



QAD Financials A

QAD Enterprise Applications 2009
Enterprise Edition

User Guide

Part 1

User Interface
Setting Up Financial Foundations
Setting Up Multiple Currencies
Setting Up General Ledger
Setting Up Business Relations
General Ledger Transactions

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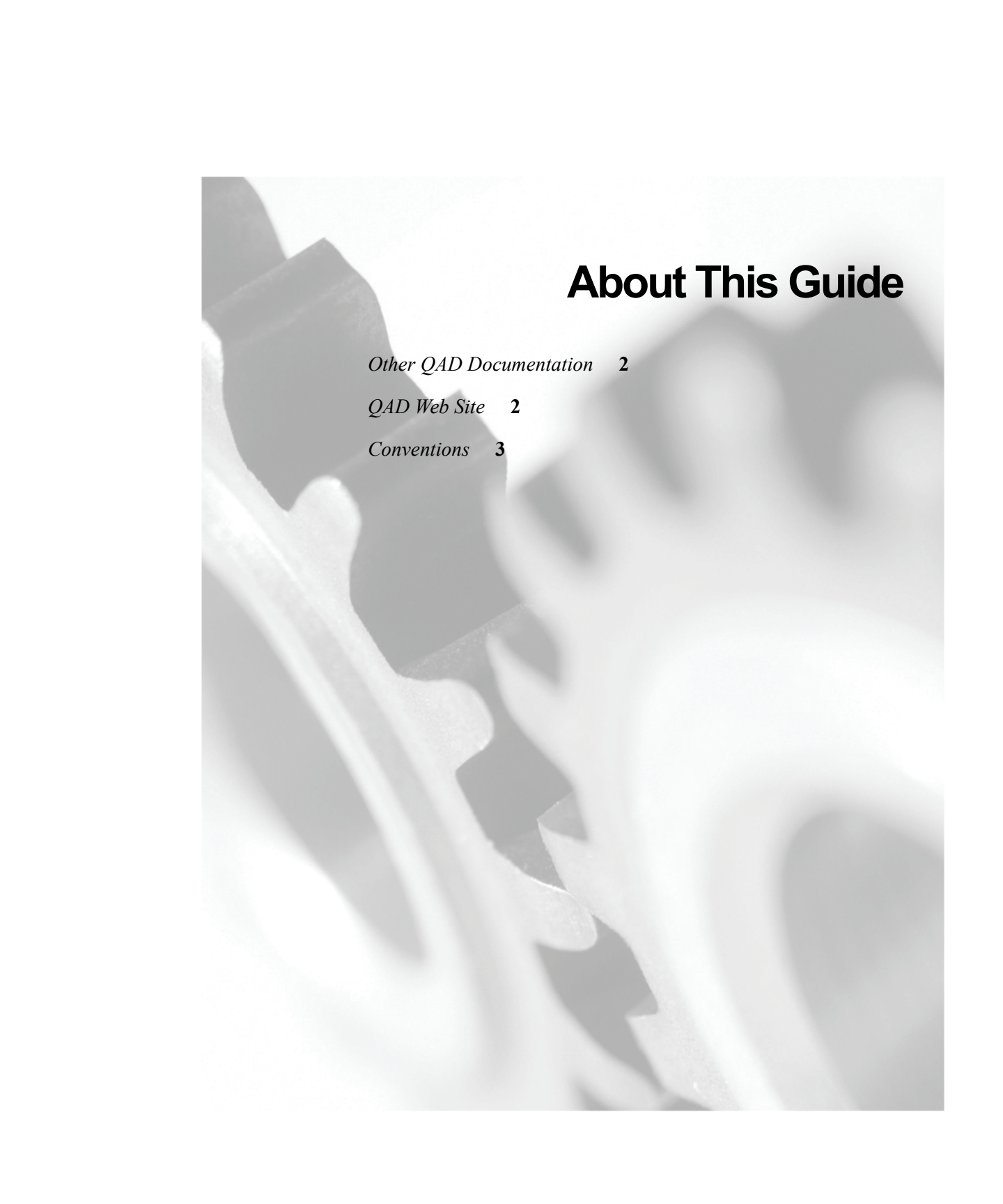
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The background of the page is a grayscale photograph of several interlocking mechanical gears. The gears are of different sizes and are positioned in a way that creates a sense of depth and complexity. The lighting is soft, highlighting the metallic texture and the sharp edges of the gear teeth.

About This Guide

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Conventions 3

This guide covers the core financial modules in the QAD Enterprise Applications 2009 - Enterprise Edition. Other financial modules—including Global Tax Management, Intrastat, Costing, and Fixed Assets—are described in *User Guide: QAD Financials B*.

Other QAD Documentation

- For an overview of new features and software updates, see the *Release Bulletin*.
- For software installation instructions, refer to the appropriate installation guide for your system.
- For conversion information, refer to the *Conversion Guide*.
- For an overview of system features and instructions on navigating the user interface, see *User Guide: QAD User Interfaces*.
- For detailed information on using system features, refer to the relevant user guide.
- For technical details, refer to *Entity Diagrams* and *Database Definitions*.

For a complete list of QAD documentation, visit the QAD Online Support Center at:

<http://support.qad.com/>

QAD Web Site

QAD's Web site provides a wide variety of information about the company and its products. You can access the Web site at:

<http://www.qad.com>

For users with a QAD Web account, product documentation is available for viewing or downloading from the QAD Online Support Center at:

<http://support.qad.com/>

You can register for a QAD Web account at the QAD Online Support Center. Your customer ID number is required. Access to certain areas is dependent on the type of agreement you have with QAD.

Most user documentation is available in two formats:

- Portable document format (PDF). PDF files can be downloaded from the QAD Web site to your computer. You can view them with the free Adobe Acrobat Reader.
- HTML. You can view user documentation through your Web browser. The documents include search tools for easily locating topics of interest.

Conventions

Screen Illustrations

System functions are available in a feature-rich .NET-based graphical user interface (UI); a subset of functions can be used in a simplified character interface. All screenshots in the documentation show the .NET UI.

Navigation in the two UIs is not the same. The user guide text follows the navigation model of the .NET UI for moving from one screen to the next. In the character interface, the Progress status line at the bottom of a program window lists the main UI-specific keyboard commands used in that program. In the .NET UI, alternate commands are listed in the Actions menu.

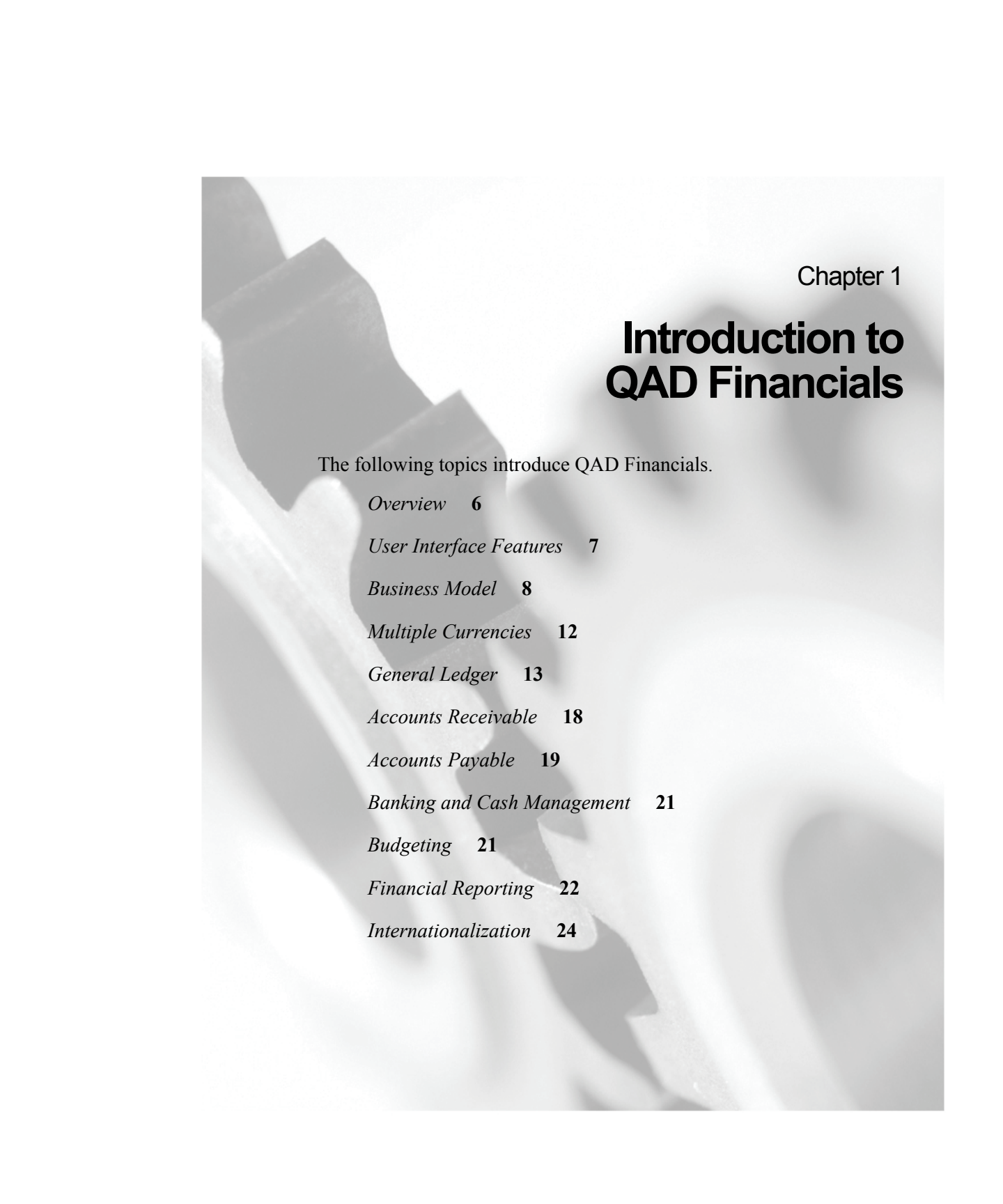
For complete keyboard command summaries for UI navigation, refer to the appropriate chapters of *User Guide: QAD User Interfaces*.

Typographic

This document uses the text or typographic conventions listed in the following table.

If you see:	It means:
monospaced text	A command or file name.
<i>italicized monospaced text</i>	A variable name for a value you enter as part of an operating system command; for example, <i>YourCDROMDir</i> .

If you see:	It means:
indented command line	A long command that you enter as one line, although it appears in the text as two lines.
Note	Alerts the reader to exceptions or special conditions.
Important	Alerts the reader to critical information.
Warning	Used in situations where you can overwrite or corrupt data, unless you follow the instructions.

The background of the page features a grayscale image of interlocking mechanical gears. The gears are of various sizes and are positioned in a way that creates a sense of depth and movement. The lighting is soft, highlighting the metallic texture of the gears.

Chapter 1

Introduction to QAD Financials

The following topics introduce QAD Financials.

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Overview

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.

The core financial administrative processes—General Ledger, Accounts Payable, Accounts Receivable, Budgeting, Cash Management, Consolidation, and Reporting—are integrated into one comprehensive system. This supports the financial administrator with system-wide control and immediate information on any aspect of the organization's finances.

QAD Financials can be deployed across multinational organizations and supports multiple languages, currencies, and tax systems. Financial features manage international accounting issues, such as currency revaluation and differing tax systems, and function in both single-entity and multiple-entity environments. Extended budgeting and cost accounting features handle cost control and allocation issues.

Financials combines local legislative and business processes with cost accounting and management accounting practices specific to an organization's needs, while complying with Sarbanes-Oxley and International Financial Reporting Standards (IFRS).

Most functions in the QAD financial modules are built using a component-based technology that extends features of the user interface and enables a richer feature set. To distinguish these programs from standard Progress programs, the term *component-based function* is used, or simply function. These programs are available from the QAD .NET User Interface, and support integration with Excel and document linking. A subset of financial functions are written using standard Progress technology; these programs can be used from the character user interface and the .NET UI.

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.

User Interface Features

Financial functions operate seamlessly within the .NET User Interface and provide the same basic features as other QAD application functions. However, some additional, extended features are available in the component-based functions that distinguish them from standard QAD application programs.

Workflow. Workflow is a built-in automated approval process that can be applied to any record or document created in the system. It uses an Inbox feature and e-mail to notify users of actions they must take. For more information, see “Workflow” on page 35.

Customization. Built-in customization tools enable customization of the interface to specific organizational and user requirements. You can also use custom fields for capturing user-defined information. The system automatically includes these fields in browses. For more information on customization, see “Design Mode” on page 863.

Microsoft Office Integration. The QAD .NET UI lets you export and import financial data to and from Microsoft Office applications, such as Microsoft Excel. You can also associate Microsoft Word documents or PDFs with any record in the system. This lets you, for example, associate an invoice document with the online record of the invoice. For details on document linking, see “Tools Menu” on page 35. For details on Excel integration, see “Integrating with Microsoft Excel” on page 61.

Descriptions Stored in Multiple Languages. In component-based functions, most record description fields can be stored and viewed in multiple languages using a translation option available on the UI. See Chapter 2, “Using the Translation Option,” on page 48 for details.

Go To Features. Go To buttons on the UI provide immediate access to other functions where related data is created so that you have single-click access to setting up new records that are needed. For example, while creating a new business relation, you can immediately create a new state code and reference it in the address. Go To navigation also lets you see related views using the current record as the basis for the related information. See “Go To Menu” on page 38 for details.

Save as Draft. Some financial functions let you create a record and save it in draft format to be completed at a later time. This lets you avoid passing all the required validation, while still establishing a record that can be corrected and finished later.

Business Model

Before beginning your financial implementation, you must set up the infrastructure for your business organizations.

Use domains and entities to represent related business operations and specific business units for which you want to produce profit and loss statements and financial reports.

Much of the financial data you define (for example, types of banking entry daybook or supplier control account details) is shared throughout the system, and used in many types of transactions by multiple business units. You use shared sets to define the data to be shared. Profiles act as links between the shared set and specific accounts or daybook types.

Chapter 3, “Setting Up Financial Foundations,” on page 73 describes in detail how you set up these foundational elements.

Domains

The domain represents the base unit of the system and comprises one or more entities. You can have multiple domains per database and can log on to another domain from within the application, provided you are an authorized user for the domain.

For more information on users and security, see *User Guide: QAD Security and Controls*.

An initial system domain and entity are automatically created during installation. You define a base currency for each domain, which is then the base currency for each entity within the domain.

See “Setting Up Domains” on page 83 for details.

Entities

An entity is an independent financial unit within a domain, and is used to generate financial reporting of a business unit (for example, a legal entity or autonomous branch or operation). Create entities within the domain for the organizations and entities your system requires. For example, create an entity for the headquarters of an international organization, and then entities for each subsidiary. You can perform intercompany accounting and consolidation within this structure, and produce balance sheets and income statements both for the individual entity and for the whole organization.

Each entity is associated with a business relation, which contains contact, address, and other default entity information.

For more information on entities, see “Setting Up Entities” on page 101.

Shared Sets

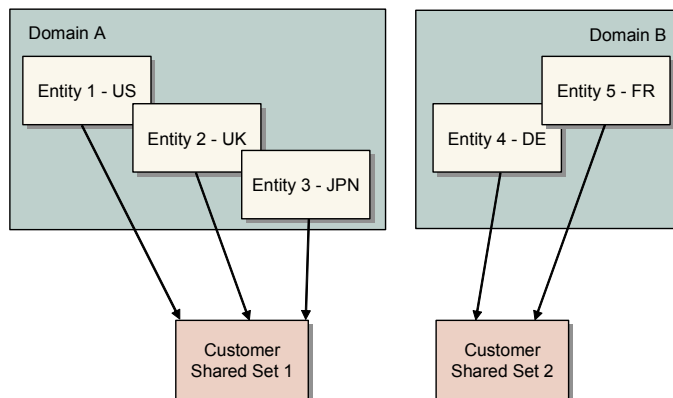
Shared sets group data that can be shared among domains, so that a domain can have an independent chart of accounts or several domains can share the same chart of accounts, streamlining setup and maintenance.

Note All entities within a domain use the same shared sets.

A default group of shared set codes is supplied with the system. You can create as many as you need. The following types of data can be shared: customers, suppliers, accounts, sub-accounts, cost centers, projects, exchange rates, and daybooks.

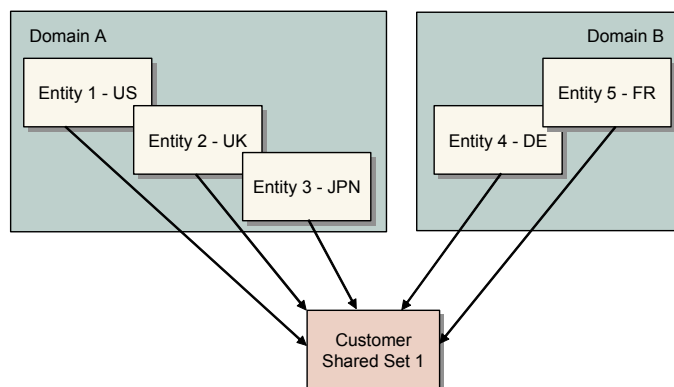
Shared sets support great flexibility in how you set up a system. For example, when domains represent businesses that sell to completely different customers, each can use its own customer shared set.

Fig. 1.1
Multiple Domains
and Multiple
Shared Sets



However, if the operations represented by two domains sell to the same customers, they can both use the same shared set for customer data.

Fig. 1.2
Multiple Domains
and Single Shared Set



For more information, see “Setting Up Shared Set Codes” on page 81.

Profiles

When you have multiple shared sets for a type of data, you use profiles to identify the relationships between records in shared sets.

Example You have two domains with different charts of accounts that share the same customers. When creating a customer, you specify the customer control account profile, and not the customer control account itself. The profile then points to the actual account to use in each account shared set.

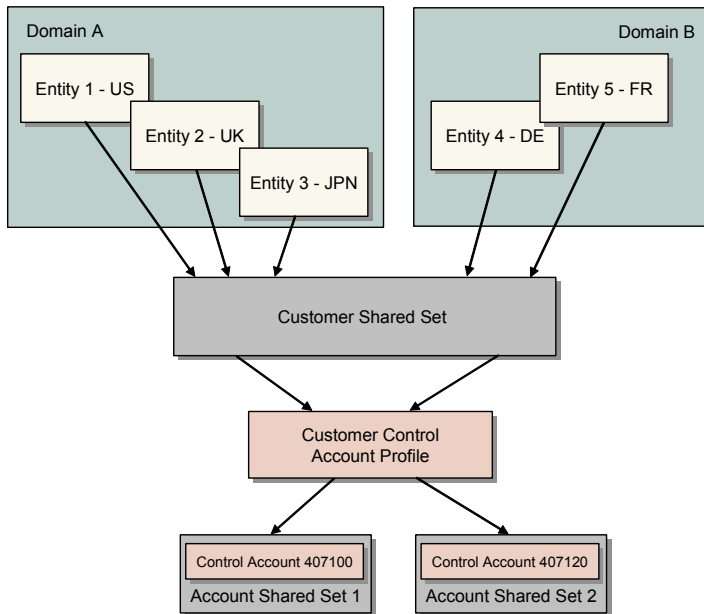


Fig. 1.3
Shared Sets and
Profiles

In Figure 1.3, two domains share customers. However, Domain A uses Account Shared Set 1 and Domain B uses Account Shared Set 2. The customer control account profile links customers to the correct customer control account in each account shared set.

In an entity using Account Shared Set 1, account 407100 is updated when the invoice for Customer 1 is created. An entity using Account Shared Set 2 updates account 407120 during invoicing.

For more information on profiles, see “Setting Up Profiles” on page 97.

Business Relations

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.

Business relation codes are defined at the database level. This lets you maintain all address data in one function, and then reference it in other functions that require address data such as entities, customers, suppliers, and employees. When the business relationship address data is modified, all other codes that reference that address are also updated automatically, reducing time and duplicate maintenance effort.

See Chapter 6, “Setting Up Business Relations,” on page 271 for details.

Multiple Currencies

QAD Financials supports multiple currencies for GL transactions. Currencies are defined at the database level and are available to all domains and entities in the system. A set of ISO currencies is supplied with the system. Multiple types of exchange rates are available, including accounting, budgeting, cash, Intrastat, inventory, tax, and revaluation. Adjustments to exchange rates are automatically applied wherever the exchange rate is used.

To streamline exchange rate setup, new rates can be derived from existing ones, automatically filling in any missing combinations.

Monetary amounts can be expressed in either the domain base currency, a non-base (foreign) currency, or a management currency used for reporting. This three-currency system lets you display a transaction or create a report in any of the defined currencies. This is especially important in environments with high inflation and strong currency fluctuation.

The management currency is a second base currency set at the database level and used for reporting. Management currency is useful when you have several business operations in different parts of the world and you want to compare financial results in one currency.

Example A company with headquarters in the US has a subsidiary in France. The management currency is set to USD. For US operations, the base and management currency are the same. For the French subsidiary, the base currency of the domain is EUR, while the management currency is still USD.

Exchange differences are automatically calculated under all circumstances. Analysis of realized currency exchange differences is supported by default. All data is available for possible reallocation to customers, suppliers, documents, cost centers, and projects.

Monetary assets and liability accounts defined in foreign currency can be revalued using a Revaluation function in the general ledger. For customer and supplier revaluation, the revaluation is entered in separate accounts and automatically reversed in the next period. Financials also lets you simulate what-if revaluation scenarios.

For more information on multiple currencies and exchange rates, see Chapter 4, “Setting Up Multiple Currencies,” on page 111.

General Ledger

QAD Financials uses standard, industry-recognized components to implement your chart of accounts (COA). The strength of the application is in its flexibility—you can configure the model to generate many different types of accounting information.

GL Account. GL accounts track financial transactions, manage account balances, and are used to produce financial statements and comparisons. GL reporting is detailed or summarized and includes information on one or a range of entities. Banks are defined as a special type of GL account with additional banking attributes.

Sub-Account. As a further level of detail within an account, sub-accounts can be defined. Sub-accounts can be linked to customers and suppliers and their individual transactions.

Cost Center. 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.

Project. The project provides analysis on costs and revenue for the projects defined in your organization.

The combinations of COA elements that are considered valid are defined through a *GL mask*. These combinations are validated when transactions are posted, preventing any errors. For more information on GL masks, see “General Ledger Mask” on page 190.

Supplementary Analysis Fields

In addition to the basic components of the general ledger—account, sub-account, cost center, and project—you can define supplementary analysis fields (SAFs) to fine-tune transactions and reporting. These provide the basis for powerful and flexible financial reporting and analysis.

You can define your own SAFs based on your unique reporting requirements. Default SAF codes are supplied with the system and can be automatically used with operational transactions. These SAFs record key attributes of inventory transactions such as site, product line, or customer type that can then be used in financial analysis.

For more information on SAFs, see “Supplementary Analysis Fields” on page 196.

Daybooks and Accounting Layers

Accounting layers provide different ways of segregating transactions within a single GL account to satisfy reporting requirements. The posting of transactions is controlled by associating daybook types with one of the three system-defined accounting layers: official, management, and transient. For more information on accounting layers, see “Accounting Layers” on page 220.

All transaction posting lines are recorded in *daybooks* (journals) for ease of summarization. Daybooks can be assigned to any of the accounting layers. A wide range of daybook types supports different transactions.

Daybooks are grouped in sets and associated with orders for capturing operational transactions. How many daybooks you need in a set is determined by whether you use correction transactions. See “Defining Daybook Sets” on page 236.

Other GL Features

Other features of the general ledger include:

GL Calendars. Calendars are defined at the domain level and apply to each entity within a domain. Accounting periods can be set between any start and end date and can be copied from previous accounting years. At the entity level, you can modify period attributes, lock periods to transactions from different operational areas and in the GL, and generate closings. For more information on GL periods, see “Defining the GL Calendar” on page 241.

Allocations. Operational allocation codes automatically split transaction amounts based on predefined percentages. Within the GL, more complex allocation structures can be defined, linked together, and executed in batch.

General Ledger Transactions

Once you have set up your chart of accounts and other general ledger features, you can use them to manage transactions in the system. GL transactions are of two basic types:

- Transactions from other operational areas such as inventory movements, sales orders, and purchase order receipts
- Transactions created in financial functions, such as fixed assets depreciations, open item adjustments, and AR and AP payments

You can use the general ledger to create journal entries, create recurring entries, reverse transactions manually and automatically, and perform currency revaluation. 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 typically used with recurring entries, when the template is posted at recurring intervals according to the related calendar. However, you can use templates for any type of repetitive posting.

You can create GL transactions through transferring batches of transactions from one layer to another. When unfinalized transactions are posted to a daybook in a transient layer for review, you can transfer them as a group to the official layers after they are approved.

You can also allocate quantities based on source, target, and percentages. General Ledger manages intercompany and cross-company accounting and balances transactions between entities in the same domain.

Mirror accounting ensures that inventory transactions are reflected immediately in the income statement by generating a set of mirror transactions for defined sets of source accounts.

You can manage year-end processing and consolidation with General Ledger functions. A wide-range of analytical and structural reports lets you view accounting data in many different formats.

Monthly and year-end closing routines are fully controlled by the system, and do not require any user interaction. All official documents are printed during the closing procedure. Financials is an online system, and, therefore, closings do not influence the reporting of accounts, sub-accounts, cost centers, and projects in subsequent periods and years.

See Chapter 7, “General Ledger Transactions,” on page 387.

GL Consolidation

GL consolidation is fully supported, letting you combine the financial records for a two or more entities within an organization into one consolidated set of financial statements. Proportional consolidation lets you consolidate partly-owned subsidiaries based on the percentage of the subsidiary owned by the parent entity.

The consolidation process consists of determining the entities with accounts you want to consolidate, and setting up a consolidation entity in which to store the consolidation data. All accounts, sub-accounts, cost centers, and projects in the source entities can be mapped to the corresponding consolidation accounts in the consolidation entity using COA cross-references. You can also use COA Cross Reference Excel Integration (25.3.14.6) to load cross-reference mappings from an Excel spreadsheet, reducing the time required to set up consolidation.

The entities to be consolidated can have differing or conflicting GL periods. The consolidation module manages these periods and ensures that they are aligned for the consolidation process.

Currency conversion is processed automatically based on exchange rate rules defined for each account. When consolidating, you can filter your intercompany transactions. You can perform multiple consolidations within the same organization.

Financial functions are available for each consolidated entity, letting you prepare eliminating entries or perform different types of consolidation postings. All the reporting options available in the system apply to consolidation entities as well.

See Chapter 13, “Consolidation,” on page 843.

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 chart of accounts 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. Currently, only Chinese accounting regional reports have the option to use an alternate COA.

In order to link alternate accounts to their corresponding operational GL accounts, you create a COA cross-reference from within the alternate COA structure, or directly in COA Cross Reference Create (25.3.14.1). Only the lowest level code in the alternate COA structure is linked to a GL account. Lowest level codes in the alternate COA structure are codes entered on rows that have no child rows.

See “Alternate Chart of Accounts” on page 170.

COA Cross Reference

The COA Cross Reference function lets you to 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 Reference Create (25.3.14.1) 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.

You can create three types of cross-reference mappings:

- Combined COA Dimensions

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

- Separate COA Dimensions

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

- Alternate COA

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

See “COA Cross-References” on page 179.

Accounts Receivable

The Accounts Receivable module covers all accounting processes related to customer invoices and payments. This module also manages customer definition, credit terms, credit limits, finance charges, aging analysis, and reminder letters.

Invoice handling supports a complete follow-up procedure for payments. The system manages payments in the form of checks, direct debits, drafts, promissory notes, and summary statements. After recording the payment, you manage it through various statuses.

Direct debits can be automatically formatted based on bank requirements.

Reports on open items, transactions, history, and summary are supported with extensive selection criteria. Aging lists can be drawn per customer, agent, group, or sub-account. Statements of account and different levels of reminder letters are supported.

AR browses also let you view payments by customer or by due date with one of the following status indications:

- Initial payments
- Allocated payments
- Accepted payments
- For collection payments
- Paid conditionally, paid, and bounced

Payment history supports a complete trail of all related transactions.

See Chapter 8, “Accounts Receivable,” on page 503.

Accounts Payable

The Accounts Payable module covers all accounting processes that relate to suppliers. This module manages supplier definition and all other criteria necessary for supplier management, such as credit terms, aging analysis, locking, and payment procedures.

Supplier invoice handling supports a complete follow-up procedure for payments. The system manages payments in the form of checks, drafts, promissory notes, transfers, electronic transfers, and summary statements. Electronic transfers can be automatically formatted based on bank requirements.

A sophisticated payment selection engine selects open items for payment based on matching with purchase receivers. A flexible approval process supports simple or complex segregation of roles in the generation of payments. After recording the payment, you manage it through various statuses.

AP browses let you view multiple details at the same time. In this way, you can, for example, view whether an invoice is matched, the receipt with which it is matched, the purchase order to which it refers, and if and how it is to be paid.

You can generate reports on open items, transactions, history, and summary. Aging lists can be generated for supplier, group, or sub-account. You can easily select held invoices by supplier or approval status and due date, providing complete control of the invoice approval process in your organization.

