of a confirmed payment selection. Values for the other fields are filled in based on the selection you specify.

Status/Execution Date/Payment Total/Bank GL Account/Own Bank Number/Payment Format

These fields all display values based on the selection code entered.

ReExecute

Use the ReExecute action to select a previously executed payment selection file and regenerate it using the same payment selections. In cases where individual account or posting details within the selection have changed, you can regenerate the export file without removing and re-inserting the individual payment selection.

Main

The ReExecute action displays two more fields than the Execute action. One is a read-only field, Selection Number, which indicates the existing selection that you are re-executing. The other field is Duplicate.

Duplicate

Select if you want the generated file to contain a field indicating that it has been executed more than once. This is a requirement of some banking systems when a file is sent more than once.

When you are satisfied that the fields contain correct information, you can click ReExecute. When an electronic payment selection type is executed, the status is set to Transferred.

Supplier Payment Selections Approval Workflow

When supplier payment selection generic approval workflow is enabled, you can submit payment selections for approval and approve payment selections manually. The parts of the workflow available to you depend on your user role.

Important Payment selections are always at entity level.

The steps in the approval process workflow are displayed in the diagram below.

1. a supplier payment selection.
2. Submit the payment selection for approval.

   Note At this point, you can choose to unsubmit the payment selection, returning it to its original status.

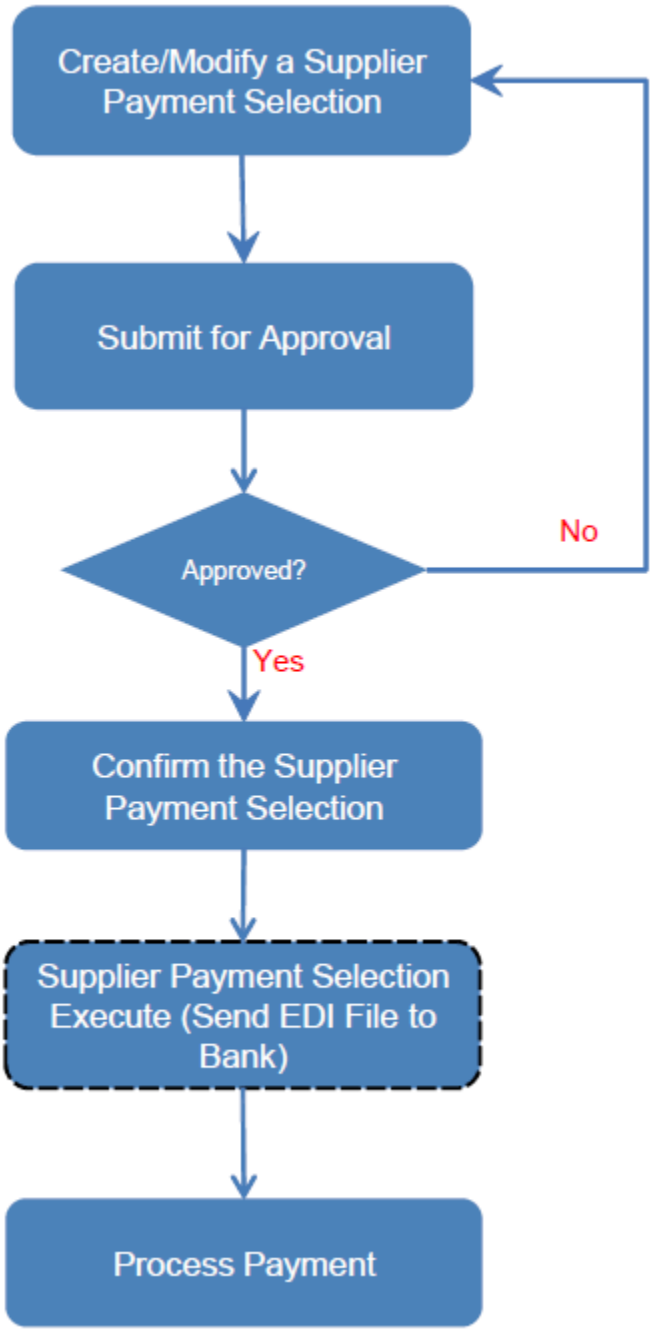
3. A user with the appropriate role approves the selection. The approval status changes to Approved. You cannot make any further modification to the payment selection.

   Note If the payment selection is denied, the status returns to initial and the approval status is Denied.

4. Confirm the payment selection. You can only confirm payment selections that have been approved.

   Note If you unconfirm the payment selection, the approval status returns to Unsubmitted.

5. Execute the supplier payment selection and send the EDI file to the bank.
6. Process the payment.



Setup

To enable supplier payment selection workflow, you must select the Enable Supplier Payment Selection Approval Workflow field on the Approvals panel in **Entities**. You must enable the workflow at entity level because payment selections are always at entity level.

Workflow

a payment selection in **Supplier Payment Selections**. The selection has the status Initial. When you select the Submit for Approval field and save the payment selection, the payment selection is submitted for approval. The status changes to Pending.

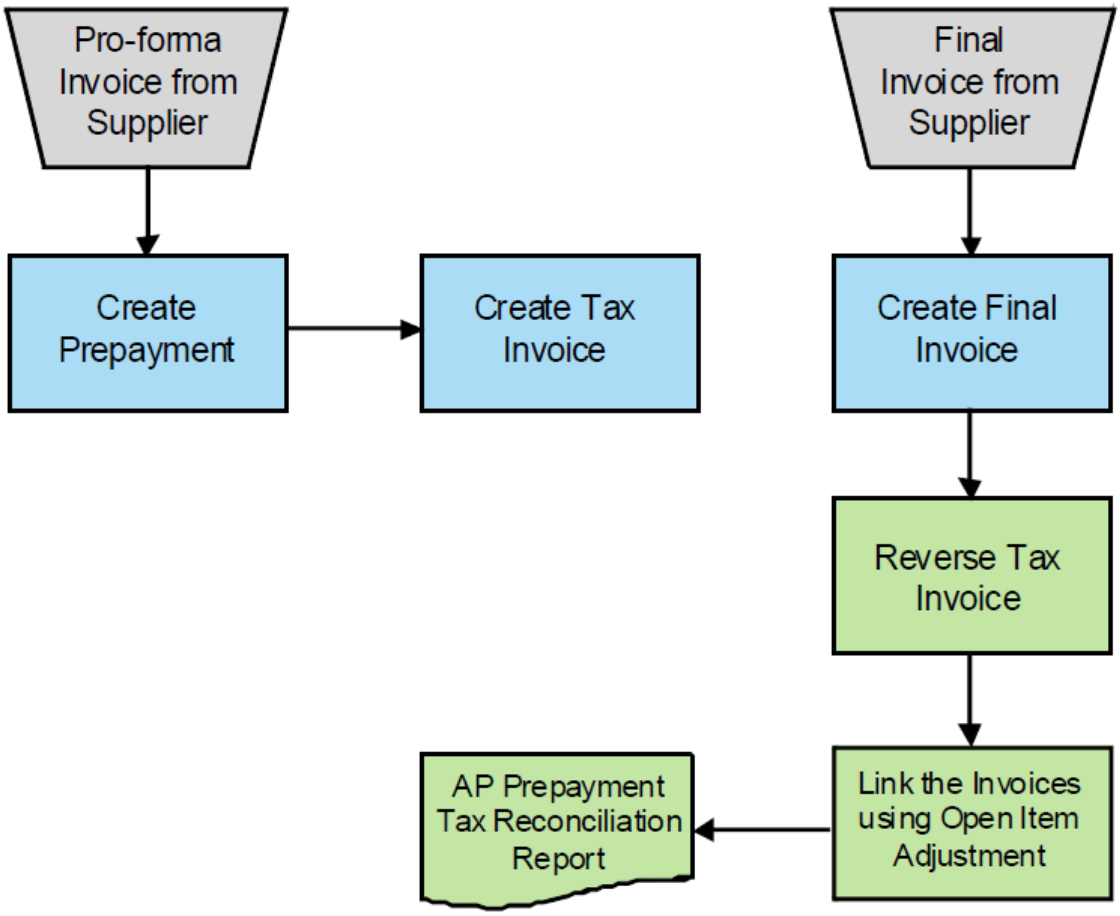
Note You do not have to submit the payment selection for approval when you create it.

A user with the appropriate role can then set the status to Approved or Denied. The supplier payment selection can then be confirmed.

AP Prepayment Tax Reconciliation

In some countries, you must declare tax on a prepayment. This practice is common in Eastern European countries. For example, if you prepay a supplier and if the supplier subsequently does not ship goods or provide services within a certain time period, the supplier must issue a tax invoice.

The AP Prepayment Tax Reconciliation process lets you add identifiers to link prepayments, tax invoices, and final invoices and then perform reconciliations for audit purposes.



In the AP Prepayment Tax Reconciliation process, you create supplier prepayments and record them in the system using reconciliation keys to identify them.

If the tax on the prepayments needs to be declared, you create a tax invoice for the prepayment tax amount and assign the same reconciliation key.

Before you receive the final invoice from the supplier, you can record multiple prepayments and multiple corresponding tax invoices.

When the supplier ships goods or provides services, you receive and record the final invoice. At this time, you create the final invoice with an identifying reconciliation key. You must then reverse the tax invoice that you created previously, run **Open Item Adjustments** to link the prepayment, final invoice, tax invoice, and tax invoice reversal so that QAD EE can track the whole process using one adjustment record.

The detailed flow is the same as that described for accounts receivable in AR Prepayment Tax Reconciliation on page 6018.

Recording Prepayments with Reconciliation Keys

In functions that allow you to enter prepayments and process them, you can record a reconciliation key, which helps you to search and find tax invoices and prepayments for reconciliation.

The Reconciliation Key field is hidden by default and you must add it using Design Mode. You can add the Reconciliation Key field in Design Mode in the following AP-related programs:

- **Supplier Payments**
- **Bank Statements**
- **Supplier Invoices**

In the following programs, Reconciliation Key is a grid column that you can make visible by right-clicking on the grid headers and choosing Columns:

- **Open Item Adjustments**
- **Supplier Opening Balance Excel Integration**

Running the AP Prepayment Tax Reconciliation Report

The **AP Prepayment Tax Reconciliation** report contains output on which you can base your prepayment tax reconciliations. The report lists all transactions that meet the other search criteria. The data is grouped by daybook for each open item adjustment.

The search criteria are:

Currency Code

Specify the currency code or which you want to run the report.

Daybook

Specify the daybook code or range of daybook codes for which you want to run the report.

Entity

Choose the entity for which you want to run the report. The Entity field is mandatory.

GL Cal Year

Specify the GL calendar year or range of years for which you want to run the report. The GL Cal Year field is mandatory.

GL Period

Specify the GL period or range of GL periods for which you want to run the report. The GL Period field is mandatory.

Posting Date

Specify the posting date or range of posting dates for which you want to run the report.

Prepayment Ref

Specify the prepayment reference for which you want to run the report.

Reconciliation Key

Specify the reconciliation key for which you want to run the report.

Reporting Currency

Choose the currency in which to print the report output. The options are Base Currency, Statutory Currency, and Transaction Currency.

Supplier Code

Specify the supplier code or range of supplier codes for which you want to run the report.

Voucher

Specify the invoice voucher number or range of voucher numbers for which you want to run the report.

AP Bank Charges

Bank charges often apply to payment transfers that you make to your supplier to pay for goods or services. You must agree with your supplier who pays these. You can then configure the system to take these charges into account during the AP payment process.

Banks keep a list of the charges that apply to payments made. These charges are dependent on the bank that you are making the payment to, the amount of money that you are paying, the payment format, and the date of the payment. If your supplier pays for these charges, you can configure the system so that the charges are automatically deducted from the payment that you make to the supplier.

There are a number of steps to complete so that the system is configured to calculate bank charges on payments to suppliers:

- Record bank branch details. See Bank Branches on page 6233.
- Record bank charges.
- Enable bank charges in your own bank's GL account. See Setting Up Your Own Bank Account on page 6229.
- Link your own bank account to payment methods, and specify which payment methods incur a bank charge. Linking the Account to the Payment Method on page 6230.

- Configure the supplier record to show that the supplier pays the bank charge. Indicating if the Supplier Pays the Bank Charges on page 6230.
- Record the details of the supplier's bank account. Recording the Supplier's Bank Account Details on page 6230.

Main

Own Bank Business Relation

Select the business relation that represents your bank from the lookup. The lookup displays all business relations that:

- Are linked to your bank records in **GL Accounts**.
- Have the Bank Charge field selected in **GL Accounts**.
- Have the same currency in the bank GL account as either the base currency or statutory currency of the current entity

Currency

Select a currency. Choose either the base currency or the statutory currency. Only payments made in this currency will have bank charges applied to them. After you choose the currency, it is not possible to modify this field when creating bank charges that are valid for this bank with different Valid From dates. It is also not possible to modify the currency of previously saved bank charges in **AP Bank Charges**.

Valid From

Specify the date from which the bank charges are valid. You can create multiple bank charges with different dates. You cannot change the Valid From date of previously saved bank charges.

Note When paying an invoice using **Supplier Payments**, the payment posting date is used to find the valid bank charge rate.

Note When paying for an invoice using **Supplier Payment Selections**, and the payment format is electronic transfer, the execution date is compared with the Valid From date in **AP Bank Charges** to find the valid bank charge rate. When paying for an invoice using **Supplier Payment Selections**, and the payment format is not electronic transfer, the posting date is compared with the Valid From date in **AP Bank Charges** to find the valid bank charge.

Taxable

Select this field when the bank charge is taxable. The tax charges that apply relate to the business relation of your bank. The Ship From zone is taken from your bank's business relation. The Ship To zone is taken from your company's business relation. See Calculating Tax on Payments with AP Bank Charges on page 6232.

Tax Included

Select this field when the bank charge set by the bank includes bank charge tax. If this field is selected, then the tax portion of the bank charges is deducted from the bank charge stored in **AP Bank Charges**.

If this field is not selected, the tax is not included in the bank charge, and the system calculates the tax on the bank charge. The system then deducts the bank tax from the payment to the supplier in addition to the deduction for the bank charge.

In each case, the bank charge is posted to a bank charge account, and the tax on the bank charge is posted to a separate tax account.

See Calculating Tax on Payments with AP Bank Charges on page 6232.

Tax Class

This field is optional. This class is used in the lookup of the tax rate.

See Calculating Tax on Payments with AP Bank Charges on page 6232.

Grid Panels: Same Branch, Same Bank, Same Bank Group, Other Bank

AP Bank Charges contains four additional panels with grids:

- Same Branch. Use this panel to enter the rates that the bank charges for transfers to accounts within the same bank branch.
- Same Bank. Use this panel to enter the rates that the bank charges for transfers to accounts at a different branch within the same bank.
- Same Bank Group. Use this panel to enter the rates that the bank charges for transfers to accounts to a different bank within the same bank group as your bank.
- Other Bank. Use this panel to enter the rates that the bank charges for transfers to accounts in any bank group that is not your bank's bank group.

Each panel contains a grid that you can use to list the rates that the bank charges for a transfer. Each row contains a range and the charge that applies to transfers of amounts that lie within that range. Amounts greater than Payment Amount From (>) and up to and including Payment Amount To (<=) are charged the bank charge amount that appears in the corresponding row of the grid. There is validation to make sure that the Payment Amount To (<=) value of one row matches the payment amount Payment Amount From (>) value of the following row.

How the AP Bank Charge Rates are Used in a Payment

The system compares your bank details, stored on the Banking panel of **GL Accounts**, to those of your supplier's bank, stored on the Banking panel of **Suppliers**. From this information, it identifies and checks the appropriate bank charge panel. If the bank charge amount is not found in the corresponding panel, the system checks the other panels until it finds one with a charge listed. The order in which the system checks the panels is Same Branch, Same Bank, Same Bank Group, and Other Bank. If there are no bank charges found, the system displays an error informing you that no bank charge is available, and requesting that you define the bank charge in **AP Bank Charges**.

Note The AP bank charge data can be used in any domain and entity where an own bank account exists that has the same business relation and currency as the bank charge table.

Setting Up Your Own Bank Account

In GL Accounts on page 5706, create or modify the details for the bank account that you use to make payments to the supplier. The following are the relevant fields:

Business Relation Code

The business relation code of your bank. This field is mandatory when the Bank Charge field is selected.

Branch

Your bank branch. Define bank branches using **Bank Branches**. This field is mandatory when the Bank Charge field is selected.

Bank Charge

Select this field if the bank account represented by this GL account will be used to pay bank charges. When you select this field and leave the Business Relation Code and Branch fields blank, an error displays. If you deselect this field and there is an associated payment format in **Bank Payment Format Links** for this bank number, the following warning message displays: Bank number <bank_number> is associated with payment formats for which bank charges are activated.

Bank Charge Acct

A GL account, of type Standard, that the bank charges are posted to. This must be a manual account of type Standard.

Bank Account Type

Specify the account type. This information is printed on the payment file sent to the bank during the AP payment process.

Linking the Account to the Payment Method

In Bank Payment Format Links on page 6290, create a record for the bank account that you created in GL Accounts. Specify the methods of payment that are acceptable for this bank account; for example, check payment. If the payment format requires a bank charge to be paid to the bank, select the Bank Charge Applies field. The Bank Charge Applies field is only applicable to accounts that are of type Accounts Payable. The Bank Charge Applies field is hidden by default and can be displayed using the Configuration tool.

Note It is only possible to edit the Bank Charge Applies field if the Bank Charge field on the Banking panel of **GL Accounts** is selected for that particular bank account.

Indicating if the Supplier Pays the Bank Charges

Use the Pays Bank Charges field in the Payment panel of **Suppliers** to specify whether or not the supplier is liable for bank charges resulting from payment transfers to cover invoices. This field is hidden by default and can be displayed using the Design Layout tool.

Recording the Supplier's Bank Account Details

To facilitate the calculation of bank charges for payments to your supplier, record the details of the supplier's bank account. On the Banking panel of **Suppliers**, enter details of the supplier's bank account and your bank account number. The system can then select the appropriate category. For example, if your bank account and your supplier's bank account are in the same bank and same branch, a charge stored in the Same Branch panel of **AP Bank Charges** applies.

There are a number of important fields on the Banking panel:

Business Relation Code.

The business relation representing the supplier's bank account. If you select Bank Charge in **GL Accounts** for your own bank number, then this field is mandatory.

Branch

The branch of the supplier's bank account. If you select Bank Charge in **GL Accounts** for your own bank number, then this field is mandatory.

Supplier Bank Number

The bank account number to which you transfer payments when paying the supplier.

Own Bank Number

The bank account number related to your bank's business relation. When you specify the own bank number, you are prompted to choose from the payment formats that are linked to the bank account. Choose a payment format that the bank charge applies to. The Entity Code,

Bank GL Account, Payment Format, and Payment Instrument fields in this row automatically populate when you populate the Own Bank Number field and choose from the available payment formats. This account is the bank account that you transfer funds from to pay your supplier.

Bank Account Type

This field allows you to specify the supplier's bank account type. This information is printed on the payment file sent to the bank during the AP payment process.

Currency

Specify the currency of the account.

Paying an Invoice Subject to Bank Charges

If you pay for an invoice using **Supplier Payments** or **Supplier Payment Selections**, the system calculates any applicable bank charges.

Paying multiple invoices at once allows you to reduce the number of payments that you make, and may reduce the charges that you pay to the bank.

If you are paying invoices in multiple entities, the information used to calculate the bank charges—for example, payment format, bank account, and bank charge details—is taken from the entity in which the payment is made. Similarly, the bank charges that apply to these payments are posted in the entity in which you make the payments.

AP Bank Charges in Supplier Payments

When paying an invoice using **Supplier Payments**, the payment posting date is used to find the valid bank charge rate.

There are a number of fields on this screen that relate to bank charges:

Amount

The full amount that you are paying. Specify the currency of the payment also. If the currency of the payment and the currency specified in **AP Bank Charges** differ, then no bank charges are calculated on the invoice.

Note When payments are created, the system checks whether the bank currency, the payment currency, and the bank charge table currency are the same. It also checks that the currency is the base currency or statutory currency of the entity where the payment is made. If these conditions are satisfied, the bank charge is applied. Otherwise, the payment is processed without the bank charge.

Bank Charge Amount

The amount that your bank is charging you to transfer the payment to the supplier's bank account. The bank charge is calculated using the bank charges stored in **AP Bank Charges**, comparing your own bank

to the supplier’s bank and using the amount of the payment to calculate the appropriate charge. This field is read only. The bank charge is calculated on the net paid amount of the payment. If the payment is eligible for a discount, or subject to a charge such as withholding tax, the bank charge is calculated after the allocated amount of the payment is calculated.

Net Payment Amount

The value of the Amount field with the Bank Charge Amount deducted. This field is read only.

The bank charge amount is posted to the bank charge account. The net payment amount is posted to either the Supplier Payment Account or, when the payment status is Paid, to your own bank account. If there is tax charged on the bank charge, then this is posted to the tax account.

If discounts, withholding tax, or other deductions apply to a payment made to a supplier, the bank charge is calculated after the allocated amount of the payment is calculated.

You can use **Journal Entries** to display the details of the accounts that the bank charge and net payment were posted to. The bank charge is posted to an account that is specifically for bank charges. The net payment is posted to the Payment in Process account.

When the payment status is Paid, the bank charge is posted to the bank charge account and the net payment is posted to the GL account that your company used to make the payment to the supplier. If tax applies to the bank charge, this is posted to a separate tax account.

AP Bank Charges in Supplier Payment Selections

When paying an invoice by electronic transfer using **Supplier Payment Selections**, the execution date is compared with the Valid From date in **AP Bank Charge**s to find the valid bank charge. If the payment format is not electronic transfer, the posting date is compared with the Valid From date in **AP Bank Charges** to find the valid bank charge. The posting is processed the same way as in **Supplier Payments**.

Calculating Tax on Payments with AP Bank Charges

In **Bank Charges**, you can specify if the bank charge is taxable by selecting the Taxable field. You can also specify if the bank charges listed in the **AP Bank Charges** activity include the tax, or if the tax is calculated on the bank charge and then deducted from the payment transfer in addition to the bank charge. The system will then calculate the tax rate based on the Tax Type, Item Tax Class, Tax Usage, and Effective Date field in the **Tax Rates** screen.

There are a number of steps to follow to apply tax to a bank charge.

- Select the Taxable field in **AP Bank Charges**.

- Specify the tax class. This corresponds to the Item Tax Class in **Tax Rates**.
- Select the Tax Included field if the bank charge set by the bank includes the bank charge tax. In this case, the bank charges listed in the AP Bank Charges grid already include the tax. If the Tax Included field is not selected, then the bank charges listed in the AP Bank Charges grid do not include tax. The tax is calculated on the bank charge, deducted from the net payment amount, added to the bank charge from the AP Bank Charges grid, and displayed in the Bank Charge Amount field of the Supplier Payment. In both cases, the tax charged on the bank charge is posted to a tax account, and the bank charge is posted to a bank charge account.

When you pay an invoice using **Supplier Payments**, the system retrieves the tax type in Tax Environments using the tax environment value, the ship from zone, the ship to zone, and the tax class of the own business bank relation. It then combines this type with the tax class from **AP Bank Charges** to find the relevant tax rate in **Tax Rates**.

- If there is an entry in Tax Rates that corresponds to the tax type and the tax class from **AP Bank Charges**, then this rate is the tax rate that applies to the bank charge.
- If the tax class of the own bank business relation is not associated with any entry in Tax Environments, and there is an entry with a blank class, then this acts as a wildcard, and the rate for this entry applies to the payment.
- If there is no corresponding entry in **Tax Rates**, and no entry with a blank tax class, then an error displays.

Including Bank Charges in Bank Payment Files

When you make payments through the electronic payment method, it is possible to include bank charge information in the files sent to the bank. You must install an electronic bank file format that is tailored to include the bank charge information. For more information on installing electronic bank file formats, see *QAD System Administration User Guide*.

Bank Branches

Different banks can have the same branch code. The combination of bank branch code and business relation is a unique identifier for a particular branch.

If a branch has been linked to a bank account of yours that has Bank Charge selected in the GL account, you cannot delete the bank branch. Similarly, if the bank branch is linked to a supplier bank account that is linked to one of your bank accounts that has Bank Charge selected, you cannot delete the bank branch.

The Excel integration activity allows you to import or export a list of bank branches to the system from an Excel file. The bank branch data is stored at system level.

Main

Bank Branch

Enter a code representing the particular bank branch. This field is mandatory.

Business Relation

The business relation representing a particular bank. It may be the bank that you transfer money from to make payments to suppliers, or it may be the supplier’s bank. This field is mandatory.

Name

Enter the name of the bank branch. This field is mandatory. You can add translations in different languages.

Second Name

Enter another name or a description for the bank branch. You can add translations in different languages.

Realized Gain and Loss

For payments in base or transaction currencies, the system calculates the realized gain or loss in base currency and in statutory currency, and posts the difference to the relevant gain or loss system accounts. The gain or loss is the difference between the base currency (or statutory currency) value of the invoice at the time it was created and the base currency (or statutory currency) value of the invoice at the time of payment. For partial payments, this difference is prorated according to the amount paid.

When a domain uses a statutory currency, the system calculates the gain or loss twice, once for the base currency and a second time using the statutory currency, each using the most recent statutory exchange rate.

The original exchange rates for both the base currency and statutory currencies are stored in the original transaction invoice record, and compared with the relevant exchange rate at the time of payment. The difference is then posted as a gain or loss.

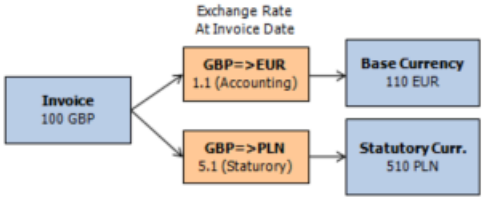
The differences in the base currency calculations and statutory currency calculations for the same transactions can have a different sign. For example, the same transaction can cause a gain in base currency and a loss in statutory currency. In this case, two posting lines are created: one for the gain amount and one for the loss amount.

A domain has a base currency of Euros and a statutory currency of Polish Zloty (PLMN). The company sells 10 items to a British customer at a unit cost of 10 GBP each.

When the invoice is posted, the system posts a debit of 100 GBP to the AR control account and uses the accounting exchange rate of 1.1 to convert this amount to Euros for the base currency (110 Euros). It then uses the statutory exchange rate of 5.1 to convert from GBP to PLN (510 PLN). The sales account is credited with 90 GBP (equivalent to 99 Euros and 559 PLN) and the tax account is credited with 10 GBP (equivalent to 11 Euros and 51 PLN).

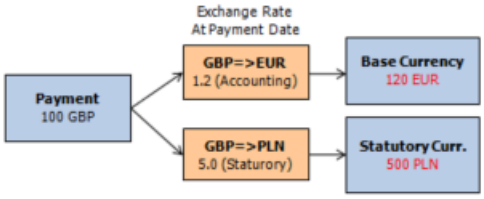
When the customer pays the invoice, the exchange rates have changed. The accounting rate from GBP to Euros is now 1.2 and the statutory rate from GBP to PLN is now 5.0. When the payment is lodged in the bank account, 100 GBP is equivalent to 120 Euros and 500 PLN. However, the payment postings to the AR control account use the exchange rates valid at the invoice date (accounting rate 1.1 and statutory rate 5.1). Therefore, the AR control account is credited for 100 GBP, which is equivalent to 110 Euros and 510 Zloty.

The system posts a realized gain of 10 Euros to the Realized Gains account and a loss of 10 Zloty to the Realized Loss account.



GL Transactions

GL Account	TC	BC	SC
AR Control	100 DR	110 DR	510 DR
Sales	90 CR	99 CR	559 CR
Tax	10 CR	11 CR	51 CR



GL Account	TC	BC	SC
Bank	100 DR	120 DR	500 DR
AR Control	100 CR	110 CR	510 CR
Gain	0	10 CR	0
Loss	0	0	10 DR

Printing Supplier Payment Instruments

Use the functions listed in the table below to print checks, promissory notes, summary statements, and drafts to be sent to the supplier as payments. You can also generate paper transfer documents to be sent to you bank to initiate payment transfers and generate reports on electronic transfers and payment selections.

Report	Description
Supplier Funds Transfer	Lets you print a hardcopy instruction to be sent to the bank as an order to make a funds transfer

	from your bank account to the supplier’s bank account.
Supplier Checks	Lets you print checks to be sent to the supplier for payment of outstanding amounts. To modify the layout of the supplier check, see QAD Reporting Framework User Guide, which describes the customization of Component 1 reports. In addition, the Best Practices for Customization training guide describes how to customize the business logic for reports.
Supplier Summary Statement Print	The summary statement is sent to the supplier by a third party, and used when the third party is responsible for the collection of amounts. For example, factoring companies and banks that provide credit card services use summary statements.
Supplier Payment Selection Details	Generates a report for internal use that lists payment selections by range of selection code or execution date based on one or more statuses. When Detail is Yes, the invoices being paid are also listed. Payment status selection can be All, Initial, Confirmed, or Transferred.
Supplier Remittances	Lets you print a remittance letter to a range of suppliers based on a generated payments. The remittance letter informs the suppliers about payments that have been made to them in executed payment selections. The filter Print By Check Number enables you to split the letter by check number.

When you print payment instruments, you can select documents to print by payment selection code or number, invoice status code, supplier, and creation date, as well as other criteria. The payment selection code is the external ID that you supply; the number is a system-generated sequential number.

Printing Supplier Checks

Supplier checks can be printed as soon as a Supplier Payment Selection for a check type Payment Format is created and confirmed. A single supplier check can also be created in **Supplier Payments**.

When printing checks using **Supplier Checks**, you have the option to assign system pre-printed numbers that correspond with the pre-printed numbers physically on the checks. The system stores a pre-printed number with each linked AP check payment format, and you can select any AP check numbering sequence valid in the current entity.

Complete the payment selection criteria you need to select the payment you want to print. Use the following fields to configure your print run:

Bank Payment Format

Select a bank payment format from the look-up. This field displays all AP check formats that have been linked to bank accounts. You assign the next number in the sequence using the Next Pre-Printed No field in **Bank Payment Format Links**. When you click Apply to begin the print run, the system displays an error if you have selected a format that does not have a next pre-printed number assigned. In this case, you can select the format in **Bank Payment Format Links**, assign a number, and continue with the print run.

Open

Include only checks with an open status. When checks are For Collection, the status is open. When checks are Void, Bounced, or Paid, the status is closed and Open should be set to No in order to print them. This is important if you are not using a payment in process account but setting the status of checks to paid immediately; these checks are considered closed even though they have not been printed, and you must set Open to No to print them.

The default value for this field is Yes. When you do not have a For Collection status defined for any bank account in the current entity, the value given is No.

Open refers to the status of the checks, and applies to all scenarios. If you are setting checks immediately to the Paid status when they are created, as is common in US practice, your checks are already closed before you print them. In this case, you must clear the Open field to be able to print checks.

Preprinted Number

Use this field to define a number or range of numbers when you are reprinting an existing check.

Print Type

Select a print mode from the drop-down list.

Final Print. Use this option when you are ready to complete a print run. When you select Final Print, the system retrieves the Next Pre-Printed No field in the bank payment format you selected. You can only print new payment documents in Final Print, and once the run is complete, the Next Pre-Printed No field in the bank payment format you used is updated to the last number in the completed run plus one. The system also increases the value of the Times Printed record for the check by one

Print Duplicate. Use this option to reprint a set of checks. The Times Printed record for the check is increased and the system prints existing checks only. The value of the Next Pre-Printed No field on the bank payment format is not updated by Print Duplicate.

Test Print. Use this option to test the run before Final Print. The system does not retrieve the Next Pre-Printed No field in the bank payment format you selected. The Times Printed record for the check is not updated, and the system prints new documents only.

These settings and their combinations are summarized in the following table.

Print Type	**Retrieve Next Pre-Printed Number from Bank Payment Format**	**Increase Times Printed Counter**	**Only New Documents**	**Update Next Pre-Printed Number in Bank Payment Format**
Final print	Yes	Yes	Yes	Yes
Test print	No	No	Yes	No
Print duplicate	No	No	No	No

You can use the Only New Documents field for test print and an original print run, but not for reprinting. When this field is selected, only checks with the field Times Printed set to 0 (zero) are printed, which would be exactly the set needed for a test run or when making the real check print.

For example: You pay all supplier invoices from a Chase Manhattan bank account. You create an AP check payment format to process these payments (called Chase Manhattan Checks), and link the format to your Chase Manhattan account using **Bank Payment Format Links**.

When linking the account to the payment format, you assign a Next Pre-Printed No that matches the first number of your pre-printed checks; for example, 708001.

You create a payment selection for this month's total of 20 AP checks and select **Supplier Checks** to print the payment selection. When you select Chase Manhattan Checks from the bank payment format drop-down list, the system assigns 70008001 as the number of the first check to be printed from the selection.

When you choose to run a Test Print on blank paper, the system prints the checks in the selection without retrieving the number from the payment format. After verifying that the correct checks have been printed, you run a Final Print on pre-printed paper. The system retrieves the number 70008001 from the Chase Manhattan payment format and prints checks numbered 70008001 to 70008020. The Next Pre-Printed Check No value on the payment format is updated to 70008021.

Printing and Voiding Supplier Checks

When you use **Supplier Checks** to print checks, the remittance stub of the check stationery contains details of the invoices paid by the check, with one line on the check allotted per invoice. You define the number of invoice lines to be printed on the check using the Invoice Per Check field in **Payment Formats**.

During a check print run, the preprinted check numbers of the check stationery are stored and traceable in the system to prevent fraudulent printing of checks. However, there are a number of situations in which the numbering sequence of the checks can be disrupted:

- A paper jam or other printer error occurs during printing.
- The address details on the check are incorrect, and need to be reprinted.
- The printed checks are lost in transit and must be reprinted.

In these cases, you maintain the integrity of the numbering sequence by voiding the supplier payments for the lost checks. Use the Mass Changes action in **Supplier Payments** to select the corresponding payments and change their statuses to Void. This creates empty check records for the voided checks with the original preprinted numbers assigned to them. At the same time, the original payment records are reset to an unprinted status (without preprinted numbers) so that you can use them for a new check print run using a new number range.

You are printing a payment selection of 100 checks on stationery prenumbered from 001 to 100. The printer jams at the form numbered 076. In the system, all 100 checks are marked as printed and are assigned preprinted numbers from 001 to 100. On the printer, the forms numbered 076 to 079 are scrambled, but the stationery can be reused starting from 080. To rectify the problem and reprint the last 25 checks correctly, open the Mass Changes actions in **Supplier Payments**. Select the four payments that correspond to the scrambled forms and change their statuses to Void. The selected payments are assigned the status Void and keep the preprinted numbers 076 to 079. At the same time, four new unprinted payments are created automatically and linked to the same invoices as the voided payments. Now, you can reprint (using a print type of Duplicate) the 21 checks that were already assigned numbers 080 to 100 on forms prenumbered from 080 to 100. After that, you can print the four new checks that replace the voided checks on forms prenumbered from 101 to 104.

The check numbering sequence is also disrupted when the number of invoice lines to be printed on the page exceeds the page length.

Three checks are to be printed on the pages numbered 10000001, 10000002, and 10000003. The invoice lines on the first check exceed the length of page 10000001. The system does not let you print a check on two pages; instead, it prints Void on the second page, and creates a voided check record to account for this number. The print run continues with the second check on the third numbered page (10000003), and the third check on the fourth numbered page (10000004).

In this way, the numbering sequence is kept consecutive and the skipped prenumbered page is recorded.

Ultimately, if the preprinted numbers in the system are completely unsynchronized with the physical check forms that have been printed, there is also a manual way to rectify the situation. At any time, you can use **Payment Formats** to reset the next preprinted number that the system will use during a check print run.

Supplier Activity Dashboards

Supplier Activity Dashboards offers a comprehensive overview of all activity related to a single supplier, in a single entity or over multiple entities. It displays read-only information that includes invoices, credit notes, and payments.

You can select open or closed payments and display individual payment details, as well as total amounts for each selection you make. You can filter by currency.

You can use grid features on the panels to group and sort information by key credit-related details such as the number of weeks overdue, or see all invoices due in a certain week.

Main

The Main panel displays the overall state of activity for the selected supplier. You can also change the currency in which the totals are displayed.

Supplier

This field displays the supplier that you selected previously in the browse for which you want credit information.

Business Relation

These fields display the associated business relation and name.

Payment Group

If the supplier belongs to a payment group, the group is displayed in this field.

Currency

Specify a currency in which to display the information. The supplier currency is loaded by default. When you choose a different display currency and click Apply, amounts are converted from the supplier currency using the default accounting exchange rate. For example, switch currencies to view the amounts in the currency of the current domain.

Note When you switch currencies, the system uses the Accounting exchange rate effective as of today.

All Entities Open Items

This field displays the total amount of customer open items generated in all entities. Open items consist of invoices and credit notes entered directly using **Customer Invoices** and posted invoices and credit notes from operational activity. Unposted sales orders are not included in the balance of open items.

Credit Terms

This field displays the supplier credit terms.

Entities

The Entities grid enables you to select which entities you want to display totals for. Select those entities to include. The totals are displayed in the currently selected currency in the Selected Entities Open Items field below the grid.

Activities

The Activities panel displays all invoices and associated payments for the supplier, including payments created by allocating a bank statement line to an invoice. Payments display as child rows beneath their associated invoices. By default, open invoices for a three-month range display. You can change the start and end dates, as needed, and choose to look at

closed invoices or both closed and open invoices using the Status field. If you change the filters on the Activities panel, click Apply to display the results.

Invoice Date

Enter an invoice date range for which to display invoices. By default, the range is three months.

Due Date

Enter an invoice due date range for which to display invoices.

Status

Choose whether to return only open invoices, closed invoices, or all invoices. By default, the status is Open.

Invoices

You can view the invoice information separately on the Invoices panel. If you change the filters on the Invoices panel, click Apply to display the results. Amounts in the grid are displayed to two decimal places, and discount calculations support negative quantities.

Invoice Date

Enter an invoice date range for which to display invoices. By default, the range is three months.

Due Date

Enter an invoice due date range for which to display invoices.

Status

Choose whether to return only open invoices, closed invoices, or all invoices. By default, the status is Open.

Payments

The Payments panel displays the payments to this supplier for a specified date range. Supplier prepayments created using **Banking Entry** display as payments. The Status filter lets you select partial payments for which invoices are still open. If you change the filters on the Invoices panel, click Apply to display the results. Amounts in the grid are displayed to two decimal places, and discount calculations support negative quantities. Click the Details button to view details of a supplier payment.

Posting Date

Enter a payment posting date range for which to display payments. By default, the range is three months.

Status

Choose whether to return payments for only open invoices, closed invoices, or all invoices. By default, the status is Open.

Supplier Reports

This section describes the aging reports and the Supplier Invoice report. All available supplier reports are described in Accounts Payable Reports on page 6371.

Supplier Invoice Register Report

The **Supplier Invoice Register** report displays a list of supplier invoices and their posting details and receipt data, if applicable. You can, optionally, include a GL Summary section at the end of the report, which displays totals by GL account. At the end of the month, you can use the GL Summary section of the report to check the allocation of costs arising from supplier invoices.

The following selection criteria are of importance for running the report:

Filter	Description
Currency	Select the currency that you want to use for the report from the look-up.
Invoice Detail	Specify whether you want to include full details or an invoice summary in the report.
Posting Date	Specify the posting date range for which you want to run the report.
Purchase Type	Select the purchase type that you want to use for the report from the look-up.
Sort By	Specify whether you want to sort the information in the report chronologically or by supplier code.
Supplier Code	Select the supplier you want to use for the report from the look-up.
Supplier Type	Select the supplier type you want to use for the report from the look-up.

Supplier Aging Reports

Supplier Aging Analysis Current Report

The **Supplier Aging Analysis Current** report displays all open items created in the specified time frame. It also lists the due supplier open items by number of periods overdue at the entered date for aging calculation.

The report output is sorted by supplier, currency, and invoice.

If you display summaries by currency, the summary is sorted by currency. If you display summaries by GL account, the summary is sorted by GL account and then by currency. If you display summaries by sub-account, the summary is sorted by sub-account and then by currency.

The following selection criteria are of importance when running the report:

Filter	Description
Aging Offset	Specify the aging offset that you want to use in the report.
Aging Type	Select whether you want aging to be calculated in days or months in the report.
Currency Code	Select the currency code that you want to use for the report from the look-up.
Date for Aging Calculation	Specify the date you want to calculate aging for.
Reporting Currency	Specify whether you want to display the base currency or the statutory currency in the report.
Sort By	Specify whether you want to sort information in the report by Supplier Name or Supplier Code.
Summary Info By	Specify whether you want to display summaries by Currency, GL, Sub-Account, or Payment Group.

Supplier Aging Analysis History Report

The **Supplier Aging Analysis History** report displays aging analysis payments up to the specified period.

The report selection criteria are the same as those for the Supplier Aging Analysis Current Report on page 6243.

Supplier Aging Analysis by Group Current Report

The **Supplier Aging Analysis by Group Current** report groups aging analysis data by sub-account or project.

The following selection criteria are of importance, in addition to those in Supplier Aging Analysis Current Report on page 6243:

Filter	Description

Group By	Select whether you want to group information by Sub-Account or Project.
Project Codes	Select a project to associate with the report.
Sub-Acct Codes	Select a sub-account to associate with the report.
Summary Info By	Specify whether you want to summarize information in the report by Currency, GL, Sub-Account, or Payment Group.

Customer Aging Analysis by Group History

The **Supplier Aging Analysis by Group History** report groups aging analysis backwards data by sub-account, purchase code, or project.

The report output is grouped using the same method specified for theSupplier Aging Analysis by Group Current Report on page 6244.

The following selection criteria are of importance, in addition to those listed for the Supplier Aging Analysis Current Report on page 6243:

Filter	Description
Group By	Select whether you want to group information in the report by Sub-Account or Project.
Sub-Account Codes	Select a sub-account to associate with the report.

ERS

You can use the ERS Processor program to generate supplier invoices and receiver matching for purchase orders, scheduled orders, blanket orders, and pending invoices generated due to supplier consignment inventory consumption. If Fiscal Confirm Required is selected in **Purchasing Control**, you can create supplier invoices and receiver matching for fiscal receipts.

If you specify an operational allocation code on a purchase order, use ERS to split the posting lines for the invoice and receiver matching across several GL accounts.

ERS can process receipts across multiple entities and sites within a domain, where the entity that recorded the purchase order and incurred the AP liability is different than the receiving entity. In this case, ERS automatically creates cross-company postings.

You activate and set ERS processing options using **Financials Control**. This menu contains the ERS Option field, which determines the default ERS processing setting for PO receiver lines. The ERS Option for each PO line determines how, or if, a supplier invoice and receiver matching record should be created for that line. You can select from the following options:

- Determine ERS option when ERS Processor is run
- ERS processing is disabled for the order line
- Determine ERS option using settings from ERS Configuration

You can run the ERS processor in two modes: Update mode or Simulate mode. When you run the report in Update mode, final supplier invoices and the corresponding final receiver matching records will be created. This is the default mode. Simulate mode does not generate supplier invoices or receiver matching. The No. Receivers field in the report will be blank when the report is run in Simulate mode.

You can choose whether to generate a summarized or detailed audit report using the Audit Report filter. If you select Summary, the audit report will be summarized by site, the receivers, and invoices processed. It also lists any errors. This is the default option.

Some countries use a process called fiscal receiving, in which a fiscal clerk must confirm the legal shipping documents to complete the receiving process. This process is required in addition to the physical receipt of goods by a warehouse clerk.

If fiscal receiving is activated by selecting Fiscal Confirm Required in **Purchasing Control**, ERS lets you create matched supplier invoices and credit notes or invoice corrections using fiscal receipts, and not PO receipts.

Fiscal receiving is used to record and reconcile the legal (fiscal) document and associated tax information. The Fiscal Confirm Required function is the final step in the receiving process, and the pending vouchers created by this process can subsequently be used by ERS to generate supplier invoices and receiver matching.

ERS Processor contains two different tabs: By Receiver and By Legal Document. However, only one of the tabs ever displays at one time. If the Fiscal Confirm Required field is selected in **Purchasing Control**, the ERS Processor displays the By Legal Document tab. If the Fiscal Confirm Required field is cleared in **Purchasing Control**, the ERS Processor displays the By Receiver tab. By default, the Fiscal Confirm Required field is cleared.

Benefits of ERS

ERS offers several benefits to customers and suppliers, such as reduced clerical workload, lower costs, and reduced error rate. Several factors make an ERS system work efficiently:

- Trading partners must agree on price.
- Customers must issue purchase authorization.
- Suppliers must provide accurate shipping information.
- Customers must enter accurate receipts.

When a problem occurs, the department responsible for the related function—not accounts payable or accounts receivable—should solve it as soon as possible. For example, shipping/receiving should resolve problems with quantity, part number, or defects. Purchasing should resolve problems related to price discrepancies.

Set Up ERS

Run ERS Conversion

If you enable ERS or you want to set ERS options for the existing open purchase orders, you must run ERS conversion to set the processing option.

In **Financials Control**, select the ERS Processing field. You can then select Run ERS Conversion from the Actions drop-down menu.

ERS Conversion will create ERS master tables and update existing purchasing orders. With default settings, ERS master tables are created and the existing purchasing orders are defaulted with ERS disabled. By setting the field ERS For Existing PO's to Enabled, you can enable ERS for all the existing purchase orders automatically in the conversion.

If you have already run ERS conversion and you want to enable or disable ERS for the existing open purchase orders, you can also use Run ERS Conversion. In this case, you can select Conversion Only For PO's

so that the system will only process updates on the existing purchasing orders with the ERS option you specify. It will not create ERS master tables again.

Set Up ERS in Financials Control

Use the fields in the ERS panel in **Financials Control** to activate and deactivate ERS processing, and to set options that affect ERS processing.

See ERS on page 6338 for more information.

ERS Configuration

Use **ERS Configuration** to set the default ERS processing options for a PO line, which determine:

- Whether to process the line using ERS
- When applicable, whether ERS should generate confirmed or initial invoices for the line

The ERS Processor searches **ERS Configuration** for default settings for the supplier, site, and item combination associated with a PO line to determine how it should process the line. You can define default settings in **ERS Configuration** for a particular supplier, site, item number, or any combination of these, such as:

- Supplier, site, and item
- Supplier and site
- Supplier and item
- Supplier
- Site

When determining the ERS option for a PO line, the system looks for a corresponding **ERS Configuration** record or combination of **ERS Configuration** records, in the following order:

1. Supplier/site/item record
2. Supplier/site record
3. Supplier/item record and a separate site record
4. Supplier record and a separate site record

The system sets the default ERS option for the line based on the first **ERS Configuration** record or combination of records that it finds. When a combination of records with different ERS options is found, the system sets the ERS option to the lowest value in the combination. If no records or record combinations are found, the system sets the ERS option to 1, disallowing ERS processing for that line.

When the Fixed Price field is not selected on a purchase order line, the ERS Processor automatically updates the purchase price on that line based on the ERS Price List Option setting for the line.

Note When Fixed Price is selected on a purchase order, ERS Processor uses the purchase prices recorded on the transaction and does not attempt to reset them, regardless of how ERS Price List Option is set.

Main

Supplier

Specify a supplier for which to define default ERS settings.

You can then set ERS processing options for the supplier alone, for the supplier and site combination, or for a supplier, site, and item combination.

The Supplier field is optional. However, if the Supplier field is blank, you must specify a value in the Site field.

Site

Specify a site for which you want to set default ERS processing options. This field is optional. However, if you do not specify a site, you must enter a value in the Supplier field.

You can set ERS processing options for the site alone, for a supplier and site combination, or for a supplier, site, and item combination.

Item

Enter an item to make the ERS processing options specific to this supplier and item, or to a supplier, site, and item combination.

When the system determines the default ERS Option and ERS Price List Option for purchase order or scheduled order lines, it first checks if **ERS Configuration** contains a default value for the supplier, site, or item combination.

ERS Option

This field determines how ERS processes a purchase order line or scheduled order line. Specify whether the ERS Processor should create supplier invoices and receiver matching for purchase order lines with the supplier, site, and item combination, and if created, whether to create initial or confirmed invoices.

The options are:

- 1 - ERS Processing Disallowed: Disallow ERS processing for the combination specified.
- 2 - an initial invoice and receiver matching: an initial invoice and receiver matching record for pending invoices with the specified combination of supplier, site, and item. This option adds a degree

of security because the invoice created must be approved using a separate process.

- 3 - a confirmed invoice and receiver matching: a confirmed supplier invoice and receiver matching record for receipts with the specified combination of supplier, site, and item.

Note When ERS Conversion is run, it sets this field for each supplier and site in the current domain.

ERS Price List Option

When using PO price lists, specify the effective date the ERS Processor should use when retrieving the relevant price list.

The options are:

1 - Use Receipt Date

2 - Use Ship Date

3 - Use Order Date, which varies by the order type:

- For individual purchase orders, the order date is used.
- For blanket orders, the order date of release is used.
- For scheduled orders, the order date on the main order is used.

Note The ERS Processor uses the ERS Price List Option field if a price list is specified for the order, and if the Fixed Price field on the order line is not selected.

ERS and Ordering

When ERS is set up and activated, it affects how you:

- a purchase order.
- Issue a blanket order.
- Issue a scheduled order.
- Receive purchased items

Purchase Orders with ES

Three fields in **Purchase Orders** affect ERS processing:

- Fixed Price
- ERS Option
- ERS Price List Option

Note The ERS Option and ERS Price List Option fields display in a pop-up only when ERS is active.

PO Header

The Fixed Price field is part of the standard header in **Purchase Orders**, but it functions differently when you are using ERS.

Fixed Price

Specify the default for Fixed Price for line items. The value for this field defaults from **Suppliers**.

- If the item price is fixed, the ERS Processor takes the price from the purchase order.
- If item price is not fixed, the ERS Processor refers to the relevant price list.
- If there is no price list, the ERS Processor looks for a supplier-item quoted price defined in **Supplier Items**.
- If there is no supplier quoted price, the ERS Processor looks for the GL material cost in **Items**.

ERS Option

Specify when the system should determine the ERS option for an order. The value for this field defaults from the ERS Option field in **Financials Control**.

The header value determines how the default ERS Option is set on each line item on the order.

Depending on the value of the ERS option set at each PO line, the ERS Processor:

- Does not create a supplier invoice for that line.
- Creates an initial supplier invoice with no postings and taxes, and a corresponding initial receiver matching record for the line.
- Creates a confirmed supplier invoice and corresponding receiver matching record for the line.

  The following are valid values for the header ERS Option:
  Blank (the default): Determine the ERS option when the PO line is created.
  0: Determine the ERS option at ERS processing time.
  1: Disallow ERS processing.

ERS Price List Option

Specify how the ERS Processor should determine the effective date to use for price lists for lines on this purchase order. The options are:

0: Determine the ERS price list option at ERS processing time.

1: Use receipt date as the effective date when accessing a price list.

2: Use the ship date.

3: Use the order date.

Note

For blanket orders, the order date is the release date. For scheduled orders, the order date refers to the scheduled order itself, not the various releases.

Specifying 1 or 2 may potentially lead to purchase price variances.

PO Lines

When Fixed Price is selected on a PO line, the invoice price for that line item is based on the purchase price recorded on the order.

When Fixed Price is not selected on a PO line, the ERS Processor automatically updates the invoice price for that line based on the sequence described for the Fixed Price field.

If the ERS Processor cannot find a price for an order line for which Fixed Price is not selected, it generates an error and does not create a supplier invoice and receiver matching record for the line.

ERS Option

Specify when the system should determine the ERS option for this line item.

The default line item ERS Option depends on the header ERS Option. If the header field is 0 (zero) or 1, the line item value is set to 0 or 1. If the header value is blank, the system determines the ERS option during line entry using the defaults set in **ERS Configuration**.

Note You can modify the default line item ERS option, but only by specifying 1 to disable ERS processing or specifying a lower value. For example, if the system determines that the default line item ERS option is 2, you can change it to 1 or 0. You cannot, however, change it to 3.

Note If you change the **ERS Configuration** settings that affect an individual purchase order, you must manually update the order based on the new settings, unless the order line has an ERS option of 0.

ERS Price List Option

Specify the price list option that the system uses to determine the ERS price list option for the current line.

The options are:

1. Use the receipt date.
2. Use the ship date.
3. Use the order date.

If the ERS Price List Option in the order header is set to 1, 2, or 3, that value defaults to the PO line.

If the ERS Price List option on the PO header is 0, ERS uses the value in the ERS Option field of the order header.

- If ERS Option in the header is blank, the ERS Price List Option for the line defaults from the same field in **ERS Configuration** for the corresponding supplier, site, and item combination.
- If ERS Option in the header is 0, the ERS Price List Option for the line defaults from the same field in **ERS Configuration** when the ERS Processor is run.

Fixed Price

The value for this field defaults from the PO header. However, you can update the value for each line item.

Blanket Orders with ERS

A blanket order is an agreement to purchase items at a specified price during a specified period, with exact delivery dates to be determined later. When an item on the blanket order is released, a purchase order is created, using the blanket order as a template.

a blanket purchase order in **Blanket Orders**. Set ERS values for a blanket order just as you would for a discrete purchase order.

When items on a blanket order for which ERS is active are released, the default ERS values for the purchase orders are determined using the blanket order.

Note If the **ERS Configuration** settings that affect a blanket order are changed, you must manually update the blanket order using the new settings. You must also manually update any purchase orders based on the blanket order.

Scheduled Orders with ERS

A scheduled order is like a purchase order with line items that have multiple delivery dates. Line items also have short-term shipping schedules specifying exact quantities and delivery instructions, as well as long-term planning schedules showing upcoming orders.

a scheduled order in **Supplier Scheduled Orders**. Set ERS values for the scheduled order just as you would for a discrete purchase order.

Note If the ERS Configuration settings that affect a scheduled order are changed, you must manually update the scheduled order based on the new settings.

ERS-Eligible Shipper Returns

Use **PO Shippers** to create purchase order shippers. ERS processing does not take place until the shipper is received. Use the Receive Order action from the Actions drop-down menu in **Purchase Orders** to receive shippers created in **PO Shippers**.

Receiving a Purchase Order with ERS

Receive purchase orders using the Receive Order action in **Purchase Orders**.

Ship Date

Used when the ERS Price List Option specifies the ship date as the effective date for a price list. If this option is active and the Ship Date field is blank, ERS uses the receipt date.

Packing Slip

ERS uses the packing slip number as the invoice number for the invoice created by the ERS Processor. If you leave this field blank, processing depends on the setting in ERS Packing Slip Error in **Financials Control**:

- If Yes, the ERS Processor does not create an invoice and adds the order to a list of errors.
- If No, the ERS Processor creates an invoice with the receiver ID as the invoice number.

ERS Processor

Important In .Net UI, you can run ERS Processor by receiver or by Legal Document. For this release of Web UI, it is only possible to run the processor by receiver.

The **ERS Processor** lets you specify ranges of suppliers, sites, and receivers to retrieve receipts for which you want to create supplier invoices and receiver matching. The processor then retrieves a group of receipts that meet your selection criteria.

Note The **ERS Processor**can only process records created at sites you are authorized to access.

The **ERS Processor** opens the selected group of receipts, creates the relevant supplier invoice records and receiver matching, and makes the appropriate journal entries, just as if the invoices were entered manually. When the **ERS Processor** creates supplier invoices, the invoice posting date is set to the effective date of the corresponding PO receipt transactions.

Processor Flow for Receipts

The **ERS Processor** selects all pending invoices linked to a receipt that has been selected for processing.

Depending on the value of the ERS option set for each PO line, the **ERS Processor** creates an initial supplier invoice with no postings and taxes, and a corresponding initial receiver matching record, or creates a confirmed supplier invoice and corresponding receiver matching record for the line. For each receipt that it validates for processing, the **ERS**

Processor creates a single supplier invoice for all pending invoices linked to the receipt. The **ERS Processor** calculates the price when it creates a receiver matching line.

- If an item's price is fixed, the **ERS Processor** takes the price from the purchase order.
- If the price is not fixed, the **ERS Processor** refers to the relevant price list.
- If there is no price list, the system looks for a supplier quoted price.
- If there is no supplier quoted price, the system looks for an item price.

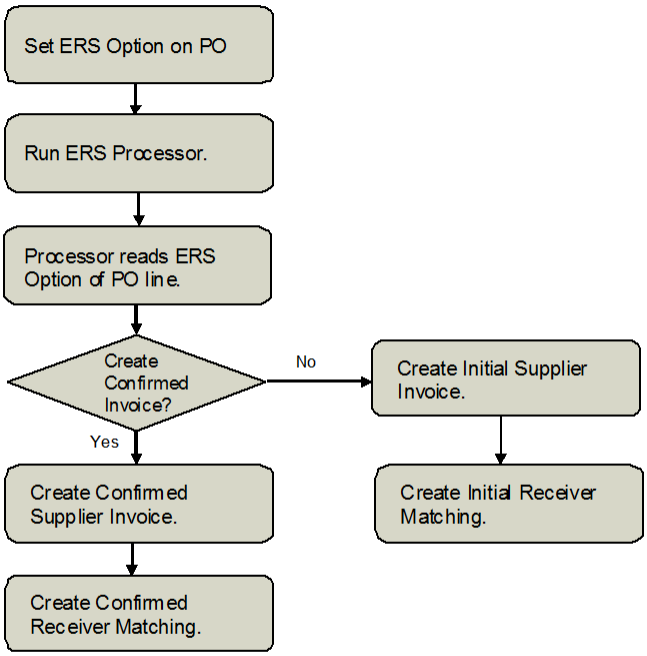
If the price has changed, relative to the original order price, the **ERS Processor** also recalculates the associated tax details.

When the **ERS Processor** updates the supplier invoice with the correct invoice amount from receiver matching and sets the receiver matching to Confirmed, the system generates a number of postings.

The **ERS Processor** normally creates a single supplier invoice for each purchase order receipt. However, if a PO receipt contains some PO lines with the option to create confirmed pending invoices and other PO lines with the option to create initial invoices, ERS creates two separate supplier invoices for the same purchase order receipt. In this case, one supplier invoice is created with the Initial status and the second invoice is created with the Confirmed status.

ERS posts the supplier invoice amount to the daybook from the daybook set defined for the corresponding purchase order.

ERS Processor Flow



Filter

Process By

For this release of Web UI, it is only possible to run the processor by receiver.

Supplier

Specify a range of supplier codes for which to retrieve receipts.

Site

Specify a range of sites for which to retrieve receipts.

Receiver

Specify a range of receiver numbers to retrieve from.

Note To create a supplier invoice, enter the Receiver Number generated in Purchase Receipt Document Print. When the ERS Processor is run, supplier invoices will be created based on the order lines set up in Purchase Orders.

Receipt Date

Specify a range of dates for which to retrieve receipts.

Effective Date

Specify a range of dates on which the receipt transactions actually took place. This field is useful where goods are received on one day but the purchase order receipt is created on another day.

Recalculate Tax

Specify whether you want to recalculate tax when you run ERS Processor. The default is No.

Process Mode

Choose how to run the report. The default is to run it in Update mode, which generates supplier invoices and receiver matchings. Alternatively, you can run it in Simulate mode, which does not generate supplier invoices or receiver matchings.

Audit Report

Choose from Detailed or Summary.

- Detailed: This report lists all successful and unsuccessful transactions.
- Summary: This report summarizes successful transactions by site, receivers, and invoices processed. It also lists any errors. This is the default.

Invoice Status Code

When creating an initial receiver matching record for a supplier invoice, ERS assigns any invoice status code recorded for the supplier that has the Initial Status field set to Yes in the Invoice Status function.

If no initial invoice status code is recorded for the supplier, the system uses the first initial invoice status code defined in Invoice Status.

When creating a confirmed receiver matching record for a supplier invoice, ERS assigns any “after matching” invoice status code linked to the initial status assigned to the initial supplier invoice. If no “after matching” invoice status is linked to the initial invoice status, the system uses the first invoice status code defined in Invoice Status that has a value recorded in the Status After Match field.

See Invoice Status on page 5834 for more information.

ERS Audit Report

The ERS audit report, which is produced when you select the Print Audit Report option in the ERS Processor, provides an overview of processed receipts and lists validation errors, if the ERS Processor ran with errors. If no errors or warnings exist, it is indicated at the top of the report and the error report is suppressed.

The ERS audit report generates errors in the following situations:

- No price is available for an item.
- Purchase orders have already been invoiced.
- Credit terms are invalid.

Printing ERS Invoices

ERS Invoices enables you to select search criteria to filter for the invoices to print. You must specify at least one criteria. When you click Run, an invoice is generated.

ERS Invoice Certification

In countries such as Portugal, it is a legal requirement to provide a digital signature for each invoice. This signature verifies that invoice creation sequence and invoice data are not altered after invoice creation. The signature is generated using OpenSSL. This requirement applies to supplier invoices just as it does to customer invoices.

Note Enable invoice certification in **Domains**.

In **ERS Processor**, when you click Run, an invoice is created and a digital signature is then also created. The data used to create the signature is taken from the current invoice, but the signature of the previous invoice is also included. The order of the invoices is determined based on the company, posting year, daybook, and voucher of the invoice. Digital signatures are only created for non-initial invoices.

To view the signature on created invoices, go to **Supplier Invoices**. Seven grid fields store invoice certification information for each invoice. These grid fields are not visible by default and must be added to the screen using Design Layout from the More drop-down menu.

Creation Time

Displays the time of the creation of the digital signature.

Invoice Certificate

Displays the invoice certificate number.

Invoice Certification Key

Displays the key used to create the signature, date time year, daybook and amount. You cannot change the amount after generation.

Signature Current Invoice

Displays the signature of the current invoice.

Signature Previous Invoice

Displays the signature of the previous invoice.

Signature

Displays the short signature used on certain reports.

Version

Displays the version of the open SSL key generated.

Banking

The functional stages in the banking and cash management flow are represented by the following processes:

- Set Up Banking
- Using Banking Functions
- Electronic Processing
- EDI Advanced Banking for Accounts Receivable
- EDI Advanced Banking for Accounts Payable
- Petty Cash
- Cash Flow Reporting

Set Up Banking

To store your bank account number in the system, you must first apply a validation format to the account number. The validations depend on the country where your bank is located. Therefore, before you create your bank account, ensure that the correct validation format is available for your account number. See Bank Account Formats on page 6263.

To use banking functions, you must first define the bank accounts for your entity. See Define Own Bank Number on page 6267.

Using Banking Functions

When customer and supplier payments have been processed by your bank, you use banking functions to complete the AR and AP cycles.

The Bank Statements function completes most of the payment cycles and supports all major international banking standards. Bank Statements also manages the manual and automatic entry and allocation of bank statements, including:

- Entering a bank statement
- Allocating the incoming and outgoing transactions on the statement lines to AR and AP open items, GL accounts, payment selections, and payments
- Handling exchange rate conversions during allocation

See Bank Statements on page 6267.

Electronic Processing

The electronic banking in Financials lets you import bank statements from external systems. You can also convert transaction data contained in electronic bank files into automatic customer and supplier payments. See Electronic Banking Setup on page 6287 for more information.

Petty Cash

Petty Cash Statements allows you to maintain daily cash movements and provide cash account reports as receipts for cash in and cash out transactions using the company's cash on hand. See Petty Cash Statements on page 6313.

Cash Groups

Cash Groupsallows you to create and maintain account grouping for cash flow reporting purposes. See Cash Groups on page 6327 for more information.

Bank Account Formats

Account number formats consist of segments of characters of specific lengths. For example, a standard Italian bank account number consists of a single check character, followed by 5 characters for the bank code, 5 characters for the branch code, and 12 characters for the account number. A valid Italian account number is, therefore:

1 22222 33333 444444444444

You define account numbers in two areas:

- In the Banking panel of the GL Account for your bank. Bank accounts must be assigned a valid account number and linked to a payment format using the Bank Payment Format Links function in this panel in order to be used in customer and supplier payments.
- In the Banking panel of Customers and Suppliers. You enter the account number of your own bank and also the account number of the customer and suppler in order to set up automatic payment processes for customers and suppliers.

In both cases, you must select a bank account format and enter an account number. The number you enter is validated against the format you select, both for the number of characters in each segment and for the sequence of segments.

A number of formats are supplied with the system; these cannot be deleted.

System-Supplied Bank Account Formats

Bank Account Format Code	Format Description	Format
NL	Dutch Bank Account Format	10-digit account number. When there are 9 digits, the system inserts leading zeros to complete the number. Check digit validation.

IT	Italian Bank Account Format	23 digits. 1 check character (CIN), 5- digit bank code (ABI), 5-digit branch code (CAB), 12 alphanumerical account number. Check digit validation.
FR	French Bank Account Format	23 digits. 5-digit bank code, 5-digit branch code, 11 alphanumeric account number, 2 check digits. The account number can only contain characters from the ranges 0-9 and A-Z. Check digit validation.
ES	Spanish Bank Account Format	20 digits. 4-digit bank code, 4-digit branch code, 2 check digits, 10-digit account number. Check digit validation.
DE	German Bank Account Format	18 digits. 8-digit branch code (Bankleitzahl) followed by a 10-digit account number (Konto). If one of the segments has less than the specified number of digits, the system inserts leading zeros to complete the number.
CZ	Czech Bank Account Format	20 digits. 6-digit prefix, 10-digit account number, 4-digit bank code.
BE	Belgian Bank Account Format	12 digits. 3-digit bank code, 7-digit account number, 2 check digits. Check digit validation.

AU	Australian Bank Account Format	15 digits. 6-digit BSB (Bank/State/Branch), 9-digit account number.
AT	Austrian Bank Account Format	16 digits. 5-digit branch code (Bankleitzahl), 11-digit account number (Konto). If one of the segments has less than the specified number of digits, the system inserts leading zeros to complete the number.
IBAN	International Bank Account Format	A generic international bank format used frequently by European banks. This format has one segment of a maximum of 40 characters. IBAN account numbers start with two characters, indicating the ISO country code, followed by two numeric check digits (IBAN check) and followed by the domestic bank account number in a single string (without any separation characters for the segments).
XX	No Validation	No restriction.

All preloaded formats, except the IBAN and XX formats, validate the account number entered. The NL, IT, FR, ES, and BE formats, however, also apply check digit validation to the account number you enter. Check digit validation is used by banks as an additional security feature to validate numbers. The validation usually consists of a calculation within the number itself. For example, the check digit validation for Belgian account numbers is as follows:

- When you divide the first 10 digits of the account number by 97, the remainder must be equal to the last two digits of the account number.

- When there is no remainder (the number is cleanly divisible by 97), the last two digits of the account number should be 97.

For example, a correctly entered Belgian account number is, therefore, 970097000097. When you divide by 97 there is no remainder, and the last two digits are 97. An incorrect account number is 979797979800. The remainder when divided by 97 is .0309, which is not equal to the last two digits of the account number.

Important When you create your own format, you cannot define and apply check digit validation.

You must apply a format to every account number that you enter. The XX format lets you enter an unvalidated account number. Use the unvalidated format when you want to store your account number, but no format is available for your particular banking system.

Main

Bank Account Format

Enter an alphanumeric code of maximum 20 characters to identify the bank format.

Description

Enter a brief description of the format.

Format Lines

Sequence

This field displays the sequence number of the segments in the account number and indicates the order in which the segments are to be completed.

Label

Enter a brief description of the segment.

Length

Specify the number of characters in the segment.

Mandatory

Select this field to make this segment mandatory. Mandatory segments must be completed in order to validate the account number.

Leading zeros

Select this field if the segment is a numeric field that must be zero padded automatically during incomplete input.

For example: a five-digit segment has the Leading Zeros field set to Yes. If you enter 23 for that segment, it is stored as 00023. Conversely, if the same five-digit segment has the Leading Zeros field set to No, and you enter 23 in that segment, it is stored as 23.

Delimiter

Enter a delimiter character to separate the format segments, if necessary. Account numbers in certain systems use segment delimiters, such as \, /, or – (for example, 1111/2222/3333/4444). This delimiter character is placed automatically after the segment for which it is defined.

Define Own Bank Number

In order to process banking transactions, you need to set up your own bank number, which is the account number for the entity in which you are currently working. The entity bank consists of:

- The bank GL account to which the postings are made
- The own bank account number for the entity, where payments from customers are received and from where payments to suppliers are made
- The business relation, which contains the address and tax information for your bank

To create an own bank account number, you need to create a GL Account of type Bank Account and link it to your current working entity. When the account you create is of type Bank Account, the Banking Tab in GL Accounts is enabled so that you can specify the additional details required.

Bank Statements

In the **Bank Statements** browse, click New to create a bank statement. In the Main panel, specify all mandatory fields.

When you have created the bank statement header information, one statement line is defaulted. Click New in the Statement Lines panel to add statement lines. Create statement lines and allocate them to invoices, payments/payment selections, or GL accounts to indicate transactions to and from the bank account. When you save the statement, you generate postings to the sub-ledger and update the accounts.

Bank Statements displays an immediate bank account balance, and you can list activity on the account using different GL transaction reports.

You process bank statements in three distinct steps:

- Process the statement from **Bank Files** or manually create the bank statement.
- Allocate statement lines.
- Save the allocated statement lines in the general ledger and in the relevant sub-ledgers.

You create banking statement entries to match information received from the bank. Each *statement* has one of the following statuses:

- Unallocated: No statement lines are allocated.
- Partially Allocated: Some (but not all) statement lines are allocated.
- Allocated: All statement lines are allocated.

Each *statement line* has one of the following statuses:

- Unallocated. No allocation is performed for this line.
- Partially Allocated: Part of the line is allocated, but not the total amount. A statement line cannot be saved in this state.
- Allocated: The line is allocated, but not yet saved to the database.
- Allocated and Posted: The line is allocated, and successfully saved to the database.

Note A statement line can only be fully allocated or not allocated at all. When you save a bank statement for which some lines are not allocated and others fully allocated, the system assigns a status of Partially Allocated to the whole entry for browse purposes. However, you must either fully allocate each line within the statement (or leave the line unallocated), because you cannot save a statement for which an individual line is partially allocated.

You can also add new lines to an allocated statement.

The system lets you reconcile a **Bank Statement** line created in one entity with open items created in another entity. In order to process this intercompany transaction, intercompany accounts must be defined in **Domains** for the domains involved in the transaction.

Main

GL Account

Specify the bank GL account, which must be of type Bank Account.

Bank Statement Year/Number

This field indicates the current GL calendar year and the number of this statement. The statement number increments from the statements previously created, and you can modify this number. The sequence of statements does not have to be consecutive. This allows you to distribute the statement entry workload over multiple users.

Important Pay attention to the bank statement number format when you enter the first bank statement number in a new series, such as at the start of the year. For each subsequent statement number after the first number you use, the system defaults the next number by automatically incrementing the trailing numeric part of the number. For example, if you start with number 2020-01, the system defaults 2020-02 for the next bank statement. However, the system uses alphanumeric sorting to determine the highest existing bank statement number because the bank statement can contain non-numeric characters like the hyphen in this example. Therefore, when you

reach 2020-100, the statement with number 2020-99 is the highest value, higher than 2020-100. So the system will continually default to 2020-100, even when that number already exists. To avoid this problem, begin the numbering series with sufficient leading zeros for the first statement of the year. For example, if you begin with 2020-0001, the upper limit is increased to 2020-9999.

Posting Date

This field defaults to the current date. The posting date must be within the limits of the GL period specified.

Note You can allocate an invoice to a payment if the posting date of the invoice is later than the posting date of the banking entry. A warning message prompts you to either continue or halt the operation. See Allocate to Invoice on page 6272.

GL Calendar Year

This field indicates the GL calendar year in which the banking entry postings are created.

Bank Account Number

The system displays the bank account number that corresponds to the bank GL account. This read-only field is automatically populated using the GL account definition.

Bank Statement Status

This read-only field indicates the statement status: Unallocated, Partially Allocated, or Allocated.

Opening Balance

This field indicates the opening balance of the bank account, as it appears on the statement.

Activity

This field displays the total of the transaction currency amounts for all statement lines in this entry.

Closing Balance

This field displays the Closing Balance for the account when the movements have been added to or subtracted from the Opening Balance.

GL Balance

This field displays the current balance for this account.

Unallocated Statement Balance

This field displays the total amount of all statements that have been created for the bank account, but have not yet been posted. This field combines with the GL balance to provide a preview of the GL balance

after all statements are allocated. This amount is the actual balance of the bank account.

Amount to Allocate

This field indicates the amount to allocate in this banking entry, as a credit or debit. This amount corresponds to the amount you enter in the grid.

Spot Bank Rates Sub-Panel

Using the Configure panel, you can add an additional sub-panel, Spot Bank Rates. The fields in this panel facilitate the allocation of multiple customer or supplier invoices using a spot rate. Four fields are available for use in defining spot rates: Bank to BC Inbound Rate and Bank to BC Inbound Rate Scale for customer invoices; Bank to BC Outbound Rate and Bank to BC Outbound Rate Scale for supplier invoices.

You can use these fields to define exchange rates when creating banking entries on a foreign currency bank account.

Example

Your base currency is US Dollars (USD) and the bank account has a currency of Mexican Pesos (MXN). The exchange rate for customer invoices—the inbound exchange rate—is 0.05 and the scale is 1.

On the banking entry line, you then specify a value of 646,041.15 MXN and select Allocate to Invoice. You allocate the amount to an MXN invoice for the same amount.

In Allocate to Invoice, the exchange rate defined in the header fields of Banking Entry copies into the Accounting Rate field of the allocation line, removing the need to manually enter the Accounting Rate. The bank currency amount of 616041.15 MXN is converted using the spot exchange rate of 0.05 to obtain the base currency amount of 30802.06 USD.

Statement Lines Panel

Click New to enter a statement line in the grid.

Number

This field displays the system-generated sequence number for the line, which you can modify.

Value Date

Specify the bank date of the transaction. This field defaults to the system date for the first line and to the value date of the previous line for all subsequent lines, but can be modified.

Description

Enter a brief description of the transaction.

TC Amount

Enter the movement amount in transaction currency.

Note Specifying either a positive or a negative amount automatically updates the In/Out field and controls whether the Allocate option you select opens a Customer or a Supplier screen when allocating to an invoice or a payment (selection).

In/Out

Select In or Out for payments into or out of the account. Payments inward correspond to customer payments, and payments out to supplier payments.

Status

This field indicates the status of the statement line. By default, the statement line is unallocated.

Each statement line has one of the following statuses:

- Unallocated. No allocation is performed for this line. The Status field has a red background as a visual indicator.
- Partially Allocated: Part of the line is allocated, but not the total amount. A statement line cannot be saved in this state. The Status field has an orange background as a visual indicator.
- Allocated: The line is allocated, but not yet saved to the database. The Status field has a green background as a visual indicator.
- Allocated and Posted: The line is allocated, and successfully saved to the database. The Status field has a green background as a visual indicator.

Posting Daybook

This field displays the posting daybook linked to the bank GL account. It must be an internal daybook of type Banking Entries. The consecutive posting numbering sequence is generated by the system for each line allocation.

Voucher

This field displays the reference number for this allocation. The field contains zeroes until you allocate the statement line.

Bank Import Reference

The Bank Import Reference column displays the lock box batch ID of imported transactions.

Information

Enter additional information about the entry.

BC Amount

Displays the movement amount in base currency.

GL Period

Displays the GL period in which the banking entry postings are created.

GL Calendar Year

Displays the GL calendar year in which the banking entry postings are created.

Entity Code

Displays the entity for which the banking entry postings are created.

External Key

An identifier that indicates if the line was imported from an external system; for example, payroll.

GL Account

Displays the bank GL account.

Posting Date

This field displays the posting date on which the statement line was allocated and saved.

Posting GL Calendar Year

This field indicates the posting GL calendar year.

Allocating Bank Statement Lines

Each statement line must be allocated to a:

- Customer or supplier invoice, including prepayments and deductions (customers only)
- GL account
- Customer or supplier payment selection
- Customer or supplier payment

You must allocate the full amount of the statement line in order to post the line in the general ledger.

Allocate to Invoice

The Allocate to Invoice button above the Statement Lines grid opens the Allocate to Invoice screen.

In the Allocate to Invoice screen, complete the relevant fields in the Search For Invoices panel and click Search. Any linked invoices are displayed in the grid. To allocate the statement line to any invoice line, select the line and click Clear. Only the selected line is then displayed.

If needed, you can use the Reset button to remove the values that you entered in the search filter fields.

You can manually create a prepayment or a deduction (customers only) by clicking the relevant button above the grid. The Details button displays the details of a selected invoice, prepayment, or deduction. If you click the Prepayment button to add a prepayment invoice and then click the Details button, you can update the fields in the pop-up. The same facility also applies for deductions.

See Allocate to Invoice — Prepayment on page 6277 and Allocate to Invoice — Deduction on page 6278.

Search For Invoices Panel

Customer/Supplier

Choose a specific customer or supplier, depending on the field selected.

Business Relation

Select open items for the specified business relation. You can further refine the search using the Include Customers and Include Suppliers fields. Any combination of the fields is valid when a business relation is selected.

Invoice Reference

Specify a payment reference that appears on the invoice.

Payment Reference

Specify an optional payment reference number for selecting invoices to allocate. If you are in the Single Euro Payments Area (SEPA), this reference is a SEPA reference number.

Group Name

Enter a group name or use the lookup to find a group name for this customer or supplier from their business relation record.

Year/Daybook/Voucher

Specify a GL calendar year, daybook, or voucher number. Any combination of the three subfields can be used. Click the lookup to select a daybook type.

Include Customers

If you select this field and have specified a business relation, only the open items of customers linked to that business relation display. If you select this field and have not specified a business relation, the Customer/Supplier field shows customers only. This field is selected by default if the amount to allocate is positive.

Include Suppliers

If you select this field and have specified a business relation, only the open items of suppliers linked to that business relation display. If you select this check box and have not specified a business relation, the Customer/Supplier selection field shows suppliers only. This field is selected by default if the amount to allocate is negative.

Bank Account

Enter a customer or supplier bank account number

Shipper

For selecting customer invoices created from Invoice Post and Print, specify a shipper reference number.

Purchase Order

This field enables you to search by purchase order when allocating banking entries to invoice.

Customer Purchase Order Ref

This field enables you to search by customer purchase order reference.

Amount/Currency

Use the Amount and Currency fields to search for specific open balance amounts in a specific currency.

Use the operators to specify an amount range within which to search:

- When the operator is set to =, the system searches for the open balances that equal the value in the Amount field.
- When the operator is set to <= or >=, the system searches for open balances higher or lower than the value in the Amount field.

Example When the amount is set to <= $1000, the search returns open items with amounts less than $1000.

Include All Entities

Select this field to extend the search to all entities defined in the system. Whenever an open item for another entity is selected, a cross-company posting is triggered.

Bill Year/Number

Specify the year and number of the bill that this amount belongs to.

Note You can make this field visible using the Configure panel.

Grid Fields

Bus Rel

This field displays the business relation of the customer or supplier for whom the open item was created.

Invoice Reference

This field displays the invoice reference number.

Shipper

This field displays a shipper reference number that appears on invoices created through Invoice Post and Print.

Due Date

This field displays the due date of the open item. Amounts can be positive or negative. To obtain the most current view of the movement, the amounts must always be interpreted in combination with the Dr/Cr indicator.

Full Alloc

Select this field to allocate the full amount of the entry to the invoice. The result is reflected in the Amount Allocated field in the Balance area of the screen. Use the TC Allocated field to make a partial allocation.

Open Balance

This field displays the current open balance in the transaction currency.

Dr/Cr

This field indicates whether the open item is a debit or credit.

Invoice Curr

This field displays the open item currency.

TC Allocated

Enter the amount to allocate to the invoice. If you are not allocating the full amount, enter the partial amount here. When you enter an amount, the system updates the TC Paid, BC Amount, TC Allocated (Signed), and New Balance fields.

The system automatically splits the allocated amount into a TC Paid amount and a TC Discount amount, based on the credit terms and the payment date.

TC Discount = TC Allocated * Discount% / 100

TC Paid = TC Allocated – TC Discount

The relevant rounding method is then applied to the result.

Note For invoices with tax, the payment amount also contains a tax component. If the tax rate has Discount Tax at Invoice selected, the discount amount at the time of payment only applies to the tax base amount.

TC Discount

This field displays the discount that applies for early payment, based on the credit terms. You can always overwrite the discount amount

proposed by the system by entering the amount yourself. Then, TC Allocated is recalculated as TC Paid + TC Discount.

TC Allocated (Signed)

Displays the allocated amount as a positive or negative value.

Debit/Credit

This field indicates whether the open item is a debit or credit.

TC Paid

The amount to pay, excluding the discount. The system recalculates the TC Allocated amounts as TC Paid + TC Discount.

When you enter an amount to allocate in the TC Allocated field, TC Paid is updated automatically. However, if you change the value in the TC Paid field, the BC Amount, TC Allocated, TC Allocated (Signed), and New Balance fields are updated automatically.

New Balance

This field displays the balance of the open item after the movement is allocated.

Debit/Credit

This field indicates whether the open item is a debit or credit.

Entity Code

This field displays the code of the entity in which the open item was created.

Cost Center/Project/Sub-Account

Click to optionally select a cost center, project, or sub-account for analysis on this allocation. This option is available for prepayments only.

Open Balance TC (Signed)

This field displays the current open balance in the transaction currency as a positive or negative value.

Customer Invoice Number

This field displays the identifier for the customer invoice, if applicable.

Invoice Desc

This field displays the description recorded for the invoice.

Cust PO Ref

This field displays the customer purchase order reference for the invoice, if applicable.

Invoice Entity

This field displays the entity in which the invoice was recorded.

Allocate to Invoice — Prepayment

Using the Allocate to Invoice option, you can create a prepayment for the statement amount, instead of allocating to an invoice. The bank movement is registered as a prepayment to or from a customer or supplier. Click the Prepayment button on the Allocate to Invoice screen. The Prepayment screen opens.

Main Panel

Type

Choose from Customer or Supplier.

Customer/Supplier

Specify the customer or supplier code.

Invoice Description

Enter a brief description of the prepayment.

Invoice Date

This field displays the prepayment creation date.

Due Date

This field displays the due date of the prepayment.

TC Prepayment Amount

Enter the amount of the prepayment in the transaction currency.

Currency

Displays the transaction currency, which you can update, if needed.

Exchange Rate

This field displays the exchange rate to use to convert between the transaction currency and the base currency prepayment amount. This field defaults to the accounting exchange rate at the invoice date.

Exchange Rate Scale

This field displays the number used in the exchange rate calculation to adjust the amount of the From Currency.

BC Prepayment Amount

This field displays the prepayment amount in base currency, based on the exchange rate applied.

GL Analysis Panel

Sub-Account

Specify the sub-account that you want to use for the prepayment postings, if applicable.

Cost Center

Specify the cost center that you want to use for the prepayment postings, if applicable.

Project

Specify the project that you want to use for the prepayment postings, if applicable.

Allocate to Invoice — Deduction

Using the Allocate to Invoice option, you can create a deduction for the statement amount, instead of allocating to an invoice. You can record a deduction if a customer pays less than the amount owed.

Reasons for deductions can include rounding differences, reductions due to quality issues, perceived entitlements based on commercial agreements, damaged goods, spoilage, improper packaging or labeling, or any other reason for which a customer may pay less. The process for entering deductions is similar to that for creating prepayments. However, unlike prepayments, you can enter many deductions for a single payment transaction.

Click the Deduction button on the Allocate to Invoice screen.

The Allocate to Invoice screen — Deduction contains three panels: Main, GL Analysis, and Deduction Details. The Main and GL Analysis screens contain the same fields as those described for prepayments.

The Deduction Details panel fields are:

Deduction Category

Specify the category for the deduction. This field is mandatory.

TC Deduction

Specify the deduction amount in transaction currency. The default value is the invoice amount, but you can modify this value.

Deduction Status

This field displays the deduction status calculated by the system. If the deduction category you assign to the line allows automatic write-off and if the deduction amount is below the automatic write-off limit, the status of the line is Auto Write-Off. If the category does not allow automatic write-offs, the status of the line is Pending.

The Deduction Status field gets populated when you select a deduction category.

Customer Reference

Specify the deduction reference submitted by the customer. This field is optional.

Invoice Entity

Displays the entity in which the invoice was created.

This read-only field is blank until you allocate the deduction to an invoice.

Invoice Year

Displays the GL calendar year in which the invoice was created.

This read-only field is blank until you allocate the deduction to an invoice.

Invoice Daybook

Displays the daybook to which the invoice is posted.

This read-only field is blank until you allocate the deduction to an invoice.

Voucher

Displays the voucher number that identifies the invoice.

This read-only field is blank until you allocate the deduction to an invoice.

Promotion

Promotions are agreements with customers to provide discounts for a specified period, and to allocate funds for promotional activities or to offer free goods and services.

Comment

Add any comments, if applicable.

Allocate to Invoice with Stages

You can allocate payment to invoices with staged credit terms using two different approaches:

- You can apply the payment at the invoice level, and the payment and allocation values are rolled down to the staged payment.
- You can apply the payment at the staged payment level, and the payment, allocation, and discount amounts are rolled up to the invoice line.

When you update the TC Stage Allocation field at staged payment line level, the fields in the Summary and Balance panels are updated. The values you enter at the staged level are rolled up to update the TC Allocated, TC Paid, TC Discount, and New Balance values at the invoice level. When you individually allocate a staged line, the (parent) invoice line does not get fully allocated. However, when you individually allocate all staged lines, the (parent) invoice line gets fully allocated and the Full Alloc field on the invoice line is updated automatically to reflect this.

When you fully allocate the invoice line, all the stages are fully allocated. If you clear the Full Alloc field on the invoice line, the Full Alloc fields for the individual staged lines are also cleared and the amounts are reset to zero.

The TC Allocated value you enter at the invoice line is always allocated against the first payment stage due. If you enter a TC Paid Allocated on the invoice line that is greater than the open balance of the first staged payment, the amount over the first staged payment is applied to the staged payment with the next nearest due date.

The following are the key fields used to allocate payment to invoices with staged credit terms:

TC Stage Allocation

Enter the total payment amount to apply to the staged payment. This amount is the sum of the values in the TC Stage Paid and TC Stage Discount fields for that grid row.

TC Stage Discount

Specify the discount amount to apply to the payment stage.

TC Stage Paid

Enter the amount to deduct from the staged payment. For customer payments, this is the actual amount you received from the customer’s bank, excluding discounts.

TC Default Payment Amt

This field displays the open balance for each payment stage.

TC Default Discount Amt

If the stage payment condition includes discount terms, the discount amount applicable is displayed in this field.

Stage Discount Perc

This field displays the discount applicable for the staged payment, if any.

Stage Due Date

This field displays the date on which the staged payment is due. The date is calculated using the invoice date and the staged credit term details.

Stage Discount Due Date

This field displays the date on which the discount on the staged payment is due. The date is calculated using the invoice date and the staged credit term details.

Allocate to GL

The Allocate to GL button on Bank Statements (above the Statement Lines grid) allows you to enter manual posting lines in order to allocate an amount directly to a GL account.

Main Panel

Posting Date, Year, Daybook, Voucher, Description, Layer Type, Sequence Number, Additional GL Numbering Date

All header fields are read only, and copied from the statement and statement line information.

Posting Lines Panel

One or more posting lines can be entered. The posting lines entered are completed by the bank GL posting. The posting lines let you create journal entries to allocate the outstanding amount. See Journal Entries on page 5856.

The Auto Balance button is enabled when the amount fields in focus and is used to automatically complete amounts and to balance the corresponding line.

When the posting line row is selected, click Auto Balance. The system calculates the TC Debit/TC Credit/BC Debit/BC Credit/SC Debit/SC Credit amounts to balance the posting.

Totals Panel

This read-only panel displays the debit and credit totals for the transaction in transaction and base currencies. The totals are calculated from the values you enter in the Posting Lines grid.

Currency Details

The Currency Details pop up is accessible when you are allocating to an invoice or to a payment. It allows you to view and modify currency details for foreign currency transactions. The Currency Details button is displayed above the grid on each of these screens. The button is enabled when you select an invoice or payment line and allocate an amount to it.

Main Panel

The Main panel displays the difference in base currency, if there is one, and the system GL account where the gain or the loss is posted.

Currency Details Panel

The Currency Details panel displays three sets of information. The **In Original Currency** fields are populated from the Bank Statement line. The **In Document Currency** fields are populated from the document, whether this is an invoice or a payment. The **In Bank Currency** fields are populated with bank currency details.

When there is only one currency, all fields are read only. When the original currency and the document currency are different, there can be a difference in the exchange rate in Bank Currency, leading to a loss or a gain. When there is a difference, you can edit the **In Bank Currency** fields. You can choose to change the Accounting Rate, BC Bank Amount, or Rate Date.

For the most complex scenario, where the bank currency is different to the original currency and the document currency, the TC Bank Amount field is also enabled.

All fields are read only for a line that is Allocated and Posted.

Allocate to Payment/Payment Selection

The Allocate to Payment/Payment Selection button on Bank Statements (above the statement lines grid) allows you to link a selected line to an existing payment or payment selection.

Search for Payment/Payment Selection Panel

From Requested Date

Specify a base date. The system retrieves all payments and selections created after this date.

Total Selection Amount

Specify a selection amount and currency.

Payment Selection

Use this field to retrieve selections by payment number, payment instrument, and internal payment number.

Preprinted Number

Enter a preprinted number to select a payment or payment selection that contains that number. This field is available for supplier selections only. The field becomes active when you select the Include Suppliers field.

Payment

In the first field, specify the year associated with the payment.

In the second field, select the type of payment. The options are Check, Direct Debit, Draft, Electronic, Promissory Note, Summary Statement, and Transfer.

Payment Reference

Enter a payment reference number; for example, a specific check number. This applies to AR check numbers only.

Include Customers/Suppliers

Select to include customer selections, supplier selections, or both. By default, the Customers field is selected for banking entries to record movements into the account, and the Suppliers field for movements out of the account.

Grid Fields

For payment selections, the parent header line in the grid relates to the payment selection. When you expand the line, child lines underneath the payment selection header relate to the payments in that payment selection.

You can also expand lines for stand-alone payments. The child line contains further details on the payment.

Full Alloc

Select this field to allocate the full amount of the entry to the payment or payment selection. If you click Full Alloc on the header line, the Allocated field in the child line is selected automatically.

Payment Selection

Displays the payment selection code for a payment selection.

If the line contains information but the Payment Selection field is blank, the line references a payment and not a payment selection.

Payment Reference

Displays the payment reference, if any.

Business Relation Name

This field displays the business relation of the customer or supplier for whom the open item was created.

Requested Date

Displays the date on which the payment was created.

Open Amount

This field displays the current open balance in the transaction currency.

Dr/Cr

Indicates whether the amount is a debit or a credit.

TC Allocated

This field displays the amount allocated when you have chosen a selection.

New Balance

This field displays the difference between the amount to allocate and the selection amount.

TC Difference

This field displays the difference between the payment amount and the allocated amount.

TC Discount

This field displays the discount that applies for early payment, based on the credit terms. You can always overwrite the discount amount proposed by the system by entering the amount yourself.

TC Bank Amount

The payment amount that was received in the currency of the bank account. You can modify this amount.

Allocated (Level 2)

Select this field to allocate the payment amount. For a single payment, if you select this field, the Full Alloc field on the header line is automatically selected. For a payment selection, if you select the Allocated field for all payments in the payment selection, the Full Alloc field on the header line is automatically selected.

If you click Full Alloc on the header line, the Allocated field for the child lines is selected automatically.

Bounced (Level 2)

Select this field to indicate that this is a bounced payment. You must allocate an amount first to bounce a payment.

Bouncing a payment has the effect of reversing the original posting on the customer or supplier payment and control accounts, and it also re-opens all the invoices paid in this payment.

Note You cannot bounce a stand-alone payment.

Business Relation (Level 2)

This field displays the business relation associated with the customer or supplier.

Supplier Payment Number (Level 2)

This field displays the supplier payment number.

Customer Payment Number (Level 2)

This field displays the customer payment number.

TC Bank Amount (Level 2)

This field displays the customer or supplier payment amount in the transaction currency.

BC Bank Amount (Level 2)

This field displays the customer or supplier payment amount in the base currency.

Amount (Level 2)

This field displays the payment amount for that individual payment.

DR/CR (Level 2)

This field indicates that the payment is a credit or debit.

Bouncing Payments in a Payment Selection

If a payment selection contains one or more allocated payment records, you can bounce one or more payments from the payment selection. However, you cannot only process bounced payments in a payment selection and you cannot bounce a single payment only.

Details

The Details button on Bank Statements (above the statement lines grid) allows you to view the details of a selected line, and, depending on its status, edit certain fields. The panels displayed in the pop-up depend on the allocation status of the line.

Bank File Lines

This panel is read only and displays the results of the processing of the line in Bank Files.

Allocations

This panel is read only and displays details of allocations for this bank statement line. It does not show allocations to GL, which are part of the Journal Entry form.

Reference Details

This panel enables you to enter additional allocation information for the line to record information provided to you by your bank. These details are stored by the system but not validated. You can edit these fields when the bank statement line is unallocated.

Reference (Ext)

Specify the payment reference.

Payment Reference (Ext)

If a customer invoice is issued with a unique payment reference string, the bank refers to that reference and you can specify the payment reference in this field.

Name (Ext)

Specify the name of the destination or originating party.

Address (Ext)

Specify the address of the destination or originating party.

Postal Code (Ext)

Specify the zip or postal code of the destination or originating party.

City (Ext)

Specify the city of the destination or originating party.

Country (Ext)

Specify the destination or originating country.

Customer/Supplier (Ext)

Specify the customer or supplier code.

Bank Number (Ext)

Specify the bank number of the other party.

Cost (Ext)

Specify a code representing cost information.

Value Details

This panel enables you to enter additional information on value dates and external exchange rates provided by your bank. These details are used in the calculation of realized gains and losses when the bank account has a different currency than the customer or supplier payment. You can edit these fields when the bank statement line is unallocated.

Value Date

This field displays the date on which the money will be available in the bank account.

GL Calendar Year/Period

This field defaults from the statement header.

Posting Date

This field defaults from the statement header.

Posting Daybook/Voucher

This field displays the daybook and voucher of the statement line in focus.

TC Original Amount (Ext)

This field displays the amount that the business relation paid to the bank and the currency of the payment. This is not the original open item currency amount.

Currency (Ext)

This field enables you to specify a currency.

Bank Rate (Ext)

This field displays the exchange rate that the bank uses to convert this amount to the bank account currency in which the payment was made.

Scale Factor

This field enables you to specify a scale factor for the exchange rate, if one applies. This field defaults from the grid.

TC Amount

The original amount converted to the bank account currency. This field defaults from the grid.

Journal Entry

When a bank statement line is already allocated and posted, the Journal Entry button enables you to view the journal entries for the line.

Electronic Banking Setup

This section describes the setup required before you can process transactions electronically.

This setup includes:

- Importing predefined bank format XML files for use with electronic bank payments.
- Linking payment formats to bank accounts.
- Configuring bank payment formats for use with automatic payments from bank files.
- Checking bank file extensions.

Bank File Formats

To configure and install predefined bank formats, you use a number of EDI eCommerce functions to create a definition for the specific bank file format.

You then use **Bank File Formats** to import predefined bank format XML files for use with electronic bank payments. Each imported format file is specific to an individual bank and contains the payment information and attributes required for that bank. Once the file is imported, a payment format with the same name is displayed in **Payment Formats**. You can then link this format to the bank account you intend to use for electronic payments. See Bank File Formats on page 6289.

Payment Formats

The system also supplies functions for creating payment formats manually; however, it is expected that most users load the predefined formats that are supplied by QAD. See Payment Formats Overview on page 5840.

Linking Payment Formats to Bank Accounts

Use **Bank Payment Format Links** to link payment formats to bank accounts. You select the bank account by its number, and only GL accounts for which you have defined the account number can be linked to a format.

Mapping Transaction Codes

Incoming bank files (electronic bank statements) contain transaction codes, which identify the types of payment contained in the file. These codes are mapped to the functions **Customer Payments**, **Supplier Payments**, **Supplier Payment Selections**, **Bank Statements**, or other. This ensures that the correct type of automatic payment is created for each transaction.

For example, Wells Fargo uses the code R057 to identify supplier payment transaction messages within the bank files. This code is mapped to the function **Supplier Payments**. When you import a Wells Fargo bank file, the system maps all supplier payment transaction messages to **Supplier Payments**. Once the messages are validated and processed, the system performs the process to which the transaction code is mapped. In this instance, the system invokes the **Supplier Payments** function for all messages that are coded R057. It then retrieves the original supplier payments for these transactions and changes their status from For Collection to Paid.

The system uses the payment format linked to your bank account to store the mapping information. To enable auto-generated payments, you must link a payment format containing the correct mappings to your bank account when initiating the customer or supplier payment process. For example, to process Wells Fargo bank files, you must link the payment

format containing the Wells Fargo transaction mapping to your account as part of the initial setup for customer or supplier payments. This ensures that when you import Wells Fargo bank files, the system can automatically complete the payment cycle.

Use **Bank File Formats** to view and configure bank payment formats for use with automatic payments from bank files. The transactions within bank files are identified by transaction codes. In order to generate an automatic system payment from these transactions, the transaction codes must be mapped to system payment activities. These mappings are then stored with the payment format, which is linked to the bank account to be used in the payment process.

To configure new mappings, you must have access to your bank's transaction codes.

Bank File Formats

The transactions within bank files are identified by transaction codes. In order to generate an automatic system payment from these transactions, the transaction codes must be mapped to system payment activities. These mappings are then stored with the payment format, which is linked to the bank account to be used in the payment process. To configure new mappings, you must have access to your bank's transaction codes.

Importing Bank File Formats

You can also manually import a bank file format using Excel. To get an Excel file with the proper format, export a file and select Format for Later Import. You can then add and adjust the data as needed in Excel and import the file.

Main

Format

This field contains the bank file format code.

Description

This field displays the format description. For new formats, enter a brief description (maximum 20 characters).

New Payment As

Choose whether to create transactions as Paid or For Collection.

Allow Cross-Company Allocation

Select this field to allow cross-company allocation.

Process Bank File via Daemon

Select this field to specify that the bank file is to be processed using the daemon.

The grid enables you to add transaction types that the format applies to.

Trans Type

Enter the transaction code provided by the bank.

Activity

Specify the activity that is mapped to the transaction code. Choose an activity from the list:

- Customer Payment
- Pay Customer Payment
- Pay Supplier Payment
- Pay Supplier Payment Selection
- Bounce Customer Payment
- Bounce Supplier Payment
- Banking Entry
- Acknowledge Bank Receipt
- Other

Trans Type Status

This field contains the status of the transaction type.

Bank Payment Format Links

The **Bank Payment Format Links** hybrid browse is available from the Banking panel of the **GL Accounts** screen. You can link payment formats to bank accounts here. You can link as many formats as required to the account, although you normally require only one format (for example, check, draft, or electronic transfer) for each customer or supplier. When you select multiple formats for the account, all formats are linked to the same account number. When you create a payment selection, the other formats defined for the account are selectable in the account number browse. For more information, see Supplier Payment Selections on page 6201.

Main

Own Bank Number

This field displays the Own Bank number, which is the account number of the bank account to which you want to link a payment format.

GL Account

This field displays the bank GL account.

Validation

This field indicates the account number validation, if any.

Active

This field indicates if this payment format is active.

Entity

This field displays the entity associated with the bank account. This is usually the current entity, and the bank account is normally your own bank account.

Extension

This field indicates the bank extension number, if any.

Grid

Payment Format

Specify a payment format to link to the bank account.

Active

This field indicates if this payment format is active.

Next Pre-Printed Number

Enter an initial number for supplier check print runs. The system automatically uses this number to begin check print runs when the payment format is associated with the supplier payment.

Extension

This field indicates the bank extension number, if any.

Validation

This field indicates the account number validation, if any.

Bank File Format

Select a bank file format when you intend to generate automatic AR and AP payments from electronic files produced by this bank account. You define bank file formats using **Bank File Formats**.

AR/AP

This field displays the module (Accounts Receivable or Accounts Payable) for the payment format.

Payment Instrument

This field displays the payment instrument for this format: Check, Draft, Direct Debit, Transfer, Electronic Transfer, Direct Debit, Promissory Note, or Credit Card.

Payment Type

This field displays the payment type for this format: Domestic, Foreign, or Both.

Bank Charge Applies

This field is hidden by default. Select this field when the bank charges for payments made in this format. If the supplier pays the bank charge, the system calculates the charge and deducts it from payments before sending these payments to the supplier.

Entity

Enter the entity where this payment format is to be used.

Referenced

This field indicates if the associated GL account is already referenced within the system. For example, when the account is used in a payment instrument process, this field is automatically selected.

Bank Number

Enter the bank number of the relevant supplier or customer for which this format applies.

Last Modified Date/Time/User

These read-only fields display the ID of the user who last updated this record and the date and time of update.

Electronic Processing

Ensure that the following are configured before you process transactions:

- Your bank account must be linked to a payment format that contains the bank file format used for document import and this in turn contains the mapping necessary for the payment you want to generate. See Mapping Transaction Codes on page 6288.
- Multiple banks in your system may be using the same payment format but may require different transaction codes. Therefore, each combination of bank account and payment format must be unique.
- When a customer or supplier payment is being updated from For Collection to Paid, the original For Collection payment exists in the system, and the final Paid status has been configured.

The system displays an error message on the transaction line when any of these conditions are not met, and you can manually correct the process and continue with the payment.

Payment Processing Configuration

The **Payment Processing Configuration** hybrid browse is available from the Banking panel of the **GL Accounts** screen. When creating customer payments, you can also use **Payment Processing Configuration** to specify tolerance values for assigning customer payments to outstanding invoices. The difference between the payment and the outstanding amount is then written off through an automatically created journal entry. You can specify tolerance for short payments and for over payments.

Note

- You can configure specific customer payment tolerance settings for each customer in the customer record. These settings override the settings by bank account specified here.
- When the amount in the bank file cannot be matched to an existing invoice, the system creates an initial customer payment, a prepayment, or an unallocated banking entry.

When you process an incoming bank file to create a customer payment with a deduction, the system allocates the deduction amount to the GL account when the deduction amount is within the write-off limit. When the deduction amount is larger than the write-off limit, the system creates a deduction line with Pending status. The deduction settings only apply to creating customer payments.

Note To use a deduction category, you must specify a deduction credit term for the relevant domain in the domain record.

Main

The fields on the main panel are read only.

Bank Number

This field displays the bank account number involved in the transactions you want to configure. Any settings you configure apply only to this bank account.

Entity

This field displays the entity associated with the bank account.

GL Account

This field displays the GL account associated with the bank account.

Extension

This field indicates the bank extension number, if any.

Validation

This field indicates the account number validation, if any.

Active

This field indicates if this configuration is active.

Payment Difference

Tolerance at

Choose from Payment Level or Invoice Level. If you select payment level, multiple customer payments are rolled up into one payment and the tolerance settings are then checked. If you choose invoice level, a payment is checked for tolerance at invoice level. Payments are not rolled up into one payment amount.

Short Payment Write-off to GL

Short Tolerance Percent

Enter a tolerance percent with up to four decimal places. For example, if you enter 1%, any payment that brings the total payment to 99% or more of the fully allocated invoice amount is considered a payment of that invoice. If both the percent and amount tolerances are set, the payment difference is only accepted if both conditions are met.

If the payment is outside the tolerance, the system creates an unallocated banking entry, an initial customer payment, or a prepayment (in the case of an over payment), depending on the settings.

Short Tolerance Amount

Enter a tolerance amount. For example, if the tolerance amount is 50 and the invoice amount is 5000, any payment between 4950 and 5000 is considered a payment on that invoice. If both the percent and amount tolerances are set, the payment difference is only accepted if both conditions are met.

GL Analysis

- GL Account

  Enter the GL account to which to allocate the payment difference. This field is mandatory when you specify a percent or amount.

- Sub-Account

  Enter the sub-account to which to allocate the payment difference. This field is mandatory when the tolerance percentage or amount is larger than zero and sub-account analysis is enabled for the specified GL account.

- Cost Center

  Enter the cost center to which to allocate the payment difference. This field is mandatory when the tolerance percentage or amount is larger than zero and cost center analysis is enabled for the specified GL account.

Over Payment Write-off to GL

Over Tolerance Percent

Enter a tolerance percent with up to four decimal places. For example, if you enter 1%, any payment that brings the total payment to 101% or less of the fully allocated invoice amount is considered a payment of that invoice. If both the percent and amount tolerances are set, the payment difference is only accepted if both conditions are met.

Over Tolerance Amount

Enter a tolerance amount. For example, if the tolerance amount is 50 and the invoice amount is 5000, any payment between 5000 and 5050 is considered a payment on that invoice. If both the percent and amount tolerances are set, the payment difference is only accepted if both conditions are met.

GL Analysis

- GL Account

  Enter the GL account to which to allocate the payment difference. This field is mandatory when the tolerance percentage or amount is larger than zero.

- Sub-Account

  Enter the sub-account to which to allocate the payment difference. This field is mandatory when the tolerance percentage or amount is larger than zero and sub-account analysis is enabled for the specified GL account.

- Cost Center

  Enter the cost center to which to allocate the payment difference. This field is mandatory when the tolerance percentage or amount is larger than zero and cost center analysis is enabled for the specified GL account.

Process Incoming Bank File

Default Deduction Category

This field enables you to assign a default deduction category code for this bank number.

Write-off Limit

The write-off limit field is read only, and defaults from deduction settings. The currency code is the domain base currency that the bank number belongs to. The write-off amount is the amount converted to your bank domain base currency amount.

Allow Zero Discounts

Select this field if you want to create a payment with zero discount allocation if the discount amount is set to zero in the bank file.

Bank Files

Bank files are normally loaded using the EDI eCommerce functions. However, Excel import is a supplemental way to import the files.

Bank Files contains detailed information on incoming files to let you efficiently manage bank files.

To process customer and supplier payments, you must set up the bank accounts, payment formats, and payment statuses Paid/Bounced beforehand. When you use **Bank Files** to complete a payment cycle, the accounts, payment formats, and statuses required for the final stage of the process must already be configured, to enable the system to complete the payment and generate the final postings.

The system validates the transactions contained in the bank file by matching customer or supplier information in the transactions against customer or supplier records stored in the system.

The bank import process supports full or partial customer payments. If there is an open item for a customer with a matching daybook and voucher reference and the bank file import amount is less than or equal to the open invoice amount, the bank import line payment amount is applied against the open item.

If there is no matching invoice, **Bank Files** creates a payment with prepayment and allocates the payment to the bank statement. If the customer cannot be found, **Bank Files** creates an unallocated bank statement, and you can then allocate the bank statement freely. If supplier transactions do not match, **Bank Files** creates an unallocated bank statement, and you can then allocate the bank statement freely, as before.

One bank file can contain multiple types of transaction messages, and you can filter the messages by type, date, bank account, or action. For example, you can process bank files automatically using the Batch daemon if Process Bank Files with Daemon is enabled for the bank file format. For bank files for which Process Bank Files with Daemon is not enabled in the bank file format, you can manually submit the file for processing by the Batch daemon.

Optionally, the system creates a bank statement line for each processed transaction message that results in a posting on the bank account (for example, when a payment is paid) or for message types that result in the creation of a bank statement line only. The system groups the lines by the bank statement numbers provided by the bank.

Note You cannot undo the processing of a transaction message once you have clicked to process it. You can, however, reload the bank file and manually correct transaction processes that produced errors during the initial processing run.

See Bank File Processing Options on page 6306.

Bank Files View

Bank File Name

Displays the name of the bank file.

Bank Currency

Displays the currency in which your company's own bank account is denominated.

File Type

Displays the file type.

Entity

Displays the entity.

Status

This field displays the current status of the transaction processing. The possible values are: Pending, Not Processed, Processed OK, and Processed with Errors.

If the status is Processed OK, the Status field has a green background as a visual aid.

If the status is Processed with Errors, the Status field has a red background as a visual aid.

Total Amount In

The total value of incoming transactions contained in the bank file.

Total Amount Out

The total value of outgoing transactions contained in the bank file.

Number of Detail Lines

This field displays the number of records selected for processing.

Lines Processed with Errors

This field displays the number of transactions processed with errors. This value is updated after each batch is processed. When all batches are processed, the number of records processed with errors may change in some cases, as described for the Successfully Processed field.

Lines Processed Successfully

This field displays the number of records successfully processed. This value is updated after each batch is processed.

Lines Unprocessed

This field indicates the number of lines that were not processed. Lines that are not processed are those within a batch that are not processed because of errors on other lines.

Time Loaded

Displays the time at which the file was loaded.

Upload Date

Displays the date on which the bank file was uploaded.

Format

This field displays the format of the imported bank file. The Bank File Format also matches with the Trading Partner code used in EDI during the upload of the bank file with Document Import.

Note Document Import must be run from the .NET UI.

Process Bank Files with Daemon

Bank files are processed in the Batch daemon. However, you can deactivate the Process Bank File with Daemon if you want to check the bank files before processing. If you inspect the bank file and it does not have issues, you can then submit the file for processing by the Batch daemon.

Importing and Exporting Bank Files

To import bank files, go to the **Bank Files** browse view and select More > Import. In the Import popup, you can see a preview of the bank file header. You then click Import.

You receive notification to your QAD inbox regarding whether the import was successful. If you open the file attached to the notification, you can view any validation warnings or errors that apply to the file import processing. These messages are written to a Message column in the notification spreadsheet.

Refresh the page to see the imported files. The new files have a status of Not Processed.

You can also export a bank file to Excel, edit the file, and import it back into the system. When you export a file, ensure that you select Export With Import Format in the Type field. Also, make sure that you select the relevant fields for the Bank Import Line. You can export a bank file as a template and reuse it, as needed.

Deleting Bank Files

Select the Delete button, located next to the More drop-down list at the top of the page, to delete the selected bank file.

Bank Files Processing Window

If the Process Bank Files with Daemon field is activated in the bank file format, the bank files are processed automatically by the Batch daemon once they are uploaded to the system.

If the Process Bank Files with Daemon field is deactivated in the bank file format, select the bank file and choose Process in the Actions menu of the **Bank Files** browse. The Processing window opens.

To process the file, select the options you require in the Options panel and then click Process.

Main Panel

Bank File Name

Displays the bank file name.

Options

New Payment as Paid

Select this field if you want the system to create new payments in the bank file with a status of Paid.

Banking Entry

Select this field to automatically create new banking entries for the new AR payments, and to link AR and AP Paid payments to banking entry lines. This field only applies for actions that result in a payment being paid. The actions are:

- Customer Payment (when the New Payments as Paid field is selected)
- Pay Customer Payment
- Pay Supplier Payment

All Entities Allocation

Select this field to process payments in other entities in the current domain. The system retrieves open items from all entities and displays the oldest invoice first. When an invoice belonging to another entity is paid with a payment, the system uses the domain cross-company accounts to create a cross-company payment.

Bank Files Window

Main Panel

Bank File Name

Displays the name of the bank file.

Bank Currency

Displays the currency in which your company's own bank account is denominated.

Total Amount In

The total value of incoming transactions contained in the bank file.

Total Amount Out

The total value of outgoing transactions contained in the bank file.

File Type

This field displays the bank file format.

Uploaded Date

Displays the date on which the bank file was uploaded.

Process Status

Displays the process status.

Not processed

This field indicates the number of lines that were not processed. Lines that are not processed are those within a batch that are not processed because of errors on other lines.

Processed OK

This field displays the number of records successfully processed.

Processed with Error(s)

This field displays the number of transactions processed with errors.

Bank File Lines Panel

Sequence

This field displays a maximum of nine characters for the sequence number of the bank file.

Format

This field displays the format of the imported bank file. The Bank File Format also matches with the Trading Partner code used in EDI during the upload of the bank file with Document Import.

Transaction Type

This field displays code provided by the bank for the transaction type, and configured using **Bank File Formats**. The transaction type indicates to the system what action it should take.

Action

This field displays the action to be performed on the transaction.

Status

This field displays the current status of the transaction processing. The possible values are: Pending, Not Processed, Processed OK, and Processed with Errors. When a different result action occurred based

on the settings in Payment Processing Configuration Maint, the status is also set to Processed OK.

If the status is Processed OK, the Status field has a green background as a visual aid.

If the status is Processed with Errors, the Status field has a red background as a visual aid.

Own Bank Number

This field displays the own bank account number linked to the payment format used for this payment process.

Value Date

This field displays the date on which the bank processed the payment. You can update this value.

When creating banking entries, this date is used as the banking entry detail line date. It is also used as the posting date for GL transactions.

Statement Number

This field displays the number of the bank statement if supplied by the bank.

All lines with the same bank statement number are grouped in one banking entry.

Description

This field displays the transaction description supplied by the bank.

When creating banking entries, this description is used as the banking entry detail line description.

Amount TC

This field displays the transaction amount of the payments (not invoices) in bank currency.

Currency

This field displays the currency in which the bank performed the transaction.

Original Amount TC

This field displays the amount of the original AR or AP payments in the payment currency.

Original Currency

This field displays the currency of the original AR or AP payment.

Exchange Rate

This field displays the exchange rate applied between the original currency and the bank currency.

Exchange Rate Scale

This field displays the scale factor for the exchange rate above, if any is applied.

Original Transaction Date

This field displays the date on which the customer or supplier made the payment.

Customer

This field displays the customer code. If the customer code in the bank file does not match a customer record in the system, and if neither the customer name nor the customer bank account matches an existing customer record in the system, an error is displayed for the transaction. In this case, you can click to manually select a customer code to complete the transaction processing.

Supplier

This field displays the supplier code used in the bank file.

If the supplier code in the bank file does not match a supplier record in the system, and if neither the supplier name nor the supplier bank account matches an existing supplier record in the system, an error is displayed for the transaction. In this case, you can click to manually select a supplier code to complete the transaction processing.

Customer Name

This field displays the customer name associated with the transaction.

If the customer name in the bank file does not match the customer record in the system, and neither the customer code nor the customer bank account matches an existing customer record in the system, an error is displayed for the transaction. In this case, you can click to manually select a customer to complete the transaction processing.

If a new name for an existing customer is used in a bank file, the system automatically enters the name and address details used in the bank file into a new remittance address for the business relation record of the customer.

Supplier Name

This field displays the supplier name used in the bank file.

If the supplier name in the bank file does not match the supplier record in the system, and neither the supplier code nor the supplier bank account matches an existing supplier record in the system, an error is displayed for the transaction. In this case, you can click to manually select a supplier to complete the transaction processing.

Address Line

This field displays the first line of the customer or supplier address used in the bank file.

Address City

This field displays the city of the customer or supplier address used in the bank file.

Address Postal

This field displays the postal code of the customer or supplier address used in the bank file.

Address Country

This field displays the country of the customer or supplier address used in the bank file.

Bank Number

This field displays the bank account number used in the bank file.

If the account number does not match a bank account number in the system and neither the customer or supplier code nor the customer or supplier bank account matches an existing customer or supplier record in the system, an error is displayed for the transaction. In this case, you can click to manually select a bank account number to complete the transaction processing.

Payment Number

This field displays the customer or supplier payment number used in the bank file.

For transactions that change the status of an existing payment, this field is used to locate the payment in the system.

If this payment number does not match the payment number in the system, an error is displayed for the transaction. In this case, you can click to manually select a payment number to complete the transaction processing.

The search logic for existing payments is as follows:

1. If the payment number is available in the bank file, the system searches for a payment with a payment reference that matches the payment number supplied by the bank. If a payment is found, it is used. Otherwise, the system continues to step 2.
2. If a payment reference is included in the bank file, the system searches for a payment with the same payment reference as that supplied by the bank. If a payment is found, it is used. Otherwise, the system continues to step 3.
3. The system searches for the payment based on the customer or supplier and the amount in the bank file. The bank file amount

must be less than or equal to the open item amount for the payment and open item to be matched.

Payment Reference

This field displays the payment reference used in the bank file.

For transactions that change the status of an existing payment, this field is used to locate the payment in the system.

If this payment reference does not match the payment reference in the system, an error is displayed for the transaction. In this case, you can click to manually select a payment reference to complete the transaction processing.

Invoices

This field displays the invoices paid with this transaction.

For transactions that create a new customer payment, this field is used to find the related invoices in the system.

This field can contain a list of all customer invoices that are included in a new customer payment. This list is only used after the system succeeds in finding the customer, based on the name, code, or bank account. Then, the system starts looking for open invoices.

The invoice list is a comma- or blanks-separated list of customer invoice numbers, ideally containing the daybook and voucher number of each invoice. However, the invoice number alone works if the number is unique. The system compares this list with the customer invoice CI Text field, and with the combination of daybook and voucher number.

If the invoice cannot be found and the bank file format only allows new payments in the status For Collection, **Bank Files** creates a prepayment for the customer payment with the For Collection status. If the invoice cannot be found and the bank file format allows new payments to be created as Paid, **Bank Files** creates a prepayment for the customer payment and also allocates the payment to the Paid status in the bank statement. If the customer cannot be found, **Bank Files** creates an unallocated bank statement.

Info

When creating banking entries, the Info field text is copied to the Banking Entry detail line information.

Cost

Use this field in custom developments when bank charges are to be allocated to a expense GL account.

Batch Number

Displays the batch number in which the file was processed.

TC Discount Amount

This field displays the TC discount amount on this transaction, if any.

TC Interest Amount

This field displays the TC interest amount on this transaction, if any.

Result

This field displays the action that was performed on the transaction. The action to perform in certain error cases can be configured in Payment Processing Configuration Maint. Therefore, the outcome can be different from the initially intended action; for example, create customer payment can result in an unallocated banking entry.

Process Date

Displays the date on which the file was processed.

Banking Entry

This field is read only and lists the bank statement that was created for the bank file line.

New Payments as Paid

This field displays the number of new payments created with Paid status.

Deduction Category

If a deduction was performed when the file was processed, this field displays the deduction category.

TC Deduction Amount

If a deduction was performed when the file was processed, this field displays the amount deducted.

Deduction Description

If a deduction was performed when the file was processed, this field displays a description of the deduction.

Paid-by Customer

This field enables you to define a paid-by customer code. This setting is useful in a shared services environment where one customer is invoiced but another customer makes the payment. When you enter a valid customer code in this field, a payment is created using the paid-by customer rather than the invoiced customer in the customer payment reference.

Paid-by Customer Name

This field enables you to enter a paid-by customer name.

Bank File Processing Options

Customer Payment

When the message type from the bank indicates that a customer payment has been received, the program that processes the bank file creates a customer payment.

To assign the payment format of the created payment, the system uses the EDI trading partner ID (for example, USBank) of the imported bank file to retrieve the bank file format with the same name. The same bank file format must also be specified on a unique Bank Payment Format Link.

When payments are created, the system also tries to allocate the payment to open items. If there is an open item for a customer with a matching daybook and voucher reference and the bank file import amount is less than or equal to the open invoice amount, by default, the bank import line payment amount is applied against the open item. If the program allocates invoices, the new payment is assigned the status For Collection or Paid, depending on the settings in the bank payment format. However, when no matching invoice is found, you can also configure the system to take a different action.

Bank Files always creates bank statements, unless the bank-related information is wrong, preventing the bank statement from being generated. If the bank file format indicates that the system must create new payments in For Collection, **Bank Files** creates a prepayment in the customer payment with For Collection status. If the bank file format indicates that the system must create new payments as Paid, **Bank Files** creates a prepayment in the customer payment and allocates the payment to Paid status in the bank statement.

If the customer cannot be found, **Bank Files** creates an unallocated bank statement,unless the bank-related information is wrong, preventing the bank statement from being generated.

There is also an option in the bank file format to create the customer payments directly with status Paid (and at the same time debit the bank GL account). This option is only possible if the payment can be allocated to open invoices.

Many banks use a lockbox address to handle incoming payments. The address is checked daily and the customer checks are registered in the bank’s system before a bank file listing the checks received is sent to your company. Use this function to create new customer payments in the system to correspond with the checks listed.

Pay Customer Payment

When the message type from the bank indicates that a customer payment has been cleared—that is, the payment was cashed on the bank account —the program that processes the bank file searches for a customer

payment with the status For Collection with a matching amount. If it finds the payment, the system sets the payment status to Paid, the bank GL account is debited, and the customer payment account is credited.

If the payment cannot be found, **Bank Files** creates an unallocated bank statement, unless the bank-related information is wrong, preventing the bank statement from being generated.

Bounce Customer Payment

When the message type from the bank indicates that a customer payment has been bounced (payment refused), the program that processes the bank file searches for a customer payment with the status For Collection and a matching amount. If it finds the payment, the system sets the payment status to Bounced, and the linked invoices are reopened. The customer control account is debited, and the customer payment account is credited.

Pay Supplier Payment

You issue payments to your supplier, which your supplier sends to their bank. The supplier's bank arranges a money transfer from your bank. When the message type from the bank indicates that a supplier payment has been paid from your bank account, the program that processes the bank file searches for a supplier payment with the status For Collection and with a matching amount. If it finds the payment, the system sets the payment status to Paid and the bank GL account is credited.

Pay Supplier Payment Selection

You can pay a supplier payment selection in Process Incoming Bank Files. When the bank sends a file confirming payment of a supplier payment selection, select Pay Supplier Payment Selection to pay the individual supplier payments within the supplier payment selection directly or to create a banking entry to allocate this supplier payment when the Banking Entry field is selected.

In the incoming bank file, make sure that the supplier payment selection code is specified in the Payment Reference field. The system can only pay a supplier payment selection that can be allocated uniquely. The payment amount in the bank file must match the payment selection amount in the system.

Bounce Supplier Payment

When the message type from the bank indicates that a supplier payment has been Bounced (payment refused), the program that processes the bank file searches for a supplier payment with the status For Collection and with a matching amount. If it finds the payment, the system sets the payment status to Bounced, and the linked invoices are reopened. The supplier control account is credited, and the supplier payment account is debited.

Banking Entry

This message type lets you create unallocated bank statement lines in the system.

Errors in Transaction Processing

The system processes transaction messages automatically when there is a complete match between the bank file and the system records for the following data:

- Customer or supplier identification. The identification can be a name, a code, or a bank number.
- Payment number or payment reference. For message types that change the status of a payment to Paid or Bounced, the system must be able to locate the original payment.
- Invoice reference list. For the Customer Payment message type, the list of paid invoices or credit notes is added.
- Amount. For message types that change the status of a payment to Paid or Bounced, the amount must match the original payment amount.

  For the message type Customer Payment, the amount must equal the open balances total for invoices specified in the Invoice Reference List.
- Currency. The transaction message currency must match the currency of the original payment.

  When one of these values does not match, the transaction line is displayed in red on the grid and the error is detailed.
  For the Customer Payment message type, when the customer record exists, but the invoice reference list or amount does not match, the system creates a customer payment with the status Initial. However, if you have changed this setting in Payment Processing Configuration, the system may create a prepayment or an unallocated banking entry.

You can use the customer, supplier, bank number, invoice, or payment number lookups on the grid to manually select the correct value and process the transaction message.

The system also displays errors for the following occurrences:

- The customer bank account number is not defined for this customer.
- Your bank account number has not been linked to this customer.
- Your bank account is not linked to the payment format that contains the mapping for this transaction code.
- The correct payment status has not been defined for this customer.

The system does not process a transaction for which there is an error. When you process transactions in batch and an error is encountered, none of the transactions in the batch are processed.

Lines that process with errors are red in color and identified by an arrow to the left of the line. To view the error message associated with the line, click the arrow. The message indicates why the line failed to process. You can manually configure the missing or incorrect data and load the file again for reprocessing.

Note Where the action taken for a bank line is different from the specified action, an information message is returned, indicating that a manual step is required later.

Multiple Invoice Lines

When importing the same payment for multiple open items (invoices and credit notes), Process Incoming Bank Files searches the system for the relevant matching open items, and allocates payment against all the lines using a single payment transaction. The system matches imported bank file payments and the corresponding open items by matching the bank numbers and payment references.

An imported bank file for the customer Alderon contains a single check payment for two invoices.

Payment	Check Reference: 2014/7890	Amount: 870.00 USD
Invoices	2014/ARINV/0000328	Amount: 320.00 USD
	2014/ARINV/0000329	Amount 550.00 USD

When the file is imported, the details are stored in the system as follows:

Customer	Payment Reference	Amount	Allocated To
Alderon	Check Reference: 2014/7890	320.00 USD	2014/ ARINV/0000328
Alderon	Check Reference: 2014/7890	320.00 USD	2014/ ARINV/0000329

The payments are automatically processed by Process Incoming Bank Files, and grouped into one transaction because both payments have the same check reference, 2014/7890. The single payment is allocated to both open invoices.

Customer	Check Reference	Amount	Allocated To

Alderon	Check Reference: 2014/7890	870.00 USD	2014/ ARINV/0000328 and 2014/ ARCN/0000329

New AR Payments

You can create a new AR payment with either an Initial, For Collection, or Paid status for lockbox checks.

Bank files sometimes contain the original invoice reference for the check. In this case, when the transaction is validated and processed, the system retrieves the original invoice, allocates the check, and creates a customer payment with either a For Collection or Paid status.

Note For Collection and Paid statuses must exist in the system for this type of automatic payment.

When the customer is validated but the bank file does not contain invoice references, the system compares the amounts in all open items for this customer, retrieving the oldest open item first. If one or a combination of open item amounts matches the amount of the check, the system allocates the check and creates a customer payment. You can optionally assign a For Collection or Paid status to this payment.

When the customer is not validated and the bank file does not contain invoice references, you can manually select a customer to complete the transaction process. The system creates a customer payment with an Initial status, which you then process as normal.

Processing Existing AR Payments

The system uses the check number to retrieve the original customer payment and change its status to Paid. When the check number is not available in the bank file (for example, the bank has not included this value in the file), the system then identifies payments that have a status of For Collection and are of the same amount as the check that has been paid. Once these conditions are met, the For Collection payment is automatically updated to Paid. See Customer Payments on page 5984.

Processing Existing AP Payments

The system checks the bank file for the preprinted check number of the supplier check. When this is not available, the system searches for a For Collection or Conditional Collection payment for the same amount as the check, and changes its status to Paid. See Supplier Payment Selections on page 6201.

Imported Bank Files

The following are the parameters:

Note You must complete at least one of the Bank File Name, Batch ID, or File Processing Date selection criteria; you cannot leave all three fields blank.

Bank File Name

Enter the name of an imported bank file you want to report on.

Batch ID

Enter the batch ID of an imported bank file you want to report on.

File Processing Date

Enter a date range for the bank files to report on.

Entity

Specify an entity.

Own Bank Number

Enter the bank number. The bank number should be for the selected entity.

Action Type

Choose from Customer Payment, Pay Customer Payment, Pay Supplier Payment, Pay Supplier Payment Selection, Bounce Customer Payment, Bounce Supplier Payment, Banking Entry, Acknowledge Bank Receipt, Other.

Line Status

Choose from Processed OK, Processed with Error(s), not Processed, All.

Show Payment Details

Choose Yes or No. If you select Yes, the report displays the payment details for customer and supplier payments, and for banking entries allocated to payments.

Show Processing Info

Choose from All Lines, Error Lines Only, None. If you choose None, only payment information is displayed.

Processing Info Level

When you choose to show processing information, you can choose the level of detail to show; Full Detail or Summary.

User ID

To search for bank files imported by a particular user, enter the user ID.

Result Action

You can run a report based on the action taken by the Bank Files Function. Choose from Customer Payment, Pay Customer

Payment, Pay Supplier Payment, Pay Supplier Payment Selection, Bounce Customer Payment, Bounce Supplier Payment, Allocated, Acknowledge Bank Receipt, Allocated with Prepayment, Initial Customer Payment, Other.

Is Different Action

Choose Yes or No. If you select Yes, the report displays those records where the resulting action is different to the one specified by the record.

Note To display the detail processing log on summary level or detail level, you must activate Enable Incoming Bank Files. You can activate this field on the Main panel of **Domains**.

The report displays different types of detail, depending on whether the record was a successfully processed customer payment, supplier payment, or banking entry, or if the record was unprocessed or processed with errors. The report contains up to five sections.

Bank File Name

The bank file name section displays details of the imported bank file, including an overview of the processing result.

Batch Number

This section of the report identifies the batch number of the bank file you have imported. This section also contains other details such as the currency, total amounts involved, and own bank account number.

Sequence

For each line in the bank file, a sequence line displays details of how the line was processed. It indicates other details such as whether the line processed successfully, which bank account was involved, and the action type that was taken as a result of processing the line.

Bank File Processing Result

The bank file processing result area contains two parts. The Format Name line contains header information, such as the business relation name, currency, amount, and payment reference. The second line contains the details of the payment. You can hide this line using the report filter by setting Show Payment Detail to No.

Bank File Processing Log

This part of the report is only visible when logging is enabled for the domain in **Domains**. It displays details of the processes that have run for this bank line, along with the result of the process. You can control whether this section is displayed using the Show Processing Info filter criteria. You can choose to display results for no lines, all lines, or only those that contain errors.

The Processing Info Level filter criteria enables you to specify whether to display processing information at summary or detailed level.

Petty Cash Statements

Petty Cash Statements enables you to enter transactions on a cash GL account, to allocate those transactions to open items in the AR or AP sub-ledger, and to generate postings on GL accounts other than the petty cash GL account. Most business expenses are paid by business check, credit card, debit card, or electronic funds transfer (EFT), or placed on account with the seller. However, many small expenses that are paid by an employee or with cash require reimbursement. Because the amount is typically small, the fund from which the reimbursement comes is usually known as petty cash.

Petty Cash can be explained as an accessible store of money kept by an organization for expenditure on small items. It is very similar to Bank Statements and supports the same allocation methods. You can generate a cash report when you save the entry. You can use this report as a receipt for the cash activity. You can also generate weekly or monthly reports.

Note Petty Cash Report is included in the drill-down links.

Examples of the use of petty cash include:

- Paying the postal carrier the 17 cents due on a letter being delivered.
- Reimbursing an employee $9 for supplies purchases.
- Paying $14 for bakery goods delivered for a company meeting.

Setting Up Petty Cash

Petty Cash requires you to define a cash account. You should create a separate cash account for each currency for which you keep petty cash, and you update the accounts using allocated banking entries. To set up Petty Cash:

1. a GL account of type Cash Account for each currency in which you keep petty cash.
2. cash in and cash out daybooks and profiles. You define these on the Cash panel of GL Accounts. See the Cash on page 5719 panel in GL Accounts.
3. Optionally, set up all employees who use petty cash as suppliers for petty cash advances and receipts.

To create a petty cash statement, in the **Petty Cash Statements** browse, click New.

Main

On the Main panel, specify all mandatory fields.

GL Account

Specify the GL account, which must be of type Cash Account.

Petty Cash Year

This field indicates the current GL calendar year and the number of this statement. The statement number increments from the statements previously created, and you can modify this number. The sequence of statements does not have to be consecutive. This allows you to distribute the statement entry workload over multiple users.

Posting Date

This field indicates the posting date of the cash entry. This defaults to today's date.

GL Calendar Year

This field indicates the GL calendar year in which the petty cash postings are created.

Petty Cash Status

This read-only field indicates the statement status: Unallocated, Partially Allocated, or Allocated.

Opening Balance

This field indicates the balance of the account before the cash movement.

Activity

This field indicates the total amount of the cash movements.

Closing Balance

This field indicates the balance of the account after the cash movements.

GL Balance

This field displays the current balance of the cash account.

Unallocated Statement Balance

This field displays the amount in cash entries that has still to be allocated. You can complete allocations on the Statement Lines panel.

Amount to Allocate

This field displays the amount to be allocated in this cash entry, and whether this is a debit or credit to the account. This amount is retrieved from the amount you enter in the TC Amount field in the grid.

When you have created the petty cash statement header information, one statement line is defaulted.

Statement Lines Panel

Click New on the Statement Lines panel to add statement lines. statement lines and allocate them to invoices or GL accounts to indicate transactions to and from the cash account. When you save the statement, you generate postings to the sub-ledger and update the accounts.

Number

This field indicates the system-generated number of the cash entry. Insert a new line in the grid for each new cash entry.

Value Date

This field indicates the value date of the entry. The value date is the date on which the transaction occurs. The default is the posting date.

Description

Enter a brief description of the cash entry.

TC Amount

Enter the cash entry amount in transaction currency.

In/Out

Indicate if this is a cash movement into the account (for example, cash received from customers, or refund of expenses) or out of the account (cash supplied for expenses, or as a cash payment to suppliers). Movements in are automatically assigned the daybook defined in the Cash Received daybook profile, and movements out are assigned the daybook defined in the Cash Paid daybook profile.

Status

This field indicates the status of the cash entry. By default, the line is unallocated.

Each line has one of the following statuses:

- Unallocated. No allocation is performed for this line. The Status field has a red background as a visual indicator.
- Partially Allocated: Part of the line is allocated, but not the total amount. A statement line cannot be saved in this state. The Status field has an orange background as a visual indicator.
- Allocated: The line is allocated, but not yet saved to the database. The Status field has a green background as a visual indicator.
- Allocated and Posted: The line is allocated, and successfully saved to the database. The Status field has a green background as a visual indicator.

Posting Daybook

This field indicates the daybook and daybook number for the current transaction. The daybook type is Cash Entries. The system retrieves

the Cash Received daybook profile for cash movements into the account, and the Cash Paid daybook profile for movements out of the account. Separate cash-in and cash-out daybooks are mandatory requirements in some accounting systems.

Voucher

This field displays the reference number for this allocation. The field contains zeroes until you allocate the statement line.

Information

Enter additional information about the cash entry.

BC Amount

Displays the movement amount in base currency.

Posting Date, Scale Factor, Reference (EXT), Payment Reference (EXT), Name (EXT), SWIFT Code (EXT), Address (EXT), Postal Code (EXT), City (EXT), Bank Number (EXT), Customer/Supplier (EXT), TC Original (EXT), Currency (EXT), Bank Rate (EXT), Country (EXT), Cost Code (EXT), Reporting Date (INT), Posting GL Calendar Year, GL Period

These fields are hidden by default. When displayed, they allow you to view or record additional information about the Petty Cash Statement line.

Allocating Petty Cash Lines

Each statement line must be allocated to a:

- Customer or supplier invoice, including prepayments and deductions (customers only)
- GL account

You must allocate the full amount of the statement line in order to post the line in the general ledger.

Allocate to Invoice

The Allocate to Invoice button above the Statement Lines grid opens the Allocate to Invoice screen.

In the Allocate to Invoice screen, complete the relevant fields in the Search For Invoices panel and click Search. Any linked invoices are displayed in the grid. To allocate the statement line to any invoice line, select the line and click Clear. Only the selected line is then displayed.

If needed, you can use the Reset button to remove the values that you entered in the search filter fields.

You can manually create a prepayment or a deduction (customers only) by clicking the relevant button above the grid. The Details button displays the details of a selected invoice, prepayment, or deduction. If you click

the Prepayment button to add a prepayment invoice and then click the Details button, you can update the fields in the pop-up. The same facility also applies for deductions.

See Allocate to Invoice — Prepayment on page 6321 and Allocate to Invoice — Deduction on page 6322.

Search For Invoices Panel

Customer/Supplier

Choose a specific customer or supplier, depending on the field selected.

Business Relation

Select open items for the specified business relation. You can further refine the search using the Include Customers and Include Suppliers fields. Any combination of the fields is valid when a business relation is selected.

Invoice Reference

Specify a payment reference that appears on the invoice.

Payment Reference

Specify an optional payment reference number for selecting invoices to allocate. If you are in the Single Euro Payments Area (SEPA), this reference is a SEPA reference number.

Group Name

Enter a group name or use the lookup to find a group name for this customer or supplier from their business relation record.

Year/Daybook/Voucher

Specify a GL calendar year, daybook, or voucher number. Any combination of the three subfields can be used. Click the lookup to select a daybook type.

Include Customers

If you select this field and have specified a business relation, only the open items of customers linked to that business relation display. If you select this field and have not specified a business relation, the Customer/Supplier field shows customers only. This field is selected by default if the amount to allocate is positive.

Include Suppliers

If you select this field and have specified a business relation, only the open items of suppliers linked to that business relation display. If you select this check box and have not specified a business relation, the Customer/Supplier selection field shows suppliers only. This field is selected by default if the amount to allocate is negative.

Bank Account

Enter a customer or supplier bank account number.

Shipper

To select customer invoices created from Invoice Post and Print, specify a shipper reference number.

Purchase Order

This field enables you to search by purchase order when allocating cash lines to invoice.

Customer Purchase Order Ref

This field enables you to search by customer purchase order reference.

Amount/Currency

Use the Amount and Currency fields to search for specific open balance amounts in a specific currency.

Use the operators to specify an amount range within which to search:

- When the operator is set to =, the system searches for the open balances that equal the value in the Amount field.
- When the operator is set to <= or >=, the system searches for open balances higher or lower than the value in the Amount field.

Example When the amount is set to <= $1000, the search returns open items with amounts less than $1000.

Include All Entities

Select this field to extend the search to all entities defined in the system. Whenever an open item for another entity is selected, a cross-company posting is triggered.

Bill Year/Number

Specify the year and number of the bill that this amount belongs to.

Note You can make this field visible using the Configure panel.

Grid Fields

Bus Rel

This field displays the business relation of the customer or supplier for whom the open item was created.

Invoice Reference

This field displays the invoice reference number.

Shipper

This field displays a shipper reference number that appears on invoices created through Invoice Post and Print.

Due Date

This field displays the due date of the open item. Amounts can be positive or negative. To obtain the most current view of the movement, the amounts must always be interpreted in combination with the Dr/Cr indicator.

Full Alloc

Select this field to allocate the full amount of the entry to the invoice. The result is reflected in the Amount Allocated field in the Balance area of the screen. Use the TC Allocated field to make a partial allocation.

Open Balance

This field displays the current open balance in the transaction currency.

Dr/Cr

This field indicates whether the open item is a debit or credit.

Invoice Curr

This field displays the open item currency.

TC Allocated

Enter the amount to allocate to the invoice. If you are not allocating the full amount, enter the partial amount here. When you enter an amount, the system updates the TC Paid, BC Amount, TC Allocated (Signed), and New Balance fields.

The system automatically splits the allocated amount into a TC Paid amount and a TC Discount amount, based on the credit terms and the payment date.

TC Discount = TC Allocated * Discount% / 100

TC Paid = TC Allocated – TC Discount

The relevant rounding method is then applied to the result.

Note For invoices with tax, the payment amount also contains a tax component. If the tax rate has Discount Tax at Invoice selected, the discount amount at the time of payment only applies to the tax base amount.

TC Discount

This field displays the discount that applies for early payment, based on the credit terms. You can always overwrite the discount amount proposed by the system by entering the amount yourself. Then, TC Allocated is recalculated as TC Paid + TC Discount.

TC Allocated (Signed)

Displays the allocated amount as a positive or negative value.

Debit/Credit

This field indicates whether the open item is a debit or credit.

TC Paid

The amount to pay, excluding the discount. The system recalculates the TC Allocated amounts as TC Paid + TC Discount.

When you enter an amount to allocate in the TC Allocated field, TC Paid is updated automatically. However, if you change the value in the TC Paid field, the BC Amount, TC Allocated, TC Allocated (Signed), and New Balance fields are updated automatically.

New Balance

This field displays the balance of the open item after the movement is allocated.

Debit/Credit

This field indicates whether the open item is a debit or credit.

Entity Code

This field displays the code of the entity in which the open item was created.

Cost Center/Project/Sub-Account

Click to optionally select a cost center, project, or sub-account for analysis on this allocation. This option is available for prepayments only.

Open Balance TC (Signed)

This field displays the current open balance in the transaction currency as a positive or negative value.

Customer Invoice Number

This field displays the identifier for the customer invoice, if applicable.

Invoice Desc

This field displays the description recorded for the invoice.

Cust PO Ref

This field displays the customer purchase order reference for the invoice, if applicable.

Invoice Entity

This field displays the entity in which the invoice was recorded.

Allocate to Invoice — Prepayment

Using the Allocate to Invoice option, you can create a prepayment for the statement amount, instead of allocating to an invoice. The cash movement is registered as a prepayment to or from a customer or supplier. Click the Prepayment button on the Allocate to Invoice screen. The Prepayment screen opens.

Main Panel

Type

Choose from Customer or Supplier.

Customer/Supplier

Specify the customer or supplier code.

Invoice Description

Enter a brief description of the prepayment.

Invoice Date

This field displays the prepayment creation date.

Due Date

This field displays the due date of the prepayment.

TC Prepayment Amount

Enter the amount of the prepayment in the transaction currency.

Currency

Displays the transaction currency, which you can update, if needed.

Exchange Rate

This field displays the exchange rate to use to convert between the transaction currency and the base currency prepayment amount. This field defaults to the accounting exchange rate at the invoice date.

Exchange Rate Scale

This field displays the number used in the exchange rate calculation to adjust the amount of the From Currency.

BC Prepayment Amount

This field displays the prepayment amount in base currency, based on the exchange rate applied.

GL Analysis Panel

Sub-Account

Specify the sub-account that you want to use for the prepayment postings, if applicable.

Cost Center

Specify the cost center that you want to use for the prepayment postings, if applicable.

Project

Specify the project that you want to use for the prepayment postings, if applicable.

Allocate to Invoice — Deduction

Using the Allocate to Invoice option, you can create a deduction for the statement amount, instead of allocating to an invoice. You can record a deduction if a customer pays less than the amount owed.

Reasons for deductions can include rounding differences, reductions due to quality issues, perceived entitlements based on commercial agreements, damaged goods, spoilage, improper packaging or labeling, or any other reason for which a customer may pay less. The process for entering deductions is similar to that for creating prepayments. However, unlike prepayments, you can enter many deductions for a single payment transaction.

Click the Deduction button on the Allocate to Invoice screen.

The Allocate to Invoice screen — Deduction contains three panels: Main, GL Analysis, and Deduction Details. The Main and GL Analysis screens contain the same fields as those described for prepayments.

The Deduction Details panel fields are:

Deduction Category

Specify the category for the deduction. This field is mandatory.

TC Deduction

Specify the deduction amount in transaction currency. The default value is the invoice amount, but you can modify this value.

Deduction Status

This field displays the deduction status calculated by the system. If the deduction category you assign to the line allows automatic write-off and if the deduction amount is below the automatic write-off limit, the status of the line is Auto Write-Off. If the category does not allow automatic write-offs, the status of the line is Pending.

The Deduction Status field gets populated when you select a deduction category.

Customer Reference

Specify the deduction reference submitted by the customer. This field is optional.

Invoice Entity

Displays the entity in which the invoice was created.

This read-only field is blank until you allocate the deduction to an invoice.

Invoice Year

Displays the GL calendar year in which the invoice was created.

This read-only field is blank until you allocate the deduction to an invoice.

Invoice Daybook

Displays the daybook to which the invoice is posted.

This read-only field is blank until you allocate the deduction to an invoice.

Voucher

Displays the voucher number that identifies the invoice.

This read-only field is blank until you allocate the deduction to an invoice.

Promotion

Promotions are agreements with customers to provide discounts for a specified period, and to allocate funds for promotional activities or to offer free goods and services.

Comment

Enter any comments, if applicable.

Allocate to Invoice with Stages

You can allocate payment to invoices with staged credit terms using two different approaches:

- You can apply the payment at the invoice level, and the payment and allocation values are rolled down to the staged payment.
- You can apply the payment at the staged payment level, and the payment, allocation, and discount amounts are rolled up to the invoice line.

When you update the TC Stage Allocation field at staged payment line level, the fields in the Summary and Balance panels are updated. The values you enter at the staged level are rolled up to update the TC Allocated, TC Paid, TC Discount, and New Balance values at the invoice level. When you individually allocate a staged line, the (parent) invoice line does not get fully allocated. However, when you individually allocate all staged lines, the (parent) invoice line gets fully allocated and the Full Alloc field on the invoice line is updated automatically to reflect this.

When you fully allocate the invoice line, all the stages are fully allocated. If you clear the Full Alloc field on the invoice line, the Full Alloc fields for the individual staged lines are also cleared and the amounts are reset to zero.

The TC Allocated value you enter at the invoice line is always allocated against the first payment stage due. If you enter a TC Paid Allocated on the invoice line that is greater than the open balance of the first staged payment, the amount over the first staged payment is applied to the staged payment with the next nearest due date.

The following are the key fields used to allocate payment to invoices with staged credit terms:

TC Stage Allocation

Enter the total payment amount to apply to the staged payment. This amount is the sum of the values in the TC Stage Paid and TC Stage Discount fields for that grid row.

TC Stage Discount

Specify the discount amount to apply to the payment stage.

TC Stage Paid

Enter the amount to deduct from the staged payment. For customer payments, this is the actual amount you received from the customer, excluding discounts.

TC Default Payment Amt

This field displays the open balance for each payment stage.

TC Default Discount Amt

If the stage payment condition includes discount terms, the discount amount applicable is displayed in this field.

Stage Discount Perc

This field displays the discount applicable for the staged payment, if any.

Stage Due Date

This field displays the date on which the staged payment is due. The date is calculated using the invoice date and the staged credit term details.

Stage Discount Due Date

This field displays the date on which the discount on the staged payment is due. The date is calculated using the invoice date and the staged credit term details.

Allocate to GL

The Allocate to GL button on Petty Cash Statements (above the Statement Lines grid) allows you to enter manual posting lines in order to allocate an amount directly to a GL account.

Main Panel

Posting Date, Year, Daybook, Voucher, Description, Layer Type, Sequence Number, Additional GL Numbering Date

All header fields are read only, and copied from the statement and statement line information.

Posting Lines Panel

One or more posting lines can be entered. The posting lines entered are completed by the GL posting. The posting lines let you create journal entries to allocate the outstanding amount. See Journal Entries on page 5856.

The Auto Balance button is enabled when an amount field is in focus and is used to automatically complete amounts and to balance the corresponding line.

When the posting line row is selected, click Auto Balance. The system calculates the TC Debit/TC Credit/BC Debit/BC Credit/SC Debit/SC Credit amounts to balance the posting.

Totals Panel

This read-only panel displays the debit and credit totals for the transaction in the transaction and base currencies. The totals are calculated from the values you enter in the Posting Lines grid.

Details

The Details button on Petty Cash Statements (above the statement lines grid) allows you to view the details of a selected line, and, depending on its status, to edit certain fields. The panels displayed in the pop-up depend on the allocation status of the line.

Allocations

This panel is read-only and displays details of any allocations for this petty cash statement line.

Reference Details

This panel enables you to enter additional allocation information for the line to record information. These details are stored by the system but not validated. You can edit these fields when the petty cash line is unallocated.

Reference

Specify the payment reference.

Payment Reference

If a customer invoice is issued with a unique payment reference string, you can enter it here.

Name

Specify the name of the destination or originating party.

Address

Specify the address of the destination or originating party.

Postal Code

Specify the zip or postal code of the destination or originating party.

City

Specify the city of the destination or originating party.

Country

Specify the destination or originating country.

Customer/Supplier

Specify the customer or supplier code.

Bank Number

Specify the bank number of the other party.

Cost Code

Specify a code representing cost information.

Value Details

This panel enables you to enter additional information on value dates and external exchange rates. You can edit these fields when the petty cash line is unallocated.

Value Date

This field displays the date on which the money is received.

GL Calendar Year/Period

This field defaults from the statement header.

Posting Date

This field defaults from the statement header.

Posting Daybook/Voucher

This field displays the daybook and voucher of the statement line in focus.

TC Original

This field displays the amount that the business relation paid and the currency of the payment. This is not the original open item currency amount.

Currency

This field enables you to specify a currency.

Bank Rate

This field displays the exchange rate that the bank uses to convert this amount to the bank account currency in which the payment was made.

Scale Factor

This field enables you to specify a scale factor for the exchange rate if one applies. This field defaults from the grid.

TC Amount

The original amount converted to the bank account currency. This field defaults from the grid.

Journal Entry

When a petty cash statement line is already allocated, the Journal Entry button enables you to view the journal entries for the line.

Cash Groups

Cash groups enable you to categorize information in the Cash Flow Report. You assign the cash flow group to the account in GL Accounts on page 5706.

Main

Cash Group

Enter a code that identifies a cash group. This field is mandatory; the code cannot be blank.

Description

Enter a brief description of the cash group. This field is mandatory; the description cannot be blank.

Active

Indicate if this is an active cash group.

Budgets

A budget is a set of amounts that is expected to be spent or earned during a given time period. Most organizations compile budgets annually to plan for expenses and revenues.

The Budgets function allows you to enter estimated budgeting and forecasting amounts for a specified range of periods, and is integrated with the Financial Report Writer function. You can retrieve the base amounts of previous years by COA dimensions from the FRW cube, and you can also review the FRW reports with the planned budget and forecasts.

To create the budget, you need to choose the FRW cube and budget year and period range, which is based on the periods defined in the FRW cube. The budget currency is the presentation currency of the cube.

The GL account and entity are always mandatory for budget line items. If you want to define budgets on other dimensions, such as sub-accounts, cost centers, projects, or SAFs; you can select the dimensions from the Dimensions grid. The chart of account dimension combination defines the budget structure.

The Build Budget Dimensions on page 6333 action lets you build budget lines based on the report cube transactions for the prior two years.

You can use actual transactions from past years as a reference when building your budget, and then update the budget values accordingly. See Build Budget Actuals on page 6333.

Main

Budget

Specify a code to identify the budget.

Description

Enter a brief description of the budget.

Cube

Specify the report cube from which the budget should take data.

Budget Year/Period From, Budget Year/Period To

In the Budget Year/Period From and Budget Year/Period To fields, specify the year and period range that the budget spans. The budget period you define must be within the reporting period of the FRW cube on which the budget is based.

If you include years or periods not covered by the FRW cube reporting period, the application displays an error when you try to save the budget.

A budget can include up to 54 periods.

Use Quantity Info

Select this field to budget using quantities such as machine hours, kilowatt hours, or other quantifiable values. You can then link GL accounts defined to accept units of measure to the budget.

Currency

The Currency field is populated with the presentation currency of the FRW cube on which the budget is based. This field is read only.

Budget Administrator

Specify the ID of the user responsible for administration of the budget. This field defaults to the current user, but you can modify this value. This field is optional; you can leave it blank.

Dimensions

Use the Dimensions subpanel to indicate which dimensions (sub-accounts, cost centers, projects, or SAFs) you want to include in the budget. The list of dimensions for selection is based on the dimensions selected for the FRW cube on which the budget is based. For example, if the Include SAF Dimension field is not selected for the cube in Financial Report Chart, no SAFs are listed in the Dimensions panel. If there are less than 10 SAFs defined in the report chart, the Dimensions grid only shows the defined ones.

In the Dimensions subpanel, select the associated check box for the dimensions that you want to base the budget on. Once the dimension is used in the budget, you cannot remove the dimension from the budget header —you need to delete the budget lines first.

Versions

This panel displays the versions of the budget. There must be at least one version. Only one version can be set to operational.

Note You add a new version using the Add New Version on page 6334 action.

Selected

When selected, this field indicates that this version is operational.

Version

This field displays the number of the version and is read only.

Description

This field displays the description of the budget version. For example, "draft" or "final." You can update this field.

Status

Choose a value from the drop-down list to indicate the status of the budget. The options are:

- Draft

  Draft is the default value for a new budget. To update the budget lines, the budget status must be set to Draft. You can delete budgets with the status Draft.

- Operational

  This status indicates that the budget setup is complete, and that actuals are retrieved from the report cube. You cannot update budget lines for budgets with the Operational status. You cannot delete a budget with the status Operational. You can change a budget status from Operational back to Draft and from Operational to Closed.

- Closed

  This status indicates that the budget life span is complete. You cannot update budget lines for budgets with the Closed status. You can reopen the budget by changing its status to Operational. You can change a budget status from Closed to Operational and from Closed back to Draft.

Lines

Use the Lines panel to record the GL accounts and dimensions that provide the budget actuals. Click New to add a budget line.

You define budget total and forecast total amounts by GL and entity, both of which are mandatory. You can add other dimensions, which are optional. Instead of adding each line one by one using the New button, you can use the Build Budget Dimensions on page 6333 option in the Actions menu. This option builds budget lines for the relevant combinations of entities, GL accounts and related dimensions, based on the report cube transactions for the prior two years. You can then edit the entries accordingly.

The Budgets function does not allow overlaps in the budget dimensions. For example, if you have a budget line with GL account 4000, you cannot have another line with GL account 4000 and a cost center because the budget lines have overlap.

Use the budget lines to enter budget and forecast totals for each combination of entity and GL account, and dimensions, if used. Click the Details button above the grid to access the Details screen, which shows the budget and forecast totals distributed and prorated by budget period.

You can use actual transactions from the past years as a reference when building your budget, and then update the budget values accordingly. See Build Budget Actuals on page 6333.

You cannot add new lines to the grid if the budget version status is not Draft. You can delete budget lines. However, if the budget status is Operational or Closed, the line cannot be deleted.

Entity

Specify the entity that is providing the actuals. You can only add entities that are included in the report cube and for which you have role permissions. The Entity field is mandatory for budget line items.

A budget can link to one or more entities that share the same COA shared sets used in the budget structure. The entities can be in the same or different domains.

GL Account

Specify the GL account for which you want to budget. You can only specify GL accounts that are defined in the shared set of the report chart linked to the report cube. The GL Account field is mandatory for budget line items.

Sub-Account

Specify the sub-account for which you want to budget. You can only specify sub-accounts that are defined in the shared set of the report chart linked to the report cube.

This field is displayed if you have selected the sub-account dimension in the Dimensions subpanel. The list of dimensions listed for selection in the Dimensions subpanel is based on the dimensions selected for the FRW cube on which the budget is based.

Cost Center

Specify the cost center for which you want to budget. You can only specify cost centers that are defined in the shared set of the report chart linked to the report cube.

This field is displayed if you have selected the cost center dimension in the Dimensions subpanel. The list of dimensions listed for selection in the Dimensions subpanel is based on the dimensions selected for the FRW cube on which the budget is based.

Project

Specify the project for which you want to budget. You can only specify projects that are defined in the shared set of the report chart linked to the report cube.

This field is displayed if you have selected the project dimension in the Dimensions subpanel. The list of dimensions listed for selection in the Dimensions subpanel is based on the dimensions selected for the FRW cube on which the budget is based.

SAFs 1 - 10

SAF fields are displayed if you have selected the SAF dimension in the Dimensions sub-panel. The list of dimensions listed for selection in the Dimensions subpanel is based on the dimensions selected for the FRW cube on which the budget is based.

Actuals Amount 2 Years Ago

Displays the total actuals amount from two years ago for the entity and GL account and, optionally, dimensions combination. Click the Details button to see the actual amounts from two years ago, broken down over the periods in the current budget.

Actuals Amount Last Year

Displays the total actuals amount from last year for the entity and GL account, and, optionally, dimensions combination. Click the Details button to see the actual amounts from last year, broken down over the periods in the current budget.

Budget Total

Enter the total budget amount across all budget periods. When the budget amount is updated, the related budget entry amounts are updated proportionally. Click the Details button to see and edit the amounts broken down by budget period. When you enter values by budget period in the Details screen, these amounts are rolled back up to update the budget total.

Forecast Total

Enter the total forecast amount across all budget periods. When the forecast amount is updated, the related forecast entry amounts per entity and GL account for each budget period are updated proportionally. Click the Details button to see and edit the amounts broken down by budget period. When you enter values by budget period in the Details screen, these amounts are rolled back up to update the forecast total.

Comment

Record a comment on the budget and forecast totals for the entity, GL account, and, optionally, additional dimensions combination.

Budget Quantity

Enter the budget quantity for the budget. This column only appears if you selected the Use Quantity Info field in the Main panel.

Forecast Quantity

Enter the forecast quantity for the budget. This column only appears if you selected the Use Quantity Info field in the Main panel.

Budget Lines (Detail Screen)

Select a line in the Lines grid of the main Budgets screen and click the Details button to open the Budget Lines screen, which lets you define budget detail entries for the GL and entity for each budget period. The fields on this screen are identical to the standalone function, and are described in Budget Lines on page 6335.

Budget Reporting

Financial Report Column Groups on page 6426 enables you to define budget information for inclusion in the Financial Report Writer. You can use a budget that was defined in either Web UI or .Net UI, and you can also decide whether to include the operational version of the budget or another version.

Note The budget and budget version are no longer available as filters in the Financial Report Writer. You need to define the budget and version in Financial Report Column Groups in advance.

Actions

The Actions drop-down offers actions that you can take for a record or set of records. Individual actions are for individual records and bulk actions are for sets of records, based on your selected criteria. For bulk actions, once you select the records and set options, you can submit the action.

Build Budget Dimensions

If the report cube on which the budget is based includes transaction data from the past, you can build the budget structure based on the entities, accounts, and dimensions used in that transactional data.

The Build Budget Dimensions screen has one panel with processing options.

Processing Options

Process In Background

This read-only field is automatically selected to run the building of budget dimensions in background processing mode.

Background Processing Description

Displays the default file description of Build Budget Dimensions +budgetcode+.1+date+time. For example, Build Budget Dimensions Expenses.1 (8/24/2021 5:34 PM). You can edit this field and record a different description.

Click Submit to build the budget using dimensions from the FRW cube transactions.

Build Budget Actuals

Main

Budget

Displays the name of the budget. This field is read only

Retrieve Actuals Option

Choose the approach that you want to take for using the actual figures in the budget:

- Zero Actual Nodes Only: Only update budget lines where the actuals amounts are all zero.
- Overwrite Existing Nodes: All budget line actual amounts will be rebuilt.

Actuals Year/Period From

Displays the years and periods that the budget spans. By default, the building process retrieves the previous two years actual amounts. If there is no data for the previous two years, a warning is displayed when you click Submit.

Version

Displays the budget version. This field is read only.

Copy to Budget

Select the field to copy the related actuals amounts to the budget columns using the defined Budget Change (%). The default is that this field is selected.

Budget Change (%)

Define the change percentage index for copying actuals to the budget. For example, if the change percentage is 5%, and the actual of last year is 10,000, then the budget amount is 10,000 * (1+0.05) = 10,500.

Processing Options

Process In Background

This read-only field is automatically selected to run the building of budget actuals in background processing mode.

Background Processing Description

Displays the default file description of Build Budget Actuals +budgetcode+.1+date+time. For example, Build Budget Dimensions Expenses.1 (8/24/2021 5:34 PM). You can edit this field and record a different description.

Click Submit to build the budget using actuals from the FRW cube transactions.

Add New Version

You can choose to add a new budget version based on the existing version. Alternatively, you can start from scratch by clearing the Copy from Version field.

Main

Budget

This field is read-only. It displays the name of the budget.

Version

This field is also read-only and displays the version number.

Version Description

Optionally enter a description for this budget version

Copy from Version

By default, this version is copied from the latest version of the budget. However, you can choose a different version using the lookup. You can also leave this field blank, in which case the budget version is created from scratch.

Budget Change (%)

When you copy from an existing version, you can also set a change percentage for the new version.

Processing Options

Process In Background

This read-only field is automatically selected to run the building of budget actuals in background processing mode when you click Submit. A notification of the results of processing is sent to your inbox.

Background Processing Description

Displays the default file description of Build Budget Actuals +budgetcode+.1+date+time. For example, Build Budget Dimensions Expenses.1 (8/24/2021 5:34 PM). You can edit this field and record a different description.

Delete Budget Version

You can delete a budget version only when its status is Draft or Closed. If you delete a budget with only one version, the budget is deleted completely.

Main

Budget

This field displays the budget for which you are deleting a version.

Budget Version

Select the version of the budget that you want to delete.

To delete the budget version, click Submit.

Budget Lines

You can only create budget lines in Budgets on page 6328.

Main

GL Account

Displays the GL account for which you can enter budget details. This field is read only.

Entity

Displays the entity for which you can enter budget details. This field is read only.

Sub-Account

Displays the sub-account for which you can enter budget details. This field is read only. It is hidden if the budget line does not include sub-account information.

Similar fields may be displayed for Cost Center, Project, and SAF 1-10 if the budget line includes this information.

Comment

Record comments regarding the GL account and entity combination.

Entries

The system creates a row in the grid of the Entries panel for each budget period.

Budget Year

Displays the budget year. This field is read only.

Budget Period

Displays the individual budget period. This field is read only.

Actuals Amount 2 Years Ago

Displays the total actuals amount from two years ago for the entity and GL account combination, allocated proportionally to each report period in the current budget. This field is read only.

Actuals Amount Last Year

Displays the total actuals amount from last year for the entity and GL account combination, allocated proportionally by each report period in the current budget. This field is read only.

Budget Amount

You can specify a budget amount for the entity and GL account combination for each budget period. Budget amounts you enter here are rolled back up to update the budget row total for the entity and GL account combination on the main Lines grid. Conversely, budget total amounts entered for the GL account and entity combination on the main Lines grid are allocated proportionally to each budget period.

Forecast Amount

You can specify a forecast amount for the entity and GL account combination for each budget period. Forecast amounts you enter here are rolled back up to update the forecast row total for the entity and GL account combination on the main Lines grid. Conversely, forecast total amounts entered for the GL account and entity combination on the main Lines grid are allocated proportionally to each budget period.

Comment

Record comments regarding the budget and forecast amount for the GL account, entity, and budget period combination.

Budget Excel Integration

This function enables a budget manager to quickly edit a budget by exporting the budget and its associated line data to Excel. The resulting structure in Excel is a flat file that is easy to read and maintain. For each budget line, you can see the data for all budget periods in one Excel row.

Note Due to the complexity of the budget functionality, you must first create a budget and budget version manually in Web UI. You then use Excel integration to add lines and amounts.

A typical flow to create a budget based on last year's budget might be as follows:

- a Budget for the coming year in Budgets on page 6328.
- In Budget Excel Integration, use the search criteria to display last year's budget.
- Export this budget to Excel.
    - In the Export popup, select Export With Import Format in the type field.
    - On the right side of the popup, you can decide which fields to export to the Excel file by selecting only the fields you need.
    - You can also save the fields to export as a template for future use.
- Update the budget name to this year's budget and make any other changes, such as changing amounts or adding lines.
- Import the completed budget back into the system. A message is sent to your inbox to inform you whether the budget was imported successfully.

Financials Control

ERS

Use the fields on the ERS panel to activate and deactivate ERS processing, and to set options that affect ERS processing.

ERS Processing

Select the field to activate ERS. If you clear this field, ERS is deactivated. If you select this field for the first time, a pop-up window containing ERS processing options opens when you create a purchase order header and for each order line in **Purchase Orders**, **Blanket Orders**, and **Supplier Scheduled Orders**.

Note

If you enable ERS or you want to set ERS options for existing open purchase orders, you must choose Run ERS Conversion on page 6343 on the Actions menu to set the processing option.

ERS Option

Specify the default value for the ERS Option field that displays in the **Purchase Orders**, **Blanket Orders**, or **Supplier Scheduled Orders** header.

The order header value, in turn, determines how defaults are set for each line on the order. Valid values for the header ERS Option are:

- Blank: The system determines the default ERS option for the line using settings in ERS Configuration.
- 0: The ERS option for the line defaults to 0. When the ERS option for a line is set to 0, the system determines the ERS option when you run the ERS Processor, and uses the most current value from ERS Configuration.
- 1: The ERS option for the line defaults to 1, and ERS processing is disabled for that order line.

If the ERS Option is blank on a purchase order header, the system determines the line value by looking for a corresponding **ERS Configuration** record.

Important It is recommended to set up a manual procedure in your receiving department for recording the packing slip if the ERS Packing Slip Error field is selected and you are using ERS processing. Otherwise, the system generates many error lines when the ERS Processor is run. You can correct the errors manually by entering a supplier invoice for the PO or by reversing the receipt entered and receiving the product with a packing slip.

ERS Invoice Date Option

Specify how ERS calculates the supplier invoice date:

0: Use the receipt date of the receiver as the supplier invoice date.

1: Use the shipment date of the receiver as the supplier invoice date.

ERS Invoice Option

This field provides two options. When option 1 is selected, ERS Processor creates supplier invoices when the site on the purchase order does not belong to the current entity.

When option 2 is selected, ERS Processor does not create supplier invoices when the site on the purchase order does not belong to the current entity (the entity where the ERS Processor is run) and returns an error.

ERS Packing Slip Error

Specify the action that ERS should take when processing receivers that have a blank packing slip number. If you select this field, ERS does not create a supplier invoice and receiver matching record for a receiver with a missing packing slip number. The ERS Processor prints an error for all lines on a purchase order eligible for ERS processing where the packing slip is blank.

If you clear the field, ERS processes receivers with blank packing slip numbers. In these cases, ERS creates a supplier invoice with the receiver ID as the invoice reference number.

Update GL Average Cost

Specify how ERS should process supplier invoices in an average costing environment. Select the field if you want ERS to update the item cost at processing time. Clear the field if you do not want ERS to update the item cost. During receiver matching where average costing is used, you can update the cost of an item.

Receipt Based Invoicing

When this field is selected, supplier invoices are created with Posting Date matching the Effective Date when the purchase order is received. By default, this field is cleared.

Supplier Invoices

Use the Supplier Invoices panel to set defaults that affect the invoice process.

Next Batch

The batch number is used to identify a group of supplier invoices created at one time using ERS functions. The system assigns the next batch number from the control program, and increments the next number by one.

Invoice Open Quantity / Amount

Define the default setting for the Auto-Select field in **Receiver Matchings**. You can override it as needed. How you set this field depends on your company's matching process, and the accuracy and timeliness of the invoices you receive from your suppliers.

Select this field if you want all lines to be matched by default. You can then review the lines in **Receiver Matchings** and deselect the lines that you do not want to match. All purchase order line items received are normally processed on one invoice.

Clear this field if you often receive supplier invoices with an incorrect quantity and price. If you clear the field, all receiver matching lines are deselected by default, and you must then select matching receivers manually in **Receiver Matchings**.

Use Expensed Item Variance Accounts

The setting of this field determines whether AP rate and usage variances for non-inventory items are expensed to the account defined on the PO line. For more precise variance tracking, enable the Use Expensed Item Var Accts option.

When a non-inventory item is purchased, it is immediately expensed and the expected payable amount is accrued to the Expensed Item Receipts account. If the supplier invoice has a different amount, a variance is calculated when the invoice is matched.

- A rate variance arises when the invoice price is different from the PO price.
- A usage variance arises when the invoice quantity is different from the PO receipt quantity.

For example, a PO is received for 100 units of an expensed item at 11 cents each. At receipt, the GL entries are:

Account	Debit	Credit
Purchases (Expensed)	11.00	
Expensed Item Receipts		11.00

If the invoice later shows 110 units at 15 cents each, AP rate and usage variances are calculated when the invoice is matched. The control setting determines whether these variances are posted to Expensed Item Usage Variance and Expensed Item Rate Variance or to the Purchases account.

Note As shown in the example, the system charges the expense for a memo item receipt to the account on the PO line, which is the

Purchases (Expensed) account by default. However, you can change this value.

When Use Expensed Item Variance Accounts is selected, expensed item variances are tracked separately, and the following GL entries are created:

Account	Debit	Credit
Expensed Item Rate Variance	4.40	
Expensed Item Usage Variance	1.10	
Expensed Item Receipts	11.00	
Accounts Payable		16.50

However, if variances are not tracked separately, the GL entries are:

Account	Debit	Credit
Purchases (Expensed)	5.50	
Expensed Item Receipts	11.00	
Accounts Payable		16.50

Use Tax ID from PO Header

Specify how **Supplier Invoices** determines taxes when a purchase order is attached.

When this field is selected, the system uses the header site of the purchase order to determine the taxes. If the purchase order header does not specify a site, the system uses the ship-to. If the field is not selected, the system uses the ship-to of the purchase order to determine the taxes.

Recalculate Tax Rates

When you select this field, the system recalculates tax rates for each line in the receiver matching grid, based on the taxable, tax class, tax usage, and tax environment values selected for each line. This option ensures that any changes in tax rate between the point when the PO receipt was created and when it is matched are accounted for by the

system. If you do not select this field, the system uses the original tax rates applied when the PO receipt was created, without recalculating.

This control applies domain-wide and provides the default for the Recalculate Tax Rates field in **Receiver Matchings**. You can clear the field in **Receiver Matchings** if required.

Hold Variance Amount

When there is an adverse variance following the matching of an invoice to receivers (that is, the invoice amount is greater than the pending voucher amount), the system automatically puts all or part of the invoice amount on hold. Select this field to place only the variance amount on hold. Clear the field to place the entire invoice amount on hold. The system displays a warning when all or part of the invoice is on hold but does not prevent you from saving.

Match Receipts with Temporary Price

You can define price lists as temporary for purchase orders and supplier scheduled orders. To use temporary PO pricing:

- Select Temporary Price Enabled in **Purchasing Control** to turn on the feature.
- Select Temporary in **Supplier & Schedule Price Lists** to make a price list temporary.

However, you must then also select the Match Receipts with Temporary Price field so that the system selects order receipts with temporary prices for receiver matching. The Transaction Type field in **Receiver Matchings** enables you to search for Purchase Order Receipt pending vouchers, Price Adjustment pending vouchers, or both. To support the handling of temporary prices on purchase orders and the associated price adjustments, the ERS Processor grid Transaction Type field displays the value Price Adjustment for price adjustment pending vouchers. In the Reference field, a unique two-digit number indicating the adjustment is appended for these pending vouchers.

Golden Tax Invoices

Use the Golden Tax Invoice panel to enable the tax system and define processing defaults.

Important This panel will become available if you have the China License registered in the QAD ERP O³ application. This panel is not visible if you do not have the China License.

Golden Tax Enabled

Select to enable Golden Tax features.

Golden Tax File Output Path

Specify the file path where the system places the output file to be uploaded to the Golden Tax system for VAT invoice print.

Golden Tax File Input Path

Specify the default path of the file you import back into the QAD database containing information about printed invoices generated by the Golden Tax system.

Commodity Version Code

Specify the commodity code version to be included in the XML file.

Draft Customer Invoices

Use the Draft Customer Invoices panel to set an NRM sequence range for use in **Draft Customer Invoices**.

Draft Invoice NRM Sequence

Use the lookup to select an NRM sequence. The lookup filters any NRM sequences that do not use the correct target dataset.

It will not be possible to share an NRM sequence record that is being used for any other purpose.

Note This field is not mandatory when setting up **Financials Control**. However, it will not be possible to create a draft customer invoice without having set up an NRM sequence and selecting it on this panel.

Run ERS Conversion

If you decide to implement ERS in a new database, this step is not required.

Note You must select ERS Processing in Financials Control on page 6338 before you run the ERS conversion.

Main

Conversion only for POs

If you enable ERS Processing and want to run ERS conversion, do not select this field. To set ERS options only for existing purchase orders, select this field.

ERS for existing POs

Select Disable to disable ERS for existing purchase orders. Select Enable to enable ERS for existing purchase orders.

Click Submit to run the conversion.

Close All Running ERS

You can only run one instance of the **ERS Processor** at a time. When the **ERS Processor** is in use, a user lock is placed on the ERS records.

When **ERS Processor** is no longer in use and is still locked, you can use the action Close All Running ERS to release a user lock.

Main

The following message is displayed in the Main panel:

This process may take some time to complete. No other users should perform an action that has ERS impact while this process is taking place. This process will update the fields ERSEndDate and ERSEndTime in the table ERS of login Entity. It is recommended to run this utility when ERS Processing is blocked.

Click Save to run the Close All Running ERS action.

When the process is complete, the following message will be displayed:

Evaluated Receipt Settlement has been saved successfully.

Rebuild Account Balances

The supervisor role can rebuild customer balances using this action.

Main

Entity

Select the entity that you want to run the rebuild activity for. If you leave the field blank, the action rebuilds the account balances for multiple entities.

Account

Select the GL account to run the utility for. If you leave the field blank, the action rebuilds the account balances for multiple GL accounts.

Year

Select the year to run the rebuild activity for.

Period

Select the period to run the rebuild activity for. This lookup updates the Period and Year fields simultaneously.

Processing and Results

When you click Rebuild, the rebuild processing starts, using the background processing functionality. The results are sent to your Inbox.

The results are provided in the following format:

Topic	Result
10USACO/1100	Error: Unable to delete; this Posting History is in use by Consolidation Posting Cross-Reference (201801)
10USACO/1300	Correctly processed (PostingLine#=5).

Topic	Result
10USACO/2400	Correctly processed (PostingLine#=7).
10USACO/4010	Correctly processed (PostingLine#=5).

The Topic column gives the result of the topic against which the action is run. A topic is a combination of the entity and an account.

For example: If you run the action for the entity 10USACO and the GL account 1100, this topic displays the following code:

10USACO/1100

The Result column contains the result of the rebuild activity. There can be multiple messages for a given topic. Each message is displayed on its own line. There can be multiple lines containing the same topic.

Rebuild Customer Balances

The supervisor role can rebuild customer balances using this action.

Main

Entity

Select the entity that you want to run the rebuild activity for. If you leave the field blank, the action rebuilds the account balances for multiple entities.

Customer

Select the customer to run the action for. If you leave the field blank, the action rebuilds the customer balances for multiple customers.

Currency

Select the currency to use for the rebuild activity.

Year

Select the year to run the rebuild activity for.

Period

Select the period to run the rebuild activity for. The lookup updates the Period and Year fields simultaneously.

Processing and Results

When you click Rebuild, the rebuild processing starts, using the background processing functionality. The results are sent to your Inbox.

The results are provided in the following format:

Topic	Result
10USACO/10C1000/USD	Remove old balance, Correctly processed
10USACO/10C1000/USD	Building up new balance, Correctly processed

The Topic column gives the result of the topic against which the action is run. A topic is a combination of the entity, the customer, and the currency.

For example: If you run the action for the entity 10USACO, the customer 10C1000, and the currency USD, this topic displays the following code:

10USACO/10C1000/USD

The Result column contains the result of the rebuild activity. There can be multiple messages for a given topic. Each message is displayed on its own line. There are multiple lines containing the same topic.

Rebuild Supplier Balances

The supervisor role can rebuild customer balances using this action.

Main

Entity

Select the entity to run the rebuild activity for. If you leave the field blank, the action rebuilds the account balances for multiple entities.

Supplier

Select the supplier to run the action for. If you leave the field blank, the action rebuilds the supplier balances for multiple suppliers.

Currency

Select the currency to use for the rebuild activity.

Year

Select the year to run the rebuild activity for.

Period

Select the period to run the rebuild activity for. The lookup updates the period and year field simultaneously.

Processing and Results

When you click Rebuild, the rebuild processing starts using the background processing functionality. The results are sent to your Inbox.

The results are provided in the following format:

Topic	Result
10USACO/10S1001/USD	Remove old balance, Correctly processed
10USACO/10S1001/USD	Building up new balance, Correctly processed

The Topic column gives the result of the topic against which the action was run. A topic is a combination of the entity, the supplier, and the currency.

For example: If you run the action for the entity 10USACO, the customer 10S1001, and the currency USD, this topic displays the following code:

10USACO/10S1001/USD

The Rresult column contains the result of the rebuild activity. There can be multiple messages for a given topic. Each message is displayed on its own line. There are multiple lines containing the same topic.

Financial Reports

QAD Financials Reports and Views include:

- GL Reports and Views

  The system provides a wide range of GL account, transactional, and analytical reports and views. See GL Reports and Views on page 6349.

- Customer and Accounts Receivable Reports

  You can generate customer reports on open items, transactions, and history, with extensive selection criteria. Aging lists can be drawn per customer, group, or sub-account. Statements of account and different levels of reminder letters are also supported. See Accounts Receivable Reports on page 6363.

- Supplier and Accounts Payable Reports

  You can generate supplier reports on open items, transactions, account summaries, and receiver matchings, with extensive selection criteria. Aging lists can be drawn per supplier, group, GL account, or sub-account. See Accounts Payable Reports on page 6371.

- Banking and Cash Management Reports

  Banking and cash management reports present information on open items, bank and cash accounts, loans and deposits, and accruals. See Banking and Cash Management Reports on page 6376.

- Tax Reports

  The system provides extensive reporting on Financials and Operational tax transactions, including regulatory reports. See Taxation Reporting Overview on page 6623.

- Financial Statement Reports

  Accounting practices require that a company periodically compile its financial information in two statements: a balance sheet and an income statement. See Financial Statements on page 6376.

- Trial Balance View

  The Trial Balance lets you view balance details for combinations of analytical elements that meet the selection criteria. See Trial Balance on page 6378.

- Validation Reports

- Use the Validation reports to validate the year-end closing by manually running closing reports on every period. See Validation Reports on page 6379.

QAD Financials provides multiple report output types, including PDF, Excel, Plain Text, PDF Read-Only, XML, and XML with schema. The report output is easy to customize, and you can create an extensive set

of reports with unlimited report variants for many output types. You can run a report immediately, or choose to schedule it to run later. From the Schedule drop-down menu, select Schedule Report to enter details for running the report at a later date. Select View Schedule to view a list of the reports that you have scheduled. For more information on customizing and scheduling reports, see Reports on page 296.

Financial Report Writer

Financial Report Writer is a group reporting solution that combines the existing Financials reporting functionality into a single user experience. It includes multi-entity and multi-domain reporting that lets you map charts of accounts and approximate consolidation results.

Financial Report Writer aggregates financial statements that are built on:

- A common chart of accounts (COA) including all dimensions available in Financials such as domain, entity, layer, GL account, sub-account, cost center, project, SAFs, intercompany, and currency.
- A common currency—the presentation currency.
- A common calendar.

Financial Report Writer presents the financial data in a hierarchy, which can include multiple GAAP views.

See Financial Report Writer on page 6385.

GL Reports and Views

The QAD General Ledger provides up-to-date, accurate information to generate all daily, monthly, quarterly, and annual corporate and governmental reports required to analyze the state of the business. The system provides a wide range of analytical reports. The budgeting, GL activity, and cash flow reports let you view and manage account balances in the general ledger. The GL transaction reports let you monitor transactions in the general ledger. Running reports by daybooks lets you group, analyze, and report on similar transactions.

GL reporting can be detailed or summarized, and includes information on one or a range of entities. In addition, you can define supplementary analysis fields (SAFs) to fine-tune transaction reporting. SAFs provide the basis for powerful and flexible financial reporting and analysis. You can define SAFs based on your unique reporting requirements. For more information, see Supplementary Analysis Fields on page 5762.

All postings on GL accounts are summarized in history tables, updated by the History daemon. Within the GL reports, projects are used to provide specific reporting on activities, such as engineering design work or production rework.

Running reports by daybooks lets you group, analyze, and report on similar transactions.

GL reports are grouped as follows:

- Reports that describe data related to chart of account elements. See Master Data Reports on page 6353.
- Reports and views on GL transactions. See GL Transaction Activity Reports on page 6354 and GL Transaction Activity Views on page 6358.
- Reports and views for detailed transactional analysis—project, cost center, and SAF. See Analytical Transaction Reports and Views on page 6359.
- Budgeting reports, which are described with other budgeting topics.
- GL closing reports. SeeGL Closing Reports on page 6360.

Report Detail

In **GL Transactions by Account**, you can set the level of reporting detail. You can summarize by sub-account or cost center project.

For certain reports, it is possible to generate detailed data per sub-account, and cost center/project. However, in **GL Transactions by Account** you can have both cost center and project analysis. For such accounts, both the cost center and project subtotals are displayed when you select No in the Summarize Cost Center Project field.

If you select the Summarize Cost Center Project option, the subtotals at the cost center/project level are not displayed. If you select the Summarize Sub-Accounts option, the subtotals at sub-account level are not displayed. The options are independent of each other. If none of the options are selected, all three parts are displayed on the report.

The following table summarizes the options you use to set the level of detail to display for GL accounts.

Report Detail Levels

Summarize Sub-Accounts	Summarize Cost Center/Project	Report Detail
Yes	Yes	One amount per GL account
No	Yes	An amount for each GL account and sub-account combination
Yes	No	An amount for each GL account and cost center/project combination
No	No	An amount for each GL account and sub-account, and

		cost center/project combination.

The following table lists and describes the selection criteria most frequently used in GL reports. Any criteria that are particular to one report are listed in the description for the report.

GL Report Criteria

Report Field	Description
Active GL	Select Yes to only include active GL accounts in the report output.
Amount in SC	Specify whether you want the output of the report to be in statutory currency.
Analytical Details	Select Yes to include sub-account, cost center, project, or SAF analysis in the report output.
Batch Number	Enter a batch number to select transactions to report by batch. Batch numbers are available only on transactions created by Invoice Post and Print.
Business Relation	Specify a business relation or range to restrict the report output.
Check for Unposted Transactions (Yes/No)	Select Yes if you want the report to check for and include operational transactions that are not yet posted to the transactions history table.
Check History is up to Date (Yes/No)	Select Yes if you want the system to check if there are unprocessed requests in the History daemon queue.
Cost Center	Specify a cost center or range to restrict the report output.
Currency	Specify the currency that you want to use in the report.
Daybook	Specify daybooks to restrict the report output to transactions recorded in those daybooks.
Entity	Specify an entity or range to restrict the report output.

GL Account	Use the fields to restrict the output to a particular account or range of accounts.
GL Cal Year	Specify the GL calendar year for which you want to run the report.
GL Period	Specify the GL periods for which you want to run the report.
GL Nature	Select an option to restrict the report output to balance sheet accounts, profit and loss accounts, or to display both account types.
GL System Type	Select an option to restrict the report output to system accounts of a particular type, for example, unrealized exchange gain accounts or rounding difference accounts.
GL Type	Specify the GL type that you want to use for the report. The options include Bank Account, Cash Account, Tax Account, System Account, etc.
Include GL Open Item Transactions	Select Yes to include GL open item transactions in the report.
Intercompany Code	Specify an intercompany.
Language	Optionally, specify a language for selecting translated report labels.
Layer	Specify accounting layers to restrict the report output to transactions recorded in daybooks associated with those layers.
Only Accounts with Activity	Select Yes to restrict the report output to accounts where the balance has been updated.
Posting Date	Specify a posting date or range to restrict the report output.
Print Details (Yes/No)	Indicate if you want summary information only or want to include details in the output.
Project	Specify a project or range to restrict the report output.

Sub-Account	Specify a sub-account or range to restrict the report output.
Voucher	Specify a voucher number or range to restrict the report output.
With Opening Balance	Select Yes to include the outstanding open items (invoices, credit notes, adjustments) that were transferred to the account from a previous system.

Master Data Reports

The system provides standard views for reviewing master data related to financials such as accounts, sub-accounts, and cost centers. In addition, a number of other reports are provided, listed in the following table.

Master Data Reports

Report	Description
Operational Allocation Codes	Generates a list of allocation codes and associated percentages used in operational transactions. Operational allocation codes group a set of accounts and define allocation percentages for each of them. Allocation Code (From/To)
Daybook Sets	Displays the list of daybooks in a set, and the associated correction invoices and credit notes. Daybook sets control which daybooks are assigned to specific kinds of AR- and AP-related transactions created when sales order invoices and purchase order receipts are posted. The report includes three daybook-specific selection criteria: • Daybook Set • Display Set Type • Active
Profile Overview	Lists all profiles and their links, and highlights undefined links. The report is grouped by domain

	code profile type, and within that grouping, by profile code, profile type, and linked object. You can sort the report output by profile or domain. • Active • Domain Code • Include not Linked (Yes/No). The default is No, meaning that only profile codes that have a linked object in the Shared Set are included. When set to Yes, profile codes that do not have a linked object for the Shared Set are included. • Profile Type • Shared Set Code • Shared Set Type • Sort By Specify whether you want to sort by Profile or Domain.

GL Transaction Activity Reports

The following table lists the reports that state activity on GL accounts. These reports are on the GL Transaction Activity Reports Menu.

GL Transaction Activity Reports Menu

Report	Description
GL Transactions	Lists all posting lines for the selected daybooks. The report groups postings by GL calendar year and GL period, daybook code, and entity. Within each grouping of daybook code and entity, the report groups transactions by voucher and posting date.
GL Transactions by Account	Lists all activity for the selected GL accounts during the selected time frame, grouped by account. The report displays the business relation code for every transaction related to a business relation.

GL Transactions by Sub-Account	Lists all activity for the selected GL accounts during the selected time frame, grouped by sub-account.
GL Transactions by Daybook	Lists all activity for the selected GL accounts during the selected time frame, grouped by daybook.
GL Transactions by Intercompany Code	Lists all activity for the selected GL accounts and time frame, grouped by intercompany code.
GL History	Lists activity grouped by currency, cost center, and sub-account for the periods indicated. It also lists the currency in which each transaction was denominated.
GL Open Items	Lists and totals GL open items within the Open Items sub-ledger. The report groups output by allocation key. Additional criteria: • Allocation Key • Open at Date
GL Transactions Audit Log	Prints a detailed list of each transaction for a particular GL period. It is only possible to run the report for a single GL period. For each daybook in the report criteria, all detail lines are printed for the specified GL period. Each detail line is followed by the analysis linked to that line. Additional criteria: • Last Modified Date • Last Modified User
GL Account List	Displays a listing of accounts from a specified range. The report displays account details, such as the account code, account description, the type of posting (automatic or manual), and the currency.

GL Account Data	Displays a full description of each GL account identified by the selection criteria.
GL Reversed & Replaced	Displays a list of all reversed/ replaced GL transactions for the period indicated in the selection criteria.
GL Verification and Approval	Displays data created during the status transitions with verify and approve statuses have been defined.
GL Account Sheet	Shows the balance of the selected accounts at the specified start date and all transactions with the balancing accounts in detail up to the specified end date of the report. When applicable, the supplier or customer name and the tax class are shown per posting line.
GL Transactions Operational	This report is similar to GL Transaction Report, but focuses on postings created from operational transactions and their associated details such as GL Reference, Transaction Type, Doc Type, Address.
GL Mirror Accounting	Displays the source and mirror postings for a selection of source accounts and source daybooks. The report identifies the source and mirror posting lines and daybooks both for split and non-split transactions.
Reporting Daybook Exceptions	Displays transactions for which the reporting daybook has been modified. For invoice-type transactions, the reporting daybook normally matches the posting daybook. However, if a transaction was posted using an incorrect daybook, you can use Reporting Daybook Modify to modify the reporting

	daybook to ensure that the transaction is reported on correctly.
Cash and Bank Payment Journal	Lists the details of the posting lines per transaction. The transaction type is cash and bank payment.
Account Transaction Journal	Lists the details of the posting lines per transaction. The transaction type is account transfer (non-cash and bank).
General GL Journal	Lists the details of the posting lines per transaction. Any GL transaction can be included in this report that has a general format.
Cash and Bank GL	Lists all the transactions chronologically within a specified date period for a cash and bank GL account. The account balances at the beginning of the period and by the end of the period are reported, as well as the summaries of daily totals on account debit and credit amounts. The report can be detailed to the sub-account and cost center level.
Subledger	Lists all movements for a GL account, within a specified date period, and the report can be detailed to the sub-account and cost center level. The report shows the beginning and ending account balances for the period, the debit and credit totals, and accumulated totals for debit and credit amounts up to the reporting date.
Account Balance of Totals	Lists GL accounts of an entity and their balances within a specified date period. Each line of the report displays an account, its beginning balance, debit and credit amounts, and the ending balance of the period.

	Generation of the report is based on a budget you set up for the entity following Chinese accounting practices. Typically, the budget includes the GL account, sub-account, and cost center levels of budget topics that cover the chart of accounts (COA) of the entity. You may also need the budget for reporting.
General Ledger	Lists all movements for a GL account, chronologically within a specified fiscal period. Unlike the Subledger Report, the General Ledger Report cannot be detailed to the sub-account and cost center level. The report shows the beginning and ending account balances of the fiscal period.
Value-Added Tax Payable Ledger	Lists the value-added tax payable information for an entity within a specified fiscal period.
Unposted Transaction Browse	Lists unposted transactions.

GL Transaction Activity Views

The following table lists the activity views available for GL transactions.

GL Transaction Activity Views Menu

View	Description
GL Transactions	Displays and sums all GL transactions that meet the search criteria. You can right-click to display related views, which let you drill down on the source documents for the transactions.
GL Account Extended	Displays extended details of GL accounts, including the posting sign (debit/credit), posting type, analysis, revaluation settings, shared sets, and budget groups.
GL Transactions by Sub-Account	Displays and sums all GL transactions that meet the search criteria, with the primary focus

	on the sub-account. This view is optimized for sub-account analysis.
GL TC Balances	Shows the actual balance in transaction currency for all GL accounts that meet the selection criteria.
GL Open Items	Displays and sums all transactions on GL open item accounts that meet the search criteria.
GL Open Item Activities	Displays detailed information on activities for GL open item accounts.
GL Summarized Transactions	Displays the posting history of the accounts specified in the selection criteria.
Trial Balance	Displays balance details for the combinations of analytical elements that meet the selection criteria. You can use the view to ensure that the total of the debit balances equals the total of the credit balances for the selected GL periods.

Analytical Transaction Reports and Views

SAFs provide additional analytical reporting that lets you group similar items/services or projects. An SAF structure can be directly associated with an account, cost center, or project.

Project codes are used to provide project-specific reporting. A range of account codes, as well as a range of sub-account codes and cost centers, can be associated with a specific project.

Analytical Transaction Reports and Views Menu

Report	Description
Cost Center Transactions Summary	Lists cost center balances, including the opening and closing balance for each cost center and GL period, and the value of project transactions for that period.
Cost Center Transactions Detail	Lists all transactions that comprise the transaction total for each cost center.

	The report displays the business relation code for every transaction related to a business relation.
Project Transactions Summary	Generates a summary of project transactions including the opening and closing balance for each project and GL period, and the value of project transactions for that period. Lets you select by project status.
Project Transactions Detail	Generates a detailed list of project-specific postings. Projects are used to provide specific reporting on items, such as engineering design work or production rework.
SAF Transactions Summary	Lists all transactions in which SAFs are used in combination with GL accounts and sub-accounts. • SAF Code 1 • SAF Concept 1 • Groupings Level 1 – 3
SAF Transactions Detail	Provides a detailed breakdown of GL postings, based on SAF codes.
Transactions by SAF	Provides a detailed breakdown of GL postings based on SAF codes.

GL Closing Reports

Before you can close a GL period, all data for that period must be consistent and complete.

A number of reports are provided for this purpose. For the closing process, manually run the reports and, if no issues or exceptions are found, close the GL period.

These reports are all on the Closing Process Reports menu except for the Revaluation Report, which is grouped with other revaluation activities.

Closing Process Reports Menu

Report	Description
Revaluations	Displays the revaluation results for the current entity, optionally in the statutory currency, and has

	two revaluation-specific selection criteria: • Revaluation Area: Balance Sheet Accounts, Customer Open Items, Customer Payments, Profit and Loss Accounts, Supplier Open Items, and Supplier Payments • Revaluation Number
Numbering Completeness	Checks for gaps in the numbering of documents and lists any discrepancies. It also checks other periods for numbering errors.
GL Balance versus Transactions	Lets you verify whether the sum of all detailed transactions equals the balance. The report comparisons are performed for each combination of the complete accounting key—GL account, sub-account, cost center, project, SAFs, daybook, currency, and intercompany code. The report checks debit and credit totals separately, and prints inconsistencies on separate rows for debit and credit. The report also checks total transaction currency, base currency, and statutory currency values separately, and prints inconsistencies on separate rows for each currency.
Posting Balance Validation	Lists all unbalanced transactions for the specified period.
Open Item GL Validation	Sums GL open items with the Open Items sub-ledger.
AR versus Control GL Validation	Compares the balances of Customer Control accounts against the open item balance of customers whose accounts are Invoice Control GL or Credit Note Control GL.
AP versus Control GL Validation	Compares the balances of Supplier Control accounts against the open

	item balance of suppliers whose accounts are Invoice Control GL or Credit Note Control GL.
Unallocated Invoices Balance	This report checks the consistency of the unallocated supplier invoice balance by comparing: • The balance on the system account of type Unmatched Invoices • The total of unmatched supplier invoices
Pending Transient Layer Postings	Identifies unposted entries in the Transient layer, which you can then transfer to the Official layer. One possible usage of Transient layers is to store postings for review. When the postings have been reviewed and approved, they can then be transferred to an Official or Management layer.
Pending Allocations	Prints details of transactions that are pending allocation.
Pending Recurring Entries	Checks for unposted recurring entries. The report output is sorted by recurring entry code and posting date.
Zero Postings	This report enables you to check posting lines with a zero amount. The search filters are Check Unposted Transactions, Entity, Daybook, GL Cal Year, GL Period, and Zero Amount By. When you set Check Unposted Transactions to Yes and there are any unposted transactions, the report stops and displays a message. You can set up the report to display zero amount postings in trade currency, base currency, and statutory currency.

Accounts Receivable Reports

The following table lists and describes the selection criteria that are most frequently used in accounts receivable reports. The accounts receivable reports also contain selection criteria that are common to all GL and other reports, which are listed in GL Reports and Views on page 6349.

When printing customer addresses on reports, the system checks the postal format to determine whether the zip code prints after the city and state or before it.

AR Report Criteria

Report Field	Description
Aging Type	Choose the time span used to group the overdue invoice data. The options are Days and Months.
Aging Offset	Specify a value for the aging offset. For example, if you select Days in the Aging Type field and enter 3 as the offset, the report contains columns for data overdue by three days, six days, nine days, and so on.
Bank Account	Specify the bank account used for the payment selection.
Control GL Account	Specify the control GL account or range for selecting data to report.
Currency Code	Specify a currency code or range to refine the report.
Customer Balance	Choose an option from the types of customer balance to include in the report. The options are All, Debit, and Credit.
Customer Payment Selection	Specify a payment selection on which to base the report.
Customer per Page	Select Yes to format the output with a new report page for each customer.
Customer Totals Only	Select Yes if the output should display only a single row per customer without additional details.

Customer Type	Specify a customer type or range to refine the report.
Creation Date	Specify a date to refine the report output to transactions created on that date.
Date for Aging Calculation	Enter the date against which the report compares all overdue payments.
Due Invoices Only	Select Yes to include overdue invoices only in the report.
Header Entity	The system uses the details of headoffice address of the business relation associated with the header entity to print on certain reports. These details indicate who the customer should contact if they have questions about the report or statement.
Include Adjustments	Select Yes to include adjustment transactions in the report.
Include Credit Notes	Select Yes to include credit notes in the report.
Include Credit Note Corrections	Select Yes to include credit note corrections in the report.
Invoice Date	Specify the invoice date or range.
Invoice Due Date	Specify a due date or range of dates to restrict the report.
Include Invoices	Select Yes to include invoices in the report.
Include Invoice Corrections	Select Yes to include invoice corrections in the report.
Invoice Open	Select Yes to include unpaid invoices in the report.
Invoice Payments	Select Yes to include payments in the report.
Include Prepayments	Select Yes to include prepayments in the report.

Invoices within Terms	Select Yes to include invoices that are not yet overdue.
Number	Specify an invoice number or range to restrict the report.
Only Customers with Activity	Select Yes to only include customers whose accounts have been updated by transactions.
Reference	Specify a unique reference number that identifies a payment, such as the check number.
Reporting Currency	Specify the currency to which amounts are converted and displayed on the report. The default is blank, meaning all amounts are printed in base currency. When you specify a non-base currency, all amounts are converted from the base currency to this currency using the current accounting exchange rate.
Status	Specify the payment status or include all: accepted, allocated bounced, conditional collection, for collection, initial, paid, paid conditionally.
Sort By	Indicate which field to use for sorting the report.
Summary By	Specify the detail level to include in the report summary, such as daybook, GL account, sub-account, cost center, or project.
User Name	Specify a user name to limit the report data to transactions created by that user.
With Opening Balance	Select Yes to include the outstanding open items (invoices, credit notes, adjustments) that were transferred to the customer account from a previous system.

Customer Reports

Most of the customer reports are on the Customer Reports menu, but a few others are also available and described here.

Customer Reports

Report	Description
Customer Invoice Print	Lets you print customer invoices created directly in Customer Invoices. The report shows invoice and tax details, and can be sent to the customer for payment.
Customer Payment Selections	Lists the status of customer payment selections that match the selection criteria. The report includes the payment selection, bank account, creation dates, TC Balance, etc.
Customer Open Items	Lists the outstanding open items on a specified date for the selected customers. The report groups open items by type (invoice, credit note, prepayment, and adjustment).
Customer Account Activity	Lists all activity on a customer account during the selected period. The report does not show open or closed items—only transactions as they happened. The original full invoice amount is displayed, and the report can be displayed with or without an opening balance.
Customer Account Summary	A summary of the debit and credit transactions (one line per customer) for the selected period. Also displays the balance before the selected period.
Customer Turnover	Lists customer activity over a given period. The report shows the amount to which the percentage turnover credit check must be applied. The Customer Turnover includes sales orders and invoices from all entities.

	The report includes a Detail Level field that lets you specify the level of detail to include in the report. The options are Currency, Customer, GL Period, and Year.
Customer Aging Analysis Current	Lists all current outstanding open items, such as invoices and drafts. The report output is divided between items that are not yet due and items that are past due (one month, two months, three months, and more than four months). See Customer Aging Reports on page 6060.
Customer Aging Analysis History	Lists overdue items by type, and the amount overdue. The report categorizes items by the amount of time by which they are overdue (one month, two months, three months, and more than four months). See Customer Aging Reports on page 6060.
Customer Aging Analysis by Grp Current	Groups aging analysis data by sub-account, sales account GL profile, or project. See Customer Aging Reports on page 6060.
Customer Aging Analysis by Grp History	Groups the data generated in Aging Analysis historically by sub-account, sales account GL profile, project. See Customer Aging Reports on page 6060.
Reminder Letters	Generates a letter to send to selected customers regarding their open invoices. The address details of the headoffice address of the business relation associated with the specified Header Entity print at the top of the letter. When running the report, you can specify entities from domains that

	have the same customer shared set as the current entity. This letter is described in more detail in Reminding Customers of Outstanding Balances on page 6057.
Customers	Provides a summary of customer details, including the customer code, business relation, address, tax details, credit details, banking details, and control account details.
Customer Open Items Basic	Lists open items by business relation, customer code,daybook, and reporting currency.
Customer Credit Overview	Lists the customer credit situation regarding your organization, including the customer's open balance, credit terms, credit limit, high credit, last payment, credit rating, highest reminder level. All amount display in the customer's default currency.
Customer Statements of Account	Lists open items as of a certain date (default is today) in all selected entities, grouped by currency and open item type with subtotals. Indicates the open item due date and if it is overdue. One document is generated for each customer. The Header Entity field determines the address for your company printed on the statement. Only data for customers with Statement Cycle enabled that meets other selection criteria is included. Enter a Statement Cycle to include only customers with a matching cycle. When running the report, you can specify entities from domains that have the same customer shared set as the current entity.