See Chapter 9, “Accounts Payable,” on page 593.

Evaluated Receipts Settlement

Evaluated Receipts Settlement (ERS) lets you generate confirmed supplier invoices and corresponding receiver matching records based on completed purchase order receipts. The system automatically records liabilities to the supplier based on quantities received at the unit price negotiated with the supplier in a purchase agreement.

You can use ERS to generate supplier invoices and receiver matching for purchase orders, scheduled orders, blanket orders, supplier consignment inventory consumption, and receivers that become available for invoicing at time of use or when ownership changes; for example, inventory transfer, WO component issues, or shipments. ERS can also process non-inventory PO receipts.

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 from the receiving entity. In this case, ERS automatically creates cross-company postings.

See Chapter 10, “Evaluated Receipts Settlement,” on page 733.

Banking and Cash Management

To process banking transactions, you set up your own bank accounts—as well as customer and supplier accounts—as GL accounts of type Bank. You can then add details to the account to manage the banking transactions. A business relation contains the bank address, contact, and tax details.

Banking features let you process banking transactions and allocations to open items or GL accounts. This process also supports discounts, prepayments, and multiple currencies. Realized currency differences are automatically analyzed, and each bank account is linked to a separate daybook.

Automatic banking fully automates the processing of bank statements. Automation also includes customer invoice collection, supplier payment processing, and allocation of miscellaneous banking transactions. The module supports a large variety of global banking standards.

Banking features let you define payment formats for delivery of electronic files to your bank.

Banking supports full coverage on the following transaction types:

- Accounts receivable bank transactions
- Accounts payable bank transactions
- Miscellaneous bank transactions

The automatic payment file process function lets you generate automatic customer and supplier payments from the transactions contained in imported bank files.

Cash management reports present information on open items, bank and cash accounts, loans and deposits, sales and purchase orders, and accruals.

See Chapter 11, “Banking and Cash Management,” on page 757.

Budgeting

A budget is a set of amounts expected to be spent or earned during a given time period.

Financials supports budgeting for all elements of the chart of accounts: accounts, sub-accounts, cost centers, projects, and supplementary analysis fields. Budget figures can be prepared in Excel or in external systems and then uploaded to the budget structure.

Budget periods can be set up to differ from GL periods. This lets you produce non-period budgeting, for example, in the form of quarterly budgets.

See Chapter 12, “Budgeting,” on page 815.

Financial Reporting

QAD Financials offers a robust reporting framework combined with a leading reporting product—Crystal Reports. The extensive reporting features in conjunction with configurable browses and views that are easily exported to Excel cover all business requirements and provide maximum flexibility and operational efficiency for users.

Easy access. Reports can be run directly from the menu, by right-clicking on a record in a browse, or by using the Go To menu from a maintenance screen to select a related report.

Multiple Report Output. Report output is first shown in a viewer, where powerful functionality is available for navigating and searching through the data. In addition to sending reports to a printer, data can be exported in many standard formats such as PDF, XLS, and DOC.

Usability. Default settings are provided for each report. These can be adapted based on your company standard to better support your best practices. Filter settings and layout can be given a name and stored as a report variant, for private use or to be shared amongst users or groups of users (roles).

Ease of Customization. Reports can be customized to optimally support your company processes and best practices. You can:

- Add or remove report filter criteria, assign default values, and save custom report variants by user, role, or system-wide.

- Use the designer tool to modify the report layout, add and remove data fields, add calculation logic, or change sort order and grouping.
- Customize system-supplied report templates that contain formatting information such as fonts, logo, and paper orientation (landscape, portrait).
- Define scheduling and e-mailing options for reports that enable saved reports to be printed in iterations, and e-mailed to system users and roles.

Documents. Using the same designer tool, you can customize documents sent to your customers or suppliers such as checks and reminder letters to meet the company requirements.

Regional settings. You can select the language used for report labels and data descriptions, regardless of the language you are using. The system managers other regional settings such as the decimal point, number of decimals, and the date format.

See Chapter 15, “Financial Reports,” on page 883.

General Ledger Report Writer

The GL Report Writer lets you run financial reports previously created in an earlier version of a QAD ERP application. You can report on transactions in the official layer of the current domain, and in the base and transaction currencies.

The function uses GL data from COA elements (excluding SAFs) and entities as the basis for reporting. This gives you the flexibility to define your financial reports based on the criteria you set.

The GL Report Writer uses its own set of budget data that can be defined using GLRW Budget Maintenance (25.17.4.1), and retrieves actuals data from the posting history table.

The GL Report Writer uses its own database tables, based on account balance information from standard general ledger tables, and based on transactions in the official layer only. The GL Report Writer tables store

financial balances, rather than individual GL transactions. The system retrieves pre-calculated information rather than making calculations when running the report. As a result, the system generates reports faster.

See Chapter 16, “General Ledger Report Writer,” on page 929.

Internationalization

The system provides extensive support for international accounting requirements in several key areas:

- Exporting bank transactions in country-specific formats
- Advanced GL numbering
- Specialized Chinese accounting practices

Bank Formats

Payment formats are functions that let users create different payment instrument files to be communicated electronically with banking systems. The bank format information is loaded into the system, default values can be modified in a Payment Format function, and you can link your banks to the required format. The format information is then accessed by the system when electronic payment files are generated.

Different payment formats are necessary for each country to support different inbound/outbound file format requirements. The formats can be downloaded from the QAD Support Web site. A generic format is provided with the system.

Advanced GL Numbering

Options for advanced GL numbering support the following types of requirements:

- Some countries—China, for example—require consecutive transaction numbers on financial statements. The standard internal GL numbering system uses the following method:
Year + Daybook code + 9-digit sequential number
This method does not generate consecutive numbers for GL postings.

Multiple entities may also need to share the same numbering sequence for GL postings, and users should be able to reset the GL numbering sequence.

- In the Journal Entry function, you can correct a GL posting by first creating a reversal posting and then the correct posting that replaces the original posting. However, the system does not store how the reversal posting and the replacement posting relate to the original posting. In some environments, users need to identify which postings are being reversed and replaced.

In addition, users may need to use negative GL entries for reversal postings, instead of positive GL entries on opposite sides of the ledger.

Numbering options provided to meet these needs include:

- A second consecutive numbering sequence is available for GL posting. The numbering sequence is in the local GAAP posting layer. You can share the numbering sequence with another entity. You can also reset the numbering sequence on a yearly basis.
- In the Journal Entry activities, you can specify the original GL posting on which the reversal posting or the replacement posting you are creating is based.
- Reports show relationships among original GL postings, reversal GL postings, and replacement GL postings.
- When you create a reversal GL posting, you can choose whether to enter negative amounts on the same DR/CR side against the original GL posting lines or to enter positive amounts on the opposite DR/CR side.

Specialized Chinese Accounting Practices

Several features accommodate accounting rules that commonly apply in China.

- The Golden Tax system is required by the Chinese government to process and print value-added tax (VAT) invoices. Every Chinese company needs to print VAT invoices using the Golden Tax system.

- Chinese financial regulations require all GL transactions to be verified as well as approved. The system supports verification and approval processes and printing transactions that include the names of the creator, verifier, and approver.
- In China, it is necessary to provide various financial reporting statements in standard formats. All required reporting requirements are fully supported with region-specific reports.
- The China Accounting Interface exports accounting data into text files that meet regulatory requirements.

See Chapter 17, “Chinese Financial Features,” on page 977 for details.

User Interface

The following topics describe user interface features that are unique in the Financials system. General features of the .NET User Interface that apply to all functions are described in *User Guide: QAD User Interfaces*.

<i>Overview</i>	28
<i>Component-Based Function Menu</i>	29
<i>Using Component-Based Screens</i>	42
<i>Using Browsers and Search</i>	50
<i>Integrating with Microsoft Excel</i>	61
<i>Active and Inactive Records</i>	68
<i>Accessing Application and Interface Help</i>	68

Overview

Most of the financial functions are developed using an object-based technology that supports a rich user interface offering additional features not available in standard system functions. These functions work within the QAD .NET User Interface and use the same menu system for navigation and standard menu bar available through the .NET UI for all programs.

However, there are some differences, discussed in this set of topics.

- Component-based functions have an additional menu bar that offers access to a range of additional options, such as:
 - Associating documents with specific records in the database
 - Initiating an ad-hoc workflow that places relevant items in a user's Inbox
 - Entering design mode, through which you can customize the appearance of component-based functions
 - Saving a document in draft format
 - Printing and previewing options for reports
- The navigation in a component-based screen is different and makes use of many right-click command options.
- Direct Go To links provide one-click access to related functions and let you view or create required codes.
- Translation options let you create multiple-language descriptions for many base data items such as accounts, sub-accounts, and cost centers.
- The browse and search capabilities of component functions are similar to .NET UI browses, but are arranged slightly differently.
- Some component-based functions let you export to Excel either for reporting or to update data and reimport it.
- All records created with component-based functions can be marked as active or inactive, affecting how they can be used in the system.

The following figure illustrates a typical component-based function.

The screenshot shows a web application window titled "Customer - Modify". The window has a menu bar with "Go To", "Actions", "Tools", "Attach", "Print", and "Preview". Below the menu bar is a toolbar with icons for each of these actions. The main content area is divided into two sections: "Attachments" and "Business Relation". The "Attachments" section contains fields for "Customer Code" (4000), "Business Relation" (4000), "Active" (checked), and "Bt To Customer" (4002). The "Business Relation" section has tabs for "Accounting", "Payment", "Banking", "Defaults", "Credit Limit", "Tax Info", and "Comments". The "Accounting" tab is selected, showing a form with fields for "Name" (ABC Company), "Address" (150 JFK Parkway), "Zip/City" (07960, Morristown), "Country Code" (USA, United States), "State" (NJ, New Jersey), "County" (101, Morristown, New Jersey), "Telephone", "Fax", "E-Mail", and "Internet". At the bottom right of the window are "Save" and "Close" buttons.

Fig. 2.1
Example of
Component-Based
Function

Component-Based Function Menu

The following figure illustrates the menu that displays at the top of component-based functions.



Fig. 2.2
Component-Based
Function Menu
Options

This figure illustrates the menu bar for the Customer Create activity. The first menu is titled Customer. In each component-based function, the first menu item takes the name of the component you are currently creating, updating, or viewing.

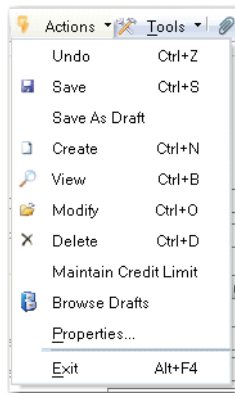
In addition to the options on this menu, you can use the commands on the .NET UI menu:

- Use Edit commands to manipulate text in the fields on the screen.
- Use Help commands to display context sensitive help.

Component Actions Menu

The name of the particular component you are accessing displays as the first menu. In Figure 2.2, this is Customer. On this menu is a list of activities that you can complete related to the customer you are editing.

Fig. 2.3
Function Menu



General activities are available on this menu or as buttons on the activity screen. These include Undo, Save, Save and Create, Save as Draft, and Properties.

Record-Specific Activities

Record-specific activities are also available on this menu. For customers, this includes Create, View, Modify, Delete, and Maintain Credit Limit. You can choose record-specific activities in multiple ways:

- By selecting from this menu
- By selecting from the main .NET UI application menu
- By right-clicking on a record within a browse and selecting from the context menu, as shown in Figure 2.4.

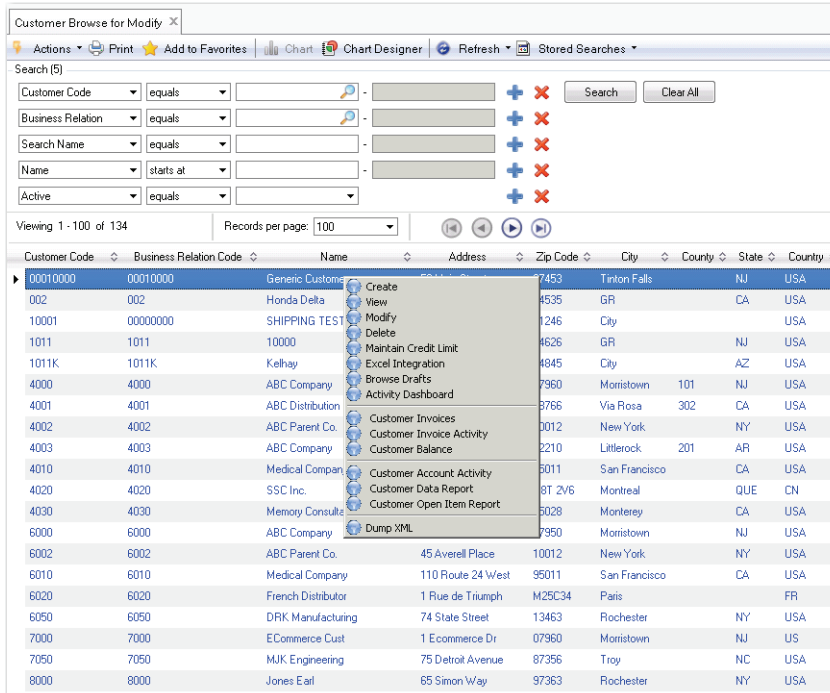


Fig. 2.4
Right-Click Menu
for Customer

Create, view, modify, and delete are standard activities available for most types of records.

Note You can see only the activities to which you have access based on the set of roles associated with your user ID. Role-based access control is explained in *User Guide: QAD Security and Controls*.

General Activities

The general activities correspond to the command buttons on the screen:

- Undo discards any changes without saving them. This is the same as the Cancel button.
- Save updates the database with your current changes. All validations associated with the type of record are executed before the save is completed. Any errors or warnings are displayed on the screen so that you can correct them before continuing with the save.

- **Save and Create** saves changes to the current record and then clears all data from the maintenance screen so you can create a new record. This command is available only when you are creating a new record; it is not available for all functions.

Properties is available for all records and displays technical information about the current record, such as who last updated it, as well as details about the current build number. This information can be useful for troubleshooting problems and may be requested by technical support.

You can use the **Dump XML** button to create a file containing the XML schema for the current component. This can be useful as a starting point for loading data with the XML daemon. See *User Guide: QAD System Administration* for details on the XML daemon.

Fig. 2.5
Object Properties

Field Descriptions

Business Component Shortname. Displays the internal Business Component code name for the object.

Internal Object Identification. Displays the unique numeric identifier for the object.

Last Updated By. Displays the login ID of the user who last modified the object.

Last Updated On. Displays the date and time when the object was last updated.

Business Component Version. Displays the version of the business component.

UI Component Version. Displays the UI component version.

Dump Location. Specify a directory where you want the XML description of this component to be located. This field applies only when you click Dump XML.

Saving and Browsing Drafts

The Save as Draft and Browse Drafts options are available only when the system has been configured to support the draft feature in Change System Settings. These settings are described in *User Guide: QAD System Administration*.

When Save as Draft is enabled, you can save selected records without completing all the validations required to ensure that the record is complete. You can then finish adding data to the record at a later time by using the Browse Drafts option to find the incomplete record.

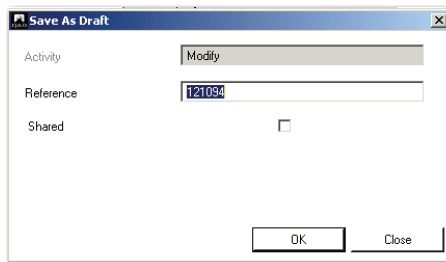
Only the following subset of components provides the ability to save unfinished records as drafts to be completed and approved later:

- Banking Entry
- Business Relation
- Petty Cash
- Customer
- Customer Invoice
- Finance Charge
- Journal Entry
- Supplier Invoice
- Supplier

Save as Draft

Selecting Save as Draft displays the following dialog.

Fig. 2.6
Save as Draft



The dialog box titled "Save As Draft" contains three input fields: "Activity" with the value "Modify", "Reference" with the value "121034", and "Shared" with an unchecked checkbox. At the bottom right are "OK" and "Close" buttons.

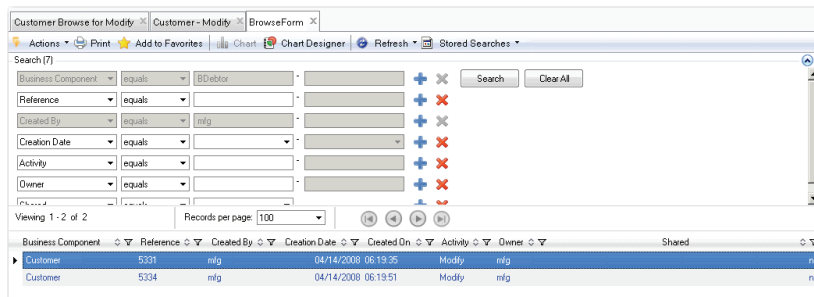
The Activity field has a value based on the activity you invoked the Save options from. You can specify a reference number to identify the draft record. The system supplies a default number, but you should give the draft a name that will help you or others recognize it easily.

When Shared is selected, other users can update the record; otherwise, only you can complete the record and change its draft status.

Browse Drafts

Selecting Customer Invoice Browse Drafts opens the Draft Invoice Search screen. Use this screen to select, open, and finalize draft instances that you or other users have created. Drafts created by other users are available only if they selected the Shared field when saving the draft.

Fig. 2.7
Draft Customer Search



The screen shows a search interface for drafts. It includes a search bar with the text "Search (7)", a list of search criteria (Business Component, Reference, Created By, Creation Date, Activity, Owner) with dropdown menus and comparison operators (equals, not equals), and a table of results. The table has columns for Business Component, Reference, Created By, Creation Date, Created On, Activity, Owner, and Shared. Two records are displayed.

Business Component	Reference	Created By	Creation Date	Created On	Activity	Owner	Shared
Customer	5331	mfg	04/14/2008 06:19:35		Modify	mfg	no
Customer	5334	mfg	04/14/2008 06:19:51		Modify	mfg	no

Tools Menu

The Tools menu lets you access Workflow and Design Mode.

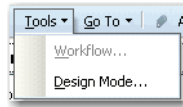


Fig. 2.8
Tools Menu

Workflow

Workflow lets you forward final or draft work items to one or more individuals—identified by a role—in the organization for completion or validation. You activate workflow using System and User Settings. Details about enabling workflow and the setup required for the Inbox to display are included in *User Guide: QAD System Administration*.

Workflow can be used for most records created with component-based functions. The ad-hoc workflow sends a link to the current record to another user's Inbox and optionally notifies them by e-mail. The recipient can double-click to open the item and complete the assigned task. If the Return to Sender option is included in the workflow, the record is returned to the originator's Inbox when the recipient saves it.

Note Return to Sender does not apply when the View activity is selected.

When workflow is initiated, the system routes the record to all users with the specified role. As soon as one user opens the object, it is removed from the Inbox of the remaining users. The system refreshes the Inbox by default every 5 minutes.

Note If you want to direct workflow to an individual, create a role that includes just that user. The role does not need to have any permissions assigned and can be used just to direct the workflow.

The following are examples of processes for which workflow can be used:

- Approve supplier invoices.
- Release invoices for payment.
- Notify stakeholders of changes to accounts, GL data, and customer or supplier data.

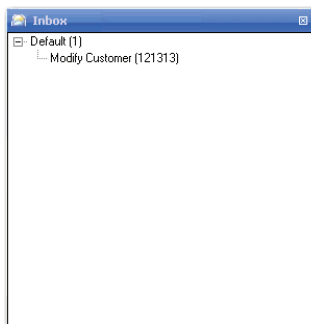
- Escalate overdue customer invoices.
- Approve transient journal entries.

You can optionally use e-mail notification to inform users who do not regularly log in to the QAD application that they have activities to be performed. These users can then access the necessary function to perform the required activity. Any instructions included in the workflow are also included in the e-mail.

Example of Inbox

Workflow items display as a list in the inbox by component name and activity. The key fields that identify the component are displayed in parentheses. In Figure 2.9, a single item displays in the Inbox. The customer record ID is included in the parentheses.

Fig. 2.9
Inbox



To refresh the display, right-click the inbox and choose Refresh.

Configuring Workflow

When you select Workflow from the menu, the Work Object Create displays. You can specify the recipient's role and link an activity—such as approve, comment, complete. Then add instructions and indicate whether the system should route the record back to you when the recipient's activity is complete. You can also specify that the recipient be notified by e-mail about required activities.

Fig. 2.10
Workflow Object
Create

Field Descriptions

Workflow Name. Select an existing workflow from the drop-down list or enter a code (maximum 140 characters) to define a new workflow name. If you select an existing workflow, click Load to display its details. After configuring a new workflow, click Save to save it for reuse.

Role. Select the role to receive the work item. The list contains only roles with permission to execute activities related to the type of record you are updating. For example, if you access the workflow from Customer Invoice Create, the list of roles includes only those with permission to activities related to customer invoices.

The linked record will be sent to all members of this role.

Required Activity. Select the activity that the recipient of the work item should perform. The list contain all activities that can be performed on the record you are currently updating.

Note If you select the view activity, you cannot request Return to Sender. The Return to Sender option is initiated when the recipient saves the record; this is not possible in view mode.

Return to Sender. Select this field if you want the work object routed back to yourself when the recipient has completed the assigned activity. When this field is selected, the record is sent back to you when the recipient saves their changes.

Instructions. Enter any comments or instructions (maximum 200 characters) for the recipient of the record. These can be viewed by the recipient by selecting Workflow from the linked record. Instructions are also included in the e-mail, if that option is enabled.

E-mail Notification. Select this field if you want the members of the recipient roles to receive an e-mail notification regarding a pending action item. To use this option, each user must have a valid e-mail address defined in User Maintenance (36.3.1) and you must have configured the e-mail server appropriately. Setting up e-mail is described in *User Guide: QAD System Administration*.

Design Mode

Design mode lets you modify the screen layout and add custom business fields to a screen. Design mode is enabled only if you are a member of a role with access to updating the design at a specific level. The levels of access are:

- You can make changes just for yourself that are seen only when you execute the screen.
- You can make changes that can be shared with other users that are members of your default role.
- You can make changes that can be used by all users in the system.

This feature can be used to streamline data entry and reduce training costs by customizing the UI for your particular business needs. However, only knowledgeable designers that understand the function they are modifying should be allowed to make significant screen changes.

For more information on design mode, see “Design Mode” on page 863.

Go To Menu

The content of the Go To menu is different for every function. It displays commonly used views and reports that apply to the record you are currently working with.

The Go To menu also provides quick access links to functions that create data being used by the function you are in. In Figure 2.11, the Go To menu for the Customer function is illustrated. The current customer has a

currency of USD. If necessary, you can click the Go To link, create a new currency code, and then return to Customer Modify and use the newly created currency code in the Currency field.

Go To behaves differently depending on whether the current field has data in it:

- If the field has a value, Go To invokes the View activity.
- If the field is blank, Go To invokes the Create activity.

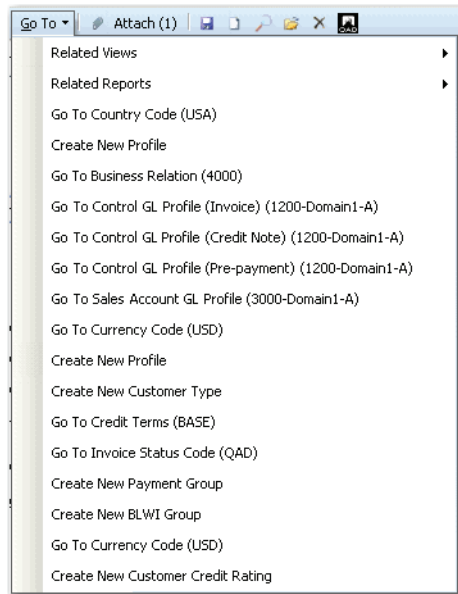


Fig. 2.11
Go To Menu

All of the related views take the record you are currently using as the base for the information. So if you are viewing Big Box Records, you can simply click the Go To to see Big Box Records balance and open invoices.

Note Go Tos are enabled only when:

- The corresponding function is an activity, not a standard program.
- The user has security permission to the linked activity.

Attach

The Attach option lets you link any type of document—such as a Microsoft Word file, graphics file, or PDF—to a record within the application. This integration ensures that all required documentation is immediately accessible when needed.

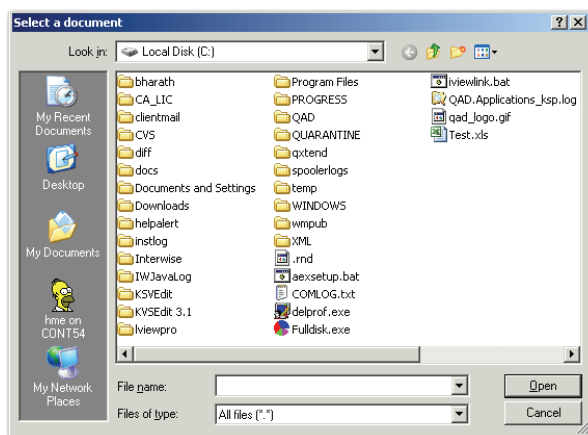
Example Use this feature to associate a customer profile with a customer record or attached a PDF of an invoice to a supplier invoice record.

If you have set up the Scan daemon, you can poll a directory for documents to attach to new records and have the system send work objects to the Inboxes of designated users. For example, the Scan daemon can create a new supplier invoice record, attach a scanned PDF to it, and send a link to the Inboxes of all members of the AP clerk role. When a user clicks on the link, the Supplier Invoice Create screen opens with the scanned document automatically attached.

See *User Guide: QAD System Administration* for more details about the Scan daemon.

To create a new attachment manually, choose the Attach menu option to display a dialog for selecting the file to attach.

Fig. 2.12
Document Attach



When you click Attach, a standard Windows Open dialog displays so you can select the document you want to attach. The number of attached documents displays in the menu. To see the attachments, click the chevron in the top bar on the screen. Each linked document displays in this view and can be removed if necessary.

Figure 2.13 illustrates one document attached to a customer invoice.

- Click the document name to open it.
Note You must have an application associated with the document type to open it for view.
- Right-click the attachment to open, delete, or copy it. Deleting the attachment does not affect the original file on the operating system.
- Click the chevron to expand or collapse the attachment area.

The screenshot shows the 'Customer Invoice Create' window. At the top, there is a menu bar with 'Go To', 'Actions', 'Tools', 'Attach', 'Print', and 'Preview'. Below the menu bar, there is a section for 'Attachments (1)' showing a file named 'Test.xls (8 KB)'. A chevron icon is visible next to the attachment name. Three callout boxes with arrows point to specific elements: 'Click to open' points to the attachment name 'Test.xls'; 'Right-click to delete' points to the attachment icon; and 'Click to expand attach area' points to the chevron icon. The main body of the window contains various fields for invoice details, including Customer Code, Posting, TC Invoice Amount, Exchange Rate, Scale Factor, BC Invoice Amount, SubAccount, Year, Daybook Code, Project, Cost Center, Contact, Link to Invoice, and Adjustment.

Fig. 2.13
Attached Document

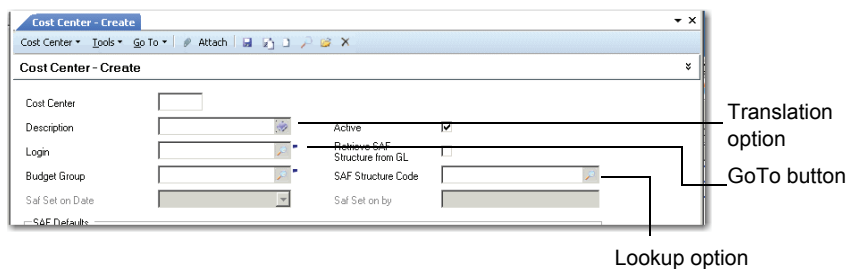
Using Component-Based Screens

This section discusses how to enter data in fields and various types of elements that appear in a component activity.

Entering Data in Fields

Use the tab key and mouse cursor to navigate through business component forms and to enter data.

Fig. 2.14
Screen Options



A lookup option is available on fields that feature magnifying glass icons. You can also access this option by pressing Alt+L. Lookup screens can be customized in the same way as the browse overviews.

The translation option is available for description fields and lets you store translations of your description text in active system languages. “Using the Translation Option” on page 48 discusses this option in more detail.

You can click the Go To button to access the related activity that created the value displayed in a field. Go To options are also available on the Go To menu. Which activity displays depends on whether the source field is empty or contains a value.

Example In Figure 2.14, you click the Go To button next to the Budget Group field when the field is empty. The Budget Group Create screen displays so you can create a new budget group for this cost center.

If you click Go To when a value already exists in the field, the Budget Group View screen displays.

In some amount fields, you can use the F3 to automate data entry. When your cursor is in a transaction amount field, pressing F3 automatically fills in the balancing side of the transaction. This can be very useful in functions such as banking entry.

Using Information Grids

A number of screens feature information grids. These grids have many of the same features as browses; for example, you can change the column order and width. See “Using Browses and Search” on page 50 for details.

Some grids are more complex than others, letting you add child rows with additional data related to a parent row.

System and user settings affect whether grid changes are temporary or remembered by the system. These settings are described in *User Guide: QAD System Administration*. Allow User Customization must be enabled and either Automatic Save of Last Used Grid Settings or Allow Save of Grid Settings must be enabled for the system to save changes. If the save is allowed rather than automatic, you can pick that command from the context menu.

To see the commands available in the grid, right-click to display a context menu.

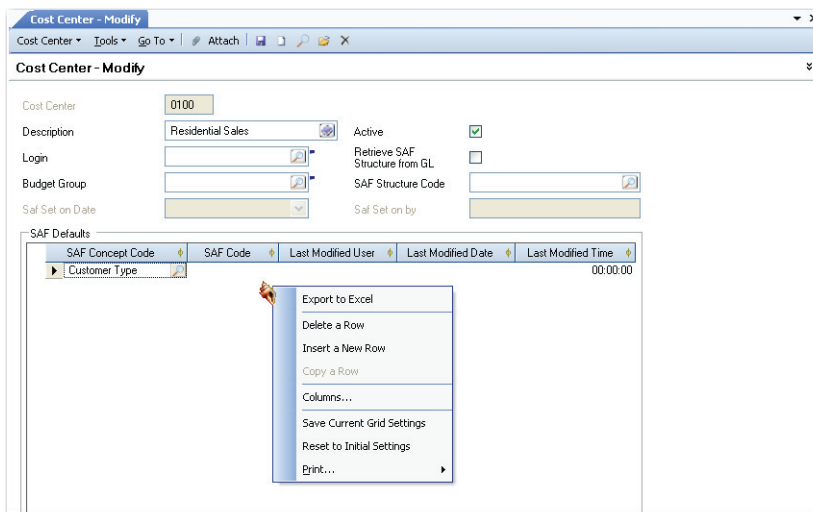
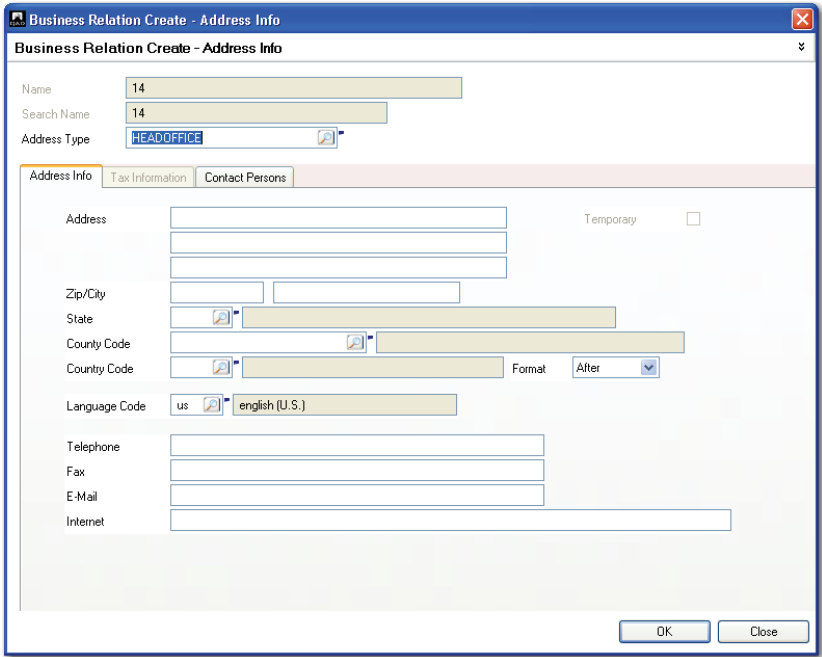


Fig. 2.15
Grid Context Menu

Grid Context Menu Commands

- **Export to Excel.** This command is enabled only when the grid includes data. All browses and grids can be exported to Excel. See “Exporting Data to Excel for Reporting” on page 62.
- **Delete a Row.** To delete a row, right-click in the row and select Delete a Row from the context menu or press the Delete key on the keyboard. The system prompts for confirmation before deleting the row.
- **Insert a New Row.** Right-click and choose Insert a New Row from the context menu or press the Insert key. This either opens a new row for updating the required data fields or displays a new screen for data input (see Figure 2.16 on page 45).
- **Insert a Child Row.** This command is available only in a grid that supports subordinate rows with data related to a parent row.
- **Copy a Row.** Right-click in the source row you want to copy and choose Copy a Row. A new row is created with the copied data. You must modify the key fields before you save the record.
- **Columns.** Right-click anywhere in the grid and choose Columns to display a dialog for changing which columns display in the grid and other grid details. This same option is available for browses and is described in “Customizing the Column Layout” on page 57.
- **Save Current Grid Settings.** This option is available when Allow Save of Grid Settings is enabled system wide and automatic saving is not. Choose the option to preserve the changes you have made to the grid.
- **Reset to Initial Settings.** Choose this option to clear any changes you have made to the browse and reset it to its initial defaults defined at system installation.
- **Print.** Choose this option to send the data in the grid to the default Windows printer. You can also use the print commands on the .NET UI File menu to print data.

In Cost Center Create, choosing Insert a New Row opens a row directly in the grid. Figure 2.16 illustrates the same command in the Business Relation Create screen, which opens a form for entering the data in the row. In this example, right-clicking the grid and choosing Insert a New Row displays the Address Information screen.



The screenshot shows a software window titled "Business Relation Create - Address Info". It contains several input fields for address details. The "Name" and "Search Name" fields are both filled with "14". The "Address Type" dropdown is set to "HEADOFFICE". Below these are tabs for "Address Info", "Tax Information", and "Contact Persons", with "Address Info" being the active tab. The "Address Info" section includes fields for "Address" (three lines), "Zip/City", "State" (with a dropdown arrow), "Country Code" (two lines, each with a dropdown arrow), "Language Code" (set to "us" with a dropdown arrow and "english (U.S.)" selected), "Telephone", "Fax", "E-Mail", and "Internet". A "Temporary" checkbox is also present. At the bottom right are "OK" and "Close" buttons.

Fig. 2.16
Address
Information

Complete the information in this screen, and click OK. The new address row is now inserted into the grid in the Business Relation Create form.

Grid Sorting

You can sort the information in a grid using multiple sort levels. To use this facility, click on the first sort column on the grid. For subsequent sort levels, hold down the Shift key and click on the required column headings. The example in Figure 2.17 is sorted by Order, then by Receiver, and then by Reference. The triangle symbol to the right of the column name indicates that the column is used in the grid sort.

Selected	Domain	Order	Order Ln.	Receiver	Reference	Supplier Invoice Internal Reference	Quantity	Unit Price
☒	Domain1	D1P25	1	RLVH25	PK25		10	8
☒	Domain1	D1P26	1	rcv26	pk26		60	5
☒	Domain1	D1P26	1	rtn26	rtn26		-10	5
☒	Domain1	D1P3	1	D1R2	Test1		100	6.86
☒	Domain1	D1P32	1	D1R11	D1R11		4	10
☒	Domain1	D1P37	1	D1R15	D1R15		9	10
☒	Domain1	test3401	1	D1R7	D1R7		50	10
☒	Domain1	test3401	1	D1R8	D1R8		-10	10
☒	Domain1	test3401	1	D1R9	D1R9		-20	10

Fig. 2.17
Grid Sorting

Expand Button

Screens that display complex details often include a button for expanding or contracting the level of detail displayed. Figure 2.18 illustrates the button in Receiver Matching Create. Currently the Pending Invoice Filter is closed.

Fig. 2.18
Expand Button

The screenshot shows the 'Receiver Matching Create' window. The title bar includes 'Go To', 'Actions', 'Tools', 'Attach', 'Print', and 'Preview'. Below the title bar is a section for 'Attachments'. The main area is divided into two columns of input fields. The left column contains 'Matching Data' with fields for 'Date' (03/04/2009), 'Year/Pd' (2009), 'Invoice' (0), 'Reference', 'Registration Number' (0000000000), and 'Invoice Status Code'. The right column contains 'Daybook' (GADCIREC), 'Invoice Type', 'Supplier Code', and 'Status' (Finished). Below these fields is a section labeled 'Search for Pending Invoices'. On the right side of the window, there is a button labeled 'Expand button' with a small icon next to it.

Clicking the button expands the contracted frame, as shown in Figure 2.19. Other screen areas are hidden and shown using the contract button.

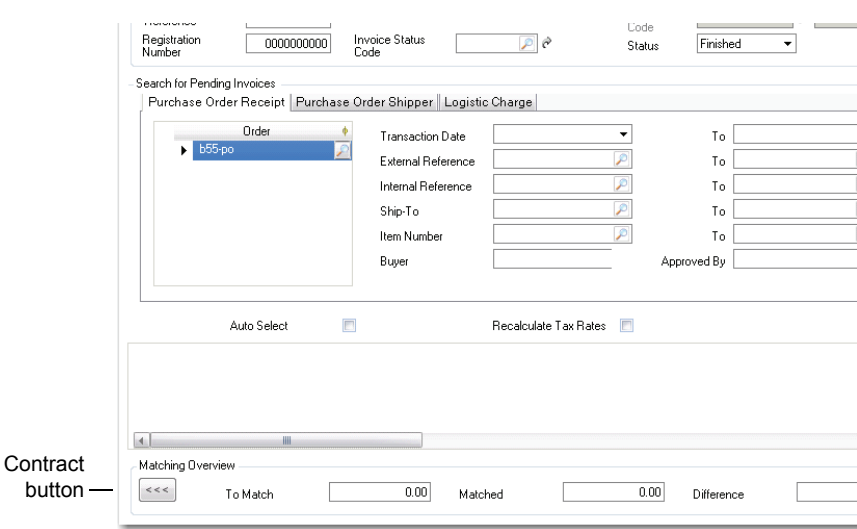


Fig. 2.19
Contract Button

Saving Records

When you have entered all the data necessary for the screen, click Save or Save and Create.

Note Save and Create is available only when you are creating a new record from selected screens; when available, it lets you save the current record and then clears all fields so you can create another record.

The system validates the data before saving to the database, and prompts you if you have entered invalid data or have not completed essential fields. The prompt details the severity of the problem provides instructions for resolving it. A red exclamation mark on the screen indicates which fields are affected (see Figure 2.20).

Note If you press Alt+L when your cursor is in a field, the system validates the existence of the value you entered.

Fig. 2.20
Error Prompt when
Saving Data

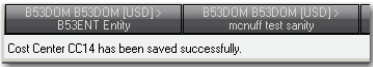
The screenshot shows the 'Cost Center Create' window. The 'Cost Center' field has a red error icon. The 'SAF Defaults' table is empty. The status bar at the bottom shows an error message: 'You must enter this field.' for the 'Cost Center' field.

Type	Message Number	Severity	Field	Message
E		Normal	Cost Center	You must enter this field.

Click Detail to view details about the code executing when the error occurred and Return to access the form again without closing the error prompt. When you have corrected the issues, click Close to close the screen.

When you click Save and Create, the data is validated again. If the validation is successful, the data is saved to the database, the screen is cleared, and you can begin creating another record. The status bar indicates when a record has saved successfully.

Fig. 2.21
Record Saved
Message



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.

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.

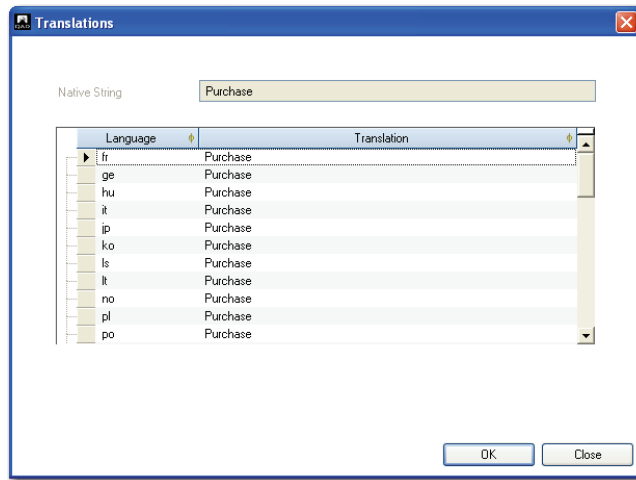


Fig. 2.22
Translating
Account
Description

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.

However, when multiple translations of the descriptions exist, the system attempts to use the most appropriate one. To determine which language should be used, the system:

- Uses the value of System Language specified in System Maintain (36.24.3.1) for records that apply to the entire database. See *User Guide: QAD System Administration* for details.
- Uses the value of domain language for records that apply to a specific domain.

To understand how this works, consider the following scenario. Your database has two domains. The language associated with Domain A is French; for Domain B it is English. Both domains share one chart of accounts.

During implementation of the system, account descriptions are created in both French and English using the translation option. Now when the inventory manager in Domain A sets up product lines, he sees account descriptions in French. Correspondingly, the inventory manager in Domain B sees account descriptions in English while setting up product lines.

Since product lines are domain specific, the system displays the descriptions in the default language of the domain.

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.

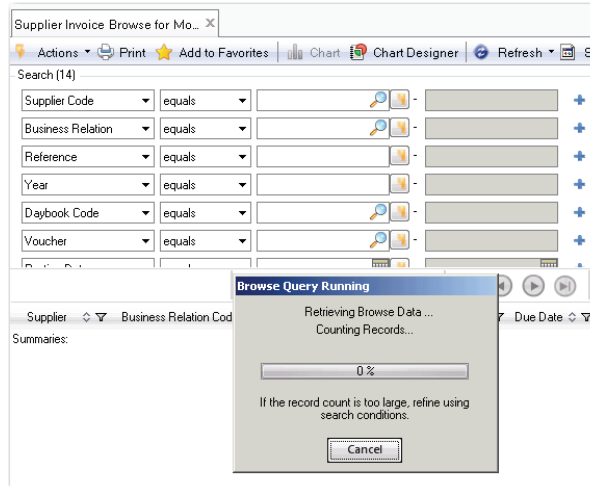
Using Browsers and Search

The Search options in component activities let you filter your search results in a number of ways, and save customized search settings for reuse.

Whenever you view, modify, or delete a record created with a component-based activity, you begin by launching a browse (Figure 2.24).

The top pane of the browse provides tools for managing the data you are viewing. You can retrieve stored searches, filter search results, and update browse settings. The bottom pane of the browse displays the retrieved records. Browsers that return large numbers of records display a progress indicator while the records are being retrieved.

Fig. 2.23
Browse Progress
Indicator



The existing records are displayed on scrollable pages and you can set the number of records per page. When many records exist, choosing to display all of them may take some time.

Fig. 2.24
Typical Browse

Select a stored search or display Manage Filter Fields.

Enter filter values

Set no. of records per page

Click to display next page of records.

Receiver Matching Browse for...
Actions | Print | Add to Favorites | Chart | Chart Designer | Refresh | Stored Searches
Search (12)
Supplier Code equals [] + X
Business Relation equals [] + X
Invoice Year equals 2008 + X
Invoice Daybook equals [] + X
Invoice Voucher equals [] + X
Invoice Status Code equals [] + X
[] [] [] [] [] [] [] [] [] [] [] []
Viewing 1 - 50 of 144 Records per page 50
Supplier Business Relation Code Invoice Year Invoice Daybook Invoice Voucher Invoice Status Code Matching Date
DKC-sup1 CKC-111 2008 SupInvDC 00000015 Rahul-AfterRM 04/04/2008 Fi
ATPSUP01 ATPSUP01 2008 QADAPInv 00000002 Rahul-AfterRM 04/03/2008 Fi
ano-sup1 ano3535 2008 SupInvDC 000000151 Rahul-AfterRM 04/03/2008 Fi
ATPSUP01 ATPSUP01 2008 QADAPInv 000000000 AlterRM1 04/03/2008 In
Jie-Sup BE 2008 QADAPInv 000000044 PanAlterRM 01/27/2008 Fi
ATPSUP01 ATPSUP01 2008 QADAPInv 000000070 inhap 04/03/2008 Fi
ano-sup1 ano3535 2008 SupInvDC 000000115 Rahul-AfterRM 02/27/2008 Fi
B51-Sup 1011K 2008 SI 000000034 Rahul-AfterRM 03/21/2008 Fi
lnsup lnsup 2008 QADAPInv 000000107 PanAlterRM 02/26/2008 Fi
EKRM EKBR1 2008 SupInvDC 000000118 EKARM 02/29/2008 Fi
Si-Sup Si-SupBR 2008 QADAPInv 000000113 Si-AfterMatching 03/02/2008 C.
US-Sup US-BR 2008 GWL-APSI 000000084 Rahul-AfterRM 03/03/2008 Fi
US-Sup US-BR 2008 GWL-APSI 000000071 Rahul-AfterRM 02/21/2008 Fi
US-Sup US-BR 2008 GWL-APSI 000000072 Rahul-AfterRM 02/22/2008 Fi
US-Sup US-BR 2008 GWL-APSI 000000078 Rahul-AfterRM 02/25/2008 Fi
US-Sup US-BR 2008 GWL-APSI 000000068 Rahul-AfterRM 02/21/2008 Fi
US-Sup US-BR 2008 GWL-APSI 000000070 Rahul-AfterRM 02/21/2008 Fi
ano-sup1 ano3535 2008 SupInvDC 000000101 R0InitialAlter 02/21/2008 Fi
inhsupp inhsupp 2008 QADAPInv 000000086 inhap 02/22/2008 Fi
US-Sup US-BR 2008 GWL-APSI 000000082 Rahul-AfterRM 02/28/2008 Fi
Si-Sup Si-SupBR 2008 QADAPInv 000000078 Si-AfterMatching 02/21/2008 C.
lnsup lnsup 2008 SI 000000015 ln-al-matching 03/03/2008 C.

Search Criteria

The Search Criteria area displays the fields for filtering your search. If stored search criteria exist, you can select one by name from the drop-down list at the top of the search criteria. This sets up the filter criteria to produce preconfigured results.

Otherwise, the search fields display with a default configuration. You can refine the search using combinations of filters and wild cards (*). Click the + and X buttons to add and remove search filters.

Example To search for GL accounts that begin with the numeral 1, and with descriptions that begin with the letter r:

- 1 Enter 1 followed by * in the Account field.
- 2 Enter r followed by * in the Description field.
- 3 Click Search or press Enter.

Figure 2.25 illustrates the results.

The screenshot shows the 'GL Account Browse for Modify' window. The search criteria are set to 'Account equals 1*' and 'Description equals r*'. The results table displays 20 records, showing various GL accounts and their descriptions.

Account	Description	Sub-Account	Cost Center Account	Proj Analysis	Active
1037	Real Exch Gain - USD	yes	no	no	
1038	Real Exch Loss - USD	yes	no	no	
1076	Realized Exch Loss EUR	yes	no	no	
1080	Realized Exch Gain USD	yes	no	no	
1080A	Realised Gain A/c	no	no	no	
1081	Realized Exch Gain DM	yes	no	no	
1082	Realized Exch Gain FFR	yes	no	no	
1083	Realized Exch Gain LJR	yes	no	no	
1084	Realized Exch Gain SPP	yes	no	no	
1085	Realized Exch Gain CND	yes	no	no	
1086	Realized Exch Gain EUR	yes	no	no	
1090	Realized Exch Loss USD	yes	no	no	
1091	Realized Exch Loss DM	yes	no	no	
1092	Realized Exch Loss FFR	yes	no	no	
1093	Realized Exch Loss LJR	yes	no	no	
1094	Realized Exch Loss SPP	yes	no	no	
1095	Realized Exch Loss CND	yes	no	no	
1096	Realized Exch Loss EUR	yes	no	no	
1200R	Rev Acc for 1200	yes	yes	no	
1500-m	R.m test ckc eyk	no	no	no	

Fig. 2.25
Using Search
Criteria

Click Clear All to clear the browse results.

Use the search operator drop-down list to apply one of the following operators to the filter:

- equals
- not equal
- contains

range
 starts at
 greater than
 less than
 is null
 is not null

When an equal sign is displayed next to the field, you must enter an exact matching value. You can use the Manage Filter Fields option (see “Manage Filter Fields” on page 55) to display more fields or other fields.

There is more information on browses in *User Guide: QAD .NET User Interface*.

Stored Searches

Use this option to save your current lookup settings under a name. The stored search is then listed for selection when you launch this browse and can be reused. The settings you save apply to this browse only and are not listed in browses for other types of records.

Fig. 2.26
Stored Searches

GL Account Browse for Modify - Save Current Settings As

Name: GL Account DM1

Level: System

Company Dependent: ☐

OK Close

Field Descriptions

Name. Enter a code (maximum of 80 characters) to identify the saved search settings. The name must be unique to that browse.

Level. Choose an option to determine which users can access the stored search. The options available in the Level drop-down list depend on your role permissions.

User <Current User ID>: Only you can access the stored search. It will not be available in the stored search list of other users. This setting is the default.

Role <Current Role>: Only users who have the same role as your default role can access the stored search. It will not be available in the stored search lists of users who do not have this role.

System: The variant is available to all users in the system.

Customized Factory Default: The variant will be named CUSTOMERDEFAULT, and will become the customized initial default for this report.

Note This option is available only to users who have a role assigned that lets them define a stored search on system level.

Company-Dependent. Select the field if you do not want the report search to be available across entities.

The availability of these choices depends on the access you have been given in Role Permissions Maintain to the stored search activities. See *User Guide: QAD Security and Controls* for details.

The system saves all the field, filter operator, and row and column information you configure in the Lookup Settings dialog.

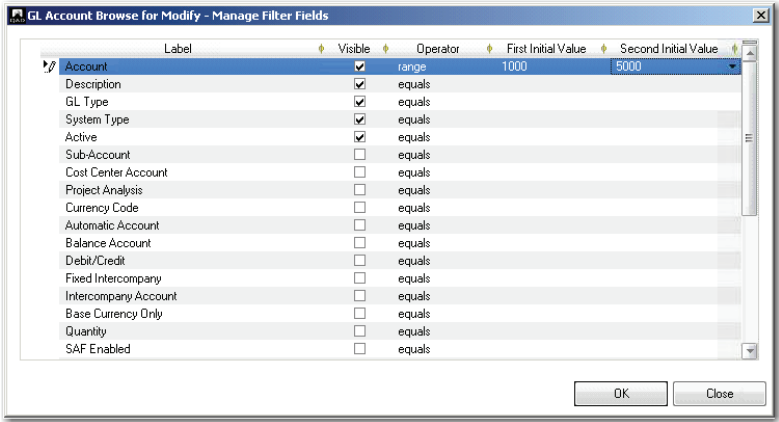
Manage Filter Fields

This option displays all the search fields possible for this type of record. You can use the Manage Filter Fields tab to:

- Specify whether a filter field should appear on the Selection Criteria tab (Use column).
- Specify what operator to use when finding data to view.
- Define an initial value or range of values for the filter field.

Example You can refine the default search for GL accounts to retrieve only accounts with codes that are within a number range of 1000 to 5000.

Fig. 2.27
Manage Filter
Fields



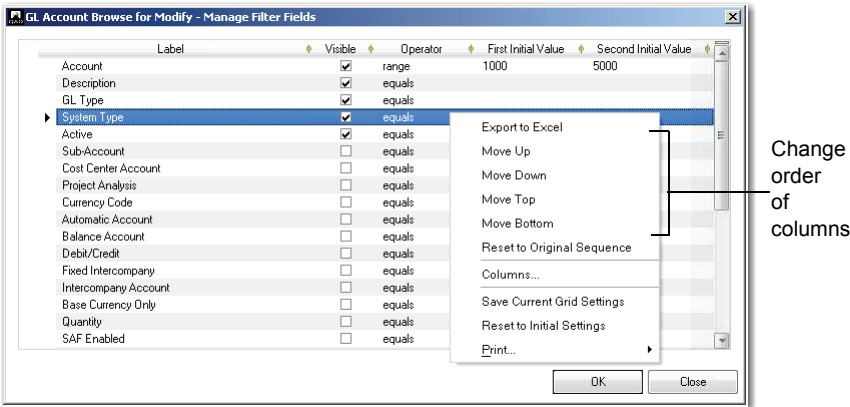
The browse is then populated with these conditions, and you click Apply to conduct the search.

Note You can also select the Columns option by right-clicking any column in a results grid.

Ordering Fields

You can also change the order in which fields display in the filter criteria by right-clicking the field and using one of the Move commands (Figure 2.28). If you right-click in a logical field such as the Use column, you can clear or select all of the Use check boxes at one time.

Fig. 2.28
Rearranging Search
Fields



Field Descriptions

Label. This read-only field displays the field label, which is also the column heading of the browse.

Visible. Select this field to include the field in the browse search criteria. This field does not affect the columns displayed in the browse; use the right-click Columns menu for that. It affects only which fields you can use for finding records.

Operator. Select an operator to apply to this field.

First Initial Value. Enter a value for this selection criterion or select a value from the drop-down list. The list displays certain variables that are interpreted by the system, such as \$Today, which represents today's date.

These variables let you save stored search criteria that work correctly regardless of the date.

Second Initial Value. This field is editable only when the range operator is specified. Enter the ending value in a range for selecting records.

Managing Search Results

You can make a number of modifications to the search results to configure them for your particular needs.

Customizing the Column Layout

You can change the column order by clicking the column header in the browse screen and dragging it to another position in the results list. A red arrow indicates the place where that column is dropped when you release the mouse button.

You can also adjust the column size by clicking on the border of the column header and dragging that border to the left or the right.

You can sort all data in the result list on any of the columns just by clicking the column header. Click on the header again to sort the data in reverse order.

Each column header also features a drop-down filter option. Click the  icon to display the available filters.

Fig. 2.29
Column Header
Filter Option

Account	Description	Sub-Account	Cost Center Account	Proj Analysis
1500-m	(All)		no	no
1037	(Custom)		no	no
	(Blanks)	yes	no	no
1038	(NonBlanks)		no	no
	R.m test c/c c/e yk	yes	no	no
1080A	Real Exch Gain - USD	no	no	no
1085	Real Exch Loss - USD	yes	no	no
	Realised Gain A/c			
1081	Realized Exch Gain DM	yes	no	no
1086	Realized Exch Gain EUR	yes	no	no
1082	Realized Exch Gain FFR	yes	no	no
1083	Realized Exch Gain LIR	yes	no	no
1084	Realized Exch Gain SPP	yes	no	no
1080	Realized Exch Gain USD	yes	no	no
1095	Realized Exch Loss CND	yes	no	no
1091	Realized Exch Loss DM	yes	no	no

You can make additional adjustments to column settings by right-clicking on any column header and choosing the Columns option.

Fig. 2.30
Columns Option

The screenshot shows the 'Proj Analysis' menu with the 'Columns' option selected. The sub-menu is open, displaying various options. The 'Active' option is highlighted in blue.

Proj Analysis	Active
no	✓ Autosize Columns
no	Group By Active
no	Show Group By Box
no	Remove Grouping
no	Expand All Groups
no	Collapse All Groups
no	Summary
no	Clear All Filters
no	Hide Column
no	Reset to Factory Settings
no	Columns
no	Properties
no	✓ Account
no	✓ Active
no	Analysis Set On by Auto
no	Balance Account
no	Base Curr
no	Budget Enabled
no	Cash Group
no	Category
no	Consolidation Method
no	✓ Cost Center Account
no	Curr

Click to select or deselect column labels.

Summarizing Results

The Summary right-click option lets you display summary information, depending on the column header in which you have clicked.

Example By right-clicking the BC Amount column in the results grid for Supplier Invoice Browse, you can display the following summary information:

Sum. Displays a total sum of the invoice amounts

Count. Displays the number of invoice records

Average. Displays the average of the invoice amounts.

Minimum. Displays the lowest invoice amount.

Maximum. Displays the maximum invoice amount.

Note You will only see meaningful results if the operator you choose applies to the data type. For example, applying the average operator to a data column will not produce a meaningful result.

Minimum and maximum are useful with dates, and summary and average with numeric fields.

Role Name	BC Balance	Type	Sub-Acct	MC Balance
	-100.00	Invoice	10	-100.00
	-200.00	Invoice	10	-200.00
	-210.00	Invoice	10	-210.00
	-100.00	Invoice	10	-100.00
	-200.00	Invoice	10	-200.00
	-125.00	Invoice	10	-125.00
	-4,995.00	Invoice	10	-4,995.00
	-600.00	Invoice	10	-600.00
	-100.00	Invoice	10	-100.00
	-220.00	Invoice	10	-220.00
	-400.00	Invoice	10	-400.00
	-100.00	Invoice	10	-100.00
	-100.00	Invoice	10	-100.00
	-200.00	Invoice	10	-200.00
	-110.00	Invoice	10	-110.00
	-500.00	Invoice	10	-500.00
	-1,000.00	Invoice	10	-1,000.00
Sum = -9,260.00 Count = 17 Average = -544.71 Minimum = -4,995.00 Maximum = -100.00				

Fig. 2.31
Results Columns
Option

Grouping Results

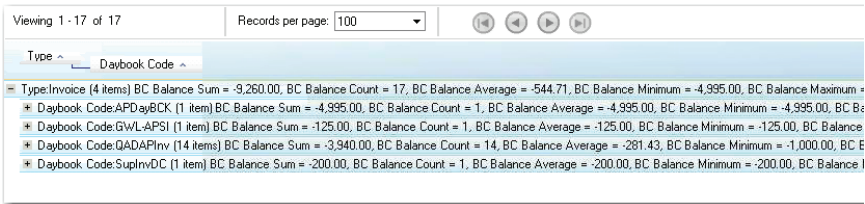
Use the right-click Group option to group data by column type. The grid now displays a summary of the column data, with the different elements sorted into groups.