	For more details, see Reminding Customers of Outstanding Balances on page 6057.
Customer Payments	Enables you to view all payment details by invoice number for all customers for a given period. It can display customer payments across multiple entities. You can download the report to Excel for further maintenance
Customer Account Activity Detail Report	Enables you to view all payment details with transaction type, payment reference, and debit and credit amounts by invoice number, entity, and payment group for all customers for a given period. The report can display customer payments across multiple entities. You can download a report to Excel for further maintenance.
Invoice History	Generates a report on invoicing activity. For consolidated invoices, the report displays the tax details of the consolidated invoice, and not the tax for each sales order or purchase order.

Self-Billing Reports

The following reports are available for the customer Self-Billing function.

Self-Billing Reports

View	Description
Self-Bill Invoice Post	Use to generate a report displaying the invoices posted to Accounts Receivable, together with details of items, quantities, and prices on each invoice line, and the associated taxes. There is also a summary of the accounting impact of the postings on the General Ledger.
Self-Bill Invoices	Use to generate a self-bill invoice report.

Self-Bill Matching	Use to generate a report that shows: • The invoices and shipments that the system attempted to match. • The invoice and shipment quantities and prices. • The resulting matched status of the invoice lines and shippers.
Self-Bill Shipment Revaluation	When you run this report, the system processes the shipments for revaluation or simulates the process, depending on the process mode. The report displays the shipments, including the relevant quantities and prices and the resulting matched status. If you run the report in Simulate mode, the output is marked with "Simulation".
Self-Bill Shipment Revaluation Prices	Use to view all revaluation records. You can also choose to display only those that have not been processed.
Self-Bill Shipments	Use to generate a self-bill shipment report.
Self-Bill Unmatched Shipments	Use to report only the unmatched shipments.

Customer Views

Customer Views Menu

View	Description
Customer Activity Dashboards	Displays all activity related to a single customer, in a single entity or over multiple entities.
Customer Invoice Activity	Displays and sums customer invoices that meet the selection criteria. Includes details on the voucher, daybook, posting, account, and batch number.

Accounts Payable Reports

The following table lists and describes the selection criteria that are most frequently used in accounts payable reports. Many of the accounts receivable report criteria are also common to accounts payable reports, and the table only lists criteria not already listed in Accounts Receivable Reports on page 6363.

When printing supplier addresses on reports, the system checks the postal format to determine whether the zip code prints after the city and state or before it.

AP Report Criteria

Report Field	Description
Payment Year	Specify a payment year or range.
Payment Number	Specify a payment number or range.
Payment Reference	Specify a unique reference number that identifies a payment. References are typically the supplier's invoice number.
Supplier Codes	Specify a supplier code or range to refine the report output.

Supplier Activity Reports

The following table lists the reports available on supplier activity, cost variance, open items, turnover, and aging analysis.

Supplier Activity Reports Menu

Report	Description
Supplier Open Item Basic	Lists open items by supplier.
Supplier Open Item Extended	Lists the outstanding open items on the report date for the selected suppliers. The report groups open items by type (adjustment, credit note, credit note correction, invoice, invoice correction, prepayment). Summary is available per supplier, currency, supplier control account, and sub-account.
Supplier Account Activity	Lists all activity on a supplier account during the selected period.

	The report does not show open or closed items—only transactions as they happened.
Supplier Turnover	Prints earnings data for the suppliers and period you specify using the report criteria. The report contains one line for each supplier, showing the supplier's Net Turnover and Gross Turnover for selected range of periods
Supplier Account Summary	Prints balance and activity data for the suppliers and a period you specify using the report criteria. The report prints details for each supplier, showing: • Beginning balance (for the last period) • Debit and credit transactions for the selected period • Closing Balance for the selected period
Supplier Aging Analysis Current	All open items created in the specified time frame. Also lists the due supplier open items by number of periods overdue at the entered date for aging calculation.
Supplier Aging Analysis History	Aging analysis payments up to the specified period.
Supplier Aging Analysis by Group Current	Groups aging analysis data by sub-account or project.
Supplier Aging Analysis by Group History	Groups aging analysis backwards data by sub-account, purchase code, or project.
Suppliers	Lists details of the suppliers who meet the selection criteria, including business relation and address details, tax information, currency, and credit terms.
Logistics Charge Variances	Lists only those logistics charge supplier invoices where there

	was a difference between the invoiced price and the accrued amount for the logistics charge concerned. There are multiple sorting options: Logistics Supplier, Internal Reference, Order, and Charge Code.
Open Logistics Charges	Lets you validate the balances on logistics charge accrual accounts as of a given date, based on data within the Logistics Accounting module and supplier invoices matched to logistics charges. Therefore, you can verify that the sub-ledger and GL are in balance. GL details and totals by GL account are optionally included.
Supplier Invoice Register	Displays a list of supplier invoices and their posting details and receipt data, if applicable. You can, optionally, include a GL Summary section at the end of the report, which displays totals by GL account. At the end of the month, you can use the GL Summary section of the report to check the allocation of costs arising from supplier invoices.
Supplier Payments	Enables you to view all payment details by invoice number for all suppliers for a given period. It can display supplier payments across multiple entities. You can download the report to Excel for further maintenance.
Supplier Account Activity Detail Report	Enable you to view all payment details with transaction type, payment reference, and debit and credit amounts by invoice number, entity, and payment group for all suppliers for a given period. The report can display supplier payments across multiple entities. You can download a report to Excel for further maintenance.

Receiver Matching Reports

The following table lists the receiver matching reports available within accounts payable.

Receiver Matching Reports

Report	Description
Receiver Matching	Lists the matching status for credit notes and invoices and, if applicable, the receipt or return lines with which they are matched. In addition, invoices that were not matched against receipts are included in the list. The report groups data by supplier and sorts the data by supplier code. The report includes the following matching-specific selection criteria: • Matching Status (All/Matched/ Unmatched) • Matching Type (All/Financial/ Receiver) • Matching Date (From/To) • Receipt Type (Purchase Order Receipt/Price Adjustment)
Unmatched PO Receipts as of Date	Lists receipts that are unmatched or that are partially matched (only unmatched lines display). The report groups data by supplier, by purchase order, and by receipt. The report includes the following matching-specific selection criteria: • Supplier • Item Number • Site • PO Site • Account • Sub-Account • Cost Center • Inventory Items (Yes/No)

	• Subcontracted Items (Yes/No) • Show Purchase Receipts From
Matching Variances	Lists the variance details that result from the matching process. Use the Rate Variance Reference as follows: • Total Standard Cost to see the variance between the item supplier invoice cost and the standard cost. • Standard Cost without Overhead to see the variance between the item supplier invoice cost and the standard cost without overhead included. • PO Cost to see the variance between the item supplier invoice cost and the purchase order cost.
Matching Logistic Charge Variances	Generates an exception report showing variances due to the matching of supplier invoices to logistics charge pending invoices. Various sorting options are available: • Order number • Logistics Charge Code • Internal Reference • Supplier It is also possible to select only those transactions generated as a result of logistics charge accrual in sales orders, purchase orders, or distribution orders.

Supplier Views

Supplier Views Menu

View	Description
Supplier Activity Dashboards	Displays a comprehensive overview of all activity related to a

	single supplier, in a single entity or over multiple entities.
Supplier Balances	Displays the balances of supplier accounts that meet the selection criteria. The view can display account balances in SC, TC, and BC.
Supplier Invoice Activity	Displays supplier invoices that meet the selection criteria. Includes details on the voucher, daybook, and posting.
Supplier Invoice Extended	Extended version of the Supplier Invoice Activity view. Also includes tax and receiver matching details.
Supplier Invoice Payments	Displays payment selections with key attributes for selected suppliers and a date range.

Banking and Cash Management Reports

Banking and Cash Management Reports

Report	Description
Imported Bank Files	Used to view details on the status and allocation of imported bank files or batches of files. The level of detail included in the report enables the report to be used for audit purposes.
Petty Cash	Lets you view petty cash transactions for the period defined in the selection criteria and lets you track how petty cash is used. • Cash GL Account • Daybook • Layer • Page Break by Date • From/To Posting Date

Financial Statements

Generally accepted accounting practice requires that a company periodically compile its financial information in two financial statements: a balance sheet and an income statement. The balance sheet provides

a summary of a company's resources, liabilities, and equity at a given point in time. The income statement shows profit or loss for a given time period. The amount of detail presented in these statements often varies according to the audience.

Most companies print a trial balance summary or detail report before printing statements. The trial balance lists the title and amount for all accounts, making it easier to spot errors and make adjusting entries before printing formal statements.

Balance Sheet

The Balance Sheet report calculates the balance of all profit and loss GL accounts from the start of the GL calendar year up to the end of the selected time frame. You can run the report for either actuals or budgets.

Typically, Balance Sheets are constructed from the following information:

- Balances of all asset accounts, such cash accounts, accounts receivable, and prepaid expenses
- Balances of all liability accounts, such as accounts payable, and unmatched invoices accounts, bank loans, and income tax liabilities

The system compiles the balance sheet for the most recent GL calendar year that is not closed to transactions. The balance sheet always contains data from the first day of the GL calendar year up to the end date you specify.

Create Balance Sheet reports using Financial Report Writer, which provides you with the flexibility to create financial statements tailored to the presentation needs of your organization. Financial Report Writer is QAD's recommended approach for creating financial statements. See Financial Report Writer on page 6385 .

Income Statement

The Income Statement report is used to track revenues and expenses so that you can determine the operating performance of your organization over a specific period.

Income statements help investors and suppliers determine the past performance of the organization and predict future performance. The Income Statement typically includes figures from income and expense accounts, such as sales and rent revenue, and cost of goods sold, selling expenses, and overhead expenses.

Income Statement reports using Financial Report Writer, which provides you with the flexibility to create financial statements tailored to the presentation needs of your organization. Financial Report Writer is QAD's recommended approach for creating financial statements. See Financial Report Writer on page 6385.

Trial Balance

The Trial Balance lets you view balance details for combinations of analytical elements that meet the selection criteria. You can use the view to ensure that the total of the debit balances equals the total of the credit balances for the selected GL periods.

To create a default view, you must filter by Entity Code and Year/GL Period from the drop-down search menu.

Entity Code

Specify the entity code that you want to view records for.

Year/GL Period

Specify a time range that you want to filter the records by.

You must maximize the number of records per page for the view to populate records. This function is currently limited to a maximum number of 2000 records, to view more you must export to Excel.

Select Group By Column from the drop-down menu on the Entity Code column.

Select Save As from the Factory View drop-down menu. Enter a title in the Name column and click Save. You must ensure that you clear Search Before Loading Records in the Browse Load section, and you must select Include Search Criteria in the Browse Search section.

The Opening Balance BC column can have two values, depending on the GL account. If the GL account is a Balance Sheet account, the Opening Balance BC column contains the Life To Date (LTD) balance. The LTD balance is the sum of all transactions for all years and months prior to the selected GL period.

If the GL account is a P&L account (also called an Income Statement account), the Opening Balance BC column contains the Year To Date (YTD) balance. The YTD balance is the sum of all transactions in the selected year for the months prior to the selected GL period. For example, if the selected GL period is 2014/11, the YTD balance includes all transactions from January 2014 until the end of October 2014.

If the selection criteria includes the last GL period of the previous year and contains all accounts, and if the year-end closing is not finalized, the view displays the Result of Previous Year value.

The Period Debit BC and Period Credit BC columns contain the sum of all transactions in the selected period. In addition, the Balance BC column contains the closing balance at the end of the selected period. This value is calculated as:

(Opening Balance BC + Period Debit BC) – Period Credit BC

The following table lists the columns and filters in the Trial Balance:

Trial Balance Filters and Columns

Columns	Filters
Entity Code	Balance Sheet Account
GL Account	Active GL Account
GL Description	Cost Center
Sub-Account	Currency
Project	Daybook Type
Cost Center Code	Entity Code
Daybook	GL Account
BC Opening Balance	
BC Period Debit	
BC Period Credit	
BC Balance	
BC Curr	Year/GL Period
TC Opening Balance	
TC Period Debit	
TC Period Credit	
TC Balance	
Currency	GL Type
SC Opening Balance	
SC Period Debit	
SC Period Credit	

Validation Reports

Validate the year-end closing by manually running closing reports on every period. The following table lists the reports to be generated:

Mandatory Year-End Closing Reports

Report	Reference
Numbering Completeness	See "Numbering Completeness" in GL Reports and Views on page 6349.

Posting Balance Validation	See "Posting Balance Validation" in GL Reports and Views on page 6349.
AR versus Control GL Validation	See "AR versus Control GL Validation" inGL Reports and Views on page 6349.
AP versus Control GL Validation	See "AP versus Control GL Validation" in GL Reports and Views on page 6349

The following table lists optional year-end reports.

Optional Year-End Closing Reports

Report	**Reference**
Pending Transient Layer Postings	See "Pending Transient Layer Postings" in GL Reports and Views on page 6349.
Open Item GL Validation	See "Open Item GL Validation" in GL Reports and Views on page 6349.
Pending Allocations	See "Pending Allocations" in GL Reports and Views on page 6349.
Pending Recurring Entries	See "Pending Recurring Entries" in GL Reports and Views on page 6349.

Reviewing Posted Transactions

The general ledger transactions are supported by a range of reports and views that let you analyze a wide range of activity on posted GL transactions.

GL reporting can be detailed or summarized, and includes information on one or a range of entities. In addition, you can define supplementary analysis fields (SAFs) to fine-tune transaction reporting. These provide the basis for powerful and flexible financial reporting and analysis.

Refer to the sections listed in the following table for more information on GL reports and views:

General Ledger Reports and Views

Report	**Reference**
Master Data Reports	See GL Reports and Views on page 6349.

GL Transaction Activity Reports	See GL Reports and Views on page 6349.
Gl Transaction Activity Views	See GL Reports and Views on page 6349.
Analytical Transaction Reports	See GL Reports and Views on page 6349.
GL Closing Reports	See GL Reports and Views on page 6349.

Note Zero Postings Report enables you to check posting lines with a zero amount. This report is included in GL Reports and Views on page 6349.

GL Transaction Views

Two useful and detailed views, GL Transactions and GL Transactions Detail, are described in the following sections.

GL Transactions

The GL Transactions menu lets you view GL transactions across various analytical levels.

Use the filter options to display the data you require, and the view sums all GL transactions that meet the search criteria. The following table lists the filters and columns for the GL Transactions.

Filters and columns for GL Transactions

Columns	Filters
GL Account	Bank Import Reference
GL Type	Batch Number
System Type	BC Credit
Sub-Account	BC Debit
Cost Center	Business Relation (IC Posting)
Project	Cost Center
GL Cal Yr/GL Pd	Cost Center Description
Daybook	Currency
Voucher	Daybook
Posting Date	Daybook Description
System Date	Daybook Type
Currency	Description

TC Amount	Exchange Rate
BC Amount	External Invoice Reference
SC Amount	External Origin
Layer	GL Account
Description	GL Account Description
Second Description	GL Cal Yr/GL Pd
Sequence	GL Type
Bank Import Reference	Layer
Transient Reference	Legal Document
Supplier Payment Instrument	Origin Daybook Number
Customer Payment Instrument	Original Daybook
Supplier Payment Number	Original Document
Supplier Payment Year	Original Line Number
Registration Number	Original Payment Type
Customer Payment Number	Original Reference
Customer Payment Year	Original Transaction Type
Trans	Posting Date
	Posting Description
	Project
	Project Description
	Registration Number
	SC Credit
	SC Debit
	SC Exchange Rate
	SC Scale Factor
	Scale Factor
	Second Description
	Sequence
	Sub-Account

	Sub-Account Description
	System Date
	System Type
	TC Credit
	TC Debit
	Transient Reference
	Voucher

GL Transactions Detail

The GL Transactions Detail view lets you view GL transactions across all analytical levels (sub-accounts, cost centers, projects, and SAFs, in addition to intercompany, daybook, and currency).

The following table lists the columns for the GL Transactions Detail view.

Columns in GL Transactions Detail

Columns
Entity
GL Account
Year/GL Period
Daybook
Voucher
Posting Date
Curr
TC Debit
TC Credit
BC Curr
BC Debit
BC Credit
SC Curr
SC Debit
SC Credit
External Invoice Reference

GL Type
Creator
Sub-Account Code
Cost Center

Financial Report Writer

Financial Report Writer is a group reporting solution that combines the existing Financials reporting functionality into a single user experience. It includes multi-entity and multi-domain reporting that lets you map charts of accounts and approximate consolidation results.

Financial Report Writer Concepts

Financial Report Writer aggregates financial statements that are built on:

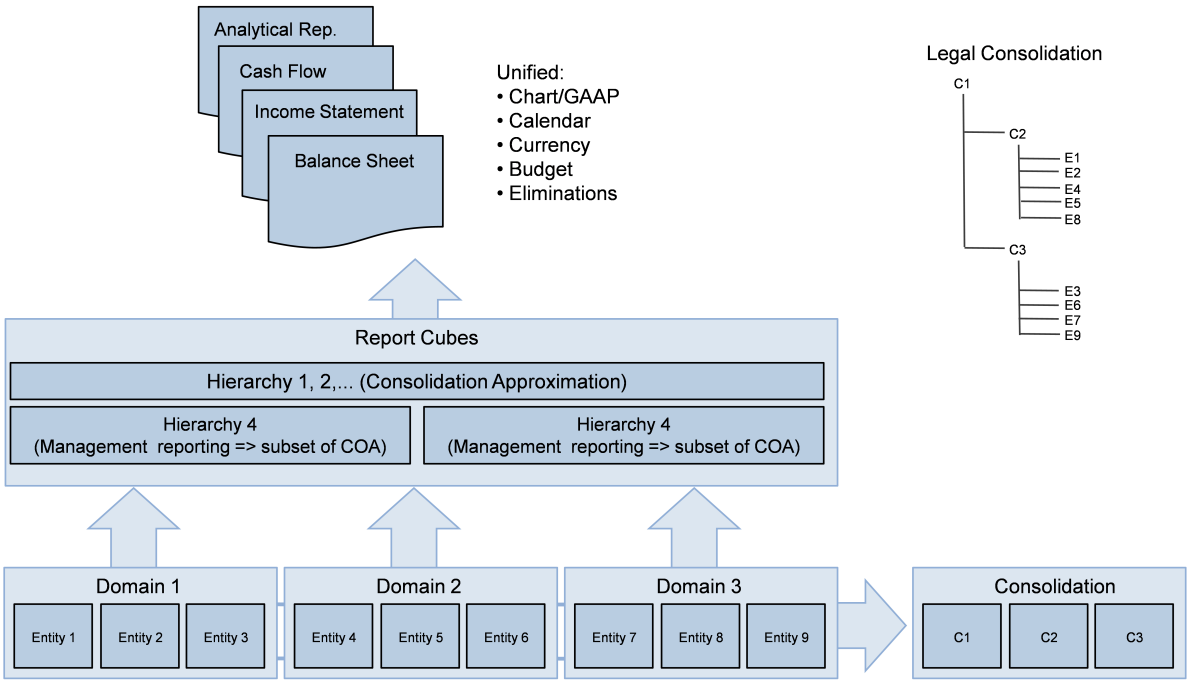
- A common chart of accounts (COA) including all dimensions available in Financials, such as domain, entity, layer, GL account, sub-account, cost center, project, SAFs, intercompany, and currency
- A common currency—the presentation currency
- A common calendar

Financial Report Writer presents the financial data in a hierarchy, which can include multiple GAAP views. Financial Report Writer provides a Legal Consolidation view and a Management Reporting view. The Legal Consolidation view is an approximation of the posted consolidation, which covers the full COA and is bottom line balanced (debits equal credits). The Legal Consolidation view also allows you to verify the completeness of the data.

You can also omit COA elements intentionally. For example, you can eliminate intercompany transactions, where an intercompany sales balance in one entity is netted against the corresponding intercompany purchase balance in another entity.

Financial Report Writer lets you create reports for subsets of the COA for management reporting purposes. For example, you can display the financial results for a given product line across all domains.

Financial Report Writer Concepts



You can use Financial Report Writer to create multiple report cubes with different calendars and presentation currencies. Financial Report Writer provides a good balance between predefined selections in the setup and filtering at reporting time. You can create new report structures or change existing report structures at any time. You can also rebuild the balances stored in the cubes when new cubes are introduced or when structural changes are made to the reporting COA.

Financial Report Writer also allows you to reuse a reporting hierarchy (tree) recursively in other hierarchies. You can use an existing reporting hierarchy as a template to copy and reuse when you create a hierarchy. You can also use reporting hierarchies to create standard Balance Sheet, Income Statement, and Cash Flow reports. If you use Financial Report Writer to create a report for a single domain, the setup is limited to a single screen.

Note You can also create budgets for use in financial reports. This facility enables you to compare budget amounts with actual postings. See Financial Report Writer Run on page 6440.

Financial Report Writer versus Consolidation

Financial Report Writer is closely related to consolidation, although they are different activities with common traits. Both ensure that the activities of subsidiaries are represented in aggregated financial statements.

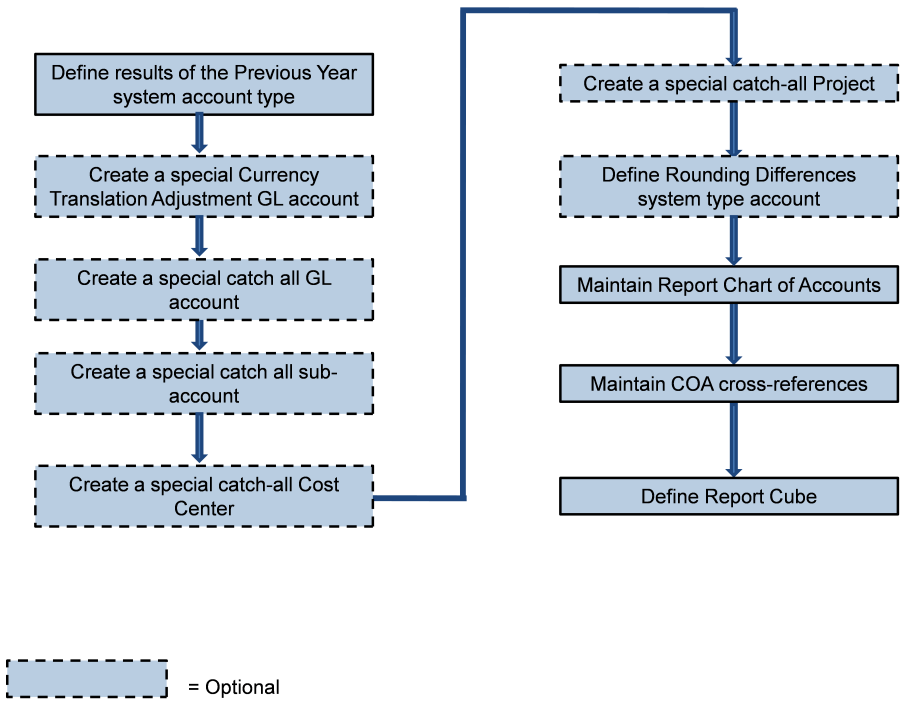
Consolidation allows you to obtain an aggregated view by combining balances from individual entities in a single consolidation entity. The consolidation process creates new postings in the consolidation entity and is performed for statutory purposes and is part of the period closing activities.

Financial Report Writer allows you to produce an aggregated financial report across a series of individual entities. You can create these reports at any time of the year and without creating postings. Financial Report Writer provides an approximation of the consolidation results because not all elements are known at the time of reporting. This is particularly true when converting financial results to a presentation currency that is different to the base or statutory currency. For example, the period-end exchange rates are often unavailable when you run Financial Report Writer during the year. In addition, some corrections on the accounts may not yet be applied.

Financial Report Writer also provides financial management reports, such as day-by-day information on income and expenses across all entities and domains. You can group these results by product line, division, or department. The daily balance sheet position of assets (customers, inventory, cash, WIP) and liabilities (suppliers, loans, taxes due) may also be of interest to management.

Financial Report Writer Setup

Financial Report Writer Setup Workflow



1. Verify that the reporting GL shared set contains a system GL account of type Result of the Previous Year.
2. In the reporting GL shared set, create a special Currency Translation Adjustment GL account. This account is a standard P&L account. You can use the GL account setup default values.

   Note This step is only needed for currency translations that use different rates for different account types.
3. In the reporting GL shared set, create a special catch-all GL account. The account type is Standard. You can accept all field defaults.

   Note Steps 3-6 are only needed when you want to allow incomplete translation mapping in the COA cross-reference.
4. In the reporting sub-account shared set, create a special catch-all sub-account.
5. In the reporting sub-account shared set, create a special catch-all cost center.

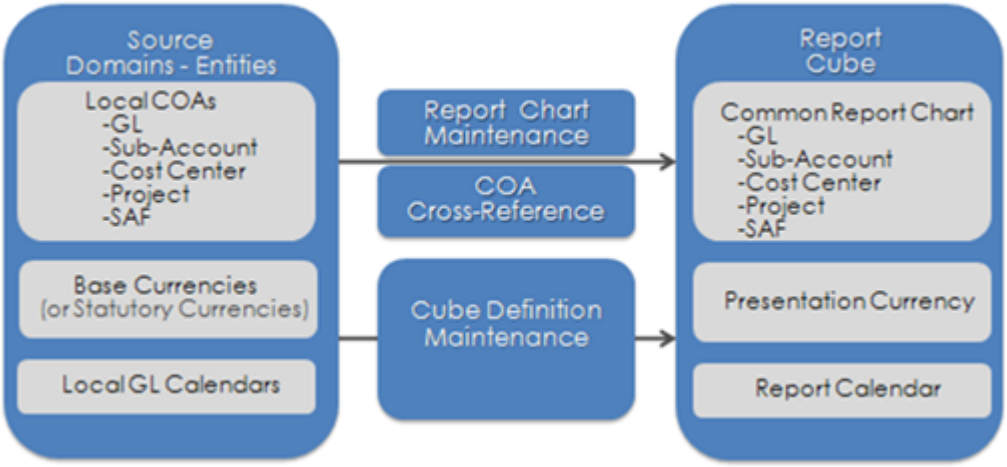
6. In the reporting sub-account shared set, create a special catch-all project.
7. Verify that the reporting GL shared set contains a system GL account of type Rounding Differences.

   Note This step is only needed if you use currency translations that cause rounding differences.
8. Maintain the report COA using **Financial Report Chart of Accounts**. See Financial Report Chart of Accounts on page 6390.
9. Set up the COA cross-references using COA Cross References or COA Cross Reference Excel Integration. For more information, see COA Cross References on page 5741.
10. Define the report cube. For more information, see Financial Report Cubes on page 6395

Financial Report Chart of Accounts

The Financial Report Writer collects financial data from several source domains in a reporting COA. Therefore, specify which common report COA to use. You set up a report chart by selecting a GL shared set, a sub-account shared set, a cost center shared set, a project shared set, and up to ten SAF concepts. The report COA setup also includes the COA cross-references that translate the COA of the source domains to the report COA. When required, you can create multiple report COAs in the system.

Report Chart Mapping



Use **Financial Report Chart of Accounts** to maintain a common reporting chart of accounts. You cannot delete a report chart if it is used in a report cube, budget, report analysis code, report master, or report column group.

Main

Report Chart

Specify the code for the report chart.

Description

Enter a maximum of 40 characters for a description of the report chart.

Shared Sets

Defaults From Domain

Specify a default domain for the shared set. When you select a default domain, the other fields on this panel are completed by default.

GL Account/Sub-Account/Cost Center/Project Shared Set

Specify a GL shared set, a sub-account shared set, a cost center shared set, and a project shared set for the report chart. You can also

leave a shared set field blank. This indicates that you are not planning to use that dimension in any of your reports. It is only mandatory to specify the GL account shared set.

If you replace a shared set and COA cross-references already exist for that shared set in the COA Cross Reference tab, the system displays a warning to remind you to update the cross-references.

SAF Concepts

SAF Concepts 1-10

Financial Report Writer can include SAF dimensions and bring SAFs from various structures and concepts together to create a central reporting SAF structure. Specify a maximum of ten SAF concepts to use in reporting.

Default Accounts

On the Default Accounts panel, enter the special accounts created in steps 2-6 of Financial Report Writer Setup on page 6388.

The system uses the default GL account, sub-account, cost center, and project to fill in any gaps caused by missing mapping elements in the COA cross-reference used to translate from the source entity COA to the report chart COA. You can also leave these default codes blank to ensure that a missing translation is raised as an error during the generation of report cubes. In general, it is recommended that you leave these codes blank, unless you want to avoid errors generated by gaps in the COA translation.

The CTA account is mandatory when you create report cubes that have a presentation currency other than the source entities' base currencies.

GL Account

Specify the special catch-all GL account you created in step 3.

Sub-Account

Specify the special catch-all sub-account you created in step 4.

Cost Center

Specify the special catch-all cost center you created in step 5.

Project

Specify the special catch-all project you created in step 6. This value is only required if you plan to use projects in the reporting COA.

CTA Account

Specify the CTA account you created in step 2. If you specify a CTA account, the system verifies that there are no transactions posted to the account.

Entities

On the Entities panel, specify the entities you want to include in Financial Report Writer.

Selected

Select an entity code to create a list of source entities from which to retrieve balances. You can specify entities from any domain in the system. You must associate at least one entity with a report chart. If you delete or add entities for which COA cross-references are defined, the system displays a reminder that you must regenerate the COA cross-references.

COA Cross Reference

On the COA Cross Reference panel, specify COA cross-reference codes to map shared sets that are different in the source and target COAs. The COA Cross Reference panel is enabled when a GL shared set is specified on the Shared Sets panel and if at least one entity is specified on the Entities panel.

On the COA Cross Reference panel, click Generate Mapping to automatically generate a list of COA cross-references. The system determines if an existing COA cross-reference matches the combination of shared sets and retrieves that cross-reference. If there is no matching COA cross-reference, the system creates a COA cross-reference code that combines the source and target shared set names. The system-generated COA cross-references are of type Separate.

When the source and target shared sets are the same for a dimension, the system displays a Not Needed message and skips that shared set. You can manually specify COA cross-references of type Combined, which you can use for exceptions.

Note If you modify a shared set and COA cross-references already exist for that shared set, the system displays a warning to remind you to update the cross-references.

If you have saved a COA cross-reference mapping for a report chart and subsequently modify the target shared sets or entities, you must re-click Generate Mapping. Generate Mapping does not regenerate the mappings for existing entities if the target shared sets have not changed. Therefore, the system does not overwrite any valid prior mappings.

The fields on the grid are read-only, with the exception of the COA Cross Reference field.

COA Cross Reference

Click in the grid field and specify a COA cross-reference. You can use an existing code or specify a new one. If you click the Generate Mappings button, cross-references are automatically assigned by the system.

Note You cannot select a COA cross reference that is of type Export.

COA Cross Reference Description

This field displays the COA cross-reference description.

Setting Up COA Cross-References

For each dimension that you plan to use in the Financial Report Writer, you must have a complete COA cross-reference of type Separate. This step ensures that the accounts are correctly translated when you generate report cubes.

You can create a COA cross-reference of type Combined if you need a special mapping for combinations of GL accounts and sub-accounts or combinations of GL accounts and cost centers.

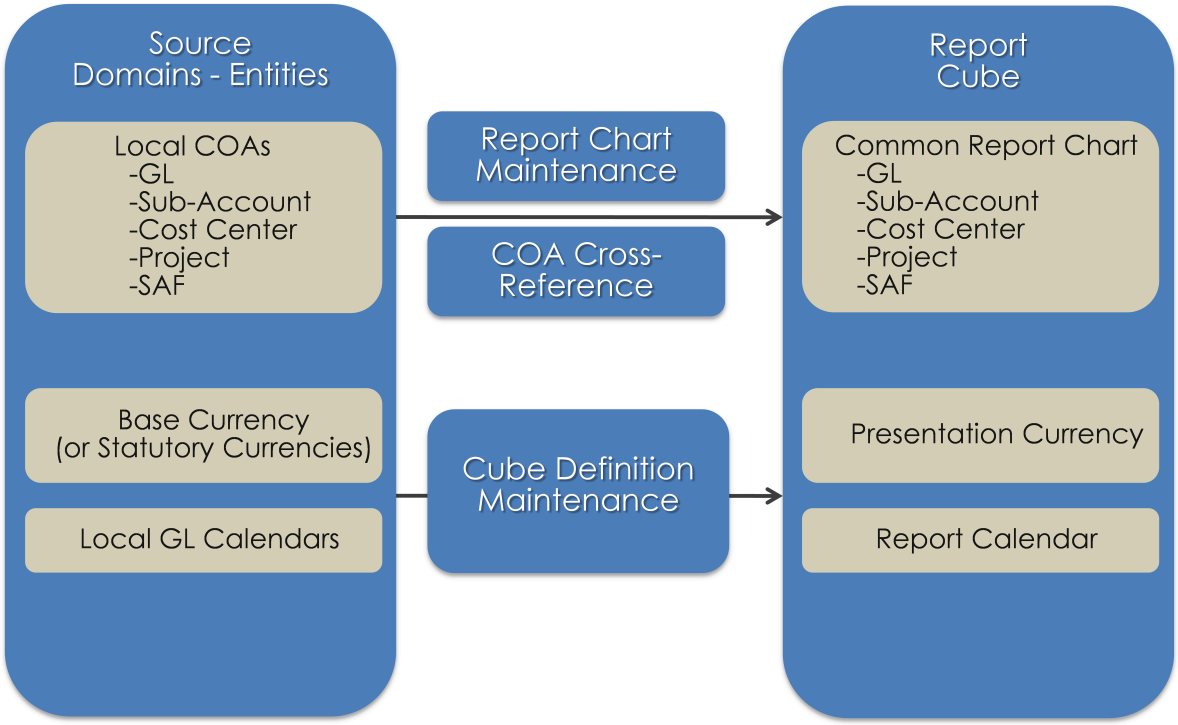
You only need to create COA cross-references of type Combined for exceptions. Financial Report Writer first checks if there is a COA cross-reference of type Combined for a particular accounting key. If a Combined map is found, Financial Report Writer uses that map. Otherwise, the Separate type mappings are used.

For more information, see COA Cross References on page 5741.

Financial Report Cubes

In this section, you create parameters for the report cubes. The parameters determine how the consolidated financial data is stored in the reporting tables FRWCubeDim and FRWCubeMeas.

Report Cube Parameters



Set up the presentation currency (PC) and the exchange rates to use when converting from base currency or statutory currency to PC. After you have selected the entities in the report chart, you can also define the report calendar and a selection of entities to include in each cube. In **Financial Report Cubes**, you can refine your earlier selections.

Main

Cube

Specify a code for the report cube.

Description

Specify a maximum of 40 characters for the description of the cube.

Chart

Specify the report chart to use for the cube. Many report cubes can use the same report chart. If you change the chart code, the system

displays a warning and all chart-related data is cleared and re-initialized.

Status

Specify the cube status. There are five cube statuses:

- Initial: For new cubes, only the Initial status is available.
- Building
- Operational: When you generate the cube data using the Generate action, the system updates the cube status to Operational. The Cube daemon can only update Operational cubes.
- Needs Rebuild: If the cube generation fails or if the cube definition is changed, the cube status is automatically updated to Needs Rebuild. If the cube rebuild is successful, the system changes the cube status back to Operational.
- Inactive: If you no longer need the cube, change its status to Inactive, which means that the cube is retired. You can change the status of inactive cubes back to Needs Rebuild.

The following table provides an overview of the possible status transitions.

Status	**Where Set**	**Possible Transition To**	**Where Set**
Initial	Financial Report Cubes	Building	Generate Action
Building	Generate Action	Operational, Needs Rebuild, Inactive	Generate (successful or unsuccessful), Financial Report Cubes (after changing parameters)
Operational	Generate Action	Needs Rebuild, Inactive	Daemon (corruption), Financial Report Cubes (after changing the cube parameters or by user)
Needs Rebuild	Daemon (Corruption), Financial Report Cubes	Building, Inactive	Generate Action, Financial Report Cubes (by user)

Status	Where Set	Possible Transition To	Where Set
Inactive	Financial Report Cubes	Needs Rebuild	Financial Report Cubes

Currency

Presentation Currency

Specify the presentation currency for the cube. You can specify any currency in the system, provided that the required exchange rates are available. If the presentation currency is different than one of the source currencies, you must specify a currency translation account (CTA) in the cube's report chart of accounts.

- Cube Defined: If you use the method defined in the cube (with separate settings for Balance Sheet and Income Statement accounts), you must complete the BS/IS Exchange Rate Type and BS/IS Translation Method fields.
- GL Consolidation Method: If you use the consolidation setup from the GL accounts, the system uses the consolidation settings defined in the GL account of the shared set of the report chart.

  You can also set up the GL account to use different user-defined exchange rates for each entity. For more information on setting up GL account exchange rates, see the section GL Accounts on page 5706.

Exchange Rate Shared Set

Specify the shared set to retrieve the exchange rates from.

Translation Method

Specify whether to use the currency translation methods defined in the cube or the methods defined in the GL.

Balance Sheet Accounts

BS Exchange Rate Type

Specify the exchange rate type for Balance Sheet accounts.

BS Translation Method

The currency translation method indicates the exchange rate. You can choose from:

- Period End rate: The system uses the exchange rate at the end of each period and the total balance of the account is translated with that rate. The period end rate is typically applied for Balance Sheet accounts.
- Simple Average rate: All the rates for the period are added together and divided by the number of rates.

- Weighted Average rate: All the rates of the period are multiplied by the number of days they were valid, and then added together and divided by the total number of days in the period. Average rates are typically applied for P&L accounts.

Income Statement Accounts

IS Exchange Rate Type

Specify the exchange rate type for the Income Statement.

IS Translation Method

Specify the rate to use. The options are:

- Period-End
- Weighted Average
- Simple Average

Layers

On the Layers panel, specify the layers to include in the cube. You can exclude layers that you do not want to include in the reports; for example, the transient layers used for storing posting templates. You can also create a cube for management reporting that includes management layers and another cube for statutory reporting that only includes the official layer.

Note You must specify at least one layer for each cube. Otherwise, you cannot save the cube data. The layers that you select are cross-checked with the selected entities when you click Save. A warning message is displayed where the layers and entities are not consistent.

Selected

Select the layers to include in the cube.

Dimensions

Include Sub Account/Cost Center/Project/SAF/Trans Curr/Daybook Dimension

Select the relevant fields to indicate which dimensions to include in the cube. Clear the appropriate fields to exclude dimensions that you do not intend to use, which makes the cube smaller and increases reporting speeds.

Report Calendar

First Report Year

Specify the first report year to create in the report calendar.

Start Date/End Date

To identify the total duration of the cube calendar, enter a start date and an end date.

Period Type

Specify the type of period to use. The options are:

- Months
- Quarters
- GL Periods: When you choose the GL Periods option, the GL Periods from Domain field becomes active.

GL Periods From Domain

Specify the name of an existing domain to use the domain GL calendar for reporting.

Click Generate Calendar to automatically create the report calendar for the defined periods. After the report periods are generated, you can edit the report period start and end dates in the grid.

Review the proposed start and end dates for each report period and modify them, if required. Start and end dates for report years and periods can be different than the GL calendar year or GL period start and end dates.

All report periods must be within a closed series—the first day of each period must be one day later than the end date of the previous period. In addition, the period numbers must be incremental with no gaps. The system validates the report periods when you click the Generate Mappings button in the Periods Mapping panel.

For a new cube or a cube with no data, you can freely add or remove report periods and change the start and end dates of each period. If you modify report periods that are already mapped to GL periods on the Periods Mapping panel, the period mapping is cleared.

Entities

The Entities panel lists the entities that you specified in the report chart. For a new cube, all entities in the report chart are selected by default. Clear the Selected field for the entities that you do not want to include.

When you modify a cube definition, only the entities that were selected previously are selected. Therefore, if you add an entity to the report chart after the cube was created, the additional entity displays as unselected.

Note You must specify at least one entity for each cube. Otherwise, you cannot save the cube data.

If you remove an entity, the period mapping for that entity on the Periods Mapping panel is automatically removed. The process of adding an entity does not automatically add the period mapping. You must do this manually in the Periods Mapping panel. When you select layers and then select entities, the system checks whether the selections are consistent when you click save. If they are not, a message is displayed warning you that the cube will be empty.

Selected

Select or clear this field to add entities or to remove entities from the report cube.

Source Currency BC/SC

For each entity that you select, you can change the starting base currency and the statutory currency (BC/SC).

Periods Mapping

The Periods Mapping panel enables you to map the GL calendar to the report calendar for all report periods specified in the Report Calendar tab. The GL periods of the source entities are mapped to report periods. Based on the start and end dates, the system assigns a default mapping proposal. However, you can modify the default mapping. The start and end dates of the GL periods can be different from the start and end dates of the report periods. A GL period cannot be split over multiple report periods.

Each entity GL period that overlaps with a cube report period is listed on the left of the grid and the corresponding report period is listed on the right of the grid. If a GL period overlaps with two report periods, the report period that has the greatest number of overlapping days with the GL period is kept.

You can freely change the report period year and the number assigned by the system for each entity GL period. You can also delete mapping rows. However, for each report period and entity, there must always be at least one period mapping record.

For a cube that has no data associated with it, click Generate Mapping to clear the original mapping data and to generate new mappings. When a cube has associated data, you can only add new report periods; you cannot modify the existing periods. In this case, the Generate Mapping button does not clear the old mapping records. It only appends new mapping records at the end of the mapping. You can only modify these newly added records. When you click the Generate Mappings button again, the newly added records are cleared and replaced by new default period records.

Actions

The Actions drop-down offers actions that you can take for a record or set of records. Individual actions are for individual records and bulk actions are for sets of records, based on your selected criteria. For bulk actions, once you select the records and set options, you can submit the action.

Empty

Empty deletes the selected report cube data but does not delete the report cube definition. Empty can be triggered if the cube is not in status Inactive or Initial.

After you click the Empty button, the cube data is cleared and the cube definition remains. The report cube status is set to Needs Rebuild. You can then modify the cube data in Financial Report Cubes.

Generate

By default, the program generates data for the entire time frame defined in the report calendar of the cube. If the previous years or periods defined in the report calendar for the cube contain data, you can also regenerate a cube from a given start year and period.

By default, the Generate action generates data for all entities defined in the entity list of the cube, but you can also regenerate a cube for a single entity.

You can only generate or rebuild a cube after you have stopped the Cube daemon. However, you do not need to empty the cube unless you want to change its setup. It is possible to generate multiple cubes in parallel, but it is not recommended because of the load it puts on the system.

Main

Build From

Specify the first reporting period for which the program must generate data. The first field contains the year and the second field contains the period.

Build For This Entity Only

Specify an entity in this field to generate cube data for this source entity only.

Start/End Date

These read-only fields display the start and end dates for the total duration of the cube calendar.

Only Revaluation

To generate the cube data for revaluations only, select this field. If you select this option, the system does not read balances from the source domains. Instead, it recalculates the PC balances using the latest exchange rates.

The Exchange Rates panel enables you to load and review the rates used for generation.

To generate the financial report cube, click Submit. The cube build can take between a few minutes and an hour, depending on the volume of data in the GL history table (PostingHist) and the number of dimensions the cube contains. The dimensions include the number of entities and analytical dimensions such as sub-account, cost center, project, daybook, currency, and SAFs.

You can view the progress of the build in the Generation Status section of the screen, which refreshes every five seconds. The Cube Status

field first displays existing cube data being deleted. Next, the system reads GL history and builds the cube. The field displays the progress of the build and displays a message on successful completion.

Note Use the browse Auto Go option to automatically refresh the results every n seconds. This facility enables you to see the Counter record updated automatically.

Exchange Rates

To load the exchange rates for the cube, click the Load Exchange Rates button. The list of exchange rates is added to the grid, enabling you to review the rates used for generation.

Processing Options

To generate the financial report cube, click Submit. The cube build can take between a few minutes and an hour, depending on the volume of data in the GL history table (PostingHist) and the number of dimensions the cube contains. The dimensions include the number of entities and analytical dimensions such as sub-account, cost center, project, daybook, currency, and SAFs.

Process In Background

Select this field to generate the cube as a background process. The results of the operation are sent to your inbox. Clear the field to process the cube with the Generation Status panel displayed.

Background Processing Description

The contents of this field default to the name of the cube and the date and time stamp. However, you can change the description to whatever you want.

Generation Status

When you do not choose to process in the background, the progress of the build is displayed on the Generation Status panel, which refreshes every five seconds. The Cube Status field first displays existing cube data being deleted. Next, the system reads GL history and builds the cube. The field displays the progress of the build and displays a message on successful completion.

You can also use Cube Build Log to monitor the progress of the cube building. Filter on the Cube Code and look for the row displaying Counter in the Error Type column.

Financial Report Cube Consistency View

In the browse, you can filter on the cube, entity, report year, and report period for which you want to check balances. You can also select whether to show all the results of the consistency check or just the differences. The results in the browse compare the base currency opening balances, debit and credit values, and closing balances of the source entity and the cube. The browse also lists amounts in the cube's presentation currency.

The Differences columns show all zeros when the balances in the source entities (Trial Balance) are equal to the balances in the report cube. When you set the Only Show Difference filter to Yes and there are no differences, the grid remains empty.

If there are unprocessed Cube daemon queue records, an error displays indicating that the cube is not up to date. In this case, you must wait until the Cube daemon has successfully processed the queue.

You can verify the queue status in Cube Daemon. See Cube Daemon on page 6800.

Cube Trial Balance View

In the selection parameters of the browse, enter the Cube Code, Report Year, and Report Period you want to report on.

The retrieved data lists opening balances, period activity (DR/CR), and closing balances in PC for the specified reporting periods and for all accounting dimensions in detail. For example: entity, GL account, sub-account, cost center, presentation currency, and layer.

If you add Summary = SUM on the amount columns and group by entity or GL, you can start analyzing the financial data. The browse CTA column contains the currency translation adjustment, which is the translation difference caused by applying different exchange rates on the Balance Sheet and Income Statement. The report cube can contain additional rows for results of previous years, CTA, and a rounding difference. As a result of these additions, each entity balanced in base currency is also balanced in presentation currency.

Cube Trial Balance View includes a Show Details option for each of the COA dimensions. If you set Show Details to Yes for a dimension, the codes for that dimension are displayed on separate lines with individual balances for each code. If you set Show Details to No for a dimension, the codes for that dimension are blank and a total balance is displayed for all codes of that dimension.

You set Show GL details to Yes and Show Sub-Account details to No. Each GL account is displayed without sub-account details and balance totals are displayed for each GL account. If you then set Show Sub-Account details to Yes, each GL account and sub-account combination is displayed and balances are displayed for each combination.

You can drill down to the GL Summarized Transaction browse. This browse displays the balances in the source entities (PostingHist table) that contribute to the balance of any row in Cube Trial Balance View.

Cube Daemon

The Cube daemon has the same setup, control, and monitoring options as other daemons. However, the History daemon creates the feeding queue for the Cube daemon. If the History daemon is not running, the Cube daemon cannot receive any updates. You can only generate or rebuild cubes after you have stopped the Cube daemon. The History daemon can keep running. The Cube daemon catches up on the missed updates when it is restarted.

The Cube daemon is always successful. This statement means that in Daemons, the Cube daemon status always displays as running, even if the update failed for some cubes. This situation occurs because the Cube daemon feeds all the cubes in the system with the status Operational. During the update, some cubes are successfully updated and others may not be. The errors that occur in the update process (for example, missing exchange rates or missing COA Cross Ref translations) are logged in the Cube Build Log. You can view the log in **Cube Build Log**. When an error occurs for a cube, that cube is automatically assigned the status Needs Rebuild and the daemon stops further updates to the cube. Fix the root cause of the failure and use the Generate action in **Financial Report Cubes** to rebuild the cube so it becomes operational again.

Further reasons that a cube update can fail include:

- The posting has a posting date that falls outside the cube calendar.
- The posting is in a layer that is not selected for the cube.
- The posting has the daybook type Year Closing. Year closing postings are not included in the cube.

No warning is given in any of these cases.

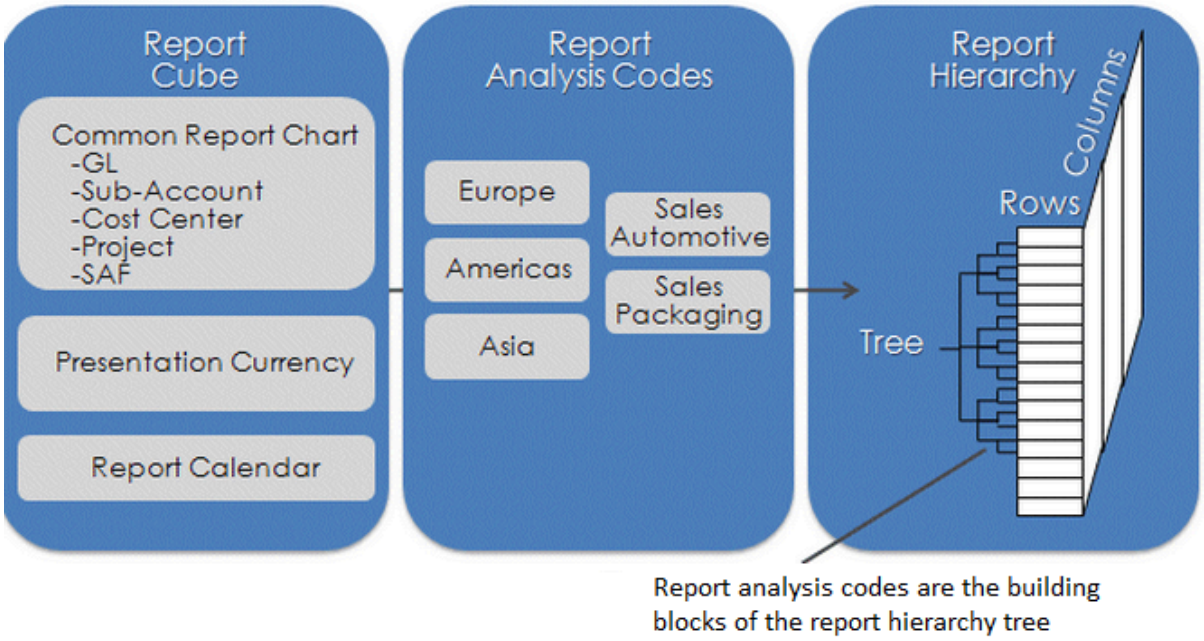
Financial Report Analysis Codes

Report cube data is stored in detail for each combination of COA elements. In this raw form, there are thousands of possible combinations. When building a report, it is time-consuming to specify these combinations individually.

Therefore, to facilitate report creation, you can create an object called a report analysis code. Each analysis code contains a set of filters on COA dimensions. This filter set enables you to retrieve data selectively from the cube. The analysis codes are dependent on the report COA. You can reuse them for many different cubes that share the report COA.

When you create a column group, you can use it as part of the report master record that you create using **Financial Report Masters**. You can create as many column groups as you need. Each column group is linked to a report chart because you can specify a report analysis code as the detailed element of a column, and report analysis codes belong to a report chart.

Financial Report Building Blocks



Report Analysis Code Example

Cube Data

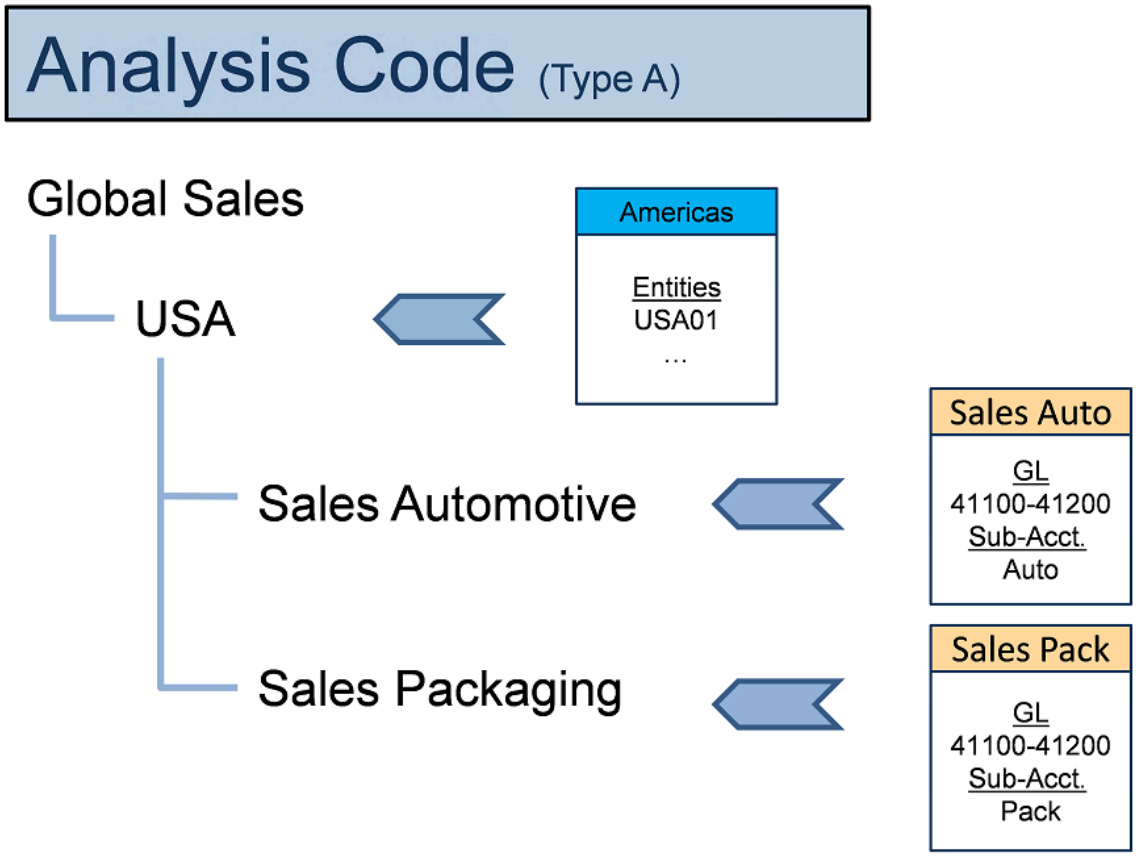
China01	41100 Auto
China 01	41200 Auto
USA01	41100 Auto
France01	41200 Auto
….	
Japan01	51100 Pack
China01	51100 Pack
USA01	55100 Pack
France01	55100 Pack
…	
USA01	63010 Auto
USA01	63010 Auto
…	

Report Analysis Codes

Europe	Americas	Asia	Sales Auto	Sales Pack
Entities France01 ….	Entities USA01 …	Entities China01 Japan01 …	GL 41100-41200 Sub-Acct. Auto	GL 41100-41200 Sub-Acct. Pack

In this example, the report analysis code Europe lets you retrieve data from the report cube for the entity France01. Similarly, the report analysis code Sales Auto lets you retrieve data from the report cube for sub-account Auto, combined with GL accounts in the range 41100-41200.

The report analysis code behaves like a dynamic filter. When new GL accounts are added to the range 41100-41200, these accounts are automatically included in the report analysis code filter result. When you define the report tree (hierarchy), report analysis codes are linked as nodes of the tree.



The lowest-level nodes are called leaf nodes, which also correspond to the detailed rows on the report. When you define the final report columns layout, you can specify the columns on the report. You can also apply a report analysis code to a column.

In the example, Sales Auto and Sales Pack are analysis codes applied to the detailed rows of the report. Europe, USA, and Asia are analysis codes applied to nodes higher in the tree. In the final result, one branch of the report shows the sales for Europe. A second branch shows the sales for the USA and a third branch the sales for Asia.

You can also apply analysis codes to columns in the report. This step enables you to display Europe Sales, USA Sales, and Asia Sales in columns next to each other.

Note You can modify an existing report analysis code but you cannot modify the name of the analysis code. You can only delete a code if it is not being used in a report tree. If the analysis code is currently being used, a message is displayed informing you that the code cannot be deleted and which report tree node it is currently used in. A similar check is performed for column groups.

Main

Analysis Code

Enter an alphanumeric analysis code. This field is mandatory. The field contains a lookup where you can check if your analysis code is in use. This facility helps to avoid duplication when you have many analysis codes.

Description

Enter an analysis code description.

Report Chart

Specify the report chart code. This field is mandatory, and must contain an existing report chart code. Financial Report Writer retrieves financial data from several source domains to form a common reporting COA. The report chart is composed of a GL account shared set, a sub-account shared set, a cost center shared set, a project shared set, and SAF concepts. It also includes the COA cross-references that translate the COA of the source domains to the report COA. The detailed elements of the report analysis code are based on the selected report COA.

Controlling Dimension

Select a dimension as a controlling dimension. When generating reports, you can generate a report filtered on each value of the controlling dimension, which saves you having to generate each report individually.

The drop-down list for the Controlling Dimension field is populated based on the dimensions you select in the Dimension area of the General tab. For example, if you select fields for the GL, Sub-Account, and Daybook dimensions, these three options are available as controlling COA dimensions.

When running a financial report, you can specify an analysis code with a controlling dimension as a Filter Analysis code to control the bursting. You must also specify Yes in the Report Burst selection field in Financial Report Run. The report run then generates a separate report for each value of the controlling dimension. For example, if the analysis code has a controlling dimension of Entity, the report run generates reports for each entity.

Analysis Type

Specify the type of analysis code. This field is mandatory. There are four types:

- Analysis type analysis codes retrieve data from the cube according to specific selection criteria you enter.

- Calculation type analysis codes contain calculations with other analysis codes.
- Sub-Total type analysis codes are used at a high level in the report hierarchy tree and summarize low-level nodes.
- Text type analysis codes contain labels that are printed on the report.

Calculation Formula

This field is only displayed when the Analysis Type is Calculation. You can enter two types of calculations:

- Summations: If you enter a list of report analysis codes, separated by commas, you can calculate the sum of balances. For example, C01, C02, C05 results in the sum of report analysis codes C01 + C02 + C05. In this type of calculation, you can also subtract. To subtract, place the report analysis code in parentheses. For example, C01, (C02), C05 results in the sum of report analysis codes C01 – C02 + C05.
- Multiplications or divisions: You can enter a maximum of three factors separated by * or /. For example, to calculate C01/C02*C05, the system first divides C01 by C02 and then multiplies the result by C05. You can also use constants. For example, to calculate C01/C02*100, the system first divides C01 by C02 and then multiplies the result by 100. This method is useful for percentage calculations.

Cascaded Calculations

You cannot combine summations and multiplications or divisions in a single calculation report analysis code. However, you can use the result of a calculation as a component of a calculation in another report analysis code.

Example

Report analysis code C04 of type Calculate has the formula C01, (C02), C03 and report analysis code C06 of type Calculate has the formula C04/C05*100. The result in C06 = ((C01 – C02 + C03)/C05)*100).

You cannot use parentheses in multiplication or division calculations. However, you can circumvent this restriction using cascaded calculations.

Example

If you want to calculate C05 = C01/(C02*C03), parentheses are not allowed in the formula. C05 = C01/C02*C03 does not give the correct result because this calculation first divides C01 by C02 and

then multiplies the result by C03. Therefore, you must create C04 = C02*C03 and then C05 = C01/C04.

Be careful not to create circular references when using cascaded calculations.

C04=C01*C02, C05=C03/C04, and C02=C05/C06 are not allowed in the same report tree. The value of C02 depends on the value of C05 (last calculation) and, similarly, the value of C05 depends indirectly on the value of C02 (the first two calculations). Circular references cause the report run program to abort with an error message.

Text

This field is only displayed when the Analysis Type is Text. Enter the text that will appear as a label on the report.

Analysis Dimensions

This panel is only displayed when the Analysis Type is set to Analysis. To add a dimension, click New. You can add as many analysis dimensions as you want. A new line is displayed for each dimension. When you are adding analysis by Selected Values, you add a child to a dimension by clicking Add Child. This enables you to enter a specific value.

View Values is enabled when the Analyze By column of the selected line in the grid is Starts With or Range. Click View Values to view the list of values in the selection. For example, if the dimension is GL Account, and Analyze By is Range from 2000 to 4000, all existing GL accounts falling in this range are displayed.

Dimension

Select a dimension from the list.

Analyze By

Choose from Range, Selected Values, and Starts With. The advantage of entering a range is that the list of GL accounts in the analysis code dimension is dynamically updated when you add a GL account. You do not need to update the report analysis code dimension. When you select Selected Values, you can add child rows where you specify the individual values. Click Add Child to add a child row.

When you are adding selected values for a dimension, you supply a code for the specific value, using the lookup if necessary. The description is then displayed by default.

From/To

These fields are available when you select analysis by Range.

Starts With

This field is available when you select analysis by Starts With.

Note If you have selected GL accounts and you enter a new range, a message is displayed warning you that selecting a new range will clear the current selection.

Important If you clear an analysis code dimension field on the General tab or change the value in the Analysis Type field, a warning message is displayed, informing you that values are defined for this dimension and that these values will be lost. The values are not immediately lost if you click Yes. However, the values are deleted when you click Save.

XBRL

Taxonomy Name

Specify the name of the taxonomy that applies, and to which the report analysis code belongs. There are multiple XBRL taxonomies, such as IFRS XBRL and US GAAP XBRL. Each taxonomy has specific structures and element naming conventions.

ELR

Specify the ELR code that identifies the report structure in the taxonomy. In each taxonomy, subdivisions are used to target reporting subareas with their own relational structure and label structure. These subdivisions are referred to as Extensible Linkbase References (ELRs). An ELR can relate to a single report.

XBRL Element

Specify the XML element name tag used in the XBRL taxonomy. For example, each balance row in the IFRS-XBRL taxonomy has a unique XBRL element name as an identifier, such as AssetsAbstract.

Financial Report Trees

The Financial Report Writer produces reports based on report trees. Each report tree is a hierarchy composed of report analysis codes. There are two different approaches to creating a report tree:

- the report tree manually in Financial Report Trees on page 6413. Select report analysis codes using the look up functionality in the grid. The look up displays the available analysis codes, enabling you to select one or more analysis codes.
- a report tree hierarchy in Excel and import it into Financial Report Trees on page 6417. When you import a tree from Excel, report analysis codes that do not exist are automatically created.

Manually Creating a Report Tree

A report tree is a hierarchy built with report analysis codes. Usually, the higher levels in the tree are totals. You can use report analysis codes of type Sub-Total for this purpose.

Usually, the lowest levels in the tree, also referred to as leaves, are balances from accounting. You can use report analysis codes of type Analysis for these levels. However, Analysis type nodes can also be used higher in the tree. In this case, the whole branch in the tree under that code fulfills the selection linked to that Analysis code. In addition, Calculate and Text type codes can be anywhere in the hierarchy. See Financial Report Analysis Codes on page 6406. You can add up to 99 levels of analysis codes to a report tree.

Main

When you click New in the Financial Report Trees hybrid browse, the Financial Report Analysis Codes hybrid-browse is displayed in a pop-up window. You can choose an existing report analysis code as your root node, or you can create one on the fly. This report analysis code becomes the code that identifies the whole tree.

Note You cannot delete the root node of the tree.

When you have populated the tree with the root financial report analysis code, you can continue building the tree. To add a child node, you can click the + button in the Report Tree Node column. Alternatively, you can click the arrow in the same column to open the drop-down list of insert options. You can choose to insert one or more report analysis codes as children of the parent node. These options also enable you to also create new report trees or analysis codes on the fly. If you select multiple analysis codes, these analysis codes are added as multiple lines, all at the same level. You can create a full financial report tree using this functionality.

Note You must have the appropriate permissions to create report analysis codes.

You can also build new report trees by combining existing report trees with other report trees and analysis codes. To insert a tree, use the same drop-down list in the Report Tree Node column. You can add one or more trees to the grid. Trees are always added as a top level item in the grid.

When you drop an existing tree on a branch of another tree that you are building, the whole tree that you dropped is copied into the target tree. Each tree hierarchy retains its own independent structure. However, the trees do share analysis codes. Therefore, when you change the details of a shared analysis code, this affects both trees.

You can use the Drag & Drop functionality to manipulate the order and hierarchy of the analysis codes in the report tree. For example, you have created a report tree that looks like this:

Report Tree Node	**Description**	**Chart**
IS-COMP	Income Statement Short	CORP
SLS-TOT	Total Sales	CORP
SERV-SLS	Services Sales	CORP
NORM-SLS	Normal Trade Sales	CORP
COS-TOT	Total Cost of Sales	CORP
SERV-COS	Service Cost Of Sales	CORP
NORM-COS	Normal Trade Cost of Sales	CORP

You want to change the position of the Total Cost Of Sales so that it is reported ahead of the Total Sales Figures. Simply drag and drop the COS-TOT node so that it appears ahead of the Total Sales:

Report Tree Node	**Description**	**Chart**
IS-COMP	Income Statement Short	CORP
COS-TOT	Total Cost of Sales	CORP
SERV-COS	Service Cost Of Sales	CORP
NORM-COS	Normal Trade Cost of Sales	CORP
SLS-TOT	Total Sales	CORP
SERV-SLS	Services Sales	CORP
NORM-SLS	Normal Trade Sales	CORP

The fields in the grid are:

Report Tree Node

This field displays the report tree node.

Description

This field contains a meaningful description of the node.

Summary Information

This field displays summary information such as the included entities or GL accounts.

Hide Row

If you want to retrieve or calculate data, but you do not want to display the intermediate results on the report, select this field.

Print Total After Details

The default print layout on a report displays the balances of an analysis code at the point where the code is entered in the hierarchy. This means that, by default, the subtotals are displayed at the beginning of a detail group. If you want the total to appear at the end of the detail group rather than at the beginning, select the Print Total After Detail field. If you apply this option to the highest level node (Level 1), the opening node is automatically hidden. If you apply this option to other nodes, the beginning node displays the code and description, but no total amounts.

Invert Sign of Activity

On the report, some columns display balances and other columns display activity for the selected period. When activity is displayed as Debit or as Credit separately, the amount is always positive. When the total activity is printed (DR and CR together), the system calculates DR - CR. The system represents the value as a positive amount when the result is debit or as a negative amount when the result is credit. If you want to represent the activity with an inverted sign (positive becomes negative and negative becomes positive), select this field. The sign is inverted before calculations are performed and the subtotals are summed.

Invert Sign of Balances

On the report, some columns display balances and other columns display activity for the selected period. Balances (opening balances or closing balances) appear as positive when they have a debit sign and negative when they have a credit sign. On some reports, you may want to represent some balances with the inverted sign. This situation occurs frequently on income statement reports, where sales are credited and expense is debited, but you want to represent the sales as positive amounts and the expenses as negative amounts. To

invert the balance sign, select this field. The inverted sign is applied before calculations take place and the column is filled.

Insert Blank Row Before

To insert a blank line on the report at the start of a new section to aid visibility, select this field.

Insert Blank Row After

To insert a blank line on the report under header text or at the end of a section to make the report more readable, select this field. The blank line appears just after the node where you set the value.

Row Style

You can enter keywords in this field to format text in a report row as bold, underlined, and highlighted. Simply include the keywords you want to include, separated by a comma. For example, to format a report as bold and highlighted, enter *bold,high* in this column. The three keywords are:

- bold
- line
- high

You can also indicate that for transactions related to a particular leaf node, a report must display credit balances only or debit balances only. To show accounts with debit balances only, enter “dronly” in this field. To show accounts with credit balances only, enter “cronly” in this field. The option to display debit amounts only or credit amounts only is useful in Balance Sheet reports, where you can show, for example, bank accounts with a debit balance under Assets and bank accounts with a credit balance under Liabilities.

To insert a page break between different levels of detail, enter “page” in this field at the level after which you want the page break. For example, if the highest level of information in the report tree is GL, and the next level is Entity, enter “page” in the Row Style field for the GL node. On the report, the entity details start on a new page after the GL details.

Show Details

Select the Show Details field for any leaf node for which you want to print GL transactions in detail on the report. For this option to take effect, you must choose the Selected value in the Print GL Transactions field in Report Master Create. When running the report in Financial Report Writer Run, you must also set the Detail Transactions report selection criteria to Yes.

DR/CR

Select which account balances to display in the report for this leaf node. The choices are:

- Both DR/CR - Show accounts with debit and credit balances.
- CR Only - Show accounts with credit balances only.
- DR Only - Show accounts with debit balances only.

The option to display debit amounts only or credit amounts only is useful in Balance Sheet reports, where you can show, for example, bank accounts with a debit balance under Assets and bank accounts with a credit balance under Liabilities.

Excel Integration

Before you can import a report tree and report analysis codes from Excel, you need to prepare the data. You can do this by creating a tree in **Financial Report Trees** with one analysis code and export this tree to Excel. The exported Excel file can then be used as a template.

Alternatively, you can export an existing tree and edit it. When you perform the export, make sure that you set the Type property to Export With Import Format. When you click Export, the file is sent to your inbox.

When the data is in Excel, you can begin to manipulate it for import. The file is flat, which means that there is a fixed number of columns. The Excel file has two header rows. The first row is the label for the user and the second row is the field name for the system. You can hide or remove columns that you do not need. Do not remove the first two rows from the template. You can add analysis codes as you need to build the report tree. You can add as many rows as you want to the Excel sheet. You can also leave blank rows between rows with data. The columns in the Excel file are displayed in the table.

The Excel file has the following properties:

Excel Columns And Functions

Excel Column	Description
Report Tree	This column displays the name of the tree.
Description	This column displays a description of the tree.
Chart	This displays the chart of accounts that this tree is based on.
Report Tree Node	All analysis codes, from sub-total down to individual analysis code using GL accounts, are in the Report Tree Node column. You must use the FRWTreeNodeID, parentFRWTreeNodeID, and

Excel Column	Description
	Sequence columns to specify the structure of the tree.
Description (FRWTreeNodeDescription)	This column displays a description of each analysis code in the tree.
Summary Information	This column is for summary information such as the included entities or GL accounts.
Hide Row	This column is used for report layout options. If you want to retrieve or calculate data, but you do not want to display the intermediate results on the report, enter Yes in the Hide Row column.
Print Total After Details	This column is used for report layout options. The default print layout on a report displays the balances of an analysis code at the point where the code is entered in the hierarchy. This means that, by default, the subtotals are displayed at the beginning of a detail group. If you want the total to appear at the end of the detail group rather than at the beginning, in the Print Total After Detail column, enter Yes. If you apply this option to the highest level node (Level 1), the opening node is automatically hidden. If you apply this option to other nodes, the beginning node displays the code and description, but no total amounts.
Invert Sign of Activity	This column is used for report layout options. On the report, some columns display balances and other columns display activity for the selected period. When activity is displayed as Debit (ActivityDR) or as Credit (ActivityCR) separately, the amount is always positive. When the total activity is printed (DR and CR together), the system calculates DR - CR. The system represents the value as a positive

Excel Column	Description
	amount when the result is debit or as a negative amount when the result is credit. If you want to represent the activity with an inverted sign (positive becomes negative and negative becomes positive), enter Yes in this Excel column. The sign is inverted before calculations are performed and the subtotals are summed.
Invert Sign of Balances	This column is used for report layout options. On the report, some columns display balances and other columns display activity for the selected period. Balances (opening balances or closing balances) appear as positive when they have a debit sign and negative when they have a credit sign. On some reports, you may want to represent some balances with the inverted sign. This situation occurs frequently on income statement reports, where sales are credited and expense is debited, but you want to represent the sales as positive amounts and the expenses as negative amounts. To invert the balance sign, enter Yes in this Excel column. The inverted sign is applied before calculations take place and the column is filled.
Insert Blank Row Before	This column is used for report layout options. To insert a blank line on the report at the start of a new section to aid visibility, enter Yes in this Excel column. The blank line appears just before the node where you set the value to Yes.
Insert Blank Row After	This column is used for report layout options. To insert a blank line on the report under header text or at the end of a section to make the report more readable, enter Yes in this Excel column. The blank line

Excel Column	Description
	appears just after the node where you set the value to Yes.
Row Style	This column is used for report layout options. In this column, you can format a report with bold, underlined, and highlighted text. The three keywords are bold, line, and high. Simply include the keywords you want, each separated by a comma. For example, to format a report as bold and highlighted, enter bold high in this column. This field is also available in Financial Report Trees.
Show Details	This column is used for report layout options. Enter Yes for any leaf node for which you want to print GL transactions in detail on a report. For this option to take effect, you must choose the Selected value in the Print GL Transactions field in Financial Report Masters. When running the report in Financial Report Run, you must also set the Print Details report selection criteria to Yes.
DR/CR	This column is in the form of a drop-down list that enables you to select which account balances to display in the report for this leaf node. You can choose to show accounts with debit and credit balances, credit only, or debit only.
FRWTreeNodeID	This column displays a tree node identification number. Every analysis code in the tree has a unique identifier. These integer codes are generated from the database. If you are creating a new tree, you can use any integer value for each node, as long as it is unique in the tree.
parentFRWTreeNodeID	To create the tree hierarchy, the parentFRWTreeNodeID specifies

Excel Column	Description
	the identification number of the parent of this analysis code. This code is likely one that exists in the FRWTreeNodeID column.
Sequence	This column enables you to sequence the analysis codes that are at the same hierarchical level on the tree. For example, a sequence value of "0" means that the analysis code comes first in the list at this level. A value of "1" indicates that it is displayed second in the list, and "2" indicates that it is the third analysis code at this level. The report prints the list of codes according to the order you indicate here. **Note** In Financial Report Trees, you can use drag and drop to subsequently change the position of each node. You can also add the Sequence column to the grid so you can view the sequencing being updated in real-time. The column is hidden by default.
XBRL Element	The XML element name (tag) used in the XBRL taxonomy. For example, each balance row in the IFRS XBRL taxonomy has a unique XBRL element name as an identifier (for example, AssetsAbstract). Use this column in the Excel template to populate the XBR-related fields of the report analysis code. These fields are used when you create a report with output to an XBRL file (XML type).
Calculation Formula	When the analysis type is Calculation, enter the calculation formula in the Calculation column. You can enter summation type calculations or multiplication and division type calculations. The component analysis codes you use

Excel Column	Description
	for calculations must be part of the same report tree. This restriction is not validated when you create the report tree; only when you use the tree to run a report. For more information on summations, multiplication and division, and cascaded calculations, see Financial Report Analysis Codes on page 6406.
Analysis Type	Choose from Analysis, Calculation, Sub-Total, and Text. Analysis allows you to retrieve balances from the report cubes according to criteria specified in the subsequent columns. Subtotal means that this node in the tree automatically contains the sum of all child nodes. Text is used to define a line of text for a report. Calculation means that you specify a calculation formula in the Calculation column.
Analyze Text	For analysis type Text, specify the text to include here.
Taxonomy Name	There are multiple XBRL taxonomies, including IFRS XBRL and US GAAP XBRL, each with their own specific structures and element naming conventions. Use this field to store the taxonomy to which the report analysis code belongs.
ELR	Each taxonomy can have several subdivisions, each targeting a sub-area in the reporting with its own relational structure, label structure, and so on. These subdivisions are referred to as ELRs. At its most granular level, an ELR can relate to just one report. Use this field to specify the ELR code that

Excel Column	Description
	identifies the report structure in the taxonomy.
Analysis Dimension	This column displays the analysis dimension such as Entity or GL.
From/To	If the analysis type is Analysis and the dimension is GL, these columns can contain the range of GL accounts included.
Starts With	This column enables you to enter a starting code; for example, the first GL account code in a long list of GL accounts; to be included in an analysis code.
Code	This column displays the code or codes associated with a dimension. For example, if the dimension is of type GL, subsequent rows in the Excel file list the GL account codes associated with that dimension.

When you have prepared the file, you can import it into the system using the More drop-down list. An email is sent to your inbox when the import is complete. You can check the Excel file attached to the email to verify that the import was successful. When the top-level analysis code in the file is an existing tree, the content of that tree is overwritten with the data from the Excel file. The system also verifies whether each analysis code already exists. When an analysis code does not exist, it is automatically created.

Actions

The Actions drop-down offers actions that you can take for a record or set of records. Individual actions are for individual records and bulk actions are for sets of records, based on your selected criteria. For bulk actions, once you select the records and set options, you can submit the action.

GL Chart Completeness Check

For example, when you are making a complete income statement, you may forget to add an income statement from one entity to the report tree. The check enables you to view the GL accounts and the number of occurrences of each in the report tree. The completeness check only considers the GL dimension. You cannot edit any fields.

Financial Report Tree Views

The Report Tree Drill Down functionality enables you to investigate totals and balances in a financial report. You can view any report tree and drill down to transaction level in the hierarchy. This is a powerful analysis tool.

For example, a company financial officer runs a financial report, including a budget column for comparing actual postings with budgets. The financial officer notices a high figure for travel expenses and decides to analyze further. The officer opens Report Tree Drill Down and selects the relevant financial report view, which displays the tree in the same format as it is displayed in the report itself. The financial report officer drills down into the tree nodes, navigates to the problematic costs, groups the data to identify the source transaction, and locates the transaction in the source GL browse.

Before you can drill down into a report tree, you first create a view of the relevant report tree using **Financial Report Tree Views**. Each field on this screen corresponds to a dimension of the report cube. When you have saved your report tree view, you can use the Actions menu to drill down into the report tree.

Main

Report Tree

Enter a meaningful report tree code.

Cube

Enter a cube code.

Filter Analysis

You can use this field to specify a particular analysis code to filter the view you create.

Shared

If you do not want other users to see your view, clear this field. By default, this field is selected. This means that other users can see this report tree view.

Report Year From/To

Specify the start and end periods for your report tree view.

Unit Type

You can choose to display by presentation currency or by source currency. The source currency depends on a setting in your cube. Therefore, the source currency is either the statutory currency or the base currency.

Financial Report Tree Drill Down

The Report Tree Drill Down is displayed in the same hierarchy as in the financial report. The deepest level contains the balances as stored in the report cube. To view a particular balance, expand its parent node.

The columns in the Report Tree Drill Down give you a consolidated view of the report tree. The columns displayed correspond to the dimensions in the report cube. Therefore, you can see different columns, depending on the report cube that the view is based on.

To make it easier for you to organize the data, you can drag and drop the columns into different positions on the screen. To move a column, click the column header you want to move and drag it to the required position.

Note When Unit Type is set to Presentation Currency in **Financial Report Tree Views**, the decimal digit number is displayed for all amounts according to the rounding setting of the presentation currency. Set the currency rounding in **Currencies**. If the Unit Type is set to Source Currency, the decimal digit number in Report Tree Drill Down is two.

The More drop-down list enables you to perform various operations on the report tree hierarchy:

Expand All

This option enables you to expand all nodes in the report tree hierarchy. The expansion can take some time if you are retrieving many balances from the cube.

Collapse All

This option collapses all the nodes in the report tree hierarchy. Only the top-level node is displayed.

Export to Excel

When you select Export to Excel, you export the whole tree to Excel. The tree is exported exactly as you have it displayed in the Report Tree Drill Down. In Excel, you can also conduct further analysis by expanding and collapsing nodes with one click.

Open GL Account Balances

Click Open GL Account Balances to view the GL Account balance in a separate pop-up browse. In the Main grid, any analysis code for which such data is available will have an icon displayed on the line in the GL Information column.

Financial Report Column Groups

The Financial Report Writer produces reports that can have up to 99 columns in the setup and report generation logic. However, the standard layout of the printed output has up to 16 columns predefined. You can define the number of columns, the content of each column, and the presentation details in Financial Report Column Groups.

When you create a column group, you can use it as part of the report master record that you create using **Financial Report Masters**. You can create as many column groups as you need. Each column group is linked to a report chart because you can specify a report analysis code as the detailed element of a column, and report analysis codes belong to a report chart.

Main

Column Group

Enter a maximum of 20 characters for a code to identify the column group.

Description

Enter a description of the column group. You can enter a maximum of 40 characters. You can optionally enter descriptions in more than one language.

Report Chart

Enter a report chart code. The code must reference an existing report chart.

Columns

The Columns grid displays any columns that you have already added to this group. When you add a new column, it is possible to complete the details in the grid. However, you can also select the new line in the grid and click the Details button. The Details frame is displayed, where you can add and view all the information on this column at one glance. The functionality available in the grid and in the Details view are almost identical.

Sequence

This field contains the column sequence number. You can specify up to 9999 columns. The first row that you create in the grid is assigned the sequence 0001. You can rearrange the sequence of rows by selecting, dragging, and dropping the rows. The system resequences the new row order.

Column Label

Specify a maximum of 20 characters for the label to print above the column on the report. You can enter plain text and use special variables as part of the text. The special variables are:

- FY#: From Year
- FP#: From Period
- TY#: To Year
- TP#: To Period
- FQ#: From Quarter
- TQ#: To Quarter. Periods are mapped to quarters using a fixed logic. Periods 1 to 3 map to Q1, periods 4 to 6 map to Q2, periods 7 to 9 map to Q3, and periods 10 to 12 map to Q4.

When you use the Details view to add a Column Label, the Include Variable button reveals a list that enables you to select one of these special variables.

When you run the report, the variables are replaced by the report year and the period details you specified on the prompt page. The variables can also be replaced by the year and period, as calculated when comparing results with past GL periods.

Column Type

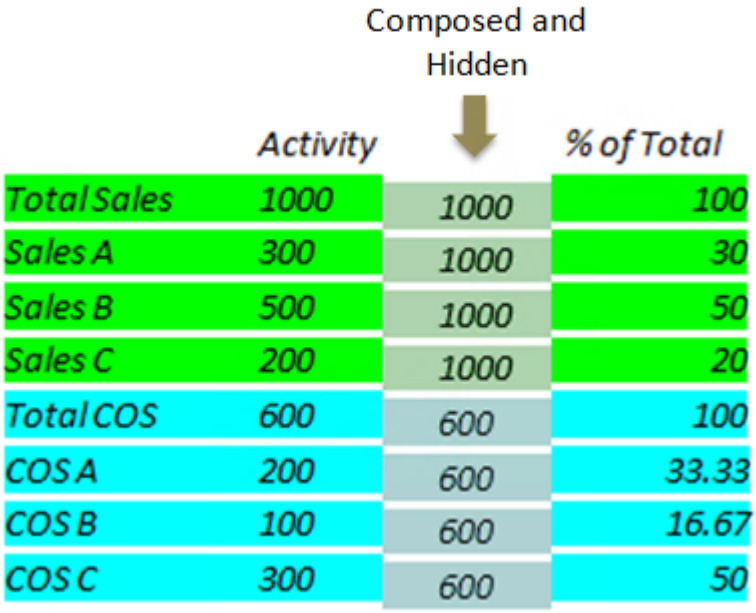
Specify the type of data that you want to display in this column. The options are:

- Actual: Select this option if the column will contain actuals posting data.
- Budget: Select this option if the column will contain financials budget data.
- Calculated: Select this option if the column will contain a calculated value. If you select this option, you must enter the calculation formula in the Formula field.
- Forecast: Select this option if the column will contain forecast data from a financials budget.
- Composed column type: Select this option when the column will contain data from a calculate operation involving multiple ranges of analysis codes in the tree. For each range, you can specify which column the amount is to come from and whether the value comes from the same row or from a specific analysis code. This type is generally used for calculations on reports that vary from

section to section to compare details as a percentage of various sub-totals. A composed column is generally hidden on the report.

In the Composed Column Example, the last column % of Total displays the % compared to Total Sales for the first part of the report. It displays the % compared to Total COS for the second part of the report. You can produce this report by inserting a hidden column of type Composed that contains the value of Total Sales (1000) on all the rows of the first part of the report, and the value of Total COS (600) for all the rows in the second part of the report. The last column is a simple calculation dividing the values of the first column by the values of the second column and multiplying by 100.

Composed Column Example



Measure Type

Specify the type of balance that you want to display in this column. You can choose from Balance Opening, Balance Opening Debit, Balance Opening Credit, Activity, Activity Debit, Activity Credit, Activity YTD, Balance Closing, Balance Closing Debit, Balance Closing Credit, Calculated.

- The Balance Opening types provide the opening balance at the beginning of the reported period (From Year and From Period).
- The Balance Closing types provide the closing balance at the end of the reported period (To Year and To Period).
- The Activity types provide the activity during the complete reported period (From Year/Period - To Year/Period).

Note When you define a column as YTD activity, the column in the report automatically contains the activity since the start of the year up to and including the To period that you select when you run the report.

Unit Type

Specify the currency in which to represent the amounts in the column. The options are:

- Presentation Currency: Select this option if the report column must display amounts in the presentation currency of the report cube.
- Base Currency: Select this option if the report column must display amounts in the currency that is mapped to the presentation currency in the report cube. If you built the cube with the base currency calculating to the presentation currency, the base currency is used. If you built the cube with the statutory currency calculating to the presentation currency, the statutory currency is used.
- Quantity: Select this option if the report column must contain quantities posted on GL accounts defined with quantity analysis.

Period Type

This field indicates which period data to include in the column. There are five period types:

- Prompt
- Compare
- Quarter
- Compare Quarter
- Fixed

When you select Prompt, the column contains data for the year periods entered on the prompt page when running the report. For example:

- You run a report for 2023/01–2023/03. The measure type is Activity. The column contains the activity for the period 2023/01–2023/03.
- You run a report for 2023/01–2023/03. The measure type is Balance Opening. The column contains the opening balance at the beginning of 2023/01.
- You run a report for 2023/01–2023/03. The measure type is Balance Closing. The column contains the closing balance at the end of 2023/03.

When you select Compare, the column contains data from a prior GL period you want to compare with. Instead of showing the activity or balance for the report period entered on the prompt page, the program

displays the balance of a previous reporting period. To define the prior period to report on, use the Compare type and Offset fields.

When you select Quarter, you can put columns with quarterly totals next to columns with monthly totals on the same report. Assuming your cube has months as periods, system logic translates the From Period entry to the corresponding quarter.

For example, period 2 belongs to quarter 1, period 8 belongs to quarter 3, and any period from 10 up to 14 belongs to Q4. The To Period entry belongs to a To Quarter in the same way. Therefore, if you run a report from period 1 to period 3, the report displays the results of Q1 in the Quarter column. However, if you run a report from period 3 to period 3, the report also displays the results of Q1 in the Quarter column. This enables you to produce a report with a column displaying last month's figures and another column with figures from the last quarter next to it. If a cube has only four periods, the period and quarter are treated as equal.

When you select Compare Quarter, you can also put columns with quarterly totals next to the previous quarter's totals on the same report. The number of quarters entered in the period offset is subtracted from the calculated quarter. For example, if system logic finds Q2 based on the period selected, Compare Quarter with an offset of 1 returns the figures of Q1. If the logic finds Q1, Compare Quarter with an offset of 1 gives the figures of Q4 the previous year.

When you select Fixed, you can define a report column with a fixed period linked to it and enter a fixed period range for the column. The report prints the amount for that period, regardless of the period entered on the report selection. For example, if you want to create a report showing the 12 periods of the year in 12 columns, you can use fixed period type for each of the 12 months. In the same report, you can still have a Year To Date (YTD) column. Only the YTD column corresponds with the period selection that you enter when you run the report. The other 12 columns always show the 12 months. Fixed periods that fall beyond the period selected on the report selection page are automatically hidden.

Period Compare Type

When the Period Type field is set to Compare, this field lets you indicate what values to compare with. The options are:

- Report Period: Compare with a previous report period. You can go back as many periods as there are in a report year.
- Report Year: Compare with a prior report year. You can go back as many years as you want, provided that there is data for that year in the cube.

Note The ability to compare data is only available if the report cube also spans this time frame. For that reason, it is recommended that you maintain report cubes with data that spans two report years. For

example, if you maintain a cube with data from 2021–2022 and 2022–2023, you have data from the prior year to compare in the same cube.

Offset

When the Period Type field is set to Compare, this field lets you enter the number of periods or years you want to go back for the comparison. For example, for a column, you specify:

- Period Type = Compare
- Compare Type = ReportPeriod
- Offset = 3

You then run a report for 2023/01–2023/03 and the measure type is Activity. The comparing column contains the activity for the period 2022/10–2022/12. When running the report, the program goes back three report periods relative to the selected period.

Formula

If you specify Calculated in the Measure Type field, enter a calculation formula in this field. Calculations are always performed using the values from other columns or using constants. The reference to a column in the calculation is in the format letter C followed by a column number with no leading zeros; for example, C9. Component columns must be part of the same column group. This restriction is not validated when you create the column group; only when you use the tree to run a report.

You can enter two types of calculations: summations or multiplication/division.

- Summation calculations: If you enter a list of columns, each separated by a comma (“,”), you can sum the balances of the columns. For example, if you enter C1,C2,C5, the calculation results in the sum of columns 1, 2, and 5. In summation calculations, you can also subtract by placing the column between brackets. For example, if you enter C1,(C2),C5, the calculation results in the sum of columns 1 - 2 + 5.
- Multiplication/division calculations: To create a multiplication/division calculation, you can enter a maximum of three factors separated by * or /. For example, if you enter C1/C2*C5, the calculation first divides Column 1 by Column 2, and then multiplies the result by Column 5.

You can also use constants in multiplication/division calculations. For example, if you enter C1/C2*100, the calculation first divides Column 1 by Column 2, and then multiplies the result by 100. This method is useful for percentage calculations. The component columns (Column 1 and Column 2) must be part of the same column group.

You cannot combine summations and multiplication/division type calculations in a single formula. However, you can use the column that

contains the result of a calculation as a component for a calculation in another column.

Example

Column 4 has a measure type of Calculated and uses the formula C1, (C2),C3. Column 6 also has a measure type of Calculated and uses the formula C4/C5*100. This results in the formula C6 = ((C1 - C2 + C3)/ C5)*100).

You cannot use brackets in multiplication/division type calculations. You can address this restriction using cascaded calculations.

Example

You want to calculate the result of the formula C5 = C1/(C2*C3), but you cannot use brackets in a multiplication/division type calculation. The formula C5 = C1/C2*C3 does not give the correct result because it first divides C1 by C2, and then multiplies the result by C3. To get the result you require, first create the formula C4 = C2*C3 and then create a second formula C5 = C1/C4.

Important Be careful not to create circular references when using cascaded calculations. Circular references cause Financial Report Run to stop with an error message.

You cannot use the calculation sequences C4=C1*C2, C5=C3/C4, and C2=C5/C6 in a column group. The value of column C2 depends on the value of column C5, calculated by the second calculation in the sequence. Similarly, the value of column C5 depends indirectly on the value of column C2, calculated as a result of the first two calculations.

You can add a calculation that references a report analysis code to a Financial Report Writer column.

Note For more information on summations, multiplication and division, and cascaded calculations, see Financial Report Analysis Codes on page 6406.

Budget Source

When you select Budget as the Column Type, this field defaults to Web UI Budget. However, it is possible to select Net UI Budget.

Budget

From the lookup, select a budget to use for this column.

Budget Description

The budget description is read only, and defaults based on the Budget field.

Use Operational Version

By default, this field is selected. That means that this column will display values based on the operational version of a budget.

Budget Version

This field is enabled only when you clear the Use Operational Version field. You can select another budget version using the lookup.

Version Description

This field is read only and defaults based on the budget version you have selected.

Analysis Code

This optional field allows you to specify a report analysis code, which is useful if you want to include side-by-side comparisons in the report. For example, to compare the balances of several entities, create a special report analysis code for each targeted entity and create a column for each entity that contains the corresponding analysis code. As a result, only the balances of the targeted entities are displayed in each column.

You can make comparisons for any dimension of the COA. You can compare entities, sub-accounts, cost centers, SAFs, GL accounts, layers, and other elements side-by-side in columns. The report analysis code must belong to the chart specified in the header of the report column group and the report analysis code must have only a single COA dimension; for example, only an Entity selection or only a Cost Center selection. You cannot use analysis codes that have two or more dimensions combined; for example, Entity and Cost Center selection.

Fixed Period From

Specify a fixed period from which the amount displayed is calculated.

Fixed Period To

Specify a fixed period to which the amount displayed is calculated.

Hide Future Periods

When you have fixed period columns, you can select this field to hide these columns that contain future periods compared to the period range selected at the prompt.

Example

You have 12 fixed periods columns on a report, one for each month of the year, and with Hide Future Periods selected. When you run the report and specify the period range 2020/01 to 2020/07 as the filter, columns for periods 08 to 12 are not printed on the report.

Hide Column

When you include columns in calculations, you may need an extra column to store an intermediate calculation result you do not want to display on a report. In this case, select the Hide Column field.

Zero Suppress

You can choose to suppress zero in the maintenance for the report column group. If a column is set with zero suppress, the zero amount is blanked out in the result of the report run. Otherwise, the zero amount is displayed.

Full Amount

Select this field to display amounts in full.

Sign (%, $, ...)

You can enter a currency sign, currency code, or percentage sign of up to three characters. When you enter %, the related amount is multiplied by 100. When you enter ‰, the related amount is multiplied by 1000. When you enter PC#, the report cube presentation currency code is displayed in the report.

Sign Position

You can specify the sign to be leading or trailing after the amount.

Negative in Brackets

Select this field to display negative amounts in parentheses in this column.

Negative in Red

Select this field to display negative amounts in red in this column.

Label Style

This field enables you to control the alignment of the column label. This field is useful when you have a stacked label, which is a column label that spans more than one line. Possible values are center or left. The default label style is right-aligned.

Moving and Resequencing Columns

In the grid of **Financial Report Column Groups**, you can move and rearrange columns by selecting, dragging, and dropping the grid row for the column. The system then automatically updates the column sequence numbers to reflect the new order.

If you move a column referenced in a calculation formula to a new position and sequence number, the system automatically updates formulas with the column to reflect the column’s new sequence number. If you try to delete a column row that is used in a formula, the system displays a warning message.

Calculations Using a Report Analysis Code

You can add a calculation that references a report analysis code to a Financial Report Writer column. For example:

1. a report tree that contains individual report analysis codes and a parent node that sums the child analysis codes (for example, Total Sales).
2. a report column group. Ensure that the first column references the actual business value (for example, Sales).
3. a second column with a type of Calculated, specify the required formula in the Formula field, and in the Analysis Code field, specify the analysis code that is the parent node of the report tree you created (for example, Total Sales).
4. a report master record that uses the new column, and run the report in **Financial Report Writer**.

The following table shows an example of a ratio calculation:

Example Calculation Using a Report Analysis Code

Tree Nodes	**C1 - Actual Opening**	**C2 - Actual Activity**	**C3 - Calculated Formula** **C2/R2*100** **Analysis Code = "Total Sales"**
R2 - Total Sales	0	200	100 (200/200*100)
R3 - Sales North	0	50	25 (50/200*100)
R4 - Sales South	0	80	40 (80/200*100)
R5 - Sales Mid	0	70	35 (70/200*100)

In the table, column C3 contains a calculation (C2/R2*100) that references a report analysis code, Total Sales, to a Financial Report Writer column. The calculation result displays the sales for each region as a percentage or ratio of the total sales. C2 stands for the values from Column 2, Actual Activity, and R2 stands for the value in Column 2 for the row with the relevant analysis code. You can enter the Total Sales analysis code in the Analysis Code field of the Calculated column. However, you must also define the Total Sales analysis code as a row on the report tree.

Financial Report Masters

Creating a report master record is the last step in the setup before you can actually run a report. You can create as many report master records as you need different report layouts. The report tree and the column group components of the report master are linked to a report chart. As a result, the report master is linked to the same report chart as the report tree and column group that are part of the report master.

Main

Report Master

Enter a report master code that uniquely identifies the report master record in the system.

Description

Enter a description of the report master. This description is displayed in browses.

Title

Enter the title to print at the beginning of the report. The translate functionality allows you to translate the string in this field. You can enter plain text and you can also use the special variables as part of the text. These special variables are replaced on the report with the report year and period details you specify when you run the report. The Include Variable button reveals a list that enables you to select one of these special variables.

- From Year
- From Period
- To Year
- To Period
- From Quarter
- To Quarter
- Start Date
- End Date
- Filter of Analysis Code
- Description Subtitle

Report Chart

If you are creating a report master record, enter a report chart code. This code must relate to an existing report chart. All subsequent elements of the report master must be linked to the same report chart. The elements are the report tree, column group, and controlling report

analysis code. The description of the report chart is displayed in a read-only field.

Subtitle

Enter the title to print under the report title. The translate functionality allows you to translate the string in this field. You can enter plain text and you can also use the special variables on the Include Variable list as part of the text.

Roles

You can secure reports so that only certain users can run them. When the Roles field is blank, you can only run a report when you have access to all the entities linked to the report. You must have permission to use the menu Financial Report Run in each entity.

Optionally, you can use the grid to specify a role that a user must have in each of the involved entities. When you specify more than one role, a user must have only one of the roles in each involved entity.

If you do not have the permissions for entities linked to the report, but want to run the report for entities where you have permissions, create an additional filter analysis code. This code filters out the forbidden entities and uses this analysis code as a Filter Analysis Code in the Financial Report Run selection screen. You can then run the report for the allowed entities only.

A role must be set to Active to have access.

Column Data

Column Group

Enter an existing column group code that is linked to the report chart specified in the report master. The column group specified here determines the column layout of the report. The description of the column group is displayed in a read-only field.

Report Amount Scale

Specify how you want to display the amounts in the report. You can display the amounts in full, in thousands, or in millions.

Number of Decimals

From the list, select the number of decimals you want in the report. You can have up to three decimals.

Zero Suppress Type

You can specify the nodes to appear as rows in the report. The options are:

- None: All nodes are displayed.

- Show all COA codes: All COA codes of the COA Type (1) selection criteria you select in Financial Reports are displayed in the report, even those with zero amounts.
- Suppress zero on all nodes: Any nodes with a zero amount are not displayed.
- Suppress zero on leaf nodes: Any leaf nodes with a zero amount are not displayed.

Report Tree

Report Tree

Enter the top-level report analysis code for the report tree, also referred to as the root node. This code must be an existing report tree linked to the report chart as specified in the report master.

Analysis Label

Specify the label you want to print as the column header label above the report tree hierarchy. This label is on the left part of the layout. The string entered in this field can be translated.

Analysis Label Display

Specify whether to print the code, the description, or both for the report tree hierarchy.

- Code Only: Only the report analysis code as used in the tree.
- Code and Description: The code and the description of the report analysis code as used in the tree.
- Description Only: Only the description of the report analysis code as used in the tree.

Print GL Transactions

Select a value to indicate how you want to print GL transactions on the report. The options are:

- No: Choose No if you do not want to display detailed transactions on the report.
- All: Choose All to include all detailed transactions in the report tree in the report. When running the report in Financial Report Run, you must also select the Print Details report selection criteria for this option to take effect.
- Selected: Choose Selected to only include detailed transactions that relate to a report tree leaf node for which Show Details is selected in the Report Tree. When running the report in Financial Report Run, you must also select the Print Details report selection criteria for this option to take effect.

Indent (Twips)

The report tree hierarchy on the report prints child nodes, indented relative to their parent. Use this field to specify the size of the indent in twips. Three hundred twips are approximately 0.7 cm.

Level To Print

Specify the level of report tree detail you want to display in the report. The default is zero, which displays all levels of the report tree. To only see the top level of the report tree, set the value to 1. To see the top two levels, change the value to 2, and so on.

Max Posting Lines

Specify the maximum number of posting lines to include in the report. If the total number of lines in the report exceeds the maximum posting line value specified, an error message displays when you run the report.