Each group in the list can be expanded—to view the details of individual elements—using the plus sign next to the group.

You can also add other columns to the grid to create a group hierarchy.

Figure 2.32 illustrates a GL accounts browse in which the GL account type and daybook code columns have been selected to form a hierarchy.

Fig. 2.32
Group Hierarchy



The browse data is now grouped by GL account type and then by daybook code. Ungroup the data by dragging the column headers back into the result list.

Note The group options that you have configured are saved automatically in your last used settings, and can be reused when you open this browse again. You can also save these options as a stored search.

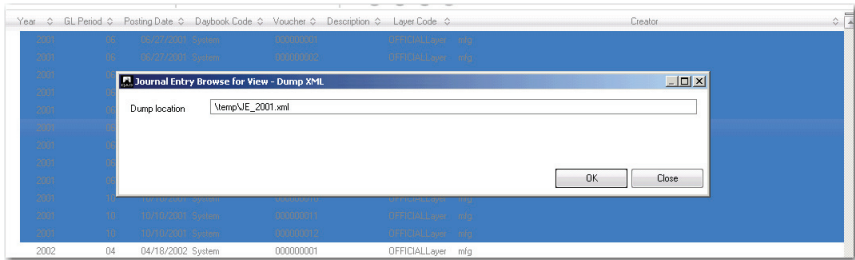
To remove the split, select the bar icon in the second panel and drag it back to its original position.

Exporting Results to XML

The right-click Dump XML option on results grids lets you export selected lines to an XML file for analysis.

Specify a filename and location in the Dump Location field. The XML file is stored on the server on which the appserver is running.

Fig. 2.33
Dump XML



Integrating with Microsoft Excel

Use the Excel integration feature to export data into Excel spreadsheets for analysis or reporting. You can also create new data within Excel and import it to the system database, where it is validated before being saved. Export to Excel for reporting is available in all browses and grids. The more advanced Excel integration is supported in only a subset of components.

When you export to Excel, all of the settings configured for the specific type of record are placed in the spreadsheet, including user-defined fields. Each setting and field is converted to a column heading, and the columns contain the value assigned to the field for that business component.

With advanced Excel integration, you can:

- Export all records for remote maintenance. You then modify the data and reimport the saved results into the system database.
- Create a blank template that consists of column headings for all of the fields in a business component and export this template for remote maintenance. You can then create the data in the spreadsheet or load data from another application into the template for importing to the system database.

This advanced integration with Excel is available as a right-click option on the results grid for the following business components:

- Alternate COA Group
- Alternate COA Structure
- Business Relation
- COA Cross Reference
- Cost Center
- Country
- County
- Credit Terms
- Customer
- Customer and Supplier Bank Number
- Customer Ship-To
- Daybook

- Employee
- End User
- Exchange Rate
- GL Account
- Journal Entry
- Mirroring Daybooks
- Mirroring GL Accounts
- Payment Formats
- Project
- SAF Code
- SAF Concept
- SAF Structure
- State
- Sub-Account
- Supplier

Note You can also use Excel integration when maintaining budgets. However, the budget integration is maintained in real time and is referred to as a hotlink. See “Linking with Excel” on page 838 for details.

The integration requires that you have one of the following versions of Microsoft Office installed:

- Microsoft Office 2003 International
- Microsoft Office 2003 with a MUI (Multilingual User Interface) Pack
- Microsoft Office XP International
- Microsoft Office XP with a MUI Pack

Exporting Data to Excel for Reporting

To export data directly into an Excel spreadsheet:

- 1 Right-click the results screen of a full or filtered browse search.
- 2 Choose Export to Excel from the Actions menu.

The browse results grid is displayed in a new Excel window. The formatting of the original grid is preserved in the new spreadsheet; for example, the font type and size and the order of headings are the same as those in the original results screen.

Note The Export to Excel option only lets you create spreadsheets. You cannot re-import the data from these spreadsheets into the database.

Loading Data for Export to Excel for Maintenance

The Load option lets you retrieve all the records for a supported business component from the database and export them to Excel for maintenance.

Completing this activity has multiple steps:

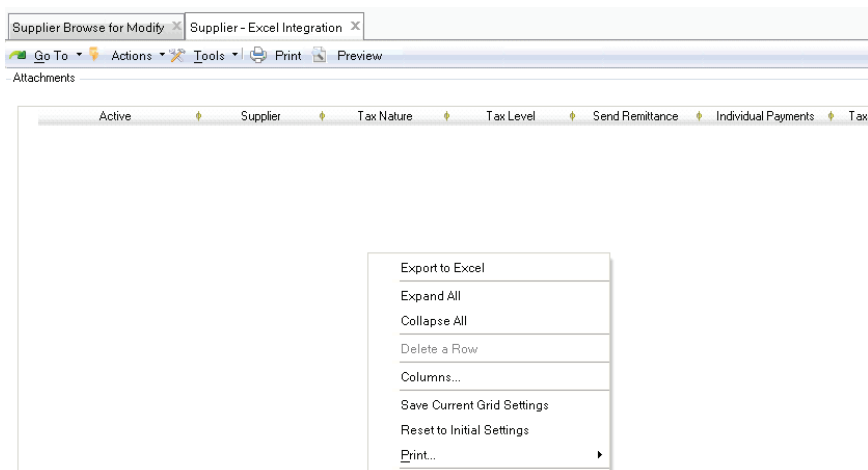
- You choose the Excel Integration activity from the menu and load data into the grid using the Load option (right-click the empty grid to select Load).
- You then export the data to a spreadsheet, open the data in Excel, and modify it (right-click the grid again to select Export to Excel).
- After saving your changes, you return to the QAD application and import the modified data (right-click the empty grid to select Import from Excel, and click Save to create or update the data in the system database).

Create an Empty Grid and Load Data

To export data for maintenance:

- 1 Choose the Excel Integration activity for one of the supported record types, such as supplier.
The system displays a blank grid containing the data fields for this business component as column headings.
- 2 Right-click on the blank grid and choose Load Suppliers.

Fig. 2.34
Supplier Excel
Integration



The system retrieves all supplier records from the database and loads them into the grid. The order of columns in the grid is determined by the sequence of the fields in the original data model, and this is the order in which they will appear in the spreadsheet.

You can also make modifications directly on screen before exporting to Excel, once the business component data is loaded. Your modifications are validated when you click Save.

Important You should not customize the display by hiding columns before export. When you hide a column, the corresponding field is not exported to the spreadsheet. If the field is mandatory for this business component, the system will attempt to validate it before saving to the database, and will generate validation errors. You can, however, move and re-size columns.

Export Data to Excel for Modification

To export the data:

- 1 Right-click in the grid and choose Export to Excel for Maintenance.
- 2 At the prompt, enter the name of the spreadsheet in which to save the data.
- 3 Open the spreadsheet in Excel and make your modifications.

Note You do not have to exit the QAD application before working in Excel. For minor maintenance, it is more convenient to run the applications simultaneously, and to switch back to your QAD application to import the saved data.

If you want to modify only a subset of the records that were loaded from the database into the grid, you can delete the redundant rows from the grid before exporting to Excel. Only the records that remain are then updated in the following steps. Excel integration does not delete records from the database.

The spreadsheet has the following features:

- The first row of every spreadsheet contains logical identifiers for the business component fields. You can edit these identifiers for maintenance purposes within Excel. When you import your saved data into the system, your edits are discarded.
- The second row contains technical identifiers for the business component fields, as illustrated in Figure 2.35. These correspond directly to the database tables and must not be edited. Any change you make to a logical identifier will generate an error during validation.
- The other rows contain your business component data.
- The spreadsheet contains business component ID columns, which identify the business component instances in the databases. You cannot edit these IDs, and you should leave these columns blank for any new rows you create. Each spreadsheet can contain a number of ID columns. For example, when you export Business Relation data to a spreadsheet, there are ID columns for business relation, address, default SAF, contact, and tax number.

Important All rows are imported into the system, which allows you to hide unnecessary rows while working with large spreadsheets. You should avoid hiding columns, however, as hidden columns are not imported. You can create extra columns for maintenance purposes, which are also not imported. You can, however, move and resize columns in the Excel sheet.

Fig. 2.35
Exported Excel
Spreadsheet

Business Component
ID Column

Column Label Row

Logical Identifier Row

Data Row

	A	B	C
1	Creditor_ID	Active	Supplier
2	<i>tCreditor.Creditor_ID</i>	<i>tCreditor.CreditorIsActive</i>	<i>tCreditor.CreditorCode</i>
3	1803	TRUE	kpisup03
4	1804	TRUE	MF100
5	1805	TRUE	PBUSUP1
6	1806	TRUE	PBUSUP2
7	1807	TRUE	Pull
8	1808	TRUE	S3000
9	1809	TRUE	S3010
10	1810	TRUE	S5000
11	1811	TRUE	S5010
12	1812	TRUE	SBUSUP1
13	1813	TRUE	SBUSUP2

- Avoid using the Sort option in Excel.

Most business components contain sublevel information. For example, the business relation can contain separate address rows for head office, delivery, invoice, reminder and remittance, and can also contain contact details.

When you export to Excel, the main business component data and its sublevel data are grouped together in a hierarchy, with each main business component row followed by sublevel rows. If you sort the data in Excel, the sublevel rows are rearranged throughout the spreadsheet, and the hierarchical relationship is lost. This creates a conflict and prevents you from importing the saved data.

- Ensure that your column widths are set to Autofit before saving. If the column width is too narrow and the data is not readable, the data will not import correctly.
- The spreadsheet you create has the Shared attribute, which allows other network users to modify the data.

Be aware of mandatory fields while you are modifying data. For example, you must specify a bank number, currency, and banking profile when you create a GL bank account. If you do not enter valid information for these fields while creating a new GL bank account in the spreadsheet, an error occurs after import when you try to save the data.

Import Modified Data from Excel

When you have completed the modifications:

- 1 Save the changes to your Excel spreadsheet.
- 2 Switch back to your QAD application.
- 3 Right-click in the business component data grid and choose Import from Excel.
- 4 When prompted, select your spreadsheet and click OK.
- 5 Click Save to validate the data and save to the database.

If the system returns validation errors, you can resolve them on screen at this stage, and save again to validate.

Creating a Template to Export to Excel

This option creates a blank spreadsheet for maintenance that contains the relevant fields as column headings. You use the template to add your own data and import it, which creates new records in the system.

This is similar to the previous activity, but you do not load existing system data. It is recommended to load one existing record from the database that can be used as an example of how to fill the fields. To do this, load all records and then delete all except one from the grid.

- 1 Choose the Excel Integration activity for a supported business component such as customer.

The system displays the blank grid consisting of the data fields as column headings.

- 2 Right-click on the blank grid and choose Export to Excel for Maintenance.
- 3 Open your spreadsheet in Excel and make your modifications.

Important You must leave the first column with the <component name>_ID field blank. The system supplies the IDs when you import the data.

Fig. 2.36
Blank Spreadsheet
Exported for
Maintenance

	A	B	C	D	E
1	Creditor_ID	Active	Supplier	Tax Nature	Tax Level
2	tCreditor.Creditor_ID	tCreditor.CreditorIsActive	tCreditor.CreditorCode	tCreditor.VatDeliveryType	tCreditor.VatPercentageLevel
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					

- 4 Save your spreadsheet and import the data into the application, as described in Import Modified Data from Excel on page 67.

Active and Inactive Records

Most records that are set up as part of the base financial data can be marked as active or inactive. When a record is active, it can be referenced from other maintenance functions. For example, only an active currency code can be associated with a new customer record.

When a record is inactive, it cannot be referenced when a new record is created in other functions. It is not included in lookups of valid values.

However, marking a record as inactive does not prevent you from continuing to use existing records that reference the inactive value.

This means that, based on the same currency or customer example, you cannot create another customer referencing the inactive currency, but you can continue to use the customer record you already created.

In addition, the inactive values display on reports.

Accessing Application and Interface Help

You access context-sensitive help for application programs and fields by pressing F1 within the program or field, and also through the Help Menu option.

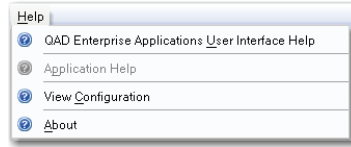


Fig. 2.37
Help Menu

The Help menu has the following options:

- QAD Enterprise Applications User Interface Help
- This option displays the default page for the User Interface Help system. This page features links to the QAD Search Panel.
- View Configuration

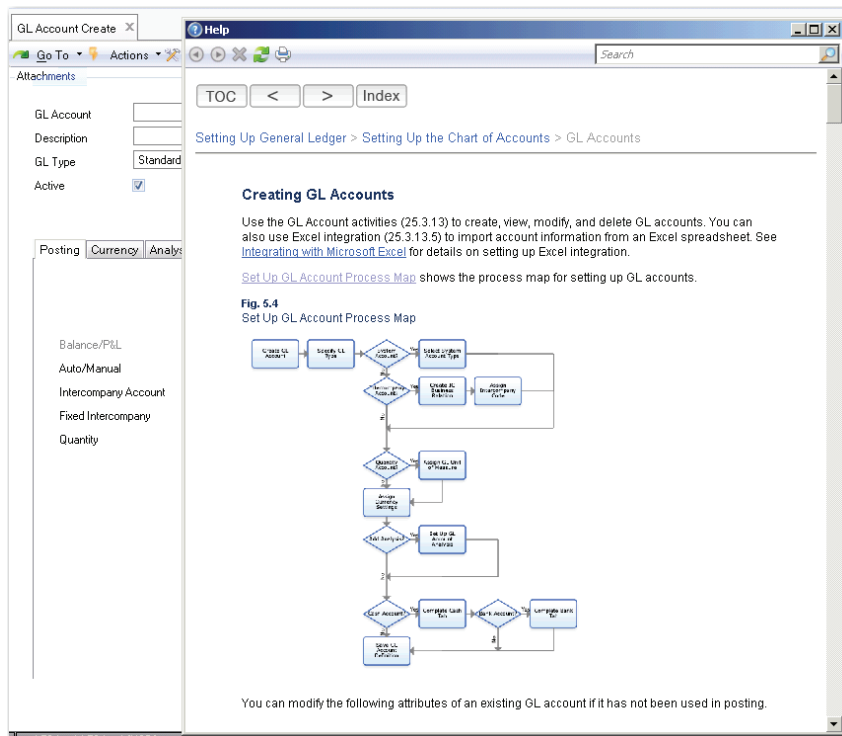
This option displays server configuration information and is described in *User Guide: System Administration*.

- About

This option displays current installation information and is described in *User Guide: System Administration*.

When you select help within a component-based screen, the system displays a context-sensitive help topic for that screen within the QAD Assistance Panel.

Fig. 2.38
QAD Search Panel



Use the Search field on the top right of the screen to launch the QAD Search Panel.

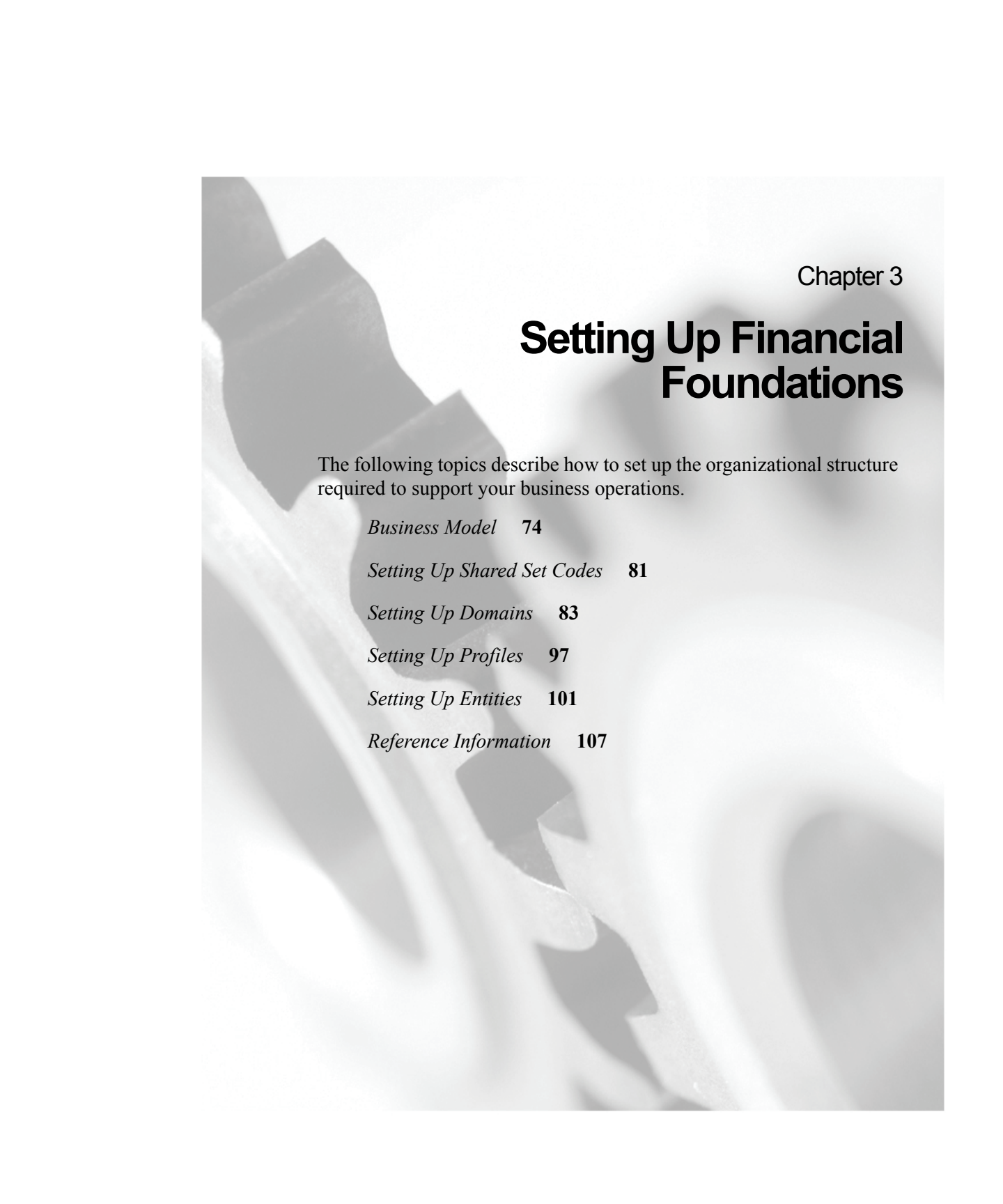
QAD Search Panel

The QAD Search Panel provides online help for the .NET UI and for Enterprise Edition applications. The Assistance Panel replaces the previous .NET UI and application online help display, and is a searchable HTML interface that is displayed by pressing the F1 key. The panel can also be accessed by clicking links on individual application help topics.

Note Character UI users can still access the online help available for fields and procedures.

The Panel features links to program help, field help, user guides, and process maps. You can display results for the search entry in any of these formats or in all of them.

For more details on the Assistance Panel, see *User Guide: .NET User Interface*.

The background of the page features a grayscale image of several interlocking gears. The gears are of different sizes and are positioned in a way that creates a sense of depth and mechanical complexity. The lighting is soft, highlighting the teeth of the gears and casting gentle shadows.

Chapter 3

Setting Up Financial Foundations

The following topics describe how to set up the organizational structure required to support your business operations.

<i>Business Model</i>	74
<i>Setting Up Shared Set Codes</i>	81
<i>Setting Up Domains</i>	83
<i>Setting Up Profiles</i>	97
<i>Setting Up Entities</i>	101
<i>Reference Information</i>	107

Business Model

The first step in implementing QAD applications is to determine how various features can be used to model your current business practices. QAD applications provide a wide range of functions that manage supply chain, customer relationships, manufacturing, and other aspects of your business, as well as financial accounting. All of these depend on certain core elements described here as part of your business model.

These core elements that represent your business, especially from a financial point of view, are described in this set of topics. In addition, base data that is required during initial implementation steps is also described.

The core elements of the business model include the following:

- The *database* contains all of your business-critical data in a secure format. A database can have one or more distinct logical partitions, called domains. Some data is defined at the database level and is available throughout the system, including currencies, countries, and languages.
- A *domain* represents one or more of your business operations. Each domain can share system-wide data or have its own chart of accounts, exchange rates, customers, and suppliers. Domains can have different base currencies, languages, document numbering schemes, and security, as well as different operational controls.
- *Shared set codes* identify data that can be shared among domains, so that a domain can have an independent chart of accounts or several domains can share the same chart of accounts, streamlining setup and maintenance.
- An *entity* within a domain represents an independent unit for financial and tax planning and reporting. An entity can represent a separate legal unit or a division of a legal entity.
- Use *profiles* to build relationships between shared sets in a multiple-domain or multi-entity environment. Profiles help to manage the specific assignment of accounts and daybooks.

This set of topics discusses the setup of domains, shared sets, entities, and profiles. When you have completed this setup, you can continue with other financial setup functions. To fully implement an operational system, you need to refer to the other user guides that describe additional related setup.

Figure 3.1 shows the process map for the setup of financial structures.

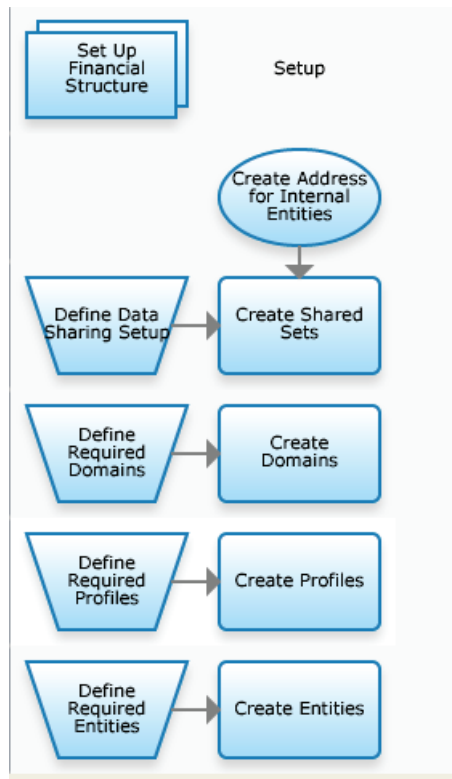
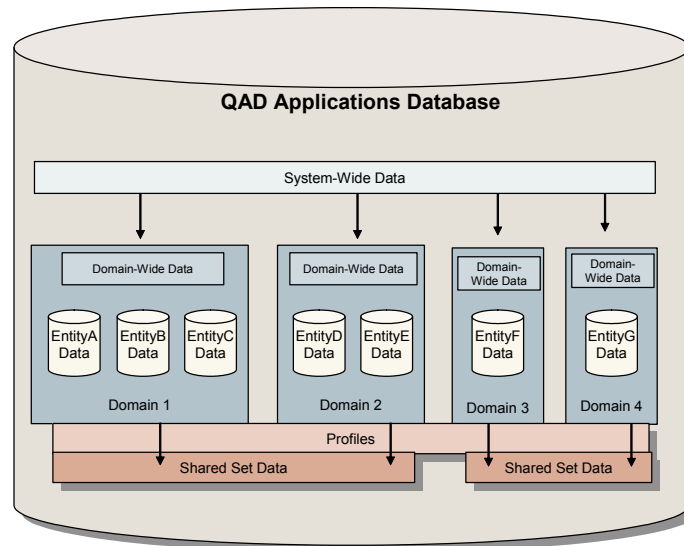


Fig. 3.1
Financial Structure
Process Map

Financial Foundations

In the basic system foundation of a QAD implementation, data items can be shared at various levels.

Fig. 3.2
Data Model



- System-wide data is shared by all domains and entities and includes:
 - Business relations and address-related data such as address types, corporate groups, currencies, rounding methods, languages, counties, states, and countries. Also included is address-related tax data such as tax zones, tax environments, tax classes, tax usage codes, and tax types.
 - Financial data, such as shared set codes, credit terms, invoice statuses, and profiles.
 - Security data such as users and roles.
 - Administrative data such as e-mail definitions and printers.
 - Some EDI eCommerce setup data.
 - User interface information such as labels, menus, messages, and look-up definitions.

- Most operational data is domain-specific. This includes the setup for items, as well as most purchasing, sales, and manufacturing functions. Some financial data is also domain-specific, such as GL masks—which determine valid combinations of accounts, sub-accounts, cost centers, and projects—and accounting periods.
- Entity-specific data belongs to a particular entity within a particular domain, and includes employees and bank account numbers.
- Some data can be shared among two or more domains. All the entities within a domain must use the same shared data, but entities in other domains can use this data as well. The data types included in shared sets are GL account components (accounts, sub-accounts, cost centers, and projects), customers, suppliers, daybook codes, and exchange rates.
- Profiles link specific data items in shared sets to other elements within domains.

Implementation Planning

For organizations with complex, distinct business operations, QAD offers flexible management approaches:

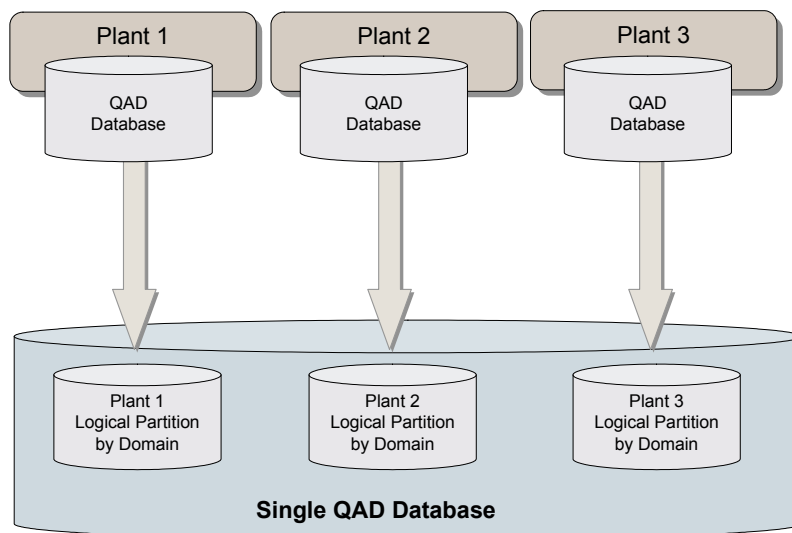
- Create separate distinct databases for each local business operation. Each database has a single operational domain with a base currency and one set of base data.
- Use features of the Shared Services Domain module to centralize business operations in a single database by defining multiple operational domains, each with its own base currency and base data.
- Use a combination of databases with one or more operational domains distributed for optimal network performance.

Regardless of which approach you choose, every database must have at least one active domain and one active entity.

Note If you do not have a license for Shared Services Domain, the system prevents you from having more than one active domain per database.

The following figure illustrates different approaches to managing business operations.

Fig. 3.3
Multiple Databases
or Multiple
Domains in Single
Database



Combining operations in multiple domains in a single database can:

- Facilitate the standardization of business processes among operational units.
- Reduce IT costs as a result of having fewer databases to manage.
- Facilitate reporting and custom queries because most operational data is stored in the same table structure referenced by the domain field.
- Support data sharing through the use of shared sets.

Each business can choose the most appropriate deployment approach.

System and Domained Data

One advantage to having business operations represented by different domains and entities in a single database is that some system administration functions can be managed across domains, such as defining users, currency codes, country codes, menus, messages, and labels. System administrators can control exactly which users have access to data in which domains.

Other data updates take place within the context of a specific domain. So, for example, while users exist at the database level and can be referenced in different domains, items, product lines, and sales and purchase orders reside within a domain.

With shared sets, you can share some common master data across domains, where appropriate. You can also use processes such as distribution requirements planning (DRP), enterprise material transfer (EMT), and enterprise operations planning (EOP) among domains in a database.

Note Most financial data is not stored by domain; the association with a domain is based on the relationship defined when the entity is set up.

Generalized Codes Example

Generalized codes are domain specific. Since domains can represent businesses in diverse geographical and political locations, these codes may vary widely. For example, sales distribution channels and buyer/planner codes could differ between a domain representing a business in England and one in Germany, even though they are in the same database.

However, some programs that update system-wide data such as User Maintenance (36.3.1) also reference generalized codes. These generalized codes must exist in all domains or you may encounter errors editing a user record in one domain while you can successfully edit it in another domain.

Streamlining Setup

Some application data—such as components of your chart of accounts and address data—can be shared between domains using shared sets. Shared sets are the best way to reduce maintenance in a multiple domain environment.

For data that is not in shared sets, you can use alternate approaches to streamlining data setup:

- Add base data for selected tables to the system domain. When you create a new domain, the system domain is used as a template and the new domain automatically inherits the same system data. See “System Domain” on page 84 for details.

Note Only a subset of data is copied during the creation of a new domain. Table 3.4 on page 107 lists tables that are copied.

- Use the synchronization features of QXtend to replicate data from selected tables across domains.

Domain Prerequisites

The business domain is the fundamental building block in your system setup. However, before you can define a domain, a certain amount of base data is required. Default data is supplied with the system. You should verify this data before beginning your setup.

- An initial system domain and entity are created in an empty database and are used as templates in creating your own business domains and entities.
- The name of the system domain must be specified in System Maintain. This name is initially set to the system domain created during installation. The system functions are described in *User Guide: QAD System Administration*.
- Each domain must have a base currency. ISO currency codes are supplied with the system. You are prompted during installation to specify the currency to be associated with the system domain, which is used as a template for new domains. Details related to currencies can be modified using the Currency activities described in “Currencies” on page 117.
- Each domain has a default language. Default language codes are supplied with the system. Details related to languages can be modified using the Language activities described in “Language” on page 277.
- Each domain must have a shared set code for each type of shared set data. One default set is supplied with the system, but you can create as many shared set codes as you need. Shared sets are described on page 81.

In addition, before you can confirm the creation of the domain, at least one entity must be defined. Defining an entity requires the following additional data:

- A business relation to provide the address details for the entity.

- A number of address-related codes including counties, states, countries, corporate groups, and address types. These are described in “Creating Business Relations” on page 289.
- System-wide tax data for the business relation. Tax setup is described in *User Guide: QAD Financials B*.

Some tax data can be added in a later phase of the implementation if you do not want to define this data during initial implementation. However, you cannot save an address record without specify a tax zone. When a matching zone is not found, the error zone from Global Tax Management Control (29.24) is used by default. This can be changed later if necessary.

Setting Up Shared Set Codes

Before defining domains, you must define shared set codes. The system is supplied with one default group of codes. Shared set codes let you identify financial data that can be shared across selected domains. When you create a domain, you must select at least one shared set code for each type of required data: customers, suppliers, accounts, sub-accounts, cost centers, projects, exchange rates, and daybooks. All entities within a domain use these shared sets.

You need to carefully consider your business requirements in determining how many shared set codes you need.

Consider the following scenario. Your database has two domains: North America and European Union. The entities in both domains share customers and suppliers. However, the chart of accounts (COA) differs because of local accounting practices.

To implement this scenario, you need a single shared set code for customers and a single one for suppliers. But you need two codes for each COA element: accounts, sub-accounts, cost centers, projects, and daybooks. Exchange rates are also shared, so one shared set of this type is sufficient.

To set up this scenario, associate the codes with the domains as shown in the following table.

Table 3.1
Sample Shared Sets

Shared Set Type	North America Domain	European Union Domain
Customer	AllCustomers	AllCustomers
Supplier	AllSuppliers	AllSuppliers
Account	NA_Accounts	EU_Accounts
Sub-Account	NA_SubAccounts	EU_SubAccounts
Cost Center	NA_CCs	EU_CCs
Project	NA_Projects	EU_Projects
Exchange Rate	SystemExRates	SystemExRates
Daybook	NA_Daybooks	EU_Daybooks

Now, whenever a new customer is created by a user whose active workspace is an entity in North America, the customer is visible to users in all the entities in Europe as well. However, when a user creates a new account in an entity in North America, the account is not visible to users in Europe.

Note Users never specify a shared set when creating records. The records are automatically marked as belonging to the shared set associated with the user's current domain. The records are then visible to users in every other domain with the same shared set.

In a multiple domain environment, use profiles to build relationships between shared sets (36.1.1.3). For example, the customer account profile links the customer shared set with the accounts shared set and identifies which Customer Control account to use in a particular domain at invoice registration. See page 97 for details.

Fig. 3.4
Shared Set Create

Shared Set Create

Shared Set Tools Go To Attach [Icons]

Shared Set - Create

Shared Set Code: CustSet1

Shared Set Description: First set of customers [Help Icon]

Shared Set Type: Customer [Dropdown Arrow]

Active: ☒

Field Descriptions

Shared Set Code. Specify an alphanumeric code (maximum 20 characters) that identifies a shared set.

Shared Set Description. Enter a brief description (maximum 40 characters) of the shared set.

Shared Set Type. Select a shared set type from the drop-down list:

- Cost Center
- Customer
- Daybook
- Exchange Rate
- General Ledger Account
- Project
- Sub-Account
- Supplier

Active. Indicate if this is an active record.

Setting Up Domains

Since domains are central to the way you implement your system, make sure you understand the following concepts before you begin your implementation process.

Domain Concepts

This section describes some important background information about domains that you should understand before beginning your implementation:

- System Domain
- Domains and Multiple Databases
- Active and Inactive Domains
- Domain PROPATH
- Domain Code Page

- Confirming Domains

System Domain

Every database has one system domain, indicated by a domain type of SYSTEM. The initial system domain—named QAD—is created when the database is created. The name is recorded in the System Maintain function, described in *User Guide: QAD System Administration*. If you want to use a different domain as the system domain, you must identify it in System Maintain. This automatically changes the type for the new domain to SYSTEM and clears the type of the previous system domain.

You cannot change the type for the system domain in Domain Modify. That function lets you change the domain name and short name—but not the domain code.

The system domain includes default data that is required to begin implementation, such as control program settings and generalized codes. These tables are listed in Table 3.4 on page 107.

The system domain is a template for new domains. When you create a new domain associated with the current database, default data is copied from the system domain. Since the system domain is a template, you may want to add data to it or tailor defaults before creating new domains based on it.

In a new database, the system domain is created as unconfirmed, so you can modify data, such as the base currency or shared sets.

Note This default data is not added to connection records (see the following section), which reference another database that contains the actual data associated with a domain.

Typically, the system domain is not used for maintaining active transactions. You can prevent users from updating it by setting Active to No in Domain Modify and by restricting access to it in User Domain/Entity Access. You must set Active to No if you do not have the Shared Services Domain module that supports multiple active domains in a database.

Domains and Multiple Databases

When you use Domain Create, it always creates a new domain as a *primary* domain in the current active database. However, if other databases are connected, the system also creates *connection* domain records in the other databases defined in Database Connection Maintenance (36.6.1).

These connection records do not hold any real data; they facilitate database switching for multiple-database activities such as Enterprise Material Transfer (EMT) and Distribution Requirements Planning (DRP).

The two types of domains are:

- *Primary* domains, which reference the current database.
- *Connection* domains, which point to domains located in other databases. These domains are needed only in a multiple-database environment.

When you create a new primary domain in a multi-database environment, all databases must be connected so that connection records can be created. The system verifies that the domain you are about to create does not already exist as a primary domain in another connected database. If it does, an error displays and you cannot continue.

If you need to add another database at a later time after domains have been created, you can manually create connection records by using the Create Domain Connection Utility (36.1.1.1.13). You can also use this utility if the creation of the connection records fails because of network issues.

When you are using multiple databases operating over a network, the system uses the domain associated with a site to determine where database records should be updated.

Active and Inactive Domains

To ensure data integrity, you cannot delete a domain. Instead, set the Active field to No. This prevents users from specifying this domain at login or switching to it later.

Note Unless you have a license for Shared Services Domain, there can be only one active domain at a time.

In a multiple-database environment, you can change the active status of domains in only the current database, and then only when all other databases are active and connected. The system modifies the Active field for the connection records that exist in the other databases. An error displays if any database cannot be accessed and you cannot change the active status.

Domain PROPATH

When you use domains to combine multiple business operations in one database, each domain may require unique product licensing agreements or localizations.

When the database is started, the Progress PROPATH environment variable sets the directory paths that the system uses to locate and run Progress executable programs. Values set in the PROPATH can point to different directories for different sets of programs, or multiple versions of the same set of programs. Use the Propath field in the Domain function to associate each domain with a specific set of PROPATH entries—so that the system automatically runs the correct program code for the current domain.

Note Typically, setting additional values in Propath is needed only under very specific circumstances. Most system administrators can leave it set to the default value, blank.

When you log in to a domain or switch to a domain that has a value entered in Propath, the system updates your current default PROPATH by adding the domain-specific directories to the front. This allows domain-specific programs to be found before those in your default PROPATH, which is assigned at login. Each time you switch domains, the system clears any PROPATH changes made for the previous domain and adds any values specified in the Propath field for the new domain.

Use this setting if you have custom or localized code that applies to the business requirements of only a particular domain.

Example Your database has two domains: one for operations in the US and one for operations in Brazil. Shipments made in the Brazil domain require specialized documents that are generated based on a modification to one of the shipment programs. Specify the path to this localized program in the Brazil domain Propath field.

Note The PROPATH setting applies only to standard Progress programs with the .p extension.

Domain Code Page

QAD Enterprise Applications supports a Unicode deployment, using the UTF-8 code page. Unicode is a universal encoded character set that lets you store information in any language by providing a unique code point for every possible character, regardless of platform, program, or language. If you have chosen a Unicode deployment, you can have domains with any combination of languages in one database.

In a Unicode deployment, you can view and update language-specific data in any language when you are using the QAD .NET User Interface. Therefore, when you log in to a Unicode database using a .NET UI client, you can safely view and modify data in any domain to which you have security access.

However, the character UI does not support UTF-8. Every character client must access the Unicode database using a specific code page. As a result, accessing the system through the character user interface has certain limitations to language display.

To prevent character client users from changing to a domain that contains language data that cannot be displayed properly, each domain must be associated with a default code page. When a character client user attempts to log in to a domain or change to a domain, the system verifies that the client code page is compatible with the domain code page. If it is not, the login is prevented. This prevents possible data corruption from attempts to render characters that do not have a representation in the client code page.

Example The language associated with Domain A in a Unicode database is Chinese. Domain B uses English and Domain C uses Polish. A user logging in to the database from .NET UI can switch to any domain and view and update data. A user in China logging in with a character session accesses the database with code page cp936. This user can log into Domain A, but the system displays an error if the user attempts to switch to Domain B or Domain C.

See *User Guide: QAD System Administration* for additional details about multiple language setup and Unicode.

Issues with incompatible code pages can also be managed by setting up the appropriate security and giving users access to only compatible domains. The code page validation should be used only as a last resort to prevent the possibility of data corruption.

See *User Guide: QAD Security and Controls* for details about defining domain security.

Confirming Domains

During initial implementation of QAD Enterprise Applications or during initial setup of a new domain, you may need to change some of the key parameters. To support this flexibility, you can modify most aspects of a domain as long as you need to and then confirm the setup when you are satisfied that it meets your business requirements. Until a domain is confirmed, it is not available to your operational functions.

Certain financial functions are also disabled in an unconfirmed domain:

- You cannot maintain accounting and tax calendar periods.
- You cannot create GL mask records.
- You cannot create employees.

As a result, no accounting transactions can be created before confirmation occurs. In addition, no operational transactions can be created since the domain entities are not available to be associated with sites in Site Maintenance.

Confirming a domain fixes its base currency and shared set codes, as well as locking the relationships with any entities that reference it. Confirming a domain also sets up domain-specific master records for all existing shared set data. Because the amount of shared set data may be large, especially if the domain is not the first one in a database, this process is completed through a background process. Daemon setup is described in *User Guide: QAD System Administration*.

Important Before confirming a domain, you should ensure that this process is running.

The setup of a domain can be unconfirmed only when no domain shared set data exists.

Creating and Confirming Domains

Use the Domain activities (36.1.1.1) to define domains in the current database and confirm them for use in the system.

Fig. 3.5
Domain Create

Field Descriptions: Header

Domain. Enter a code (maximum eight characters) identifying a specific domain. Codes are restricted to the characters A–Z, a–z, and 0–9. A primary domain code must be unique within a database and across connected databases.

Note QADRSRV is a reserved name and cannot be used.

Name. Enter a descriptive name to associate with this domain (maximum 28 characters). This name must be unique within a database and across connected databases.

The name displays in the workspace identifier in the .NET UI, in the lookup associated with Domain fields, and on various reports and inquiries, as space permits.

In the .NET UI, the full domain and entity context for the current workspace displays in the .NET UI title bar in this format:

Domain Code: Domain Name [Currency] > Entity Code: Entity Description (Number of open forms)

Search Name. Enter a brief name (maximum 14 characters) to associate with this domain. This name must be unique within a database and across connected databases.

The domain search name displays in the program title bar in the character interface based on the setting of Header Display Mode in Security Control (36.3.24).

Primary Entity. Select the entity that should be considered primary in this domain. The primary entity has these functions:

- It is the default entity for each new site created in the domain.
- It is the default entity when users log in to the character user interface.
- When site connection records are created, they are always associated with the primary entity of the target domain.

You cannot confirm the domain until an entity has been specified.

Active. Indicate whether this primary domain is currently active.

Yes (the default): This domain can be referenced in other system functions.

No: This domain is not active in the current database.

Note Unless you have purchased the Shared Services Domain module, the system lets you have only one active domain. If you attempt to activate a domain when your database already has an active domain, an error message displays.

When new sites are created in Site Maintenance (1.1.13), a site connection record is created in active domains only.

See “Active and Inactive Domains” on page 85 for more details.

The system performs the following validations related to this field:

- You cannot change the Active setting of your current domain. Switch to another domain; from there you can set the first domain to inactive.
- You cannot change this field if the domain is a connection record (referencing another database). You must change this field in the domain’s primary database.

- In a multiple-database environment, you can change this field for a domain in the current database only when all other databases are active and connected. The system modifies the Active field for the connection records that exist in the other databases. An error displays if any database cannot be accessed and the field cannot be changed.
- You cannot deactivate a domain unless all associated entities are also inactive.

Setup Complete. Indicate if you are satisfied with all aspects of this domain and are ready to establish these settings permanently.

Important Be aware that after completion, you can no longer modify the domain shared sets and the base currency. The association between entities linked to this domain is permanently set and cannot be changed.

No: The domain is not available in any operational functions. You can modify the shared sets and base currency as needed.

Yes: The domain is now available to operational functions. Changes can no longer be made to shared sets, base currency, or linked entities.

To complete a domain, the following must be true:

- Active is set to Yes.
- All shared set codes are defined.
- Only one primary entity is associated with the domain.
- Cross-company accounts have been defined.

See “Confirming Domains” on page 88 for more details about confirmation.

Important Once set to Yes, this field cannot be changed. In addition, you can no longer modify the primary entity, shared set, or currency of the domain. A warning displays before the domain is confirmed.

General Tab

Fig. 3.6
Domain Create,
General Tab

Field Descriptions

Base Currency. Enter the base currency for this domain. Each domain in a database can have its own base currency. All entities in a domain use the same base currency.

Financial statements, such as balance sheets and income statements, always display amounts in the domain base currency. Most other reports let you generate output in base or some other currency.

Base currency determines the default currency for new customers and suppliers created while logged into an entity in the domain. This field is required even when transactions take place in multiple currencies.

The code you enter must be a valid, active currency. It cannot be changed after the domain is confirmed.

Language. Enter the default language for this domain. The system uses this language for selecting descriptions to display in operational functions when multiple language descriptions exist. See “Using the Translation Option” on page 48.

Domain Type. Enter a code identifying the type of domain. You can use this field to group domains based on a user-defined convention.

Each database has one system domain, defined in System Control. Its type is set to SYSTEM and cannot be changed. The system domain is used as a template for supplying default data when other domains are created. See “System Domain” on page 84.

Note You cannot change the type field to SYSTEM in this function.

Account, Sub-Account, Cost Center, Project GL Mask. A GL mask is a matrix that defines valid combinations of GL elements for transaction posting. Each mask applies to all entities within a domain. You define GL masks in the General Ledger Mask function; see “General Ledger Mask” on page 190. This function is disabled if none of the mask check boxes are selected for the domain.

Use the four mask check boxes to define the combinations of GL elements the system verifies when you post a transaction. When you create masks, you are prompted for only the elements that you have selected here.

If you do not select any of the options, the system permits all combinations, provided that each code is valid. This may be helpful during initial system implementation when you are still testing and setting up your accounting structure.

Shared Sets Tab

Use the Shared Sets tab to associate shared set codes with the domain.

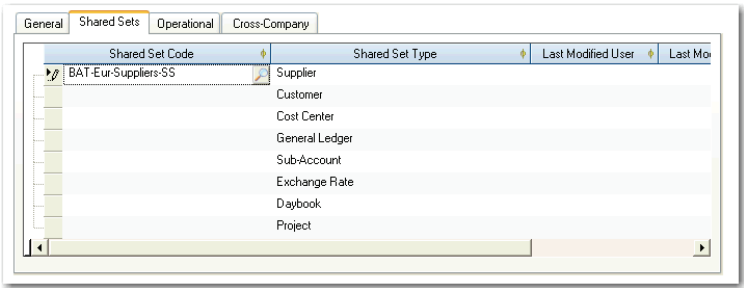


Fig. 3.7
Domain Create,
Shared Sets Tab

Field Descriptions

Shared Set Code. Specify a shared set code for each shared set type. You must associate a code with each type. Each entity in this domain uses the same shared sets. After setup has been confirmed, the shared set codes cannot be changed. See “Setting Up Shared Set Codes” on page 81.

You cannot add or remove rows from this list.

If you modify a code before confirmation, the corresponding change is made for any entity in the domain.

Shared Set Type. The system displays a read-only list of default shared set types required for each entity.

Operational Tab

Use the Operational tab to specify values for use with operational functions.

Fig. 3.8
Domain Create,
Operational Tab

The screenshot shows the 'Operational' tab of the 'Domain Create' window. It contains two main fields: a text input field labeled 'Propath' and a dropdown menu labeled 'Domain Code Page' which currently displays 'ISO8859-1'. The window has four tabs: 'General', 'Shared Sets', 'Operational' (which is active), and 'Cross-Company'.

Field Descriptions

Propath. Enter a comma-separated list of directories—in addition to those defined at login—that the system should use for this domain. The system validates that the entry does not exceed 1950 characters—the maximum size of the database field—and that all elements represent valid directories.

Note You cannot change this field in the domain that is part of your current workspace; in this case, the Propath field is disabled. If necessary, change your current workspace.

See “Domain PROPATH” on page 86 for more details about this field.

Domain Code Page. Specify the code page that a character client must use to access the domain. See “Domain Code Page” on page 87 for details.

The character client must use a code page that is compatible with that of the domain. Access to the domain from a client session with an incompatible code page is blocked because it may distort the character display and possibly cause data corruption.

If the code page of the domain is UTF-8, enter a non-Unicode code page you want to use with the character client.

Note Entering data through the character client using one code page and then changing to another may corrupt the data entered previously.

If the domain uses a code page other than UTF-8, enter the same code page used by the domain.

This value defaults to iso8859-1.

Cross-Company Tab

Use the Cross-Company tab to set up cross-company accounts to track amounts for these transactions between entities:

- Accounts Receivable (AR)
- Accounts Payable (AP)
- Inventory Control
- Manual Journal Entry
- Fixed Assets (FA)

These accounts must be cross-company control accounts.

When an operational transaction references more than one entity, the system automatically creates the required intercompany balancing entries using these accounts. The default sub-account associated with the account in GL Account Create is also used in the cross-company posting. Manual cross-company postings can also be made in various financial functions. See “Intercompany and Cross-Company Transactions” on page 464.

Note Cost centers, projects, and SAF analysis cannot be used with cross-company accounts.

You can leave these fields blank when the domain associated with the entity is unconfirmed, but you cannot confirm the setup of a domain until the cross-company accounts are defined.

These fields are required even when a domain has only a single entity. This ensures that if another entity is added later, transactions will be created properly.

Fig. 3.9
Domain Create,
Cross-Company
Tab

Field Name	Input Field	Icon
Accounts Receivable GL Account		
Accounts Payable GL Account		
Inventory		
Manual Journal Entry GL Account		
Fixed Assets GL Account		

Changing the Current Domain

If you are using the character UI, you can use Change Current Domain (36.1.1.1.10) to change the active domain in your current session to another domain that you have access to. In the .NET UI, you choose another workspace to change domains. If the company represented by the workspace is in a different domain, the domain switching occurs automatically.

Note If only one domain is assigned to you, an error displays when you attempt to execute this program.

This function is useful for system administrators or others with system-wide responsibility who regularly access and update information in multiple domains.

This function affects your current session only. Each time you log in using the character UI, you are prompted to specify a domain. The domain designated as default in Domain/Entity User Access displays the first time you log in.

For more information on user access, see *User Guide: QAD Security and Controls*.

When you change domains, the system accesses information about the new domain such as the base currency and primary entity.

Domain Access

You can change to only an active domain you have been given access to in Domain/Entity User Access. If you are assigned to a different role in the new domain, the functions you can perform may be different from the functions you performed in the previous domain.

Database Switching

If you change to a domain associated with a database other than the current one, database switching is initiated. The system connects to the database using the information set up in Database Connection Maintenance. If the connection cannot be made, a message displays.

This is equivalent to logging out of the current database and starting a new session in a different database.

Note When you switch databases using this program, the system checks your security access based on the roles defined for your user ID in the target domain and database.

Setting Up Profiles

When you have more than one shared set code for a type of data, you use profiles to identify the relationships between records in shared sets.

Consider the example discussed in the section on shared sets where customers, suppliers, and exchange rates are used by all entities in both domains, but COA elements are not shared between domains.

Shared Set Type	North America Domain	European Union Domain
Customer	AllCustomers	AllCustomers
Supplier	AllSuppliers	AllSuppliers
Account	NA_Accounts	EU_Accounts
Sub-Account	NA_SubAccounts	EU_SubAccounts
Cost Center	NA_CCs	EU_CCs
Project	NA_Projects	EU_Projects
Exchange Rate	SystemExRates	SystemExRates
Daybook	NA_Daybooks	EU_Daybooks

Table 3.2
Sample Shared Sets

Each customer needs an associated Customer Control account. However, if you assign a control account from the NA_Accounts shared set, it would be invalid when sales orders are created in the European Union domain.

Instead you assign the customer a Customer Account profile that indicates the account to use in each domain. Then, regardless of which entity does business with the customer, valid accounts are referenced when invoices are registered.

You may need only one profile of each type. However, there are cases when you may want more than one. For example, it is a common practice to have different AR and AP accounts for domestic and international trade. This requires defining a different profile code for each type.

Profile Types

The following table lists the various types of profiles that you may need to create.

Table 3.3
Profile Types

Profile Type	Description	Shared Set Type
Banking Entry	Use to define the daybook for recording bank transactions. Specify this profile for the Banking Daybook field in the Bank tab of GL Account Create.	Daybook
Cash Paid Daybook	Use to define the daybook for recording cash payments from a bank account. Specify this profile for the Cash Paid Daybook field in the Cash tab of GL Account Create.	Daybook
Cash Received Daybook	Use to define the daybook for recording cash receipts into a bank account. Specify this profile for the Cash Received Daybook field in the Cash tab field of GL Account Create.	Daybook
Cost Center	Use to define cost centers when cost center analysis is being defined for an account. Specify this profile for the Cost Center field in GL Account Create.	Cost Center

Profile Type	Description	Shared Set Type
Customer Account	Use to define customer control accounts. Specify this profile for the Sales Account GL Profile field in Customer Create.	Account
Customer Credit Note Daybook	Use to define the credit note daybook for each daybook shared set. Associated with an account. Specify this profile for the Control GL Profile (Credit Note) field in Customer Create.	Daybook
Customer Invoice Daybook	Use to define the invoice daybook for each daybook shared set. Associated with an account. Specify this profile for the Control GL Profile (Invoice) field in Customer Create.	Daybook
Project	Use to define projects when project analysis is being defined for an account. Specify this profile for the Project field in GL Account Create.	Project
Purchase Account	Use to default the Purchases account for non-inventory purchases.	Account
Sales Account	Use to default the Sales account for non-inventory sales.	Account
Sub-Account	Use to define sub-accounts when divisional analysis is being used. Specify this profile for the Sub-Account Profile fields in Customer Create and Supplier Create.	Sub-Account
Supplier Account	Use to define supplier control accounts. Specify this profile for the Purchase Account Profile field in Supplier Create.	Account

Profile Type	Description	Shared Set Type
Supplier Credit Note Daybook	Use to define the credit note daybook for each daybook shared set. Associated with an account. Specify this profile for the Control GL Profile (Credit Note) field in Supplier Create.	Daybook
Supplier Invoice Daybook	Use to define the invoice daybook for each daybook shared set. Associated with an account. Specify this profile for the Control GL Profile (Invoice) field in Supplier Create.	Daybook

Creating Profiles

Use the Profile activities (36.1.1.4) to create, view, modify, and delete profiles.

Fig. 3.10
Profile Create

Field Descriptions

Profile Code. 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. Table 3.3 on page 98 lists possible types. When you select a profile type, all of the shared sets with the associated shared set type display in the grid below.

Example Select the Customer Profile for Profile Type. All of the customer shared sets in the system display in the grid below.

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.

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.

Last Modified Date/Time and User. These read-only fields display the ID of the user who last updated the record as well as the date and time of update.

Setting Up Entities

Use the Entity activities (36.1.1.2) to create, view, and modify entities in an active domain. Entities represent independent financial units within a business, for which you assess taxes and generate separate balance sheets and income statements. Each entity within a domain inherits the domain base currency and uses the same shared set data.

Note You cannot delete entities; instead, make an obsolete entity inactive.

A business relation code is associated with an entity to provide address information on printed documents.

Prerequisites for creating an entity are an active domain and a business relation.

Fig. 3.11
Entity Create

Field Descriptions

Entity Code. Specify a code (maximum 20 characters) that identifies an entity. This code must be unique within the current database and any connected databases.

Entity Description. Enter a brief description (maximum 24 characters) of the entity.

Business Relation. Specify a business relation to associate with the entity. Only business relations marked as internal display for selection. The head office business relation provides address details. See “Creating Business Relations” on page 289 for details.

Localization Code. This field can be used to support localized code that implements regional differences in financial processes. It is not currently used.

Active. Indicate if this entity is to be active. This field must be selected in order to create a new entity. You cannot deactivate an entity if any pending invoices or unposted GL transactions exist that reference it.

After an entity is deactivated, you can no longer create any inventory, work order, or fixed asset transactions that reference the entity, or create any orders for a site that references the entity.

Also, you cannot associate a site or fixed asset location with an inactive entity.

Domain. Specify the domain that this company is associated with. The following domain data is copied to the entity when you save the record:

- Domain shared set codes
- Domain base currency
- Domain cross-company accounts
- Domain general ledger periods
- Domain GL masks

The domain must be active. If the domain is not confirmed, you can change the association if needed. If the domain is confirmed, no changes are allowed after you save the record. In this case, a warning displays before the data is saved.

Entities are not typically set up in the system domain. If the domain you specify is the system domain, a warning displays, but you can continue.

General Tab

Check Budgets on Overlap. Select this field to verify that the same combination of budget elements (GL accounts, sub-accounts, cost centers, projects, and SAFs) is not being used in different budget topics or in different budgets. When the field is selected, the system generates an error message when a conflict occurs.

This verification process adds considerably to the length of time taken to save and run a budget.

Reverse P&L Revaluations. Indicate if revaluation amounts of profit and loss accounts (income and expense accounts) should be reversed at the beginning of the next GL period. This is a legal requirement in some countries.

Consolidation Entity. Indicate if this entity is to be used to store the results of consolidation. The consolidation process transfers GL transactions from source entities to a target entity with Consolidation Entity enabled by means of a daybook entry. See Chapter 13, “Consolidation,” on page 843 for details about consolidation.

Decimals for Qty. Specify the number of decimals used in GL quantity fields.

Invoice Upper Limit. If you plan to use the Chinese Golden Tax module with this entity, specify the highest invoice amount allowed. See “Upper Limits and Invoice Splitting” on page 980 for details about the effect of this setting.

AP and AR Exchange Tolerance %. Enter a percentage value indicating the maximum difference allowed between the amount owed and the amount paid when payments are processed in a currency different from the currency of the original supplier (for AP) or customer (for AR) invoice or credit note. The default is zero, indicating you are not using exchange tolerance.

When a payment is entered in a foreign currency, you are prompted to enter the exchange rate. The exchange tolerance verifies whether this rate is reasonable.

Example Your company currency is USD and you invoice a customer 100 EUR. They choose to pay you in USD. If the exchange rate is 2 EUR = 1 USD, a payment of 10 USD or 100 USD would not be reasonable, but 52 USD or 56 USD is reasonable.

Exchange tolerance represents an important control point for processing multiple currencies, preventing data-entry errors.

Mirror Setup. Select a mirror accounting configuration for the system. You can choose to enable mirror accounting per domain, or per entity. See “Mirror Accounting” on page 473.

Suspended Tax. Select an option to define the point at which suspended taxes are calculated when a customer completes payment of an outstanding amount in payment stages.

This field has four options:

- Not applicable
- Till First Payment

Taxes are suspended on the whole payment amount when the first payment is made.

- **Till Last Payment**

Taxes are suspended on the whole payment amount when the final payment is made.

- **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:

$$\text{Suspended Tax Amount} = \text{Total Tax (base) Amount} * \text{Payment Amount} / \text{Original Invoice Total}$$

Delayed Tax. Select an option to define the point at which delayed taxes are calculated when you complete an outstanding payment to a supplier in payment stages.

This field has the same four options described for the Suspended Tax field.

Shared Sets Tab

The system displays the shared set codes that default from the associated domain in the Shared Sets tab. These cannot be updated here.