The default limitation on posting lines is 50,000.

Financial Report Writer Run

The filters enable you to control the report output.

Settings

The Settings panel, which is closed by default, includes sub-panels for Format, Date Display, and Decimal Display settings. For more information, see Reports on page 296.

Layout

The Layout field in the Format sub-panel contains two choices:

- Financial Report Run. This is the default layout. Use this layout to print a report with up to 16 columns. You can print the report on A4 or A3 paper, depending on the number of columns.
- Show All COA. The Show All COA layout can generate a report with up to 60 columns and is optimized for output to Excel.

Filter

Report Master Code

Enter the report master code for the report. You can select the code from the lookup. This field is mandatory. The report master determines the layout of the report, such as columns, indents, and style.

Cube Name

Enter the report cube where the report data is stored. You can select the cube name from the lookup. This field is mandatory. The report cube determines where the report amounts are retrieved from and determines the presentation currency and the report calendar.

COA Type (1-3)

Specify up to three dimensions to explode analysis codes in the report. For example, you can choose to explode the report first by GL account, then by sub-account, and then by cost center. This field is optional. An exploded analysis code displays each of its components in a separate line. You can specify the dimensions for which the explosion applies. For example, the analysis code SALES is defined for a range of GL accounts. If you do not specify a COA type when running the report, the report displays the value amount of the GL accounts included in SALES. If you specify Entity as the COA type, the report displays the subtotals for each entity of SALES on a separate line.

The report cube must include the dimension. If the data for the dimension is not collected in the cube, the report cannot display details. Dimensions GL account, Entity, Layer and Intercompany are always available in a cube.

Filter Analysis Code

Specify a report analysis code. The selection of the Filter Report Analysis code is applied to the whole report tree. This field is optional. If you have configured a report analysis code to have a controlling dimension and want to generate reports for that dimension, specify the analysis code in this field. To create separate sub-reports for the controlling dimension, you must also set the Report Burst selection criteria to Yes.

From Year

Specify the first year for which to run the report.

To Year

Specify the last year for which to run the report.

From Period

Specify the first period for which to run the report.

To Period

Specify the last period for which to run the report. To indicate the time range of the report, specify at least one year and period in the From Year/Period or To Year/Period fields. If you only enter the From Year/Period or To Year/Period, the end of the range is automatically set to the same year and period.

Check if cube is up to date

When set to yes, the system checks whether there are unprocessed queue records for the history daemon and cube daemon. When a queue record is found, an error is raised and the report is not printed.

Check Unposted Transactions

When set to yes, the system checks whether there are unposted transactions waiting to be processed by Operational Transaction Post. When any unposted transactions are found, an error is raised and the report is not printed.

Detail Transactions

Select Yes to print detailed GL transactions on the report. To use this option, you must also have selected All or Selected in the Print GL Transactions field on the report master.

If you set this field to Yes, but have not configured the required setup in Report Master or in Financial Report Trees, the report displays an error message. Select No if you do not want to print detailed GL transactions on the report.

Show COA Columns

Select Yes to display additional columns on the report. When you set Show COA Columns to Yes and Detail Transaction to Yes, the

report displays additional COA columns and uses an Excel layout to allow the additional COA columns to display. If you set Show COA Columns to Yes, but the COA Type fields are blank and the Detail Transactions field is set to No, an error message displays indicating that the Show COA Columns option requires a COA Type and that Detail Transactions must be set to Yes.

Report Burst

If you have set up controlling dimensions for report analysis codes, this setting allows you to create a separate report page for each controlling dimension. Select Yes to create a separate report page for each controlling dimension. You must also specify the report analysis code with the controlling dimension in the Filter Analysis Code. Select No to create a separate report page for each controlling dimension.

Filter COA Type

Specify a COA type from the list. The selection of the COA type is applied to the whole report tree.

Filter COA Code

Specify a valid COA code to filter on.

Using Budgets in Financial Reports

A budget is a set of amounts that is expected to be spent or earned during a given time period. Most organizations compile budgets annually to plan for expenses and revenues.

The Budgets function allows you to enter estimated budgeting and forecasting amounts for a specified range of periods. It is highly interactive with Financial Report Writer. You can retrieve the base amounts of previous years by COA dimensions from the Financial Report Writer cube and you can also review the Financial Report Writer reports with the planned budget and forecasts.

For more information on creating a budget, see Budgets on page 6328.

To create a budget in **Budgets**, you need to specify the Financial Report Cube and the Budget Year/Period range, which is based on the periods that are defined in the Financial Report Cube. The currency amount follows the presentation currency of the cube.

Financial Report Column Groups

To make the Financial Report Writer report easy to use, you can define the budget information directly in **Financial Report Column Groups**. You can set the budget from Web UI or .Net UI, select the budget version or use the operational version directly. For more information, see Financial Report Column Groups on page 6426.

Financial KPIs

Financial KPIs supports both Net UI budgets and Web UI budgets. Separate fields allow you to specify which budget you want to use. For more information, see Financial KPIs on page 6449.

Financial KPIs

Organizations have measurable goals that are tied to the organization strategy. Management needs to be able to quickly ascertain how organization performance compares to these set goals. KPIs (Key Performance Indicators) are visual measures of performance that enable a manager to see at a glance how the organization is performing. Examples of KPIs include Net Profit Margin, DSO (Days Sales Outstanding), and DPO (Days Purchases Outstanding).

Using existing report definition elements in Financial Report Writer, you can define, calculate, and display KPIs as graphs and charts in the Action Centers, helping you to see at a glance how the organization is performing. You can also drill into KPIs and display charts and graphs to a more granular level. The Action Center enables a CFO to view all important KPIs on one screen and to display the KPIs in more detail.

To set up and use a KPI, any elements that you use in the KPI formula must be included in a Financial Report Writer report master and a report cube with the related aggregated financial data.

Setting Up KPIs

To set up a KPI, perform these steps:

1. Set up KPI calculation elements.
2. KPI slices to allow you to view the KPI by dimension type.
3. Define a KPI composed of KPI elements.
4. View and analyze the KPI in the Action Center.

For example, to create a KPI to measure Working Capital Turnover Ratio, use the formula:

Working Capital Turnover Ratio = Net Sales/(Current Assets - Current Liabilities)

1. Set up KPI elements for net sales, current assets, and current liabilities.
2. a KPI slice of type entity to view the ratio by entity.
3. Define a KPI named Working Capital Turnover Ratio.
4. View the Working Capital Turnover Ratio and analyze the overall ratio and the ratio by entity using the Action Center.

Financial KPI Elements

Financial KPI Elements enables you to create the elements that make up the formula for a KPI. Each element is a report analysis code or a constant. The element must already be defined within the Financial Report Writer.

For example, to create a KPI to measure Working Capital Turnover Ratio, the formula is:

Working Capital Turnover Ratio = Net Sales/Working Capital

Working Capital = Current Assets - Current Liabilities

Working Capital Turnover Ratio = Net Sales/(Current Assets - Current Liabilities)

Therefore, you need to create three KPI elements in **Financial KPI Elements**:

- Net Sales
- Current Assets
- Current Liabilities

Main

KPI Calculation Element

Enter a code for this element.

Description

Enter an element description.

Active

Select this field to make the element active and available to use.

Comment

Optionally, enter a comment with further details on the element.

Report Master

Report Master

Select an existing report master. When you select the report master, the Report Chart, Report Tree, Occurrence, and Report Column Group fields are populated automatically.

Report Analysis Code

Report Analysis Code

From the lookup, select a report analysis code for use in this element. The analysis codes are displayed in the lookup as nodes within the report master. Double-click a node to select it. You can also select a column to include. You can only select one column.

Analysis Type

This field is read-only and defaults from the chosen report analysis code.

Controlling Dimension

This field is read-only and defaults from the chosen report analysis code.

Columns

The Columns grid will automatically be populated from the Report Column Group field, as defined by the Report Master that you select. Once you enter a value in the Report Master field, the Report Column Group field and subsequently the Columns grid will be populated. You can then choose a column to use.

Note Only a single column can be selected.

Financial KPI Slices

KPI slicing categories enable you to analyze a KPI value in more detail. For example, you can analyze a KPI in different entities by defining a slicing category with the entity values you are interested in. You can also define a slicing category with type cost center so you can analyze the KPI in different cost centers. For each slice that you add to the grid, this slice becomes a drill-down into the KPI.

The slicing category types are:

- Report analysis code
- Entity
- GL account
- Sub-account
- Cost center
- Project
- SAFs

If the type is report analysis code, you can specify the report analysis codes you want to filter on in the Slices grid.

For example, you want to analyze a KPI by region. You first create three report analysis codes representing the regions named:

- Americas
- Europe
- Asia-Pacific

Each report analysis code contains the list of entities for the region. Now you can create a KPI slice category named Region with the type report analysis code and list the three analysis codes Americas, Europe, Asia-Pacific under it. These slices allow you to analyze a KPI by region.

Consider another example. You want to analyze a KPI by entity. You do not need to create analysis codes for each entity. You can immediately create a KPI slice category named Entity with the type Entity. These slices allow you to analyze a KPI by entity.

Financial KPI Slices enables you to create and maintain a KPI slice.

Main

Slicing Category

Enter a code for the slicing category.

Description

Enter a slicing category description.

Type

Choose the dimension that you want to create a slice for. For example, if you choose Entity, all the entities defined in the report chart that are included in **Financial KPI Elements** become part of the slice. The grid becomes actives when you select Report Analysis Code as the type.

Report Chart

This field becomes active when you select Report Analysis Code in the Type field. Specify a report chart to enable a drill down for each value in the report chart based on the analysis code.

Active

Select this field to make the KPI slice active.

Slicing Category Items

The grid becomes active when you select Report Analysis Code in the Type field. In the grid, you can add multiple report analysis codes—slice values—that will be subsequently displayed in the KPI chart.

Financial KPIs

After you set up KPI elements, you can then use these elements to define the KPI.

For example, you want to create a KPI to measure Working Capital Turnover Ratio. The formula is:

Working Capital Turnover Ratio = Net Sales/Working Capital

Working Capital = Current Assets - Current Liabilities

Working Capital Turnover Ratio = Net Sales/(Current Assets - Current Liabilities)

When you have created the KPI elements, you can use them to define a KPI named Working Capital.

Main

KPI

Enter a meaningful code to identify this KPI.

Description

Enter a meaningful description for this KPI.

Report Cube

Enter the source report cube for this KPI. The cube must be linked to the same report chart as the report analysis codes used in the calculation elements.

Report Chart

The Report Chart field is read-only. It is populated automatically when you select a report cube.

Active

Select this field to make the KPI active.

Reference Key

Enter a unique reference key for this KPI.

Net UI Budget

Depending on the type of KPI, it can include a budget created in Net UI for comparison purposes. If your KPI is measuring actual values against budget targets, enter a budget code to use to retrieve budget KPI values. You can only include one budget, so if you enter a budget in this field, you cannot also enter a Web UI budget.

Web UI Budget

Depending on the type of KPI, it can include a budget created in Web UI for comparison purposes. If your KPI is measuring actual values against budget targets, enter a budget code to use to retrieve budget

KPI values. You can only include one budget, so if you enter a budget in this field, you cannot also enter a Net UI budget.

General

Formula

Enter the KPI formula in this field. The formula contains KPI elements that you have created to use with this KPI. You can use the lookup to view the KPI elements that are available to use. Only KPI elements within the selected report cube are displayed in the lookup.

Unit Label

Enter a unit label to include on the KPI charts and graphs. The unit label indicates the meaning of the KPI values displayed as a result of the calculation; for example, $, EUR, or %.

Comment

Optionally, enter a comment with further details on the KPI.

Slicing Categories

On the Slicing Categories panel, you can add slice dimensions to the grid. These slices enable you to split an overall KPI value into slices, with the ability to drill down into a KPI value to view entity or cost center level amounts, for example. You can add any KPI slice that you have created in **Financial KPI Slices**.

Self-Bill Invoicing

In the automotive industry, suppliers often do not send invoices to their customers. Instead, the customer remits a self-bill for the shipment received. The self-bill document includes the details about received shipments and the amount due to the supplier for these shipments. The amount also reflects any deductions for defective or damaged parts, and any other related credits due. In this process, the customer decides the payable amount instead of relying on an invoice from the supplier.

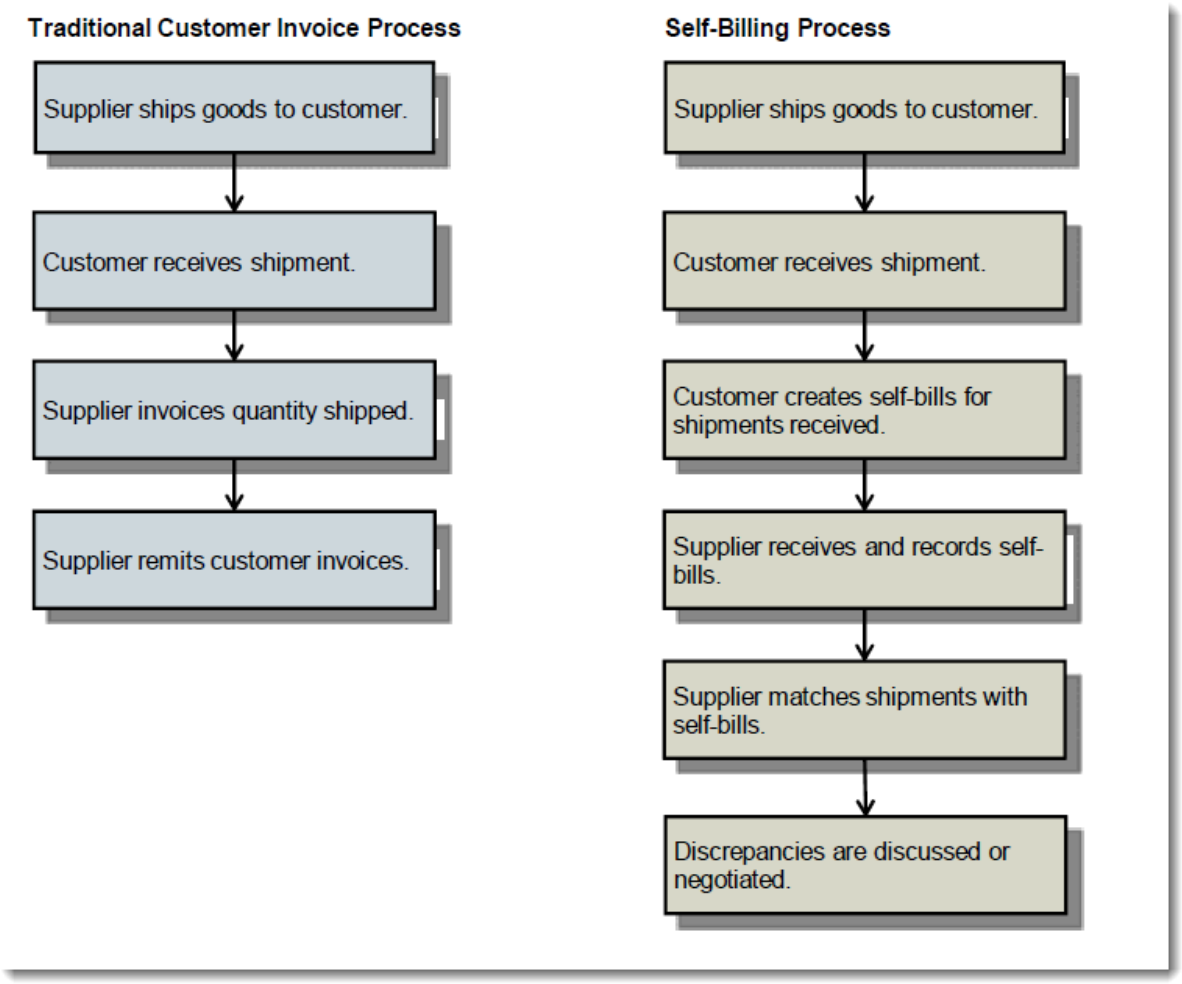
The self-bill is remitted to the supplier, who processes and matches the document with the unmatched shipments.

If the supplier notes any discrepancy between the self-bill and the shipment record, the customer must be notified within a predefined period to make the correction, when needed. Sometimes the discrepancies must be written off as losses by either the supplier or the customer.

The information remitted on the customer’s self-bill can contain different details, based on the specific industry. These details can include customer bill-to, PO numbers, RANs, part numbers, shipper numbers, and others. The customer remittance document must always include an amount payable to the supplier, which may be adjusted for defective or damaged parts, and any other credits due.

The following figure shows the difference between the traditional customer invoice process and the self-billing process.

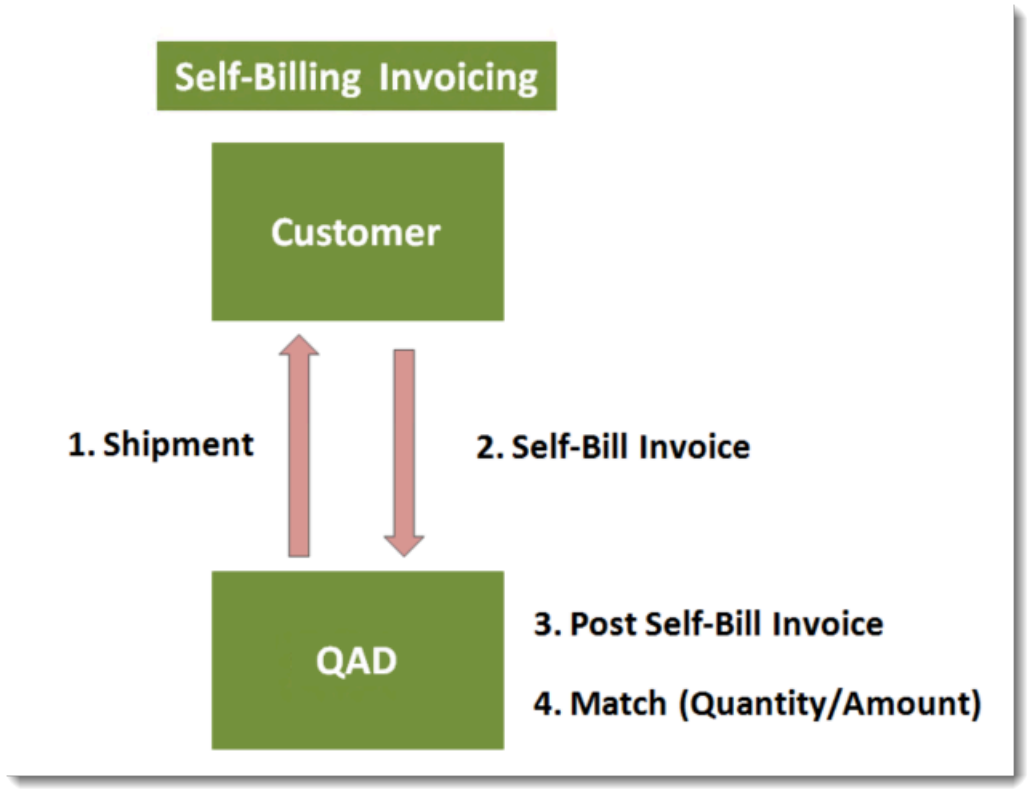
Traditional Customer Invoice Process and Self-Billing Process



From a financial process perspective, the fundamental difference is that it is the customer who creates the invoice, based on what they have received or used. The supplier receives that invoice, typically using EDI. The invoice is posted into the supplier system and is compared with the shipment information, using automatic matching algorithms that minimize the need for manual reconciliation. Any differences are discussed with the customer, who may need to make adjustments on their side that are subsequently processed as additional invoices. Because the customer creates the invoices, the supplier can be confident of payment.

There is also the option of creating an accrual at time of shipment to recognize the value of shipments that have not been invoiced. These accruals are reversed when the self-bill invoice is posted. Self-Billing also postpones the creation of the internal invoice until the customer-created invoice is received, and therefore also delays the recording of VAT.

Self-Bill Flow



Before using Self-Billing, the following setup steps are required.

- Enable self-billing in Self-Billing Control on page 6457.
- Set customer data in Customer Domain Settings on page 854.
- Specify GL accounts in Product Lines on page 699, Sales Accounts on page 1532, and Customer Domain Settings on page 858.
- Set customer items in Customer Items on page 1229.

The steps in the complete self-billing process are:

1. Set up self-billing (see the previous list).
2. Apply self-billing to sales orders and customer scheduled orders.
3. Ship self-bill shipments.
4. Process self-bill orders, including creation of invoices and invoice posting.
5. Match self-bill invoices.
6. Where necessary, force match self-bill invoices and shipments.
7. Where necessary, change the prices on shipments.
8. Where necessary, set up shipment exclusions.

Self-Bill Invoicing Operational Flow

Specifying GL Accounts

When Self-Billing is activated in Self-Billing Control, you can specify sales accrual accounts to accrue self-billing sales in:

- **Customer Domain Settings**: You can specify GL accounts for a specific customer.

  Note For full details, refer to the Customer Domain Settings Self-Bill Accounts panel on page 858.

  - You can specify an AR Accrual account to be used as the balance account for posting the self-billing accrual and reversal.
  - You can specify a Sales Accrual account. This sales accrual account is only used when there is no item record for the item on the self-bill; for example, a memo item that does not belong to a product line. For items with an item master record, the sales accrual account is taken from Product Lines.
  - You can specify a Miscellaneous Charges account to be used for non-sales self-billing invoice lines such as container or line charges or other miscellaneous postings. It is used for GL-type invoice lines only.

- **Product Lines**: In Product Lines, you can specify GL accounts for specific product lines as the sales accrual accounts.

  On the Self-Billing Accrual Accounts panel on page 722, in the Sales Accrual Accounts field, specify a GL account, sub-account, and cost center for the specified product line. The account must be a valid, active account of type Standard. The accrual is created when shipments are confirmed and reversed when self-billing invoices are posted. The settings in Product Lines are used as the default when there is not a more specific match in Sales Accounts.

- **Sales Accounts**: In Sales Accounts, you can specify a more granular approach for sales accrual accounts by using combinations of Product Line, Site, Customer Type, and Channel.

  Then, on the Self-Billing Accounts panel on page 1532, in the Sales Accrual fields, enter the general ledger (GL) account code used to accrue the sales of items on self-billing sales orders that match the current combination. This account must be a valid, active account of type Standard. The accrual is created when shipments are confirmed and reversed when self-billing invoices are posted.
  For consignment self-billing sales orders, the accrual is generated when inventory usage is recorded and reversed when the associated self-billing invoices are posted. This setting defaults from Product Lines.

Setting Customer Items

For the self-billing customers, the customer parts are required to be identified with the inventory items of the supplier. Use Customer Items on page 1229 to establish the relationship between customer parts and inventory items.

- Customer/Ship-To: Enter the code of the self-billing customer who receives the sold items.
- Customer Item: Enter the item code that the customer uses. The customer item code is required when you create self-billing invoices. It can be used for matching self-billing invoices and self-billing shipments depending on the matching method specified in Self-Billing Control.
- Item: Enter the item number for the inventory item that you want to identify with the specified customer item.

Self-Billing Sales Orders

When self-billing setup is complete, you can decide whether to apply self-billing to sales orders at order entry.

You can apply self-billing to sales orders on page 976 and customer scheduled orders on page 1118.

Applying Self-Billing to Sales Orders and Customer Schedule Orders

When you enter a sales order in Sales Orders or Customer Scheduled Orders, you can specify whether to apply self-billing to the order by selecting the Self-Billing field on the Self-Billing sub-panel. The value of this field defaults from the setting in Customer Domain Settings. When selected, the customer can initiate the invoicing process after the order is shipped. You, as a supplier, cannot post an invoice for this order by Invoice Post and Print. Use Self-Bill Invoice Post to post the invoices.

Note This sub-panel is only displayed when self-billing is activated in Self-Billing Control on page 6457 and the customer is specified as a self-billing customer in Customer Domain Settings on page 858.

When SB Accrual Mode is activated in Self-Billing Control, you can also specify the AR accrual account, sub-account, and cost center for this self-billing sales order. This account must be a valid, active account of type Standard. The accrual is created when shipments are confirmed and reversed when self-billing invoices are posted. These fields default from Customer Domain Settings.

Note For consignment self-billing sales orders, the accrual is generated when inventory usage is recorded and reversed when the associated self-billing invoices are posted.

Shipping Self-Billing Orders

You can ship self-billing orders using either Sales Orders or Shippers.

Sales Orders – Ship Allocated

When using Sales Orders to ship self-billing sales orders, select Ship Allocated from the Actions menu.

Note For self-billing orders, the Workflow Options panel Invoice field is not displayed.

Shipper – Confirm

When you use traditional sales orders, create a shipper for a self-billing sales order and then confirm it using the Confirm action. Since the self-billing invoices cannot be processed with Invoice Post and Print, you cannot post or print self-billing invoices at shipper confirmation.

Self-Billing Control

Main

Activate Self-Billing

Select this field to enable the Advanced Self-Billing functionality.

Default Customer Matching

Specify the method to match shippers into self-billing invoices. Available options are:

- 01: Matching is done by shipment reference, RAN (Release Authorization Number), customer item, and matching address.
- 02: Matching is done by RAN, customer item, and matching address.
- 03: Matching is done by shipment reference, customer item, and matching address.
- 04: Matching is done by customer item. This option is called FIFO, which is a weak control option.

Accrual Daybook

Specify a daybook that the system uses to register all the transactions in Financials. The daybook must be created for self-billing and with Journal Entries type and Operational control. The transactions registered in this daybook are:

- SH-FM: Shipment forced matching
- SH-RM: Shipment reverse matching
- SHP-SS: Discrete sales order shipment
- SHP-CF: Shipment confirmed (using scheduled orders)
- SBI-MT: Self-billing matched tolerance
- SHP-RB: Shipment Revaluation

Reversal Accrual Daybook

Specify a daybook to post the accrual reversals for self-billing. The daybook can be the same as the Accrual Daybook, or another. The transactions registered in this daybook are:

- INV-FM: Invoice Forced Matching
- INV-RM: Invoice Reverse Matching
- INV-PT: Invoice Posting

Activate Shipper Exclusion

Specify whether to activate the shipper exclusion functionality. When selected, you can set up exclusion criteria on the Self-Billing panel of

Customer Domain Settings. You can specify the shippers to exclude in Self-Bill Excluded Shipments on page 6457.

Activate SB Accrual Mode

Select this field to enable accruals and reversal accruals when shippers and self-billing invoices are processed. If enabled, you are prompted to specify the accrual account at order entry; the revenue accrual is created when the shipments are confirmed (or consumed in consignment inventories). The accrual is reversed automatically when the self-billing invoice is posted.

Activate Customer Item Validation

Specify whether to validate customer items during self-billing invoice creation. When activated, the items in the invoice must be valid items in item master data. Otherwise, the invoice cannot be created. Memo items cannot be invoiced using the self-billing process.

Avoid AR Posting for PD Inv Lines

Specify whether to stop the invoice lines with price differences from being posted. This field works with the Self-Billing Exclusion functionality as follows:

- When this field is selected and the shipper in the invoice line is excluded, you cannot post the invoice line with a price difference.
- When this field is selected and the shipper in the invoice line is not excluded, you can post the invoice line with a price difference.
- When this field is not selected, you can post the invoice line with a price difference, even though the associated shipper is excluded.

Self-Bill Shipments

Note There is also a standalone Self-Bill Shipments browse.

Filter

Only not Matched

If selected, only shippers not matched with a self-billing invoice are included in the report.

Only not Processed

If selected, only unprocessed shippers are included in the report. The shipper has not been used in any matching with any self-billing invoice.

Only Processed

If selected, only processed shippers are included in the report. The shipper has been used in some matching with self-billing invoices.

You can also use the **Self-Bill Unmatched Shipments** report to report only the unmatched shipments.

Self-Bill Excluded Shipments

Self-Bill Excluded Shipments is especially useful when an organization begins a process to change from traditional invoicing to self-bill invoicing. During the changeover, you may need to exclude some shipments from posting against self-bill invoices to avoid processing them twice.

There are settings on the Self-Billing panel of Customer Domain Settings that enable you to exclude shippers on the basis of shipment date, shipper number, and shipper prefix. Customer Domain Settings is available as a standalone program or from the relevant panel in Customers. In most cases, these settings enable you to prevent a shipment from being processed twice.

However, in a high-volume environment, where shipping is taking place at the time of the changeover, the implementation team needs to record the shippers that were used and invoiced using Invoice Post and Print up to the moment that the Self-Billing functionality was switched on for each customer. You can record these shippers using Self-Bill Excluded Shipments. If those shippers are then referenced by customers on self-bill invoice lines, and those self-billing customers have the Enable Block Line field selected, the invoice lines are not posted to Accounts Receivable.

You can also use Self-Bill Excluded Shipments for other business cases. For example, if you ship spare parts to a customer that would normally self-bill, you may invoice such items directly. You can then use Self-Bill Excluded Shipments to ensure that double invoicing is prevented if the customer mistakenly self-bills the item.

The Self-Bill Excluded Shipments Browse displays the list of shippers that are already excluded. Click New to exclude a specific shipment from the self-billing process.

Note If the Avoid AR posting for PD Inv Lines field in Self-Billing Control is set to No, the AR posting for the PD invoice lines with excluded shippers is not avoided.

Main

Customer

Specify the customer.

Shipper

Specify the shipper number. You can select a shipper from the lookup. Alternatively, you can provide a shipper number that does not exist in the system, for cases where the customer uses a slightly different form of shipper number for the same document on self-bill invoices.

Comments

Add any relevant comments for this excluded shipper.

In the **Self-Bill Invoices** report, you can see that accruals and postings are avoided for the invoice lines that referred to the excluded shipments.

Self-Bill Invoices

The Self-Bill Invoices browse enables you to view a list of all self-bill invoices. You can specify filters to view particular invoices, and you can also sort the invoices using the column fields. The Status column displays symbols to indicate the status of each self-bill invoice. The symbols are:

-  The invoice is not posted and not matched.
-  The invoice is posted but not matched.
-  The invoice is posted and matched.

To create a new self-bill invoice, click New. You can also edit an existing invoice. However, you can no longer edit an invoice or its lines after it is posted. A separate browse on page 6471 also enables you to view and edit self-bill invoice lines.

Main

At the least, you need to fill out the mandatory fields on the Main panel.

Sold-To

Specify the customer who placed this order. When you open the lookup, only activated self-billing customers are displayed by default. Many of the fields default, based on the customer you select.

Bill-To

This field specifies the customer who pays the self-billing invoice. The field defaults, based on the sold-to customer setup, but you can change the bill-to.

Self-Bill Invoice

Enter the invoice identifier from the customer for this self-bill invoice. The unique self-bill invoice identifier is a combination of the Self-Bill Invoice and Sold-To fields. This means that you can create Invoice 1 for 10C1004 sold-to and Invoice 1 for 10C3004 sold-to and these invoices are different.

Site

The site from which the items were shipped (Ship-From). This field defaults, based on the sold-to customer setup.

Entity

The entity in which the self-billing takes place. This field defaults, based on the Site (Ship-From) field and it is read only.

Project

Optionally, from the lookup, select the project that the invoice is due to.

Daybook Set

Specify the daybook set that you want to use. The default value is the daybook set associated with the bill-to customer in Customer Domain Settings on page 858.

Invoice Date

The self-bill invoice date. The invoice date defaults to the current system date. You can change it, as needed.

Receipt Date

The date on which you received the self-bill. The receipt date defaults to the current system date. You can change it, as needed.

Due Date

The self-bill invoice due date according to the customer. The due date defaults to the system current date. You can change it, as needed.

Taxable

If this invoice is subject to taxes, select this field. For sales-related invoices, this field depends on the taxable status of the associated order.

Tax Date

The date on which the self-bill becomes taxable. The tax date defaults to the system current date. You can change it, as needed.

Self-Bill Invoice Posted

This field is read only. It is selected when the self-bill invoice is posted.

Customer Invoice

This field is read only. The internal customer invoice is automatically generated when the invoice is posted.

Self-Bill Invoice Matched

This field is read only. The self-bill invoice is matched when all lines are matched.

Remarks

Enter annotations, as needed.

Last Modified User

This field displays the user who last modified the invoice.

Self-Billing Invoice Options

Currency

Specify a currency for this self-bill invoice. The currency will default, based on the selected bill-to customer.

Credit Terms

Specify the default credit terms. The credit terms default from the terms of the bill-to address.

Post Blocked

This field enables you to block posting of a self-bill invoice when the Enable Block Flag is selected for this customer in Customer Domain Settings on page 858. When selected, all lines on the self-bill invoice are blocked from posting and you cannot post the invoice. The settings of the invoice lines affect whether this field is selected. Before posting, ensure that the field is not selected. By default, the field is clear. The field is disabled when no lines are Post Blocked. When at least one record on the Self-Bill Invoice Lines is Post Blocked, it is possible to edit the Post Blocked field on the Self-Bill Invoice header level.

Language

Specify a language for this self-bill invoice. The language will default, based on the bill-to customer.

Self-Bill Invoice Lines

The Self-Bill Invoice Lines panel enables you to add invoice lines. You can add and edit lines by using the grid. In addition to the usual grid buttons, the Add Lines from Unmatched Shippers on page 6468 button displays a popup window, where you can add multiple lines simultaneously. The Details button opens Self-Bill Invoice Detail, which enables you to edit or delete a line. You can also choose to delete all lines.

The fields in the Self-Bill Invoice Lines grid are:

Line

The line number defaults to the next in the sequence. However, if necessary, you can edit the line number.

Type

Specify the invoice type of the line. There are four types of invoices:

- GL: Other Charges. This type of line is used for container or line charges and other miscellaneous charges.
- NO: Normal. This type of line is used when a shipper is used for self-billing. It is the default.
- PD: Price Difference. This type of line is used for self-bill price differences.
- QD: Quantity Difference. This type of line is used for self-bill quantity differences.

Shipment Ref

Enter the shipment reference of the shipper. The lookup displays shipments with the same currency, sold-to, and that are not matched. This field is used for matching the shipper and the self-bill invoice, depending on the matching method setting in Self-Billing Control.

RAN Number

Optionally, enter the Release Authorization Number. This field is used for matching the shipper and the self-bill invoice, depending on the matching method setting in Self-Billing Control.

Shipment Date

When you create a self-bill invoice line, this field displays the current date, by default. However, for line types Normal, Price Difference, and Quantity Difference, when you enter a valid shipment reference and customer item, the shipment date defaults to the date of the specified shipment.

Status

-  The invoice line is not posted and not matched.
-  The invoice line is posted but not matched.
-  The invoice line is posted and matched.
-  The invoice is force matched.

Customer Item

Enter the customer item number. Most of the other fields are disabled until you enter a customer item. The Customer Item field is used for matching the shipper and the self-bill invoice, depending on the matching method setting in Self-Billing Control. To select the number from the lookup, the customer item needs to be defined for the sold-to in the Customer Items beforehand.

Quantity Invoiced

This field defaults to a value, based on the combination of shipment reference and customer item. Enter the quantity to invoice when no valid combination is available. You can update the quantity invoiced with the agreed quantity to invoice.

Price Invoiced

This field defaults to a value, based on the combination of shipment reference and customer item. When no valid combination is available, the price invoiced defaults, based on the price in Items or any applied price list. You can change it, as needed.

Unit of Measure

Unit of measure of the items invoiced.

Unit of Measure Conversion

This field displays the unit of measure conversion, based on the unit of measure. For example, if the unit of measure is EA, the conversion will be 1.

Ship-To

Enter a valid ship-to or use the lookup. This field defaults to a value, based on the combination of shipment reference and customer item.

Site

Enter a valid site. This field defaults to a value, based on the combination of shipment reference and customer item.

Note When you update the Site field at invoice level, it updates the Site field for any lines in the grid that inherited the site value from this field. However, any line-level site that you entered manually or added from an unmatched shipper is not changed.

Purchase Order

This field contains the customer purchase order for this line item record.

Sales Account

When you enter a valid combination of shipment reference and customer item, this field defaults, based on the GL settings of the Customer Scheduled Order of the shipment. If you only enter a customer item, the field defaults, based on the product line sales account. For line type Other Charges, the value defaults, based on the setting for miscellaneous charges in Customer Domain Settings on page 858. You can update the value using the lookup.

Sub-Account

When you enter a valid combination of shipment reference and customer item, this field defaults based on the GL settings of the customer scheduled order of the shipment. If you only enter a customer item, the field defaults, based on the product line sales account. For line type Other Charges, the value defaults, based on the setting for miscellaneous charges in Customer Domain Settings on page 858. You can update the value using the lookup.

Cost Center

When you enter a valid combination of shipment reference and customer item, this field defaults, based on the GL settings of the customer scheduled order of the shipment. If you only enter a customer item, the field defaults, based on the product line sales account. For line type Other Charges, the value defaults, based on the setting for

miscellaneous charges in Customer Domain Settings on page 858. You can update the value using the lookup.

Project

There is no Project field available to set up the default values either in Customer Scheduled Orders, Product Lines, or on Customer Domain Settings. A project can be defined on the Self-Bill Invoice header level and then it is defaulted on Self-Bill Invoice lines. When the GL account selected requires a project, use the lookup to select one.

Taxable

This field defaults from the value on the customer order when there is a valid combination of shipment reference and customer item. Otherwise, the value is taken from the self-bill invoice.

Tax Class

Tax classes help determine the default tax environment (set of tax types) for the transaction. This field defaults from the value on the customer order when there is a valid combination of shipment reference and customer item. Otherwise, the value is taken from the self-bill invoice.

Tax Environment

The tax environment determines which tax types apply to the line. If you change the site on an existing line, the system displays a warning to verify the tax environment. This field defaults from the value on the customer order when there is a valid combination of shipment reference and customer item. Otherwise, the value is taken from the Tax Environment field for the self-bill invoice. Only one tax environment is allowed for all self-bill invoice lines.

Tax Usage

Tax usage codes identify the normal use of this line item. The system uses the tax usage code, along with tax class and tax date, to determine which tax rates apply to the line item. Tax rates may vary, depending on the nature of operation of the buyer or seller or on the intended usage of the item. Common tax usages are retail, manufacturing, and industrialization. This field defaults from the value on the customer scheduled order when there is a valid combination of shipment reference and customer item. Otherwise, the value is taken from the self-bill invoice.

Tax Included

This field defaults from the value on the customer order when there is a valid combination of shipment reference and customer item. Otherwise, the value is taken from the self-bill invoice.

Posting Avoid

Indicate whether to prevent invoice lines with price differences from being posted. This field is only relevant when Avoid AR posting for PD Inv Lines is selected in Self-Billing Control on page 6457.

Post Blocked

This field enables you to block the posting of a self-bill invoice line. The post blocking can be done on the separate Self-Bill Invoice Lines or on the whole invoice when this field is selected on the Self-Bill Invoice header. Post Blocking is allowed when on the Customer Domain Settings Enable Block Line field is selected. The Post Blocked business logic depends on the matching method and existing pending shipment. Depending on the matching Method from Self-Bill Customer settings, Shipment Ref and RAN Number are skipped or are taken into account during the search. If the Pending Shipment is not found, then the Self-Bill Invoice Detail field Post Blocked is selected. Otherwise, Post Blocked is not selected.

Accrual Avoid

This field enables you to avoid accrual when this line is processed. This field is only relevant when accrual mode is activated in Self-Billing Control on page 6457.

Add Lines From Unmatched Shippers

In the Self-Bill Lines grid, clicking the Add Lines from Unmatched Shippers button displays the Add Lines from Unmatched Shippers popup. When you click the Select button on this screen, the Self-Bill Shipment Browse opens, where you can select shipment lines, based on the filter criteria. You can change the filter criteria and append further lines to the grid.

When you have selected the shippers you want to add, click Add. Any lines that are successfully added are cleared from the grid. Any duplicate records are skipped during processing and marked with a warning icon. You can still choose to add lines that raise a warning. Any lines that fail are marked with an error icon.

The Processing Options panel in the Add Lines from Unmatched Shippers popup contains one field.

Process In Background

By default, this field is clear. If you add more than 100 lines to the grid, the field is automatically selected. When you choose to process in the background, the results are sent to your Inbox. As a result of the background process, all selected lines are added to the Self-Bill Invoice Lines grid.

Settings

Taxes

Tax Class

Optionally, enter a tax class. It must be a valid class for the specified tax environment.

Tax Environment

This field is mandatory and specifies a tax environment. The value defaults, based on the combination of site (ship-from) and sold-to customer. If you update the Site or Sold-To fields, the tax environment is updated after confirmation.

Tax Usage

Optionally, enter a tax usage for this invoice.

Tax Included

If the tax is already included in the price, select this field.

Exchange Rates

The Exchange Rates panel is displayed when the currency of the self-bill invoice is different to the entity base currency.

Exchange Rate From

This field displays the value of the transaction currency in relation to one unit of the base currency.

Exchange Rate To

This field displays a unit of the base currency.

Fixed Rate

Select this field when the exchange rate is fixed for this self-bill invoice.

Totals

Charges

Freight

By default, the code displayed is the default for freight. You can enter the total freight charges on this invoice.

Taxable Service

By default, the code displayed is the default for a taxable service. You can enter the total taxable service charge on this invoice.

Taxable Special

By default, the code displayed is the default for taxable special. You can enter the total for special taxes on this invoice.

Taxes

The Taxes grid displays the taxes setup associated with this invoice. The tax setup depends on the:

1. Tax Environment from the Self-Bill Invoice Lines grid (only one tax environment is allowed).
2. Tax Rates (Tax-By-Line that influences whether taxes are calculated for each Self-Bill Invoice Line separately or summarized on the header level, Update Tax Allowed influencing the possibility to update the Tax Base) and the Tax Included field.

Each time a self-bill invoice line is added, updated, or deleted, taxes are automatically re-calculated. Taxes are also recalculated each time you add, delete, or update Trailer Charges and click Save. If Update Tax Allowed is selected in Tax Rates, when you click the Details Button, you can update the Transaction Amount, Non-Taxable Base, Taxable Base, Tax Amount, and Recoverable Tax in the Tax Detail popup. When fields are updated, the Edited disabled button is automatically selected.

If you click Reset all Lines into Automatic Calculation, all taxes are recalculated based on the default taxes setup. All manual updates of Transaction Amount, Non-Taxable Base, Taxable Base, Tax Amount, and Recoverable Tax are lost, and the Edited field is automatically cleared.

Tax Totals

Most of the fields on this panel are read-only and display the different totals on the invoice. However, you can edit these fields when needed:

Tax Date

This field inherits its value from the Tax Date field on the Main panel. If you change the value here, it also updates that field.

Discount %

This field enables you to enter a discount percentage on the totals displayed on this panel.

Taxable

This field inherits its value from the Taxable field on the Main panel. If you change the value here, it also updates that field.

When you have completed the self-bill invoice, click Save.

Self-Bill Invoice Detail

The Self-Bill Invoices Detail browse enables you to view a list of all self-bill invoice lines. You can specify filters to view particular invoice lines, and you can also sort the invoice lines using the column fields. The Status column displays symbols to indicate the status of each self-bill invoice line. The symbols are:

-  The invoice line is not posted and not matched.
-  The invoice line is posted but not matched.
-  The invoice line is posted and matched.
-  The invoice line is force matched.

You can edit and delete a self-bill invoice line from this browse. However, you can no longer edit an invoice line after it is posted. Also, you cannot create a self-bill invoice line from this browse because each line must be associated with an invoice. self-bill invoice lines from Self-Bill Invoices on page 6462.

Main

Line

The line number is read-only.

Type

You can change the invoice type of the line. There are four types of invoices:

- GL: Other Charges. This type of line is used for container or line charges and other miscellaneous charges.
- NO: Normal. This type of line is used when a shipper is used for self-billing. It is the default.
- PD: Price Difference. This type of line is used for self-bill price differences.
- QD: Quantity Difference. This type of line is used for self-bill quantity differences.

Shipment Ref

Enter the shipment reference of the shipper. The lookup displays shipments with the same currency, sold-to, and that are not matched. This field is used for matching the shipper and the self-bill invoice, depending on the matching method setting in Self-Billing Control.

RAN Number

Optionally, enter the Release Authorization Number. This field is used for matching the shipper and the self-bill invoice, depending on the matching method setting in Self-Billing Control.

Customer Item

Enter the customer item number. The customer item should be defined for the sold-to customer in Customer Items beforehand. The Customer Item field is used for matching the shipper and the self-bill invoice, depending on the matching method setting in Self-Billing Control.

Quantity Invoiced

Enter the quantity to invoice. By default, it is the quantity shipped on the shipper.

Price Invoiced

The price invoiced defaults based on the price in Items or any applied price list.

Total Amount

This read-only field is calculated as the value in the Quantity Invoiced field, multiplied by the value of the Price Invoiced field. When the total amount equals zero, no taxes are calculated for this Self-Bill Invoice Line.

Ship-To

This field defaults to a value, based on the combination of shipment reference and customer item.

Site

This field defaults to a value, based on the combination of shipment reference and customer item.

Sold-To

This field specifies the customer who placed this order. This field is read only.

Bill To

This field specifies the customer who pays the self-billing invoice. This field is read only

Self-Bill Invoice

This field displays the invoice identifier from the customer for this self-bill invoice.

Invoice Date

This field displays the invoice date.

Item

This field displays the item on the invoice line.

Unit of Measure

Use this field to specify the unit of measure of the items invoiced.

Unit of Measure Conversion

This field displays the unit of measure conversion based on the unit of measure. For example, if the unit of measure is EA, the conversion will be 1.

Description

This field displays the description entered when the line was created.

Shipment Date

This field displays the shipment date. You can update the shipment date.

Purchase Order

This field enables you to specify the customer purchase order for this line item record.

Finance Settings

GL Settings

Sales Account

This field and its associated values default, based on the GL settings of the customer scheduled orders when the validation between shipment reference and customer item exists. If you only enter a customer item, the field defaults based on the product line sales account. For line type Other Charges, the value defaults, based on the setting for miscellaneous charges in Customer Domain Settings on page 858. You can update the value using the lookup. You can also update the sub-account, project, and cost center.

Posting Avoid

This field indicates whether this invoice line is not to be posted because of price lines with price differences from being posted. This field is only relevant when Avoid AR posting for PD Inv Lines is selected in Self-Billing Control on page 6457.

Post Blocked

This field enables you to block posting of a self-bill invoice line. The post blocking can be done on separate Self-Bill Invoice Lines or on the whole invoice when this field is selected on the Self-Bill Invoice header. Post Blocking is allowed when Enable Block Line is selected in Customer Domain Settings. The Post Blocked business logic depends on the matching method and existing pending shipment. Depending

on the matching method from Self-Bill Customer settings, Shipment Ref and Ran Number are skipped or are taken into account during the search. If the pending shipment is not found, then Post Blocked is selected. Otherwise, Post Blocked is not selected.

Accrual Avoid

This field enables you to avoid accrual when this line is processed. This field is only relevant when accrual mode is activated in Self-Billing Control on page 6457.

Accrual Exchange Rates

The Accrual Exchange Rates panel is read-only. It displays the exchange rates for BC and SC, as well as the totals for this self-billing line in both currencies.

Taxes

Tax Usage

Tax usage codes identify the normal use of this line item. The system uses the tax usage code, along with tax class and tax date, to determine which tax rates apply to the line item. Tax rates may vary, depending on the nature of operation of the buyer or seller, or on the intended usage of the item. Common tax usages are retail, manufacturing, and industrialization. This field defaults from the value on the customer order when there is a valid combination of shipment reference and customer item. Otherwise, the value is taken from the self-bill invoice.

Tax Environment

The tax environment determines which tax types apply to the line. If you change the site on an existing line, the system displays a warning to verify the tax environment. This field defaults from the value on the customer order when there is a valid combination of shipment reference and customer item. Otherwise, the value is taken from the Tax Environment field for the self-bill invoice.

Tax Class

Tax classes help determine the default tax environment (set of tax types) for the transaction. This field defaults from the value on the customer order when there is a valid combination of shipment reference and customer item. Otherwise, the value is taken from the self-bill invoice.

Taxable

This field defaults from the value on the customer order when there is a valid combination of shipment reference and customer item. Otherwise, the value is taken from the self-bill invoice.

Tax Included

This field defaults from the value on the customer scheduled order when there is a valid combination of shipment reference and customer item. Otherwise, the value is taken from the self-bill invoice.

Tax Date

This field defaults from the tax date for the self-bill invoice.

Matching

Matched

This field is selected when the invoice line has been matched.

Processed

This field is selected when the invoice line has already been processed.

Found

This field indicates whether this self-billing invoice line and the shipper are found in the matching. This system field is set to true after Self-Bill Matching process, when the cross-reference is created between the invoice and the shipper reference.

Matching Address

This field is populated from the Matching Address field in the Customer Domain settings record. If there is no value in that field, the value is taken from the Ship-To field. The field is read only.

Force Matched

This field is selected when the invoice line has been force matched.

Forced Match User

This field displays the name of the user who performed the forced match.

Forced Match Date

This field displays the forced match date.

Self-Bill Invoice Post

After customer generated invoices have been loaded using EDI or entered using Self-Bill Invoices on page 6462, you can post them to Accounts Receivable using Self-Bill Invoice Post.

Self-Bill Invoice Post Filters

Self-Bill Invoice Post contains these filters, which you can use to specify posting criteria:

Site

Enter a site range.

Sold-To

Enter a range of sold-to customers.

Bill-To

Enter a range of bill-to customers.

Invoice

Specify a range of invoices from the customer to match with shipments.

Date

Specify a date range for the customer invoices you want to post. The field defaults to the current date.

Effective Date

This field is mandatory. The effective date determines when the postings affect GL balances and defaults to the current date.

When you click Run, the system generates a report displaying the invoices posted to Accounts Receivable, together with details of items, quantities, and prices on each invoice line, and the associated taxes. There is also a summary of the accounting impact of the postings on the General Ledger.

Important When Activate SB Accrual Mode is selected in Self-Billing Control on page 6457, posting self-billing invoices generates GL postings to reverse accruals that were generated when shipments were confirmed.

Self-Bill Matching

After self-billing invoices are posted, the next step is to match the invoices with the associated self-billing shipments. When the invoices match the associated shippers without any discrepancies, Self-Bill Matching will match them in batch.

Important Sometimes there is a discrepancy between an invoice and its associated shipper. The discrepancy might be in quantity or in price. If your customer has made an error, you may need to issue new shippers to correct the quantities. The customer may send new self-bill invoices to handle corrections or shipper prices may need to be revalued. However, if you accept the discrepancy and want to match these invoices and shippers, use the Force Match on page 6479 action in Self-Bill Reconciliation.

The output of Self-Bill Matching is a report that shows:

- The invoices and shipments that the system attempted to match
- The invoice and shipment quantities and prices
- The resulting matched status of the invoice lines and shippers

Self-Bill Matching Filters

Before matching, run **Self-Bill Unmatched Shipments** to identify which shipments are unmatched with any invoice.

Self-Bill Matching contains the following filters, which you can use to specify the matching criteria. If you do not specify any criteria, the report includes all the invoices pending in the matching process.

Site

Enter a site range.

Sold-To

Enter a range of customers.

Invoice

Specify a range of invoices from the customer to match with shipments.

Process Mode

Specify whether to run the self-bill matching report in Update or Simulate mode. When set to Update, self-bill shipment and self-bill invoice records are updated as a result of the matching process and a report is produced showing the changes. When you use Simulate mode, no updates are made to the invoices or the shipments. The report displays the updates that would have been made if the report was run in Update mode.

When you click Run, the report displays the result of the matching process for the specified criteria. The report displays lines that have been matched, as well as the lines that have not been matched because there is a discrepancy. The matching is done according to the matching method setting in **Customer Domain Settings**.

Self-Bill Reconciliations

From the Actions menu on this browse, you can perform force matching on page 6479 or reverse force matching on page 6481.

Filters

Unless you specify at least one search filter, no data is displayed in the browse. The Status column displays symbols to indicate the status of each self-bill invoice or shipment. The symbols are:

-  The invoice is posted and matched.
- The shipment is confirmed.
-  The invoice/shipment is force matched.

The default filter criteria are documented here. You can also select other filters from the drop-down list.

Sold-To

Enter a sold-to or a range of sold-tos.

Self-Billing Invoice

This filter enables you to enter a range of self-billing invoices received from the customer.

Ship Ref

This filter enables you to search for a range of shipment references.

Site

Enter a site or a range of sites.

Forced Matched

You can choose whether to search for shipments and invoices that are force matched.

Matching ID

When you run the Force Match action, all force matched shippers and invoices are assigned a unique matching ID. You can enter a matching ID or a range of matching IDs to search for here. To enable the Matching ID functionality, you need to first define a SB-FMID NRM sequence in Number Ranges on page 962. The Matching ID field can be found in Self-Bill Reconciliations, Self-Bill Shipments, and Self-Bill Invoice Detail.

Force Match

When you find discrepancies between self-bill invoices and shipments, what you do next depends on the reason for the error. If the customer has made an error on the self-bill invoice, they can send in a correction invoice. However, if the customer is correct, you can force match the

existing invoice to the relevant shipment and write off the discrepancy. This Force Match action updates the matching status and generates all the appropriate general ledger transactions to update accrual GL postings.

Search Criteria

Site

Enter a site.

Sold-To

Enter a sold-to customer.

Currency

The currency automatically defaults based on the sold-to customer.

Ship-To

Optionally, enter a range of ship-tos.

Additional Criteria on Shipment

Shipper/ Shipment Date/ Customer Item/ RAN Number

Enter additional information on the shipment to narrow your search.

Click Search to populate the grid, based on your selections. Each time you change search criteria and click Search again, any new records found are added to the grid.

Additional Criteria on Invoice

Shipment Ref/ Self-Bill Invoice/ Customer Item/ RAN Number

Enter additional information on the invoice to narrow your search.

Click Search to populate the grid, based on your selections. Each time you change search criteria and click Search again, any new records found are added to the grid.

Options

Posting Date

By default, this field displays the current date. You can change the posting date, although you cannot select a date before the shipment was created or shipped.

Lines

The Lines panel displays all the lines that match the search criteria. You can select the lines that you want to submit and you can clear unselected lines. The Type column identifies whether the line is a shipment or an invoice. The Type column can display:

- Shipment: A shipment that is not yet matched.

- Price Difference: A shipper has been added to a self-bill invoice with a price difference and they will be force matched.
- Quantity Difference: A shipper has been added to a self-bill invoice with a quantity difference and they will be force matched.
- Price and Quantity Difference: A shipper has been added to a self-bill invoice with a price and quantity difference and they will be force matched.
- Invoice: A self-bill invoice.

Totals

The Totals panel displays the various totals for the selected lines in the grid.

When you select lines and click Submit, a unique matching ID number is created for this matching. You can see the Matching ID column in the Self-Bill Reconciliations browse. You can also add the Matching ID column to the Self-Bill Invoice Detail and Self-Bill Shipments browses.

You can use the Drill-Down links to view:

- Customer Invoices
- Customers
- Customer Items
- Self-Bill GL Transactions
- Self-Bill Invoices
- Self-Bill Invoice Detail
- Self-Bill Shipments

Reverse Force Match

From the Self-Bill Reconciliations browse, you can choose to perform a reverse of forced matching for a customer by selecting Reverse Force Match on the Actions menu. This action can be run in bulk but only for one site, customer, and currency at a time.

Criteria

Search Criteria

When you are performing a reverse with no filters on the Self-Bill Reconciliations browse, this field displays "No criteria selected" and is read only. If you have added filters to the browse to display a specific list of records, these filters are displayed in this field.

Required Criteria

This field displays Forced Match = "Yes" and is read only.

Additional Criteria

Site

You must enter a site. This field is empty by default when:

- There are no filters applied to the Self-Bill Reconciliations browse
- A filter is applied to the Self-Bill Reconciliations browse that includes more than one site.

When a filter is applied to the Self-Reconciliation browse that includes just one site, this field defaults to the specified site.

Sold-To

You must enter a sold-to customer. This field is empty by default when:

- There are no filters applied to the Self-Bill Reconciliations browse
- A filter is applied to the Self-Bill Reconciliations browse that includes more than one sold-to.

When a filter is applied to the Self-Bill Reconciliations browse that includes just one sold-to customer, this field defaults to the specified customer.

Currency

The currency automatically defaults based on the sold-to customer.

Matching ID

Optionally, enter a valid matching ID or range. A unique matching ID is generated for the number of shipments and invoices that are matched in one session. In other words, all selected lines that are matched have one matching ID.

Force Matched Date

Optionally, enter the date range of the forced matches.

Force Matched User

Optionally, enter a range of users who performed the forced matches.

When you click Search, the grid is populated with the lines that meet the search criteria.

Options

Posting Date

By default, this field displays the current date. You can change the effective posting date for the reverse force match.

Lines

The Lines panel displays all the lines that match the search criteria. You can select the lines that you want to submit and you can clear unselected lines. However, you cannot perform a partial reverse. Therefore, when

you select one record with a particular matching ID, all records with that matching ID are selected. Similarly, if you deselect one record with a matching ID, all records with that matching ID are deselected.

Totals

The Totals panel displays the various totals for the selected lines in the grid.

When you select lines and click Submit, the forced matching is reversed.

Note The same Drill-Down links are available for Reverse Force Match as for Force Match on page 6479.

Self-Bill Shipment Revaluation

Price updates are needed in cases when the item price on a self-bill invoice differs from that on self-bill shipments and the customer price is correct. Therefore, the item price recorded at the time of the original shipment must be updated.

After you update the item price in Self-Bill Shipment Revaluation Prices on page 6485, you run Self-Bill Shipment Revaluation to update any qualifying shipment records appropriately. When you run the function, the system takes the following actions:

- If self-bill accruals are activated in Self-Billing Control, new GL transactions are generated when the shippers are updated with the new prices.
- If shippers have already been matched to self-bill invoices, they are unmatched as a result of the new price.
- If shippers have been force matched, they are not unmatched.

Filter

Site/ Sold-To/ Ship-To/ Customer Item

Optionally, use the filter criteria to specify the records for processing.

Process Mode

Select whether to run the report in Update or Simulate mode. The default being simulation mode. Simulate mode enables you to verify the effects of the revaluation and make any further necessary changes to price records before updating the shipment records. When set to Update, self-bill shipment records are updated with new prices, accrual updates may be generated, and previously matched shipment and invoice records may now be marked as unmatched.

When you click Run, the system processes the shipments for revaluation or simulates the process, depending on the process mode. The report displays the shipments, including the relevant quantities and prices and the resulting matched status. If you run the report in Simulate mode, the output is marked with "Simulation".

Self-Bill Shipment Revaluation Prices

You can change the price of an item on any shipment that has been shipped but not processed.

Main

Ship-To

Enter a specific ship-to or use the lookup.

Site

Enter a specific ship-to or use the lookup.

Customer Item/Item

Enter a specific ship-to or use the lookup. The Item field is read only and contains the internal code and description of the customer item.

Ship Date

Enter a date range for which you want to change the item price.

Currency

Enter a currency for the shipments or use the lookup.

Net Price

Enter the new price for the self-billing item. The price of the shipment with this item will be calculated, based on the new net price when you run Self-Bill Shipment Revaluation.

Processed

This field is read only. When selected, the shipment has been processed and you can no longer edit the item price.

User ID

This field displays the user who performs the revaluation.

Transaction Date

This field displays the revaluation date.

When you have completed the relevant fields, click Save. If there are no shipments that match the criteria you entered, or you enter an update that overlaps with an existing update, you receive an error.

The **Self-Bill Shipment Revaluation Prices** report enables you to view all revaluation records. You can also choose to display only those that have not been processed.

When you have saved the new prices, you can update the shipment records in Self-Bill Shipment Revaluation on page 6484.

Taxation

Overview

Taxation offers precise tax calculations and flexible setup for calculating taxes for multiple countries. You can set up an unlimited number of taxes and rates—each associated with customers, suppliers, or items. You can define when taxes are calculated, the formula used to calculate them, and the amount subject to tax.

You can also set up reports to accommodate the legal reporting requirements of various jurisdictions. The Taxation functionality supports multinational enterprises in calculating taxes on business transactions. The types of taxes, the formulas used to calculate them, and when taxes are assessed often vary considerably between countries. The system can process taxes for multiple countries within the same database.

The system offers an unlimited number of taxes and rates—each associated with customers, suppliers, or items. You can also define when taxes are calculated, the formula used to calculate them, and the amount subject to tax.

The following situations and conditions are supported:

- Taxes based on geographic location, effective date range, tax class, item usage, or the nature of a company’s business
- Tax exemptions
- Taxation by line item or by order total
- Taxes based on a percentage of the item amount
- Trailer charges with multiple tax classes
- Luxury taxes for item amounts greater than a specified value
- Capped taxes that cannot exceed a specified maximum
- Taxes that include other tax amounts
- Purchase taxes recoverable against tax collected on sales
- Ability to override system-calculated tax amounts during transaction entry
- Reverse calculation of tax amounts from line items that already include tax
- Taxes your company absorbs rather than passes on to the customer
- Remittance of purchase taxes directly to the government instead of to the supplier
- Exclusion of credit term discounts from tax amounts
- Generating general ledger (GL) entries for purchase taxes at receipt of goods or supplier invoice

Since Taxation accommodates a variety of taxation conditions, manual overrides of automated calculations are usually not needed. Although, once Taxation is set up, it is possible to make any needed updates.

Note

- Taxation does not currently support unit-based taxes such as $0.05 per can of soda.
- Taxation does not calculate taxes on distribution orders generated by the Distribution Requirements Planning (DRP) module. In this situation, generate sales orders instead of distribution orders.
- Taxation does not adjust sales commission reporting. Commissions are always based on item prices including tax. Adjust your commission structure to compensate.

Tax Elements

Every country in the world has a unique system for assessing taxes. However, most systems share common elements. Since these elements may be common across diverse geographical regions, basic tax setup data is defined at the database level. This avoids having to repeat similar setup in a multiple-domain environment. The basic tax elements defined system-wide include the following:

- Business transactions can be subject to many kinds of taxes—sales taxes, domestic import duties, inventory transfer taxes, royalty fees, and so on. In Taxation, a tax that is specific to a region and individually calculated and reported is a tax type.
- Regions that assess tax include countries (or groups of countries), states, provinces, counties, districts, and cities. In Taxation, a region that assesses tax is a tax zone.
- Within a tax zone, a tax can affect all people and items, or only some of them. In Taxation, customers, suppliers, and items can be grouped by tax class.
- Similarly, a tax can be assessed at a different rate based on a customer’s operation or how items are used. Taxation can group people and items by tax usage.
- The three factors that can determine which tax types apply to a transaction are the ship-from and ship-to tax zones and the tax class of the customer or the supplier. In Taxation, the set of tax types for a specific ship-to/ship-from zone and tax class combination is a tax environment.

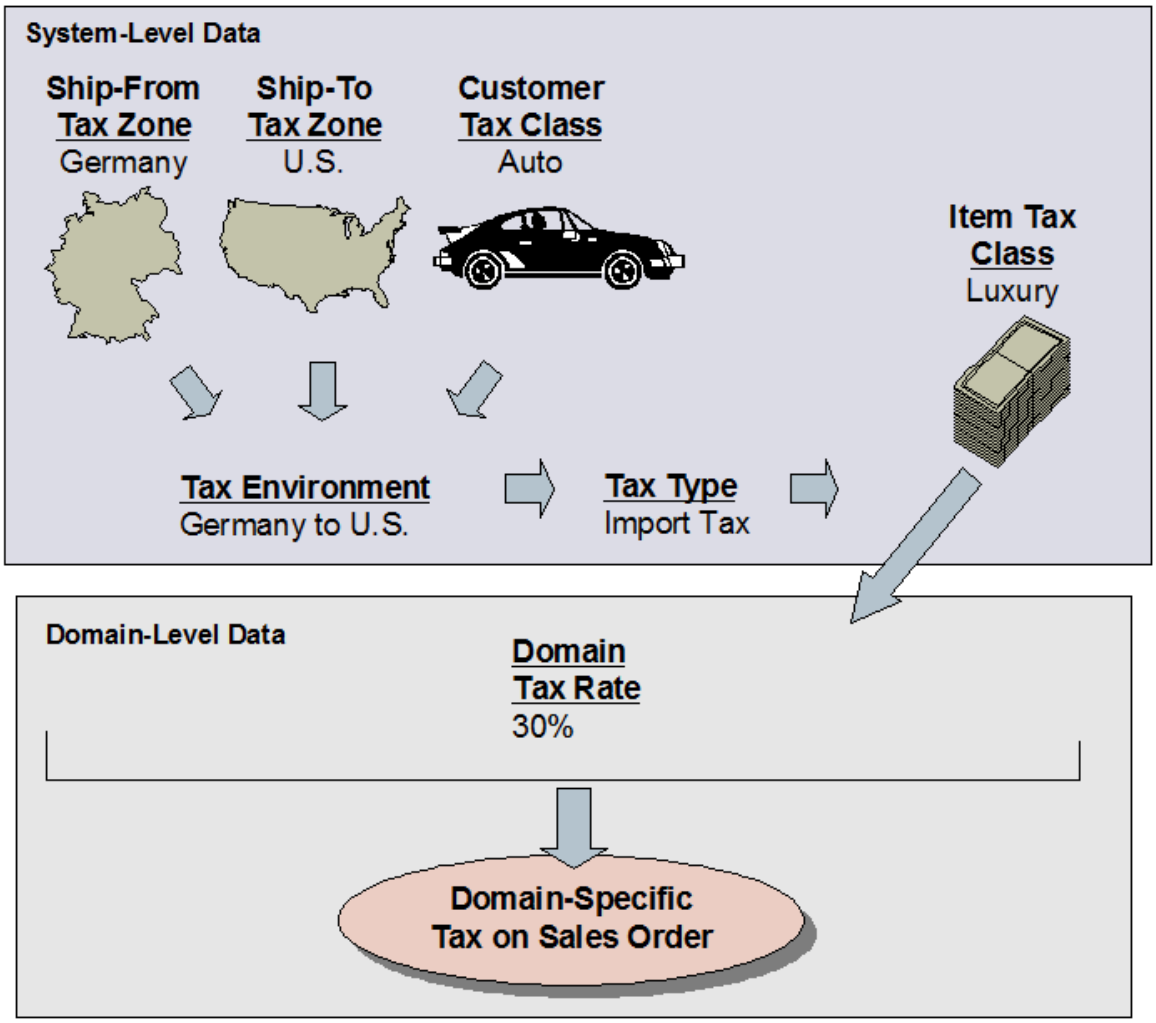
These elements are then combined to define domain-specific tax rates. Each tax type can have multiple tax rates for different item tax classes, tax usages, and transaction tax dates. Taxation selects the rate most appropriate for a particular transaction.

Using Taxation

The image below illustrates the interaction of the tax elements. A German automobile manufacturer exports luxury cars to the United States. U.S. tax rates depend on the class of the vehicle. For example, the rate for luxury cars is 30% in the United States; it is 20% in Mexico.

Germany, U.S., and Mexico are tax zones, in different domains. The automobile manufacturer is a customer tax class subject to the U.S. import tax. Luxury cars are an item tax class. This data is all defined system wide and available for use in all domains in the database.

The sales order tax environment associates the import tax with the order, and Taxation selects the domain-specific tax rate based on the item tax class for luxury cars.



Implementing Taxation

This section describes the data required to set up Taxation and define special kinds of taxes.

The following table lists the activities and functions used to implement Taxation:

Taxation Implementation Programs

Activity	Program
Setting up country codes	**Countries**
Setting up state/province and county codes	**States** and **Counties**
Setting up tax zones	**Tax Zones**
Setting up tax types	**Tax Types**
Setting up tax classes and tax usages	**Tax Classes** and **Tax Usages**
Setting up tax environments	**Tax Environments**
Setting up trailer charges	**Trailer Codes**
Setting up tax bases	**Tax Bases**
Setting up tax boxes and groups	**Tax Boxes** and **Tax Groups**
Setting up tax calendars	**Tax Periods**
Setting up general ledger accounts and sub-accounts	**Accounts** and **Sub-Accounts**
Setting up tax rates	**Tax Rates**
Setting up the control program	**Taxation Control**
Updating existing base records	**Business Relations**, **Customers**, **Customer Ship-To Addresses**, **End Users**, **Suppliers**, **Product Lines**, **Items**, and **Service Categories**

Multiple Language Descriptions

The core set of tax codes are defined at the system level and can be used within any domain. These include tax types, tax zones, tax classes, tax usages, and tax environments.

If you have implemented multiple domains with different associated languages within a single QAD database, you can define descriptions for tax codes in all required languages. With this setup, when users in a specific domain select tax codes, they see the description in their own language. Since the codes themselves are often numeric, the description is essential for understanding the purpose of the code.

The setup of language descriptions follows the same process in all supported programs.

1. Log in and create a new tax code.
2. Add text in the Description field. When you save the record, a label term is created and the description specified is associated with that label term for your language.

When you create a new tax record, you can enter text in the Description field. When you click the Translation icon, the browse displays the Native string. You can optionally enter text for any other supported language. Simply enter the text on the relevant line in the Translation lookup and click Save. When a user logs into the system with the selected language, the relevant Description field text is displayed.

Since the data is being stored as label terms—the standard way all translated labels are managed for operational programs—the terms can be modified in **Label Master**. With this approach, if the user creating the code does not have the expertise to provide translated descriptions, the translated descriptions can be defined directly in **Label Master**.

The table lists the label format used for each tax code. In the format, UDT stands for User-Definable Translation.

Tax Description Terms

Tax Code	Label Format
Tax Class	UDT_TXCL_ user-defined description
Tax Environment	UDT_TXE_ user-defined description
Tax Type	UDT_TXT_ user-defined description
Tax Usage	UDT_TXU_ user-defined description

Tax Code	Label Format
Tax Zone	UDT_TXZ_ user-defined description

Using the Translation Option

The Description fields for most component-based records support a translation option. The initial description is essentially language neutral. However, clicking the Translation button to the right of the Description field copies that description into a record for each available language.

The following settings must be updated in .Net as Web UI does not have such screens implemented yet:

- The *Use Language Specific Object Description* field in **Change System Settings** determines whether the system displays translated descriptions in the user's native language.
- The *Use Language Specific Object Description* field in **Change User Settings** must also be checked.

If these fields are selected, field descriptions are displayed in the language associated with a user's ID in **Users**, provided that translated descriptions are loaded or entered for this language.

If the *Use Language Specific Object Description* fields are enabled, the system also retrieves translated descriptions when the user runs API queries.

When the *Use Language Specific Object Description* fields are enabled system wide, you can disable them in **Change System Settings** or **Change User Settings** for a specific user.

Note One of these languages is the language of the current domain. While most descriptions are likely to be entered in that language initially, the description is linked to a language only by setting up the translations.

If you choose to use this feature, you must develop your own policies to ensure that the translation of descriptions is completed for the languages that need to be supported in your organization. Some financial data is also displayed and accessed in other operational functions. These functions do not support multiple language-dependent descriptions. When only one description exists, it is always used in the operational functions.

Note Unless you are using a Unicode database, some restrictions exist on which languages can be used in a single database. See the appropriate installation guide for information on the Unicode database deployment.

The translation function is available on the following screens:

- Item
- Country

- State
- County

Setting Up Tax Zones

All business relations, customers, suppliers, and site address records belong to a tax zone based on geographical elements associated with the address. For sales, purchasing, and other transactions, the system uses tax zones to determine the tax environment.

Before setting up tax zones, ensure that the proper geographical codes have been defined to support the required zones:

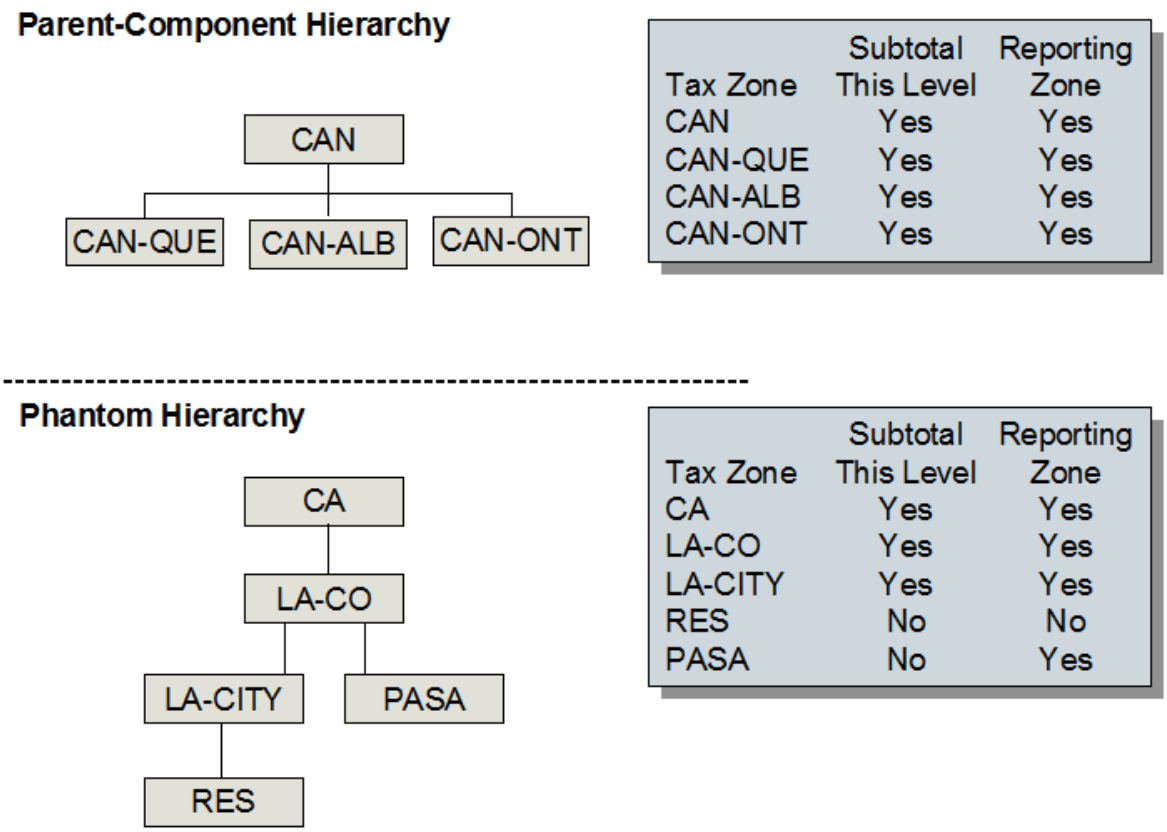
- Country codes are defined in **Countries** during base system implementation. Specify the default code for most tax zone records in **Taxation Control**.
- State and county codes are other basic address elements used to determine the correct tax zone for an address. Ensure the proper codes have been defined in **States** and **Counties**.

Tax Zone Hierarchies

A separate tax zone is required for each country, state, province, county, city, and postal zone that has distinct tax reporting requirements. Since one tax zone can include reporting and tax calculations for another, tax zones are organized into hierarchies. Set up higher-level zones before lower-level ones. For example, set up countries before their component states, states before counties, and so on.

How you set up a tax zone depends on its position in the hierarchy. To include a tax zone in the tax total and reporting for another zone, specify the first zone's sums-into zone. The sums-into zone can be at a higher level or at the same level.

For example, a city tax zone included in provincial tax reporting sums into the provincial tax zone. Or, a tax zone for a suburb included in metropolitan tax reporting sums into the city tax zone. In the tax zone record, specify whether the first zone has its own subtotal on the main report and whether it also has its own reporting.



The graphic illustrates two hypothetical tax zone hierarchies.

- Parent-Component Hierarchy: The Canadian provinces Quebec, Alberta, and Ontario are subject to both federal and provincial taxes. The component tax zones CAN-QUE, CAN-ALB, and CAN-ONT sum into zone CAN. All four zones are reporting zones in their own right and are subtotaled.
- Phantom Hierarchy: Reseda, a suburb of Los Angeles, is taxed in the same way as Los Angeles and does not have a subtotal on the city tax report. Tax zone RES sums into LA-CITY but is not subtotaled and is not a separate reporting zone. Pasadena is subject to Los Angeles county tax and does not have a subtotal on the county tax report. Tax zone PASA sums into zone LA-CO. It is not subtotaled but is a distinct reporting zone.

Tax Zones

Main

Tax Zone

Specify a code identifying a geographic region subject to the same tax laws. Set up tax zones for every level at which separate tax calculations and reporting are required, starting with the top level and working downward. For example, set up tax zones for countries before states, states before counties, and so on.

Description

Enter a brief description of the tax zone. This field is required. You can enter the same description for more than one zone. The description prints on most reports and browses, as space permits. Multiple language descriptions are supported. See Multiple Language Descriptions on page 6490.

Country

Enter the valid, active code that identifies the country that assesses tax. For new tax zones, the value defaults from **Taxation Control**. This field is required. The combination of country, state, county, city, and postal code must be unique for each zone.

County

Enter the valid, active code for the county included in the tax zone.

City

Enter the name of the city included in the tax zone. The City field is not validated.

Subtotal This Level

Enter Yes if custom tax reports can show subtotals for this tax zone. No standard reports show tax amounts by tax zone.

Reporting Zone

Enter Yes if the tax zone directly assesses tax.

State

Enter the valid, active code for the state or province included in the tax zone.

Postal Code

If necessary, enter the postal code included in the tax zone. If taxes never vary by postal code, do not set up tax zones by postal code.

Sums-Into Tax Zone

Sums-Into Tax Zone

Enter a code identifying the parent tax zone that actually assesses tax for this geographic region. The description, country code, state, county, city, and postal code are read only and default, based on your choice for this field.

Identifying Tax Zone Error Conditions

In addition to the geographic tax zone codes, set up an error code and specify it in Taxation Control. When you enter or update an address record, the system attempts to match the address to a tax zone for the country, county, city, state, and postal code. If it cannot find a matching tax zone, it assigns the error zone. To make it easier to identify error conditions, set up a meaningful code such as ERROR-ZONE.

Actions

The Actions drop-down offers actions that you can take for a record or set of records. Individual actions are for individual records and bulk actions are for sets of records, based on your selected criteria. For bulk actions, once you select the records and set options, you can submit the action.

Update Tax Zone Hierarchy

Main

You can perform several operations to create and edit tax hierarchies. For example:

- To add a new tax zone, click New. You must supply a name and description. To add the line, click Done.
- You can move tax zones within the hierarchy by using the Drag & Drop functionality.
- To add a child tax zone to an existing zone, click the Child button and complete the new line. The new zone is displayed as a child of the parent.
- To view the Details of any tax zone, select the tax zone and click Details. The Tax Zones hybrid browse is then displayed.

Tax Types

Tax types are individually calculated and reported as regional taxes or tax exemptions. They apply to all domains in the database. Examples include Canadian PST/GST, California sales tax, federal excise tax. On transactions, the system calculates taxes for line items and trailer charges, based on the tax types specified in their tax environments.

A separate tax type is required for each tax or tax exemption you report separately. For sorting, preface the type with the country code or state/province. The tax detail reports print in alphanumeric order by tax type code. Consider this when assigning codes for tax types.

Main

Tax Type

Enter a code identifying a tax or tax exemption that is separately calculated and reported to a specific jurisdiction.

Description

Enter a brief description of the tax type. This field is required. Multiple language descriptions are supported. See Multiple Language Descriptions on page 6490.

Tax Legal Group

Specify a tax legal group to link a tax type that you intend to use on legal documents to that group.

Withholding Tax Type

Select the field if the tax type will be used for withholding tax calculations. You must not clear the Withholding Tax Type field if postings have been made using a tax rate that is defined with this tax type.

Setting Up Tax Classes and Usages

These classes and usages apply to all domains in the database. The table lists some typical situations and describes how to implement them.

Tax Classes vs. Tax Usages

Situation	Implementation
Customers and/or suppliers in a tax zone are subject to different tax types or tax exemption types.	Set up tax classes for these customers and/or suppliers.
Product lines and/or items are subject to different tax types or tax exemption types.	Items are always subject to the tax types in the line item tax environment. There is no way to override this. You can set up tax classes for product lines and items. However, they are only used to select tax rates.
On sales transactions, trailer charges are subject to different tax types or tax exemption types.	Trailer charges are always subject to the tax types in the transaction tax environment. There is no way to override this. You can set up tax classes for trailer charges; however, they are only used to select tax rates.
Customers and/or suppliers are subject to different tax rates for a tax type.	Set up tax usages for these customers and suppliers.
Items are subject to different tax rates for a tax type.	If items have the same rates on all transactions, set up tax classes. However, if rates can differ by transaction, based on the intended usage of the item, set up the tax usage codes to reference during transaction entry.
Trailer charges are subject to different tax rates for a tax type.	Set up tax classes for these trailer charges.

Tax Classes

Main

Tax Class

Enter a tax class that identifies a group of customers, suppliers, product lines, items, service categories, or trailer charges subject to special taxation.

- For customers and suppliers, the tax class helps determine the tax environment.
- For product lines, the tax class determines the tax rate for new items.
- For items, service categories, and trailer charges, the tax class helps determine the tax rate for tax types in the tax environment.

For more detailed tax exemption reporting, remember to set up tax classes for exemptions.

Description

Enter a brief description of the tax class. This field is required. Multiple language descriptions are supported. See Multiple Language Descriptions on page 6490.

Drill-Down Links

The following drill-down links are available for Tax Classes:

- Tax Rates that use selected Tax Class
- Tax Environments to Tax Classes Details

Tax Usages

Main

Tax Usage

Enter a tax usage that identifies a group of customers, suppliers, or items subject to special taxation on a specific transaction.

Description

Enter a brief description of the tax usage. This field is required. Multiple language descriptions are supported. See Multiple Language Descriptions on page 6490.

Legal Information

The Legal Information panel is used to define legal requirements.

Note To display this frame, select the Maintain Operation Type in Tax Usage field in **Logistics Control**.

Operation

This is a mandatory field when the Legal Information panel is displayed. Specify the operation type to associate with the tax usage. Tax usages and their associated operation types are validated if you select the Maintain Operational Type in Tax Usage field in **Logistics Control**. The inventory movement codes Transaction Type and Transaction Flow must be validated against the tax usage operation type. The operation types are as follows:

- 1 – Purchase: The operation type associated with tax usages referenced in purchasing transactions. This type causes the Physical Movement field to become active.
- 2 – Other Entries: The operation type associated with tax usages referenced in unplanned receipts. This type causes the Physical Movement field to become active.
- 3 – Sales Returns: The operation type associated with tax usages referenced in sales return transactions.
- 4 – Other Exits Returns: The operation type associated with tax usages referenced in returns subsequent to unplanned issues. This type causes the Physical Movement field to become active.
- 11 – Sales: The operation type associated with tax usages referenced in sales order transactions.
- 12 – Other Exits: The operation type associated with tax usages referenced in unplanned issues.
- 13 – Purchase Returns: The operation type associated with tax usages referenced in purchase returns.
- 14 – Other Entries Returns: The operation type associated with tax usages referenced in returns subsequent to unplanned receipts.

Second, Third, Fourth CFOP Digit

Enter the second, third, and fourth digits of the document used to print CFOP tax and registration details for the fiscal books.

Código Fiscal de Operações e Prestações (CFOP) codes are numeric codes that identify the nature of the operation for movement of goods and services from interstate and inter-site transportation. The code represents the reason for the entry and exits of goods or products, as well as the related services that are being performed, according to the origin and destination of the goods.

CFOP Complement

Specify the complement of the document for printing CFOP tax and registration tax details on the books.

Remarks

Specify up to 50 characters for comments on the legal document tax usage configuration.

Sort Name

Specify up to 24 characters for the sort name.

Suffix

Specify the suffix, which is an optional code used to group different tax usages or to differentiate between different fiscal situations for the fiscal interface.

End Consumer

This field is only available when the operation is 11–Sales or 3–Sales Returns. The field can have three possible values:

- 0 – Not applicable. The sales transaction does not involve an end consumer.
- 1 – End Consumer. The sales transaction involves an end consumer.
- 2 – ICMS Partition. The sales transaction involves an end consumer in the automotive industry.

Physical Movement

Select this field to indicate whether the tax usage involves physical movement. This field only becomes editable if you select an operation type of 1 – Purchases, 2 – Other Entries, or 4 – Other Exit Returns. For this function to work, you must activate a generalized code in **Generalized Codes**, as specified in the table.

Field Name	Value
txu_phy_mov	0 – No 1 – Yes

NFe Usage

This field accepts 1 – no selected option, 2 – Complementary, 3 – Adjust, or 4 – Returns. During shipper creation, the corresponding field uses the setup specified here by default.

Options

The fields available on the Options panel depend on the value of the Operation field on the Legal Information panel.

Simple Invoicing

You can select this field when the Operation field value is 2–Other Entries or 14–Other Entries Returns.

Service

You can select this field when the Operation field value is 1–Purchase, 2–Other Entries, 11–Sales, or 12–Other Exits.

Post to AP Account

You can select this field when the Operation field value is 1–Purchase, 2–Other Entries, 13–Purchase Returns, or 14–Other Entries Returns.

Account

When Post to AP Account is selected, the account, sub-account, and cost center fields are always read only. When Post to AP Account is not selected, these fields are available when the Operation Value field is 1–Purchase, 2–Other Entries, 13–Purchase Returns, or 14–Other Entries Returns.

Consignment

You can select this field when the Operation field value is 1–Purchase or 2–Other Entries.

Future Delivery

You can select this field when the Operation field value is 3–Sales Returns or 11–Sales.

Drill-Down Links

A drill-down link is available to Tax Rates that use selected Tax Usage.

Tax Environments

Transactions are subject to the tax laws of both your company and the customer or supplier. Before the system calculates taxes, it determines which taxes (state sales tax, local tax, VAT, and so on) apply to the addresses that ship and receive the goods.

A tax environment is the set of tax types that applies to a combination of ship-from and ship-to tax zones and, optionally, a customer or supplier tax class. Tax environments apply to all domains in the database.

Before you set up tax environments, identify the combinations of tax types that apply to transactions. Then, determine the tax zones and customer/supplier tax classes that are subject to these tax groups. You can simplify the setup of tax environments. If all shipments to or from a tax zone are taxed in the same way, leave either the ship-from or ship-to zone blank. At least one zone must be specified. You may be able to specify a sums-into tax zone that encompasses many lower-level zones.

Finally, you can leave the tax class blank if the tax types apply to all customers and suppliers in the indicated tax zones. Each tax type in the environment has a calculation sequence and rounding method. The sequence determines the priority for calculating taxes when there are multiple tax types in the environment. The rounding method determines how the tax type is rounded.

For example, suppose that shipments that start and end in the U.S. state of Florida can be subject to (1) state tax only, (2) state and county tax, or (3) state, county, and city tax. Sample tax environments are illustrated in the three tables. The tax types apply to all tax zone combinations in the environments.

Default Florida State Tax Environment (1)

Ship-From Zone	Ship-To Zone	Tax Class	Tax Type	Sequence	Rounding
FL	FL	–	FL-STATE	1	2
		DRUG			
		FOOD			

Environment for Cities Subject to Florida Tax and Seminole County Tax (2)

Ship-From Zone	Ship-To Zone	Tax Class	Tax Type	Sequence	Rounding
FL	FL-ALTSP	–	FL-STATE	1	2

Ship-From Zone	Ship-To Zone	Tax Class	Tax Type	Sequence	Rounding
FL	FL-LMARY	DRUG	FL-SEMCO	2	2
FL	FL-LONGW	FOOD			
FL	FL-SANFO				
FL	FL-WINSP				

Environment for Cities Subject to Florida Tax, Orange County Tax, and Orlando City Tax (3)

Ship-From Zone	Ship-To Zone	Tax Class	Tax Type	Sequence	Rounding
FL	FL-APOPK	–	FL-STATE	1	2
FL	FL-LUNDE	DRUG	FL-ORACO	2	2
FL	FL-OCOEE	FOOD	FL-ORLAN	3	3
FL	FL-OVIED				
FL	FL-WINPK				

To verify data setup, you can use the Excel Export function to produce a report-like experience to verify the set up of the tax environments. When exporting, select the Export With Import Format type to see the full tax environment in Excel.

Main

Tax Environment

Enter a code that identifies a set of tax types for a tax zone/tax class combination. On transactions, this code identifies the transaction or line-item tax environment.

Description

Enter a brief description of the tax environment. This field is required, but does not have to be unique. See Multiple Language Descriptions on page 6490.

Tax Types

The Tax Types grid enables you to enter the set of tax types that apply to sales and purchases between the ship-from and ship-to zones. Use the Select button to select one or more tax types from the lookup. You can also create a tax type on the fly.

Tax Type

Enter the type codes to include in the environment. The codes you enter apply to all combinations of ship-froms, ship-tos, and tax classes in the environment.

Sequence

Specify the priority in which tax types are calculated in a tax environment. The tax type that is calculated first must have a lower sequence number than the other tax type. If all taxes are calculated independently of each other, leave the sequence number for all tax types set to 1.

In tax-on-tax situations in which a tax includes another tax amount, enter a lower sequence number for the tax that is calculated first. For example, in some Canadian provinces, provincial sales tax (PST) is based on the item amount plus the goods and services tax (GST). GST has a lower sequence number than PST. See Tax on Tax on page 6541.

Rounding Method

Rounding method determines how tax amounts for the tax type are truncated. The rounding method defaults from Taxation Control, but you can override it if the tax type requires a different method.

Note Use Rounding Methods to define rounding methods.

Description

This field contains the tax type description.

In addition to the other tax environment codes, set up an error code and specify it in Taxation Control. When you enter a transaction, the system attempts to match the ship-to/ship-from tax zones and customer or supplier tax class to a tax environment. If it cannot find one, it assigns the error environment. To make it easier to identify error conditions, set up a meaningful code such as ERROR-ENVIRON. See Taxation Control on page 6530.

Tax Zone/Tax Class Combinations

The Tax Zones/Tax Class Combinations grid enables you to set up the combination of tax zones and classes for which this environment is valid.

Ship From Tax Zone

You can specify the tax zone from which goods are shipped. However, if all shipments to the environment's ship-to zone are taxable, regardless of origin, leave the ship-from zone blank.

Note Either Ship-From or Ship-To Zone can be blank; not both.

Ship From Description

This field defaults based on the Ship From Tax Zone.

Ship To Tax Zone

You can specify the tax zone to which goods are shipped. However, if all shipments from the environment's ship-from zone are taxable, regardless of destination, leave the ship-to zone blank.

Ship To Description

This field defaults based on the Ship To Tax Zone.

Tax Class

You can enter tax classes for customers and/or suppliers subject to the tax types in the environment. If all shipments are taxable, regardless of customer or supplier, leave the tax class blank. Do not enter item tax classes; GTM only uses these to select tax rates.

Tax Class Description

This field defaults based on the Tax Class.

Description

Optionally, specify a description of the combination of ship-from, ship-to, and tax class. This field defaults to the Tax Class description.

Setting Up Trailer Charges

Sales transactions often have additional charges such as freight, service, and labor that are independent of individual line items. These known as trailer charges because they appear at the end of the transaction.

Each trailer charge has a default taxable status and an optional default tax class. This information is defined in the trailer code record. However, in GTM, you can also set up trailer charge detail records to support exception conditions when a trailer charge has a different taxable status and/or tax rate for some tax types and customer tax classes.

If service charges are normally exempt from California sales tax but professional services are taxable at 5%, you can set this up in at least two ways.

- If you defined tax types for tax exemptions, define a taxable trailer code. Set up a taxable trailer tax detail for the tax type/tax class combination. Finally, set up a 0% tax rate for exempt trailer charges and a 5% rate for the professional services class.
- If you plan to report all exempt amounts under tax type NON-TAX, define a non-taxable trailer code. Set up a taxable trailer tax detail for the tax type/tax class combination. Finally, set up a 5% tax rate for the professional services class. You do not need a 0% tax rate because this is supplied by default.

If you have not already implemented trailer code records, do so in **Trailer Codes**. Then, identify the exception conditions and set up the corresponding records in **Trailer Tax Detail**. To verify data setup, use **Trailer Codes** for trailer codes and the **Trailer Tax Detail** and Report for trailer tax details.

Settings

Format

File Type

Select the file type you want to use.

Filter Criteria Display

Select Footer, Header, or None from the drop-down menu.

Language

Select the language you want to use.

Layout

Select the layout you want to use for the report.

Date Display

Short Date Format

Select the format you want the date to be displayed in.

Date Separator

Select the symbol you want to use as a date separator.

Decimal Display

Decimal Separator

Select the symbol you want to use as a decimal separator.

Decimal Digits

Select the amount of decimal digits you want to use.

Grouping Separator

Select either a comma or period symbol to use as a grouping separator.

Digit Grouping

Select the format in which you want the digits to be grouped.

Filter

Trailer Code

Enter a trailer code previously set up in Trailer Codes. You can set up trailer tax details for a maximum of 99 trailer codes. However, you can set up an unlimited number of trailer tax details per trailer code.

Tax Type

Specify the tax type subject to special treatment for this trailer charge.

Tax Bases

By default, tax is based on 100% of the item amount, exclusive of any other tax amounts. However, an item's tax can be based on some amount that is greater or less than the item amount. In these situations, set up a tax base record.

Note Tax base records apply only to the domain where they are created.

A tax base record is required whenever tax is based on a percentage of the item amount. A tax base is also required whenever tax is based on the item amount plus a previously calculated tax amount. This situation is sometimes called tax-on-tax. For more information, see Tax on Tax on page 6541.

Here are two examples:

- In Brazil, when you sell an old fixed asset and replace it with a new one, tax is assessed on a percentage of the old asset's sale price.
- In some Canadian provinces, PST (Provincial Sales Tax) includes the GST (Goods and Services Tax) in the taxable base for PST.

Assign a tax base to multiple tax types and tax rates if the percentage of value is the same for all situations. When you assign a tax type to a tax base, the tax base becomes part of all tax environments that use the tax type.

Main

Tax Base

Enter a code that identifies an item amount subject to tax. This amount can either be a percentage of sales price or the sales price plus other tax amounts. For a tax-on-tax situation, set up the tax base for the tax that is included in the taxable base for the other tax. Once you start processing transactions with Taxation, a warning message displays if you try to update a tax base that has already been used in other records.

Description

Enter a brief description of the tax base. The description prints on most reports and browses, as space permits.

Base Percent

Identify the percentage of the item's price or cost to use in tax calculations for this tax base. The default value is 100%. Percentages can be either positive or negative. Negative percentages indicate tax credits. The base percent must be the same for all tax types assigned to the tax base. Otherwise, you must set up separate tax bases. On transactions, the system uses the base percent for the tax type to calculate the taxable base amount for each line item or trailer charge.

Base Value

Identify the type of item amount for the taxable base. Choose from Cost or Price. Line item and trailer charge amounts are taxed based on the cost at which you buy them or the price at which you sell them.

Tax Types

The Tax Types panel enables you to assign tax types to the tax base. During tax calculations, the tax rate for the tax type is then applied to the taxable base portion of the item amount. When you add a new tax type, the system assigns the next sequential line number. The description of the tax type displays next to it. Assign up to 99 tax types to a tax base.

Setting Up Tax Boxes and Groups

1. Define tax boxes for each country in **Tax Boxes**. Tax boxes represent tax subtotal fields on tax declaration forms required for filing legal reports. Tax boxes generally are defined in pairs: one identifies the transaction amount and the other the transaction tax amount. The tax box type identifies whether it displays the base transaction amount or the tax amount.
2. Define tax groups with **Tax Groups** to group related tax boxes, generally one of each type.
3. Associate tax groups with tax rates in **Tax Rates**. A different group can be specified for each type of transaction: customer invoice, customer credit note, supplier invoice, supplier credit note, absorbed invoice, absorbed credit note, retained invoice, and retained credit note.

You can then use any of the two tax declaration reports to display the tax detail:

- **Tax Declaration by Box**
- **Tax Declaration by Box and Group**

Note These reports are not formal reports that can be submitted for regulatory reporting. Rather, based on your selection criteria, they display tax box totals, which you can then use to fill out required reports.

Tax Reporting Setup Examples

On a UK VAT return, Box 1 must contain the value of tax on sales other outputs. Box 6 must contain the value of the sales and other outputs excluding the tax. You define two tax boxes:

- UKBox1 is type tax.
- UKBox6 is type base.

You then create a tax group, UKSalesGroup, and assign UKBox1 and UKBox6 to this group.

After defining the two boxes and assigning them to a group, specify this group for the Customer Invoice Tax Group and for the Customer Credit Note Tax Group for the VAT rate in Tax Rates. The system uses this information during the generation of formal tax reports for the relevant reporting authorities.

Now, a customer invoice is posted for 117.50 pounds with a tax rate of 17.5%, generating the following results:

- 100 pounds displays in box UKBox6.
- 17.50 pounds displays in box UKBox1.

Note As the Customer Credit Note Tax Group is also defined as UKSalesGroup, if posting a customer credit note, the base and tax values are also included within the above boxes.

Consider a second example. On a UK VAT return:

- Box 1 must contain the value of tax on sales other outputs.
- Box 6 must contain the value of the sales and other outputs excluding tax.
- Box 8 must contain the value of the sales and other outputs to EC Member States excluding tax

Define three tax boxes:

- UKBox1 is type tax.
- UKBox6 and UKBox 8 are type base.

a tax group, UKECSalesGroup, and assign UKBox1, UKBox6, and UKBox8 to this group.

After defining the boxes and assigning them to the group, specify this group for the Customer Invoice Tax Group and for the Customer Credit Note Tax Group for the VAT rate in Tax Rates.

Now, a customer invoice is posted for 117.50 pounds with a tax rate of 17.5%, generating the following results:

- 100.00 pounds displays in tax box UKBox6.
- 17.50 pounds displays in box UKBox1.
- 100.00 pounds displays in tax box UKBox8.

Tax Boxes

Main

Tax Box

Specify a code that identifies a field on a tax declaration. Often, the code matches the box number on the tax form.

Description

Enter a brief description of this field.

Country

Enter a valid, active code that identifies the country requiring this field on a declaration form. Legal reporting requirements often vary from country to country.

Type

Specify either Base or Tax.

- Base: This box displays the value of a transaction, excluding tax.

- Tax: This box displays the tax element of a transaction.

Active

Indicate if this is an active code. An active can be referenced from other maintenance functions. An inactive code cannot be referenced when a new record is created in other functions and is not included in lookups of valid values.

Tax Groups

Main

Tax groups rather than individual tax boxes are associated with tax rates.

Tax Group

Specify a code that identifies a set of tax boxes. Usually, groups have at least two boxes, one of tax type and the other of base type.

Description

Enter a brief description of the tax group.

Active

Indicate if this is an active tax group.

Tax Boxes

Use the Tax Boxes panel to select tax boxes to associate with this group.

Posting Tax Group Update

Filter

Tax Code

Specify a tax code that you want to update.

Leave this field blank to select all.

Tax In/Out

Specify whether the tax is in or out to update tax postings for purchases or sales transactions.

Leave this field blank to select all.

Tax Year

Specify the tax year of the records that you want to update

Tax Period

Specify the tax periods of the records that you want to update.

Tax Periods

Tax reports are based on tax calendars, rather than the GL calendar, since regulatory requirements for tax reporting are often different from the requirements for GL reports. Tax calendars are entity specific. Tax periods are usually full calendar months, but they are defined with start and end dates to provide for any variations that may be needed.