General Shared Sets Additional GL Numbering				
Shared Set Code	Shared Set Type	Last Modified User	Last Modified Date	
BAT-Eur-Suppliers-SS	Supplier	mfg	06/04/2007	
BA-Eur-Customers-SS	Customer	mfg	06/04/2007	
BAT-Def-CCs-SS	Cost Center	mfg	06/04/2007	
BAT-Def-Accts-SS	General Ledger	mfg	06/04/2007	
BAT-Def-SubAccts-SS	Sub-Account	mfg	06/04/2007	
BAT-Def-ExRates-SS	Exchange Rate	mfg	06/04/2007	
BAT-Eur-Daybooks-SS	Daybook	mfg	06/04/2007	
BAT-Def-Projects-SS	Project	mfg	06/04/2007	

Fig. 3.12
Entity Create,
Shared Sets Tab

Additional GL Numbering Tab

Use the Additional GL Numbering tab to allow a secondary numbering sequence for GL transactions. This feature is used in some countries when transactions must be identified by numbers in a sequence without any gap. The sequence number of a transaction appears in statutory transaction reports.

When you enable the Additional GL Numbering feature, the system generates a sequence number for any statutory GL posting. The sequence number has the following format:

- It has 9 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.

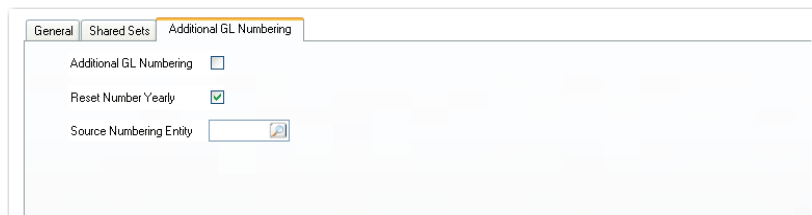
The system assigns the sequence number to any posted GL transaction that originates not only from the financial modules, but also from operational modules such as purchasing and sales.

Only transactions posted to the official layer have sequence numbers. The official layer is used for GAAP purpose, such as legal reporting. For more information about accounting layers, see “Accounting Layers” on page 220.

Sequence numbers are used in Chinese GL Transaction Reports (25.15.7.1). Functions on this menu generate Chinese legal reports where the sequence numbers are displayed as transaction voucher numbers.

Note Sequence numbers are not used in standard GL reports. They appear only in regional GL reports.

Fig. 3.13
Entity Create,
Additional GL
Numbering Tab



The screenshot shows a software window with three tabs: 'General', 'Shared Sets', and 'Additional GL Numbering'. The 'Additional GL Numbering' tab is active. It contains three settings:

- 'Additional GL Numbering' with an unchecked checkbox.
- 'Reset Number Yearly' with a checked checkbox.
- 'Source Numbering Entity' with a text input field and a small icon to the right.

Field Descriptions

- Additional GL Numbering.* Indicate whether you want to enable additional GL numbering.
- Reset Number Yearly.* Select this field to have the GL numbering sequence automatically reset at the beginning of each fiscal year.
- Source Numbering Entity.* Optionally, specify another entity to use its GL numbering sequence. You can specify an entity only when:
- Additional GL numbering is also enabled for that entity.
 - That entity is not sharing its GL numbering sequence with another entity.
- With this feature, two business units under a corporation can use the same numbering sequence.

Reference Information

Default System Domain Data

The following table lists database tables containing data that is copied when a new domain is created.

Table	Description
acdf_mstr	Account Default Master
AlgoM	Warehousing Algorithm Master
AlgoTypeM	Warehousing Algorithm Type Master
bic_ctrl	Service/Support Contract Billing Control
bl_ctrl	Master Bill of Lading Control
cac_ctrl	Service/Support Call Master Control
caq_mstr	Service/Support Call Queue Master
cas_mstr	Service/Support Call Status Master
cd_det	Master Comments
clc_ctrl	Regulatory Attributes Control
code_mstr	Generalized Code Master

Table 3.4
Tables Copied for
New Domain

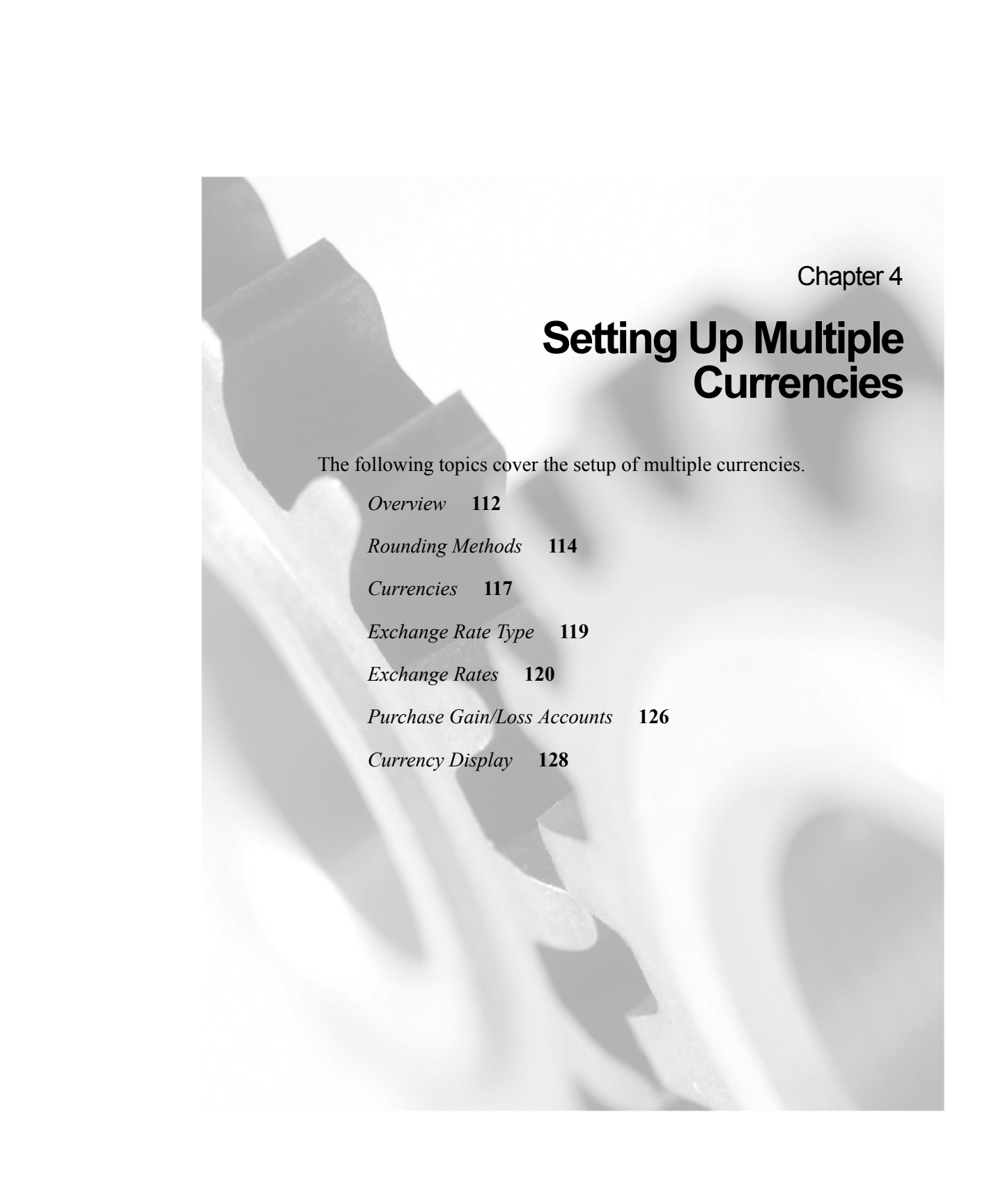
Table 3.4 — Tables Copied for New Domain — (Page 1 of 3)

Table	Description
cs_mstr	Cost Set Master
drp_ctrl	Distribution Requirements Planning Control
egc_ctrl	Service/Support Engineer Schedule Control
emc_ctrl	Employee Control
es_mstr	Service/Support Escalation and Repair Master
esc_ctrl	Service/Support Escalation Control
esh_mstr	Service/Support Engineer Schedule Master
ess_mstr	Service/Support Engineer Status Master
fac_ctrl	Final Assembly Control
famt_mstr	Fixed Asset Method Master
gl_ctrl	Domain/Account Control
icc_ctrl	Inventory Control
iec_ctrl	Import/Export Control
iao_mstr	Output File Master
iaod_det	Output File Field Data
mfc_ctrl	Control Work Table
mrpc_ctrl	Material Requirements Planning Control
opc_ctrl	Shop Floor Operation History Control
pcc_ctrl	Product Change Control
pgc_ctrl	Service/Support Paging Control
pic_ctrl	Pricing Control
pl_mstr	Product Line Master
poc_ctrl	Purchase Order Control
qcc_ctrl	Quality Order Control
qoc_ctrl	Sales Quotation Control
rme_ctrl	Return Material Authorization Control
rpc_ctrl	Repetitive Control
rsn_ref	Reason Code Master
sac_ctrl	Service Contract Control
sbc_mstr	Service/Support Billing Cycle Master
sc_mstr	Cost Simulation Master
shop_cal	Shop Calendar

Table 3.4 — Tables Copied for New Domain — (Page 2 of 3)

Table	Description
soc_ctrl	Sales Order Control
spc_ctrl	Salesperson Control
src_ctrl	Service Request Control
sroc_ctrl	Service/Repair Order Control
sv_mstr	Service Agreement Terms and Conditions Master
svc_ctrl	Service/Support Management Control
trl_mstr	Trailer Master
TaskM	Warehousing Task Master
TransTypeM	Warehousing Transaction Type Master
tx2_mstr	Tax Master
txc_ctrl	Tax Control
woc_ctrl	Work Order Control

Table 3.4 — *Tables Copied for New Domain* — (Page 3 of 3)

The background of the page features a grayscale image of several interlocking mechanical gears. The gears are of different sizes and are positioned in a way that creates a sense of depth and movement. The lighting is soft, highlighting the metallic texture and the sharp edges of the teeth.

Chapter 4

Setting Up Multiple Currencies

The following topics cover the setup of multiple currencies.

Overview **112**

Rounding Methods **114**

Currencies **117**

Exchange Rate Type **119**

Exchange Rates **120**

Purchase Gain/Loss Accounts **126**

Currency Display **128**

Overview

QAD Financials provides a full set of functions to support monetary amounts expressed in one of three currencies:

- Domain base currency
- Non-base transaction currency
- Management currency used for reporting

This three-currency system lets you display a transaction or create a report in any of the defined currencies.

A set of ISO currencies is supplied with the system. You must define one currency as the base currency for each domain. You can define as many other currency codes as your organization uses. See “Currencies” on page 117.

When creating GL accounts, you can specify that the account accepts transactions in all currencies, in the base currency only, or in a specific currency. See “GL Accounts” on page 139 for details.

Transaction currencies can be used with purchase orders, sales quotations, sales orders, price lists, AR and AP payments, and customer service. For accounts that are not denominated in a unique currency, you can record journal entries in either the base currency or in the transaction currency. For accounts denominated in a specific currency, you must enter all amounts using the transaction currency. See “Journal Entry” on page 397.

For organizations that operate in more than one country, the management currency can be used as a second base currency for reporting purposes. This is a database-wide setting, specified at installation.

Example A US company has subsidiaries across the world. The management currency for the company is USD. For US operations, the base and management currency are the same. For a French subsidiary, the base currency of the domain is EUR, and the management currency is USD. The management currency allows operations to be compared using reports in one system-wide currency.

The management currency is set in System Maintain (36.24.3.1). This setting is described in *User Guide: QAD System Administration*.

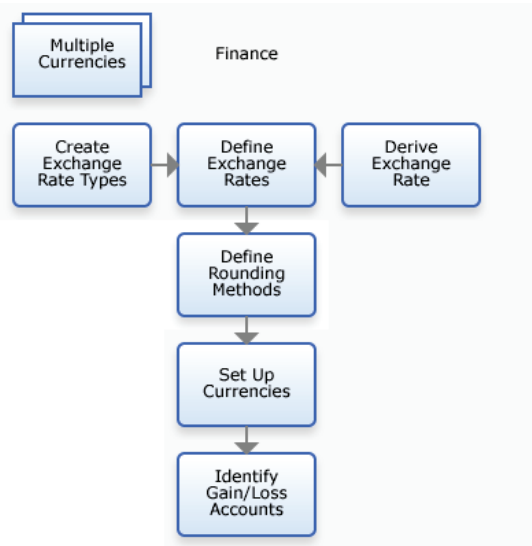


Fig. 4.1
Multiple Currencies
Process Map

Exchange Rates

An exchange rate is the current market price for which one currency can be exchanged for another. It is expressed as a two-part ratio representing the calculation required to convert one currency amount to another. Exchange rates are used for any transaction that is denominated in a currency other than the base currency of the domain.

Exchange rates can also have a scaling factor. This option is useful for currencies that have a very small value compared to currencies such as the US dollar and euro.

The Derived Exchange Rate function lets you derive new exchange rates for currency pairings using the exchange rates between the base currency of the current entity, and the base currencies of other entities in the same shared set. See “Derived Exchange Rates” on page 124.

Exchange Rate Differences and Revaluation

Exchange rate differences are automatically calculated during revaluation, and the analysis of realized currency exchange differences is also supported.

Monetary assets and liability accounts defined in foreign currency can be revalued at the current rate, fixed rate, historical rate, or any predefined rate. Individual customer and supplier accounts maintain the historical rate. See “Creating GL Accounts” on page 142 for information on setting exchange methods for revaluation.

For customer and supplier revaluation, the revaluation is entered in separate accounts and automatically reversed in the next period. This avoids confusion when you are reporting realized and unrealized currency differences for the same invoice. The system also lets you simulate what-if scenarios. See “Revaluation” on page 413 for more information.

Currency Formats

Since currency formats vary by region, the currency display format is based on the country code. If a regional format is not defined, the system uses the period (.) as a decimal point. The decimal point indicator in financial functions is determined by Windows regional settings on the client PC, and can vary from user to user.

Most reports and screens use the currency format of the logged-in user when displaying monetary values. However, invoices to customers and from suppliers use the format of the recipient address. See “Currency Display” on page 128 for details.

Rounding Methods

Use the Rounding Method activities (26.2) to define the methods the system uses to round monetary amounts for data entry and display. They are also used in the display of financial amounts in browses. Rounding methods are used in all calculations of monetary values, and are defined at the database level.

The Rounding Method function lets you define a rounding unit and a rounding threshold. The rounding unit determines the value by which a monetary amount is modified when subject to rounding.

The rounding threshold determines the value above which a digit is rounded up, rather than removed, and the position after the decimal point where the rounding takes place; that is, the number of decimal places.

Associate a rounding method with each currency. These methods apply when you enter monetary amounts and also when you view data online or generate reports.

Rounding is performed using an identical process for all currencies; the only variable is the number of decimals to use in rounding. For example, for a two-decimal currency, such as the US dollar or euro, if the third digit after the decimal point has a value of 5 or higher, the second digit after the decimal point is rounded up by 1. If the third digit after the decimal point has a value of less than 5, the third and subsequent digits after the decimal point are dropped.

The decimal point indicator is determined by the country code associated with the user in User Maintenance, so can vary according to regional requirements. See “Currencies” on page 117 and “Currency Display” on page 128.

Note You cannot delete a rounding method if it is associated with a currency, referenced in Global Tax Management Control (29.24), or associated with a tax environment in Tax Environment Maintenance (29.3.1).

Three rounding methods exist by default:

0. Round to zero decimals, using 0.5 as the rounding threshold.
1. Round to one decimal, using 0.05 as the rounding threshold.
2. Round to two decimals, using 0.005 as the rounding threshold.

Define additional rounding methods as needed. For example, you can set up a custom rounding method to support the optional invoice rounding feature, which lets you meet requirements in countries such as Switzerland. This feature is enabled and set up in Sales Order Accounting Control (36.9.6). For information on special invoice rounding requirements, see *User Guide: QAD Sales*.

Fig. 4.2
Rounding Method
Modify

Code	3
Description	Rounds to three places
Unit	0.001
Threshold	0.0000

Field Descriptions

Code. Enter a one-character code identifying the rounding method.

Description. Enter a brief description (maximum 24 characters) of the rounding method. This description displays on various reports and inquiries. You can optionally enter descriptions in more than one language. See “Using the Translation Option” on page 48.

Unit. Enter the number of decimal places used when rounding monetary values. For example, to specify rounding to three decimal places, enter 0.001. Rounding units must be a positive numeric value; you cannot define a negative value.

Threshold. Enter the number at which monetary values are rounded up. This number must be less than the number entered for the rounding unit. The rounding threshold must be a positive numeric value; you cannot define a negative value.

For example, if the rounding unit is 0.001, entering 0.0025 for the rounding threshold tells the system that decimal values of 25 ten-thousandths and higher are to be rounded up to the nearest one-thousandth. Amounts are rounded based on their absolute value. For example, -9.99 is rounded the same as 9.99.

Currencies

Use the Currency activities (26.1) to create, view, modify, and delete currencies.

Currency codes identify specific monetary units. You define a currency at a database level, and global currencies are predefined in the system using three-character ISO codes. The currency description can be specified in all languages, and can be up to 24 characters in length. Assign an inactive status to a currency that is no longer in use, which ensures that it cannot then be associated with any other records.

Currency amounts are rounded based on the associated rounding method. The display of the decimal point is based on settings associated with country codes in the `locale.dat` file:

- For customer-facing records, such as invoices, the system uses the country code of the customer to retrieve the relevant decimal point indicator from `locale.dat`.
- For supplier-facing records, such as purchase orders, the system uses the country code of the supplier to retrieve the relevant decimal point indicator from `locale.dat`.
- In certain operational functions, the display of currency amounts is formatted based on the country of the intended recipient; for example, the customer country code, supplier country code, or user country code. See “Currency Display” on page 128 for more information.

The `locale.dat` file is described in your QAD application installation guide.

Once defined, a currency code cannot be deleted or deactivated if:

- It is specified as the base currency for the current domain.
- It is referenced in a current or future exchange rate relationship.

Each transaction has a base, transaction, and management currency.

Fig. 4.3
Currency Create

Currency Code	USD
Currency Description	US Dollars
Decimals Description	Cents
Rounding Method	2
Rounding Method Description	Round to hundredths
Active	☒

Field Descriptions

Currency Code. Enter an ISO standard code identifying a currency.

Currency Description. Enter a brief description (maximum 24 characters) of the currency code. This description displays on various reports and inquiries. Descriptions typically include the name of the country and monetary unit, such as Japanese yen or New Zealand dollars.

Decimals Description. Enter the descriptive word (maximum 20 characters) for the secondary amount of the currency, which is displayed after the decimal point. For example, the secondary amount for dollars is cents, and for euro is cent. The system uses this description when printing out the text version of an amount; for example, ten dollars and fifty cents.

Rounding Method. Select the rounding method to apply to the currency.

Description. The system displays the description of the rounding method you selected.

Active. Indicate if this is an active record.

When you mark a new currency code as active, it is available to assign to new customer or supplier records as their default currency. In addition, you can create customer and supplier invoices with that currency.

Exchange Rate Type

Use the Exchange Rate Type activities (26.3) to create, view, modify, and delete exchange rate types.

Before setting up exchange rates, you can add user-defined exchange rate types if necessary. A number of predefined 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.

Table 4.1
Exchange Rate
Types

Exchange Rate Type	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.
BUDGET	Yes	Used for budgets stated in non-base currencies.
CASH	Yes	Used for cash flow forecasts denominated in non-base currencies.
INTRASTAT	No	Used in Intrastat reporting to provide specific exchange rates. See <i>User Guide: QAD Financials B</i> for details about Intrastat.
INVENTORY	No	Used for inventory, purchase order, scheduled order receipt, and work order transactions to convert between the management currency and base currency. If the inventory exchange rate is not defined, the accounting exchange rate is used instead. See “Inventory Exchange Rate” on page 123.
REVALUATION	Yes	Used for revaluing GL accounts denominated in non-base currencies relative to the base currency. It is also used for revaluation of the transaction currency revaluation result, relative to the management currency of the parent organization See “Revaluation” on page 413.
TAX	Yes	Used to translate amounts in tax reports. See <i>User Guide: QAD Financials B</i> for more information on tax reports.

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

Fig. 4.4
Exchange Rate
Type Create

Field Descriptions

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 (maximum 40 characters) of the exchange rate type to help identify its use.

Active. Indicate if this is an active record.

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

Exchange Rates

Use the Exchange Rate (26.4) activities to create, view, modify, and delete exchange rates, which are applied to multiple-currency transactions. 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.

For companies that use a management currency, the system uses the exchange rate effective on the date of the original transaction when converting between the base currency and the management currency. However, this is not required if the transaction currency and management currency are the same.

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. See “System Accounts” on page 140 for details on creating unrealized and realized loss/gain accounts.

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 both an exchange rate and a reciprocal rate.

Exchange rates have a start date, but not 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.

Fig. 4.5
Exchange Rate
Create

Field	Value
From Currency Code	USD
To Currency Code	YEN
Exchange Rate Type	ACCOUNTING
Valid From	06/04/2007
Exchange Rate	1.70000000
Scale Factor	1.0000000

Field Descriptions

From Currency Code. 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 Code. Enter the second currency of the exchange rate relationship.

Exchange Rate Type. Specify the business area where the exchange rate is applicable. See Table 4.1 on page 119 for a list of values.

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.

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 hyperinflationary environments when the differences between currency values is large.

Inventory Exchange Rate

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

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 the management currency:

- 1 The system multiplies the base currency item cost by the inventory exchange rate to determine the item cost in the management currency (value A).
- 2 The system multiplies the item cost by the PO receipt quantity to determine the inventory value in the management currency (value B).
- 3 The system determines the value of the PO receipt in management currency (value C) by comparing the inventory value in management currency to the PO receipt quantity multiplied by the PO cost value.
- 4 The system posts the exchange rate difference between values B and C to the Purchase Price Variance account for the management currency.

Note If an inventory exchange rate is not in effect at time of PO receipt, the system uses the accounting exchange rate type for that date, and the calculation described in steps 1 to 4 is not used.

Inventory Exchange Rate Example

For this transaction, the base currency is GBP and the management and transaction currencies are both USD. A PO is created for 25 items at 14 USD per item.

The exchange rates from GBP to USD were:

- 1 GBP = 1.4 USD when the management currency was defined
- 1 GBP = 1.56 USD when the PO was created
- 1 GBP = 1.60 USD 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 GBP value was 224.36 (350.00 USD using the 1.56 exchange rate).

The PO is received and recorded in the base currency.

Inventory: 250.00 GBP (10.00 GBP standard cost * 25)

PO receipts: 218.75 GBP (350.00 USD/1.6, the exchange rate in effect when the PO receipt was created)

Purchase Price Variance: 31.25 GBP

The system calculates the PO receipt values in the management currency, USD.

Inventory: 350.00 USD (14.00 Mgmt Curr Item Cost * 25)

PO receipts: 350.00 USD (the transaction currency is also USD)

Derived Exchange Rates

Exchange Rate Derive (26.4.5) lets you derive new exchange rates for currency pairings using the exchange rates between the base currency of the current entity, and the base currencies of other entities in the same shared set.

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

$$1 \text{ EUR} = 3 \text{ USD}$$

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

$$1 \text{ GBP} = 3/2 \text{ USD} = 1.5$$

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

$$1 \text{ USD} = 2/3 \text{ GBP} = 0.66 \text{ GBP}$$

Derived Exchange Rate Example 2

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

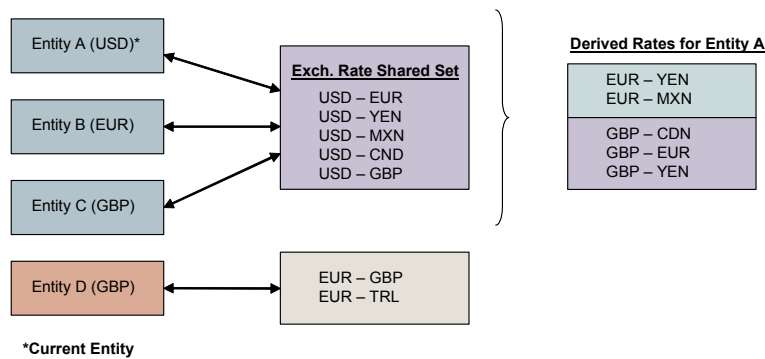


Fig. 4.6
Derived Exchange
Rates Example

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 the 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.

Fig. 4.7
Exchange Rate
Derive

Field Descriptions

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

Base Currency. This field displays the base currency of the current entity.

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

Click Apply to display the matching records in the grid.

Derive. Select the field to save the derived exchange rate.

Clear the field if you do not want to save the derived exchange rate for the corresponding row.

From Currency. This field displays the origination currency for the exchange rate.

To Currency. This field displays the destination currency for the exchange rate.

Exchange Rate. This field displays the derived exchange rate.

Purchase Gain/Loss Accounts

Many companies find that when currency exposure is significant, it is useful to include currency variance in margin reports. In some countries such as Poland, it is a legal requirement that all variances affecting item cost are recorded against the item product line.

To support this requirement, use Purchase Gain/Loss Account Maintenance (26.17) to define a purchase gain and a purchase loss account, sub-account, and cost center for each currency or combination of currency and product line. These accounts are updated during receiver matching when the exchange rate changes between the point of goods receipt and matching.

Without these detailed accounts, the variance is posted to the system unrealized exchange gain or unrealized exchange loss account and combined with other currency variances.

Fig. 4.8
Purchase Gain/Loss
Account
Maintenance
(26.17)

Enter a valid currency code defined in Currency Create (26.1.1). You can enter a product line code or you can leave this field blank. Records defined for a blank product line are used for memo items in Supplier Invoice Create.

Then, enter a purchase gain account, sub-account, and cost center combination and a purchase loss account, sub-account, and cost center combination. Standard account validation is used: the account must be an existing active account, and the combination of account, sub-account, and cost center must also be valid.

When these accounts have been defined, they are used in supplier invoices as follows. When the exchange rate changes between receipt of the purchase order and update in Supplier Invoice, the resulting difference is posted to one of the following:

- The purchase gain or purchase loss account defined in Purchase Gain/Loss Account Maintenance for the combination of the invoice currency and the item's product line if this record is available

- If this account is not available, the purchase gain or purchase loss account defined in Purchase Gain/Loss Account Maintenance for the invoice currency (needed when the item being invoiced is a memo item), if this record exists
- If this is not available, the system unrealized exchange gain or unrealized exchange loss account

You can use Purchase Gain/Loss Account Inquiry (26.18) to display details about accounts defined in Purchase Gain/Loss Account Maintenance.

Use Purchase Gain/Loss Account Copy (26.22) to quickly create new accounts by copying existing ones. You can access and edit the new accounts in this program or in Purchase Gain/Loss Account Maint (26.17). The data that displays is similar. You can edit all associated data for the record, except for the currency and product line that uniquely identify the new record. You cannot delete the new purchase gain or purchase loss account records using Purchase Gain/Loss Account Copy.

Currency Display

The currency format displayed in reports is determined by whether the report is for internal or external use.

Internal reports provide information for users of the system at your organization. The currency format for these reports is determined by the user's locale based on the associated country in User Maintenance (36.1). Table 4.2 lists these reports.

Table 4.2
Internal Reports
Displaying
Currency Format of
User's Country

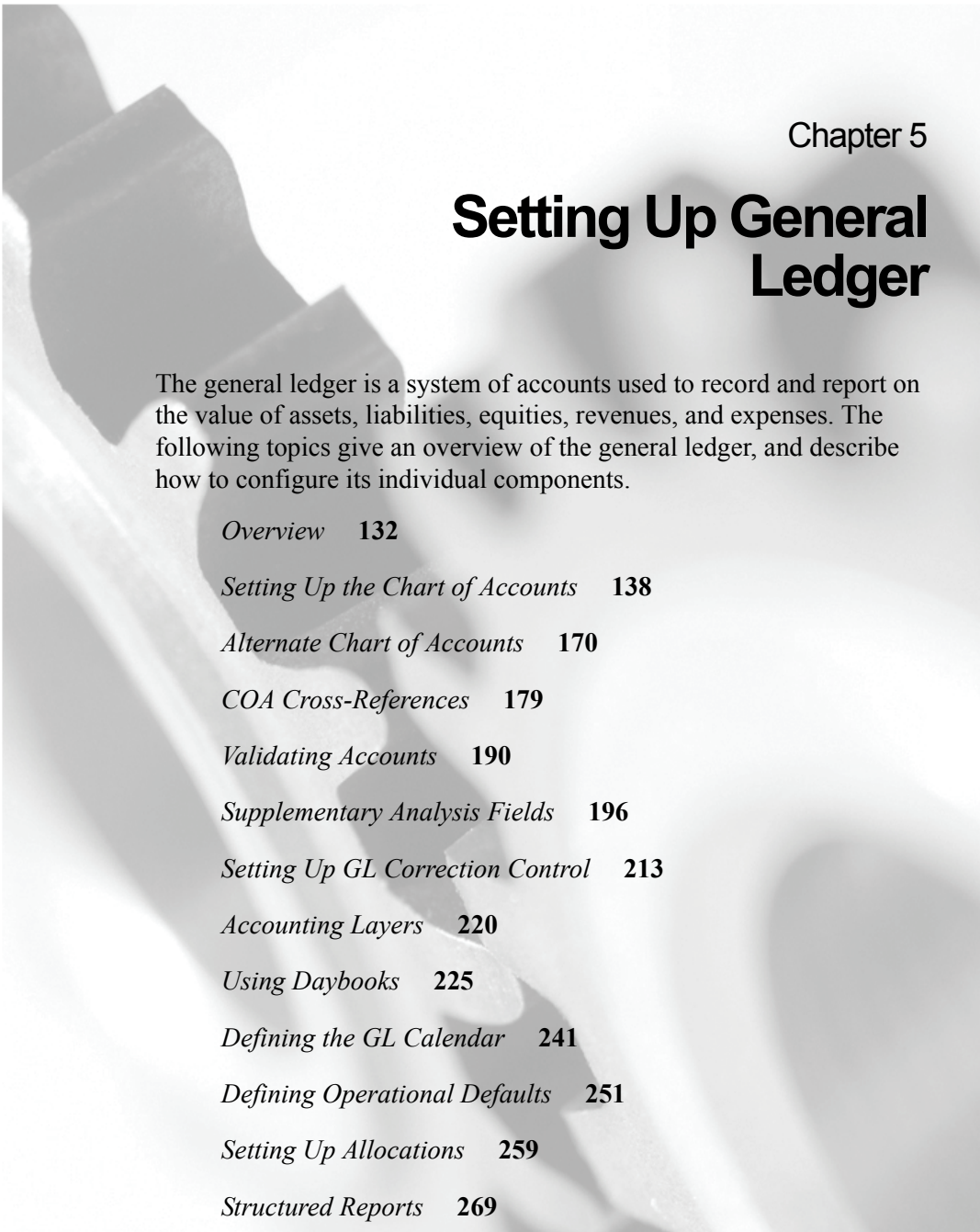
Report	Program
PO Receipt Document Print (5.13.2)	porcrp.p
Pending Invoice Register (7.13.2)	soivrp.p
Invoice Post and Print (7.13.4)	soivpst.p
Invoice History Report (7.13.8)	soivrp09.p
Material Order Maintenance (10.7.1/11.11.1)	fseomt.p
Material Order Shipments (10.7.6/11.11.6)	fseops.p
Renewal Process/Report (11.5.13.10)	fssaexp.p
Billing Release to Invoice (11.5.18.13)	fssais.p

Report	Program
Billing Reversal Maintenance (11.5.18.18)	fssaisr.p
Revenue Recognition (11.5.18.21)	fssdefre.p
Intrastat Inquiry (29.22.14)	iehiq.p
Intrastat by Invoice (29.22.15)	iehinviq.p
Intrastat by Supplier Invoice (29.22.16)	iehvoui.p
Intrastat by Order (29.22.17)	iehordiq.p
Extrastat Inquiry (29.22.21.14)	iehexiq.p
Extrastat by Invoice (29.22.21.15)	iehexinv.p
Extrastat by Supplier Invoice (29.22.21.16)	iehexvou.p
Extrastat by Order (29.22.21.17)	iehexord.p

External reports are intended to be sent to customers and suppliers. The currency format for these reports is based on the country of the report recipient. These reports are listed in the following table.

Report	Program Name	Recipient Country Code
Blanket Order Print (5.3.5)	poblrp03.p	Supplier (po_vend)
Purchase Order Print (5.10)	poporp03.p	Supplier (po_vend)
Purchase Return Document Print (5.13.8)	porvrp.p	Supplier (prh_vend)
Sales Order Print (7.1.3)	sosorp05.p	Sold To (so_cust)
Sales Quote Print (7.12.13)	sqqorp05.p	Sold To (qo_cust)
Invoice Print or Reprint (7.13.12)	soivrp10.p	Bill To (ih_bill)
RMA Print (11.7.1.3)	fsrmp08.p	Sold To (so_cust)
Contract Quote Print (11.5.1.3)	fsqorp.p	Sold To (sq_cust)
Contract Print (11.5.13.4)	fssarp.p	Sold To (sq_cust)
Invoice Export (35.4.3)	edominv.p	Bill To (ih_bill)

Table 4.3
External Reports
Displaying
Currency Format of
Recipient



Chapter 5

Setting Up General Ledger

The general ledger is a system of accounts used to record and report on the value of assets, liabilities, equities, revenues, and expenses. The following topics give an overview of the general ledger, and describe how to configure its individual components.

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Setting Up the Chart of Accounts **138**

Alternate Chart of Accounts **170**

COA Cross-References **179**

Validating Accounts **190**

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Setting Up GL Correction Control **213**

Accounting Layers **220**

Using Daybooks **225**

Defining the GL Calendar **241**

Defining Operational Defaults **251**

Setting Up Allocations **259**

Structured Reports **269**

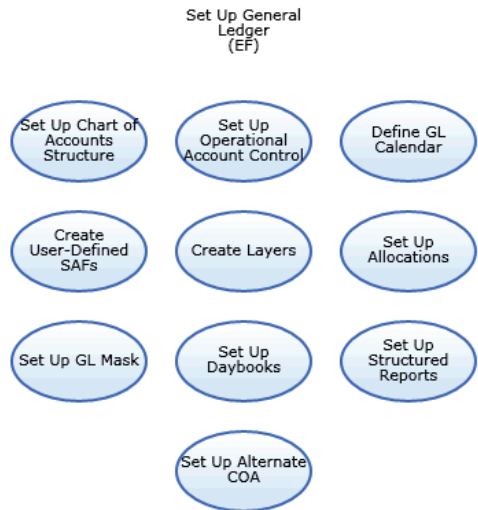
Overview

Generally accepted accounting practice requires that an organization’s financial information be periodically compiled in two financial statements: a balance sheet and an income statement. The balance sheet provides a summary of an organization’s assets, liabilities, and equity at a given point in time. The income statement shows profit or loss for a given time period. In order to satisfy these reporting requirements, a general ledger (GL) is used.

To set up a GL, you must first determine what kinds of information must appear on the financial statements. Organizations normally produce a range of different types of GL statements, from interim reports for management purposes to official statements that comply with statutory regulations. GL reporting is embedded in the system, which means that you can produce customized statements at any stage of the GL process.

Figure 5.1 shows the process map for GL setup activities.

Fig. 5.1
Set Up General
Ledger Process
Map



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. See “Year-End Transactions” on page 482 for more information on generating GL reports.

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. See “Sub-Accounts” on page 159.

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. See “Cost Centers” on page 160.

Project codes provide analysis on costs and revenue for the projects defined in your organization. See “Projects” on page 162.

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. See “Alternate Chart of Accounts” on page 170. 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 “COA Cross-References” on page 179 and Chapter 13, “Consolidation,” on page 843.

You can verify valid combinations of COA elements using a GL mask. A GL mask is a matrix that defines the combinations of GL account, sub-account, cost center, and project to which you can post transactions. The mask you define applies to all transactions posted for the current domain. See “General Ledger Mask” on page 190.

Use supplementary analysis fields (SAF) 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. See “Supplementary Analysis Fields” on page 196.

Accounting layers let you define different types of transaction postings, from official postings to statutory books to temporary postings for analysis or simulation. See “Accounting Layers” on page 220.

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. See “Using Daybooks” on page 225 for more information.

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. See “Defining the GL Calendar” on page 241.

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. See “Financial Allocations” on page 261 for information on defining an allocation structure.

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. See “Reversing Transactions” on page 445.

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. See “Accounting Layers” on page 220.

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.

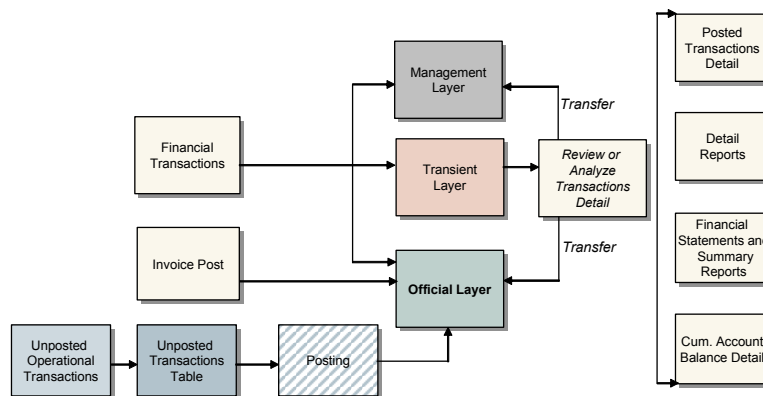
Most organizations print a trial balance summary or detail report before printing statements. The trial balance lists the title and amount for all accounts, making it easier to identify errors and make adjusting entries before printing formal statements.

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. See “Year-End Transactions” on page 482.

In multiple currency entities, unrealized exchange gains and losses are calculated and posted prior to running reports. See “Revaluation” on page 413.

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

Fig. 5.2
General Ledger
Data Flow



General Ledger Components

The GL account is the base unit in the general ledger. Create 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.

Table 5.1
General Ledger
Components

Component	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 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 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.

Component	Description
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.

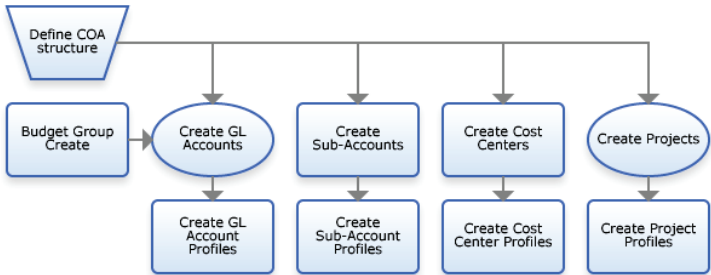
Setting Up the Chart of Accounts

The chart of accounts consists of combinations of four elements:

- GL Accounts
- Sub-Accounts
- Cost Centers
- Projects

Figure 5.3 shows the process map for GL setup activities.

Fig. 5.3
Set Up Chart of
Accounts Process
Map



GL Accounts

The following table lists GL account types.

Table 5.2
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 See “Year-End Transactions” on page 482 for details.
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 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. See Table 5.3 on page 140 for a list of types.

Account Type	Description
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 drop-down list in the GL Account screen is enabled when you specify a system account. The following table lists the available types of system accounts.

Table 5.3
System Account
Types

System Account Type	Description
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 report structures 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. See “Report Structures” on page 906 for more information.

System Account Type	Description
Result of Previous Years	Used in report structures 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. See “Report Structures” on page 906 for more information.
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 table lists the valid combinations.

Table 5.4
Analysis Type by
Account Type

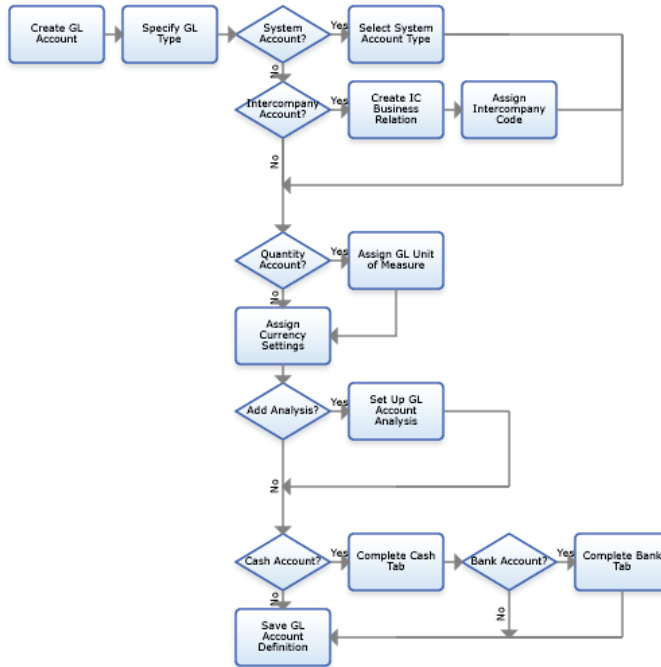
	Account Type	Sub-Acct	Cost Center	Project	SAF
Standard Accounts	Bank Account	Yes	No	No	No
	Cash Account	Yes	Yes	Yes	Yes
	Closing Account	Yes	No	No	No
	Cross-Company Account	No	No	No	No
	Customer Control Account	Yes	Yes	Yes	No
	Customer Payment Account	Yes	Yes	Yes	Yes
	Fixed Assets Account	Yes	Yes	Yes	Yes
	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	No
	Supplier Payment Account	Yes	Yes	Yes	Yes
	Tax Account	Yes	No	No	No
	WIP Control	Yes	Yes	Yes	Yes
System Accounts	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
	Result 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

Creating GL Accounts

Use the GL Account activities (25.3.13) to create, view, modify, and delete GL accounts. You can also use Excel integration (25.3.13.5) to import account information from an Excel spreadsheet. See “Integrating with Microsoft Excel” on page 61 for details on setting up Excel integration.

Figure 5.4 shows the process map for setting up GL accounts.

Fig. 5.4
Set Up GL Account
Process Map



You can modify the following attributes of an existing GL account if it has not been used in posting.

Tab	Field
Posting	GL Description
	Budget Group
	Balance/PL
	Category
Currency	TC Revaluation Method
	MC Revaluation Method
	TC Revaluation Rate
	MC Revaluation Rate
	Exchange Method
	Exchange Rate Type
Analysis	Analysis Type
Report Link, Banking, and Defaults	All fields

If the account is not a standard account, you cannot modify the Balance/PL field. In addition, restrictions exist regarding the Analysis Type. See “Supplementary Analysis Fields” on page 196.

You cannot delete a GL account if it is referred to by another system element.

Fig. 5.5
GL Account Create

Field Descriptions

Account. Enter a code (maximum eight characters) identifying the account.

Description. Enter a brief description (maximum 24 characters) of the GL account. You can optionally enter descriptions in more than one language. See “Using the Translation Option” on page 48.

GL Type. Select the type of account. See “GL Accounts” on page 139 for a description of the available account types.

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.

The effect of this field is described in “Active and Inactive Records” on page 68.

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.

System Type. This drop-down menu is enabled when you select a system account as the account type. Select a value from the list. See “System Accounts” on page 140.

Budget Group. If this account is to be included in a budgeting group, enter a code for the group, or click to look up and select an existing code. Setting up a budget can be done with this group code or by specifying ranges or lists of GL accounts. See “Budgeting” on page 815.

Budget Enabled. Select the field to enable budget checking. This field is effective if budget checking is enabled in System Maintain (36.24.3.1). See *User Guide: QAD System Administration* for details on this function.

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).

Posting Tab

Use the Posting tab to set posting attributes for the account.

Fig. 5.6
GL Account,
Posting Tab

The screenshot shows the 'Posting' tab in the QAD Financials A GL Account setup. The tab is selected, and the following fields are visible:

- Balance/P&L:** A dropdown menu set to 'Balance Sheet Account'.
- Auto/Manual:** A dropdown menu set to 'Manual'.
- Intercompany Account:** A checkbox that is unchecked.
- Fixed Intercompany:** A checkbox that is unchecked.
- Quantity:** A checkbox that is unchecked.
- Debit/Credit:** A dropdown menu set to 'Debit'.
- Default Intercompany:** A text field with a search icon.
- GL Account Unit of Measure:** A text field with a search icon.

Field Descriptions

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 certain 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.

Important For standard accounts, you cannot modify the Balance/P&L field once 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.

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.

Important 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 on the General tab of the business relation. See “Creating Business Relations” on page 289.

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.

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.

GL Account 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. See “GL Account Unit of Measure” on page 169.

Currency Tab

Use the Currency tab to specify the currency attributes of the account. See “Setting Up Multiple Currencies” on page 111 for more information on the setup of foreign currencies.

Fig. 5.7
GL Account,
Currency Tab

The screenshot displays the 'Currency' tab within the QAD Financials A GL Account setup interface. The top navigation bar includes tabs for Posting, Currency, Analysis, Report Link, Banking, Cash, and Defaults. The main content area contains the following fields and options:

- Base Currency Only:** A checkbox that is currently unchecked.
- Currency Code:** A text input field with a search icon on the right.
- Revaluation GL:** A text input field with a search icon on the right.
- TC Revaluation Method:** A dropdown menu currently set to 'None'.
- TC Revaluation Rate Type:** A text input field with a search icon on the right.
- MC Revaluation Method:** A dropdown menu currently set to 'None'.
- MC Revaluation Rate Type:** A text input field with a search icon on the right.
- Consolidation Method:** A dropdown menu currently set to 'Current Exchange Rate'.
- Consolidation Rate Type:** A text input field with a search icon on the right.

Field Descriptions

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 Code. 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 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 GL 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. See “Revaluation” on page 413.

TC Revaluation Method. Select a transaction currency revaluation method from the following options:

None: No revaluation is performed on transactions.

Actual Rate: The actual foreign currency rates or last known rates in the accounting system are used.

Revaluation: The system revaluation rate. See “Revaluation” on page 413.

Own Method: Revaluation using an exchange rate type that you specify in the TC Revaluation Rate field.

TC Revaluation Rate Type. When you select Own Method for the TC revaluation method, specify a revaluation exchange rate type for determining rates. Otherwise, this field is disabled.

MC Revaluation Method. Select a revaluation method for the management currency. Again, select from None, Actual Rate, Revaluation, or Own Method.

MC Revaluation Rate Type. When you select Own Method for the MC revaluation method, specify a revaluation exchange rate type for determining rates. Otherwise, this field is disabled.

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. See Chapter 13, “Consolidation,” on page 843 for details on consolidation setup.

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.

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.

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. See “Revaluation” on page 413.

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.

Analysis Tab

Use the Analysis tab 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.

Important After you have saved account data and used the account in postings, you can add analysis but not remove it.

Fig. 5.8
GL Account,
Analysis Tab

Field Descriptions

Analysis Type. Select a type from the following options:

Cost center: You must enter a default cost center and SAF structure code; project is disabled.

Project: You must enter a default project and SAF structure code; cost center is disabled.

Both (both cost center and project): You must enter a both a default cost center and project and SAF structure code. This also enables the Analysis Limitation field.

None (no analysis): Only a sub-account can be specified; cost center, project, and SAF structure are disabled.

SAF: You must enter a default SAF structure code; cost center and project are disabled.

Note If you have set an analysis type of None, you can modify this to another value after transactions have been posted to the GL account. However, you cannot change the value in the Analysis Type field from another value to None once transactions have been posted against the GL account.

The sub-accounts, cost centers, and projects used in analysis for the account must be valid according to the GL mask. See “General Ledger Mask” on page 190.

Analysis Limitation. When you select Both as the analysis type, set a condition for the analysis from the following options:

None: There is no limitation on how you use cost centers and projects on a transaction.

Note You cannot create an account with an Analysis Type of Both, and a Limitation of None. In addition, if you select an Analysis Type other than Both, the Analysis Limitation is not updatable and is always set to None.

At Least One: You must specify at least one project or one cost center on the transaction.

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

Excluding each Other: You must specify either a project or a cost center on the transaction.

Default Cost Center. When the analysis type is Cost Center, select a default cost center profile for transactions on this account. When you select cost center analysis for an account that is set to post automatically, you must select a default cost center profile.

Default Project. When the analysis type is Project, select a default project profile for transactions on this account. When you select project analysis on an account that is set to post automatically, you must select a default project profile.

SAF Structure Code. When the analysis type is Project, Cost Center or SAF, select a default SAF structure code for transactions on this account. This field is required when analysis type is SAF. When Analysis Type is cost center or project, it is also required if any cost centers or projects have the field Retrieve Structure from GL Account selected.

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. Enabled when you select the Sub-Account field. You must select a default sub-account profile if the account is set to post transactions automatically.

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 Analysis Set On 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 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 Sub-Account Set On 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.

Report Link Tab

Use the Report Link tab to link the current GL account to accounts in other shared sets. Report link lets you combine account information from different shared sets into one corporate chart of accounts. You can then generate a corporate report that contains all of the defined accounts, regardless of which shared set they belong to. Every GL account can be linked to an account in every shared set in the system.

You can also specify a cash group code used in Cash Flow Reports.

To enter details of the account to be linked, right-click the empty grid and insert a new row.

Fig. 5.9
GL Account,
Report Link Tab

Shared Set Code	GL Account	GL Description	Modif User	Modif Date	Modif Time

Cash Group:

Save Close

Field Descriptions

Shared Set Code. Specify the code of the GL account shared set to which you are linking.

GL Account. Specify the code of the account to which you are linking.

GL Description. This field displays a brief description of the GL account to which you are linking.

Last Modified Date/Time and User. These read-only fields display the ID of the user who last updated this record and the date and time of update.

Cash Group. Select the cash group to which the account belongs. Cash groups are used to categorize information in the Cash Flow Report. See “Creating Cash Groups” on page 809.

Banking Tab

The Banking tab is enabled when you create an account with the GL type Bank Account or Cash Account. Use this tab 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. The Customer Banking tab is described in “Banking Tab” on page 343.

Banking activities are described in “Banking and Cash Management” on page 757.

Right-click the empty grid and insert a new row for each bank account.

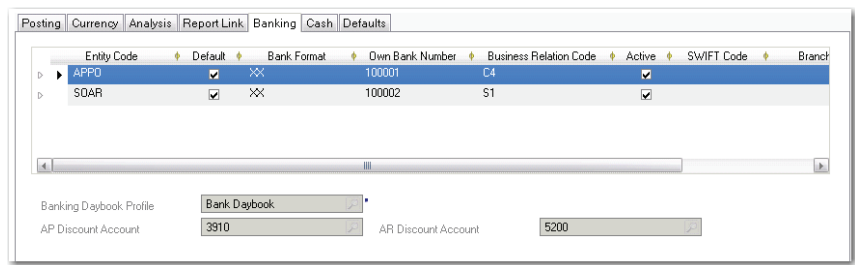


Fig. 5.10
GL Account,
Banking Tab

Field Descriptions

Entity Code. 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 account format is validated using the validation drop-down list (see “Bank Account Formats” on page 760). 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 in-bound 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.

For more information on payment selections, see “Customer Payment Selections” on page 562 and “Supplier Payment Selections” on page 703.

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. See “Entity Bank Accounts” on page 760.

Bank 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 760.

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.

Currency. This field displays the currency defined for the payment format associated with your bank account.

Business Relation Code. 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.

Extension. Specify the bank extension number, if required. If your company needs several bank accounts in different currencies, you can configure one default bank account number with an extension for each currency.

Active. Indicate if this is an active record.

The effect of this field is described in “Active and Inactive Records” on page 68.

SWIFT Code. 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. Enter the branch number for the bank, if necessary. Many banking systems use branch numbers as identification codes in transactions.

Last Modified Date/Time and 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.

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.

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

Cash Tab

The Cash tab is activated if you select a GL type of Cash Account, and is used to set the daybook profiles for incoming and outgoing cash transactions.

Fig. 5.11
GL Account, Cash
Tab

Field Descriptions

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.

Defaults Tab

Use the Defaults tab 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. See “SAF Defaulting” on page 210.

The screenshot shows a software window with a tabbed interface. The 'Defaults' tab is selected, showing a form with the following fields: 'SAF Concept Code', 'SAF Code', 'Last Modified User', 'Last Modified Date', and 'Last Modified Time'. Each field has a small upward-pointing arrow icon to its right. Below the fields is a horizontal scrollbar. The window has a title bar and a standard operating system border.

Fig. 5.12
GL Account,
Defaults Tab

Field Descriptions

- SAF Concept.* Select an SAF concept to link to this account.
- SAF Code.* Select an SAF code related to the concept for this account.
- Last Modified Date/Time and User.* These read-only fields display the ID of the user who last updated this record and the date and time of update.

Related Views and Reports

The Related Views option for GL accounts links to Open Item Activity, GL Balance, GL Transactions, and Open Items.

Sub-Accounts

Use the Sub-account activities (25.3.17) to create sub-accounts for analyzing activity on an account code and to providing further detail in financial reporting. 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.

Fig. 5.13
Sub-Account
Create

Field Descriptions

Sub-Account Code. Enter a code for the sub-account (maximum eight characters).

Description. Enter a brief description (maximum 24 characters) of the sub-account. You can optionally enter descriptions in more than one language. See “Using the Translation Option” on page 48.

Budget Group. Select a budget group for the sub-account.

Active. Indicate if this is an active sub-account. The effect of this field is described in “Active and Inactive Records” on page 68.

Cost Centers

Use the Cost Center activities (25.3.20) to create cost centers for providing 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.

Fig. 5.14
Cost Center Create

Cost Center Create

Cost Center - Create

Cost Center: [Text Field]

Description: [Text Field]

Cost Center Administrator: [Dropdown]

Budget Group: [Dropdown]

Saf Set on Date: [Calendar]

Active: ☒

Retrieve SAF Structure from GL: ☐

SAF Structure Code: [Dropdown]

Saf Set on by: [Text Field]

SAF Defaults

SAF Concept Code	SAF Code	Last Modified User	Last Modified Date	Last Modified Time

Field Descriptions

Cost Center. Enter a code (maximum four characters) that identifies the cost center.

Description. Enter a brief description (maximum 24 characters) of the cost center. You can optionally enter descriptions in more than one language. See “Using the Translation Option” on page 48.

Active. Indicate if this is an active cost center. The effect of this field is described in “Active and Inactive Records” on page 68.

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

Budget Group. Select a budget group to associate with the cost center.

SAF Structure Code. Select an 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.

If an SAF structure code is specified, Retrieve SAF Structure from GL cannot be selected.

See “Supplementary Analysis Fields” on page 196 for more information.

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

SAF Set On Date and By. These read-only fields display the date on which SAF analysis was activated for the cost center and the ID of the user who activated it.

The grid lets you specify which concepts within a structure to associate with the cost center 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. See “SAF Defaulting” on page 210.

SAF Concept. Select a default SAF concept.

SAF Code. Select a default SAF code.

Last Modified Date/Time and User. These read-only fields display the ID of the user who last updated this record and the date and time of update.

Projects

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 account codes, sub-account codes, and cost centers with a specific project or multiple projects. The GL mask determines the valid COA combinations (account, sub-account, cost center, and project) for posting.

Before creating projects, you must define two required codes: project groups and project status codes. You can post transactions to a project only if its system status is active.

Figure 5.15 shows the process map for creating projects.

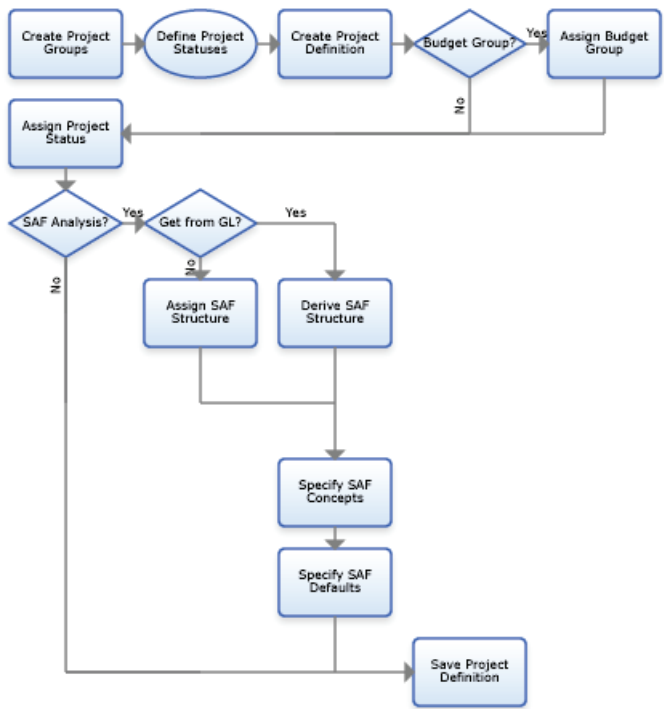


Fig. 5.15
Project Process
Map

Project Groups

Use the Project Group activities (25.3.11.6) to create, view, modify, and delete codes for categorizing a collection of projects for reporting purposes.

Fig. 5.16
Project Group
Create

The screenshot shows a software window titled "Project Group Create". The window has a standard menu bar with "Project Group", "Tools", "Go To", and "Attach", along with several icons. The main content area is titled "Project Group - Create" and contains three input fields. The first field is labeled "Code" and is a simple text box. The second field is labeled "Description" and is a longer text box with a small icon on the right side. The third field is labeled "Active" and is a checkbox that is currently checked.

Field Descriptions

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

Description. Enter a description (maximum of 40 characters) of the project group. You can optionally enter descriptions in more than one language. See “Using the Translation Option” on page 48.

Active. Indicate if this is an active project group. The effect of this field is described in “Active and Inactive Records” on page 68.

Project Statuses

Before you can begin to create project codes, 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 code you define with one of five predefined system status codes: Initial, Open, Closed for Accounting, Closed for Costs, and Closed. The system status code assigned determines the affect of the status code you define, and consequently how the project codes assigned that status can be used. See Table 5.5 for more information.

Figure 5.17 shows the process map for defining project statuses.