Since tax authorities set the required reporting periods, tax calendars do not necessarily have a relationship with accounting calendars. If the two calendars are similar, when you create a new tax calendar you can base it on an accounting calendar.

Tax calendars are required and the system checks that financial transactions are within an open tax period. The same check is made when operational transactions are posted.

Each entity within a domain can change the status of a tax period separately by manually updating the status to Locked or Reported. No additional tax transactions can be created when the tax point date is in a locked or reported tax period. You can delete a period only if the period is open and no outstanding transactions exist for it.

Note You should coordinate changes in the status of tax periods with the accounting periods, which determines if any postings can be created.

Main

Tax Year

This field displays the new tax calendar year to create. The default value is the latest tax calendar year, incremented by one.

How to create

Select an option for generating the tax calendar and click the Generate button. If you select Manually, the Generate button is disabled and you must use the grid to create the calendar.

- Copy From GL Calendar Year: Select to use an existing GL calendar year as a template for the new year, and also select a year.
- Copy From Tax Year: Select to use an existing tax calendar year as a template for the new year, and also specify a year.
- Copy Months As Period: Select to use the calendar months as the periods.
- Manually: Select to create a new year by manually specifying the periods in the grid.

The grid is automatically populated for you when you click the Generate button. The only time you need to manually complete the grid is when you select Create Manually.

Tax Period

Specify a period number. By default, periods are numbered 1 to 12. It is possible to create a maximum of 99 tax periods for a tax year.

Start Date

Select a period start date. This is the official start date of the calendar period.

End Date

Select a period end date. This is the official start date of the calendar period.

Status

The system displays the current period status: Open, Locked, or Reported. A new period is created with an Open status. You can manually modify the status to locked or reported.

Open: Tax transactions can be created with effective dates in this period.

Locked: Any further tax transactions are prevented.

Reported: Tax reports have been generated and sent to the authorities.

Setting Up GL Accounts

All accounts referenced in tax rates—except the discount accounts—must be of type Tax. The discount accounts are of the type Standard. The system validates the account type and displays an error if the account has the wrong type.

Note Tax accounts support only sub-account analysis. No cost centers can be defined.

Two accounts are provided for each type of tax: one for invoices and one for credit notes. If you do not want to track these amounts separately in the general ledger, you can specify the same account for each. Otherwise, the account pairs have the same function.

Depending on the nature of your tax rates, some or all of the tax accounts listed in the table are represented in the general ledger.

Tax Amounts Posted to GL

Account	Explanation
Sales Tax Invoice and Sales Tax Credit Note	A liability credited for sales tax payable. It is updated by **Pending Invoices** and **Customer Invoices** for invoices, invoice corrections, credit notes or credit note corrections.
Sales Tax Absorbed and Sales Tax Absorbed Credit Note	A liability credited when your company absorbs tax instead of charging it to the customer. This occurs, for example, when your company gives an item to a customer. Although the sales price is zero, you still pay tax on it. It is updated by **Pending Invoices**.
AP Tax Invoice and AP Tax Credit Note	An asset debited for recoverable amounts or a liability when treated as a contra account to Sales Tax Invoice. It is updated by **Supplier Invoices** for invoices, invoice corrections, credit notes, and credit note corrections, as well as **Purchase Orders** and **PO Shippers**.
AP Tax Retained and AP Tax Retained Credit Note	A liability credited when you retain tax on purchases and remit it directly to the government instead of to the supplier. It is updated

Account	Explanation
	by **Purchase Orders** and **PO Shippers**.
AR Discount Account	If populated, separately tracks discount amounts per tax rate when the credit terms discount is applied to the tax amount on early payment of customer invoices.
AP Discount Account	If populated, separately tracks discount amounts per tax rate when the credit terms discount is applied to the tax amount on early payment of supplier invoices.
Sales Suspended Tax Invoice and Sales Suspended Tax Credit Note Acct	A liability credited for suspended tax payable. It is updated by **Pending Invoices** and **Customer Invoices** for invoices, invoice corrections, credit notes, or credit note corrections.
AP Delayed Tax Invoice and AP Delayed Tax Credit Note Acct	A liability credited for delayed tax payable. It is updated by **Supplier Invoices** for invoices, invoice corrections, credit notes, and credit note corrections, as well as **Purchase Orders** and **PO Shippers**.

After you update your chart of accounts, specify the default tax account codes for new tax rate records in **Base Control**. If necessary, you can later override these codes for individual tax rates.

Note There are no default AR and AP Discount accounts. If the fields are populated, discount amounts are tracked by tax rate. If the fields are not populated, discount amounts are tracked by the accounts defined for the GL bank or cash accounts used for the payment.

Setting Up Tax Rates

The rates are domain-specific since the types of taxes relevant to each of your distinct business units are likely to vary widely. Not all decisions apply to all tax types in all countries. The major points to consider are:

- The tax type, tax class, tax usage, and starting/ending date range to which the tax rate applies
- The percentage used to calculate tax
- Whether taxes are calculated by line or by transaction total
- The taxable base, or item amount subject to tax
- The minimum/maximum item amounts subject to tax
- The amount of purchase tax that is recoverable against sales tax
- The tax calculation method
- Whether a user can override system-calculated tax amounts
- Whether tax amounts are reverse-calculated from item amounts that already include tax
- The GL accounts and sub-accounts to which tax amounts involving this tax rate are posted
- Whether the tax on purchased items sold as part of a service contract are absorbed rather than collected
- Whether purchase tax amounts are retained and paid directly to the government rather than remitted to suppliers
- Whether purchase taxes are accrued for GL reporting upon receipt of goods or the supplier invoice
- Whether taxes are based on sales minus credit terms discounts or on the full sales amount
- The tax groups and tax boxes required for regulatory reporting.

Note Set up tax rates by tax class or tax usage only for exception conditions. Otherwise, leave these fields blank so that the system can apply the tax rate to as many transactions as possible.

Prerequisites to Setting Up Tax Rates

Before you set up tax rate records, you must set up the following values in Taxation Control on page 6530:

- Tax-By-Line
- Tax Method
- Update Tax Allowed
- Accrue Tax at Receipt

- Accrue Tax at Usage
- Discount Tax at Invoice
- Discount Tax at Payment
- Tax Comment Type

You can later override these values for individual tax rates. Subsequent changes to the control program do not update existing rates.

Tax Rates

Main

If you change a tax rate after you start using it for transactions, a warning displays. The system recalculates taxes on open transactions when you access the transaction record.

Tax Code

Enter a code identifying this tax rate. By default, the system increments it automatically from the Last Tax Code field in **Taxation Control**. You can use prefixes to designate groups of tax rates, but be aware that future tax rates will have the same prefix, unless you override it. This field has no significance for auditing or accounting purposes.

Description

Enter a brief description of the tax rate. The description prints on most reports and browses, as space permits.

Tax Type

Select a tax type to which the rate applies. When you select a tax type from the lookup, you can also use the drilldown links to see the tax bases and tax environments where this tax type is used.

Tax Class

If the tax rate applies only to a specific item, service category, or trailer charge tax class, enter it here. Leave this field blank if the tax rate applies, regardless of tax class. Do not set up rates by customer or supplier tax class.

Tax Usage

If the tax rate applies only to a specific tax usage, complete this field. Leave it blank if the tax rate applies, regardless of tax usage.

Tax Base

If necessary, enter the tax base that identifies the portion of the item amount subject to taxation. Leave this blank if the taxable base for this tax rate is always 100% of the item price. For more information, see Implementing Special Taxes on page 6537.

Effective Date

Specify the starting date for using this tax rate in tax calculations. By default, the system inserts the record creation date.

Expiration date

Use this field to phase in expiration dates for obsolete tax rates. This date is the last day when the tax rate can be used on transactions.

Tax Percentage

Specify the percentage used to calculate tax amounts for this tax rate. How the rate is used in the calculation depends on the tax method specified. To use tax types to report tax exemptions, set up zero-percent tax rates as well. The default is zero percent.

Tax-By-Line

Select this field to specify that taxes on line item amounts are calculated individually, rather than by order total. On sales transactions, taxes on trailer charges are always totaled for the order, regardless of the Tax-By-Line setting.

Note When line item amounts use multiple tax rates, clear the Display Taxable/Non-Taxable on Trailer field in **Taxation Control** to suppress the display of misleading taxable/non-taxable amounts.

To calculate taxes by total on purchase receipt and AP transactions, you must set the following appropriately: Allow Tax Included, Accrue Tax at Receipt, and Recoverable Percent. For more information, see Value Added Taxes (VAT), which is included in the Value Added Taxes (VAT) on page 6540 section.

Important The setting of Tax-by-Line affects only the calculation of taxes in operational functions such as sales and purchasing transactions. When taxable transactions are created directly in financial functions, such as manually created supplier or customer invoices, the tax is managed by appropriate settings in those functions.

Tax Details

The majority of fields on this panel default from the settings in Taxation Control on page 6530.

Minimum Taxable Amount

If necessary, enter the minimum transaction taxable base amount to which this tax rate should be applied. The specified tax method determines how this field is used in tax calculations. By default, this field is set to zero. Leave at zero if the tax rate applies equally to all item amounts. For more information, see Luxury Taxes on page 6539.

Maximum Taxable Amount

If necessary, enter the maximum transaction taxable base amount to which this tax rate should be applied. The specified tax method determines how this field is used in tax calculations. Leave blank if the tax rate applies equally to all item amounts. For more information, see Capped Taxes on page 6540.

Percent Recoverable

Specify a recoverable tax percentage if you are able to offset some or all purchase tax amounts for this rate against the amounts for this

rate that you collect on sales. Otherwise, leave set to 0.00%. For more information, see Recoverable Taxes on page 6540.

Update Tax Allowed

Decide whether users can modify system-calculated taxable base and tax amounts during transaction entry. This feature is useful for overriding the system if there is a need to match amounts on manually issued documents. However, the system does not maintain an audit trail of changes. In some environments, the government may require this field to be cleared. See Correcting Transaction Tax Amounts on page 6597.

Allow Tax Included

Specify whether this tax rate reverse-calculates taxes from line item amounts on transactions for customers and suppliers whose Tax In (tax included) status is Yes. If Allow Tax Included is selected, Taxation reverse-calculates tax based on the tax rate's percentage and tax method. See Reverse-Calculated Taxes on page 6544.

A tax environment should have no more than one tax type with a rate that has Allow Tax Included set to Yes. Multiple tax-included rates can lead to tax calculation errors.

Note Tax is always added to trailer charges, regardless of the setting of Allow Tax Included.

Important The setting of tax included affects only the calculation of taxes in operational functions such as sales and purchasing transactions. When taxable transactions are created directly in financial functions, such as manually created supplier or customer invoices, the tax is managed by appropriate settings in those functions.

Accrue Tax at Receipt

This setting determines whether the system creates GL entries for purchase tax amounts upon receipt of goods or receipt of the supplier invoice. The default tax point is determined by the setting in **Taxation Control**. See Tax Point Effects on page 6599.

For recoverable tax rates, you normally set Accrue Tax at Receipt to No because you cannot deduct the recoverable portion of tax paid on purchases against tax collected on sales until you finalize the supplier invoice.

If you are using Logistics Accounting, this field determines when GL entries for taxes on both inbound and outbound logistics charges are created.

The tax point does not affect tax calculations on transactions. The tax amounts display, regardless of when the GL entries are created.

Accrue Tax at Usage

This field applies only if you have selected Use Supplier Consignment in **Inventory Control**.

Sales Tax Absorbed

Indicate if the system should post to the associated Sales Tax Absorbed account. When this field is Yes, you must specify an absorbed invoice and absorbed credit note tax group for reporting.

Tax Status

Select the legal document tax status code used to identify the tax policy for the goods. This tax status code becomes the default for this tax rate in fiscal receiving. You define the list of tax status codes in **Generalized Codes**.

Tax Reason

Enter a maximum of eight characters for the tax reason. Tax reasons are a method of associating tax rates for reporting purposes, and are used by the tax register reports. For more information on tax registers, see Tax Registers on page 6626.

Tax Method

Specify which calculation routine to use when this tax rate is applied. The standard tax methods are 01, 02, 11. If you leave this field blank, calculation method 01 is assumed.

If you are using the Sales and Use Tax Interface, specify tax method 20. If you are importing tax amounts from an external system and do not want to recalculate them, specify method 03.

You can also define custom methods, but be sure to follow the program naming convention.

Discount Tax at Payment

This setting is similar to Discount Tax at Invoice with the exception that the net order total is the discounted sales amount plus the discounted tax amount. Also, for cross-company transactions that include discounts, where this field is selected and the invoicing and payment entities use the same GL account shared set or all of the tax rates on the invoice have non-blank AR/AP discount accounts, the goods and tax portions of the discount are both transferred to the invoice entity. Otherwise, the goods amount of the discount remains in the paying entity.

Discount Tax at Invoice

This setting determines whether the tax rate calculates taxes based on the sales amount minus credit terms discounts, but displays the net order total of full sales amount plus discounted tax amount. If tax is based on the full sales amount, set this to No.

AP Tax Retained

Indicate if the system should post to the associated AP Tax Retained account. When this field is Yes, you must specify a retained invoice and retained credit invoice tax group for reporting.

Suspended/Delayed Tax

Set this field to Yes if this tax rate will apply to suspended tax on customer invoices and credit notes, or to delayed tax on supplier invoices and credit notes. Selecting this field automatically disables the Accrue Tax at Receipt and Accrue Tax at Usage fields. When either of those fields is selected, this field is not available. This field is also disabled when the Tax Percentage field contains a value greater than zero.

Note Selecting this field enables the Suspended and Delayed Tax AR and AP accounts fields in **Base Control**.

Important When you select Accrue Tax at Receipt for the tax rate, you cannot also select the Suspended/Delayed Tax field. See Suspended Tax on Customer Invoices on page 6546 and Delayed Tax on Supplier Invoices on page 6550.

Domestic Reverse Charge

Set this field to Yes if this is a zero tax rate being set up to accommodate regulatory requirements in the United Kingdom for reverse charged items. A supplier adds no tax charge for a reverse charge item; the company receiving the item is responsible for recording the reverse charge tax amounts. This field is disabled when the Tax Percentage field contains a value greater than zero.

Tax records created for rates with this field set to Yes are included on the Reverse Charge Sales List Report. See Domestic Reverse-Charge Taxes on page 6545. This field cannot be set to Yes unless the tax rate amount is 0 (zero).

Tax Groups

Tax groups identify sets of tax boxes, which represent required fields for regulatory reporting. Typically each tax group has at least two boxes: one displays the transaction amount excluding tax and the other displays the tax amount. For more details, see Tax Groups on page 6513.

Note Options you selected on the other panels determine which fields are enabled.

Customer Invoice

Enter a valid, active group to associate with tax amounts generated by this tax rate for customer invoices.

Credit Note

Enter a valid, active group to associate with tax amounts generated by this tax rate for customer credit notes.

Supplier Invoice

Enter a valid, active group to associate with tax amounts generated by this tax rate for supplier invoices.

Supplier Credit Note

Enter a valid, active group to associate with tax amounts generated by this tax rate for supplier credit notes.

Absorbed Invoice

This field is enabled when the Sales Tax Absorbed field is selected on the Tax Details panel. Enter a valid, active group to associate with tax amounts generated by this tax rate for absorbed invoices.

Absorbed Credit Note

This field is enabled when the Sales Tax Absorbed field is selected on the Tax Details panel. Enter a valid, active group to associate with tax amounts generated by this tax rate for absorbed credit notes.

Retained Invoice

This field is enabled when the AP Tax Retained field is selected on the Tax Details panel. Enter a valid, active group to associate with tax amounts generated by this tax rate for retained invoices.

Retained Credit Note

This field is enabled when the AP Tax Retained field is selected on the Tax Details panel. Enter a valid, active group to associate with tax amounts generated by this tax rate for retained credit notes.

Tax Accounts

Use the fields on the Tax Account panel to specify the accounts to be updated for tax amounts generated by this tax rate. All accounts must be of type Tax Control, except for the two discount accounts, which are type Standard. All the accounts on this panel are initialized from **Base Control**. However, you can change the defaults. Depending on your settings, some of the account fields may be disabled.

Sales Invoice

Identify the sales tax liability account and optional sub-account credited when tax is calculated on sales invoices for a customer.

Sales Credit Note

Identify the GL account and optional sub-account credited whenever tax is calculated on a credit note issued to a customer.

Sales Invoice Tax Absorbed

Identify the sales tax liability account and optional sub-account credited whenever your company pays tax instead of charging it to the customer. See Absorbed Taxes on page 6544.

Sales Credit Note Tax Absorbed

Enter the default GL account and optional sub-account used to track sales tax absorbed for credit notes for this tax rate. See Absorbed Taxes on page 6544.

AP Invoice

Identify the GL asset account and optional sub-account debited for recoverable purchase and accounts payable taxes, or liability when treated as a contra account to sales tax payable.

AP Credit Note

Identify the GL account and optional sub-account debited for recoverable purchase and accounts payable taxes, or liability when treated as a contra account to sales tax payable.

AP Invoice Retained

Identify the liability account and optional sub-account credited whenever your company remits tax amounts directly to the government instead of to the supplier.

AP Credit Note Retained

Enter the default GL account and optional sub-account for retained (reverse charge) taxes on supplier credit notes for this tax rate.

Sales Invoice Suspended

Enter the default GL account and sub-account codes used to track suspended tax in customer invoices. Suspended taxes are applied to customer invoices only when the invoice amount has been fully or partially paid. This must be a valid, active account of type Tax. You must define a sub-account for suspended tax accounts. The account you enter must be valid on its own and in combination with the sub-account.

Sales Credit Note Suspended

Enter the default GL account and sub-account codes used to track suspended tax in customer credit notes. This must be a valid, active account of type Tax. You must define a sub-account for suspended tax accounts. The account you enter must be valid on its own and in combination with the sub-account.

AP Invoice Delayed

Enter the GL account code used to track delayed tax in supplier invoices. Delayed taxes are applied to supplier invoices only when

the invoice amount has been fully or partially paid. This must be a valid, active account of type Tax. Delayed tax accounts require sub-account analysis. The account you enter must be valid on its own and in combination with the sub-account.

AP Credit Note Delayed

Enter the GL account code used to track delayed tax in supplier credit notes. This must be a valid, active account of type Tax. Delayed tax accounts require sub-account analysis. The account you enter must be valid on its own and in combination with the sub-account.

Discount Accounts

You can also link discount accounts to this tax rate.

AR Discount

Enter the default GL account code used to track AP discount amounts for this tax rate. The account must be a valid, active account of type Standard. The accounts defined for the tax rate are used during payment processing if they exist. See Discounted Taxes on page 6541.

AP Discount

Enter the default GL account code used to track AR discount amounts for this tax rate. This must be a valid, active account of type Standard. The accounts defined for the tax rate are used during payment processing if they exist. See Discounted Taxes on page 6541.

Withholding Tax

The Withholding Tax panel is only displayed when the tax is of type Withholding Tax. This panel enables you to optionally enter additional values for withholding tax calculation and electronic tax declarations.

Note These fields are designed for use in country-specific withholding tax localizations.

Threshold Amount for Full WHT

Specify the minimum invoice amount for which withholding tax applies. In some countries, suppliers must retain the full tax amount if the supplier invoice amount is less than the amount specified in this field.

Minimum WHT Amount

Specify the minimum withholding tax amount. If the withholding tax amount is less than the value specified in this field, no withholding tax is applied.

Minimum non-tax WHT Amount

Specify an amount to deduct from the supplier invoice amount when calculating the withholding tax amount.

Fixed WHT Surplus Amount

Specify a fixed amount to add to the calculated withholding tax amount.

Include in Export

Select the field if the withholding tax amounts must be included when the data is exported to file. The default is that the field is cleared.

Regime Code

Specify the regime code, which is required for some types of electronic declarations.

WHT Tax Code

Specify the tax code, which is required for some types of electronic declarations.

Operational Code

Specify the operation code, which is required for some types of electronic declarations.

Gross Income Jurisdiction

Specify the gross income jurisdiction code defined by the local government. In Argentina, for example, you must supply this value for Gross Income Perception type taxes.

Notes

Transaction notes are useful for recording government regulations and other legally required text for tax reports. Tax notes print on internal documents only, unless they reference the tax comment type specified in **Taxation Control**. These notes print on invoices. For zero tax rates —such as those for domestic reverse charges—specify comments with this type to explain the use of the zero rate. This is a legal requirement in some countries. For more details see the Tax Comment Type field description in Taxation Control on page 6530.

Click New to record a transaction note for the tax rate.

Drill-Down Links

For Tax Rates, the following drill-downs are available:

- Tax Base Details
- Tax Environments to Tax Classes Details
- Tax Environments to Tax Types Details

Actions

The Actions drop-down offers actions that you can take for a record or set of records. Individual actions are for individual records and bulk actions are for sets of records, based on your selected criteria. For bulk actions, once you select the records and set options, you can submit the action.

Copy

Main

To streamline the task of entering tax rates, group the required rates for a tax type/item tax class/tax usage/effective date combination. Set up a generic rate first. Use the Copy action to make a copy of the generic rate and customize it, as necessary. The system assigns the next sequential number in the Tax Rate field.

Taxation Control

Main

Tax Zone

Enter the default tax zone to be used during transaction entry when the system cannot find a matching tax zone for an address record.

Tax Environment

Enter the default tax environment to be used during transaction entry when the system cannot match the ship-to/ship-from tax zones and customer or supplier tax class to a tax environment.

Country Code

Enter a code to display as the default in Tax Zones. This code represents the top-level in the tax zone hierarchy. Only active codes can be specified.

Rounding Method

Enter the default rounding method for tax types in Tax Environments. Rounding method determines how tax amounts for the tax type are truncated.

Tax Method

This field sets defaults for the corresponding fields in Tax Rates.

Last Tax Code

This field shows the last code that was used on a tax rate. It is used to create and assign a new tax code when a new rate is created.

Tax Comment Type

Identify the comment type that is used to store external tax comments for zero percent tax rates. This field is validated against generalized codes for cd_type, if they are set up.

European VAT invoice rules require that, when a zero percent tax class is used on an invoice between two companies in the same or a different EU country, associated text must print on the invoice explaining the reason for the zero rate. A zero percent tax rate might indicate a tax exempt item such as some medical devices, real estate services, day care, or postal services. You can also use this tax comment for domestic reverse charge taxes required in the United Kingdom. See Domestic Reverse-Charge Taxes on page 6545.

Specify these comments for the tax rate in Tax Rates using this comment type. These comments are then included in the tax analysis sections on external documents printed by the following functions:

- **Pending Invoice Register**
- **Pending Invoices**

- **Invoice History**
- **Invoice Print or Reprint**
- **ERS Invoices**

In a multi-language environment, create comments in each required language. Comments print based on the bill-to customer's associated language code.

Note The TX comment type is used to indicate internal comments associated with a tax rate.

Taxable

Indicate the default setting for the Taxable field for new end user and ship-to records created in operational functions. When selected, any temporary shipping addresses added to the system from sales order functions are taxable by default and their tax details must be entered into the system.

Note This field does not affect new business relations or other address types.

Tax-By-Line

This field sets defaults for the corresponding fields in Tax Rates.

Apply Tax On Issuing Instructions

When you select this field, the Transaction Types grid is displayed, which allows you to maintain the transaction types to apply the tax on.

In City

This field determines the default value for the In City setting when a more specific value cannot be found.

The value of In City for an address determines if the address is in the city limits for taxation purposes. This setting affects only US tax processing that occurs with the QAD Sales and Use Tax Interface.

Accrue Tax at Receipt

This field sets defaults for the corresponding fields in Tax Rates.

Accrue Tax at Usage

This field sets defaults for the corresponding fields in Tax Rates.

Discount Tax at Invoice

This field sets defaults for the corresponding fields in Tax Rates.

Discount Tax at Payment

This field sets defaults for the corresponding fields in Tax Rates.

Update Tax Allowed

This field sets defaults for the corresponding fields in Tax Rates.

Customer Invoice Total Excludes Tax

Specify the default value for the Use as Tax Basis field in **Customer Invoices**. This field applies only to invoices created directly in **Customer Invoices**, not those created by **Pending Invoices**.

Cleared: Use as Tax Basis defaults to cleared. The system assumes that tax is included in the invoice amount.

Selected: Use as Tax Basis defaults to selected. When selected, the invoice total is used as the tax basis during the calculation of tax. The invoice total is then updated to include calculated tax.

Selecting this field makes entry of manual invoices easier, since the user does not need to know the applicable tax rate in advance.

For example, you have an invoice for $100 and a tax rate of 10%. When you manually create this invoice and Use as Tax Basis is cleared, you must enter $110 as the invoice amount. The system calculates tax of $10 and leaves $100 to allocate. When Use as Tax Basis is selected, you enter $100 and the system calculates the applicable tax of $10 and adds this value to the invoice total, leaving $100 to allocate.

The result is the same, but in the first instance, you need to know the correct invoice amount including tax beforehand; in the second case, you need to know only the net sales amount. The system derives the correct tax amount.

Important The system does not support tax calculations for multiple tax types when tax is included; if the tax environment has multiple types in this scenario, tax amounts must be entered manually.

Print VAT Registration

This setting specifies whether the system includes VAT registration numbers on printed documents. Select this field to print the relevant VAT registration numbers on documents such as sales quotes, sales orders, invoices, purchase orders, blanket orders, shippers, service/repair orders, and material orders. VAT registration numbers are specified in the State ID field of the tax detail.

Display Detail on Reports

This setting determines whether you can print a summary of tax amounts on printed documents such as purchase orders, receipts, sales quotes, sales orders, and invoices. You can print tax summaries in reports only if both this control program setting and the Print Trailer field are selected. Tax detail information prints only on documents that have a trailer.

Display Taxable/Non-Taxable on Trailer

This setting determines whether taxable and non-taxable amounts are displayed or printed in document trailers. When using different tax

rates, currency rules, discounts, and rounding methods, non-taxable and taxable amounts shown in trailers may be incorrect. To avoid the display of misleading tax amounts, clear this field when Tax-By-Line is No and different lines have multiple tax classes.

Transaction Types

Use the Transaction Type panel to add transaction types for which the settings apply. When you add a line to the grid, select a transaction type from the list. The available transaction types are:

- ISS-DO
- ISS-MEMO
- ISS-PRV
- ISS-TR
- ISS-UNP
- RCT-UNP

Avatax

Before you can use Avatax, you must configure the Avatax interface. Avatax Configuration updates and accesses the Avatax configuration information contained within the QAD workfile. You must provide the Avatax account number and license key before any communication to Avalara can take place.

Account Number

Specify the account number you received from Avalara.

License Key

Specify the Avatax license key provided by Avalara.

API URL

Specify the URL for the Avatax REST APIs Web service used to validate addresses and tax calculations.

Log File

Log Location.

Specify the path to the directory where you want to store Avatax audit log files, usually the location of the logs directory within the Avatax installation directory. If you used a different location, copy the WSDL files from the Avatax/logs directory to whatever directory is specified. There are two levels of auditing: debug and normal auditing.

In normal audit mode, tax and transaction information such as the tax method, tax code, tax class, company code, and amounts are written to the logs. In addition, when the transaction is processed by Avatax, Avatax data is written to the logs including the username, profile name, adapter version, and client name.

Important The logs may contain confidential tax details. Therefore, the log location must be a folder where access is restricted to a limited number of users. The user ID you use for tax administration using Avatax must have read and write access to the logging folder.

Adapter Profile

Specify an adapter profile, which is required by Avalara.

Avatax Version

Specify the Avatax Web service version that the interface is configured for.

Note A difference between the connector and Avatax service version does not necessarily mean that you have to upgrade the connector or take any other action.

Customer Exemption On

Specify the basis on which an exemption applies; possible values are Sold-To, Ship-To, and Bill-To.

Which URL

Specify a value to indicate the URL to use. The options are Development or Production.

Report by Domain or Entity

Specify Domain if your company reports tax by domain. Otherwise, specify Entity if your company reports tax by entity.

Explicit Address Validation

Select this field if you want Avatax to validate addresses. If Avatax is enabled, addresses are validated when you create a new address or modify key address fields in the Business Relation, End User, and Customer Ship-To functions.

Debug

Select the field if you want to use verbose debugging. The debugging option indicates that the Avatax adapter must produce verbose debug logs.

Note The debug logs can become very large so it is recommended that you only activate this option when explicitly needed.

When you have defined the Avatax Configuration data, click Save to ping Avalara to confirm the connection. This step is used to verify the credentials provided, as well as to compare the Avatax adapter version with the current Avatax version. A successful response includes the service version run by Avatax. All tax transactions will continue to work as normal even if the Avatax versions are different. Any issues will be reported as a warning. The words “Ping Results: Success” mean that the connector installation is finished.

Updating Addresses and Items

When sales and purchasing transactions take place, tax data is derived from two sources:

- Addresses associated with customers, suppliers, and sites
- Product line and item defaults

Business Relations

The system uses records called business relations to manage basic address information. A business relation contains location, contact, and tax information for a set of related addresses.

Business relations are then referenced in AR when customers, ship-to records, and end users are created. They are referenced in AP when suppliers are created. The same set of tax fields must be defined for business relations, customers, and suppliers. Certain tax data defaults from the business relation when customer and supplier records are created, including the values for Tax Included and Tax In City. You can modify the defaults as needed and specify values for the remaining tax-related fields.

Separate customer and supplier tax data lets you define different values for the same business relation depending on the business context.

Business Relation 010000 is referenced both as a customer and a suppler. You sell finished goods to this company and also purchase raw material from it. The nature of usage for tax reporting is different for sales and purchasing. For the customer record that references 010000 you specify FG (finished goods) for nature of operation; for the supplier that references 010000 you specify RAW for nature of operation.

Company addresses also reference business relations for tax data, but in this case, the tax data of the BR is used directly; it cannot be modified. Each of your inventory sites must be associated with a business relation in **Companies**.

The Tax fields on the Addresses tab in **Business Relations** are detailed inBusiness Relations on page 743 . The same information displays on the Tax tab in **Customers** and **Suppliers**.

Company and Site Addresses

Inventory sites require a corresponding address record because taxes are calculated by address, not site. Every site must have an address record with the same address code as the site code. records in Companies by referencing a business relation. The address information of the headoffice address type of the business relation provides the city, county, state, country, and tax information for the site.

If government regulations require you to print tax ID numbers on your purchase orders, you can enter these numbers in the Miscellaneous Tax fields in the business relation associated with the bill-to address.

When you run **Purchase Order Print**, these tax IDs are included on the purchase order under these conditions:

- Print Tax - Misc on PO is selected in the Accounting panel of **Purchasing Control**.

If for some reason a site address is not found, the system uses the default tax zone and In City value in **Taxation Control**.

Product Lines and Items

In **Product Lines** and **Items**, enter the Taxation item tax class in all product line and item records. If necessary, change the taxable status to Yes to accommodate exemption reporting.

If you are using the Service/Support Management module, assign tax classes to service categories in **Service Categories**.

Implementing Special Taxes

Tax Exemptions

Tax exemptions are set up by tax type. You can implement separate tax types for each exemption, or group all exemptions into one tax type. Select the approach that supports the level of detail required for governmental reporting.

Reporting by Exemption

1. In **Tax Types**, set up a separate tax type for each exemption.
2. In **Tax Environments**, assign the type to each tax environment affected by the exemption.
3. In **Tax Rates**, set up 0% tax rates for each exemption tax type. If the exemption is by customer or supplier, set up 0% rates by usage code. If the exemption is by item or trailer charge, set up 0% rates by item tax class.
4. In the respective maintenance functions, set the Taxable status of all exempt customers, suppliers, product lines, items, and trailer charges to Yes. Transactions with a non-taxable status do not calculate tax, but you will be unable to report the reason, because the system cannot match the exempt amounts to the exemption tax types in the tax environment.

Aggregate Reporting

1. In **Tax Environments**, assign the default tax type NON-TAX to each tax environment in which exemptions can be reported in aggregate. You do not have to set up this type; it is supplied by default. Once you do this, the system automatically classifies all non-taxable transaction amounts as type NON-TAX.
2. In the respective maintenance functions, set the Taxable status of all exempt customers, suppliers, product lines, items, service categories, and trailer charges to No. When the system encounters a non-taxable transaction amount, it applies a 0% tax rate to it. This rate is supplied with the system.

Tax Based on Partial Item Amounts

By default, the system calculates tax for 100% of the item amount. However, tax can be based on a smaller percentage. In these situations, set up a tax base record in Tax Bases, specifying the appropriate base percent. Assign this tax base to multiple tax types and tax rates if the base percent is the same for all situations.

Custom Tax Calculation Methods

The transaction detail screen displays the following tax-related amounts for line items and trailer charges:

- Total line item or trailer charge amount

- Line item or trailer charge amount not subject to tax
- Line item or trailer charge amount that is subject to tax
- Total tax amount
- Recoverable and non-recoverable tax amounts
- For sales transactions, any tax your company absorbs rather than passes on to the customer
- For purchase transactions, any tax your company retains for direct payment to the government

To calculate tax amounts, the system can use one of several standard calculation programs. Alternately, to resolve a localization issue, write a custom program. Specify a default program and override it as necessary for individual tax rates.

The table summarizes the differences among the tax calculation methods supplied with the system.

Standard Tax Methods

Method	Program	Explanation
01	txmeth01.p	This generic method supports most taxes. Tax Amount = Tax Rate * Item Amount **Note**: For reverse-calculated taxes, Tax Amount = Tax Rate * [Item Amount / (1+Tax Rate)] Taxable Base = Item Amount * Tax Base Percent If Taxable Base < Min. Taxable, Tax Amount = Min. Taxable If Taxable Base > Max. Taxable, Tax Amount = Max. Taxable Recoverable Amount = Tax Amount * Recoverable Percent
02	txmeth02.p	Same as method 01, except that it supports luxury taxes and capped taxes that

Method	Program	Explanation
		are assessed only on specific taxable base amounts. If Taxable Base < Min. Taxable, Tax Amount = 0 If Taxable Base > Max. Taxable, Tax Amount = 0
03	txmeth03.p	Indicates you are importing tax amounts from an external system and do not want to recalculate them.
11	txmeth11.p	Same as method 01 but has a regressive calculation for reverse-calculated taxes. Tax Amount = Tax Rate * Item Amount
20	txmeth20.p	Indicates that Quantum, through the Sales and Use Tax API, calculates taxes for each line item.

For custom programs, the file naming convention is *txmeth##.p*, where ## is the numeric identifier referenced in **Tax Rates**. Use an identifier from 50 to 99; identifiers 00 through 49 are reserved for QAD use.

To implement the custom tax method, specify the identifier as the Tax Method in **Tax Rates**. If the custom method is the default method for new tax rates, also specify it in **Taxation Control**.

Set up a value in generalized codes for the new method so that it displays in the lookup on the Tax Method field in **Tax Rates**.

Luxury Taxes

Luxury taxes are assessed only on transaction amounts that exceed a specified minimum. For example, a 30% luxury tax may apply only to automobiles costing more than $100,000. Two fields in Tax Rates govern setup of luxury taxes.

The *Minimum Taxable Amount* field identifies the minimum amount subject to tax. In the above example, the Minimum Taxable Amount is $100,000.

For luxury taxes, set the *Tax Method* field to 02. Whenever the transaction taxable base amount is less than the Minimum Taxable Amount for the tax rate, the final tax amount is zero.

Capped Taxes

Capped taxes are assessed only on transaction amounts less than a specified maximum. For example, a 10% capped tax applies only to transaction amounts under $1,000. Two settings in Tax Rates govern setup of capped taxes:

The *Maximum Taxable Amount* field identifies the maximum amount subject to tax. In the above example, set this field to $1,000.

For capped taxes, set the *Tax Method* field to 02. Whenever the transaction taxable base amount exceeds the Maximum Taxable Amount for the tax rate, the final tax amount is zero.

Recoverable Taxes

Taxes are recoverable whenever your company is eligible to offset a percentage of tax on purchases against tax collected on sales. Recoverable taxes are common in Europe.

The following settings in **Tax Rates** govern setup of recoverable taxes.

The *Percent Recoverable* field allows you to specify the percentage of purchase tax that can be recovered for the tax rate.

The various AP tax account fields enable you to specify a GL account and sub-account for posting recoverable tax amounts for invoices and credit notes. These accounts are used also by **Purchase Order Receipts** and **PO Shippers**.

A recoverable tax is an asset when debited for recoverable purchase and AP taxes, or a liability when treated as a contra account to sales tax payable. The system uses the accounts associated with the applicable tax rate, if specified; otherwise, defaults in **Base Control** are used, but you can override them.

The *Accrue Tax at Receipt* field determines when GL entries for purchase tax amounts are created. For recoverable taxes, set this to No because the tax point is not receipt of goods, but receipt of supplier invoice.

Value Added Taxes (VAT)

Value added taxes are common in Europe and Canada. In certain European countries, it is a legal requirement to calculate VAT amounts based on invoice totals. This is accomplished by setting the *Tax-By-Line* field to No in **Tax Rates**.

This setting by itself is not sufficient to ensure that purchase receipts and AP transactions are taxed on the order total. You must set three other fields appropriately.

In the *Percent Recoverable* field, the percentage of purchase tax that can be recovered for the tax rate must be set to 100%.

The *Accrue Tax at Receipt* field determines when GL entries for purchase tax amounts are created. For VAT taxes, set this to No so that GL transactions are created for tax amounts during supplier invoicing, not receipt.

Set the *Allow Tax Included* field to No so that the system does not reverse-calculate tax amounts.

Tax on Tax

In a tax-on-tax situation, one tax amount is included in the calculation for another tax amount. For example, in some Canadian provinces, Provincial Services Tax (PST) is based on the item amount plus the federal Goods and Services Tax (GST).

To set up a tax-on-tax, define the calculation priority of the two taxes and assign the included tax as the tax base of the other tax.

1. In **Tax Environments**, assign both tax types to the tax environment. Assign the included tax type a lower sequence number than the other tax type. This ensures that the included tax is calculated first. In the Canadian example, GST has a lower sequence.
2. In **Tax Bases**, define a tax base and assign it to the included tax type. In the Canadian example, GST is the included type.
3. In **Tax Rates**, set up tax rates for both tax types. In the rate for the tax-on-tax, specify the tax base for the included tax. In the Canadian example, you set up rates for both GST and PST, then specify the tax base in the PST rates.

Discounted Taxes

In the United Kingdom and some other countries, tax is assessed only on what the customer actually pays—that is, on the sales amount minus credit terms discounts. When taxes are discounted, the net order amount can vary, depending on whether the credit terms discount is applied to the tax amount.

Discount Tax Point

In **Tax Rates**, two settings govern the setup of discounted taxes: Discount Tax at Invoice and Discount Tax at Payment.

- For both settings, the order tax amount is the discounted sales amount multiplied by the tax rate.
- For discounting at invoice, the net order amount is the full sales amount plus the discounted tax amount. When payment is received,

the system checks that the customer has paid within the discount period. If the customer is still eligible for the discount, the system discounts the sales amount and adds it to the discounted tax amount to recalculate the net order amount.

- In contrast, for discounting at payment, the net order amount is calculated later as the *discounted* sales amount plus the discounted tax amount.
- Under both systems, if the discount period expires, both the AR and AP payment programs automatically adjust tax amounts upward. The net order amount is recalculated as the full sales amount plus the full tax amount.

For example, if the sales amount is 100.00, the credit terms are 2% Net 30, and the tax rate is 10%, the system calculates the discount at invoice as follows:

*Disc Sales Amt: 100.00 – (100.00 * 2%) = 98.00*

*Disc Tax Amt: (98.00 * 10%) = 9.80*

Net Order Total: (100.00 + 9.80) = 109.80

Initially, only the tax is discounted. If the customer is still eligible for the discount when payment is received, the sales amount is discounted to 98.00 and the payment amount to apply changes to 107.80.

For discounting at payment, the calculation is as follows.

*Disc Sales Amt: 100.00 – (100.00 * 2%) = 98.00*

*Disc Tax Amt: (98.00 * 10%) = 9.80*

Net Order Total: (98.00 + 9.80) = 107.80

If the customer is late, the discount tax amount reverts to the non-discounted tax amount of 10.00 and the payment amount to apply changes to 110.00.

Discount Accounts per Tax Rate

In countries such as Germany where discounting is traditionally done at payment rather than on invoicing, holding all discounts amounts in the same GL account—regardless of their tax rate—makes it difficult to verify that the correct amount of VAT has been booked. To avoid this problem, you can set up AR and AP Discount accounts per tax rate in **Tax Rates**. Discounts are then booked into these accounts based on the tax rate associated with customer and supplier invoices.

If you do not set up these accounts, discounts are posted to the AP or AR Discount accounts associated with the bank account or cash account being updated by the payment. These accounts are defined when the account is set up in **GL Accounts**.

When a customer takes advantage of a discount due upon invoice payment or you take advantage of a discount offered by a supplier, a VAT correction must be made to the appropriate VAT account. Also, the discounted amount, less the VAT component, must be posted to the discount account.

For example, an early settlement discount of 2% of the sale is available on invoice payment.

Invoice Amount	100.00
VAT Rate	17.5%
VAT Due	17.50
Total Invoice Amount	117.50
Early Settlement Discount Rate	2%
Early Settlement Amount	2.35
VAT Component of Discount	0.35
Corrected VAT Amount owing to early settlement	7.15

In this example, if the customer takes advantage of the early settlement discount of 2.35 offered on payment of this invoice, a correction to the relevant VAT account is needed. A deduction of 0.35—the VAT component of the discount—must be posted to the appropriate VAT account for the relevant tax code. The sum of 2.00 must be booked to the discount account.

If all discounted amounts are booked to the same discount account, regardless of the associated tax code, it becomes difficult to determine that the correct amount of VAT has been booked. To properly calculate the VAT booked, the discount amount for the tax percentage needs to be deducted from the sales amount. This would be a time-consuming calculation if all discount amounts had to be booked to a single discount account. Posting discount amounts to different discount accounts based on their tax rate simplifies this calculation.

When payments are processed, the system checks the tax rate for each invoice, the appropriate discount is taken, and that discount is automatically posted to the correct AP or AR Discount account. If multiple tax rates apply, the discount is split among the discount accounts defined for the tax rates concerned. These GL accounts override the value of the discount account associated with the bank or cash GL account.

Discount on Cross-Company Payments

For cross-company payments, the invoicing entity is liable for taxes. Therefore, tax discounts for cross-company payments are accounted for in the invoicing entity, rather than the payment entity. The posting for the discount of the goods amount also takes place in the invoicing entity, providing that either of the following is true:

- The invoicing and payment entities use the same GL account shared set.
- All of the tax rates on the invoice have non-blank AR/AP discount accounts.

Otherwise, the goods portion of the discount remains in the paying entity.

Retained Taxes

In some countries, the government declares that large customers of small suppliers are required to remit tax amounts directly to the government instead of to the supplier. Customers of these suppliers pay the purchase amount minus tax to the supplier but are required to calculate, post, and periodically pay the tax amounts on their purchases directly to the government.

Use **Tax Rates** to specify the GL accounts and sub-accounts for AP Retained Tax. To designate a tax rate as a retained tax, set the field to Yes.

Absorbed Taxes

Absorbed sales tax is a liability you can incur whenever your company is liable for tax but does not charge it to the customer. For example, if you give an item to a customer, you may still pay tax, even though the item's sales price is zero. Absorbed sales tax is also called withheld or retained sales tax.

Use **Tax Rates** to specify the GL accounts and sub-accounts for Sales Tax Absorbed. To designate a tax rate as an absorbed tax, set the field to Yes.

Reverse-Calculated Taxes

Sometimes, item amounts already include tax. For transaction documents and reporting, you must reverse-calculate the tax from the item amount.

The system reverse-calculates tax from the line item price on sales and the item cost on purchases. On sales transactions, it reverse-calculates the taxable base by subtracting the tax amount from the total amount on the line/trailer.

The system supports two kinds of reverse calculations, as specified by the tax method in the tax rate.

For method 01, the calculation works as follows:

*Tax Amount = Tax Rate * (Item Price/(1 + Tax Rate))*

*0.10 * (100.00/1.10)*

*0.10 * 90.90 = 9.09*

Tax Base = Item Price – Tax Amount

100.00 – 9.09 = 90.91

In contrast, for tax method 11 (regressive taxation), the calculation is as follows:

*Tax Amount = Item Price * Tax Rate*

*100.00 * 0.10 = 10.00*

Tax Base = Item Price – Tax Amount

100.00 – 10.00 = 90.00

To set up a reverse-calculated tax, do the following:

- On the Addresses panel in **Business Relations**, set Tax is Included to Yes. The tax included status for the customer/supplier ship-to address determines the default tax included status on transactions. The transaction tax included status becomes the default status for line items.
- In **Tax Rates**, set Allow Tax Included to Yes for all tax rates applied to items that already include tax. In addition, specify Tax Method 01 or 11.

Tax is reverse-calculated only for transactions in which the transaction or item Tax In status is Yes and the tax rate Allow Tax Included status is Yes.

Note The ability to reverse-calculate taxes does not affect sales commission reporting using sales analysis programs. Commissions are always based on item prices inclusive of tax. For items that include tax, you may have to adjust your commission structure.

Domestic Reverse-Charge Taxes

Reverse-charge VAT accounting rules apply to the sale and purchase within the United Kingdom of a specific range of goods such as phones and computer chips.

To set up tax rates to accommodate this requirement:

1. Specify a Tax Comment Type for zero rates in **Taxation Control**. In the comment, include text such as Subject to Reverse Charge or other text recommended by regulatory bodies. This comment prints on customer invoices.
2. zero percent tax rates in **Tax Rates** specifically for items subject to this tax and select the Domestic Reverse Charge field.
3. Set up item tax classes and usage codes, as well as customer tax class and usage codes, so the correct zero percent tax rate is used

on sales orders, pending invoices, and invoices for items subject to reverse charge.

When you post and print the customer invoices, the system captures details in tax history.

Note A single invoice for sales of less than £5000 of qualifying goods to one VAT registered customer is not subject to the reverse charge rules, but should be charged with standard rate VAT and should not appear on the Reverse Charge Sales List Report. To manage this exclusion, you should set up customer tax class and usage values to reflect the normal trading situation for reverse charge items for each customer. You must then verify that the default usage is correct for each particular invoice before printing and posting.

Suspended Tax on Customer Invoices

Taxes on sales orders and customer invoices or credit notes are generally due at the same time as the invoice date. In some countries, however, the payment of taxes is deferred until the invoice has been fully or partially paid. Use the Suspended Tax option to defer the payment of taxes on a customer invoice until the invoice has been paid. If the Suspend Until Paid Status field is selected on the entity record, the taxes only become payable when the payment status is set to Paid. In this case, allocating payment to an invoice does not generate final tax postings, unless the payment status is set to Paid at the same time.

Important Draft payments are the exception. The transfer from suspended tax to normal tax only takes place when the payment is assigned the Paid status. In addition, if the Suspend Until Paid Status field is selected on the entity record, all payments are treated as drafts, and the final tax postings are only generated when the payment status is set to Paid.

Suspended taxes are normally applied to all sales orders and invoices for designated customers. You enable suspended taxes per entity. You then define a dedicated suspended tax rate and apply a tax environment that retrieves this rate for the customer. This ensures that sales orders and invoices for this customer are automatically subjected to suspended tax. You can also apply normal taxes when creating individual sales orders and customer invoices by selecting a tax environment that retrieves a normal tax rate.

Note You suspend taxes on AR payments only. Use the Delayed Taxes option to defer recoverable taxes on AP payments. See Delayed Tax on Supplier Invoices on page 6550.

For suspended tax, you use **Tax Rates** to define a set of tax accounts for the dedicated suspended tax rate you intend to use. The system then uses these accounts in postings when the suspended tax rate is applied.

A customer invoice with a normal tax rate of 10% applied generates the following postings:

Account	Debit	Credit
Customer Control	100	
Sales Finance		90
Sales Tax		10

When a suspended tax rate of 20% is applied, the tax amount is posted to the Sales Invoice Suspended Tax account you defined for the suspended tax rate:

Account	Debit	Credit
Customer Control	100	
Sales Finance		80
Suspended Tax		20

When the invoice has been paid, you create a customer payment and allocate it to the invoice to process the invoice amount. The system then generates a second tax posting if the Suspend Until Paid Status field is deselected on the entity record. If the Suspend Until Paid status field is selected, allocating a payment to an invoice does not generate final tax postings, unless the payment status is also set to Paid.

When the payment is paid, the system debits the Sales Invoice Suspended Tax account for the tax amount, and credits the normal sales tax account:

Account	Debit	Credit
Customer Control		100
Bank Account	100	
Suspended Tax	20	
Sales Tax		20

The tax point date and period for the suspended tax postings is the same as the payment tax point date. When the GL or tax period for the original invoice posting is closed, the system displays an warning when the invoice with suspended tax is posted, but does not prevent the posting.

Suspended Tax on Other Customer Payment Types

Suspended tax can be applied to the following other types of customer payments:

- Invoice corrections, credit notes, and credit note corrections. The suspended tax postings are reversed for credit notes and credit note corrections.
- Manual payment of a customer draft.
- Customer payment selections for drafts.
- Allocation to an invoice using **Bank Statements** or **Petty Cash Statements**.
- Allocation to a customer payment draft using **Bank Statements** or **Petty Cash Statements**.
- Changing the status of a draft customer payment to Paid.
- Creating new draft payments to be linked to invoices.
- Changing an existing draft payment to Paid.
- **Open Item Adjustments**.

  Note A partial open item adjustment does not invoke suspended taxes.
- Cross-company payments. The additional posting lines are created in the entity of the invoice, and not that of the bank.

Calculating Suspended Tax Points

When the customer completes payment of an outstanding amount in payment stages, you define the point at which suspended taxes are calculated using the Suspended Tax field on the **Entities** screen. This field has four options:

- Not applicable
- Proportional to Payments: Taxes are suspended when the first partial payment is made, and the taxes due are proportional to the amount of the partial payment. The tax due in this case is calculated using the following formula:

  *Suspended Tax Amount = Total Tax (base) Amount * Payment Amount / Original Invoice Total*
- To First Payment: Taxes are suspended on the whole payment amount when the first payment is made.
- To Last Payment: Taxes are suspended on the whole payment amount when the final payment is made.

When you change the payment stage in **Entities**, the new level applies to new invoices and sales orders only. This flexibility lets you switch from suspended to normal taxes from one year to another. For draft customer payments, suspended taxes are changed to normal taxes when the draft is actually paid by the bank, and the payment status is changed to Paid.

Setting Up Suspended Tax

Configure suspended tax for a customer using the following steps:

1. Activate Suspended Tax for the entity by selecting a payment stage from the Suspended Tax field in **Entities**. You can also use the Suspend Until Paid Status field to suspend the payment of taxes until the payment allocated to the invoice has a payment status of Paid.
2. In **Tax Rates**, create a tax type for delayed tax, specify the tax rate, and select the Suspended/Delayed Taxes field.

   Specify the AR invoice and credit note suspended tax accounts and the AP invoice and credit note delayed tax accounts to use when posting suspended and delayed taxes. In **Tax Environments**, create a tax environment record for suspended and delayed taxes. List all ship-from and ship-to tax zone combinations for which suspended tax will apply. Specify the tax zone of customers for which suspended tax applies.
3. On the Tax panel of **Customers**, select the suspended tax zone and suspended tax class for the customer. When you create a customer invoice for this customer, the Tax panel indicates that the suspended tax environment is used. The Suspended Tax field in the tax grid is also selected. You can view the tax posting to the suspended tax account using the Journal Entries button.

When the tax environment for a customer is configured for suspended tax, suspended taxes are applied by default to each new sales order and customer invoice you create.

The Tax Settings sub-panel in **Sales Orders** displays the default tax environment for the customer, and you can select a non-suspended tax rate by changing the environment at this stage.

To change the tax environment on a manually created customer invoice:

1. On the Tax grid, delete the existing tax line.
2. Insert a new row and select the required tax environment.
3. Enter the total base amount for the invoice.

The system applies the new tax rate to the invoice amount and recalculates the tax amount accruing.

Suspended Taxes and Reversed Payments

You can reverse an invoice payment using **Open Item Adjustments** or by changing the status of the payment to Void, Bounced or Initial. When you reverse the payment in this way, the suspended tax postings are also reversed.

When you change the payment status of a supplier payment to Void, delayed taxes are not reversed. Voiding a supplier payment does not re-open the paid invoices, but instead triggers the creation of a new payment record for the same invoices. This lets you issue a new payment. When you want to cancel the supplier payment completely, set the payment status to Bounced.

Delayed Tax on Supplier Invoices

Taxes on purchase orders and supplier invoices or credit notes are generally due at the same time as the invoice date. However, in some countries, taxes with certain types of suppliers only become due after the invoice has been fully or partially paid. If the Delay Until Paid Status field is selected on the entity record, the taxes only become payable when the payment status is set to Paid. In this case, allocating payment to an invoice does not generate final tax postings, unless the payment status is set to Paid at the same time.

Important Draft payments are the exception. The transfer from delayed tax to normal tax only takes place when the payment is assigned the Paid status. In addition, if the Delay Until Paid Status field is selected on the entity record, all payments are treated as drafts, and the final tax postings are only generated when the payment status is set to Paid.

When you account for tax after you have paid a supplier in AP, it is referred to as delayed tax. In this case, you can only deduct the tax in your declaration to the authorities after you have paid the supplier.

Delayed taxes are normally applied to all purchase orders and invoices for designated suppliers. You enable delayed taxes per entity. You then define a dedicated delayed tax rate and apply a tax environment that retrieves this rate for the supplier. This ensures that purchase orders and invoices for this supplier are automatically subjected to delayed tax. You can also apply normal taxes when creating individual purchase orders and supplier invoices by selecting a tax environment that retrieves a normal tax rate.

Note You delay taxes on AP payments only. Use the Suspended Taxes option to defer taxes on AR payments.

For delayed tax, you use **Tax Rates** to define a set of tax accounts for the delayed tax rate. The system then uses these accounts in postings when the delayed tax rate is applied.

When you allocate payment to a supplier invoice with delayed tax, the system transfers the delayed tax amount to normal tax, and generates a second tax posting. This posting credits the AP Invoice Delayed Tax account for the tax amount, and debits the normal tax account. The tax point date and period for both postings is the same as the payment tax point date. The normal AP tax will, therefore, appear in the reporting for the period in which the payment was made.

Delayed Tax on Other Supplier Payments

In addition to **Supplier Invoices**, the following functions generate delayed tax postings (or reversal of delayed tax in case of payment) if delayed tax applies for the supplier:

- **Supplier Payments**—for payments that are not initial and for payments other than drafts
- **Supplier Payment Selections** (Confirm action)—for payments other than drafts
- **Bank Statements** and **Petty Cash Statements**, when the payment is allocated to a supplier invoice or to a supplier payment of type Draft
- When the status of the payment is changed to Paid or for a payment instrument of type Draft
- When the payment is allocated to a supplier invoice
- When you change a Supplier Payment Status to Paid for a payment instrument of type Draft
- **Open Item Adjustments**, when you close a supplier open item and its balance is netted to zero

  Note A partial open item adjustment does not cause the transfer from delayed to normal tax.

Delayed Taxes and Reversed Payments

If you reverse a payment to a supplier by setting it to Void, Bounced, or Initial or if you re-open the invoice in **Open Item Adjustments**, the delayed tax transaction is netted from the normal AP tax account and re-posted to the AP delayed tax account.

Calculating Delayed Tax Points

When you pay a supplier in payment stages, you can define the point at which delayed taxes are calculated. The tax points for delayed tax on staged payments are defined using the same method as for suspended tax. See Calculating Suspended Tax Points on page 6548.

Setting Up Delayed Tax

Delayed tax for payments to suppliers is set up using the same method as for suspended tax on customer payments. See Setting Up Suspended Tax on page 6549.

Delayed Tax and Receiver Matching

Delayed tax does not accrue when the items are received. Therefore, in receiver matching, the PO receipt amount without delayed tax is matched to the base amount of the supplier invoice.

For example, you create a purchase order for 80 USD for items ordered from a supplier. A delayed tax rate of 17% applies. The items are to be delivered to the site where you recorded the order.

Receipt Postings

When the items are recorded as received, the system posts the following journal entries to the PO Receipts daybook. Delayed tax does not accrue at receipt so the postings are for the cumulative costs for the items ordered.

Account	Debit	Credit
Inventory	80.00	
PO Receipts		80.00

Invoice Postings

When you receive an invoice from the supplier and record the details using **Supplier Invoices**, the delayed tax is applied to the base invoice amount. When the invoice is saved, the delayed tax is posted to the AP Delayed Tax account specified for the applicable delayed tax rate in **Tax Rates**. The journal entries for the supplier invoice are:

Account	Debit	Credit
AP		93.60
AP Delayed Tax	13.60	
Unmatched Invoices	80.00	

Matching Postings

You then match the supplier invoice to the PO receipt for the items in **Receiver Matchings**. Delayed tax did not accrue when the items were received so the PO receipt without tax is matched to the base amount of the supplier invoice. The receiver matching postings are:

Account	Debit	Credit
PO Receipts	80.00	
Unmatched Invoices		80.00

Supplier Payment Postings

When the invoice has been paid, you create a supplier payment and allocate it to the invoice to process the invoice amount. The system then generates a second tax posting if the Delay Until Paid Status field is deselected on the entity record. If the Delay Until Paid status field is selected, allocating a payment to an invoice does not generate final tax postings, unless the payment status is also set to Paid.

When you save the supplier payment, the system nets the tax from the delayed tax account and posts it to the normal account used for AP taxes.

Account	Debit	Credit
Supplier Bank		93.60
AP	93.60	
AP Delayed Tax		13.60
AP Tax	13.60	

Implementing China Golden Tax

Note The China Golden Tax functionality is only available if you have the China Internationalization Extension license registered in the QAD ERP O³ application.

The Golden Tax system is a legal information system in China for processing Value Added Tax (VAT) invoices of different types. The system is established by the Chinese government to prevent tax fraud.

When a company doing business in China needs to send VAT invoices to customers, they must first obtain pre-printed blank invoices from Chinese tax bureaus. A unique VAT invoice number appears on each blank invoice to identify its legality.

The Golden Tax system provides an application program that prints accepted invoice information such as the customer, invoice items, and price on the blank VAT invoice. The program also uploads the invoice amount associated with a unique invoice number to the country-wide Golden Tax system database used by Chinese government authorities for tax regulation.

It is legally forbidden to manually write on a blank VAT invoice or to print the invoice outside of the Golden Tax system.

Golden Tax can be enabled in the Golden Tax Invoices panel in **Financials Control**. For more information, see Financials Control on page 6338.

Golden Tax provides functions that let you export invoice information from your QAD database into an XML file. This XML file is then imported into the Golden Tax system for invoice print.

Sales Orders and **Customer Scheduled Orders** allow you to set the Golden Tax Transaction Type using the Layout 'QAD China Extension'.

These Golden Tax invoices can be viewed in **Golden Tax Invoice Browse** and **Golden Tax Invoice Report**. Additionally, these Golden Tax invoices can be exported using **Golden Tax File Create** to an XML file which can be loaded to the Golden Tax system.

The Golden Tax system sends an XML file with Golden Tax invoice numbers for the invoices that were loaded to the Tax system. This XML file is imported to our QAD system using the **Golden Tax File Load** in order to store the Golden Tax invoice number against each of the invoices that were uploaded to the Golden Tax system.

Golden Tax Invoice Browse

The browse is configurable and allows you to export to Excel.

The browse displays Golden Tax information such as whether the invoice has been exported, the Golden Tax Sequence Number, Golden Tax Invoice Number, and GT Trans Type.

Golden Tax Invoice Report

Filter

Entity

Specify the entity that you want to use for the report.

Invoice Number

Specify the invoice number or a range of invoice numbers that you want to include in the report.

Invoice Date

Specify the invoice date or a range of dates that you want to include in the report.

Sales Order

Specify the sales order or a range of sales orders that you want to include in the report.

Ship Date

Specify the ship date or a range of ship dates that you want to include in the report.

Sold-To

Specify the sold-to customer or a range of sold-to customers that you want to include in the report.

Bill To

Specify the bill-to customer or a range of bill-to customers that you want to include in the report.

Invoice Creator

Specify the invoice creator that you want to use for the report.

Show Invoices

Select an option from the dropdown list to determine which information to display on the report. The options include:

- Both

  Select this option to display all invoices, whether the Golden Tax invoices have been exported or not.
  This is the default option.

- Exported

  Select this option to display the Golden Tax invoices that have been exported to an XML file using **Golden Tax File Create**.

- Non-Exported

  Select this option to display the Golden Tax invoices that have been generated but have not been exported.

Golden Tax File Create

After you have generated the Golden Tax invoice data by posting the invoice, you can export the Golden Tax file using **Golden Tax File Create**.

You can generate the Golden Tax invoice data by posting an invoice through **Pending Invoices** and through the Confirm action in **PO Shippers** for Sales Orders or Scheduled Orders.

You can select invoices to include in the new file by specifying the Entity, Invoice Number, Sold-To, Bill-To, Invoice Date, and Invoice Creator. You also specify the GT Trans Type, choosing Special or Ordinary for the invoice or invoice group.

Set Generate File to Yes to generate a QRF report.

Golden Tax File Load

Filter

Input File

Specify the path to the file that you want to import back into the system.

When you click Run, golden tax invoice numbers generated using the Golden Tax system are stored in **Customer Invoices** where they will replace the QAD generated temporary Golden Tax invoice numbers.

The Golden Tax Sequence Number and Golden Tax Invoice Number can be viewed in **Golden Tax Invoice Browse**.

For more information, see Golden Tax Invoice Browse on page 6554.

Implementing Withholding Tax

Withholding tax is an amount you withhold when making payment to the supplier. You are then responsible for settling the withheld tax with the government on your supplier's behalf. The rate at which withholding tax is calculated varies, depending on the nature of the product or service being paid for.

The purpose of withholding tax is to facilitate or accelerate collection, by collecting tax from the customers rather than a much greater number of suppliers, and by collecting tax from customers within the jurisdiction rather than suppliers who may be outside the jurisdiction. It may also be used to counteract tax evasion and tax avoidance.

Separate GL accounts are used for booking retained withholding tax amounts. The withholding tax liability is not created until an invoice that is subject to withholding tax is paid. At that point, withholding tax is retained from the total invoice amount and is credited to this separate account. If a partial payment is made, the system calculates the withholding tax liability based on the proportion of the invoice that is being paid.

The Withholding Tax account is then debited with the retained amount when the withholding tax is declared to the authorities. This is normally recorded using a manually entered GL transaction.

You can also configure a domain to post withholding tax when an invoice is created, rather than when the invoice is paid. If the payment bounces, then the withholding tax posting automatically reverses. This is also the case for payment selections that are unconfirmed.

Setting Up Withholding Tax

Withholding tax is not paid at a single standard rate. Instead, the amount of withholding tax due varies depending on the type of service provided and the tax jurisdiction.

You use Financials and Taxation functionality to define both the withholding tax rates and the accounts that track the withholding tax liability.

Up to nine steps are required to set up withholding tax:

1. Enable withholding tax for the domain for which withholding tax must apply. SeeEnabling Domain Withholding Tax Controls on page 6558.

   Withholding tax is enabled for all entities in that domain (automatic step). See Viewing Entity Withholding Tax Controls on page 6559.
2. Define the next withholding tax number in **Record Numbers**. See Defining the Next Withholding Tax Number on page 6559.
3. Define withholding tax certificates. See Defining Withholding Tax Certificates on page 6559. This step is optional, and is not used in countries such as Italy.

4. a special withholding tax type in **Tax Types**. See Creating Withholding Tax Types on page 6560.
5. the relevant tax bases. SeeCreating Tax Bases on page 6560.
6. Define withholding tax accounts in **GL Accounts**. See Defining Withholding Tax Accounts on page 6560.
7. Add withholding tax types to the relevant tax environments. SeeCreating or Modifying a Tax Environment on page 6561.
8. Set up withholding tax rates and tax codes in **Tax Rates**. SeeCreating Withholding Tax Rates on page 6560.
9. Enable withholding tax for specific suppliers and specify default withholding tax data for those suppliers. See Enabling Withholding Tax for Suppliers on page 6561.

Enabling Domain Withholding Tax Controls

You enable withholding tax for a domain in the Main tab of Domains, under Tax.

Use Consumption Tax

Select this field to enable consumption tax for the domain.

Use Withholding Tax

Select this field to enable withholding tax for the domain.

The domain-level withholding tax control settings are applied to all the entities within the domain, and you cannot update this setting within an entity.

If withholding tax is enabled for a domain and withholding tax records exist, you should not subsequently disable withholding tax for that domain.

Tax Validation

Select the field to validate the fiscal tax codes for withholding tax according to a predefined country-specific format for Italy. You specify a supplier’s fiscal code when defining the supplier’s withholding tax information in the Supplier record. SeeEnabling Withholding Tax for Suppliers on page 6561.

Withholding Tax Due At

Specify when you want withholding tax to be posted. There are two options:

- Paid - when the payment is complete.
- For Collection - when the payment is created.

The value of this field can only be changed when there are no existing payments with the status For Collection in the domain. If the WHT Due at field is set to For Collection and the supplier payment status changes

to Bounced or Void, or the supplier payment selection is unconfirmed, then the withholding tax posting is reversed.

Viewing Entity Withholding Tax Controls

When withholding tax is enabled for a domain, the system automatically enables the Withholding Tax field in the Taxes tab of **Entities** for all entities that belong to the domain. The Use Withholding Tax field is read only, and cannot be changed. You cannot disable withholding tax at entity level.

Defining the Next Withholding Tax Number

You must define the next withholding tax number in **Record Numbers**, and you must do this for every entity for which withholding tax is enabled.

The withholding tax number is an index for the withholding tax records, and its usage is country dependent. For example, the withholding tax number is required in Thailand and Argentina for withholding tax certificates. The withholding tax number is applied to each payment for which withholding tax applies, and certificates are printed for every payment.

In countries such as Italy, the withholding tax number is not required. Italian withholding tax certificates cover transactions for an entire year, and can involve many withholding tax numbers—one for each payment.

The system generates a withholding tax number within the entity for each payment that is liable to withholding tax. All withholding tax numbers after this number are consecutive within the entity.

To specify the next withholding tax number:

1. Open **Record Numbers** in each entity that uses withholding tax.
2. Set the Type field to WHT and set the Year field to 9999.
3. Specify the next withholding tax number in the Number field.
4. Save your changes.

Defining Withholding Tax Certificates

Use WHT Certificate Formats to define one or more withholding tax certificate formats. The certificate formats you define are stored at system level.

Multiple withholding tax certificate formats are needed in countries such as Thailand. The format code is then used in customization to link to a specific form layout.

Format Code

Enter a maximum of 20 characters for the format code. This field is mandatory.

Description

Enter a maximum of 40 characters for the format code description. This field is mandatory.

Creating Withholding Tax Types

Use **Tax Types** to create one or more tax types for use in withholding tax calculations. You then use these tax types when setting up tax rates for withholding tax calculations.

Withholding Tax Type

Select the field if the tax type will be used for withholding tax calculations.

The Withholding Tax Type field is cleared by default.

You must not clear the Withholding Tax Type field if postings have been made using a tax rate that is defined with this tax type.

SeeTax Types on page 6497 for more information on Tax Types.

Creating Tax Bases

Use **Tax Bases** to create tax bases used to indicate the portion of the fees that is subject to withholding tax. The percentage is 100% if the whole transaction is subject to withholding tax.

See Tax Bases on page 6509 for more information on Tax Bases.

Defining Withholding Tax Accounts

In **Tax Rates**, you must specify the tax account or accounts to use in the payment of invoices and credit notes when posting the withholding tax liability. Before proceeding to **Tax Rates**, you must first define the tax accounts in **GL Accounts**. The accounts must have the GL type Tax Account.

Creating Withholding Tax Rates

Use **Tax Rates** to define tax rates that use a withholding tax type.

Withholding tax is not paid at a single standard rate. Instead, the amount of withholding tax due varies, depending on the setup parameters of the tax rate.

Tax Code

Specify the withholding tax code for the service.

Description

Enter a description of the service that is subject to withholding tax.

Tax Type

Specify a tax type for withholding tax transactions. The Withholding Tax Type field must be selected for the tax type in **Tax Types**, indicating

that the tax type is designated for use in withholding tax calculations only.

Tax Base

Specify the tax base that determines the percentage of the fee that is subject to withholding tax. SeeCreating Tax Bases on page 6560.

Tax Reason

Optionally, you can use this field to store a code that identifies the type of service provided. In Italy, the codes for specific services are provided in the list of Codici Tributo (tax codes), which is published by the Italian tax authorities.

Update Tax Allowed

Select this field to enable tax amounts for this rate to be edited on supplier invoice and supplier payment tax lines.

In Tax Rates, you must also specify the tax account or accounts to use for payment of invoices and credit notes when posting the withholding tax liability. The GL type for these accounts must be set to Tax Account.

Withholding Tax Fields in Tax Rates

When creating a tax rate record for a tax type for which the Withholding Tax field is selected, you can optionally enter additional values for withholding tax calculation and electronic tax declarations.

Note These fields are designed for use in country-specific withholding tax localizations.

Creating or Modifying a Tax Environment

Add the withholding tax types you created to the relevant tax environments if you want Taxation to automatically calculate withholding tax for POs, fiscal receiving, and supplier invoices.

If you want to use a manual flow for withholding tax calculation, do not add withholding tax types to the tax environment. You can manually add withholding tax to an invoice in the Withholding Tax tab of **Supplier Invoices**.

Enabling Withholding Tax for Suppliers

The Withholding Tax panel of **Suppliers** lets you indicate the suppliers for which withholding tax applies, and specify withholding tax data for the supplier. You can only enable withholding tax for suppliers that belong to a domain for which withholding tax is enabled.

Note The withholding tax fields are also available when you load and modify supplier data using the Import option in **Suppliers**.

In the Withholding Tax tab, you can enter the fiscal code of the relevant supplier and specify if the supplier is an individual rather than a company. If the supplier is an individual, you can enter additional personal details

that might be relevant, such as the person's place of birth. These details are required for withholding tax legal reporting in Italy. However, the details are not required by other countries, such as Thailand.

Withholding Tax

Select the field if withholding tax applies for the supplier. The field is deselected by default.

Note Selecting the Withholding Tax field activates the other fields in the tab.

Tax ID/Fiscal Code

Specify the supplier's tax ID or fiscal code, which the system uses to determine withholding tax. In Italy, the fiscal code is issued by the tax authorities and identifies individuals who reside in Italy and are subject to Italian tax regulations.

If the Tax Validation field is selected for the current domain, the system validates the fiscal code when you click Save or Save and Create. The fiscal code is validated using an algorithm designed for Italy.

Foreign Fiscal Code

If the supplier has a fiscal tax code from another country, specify that tax code here.

Birth Date

If the supplier is an individual, specify the supplier's date of birth. This field is optional.

Birth City

If the supplier is an individual, specify the supplier's city of birth. This field is optional.

Certificate Format

Use the lookup to specify a withholding tax certificate format for the supplier. This field is optional.

Default Tax Grid:

Use the grid to specify default withholding tax codes for each domain that uses the shared set to which the supplier belongs and for which withholding tax is enabled.

Tax Code

Specify the default withholding tax code that applies for this supplier. You can use the lookup to select from tax codes belonging to tax types designated for use in withholding tax calculations.

This field is mandatory for suppliers that are subject to withholding tax.

Domain

Specify the domain in which the tax code applies. At a minimum, you must specify a tax code linked to the current domain.

When you click Save or Save and Create, the system validates that the withholding tax codes entered in the grid are valid for the associated domains and are linked to tax types designated for use with withholding tax, and that at least a single row exists in the grid, linked to the current domain.

Creating Purchase Orders Subject to Withholding Tax

If withholding tax is enabled for the domain, the supplier is subject to withholding tax, and one or more withholding tax types are linked to the current tax environment; withholding tax is calculated and stored automatically by Taxation when you create purchase orders for the supplier.

The calculated withholding taxes do not display in the trailer of **Purchase Orders**.

Creating Invoices Subject to Withholding Tax

Creating Invoices Manually

If withholding tax is enabled for the domain and the supplier is subject to withholding tax, the Withholding Tax panel is enabled in **Supplier Invoices** when you create invoices for that supplier. The system can populate the Withholding Tax panel automatically or you can enter withholding tax details manually.

If the tax environment contains one or more tax types for which the Withholding field is selected in **Tax Types**, the Withholding Tax panel is automatically populated with withholding tax data. The tax rates and the tax amounts are calculated automatically by Taxation.

If the tax environment does not contain withholding tax types, you must manually enter the withholding tax data in the Withholding Tax panel.

The Withholding Tax tab contains a grid with fields for calculating withholding tax. If you are using the manual process to enter withholding tax, when you first access the tab, the grid is empty. To manually populate the grid and calculate withholding tax, click in the grid and select New to create a grid row.

If you are using the automatic calculation process, the default withholding tax code for that domain from the supplier’s withholding tax setup in the Supplier record defaults in.

When you create an invoice for a supplier who is subject to withholding tax, you can enter a fee or a reimbursed expense. Withholding tax can be charged for fee items, but not for expenses.

When a grid row is added, either manually or automatically by Taxation, the default withholding tax code for that domain from the supplier's withholding tax setup in **Suppliers** defaults in. However, you can change the default tax code for the line and enter a new withholding tax code. For each withholding tax code, you can specify fees and expense amounts. You can enter fees and expense amounts on the same line or on separate lines.

Note You can only enter one expense amount in the grid.

The sum of the total withholding tax fees and expenses must not exceed the taxable base amount if the invoice is taxable. If the invoice is non-taxable, the sum of the total withholding tax fees and expenses must not exceed the invoice total.

The taxable base is the invoice amount less any non-withholding tax. If an invoice for 120 Euros includes 20% VAT, the taxable base is 100 Euros. Therefore, the sum of all fees and expenses on all withholding tax lines for that invoice must not exceed 100.

If the Update Tax Allowed field is selected in **Tax Rates** for the withholding tax rate, you can modify the withholding tax amounts calculated in the Withholding Tax tab.

If you try to save an invoice for which the sum of the fees and expenses exceeds the taxable base, the system displays an error message and you cannot save the invoice. In addition, you cannot save a row in the Withholding Tax grid if all fee and expense fields on the line are set to 0 (zero).

The following section describes the key fields in the Withholding Tax grid:

WHT Code

Specify the withholding tax code.

If withholding tax is enabled for the domain and the supplier is subject to withholding tax, the withholding tax code defaults from the supplier withholding tax setup. However, you can change the tax code by selecting a new withholding tax code from the lookup.

The lookup includes tax codes associated with tax types designated for use in withholding tax calculations. Each tax code can only be referenced on one line of an invoice.

For each withholding tax code, you can specify fee and expense amounts. You can enter fee and expense amounts on the same line or on separate lines. However, you cannot enter two lines in the grid for the same withholding tax code. If you enter an expense amount on a line without specifying a fee amount for that line, you do not need to enter a withholding tax code because withholding tax calculations only apply to fee amounts.

Description

This field displays a description of the tax rate, and is read only. This value is retrieved automatically from the Description field of the tax rate record for the withholding tax code. The tax rate description should indicate the type of service concerned.

Fees DR/CR

Specify the fees amount that is subject to withholding tax.

When the first grid line is added, either automatically by Taxation or manually, the TC taxable base amount from the Tax tab defaults into the respective CR or DR column. If the invoice is non-taxable, the total invoice amount is used. For all subsequent lines inserted in the grid, the fees values default to zero.

For invoices, specify the fees amount in the Fees Cr field.

For invoice corrections, specify a negative fees amount in the Fees Cr field.

For credit notes, specify the fees amount in the Fees Dr field.

For credit note corrections, specify a negative fees amount in the Fees Dr field.

Expense DR/CR

Specify the invoice amount that is not subject to withholding tax. The default is 0 (zero).

TC Taxable Fees DR/CR

This field displays the taxable fees value, which is the withholding tax base amount. This amount is calculated by multiplying the fees amount by the tax base percentage recoverable for the tax rate used. For example, if the fee is 100, and the recoverable percentage for the withholding tax rate is 80%, the Taxable Fees amount is 80.

BC Taxable Fees DR/CR

This field displays the taxable fees value, which is the withholding tax base amount, in base currency. This amount is calculated by multiplying the Taxable Fee Amount in transaction currency by the exchange rate on the invoice.

SC Taxable Fees DR/CR

This field displays the taxable fees value, which is the withholding tax base amount, in statutory currency.

This amount is calculated by multiplying the Taxable Fee Amount in transaction currency by the statutory exchange rate if the statutory currency is enabled for the domain. If the system cannot find a statutory exchange rate that is valid for that date, it reverts to using the

accounting exchange rate, if the Fallback to Accounting field is selected for the statutory exchange rate.

WHT Rate %

This field displays the rate at which withholding tax is applied.

TC WHT Amount DR/CR

This field displays the withholding tax amount in transaction currency for that line. This amount is calculated by multiplying the amount in the Taxable Fees field by the tax rate percentage used.

BC WHT Amount DR/CR

This field displays the withholding tax amount in base currency for that line. This amount is calculated by multiplying the TC WHT Amount by the exchange rate on the invoice.

SC WHT Amount DR/CR

This field displays the withholding tax amount in statutory currency for that line. This amount is calculated by multiplying the TC WHT Amount by the statutory exchange rate if the statutory currency is enabled for the domain. If the system cannot find a statutory exchange rate that is valid for that date, it reverts to using the accounting exchange rate, if the Fallback to Accounting field is selected for the statutory exchange rate.

If no accounting exchange rate is available, an error is displayed.

WHT Acct

This field displays the AP tax account associated with the withholding tax code in **Tax Rates**. For invoices and invoice corrections, this is the AP Inv Tax Acct. For credit notes and credit note corrections, it is the AP CN Tax Acct.

WHT Sub-Acct

This field displays the AP tax sub-account, if any, associated with the withholding tax code in **Tax Rates**.

Fields Under Grid:

TC WHT Base Amount

This field displays the total base amount that is subject to withholding tax. This value is the sum of the TC Taxable Fees fields for all lines in the grid.

TC WHT Total Amount

This field displays the withholding tax total for the invoice, which is summed from the amounts for all withholding tax codes.

See Withholding Tax Examples for detailed withholding tax invoice line and payment examples, including their resultant postings.

Creating Invoices Automatically Using ERS

The Evaluated Receipts Settlement (ERS) function lets you generate supplier invoices and corresponding receiver matching records based on purchase order receipts or fiscal receipts.

PO Process:

If fiscal receiving is not activated, ERS generates supplier invoices and corresponding receiver matching records based on purchase orders receipts.

If you select the Recalculate Tax Details field in **ERS Processor**, Taxation recalculates the tax using the latest definition of the withholding taxes and normal taxes from the purchase order. If the Recalculate Tax Details field is cleared, the withholding tax values from the purchase order populate the Withholding Tax tab of the supplier invoice created by ERS.

Fiscal Receiving Process:

If fiscal receiving is activated by selecting Fiscal Confirm Required in Purchasing Control, ERS lets you create matched supplier invoices and credit notes or invoice corrections using fiscal receipts, and not PO receipts. Otherwise, ERS creates the supplier invoice and receiver matching based on the purchase order.

When ERS creates supplier invoices based on fiscal receipts, the Withholding Tax tab of the supplier invoice is automatically populated based on the withholding taxes associated with the purchase order and updated withholding tax values from Fiscal Receiving.

If you select the Recalculate Tax Details field in **ERS Processor**, Taxation recalculates the tax using the latest definition of the withholding taxes and normal taxes from the PO or legal document. If the Recalculate Tax Details field is cleared, the edited withholding tax values from Fiscal Receiving populate the Withholding Tax tab of the supplier invoice created by ERS.

Modifying Invoices Subject to Withholding Tax

If a supplier invoice that is subject to withholding tax has not been paid, you can use **Supplier Invoices** to modify the fee and expense amounts, and add or delete withholding tax lines.

Withholding Tax and Receiver Matchings

In **Receiver Matchings**, if the invoice was created in the initial state, the system always uses the withholding tax data calculated by Taxation on the purchase order, and overwrites any withholding tax values you enter in the Withholding Tax tab of **Supplier Invoices**.

If the invoice is not initial, the system uses the withholding tax entered, either manually or automatically by Taxation, in the Withholding Tax tab of **Supplier Invoices**.

Paying Invoices Subject to Withholding Tax

When you pay an invoice that is subject to withholding tax, the withholding tax amount is subtracted from the amount paid to the supplier, and this amount is credited to the withholding tax account.

Multiple withholding tax entries can exist for each invoice, and you can make partial payments against each invoice. If you partially pay an invoice, the system calculates the withholding tax liability by prorating it against the total payment due for that invoice.

The standard payment functions support withholding tax:

- **Supplier Payments**
- **Supplier Payment Selections**
- **Bank Statements** and **Petty Cash Statements**.
- **Open Item Adjustments**

The system creates a withholding tax record when a payment is created with any status other than Initial, and deducts the withholding tax amount for the amount to allocate and reduces the Paid Amount by this value. However, the withholding tax liability remains outstanding until the payment is set to the Paid status.

Note An invoice is marked as closed when the full amount, after withholding tax, is paid, and the payment is set to the Paid status.

When you save a supplier payment for an invoice with withholding tax with a status of Paid, a withholding tax record is created for the payment and the withholding tax date is set to the payment creation date. The system then generates a withholding tax number for the payment. For cross-company transactions, the withholding tax record is created in the entity where the invoice was created.

When the invoice is paid, the system creates additional general ledger postings to the withholding tax account defined for the withholding tax rate. For example, if the invoice amount to pay is 100, and the withholding tax deduction is 10, the postings are as follows:

GL Account	DR	CR
Supplier Control Account	100	
Bank Account		90
Withholding Tax Account		10

Note The transactions shown are a summary of several postings created, and indicate the net result of the transactions. SeeWithholding Tax Examples on page 6577 for detailed transaction line examples.

If you want to modify the withholding tax details on the supplier payment line, you must select the Update Tax Allowed field in **Tax Rates** for the tax rate and tax code. If any of the withholding tax codes linked to the invoice have a tax rate for which the Update Tax Allowed field is cleared in **Tax Rates**, you cannot modify any of the withholding tax payment amounts for that invoice.

Supplier Payments

If withholding tax is enabled for the domain and for the supplier, withholding tax values are calculated for invoices. You can then use **Supplier Payments** to pay invoices subject to withholding tax.

When paying an invoice with withholding tax, you specify the supplier and then specify the invoice amount less withholding tax in the Amount field in **Supplier Payments**. If an invoice for 1000 Euros is subject to 114.20 Euros withholding tax, enter 885.80 Euros in the Amount field in **Supplier Payments**.

Note You can also leave the Amount field as zero in **Supplier Payments**, and continue to the Allocate screen. The system calculates the amount to pay and copies this value back to the Amount field in**Supplier Payments**.

Click the Allocate button and locate the invoice subject to withholding tax. Select the Full field to allocate the full payment amount to the invoice. When you click the Full field, the system deducts the withholding tax value and discount applicable from the outstanding invoice amount, and updates the TC Paid field in the grid in **Supplier Invoices** to be the open invoice amount less withholding tax and the discount.

If you allocate partial payment to the invoice, the withholding tax is proportional to the payment amount against the invoice. For example, if an invoice for 1000 is subject to 150 Euros withholding tax, 850 Euros is due in payment. If you allocate a partial payment of 425 Euros to the invoice, the withholding tax for the partial payment is calculated as 75 Euros. For a partial payment, the withholding tax is proportional to the payment amount against the invoice.

The withholding tax amount is modifiable and the input amount cannot exceed the withholding tax amount calculated for the invoice. An exception to this occurs if rounding differences apply. However, in this case, the difference between the input amount and the calculated amount cannot exceed one decimal of the calculated amount. For example, for two decimals, if the calculated amount is 6.33, the maximum input amount is 6.40.

When allocating a supplier payment, you can drill down from the invoice line in the grid to **Supplier Invoices**, which lets you modify or view the invoice. This facility lets you create and edit withholding tax details at the moment of payment.

Supplier Payment Selections

If withholding tax is enabled for the domain, you can use **Supplier Payment Selections** to create payments for invoices subject to withholding tax.

When you include a supplier invoice that is subject to withholding tax in a payment selection, the system calculates the withholding tax and reduces the payment by the value of the withholding tax. The same calculations for partial payments apply, as described in Supplier Payments on page 6569.

Within selecting a supplier invoice for payment in **Supplier Payment Selections**, you can also drill down from the invoice line in the grid to **Supplier Invoices**, which lets you modify or view the invoice.

Note All withholding taxes defined on a supplier invoice are always allocated against the first bank account defined on the supplier invoice.

When you use **Supplier Payment Selections** to confirm a payment selection that includes invoices subject to withholding tax, withholding tax records are created and the withholding tax number is generated based on the numbering system defined in **Record Numbers**.

Bounced Supplier Payments

If a supplier payment that is subject to withholding tax is bounced or reset to the Initial status, the system sets the status of the withholding tax liability record to Void.

You can bounce supplier payments using the following functions:

- **Supplier Payments**
- **Supplier Payment Selections**
- **Bank Statements**

You can set a supplier payment to Initial in the following functions:

- **Supplier Payments**

If a supplier payment is voided, the system creates a new payment linked to the same invoices. In this case, the system updates the supplier payment reference information in the withholding tax records.

The system debits the supplier payment account and credits the supplier control account. Any withholding tax records associated with the payments are set to Void, and are no longer included in any of the withholding tax reports.

Banking Entry and Petty Cash

You can allocate a banking entry or petty cash entry directly to an invoice subject to withholding tax. In this case, the payment is set to Paid, a withholding tax record with status Due is created, and the related withholding tax liability is posted.

You can also use banking entry to indicate that a For Collection payment subject to withholding tax has been cleared from the company's bank account. You allocate the banking entry to the supplier payment subject to withholding tax.

Open Item Adjustment

In **Open Item Adjustments**, when you adjust an open item subject to withholding tax, the movement is considered a payment. This means that the system creates a withholding record with the status Due and the withholding tax liability is posted.

In **Supplier Invoices**, you can also adjust open items subject to withholding tax by linking an existing open item, such as a credit note, to a newly created open item. However, you cannot manually enter the withholding tax amount for adjustments of this type so both open items must be subject to withholding tax and subject to the same overall withholding tax rate (percentage).

If you adjust open items subject to withholding tax, the withholding tax due is proportional to the adjustment amount against the invoice, as illustrated using the following example.

In Open Item Adjustments, a credit note for 100 Euros is fully netted against a supplier invoice for 400 Euros for the same supplier. Both items are subject to withholding tax.

Item Type	Open Balance	WHT for Open Balance	Full Adjustment	New Balance	WHT Due
Invoice	400	30	No	300	7.50
Credit Note	100	8	Yes	0	8.00

When the credit note is adjusted against the invoice, the credit note status is set to Paid and the withholding tax of 8 Euros becomes due. The new balance of the open invoice is 300 Euros. The amount of withholding tax due on the partially settled invoice is the adjusted amount divided by the original open balance:

100/400 = 0.25

The full withholding tax amount for the pre-adjustment open balance is multiplied by 0.25:

30 * 0.25 = 7.50

As a result of the adjustment, 7.50 Euros from the original 30 Euros withholding tax for the invoice is now due. Withholding tax of 22.50 Euros applies for the 300 Euros outstanding invoice balance.

Credit Notes and Corrections

When you create a taxable supplier credit note for a supplier for whom withholding tax applies, the system defaults the withholding code defined for the supplier and domain in **Suppliers** or populates the data automatically using Taxation. The system then sets the value of the TC Fees Amount (DR) to the taxable base amount of the invoice.

If you then create a supplier payment with the Paid status that includes the credit note, as well as other invoices, the value of the payment for the invoices is reduced by the calculated value of the withholding tax, but increased by the withholding tax that applies to the credit note.

Item Type	Open Balance	Full Payment?	WHT Due
Invoice	400	Yes	30 Cr
Credit Note	100	Yes	8 Dr
Invoice	120	Yes	10 Cr

In the case of the two invoices and the credit note listed above, the total payment amount is 388 Euros. This amount is calculated as follows:

(invoice payments – credit note) – withholding tax on invoices + withholding tax for credit note

(520 - 100) – 40 + 8 = 388

When you save the payment (with the Paid status), the system creates a GL posting that credits the bank account for the full value of the payment, excluding the withholding tax amounts on the invoices and the credit note, and debits the Accounts Payable account for the full value of the invoices and credit notes. The system also credits the Withholding Tax Liability account for the withholding tax associated with the invoices, and debits the Withholding Tax Liability account for the value of the withholding tax that applies for the credit note.

The system creates withholding tax records for each invoice and credit note associated with the payment for which withholding tax applies. For the invoices, the fee amounts use the credit fields in the withholding tax record, and for the credit note, the debit fields are used.

Withholding Tax Settlement

You can also create manual entries on WHT accounts using WHT tax codes to settle WHT balances or register payments of WHT to the government. You can create entries with WHT as the tax type and also change the tax amounts in the following programs:

- **Journal Entries**
- **Bank Statements**
- **Petty Cash Statements**

- **Open Item Adjustments**

The integration programs **Journal Entry Excel Integration**, **Journal Entry Excel Integration Repair**, and **Journal Entry Cross Company Excel Integration** can also handle WHT manual settlement correctly.

Note Manual WHT settlement entries are only allowed when WHT is enabled in a domain.

Withholding Tax on Services

In some countries, withholding tax on services only applies when the value of invoices paid for a supplier in a calendar month exceeds a set threshold value.

Note Services invoices are identified as invoices that have at least one tax rate with a tax usage that is marked as Service.

In QAD Enterprise Applications, withholding tax on services is always assumed to apply by default. You can then use the Withholding Tax report to identify suppliers where the cumulative services payments for the month are less than the threshold. You must then manually repay the relevant withholding tax amounts to those suppliers.

See Withholding Tax Reports on page 6573.

Withholding Tax in Views and Dashboards

Supplier Activity Dashboards

The Activity, Invoices, and Payments tabs of **Supplier Activity Dashboards** show withholding tax totals for invoices and payments.

Supplier Withholding Tax View

Supplier Withholding Tax View provides a detailed view of all withholding tax records for the current entity. It includes information such as the supplier code, related invoice, status (Initial, Due, Void), amounts, tax information, and payment reference.

Withholding Tax Reports

Three withholding tax reports are available:

- **Withholding Taxes** Report

  See Withholding Tax Reports on page 6573.

- **Compensation to Third Party** Report

  See Compensation to Third-Party Report on page 6575.

- **Withholding Tax Certificates** Report

  See Withholding Tax Certificates Report on page 6576.

Withholding Taxes Report

The **Withholding Taxes** report displays supplier invoices that are subject to withholding tax within an entity, sorted by supplier by payment, together with details of all withholding taxes and associated amounts for each invoice.

The output from the report lists the appropriate withholding tax invoices together with their fees, expenses, the withholding tax rate, the withholding tax amounts, and the total amounts paid to the supplier. The report also shows the taxable base that is subject to withholding tax.

The report has the following selection criteria:

Year

Specify the GL calendar year for which to run the report. The report only selects withholding tax records with a paid date in the year you specify. The default is the current GL calendar year.

You can leave the Year field blank; the report selects records from all years.

Entity

Select the entity for which you want to run the report. The default is the current entity.

Supplier Code

Specify the suppliers for which you want to run the report. If you leave the field blank, the system runs the report for all suppliers subject to withholding tax.

Currency Code

Specify the currency for which to run the report.

Month

Specify the month for which to run the report. The report only selects withholding tax records with a paid date in the year and month you specify in the Year and Month fields. The default is the current month.

You can leave the Month field blank; the report selects records from all months.

Include Expected Tax

Select Yes or No (default). This field determines whether the report must include withholding tax records with the Initial status.

If you select Yes, withholding tax records with the Initial status are included on the report, irrespective of the date selection criteria.

Daybook Code

Specify the daybooks for which you want to run the report. If you leave the field blank, the system runs the report for all supplier invoice daybooks.

Print Supplier Address

Select Yes to print the full supplier addresses on the report.

Threshold

Specify the withholding tax threshold for payments on service invoices. See Withholding Tax on Services on page 6573.

Voucher

Specify the range of vouchers for which to run the report.

Compensation to Third-Party Report

The **Compensation to Third Party** report lists the amounts of withholding tax due for settlement to the authorities in the selected month.

The report has the following selection criteria:

Note Descriptions are omitted for selection criteria previously explained in the Withholding Tax Reports on page 6573 and theWithholding Tax Certificates Report on page 6576 sections.

- Supplier
- Year
- Month
- Currency Code
- WHT Report by Payment

  Select Yes to display payment details on the report. If you select Yes, the report displays the following information for each supplier and each withholding tax certificate format specified:
  Check Number, WHT Number, Payment Type, Payment Status, WHT Date, Description, Total Amount Paid, Total WHT Amount, WHT %, Amount Paid, and WHT Amount.
  The report also includes a Total by WHT Certificate Code, which excludes payments with the status Void or Bounced, and a Grand Total for the report, which sums the totals for all withholding tax certificate codes
- Certificate Format Code

  Specify the certificate format code for which to run the report.
- WHT Number

  Specify the range of withholding tax numbers for which to run the report.

- Payment Selection

  Specify the payment selection for which to run the report.

- Payment Number

  Specify the range of payment numbers for which to run the report.

- Summary/Detail

  Select Summary to display totals by VAT code, certificate format code, and by supplier.
  Select Details to include details of the invoices and to display totals by VAT code, certificate format code, and by supplier.

- Description

The report provides two totals:

- WHT Code Total, which is a sub-total of the withholding tax amount for each withholding code
- Withheld Total, which is the sum of all withholding tax code totals of the supplier

Withholding Tax Certificates Report

The **Withholding Tax Certificates** report is sent to each of the suppliers on an annual basis to certify the amount of withholding tax that has been paid to the tax authorities on the supplier's behalf in that year.

The report has the following selection criteria:

Note Descriptions are omitted for selection criteria previously explained in the Withholding Tax Reports on page 6573 section.

- Supplier
- Entity
- Year
- New Page For Each Supplier

  Specify Yes or No to indicate if the details for each supplier must start on a new page.

- WHT Number

  Specify the range of withholding tax numbers for which to run the report.

- Reprint Certificate

  Specify Yes to include certificates that were printed previously. Select No to exclude certificates that were printed previously.

- Reporting Currency

Withholding tax amounts are stored in base currency. However, this option lets you report withholding tax amounts in a currency other than your domain's base currency.
Leave the field blank to run the report with amounts denominated in the base currency.

The following filters are hidden by default:

- WHT Certificate by Payment: Yes or No (default)
- Certificate Format
- Payment Number
- Payment Selection Code
- Creation Date

The hidden filters support certificate layouts for Thailand, where companies print a certificate for each payment rather than a summary document at the end of the year.

Withholding Tax Examples

Example with Fees and Expenses on Separate Lines

This example uses a single withholding tax code, 159, that has a percentage recoverable of 100%, and a tax rate of 10%. The supplier invoice also includes VAT of 20%. The transaction, base, and statutory currencies are the same.

The following is a summary of the details on the Withholding Tax tab of the invoice:

Invoice Total	WHT Line	Fees	WHT Code	Taxable Fees	WHT Rate	WHT Amt	Expenses
120	1	80	159	80	10%	8	0
	2						20
	Total	**80**		**80**		**8**	**20**

The credit terms on the invoice provide a 2% cash settlement discount if the invoice is paid within 10 days.

After eight days, a payment is made settling the full invoice amount.

The system creates the following postings when the supplier invoice is saved.

Supplier Invoice Creation

GL Account	Description	DR	CR
7200	Audit Fees	80.00	
8300	Expenses	20.00	

1400	Value Added Tax	20.00	
2100	Supplier Control Account		120.00
	Total	**120.00**	**120.00**

The system creates the following postings when the supplier payment is saved in the For Collection status.

Supplier Payments - For Collection

GL Account	Description	DR	CR
2100	Supplier Control Account	112.00	
5200	AP Discount		2.00
2110	Supplier Payment Account		110.00
	Total	**112.00**	**112.00**

The system creates the following postings when the banking entry paying the invoice is allocated against the supplier payment. The allocation sets the supplier payment to Paid.

Bank Statements

GL Account	Description	DR	CR
2100	Supplier Payment Account	110.00	
1040	Bank Account		110.00
2451	Withholding Tax Liability		8.00
2100	Supplier Control Account	8.00	
	Total	**118.00**	**118.00**

Partial Payment

This example describes a partial payment on an invoice subject to withholding tax.

The example uses two withholding tax codes: tax code 159, with a percentage recoverable of 100% and a tax rate of 10%, and tax code 316, with a percentage recoverable of 80% and a tax rate of 5%. The VAT on the invoice is 20%, and the transaction, base, and statutory currencies are the same.

The invoice is for a total of 240.00, including VAT, and has two lines in the Withholding Tax tab as follows:

Tab	WHT Line	WHT Code	Fees (CR)	Taxable Fees (CR)	WHT Rate	WHT Amt	Expenses	VAT Amt	Line Total
WHT	1	159	80.00	80.00	10%	8.00	50.00		130.00
WHT	2	316	70.00	56.00	5%	2.80			70.00
Tax	-							40.00	40.00
-	**Total**		**150.00**	**136.00**		**10.80**	**50.00**	**40.00**	**240.00**

The credit terms on the invoice provide a 2% cash settlement discount if the invoice is paid within 10 days.

Within seven days of the invoice date, a payment is made that settles 60% of the invoice amount.

The following is a summary of the payment details:

Invoice Total	Allocated	WHT Base	WHT Amount	WHT % (Composite)	Discount	Paid Amount
240.00	144.00	81.60	-6.48	7.94	-2.40	135.12

The system creates the following postings when the supplier invoice is saved.

Supplier Invoice Creation

GL Account	Description	DR	CR
7200	Fee 1	80.00	
7300	Fee 2	70.00	
8300	Expenses	50.00	
1400	Value Added Tax	40.00	
2100	Supplier Control Account		240.00
	Total	**240.00**	**240.00**

The system creates the following postings when the supplier payment is saved in the For Collection status.

Supplier Payments - For Collection

GL Account	Description	DR	CR
2100	Supplier Control Account	137.52	
5200	AP Discount		2.40
2110	Supplier Payment Account		135.12
	Total	**137.52**	**137.52**

The system creates the following postings when the banking entry paying the invoice is allocated against the supplier payment. The allocation sets the supplier payment to Paid.

Bank Statements

GL Account	Description	DR	CR
2110	Supplier Payment Account	135.12	
1040	Bank Account		135.12
2451	Withholding Tax Liability 1		4.80
2452	Withholding Tax Liability 2		1.68
2100	Supplier Control Account	6.48	
	Total	**141.60**	**141.60**

WHT Certificate Formats

Main

The certificate formats you define are stored at system level. Multiple withholding tax certificate formats are needed in countries such as Thailand. The format code is then used in customizations to link to a specific form layout.

Format

Enter a meaningful format code. This field is mandatory.

Description

Enter a brief description for this format.

Active

Select this field to make the format active in the system.

Implementing Gross Income Accounting

It is a legal requirement in some countries that sales accounts are posted including tax and that the tax is simultaneously posted as an expense with COA analysis that matches the sales posting. This practice is called gross income accounting.

In gross income accounting, indirect taxes are added to sales and then deducted as a tax expense in the profit and loss account. Sales are recorded in the general ledger gross of tax and then the tax amount is expensed through the profit and loss account.

Normally, a customer invoice is posted to the general ledger with sales, excluding tax. There is no tax expense posting line; for example:

Account	Dr	Cr
Customer Control (Balance Sheet)	117.50	
Tax Payable (Balance Sheet)		17.50
Sales Income (Profit and Loss)		100.00

When gross income accounting is enabled in Financials, **Pending Invoices** creates an additional posting when the sales invoice uses specific sales and tax account combinations. The additional gross income accounting posting debits the tax expense account and credits the sales account with the tax amount. For the invoice example above, the following is the additional gross income accounting posting:

Account	Dr	Cr
Sales Income (Profit and Loss)		17.50
Tax Expense (Profit and Loss)	17.50	

You enable gross income accounting at entity level. Using **Gross Income Accounting**, you must define the groupings of sales accounts and tax accounts for which gross income accounting applies. Gross income accounting postings are only created for postings to the official or management layers, and not the transient layer.

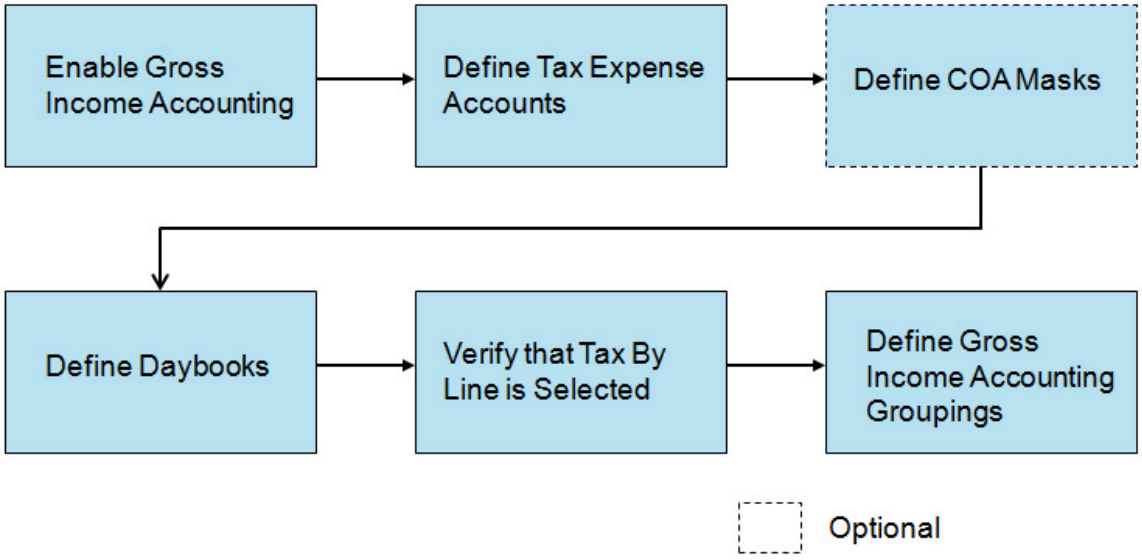
Important Creating customer invoices in **Customer Invoices** does not cause the system to create gross income accounting postings.

Setting Up Gross Income Accounting

To set up Gross Income Accounting:

1. Enable gross income accounting for the entity. See Activating Gross Income Accounting on page 6583.
2. Define the tax expense accounts that you want to map to the sales and tax payable accounts. See Defining Tax Expense Accounts on page 6583.

3. Verify or define COA mask entries for the account and analysis groupings used in gross income accounting. This step is optional. See Defining COA Masks on page 6584.
4. a separate daybook for use in gross income accounting postings. See Creating a Daybook for Gross Income Accounting Postings on page 6584.
5. Select the Tax-By-Line field in **Tax Rates** for tax types for which gross income accounting postings must be created. See Verifying the Tax-By-Line Setting on page 6584.
6. For each sales account and tax payable account COA grouping, define the tax expense COA components the system must use to create additional gross income accounting postings.



Activating Gross Income Accounting

You enable gross income accounting in the Taxes panel in **Entities** by selecting the Gross Income Accounting field. The field is cleared by default.

See Entities on page 927.

Defining Tax Expense Accounts

In **GL Accounts**, define the tax expense accounts that you want to map to the sales and tax payable accounts. The tax expense account that you create must have the same analysis settings as the sales account to which it is mapped.

The tax expense account must have a category of Expense, a Balance/PL setting of Profit and Loss Account, and a Debit/Credit setting of Debit.

Note If you modify the analysis for a sales or tax expense account used in gross income accounting, the system displays a warning message in **GL Accounts** when you save the analysis change.

See GL Accounts on page 5706.

Creating a Daybook for Gross Income Accounting Postings

It is recommended that you create a separate daybook for use in gross income accounting postings. The daybook type must be Journal Entries, the daybook layer type must be Official or Management, and the daybook control must be Operational.

See Daybooks on page 5784.

Defining COA Masks

If COA masks are enabled for the domain, define mask entries for the tax expense account and its analysis COA elements. This step is optional.

See COA Masks on page 5746.

Verifying the Tax-By-Line Setting

For gross income accounting, the Tax-By-Line field in **Tax Rates** must be selected for the tax type. If the Tax-By-Line field is selected, the gross income accounting posting is determined using the tax detail for each line item included in the standard sales posting. If the Tax-By-Line field is cleared, no gross income accounting postings are created.

See Tax Rates on page 6520.

Defining Gross Income Accounting Groupings

For each sales account and tax payable grouping, **Gross Income Accounting** lets you define the tax expense COA components that the system must use to create the additional gross income accounting posting.

See Gross Income Accounting on page 6584.

Gross Income Accounting

Main

Default Sub-Accounts

Select the field if the system must always use the sub-account from the sales posting in the tax expense account posting. In this case, the sales and tax expense sub-accounts are always the same.

Default Cost Centers

Select the field if the system must always use the cost center from the sales posting in the tax expense account posting. In this case, the tax expense and sales cost centers are always the same.

Default Projects

Select the field if the system must always use the project from the sales posting in the tax expense account posting. In this case, the tax expense and sales projects are always the same.

Source Matching

Sales Account

Specify the sales account for which the system must create corresponding gross income accounting postings. The sales account must have a GL type of Standard Account.

Sub-Account/Cost Center/Project (Sales Account)

The Sub-Account field is disabled if you selected the Default Sub-Accounts field in the Main panel. The same logic applies to the Cost Center and Project fields.

If the Default Sub-Accounts/Default Cost Centers/Default Projects field is cleared, and you specify a sales GL account that is defined without the corresponding analysis, this relevant analysis field is also disabled.

Tax Payable Account

Specify the tax payable account for which the system must create gross income accounting postings. The tax payable account must have a GL type of Tax Account. In order for gross income accounting postings to be generated, the tax payable account must match the sales invoice tax account defined in **Tax Rates** for the tax type applied.

Sub-Account/Cost Center/Project (Tax Account)

The Sub-Account field is disabled if you selected the Default Sub-Accounts field in the Main panel. The same logic applies to the Cost Center and Project fields.

If the Default Sub-Accounts/Default Cost Centers/Default Projects field is cleared, and you specify a tax GL account that is defined without the corresponding analysis, the relevant analysis field is also disabled.

Target Matching

Tax Expense Account

Specify the tax expense account that the system must use to create gross income accounting postings. The tax expense account must have a GL type of Standard Account.

Sub-Account/Cost Center/Project (Tax Expense Account)

The Sub-Account field is disabled if you selected the Default Sub-Accounts field in the Main panel. The same logic applies to the Cost Center and Project fields.

If the Default Sub-Accounts/Default Cost Centers/Default Projects field is cleared, and you specify a tax GL account that is defined without the corresponding analysis, the relevant analysis field is also disabled.

Daybook

Specify the daybook to which the system must post the gross income accounting transactions.

Creating Gross Income Accounting Postings

When posting a sales invoice, the system creates a gross income accounting posting if the following conditions are met:

- Gross income accounting is enabled for both the order header and line site entities.
- A gross income accounting grouping record for the sales and tax expense accounts is defined for the order header site entity.
- The invoice posting daybook is of type Customer Invoice, Customer Credit Note, Customer Invoice Corrections, or Customer Credit Note Corrections.
- Tax-By-Line is selected for the tax type in **Tax Rates**

If Gross Income Accounting is enabled, two postings are generated when an invoice is posted from the operational side. These two postings are linked to each other in **Journal Entries**. You can click Gross Income Accounting above the Journal Entries grid to view the other posting.

The gross income accounting transaction is posted to the line site entity, this is the entity where the sales transaction is posted. The posting has the same posting date as the sales, tax, and customer control account postings, and also uses the same exchange rate. If statutory currency is enabled for the domain, the gross income accounting posting is also created in statutory currency. In addition, if corrections are enabled in **Sales Control**, the gross income accounting posting follows the correction rules.

The gross income accounting transaction for a customer invoice:

- Debits the tax expense account
- Credits the sales account

The gross income accounting transaction for a customer credit note:

- Credits the tax expense account
- Debits the sales account

Note Gross income accounting postings are created for sales order trailer charges, if the relevant prerequisites are met.

Other Functions

If the Auto Invoice Post field is selected in **Logistics Control**, **Pending Invoices** is automatically started from the Record Usage action in the **Customer Consignment Inventory** browse.

For sales orders posted from each of the above functions, gross income accounting postings are created if the relevant prerequisites are met.

The following Service and Support Management functions create pending invoice record used by **Pending Invoices** to create invoices:

- **Service Activity Reports**
- **RMAs**
- **RMA Shipping**
- **Retrobills**

When pending invoices created from each of the above functions are posted, gross income accounting postings are created if the relevant prerequisites are met.

Cross-Company Postings

The system creates a cross-company gross income accounting posting if:

- A gross income accounting mapping is defined in the header site entity.
- Gross income accounting is enabled in both the header and line site entities.

If gross income accounting is enabled for the order header site and this site is used for all orders, additional mappings are not required for other entities. This is also the case if the same site is used for both the sales order header and lines. However, if you implement gross income accounting based on the entity of the sales order line site, then you must enable gross income accounting in all line site entities and ensure that gross income accounting mappings are defined in each entity.

Viewing Customer Invoices

When customer invoices for which gross income accounting applies are posted to the general ledger, you can access the gross income accounting posting when viewing the posted invoice in **Customer Invoices**. Click the Journal Entry button in **Customer Invoices** and then select Gross Income Accounting Profile in the Posting Lines panel.

Gross Income Accounting Examples

Cross-Company Example

In this example, the header site belongs to entity 1000 and the line site belongs to entity 2000. Gross income accounting is enabled in both entities and gross income accounting mapping records exist in both entities. Since the header and line site entities are different, a gross income accounting cross-company posting is created in entity 2000 for the sales line when the invoice is posted.

Entity 1000, Standard Posting

Account	Account Description	Dr	Cr
1200	Customer Control	235.00	
2400	Tax Payable		35.00
1203	Cross-Company - AR		200.00

The customer invoice record is created in the header site entity. The tax payable transaction is also posted here.

Entity 2000, Standard Posting

Account	Account Description	Dr	Cr
1203	Cross-Company - AR	200.00	
3000	Sales		200.00

The sales posting line is in the line site entity.

Entity 2000, Gross Income Accounting Posting

Account	Account Description	Dr	Cr
5000	Tax Expense	35.00	
3000	Sales		35.00

The gross income accounting posting is to the line site entity.

Tax by Line Example

A sales transaction is subject to three tax rates: 17.5%, 5%, and 0%. Tax-By-Line is enabled for all three tax rates.

Line	Account	Line Amount	Tax Rate	Tax Amount/ Detail
1	3000	100.00	17.5	17.50
2	3010	200.00	17.5	35.00

Line	Account	Line Amount	Tax Rate	Tax Amount/ Detail
3	3000	300.00	5.0	15.00
4	3000	400.00	5.0	20.00
5	3010	500.00	0.0	0.00
6	3010	600.00	0.0	0.00
Total		**2100.00**		**87.50**

When the transaction is posted, the invoice posting generates the following transactions:

Account	Dr	Cr
Accounts Receivable	2187.50	
Tax Account		87.50
Sales Account 3000		800.00
Sales Account 3010		1300.00

The corresponding gross income accounting posting is as follows:

Account	Dr	Cr
Tax Expense Account	87.50	
Sales Account 3000		52.50 **(17.50 + 15.00 + 20.00)**
Sales Account 3010		35.00 **(35.00 + 0.00 + 0.00)**

Implementing Consumption Tax

In some countries, including Japan, companies must produce a yearly report showing the consumption tax of all postings made on selected accounts. Companies must track all tax transactions—taxable transactions, non-taxable transactions, and tax-exempt transactions—for both purchases and sales. At a minimum, the report must show the list of accounts, the account description, the base amount, and the tax amount per taxation rate. Companies must retain the report as a supporting document when declaring consumption tax. Each company produces the report using their own report layout.

Setting Up Consumption Tax

Configuring Consumption Tax at Domain Level

To activate consumption tax for a domain, select the Use Consumption Tax field in **Domains**. The field is deactivated by default.

If consumption tax is set up for one or more GL accounts and you deactivate the Use Consumption Tax field for the domain, a warning is displayed.

Configuring Consumption Tax at GL Account Level

GL accounts for transactions subject to consumption tax. The Consumption Tax tab is activated in **GL Accounts** if:

- Consumption tax is activated for the domain.
- The GL account type is Standard Account or Open Items Account.
- The posting type is Manual.

GL Accounts, Consumption Tax Tab

Consumption Tax

To enable consumption tax for a GL account, select the Consumption Tax field. This field is deselected by default. The Default Tax grid becomes active when you select the Consumption Tax field.

Important If the GL account is used in postings, you cannot disable the Consumption Tax field.

Domain

Specify the domain in which consumption tax applies.

Tax Code

Specify the default consumption tax code for the GL account. You can only get one tax code per entity for each GL account.

Calculating Consumption Tax for Transactions

When you create customer and supplier invoices, you can specify a consumption tax code. If an account in the posting is enabled for consumption tax, the consumption tax code defaults from the GL account setup. You can modify the default consumption tax code. The consumption tax code must be the same as the tax code defined for the invoice.

In **Customer Invoices**, select the Journal Entry button and specify the consumption tax code in the Posting Lines grid.

In **Supplier Invoices**, select the Matching button and then the Journal Entry button. You can then specify the consumption tax code in the Posting Lines grid.

Note The Consumption Tax field is not visible by default.

You can also specify consumption tax codes in manual journal entries, open item adjustment, taxable AP bank charges, banking entry, and petty cash transactions.

Consumption Tax Report

Run the **Consumption Tax Report** to view a report on consumption tax transactions that meet your selection criteria.

You can also generate the report output to Excel. You can then aggregate and format the report data in Excel to meet your organization's requirements before submitting the final declaration.

Entity

Specify the entity for which you want to run the report.

Include Related Entities

Select Yes to include entities of the same domain in the same corporate group as the entity specified in the Entity field. Otherwise, select No.

Consumption Tax Code

Specify the consumption tax code or range of codes for which you want to run the report.

Details

Select Yes if you want to print the transaction details in the report output. Otherwise, select No.

GL Account

Specify the GL account or range of accounts for which you want to run the report.

GL Cal Year

Specify the GL calendar year or range of years for which you want to run the report.

GL Period

Specify the GL period or range of periods for which you want to run the report.

Layer Code

Specify the layer code for which you want to run the report.

Processing Taxation Overview

Calculating Taxes

To calculate taxes on transactions, Taxation first identifies the tax environment—the set of tax types for each line item and trailer charge. It then determines the most appropriate tax rate for each tax type in the environment.

Taxation searches for an optimal tax environment based on a combination of transaction conditions:

- Ship-from tax zone for the line item
- Ship-to tax zone for the transaction
- Customer or supplier tax class, if any

If Taxation finds a matching environment, it assigns this environment to the transaction. Otherwise, the following message displays:

Warning: No tax environment found, using default.

The system then uses the error environment from **Taxation Control**. If this happens, investigate and correct the problem. See Fixing Common Tax Problems on page 6622.

The following table describes the tax environment selection criteria for different transaction amounts:

Tax Environment Selection Criteria

Item	Ship-To Tax Zone	Ship-From Tax Zone	Tax Class
Inventory items	Transaction ship-to tax zone	Line item ship-from tax zone	Transaction tax class, if any
Memo items	Transaction ship-to tax zone	Transaction ship-from tax zone	Transaction tax class, if any
Trailer charges	Transaction ship-to tax zone	Transaction ship-from tax zone	Transaction tax class, if any

Next, Taxation searches for the tax rate for each tax type in the tax environment. For each tax type, Taxation searches for an optimal tax rate based on a combination of transaction and line item conditions:

- Tax class
- Tax usage
- Transaction tax date

If Taxation finds a matching rate, it uses this rate for the tax calculation. Otherwise, the following message displays:

Error: Tax rate does not exist.

“Tax Type” “Tax Class” “Tax Usage”

The message displays the tax type, tax class, and tax usage not found, and no tax is calculated. If this happens, investigate the problem. See Fixing Common Tax Problems on page 6622.

The following table describes the tax rate selection criteria for different transaction amounts:

Tax Rates

Item	Tax Class	Tax Usage	Tax Date
Inventory items	Item tax class, if any	Transaction tax usage, if any	Transaction tax date
Memo items	Transaction tax class, if any	Transaction tax usage, if any	Transaction tax date
Trailer charges	1. Tax class from trailer charge detail, if any 2. Trailer charge tax class, if any 3. Transaction tax class, if any	Transaction tax usage, if any	Transaction tax date

Specifying Tax Data

All transactions subject to tax prompt for tax data in the Tax Settings sub-panel in **Sales Orders**.

Main

Taxable

The taxable status determines how tax types apply to the transaction. If Taxable is not selected, the amount is nontaxable. However, if Taxable is selected, the amount can also be nontaxable if you use tax types and zero-percent tax rates to report tax exemptions.

The customer, supplier, or end user taxable status determines the default status of the transaction. If the transaction taxable status is not selected, the entire order has this status.

For inventory items, the default status is the item status. For memo items, the default status is the transaction taxable status. For trailer charges, the status is the one for the (1) trailer tax detail, (2) trailer charge, or (3) transaction, depending on which one the system finds first.

Billing

Tax Settings Sub-Panel

Tax Class

Tax class is used to select the transaction tax environment and/or tax rates for items and trailer charges. Tax class defaults from the relevant address record: customer, supplier, or end user.

For inventory items, the default tax class is the item tax class. For memo items, the default tax class is the transaction tax class. For trailer charges, the tax class is the one for the (1) trailer tax detail, (2) trailer charge, or (3) transaction, depending on which one the system finds first.

Tax Environment

The tax environment is used to select tax types for the transaction. The ship-from/ship-to tax zones and tax class, if any, determines the default tax environment. A line item can have a different tax environment if its ship-from tax zone is different from the one for the rest of the transaction.

Tax Included

This field determines whether tax is already included in line item amounts. If it is, the system reverse-calculates the tax from the item amount and displays it along with the other tax amounts.

The customer, supplier, or end user Tax Included status determine the default status of the transaction. You can override this status for line items. For an amount to be tax included, Tax Included must be selected and the Allow Tax Included setting for the tax rate must be selected.

Note Tax is always added to trailer charges, regardless of the value of Tax In.

Tax Usage

Tax usage is used to select tax rates. Tax usage defaults from the relevant address record: customer, supplier, or end user. You can override the transaction tax usage for line items but not for trailer charges.

Tax Date

The transaction tax date is used to select tax rates. At order entry, the default tax date is the order due date. At shipment and receipt, the default tax date is the transaction effective date.

In some situations, you should specify another tax date. For example, when processing a return, you can enter the original order date. You cannot override the transaction tax date for individual line items and trailer charges. Taxation does not use a tax rate if the transaction’s tax date is outside the tax rate’s effective date range.

Viewing Tax Amounts

In the Taxes sub-panel of the Totals panel, review system-calculated tax amounts by clicking Details. The Tax Detail screen displays the total non-taxable and taxable line item and trailer charge amounts, the tax date, and tax amounts by category.

Note You cannot change tax amounts unless Update Tax Allowed is selected in **Tax Rates**.

Totals

Taxes Sub-Panel, Details Screen

Trailer Code

For trailer charges, enter the code of the trailer charge subject to the tax.

Tax By Line

Output only. Total indicates that the tax rate was applied to the order total for all items and trailer charges taxed at this rate. Line indicates that the tax rate was applied separately to each item and trailer charge.

Edited

Output only. This setting indicates whether the tax amount was ever changed from the system-calculated amount.

The system also displays the factors that Taxation used to calculate the tax: Tax Date, Tax Rate, Tax Code, Tax Environment, Tax Type, Tax Class, and Tax Usage.

Depending on how you set up the tax rate, you may be able to change some of the following values. To change values, Update Tax Allowed must be selected.

Transaction Amount

This value is the total transaction amount, excluding tax.

Non-Taxable Base

This is the non-taxable portion of the transaction amount.

Taxable Base

This is the taxable portion of the transaction amount.

Tax Amount

This is the tax amount for the tax type. For line 0, it is the transaction tax amount for the tax type. For lines 1-99999, it is the amount for the line item or trailer charge.

Recoverable and Non-Recoverable Tax

This is the recoverable and non-recoverable portions of purchase tax.

Absorbed/Retained

On sales and accounts receivable transactions, this is the sales tax that was absorbed and therefore not included in the transaction total. On purchasing and accounts payable transactions, it is the purchase tax that was retained for direct payment to the government.

Correcting Transaction Tax Amounts

Depending on how you set up Taxation, you can selectively override system-calculated tax amounts. The default behavior is determined first by the Update Tax Allowed field in **Taxation Control**, then by the same field in individual **Tax Rates** records.

In transactions, the Detail button always lets you review how the system calculated taxes. If Update Tax Allowed is selected, you can also change the taxable base, tax, and recoverable tax amounts.

Use this feature to match amounts on manually issued documents. Typically, you edit tax amounts only when transaction tax amounts must exactly match an external document. You can also edit taxes when entering transactions for which you have not set up standard rates. However, the system does not maintain an audit trail of changes, so accounting regulations may prevent you from using this capability.

If you do edit tax amounts, one of the following messages displays when you exit transactions:

Recalculate Tax

Enter Yes to recalculate tax and taxable base amounts based on the current data you entered in the transaction. Do this if you ship or receive a different quantity than originally entered.

Copy Edited Tax Values

Enter Yes to copy previously edited tax amounts to this transaction or No to recalculate taxes based on current transaction information.

For example, when you enter a purchase order, you can manually edit the system-calculated tax amounts. When you process the receipt, copy the edited tax values from the order or recalculate taxes based on the current information. If you did not manually edit the taxes in the order, taxes are automatically recalculated at receipt.

If you enter Yes, the system copies tax amounts from the earlier transaction to the one you are currently working on. If you enter No, the system recalculates taxes. Taxes are copied exactly. The system does not adjust for quantity or price differences between the two transactions.

Exchange Rate Effects

When tax is calculated in a foreign currency, the exchange rate used is the rate effective on the date of the corresponding document. This may differ from the rate that is effective on the tax date. For example, during invoice post, the exchange rate used for tax, if applicable, is the same as the rate used for the rest of the invoice; however, it may be different from the rate that was in effect during shipment. Based on local regulations, it may be necessary to reevaluate using the official exchange rate.

Recoverable, Non-Recoverable Tax

Most European countries have a sales tax system that allows recovery of tax on purchases. A recoverable purchase tax amount is one that you are allowed to offset against sales tax payable. Such tax amounts are tracked separately in the GL. They update the AP Tax Invoice or Credit Note account for the tax rate. For recoverable taxes, the tax point is normally invoice date.

- SeeStandard Cost, Recoverable Tax Examples on page 6601.
- SeeAverage Cost, Recoverable Tax Examples on page 6612.

You cannot offset a non-recoverable purchase tax amount against sales tax payable. Usually, such taxes are already included in the item cost. Purchasing transactions back-calculate the tax from the item amount, assuming you set up the supplier and tax rate records to support this.

- See Standard Cost, Non-Recoverable Tax Examples on page 6607.
- See Average Cost, Non-Recoverable Tax Examples on page 6617.

Variances

Three kinds of variance occur during the purchasing/accounts payable cycle: purchase price variance (standard costing only), AP usage variance, and AP rate variance.

Purchase Price Variance

Purchase price variance occurs when the PO cost for an inventory item does not match its GL cost. This variance does not occur for memo items, which have no standard cost.

AP Rate Variance

AP rate variance occurs when the invoice cost for an item does not match its PO cost.

AP Usage Variance

AP usage variance occurs when the invoice quantity for an item does not match its PO quantity and you close the receiver line in the supplier invoice.

Memo Items

Memo items are non-inventory items such as office supplies. By definition, such items have no standard cost.

Entries for memo items update Expensed Item Receipts instead of Purchase Order Receipts, and Expensed Purchases instead of Inventory. In addition, for memo items, an option in **Financials Control** allows variances to update Expensed Item Receipts instead of the variance accounts.

In the GL entry examples, the tax point determines whether accounts are updated at goods receipt or invoice date. See the examples.

- Memo Items (Standard Cost, Recoverable Tax) on page 6606
- Memo Items (Standard Cost, Non-Recoverable Tax) on page 6611
- Memo Items (Average Cost, Recoverable Tax) on page 6616
- Memo Items (Average Cost, Non-Recoverable Tax) on page 6621

Returned Items

When you return items, the system clears the item cost and the tax from the accounts updated by the original receipt and the supplier invoice, if you processed the return after paying the supplier invoice.

Tax Point Effects

During transaction processing, the tax point for the tax rate determines when and for which accounts the system creates GL entries for tax amounts. The tax point defaults from Accrue Tax at Receipt in **Tax Rates**.

When the tax point is goods receipt, the system creates GL entries when you record the receiving transaction. When the tax point is invoice receipt, the system creates entries later—when you enter or finalize a supplier invoice.

For each tax point, exact GL entries vary by cost system. The following table summarizes the elements that influence GL entries. The subsequent sections for standard costing and average costing illustrate tax accruals in more detail.

Tax point also affects the cost basis for average cost calculations. The system re-averages item costs at both receipt and when you finalize the supplier invoice. If the tax point is goods receipt, the cost basis for re-averaging calculations includes tax at both receipt and receiver matching. However, if the tax point is invoice receipt, the cost basis includes tax only at receiver matching.

Elements that influence GL entries for each Tax Point

Costing System at Site, Tax Amount	Taxable Amount

Standard, Recoverable	Inventory Items (Standard Cost, Recoverable Tax) on page 6601
	Purchase Price Variance (Standard Cost, Recoverable Tax) on page 6602
	AP Usage Variance (Standard Cost, Recoverable Tax) on page 6603
	AP Rate Variance (Standard Cost, Recoverable Tax) on page 6604
	Memo Items (Standard Cost, Recoverable Tax) on page 6606
Standard, Non-Recoverable	Inventory Items (Standard Cost, Non-Recoverable Tax) on page 6607
	Purchase Price Variance (Standard Cost, Non-Recoverable Tax) on page 6608
	AP Usage Variance (Standard Cost, Non-Recoverable Tax) on page 6609
	AP Rate Variance (Standard Cost, Non-Recoverable Tax) on page 6610
	Memo Items (Standard Cost, Non-Recoverable Tax) on page 6611
Average, Recoverable	Inventory Items (Average Cost, Recoverable Tax) on page 6613
	AP Usage Variance (Average Cost, Recoverable Tax) on page 6614
	AP Rate Variance (Average Cost, Recoverable Tax) on page 6615
	Memo Items (Average Cost, Recoverable Tax) on page 6616
Average, Non-Recoverable	Inventory Items (Average Cost, Non-Recoverable Tax) on page 6617

	AP Usage Variance (Average Cost, Non-Recoverable Tax) on page 6618
	AP Rate Variance (Average Cost, Non-Recoverable Tax) on page 6619
	Memo Items (Average Cost, Non-Recoverable Tax) on page 6621

Standard Cost, Recoverable Tax Examples

This section shows recoverable tax accruals for a purchase order and supplier invoice.

- See Recoverable, Non-Recoverable Tax on page 6598.
- To review the entries for average cost, see Average Cost, Recoverable Tax Examples on page 6612.

Inventory Items (Standard Cost, Recoverable Tax)

The following tables illustrate the GL entries created for the receipt of a purchased inventory item, assuming standard cost and recoverable tax. The tax point determines whether the update to AP Tax Recoverable occurs at goods receipt or supplier invoice date.

Tax accrual at goods receipt

- When goods are received, entries are created for received item cost **(1)** and tax **(2)**.

Inventory		**Purchase Order Receipts**		**AP Tax Recoverable**	
100.00	**1**	**1**	100.00	10.00	**2**
		2	10.00		

- When an invoice is received, entries are created for invoice value, including tax **(3)**.

Unmatched Invoices		**Accounts Payable**	
110.00	**3**	**3**	110.00

- When an invoice is matched, entries are created for invoice value, including tax **(4)**.

Purchase Order Receipts		**Unmatched Invoices**	
110.00	**4**	**4**	110.00

Tax accrual at supplier invoice

- When goods are received, entries are created for received item cost **(1)** but not for tax.

Inventory		**Purchase Order Receipts**	
100.00	**1**	**1**	100.00

- When an invoice is received, entries are created for item cost **(2)** and tax **(3)**.

Unmatched Invoices		**Accounts Payable**		**AP Tax Recoverable**	
100.00	**2**	**2**	100.00	10.00	**3**
		2	10.00		

- When an invoice is matched, entries are created for item cost **(4)**.

Purchase Order Receipts		**Unmatched Invoices**	
100.00	**4**	**4**	100.00

Purchase Price Variance (Standard Cost, Recoverable Tax)

See Variances on page 6598.

Tax accrual at goods receipt

- When goods are received, entries are created for received item cost **(1)**, variance **(2)** and tax on item cost + variance **(3)**.

Inventory		**Purchase Order Receipts**	
100.00	**1**	**1**	100.00
		2	25.00
		3	12.50
Purchase Price Variance		**AP Tax Recoverable**	
25.00	**2**	12.50	**3**

- When an invoice is received, entries are created for invoice value, including tax **(4)**.

Unmatched Invoices		**Accounts Payable**	
137.50	**4**	**4**	137.50

- When an invoice is matched, entries are created for invoice value **(5)**.

Purchase Order Receipts	**Unmatched Invoices**

137.50	**5**	**5**	137.50

Tax accrual at supplier invoice

- When goods are received, entries are created for received item cost **(1)** and variance **(2)** but not for tax.

Inventory		**Purchase Order Receipts**		**Purchase Price Variance**	
100.00	**1**	**1**	100.00	25.00	**2**
		2	25.00		

- When an invoice is received, entries are created for the item cost including variance **(3)** and tax **(4)**

Unmatched Invoices		**Accounts Payable**		**AP Tax Recoverable**	
125.00	**3**	**3**	125.00	12.50	**4**
		4	12.50		

- When an invoice is matched, entries are created for item cost **(5)** and variance **(6)**.

Purchase Order Receipts		**Unmatched Invoices**	
100.00	**5**	**5**	100.00
25.00	**6**	**6**	25.00

AP Usage Variance (Standard Cost, Recoverable Tax)

See Variances on page 6598.

Tax accrual at goods receipt

- When goods are received, entries are created for received item cost **(1)** and tax **(2)**.

Inventory		**Purchase Order Receipts**		**AP Tax Recoverable**	
100.00	**1**	**1**	100.00	10.00	**2**
		2	10.00		

- When an invoice is received, entries are created for invoice value, including tax **(3)**.

Unmatched Invoices		**Accounts Payable**	
154.00	**3**	**3**	154.00

- When an invoice is matched, entries are created for item cost **(4)**, variance **(5)**, tax on item cost **(6)**, and tax on variance **(7)**.

Purchase Order Receipts		**Unmatched Invoices**	
100.00	**4**	**4**	100.00
10.00	**6**	**5**	40.00
		6	10.00
		7	4.00
AP Usage Variance		**AP Tax Recoverable**	
40.00	**5**	4.00	**7**

Tax accrual at supplier invoice

- When goods are received, entries are created for received item cost **(1)** but not tax.

Inventory		Purchase Order Receipts	
100.00	**1**	**1**	100.00

- When an invoice is received, entries are created for the invoice cost **(2)** and tax **(3)**.

Unmatched Invoices		**Accounts Payable**		**AP Tax Recoverable**	
140.00	**2**	**2**	140.00	14.00	**3**
		3	14.00		

- When an invoice is matched, entries are created for item cost **(4)** and variance **(5)**.

Purchase Order Receipts		**Unmatched Invoices**		**AP Usage Variance**	
100.00	**4**	**4**	100.00	40.00	**5**
		5	40.00		

AP Rate Variance (Standard Cost, Recoverable Tax)

See Variances on page 6598.

Tax accrual at goods receipts

- When goods are received, entries are created for received item cost **(1)** and tax **(2)**.

Inventory	**Purchase Order Receipts**	**AP Tax Recoverable**

100.00	**1**	**1**	100.00	10.00	**2**
		2	10.00		

- When an invoice is received, entries are created for invoice value, including tax **(3)**.

Unmatched Invoices		**Accounts Payable**	
143.00	**3**	**3**	143.00

- When an invoice is matched, entries are created for item cost + tax **(3)**, variance **(4)**, and tax on variance **(5)**.

Purchase Order Receipts		**Unmatched Invoices**	
110.00	**3**	**3**	110.00
		4	30.00
		5	3.00
AP Rate Variance		**AP Tax Recoverable**	
30.00	**4**	3.00	**5**

Tax accrual at supplier invoice

- When goods are received, entries are created for received item cost **(1)** but not tax.

Inventory		**Purchase Order Receipts**	
100.00	**1**	**1**	100.00

- When an invoice is received, entries are created for invoice cost **(2)** and tax **(3)**.

Unmatched Invoices		**Accounts Payable**		**AP Tax Recoverable**	
130.00	**2**	**2**	130.00	13.00	**3**
		3	13.00		

- When an invoice is matched, entries are created for item cost **(4)** and variance **(5)**.

Purchase Order Receipts		**Unmatched Invoices**		**AP Rate Variance**	
100.00	**4**	**4**	100.00	30.00	**5**
		5	30.00		

Memo Items (Standard Cost, Recoverable Tax)

See Memo Items on page 6599.

Tax accrual at goods receipt

- When goods are received, entries are created for received item cost **(1)** and tax **(2)**.

Expensed Purchases		**Expensed Item Receipts**		**AP Tax Recoverable**	
100.00	**1**	**1**	100.00	10.00	**2**
		2	10.00		

- When an invoice is received, entries are created for invoice value, including tax **(3)**.

Unmatched Invoices		**Accounts Payable**	
110.00	**3**	**3**	110.00

- When an invoice is matched, entries are created for item cost **(4)** and tax **(5)**.

Expensed Item Receipts		**Unmatched Invoice**	
100.00	**4**	**4**	100.00
10.00	**5**	**5**	10.00

Tax accrual at supplier invoice

- When goods are received, entries are created for received item cost **(1)** but not for tax.

Expensed Purchases		**Expensed Item Receipts**	
100.00	**1**	**1**	100.00

- When an invoice is received, entries are created for item cost **(2)** and tax **(3)**.

Unmatched Invoices		**Accounts Payable**		**AP Tax Recoverable**	
100.00	**2**	**2**	100.00	10.00	**3**
		3	10.00		

- When an invoice is matched, entries are created for item cost **(4)**.

Expensed Item Receipts		**Unmatched Invoices**	
100.00	**4**	**4**	100.00

Standard Cost, Non-Recoverable Tax Examples

This section shows non-recoverable tax accruals for a purchase order and supplier invoice. The examples illustrate GL entries if taxes are not included in the item cost.

- See Recoverable, Non-Recoverable Tax on page 6598.

To review the entries for average cost, see Average Cost, Non-Recoverable Tax Examples on page 6617.

Inventory Items (Standard Cost, Non-Recoverable Tax)

The following tables show the GL entries for purchases of inventory items. The tax point determines whether the update to AP Tax Recoverable occurs at goods receipt or invoice date. Inventory items are items you purchase to use in manufacturing or to sell to customers.

Tax accrual at goods receipt

- When goods are received, entries are created for received item cost **(1)** and tax **(2)**.

Inventory		**Purchase Order Receipts**		**Purchase Price Variance**	
100.00	**1**	**1**	100.00	10.00	**2**
		2	10.00		

- When an invoice is received, entries are created for invoice value **(3)**.

Unmatched Invoices		**Accounts Payable**	
110.00	**3**	**3**	110.00

- When an invoice is matched, entries are created for item cost **(3)** and tax **(4)**.

Purchase Order Receipts		**Unmatched Invoices**	
100.00	**3**	**3**	100.00
10.00	**4**	**4**	10.00

Tax accrual at supplier invoice

- When goods are received, entries are created for received item cost **(1)** but not for tax.

Inventory		**Purchase Order Receipts**	
100.00	**1**	**1**	100.00

- When an invoice is received, entries are created for invoice value **(2)** and tax **(3)**.

Unmatched Invoices		Accounts Payable		Purchase Price Variance	
100.00	**2**	**2**	100.00	10.00	**3**
		3	10.00		

- When and invoice is matched, entries are created for item cost **(4)**.

Purchase Order Receipts		Unmatched Invoices	
100.00	**4**	**4**	100.00

Purchase Price Variance (Standard Cost, Non-Recoverable Tax)

See Variances on page 6598.

Tax accrual at goods receipt.

- When goods are received, entries are created for received item cost **(1)**, variance **(2)**, and tax on item cost + variance **(3)**.

Inventory		Purchase Order Receipts		Purchase Price Variance	
100.00	**1**	**1**	100.00	25.00	**2**
		2	25.00	12.50	**3**
		3	12.50		

- When an invoice is received, entries are created for invoice value, including tax **(4)**.

Unmatched Invoices		Accounts Payable	
137.50	**4**	**4**	137.50

- When an invoice is matched, entries are created for item cost **(5)**, variance **(6)**, and tax **(7)**.

Purchase Order Receipts		Unmatched Invoices	
100.00	**5**	**5**	100.00
25.00	**6**	**6**	25.00
12.50	**7**	**7**	12.50

Tax accrual at supplier invoice

- When goods are received, entries are created for received item cost **(1)** and variance **(2)** but not for tax.

Inventory		Purchase Order Receipts		Purchase Price Variance	
100.00	**1**	**1**	100.00	25.00	**2**
		2	25.00		

- When an invoice is received, entries are created for invoice value, including tax **(3)**.

Unmatched Invoices		Accounts Payable	
137.50	**4**	**4**	137.50

- When an invoice is matched, entries are created for item cost **(4)**, variance **(5)**, and tax on item cost + variance **(6)**.

Purchase Order Receipts		Unmatched Invoices		Purchase Price Variance	
100.00	**4**	**4**	100.00	12.50	**6**
25.00	**5**	**5**	25.00		
		6	12.50		

AP Usage Variance (Standard Cost, Non-Recoverable Tax)

See Variances on page 6598.

Tax accrual at goods receipt

- When goods are received, entries are created for received item cost **(1)** and tax **(2)**.

Inventory		Purchase Order Receipts		Purchase Price Variance	
100.00	**1**	**1**	100.00	10.00	**2**
		2	10.00		

- When an invoice is received, entries are created for invoice value, including tax **(3)**.

Unmatched Invoices		Accounts Payable	
154.00	**3**	**3**	154.00

- When an invoice is matched, entries are created for item cost **(4)**, variance **(5)**, tax on item cost **(6)**, and tax on variance **(7)**.

Purchase Order Receipts		Unmatched Invoices		AP Usage Variance	
100.00	**4**	**4**	100.00	40.00	**5**
10.00	**6**	**5**	40.00	4.00	**7**
		6	10.00		
		7	4.00		

Tax accrual at supplier invoice

- When goods are received, entries are created for received item cost **(1)** but not tax.

Inventory		Purchase Order Receipts	
100.00	**1**	**1**	100.00

- When an invoice is received, entries are created for invoice item cost **(2)** and tax on item cost **(3)**.

Unmatched Invoices		Accounts Payable		???	
140.00	**4**	**4**	100.00	40.00	**5**
		5	40.00		

AP Rate Variance (Standard Cost, Non-Recoverable Tax)

See Variances on page 6598.

Tax accrual at goods receipt

- When goods are received, entries are created for received item cost **(1)** and tax **(2)**.

Inventory		Purchase Order Receipts		Purchase Price Variance	
100.00	**1**	**1**	100.00	10.00	**2**
		2	10.00		

- When an invoice is received, entries are created for invoice value, including tax **(3)**.

Unmatched Invoices		Accounts Payable	
143.00	**3**	**3**	143.00

- When an invoice is matched, entries are created for item cost **(4)**, variance **(5)**, tax on item cost **(6)**, and tax on variance **(7)**.

Purchase Order Receipts		Unmatched Invoices		AP Rate Variance	
100.00	**4**	**4**	100.00	30.00	**5**
10.00	**6**	**5**	30.00	3.00	**7**
		6	10.00		
		7	3.00		

Tax accrual at supplier invoice

- When goods are received, entries are created for received item cost **(1)** but not tax.

Inventory		Purchase Order Receipts	
100.00	**1**	**1**	100.00

- When an invoice is received, entries are created for invoice value, including tax **(2)**.

Unmatched Invoices		Accounts Payable	
143.00	**2**	**2**	143.00

- When an invoice is matched, entries are created for item cost **(3)**, variance **(4)**, tax on item cost **(5)**, and tax on variance **(6)**.

Purchase Order Receipts		Unmatched Invoices	
100.00	**3**	**3**	100.00
		4	30.00
		5	10.00
		6	3.00
AP Rate Variance		**PO Price Variance**	
30.00	**4**	10.00	**5**
3.00	**6**		

Memo Items (Standard Cost, Non-Recoverable Tax)

See Memo Items on page 6599.

Tax accrual at goods receipt

- When goods are received, entries are created for received item cost **(1)** and **(2)**.

Expensed Purchases	Expensed Item Receipts

100.00	**1**	**1**	100.00
10.00	**2**	**2**	10.00

- When an invoice is received, entries are created for invoice value, including tax **(3)**.

Unmatched Invoices		**Accounts Payable**	
110.00	**3**	**3**	110.00

- When an invoice is matched, entries are created for item cost **(4)** and tax **(5)**.

Expensed Item Receipts		**Unmatched Invoices**	
100.00	**4**	**4**	100.00
10.00	**5**	**5**	10.00

Tax accrual at supplier invoice

- When goods are received, entries are created for received item cost **(1)** but not for tax.

Expensed Purchases		**Expensed Item Receipts**	
100.00	**1**	**1**	100.00

- When an invoice is received, entries are created for item cost **(2)** and tax **(3)**.

Unmatched Invoices		**Accounts Payable**		**AP Tax Recoverable**	
100.00	**2**	**2**	100.00	10.00	**3**
		3	10.00		

- When an invoice is matched, entries are created for item cost **(4)**.

Expensed Item Receipts		**Unmatched Invoices**	
100.00	**4**	**4**	100.00

Average Cost, Recoverable Tax Examples

This section shows recoverable tax accruals for a purchase order and supplier invoice. The tax point affects the cost basis for the average cost calculation.

- SeeRecoverable, Non-Recoverable Tax on page 6598.
- See Tax Point Effects on page 6599.

To review the entries for standard cost, see Standard Cost, Recoverable Tax Examples on page 6601.

Inventory Items (Average Cost, Recoverable Tax)

The following tables show the GL entries for purchases of inventory items. The tax point determines whether the update to AP Tax Recoverable occurs at goods receipt or invoice date. Inventory items are items you purchase to use in manufacturing or to sell to customers.

Tax accrual at goods receipt

- When goods are received, entries are created for received item cost **(1)** and tax **(2)**.

Inventory		**Purchase Order Receipts**		**AP Tax Recoverable**	
100.00	**1**	**1**	100.00	10.00	**2**
		2	10.00		

- When an invoice is received, entries are created for invoice value, including tax **(3)**.

Unmatched Invoices		**Accounts Payable**	
110.00	**3**	**3**	110.00

- When an invoice is matched, entries are created for item cost **(3)** and tax **(4)**.

Purchase Order Receipts		**Unmatched Invoices**	
100.00	**3**	**3**	100.00
10.00	**4**	**4**	10.00

Tax accrual at supplier invoice

- When goods are received, entries are created for received item cost **(1)** but not for tax.

Inventory		**Purchase Order Receipts**	
100.00	**1**	**1**	100.00

- When an invoice is received, entries are created for item cost **(2)** and tax **(3)**.

Unmatched Invoices		**Accounts Payable**		**AP Tax Recoverable**	
100.00	**2**	**2**	100.00	10.00	**3**
		3	10.00		

- When an invoice is matched, entries are created for item cost **(4)**.

Purchase Order Receipts		Unmatched Invoices	
100.00	**4**	**4**	100.00

AP Usage Variance (Average Cost, Recoverable Tax)

See Variances on page 6598.

Tax accrual at goods receipt

- When goods are received, entries are created for received item cost **(1)** and tax **(2)**.

Inventory		Purchase Order Receipts		AP Tax Recoverable	
100.00	**1**	**1**	100.00	10.00	**2**
		2	10.00		

- When an invoice is received, entries are created for invoice value, including tax **(3)**.

Unmatched Invoices		Accounts Payable	
154.00	**3**	**3**	154.00

- When an invoice is matched, entries are created for item cost **(4)**, variance **(5)**, tax on item cost **(6)**, and tax on variance **(7)**.

Purchase Order Receipts		Unmatched Invoices	
100.00	**4**	**4**	100.00
10.00	**6**	**5**	40.00
		6	10.00
		7	4.00
AP Usage Variance		**AP Tax Recoverable**	
40.00	**5**	4.00	**7**

Tax accrual at supplier invoice

- When goods are received, entries are created for received item cost **(1)** but not tax.

Inventory		Purchase Order Receipts	
100.00	**1**	**1**	100.00

- When an invoice is received, entries are created for item cost **(2)** and tax **(3)**.

Unmatched Invoices		Accounts Payable		AP Tax Recoverable	
140.00	**2**	**2**	140.00	14.00	**3**
		3	14.00		

- When an invoice is matched, entries are created for item cost **(4)** and variance **(5)**.

Purchase Order Receipts		Unmatched Invoices		AP Tax Recoverable	
100.00	**4**	**4**	100.00	40.00	**5**
		5	40.00		

AP Rate Variance (Average Cost, Recoverable Tax)

See Variances on page 6598.

Tax accrual at goods receipt

- When goods are received, entries are created for received item cost **(1)** and tax **(2)**.

Inventory		Purchase Order Receipts		AP Tax Recoverable	
100.00	**1**	**1**	100.00	10.00	**2**
		2	10.00		

- When an invoice is received, entries are created for invoice value, including tax **(3)**.

Unmatched Invoices		Accounts Payable	
143.00	**3**	**3**	143.00

- When an invoice is matched, entries are created for item cost **(4)**, variance **(5)**, tax on item cost **(6)**, and tax on variance **(7)**.

Purchase Order Receipts		Unmatched Invoices	
100.00	**4**	**4**	100.00
10.00	**6**	**5**	30.00
		6	10.00
		7	3.00
AP Rate Variance		**AP Tax Recoverable**	
30.00	**5**	3.00	**7**

Tax accrual at supplier invoice

- When goods are received, entries are created for received item cost **(1)** but not tax.

Inventory		Purchase Order Receipts	
100.00	**1**	**1**	100.00

- When an invoice is received, entries are created for the invoice total **(2)** and tax **(3)**.

Unmatched Invoices		Accounts Payable		AP Tax Recoverable	
130.00	**2**	**2**	130.00	13.00	**3**
		3	13.00		

- When invoice is received, entries are created for item cost **(4)** and variance **(5)**.

Purchase Order Receipts		Unmatched Invoices		AP Rate Variance	
100.00	**4**	**4**	130.00	30.00	**5**
		5	30.00		

Memo Items (Average Cost, Recoverable Tax)

See Memo Items on page 6599.

Tax accrual at goods receipt

- When goods are received, entries are created for received item cost **(1)** and tax **(2)**.

Expensed Purchases		Expensed Item Receipts		AP Tax Recoverable	
100.00	**1**	**1**	100.00	10.00	**2**
		2	10.00		

- When an invoice is received, entries are created for invoice value, including tax **(3)**.

Expensed Item Receipts		Accounts Payable	
110.00	**3**	**3**	110.00

Tax accrual at supplier invoice receipt

- When goods are received, entries are created for received item cost **(1)** but not for tax.

Expensed Purchases		Expensed Item Receipts	
100.00	**1**	**1**	100.00

- When an invoice is received, entries are created for item cost **(2)** and tax **(3)**.

Expensed Item Receipts		Accounts Payable		AP Tax Recoverable	
100.00	**2**	**2**	100.00	10.00	**3**
		3	10.00		

Average Cost, Non-Recoverable Tax Examples

This section shows non-recoverable tax accruals for a purchase order and supplier invoice. The examples illustrate GL entries if taxes are not included in item cost. The tax point affects the cost basis for the average cost calculation.

- See Recoverable, Non-Recoverable Tax on page 6598.
- See Tax Point Effects on page 6599.

To review the entries for standard cost, see Standard Cost, Non-Recoverable Tax Examples on page 6607.

Inventory Items (Average Cost, Non-Recoverable Tax)

The following tables show the GL entries for purchases of inventory items. Inventory items are items you purchase to use in manufacturing or to sell to customers.

Tax accrual at goods receipt

- When goods are received, entries are created for received item cost **(1)** and tax **(2)**.

Inventory		Purchase Order Receipts		Purchase Price Variance	
100.00	**1**	**1**	100.00	10.00	**2**
		2	10.00		

- When an invoice is received, entries are created for the invoice value, including tax **(4)**.

Unmatched Invoices		Accounts Payable	
110.00	**3**	**3**	110.00

- When an invoice is matched, entries are created for cost + tax **(4)**.

Purchase Order Receipts	Unmatched Invoices

110.00	**4**	**4**	110.00

Tax accrual at supplier invoice

- When goods are received, entries are created for received item cost **(1)** but not for tax.

Inventory		**Purchase Order Receipts**	
100.00	**1**	**1**	100.00

- When an invoice is received, entries are created for invoice value, including tax **(2)**.

Unmatched Invoices		**Purchase Order Receipts**	
110.00	**2**	**2**	110.00

- When an invoice is matched, entries are created for item cost **(3)** and tax **(4)**.

Purchase Order Receipts		**Unmatched Invoices**		**Inventory**	
100.00	**3**	**3**	100.00	10.00	**4**
		4	10.00		

AP Usage Variance (Average Cost, Non-Recoverable Tax)

See Variances on page 6598.

Tax accrual at goods receipt

- When goods are received, entries are created for received item cost **(1)** and tax **(2)**.

Inventory		**Purchase Order Receipts**	
100.00	**1**	**1**	100.00
10.00	**2**	**2**	10.00

- When an invoice is received, entries are created for invoice value, including tax **(3)**.

Unmatched Invoices		**Accounts Payable**	
154.00	**3**	**3**	154.00

- When an invoice is matched, entries are created for item cost **(4)**, variance **(5)**, tax on item cost **(6)**, and tax on variance **(7)**.

Purchase Order Receipts	**Unmatched Invoices**	**AP Usage Variance**

100.00	**4**	**4**	100.00	40.00	**5**
10.00	**6**	**5**	40.00	4.00	**7**
		6	10.00		
		7	4.00		

Tax accrual at supplier invoice

- When goods are received, entries are created for received item cost **(1)** but not tax.

Inventory		**Purchase Order Receipts**	
100.00	**1**	**1**	100.00

- When an invoice is received, entries are created for invoice value, including tax **(2)**.

Unmatched Invoices		**Accounts Payable**	
154.00	**2**	**2**	154.00

- When an invoice is matched, entries are created for item cost **(3)**, variance **(4)**, tax on item cost **(5)**, and tax on variance **(6)**.

Purchase Order Receipts		**Unmatched Invoices**	
100.00	**3**	**3**	100.00
		4	40.00
		5	10.00
		6	4.00
AP Usage Variance		**Inventory**	
40.00	**4**	10.00	**5**
4.00	**6**		

AP Rate Variance (Average Cost, Non-Recoverable Tax)

SeeVariances on page 6598.

Tax accrual at goods receipt

- When goods are received, entries are created for received item cost **(1)** and tax **(2)**.

Inventory		**Purchase Order Receipts**	
100.00	**1**	**1**	100.00
10.00	**2**	**2**	10.00

- When an invoice is received, entries are created for invoice value, including tax **(3)**.

Unmatched Invoices		**Accounts Payable**	
143.00	**3**	**3**	143.00

- When an invoice is matched, entries are created for item cost **(4)**, variance **(5)**, tax on item cost **(6)**, and tax on variance **(7)**.

Purchase Order Receipts		**Unmatched Invoices**		**AP Rate Variance**	
100.00	**4**	**4**	100.00	30.00	**5**
10.00	**6**	**5**	30.00	3.00	**7**
		6	10.00		
		7	3.00		

Tax accrual at supplier invoice

- When goods are received, entries are created for received item cost **(1)** but not tax.

Inventory		**Purchase Order Receipts**	
100.00	**1**	**1**	100.00

- When an invoice is received, entries are created for invoice value, including tax **(2)**.

Unmatched Invoices		**Accounts Payable**	
143.00	**2**	**2**	143.00

- When an invoice is matched, entries are created for item cost **(3)**, variance **(4)**, tax on item cost **(5)**, and tax on variance **(6)**.

Purchase Order Receipts		**Unmatched Invoices**	
100.00	**3**	**3**	100.00
		4	30.00
		5	10.00
		6	3.00
AP Rate Variance		**PO Price Variance**	
30.00	**4**	10.00	**5**
3.00	**6**		

Memo Items (Average Cost, Non-Recoverable Tax)

See Memo Items on page 6599.

Tax accrual at goods receipt

- When goods are received, entries are created for received item cost **(1)** and tax **(2)**.

Expensed Purchases		Expensed Item Receipts	
100.00	**1**	**1**	100.00
10.00	**2**	**2**	10.00

- When an invoice is received, entries are created for invoice value, including tax **(3)**.

Unmatched Invoices		Accounts Payable	
110.00	**3**	**3**	110.00

- When an invoice is matched, entries are created for item cost **(4)** and tax **(5)**.

Expensed Item Receipts		Unmatched Invoices	
100.00	**4**	**4**	100.00
10.00	**5**	**5**	10.00

Tax accrual at supplier invoice receipt

- When goods are received, entries are created for received item cost **(1)** but not for tax.

Expensed Purchases		Expensed Item Receipts	
100.00	**1**	**1**	100.00

- When an invoice is received, entries are created for invoice value, including tax **(2)**.

Unmatched Invoices		Accounts Payable	
110.00	**2**	**2**	110.00

- When an invoice is matched, entries are created for item cost **(3)** and tax **(4)**.

Expensed Item Receipts		Unmatched Invoices		Expensed Purchases	
100.00	**3**	**3**	100.00	10.00	**4**

		4	10.00		

Fixing Common Tax Problems

The following table describes common tax processing problems and possible causes:

Common Tax Processing Problems

Problems	**Possible Cause**
Warning: No tax environment found, using default.	Taxation could not find a tax environment for the ship-from/ship-to tax zone combination, so it inserted the error code from **Taxation Control**. Taxation can also select the wrong environment if the tax zone was wrong in the address records for your company, the customer, or the supplier.
Error: Tax rate does not exist.	1. No tax rate exists for the tax type, item or trailer charge tax class, item or transaction tax usage, and/or transaction tax date. 2. If the system finds a tax class or tax usage specific rate for an item or trailer charge, it expects to find one for all applicable tax types.
The transaction has the right tax environment but the wrong tax type.	The tax environment has the wrong tax type.
Tax was calculated incorrectly.	Field settings in your transaction must be consistent with corresponding settings for the tax rate. For example, for tax to be reverse-calculated, Tax In must be Yes in both the transaction line item frame and the tax rate record. Occasionally, the system calculates tax correctly but it does not match the value on a printed document.

Taxation Reporting Overview

The system provides a range of reports for viewing tax information and generating tax declarations.

Note To print tax detail information on documents such as sales orders, two fields must be selected:

- Display Detail on Reports in **Taxation Control**
- Print Sales Order Trailer in **Sales Order Print**

Transaction Types

Various tax reports display tax information grouped by the following types of transactions:

- Export: For an EU country, this indicates a sales transaction to a country that is not part of the EU. For a non-EU country, this indicates a sales transaction to any other country.
- IC Acquisition: This applies to EU countries only and indicates a purchase transaction from another EU country.
- IC Supply: This applies to EU countries only and indicates a sales transaction to another EU country.
- Import: For an EU country, this indicates a purchase transaction from a country that is not part of the EU. For a non-EU country, this indicates a purchase transaction from any other country.
- Inland Purchase: This indicates a purchase transaction within a country.
- Inland Sales: This indicates a sales transaction within a country.
- Triangular Purchase: This indicates a purchase transaction involving companies in three EU countries.
- Triangular Sales: This indicates a sales transaction involving companies in three EU countries.

  Note In a triangular sale, company 1 sells to company 2 and delivers the sold items directly to company 3. Company 1 then invoices company 2, and company 2 invoices company 3. A triangular purchase involves the same kind of relations.

Tax Transaction Types

The system assigns a tax transaction type to each tax amount generated during sales, purchasing, and service transactions. These tax transaction types apply to both operational and financial transactions. Use these programs to view operational transactions:

- **Operation Tax Detail by Tran Inq**
- **Operation Tax Details by Transaction Type**

To view financial transactions, use the tax reports. In most, you can select data to display by Tax Transaction Type. For more information, see Tax Report Lists on page 6630.

Operational Tax Transaction Types

The tax details generated by the system vary in different business environments. For example, in some countries, taxes on purchasing transactions are reported at PO receipt, while in others, taxes are reported when a supplier invoice is generated for the PO. If your company reports taxes at PO receipt, transactions of type 21, 22, and 23 are generated.

Only types 21 and 23 display on the operational reports. If you report taxes during receiver matching, only type 22 is generated and no details display on the operational reports.

Operational transaction types are listed in the following table.

Operational Tax Transaction Types

Type Code	Source of Transaction
10	Sales quotes
11	Sales orders
13	Sales order shipments/pending invoices
14	Sales order shippers
20	Purchase orders
21	Purchase order receipts
23	Purchase order receipt clearing
24	Purchase order shippers
25	Purchase order return to supplier
26	PO Fiscal Receipts: Logistics Accounting
27	PO Receipts: Logistics Accounting
28	PO Receipts Clearing: Logistics Accounting
33	Service quotes
34	Service contracts
36	Return material authorization (RMA) issues and receipts

37	Return to supplier (RTS) issues and receipts
39	Project Realization Management (PRM) projects
40	Sales Quotes: Logistics Accounting
41	Sales Orders: Logistics Accounting
42	Distribution Orders: Logistics Accounting
43	SO shipments: Logistics Accounting
45	Distribution Order Shipments: Logistics Accounting
46	RMA: Logistics Accounting
48	Purchase Orders: Logistics Accounting

Financial Tax Transaction Types

Financial tax transaction types are not selected by numeric code. You can choose from the following list of tax transactions created in financial functions:

- AP Invoice
- AP Payment Check (Discount at Payment)
- AP Transactions
- AR Invoice
- AR Operational Invoice
- AR Payment (Discount at Payment)
- AR Transactions
- Purchase Order
- Purchase Order Receipt

Tax Reports Overview

Tax reports are entity-dependent, and are based on the identification numbers defined for addresses in business relations: the tax IDs and the tax declaration number.

- If a tax declaration includes transactions for only a single entity, the tax declaration number and the identification number are the same. This is the most common case.

- If a tax declaration groups transactions for multiple entities, the tax declarant number and tax identification numbers are different.

To specify data for a report, select from one of five tax IDs for an entity:

- Federal Tax ID
- Miscellaneous Tax ID 1-3
- State Tax ID (the European VAT registration number is stored in the State Tax ID field)

Some reports have an additional selection field, the Tax Declaration ID. At least one of the ID fields is mandatory. Only transactions that match all entered ID fields are included in the reports.

In general, all tax reporting is based on the tax period and tax point information. GL periods and posting dates are available as selection criteria only in the **Tax vs GL Period Reconciliation** report.

Most tax reports let you select by the direction of the financial flow using an Input/Output parameter. Possible values are:

- All
- Input: Tax transaction direction is into your company, such as AR.
- Output: Tax transaction direction is away from your company, such as AP.

If your organization operates in an EU member country, use the Intrastat and Extrastat reporting functions to generate reports on trade with other EU countries and with countries outside the EU.

Other regional tax reports are available and described in Regional Tax Reports on page 6635.

For US-based organizations, the 1099 reporting function produces an annual report for the IRS based on payments to suppliers. See 1099 Reporting on page 6643.

Tax Registers

Tax registers contain all relevant information to confirm the tax declaration of the company. **Tax Registers** lets you group daybooks for tax register reporting purposes and generates a sequence number that will be used to number pages in final tax register reports. You can then report on the tax registers using the following regional reports:

- **AP Tax Register Detail**
- **EU Purchases Tax Register**
- **EU Sales Linked to EU Purchases**
- **AR Tax Register Detail**
- **Suspended Tax Register**

In some countries, the page numbers of all tax reports must be sequential, by law. The page numbering of a tax register report is composed of a sequence number and a year in the format “Page: 99999999/YYYY.” The sequence number is taken from the Next Page Number field of the tax register used.

You can print tax register reports in two modes: Trial and Final. If you run the report in Final mode, the final page number of the report will be increased by 1 and stored in the Next Page field of the tax register. When you run another final report using the same register, the first page of the next report will be numbered using the value in the Next Page field so that the pages of the two reports are completely sequential. If you run the report in Trial mode, the Next Page field of the Tax Register is not updated.

If you modify a tax register that has been used to generate a final report, the system will display a warning message. You can only delete a tax register if no final report has been generated using it.

For example, a company wants to report on the tax amounts for all supplier invoices raised from suppliers within the European Union. The accountant creates a tax register, EUTAX, using **Tax Registers**, specifies a type of AP, selects the EU field, specifies all AP daybooks that are used for supplier invoices, and specifies the entities to report on. The accountant then runs the **AP Tax Register Detail** report using the newly created tax register.

Main

Tax Register

Specify a meaningful tax register code.

Description

Enter a brief description of the tax register. You can optionally enter descriptions in more than one language. This field is mandatory.

Alternate Description

Enter an alternative description for the tax register. This field is optional. If you complete this field, the contents display in the Description field of the EU Sales Linked to EU Purchases report.

Type

Select the type of daybook set for which the tax register will apply. The options are AR and AP.

- AR: If you set the Type field to AP, you can only specify daybooks of type Supplier Invoice, Supplier Credit Note, Supplier Invoice Correction, and Supplier Credit Note Correction in the Daybook grid.
- AR: If you set the Type field to AR, you can only specify daybooks of type Customer Invoice, Customer Credit Note, Customer

Invoice Correction, and Customer Credit Note Correction in the Daybook grid.

EU

Select the field if the tax register will be used to report on transactions in EU countries only.

Company Address

Specify the company address to print at the top of the report.

Business Relation

This is a read-only field that defaults from the company address.

Next Page

This field displays the sequence number generated and assigned to the tax register. If the last final tax register report you produced ended on page 35, the next final tax register report must begin on page 36. Printing a report as final updates saves the page numbers. Printing a tax register report in Trial mode does not update the page numbering.

Final Report Generated

The system automatically selects this field if a final tax report has been generated using the tax register. The field is read only.

Active

Indicate if this is an active tax register.

Daybooks

The Daybooks panel enables you to specify a daybook or daybooks that you want to add to the tax register group. To add a daybook, click New. The Daybook, Description, and Daybook Type fields default based on the daybook that you select from the lookup.

Entities

The Entities panel enables you to specify an entity or entities that you want to report on. To add an entity, click New and then select the entity from the lookup.

EU VAT Reporting

If you are a VAT-registered EU supplier who moves, transfers, supplies, or sells goods and certain services to VAT-registered businesses in other EU countries, you must provide details of these sales using an EU Sales List (ESL) report. You must then submit the ESL report to your country's tax authority showing VAT charge details for each of your EU customers, and the value of the supplies you made to them in the period covered by the report.

The information provided on the ESL report is used by the tax authorities in other EU countries to check that the businesses you supplied goods or services to are correctly accounting for and reporting VAT. The details are also used to gather statistics on how goods are traded in the EU.

From 1 January 2010, most services provided to business customers are treated as supplied in the country where the business customer is registered, rather than the supplier's country of registration, as was previously the case. In addition, ESL reporting became mandatory for businesses that provide services subject to reverse-charge arrangements in the customer's EU member state. The introduction of the reverse charges means that VAT on services is zero rated for the supplier, but must be paid by the customer.

Two Taxation reports, the **IC Declaration by Business Relation** report and the **IC Declaration by Transactions** report, collate intra-EU transaction information that you can use to complete ESL report forms for your country's tax authority. These two reports determine intra-EU transactions using the country codes of the ship-from and ship-to addresses.

To correctly track the reversed charges as a supplier, it is recommended that you create new tax rates for invoices for services subject to reverse charges. See Supplier Setup for Reverse-Charged VAT on page 6629. As a customer, you must ensure that the tax rate you use to track the reverse-charged VAT is marked as AP Tax Retained. See Customer Setup of Reverse-Charged VAT on page 6630.

Supplier Setup for Reverse-Charged VAT

This section describes the ESL setup required when you are providing services subject to reversed VAT charges to customers based in other EU countries. In this case, you, the supplier, are not responsible for paying the VAT, which is charged to the customer purchasing the service.

Tax Boxes

tax boxes for each new tax group using **Tax Boxes**. The tax boxes represent subtotal fields on the ESL report.

Tax boxes are generally defined in pairs. one tax box for the base transaction amount and one tax box for the transaction tax amount. See Tax Boxes on page 6512 for more information on the use of tax boxes.

Tax Groups

an invoice tax group and a credit note tax group for reverse-charged tax rates using **Tax Groups**. Use the tax groups to group the base amount and tax amount tax boxes. See Tax Groups on page 6513 for more information on the use of tax groups.

Tax Rates

It is recommended that you create a specific tax rate in **Tax Rates** for the supply of services subject to reverse-charged VAT. Set the tax rate percentage to zero because the customer is responsible for paying the VAT. See Tax Rates on page 6520 for further information on creating tax rates.

You associate the new tax groups with the new tax rate using the Tax Groups tab in **Tax Rates**.

Customer Setup of Reverse-Charged VAT

This section describes the ESL setup required when you, the customer, are paying for a service from a supplier based in another EU country. In this case, you are responsible for paying the VAT on the service.

It is recommended that you create a specific tax rate in **Tax Rates** for services you receive that are subject to reverse-charged VAT. The new tax rate must be marked as AP Tax Retained. This means that you are responsible for paying the VAT.

Again, you associate the new tax groups with the new tax rate using the Tax Groups tab in **Tax Rates**.

Tax Report Lists

Tax Parameter Reports

Use the tax parameter reports to verify the setup required to capture transactional tax data.

Tax Parameter Reports

Report	Description	Criteria
Tax Types	Verifies tax type setup. A tax type is a code for a tax or tax exemption that is separately calculated.	• Tax Type (From/To) • Description
Tax Classes	Verifies tax class setup.	• Tax Class (From/To)
Tax Usages	Verifies tax usage setup. A tax usage code identifies a group of customers or suppliers subject to special taxation on a specific transaction.	• Tax Usage (From/To) • Description (From/To)

Tax Bases	Verifies the setup for ranges of records. A tax base code identifies an item amount subject to tax. To sort by description, enter a description and leave Tax Base blank.	• Tax Base • Description • Tax Type
Trailer Tax Detail	Verifies setup for a range of records. Trailer charges are added to transactions and are independent of individual line items.	• Trailer Code (From/To) • Tax Type (From/To)

Tax Jurisdictions Report

Tax Jurisdictions Report

Report	Description	Criteria
Tax Zones	Verifies tax zone setup. A tax zone is a code used identify a unique geographic region for tax types.	• Tax Zone (From/To) • Description (From/To) • Country Code (From/To) • State (From/To) • Postal Code (From/To)

Tax Environment Report

Tax Environment Report

Report	Description	Criteria
Tax Environments	Displays a list of the tax environments that meet the report criteria, the associated ship-to and ship-from tax zones, tax classes, tax types, and rounding methods. A tax environment is the set of tax types that applies to a	• Tax Environment (From/To) • Description (From/To)

	combination of ship-from and ship-to tax zones and optionally a customer or supplier tax class.	

Tax Rate Report

Tax Rate Report

Report	Description	Criteria
Tax Rates	Verifies tax rate setup for ranges of tax codes.	• Tax Code (From/To) • Tax Type (From/To) • Item Tax Class (From/To) • Tax Usage (From/To) • Effective Date (From/To)

Tax Transaction Reports

Tax Transaction Reports

Report	Description	Criteria
Tax Declaration by Box	View details of tax declaration data by tax box. Tax boxes are tax subtotals taken directly from the tax declaration form and are used for reporting purposes. They are stored at the system level and maintained by country	• Reporting Currency • Entity • Federal Tax ID • Misc Tax ID 1-3 • State Tax ID • Tax Class • Tax Point Date (From/To) • Tax Transaction Type • Tax Type • Zone (From/TO) • Tax Box • Tax Code • Tax Group
Tax Declaration by Box & Group	View tax group details per tax box. Use this for validation prior to the tax declaration.	

		• Tax Period • Tax Year • Check for Unposted • Tax ID Type
Tax Registers	Lists posting details for tax transactions. Contains details required during an internal or external audit.	• Entity • Tax Year (From/To) • Tax Period (From/To) • Tax Point Date (From/To) • Tax Purchases/Sales (All/Purchases/Sales) • Federal Tax ID • State Tax ID • Check for Unposted Transactions (Yes/No) • Daybook Code • Daybook Type • Tax Class • Tax Transaction Type • Tax Type • Tax Box • Zone (From/To) • Tax Code • Tax Group • Tax Usage • Transaction Type • Reporting Currency • Include Suspended/

		Delayed Tax (Yes/No) • Show Transactions (Yes/No) • Posting Date
Tax vs GL Period Reconciliation	Identifies transactions where the posting date is not the same as the tax point date. Use to reconcile tax transactions to the general ledger	• Entity • GL Period and Year • Tax Year (From/To) • Tax Period • Federal Tax ID • State Tax ID • Check for Unposted Transactions (Yes/No) • Daybook Code • Daybook Type • Tax Class • Tax Type • Zone (From/To) • Tax Box • Tax Code • Tax Group • Business Relation Name • Include Suspended/Delayed Tax (Yes/No) • Tax Usage
Operation Tax Detail by Trans Inq	Use to display all tax postings for operational tax transaction types. These postings are created by operational functions such as inventory movements,	• Reference • Number • Transaction Type • Effective • Reporting Currency

	rather than financial updates.	
Operation Tax Details by Transaction Type	Similar to the inquiry, displays tax postings for operational tax types.	• Transaction Type (From/To) • Reference (From/To) • Number (From/To) • Entity (From/To) • Tax Environment (From/To) • Tax Class (From/To) • Tax Usage (From/To) • Ship-From Tax Zone (From/To) • Ship-To Tax Zone (From/To) • Tax Type (From/To) • Tax Date (From/To) • Display Taxable/Non-Taxable Total Amounts (Y/N) • Display Reference Total using Line Amounts (Y/N) • Reporting Currency • Sort By

Regional Tax Reports

The regional tax reports are adapted for country-specific requirements.

Regional Tax Reports

Report	Description	Criteria
IC Declaration by Business Relation	Displays intra-EU tax declaration data totals per business relation and country.	• Entity • Tax Year (From/To) • Tax Period (From/To)

IC Declaration by Transactions	Displays a declaration report organized by transaction type. The report lists details of acquisitions, supplies, and triangular trade between your organization and other EU countries.	• State Tax ID • Transaction Type • Tax Class • Tax Type • Zone (From/To) • Check for Unposted Transactions (Yes/No)
1099 Boxes	Create, modify, view, and delete box information for 1099-MISC reporting. For more information, see 1099 Reporting on page 6643.	• Tax Box • Tax Code • Tax Group • Tax Purchases/Sales (All/Purchases/Sales) • Tax ID Type • Reporting Currency • Include Suspended/Delayed Tax (Yes/No) • Sub-Total By (None/Tax Box/Tax Group/Tax Type)
AP Tax Register Detail	Displays all AP invoice type transactions for the relevant date range.	• Tax Register • Reporting Currency • Posting Date • GL Cal Year • GL Period • Tax Year • Tax Period • Print Header • Print Lines • Trial/Final • Sort By

EU Purchases Tax Register	Displays details of purchases made by EU companies from countries in the European Union.	Same criteria as for **AP Tax Register Detail**.
EU Sales Linked to EU Purchases	Displays details of linked purchases and sales by EU companies to and from companies in other countries in the European Union.	Same criteria as for **AP Tax Register Detail**.
AR Tax Register Details	Displays all AR invoice type transactions for the relevant date range.	Same criteria as for **AP Tax Register Detail**.
Suspended Tax Register	Displays all unpaid AR invoice type transactions with a suspended tax rate that has not been paid as of the last date of the selected date range.	Same criteria as for **AP Tax Register Detail**.
AP Tax Register	Display all AP transactions for the tax register and periods you specify.	See AP Tax Register on page 6637.
AR Tax Register	Display all AR transactions for the tax register and periods you specify.	See AR Tax Register on page 6641.

AP Tax Register

Use the **AP Tax Register** to display all AP transactions for the tax register and periods you specify. Only transactions linked to the tax register you specify are included in the report output. You can display the report output in base currency or in statutory currency.

AP Tax Register reports can be submitted to your local tax authority as month-end tax declarations.

The report output is sorted by daybook group, daybook, and sequence number. If there are multiple lines for the same transaction, the lines are ordered by tax rate. Each transaction is totaled by tax rate, and includes a summary with a transaction total.

Each daybook group is totaled by tax rate and includes a summary with a daybook group total. For daybooks without a daybook group, the transactions posted to the daybook are totaled. The entire report is totaled by tax rate and includes a summary with a report total.

You can print the report in Detail mode, which includes transaction lines, or in Summary mode, which excludes transactions lines. For each report page printed in Detail mode, up-to-page amounts are accumulated and transferred to the next page. The following values are printed at the end of each page:

- Accumulated total taxable amount
- Accumulated total tax amount
- Accumulated total transaction amount
- Accumulated total retained tax amount

With the exception of the first page, the top of each page displays the amounts transferred from the previous page. With the exception of the last page, up-to-page amounts are displayed at the end of each page.

The **AP Tax Register** report has the following selection criteria:

Tax Register

Specify the tax register for which to run the report. The tax register is mandatory.

Entity

Select the entity for which to run the report. You can select any entity from the current domain.

Site

Specify the site for which to run the report.

Transaction Type - Inland Purchase

Select Yes to include inland purchases in the report output.

The default is Yes.

Select No to exclude inland purchases from the report output.

Transaction Type - IC Acquisition

Select Yes to include EU inter-community (IC) acquisitions in the report output.

The default is Yes.

Select No to exclude EU IC acquisitions from the report output.

Transaction Type - Import

Select Yes to include imports in the report output.

The default is Yes.

Select No to exclude imports from the report output.

Tax Type

Specify tax types for which to run the report. This field is optional.

Tax Class

Specify tax classes for which to run the report. This field is optional.

Tax Usage

Specify tax usages for which to run the report. This field is optional.

GL Cal Year

Specify the range of GL calendar years for which to run the report. This field is optional.

GL Period

Specify the range of GL periods for which to run the report. This field is optional.

Invoice Date

Specify a range of invoice dates for which to run the report.

Tax Point Date

Specify a range of tax point dates for which to run the report.

Posting Date

Specify a range of posting dates for which to run the report. This field is optional.

Display Date

Select the date to display on the report header. The options are:

- Invoice Date
- Tax Point Date
- Posting Date

The default is Invoice Date.

Display Supplier Address

Select Yes display the supplier address lines as recorded in the business relation on the report.

Select No if you do not want to print the supplier address on the report.

Display Non-Taxable Lines

Select Yes to include transaction lines without tax in the report output. The default is Yes.

Select No to exclude transactions line without tax from the report output

Report Detail/Summary

Select Detail to include transaction lines in the report output. The default is Detail.

Select Summary to only display transaction summaries including daybook and report totals. No transaction lines are displayed.

Display Retained Tax

Select Yes to include transaction lines with retained tax in the report output.

The default is Yes.

Select No to exclude transaction lines with retained tax from the report output.

Reporting Currency

Select Base Currency to display the report amounts and totals denominated in base currency.

Select Statutory Currency to display the report amounts and totals denominated in statutory currency.

If you select the Detail option, a transaction line is printed for each tax rate used in a transaction.

When you print the report in Detail mode, the following information is included:

- Line Number
- Invoice reference
- Supplier tax ID
- Supplier Code
- Transaction Type
- Invoice date
- Tax point date
- Supplier Name and address
- Taxable amount for each tax rate
- Tax rate
- Tax percentage
- Tax amount for each tax rate

The AP Tax Register report trailer displays the following information:

- Total taxable amount for each tax rate
- Tax rate
- Tax percentage
- Total tax amount for each tax rate
- Report totals for the following:
  - Total taxable amount
  - Total tax amount
  - Total transaction amount

AR Tax Register

Use the **AR Tax Register** to display all AR transactions for the tax register and periods you specify. Only transactions linked to the tax register you specify are included in the report output. You can display the report output in base currency or in statutory currency.

AR Tax Register reports can be submitted to your local tax authority as month-end tax declarations.

The report output is sorted by daybook group, daybook, and sequence number. If there are multiple lines for the same transaction, the lines are ordered by tax rate. Each transaction is totaled by tax rate, and includes a summary with a transaction total.

Each daybook group included in the report is totaled by tax rate and the section includes a summary with a daybook group total. For daybooks without a daybook group, the transactions posted to the daybook are totaled. The entire report is totaled by tax rate and includes a summary with a report total.

As with the **AP Tax Register** report, you can print the **AR Tax Register** report in Detail mode, which includes transaction lines, or in Summary mode. The report also includes end of page and top of page values, as described in AP Tax Register on page 6637.

Note The **AR Tax Register** report does not include an accumulated total retained tax amount end of page value.

The report includes the same selection criteria as the **AP Tax Register**, with the exception that the **AR Tax Register** does not include a Display Retained Tax field.

If you select the Detail option, a transaction line is printed for each of the tax rates used in a transaction.

When you print the report in Detail mode, the following information is included:

- Line number

- Invoice reference
- Customer tax ID
- Customer code
- Transaction type
- Invoice date
- Tax point date
- Customer name and address
- Taxable amount for each tax rate
- Tax rate
- Tax percentage
- Tax amount for each tax rate

The **AR Tax Register** report trailer displays the following information:

- Total taxable amount for each tax rate
- Tax rate
- Tax percentage
- Total tax amount for each tax rate
- Report totals for the following:
  - Total taxable amount
  - Total tax amount
  - Total transaction amount

Tax Views

Tax Views

View	Description
Tax Transactions	Provides a complete view on posted tax records, with filtering on most fields, and all of the totaling and sorting capabilities of other financials browses, as well as Excel export.
Tax vs GL Period Reconciliation	Provides a quick way to identify transactions using the GL period and the tax period as input. The view lists the transactions and their tax value.

1099 Reporting

Important The 1099 Report - United States is only available if you have the United States package installed for the QAD ERP O³ application. This report is not visible if you do not have the United States package.

In the United States, the Internal Revenue Service (IRS) requires organizations to submit an annual 1099 form on certain types of payments to suppliers. The IRS uses the 1099 form declarations to track payments between businesses or between an organization and independent contractors. Based on these declarations, the IRS verifies whether the organization paid the correct amount of taxes.

The 1099 report is not required for all suppliers. It is not required for corporations—although exceptions exist for certain types of services—and is only required for payment for services, not for goods. The declaration must differentiate among several categories of payments, such as rent, royalties, medical, and health care. Each category is assigned a specific box on the form.

The IRS accepts printed documents completed by hand or documents submitted electronically. If you are required to file 250 or more returns, you must file in electronic form. However, you can request a waiver. The system supplies functions for generating both printed reports and electronic files:

- Use 1099 Report (US) to generate a report for printing.
- Use 1099 Electronic Declaration to generate an electronic file.
- Use 1099 Paper Declaration to print the 1099-MISC data on preprinted paper forms.

You do not have to report the following:

- If the payer is outside the US, but makes payments to US suppliers
- If the payer is in the US, but makes payments to non-US suppliers who do not have a social security number or US federal tax ID

In some cases, payments to employees must be reported; for example, when an employee dies during the year. In such cases, you must report the accrued wages, vacation pay, and other compensation paid after the date of death (Box 3), director’s fees, and other remuneration (Box 7).

Note You do not need to report normal wages or business expense reimbursements on the 1099 Report (US).

If you must submit 1099 reports in the US, a number of setup steps are required:

- Set up the correct information on business relations associated with entities and for suppliers.
- Define purchase type codes to group the expense amounts that are reported.

- Define box attributes for generating the report.

Setting Up Address Details

Supplier Setup

The following details associated with a supplier are used with 1099 reporting:

- In **Suppliers**, select Tax Report in the Tax panel for the supplier to be included in 1099 reports.
- When Tax Report is selected, the headoffice address of the associated business relation must have values for name, first line of the street address, city, state, and zip code.
- The headoffice address must have a federal tax ID. This can be in one of two formats: social security number (SSN) or federal tax ID. SSNs have nine digits, separated by two hyphens (000-00-0000).
- A default purchase type must be specified for the supplier on the Main panel.

Entity Setup

The following details are relevant for a business relation linked to an entity generating 1099-MISC reports. On the Main panel of **Suppliers**, the Business Relation field must be marked as an internal entity. You can then update the Tax Report, Name Control, and Last Filing fields.

- Tax Report must be selected. When this field is selected, values for name, first line of the street address, city, state, zip code, telephone number, and federal tax ID are required for the headoffice address. A warning displays when Name Control is blank.
- Enter the IRS magnetic media control code assigned to this company in the Name Control field. This code is generally listed on the IRS mailing label and contains some combination of the first few letters of your company name.

  In the United States, this code is assigned by the IRS and must be included on all 1099 magnetic media. It is not required when filing paper documents.
- Select the Last Filing field to indicate that this is the last time your company is filing a 1099-MISC under its current taxpayer ID number.
- The Taxable Supplier field must be selected in the Tax panel of **Suppliers**. Entity addresses with the Taxable Supplier field cleared are not included in the 1099 Box MISC Report.

The payments included in the report are selected by the entity address or range of addresses that incurred the initial liability, as recorded on the invoices matched to the payments. Even when a payment is processed at a different entity, the headoffice address that incurred the liability is legally regarded as having made the payment.

Each entity address in the selection range must be identified with only a headoffice address type; otherwise, an error displays.

Setting Up Purchase Types

Use Purchase Types to define codes for grouping supplier invoices for reporting your cash expenditures for different types of expenses. For example, use EX for miscellaneous expenses and PO for purchases of raw materials or components.

You must use at least three purchase codes—for Rents, Royalties, and Non-Employee Compensation—if you are submitting 1099 tax reports. Each of these categories is summarized into a different box on the 1099 report.

Setting Up Box Attributes

Use **1099 Boxes** to create, modify, view, and delete box information for 1099-MISC reporting. A 1099 box can be deleted only when no invoices exist that reference it.

1099 Box

Specify a code (maximum 20) characters that identifies a field on the 1099 tax declaration. Often the code matches the box number on the tax form.

Description

Enter a brief (maximum 40 characters) description of this field.

1099 Box Reference

Enter a number that identifies a valid 1099 reporting box. The reference associated with a code can be changed at any time, but the combination of code and box must be unique in a calendar year.

The box reference numbers are defined by the IRS, and can be changed by the IRS yearly.

This field is required. It is not validated since IRS box values can change each year. You must ensure that the box reference is correct.

Minimum Amount

Use this field to exclude amounts below the limit that you want to report. When the total payments for the purchase types linked to this box to a single supplier exceed this amount, they are included on the report; otherwise, they are skipped.

Calendar Year

Specify the year that this code is valid. This field is required. Specifying the calendar year lets you report for past years, even when box definitions have changed. This field cannot be modified after the code is saved.

Active

Indicate if this is an active code. An active can be referenced from other maintenance functions. An inactive record cannot be referenced when a new record is created in other functions and is not included in lookups of valid values.

Running the 1099 Report

The 1099 Report (US) generates all data required to complete the 1099 paper forms manually. You can use the following selection criteria:

Federal Tax ID

Optionally specify the federal tax ID of the entity in the current domain for which you want to generate the report.

Payment Year

Specify the calendar year in which the payment to be reported were registered. This field is required.

From/To Supplier

Enter a range of suppliers to select for reporting or leave the default All. Only suppliers with Tax Report selected in their definition are included, regardless of the value specified here.

Entity

Optionally enter one or more entities by entity code to select only payments associated with those entities. The entity must be associated with a business relation that has Tax Report set to Yes to be included.

Supplier Type

Select suppliers for reporting by type if you have used the type code to identify reporting groups.

The Header section 1 of the report contains information on the paying entity, such as the federal tax ID, entity name, and address. This data is taken from the headoffice address of the business relation for the entity.

Note The paying entity is always the entity that initially incurred the liability, not the entity that actually paid (in cases of payment on behalf of).

The Header section 2 of the report contains information on the supplier (recipient of the payment), such as the supplier’s federal tax ID, name, and address. This data is taken from the headoffice address of the business relation of the supplier.

The Detail Data section of the report contains a list of 1099 boxes and the declaration amounts. Each line contains a 1099 box reference and description, an entity reference, and a declaration amount. The declaration amount is calculated as the sum of all payments from the entity to the supplier for all invoices where the purchase type is linked to the 1099 box.

Note If the calculated amount does not exceed the minimum amount specified in the 1099 box definition, the report displays zero.

The report uses the actual amount paid in cases where a discount is applied to an invoice, and includes prepayments and payments in progress, if applicable

Running the 1099 Electronic Declaration

The 1099 Electronic Declaration generates a file that can be delivered electronically to the IRS.

Prior to submitting 1099 forms on magnetic media, the transmitter must apply to the IRS (form 4419) for approval. Upon approval, the IRS assigns the transmitter a control code that is specified when this program is executed and must be included on all magnetic media filings.

A test file can be generated and submitted to the IRS to verify that the data is properly formatted.

Running the 1099 Paper Declaration

The 1099 Paper Declaration prints the 1099 data on preprinted paper forms. The selection criteria and the calculation logic are the same as those for the 1099 report. The output is formatted to match the layout of the 1099 paper form.

A paper declaration must be sent to the suppliers. However, the IRS accepts both paper and electronic declarations.

AvaTax Overview

The AvaTax interface, in conjunction with Taxation, enables users to take advantage of enhanced tax functionality and improved tax reporting accuracy by using Avalara's AvaTax product to calculate taxes in the QAD Adaptive UX application.

The AvaTax interface lets you calculate sales taxes on sales quotes, sales orders, invoices, and purchase orders. The interface enables tax rates to be determined in real time based on address mapping and returns jurisdictional tax results based on product tax codes.

You can use the AvaTax interface to calculate sales tax, seller use tax, and consumer use tax for domestic transactions within the United States of America and Canada. AvaTax supports all QAD document types currently supported by Taxation.

Note AvaTax supports tax calculation and compliance requirements for the United States and Canada only.

When you process and calculate taxes using AvaTax, Taxation still generates tax detail records, but the tax amounts that display on those records are calculated by the AvaTax system, instead of by Taxation. In addition, when you do not use AvaTax to calculate taxes, Taxation performs tax calculations as normal, with no changes in setup or processing required. This ensures that you can use AvaTax to calculate US and Canadian taxes while still using Taxation for all other taxes.

Important The AvaTax database stores sales tax data, but not use tax data.

This chapter describes the steps involved in setting up the AvaTax interface in QAD Adaptive UX and, to some extent, the Avalara AvaTax Admin Console. First, you must activate your license and install your certificate. Specific setup is then required for AvaTax account, Taxation, and the AvaTax Console. For details on the setup required on the Avalara side, you must refer to Avalara. In addition, for some AvaTax-related procedures, such as producing reports and managing exemption certificates, you must liaise directly with Avalara.

Installing the Certificate

An OpenEdge keystore certificate is required to support the secured connection between the connector and the AvaTax service. Avalara provides Development and Production environment support and each has a separate URL for the corresponding environments.

Most installations use the Production URL; the Development URL is also included for reference.

https://development.avalara.net/tax/taxsvc.wsdl

https://avatax.avalara.net/tax/taxsvc.wsdl

Remember that you can configure a “Company” within AvaTax Production Environments specifically for testing before live use of the service. The Development Environment is only used for unusual cases involving major development or customization. It is important to use the URL that corresponds to the Avalara account type.

To install the certificate, use the following steps:

1. Using the appropriate URL, open the WSDL file with a browser.
2. Go to properties for the WSDL, and navigate to Certificate Information.
3. Use the browse option to save the certificate to a .CER file with the Base-64 encoded x.509 format. You can also use a .CRT file.
4. Copy this file to the server where OpenEdge and the connector are installed.
5. Use the following command to install the certificate into the OpenEdge environment:

   $DLC/bin/certutil -import <Certificate File Name>
6. A message appears indicating that the certificate was successfully installed.

Defining AvaTax Account Details

Before you can use AvaTax, you must configure the AvaTax interface using the AvaTax panel in **Taxation Control**. This panel updates and accesses the AvaTax configuration information contained within the QAD workfile. You must provide the AvaTax account number and license key before any communication to Avalara can take place.

AvaTax Panel, Taxation Control

Account Number

Specify the account number you received from Avalara.

License Key

Specify the AvaTax license key provided by Avalara.

API URL

Specify the URL for the AvaTax WSDL Web service used to validate addresses.

Log File

Specify the path to the directory where you want to store AvaTax audit log files, usually the location of the logs directory within the AvaTax installation directory. If you used a different location, copy the WSDL files from the avatax/logs directory to whatever directory is specified. There are two levels of auditing: debug and normal auditing.

In normal audit mode, tax and transaction information such as the tax method, tax code, tax class, company code, and amounts are written

to the logs. In addition, when the transaction is processed by AvaTax, AvaTax data is written to the logs including the username, profile name, adapter version, and client name.

Important

The logs may contain confidential tax details. Therefore, the log location must be

a folder where access is restricted to a limited number of users. The user ID you use for tax

administration using AvaTax must have read and write access to the logging folder.

Adapter Profile

Specify an adapter profile, which is required by Avalara. The following adapter profile is correct for AvaTax 13.x versions running with QAD 2016 EE.5.7.0:QAD2016,EE:AvaTax Adapter,1.1

AvaTax Version

Specify the AvaTax Web service version that the interface is configured for. For the release of AvaTax that works with QAD 2016 EE, specify an AvaTax 13.x version.

Note A difference between the connector and AvaTax service version does not necessarily mean that you have to upgrade the connector or take any other action.

Customer Exception On

Specify the basis on which an exemption applies; possible values are Sold-To, Ship-To, and Bill-To.

Which URL

Specify a value to indicate the URL to use. The options are Development or Production.

Report by Domain or Entity

Specify Domain if your company reports tax by domain. Otherwise, specify Entity if your company reports tax by entity.

Explicit Address Validation

Select this field if you want AvaTax to validate addresses. If AvaTax is enabled, addresses are validated when you create a new address or modify key address fields in the Business Relation, End User, and Customer Ship-To functions. See Validating Addresses on page 6651.

Debug

Select the field if you want to use verbose debugging.

The debugging option indicates that the AvaTax adapter must produce verbose debug logs.

Note The debug logs can become very large so it is recommended that you only activate this option when explicitly needed.

When you have defined the AvaTax data, click Save to ping Avalara to confirm the connection. This step is used to verify the credentials provided, as well as to compare the AvaTax adapter version with the current AvaTax version. A successful response includes the service version run by AvaTax. All tax transactions will continue to work as normal even if the AvaTax versions are different.

A notification stating “Ping Results: Success” mean that the connector installation is finished.

Validating Addresses

If you select the Explicit Address Validation field in AvaTax Configuration, you can use AvaTax to validate addresses.

If AvaTax is enabled, the Explicit Address Validation field is selected, and the country associated with the address is the US or Canada; addresses are validated when you create a new address or modify key address fields in the Business Relation, End User, and Customer Ship-To functions.

Note No tax calculations are performed during the AvaTax address validation process.

When the record is saved, any new or modified addresses are sent to AvaTax for validation. For each new or updated address, the system calls AvaTax to check the value of the following key address fields:

- Address Line 1
- Address Line 2
- Address Line 3
- Zip Code
- City
- State
- Country Code

If AvaTax validates the new or updated address, the record saves as normal.

If the address is validated in part, but needs changes to be fully validated, address amendments sent by AvaTax are displayed in the form of a warning message. You must then manually implement the changes sent by AvaTax and save the address to restart the AvaTax validation. If you have implemented the changes correctly, the address is validated by AvaTax and no warning message is displayed.

If AvaTax cannot validate the address, a warning message is displayed to indicate the reason. In this case, it is recommended that you contact the third party whose address you are recording to verify their address details and then update the address record accordingly.

Note If Avatax cannot find a valid address for a tax calculation, the system displays an error and no tax calculation is performed by Avatax.

Fixed Assets

Fixed assets represent a substantial financial investment for a business. The costs of acquiring, maintaining, insuring, and replacing fixed assets, along with depreciation, can have a substantial impact on both financial statements and tax liabilities. Often, depreciation is calculated one way for internal reporting and another way for tax purposes. Use Fixed Assets to set up, maintain, transfer, and retire your company's fixed assets.

Fixed Asset Business Rules

Decisions you need to make include:

- Which fixed asset locations to create
- Whether your company uses custom calendars for non-posting fixed asset books
- How many fixed asset books you need to set up
- Which depreciation methods to use
- Which depreciation methods to use for financial and tax purposes
- Which classes to define for grouping assets

Fixed Asset Prerequisites

The base data you need to set up can include:

Entities

In Fixed Asset Transaction Posting and Reversal, you post transactions to the GL at entity level. Each entity in a domain references cross-company accounts defined for the domain for tracking transfers of fixed assets between entities. These accounts are only used when processing information for more than one entity in a domain. When a transfer transaction is processed referencing more than one entity, the system automatically creates the required intercompany balancing entries using the intercompany code associated with each entity.

Daybooks

Daybooks are used to group GL transactions for satisfying legal reporting requirements or for organizing GL reporting in a manner consistent with common business practices. All transactions created by Fixed Asset Transaction Posting and Reversal use this daybook. If a default daybook is not defined for Fixed Assets, the system daybook is used.

Accounts

Fixed Assets uses the following account data:

- GL accounts
- Sub-accounts
- Cost centers
- Project codes

In Domains, you enter the GL intercompany account, sub-account, and cost center for tracking transfers of fixed assets between companies. In Locations, you optionally enter a sub-account, cost center, and project for each location. In Fixed Asset Classes, you set up default GL accounts for each class-book combination. The GL accounts that you must specify are listed here:Books on page 6689

Validated Fields

Some fixed-asset functions use codes that are defined in Generalized Codes. They give you flexibility in organizing and implementing functions, enabling you to define values that are meaningful in your own business environment. The table lists the generalized codes referenced by Fixed Assets. Use this table to plan which codes to set up for your implementation.

Code	Label	Where Used
cd_type	Type	Fixed Assets
fa_code	Sort Code	Fixed Assets

Code	Label	Where Used
fa_disp_rsn	Disposition Reason	Fixed Assets - Retire Action

Fixed Asset Depreciation Methods

Depreciation is the process of allocating the cost of an asset over its service life. There are several methods of calculating depreciation. Depreciation can be calculated one way for tax purposes and another for financial purposes. Fixed Assets supports several methods of depreciation.

Straight Line

Straight-line depreciation allocates the asset cost evenly over its service life. The formula for straight-line depreciation is:

Depreciation Charge = Depreciable Basis / Service Life

Depreciable Basis = Cost – Salvage Value

For example, a company purchases a $20,000 car that has a $2,000 salvage value and a five-year service life. The straight line depreciation schedule is displayed in the table.

Straight Line Depreciation Schedule

Year	Calculation	Depreciation Expense
1	$18,000/5	$3,600
2	$18,000/5	$3,600
3	$18,000/5	$3,600
4	$18,000/5	$3,600
5	$18,000/5	$3,600

Declining Balance

Declining balance is an accelerated method that provides higher depreciation charges in the earlier years of the asset life and lower depreciation charges in the later years. The annual depreciation is calculated by using a constant depreciation percentage rate and multiplying it by the remaining net book value each year of the asset service life. The formulas for declining-balance depreciation are:

Depreciation Rate = Percentage Multiplier / Service Life

*Depreciation Charge = Depreciation Rate * Net Book Value*

Each year the net book value is calculated with the following formula:

Net Book Value = Net Book Value – Depreciation Expense

For example, a company purchases a $20,000 car that has a five-year service life. The company uses a percentage multiplier of 150% to calculate the depreciation for the automobile. The annual depreciation rate is calculated by annualizing the percentage multiplier over the automobile's service life:

150% / 5 years = 30%

The depreciation schedule is displayed in the table.

Declining Balance Depreciation Schedule

Year	Net Book Value	Depreciation Rate	Calculation	Depreciation Expense
1	$20,000	30%	$20,000*30%	$6,000
2	$14,000	30%	$14,000*30%	$4,200
3	$9,800	30%	$9,800*30%	$2,940
4	$6,860	30%	$6,860*30%	$2,058
5	$4,802	30%	$4,802*30	$1,441

With the declining-balance method, $3,361 ($4,802 - $1,441) of the asset cost is not depreciated. This amount is used to calculate a gain or loss at the time of retirement.

Declining Balance Switch to Straight Line

The standard declining-balance method does not depreciate the asset to zero. You can choose to switch the declining-balance method to the straight-line method when the depreciation calculated by the straight-line method is greater than the depreciation calculated by the declining-balance method. This method fully depreciates the asset. When you specify the switch to straight-line method, the system uses a different calculation than for the standard straight-line method.

Depreciation Charge = (Depreciable Basis – Accumulated Depreciation) / Remaining Service Life

The system performs this calculation every year to compare the results against the declining balance. When the straight-line method yields higher annual depreciation, the calculation is switched.

For example, a company purchases a $20,000 car that has a $2,000 salvage value and a five-year service life. The company uses a percentage multiplier of 150% to calculate the depreciation for the automobile. The annual depreciation rate is calculated by annualizing the percentage multiplier over the automobile's service life:

150% / 5 years = 30%

The depreciation schedule is displayed in the table.

Declining Balance Switch to Straight Line Depreciation Schedule

Year	Declining Balance Depreciation	Straight Line Depreciation	Declining Balance Switch to Straight Line Depreciation	Accumulated Depreciation
1	$5,400	$3,600	$5,400	$5,400
2	$3,780	$3,150	$3,780	$9,180
3	$2,646	$2,940	$2,940	$12,120
4	N/A	$2,940	$2,940	$15,060
5	N/A	$2,940	$2,940	$18,000

In year 3, the declining-balance depreciation charge is less than the straight-line depreciation charge. Therefore, the straight-line method will be used for the remaining years.

Sum of the Years' Digits

Sum of the years' digits is an accelerated method that provides a decreasing fraction to the asset depreciable basis. The annual depreciation is calculated by applying a fraction to the asset depreciable basis. Each fraction uses the sum of the years' digits as the denominator and the remaining years in the asset service life as the numerator. The numerator decreases each year while the denominator remains constant. The formula for sum-of-the-years'-digits depreciation is:

*Depreciation Charge = Depreciable Basis * (Number of Years Remaining / Sum-of-the-Years'-Digits)*

Depreciable Basis = Cost – Salvage Value

Sum-of-the-Years'-Digits = 1 + 2 + n . . .

For example, a company purchases a $20,000 car that has a $2,000 salvage value and a five-year service life.

Depreciable Basis = $20,000 – $2,000 = $18,000

Sum of the Years' Digits = 1 + 2 + 3 + 4 + 5 = 15

The table illustrates the sum-of-the-years'-digits depreciation schedule.

Sum of the Years' Digits Depreciation Schedule

Year	Remaining Life	Depreciation Fraction	Calculation	Depreciation Expense
1	5	5/15	$18,000*(5/15)	$6,000

Year	Remaining Life	Depreciation Fraction	Calculation	Depreciation Expense
2	4	4/15	$18,000*(4/15)	$4,800
3	3	3/15	$18,000*(3/15)	$3,600
4	2	2/15	$18,000*(2/15)	$2,400
5	1	1/15	$18,000*(1/15)	$1,200

Flat Rate

Flat rate calculates depreciation by using a constant percentage and multiplying it by the depreciable basis over the asset service life until the sum of the depreciation is greater than the basis amount. At this time, the final year of depreciation is adjusted so that the total of depreciation equals the basis amount. The formula for flat-rate depreciation is:

*Depreciation Charge = Depreciable Basis * Flat-Rate Percentage*

Depreciable Basis = Cost – Salvage Value

When the sum of depreciation is greater than the basis amount, you use the following equation to calculate the last year of depreciation:

Depreciation Charge = Depreciable Basis – Accumulated Depreciation

For example, a company purchases a $20,000 car that has a $2,000 salvage value and a five-year service life. The annual flat-rate is 23.6%. The table illustrates the flat-rate depreciation schedule.

Flat Rate Depreciation Schedule

Year	Flat Rate	Calculation	Depreciation Expense	Accumulated Depreciation
1	23.6%	$18,000 * 23.6%	$4,248	$4,248
2	23.6%	$18,000 * 23.6%	$4,248	$8,496
3	23.6%	$18,000 * 23.6%	$4,248	$12,744
4	23.6%	$18,000 * 23.6%	$4,248	$16,992
5	23.6%	$18,000 - $16,992	$1,008	$18,000

In year 5, the accumulated depreciation exceeds the asset depreciable basis. The depreciation charge is adjusted in year 5.

Units of Production

The units of production (UOP) method calculates depreciation based on items produced or units consumed from the asset. The formulas for units of production are:

Depreciation Per Unit of Production = Depreciable Basis / Total Units of Production

Depreciable Basis = Cost – Salvage Value

*Depreciation Charge = Units of Production Per Period * Depreciation Per Unit of Production*

For example, a company purchases a $25,000 stamping machine with a $2,000 salvage value. The machine is expected to produce 150,000 units over its service life. The depreciation per unit of production is:

$25,000 – $2,000 / 150,000 = $0.15 per unit

The table illustrates the units-of-production depreciation schedule for 5 years.

Units of Production Depreciation Schedule

Year	Units of Production Per Period	Calculation	Depreciation Expense
1	30,000	30,000*$0.15	$4,500
2	25,000	25,000*$0.15	$3,750
3	20,000	20,000*$0.15	$3,000
4	40,000	40,000*$0.15	$6,000
5	30,000	30,000*$0.15	$4,500

Custom Table

You can substitute custom depreciation tables for the standard depreciation methods for calculating depreciation. Depreciation is calculated by specifying a depreciation factor for each period and year of the asset life. The depreciation factors are user-defined and must equal 100% at the end of the asset service life. The formulas for custom table are:

*Depreciation Charge = Depreciable Basis * Depreciation Factor*

Depreciable Basis = Cost – Salvage Value

For example, a company purchases a $10,000 computer that has a $2,000 salvage value and a four-year service life. The depreciation factors for each year of the asset service life are:

Custom Table Depreciation Factors

Year	Depreciation Rate
1	7.0%
2	9.5%
3	27.0%
4	56.5%
Total	100.0%

The table illustrates the custom table depreciation schedule.

Custom Table Depreciation Schedule

Year	Depreciation Rate	Calculation	Depreciation Expense
1	7.0%	$8,000 * 7.0%	$560
2	9.5%	$8,000 * 9.5%	$760
3	27.0%	$8,000 * 27.0%	$2,160
4	56.5%	$8,000 * 56.5%	$4,520

Customizable Depreciation

You can configure your own depreciation method with a minimum of coding. To do this, you create a new app and customize it to include the depreciation algorithm you want to use. For more information, use the Feedback/Comments link at the bottom of the page to contact QAD.

Zero Depreciation

For cases where an asset is not to be depreciated, use the zero depreciation fixed asset method. This method is used for two business scenarios:

- Non-depreciating fixed assets with asset books
- Zero cost asset books.

Note You can have a scenario where you have two fixed asset books in different geographic locations because the asset must be depreciated in one jurisdiction but not another. For more details, see Zero Cost Primary or Secondary Book on page 6697.

Fixed Asset Depreciation Conventions

For example, a company purchases a $3,600 computer that has a three-year service life and does not have a salvage value. The computer is depreciated using the straight-line method. Using the straight-line method, the first year depreciation calculation and depreciation per period are:

Annual Depreciation = $3,600 / 3 Years = $1,200

Depreciation Per Period = $1,200 / 12 = $100

This example is used to illustrate how each convention works.

Important For each example, assume that depreciation is run **at the beginning of the month**.

Note For the Legacy Declining Balance Method, only Full Period and Actual Days conventions are available. All conventions are available for all other methods.

Full Period

The computer is placed into service on March 14, 2020, and it is retired on October 13, 2021. The table illustrates the depreciation taken for each period.

Full Period Depreciation

Period	2020	2021
January	0	$100
February	0	$100
March	$100	$100
April	$100	$100
May	$100	$100
June	$100	$100
July	$100	$100
August	$100	$100
September	$100	$100
October	$100	$100 ($100)
November	$100	0
December	$100	0

Half Period

The computer is placed into service on March 14, 2020, and it is retired on October 13, 2021. The table illustrates the depreciation taken for each period.

Half Period Depreciation

Period	2020	2021
January	0	$100
February	0	$100
March	$50	$100
April	$100	$100
May	$100	$100
June	$100	$100
July	$100	$100
August	$100	$100
September	$100	$100
October	$100	$100 ($50)
November	$100	0
December	$100	0

Next Period

The computer is placed into service on March 14, 2020, and it is retired on October 13, 2021. The table illustrates the depreciation taken for each period.

Next Period Depreciation

Period	2020	2021
January	0	$100
February	0	$100
March	0	$100
April	$100	$100
May	$100	$100
June	$100	$100
July	$100	$100

Period	2020	2021
August	$100	$100
September	$100	$100
October	$100	$100
November	$100	0
December	$100	0

Full Quarter

The computer is placed into service in the third quarter on September 14, 2020, and it is retired on November 13, 2021. The following factors are used for calculating depreciation using the full-quarter convention.

Factors

Factors are the percentages that are used to depreciate assets. In QAD Fixed Assets, the factor is used in the flat rate depreciation method to determine the expected life of the asset. Factor is also used for the declining balance method to specify the rate at which depreciation is taken. When the factor is 100%, depreciation is taken at a constant rate throughout the asset life. Any percentage above 100% means that depreciation of the asset is front-loaded. For more information, see Fixed Asset Methods on page 6678.

Full Quarter Factors

Quarter in Service	Acquisition Factor	Retirement Factor
1	100%	0%
2	75%	25%
3	50%	50%
4	25%	75%

The first year depreciation and depreciation per period calculations are:

*Annual Depreciation = $1,200 * 50% = $600*

Depreciation Per Period = $600 / 4 = $150

The retirement depreciation calculation is:

*Depreciation = $1,200 * 75% = $900*

When the computer is retired, $1,100 has already been taken in depreciation. There is a difference of $200 ($1,100 – $900) in the depreciation calculation due to the early retirement. Therefore, a depreciation expense credit of $100 is applied overall in the retirement period. The table illustrates the depreciation taken for each period.

Full Quarter Depreciation

Period	2020	2021
January	0	$100
February	0	$100
March	0	$100
April	0	$100
May	0	$100
June	0	$100
July	0	$100
August	0	$100
September	$150	$100
October	$150	$100
November	$150	$100 ($200)
December	$150	0

Half Quarter

The computer is placed into service in the third quarter on September 14, 2020, and it is retired in the fourth quarter on November 13, 2021. The following factors are used for calculating depreciation using the half-quarter convention.

Half Quarter Factors

Quarter in Service	Acquisition Factor	Retirement Factor
1	87.5%	12.5%
2	62.5%	37.5%
3	37.5%	62.5%
4	12.5%	87.5%

The first year depreciation and depreciation per period calculations are:

*Annual Depreciation = $1,200 * 37.5% = $450*

Depreciation Per Period = $450 / 4 = $112.50

The retirement depreciation calculation is:

*Depreciation = $1,200 * 87.5% = $1050*

When the computer is retired, $1,100 has already been taken in depreciation. There is a difference of $50 ($1,100 – $1,050) in the depreciation calculation due to the early retirement. Therefore, a depreciation expense credit of $50 is applied in the retirement period. The table illustrates the depreciation taken for each period.

Half Quarter Depreciation

Period	2020	2021
January	0	$100
February	0	$100
March	0	$100
April	0	$100
May	0	$100
June	0	$100
July	0	$100
August	0	$100
September	$112.50	$100
October	$112.50	$100
November	$112.50	$100 ($50)
December	$112.50	0

Full Year

The computer is placed into service on July 14, 2020, and it is retired on October 13, 2021.

The first year of depreciation is allocated to the six remaining periods.

Depreciation Per Period = $1,200 / 6 = $200

When the computer is retired, $1,000 has already been taken in depreciation. Depreciation must be reversed in the retirement period. Therefore, a depreciation expense credit of $1000 is applied in the retirement period. The table illustrates the depreciation taken for each period.

Full Year Depreciation

Period	2020	2021
January	0	$100
February	0	$100

Period	2020	2021
March	0	$100
April	0	$100
May	0	$100
June	0	$100
July	$200	$100
August	$200	$100
September	$200	$100
October	$200	$100 ($1000)
November	$200	0
December	$200	0

Half Year

The computer is placed into service on March 14, 2020, and it is retired on October 13, 2021.

The first year depreciation and depreciation for the 10 periods of ownership calculations are:

Annual Depreciation = $1,200 / 2 = $600

Depreciation Per Period = $600 / 10 = $60

The retirement depreciation calculation is:

Depreciation = $1,200 / 2 = $600

When the computer is retired, $1000 of depreciation has already been taken and only $600 is allowed in the retirement year. Depreciation must be reversed in the retirement period. Therefore, a depreciation expense credit of $400 ($1000 – $600) is applied in the retirement period. The table illustrates the depreciation taken for each period.

Half Year Depreciation

Period	2020	2021
January	0	$100
February	0	$100
March	$60	$100
April	$60	$100
May	$60	$100

Period	2020	2021
June	$60	$100
July	$60	$100
August	$60	$100
September	$60	$100
October	$60	$100 ($400)
November	$60	0
December	$60	0

Half Year Version 1

The computer is placed into service on March 14, 2020, and it is retired on October 13, 2021.

The depreciation for the 10 periods of ownership calculations are:

Depreciation Per Period = $1,200 / 10 = $120

The computer is retired in the second half of the year, so a full-year depreciation is taken. The remaining depreciation for the year is added to the retirement period. The table illustrates the depreciation taken for each period.

Half Year Version 1 Depreciation

Period	2020	2021
January	0	$100
February	0	$100
March	$120	$100
April	$120	$100
May	$120	$100
June	$120	$100
July	$120	$100
August	$120	$100
September	$120	$100
October	$120	$100 + $200
November	$120	0
December	$120	0

Half Year Version 2

The computer is placed into service on March 14, 2020, and it is retired on October 13, 2021.

The depreciation for the 10 periods of ownership calculations are:

Depreciation Per Period = $1,200 / 10 = $120

The retirement depreciation calculation is:

Depreciation = $1,200 / 2 = $600

When the computer is retired, $1000 of depreciation has already been taken and only $600 is allowed in the retirement year. Depreciation must be reversed in the retirement period. Therefore, a depreciation expense credit of $400 ($1000 – $600) is applied in the retirement period. The table illustrates the depreciation taken for each period.

Half Year Version 2 Depreciation

Period	2020	2021
January	0	$100
February	0	$100
March	$120	$100
April	$120	$100
May	$120	$100
June	$120	$100
July	$120	$100
August	$120	$100
September	$120	$100
October	$120	$100 ($400)
November	$120	0
December	$120	0

Fixed Asset Depreciation Schedule Rounding

Depreciation Schedule rounding for all conventions is calculated at each calendar year end and in the last GL period of useful life.

Important This is different to the .NET version where rounding was calculated only in the last GL period.

Note Some government bodies such as the IRS require exact depreciation rates for each year.

Straight Line

Here are two examples for Straight Line and Declining Balance Depreciation Schedules for Rounding.

Fixed Asset Cost=10 000,00

Useful Life=3 years

Use Salvage=No

Convention=Full Period

Service Date 30/04/2025

*Amount of GL Periods 3*12=36*

Straight Line Depreciation Schedule Year 1

GL Period	Year	Period	Period Depreciation
	2025	1	
	2025	2	
	2025	3	
1	2025	4	277.78
2	2025	5	277.78
3	2025	6	277.78
4	2025	7	277.78
5	2025	8	277.78
6	2025	9	277.78
7	2025	10	277.78
8	2025	11	277.78
9	2025	12	**277.76**
	Total 2025		2 500.00

Straight Line Depreciation Schedule Year 2

GL Period	Year	Period	Period Depreciation
10	2026	1	277.78
11	2026	2	277.78
12	2026	3	277.78
13	2026	4	277.78
14	2026	5	277.78
15	2026	6	277.78
16	2026	7	277.78
17	2026	8	277.78
18	2026	9	277.78
19	2026	10	277.78
20	2026	11	277.78
21	2026	12	**277.75**
	Total 2026		3 333.33

Straight Line Depreciation Schedule Year 3

GL Period	Year	Period	Period Depreciation
22	2027	1	277.78
23	2027	2	277.78
24	2027	3	277.78
25	2027	4	277.78
26	2027	5	277.78
27	2027	6	277.78
28	2027	7	277.78
29	2027	8	277.78
30	2027	9	277.78
31	2027	10	277.78
32	2027	11	277.78

33	2027	12	**277.75**
	Total 2027		3 333.33

Straight Line Depreciation Schedule Year 4

GL Period	Year	Period	Period Depreciation
34	2028	1	277.78
35	2028	2	277.78
36	2028	3	277.78
	2028	4	
	2028	5	
	2028	6	
	2028	7	
	2028	8	
	2028	9	
	2028	10	
	2028	11	
	2028	12	
	Total 2028		833.34

Declining Balance Depreciation Schedule (No Finalization) Year 1

GL Period	Year	Period	Period Depreciation
	2025	1	
	2025	2	
	2025	3	
1	2025	4	555.56
2	2025	5	555.56
3	2025	6	555.56
4	2025	7	555.56
5	2025	8	555.56
6	2025	9	555.56

7	2025	10	555.56

Declining Balance Depreciation Schedule (No Finalization) Year 2

GL Period	Year	Period	Period Depreciation
10	2026	1	277.78
11	2026	2	277.78
12	2026	3	277.78
13	2026	4	277.78
14	2026	5	277.78
15	2026	6	277.78
16	2026	7	277.78
17	2026	8	277.78
18	2026	9	277.78
19	2026	10	277.78
20	2026	11	277.78
21	2026	12	**277.75**
	Total 2026		3 333.33

Declining Balance Depreciation Schedule (No Finalization) Year 3

GL Period	Year	Period	Period Depreciation
22	2027	1	92.59
23	2027	2	92.59
24	2027	3	92.59
25	2027	4	92.59
26	2027	5	92.59
27	2027	6	92.59
28	2027	7	92.59
29	2027	8	92.59
30	2027	9	92.59
31	2027	10	92.59

32	2027	11	92.59
33	2027	12	**92.62**
	Total 2027		1 111.11

Declining Balance Depreciation Schedule (No Finalization) Year 4

GL Period	Year	Period	Period Depreciation
34	2028	1	30.86
35	2028	2	30.86
36	2028	3	30.87
	2028	4	
	2028	5	
	2028	6	
	2028	7	
	2028	8	
	2028	9	
	2028	10	
	2028	11	
	2028	12	
	Total 2028		92.59

Fixed Assets Control

Use Fixed Assets Control to specify whether:

- Asset IDs are generated by the system or assigned manually
- The system creates summary or detailed journal entries for fixed-asset GL transactions
- The differences between the primary and secondary books are posted to the GL or the full amounts of the secondary posting books are posted to the GL.

Main

Active

This field is selected by default and indicates that the fixed asset is active.

Auto Generate Asset

This field determines how asset IDs are assigned in Fixed Assets. When this field is selected, the system automatically assigns unique asset IDs, using Number Range Management (NRM) to generate, control, and audit sequence numbers. NRM prevents gaps in the numbering sequence. This reduces errors and is useful for auditing. When this field is not selected, you enter a unique asset ID each time you create a fixed asset.

NRM Sequence

If the Auto Generated field is selected, specify the predefined Number Range Management (NRM) Sequence ID.

Note Use number ranges and sequence numbers to define the NRM Sequence ID. The sequence must be 12 characters or less. NRM lets you customize the asset number sequence. A sequence can be built from one or more segments, each with its own set of characteristics and behavior. You can add or remove segments only during sequence definition. After a sequence has been used to generate or validate numbers, you cannot change its structure.

Summarized Journal

This field determines whether the system creates summary or detailed journal entries for fixed-asset GL transactions. When this field is selected, Fixed Asset Transaction Posting and Reversal creates unposted transaction totals by account, sub-account, cost center, and project combination. When the field is not selected, Fixed Asset Transaction Posting and Reversal creates detailed unposted transactions by individual asset and account, sub-account, cost center, and project combinations.

When you first implement Fixed Assets, consider creating detailed journal entries. You can verify that each transaction is being posted

correctly with the right account numbers and then correct any mistakes. After you verify that the entries are correct, you can switch to a summarized journal, which takes less space and is easier to handle in the GL.

Use Periodic Expenses and Reversal Accounts

When this field is selected, journal entries for positive and negative depreciation deviation variances are posted to separate accounts. Positive variances are posted to the Periodic Expense account. Negative variances are posted to the Periodic Expense Reversal account. This reversal account becomes mandatory and is displayed in Fixed Asset Classes and in Fixed Asset Book Details. When this field is not selected, only the Periodic Expense account is displayed in Fixed Asset Classes and Fixed Asset Book Details.

Use Default Year

This field enables you to define a standard year in the GL calendar that is used to determine the periods in a year when a particular year does not exist in the GL calendar. You cannot use a leap year as the default year.

Example: The GL calendar has been created up to 2021. There are 13 periods in a year. An asset is created with a 10-year expected life, starting at the beginning of 2019. When the depreciation schedule is created, it is easy to determine the number of periods in years 2019, 2020, and 2021 because these years have been created in the GL calendar. However, there are no periods defined for the years from 2022 onwards. This is where the default year is used. Set the default year to 2019. When the depreciation calculation is run, for any year not yet defined in the GL calendar, the depreciation schedule simply uses the periods defined for 2019 for those years not defined in the GL calendar.

Post Acquisition in Fixed Assets

Select this field to enable you to post an acquisition when you create a fixed asset. When you select this field and subsequently create a fixed asset in Fixed Assets, the Acquisition Post frame enables you to immediately post the acquisition to the GL. If you do not select this field, you must manually post the acquisition using Journal Entries.

Maximum Number of Transaction Lines

Specify the maximum number of lines that a journal entry (transaction posting) can contain. These journal entries are created by Fixed Asset Transaction Post and Reversal. It creates either detailed journal entries or combines the journal entries into summarized transactions, depending on the setting in the GL Summary field. However, regardless of this setting, a journal entry is limited to the number of lines you specify in this field. The default value is 500.

Fixed Asset Methods

Depreciation allocates asset cost to periods in its service life. Depreciation affects tax and financial reporting. Methods identify how annual depreciation is calculated for the asset. You assign active depreciation methods to assets in Fixed Assets and as class defaults in Fixed Asset Classes. You cannot modify methods that are assigned to assets.

There are several methods for calculating depreciation. Assets can have depreciation calculated one way for tax reporting purposes and another for financial purposes. Depreciation methods for tax purposes are usually based on the type of asset and the tax laws in effect when the asset was placed in service. Depreciation methods for financial or management purposes usually follow generally accepted accounting practices and policies. For details on how depreciation methods are calculated, see Fixed Asset Depreciation Methods on page 6657.

Main

Method

Enter a depreciation method ID.

Description

Enter a meaningful description of this depreciation type.

Depreciation Type

The system supports the following depreciation methods:

- Declining Balance: An accelerated method that provides higher depreciation charges in the earlier years of the asset life and lower depreciation charges in the later years. The depreciation calculation takes place at the end of the fiscal year.
- Flat Rate: Calculates depreciation by using a constant percentage and multiplying it by the depreciable basis over the asset service life until the sum of the depreciation is greater than the basis amount.
- Legacy Declining Balance: Allocates the asset cost evenly over its service life. This method depreciates the asset at the end of each year of service from the acquisition date, not at the end of the fiscal year. For example, if an asset is purchased on June 1, the asset is depreciated on May 31 the following year.
- Straight Line: Allocates the asset cost evenly over its service life, depreciating the asset at the end of the fiscal year in its first and each subsequent year of service. For example, if an asset is purchased in June and the fiscal year ends on December 31, the asset is depreciated on December 31. This method is selected by default.

- Sum of the Years' Digits: An accelerated depreciation method that provides a decreasing fraction to the asset's depreciable basis.
- Units of Production: Calculates depreciation based on items produced or units consumed by the asset.
- Custom Table: You can substitute custom depreciation tables for the standard depreciation methods for calculating depreciation. Depreciation is calculated by specifying a depreciation factor for each period and year of the asset life. The depreciation factors are user-defined and must equal 100% at the end of the asset service life.
- Customized Depreciation: You can configure your own depreciation method with a minimum of coding. To do this, you create a new app and customize it to include the depreciation algorithm you want to use. For more information, use the Feedback/Comments link at the bottom of the page to contact QAD.
- Zero Depreciation: Does not depreciate the asset. Use this method for non-depreciating fixed assets or for assets that you do not want to depreciate in a certain fixed asset book (zero cost primary book).

Active

To make a method active, select this field. Depreciation methods must be active in order to be used when setting up fixed asset classes or fixed assets. If you make a depreciation method inactive and this method is used by any classes, you must update the classes to use another active method before using them again. Otherwise, an error displays when you create new assets that use the classes.

Finalization

This field applies to the declining balance depreciation method only. The standard declining balance method does not depreciate the asset to zero. You have three choices for the finalization of an asset using the declining balance depreciation method.

- None: The declining balance method does not switch to straight line. The remaining amount of depreciation on the asset remains unallocated.
- Switch to Straight Line: This method fully depreciates the asset. The declining balance method switches to straight line when the depreciation amount calculated using the straight line method exceeds the depreciation amount calculated using the declining balance method. When you specify the switch to straight line method, the system uses a different calculation than for the standard straight line method.

Depreciation Charge = (Depreciable Basis – Accumulated Depreciation) / Remaining Service Life
The system performs this calculation every year to compare the results against the declining balance. When the straight line method yields higher annual depreciation, the calculation is switched.

- Accelerate Balance in Final Period: When you choose this option, the balance amount of the depreciation on the asset is added into the last period of depreciation using the declining balance method and the asset is fully depreciated.

Use Salvage

This field indicates whether the depreciation method reduces the cost by the salvage value to calculate the depreciation basis. Salvage value is the book value the asset is expected to have at the end of its expected life. When this field is selected, the depreciation method uses salvage value.

Parameters

Expected Life

Enter the expected useful life for assets depreciated by this method. The expected life is used in calculating depreciation over the life of the asset. This field is required if the depreciation method is a custom table. Otherwise, the expected life is used as the default life for the method in Fixed Asset Classes and Fixed Assets.

Factor

Factors are the percentages that are used to depreciate assets. Factor only applies to the declining balance and flat rate depreciation methods.

For flat rate, the percentage that you enter in the Factor field is used to calculate the value in the Expected Life field. For example, if you enter 10 in this field, the expected life of the asset becomes 10 years. If you enter 20 in this field, the expected life becomes 5 years.

For declining balance, the factor is a percentage that indicates the rate at which the asset is depreciated. For example, if you enter 100 in this field, the asset is depreciated using standard declining balance. By default, the Factor field displays 200, which is known as the MACRS depreciation method. This means that depreciation is front-loaded during the life of the asset. In the following table, calculations are displayed for a depreciation method of 200% declining balance switching to straight line with a half year convention:

General Depreciation System with Half Year Convention

Year	Recovery Period: 3 Years	Recovery Period: 5 Years	Recovery Period: 7 Years	Recovery Period: 10 Years
1	33.33%	20%	14.29%	10%
2	44.45%	32%	24.49%	18%
3	14.81%	19.20%	17.49%	14.40%
4	7.41%	11.52%	12.49%	11.52%
5		11.52%	8.93%	9.22%
6		5.76%	8.92%	7.37%
7			8.93%	6.55%
8			4.46%	6.55%
9				6.56%
10				6.55%
11				3.28%

For more examples including factors, see Fixed Asset Depreciation Conventions on page 6663.

Timeline Setting

Actual Days

This field indicates whether the actual calendar days in the period that the asset is put into service are used when calculating the depreciation expense. After the annual depreciation is calculated, it is divided by a standard 365 to determine the calendar-day depreciable expense. Depreciation expense for each period is defined as the number of calendar days in the period times the daily depreciation expense. When selected, the method uses actual days to allocate the annual depreciation.

Convention

Conventions determine how much depreciation is taken in the first and last period of an asset life. For details on how depreciation conventions work, click here: Fixed Asset Depreciation Conventions on page 6663

The following conventions are available:

- Full Period: A full period's depreciation is calculated for the first period of the asset's life. No depreciation is calculated for the last period of the asset's life. Depreciation is calculated as if the asset were put into and taken out of service the first day of the month.

- Half Period: A half period’s depreciation is calculated for the first and last period of the asset’s life.
- Next Period: A full period’s depreciation is calculated for the period following the period that the asset was placed into service. A full period’s depreciation is taken in the last period of the asset’s life.
- Full Quarter: A full quarter’s depreciation is calculated for the first quarter of the asset’s life. No depreciation is calculated for the last quarter of the asset’s life.
- Half Quarter: A half quarter’s depreciation is calculated for the first and last quarter of the asset’s life.
- Full Year: A full year of depreciation is taken, regardless of the period that the asset was put into service. No depreciation is calculated for the last year of the asset’s life.
- Half Year: A half year’s depreciation is calculated for the first and last year of the asset’s life.
- Half Year (Version 1): If the asset is put into service in the first half of the year, a full year of depreciation is calculated for the year. If the asset is put in service in the second half of the year, no depreciation is taken. If the asset is disposed of in the first half of the year, no depreciation is calculated for the year. If the asset is disposed of in the second half of the year, a full year’s depreciation is taken.
- Half Year (Version 2): If the asset is put into service in the first half of the year, a full year of depreciation is calculated for the year. If the asset is put in service in the second half of the year, a half year’s depreciation is calculated. If the asset is disposed of in the first half of the year, no depreciation is calculated for the year. If the asset is disposed of in the second half of the year, a half year’s depreciation is calculated.

Depreciation Table

The Depreciation Table panel is displayed only when you choose Custom Table as the Depreciation Type. Use the Custom Table panel to build a custom depreciation table. You specify a depreciation factor for each period and year of the asset life. There are thirteen periods available in each year. When an asset is depreciated for financial purposes, the amount of depreciation is charged to a depreciation expense account and to an accumulated depreciation account in the general ledger (GL). The equation for an asset’s net book value is:

net book value = asset cost – salvage value – accumulated depreciation

The net book value is the amount that usually appears on your company balance sheet. A second depreciation calculation is often made for tax purposes. Depreciation reduces taxable income. The method is usually dictated by tax rules and codes. The depreciation amount is not typically charged to an expense or accumulated depreciation account.

Year

This field enables you to enter a year or year number. By default, 1 is displayed for the first year of the asset life. Any subsequent row that you add automatically increments the year number by one. The number of periods in the depreciation table is expected to equal the number of periods in the expected service life of the asset.

Period

Enter a depreciation factor for each period. When you enter a depreciation factor for the first period, the factor defaults to the same value for each period in that year. You can change each value.

Fixed Asset Calendars

Fixed asset calendars determine active periods. You can assign a calendar to non-posting books in Fixed Asset Books. This information is then used as the default when setting up assets. The information set up in Fixed Asset Calendars is used to create the depreciation schedule for assets assigned to non-posting books that use a calendar other than the GL calendar. You cannot specify a fixed asset calendar for posting books. Posting books automatically follow the GL calendar set up in the current domain and entity.

You cannot modify a fixed asset calendar after an asset has been assigned to a book that uses the calendar. You cannot delete a fixed asset calendar that is being used by a fixed asset book.

Main

Calendar

Enter a calendar ID. This ID is used to specify a calendar for non-posting books in Fixed Asset Books.

Description

Enter a meaningful description of the fixed asset calendar.

Calendar Panel

Set up the fixed asset calendar on the Calendar Panel. To add a calendar, click New. Enter a year and a period start. A twelve-month calendar is automatically created and the Period End is set a year into the future. Twelve monthly periods are added at child level. You can delete periods in a calendar and manually create a calendar with periods of bespoke length. You cannot delete calendars or periods that have been assigned to a book.

Year

Enter the year that applies to this fixed asset calendar.

Period Start

Enter the date on which the calendar begins. By default, the date is January 1.

Period End

Enter the date when the calendar ends. By default, the calendar ends a year after the start date.

Fixed Asset Books

Any fixed assets that are depreciated must be assigned to a posting book. For each book, you specify:

- If it is the primary posting book
- The book currency
- If the book updates the GL
- Any user-defined fixed asset calendars associated with non-posting books
- The unique sort sequence used for reporting

You can assign a daybook or daybooks for each posting fixed asset book you create, including a transaction type and entity for each daybook. The system posts the GL transactions for any fixed asset using this book to this daybook. After you set up a book, you can assign assets to it in Fixed Assets or assign it to classes in Fixed Asset Classes. The information set up in Fixed Asset Books establishes default book information for assets in Fixed Assets. A depreciable asset must be assigned to a posting book for fixed asset transactions to be recorded in the GL. Multiple depreciation books are often required to meet different reporting needs. An asset can be depreciated under an unlimited number of non-posting books. However, only the posting book affects the GL. You cannot delete a book that is associated with an asset.

Main

Book

Enter a unique identifier for the fixed asset book.

Description

Enter a brief description describing this fixed asset book. This description displays on various reports.

Currency

Specify the book currency. Use the lookup to select any currency defined in the system. You can only specify one currency for each fixed asset book. The default value is the base currency for the current domain.

Note If a book has been used in a fixed asset class or assigned to a fixed asset in Fixed Assets, you cannot change the book currency.

Sort

Enter the order in which the system is to display this book in browses, reports, and on the Depreciation Books panel in Fixed Assets.

Calendar

This field only applies to non-posting books. Enter the calendar identifier for the calendar you want associated with this non-posting book. If this field is blank, the non-posting book automatically follows the GL calendar.

Active

Select this field to make the book available for use.

Primary

When this field is selected, this book is the primary posting book. Only one primary posting book is allowed.

Posting Book

When selected, this book posts to the GL. There can be more than one posting book, but only one can be a primary book; the others are secondary posting books. Fixed Assets Transaction Posting and Reversal creates unposted transactions for accumulated depreciation and depreciation expense accounts, based on depreciation calculated for this book. Posting books always follow the GL calendar. When Posting Book is selected, the Daybooks panel is displayed.

Depreciation Deviation

When this field is selected, the differences between the primary and secondary books are posted to the GL. When the field is cleared, the full amounts of the secondary posting books are posted to the GL. You can specify a depreciation deviation value for non-primary posting books only. To select the Depreciation Deviation field for a book, the book currency must be the same as the primary book currency. If the field is cleared, the book currency can be any value in the system currency list. The default value is retrieved from Fixed Assets Control. However, you can change the default value for non-primary posting books. For primary books and non-posting books, the Depreciation Deviation field is cleared and read only.

Daybooks

The Daybooks panel is displayed when the book is a posting book. When you do not add any daybooks to the grid, the system uses the default fixed asset daybook for creating GL transactions for the book.

Daybook

Specify the daybook to which the system must post GL transactions for fixed asset movements for the posting book. The daybook must be of type Journal Entries, must have a daybook control of Operational, and cannot be associated with the transient layer. GL transactions for fixed asset movements on primary posting books must be posted to daybooks in the official layer, and GL transactions for fixed asset

movements on secondary posting books must be posted to daybooks in the management layer.

Transaction Type

Choose the type of transaction recorded in this daybook. The options are:

- Acquisition
- Cost Adjustment
- Depreciation
- Retirement
- Transfer

Entity

Specify the entity in which the system must create the GL postings for the fixed asset movements for the book. This field is optional and can be left blank. In this case, the system uses the same daybook for all entities in the domain.

Note You can update the entity. However, if any fixed asset GL transactions are posted to that posting book, the system displays a warning when you click Save.

Fixed Asset Classes

Depreciation for assets in the same class generally affects the same GL accounts for the asset investment, accumulated depreciation, and depreciation expense. Primary criteria for a class are:

- Items are similar and grouping is reasonable.
- Items are related for accounting purposes, affecting the same GL accounts. These accounts are set as the default entries for the class.
- Items use the same books.
- Items have the same service lives for calculating depreciation.
- Items use the same depreciation methods for book and tax purposes.

In Fixed Assets, accounts default from the class-book combination.

Main

Class

Enter a unique class ID. Classes group similar fixed assets together and define GL accounts, depreciation books, service lives for calculating depreciation, and depreciation methods. In Fixed Assets, assets are assigned to a class. The information set up in Fixed Asset Books and Fixed Asset Classes establishes default values for the asset in Fixed Assets.

Description

Enter up to 40 characters describing this fixed asset class. This description displays on various reports.

Depreciate Assets

This field indicates whether this fixed asset class is depreciated. When selected, depreciation schedules are created for assets assigned to this class. When not selected, assets in this class are not depreciated. For example, land is not depreciated. You can create non-depreciating fixed asset classes:

- Without asset books
- With one or more asset books

When there are one or more asset books, a depreciation schedule is created, but no depreciation posting and reversal takes place.

Active

By default, this field is selected. When a class is active, you can add assets to it.

Books

Use the Books panel to add the books that record transactions for this asset class. To add a new book, click New. You can only delete a book from a class if it has not been used to record transactions for assets in that class. You must add at least a primary book when creating a class for depreciating assets. Primary posting books and secondary posting books can use the same account or different accounts. For each added book, you must enter the GL account types displayed in the table. Primary posting books and secondary posting books can use the same account or different accounts.

Account	GL Type	Category	Debit/ Credit	Description
Asset Account	Fixed Asset	Asset	Debit	Tracks the acquisition of a fixed asset.
Accumulated Asset	Standard	Asset	Credit	Tracks the amount of depreciation that has accumulated and posted since the start of the depreciation calculation.
Periodic Expense	Standard	Expense	Debit	Tracks the amount of depreciation expense for the accounting period.
Periodic Expense Reversal	Standard	Income	Credit	This depreciation deviation account is only displayed when the Use Periodic Expenses and Reversal Accounts checkbox is selected in Fixed Assets Control. This account tracks the reversal of regulated provision between the primary and secondary fixed asset books.
Construction in Process	Standard	Asset	Debit	Tracks the purchase cost of a fixed asset.
Gain on Disposal	Standard	Income	Credit	Tracks gains from fixed asset disposal.
Loss on Disposal	Standard	Income	Debit	Tracks losses from fixed asset disposal.

Account	GL Type	Category	Debit/ Credit	Description
Asset Suspense	Standard	Liability	Debit	Tracks the disposal value of a fixed asset (proceeds of sale).

For non-depreciating fixed assets, you do not have to add any books on the Books panel. In this case, no GL transactions will be created for this asset on acquisition, transfer, and retirement. To allow for some business cases, you can add one or more books for a non-depreciating asset with the Zero Depreciation type. In this case, GL transactions are created for the asset during acquisition, cost adjustment, transfer, and retirement but no depreciation is posted and reversed.

For fixed asset books with the Zero Depreciation method, only zero cost is allowed. The Zero Depreciation and Straight Line depreciation types support zero value cost for asset books:

You create a zero value asset book for the following circumstances:

- One primary asset book equal to zero.
- Two posting asset books with primary cost equal to zero and secondary greater than zero, or the other way round.
- One or several posting asset books equal to zero and a tax book greater than zero.

Book

Enter a predefined fixed asset book ID for this class. Define book IDs in Fixed Asset Books. Any fixed assets that are depreciated must be assigned to a posting book.

Book Description

The book description associated with the selected book is displayed.

Method

Enter the predefined depreciation method ID. It cannot begin with a zero. Set up depreciation methods in Fixed Asset Methods. Methods identify how depreciation is calculated for the asset service years.

Method Description

The method description associated with the selected method is displayed.

Life

Enter the number of years for the book's life. This number is used as a basis for depreciation calculations.

Currency

The currency defaults from the setup in Fixed Asset Books. This field is read only.

Posting Book

This field is read only and the value is Yes or No. The value defaults from the setup in Fixed Asset Books.

Primary

This field is read only and the value is Yes or No. The value defaults from the setup in Fixed Asset Books.

Fixed Asset Locations

For each location, you must set up a:

- Location name
- Location entity
- Business relation for supplying optional address and telephone information

You can also add a valid combination of sub-account, cost center, and project.

In contrast to locations used elsewhere in the system, fixed asset locations are generally used to locate an asset for tax and asset tracking purposes. There is no connection between the fixed asset location and the inventory location. For example, you cannot issue inventory from a fixed asset location.

You cannot delete locations that are associated with an asset. In Fixed Assets, each asset is assigned to a location, which determines default asset values.

Note In Fixed Assets, the entity, sub-accounts, cost centers, and projects default from the location. Accounts default from the class.

On the Side Bar, you can open a browse to view all fixed assets currently associated with this fixed asset location. Click the Drill-down Links icon and select Fixed Assets Location.

Main

Location

Enter a code for identifying a fixed asset location. Fixed asset location IDs refer to the accounting location of the fixed asset. This location does not necessarily have to be the physical location of the fixed asset. In contrast to location IDs used elsewhere in the system, fixed asset location IDs are generally used to locate an asset for tax and asset tracking purposes. There is no connection between the fixed asset location and inventory location. For example, you cannot issue inventory from a fixed asset location.

Description

Enter a brief description of the fixed asset location.

Entity

Enter a valid, active entity code to associate with this location. An entity is an independent financial unit used for financial reporting. It allows you to generate a separate balance sheet, income statement, and budget. Because the system supports businesses with multiple entities, all transactions are posted by entity.

Business Relation

Specify the business relation to associate with this fixed asset location.

Site

Specify the site to associate with this fixed asset location. The site is generally associated with the specified business relation.

Active

Select this field to make the location active. Fixed assets can only be assigned to active fixed asset locations.

GL Analysis

This set of fields enables you to enter a default sub-account, cost center, and project for this fixed asset location.

GL Analysis

GL analysis fields provide additional detail on GL reports. Each GL analysis field you complete must be valid on its own and in combination with other account analysis fields. The GL analysis you specify here defaults for assets created in Fixed Assets for this location.

Address

The address details are read only. They default from the information on the business relation record.

Fixed Asset Meters

Meters are used to measure asset usage for the Units of Production depreciation method. You can attach a meter to an asset or group of assets to collect the usage in Fixed Assets. For example, a punch press machine costs $5000 and the meter records that the machine produced 10,000 units for the period. The punch press is expected to produce 1,000,000 units during its service life. The depreciation per period calculation is:

depreciation per period = (10,000 units / 1,000,000 units) * $5,000 = $50

You can specify the following information:

- The meter beginning number, which is displayed as the INITIAL reading
- A rollover number, where the meter resets to zero
- Whether the meter is active
- Actual meter readings

You can only delete a meter when it has not been linked to a Units of Production depreciation method that has been used by its associated fixed asset.

Note You can associate a fixed asset with a meter in the fixed asset record by opening Fixed Asset Book Details window.

Main

Meter

Enter a unique meter ID. Meters are used to measure asset usage for the Units of Production depreciation method. You can attach a meter to an asset or group of assets to collect the usage in Fixed Assets.

Description

Enter a meaningful description for the meter.

Rollover

Enter the number after which the meter should reset to zero. For example, if a meter can read a maximum number of 999, enter 999. When the meter reaches 1000, the meter displays zero. You cannot update a rollover to a number that is less than the current reading.

Active

You can still enter readings for an inactive meter. However, they are not recorded against the fixed asset.

Meter Readings

Use the Meter Readings panel to add readings for the meter.

Action

The first reading you enter is INITIAL. For this reading, the Action field is read only. For all subsequent readings, select either READING or RESET. READING enables you to enter the updated meter reading, which increments the total accumulated units. RESET enables you to reverse the counter, reducing the total accumulated units.

Date

Enter a valid date. After the initial reading, you cannot enter a subsequent reading for an earlier date. Each reading must be on a later date.

Reading

Enter a valid reading. If the meter has a rollover, you cannot enter a number greater than the rollover.

Note For a new meter, enter an initial reading of zero for the accumulated units to accurately reflect the total consumed for subsequent readings.

Accumulated Units

This field is read only and displays the cumulative amount of units consumed since the initial reading.

Rollover Status

When the rollover value is updated or rollover occurs, the change is displayed in this column the next time you enter a reading. By default, this column is not displayed.

Fixed Assets

Before you enter assets in Fixed Assets, you must set up values in the following programs:

- Fixed Assets Control
- Fixed Asset Methods
- Fixed Asset Calendars (optional)
- Fixed Asset Books
- Fixed Asset Locations
- Fixed Asset Classes
- Fixed Asset Meters (optional)

You can perform multiple functions using Fixed Assets. The functions include:

- Maintaining asset account information
- Transferring, splitting, or retiring an asset
- Maintaining insurance and warranty data
- Adjusting depreciation books
- Adjusting posted depreciation
- Maintaining book detail
- Maintaining information for the units-of-production depreciation method
- Maintaining information about asset components

Note You can use Excel integration to add or update assets. If you are adding existing assets, you may want to turn off the function to post acquisition to the GL in Fixed Assets.

The Actions menu on the Navigation Bar enables you to post the acquisition of an asset, or to split, retire, or transfer it.

The Attachments menu on the Side Bar enables you to upload documents or a picture to display as a visual of the asset.

Although there are many functions available, you can very quickly create a new fixed asset by clicking New in the Navigation Bar and completing the mandatory fields on the Main panel.

Adding a Thumbnail

You can upload an image of the asset, attach it to the fixed asset record, and display the image in the Summary panel.

1. On the Side Bar, click the Attachments icon.
2. Drag an image to the Attachments area or select the image using the Upload button.

3. The uploaded image is displayed in the list of attachments. Click the attachment name and select Properties from the menu.
4. In the pop-up, select the Use as Primary Thumbnail field and click Done. The image is displayed in the top left of the Summary panel.

Zero Cost Primary or Secondary Book

There is sometimes a requirement to have two books in different geographic locations. For example, the location for the primary book does not have a statutory requirement to capitalize the asset but the secondary book location does require the asset to be capitalized due to local accounting guidelines. If you set the Cost field to zero, the cost for each fixed asset book defaults to zero. If you want to have a zero cost in the primary book, but depreciate the asset in another book, complete these steps:

1. Set up the asset in Initial status with the relevant fields complete and leave the Cost field blank. Click Save, and a message is displayed asking you to confirm zero cost for the asset. Click Continue.
2. Open the secondary fixed asset book, update the cost details, and save the book.
3. Save the fixed asset with Active status. The primary book cost remains zero and the secondary book retains the cost you entered.

Non-depreciating Fixed Assets with books appears in all reports without Depreciation Expenses and Accumulated Depreciation amounts.

Main

Asset

Assign an asset ID, unless Fixed Assets Control has been configured for the ID to be auto-generated by NRM.

Description

Enter a meaningful description for this asset.

Class

Specify the class that this asset belongs to. If you change the class before the asset has been posted, the depreciation schedule is updated with the new values. If you change the class after the asset is created, the accounts are not automatically updated.

Location

Specify a location for this fixed asset. You cannot update the location if the asset has been posted to the GL. If you change the location after the asset is created, the sub-accounts and cost centers are not automatically updated.

Entity

The Entity field is read only and defaults from the asset location associated with the fixed asset.

Depreciate Asset

When selected, this field indicates depreciation is calculated for this asset. This field is read only and defaults from the setting at class level. If selected, this is a depreciable asset and must be assigned to a posting book.

You can create two types of non-depreciable fixed assets:

- With no asset books or GL accounts. In this case, there are no GL transactions on acquisition, transfer, cost adjustment, and retirement.
- With one or more asset books and GL accounts with usual flow of GL transactions, with the exception that no depreciation expense is posted throughout the asset's useful life. For this type, make sure that the Depreciate Asset field is cleared.

Cost

Enter the amount paid to acquire the asset in the currency of the primary book. This cost is not necessarily a basis for a depreciation calculation. This cost defaults as the cost for each asset book. The cost amount for each book in the Depreciation Book grid defaults automatically after you specify the cost here. You cannot update the cost here if the asset has been posted to the GL. You must adjust the cost for each book on the Depreciation Books panel.

Salvage

Optionally enter a salvage value for this asset. Use the currency of the primary book. The salvage value must be less than the asset cost. Salvage value is the estimated value of property at the end of its useful life. It is the amount reasonably expected in an open market for the asset after it is no longer productive. If a salvage value is defined at the beginning of the depreciation calculation, it is used to reduce the depreciable base. This amount defaults as the salvage amount for each asset book when the depreciation method uses salvage value. If the asset has been posted to the GL, you must update the salvage amount in each book on the Depreciation Books Panel. You can define a separate salvage value for each fixed asset book.

Replacement

Enter the replacement value for the asset in the currency of the primary book. This value is not used for any calculations, but can be used for management purposes. For example, this value can be used to create budgets for assets replaced on a recurring basis.

Sold For

This field is read only. The value defaults from the value entered in the Retire pop-up. The field displays the amount received for the disposal of the asset. This field is optional and used when calculating the gain or loss on the disposition of an asset.

Parent

Enter the parent asset ID for this asset if it is a component of another asset. For example, a keyboard is a component of a computer, the parent asset.

Sort

Optionally enter a sort code. Use sort codes for sorting purposes and grouping similar assets within a category. You can also use them to establish a standard for describing assets. The field is validated against codes set up in Generalized Codes for field fa_code. For example, sort codes can include FC (Filing Cabinets), FC2 (Filing Cabinets, 2 drawer), FC4 (Filing Cabinets, 4 drawers).

Status

There are three possible statuses: Initial, Active, and Retired. When you create an asset, by default it is of status Initial. You can manually change this to Active. When you then save the asset and Fixed Assets Control is set up to post acquisitions in Fixed Assets, you are automatically prompted to post the asset acquisition. You cannot change the status from Active to Initial.

When you dispose of an asset, it is assigned Retired status. Retire an asset using the Actions menu on the Navigation Bar. You cannot change the status of a retired asset.

Components

Enter the number of items that belong to this asset. For example, if an asset is acquired that consists of 10 chairs, the chairs can be grouped as one asset. However, any value you specify here is automatically updated when you begin to add components to the Components sub-panel. An asset must have at least one component.

Acquisition Posted

This field is read only and is automatically selected when the acquisition transaction for the fixed asset has been posted.

Depreciation Posted

This field is read only and is automatically selected when depreciation has been posted for this fixed asset.

Authorization Number

Optionally enter an authorization number for this fixed asset. This field is for reference only.

Acquisition Posting Date

This field contains the date on which the acquisition transaction for the fixed asset was posted. The date is used to retrieve the exchange rate for calculating base currency and statutory currency amounts. The field is read only when the fixed asset acquisition has been posted. You must post an acquisition in the Acquisition Post pop-up.

Service Date

Enter the date that this fixed asset was put into service. This date defaults as the service date for each asset book and is used to calculate depreciation. The service date must exist in the GL calendar and any fixed asset calendar associated with the default books.

Disposition Date

This field is read only. The value defaults from the value entered in the Retire pop-up. The disposal date is the date the asset is removed from service and ownership interest is relinquished.

Disposition Reason

This field is read only. The value defaults from the value entered in the Retire pop-up. Disposition reason is the reason the asset is removed from service and ownership interest relinquished. Examples of disposition reasons are sold, stolen, destroyed, donated, and impaired.

Note

You might enter a cost and salvage amount for a book and the book currency and the statutory currency and base currency are not equal. In this case, the system displays an error when the exchange rate from transaction currency to statutory currency or from transaction currency to base currency is not defined for the acquisition effective date. When the transaction currency to statutory currency exchange rate is missing but Fallback to Accounting is selected for the statutory exchange rate and an accounting exchange rate is defined for the effective date, no error message is displayed.

Split From

This field is read only. The value defaults from the value entered in the Retire pop-up. The Split From field displays the source asset when this asset was created as the result of an asset split.

Split Date

This field is read only. The date defaults from the value entered in the Split pop-up when the asset was split.

Depreciation Books

The Depreciation Books panel displays the depreciation books used to record transactions for this fixed asset. When you save and post the acquisition of the fixed asset, the books associated with the fixed asset class you specified for this asset on the Main panel are added and displayed by default. You can add, modify, and delete books before you post the acquisition of an asset. After the acquisition is posted, you can no longer delete books.

To modify a book, select the relevant line and click Details. To add another book, click New. The Fixed Asset Book Details pop-up is displayed.

Parent-Child Relationship

The Parent-Child Relationship panel displays any children assets of this fixed asset. A parent asset can have many children. One layer of inheritance is available, so children cannot have children. A child can only have one parent, but a child need not have the same method of depreciation as its parent.

Additional Information

The Additional Information panel enables you to add components to an asset. You can also enter warranty and insurance information.

Components

A fixed asset always has at least one component, which is created automatically on the creation of the fixed asset. This component has an automatically generated tag number that is set to the fixed asset number plus a suffix. You can add more components to the asset. For each component you create, a tag and a serial number are generated automatically. The currency of each component is read only and is set to the currency of the primary posting book for this asset.

When you add components to the asset, the total is expected to equal the cost of an asset. You receive a warning when you save an asset with non-matching component costs. You can add and delete components, and you can also split components off from an asset. When you do this, a new asset is created that holds the components split off from the asset.

Tag

When you create a fixed asset, a tag is automatically generated for the component. You can edit the tag field before you save the fixed asset. However, after you save, the field is read only. The tag number is set to the fixed asset number plus a suffix.

Description

Enter up to 20 characters describing this asset component. The component description for the original component defaults from the Description field on the Main panel.

Cost

Enter the amount paid to acquire the asset component. This amount is automatically calculated by dividing the cost by the number of components entered for this fixed asset. If you change this amount, the total amounts for all asset components are expected to equal the value in the Cost field.

Currency

This field displays the currency of the primary fixed asset book, as defined in Fixed Asset Books.

Serial Number

Optionally enter a serial number for the asset. This number is a unique identifier for the asset and is not necessarily the same as the asset ID. The serial number defaults based on previous component entries but you can edit the default.

Warranty

The Warranty sub-panel allows you to enter details of the warranty associated with this asset.

Warranty Date

Optionally enter an expiration date for the asset warranty.

Custodian

Optionally enter the name of the asset custodian. Custodians are employees responsible for tracking the location of fixed assets.

Supplier

Optionally enter a predefined supplier of this asset. Define suppliers in Suppliers.

Receiver

Optionally enter a receiver number for this fixed asset. When you receive fixed assets, you can create a receiving record for verification against the supplier invoice when it is entered into Accounts Payable. If you enter a receiver number, the associated purchase order number defaults in the PO Number field.

Purchase Order

Optionally enter a purchase order number for this asset. The default is the purchase order number associated with the receiver.

Insurance

The Insurance sub-panel enables you to enter details of insurance associated with this asset.

Insurance Company

Optionally enter the name of the company that insures the asset.

Insurance Number

Optionally enter an insurance policy number for the asset.

Insurance Date

Optionally enter the date that insurance coverage begins or ends for the asset. This date depends on how your company records coverage dates.

Insurance Value

Optionally enter an insurance value or replacement cost of the asset.

Actions

The Actions drop-down offers actions that you can take for a record or set of records. Individual actions are for individual records and bulk actions are for sets of records, based on your selected criteria. For bulk actions, once you select the records and set options, you can submit the action.

Post Acquisition

The Post Acquisition frame is automatically displayed when you save an unposted fixed asset with Active status and Post Acquisition is selected in Fixed Assets Control. You can also choose to post the acquisition of an active fixed asset later by selecting Post Acquisition from the Action menu on the Navigation Bar. Post an acquisition by completing the Acquisition Posting Date field and clicking Submit.

Acquisition Posting Date

Enter the date on which the acquisition transaction for the fixed asset was posted. The default value is the system date, but you can modify the default. The acquisition posting date cannot be after the service date. The date is used to retrieve the exchange rate for calculating base currency and statutory currency amounts.

Print GL Audit Trail

When you select this field, the system prints and displays a report containing the fixed asset acquisition transaction.

Adjustment

You can only open the Adjustment pop-up when depreciation has already been posted for an asset. To display the Adjustment pop-up, first open a fixed asset book from within a fixed asset record. Next, select Adjustment from the Action menu on the Navigation Bar. The pop-up enables you to:

- Adjust the original cost or salvage value of the asset
- Suspend and reinstate depreciation on an asset
- Adjust the expected life of the asset
- Change the depreciation method

The adjustment for Asset Book is allowed when:

- The Depreciation Posted field on the main Fixed Assets screen is selected
- The fixed asset does not have the Retired status
- The fixed asset is not fully depreciated - there is at least one non-posted GL period according to the depreciation schedule

An adjustment is allowed only in the first non-posted GL period. For correction of accounting mistakes in previous posted GL periods, you can select Life Basis of Service Life. The depreciation schedule is then recalculated from the beginning of the useful life of the asset and the amount of correction posted in the adjustment GL period. For the change of accounting policy from a particular GL period, you can select Life Basis Rest of Life. The depreciation schedule is recalculated only from the adjustment period and new depreciation is posted in this GL period.

In one GL Period that is allowed for adjustment, all adjustment types must be either Service Life or Rest of Life. You can make these adjustments based on the full service life of the asset or for the rest of the asset life. Perform the adjustments in the grid. The grid displays the next period for which transactions have not been posted.

Year-Period

This field is read-only. It displays the first period in the future for which transactions have not yet been posted.

Life Basis

Choose Service Life or Rest of Life.

- Service Life: Calculate the difference between the old depreciation schedule and the new depreciation and post the adjustments to posted periods in the first open period.
- Rest of Life: Calculate the difference between the old depreciation schedule and the new depreciation and spread the adjustments to posted periods over the remaining periods.

Period Posted

This field specifies whether the displayed period is posted.

The next step is to specify the type and the amount of the adjustment. Select the line and click Add Child. A child line is inserted in the grid.

Adjustment Type

Choose from the drop-down list. You can only perform each adjustment type one time in any period.

- Bonus: Select this option to record additional depreciation for an asset. For example, bonus depreciation is used to indicate that an asset has become obsolete. The bonus amount must not exceed the remaining total of the depreciation schedule and be greater than zero. Bonus adjustments are not allowed in suspended or final periods of the depreciation schedule. When the business case requires you to perform bonus adjustment in the final GL period, first add a life adjustment (increase useful life) and then add the bonus adjustment.
- Cost Basis: Select this option to replace the original cost of the asset in this fixed asset book. The system uses the new basis to recalculate the depreciation schedule for the asset. The new basis must be greater than the posted depreciation and cannot be negative. Cost adjustment is posted during the depreciation run for this GL period in a separate GL transaction.
- Life: Select this option to adjust the expected life (increased or decrease) of the asset in this fixed asset book. Certain depreciation types do not allow Life Adjustment.
- Method: Select this option to change the depreciation method for the asset in this fixed asset book.
- Reinstate:

  Select this option to reinstate the asset into service after suspension. Reinstate must be the first adjustment type after the suspension. In one GL Period users can add a Reinstate adjustment type along with others, such as Method, Life, and Cost.
- Salvage: Select this option to adjust the salvage amount for the asset in this fixed asset book. Often, when the fixed asset basis is adjusted, the salvage must also be adjusted. If you adjust the salvage value, the system uses the basis minus the salvage adjustment as the new basis to recalculate the depreciation schedule for the life of the asset. The current depreciation method must allow for salvage.
- Suspend:

  Select this option to suspend depreciation postings for the asset in this fixed asset book. Suspensions are not allowed if the asset is already suspended. When you select the Suspend adjustment type in a certain GL period, you cannot perform other adjustment types. You can only suspend GL periods that exist in the depreciation schedule. For example, you cannot cannot

suspend a fixed asset for four years when its useful life is only three years.

Method

This field is only active when you choose Method as the adjustment type. You can select another method of depreciation to apply to this book from the lookup.

Expected Life

This field is only active when you choose Life as the adjustment type. You can enter a new expected life to be applied for this fixed asset book.

Adjustment Amount

This field is active when you choose Cost Basis or Salvage as the adjustment type. Enter a new cost basis for the asset in this fixed asset book or a new salvage amount. For Cost Basis, the new basis must be greater than the posted depreciation and cannot be negative. For Salvage, the salvage amount cannot be larger than the net book value of the asset.

Currency

The Currency field is read-only and a currency is displayed when you are adjusting the cost basis or salvage value.

When you have completed your adjustment, click Submit. When the adjustment is successful, a message is displayed informing you. The adjustment is then included when you run Fixed Assets Transaction Posting and Reversal for the relevant assets for the next period.

Split

The Split frame is displayed when you select Split from the Action menu on the Navigation Bar. This frame enables you to split an asset. When you save the new asset, it is displayed in the Fixed Asset Browse.

New Asset

Assign an asset ID, unless Fixed Assets Control has been configured for the ID to be auto-generated by NRM.

Description

The description defaults from the description of the main asset. You can update the description in this field.

Percentage

Enter the percentage of the value of the original asset that the new asset makes up. This field automatically updates the Cost field. Any changes to the Cost field also automatically update this field. The percentage cannot exceed 100%.

Cost

Enter the cost of this new asset, based on the value of the original asset that the new asset makes up. This field automatically updates the Percentage field. Any changes to the Percentage field also automatically update this field. You cannot enter a cost that is greater than the original cost of the asset.

Split Date

Enter a split date for the asset.

Transfer

The Transfer frame is displayed when you select Transfer from the Action menu on the Navigation Bar. This frame enables you to transfer an asset to a new location.

Transfer Date

Enter the effective date for the transfer. This date determines the year and period of the GL transaction.The transfer date must be a valid date in the GL calendar and any fixed asset calendars associated with the asset books. It must also be in an open GL period and must be after the service date.

Old Location

This field is read only. It displays the location of the fixed asset before the transfer.

Old Entity

This field is read only. It displays the entity of the fixed asset before the transfer.

Site

This field is read only. It displays the site of the fixed asset before the transfer.

Partial

If Yes, this is a partial transfer and you split the existing asset into two separate assets. The new asset created is transferred.

New Asset

This field is active only when the Partial field is selected. Enter a unique asset ID for the components being removed from the asset. When Auto Generated is selected in Fixed Assets Control, the system automatically assigns an asset ID using the predefined sequence.

Amount

This field is active only when the Partial field is selected. Enter the base currency amount to assign to the new asset. When you enter a

percentage of the original cost in the Percent field, the Amount field is automatically updated.

Percent

This field is active only when the Partial field is selected. Enter the percentage of the original asset cost to assign to the new asset. When you enter a currency amount in the Amount field, the Percent field is automatically updated.

Print GL Audit Trail

When you select this field, the system prints and displays a report containing the fixed asset transfer transaction.

New Location

Enter a predefined location for the transferred asset. By default, the entity, site, and GL analysis associated with this new location default for the transferred asset.

New Entity

This field is read only and defaults based on the New Location field.

Site

This field is read only and defaults based on the New Location field.

New GL Analysis

This field is a list. You can choose:

- New Location. This setting is the default and the GL analysis is based on the setup for the new location.
- Keep Analysis. This setting keeps the GL analysis associated with the asset originally.
- User Specified. You can specify new GL analysis.

New Sub-Account

This field is active only when you select User Specified in the New GL Analysis field. Enter a valid, active sub-account. Otherwise, the field is read only and based either on the new location or on the analysis associated with the asset originally.

New Cost Center

This field is active only when you select User Specified in the New GL Analysis field. Enter a valid, active cost center. Otherwise, the field is read only and based either on the new location or on the analysis associated with the asset originally.

New Project

This field is active only when you select User Specified in the New GL Analysis field. Enter a valid, active project. Otherwise, the field is read

only and based either on the new location or on the analysis associated with the asset originally.

Retire

The Retire frame is displayed when you select Retire from the Action menu on the Navigation Bar. This frame enables you to retire an asset from service. When you retire the asset, the necessary postings are automatically updated and the asset status is set to Retired.

Disposition Date

Enter the disposal date for the asset. The disposal date is the date the asset is removed from service and ownership interest is relinquished. If the asset is suspended as of the disposal date, you must reinstate the asset before retiring it. The date must be a valid date in the GL calendar or any fixed asset calendar associated with the book. It must also be in an open GL period and must be after the service date.

Disposition Reason

Enter the reason for the disposal of the asset. The field is validated against codes set up in generalized codes for field fa_disp_rsn. Disposition reason is the reason the asset is removed from service and ownership interest relinquished. Examples of disposition reasons are sold, stolen, destroyed, donated, and impaired.

Sold For

Enter the amount received for the disposal of the asset. This amount is optional and used when calculating the gain or loss on the disposition of an asset.

Bulk Post Acquisition

To post the acquisition of a batch of fixed assets:

1. Use the Search filter on the Fixed Assets hybrid browse to search for the assets that you want to post.
2. Click Bulk Post Acquisition on the Action menu.
3. Search for specific groups of assets in the Post Acquistion frame.
4. Choose how you want to process the acquisition posting and click Submit.

The next sections describe the panels on the Post Acquisition frame.

Criteria

Search Criteria

The search criteria that you specified on the main hybrid browse are displayed here.

Required Criteria

This read-only field indicates that any assets must be active, not already acquired, and subject to depreciation.

Additional Criteria

You can also narrow your search by specifying assets according to GL account analysis.

CIP GL Account Sub-Account

Specify a construction in progress GL sub-account.

CIP GL Account Cost Center

Specify a construction in progress GL cost center.

CIP GL Account Project

Specify a construction in progress GL project. If you select additional criteria, for example, cost center and sub-account, fixed assets need to satisfy both limitations.

To display the assets that meet the criteria, click Search. To clear the Additional Criteria search fields, click Reset.

Options

Print GL Audit Trail

When you select this field, the system prints and displays a report containing the fixed asset acquisition GL transactions.

New Acquisition Posting Date

Specify a new acquisition posting date for the selected assets. The new acquisition posting date cannot be after the date of the overriden depreciation and service date.

Lines

Only selected assets in the lines grid are submitted for acquisition. In the grid, you can also specify a new acquistion posting date for a selected asset. You can unselect assets that you do not want to post. Click Clear Unselected Lines to remove these lines from the grid.

There are two options when posting GL acquisition transactions:

1. Create one GL transaction for each fixed asset acquired by clearing the Summarized Journal field in Fixed Asset Control.
2. Create one voucher for each daybook for the range of acquired fixed assets. In Fixed Asset Control, select the Summarized Journal field and set the Maximum Number of Transaction Lines field to the maximum number of lines in the GL journal.

Processing Options

Process In Background

By default, this field is selected. It indicates that the post acquisition action will take place in the background. This field is also read-only

when the number of assets to process is greater than the confirmed batch size value.

Background Processing Description

By default, this field is assigned the description Post Acquisition along with the date and time. However, you can enter any meaningful description here.

To post the acquisition of the assets, click Submit. When the acquisition takes place in the background, the results are sent to your inbox. During the process, you can also check the progress of the batch job in Submitted Background Processing.

Bulk Post Depreciation

Criteria

Search Criteria

This read-only field displays filter criteria selected by the user in the Fixed Assets browse for depreciation to be posted.

Required Criteria

This read-only field indicates that any assets must be active, and already acquired.

Options

Posting Date

Enter the date when these fixed asset transactions are effective in the GL. GL entries are created for the year/period. The effective date is validated against the open GL period. The default is the system date. When you post depreciation for several GL periods, the system creates a separate journal entry for each month and the posting GL period is displayed in the Second Description field of the Journal Entries browse.

Update GL Mode

The default value is Simulate. When you select Simulate, a report is created but the transactions are not posted. If any errors occur, an error report is generated with the problematic journals and no unposted transactions are created. You must fix the errors and run the report again. When you select Update, a journal report is printed and the GL transactions are created. GL entries post summary or detail information for each fixed asset, according to the value specified in the Summarized Journal field in Fixed Asset Control.

Print Report

This field is selected and is read only when the mode is Simulate. You can choose whether to print the report when the mode is Update.

Summarized Journal

This field is read only and defaults from the value in Fixed Asset Control on page 6676.

Maximum Number of Transaction Lines

This field is read only and defaults from the value in Fixed Asset Control on page 6676.

Report Settings

Format

Report Amount Scale

Choose a report amount scale, taking into account reporting standards in your organization, the size of organization operations, and the currency. Choose from Full amount, Thousands, Millions, or Billions.

Report Type

Choose from PDF, PDF Read-only, Excel, or Plain Text.

Layout

The layout defaults, based on the setting in the Summarized Journal field. It can either be GL Detailed or GL Summary. When the Excel report type is selected, the Excel layouts are displayed.

Date Display

Short Date Format/Date Separator

Specify a format and separator in which to display the date in the report.

Decimal Display

Decimal Separator/Decimal Digits

Choose a decimal separator and the number of decimal digits to display in the report.

Grouping Separator/Digit Grouping

Choose a grouping separator and the method of grouping for display in the report.

Processing Options

Process In Background

By default, this field is selected. It indicates that the depreciation posting action can only take place in the background. This field is also read only.

Background Processing Description

By default, this field is assigned the description Post FA Depreciation, along with the date and time. However, you can enter any meaningful description here.

When you select Simulate mode, the word “Simulate” is added to the description in the Submitted Background Processing.

To post the depreciation of the assets, click Submit. The results are sent to your inbox. During the process, you can also check the progress of the batch job in Submitted Background Processing.

Bulk Reverse Depreciation

Criteria

Search Criteria

This read only field displays filter criteria that were selected in the Fixed Assets browse for depreciation to be reversed.

Required Criteria

This read only field indicates that any assets must be active, already acquired, and depreciation must be posted for at least one GL period.

Options

Posting Date

Enter the date when these fixed asset transactions are effective in the GL. GL entries are created for the year/period. The effective date is validated against the open GL period. The default is the system date. The reverse can be done only for one GL period (the most recent period among the books for the selected assets).

Update GL Mode

The default value is Simulate. When you select Simulate, a report is created but the transactions are not posted. If any errors occur, an error report is generated with the problematic journals and no unposted transactions are created. You must fix the errors and run the report again. When you select Update, a journal report is printed and the GL transactions are created. GL entries post summary or detail information, according to the value specified in the Summarized Journal field in Fixed Asset Control.

Print Report

This field is selected and is read only when the mode is Simulate. You can choose whether to print the report when the mode is Update.

Summarized Journal

This field is read only and defaults from the value in Fixed Asset Control on page 6676.

Maximum Number of Transaction Lines

This field is read only and defaults from the value in Fixed Asset Control on page 6676.

Report Settings

Format

Report Amount Scale

Choose a report amount scale, taking into account reporting standards in your organization, the size of organization operations, and the currency. Choose from Full amount, Thousands, Millions, or Billions.

Report Type

Choose from PDF, PDF Read-only, Excel, or Plain Text.

Layout

The layout defaults, based on the value specified in the Summarized Journal field. It can either be GL Detailed or GL Summary.

Date Display

Short Date Format/Date Separator

Specify a format and separator in which to display the date in the report.

Decimal Display

Decimal Separator/Decimal Digits

Choose a decimal separator and the number of decimal digits to display in the report.

Grouping Separator/Digit Grouping

Choose a grouping separator and the method of grouping for display in the report.

Processing Options

Process In Background

By default, this field is selected. It indicates that the reverse depreciation action can only take place in the background. This field is also read only.

Background Processing Description

By default, this field is assigned the description Reverse FA Acquisition, along with the date and time. However, you can enter any meaningful description here.

To reverse the depreciation of the assets, click Submit. The results are sent to your inbox. During the process, you can also check the progress of the batch job in Submitted Background Processing.

Fixed Asset Book Details

Fixed Asset Book Details enables you to view the details of a depreciation book associated with this fixed asset or to add another existing depreciation book to record transactions for this asset. When depreciation has been posted for an asset, you cannot edit this frame. The cost, salvage, service date, and currency for the primary book must be consistent with the values in the Main panel of the Fixed Assets screen. Therefore, any change that you make to these values in the Fixed Asset Book Details Frame are reflected on the Main panel of Fixed Assets.

On the Side Bar, you can open a browse to view the full depreciation schedule for the fixed asset in this fixed asset book. Click the Drill-down Links icon and select the Depreciation Schedule browse.

Main

Book

If you are adding a new book, select a predefined book using the lookup. If you are editing an existing book, this field is read only. When depreciation has been posted for an asset, you cannot edit this field.

Service Date

If required, specify an alternative service date of the associated asset for use with this depreciation book. When depreciation has been posted for an asset, you cannot edit this field.

Method

If required, specify an alternative depreciation method from the lookup for use with this depreciation book. Only valid methods for this book are displayed. When depreciation has been posted for an asset, you cannot edit this field.

Expected Life

If required, you can enter an alternative expected life for use with this depreciation book. When depreciation has been posted for an asset, you cannot edit this field.

Cost

If required, you can enter an alternative cost amount for this asset for use with this depreciation book. When depreciation has been posted for an asset, you cannot edit this field.

For fixed asset books with the Zero Depreciation method, only zero cost is allowed. To increase the cost, you must first change the depreciation method. Two depreciation types support zero value cost for asset books:

- Zero Depreciation
- Straight Line

Salvage

If required, you can enter an alternative salvage amount for this asset for use with this depreciation book. When depreciation has been posted for an asset, you cannot edit this field.

Net Book Value

The Net Book Value field is read only and displays the current net book value of the asset.

As Of

This field is read only and displays the date when the current net book value became valid.

Additional Information

The fields in the Additional Information sub-panel are read only and default from other fields.

Basis Amount

This field displays the amount for the depreciation calculation.

Override Accumulated Depreciation

This field displays the amount of the overriden accumulated depreciation.

BC Exchange Rate

This field displays the exchange rate between the book currency and the base currency. Where they are the same currency, the exchange rate is always 1. You can edit this exchange rate. This exchange rate is then used if you subsequently post the asset acquisition.

BC Rate Scale

This field displays the exchange rate scale between the book and base currency.

BC Cost

This field displays the asset cost in base currency.

BC Salvage

This field displays the asset salvage value in base currency.

Override Depreciation Date

This field displays the date of the overridden depreciation.

Post Overridden Depreciation

When you select this field, transactions are posted when a fixed asset with overridden depreciation is created. By default, this field is not selected.

There are cases when a company needs to create assets in the system, but these assets have already been depreciated for some number of periods. In most cases, this happens when a company migrates from another system. Typically, the existing transactions on the fixed assets are included during the migration using an opening balance approach for transferring the GL totals. The assumption is that the acquisition cost of asset is already included in the opening balance. Therefore, there is no need to create new acquisition postings.However in some cases, you do need to post transactions when you create the fixed asset. In this scenario, you can use the Post Overridden Depreciation field. For example, a production line is moved to a different factory in another country. In this case, the original factory removes the asset and you must enter the fixed asset as a new fixed asset in the target factory and country. In the local books at the new factory and country, the production line may need to be booked as a new fixed asset with acquisition postings.

SC Exchange Rate

This field displays the exchange rate between the book currency and the statutory currency. Where they are the same currency, the exchange rate is always 1. You can edit this exchange rate. This exchange rate is then used if you subsequently post the asset acquisition.

SC Rate Scale

This field displays the exchange rate scale between the book currency and the statutory currency.

SC Cost

This field displays the asset cost in statutory currency.

SC Salvage

This field displays the asset salvage value in statutory currency.

Accounts

The Accounts panel is displayed when the book is a posting book. It enables you to specify a predefined GL account for each type of account required for a fixed asset. For details on these GL accounts, click here: Books on page 6689

Account Type

For each account type in the fixed asset book, specify a predefined GL account. The GL account you choose for each account type must be unique for this fixed asset.

Account

Enter the account number for this account type or use the lookup to select from the list.

GL Description

This field is read only and defaults from the account number that you selected.

Sub-Account

Where sub-account analysis is available for the selected GL account, the sub-account defaults based on the GL account. You can edit the sub-account when sub-account analysis is enabled. The sub-account description is read only and defaults from the value in this field.

Cost Center

Where cost center analysis is enabled for the GL account, the cost center defaults, based on the GL account. You can edit the default cost center when cost center analysis is enabled. The cost center description is read only and defaults from the value in this field.

Project

Where project analysis is enabled for the GL account, the project defaults based on the GL account. You can edit the default project when project analysis is enabled. The project description is read only and defaults from the value in this field.

Units of Production

The Units of Production panel is displayed only when the book depreciation method is of type Units of Production. It enables you to record production units against an asset and to manage its depreciation.

Cost

The Cost field is read only. The value defaults from the Cost field for this book.

Salvage

The Salvage field is read only. The value defaults from the Salvage field for this book.

Unit of Measure

Select the unit of measure used by the fixed asset meter.

Meter

Select the meter that is used to record the units of production for this asset.

Total Units

Enter the total number of units that this asset is expected to produce during its service life. This number is used to create the depreciation schedule. You can adjust this number during the service life of the asset. Changes to this field take effect for the next unposted period.

Period Units

Enter the total number of units that this asset is expected to produce during each period its service life. This number is used to create the depreciation schedule per period. You can adjust this number during the service life of the asset. Changes to this field take effect for the next unposted period.

Effective Period

This field is read only. It always displays the next unposted period

Unit Cost

This field is read only. It displays the value in the Cost field divided by the value in the Total Units field.

When you have completed the fields on this panel, an estimated depreciation schedule is generated. You can view this schedule in the Audit UOP browse, which is available in the Drill-Down Links.

Note

If you split an asset that uses the UOP method, the Total Units, Period Units, and Effective Period remain the same. Only the Cost and Unit Cost are updated.

Depreciation Schedule

The Depreciation Schedule sub-panel enables you to add actual units to the grid based on the actual units used. You must enter a year and period and an actual reading.

When you save the readings, these values are added to the Planned Depreciation Schedule browse, which is available in the Drill-Down Links. When you post transactions for the period, the browses are updated with the latest information.

Actions

The Actions drop-down offers actions that you can take for a record or set of records. Individual actions are for individual records and bulk actions are for sets of records, based on your selected criteria. For bulk actions, once you select the records and set options, you can submit the action.

Adjustment

You can only open the Adjustment pop-up when depreciation has already been posted for an asset. To display the Adjustment pop-up, first open a fixed asset book from within a fixed asset record. Next, select Adjustment from the Action menu on the Navigation Bar. The pop-up enables you to:

- Adjust the original cost or salvage value of the asset
- Suspend and reinstate depreciation on an asset
- Adjust the expected life of the asset
- Change the depreciation method

The adjustment for Asset Book is allowed when:

- The Depreciation Posted field on the main Fixed Assets screen is selected
- The fixed asset does not have the Retired status
- The fixed asset is not fully depreciated - there is at least one non-posted GL period according to the depreciation schedule

An adjustment is allowed only in the first non-posted GL period. For correction of accounting mistakes in previous posted GL periods, you can select Life Basis of Service Life. The depreciation schedule is then recalculated from the beginning of the useful life of the asset and the amount of correction posted in the adjustment GL period. For the change of accounting policy from a particular GL period, you can select Life Basis Rest of Life. The depreciation schedule is recalculated only from the adjustment period and new depreciation is posted in this GL period.

In one GL Period that is allowed for adjustment, all adjustment types must be either Service Life or Rest of Life. You can make these adjustments based on the full service life of the asset or for the rest of the asset life. Perform the adjustments in the grid. The grid displays the next period for which transactions have not been posted.

Year-Period

This field is read-only. It displays the first period in the future for which transactions have not yet been posted.

Life Basis

Choose Service Life or Rest of Life.

- Service Life: Calculate the difference between the old depreciation schedule and the new depreciation and post the adjustments to posted periods in the first open period.
- Rest of Life: Calculate the difference between the old depreciation schedule and the new depreciation and spread the adjustments to posted periods over the remaining periods.

Period Posted

This field specifies whether the displayed period is posted.

The next step is to specify the type and the amount of the adjustment. Select the line and click Add Child. A child line is inserted in the grid.

Adjustment Type

Choose from the drop-down list. You can only perform each adjustment type one time in any period.

- Bonus: Select this option to record additional depreciation for an asset. For example, bonus depreciation is used to indicate that an asset has become obsolete. The bonus amount must not exceed the remaining total of the depreciation schedule and be greater than zero. Bonus adjustments are not allowed in suspended or final periods of the depreciation schedule. When the business case requires you to perform bonus adjustment in the final GL period, first add a life adjustment (increase useful life) and then add the bonus adjustment.
- Cost Basis: Select this option to replace the original cost of the asset in this fixed asset book. The system uses the new basis to recalculate the depreciation schedule for the asset. The new basis must be greater than the posted depreciation and cannot be negative. Cost adjustment is posted during the depreciation run for this GL period in a separate GL transaction.
- Life: Select this option to adjust the expected life (increased or decrease) of the asset in this fixed asset book. Certain depreciation types do not allow Life Adjustment.
- Method: Select this option to change the depreciation method for the asset in this fixed asset book.
- Reinstate:

  Select this option to reinstate the asset into service after suspension. Reinstate must be the first adjustment type after the suspension. In one GL Period users can add a Reinstate adjustment type along with others, such as Method, Life, and Cost.
- Salvage: Select this option to adjust the salvage amount for the asset in this fixed asset book. Often, when the fixed asset basis is adjusted, the salvage must also be adjusted. If you adjust the salvage value, the system uses the basis minus the salvage adjustment as the new basis to recalculate the depreciation schedule for the life of the asset. The current depreciation method must allow for salvage.
- Suspend:

Select this option to suspend depreciation postings for the asset in this fixed asset book. Suspensions are not allowed if the asset is already suspended. When you select the Suspend adjustment type in a certain GL period, you cannot perform other adjustment types. You can only suspend GL periods that exist in the depreciation schedule. For example, you cannot cannot suspend a fixed asset for four years when its useful life is only three years.

Method

This field is only active when you choose Method as the adjustment type. You can select another method of depreciation to apply to this book from the lookup.

Expected Life

This field is only active when you choose Life as the adjustment type. You can enter a new expected life to be applied for this fixed asset book.

Adjustment Amount

This field is active when you choose Cost Basis or Salvage as the adjustment type. Enter a new cost basis for the asset in this fixed asset book or a new salvage amount. For Cost Basis, the new basis must be greater than the posted depreciation and cannot be negative. For Salvage, the salvage amount cannot be larger than the net book value of the asset.

Currency

The Currency field is read-only and a currency is displayed when you are adjusting the cost basis or salvage value.

When you have completed your adjustment, click Submit. When the adjustment is successful, a message is displayed informing you. The adjustment is then included when you run Fixed Assets Transaction Posting and Reversal for the relevant assets for the next period.

Fixed Assets Transaction Posting and Reversal

Use Fixed Assets Transaction Posting and Reversal to generate and post fixed asset transactions. Transactions are created for depreciation expenses, transfer, retirement of assets, and adjustments. You usually run this program at the end of each reporting period.

You can also reverse existing fixed asset transactions to correct any errors. You can reverse fixed asset transactions only if the GL is open for the period. You cannot reverse entries for periods before the last posted period unless the last posted period is reversed first. Fixed asset transactions are created for reversals that affect posting books, and include such things as reversing accumulated depreciation and depreciation expense.

You can also simulate the creation of GL transactions, enabling you to check the simulation result and make corrections before real transaction posting.

Irrespective of whether you select Post or Reverse, the system posts the resulting GL transactions to the daybook defined for the posting book and entity. If the system cannot find a daybook linked to the current entity, it uses a daybook linked to a blank entity. If the system cannot find a daybook linked to the current entity or a daybook linked to a blank entity, it posts the GL transaction to the default system daybook. Accumulated depreciation and depreciation expenses from the posting book update the asset accounts, sub-accounts, cost centers, and projects.

Fixed Assets Transaction Posting and Reversal creates transactions for the following fixed asset accounts:

- Asset
- Accumulated Expense
- Periodic Expense
- Gain on Disposal
- Loss on Disposal
- Suspense

When asset depreciation is posted, the depreciation expense debits the Periodic Expense account and credits the Accumulated Expense account.

When an asset is retired:

- The acquisition cost credits the Asset account.
- The accumulated depreciation debits the Accumulated Expense account.
- The amount of the sale debits the Asset Suspense account.

- If there is a gain on disposal, the Gain on Disposal account is credited. If there is a loss on disposal, the Loss on Disposal account is debited.

When an asset is transferred within the same entity and different locations, the following accounts are affected:

- The asset-acquisition cost credits the Asset account for the old location and debits the Asset account for the new location.
- The accumulated asset depreciation debits the Accumulated Expense account for the old location and credits the Accumulated Expense account for the new location.

When an asset is transferred between two entities, the following accounts are affected:

- The asset-acquisition cost credits the old entity and debits the new entity. The asset-acquisition cost also updates the Cross-Company Fixed Assets account for the domain using the intercompany codes associated with each entity.
- The accumulated asset depreciation debits the Accumulated Expense account for the old entity and credits the Accumulated Expense account for the new entity. The asset-acquisition cost also updates the Cross-Company Fixed Assets account for the domain using the intercompany codes associated with each entity.

For fixed asset depreciation expense reversal postings, there are two different scenarios:

Note These scenarios are relevant when Use Periodic Expenses and Reversal Accounts is selected in Fixed Assets Control on page 6676.

1. If the Periodic Expense Reversal GL account is not the same as the Periodic Expense GL account on the Fixed Asset Depreciation Deviation Book:

   Fixed Asset Depreciation Posting

   - For positive variances, debit the Periodic Expense and credit the Accumulated Expense.
   - For negative variances, debit the Accumulated Expense and credit Periodic Expense Reversal

   Fixed Asset Depreciation Reversal

   - For positive variances, debit the Accumulated Expense and credit the Periodic Expense Reversal.
   - For negative variances, debit the Periodic Expense and credit the Accumulated Expense.

2. If the Periodic Expense Reversal GL account is the same as the Periodic Expense GL account on the Fixed Asset Depreciation Deviation Book or does not exist:

Fixed Asset Depreciation Posting

- For positive variances, debit the Periodic Expense and credit the Accumulated Expense.
- For negative variances, debit the Accumulated Expense and credit the Periodic Expense.

Fixed Asset Depreciation Reversal

- For positive variances, debit the Accumulated Expense and credit the Periodic Expense.
- For negative variances, debit the Periodic Expense and credit the Accumulated Expense.

Filter

The filter enables you to specify which transactions to post or reverse.

Entity

Enter a range of entities for which transactions are to be posted. By default, the current entity is included. If this filter criteria is blank and you are using daybooks, you must first create a system daybook for a blank entity. Otherwise, an error displays and you cannot proceed.

Asset

Enter a range of asset IDs to select assets to be posted.

Posting Date

Enter the date when these fixed asset transactions are effective in the GL. GL entries are created for the year/period. The effective date is validated against the open GL period. The default is the system date.

Post/Reverse

The default value is Post. This field determines whether GL transactions are posted or reversed. When you select Post, the system generates the journal report and posts the transactions. When you select Reverse, the fixed asset transactions are reversed and an audit trail is printed.

Simulate/Update

The default value is Simulate. When you select Simulate, a report is created but the transactions are not posted. If any errors occur, an error report is generated with the problematic journals and no unposted transactions are created. You must fix the errors and run the report again. When you select Update a journal report is printed and the unposted transactions are created. GL entries post summary or detail information according to the Summarized Journal field in Fixed Asset Control.

Report Amount Scale

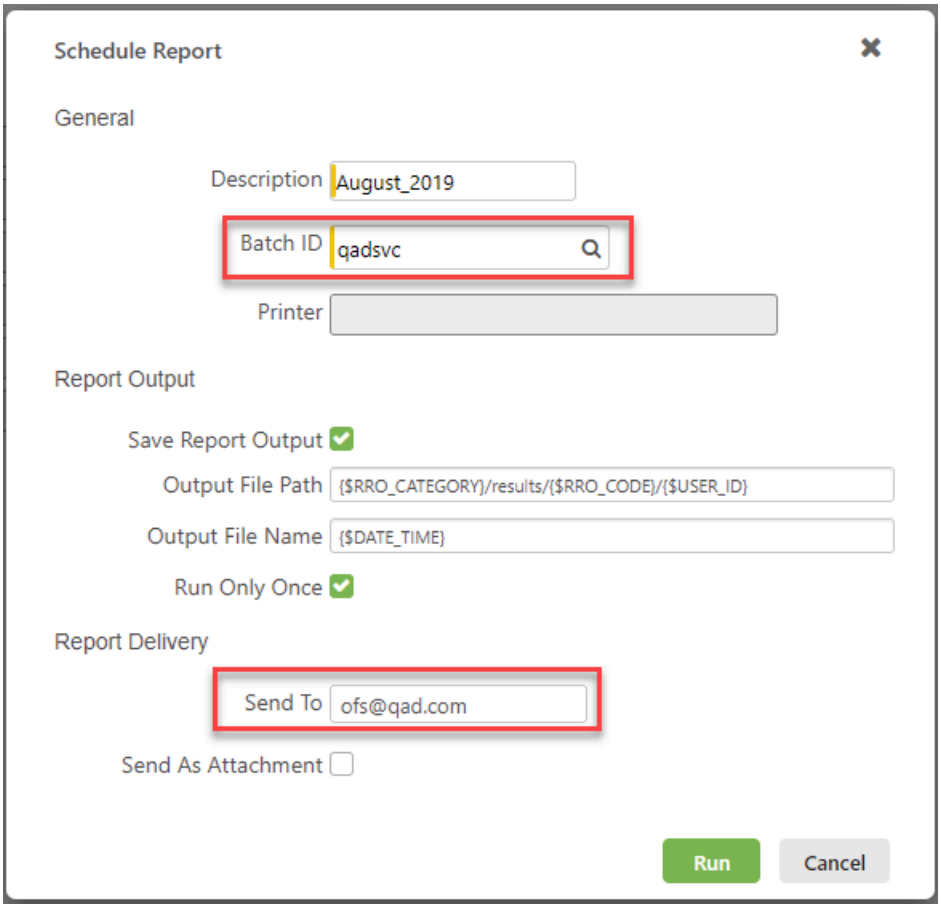
Choose a report amount scale, taking into account reporting standards in your organization, the size of organization operations, and the currency. Choose from Full amount, Thousands, Millions, or Billions.

Service Mode

In service mode, the report scheduler uses of the QAD reporting service. This is run as a service on a windows server and makes use of a standard batch ID named QADSVC. This is a system reserved batch ID that must be added in the Batch ID maintenance program so that it is available in the lookup.

1. When you have completed the filter fields in Fixed Assets Transaction Posting and Reversal, do not click Run. Instead, open the Schedule Menu and choose Schedule Report.
2. Complete the fields as displayed, ensuring that you specify a valid email address. You can choose to include the report in the email or to append the report as an attachment to the email.

   Scheduled Report Settings



3. To schedule the report, click Run.

4. You can check the status of the report by choosing View History from the Schedule menu.
5. When the report is complete, it is sent to the email address that you specified.

Batch Mode

Batch mode allows you to group report runs into batches, so you can schedule groups of reports to run periodically and repeatedly. Batch IDs require setup by the system administrator. This setup involves setting a scheduled task on the Windows server to running the report server process for a particular batch ID at a set date and time. The QAD Reporting Framework User Guide describes how to set up batch runs.

1. When you have completed the filter fields in Fixed Assets Transaction Posting and Reversal, do not click Run. Instead, open the Schedule Menu and choose Schedule Report.
2. Complete the fields in the Schedule Report window, ensuring that you use a valid batch ID and a valid email address. You can choose to include the report in the email or to append the report as an attachment to the email.
3. To schedule the report, click Run.
4. You can check the status of the report by choosing View History from the Schedule menu.
5. When the report is complete, it is sent to the email address that you specified.

Fixed Asset Reports

The following reports are included in Fixed Assets:

- Fixed Assets Depreciation Schedule Report

  This report displays the lifetime depreciation expenses of your assets for one or more books. It also displays the original depreciation expense schedule and any adjustments. You can choose a summary or detailed report of the asset lifetime depreciation expenses.

- Fixed Asset Activity Report

  This report displays asset activity for a period by entity. It displays the opening and closing balance for each fixed asset for the given period as well as any acquisitions and retirements. You can print a summary or detailed report, and choose to include or exclude non-depreciating assets.

- Fixed Asset Depreciation Expense Report

  This report displays depreciation expenses within a specific period by entity, book, class, asset, or location. You can choose a summary or detailed report of the depreciation expenses. You can also specify whether the report should include all assets, even if they are not depreciated, and whether the report should include information regarding the transfer of assets between entities.

- Fixed Assets Depreciation Comparison Report

  This report provides the comparison of Period Depreciation for each Year/Period for the primary asset book and the comparison asset book, as long as both books have the same book currency. The report displays positive and negative differences. The comparison asset book can be a non-posting book, provided the fixed asset calendar is not assigned.
  When the asset book adjustment is of service life type, the GL Periods that are posted are displayed with the actual amounts posted to the GL. GL Periods that are not yet posted are displayed with the planned depreciation amounts.

  Note You can use the report when only one asset book exists by setting the filter criteria Include Only Assets with Both Books to No. When this filter is set to Yes, the report only displays assets with an asset book and a comparison asset book.

- Fixed Assets Register Report

  This report displays all relevant data for asset balances, which can be used for financial statement preparation and enables a reconciliation between the GL and sub ledger. It displays the GL balances for asset cost, asset accumulated depreciation, and asset depreciation. Use the selection criteria to limit the information reported. If you enter an As

of Date that is after the last depreciable period, then the accumulated depreciation calculation is based on the last depreciable year period.

Note If the asset uses the units-of-production depreciation method and no actual period units exist for the date entered in the As of Date, the accumulated depreciation is calculated by multiplying the accumulated units by the unit cost. If actual period units do exist for the As of Date, then accumulated depreciation is determined from the fixed asset book depreciation detail record that contains the actual period units.

- Fixed Asset Retirement Report

  This report displays the fixed assets that have been retired in a particular year and period. The report displays all retired assets that fall within the report ranges, along with the retirements reason, acquisition costs, net book value and the gain or loss made on the disposal of the asset.

- Fixed Asset Transfer Report

  This report displays the transfer information for the selected assets. The report result displays the asset transfer information by asset code, then by transfer date.

Fixed Asset Conversions

Fixed Asset Conversions is very much like a report, with various filters that you can use to configure the conversion. The filters include:

- Domain: You can only run the conversion in the current domain. The filter is disabled.
- Convert Retired Assets: Choose whether or not to convert retired assets.
- Simulate/Convert: Choose whether to convert the assets or to simulate the conversion. In simulate mode, the report simply shows the type and number of records that will be converted.
- Default Management Layer Daybook: Choose the default daybook to use for the fixed asset when the conversion is made.
- Overwrite Destination Objects: You can choose to overwrite records in the destination tables. If the conversion program has been run before, choose Yes to overwrite records that have already been converted.

When you click Run, the conversion program produces a report that summarizes the conversion process.

Post Conversion Activities

When the conversion has been run for a domain, the system administrator must ensure that users can no longer access the .NET UI Fixed Assets module. If users are working in two versions, there is a risk that an asset will be depreciated twice.

If all domains are converted, the system administrator can simply delete the fixed asset menus using the menu system maintenance program.

Alternatively, a system administrator can set up two separate roles on the system. One role has access to the .NET UI fixed assets and the other role has access to the Web UI fixed assets. As domains are converted, the system administrator can control access to the .NET UI fixed assets on a domain-by-domain basis.

To do this:

1. In .NET UI, create a new role to be used to grant access to the .NET UI Fixed Assets.
2. In Role Permissions Maintain, select the new role and then grant the role access only to the .NET UI Fixed Asset menu.
3. Assign the new role to the relevant users, but only for the domains that have yet to be converted.

For this to work, the system administrator needs to ensure that no other roles have access to the .NET UI fixed asset menus and that there are roles available to allow access to the Web UI fixed asset programs.

Fixed Asset Excel Integration

Overview

Excel integration allows you to quickly import fixed assets using a template. You can also export existing assets from the system for manipulation in Excel and then reload them into the system.

Note Using the Export function, you can also export assets in other formats, but you cannot import them back into the system.

To export fixed assets to Excel:

1. Open Fixed Assets.
2. If you want to only export a subset of the assets in the browse, apply the appropriate filter to display only the relevant assets.
3. On the More menu, choose Export. The Export window is displayed.
4. If you applied a filter to the Fixed Assets browse before you opened the Export window, the Criteria field displays the filter.
5. The read-only Records Returned field displays the number of fixed asset records to be exported.
6. In the File Name field, specify a name for your file.
7. To enable the file for later import, in the Format for Later Import field, choose Yes.
8. When you select Format for Later Import, the type is Excel and cannot be modified.
9. The Include in Export field is also displayed. You can choose All Form Fields or All Business Document Fields.
    - All Form Fields exports all the fields on the Fixed Asset record.
    - All Business Document Fields exports all fields on the Fixed Asset record and all other fields that form part of the business document, including the fields on the Fixed Asset Book Details component.
10. To export the file, click Export. An Export Submitted message is displayed and the export file is sent to your Inbox. If the export fails for some reason, you are also notified.

When the export is complete, you can open the exported Excel file and manipulate its data.

To import a file containing fixed assets:

1. Open Fixed Assets.
2. On the More menu, choose Import. The Import window is displayed.
3. Drag a file into the Choose File area or select a file using the browse.
4. If your file is in a valid format for upload, the Data Preview area displays a preview of the file.
5. To import the file, click Import. An Import Submitted message is displayed and a message is sent to your inbox notifying you of

the result. If the import fails for some reason, an Excel error file is generated that lists the fields needing attention.

Note When you import new fixed assets, ensure that you import them as Initial. You can then save each asset as Active in the system to enable you to post the acquisition. If you are importing existing assets, you can bring them in as Active. You can do postings for these assets as part of a separate journal upload.

Revenue Recognition

Basic revenue recognition functionality decouples invoice generation in accounts receivable from recognition of sales revenue in the income statement. Decoupling is due to the timing of when control is passed for the sale of goods or services. Basic requirements include:

- Delaying recognition of revenue until a given number of days after invoicing or shipment
- Recognizing revenue over a defined time period
- Waiting for customer confirmation accepting delivery or installation of the goods or services before recognizing revenue

Advanced revenue recognition requires revenue to be updated based on other factors such as:

- Percentage complete of a project
- Allocation of discounts equally across all items in a contract
- Estimation of revenue until final contract price is agreed or known
- Providing of detailed information to meet new disclosure requirements in the new accounting standards

Revenue recognition consists of a 5-step process, as detailed in the ASC-606/IFRS-15 standards:

1. Identify the contract with a customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to performance obligations
5. Recognize revenue when (or as) the entity satisfies a performance obligation

This release includes the following screens:

- Revenue Recognition Default Rules
- Revenue Contract Transaction View
- Revenue Contract Invoice View
- Revenue Contract Linked Sales Order Line
- Revenue Contract Opening Balances
- Revenue Recognition Contracts
- Revenue Recognition Rules
- Revenue Recognition GL Account Mappings
- Calculate Revenue Recognition
- Autogenerate Revenue Contracts

- Revenue Contract Populate COGS Account
- Revenue Contract Opening Balance Excel Integration

Accounting Standards

In 2014, the Financial Accounting Standards Board (FASB) and the International Accounting Standards Board (IASB) issued converged guidance on recognizing revenue in contracts with customers. The FASB version of the new standard is known as ASC 606 and the IASB version is known as IFRS15. The new standard aims to:

- Remove inconsistencies and weaknesses in existing revenue requirements.
- Provide a more robust framework for addressing revenue issues.
- Improve comparability of revenue recognition practices across entities, industries, jurisdictions, and capital markets.
- Provide more useful information to users of financial statements through improved disclosure requirements.
- Simplify the preparation of financial statements by reducing the number of requirements to which an organization must refer.

The revenue recognition standard is largely conceptual in nature and contain several core principles.

- Contracts are segmented into performance obligations and revenue allocated to each obligation.
- Revenue is recognized when control of the goods or services in each performance obligation is transferred to the customer. For example, a manufacturing company is not paid for its goods until the goods are accepted and implementation services are complete.
- Revenue is measured net of customer incentives. For example, the invoice price is higher than the actual price paid because the customer benefits from bulk discounts.
- Estimates and judgments are involved in recognizing and measuring revenue. For example, you know that some goods purchased by a customer are always returned. Therefore, you make a reasonable calculation to judge what portion of the invoice that quantity will represent.
- More extensive disclosures are required in financial statements, even if there is no change to the numbers.

The Revenue Accounting department and the Revenue Accountant are responsible for correct accounting for revenue.

Performance Obligations

A performance obligation refers to promised goods or services in a contract. Only when control of the goods or services passes is the performance obligation satisfied. You can then recognize the revenue. A performance obligation can include the delivery of goods on just a single order line. However, you can also collect multiple lines from multiple orders onto a single performance obligation.

The delivery of all the order lines must then be complete before you can recognize the revenue. Although performance obligations can cover multiple orders, invoices, and pending invoices, a single performance obligation cannot cover multiple revenue recognition contracts.

QAD Revenue Recognition Solution

Revenue recognition functionality allows you to:

- Define revenue recognition contracts complete with performance obligations.
- Define and work with accrued and deferred revenue accounts. You must create deferred recognition daybooks to enable you to track journal entries and postings to handle the deferral and recognition of revenue.
- Define and work with cost of sales accounts. You can enable cost of sales postings at entity level.
- Define revenue recognition rules and link them to the performance obligations attached to revenue contracts. This step enables you to automate revenue recognition journal entries based on the following recognition rules:
    - Acceptance – A performance obligation requires a form of acceptance such as proof of delivery.
    - Payment – Revenue is not recognized until payment has been received.
    - Time-based – A performance obligation can be marked as fulfilled after a set time period after goods or services have been shipped or invoiced.
    - Periodic – Revenue is recognized monthly or periodically, such as for warranties or maintenance contracts.
    - Custom Periodic – Revenue recognition is subject to special considerations. For example, revenue amounts might be split unevenly across financial periods.
    - Percentage Complete – Revenue is recognized based on the percentage complete or progress to completion of a contract.
- Allocate discounts according to variable consideration, such as the expected value of a contract or the most likely value of a contract. Variable consideration includes discounts, credits, rebates, performance bonus, penalties, returns, refunds, price concessions, and incentives.
- Use ongoing estimates during a contract.
- Provide detailed reporting and disclosure in accounts.

Revenue Recognition Building Blocks

Commitments to deliver goods or services are grouped in a revenue contract and are listed as performance obligations. Each performance obligation has a revenue recognition rule that applies to all the sales order lines, trailer charges, and invoices covered by the performance obligation. After a revenue contract has been created, the revenue rule

listed on the performance obligation is assessed. You can recognize the revenue and costs only when the performance obligations have been met. An obligation is met when control of the goods or services has been transferred to the customer.

Depending on the revenue recognition rule specified on the performance obligation, revenue and costs are recognized immediately or deferred from the sales revenue accounts and posted to the deferred revenue accounts. For percentage complete and periodic type revenue recognition rules, revenue can also be posted to the accrued revenue account and the accrued cost of sales account.

Revenue Recognition Processing

When you post a sales order invoice, the value of that invoice is automatically posted to the sales account defined against each sales order line. However, revenue recognition then assesses whether the revenue recognition rule associated with each sales order line has been met. When the rule has not been met for one or more sales order lines, postings are created to defer the revenue.

You can create a revenue contract manually using the revenue contract maintenance functions. Alternatively, when the sales order customer is set up to use the auto-generate function, you can create revenue contracts automatically.

Revenue Recognition Accounting

An example describes how revenue recognition accounting works. A sales order has a line material value of $1000 with a tax rate of 7%.

Sales Order Amounts

Item	Amounts
Line Amount	$1000
Tax Amount	$70

The Accounting illustration displays the accounting for this example, including:

1. Creating the invoice for the sales order
2. Deferring the sales revenue to the deferred revenue account
3. Recognizing the revenue to the sales account

Accounting

Accounts Receivable	
Debit	Credit
1070.00 (1)	

Sales	
Debit	Credit
	1000.00 (1)
1000.00 (2)	
	1000.00 (3)

Tax Account	
Debit	Credit
	70.00 (1)

Deferred Revenue	
Debit	Credit
	1000.00 (2)
1000.00 (3)	

COGS Accounting

Costs and revenues must be recognized in the same period. Therefore, where an organization must recognize costs for different types of goods and services, you can configure the system at entity level to automatically create cost of sales postings.

The decision to automatically create cost of sales postings depends on the nature of your business. If you deal with inventory items, where the standard costs are stored on the sales orders, it is possible to identify the cost amounts. However, if you sell a mixture of products and services, the costs are likely captured from various sources, some of which may be outside the system. In cases like these, you must handle the deferral or accrual of costs with manual journal entries.

Stand-alone Selling Price and Allocated Transaction Price

The transaction price is the amount of consideration the entity expects to receive in exchange for transferring promised goods or services. The transaction price is allocated to the performance obligations based on its relative stand-alone selling price. The stand-alone selling price is defined as the price that an entity would sell the product or service for if they sold it separately to a customer. The system enables you to provide estimates and to review and update them as the contract progresses.

Setting Up Revenue Recognition

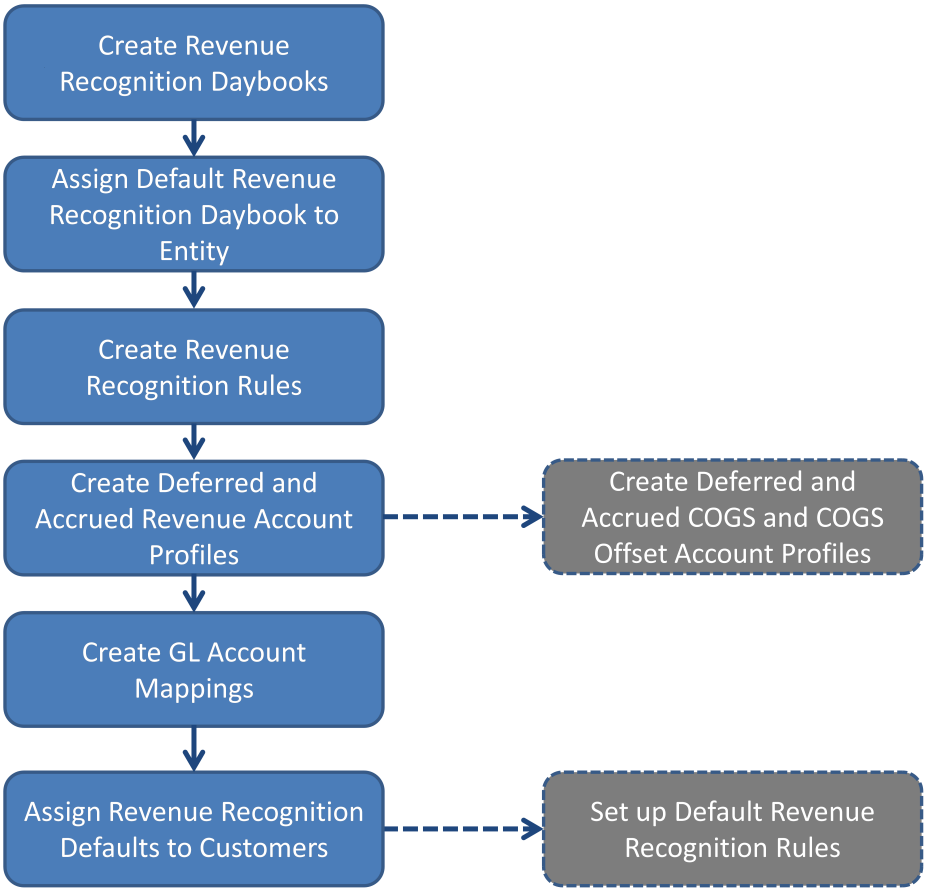
Set up revenue recognition as displayed in the figure below.

1. one or more revenue recognition daybooks.
2. Assign a default revenue recognition daybook to an entity. This step is mandatory when the entity is to be used for revenue recognition.
3. Set up revenue recognition rules. at least one revenue recognition rule.
4. Set up profiles for the accrued and deferred revenue accounts.

   Optionally, you can also set up profiles for the deferral and accrual cost of goods sold (COGS).
5. GL account mappings. Optionally, you can also set up mappings for the deferral and accrual COGS.
6. Optionally, you can set up default rules to be assigned to contracts when they are created based on different contract parameters.

   You can also assign default revenue recognition settings to one or more customers as a fall-back when no default rule is found. You must assign a default revenue recognition rule when revenue contracts are auto-generated when sales orders are created.

Revenue Recognition Setup Workflow



Creating Revenue Recognition Daybooks

In Daybooks on page 5784, define one or more daybooks of type Revenue Recognition. A revenue recognition daybook can use the official or management layers. It is a financial type daybook only.

Note You might create more than one daybook when you want to have one daybook per entity in the same set.

Assigning a Revenue Recognition Daybook to an Entity

The Revenue Recognition on page 934 panel in Entities enables you to define a default revenue recognition daybook. You can also specify whether a review is automatically required for auto-generated contracts and whether to automatically create cost of goods sold postings to defer and accrue cost of goods sold amounts.

Revenue Recognition Rules

Revenue recognition rules are assigned to the performance obligations on a revenue contract. There are different rule types, each based on unique criteria.

Time-Based

You can set up a time-based rule to allow revenue to be recognized a set number of days after the sales order line has been shipped or invoiced.

Percentage Complete

The percentage complete rule means that revenue is deferred or accrued, depending on the difference between the amount of the contract that has been invoiced and the amount of work done on the contract.

You determine the amount of work done by calculating the percentage of the contract that has been completed, typically by checking how much money has been spent working on the contract. You compare this amount to the amount of the contract that has been invoiced. If the amount invoiced is greater than the amount completed, the difference is deferred. If the amount completed is greater than the amount invoiced, the difference is accrued.

Note Percentage complete rules are not supported for scheduled sales orders.

Acceptance

You can set up a customer acceptance rule that requires additional information to be recorded on invoice lines of the linked lines on the revenue contract. For example, a proof-of-delivery number can be required for an invoice to be flagged as accepted.

You can record the acceptance of the full quantity delivered, or you can specify the quantity of the order that the customer has accepted. When you accept a portion of the full quantity, only the revenue for that portion is recognized when you run Calculate Revenue Recognition. By default, the full quantity is accepted.

If an invoice is not flagged as accepted, the invoice revenue is always deferred. If the invoice is flagged as accepted, the invoice revenue is always recognized.

The invoice acceptance date is important because you can set an effective date for the revenue calculation. If you run Calculate Revenue Recognition before the invoice acceptance date, then even if the invoice is flagged as accepted, the revenue from the invoice is still deferred. Otherwise, the revenue of the invoice is recognized.

Payment

The customer payment rule means that when an invoice has not been settled, the revenue calculation always defers the invoice revenue. If the invoice has been settled in full—not partially settled—the invoice revenue is always recognized.

The invoice payment date is also important because you can set an effective date for the revenue calculation. If you run Calculate Revenue Recognition before the invoice payment date, then even when the invoice is flagged as settled, the revenue from the invoice is still deferred. Otherwise, the revenue of the invoice is recognized.

Periodic and Custom Periodic

You can choose from two types of periodic rules:

- Periodic
- Custom Periodic

Both types are set up in the same way. Specify the period type and the point in the period when revenue is to be recognized. The following table displays the supported period types.

Supported Period Types

Period Type	Description
Monthly	These standard calendar periods correspond to the 12 months of the year.
GL Period	This period type refers to the GL Periods that have been set up in the system. These periods can be identical to the monthly periods or they can be configured differently. For example, some businesses prefer to have 13 periods in a year, with each period precisely four weeks in length.
Quarterly	There are four periods in a year, each of three months in length.
Bi-annually	There are two periods in a year, each of six months in length.
Annually	There is a single period for the whole year.

Also specify when the revenue deferred for a period can be recognized. This table displays the options for recognizing this revenue.

Recognition Options

Recognition Point	Description
Start	The revenue is recognized at the start of the period. When the revenue contract maintenance program creates the periods for a performance obligation, the recognition date is set to the first day of the period.
End	The revenue is recognized at the end of the period. When the revenue contract maintenance program creates the periods for a performance obligation, the recognition date is set to the last day of the period.
Offset	The revenue is recognized after a set number of days from the start of the period. For the revenue recognition rule being created, you must enter the number of days to offset the recognition point from the start of the period.

Periodic and custom periodic types are set up in the same way, with the same set of parameters controlling how each revenue recognition rule created behaves. The difference between the two types is the level of control allowed in the revenue contract maintenance program in adjusting the periods created for a performance obligation.

Periodic type rules do not allow you to modify the number of periods generated for the performance obligation. However, you can vary the amount of revenue recognized in each period. By default, the revenue is split evenly across the periods.

Custom periodic type rules offer more flexibility. You can change the revenue split of the periods, and you can also delete or add periods to the period set generated for the performance obligation.

Note Periodic and custom periodic rules are not supported for scheduled sales orders.

Main

Rule

Enter a meaningful rule code.

Description

Enter a meaningful description that explains the purpose of the rule.

Active

Only active rules can be assigned to active revenue recognition contracts. This field is selected by default.

Rule Type

Select a rule type. You can choose from Acceptance, Payment, Percentage Complete, Time-based, Periodic, or Custom Periodic. For the Payment and Percentage Complete rule types, no further setup is required. However, when you choose another rule type, extra fields are displayed.

Additional Information

Revenue Recognized At

This field is available for time-based rules. Choose from Days after Invoice and Days after Shipment. This field enables you to set the revenue recognition criteria to a specific number of days after the sales order line is invoiced or shipped.

Important Sometimes, order lines from the same order are shipped on different dates. For revenue to be recognized accurately, create an invoice each time you ship. Otherwise, the system uses the final ship date as the date for the whole invoice and revenue may not be recognized.

Additional Number of Days

This field is available for time-based rules. The field specifies the number of days after the invoicing or shipping—depending on the setting of the Revenue Recognized at field—that the revenue can be recognized.

Proof of Delivery

This field is available for rules based on customer acceptance. The field indicates whether a proof-of-delivery number is required to be recorded for an invoice to be flagged as accepted.

Note When you select Proof of Delivery, more fields become available for all invoice subrecords against the linked lines of the performance obligations. You can then flag an invoice as accepted and add the proof-of-delivery number, when required. Calculate Revenue Recognition then always recognizes the value of the invoice. You can also specify an accepted quantity against the invoice subrecord of the linked lines of the performance obligations. The revenue is then recognized in portions, based on the item quantity accepted.

Period Type

This field is displayed for periodic or custom periodic based rules. Select the length of the period type. Choose from Annually, Bi-annually, Quarterly, Monthly, or GL Period. By default, the type is GL Period.

Recognition Point

This field is available for periodic or custom periodic based rules. Choose to recognize revenue at End of Period, Offset, or Start of Period. By default, the recognition point is at the start of the period. If you select Offset, the Number of Days field is displayed. Use it to specify the offset from the start of the period when the revenue is recognized.

Number of Days

This field is available when you select Offset in the Recognition Point field. Enter the number of days from the start of the specified period when the revenue is to be recognized. A warning is displayed when the number of days that you enter exceeds the length of the period type defined for the revenue recognition rule.

You can edit a rule already in use in the system. However, you can only edit certain fields because the rule has previously been agreed upon with the customer.

Revenue Recognition GL Account Mappings

This functionality enables you to separate the revenue recognition postings according to the needs of your organization—by product line, for example.

Note The use of a COGS accounts is optional. See Mapping Cost of Goods Sold Accounts on page 6751.

The simplest type of mapping maps a sales account to a pair of GL accounts for all analysis types; all sub-accounts, cost centers, and projects.

Sub-account, cost center, and project analysis used on the sales account posting line is then copied and used for the deferred or accrued revenue account posting lines—if the GL accounts are set up to allow such analysis.

The most complex type of mapping maps a specific sales account, sub-account, cost center, and project combination to a pair of revenue recognition GL accounts. The deferred revenue and accrued revenue account each use a specific sub-account, cost center, and project combination.

A mapping must conform to how a GL account has been set up to handle analysis. For example, in one scenario, a mapping is created to not map all sub-accounts, cost centers, and projects. However, a deferred revenue account is set up to only use sub-account analysis. In this case, you are only permitted to enter a sub-account. The cost center and project fields for the account are disabled.

In another scenario, a mapping uses a sales account with no analysis. It is set to map all sub-accounts, cost centers, and projects to the deferred and accrued revenue accounts. In this case, because the sales account has no sub-accounts, cost centers, or projects to pass to the deferred or accrued revenue accounts, you must define the deferred and accrued revenue accounts with default profiles for the sub-accounts, cost centers, and projects. Otherwise, you cannot save the mapping and an error message is displayed.

Mapping Cost of Goods Sold Accounts

When the creation of cost of sales postings is enabled in an Entity, **Revenue Recognition GL Account Mappings** also has available account, sub-account, cost center, and project fields for a deferred COGS account, an accrued COGS account, and a COGS offset account. The fields are not mandatory, because for some types of inventory items, you can choose to handle the deferral and accrual of costs of goods sold manually. In addition, costs for memo items are not stored, so associated deferral and accrual of costs must be handled manually.

However, leaving these fields blank affects whether cost of sales postings are created when GL mappings cannot be found for items on a revenue contract. When the Cost of Sales Postings field is selected in any entity that uses the customer shared set and the COGS fields are blank, the system raises a warning when you save.

The COGS offset account is credited or debited when costs of sales are deferred or accrued. This account is used instead of debiting up to five different cost of sales accounts for each item as defined in Product Lines and Sales Accounts. You define the COGS offset account to appear in the same section of the income statement as the detailed COGS accounts as used during shipments. In addition, the detail is still preserved in the detailed shipment postings for management accounting purposes.

The analysis settings for the three COGS accounts can also be inherited from the related sales account by selecting the All Sub-Accounts, All Cost Centers, and All Projects fields.

Note When you select the Cost of Sales Postings field at entity level, log out and log back in to ensure that the COGS accounts are displayed in the mappings and that the COGS profiles are displayed in customer records.

The Copy action enables you to copy COGS account details.

Main

All Sub-Accounts

This field is selected by default. It means that the mapping includes all sub-accounts for the chosen sales, deferred revenue, and accrued revenue GL accounts. When you clear this field, you can specify a particular sub-account to map to for one or more of the GL accounts.

All Cost Centers

This field is selected by default. It means that the mapping includes all cost centers for the chosen sales, deferred revenue, and accrued revenue GL accounts. When you clear this field, you can specify a particular cost center to map to for one or more of the GL accounts.

All Projects

This field is selected by default. It means that the mapping includes all projects for the chosen sales, deferred revenue, and accrued revenue GL accounts. When you clear this field, you can specify a particular project to map to for one or more of the GL accounts.

Sales Account

Enter the sales GL account that you want to map. You can also specify a particular sub-account, cost center, and project by clearing the fields at the top of the screen. The account fields available depend on the GL account setup.

Deferred Revenue Account

Enter the deferred revenue account that you want to map to. You can also specify a particular sub-account, cost center, and project by clearing the fields at the top of the screen. The account fields available depend on the GL account setup.

Accrued Revenue Account

Enter the accrued revenue account that you want to map to. You can also specify a particular sub-account, cost center, and project by clearing the fields at the top of the screen. The account fields available depend on the GL account setup.

Deferred COGS Account

This field is available when the creation of cost of sales postings is enabled in an entity. The account that you enter here is debited when costs of sales are deferred. If you enter an account here, you must also enter an accrued COGS account and a COGS offset account.

Accrued COGS Account

This field is available when the creation of cost of sales postings is enabled in an entity. The account that you enter here is credited when costs of sales are accrued. If you enter an account here, you must also enter a deferred COGS account and a COGS offset account.

COGS Offset Account

This field is available when the creation of cost of sales postings is enabled in an entity. The account that you enter here is credited or debited when costs of sales are deferred or accrued. If you enter an account here, you must also enter a deferred COGS account and an accrued COGS account.

When you have completed the sales account mapping, click Save.

To speed up the process of creating similar account mappings, you can copy existing mappings and edit them using the Copy action.

Searching for Revenue GL Account Mappings

When a mapping is required, the system must find a suitable mapping depending on the sales account and analysis used on the sales order line. If an exact match can be found, then this mapping is used. However, because revenue GL account mappings can be set up to match against all possible sub-accounts, cost centers, and projects, an exact match is not always possible. In such cases, the system finds the best possible match using the search hierarchy in the following table.

System Search Sequence for Revenue GL Account Mappings

Search Step	Sales GL	Sales Sub-Account	Sales Cost Center	Sales Project	All Sub-Accounts	All Cost Centers	All Projects
1	4100	Mech	Adm	Pr1	No	No	No
2	4100	N/A	Adm	Pr1	Yes	No	No
3	4100	Mech	N/A	Pr1	No	Yes	No
4	4100	Mech	Adm	N/A	No	No	Yes
5	4100	N/A	N/A	Pr1	Yes	Yes	No
6	4100	N/A	Adm	N/A	Yes	No	Yes
7	4100	Mech	N/A	N/A	No	Yes	Yes
8	4100	N/A	N/A	N/A	Yes	Yes	Yes

Note When a revenue GL account mapping has been set up to map all analysis codes to the deferred and accrued revenue account, the analysis codes are taken from the sales account analysis defined on the revenue contract.

Revenue Recognition Default Rules

Use **Revenue Recognition Default Rules** to apply a revenue recognition rule to a performance obligation that delays the recognition of revenue by an appropriate amount of time for that order. Applying a default rule means that the correct revenue recognition rule is selected for each performance obligation that is created, whether you choose to create contracts manually or automatically.

There are two ways to set up a default revenue recognition rule for a performance obligation:

- Specify a default revenue recognition rule on the customer record.
- Set up default revenue recognition rules based on customer, item, location, and other dimensions. This method always overrides the rule set in the customer record.

If you have complex revenue recognition rule requirements, you may need to create revenue contracts manually and use your best judgment on which revenue recognition rules to apply to the performance obligations.

For simpler requirements, you can use an automated method to create contracts. For example, you want to delay the recognition of revenue until title and risk of loss is transferred at the Free On Board (FOB) point.

Managing Revenue Recognition Default Hierarchies

In **Domains**, the Revenue Recognition Default Rule Hierarchy panel displays the dimensions that you can use to retrieve default revenue recognition rules when a contract is created. By default, nine dimensions are displayed in the default hierarchy of priority. You can reorder the dimensions using drag and drop, or you remove the ones that you do not need.

Note Removing a dimension for the domain is temporary; the deleted dimension can be added again later.

The hierarchy you set up determines how the correct default revenue recognition rule is found. This hierarchy acts as a default for the whole domain. The nine dimensions are:

1. Item
2. Product Line
3. Customer
4. Ship To Country
5. Sold To Country
6. Ship From Country
7. FOB Point
8. Customer Type
9. Ship Via

Note The Ship From, Ship To, and Sold To locations are the country codes associated with the site on the sales order line (Ship From location) and either the Sold To or Ship To addresses on the sales order. Typically, you create records using either the Ship To country code or the Sold To country code, but you can use both where appropriate.

Important When no default revenue recognition rule is found, the system applies the default revenue recognition rule on the customer record.

To change the sequence of the dimensions, click the relevant dimension and select another dimension from the list. Alternatively, you can drag and drop dimensions within the grid. To delete a dimension, select the line you want to remove and select the Delete button. You can delete a dimension when you do not use it to determine revenue recognition rules in your organization.

Whatever hierarchy you set up, there must be at least one row in the grid and each dimension you include must have a unique sequential number. The system automatically renumbers the remaining rows when any row has its sequence number changed. When you have completed the setup, save your changes.

Creating Default Revenue Recognition Rules

To set up default rules based on different combinations of customer, item, and location; use **Revenue Recognition Default Rules**.

Important Settings in **Revenue Recognition Default Rules** take precedence over the settings in **Customers**.

You can set up rules for a combination of the dimensions available at domain level. By default, these include:

- Customer Code
- Customer Type
- Item Code
- Product Line
- FOB Point
- Ship From Country
- Ship To Country
- Sold To Country
- Ship Via Code

However, the fields that you see and the order in which they appear depend on the setup in **Domains**. For example, if the domain-level record contains the dimensions Product Line, Customer Type, Ship To Country, and Ship From Country, only these fields are displayed in **Revenue Recognition Default Rules**.

All fields are optional, so you can make the default rules you create as granular as you like. After you enter a combination based on the available dimensions, select a rule code using the lookup. You can only use active rules in the system.

How the Search Works

When you create a contract—manually or automatically, the system sets the revenue recognition rule for the performance obligation by searching the revenue recognition default rules according to the revenue recognition default rule hierarchy. It finds and applies the default revenue recognition rule record that is the best match. If a record cannot be found using any of the parameters as defined in the default revenue recognition rule hierarchy, the system searches for a record where all the fields are blank, apart from the rule code.

Assigning a Rule to a Contract Generated Automatically

When automatically generating revenue contracts, a default rule is always found. If you create a default rule record with only a customer code, this record is always used ahead of any rule defined against the customer record. If you do not create a default rule record, the default rule set on the customer record is used.

Example: You define a default revenue recognition rule hierarchy as displayed in the following table:

Default Hierarchy

Sequence	Dimension
1	Product Line
2	Customer Type
3	Ship To Country
4	Ship From Country

You set up default revenue recognition rules as displayed in the following table:

Default Revenue Recognition Rules

Product Line	Customer Type	Ship To Country	Ship From Country	Rule Code
20				% Complete (Percent Complete Rule)

		NL	GB	INV-5 (5 days after invoice date)
	Intercompany			INV-5 (3 days after invoice date)

Next you create three sales orders, as displayed in the following table:

Sales Orders

Order	Product Line	Ship To Country	Ship From Country	Customer Type
Order1	10	NL	GB	Commercial
Order2	10	NL	GB	Intercompany
Order3	20	NL	GB	Commercial

To assign rules to each performance obligation, the system searches for a full match using all the parameters defined in the default rule hierarchy: Product Line, Customer Type, Ship-To Country, and Ship-From Country. If no match is found, the system continues to search, dropping one parameter at a time, in descending order of priority.

The system searches for a match for Product Line, Customer Type, and Ship To Country; then Product Line, Customer Type, and Ship From Country; then Product Line, Ship To Country, and Ship-From Country. Next, the system searches for the combination of Product Line and Customer type, then Product Line and Ship-To Country, then Product Line and Ship-From Country, and then only for Product Line.

If there is still no match, the system begins a new search for a match without the highest priority parameter—Product Line. It searches first for the combination of Customer Type, Ship To Country, and Ship From Country; then Customer Type and Ship To Country; then Customer Type and Ship From Country; and then only for Customer Type.

If no record is found, the system begins a new search without Product Line or Customer Type. It first looks for the combination of Ship To Country and Ship From Country, and then just for Ship To Country, then just Ship From Country. If there is still no record found, the system searches for a revenue recognition default rule record with all fields left blank. If none is found, the default rule from the customer record is used. The results of the search for the three orders in our example are displayed in the following table:

Search Results

Order	Rule Code	Reason

Order1	INV-5	No match to Product Line, no match to Customer Type, match to Ship From and Ship To Country.
Order2	INV-3	No match to Product Line but match to Customer Type.
Order3	% Complete	Match to Product Line.

Assigning a Rule to a Contract Created Manually

When you manually create a revenue contract and add a performance obligation, it is possible to add multiple sales order lines to the performance obligations. The system assigns the revenue recognition rule to the performance obligation as follows:

- When you create the performance obligation, the rule code is left blank.
- When the rule code is blank and a sales order line or trailer charge is added, the system checks the default rule for the sales order line, and sets the rule code on the performance obligation to that value.
- If no default rule record is found for the sales order line or trailer code, the rule code for the performance obligation is set using the rule code linked to the customer record.
- When any additional sales order lines or trailer charges are added to a performance obligation with a non-blank rule code, the rule code is not updated, but you can manually edit the rule code.
- If there is no default rule defined against the customer—it is possible that the customer is not set for the automatic generation of revenue contracts, you must manually enter the rule code for the performance obligation.

Note Automatically generated revenue recognition contracts only ever have a single sales order line for a performance obligation. Therefore, there are no conflicts in setting the revenue recognition rule.

Assigning Revenue Recognition Customer Defaults

In Customers, use the Revenue Recognition panel to set up certain default information for each customer included in revenue recognition. These settings act as a backup for cases where no default revenue recognition rule is found for a contract or no revenue GL account mappings are found.

The settings you can define are:

- A default revenue recognition rule

- A default deferred revenue account profile
- A default accrued revenue account profile
- A deferred COGS account profile
- An accrued COGS account profile
- A COGS offset account profile
- Whether to automatically create a revenue contract from sales orders when you run Autogenerate Revenue Contracts
- Whether a review is required for revenue contracts created for this customer

It is mandatory to set these defaults for a customer when revenue contracts are to be auto-generated from sales orders. Therefore, if you select the Auto Create Contracts field, you must at least complete the default deferred revenue profile, the accrued revenue account profile, the review required field, and the default revenue recognition rule.

The COGS profiles must be completed when the Cost of Sales Postings field is selected in any entity using the same customer shared set and the Auto Create Contracts field is selected.

Autogenerate Revenue Contracts

Based on your selection, one or more contracts are generated for all the sales order lines and the invoice history records that are eligible for revenue contract creation. The auto-generate program creates a single revenue contract for each sales order processed, with each sales order line creating its own performance obligation line.

Two criteria must be met in **Customers** in order to auto-generate revenue contracts:

- The customer must be Active.
- Auto Contracts must be selected.

Filter

Customer

Specify the customer range that you want to use for the contract.

Note Any revenue contract generated by the program uses the sales order number as the revenue contract number, unless you have set up autonumbering and select the Generate Contract Number field.

Sales Order

Enter a sales order range. The range can comprise one or more sales orders.

Note Any revenue contract generated by the program uses the sales order number as the revenue contract number, unless you have set up autonumbering and select the Generate Contract Number field.

Sales Order Line

This field is only relevant when you have entered a single sales order. Where there are multiple sales orders, you cannot select individual sales order lines. When you enter a sales order line range, the result depends on the setting of the Generate Contract Number field.

- When you select Generate Contract Number and, for a selected order, specify only the new order lines that have been added since a contract was created, a new revenue contract is created for the new lines.
- When you do not select Generate Contract Number and specify some order lines, the system creates a new version of the existing contract. However, the new version only includes the order lines you specify. Order lines that may have previously been linked to the contract are removed. Use this option with caution.

Order Date

Enter an order date range. By default, the Order Date From and To field is populated with the system date. When you click Generate and one or

both dates in the order date range are blank, a warning is displayed to indicate that there may be a large data set to process.

When you click Run, the revenue contract is created as active. If the revenue contract requires a review, it is automatically flagged that a review is required. You can carry out a review in **Revenue Recognition Contracts**.

Revenue Recognition Contracts

Revenue contracts are made up of performance obligations. Performance obligations are created for the line items—and, optionally, trailer charges—on a sales order. Each performance obligation is assigned a recognition rule that governs how and when the order revenue is recognized. Each performance obligation has only one revenue recognition rule, but can have one or more order lines or trailer charges assigned to it.

Note Whenever order lines are mentioned, trailer charges are also included, when these exist.

Note Revenue contracts are processed for inventory items only.

When creating a revenue contract, it is your decision how many performance obligations a contract has and how many order lines are grouped under a single performance obligation. Assess the different order lines and determine whether the order line itself represents a single performance obligation. If so, create a performance obligation and assign the order line to it.

However, the delivery of goods and services on one order line may be deemed to be related to the delivery of goods and services on another order line—even on another order—for revenue recognition purposes. In this case, the two order lines must be combined under a single performance obligation. You create a performance obligation and assign the two order lines to it. The performance obligation only ever has a single revenue recognition rule and both order lines must fulfill the rule for the revenue to be recognized.

Important Revenue contracts are created at domain level. Therefore, you can create a revenue contract in one entity of a domain, but modify or delete the contract in another entity of the same domain. You can also attach sales orders, trailer charges, and pending invoices from multiple entities in the domain to the performance obligations of a single revenue contract.

Important For each entity, you must specify whether automated COGS postings are required to be created from the revenue calculation. If this option is selected, the GL account mapping prompts for some additional accounts that may be optionally defined. Similarly, default cost of sales profiles are then available in **Customers** where entities using the same customer shared set have been selected to automatically post transactions of cost of sales. **Revenue Contracts** shows additional information regarding the deferral and accrual of COGS amounts, and the revenue calculation automatically creates postings to defer and accrue COGS amounts for those entities with the option selected.

When maintaining revenue contracts, to ensure the most correct calculation of allocated transaction prices, it is important to:

- Enter estimated quantities in the Contract Value tab for any items on scheduled orders.
- Determine standalone selling prices and record them for all linked order lines.
- Determine and record standalone selling prices even for free of charge items.

Main

Use **Revenue Recognition Contracts** to create and maintain revenue contracts.

Contract Number

The contract number must be a unique identifier of the revenue contract. The contract number of the revenue contract can be set in a number of ways.

- You can manually enter a unique contract number in the field.
- When the revenue contract is auto-generated, the program automatically sets the contract number to the sales order number.

Description

Enter a short description for the revenue contract.

Version Valid From

When you are creating a new contract, this field defaults to the system date. However, you can choose any valid date.

When you are modifying a contract, this field is a list that displays all versions of the contract. You can view any version of the contract. However, you can only modify the current version. When you modify the current version and save the contract, a new version may be created.

Active

Select this field to make the revenue contract active.

Calculate Revenue Recognition cannot process an inactive revenue contract. Therefore, no deferral or recognition postings can be created for it. An inactive revenue contract does not need to have performance obligations or order lines linked to the performance obligations. You can make a revenue contract inactive to allow you time to verify that it is correctly constructed, with the correct performance obligations and linked lines.

Making a revenue contract active means that **Calculate Revenue Recognition** processes the contract and potentially creates deferral and recognition postings. After postings have been created, it is not possible to make the revenue contract inactive again. You can only make an active revenue contract inactive when the contract has not

been processed and there are no revenue recognition postings. An active revenue contract must have performance obligations and linked lines.

Customer

Enter the customer code or select from the lookup. The customer name is populated according to the code.

Business Relation

The business relation automatically populates here. This is a read-only field.

Currency

Enter the currency code for this revenue contract. The default currency for the selected customer is displayed by default in this field.

General

Contract

Start Date

This field contains the contract start date.

End Date

This field contains the contract end date.

Agreement Date

This field contains the date on which the contract was agreed with the customer or other stakeholders.

Reference

This field contains a pertinent reference number to the revenue contract, such as a customer reference number.

Completed

Select this field to indicate that the revenue contract has been completed.

On Hold

This field indicates whether the revenue contract is on hold. When the contract is on hold, no further processing of the contract can take place until it is taken off hold.

When on hold, any invoiced revenue that is in a position to be recognized is deferred. When the revenue contract is taken off hold, then revenue is re-recognized by **Calculate Revenue Recognition**.

Percentage Precision

Enter the percentage precision for the contract. The default is 2.

Selected Version

Review Required

This field indicates whether a review is required for this version of the contract. The field can be selected automatically or you can do it manually.

A contract is automatically flagged for review when:

- **Calculate Revenue Recognition** is run on the contract and the system flags a contract for review as a result of the validation.
- A contract with an Inactive status became Active.
- A new version of the contract is created.
- The revenue contract is auto-generated and the Review Required field is selected for the Customer.
- A zero/negative quantity item valuation line is created.

You can also manually select the Review Required field to indicate that a revenue contract version needs a review.

Review Reason

When a review is required, this field contains the reason why a review is necessary. When a revenue contract version is flagged for review, a reason code must be assigned to the revenue contract version. The available reason codes are:

- Auto Generated – This reason code indicates that the revenue contract auto-generation program created a contract and it needs to be reviewed.
- Calculation – This reason code indicates that Calculate Revenue Recognition found an issue with the contract and a review is required.
- General – This reason code is a general-purpose code to use when you manually flag a contract version as requiring a review.
- Negative Quantity Item – This reason code indicates that the quantity for a line item is negative, and this needs to be reviewed.

  Note It is not possible to have an overall negative quantity for an item. Total item quantity and amount in transaction currency must be positive.
- New Version – This reason code indicates that there is a new version of the revenue contract and it needs to be reviewed.
- Zero Quantity Item – This reason code indicates that a zero quantity has been created, which automatically requires a review.

Version On Hold

This field indicates whether this version of the revenue contract is on hold. When the contract version is on hold, no further processing of the contract can take place until the contract version is taken off hold. When on hold, any invoiced revenue that is in a position to be recognized is deferred. When the revenue contract version is taken off hold, then revenue is re-recognized by **Calculate Revenue Recognition.**

Review Note

When the Review Required field is selected, this field must contain an entry. If a version is automatically flagged as needing a review, the system automatically adds a standard system description to the field.

If you manually select the Review Required field, you must add a note before you can save your changes to the contract.

Performance Obligation

New

Click New to add a new performance obligation to the revenue contract.

Add Child

Select this field to add a child line to an existing performance obligation.

Delete

Select this field to remove a line from the performance obligation grid.

Revenue Totals

TC/BC/SC Total

The total amount of the performance obligation in transaction currency.

TC/BC/SC Total Invoiced

The total invoiced on the performance obligation in transaction, base, and statutory currency.

TC/BC/SC Total Redistributed

The total redistributed revenue amount of the performance obligation in transaction, base, and statutory currency.

TC/BC/SC Total Recognized

The total recognized revenue on the performance obligation in transaction, base, and statutory currency.

TC/BC/SC Accrued

The total accrued revenue on the performance obligation in transaction, base, and statutory currency.

TC/BC/SC Deferred

The total deferred revenue on the performance obligation in transaction, base, and statutory currency.

Contract Value

Explicit Estimate

Select this option to indicate that the valuation line is an estimate.

Item

The item number for the valuation line.

Description

A short description of the validation line.

Trailer Code

The trailer code for the valuation line.

UoM

The unit of measure for the item.

Item Quantity

The quantity of the item.

Item Price

The price of the item.

TC Estimated Item Total

The total value of the valuation line based on the item total price.

Standalone Selling Price

The price of the item that would be used in an arms-length transaction.

SSP Lower Limit

The lower SSP price limit to be used in determining whether to calculate a distributed allocated transaction price.

SSP Upper Limit

The upper SSP price limit to be used in determining whether to calculate a distributed allocated transaction price.

TC Item Total by SSP

The total value of the valuation line based on the stand-alone selling price.

Allocated Transaction Price

The allocated transaction price of the line.

TC Item Total by Allocation Transaction Price

The total value of the valuation line based on the allocated transaction price.

Financials Overview

Contract Total

The contract total will be populated in this field.

Order Total

The order total will be populated in this field.

Standalone Selling Price Total

The standalone selling price total will be populated in this field.

Allocated Transaction Price Total

The allocated transaction price total will be populated in this field.

Review

Reviewer

This field displays the reviewer user name.

Review Result

This field contains the outcome of the review.

Note

Enter any general notes that support the outcome of the review.

Review Date

This field contains the date that the review was created and carried out.

Review Request Code

This field contains the review request code.

Review Request Note

This field contains the review request note.

User Name

This field displays the reviewer user name.

Review Time

This field displays the time that the review was created and carried out.

Note Revenue Managers can approve the contract themselves, or select for the Submitted By user to approve the contract. See Approval Configuration Form on page 7011.

Versions

A new version of the contract will automatically be created if:

- You change the percentage complete.
- You change the rule on a performance obligation.
- You add a performance obligation.

Use this panel to update information on the version of the contract. The fields that are editable are:

Date

Enter the updated date for this version of the contract.

User

Select the user that you want to associate with this version.

Note

Enter a note for this version.

Version On Hold

Select this field if you want this version to be on hold.

User Name

Enter the user name of the user that you want to associate with this version.

Notes

Enter any general notes that support the outcome of the review.

Revenue Recognition Views and Browses

Revenue Recognition Contracts

The revenue recognition calculation creates transactions when deferring, recognizing, and accruing revenue. These transactions are created when orders and shipments have been invoiced, or when revenue has been accrued and not invoiced. You can view these transactions and invoices in Revenue Contract Transaction View and the Revenue Contract Invoice View.

Revenue Contract Transaction View

Revenue Contract Transaction View enables you to see a sub-ledger transaction view of revenue contracts. You can search for types of transactions by using the filters. The filters correspond to some of the column fields in the browse. For example, the transaction lines in the browse grid contain columns with information such as:

- Revenue contract number
- Performance obligation number
- Performance obligation description
- GL Account and other analysis
- Debit and credit amounts in base, transaction, and statutory currencies
- Revenue recognition daybook information
- Transaction posting date and GL year and period information
- Cost of sales deferral and accrual transactions (when these are enabled for the current entity)
- The transaction type, which identifies revenue recognition, COGS recognition, and revenue redistribution transactions.

For more information, see Revenue Contract Transaction View on page 6773.

Revenue Contract Invoice View

Revenue Contract Invoice View allows you to view the invoices created for orders linked to revenue contracts. You can search for transactions using the filters. The filters correspond to some of the column fields in the browse. Each line in the grid displays information concerning the invoices and how the invoices are linked to the performance obligations on the revenue contract, such as:

- Revenue contract number
- Year, daybook code, and voucher number for the invoice
- Domain code

- Customer code

Note You can select an invoice line to display the revenue recognition transactions that have been created for the revenue contract.

For more information, see Revenue Contract Invoice View on page 6775.

Revenue Contract Linked Sales Order Line

Revenue Contract Linked Sales Order Line enables you to identify which contracts order lines are used on. For example, you can search for a sales order, a line number, or an item number and verify which contracts they appear on. This program is particularly useful where there are multiple sales orders on the same revenue contract. It also enables you to identify sales orders that are not currently associated with any revenue contract.

For more information, see Revenue Contract Linked Sales Order Line on page 6777.

Revenue Contract Transactions for Excel

Revenue Contract Transactions for Excel enables you to export transaction information associated with a revenue contract for viewing and reporting in Excel. The Type field allows you to select whether to view all transactions or a certain type of transaction. The following transaction information is available on the report:

- Invoice transactions
- Revenue redistribution transactions
- Deferred revenue transactions
- Accrued revenue transactions
- Revenue recognition transactions
- Opening balances
- Cost of sales deferral and accrual transactions (when these are enabled for the current entity)
- COGS recognition transactions

Revenue Contract Transaction View

Use **Revenue Contract Transaction View** to see a sub-ledger transaction view of revenue contracts. Like other browses in Financials, you can search for transactions using several of the column fields contained in the browse.

Listed in the browse grid are transaction lines containing information such as:

- Contract Number
- Order Customer
- Perf Obligation No
- Performance Obligation Description
- Type
- Order Number
- Order Line
- Trailer Code
- Year
- GL Period
- Daybook
- Voucher
- Currency
- GL Account
- Sub-Acct
- Cost Center
- Project
- Posting Date
- TC Debit
- TC Credit
- BC Debit
- BC Credit
- SC Debit
- SC Credit
- Entity Code

The following drill-down links are available from the panel on the right-hand side of the browse:

- Customers
- Daybooks
- Invoice History
- Revenue Contract Invoice View
- Revenue Recognition Contracts
- Sales Order Detail
- Sales Orders

Revenue Contract Invoice View

Use **Revenue Contract Invoice View** to see the invoices created for orders linked to revenue contracts. Like other browses in Financials, you can search for transactions using several of the column fields contained in the browse.

Listed in the browse grid is information concerning the invoices and how the invoices are linked to the performance obligations on the revenue contract:

- Contract Number
- Sold-To
- Perf Obligation No
- Performance Obligation Description
- Invoice
- Invoice Date
- Currency
- Order Number
- Order Line
- Item Number
- Trailer Code
- Qty Invoiced
- UM
- Net Price
- Invoice Amount TC
- Invoice Amount BC
- Invoice Amount SC
- Site
- Entity

The following drill-down links are available from the panel on the right-hand side of the browse:

- Customer Invoices
- Customers
- Invoice History
- Items
- Revenue Contract Transaction View
- Revenue Recognition Contracts

- Sales Order Detail
- Sales Orders
- Sites

Revenue Contract Linked Sales Order Line

Use **Revenue Contract Linked Sales Order Line** to view information from the sales order lines. If the sales order lines have been linked to a revenue contract, details of the revenue contract are also displayed. You can also filter out any sales order lines that have not been linked to a revenue contract.

The following information is listed in the browse:

- Sales Order
- Line
- Item Number
- Contract Available
- Contract Number
- Description
- Active
- Completed
- Hold
- Invoiced Amount
- Deferred Amount
- Accrued Amount

The following drill-down links are available from the panel on the right-hand side of the browse:

- Items
- Revenue Recognition Contracts
- Sales Order Detail
- Sales Orders

Calculate Revenue Recognition

Filter

Contract Number

Enter the contract number range that you want to process. You can specify one or multiple contracts.

Important If any contract in the range requires a review, the relevant contract version must be reviewed before it can be processed by **Calculate Revenue Recognition**. When the contract version is not marked as reviewed, **Calculate Revenue Recognition** skips the processing of that contract. Completed contracts are not considered by the calculation, either, and they do not appear on the Revenue Contract Audit Report.

Customer

Enter a customer range.

Sales Order

Enter a sales order range.

Business Relation

Enter a business relation range.

Group Name

Enter a group name range containing corporate groups.

Effective Date

This field enables you to specify an effective date for the calculation run. By default, the field is set to the current system date.

However, running **Calculate Revenue Recognition** on a date before existing calculated transactions creates new transactions on the specified date. The new transactions can potentially invalidate any existing transactions dated after the new ones. In this case, **Calculate Revenue Recognition** makes reversal and correction postings for the contracts being processed.

Important A revenue contract can have several versions. Each version is effective for a specific period during the lifetime of the revenue contract. **Calculate Revenue Recognition** always runs for the active version on the effective date. Any revenue recognition postings created by the calculation are based on the version of the revenue contract selected by the calculation.

Print Error Detail

This field enables you to control how much revenue contract information is printed on the report. When Print Error Details is No, only summary error information is displayed on the report. When it is Yes, error details are printed in full, including information about revenue

contracts skipped due to not being active or under review. Selecting Yes can produce large amounts of output.

Reviewing Revenue Contracts

This section describes the procedural processes involved in determining whether a review is needed and how you then update the revenue contract. For details of how to mark a contract as requiring a review and how to carry out a contract review, see Revenue Recognition Contracts on page 6763.

Setting Up an Effective Review Process

The revenue manager or financial controller of a business unit needs to ensure that revenue contracts are reviewed in a timely manner. Until a revenue contract is reviewed, it cannot be processed using the **Calculate Revenue Recognition** program. When revenue contracts are unreviewed at the end of a reporting period, the necessary revenue calculations have not taken place.

Therefore, there must be a process to ensure that the revenue manager or the financial controller is informed that revenue contracts are ready for review.

Starting the Review Process

A review process can be started for a revenue contract manually or automatically.

Automatic

A revenue contract can be flagged automatically as requiring a review. This can happen when:

- A revenue contract is first created.
- A new version of the contract is created.
- A zero quantity contract value line is created, which can occur when a user creates or updates a performance obligation or when the Autogenerate Revenue Contracts program runs. If it occurs when the auto-generate program runs, the presence of zero quantity valuation lines overrides the setting in the Review Required for Auto-Generated Contracts field in Entities and Customers.
- Opening balances have been entered for a revenue contract, but the total invoice amounts do not match with the actual total invoiced values. In this case, Calculate Revenue Recognition sets the contract as requiring review, so that the differences can be corrected.

Manual

There are two ways to manually flag a revenue contract as requiring a review in Revenue Recognition Contracts:

1. On the General tab, select the Review Required field. You then select a review reason and enter explanatory text.

2. You can use the second way when a contract is not currently flagged as needing a review. On the Review tab, you can create a new review record and leave the result as Needs Attention. When you save the revenue contact, it is updated as requiring a review. On the General tab, the review reason code is set to General and then text entered against the review record is copied into the review note field.

Carrying Out Reviews

When the review process has started, you can review the revenue contract and document findings, making changes to the review contract when necessary. All reviewing activity takes place in **Revenue Recognition Contracts**. After making all necessary changes, you can create a review record that documents the changes. The result of the review can be either Approved or Needs Attention.

Approved means that the contract is marked as reviewed. Needs Attention means that more work is required or that someone else needs to approve your work.

Note You can simply save the changes without creating a review record. However, somebody needs to review the contract and create a review record with the result Approved before postings can be made.

Revenue Recognition Postings

A supplier posts revenue for goods or services directly to the revenue account. If the performance obligation related to recognizing that value is not satisfied, that revenue is deferred. When the performance obligation is satisfied, revenue is recognized. If invoicing has not taken place and the performance obligation is satisfied, revenue is recognized against the accrued revenue account. When invoicing takes place, the revenue accrual is reversed.

Revenue recognition postings are split into the following types:

- Deferral postings, where sales revenue is moved to the deferred revenue account
- Recognition postings, where sales revenue is moved from the deferred revenue account to the sales revenue account
- Recognition postings, where postings are made to the sales revenue and accrued revenue accounts
- Revenue redistribution postings, where revenue is redistributed based on allocated transaction prices.

Deferral postings move the revenue from the sales account to the deferred revenue account. Deferral postings are created when the revenue for an order on a performance obligation cannot be recognized because the rule on the performance obligation is not satisfied. Recognition postings recognize revenue. Sometimes, these postings recognize revenue that has previously been deferred to a deferred

revenue account. The recognition posting moves the revenue back to the sales revenue account. In other cases, revenue can be immediately recognized but the customer has not yet been invoiced, so revenue is recognized to an accrued revenue account.

Entity Security

Revenue recognition postings are created at entity level. Therefore, when you run **Calculate Revenue Recognition**, revenue recognition postings are created for order lines, trailer charges, and invoices assigned to the current entity.

For example, in the following table, there are two revenue contracts involving three entities. You log in to 10USACO and run the automated revenue calculation against Contract A and Contract B. However, this action only creates revenue recognition postings in entity 10USACO because the revenue recognition calculation only ever creates postings for the current entity. Therefore, to complete the revenue postings for Contract A, you must also run the revenue calculation in 11CANCO. Postings for Contract B are complete when you run the revenue calculation in 21NLCO.

Note The entity of the sales order is derived from the site code attached to the sales order header and the sales order lines of the sales order.

Revenue Contract Example

Revenue Contract	Performance Obligation	Order	Order Line	Entity
Contract A	Obligation 1	SO1	1	10USACO
	Obligation 2	SO1	2	11CANCO
Contract B	Obligation 1	SO2	1	21NLCO
	Obligation 2	SO2	2	21NLCO

Running Calculate Revenue Recognition

You can manually run revenue recognition calculations to create revenue recognition postings in **Calculate Revenue Recognition**. You can specify the revenue calculations to run using the filter criteria.

You can also choose to create a revenue calculation run that can be scheduled to be processed by the Batch daemon. When the batch reaches the target date and time, the system begins to process the batch records and postings are triggered. A new batch is made available for the next day. For more information, see Batch Daemon on page 6814.

The fields on the **Calculate Revenue Recognition** menu are:

Contract Number

Enter the contract number range that you want to process. You can specify one or multiple contracts

Important If any contract in the range requires a review, the relevant contract version must be reviewed before it can be processed by the revenue calculation. When the contract version is not marked as reviewed, the Revenue Calculation skips the processing of that contract. Completed contracts are not considered by the calculation either and they do not appear on the revenue contract audit report.

Customer

Enter a customer code range. If you leave the Customer field blank, the system automatically generates a number for the record based on the sequence defined in Autonumbering Sequences.

Sales Order

Enter a sales order range.

Business Relation

Enter a business relation range. If you leave this field blank, the system automatically generates a number for the record based on the sequence defined in Autonumbering Sequences.

Group Name

Enter a group name range containing corporate groups.

Effective Date

This field enables you to specify an effective date for the calculation run. By default, the field is set to the current system date.

However, running the revenue calculation on a date before existing calculated transactions creates new transactions on the specified date. The new transactions can potentially invalidate any existing transactions dated after the new ones. In this case, the revenue calculation makes reversal and correction postings for the contracts being processed.

The field is not active when you select the Use Daemon field. When the Batch daemon runs the revenue calculation, the effective date is set to the system date.

Important A revenue contract can have several versions. Each version is effective for a specific period during the life-time of the revenue contract. The revenue calculation always runs for the active version on the effective date. Any revenue recognition postings created by the calculation are based on the version of the revenue contract selected by the calculation.

Print Error Detail

This field enables you to control how much revenue contract information is printed on the report. When the field is clear, only summary error information is displayed on the report. When you select this field, error details are printed in full, including information about revenue contracts skipped due to not being active or under review. Selecting this field can produce large amounts of output.

To run **Calculate Revenue Recognition** based on your selected criteria, click Run.

Revenue Calculations Audit Report

When you click Run, **Calculate Revenue Recognition** finds the revenue contracts that fall into the user-defined criteria and runs the report for the contracts. **Calculate Revenue Recognition** then automatically produces a report that details the results of the run.

The report displays the revenue contracts that have had revenue deferred and contracts that have had revenue recognized. The report also displays the amounts of each performance obligation line, including the invoice, deferred amounts, accrued amounts, and recognized amounts, and whether the performance obligation was met. Where the report displays deferred or recognized amounts, the journal entry reference number is also printed.

Depending on the setting of the Print Error Detail field, the report displays messages indicating that there were problems or displays detailed error and warning messages.

When cost of sales postings are created in the current working entity, the report also displays details of COGS amounts recognized, deferred, and accrued for linked order lines for inventory items where COGS accounts have been defined. The COGS amounts are always in base currency, and separate journal entries are always created.

Important The **Calculate Revenue Recognition** program processes revenue contracts as a whole. Therefore, you can run the program for a specific sales order and then find that revenue recognition postings have been created for other sales orders because they are linked to the same contract.

The report only shows details of performance obligations for which movements have taken place. Revenue contracts marked as completed do not appear on the report.

Deferral Postings

Deferral postings move revenue from the sales account—the one specified on the revenue contract—to a deferred revenue account.

A deferral posting is created when the conditions of the revenue recognition rule are not met when the revenue calculation is run.

Individual posting lines are created for each invoice or credit note of the linked line of the performance obligation. When a linked line refers to a sales order line, it is possible that there are multiple invoices or credit notes. In this case, the revenue calculation creates a set of posting lines for each invoice or credit note.

When credit notes are linked to a performance obligation, the postings created for the deferral of revenue result in positive values on the postings lines.

Accrual Postings

When the conditions of a revenue recognition rule are met but insufficient value has been invoiced to the customer, accrual postings are used to handle the recognition of revenue. With accrual postings, revenue is still recognized to the sales revenue account. However, some or all of the revenue needs to be offset to an accrued revenue account. Accrual postings usually only occur for performance obligations using revenue recognition rules that support accrued revenue:

- Periodic and custom periodic
- Percentage complete

Recognition of revenue to the accrued revenue account is always temporary. When the revenue is invoiced, the offset postings to the accrued revenue account are reversed.

Note For some rules, accrual postings are only used depending on other factors. For example, performance obligations using shipping date based rules do not usually need accrual postings. However, if allocated transaction prices are involved, it is possible to see accrual postings for other rules when allocated transaction prices are higher than invoice prices for a given performance obligation.

Recognition Postings

Recognition postings move revenue from the deferred revenue account back to the sales account. These postings happen when the conditions of the revenue recognition rule defined on the performance obligation have been met.

Revenue cannot be recognized until all orders linked to a performance obligation meet the conditions defined by the revenue recognition rule. Therefore, when even one order linked to a performance obligation does not meet the conditions of the revenue recognition rule, the revenue as a whole must remain deferred.

As with deferral postings, individual posting lines are created for each invoice or credit note of the linked line of the performance obligation. When a linked line refers to a sales order line, it is possible that

there are multiple invoices or credit notes. In this case, the revenue calculation creates a set of posting lines for each invoice or credit note.

Exchange Rate Gains and Losses

It is important to credit a good or service at the same exchange rate it was invoiced at to avoid exchange gains and losses. Gains and losses can be avoided if you use the same exchange rate on the credit note and invoice transactions. Otherwise, manual journal entries are needed to clear any remaining balances on deferred and accrued revenue accounts caused by different exchange rates for invoices and related credit notes.

Revenue Calculation: Percentage Complete Performance Obligations

When the revenue recognition rule on a performance obligation is percentage complete, the revenue calculation can produce accrual postings along with the deferral and recognition postings. Accrual postings are created when the conditions of the recognition rule are met but insufficient value has been invoiced to the customer. The accrued revenue account is a balance sheet account that holds values for unbilled receivables.

Accrual postings can move revenue from the deferred revenue account to the accrued revenue account or can post to the accrued revenue account and the sales revenue account. In each case, the account details and associated analysis are taken from the performance obligation linked line.

If accrual postings are created when there are no invoices for the associated performance obligation linked line, the system uses the revenue calculation effective date to find any necessary exchange rates; for example, the statutory currency exchange rate.

The exception is where there is a fixed exchange rate on the associated sales order and that rate is used for the translation to base currency. If an accrual posting is required and there are invoices for the linked line, the accrual posting uses the exchange rate of that invoice for the postings in base currency. Where multiple invoices exist, a composite exchange rate is calculated. When the accrued revenue is later recognized, the reversal posting uses the exchange rate of the original accrual posting.

When using the percentage complete recognition rule, you must assess what percentage of a performance obligation has been completed. The Revenue Calculation then takes the percentage completed and compares it to the amount of the performance obligation that has been invoiced. The revenue calculation then creates deferral, accrual, and recognition postings based on this comparison.

- Invoiced amounts up to the completed amount are recognized and recognition postings are created, moving revenue to the sales revenue account.

- Invoiced amounts over the completed value are deferred and deferral postings are created, moving revenue to the deferred revenue account.
- Amounts that have been completed above the invoiced amounts are recognized and accrued and postings are created to the sales revenue account, as well as an opposite entry to the accrued revenue account.
- When the performance obligation has been fully invoiced and marked as fully complete, all revenue is then recognized and the accrued revenue and deferred revenue accounts are cleared.

Cost of sales values are also accrued and deferred in the same way, based upon the percentage complete.

In cases where there is more than one line on a performance obligation, percentage completed value is apportioned across the performance obligation lines.

Note An API is available to update percentage complete rules. Percentage complete rules are not supported for scheduled sales orders.

Revenue Calculation: Periodic Performance Obligations

The revenue recognition postings created for performance obligation using periodic or custom periodic revenue recognition rules are similar to the postings created for percentage complete revenue recognition rules. The amount of revenue available to recognize increases with each period of the contract. The postings created for such performance obligations can recognize, defer, or accrue the revenue. As with the other revenue recognition rules, the accounts used for these postings are defined on the linked lines of the performance obligation.

When a performance obligation uses a periodic or custom periodic rule, the revenue of the performance obligation is handled on a period-by-period basis. The periods are defined against the performance obligation and store the percentage and value in discrete and cumulative forms. Each time the revenue calculation is run during the lifetime of the contract, the revenue of the performance obligation is deferred, accrued, or recognized, depending on whether the recognition date of a period has been reached and whether revenue has been invoiced:

- Where the cumulative available-to-recognize value is less than the invoiced amount of the performance obligation, the available-to-recognize value is recognized to the sales revenue account. The remaining invoiced amount is deferred to the deferred revenue account.
- Where the cumulative available-to-recognize value is greater than the invoiced amount of the performance obligation, the available-to-recognize amount is recognized to the sales revenue account.

The uninvoiced portion of that value is offset to the accrued revenue account.

- Where the cumulative available-to-recognize value is equal to the invoiced amount of the performance obligation, the invoiced amount is recognized to the sales revenue account.

Note Periodic and custom periodic rules are not supported for scheduled sales orders.

A revenue contract has been created with a single performance obligation using a periodic rule. There are 12 periods corresponding to the calendar months. The amount on the performance obligation is $1200.00. The periods created for the performance obligation are displayed in Table 3.13. Invoices are generated at the start of each period, with the revenue being available to recognize at the end of each period.

Periodic Recognition Rule - Invoice Monthly

Period	%	Cumulative %	Value	Cumulative Value	Period Start Date	Period End Date	Invoice At	Recognize At
1	8.33	8.33	$100	$100	January 1	January 31	January 1	January 31
2	8.33	15.67	$100	$200	February 1	February 28	February 1	February 28
3	8.33	25	$100	$300	March 1	Mach 31	March 1	Mach 31
4	8.33	33.33	$100	$400	April 1	April 30	April 1	April 30
5	8.33	41.67	$100	$500	May 1	May 31	May 1	May 31
6	8.33	50	$100	$600	June 1	June 30	June 1	June 30
7	8.33	58.33	$100	$700	July 1	July 31	July 1	July 31
8	8.33	66.67	$100	$800	August 1	August 31	August 1	August 31
9	8.33	75	$100	$900	September 1	September 30	September 1	September 30
10	8.33	83.33	$100	$1000	October 1	October 30	October 1	October 30

Period	%	Cumulative %	Value	Cumulative Value	Period Start Date	Period End Date	Invoice At	Recognize At
11	8.33	91.67	$100	$1100	November 1	November 30	November 1	November 30
12	8.33	100	$100	$1200	December 1	December 31	December 1	December 31

Revenue Calculations Including COGS Accounts

The revenue calculation creates sub-ledger and GL transactions for the deferral and accrual of costs of goods sold, as well as for the associated revenue when all of the following are true:

- Cost of sales postings are generated for the current working entity.
- A linked order line for a performance obligation includes COGS accounts.
- The order line is for an inventory item.

The COGS postings are handled as separate journal entries because the transaction currency for COGS postings is always the base currency.

There are some differences in the way that COGS deferrals and accruals are handled, depending on the type of revenue recognition rule type used for a performance obligation:

Rule Type	Comments
Time-based and Payment	Only cost deferrals are supported. Deferrals are determined based on invoiced items only, using the cost on the invoice history line for the full quantity invoiced.
Acceptance	As for time-based and payment, but cost amounts deferred are prorated based on the accepted quantity, which can be less than the full invoice quantity. The default behavior is to accept the full quantity for an invoice. It is not possible to accept more than the invoice quantity.
Percentage Complete and Periodic or Custom Periodic	Cost accruals and deferrals are supported. COGS amounts are recognized in proportion to the percentage complete on the performance obligation. For periodic and custom periodic

Rule Type	Comments
	rules, this is the cumulative percentage complete, rather than the percentage for the individual period. Cost amounts for invoiced quantities are taken from the invoice history detail records, but for accruals, the latest cost from the item/site cost record is used. Costs are determined using estimated quantities, where explicit estimates have been entered on the revenue contract.

Calculating Cost Amounts

The following example explains how cost amounts are calculated when item costs change during the life of a revenue contract.

- The revenue contract has a single line linked to an order for a quantity of 80 of Item A.
- Item A has a cost of $10.
- The performance obligation uses a percentage complete rule.
- On the Contract Value tab, there is an estimated quantity of 100 for Item A.
- Two shipments and invoices are processed for Item A:
  - Shipment/Invoice #1 – quantity 10, cost $11
  - Shipment/Invoice #2 – quantity 10, cost $12
- When the revenue calculation is run, the item cost has changed to $15 per unit and the percentage complete is set to 40%.
- The total cost is determined as (invoiced quantity x invoice cost) + (uninvoiced quantity x latest item cost at line site). The uninvoiced quantity is calculated as the estimated quantity minus the invoiced quantity.

  (10 x $11) + (10 x $12) + (80 x $15) = $1,430
- The cost amount that can be recognized is 40% of this value = $572.
- As $230 has already been invoiced, the accrued cost amount is $342.

SAFs in COGS Postings

The SAF values from the sales account are used for the COGS accounts when the following conditions are true:

- Any of the three COGS accounts use SAFs, or are used with cost centers or projects that use SAFs.
- The SAF concepts used are shared with the sales account for the performance obligation linked line.

Otherwise, standard SAF defaulting is used.

Statutory Currency Amounts in COGS Postings

Postings for COGS accruals and deferrals use the same rules for currency translation as normal inventory transactions:

- For a site that uses standard costing, cost amounts are translated to statutory currency from base currency, first using the inventory exchange rate type, with optional fall-back to statutory and accounting rate types.
- For a site that uses average costing, cost amounts are translated to statutory currency from base currency, first using the statutory exchange rate type, with optional fall-back to the accounting rate type.
- Where invoices are available, the posting date of the invoices is used for the retrieval of exchange rates for statutory currency amounts.

For accrual postings (for percentage complete and periodic rules), when invoices are not available, the system retrieves exchange rates for statutory currency amounts using the Revenue Calculation effective date.

Revenue Contract Opening Balances

Revenue Contract Opening Balances

Use **Revenue Contract Opening Balances** to enter opening balances or to load revenue contract data to an Excel spreadsheet and add opening balances in Excel. When you have added the opening balances, you can then load them back into **Revenue Contract Opening Balances** and save them.

Use the search fields to find revenue contracts that require opening balances.

Business Relation

Specify the business relation code used on the customers used on the contract.

Contract Number

Enter a revenue contract number range to search for.

Corporate Group

If customers have been grouped into corporate groups, you can search for contracts using corporate group codes.

Customer Codes

Enter the customer codes assigned to the revenue contracts.

Show Revenue Contracts

Specify whether you want to display revenue contracts with their balances or without their balances.

When you have completed the fields, click Search to display relevant revenue contracts in the grid.

Adding Opening Balances Manually

To enter or to modify opening balances, drill down to the revenue contract sales order line and trailer charges. No opening balances are required for the performance obligation level or the contract level. Enter opening balances for:

- Accrued revenue
- Deferred revenue
- Recognized revenue
- Redistributed invoice amounts—for cases where allocated transaction prices differ from the invoice prices.

Note You cannot create opening balances for accrued COGS and deferred COGS.

For all these revenue types, the opening balances must be broken down into credit and debit values and entered in transaction, base, and statutory currency.

The Effective Date field in the grid is blank for a revenue contract without an opening balance. In this case, you must manually enter an effective date for the opening balances of the revenue contract.

When you have entered the opening balances, you can click Save. The Delete field in the grid enables you to delete an opening balance, as long as the revenue calculation has not run on the contract.

Important After **Calculate Revenue Recognition** runs on the contract for the first time, you can no longer update the opening balances. Therefore, it is recommended that revenue contracts requiring opening balances are created as inactive. This step ensures that the revenue calculation program does not consider the contracts and allows you time to verify that the opening balances are correct.

Note If you have entered invoice redistribution amounts, the total of these amounts may be different to the total actual invoiced amounts in one or more currencies. In this case, when the revenue calculation runs on the contract for the first time, the revenue contract is automatically marked as requiring review before further calculations can be run. This enables you to correct these differences in the opening balances so that correct GL postings can be created for any subsequent revenue calculations.

Adding Opening Balances Using Excel

You can also export the revenue contracts to Excel by choosing Export to Excel in the context menu. You can add or modify balances and import the spreadsheet back into the program by choosing Import from Excel. You can then save the balances.

Revenue Contract Opening Balance Excel Integration

Use **Revenue Contract Opening Balance Excel Integration** to export, update, and import revenue contracts. Only the opening balances of the existing revenue contracts can be updated.

From the browse, select the contract that you want to export.

Specify the opening balance for this contract in transaction currency, base currency, and statutory currency. These values can be entered under the TC Opening Balance, BC Opening Balance, and SC Opening Balance fields.

Note A revenue contract can only have a single set of opening balances.

Note An existing set of opening balances can be modified in the browse.

Note You cannot create opening balances for accrued COGS and deferred COGS.

Select Export from the More drop-down list to export the revenue contract.

Note This program can only be run for unprocessed revenue contracts. An unprocessed revenue contract is a contract that has not been processed by the revenue calculation. Therefore, it is recommended that revenue contracts requiring opening balances are created as inactive.

Select Import from the More drop-down menu to import the edited revenue contract. The Opening Balance field is updated in the browse to reflect your changes.

Important You must ensure that the opening balances are correctly entered in the contract before running **Calculate Revenue Recognition**. Once you run this program for the contract, the opening balances are fixed and cannot be edited.

Revenue Contract Populate COGS Account

Use the Deferred COGS Account, Accrued COGS Account, and COGS Offset Account fields in **Revenue Recognition GL Account Mappings** to specify the COGS sales accounts that you want to use. See Revenue Recognition GL Account Mappings on page 6751.

Use the Deferred COGS Profile, Accrued COGS Profile, and COGS Offset Profile fields in **Customers** to specify the profiles for the customers that you want to use. See Customers on page 826.

Note In Entities, under the Revenue Recognition panel, you must select the Cost of Sales Postings field to populate COGS accounts under the selected revenue contract.

Note The COGS accounts on the performance obligation linked lines cannot be updated, but they can be loaded if the COGS accounts in **Revenue Recognition GL Account Mappings** are defined after contract creation.

Filter

Customer

This field populates automatically based on the contract that you choose.

Contract Number

Select the contract that you wish to use for generating the QRF report.

Contract Data

This field populates automatically based on the contract that you choose

Click Run to generate the report based on the chosen contract.

A QRF report is generated showing the COGS accounts for the chosen contract if these GL accounts were generated for the revenue recognition contract.

Financials System Administration

The Financials System Administration section contains information and functions that are typically used by QAD Services Developers and by System Administrators.

Daemons Overview

Daemon processes apply only to component-based functions. You can run them on the same application server as QAD Financials, or you can specify a different appserver for each daemon. Define the appservers to be used for daemon processing during system implementation.

Important Some daemon processes must be running to ensure the integrity of your application. Ensure that these processes are configured to start when the database is started.

Overview of Daemon Processing

In general, tasks for the daemon are stored in a queue in a dedicated database table. The daemon regularly checks its queue for tasks and then processes them. If no more tasks remain in the queue, the daemon enters a period of inactivity known as sleep mode. After a predefined period, the daemon exits sleep mode and checks its queue for new requests.

If the workload requires multiple instances, you can start such instances of a daemon.

The system has the following daemons:

- Balance daemon
- Batch daemon
- Budget daemon
- Cube daemon
- Cross-Company daemon
- Event daemon
- History daemon
- Replication daemon
- Scan daemon
- XML daemon

All daemons, except the XML daemon, share the same control activities. The XML daemon differs from the others in that it creates its own requests by importing files from a specific directory on the file system. Otherwise, the XML daemon behaves like the other daemons.

The Event daemon publishes Financials events as XML messages that can be exported to other application instances or external Financial applications using QXtend.

The Replication daemon is only used during the creation of new domains to propagate shared set data.

Daemon User

Each daemon must log in to the system to perform its updates, and you specify the user login ID and password to associate with each daemon when you configure it. The recommended practice is to use the same user ID for all the daemons, to make maintenance easier.

The user you specify must have access to all activities in **Role Permissions** and all domains and entities.

Important Whenever you create a domain or entity, assign access to this system user. When you create a domain and confirm it, the replication fails if the Replication daemon user does not have access to the new domain.

User Roles

The following roles have full access to this function:

- System Administrator

Other roles, specifically in Finance, have read-only access, as they may want to be able to see that a specific daemon is running, but would not have the authority to set it up:

- CFO
- AP Clerk
- AP Supervisor
- AR Clerk
- AR Supervisor
- Accounting Clerk
- Accounting Manager
- Credit Manager
- Treasury Manager
- Consolidation Manager
- Financial Controller
- Operational Controller
- Fixed Asset Manager
- Tax Manager
- Revenue Manager

Daemon Queue Overview

Use Daemon Queue Overview to browse all daemon queue records for all/specific daemons.

Daemon Types

Balance Daemon

The Balance daemon operates in a similar manner to the History daemon. It builds the supplier and customer balance and movement data and history files.

The Balance daemon updates the supplier and customer history tables each time a movement is created on an invoice.

Note If queue records are waiting to be processed by the Balance daemon, the supplier and customer balances may be inaccurate.

As with the History daemon, you can set a parameter in the Balance configuration file to periodically attempt to restart daemons that have stopped unexpectedly.

Batch Daemon

The Batch daemon updates exchange rates from third-party exchange rate providers on a daily basis. The providers are integrated with the system and at a specific time each day, the exchange rate sets from each provider are processed and updated.

Note The settings governing the import of exchange rates by the Batch daemon are configured in Exchange Rate Providers. For more information on exchange rate provider integration, see Setting Up Exchange Rate Provider Integration on page 5680.

Budget Daemon

The Budget daemon allocates postings and commitments to the appropriate budget topics. All postings are processed, including those in the transient and management layers.

Budgets are composed of budget topics, and each topic is linked to a level in the chart of accounts (COA) and to specific values for that COA level. The Budget daemon inspects all budget definition tables, and updates the actuals for the relevant budget topics.

The Budget daemon should be active when allocations are executed because the allocation functionality uses the same tables. The Budget daemon ensures that the most current values are available for an allocation run.

Cross-Company Daemon

The Cross-Company daemon processes automatic cross-company postings that cannot be performed manually in the UI. The daemon is used to perform calculations and postings to spread the transaction load on the CPU.

The Cross-Company daemon handles transactions related to invoices and banking entries. These can occur in the following activities:

- Customer invoices and credit notes
- Supplier invoices and credit notes
- Banking entry
- Payment selection
- Payment documents
- Open item adjustment

The Cross-Company daemon processes transactions in the official layer only, and completes the linking fields in both the source and target posting line.

Posting occurs in the source entity using the Cross-Company Control account for the target entity. The system creates a request for the Cross-Company daemon, and posting and request creation occur within a single transaction. The daemon processes the request and creates the posting and the movement in the sub-ledger of the target entity.

Cube Daemon

The Cube daemon builds data for report cubes used in Financial Report Writer, and is fed by the History daemon. Therefore, if the History daemon stops, the Cube daemon does not receive any queue requests.

You must stop the Cube daemon before you can rebuild report cubes in Financial Report Writer. You do not need to stop the History daemon; the Cube daemon catches up with missed updates when it restarts.

If the system finds errors during the update process (for example, missing exchange rates or missing COA cross references), these are logged in the Cube Build Log.

When the system finds an error in cube data, the cube is assigned the status Needs Rebuild and the daemon stops further updates for that cube. You must determine the root cause of the error and rebuild the cube using Cube Generation so that the cube status becomes Operational again.

For more information on Financial Report Writer, see Financial Report Writer on page 6385.

Event Daemon

The Event Daemon publishes Financials business events, such as record creation events, as XML messages. The Event daemon publishes the messages in its queue to a preconfigured destination, which can be a directory on a server or a QXtend server. Event publishing lets you export data updates to other Financials instances, without the need to extract the data from the database. See Event Destinations on page 6809 and Event Configurations on page 6809.

History Daemon

The History daemon populates the database with condensed GL transaction data, and updates GL and SAF balances for each period. Detailed transaction data is accumulated in tables to increase performance in, for example, drill downs and reporting. All GL postings, including those in the transient and management layers, are processed.

The History daemon generates historical data grouped by a number of criteria, such as the posting period, the account, sub-account, project, cost center, period mark, daybook, and the entity used in the transactions.

The data fields in the history tables include the period movements, balances, and year-to-date values and are provided in the base, transaction, and management currencies. In addition, the quantity field is included.

Using the History Daemon to Perform Different Tasks

You can use the History daemon to perform tasks outside of its normal actions by customizing the empty method BHistoryDaemonProcessor:PerformWorkItemSpecific().

First, create a request for the daemon with SPECIFIC-ACTION as the request reference. Then, when the daemon processes this request, it skips the normal actions and executes BHistoryDaemonProcessor:PerformWorkItemSpecific().

Restarting Daemons Automatically

Sometimes, a daemon that should be running stops unexpectedly. This can cause a backlog of requests that affects other daemons, particularly the History and Balance daemons.

You can configure the History and Balance daemons to periodically attempt to restart stopped daemons. Each daemon has a configuration file of the form <DaemonName>.config in the PROPATH of the Financials appserver. Add the following property to the relevant configuration file:

AutoRecoverDaemons=TRUE

You can specify the interval at which an attempt to restart the daemons is made by including the following line in the relevant configuration file:

AutoRecoverDaemonsIntervalSec=900

The default value for this property is 1200 seconds, and the minimum value that you can set this property to is 60 seconds; lower values result in the default value being applied.

Daemon Auto-Clean Instances

You can use the History daemon to clean up orphaned instances from the database that are left each time an instance is not properly closed.

Orphaned instances create a problem because they do not free up values that they retrieved from 'Record Number' until they are removed.

You can remove these instances manually in Online Housekeeping but you can also automate their removal using the History daemon. Activate this capability in the config file of the History daemon by adding this line:

AutoCleanInstances=TRUE

When this setting is active, you can also specify the interval at which to remove the orphaned instances by adding this line:

AutoCleanInstancesIntervalSec=2000

Note The default interval is 2700 seconds (45 minutes). If you enter a value less than 900 seconds, the default interval of 2700 seconds is used.

Replication Daemon

The Replication daemon makes domain shared set data available to the operational functions, and replicates the data to the appropriate operational domain.

During implementation of the system and setup of the domains, you can continue to modify the data associated with a domain for as long as you require and then confirm the setup when you are satisfied that it meets your business requirements. Until the setup of a domain is confirmed, it is not available to your operational functions.

The availability of domain data to the operational functions is controlled by the Setup Complete field in **Domains**. When you select the Setup Complete field, the Replication daemon creates request queue records for each shared set. After the data has been reproduced, you cannot change the shared sets and base currency of the domain. In addition, you cannot link any of the entities linked to the domain to a different domain; the relationship is now permanent.

For more information on domains, see Domains on page 916.

The data made available to the operational functions includes daybooks; GL accounts, sub-accounts, and cost centers; suppliers; customers; and exchange rates.

The system creates a single Replication daemon request for a maximum of 90 records. Each request contains:

- The shared set code
- The ID of the primary entity of the domain
- A list with the IDs of the records that need to be replicated
- A priority that indicates the order in which each request should be processed

If any of records in a replication request fail to be replicated, all other records in the request fail also. Failed replication records remain in the daemon queue and have the status Processed-Error.

The user ID specified for the Replication Daemon login must have access to all domains and entities in the system.

Important You must grant the daemon user ID access to a new domain before confirmation or the replication process will fail.

Scan Daemon

The Scan daemon lets you configure the system to monitor a directory for documents to be attached to new records in the QAD application database. You configure the daemon by instructing it what to do when it finds a document.

Note In order to use the Scan daemon, you must enable workflow, since the scanned documents are associated with draft objects and sent to user inboxes for completion.

Note If you are using the Scan daemon to create draft instances (for example, draft Supplier Invoices), the .NET UI application must be used, as Web UI does not support draft instances. The Scan daemon can be configured in Web UI,but .NET UI must be used for workflow and draft instances.

For example, you can set up the daemon to monitor a directory for incoming supplier invoices. The Scan daemon processes documents located in entity-specific scan directories. The daemon creates a draft instance of the supplier invoice, attaches the scanned document, and sends the draft instance to the inbox of any user with access to the relevant domain and entity and a role with access to **Supplier Invoices**. The original scanned documents are renamed in the scan directory to prevent a document from being processed multiple times.

Supplier invoice is the most common type of document to scan, but you can also use this feature to scan documents related to any components that support the save-as-draft feature. For example, you could scan new customer profiles and send them to the inbox of those responsible for creating customer records.

You can attach documents of any file type, but you should ensure that your users have the correct applications to open the file. Typical files to attach are .pdf, .doc, .txt, and .jpg.

The Configure activity for the Scan daemon includes an additional grid where you specify the scan directory associated with each entity.

XML Daemon

The XML daemon processes external data in XML format, by parsing XML document headers and calling the relevant software component to process the document. See XML Daemon on page 6810.

Daemons

Use the actions listed in the Actions drop-down menu to maintain and control daemons. For more information, see Daemon Actions on page 6806.

Main

The structure of the Daemons UI varies based on the type of daemon being configured. All daemons have similar UI structure, except for the Scan Daemon on page 6813 and XML Daemon on page 6810

Daemon

Displays the daemon name.

Instances

Select the number of instances for the daemon to start.

Interval (Sec)

Displays the time interval in seconds before the daemon checks its queue for new requests. You can update this value using the Configure screen.

Key Processed Items

Select the field to record processed items for audit purposes. When you clear the field, the system deletes all successfully processed requests from the Monitor screen.

Daemon Log File

Specify the full path of the log file in which the system records the daemon's actions.

Daemon Start Directory

This field displays the location of the daemon start directory, which the system retrieves from the daemon configuration.

OS Command String

Enter the physical command used to run an instance of the daemon. A part of this command string is determined by the application itself, and is referenced by using <DaemonExecutable>, and differs between operating systems. You can add parameters to the command, but should include the <DaemonExecutable> tag to refer to the actual executable.

Appserver URL

This field displays the URL of the appserver on which this daemon is running. The field is blank when the daemon is running on the main appserver.

Number Treated in One Run

Specify the number of requests that the daemon should process in a single run. Note that during a run, the daemon does not react to Stop commands. If you set this number too high, the response time to a Stop command increases accordingly.

Daemon Login ID

Select the Login ID associated with the daemon.

Daemon Password

Select the password associated with the daemon.

Monitor

Include Waiting

Select the field to include waiting requests in the view.

Include in Process

Select the field to include requests that are in progress in the view.

Include Successfully Processed

Select the field to include correctly processed requests in the view.

Include Failed

Select this field to include incorrectly processed requests in the view.

Status Details

Status

This field displays the daemon status. The valid values are Inactive, Running, Starting, and Stopping. The Start and Stop activities control the status changes.

Running Processes

This field displays the number of instances of the daemon that are currently running. This value is 0 when the daemon is inactive.

Number of Waiting Queues

Displays the number of records in the daemon queue that have the status Waiting.

Last Start Date (UTC)

This field displays the last time that the daemon started.

Last End Date (UTC)

This field displays the last time that the daemon stopped.

Number of Queue Records

Displays the number of records in the daemon queue. This field displays in the Balance, Budget, Cross-Company, Cube, History, and Replication Daemon Monitor screens only.

Daemon Actions

Use the following actions listed in the Actions drop-down menu to maintain and control daemons:

- Start
- Stop
- Save Log File
- Set Debug Level
- Clear Queue

These activities are the same for all the daemons, except the XML daemon, which is described in: XML Daemon on page 6810. In addition, the Scan daemon has an extra grid, described in: Scan Daemon on page 6813.

Start

The Start activity starts the daemon. The system displays a message that indicates that the daemon has started successfully.

Stop

The Stop activity stops the daemon.

The daemon stops after it completes its current task. Depending on the type of daemon and the amount of time it takes to complete an operation, some time may pass before the daemon detects the stop request and shuts down.

The system displays a message that indicates that the daemon has stopped successfully.

Save Log File

Use the Save Log File action to save a log file of the information processed.

Set Debug Level

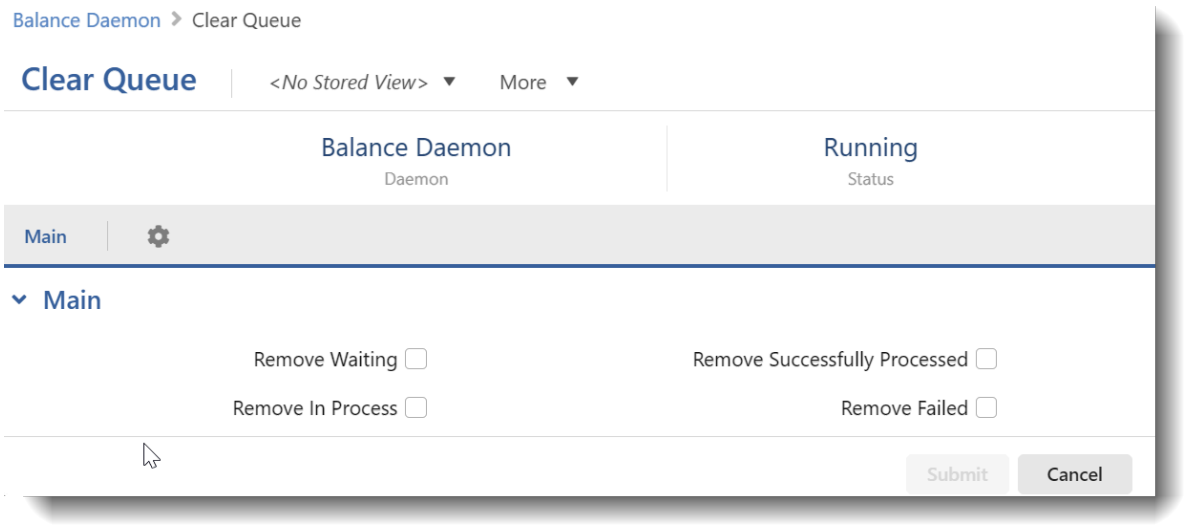
Use the Set Debug Level action to state the level of CT-logging that you want for the daemon.

Clear Queue

Use the Clear Queue action to manage daemon queue requests. The records you select are immediately removed from the daemon queue.

Important Only qualified and trained personnel should clear queues because this action can potentially destroy valuable information or interfere with critical application processes.

Balance Daemon Clear Queue



Remove Waiting

Select the field to remove records that are waiting to be processed from the daemon queue.

Remove In Process

Select the field to remove in-process records from the daemon queue.

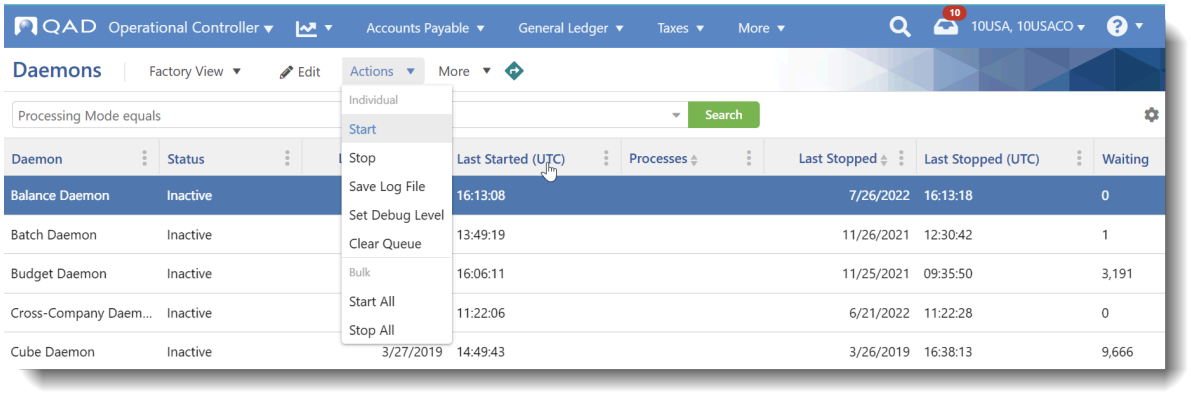
Remove Successfully Processed

Select the field to remove successfully processed records from the daemon queue.

Remove Failed

Select the field to remove failed records from the daemon queue.

Daemon Bulk Actions



Start All

The Start All activity starts all the daemons currently not started. The system displays a message that indicates that the daemons have started successfully.

Stop All

The Stop All activity stops daemons that are already running.

The system displays a message that indicates that the daemons have stopped successfully.

Events Overview

Introduction

A business event is any modification to a Financials business object, such as an update to customer or supplier base data. When you publish the event, the system ensures that the update is replicated to other instances, eliminating the need to extract the data directly from the database. The event consists of complete object data with context information that is published in XML format.

The Financials application uses a buffer queue within the running transaction to prepare messages before they are sent out. This ensures that no events are lost during system down-time and that no disruption of service occurs. Events are then published in XML format using a daemon process, which routes the message to the specified destination.

Event publishing has three components:

- Event Destinations

  an Event Destination to define the name of the event and the type and details of the server connections.

- Event Configurations

Use Event Configurations to activate the publishing mechanism, configure which components and status transitions trigger events, and indicate the destination queue of the event.

- Event Daemon

  The Event daemon processes the events in its queue and displays the event message status.

User Roles

Events are typically maintained by System Administrators, while other roles may have read-only access.

Event Destinations

Main

Destination

Specify a destination name (maximum of 40 characters).

Type

Select a destination type:

Direct Appserver. The events are published to an application server. When you select this type, the Directory field becomes unavailable.

To Directory. The events are published to a server directory

Appserver Connection

Specify an application server connection. The protocol for the server path is:

appserver://<hostname>:<nameserver port>/<application service name>

The default nameserver port for a daemon running on the main application server is 5162.

Appserver Procedure

Specify a procedure to be applied to the event.

This is the procedure that is called on the appserver. For QXO (QXtend Out) this typically is qad/qra/si/RPCRequestService.p

Directory

Specify a server directory. This field is available when you select a To Directory destination type.

Event Configurations

Main

Component

Choose the business component that triggers an event.

Destination

Choose the name of a queue to which the event will be sent.

Active

Indicate if this is an active record.

Lock Object

Select the field to lock the object for update after it has been published.

Header Only

Select this field to publish event header details only.

Suppress Empty Fields

Select this field to exclude empty database fields from event publishing.

Suppress Fields with Default Value

Select this field to suppress all fields that contain the default value for that field as defined in the dataset.

If the default value of a numeric field is zero, all zero values are removed. If the default value of a Boolean field is False, all False values are removed. If the default value of a field is not null, fields with null values are not removed.

Export Partial Data

This field cannot be selected. Updates are required in the environment to enable this field.

XML Daemon

The daemon parses the header of an XML document and decides which software component to call to process the data. It then creates the appropriate request. The daemon reads each XML file once.

The XML daemon processes one supplier invoice for each XML file. If you attempt to use the XML daemon to process an XML file with two or more invoices, the system displays an error message.

The XML daemon can process XML files only. You must convert other text formats to XML according to the QAD-defined XSDs before importing them.

You can generate well-formed schema as a starting point for entering your own data by accessing the program that creates a component and selecting Properties from the component menu. The Properties dialog includes a Dump XML button that lets you generate schema to a designated directory.

Important The XML daemon can process a maximum of 500 XML files in one iteration.

XML Daemon Actions

Draft instances are not supported in Web UI. If the XML daemon has Draft options selected, a flash message is displayed to the user when the XMLdaemon record is started or is modified: "Draft Instances are not supported by the XML daemon in Web UI".

If configuring the XML daemon in Web UI to create/save draft instances, you must use the .NET UI application.

The XML daemon reads each XML file to determine what action it must take and how it should handle invalid data.

The XML daemon supports the following activities in the Originators tab:

Save

The daemon validates the object and tries to save it. If the validation returns an error, the daemon does not save the object. You can use the Monitor screen to view the error message.

When using the Save action, XML files can contain data for multiple objects.

Save/Draft

This activity is similar to Save. However, if the validation returns an error, the XML daemon saves the object as a draft, without validation. In both cases, the queue entry is marked as processed correctly. You can use the Monitor screen to view the status.

When using the Save/Draft action, XML files cannot contain data for multiple objects.

Draft

The XML daemon does not validate data, and saves the objects as drafts.

When using the Draft action, XML files cannot contain data for multiple objects.

Validate

The XML daemon validates the objects and displays the results in the Monitor screen. It does not save data. When the input data is incorrect, the daemon displays the error and marks the queue entry as processed with errors.

When using the Validate action, XML files can contain data for multiple objects.

Note For the Draft feature to work, the object being created must support Save as Draft. Only a subset of business components can be saved as drafts: Banking Entry, Business Relation, Customer, Customer Finance Charge, Customer Invoice, Journal Entry, Petty

Cash, Supplier, Supplier Invoice. Also the use of drafts must be enabled in System Settings.

Use the Action to be Performed field in the Daemon Configure screen to specify the next action for the daemon to perform.

The action applies to all XML files and overrules the action defined in the file if you select the Overrule XML Action field in the XML Daemon, Configure screen.

Note If you use the Start/Start All option from the actions menu to start the XML daemon (and it is not already running), or if you save or modify an XML daemon record, and if there are draft options saved in the XML daemon configuration, the daemon is started but a flash message is displayed in the top right corner: “Draft Instances are not supported by the XML daemon in Web UI”.

XML Daemon Queue

For more information on how to view the results of the daemon activity since the last time the queue was cleared, refer to XML Daemon Queue on page 6813.

Main

Input Directory for XML Files

Specify the directory that the daemon scans for XML files.

Note You must specify an input directory to enable the daemon process.

Action to be Performed

Optionally, choose the action that the XML daemon must perform on the data in the XML file. If not specified, the action is read from the XML file.

Overrule XML Action

Select this field to overrule the action specified in the XML file with the action defined in the Action to be Performed field.

Overrule Originator Action

Select the field to overrule the action based on the originator and according to the rules defined in the grid.

The Originator field is part of the header section of the XML file and indicates the origin of the file; for example, a source application or external party.

Originators

Originator

Specify the originator for which to perform the overrule action.

Activity

Select the default activity to perform on loaded XML files. The options are:

- Save
- Save/Draft
- Draft
- Validate

Overrule XML

Select the field to overrule the action specified in the XML file with the action defined in the Activity field.

Monitor

File Owner

Use this field to filter the grid by selecting the file owner.

Auto Refresh

Select this field to automatically refresh the grid every 60 seconds.

XML Daemon Queue

XML Daemon Queue

XML Daemon Queue lets you view the results of the daemon activity since the last time the queue was cleared. When you open the window, a browse displays where you can enter criteria to refine your search.

Select Save XML File from the Actions drop-down menu to save a copy of the file to your local Downloads folder. This allows you to fix issues in the file which can then be sent to a System Administrator to check it for harmful content and put it into the XML folder for reprocessing.

Scan Daemon

Components

Directory

Enter the full path to the directory on the Financials appserver where documents to be scanned and associated with the specified component are located.

Important Make sure that the directory is on the correct server or it will not be found.

Component

Choose the name of the business component that the scanned document should be associated with. You can select only components that support the Save as Draft feature. Currently, this includes the following components:

- Banking Entry
- Business Relation
- Customer
- Customer Finance Charge
- Customer Invoice
- Journal Entry
- Petty Cash
- Supplier Invoice
- Supplier

Note For example, if you specify BCInvoice, the technical name for a supplier invoice, the Scan daemon runs the Supplier Invoice Create activity when it detects a document to scan.

Documents for each scanned component must be located in a separate directory. The component description displays in the Component Label column.

Entity

Specify the entity associated with the scanned documents.

Batch Daemon

When you run **Calculate Revenue Recognition**, postings are generated to or from a deferred or sales account when the right conditions are met. You can schedule the Batch daemon to generate postings for a revenue contract or contracts at a specific time each day. For more information, see Reviewing Revenue Contracts on page 6780.

When you click Run in **Calculate Revenue Recognition**, a batch record is created and made available in the Monitor panel of the Batch Daemon.

Note The Batch daemon must be running.

Until the start time is reached, the batch has the status WAITING.

Example: The Batch daemon starts processing the queue record at UTC time 09:46:00. When the record is processed, a new record with the same parameters is automatically created for the next day at the same time.

Operational Account Tables & Fields

Important The **Operational Account Tables & Fields** browse and the associated maintenance form are intended for use mainly by QAD Services developers.

When a developer adds new account, sub-account, cost center, and project fields to an operational screen using the platform, this screen enables you to register entries in the actf_mstr file. The **Operational Account Structure Validation** report supports tables and fields added or changed using the platform, provided the component has been deployed to the mfgdb data store.

Note Developers cannot yet update the field-attributes.xml file using the Web UI. The field-attributes.xml file must be updated using an xml editor.

When only the actf_mstr file is updated, issues with GL accounts are displayed on the Operational Account Structure Validation Report on page 5694. When field-attributes.xml/fldattr_mstr table is also updated, issues with sub-accounts, cost centers, and projects are displayed as well.

Main

Table

This field contains the name of the database table. You must enter a table name.

Execution File

This field contains the menu-level program name.

View Meta URI

When you are adding an entry to a native Web UI screen, enter the view meta URI here; for example, urn:view:maint:com.qad.erp.fixedassets.

Account Field

This field contains the database name of the Account field. You must enter a valid account.

Sub-Account Field

This field displays the database name of the Sub-account field.

Cost Center Field

This field displays the database name of the Cost Center field.

Project Field

This field displays the database name of the Project field.

Record Numbers

Record numbers are always generated by financial year and by entity. Usually, the number is reset to 1 at the beginning of a new fiscal year, but you can also set it to a certain value during the accounting year.

Note It is recommended that only experienced system administrators use this feature. Changes to the numbering system are logged for audit, and unauthorized changes could lead to issues of accounting legality where gaps in the numbering sequence result.

For external daybooks, sequence numbers are generated by the external transaction. However, the numbering function still generates a number series, which remains unused. The system also validates duplicates when numbers are passed from an external application. For transactions originating externally, **Record Numbers** is only used if a sequence number is not passed from the external system.

Main

When you create a record, each field must contain a value. It is not possible to delete records.

Number

Specify the first number in the numbering sequence. If you do not specify an initial value, the system starts with 1. Each value in the sequence is incremented by one. You can only edit the number field for an existing sequence when its status is Free.

Type

Specify the accounting daybook or number series for which to create the number series. The combination of the number year and type must be unique within the entity.

Year

Specify the accounting year for which you want to create a numbering sequence. The combination of the number year and type must be unique within the entity.

Status

This field is read-only and displays the status of the number. When creating a number record, the field is automatically filled with the status Free. The numbering statuses are as follows:

- Free: The number is being used for the first time. New records always have a status of Free.
- Claimed: The system selects the lowest available number in the series with the status Free or Released. If the transaction has not been saved, the system assigns the status Claimed to the number. When the transaction is saved, the system removes the number

from the list of available numbers. If the transaction is not saved, the system assigns the status Released to the number.

Claimed numbers are currently being used by a running transaction. For example, Numbers 18 and 19 are claimed by running transactions. The transaction that claimed sequence number 18 is abandoned and 18 is released. Sequence number 18 then becomes the next available number, even though 19 is already used. The Claimed status is also required because, in a client-server environment, if the connection is lost, the number remains claimed on the client side. This is repaired the next time the server is started and system housekeeping takes place.

- Released: The number was used previously for a transaction that was not saved. The system releases the number again for use for the next transaction.
- Draft: The number is used in a draft object. If the object is deleted, the system sets the number status to Released. The system removes the number from the list of available numbers when the user saves the draft object.

Financial User-Defined Fields

Financial user-defined fields are predefined fields in the database tables that you can customize to store additional information specific to your business requirements. This feature originates from .NET. In Adaptive AUX, it is replaced by the platform. However, the functionality may be required for the use case where a customer upgrades from .NET to AUX.

Important This functionality only applies to Financials legacy browses, not hybrid browses.

For reference purposes, the following table contains a list of the financial user-defined field types.

Financial User-Defined Field Types

Type	Number	Validation
Combo	10	User-defined value list
Date	5	Valid date
Decimal	5	Valid decimal
Integer	5	Valid (signed) integer
Short	10	Free text (maximum 20 characters) or value retrieved through lookup
Long	2	Free text (maximum 255 characters) or value retrieved through lookup
Note	1	Free text (maximum 2000 characters)
QAD Reserved	4	These fields are reserved for use by QAD only. There are four types of QAD reserved field: • QADCO1: Free text (maximum 20 characters) or value retrieved through lookup • QADCO2: Free text (maximum 255 characters)

Type	Number	Validation
		or value retrieved through lookup • QADT01: Valid date • QADD01: Valid decimal

Financial User-Defined Fields consists of a Main panel with the following fields:

Business Component

Select the business component for which you want to create a user-defined field. The lookup displays all the available business components.

Field Name

Select the field that you want to customize. For components that have subcomponent tables, the user-defined fields of the subcomponent appear in the list also. For example, the Business Relation component has the subcomponents Address, Contact, and Tax Number. When you select a business component, the custom fields available for the business component are displayed in the field name drop-down list.

Side Label

Enter the field label that you want to display next to the user-defined field on the screen. The side label is a translatable string.

Column Label

Enter the translatable string to appear in the lookup and report column headers.

Display Format

This field displays the format of the field.

Display Length

This field displays the length in characters of the field’s input or display zone.

Decimal Precision

Specify the number of decimal places allowed in this user-defined field. This field is only enabled for user-defined fields of type decimal. The maximum number of decimal places is 10.

Business Events

Main

Business Event

This field specifies the name of the selected business event record.

Note This is a read-only field.

Description

Enter a brief description of the business event.

Enabled

Select this checkbox to enable the publishing of the business event data.

Business Component

This field specifies the business component.

Note This is a read-only field.

Retention Period in Days

Specify the retention period in days.

Conditions

Field

Select the field that you want to use.

Operator

Select an operator value from the list.

Value 1

Enter the first value.

Is Literal Value 1

Select this checkbox if Value 1 is a literal value.

Value 2

Enter the second value.

Is Literal Value 2

Select this checkbox if Value 2 is a literal value.

Publish Events

Active

Select this checkbox if you want to publish the selected business event.

Publish Event

This field specifies the name of the event to be published.

Description

Enter a brief description of the selected business event.

Content Type

This field specifies the content type.

Event Topic

This field specifies the event topic.

Republish

Purpose

Specify the purpose of republishing the business event.

Description

Enter a brief description of the event.

Event Topic

Specify the event topic.