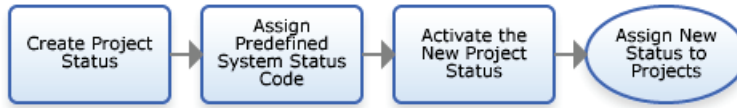


Fig. 5.17
Project Status Code Map

The project status codes you define populate the Status drop-down list in the Project Create screen (25.3.11.7.1), and are then available to assign to project codes.

Fig. 5.18
Project Status Create

Field Descriptions

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

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

System Status. Select the system status to associate with the project status code. 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.

Table 5.5 lists the system statuses and the restrictions that they apply to project codes when assigned.

Table 5.5
Project Statuses
Related Activities

System Status	Allowed in...		
	GL Postings	Supplier Invoice Create	Customer Invoice Create
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 status codes can be assigned to projects. The effect of this field is described in “Active and Inactive Records” on page 68.

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

Creating Projects

Use Project Create (25.3.11.1.1) to create project codes.

Fig. 5.19
Project Create

The screenshot shows the 'Project Create' window with the following fields and values:

- Project:** Upgrade
- Description:** Upgrade PC Client Softwa
- Project Administrator:** (empty)
- Status Code:** OPEN
- Retrieve SAF Structure from GL:** ☐
- SAF Structure Code:** (empty)
- Saf Set on Date:** (empty)
- Saf Set on by:** (empty)
- General Tab:**
 - Sub-Account Profile:** (empty)
 - Budget Group:** (empty)
 - Project Group:** (empty)
 - Main Project:** (empty)
 - Currency:** USD
 - Start Date:** 08/26/2007
 - End Date:** (empty)
 - Original Completion Date:** (empty)
 - Revised Completion Date:** (empty)
 - Date Revised:** (empty)

Field Descriptions

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. See “Using the Translation Option” on page 48.

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

Status Code. Select the project status code from the drop-down list, which shows codes defined using Project Status Create. The system status assigned to the project status controls how the projects can be used. See “Project Statuses” on page 164.

Retrieve SAF Structure from GL. Select the field to use the SAF structure found in the Analysis Tab of the GL account for posting purposes. To enable this setting, an SAF structure must be specified for all accounts that have analysis type Project or Both. In addition, an SAF Structure Code cannot be specified for the project.

SAF Structure Code. Select an 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 an SAF structure code is specified, Retrieve SAF Structure from GL cannot be selected.

See “Supplementary Analysis Fields” on page 196 for more information.

SAF Set On Date and By. These read-only fields displays the date on which SAF analysis was activated for the project and the ID of the user who activated it.

Project Create General Tab

Fig. 5.20
Project Create,
General Tab

General		Defaults	
Sub-Account Profile	SUB(pr)	Start Date	06/12/2007
Budget Group		End Date	
Project Group	ALL	Original Completion Date	
Main Project		Revised Completion Date	
Currency	USD	Date Revised	

Field Descriptions

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

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

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

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

Project Group. Use the lookup to specify the project group to which the project belongs, if any. Define the project group first; see “Project Groups” on page 163.

Original Completion Date. Enter the initial planned completion date of the project.

Main Project. Enter the code of the main project. This can be used when the current project is a subproject of a larger one. The main project is used for reporting purposes, and the linked projects behave completely independently.

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

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

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

Project Create Defaults Tab

Use the Defaults tab to specify which concepts within a structure to associate with the project 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. See “SAF Defaulting” on page 210.

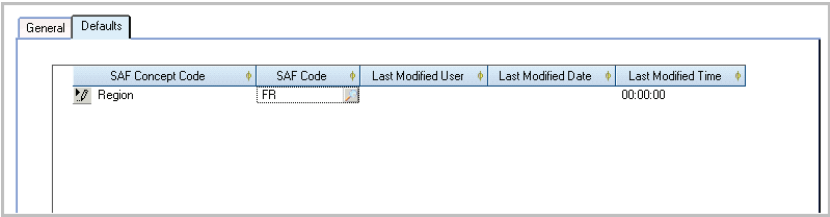


Fig. 5.21
Project Create,
Defaults Tab

SAF Concept Code. Select an SAF concept.

SAF Code. Select the default SAF code.

Last Modified Date/Time and User. These read-only fields display the ID of the user who last updated this record and the date and time of update.

GL Account Unit 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.

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).

Note The term “unit of measure” is also used elsewhere in the system. For example, in receiver matching, an operational unit of measure is used to quantify items being invoiced. See “Processing Payables” on page 688.

See “Posting Tab” on page 146 for details on defining the quantity and unit of measure attributes for a GL account.

Use the GL Account UM activities (25.3.15) to create, delete, modify, or view units of measure.

Fig. 5.22
GL Account UM
Create

Unit of Measure	Hours
Description	Hours worked
Active	☒

Field Descriptions

Unit of Measure. Specify a code (maximum 20 characters) that identifies a unit of measure code to be associated with an account.

Description. Enter a brief description (maximum 40 characters) of the unit of measure. You can optionally enter descriptions in more than one language. See “Using the Translation Option” on page 48.

Active. Indicate if this is an active account. The effect of this field is described in “Active and Inactive Records” on page 68.

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 chart of accounts is a secondary grouping of accounts that is generally used for statutory reporting.

Some countries, such as China, require that companies use different alternate COAs for different financial periods, and that all alternate COA versions be stored for auditing purposes. Alternate COA offers a solution for companies operating in these countries.

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. Currently, only Chinese accounting regional reports have the option to use an alternate COA. See “Chinese GL Reports” on page 996 for more information on Chinese regional reports.

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 order to link alternate accounts to their corresponding operational GL accounts, you can create a COA cross-reference from within the alternate COA structure. You can also create a cross-reference for an alternate COA structure by using COA Cross Reference Create (25.3.14.1) directly. Only the lowest level codes in the alternate COA structure are linked to operational COA elements (GL account, sub-account, cost center, and project). Lowest level codes in the alternate COA structure are codes entered on rows that have no child rows.

In the example alternate COA structure in Figure 5.23, the following accounts are lowest level nodes:

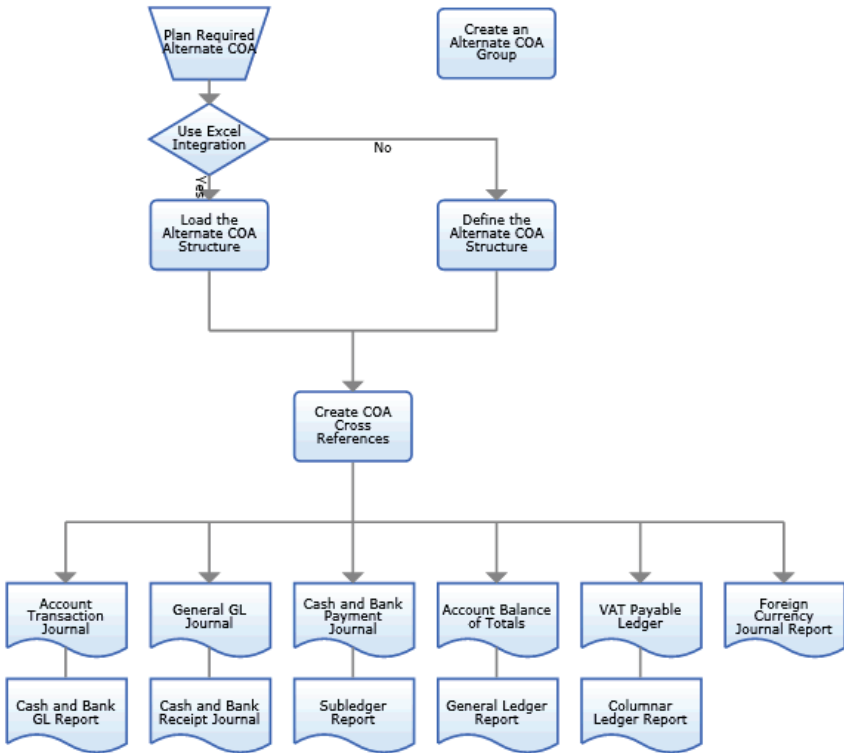
- AC-1-1-1
- AC-1-2
- AC-2-1
- AC-3

Fig. 5.23
Alternate COA
Structure

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

Fig. 5.24
Set Up Alternate
COA Process Map

Figure 5.24 shows the steps involved in defining an alternate COA.



Chinese Alternate COA

Example

The Chinese subsidiary of a US company submits reports to their head office based on the corporate operational COA structure. However, the company must also create financial reports that use statutory Chinese account codes and structures in order to fulfill the local requirements from the Chinese Financial Bureau.

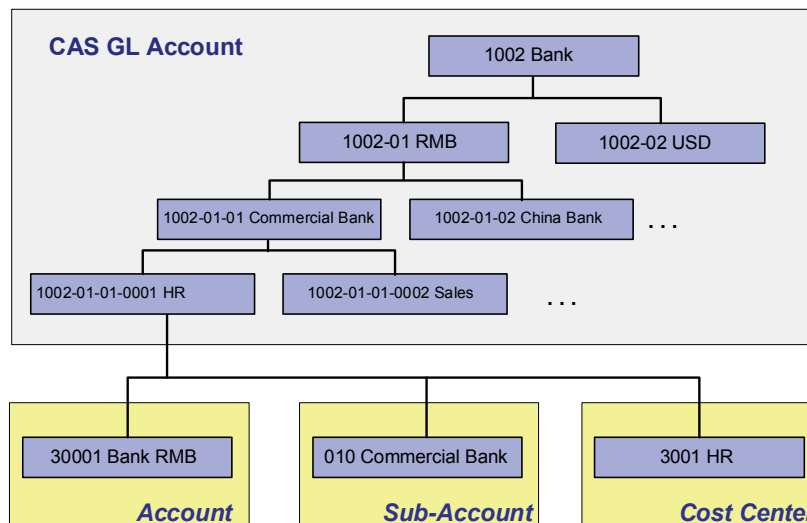
China Accounting Standards (CAS) regulations require that an account code be structural. The first four digits are designated by the Chinese Financial Bureau, and the company then defines its own structure based on these requirements. In CAS, the GL code also contains the sub-account and cost center.

The Chinese subsidiary then creates a structural alternate COA to satisfy CAS requirements, and maps the alternate COA to its operational COA using COA Cross-Reference Create (25.3.14.1).

Figure 5.25 shows the alternate COA structure the company created for its bank accounts. The alternate COA structure contains four levels, and only the level 4 accounts are mapped to the company's operational COA. For example, alternate account 1002-01-01-0001 HR is mapped to operational account 30001 Bank RMB, sub-account 010, and cost center 3001 HR.

When the company runs Chinese statutory reports, the statutory account code balances for parent accounts, such as 1002 Bank, are summed from the child alternate COA codes.

Fig. 5.25
COA Example
from Chinese
Accounting



Creating Alternate COA Groups

Use Alternate COA Group Create (25.3.21.7) to define groups to which you can assign alternate accounts. An alternate COA group code functions in a similar way to a budget group code, and links level 1 alternate COA accounts. When a level 1 alternate COA account is assigned to a group code, all lower level alternate COA accounts in that structure are then automatically mapped to the group code.

Alternate COA groups are used to accumulate data in the Chinese structured reports, such as the Chinese Income Statement and Balance Sheet.

Note The Chinese Income Statement and Balance Sheet reports will be available in a later QAD ERP release.

Example A company’s alternate COA structure contains the following alternate accounts for assets:

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

The company creates an alternate COA group called Current Assets, and assigns it to the highest level alternate account (AC-1) using Alternate COA Structure Create (25.3.21.1). All lower level alternate accounts are subsequently linked to the alternate COA group.

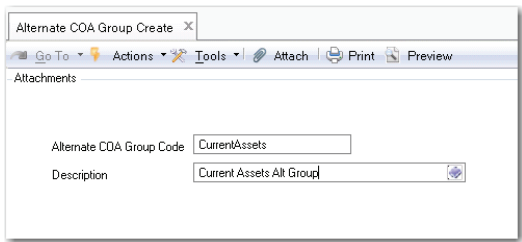


Fig. 5.26
Alternate COA
Group Create
(25.3.21.7)

Alternate COA Group Code. Enter a maximum of 20 characters for the code to identify the alternate COA group.

Description. Enter a brief description (maximum 40 characters) for the alternate COA group. You can optionally enter descriptions in more than one language. See “Using the Translation Option” on page 48.

Creating an Alternate COA Structure

Use Alternate COA Structure Create (25.3.21.1) to create new alternate COA structures. Optionally, you can use Alternate COA Structure Copy (25.3.21.5) to create an alternate COA structure based on an existing structure or define a structure using Excel and load it using Alternate

COA Excel Integration (25.3.21.6). See “Copying an Alternate COA Structure” on page 178 and “Alternate COA Excel Integration” on page 179 for more information. The alternate COA structures you create are maintained at system level.

When you have defined an alternate COA structure, you must then map it to the operational COA using COA Cross Reference Create (25.3.14.1). You can only create COA cross-references to GL accounts for the lowest level alternate COA accounts; that is, alternate accounts that have no child records. A lowest level alternate account can be mapped to a combination of GL account, sub-account, cost center, and project, where any of the sub-account, cost center, or project values can be blank.

You can also create an alternate COA cross-reference to GL combinations from within Alternate COA Structure Create. After you define an alternate COA structure, click on the Create COA Cross Reference button. The alternate COA structure is saved and COA Cross Reference Create (25.3.14.1) opens. The alternate COA structure accounts default to the grid in COA Cross Reference Create, where you can map them to the relevant operational COA elements. See “COA Cross-References” on page 179 for more information.

Fig. 5.27
Alternate COA
Structure Create
(25.3.21.1)

Alternate COA	Description	Column Label	Level	Sequence	Leaf	Alternate COA Group Code
AC1	BANK		1	001		Bank
AC-1-1	Bank - RMB		2	001001		Bank
AC-1-2	Bank-USD		2	001002	☒	Bank
AC-2	Cash		1	002		CASH
AC-2-1	CASH-RMB		2	002001	☒	CASH

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

Description. Enter a brief description (maximum 40 characters) of the alternate COA structure. You can optionally enter descriptions in more than one language. See “Using the Translation Option” on page 48.

Alternate COA. Enter a maximum of 20 characters to identify the alternate COA account code.

Description. Enter a brief description (maximum 24 characters) of the alternate COA code.

Column Label. Specify a column label for child (non-first level) accounts.

Column labels only appear in the Columnar Ledger report in Chinese Accounting. Each column label specified for a child account is printed as a column header on the report.

Level. This field displays a numeric identifier that indicates the level of the account in relation to the alternate COA structure.

The level value is generated automatically by the system.

Sequence. This field displays the sequence number that identifies each alternate COA record. The sequence is automatically generated by the system.

Leaf. This field is automatically selected for alternate accounts that do not have any child records.

Alternate COA Group Code. Specify the alternate COA group code that you want to assign to the alternate COA record. Only level 1 accounts can be assigned an alternate COA group code.

See “Creating Alternate COA Groups” on page 174 for more information.

Parent Alternate COA Structure Code. When you save an alternate COA structure, this field displays the value that you defined in the Code field to identify the alternate COA structure.

Parent Alternate COA. This field displays the alternate COA code that is the parent of a child row.

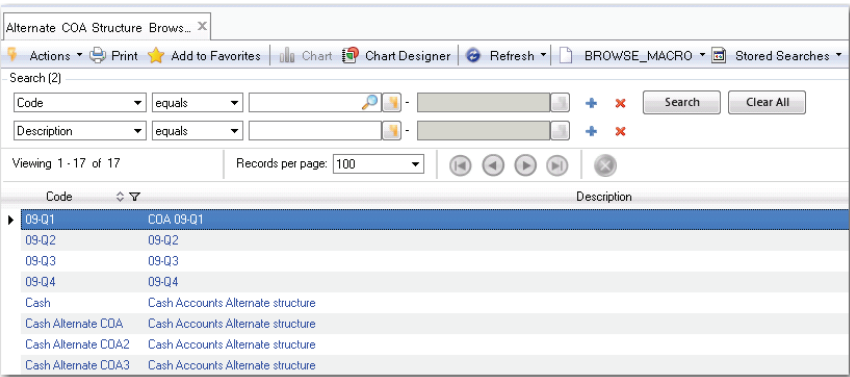
In the example in Figure 5.27, the codes AC-1-1 and AC-1-2 both have AC-1 as parent alternate COA.

Copying an Alternate COA Structure

To facilitate data entry, you can use Alternate COA Structure Copy (25.3.21.5) to create an alternate COA structure based on an existing structure.

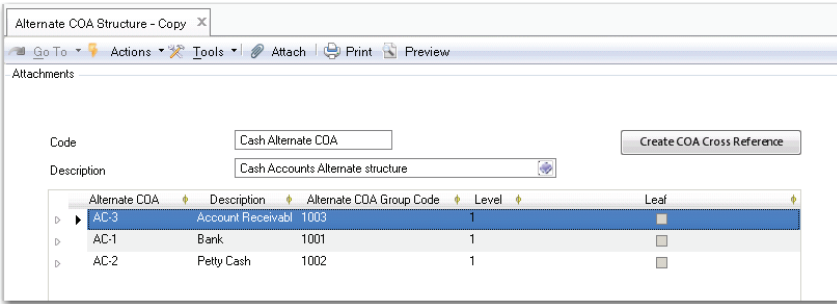
- 1 Select an alternate COA structure to copy.

Fig. 5.28
Alternate COA
Structure Browse



The accounts of the selected structure are displayed.

Fig. 5.29
Alternate COA
Structure Copy
(25.3.21.5)



- 2 Enter a new structure code and description.
- 3 Modify the row information, and insert and delete rows as required.
- 4 Save the new alternate COA structure.

Alternate COA Excel Integration

You can use Alternate COA Excel Integration (25.3.21.6) to load alternate cross-reference structures defined in an Excel spreadsheet. The following fields are mandatory in Alternate COA Excel Integration:

- Alternate COA (all levels)
- Description (all levels)
- Parent Alternate COA (child rows)

COA Cross-References

The COA Cross Reference function lets you to 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 Reference Create (25.3.14.1) 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.

By selecting the Validate option at the end of COA Cross Reference Create, you can 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. See “COA Cross-Reference Types” on page 180.

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.

Figure 5.30 shows the alternate COA structure from Figure 5.23, updated to show the operational elements to which the alternate accounts are mapped.

Fig. 5.30
Alternate COA
Structure and
Mapped Values

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

Use COA Cross Reference Create (25.3.14.1) to define COA cross-references.

You can create three types of cross-reference mappings: Combined COA Dimensions, Separate COA Dimensions, and 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.

Fig. 5.31
Combined COA
Mapping

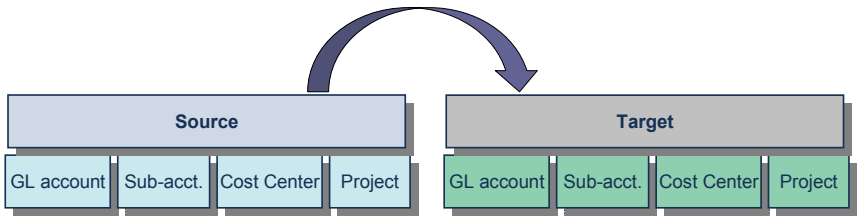


Table 5.6 shows a combined COA cross-reference, where combinations (including ranges) of GL COA elements in the source domain are mapped to single COA elements in the target domain.

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

Table 5.6
Combined COA
Mappings

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.

Figure 5.32 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.

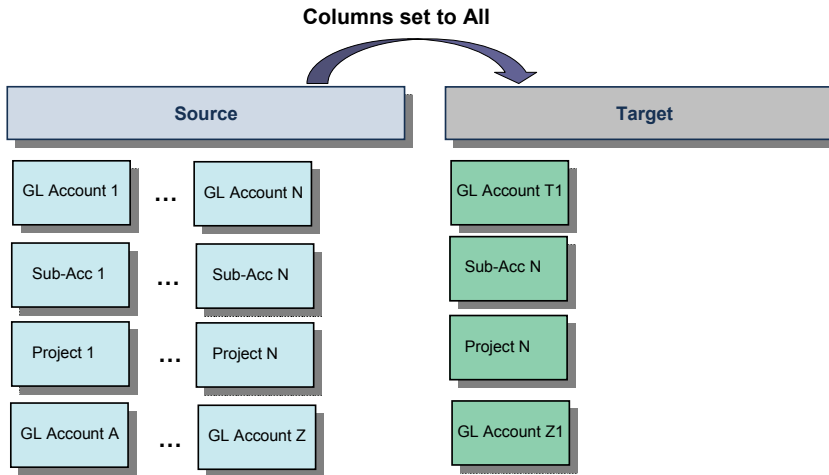
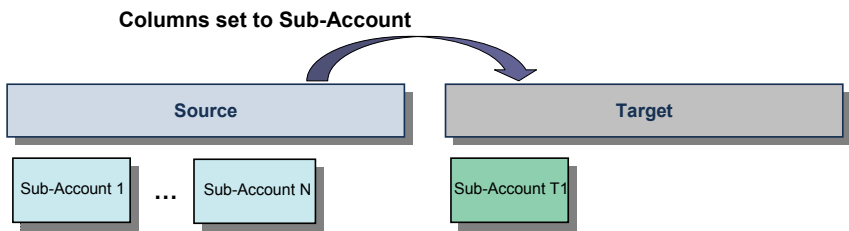


Fig. 5.32
Separate COA
Mappings

Figure 5.33 shows a separate COA cross-reference mapping with the Columns field set to Sub-Account.

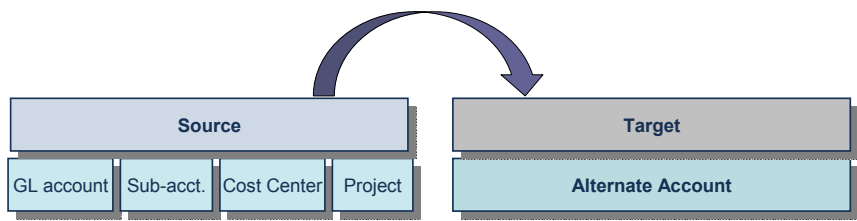
Fig. 5.33
Separate Sub-Account Mapping



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.

Fig. 5.34
Alternate COA Cross-Reference Mapping



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.

Table 5.7
Example Ranges

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

Table 5.8
Single Element
Mapping

As a result of the mappings in Table 5.8, 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 is used in conjunction with numbers or letters, it represents all other alphanumeric characters that complete that coding sequence.

Source GL Account From	Source GL Account To	Target Account
10*	20*	1100
2*		2300

Table 5.9
Wildcard and
Number Mappings

In line 1, accounts 100 to 2099, including accounts containing letters, for example 20AB, are mapped to target account 1100 in the consolidation entity.

In line 2, all source accounts beginning with 2, such as 20, 2ABC, and 24567, are mapped to target account 2300 in the consolidation entity.

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.

Table 5.10
Wildcard Mapping

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

In Table 5.10, 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.

Creating COA Cross-References

Fig. 5.35
COA Cross
Reference Create
(25.3.14.1)

COA Cross Reference Create

Go To Actions Tools Attach Print Preview

Attachments

Code: Test1234 Type: Combined COA Dimensions

Description: Test1234 Target Domain: Domain1

Active: ☒ Alternate COA:

Columns: All

Source Cost Source Cost C Source Proj Source Project T4 Target GL Account Target Sub-Account Target Cost Center Target Project All

Validate COA cross reference setup against posting history

Acc. Year/Period: 2009 1

Validate subaccount: ☒

Validate costcentre: ☒

Validate Project: ☒

Validate

Code. Enter a maximum of 20 characters for the code that will identify 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. See “Using the Translation Option” on page 48.

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

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 Domain Create (36.1.1.1.1).

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. See “Setting Up Domains” on page 83 for more information. This field is not required when creating alternate COA mappings.

Active. Indicate if this is an active cross-reference. The effect of this field is described in “Active and Inactive Records” on page 68.

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.

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. The options are:

All: Displays fields for mapping ranges of source GL accounts, sub-accounts, cost centers, and projects to COA elements in the target domain.

GL Account: Displays fields for mapping ranges of source GL accounts to a single GL account in the target domain.

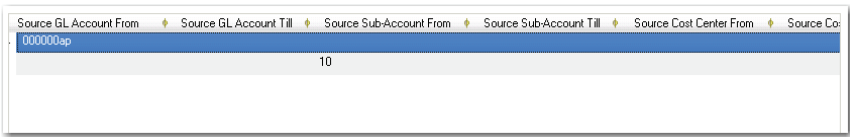
Sub-Account: Displays fields for mapping ranges of source sub-accounts to a single sub-account in the target domain.

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.

Grid Fields

Fig. 5.36
COA Cross
Reference Grid



The screenshot shows the header of a grid with the following fields: Source GL Account From, Source GL Account Till, Source Sub-Account From, Source Sub-Account Till, Source Cost Center From, and Source Cost Center Till. The first field, 'Source GL Account From', contains the value '000000ap'. Below the header, the number '10' is displayed in the center of the grid area.

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.

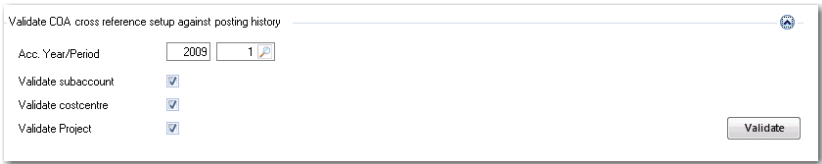
Alternate COA. Specify the name of the alternate COA account to which the source COA elements must map. You can only use this field when creating alternate COA mappings.

The available alternate COA values are restricted to those associated with the alternate COA structure specified in the Alternate COA field in the header.

Cross-Reference Validation

The validation facility in COA Cross Reference Create lets you 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.

Fig. 5.37
Validation Fields in
COA Cross
Reference Create



The screenshot shows a dialog box titled 'Validate COA cross reference setup against posting history'. It contains the following fields and controls:

- Acc. Year/Period: A text box with '2009' and a dropdown menu with '1'.
- Validate subaccount: A checkbox that is checked.
- Validate costcentre: A checkbox that is checked.
- Validate Project: A checkbox that is checked.
- A 'Validate' button is located at the bottom right.

If a cross-reference contains invalid or missing mappings, this will impact the output of reports run using alternate COA or the result of a consolidation. The validation facility lets you to determine if the mappings are valid against the current posting history and chart of accounts (both operational and alternate). The result of the validation is displayed in the standard error viewer.

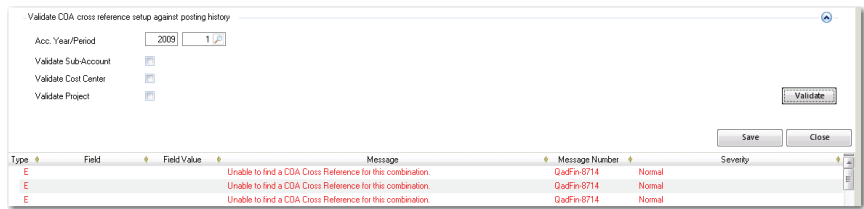


Fig. 5.38
Validation Results

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 will receive an error if you try to save a cross-reference that contains invalid mappings.

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.

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

The following example uses alternate COA cross-references to illustrate how the system searches for and uses cross-reference mappings, and how it treats blank mappings.

Example

A user defines the following COA cross-references:

Table 5.11
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 Table 5.11. At run time, the system searches mappings in the order specified in “Search Order for COA Cross-Reference Mappings” on page 188.

The mappings listed in Table 5.11 are searched in following order:

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

Table 5.12
Search Order

For the postings listed in Table 5.13, the mapping search result is:

	Postings				Mapping Search Result
	GL Account	Sub-Account	Cost Center	Project	
1	1000	10	0100	White	AC-1
2	1000	10		White	AC-2
3	1000	10		119	AC-4
4	1000	10	0100		AC-2
5	1000	10			AC-4
6	1000				AC-5
7	1000	20	0200	119	AC-5
8	1000	10	0200	White	AC-3

Table 5.13
Mapping Search Result

COA Cross Reference Excel Integration

You can use COA Cross Reference Excel Integration (25.3.14.6) to load COA cross-references defined in an Excel spreadsheet. You can only load cross-references for the current domain.

Using COA Cross Reference Excel Integration (25.3.14.6) to load cross-reference mappings from Excel reduces the time required to set up consolidation. See Chapter 13, “Consolidation,” on page 843.

Copying COA Cross-References

COA Cross Reference Copy (25.3.14.5) 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.

Validating Accounts

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

- Use general ledger 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.

General Ledger Mask

Use the General Ledger Mask activities to configure the GL mask for the domain. The GL mask is a matrix that defines the combinations of GL account, sub-account, cost center, and project to which you post transactions. The mask you define applies to all transactions posted for the current domain. You define the mask on the domain level, and it is used by all entities in the domain.

Figure 5.39 shows the process map for defining the GL mask.

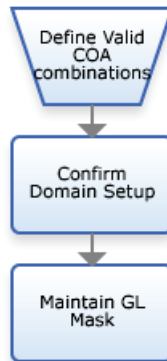


Fig. 5.39
GL Mask Process Map

The GL mask works with the Check options you select on the General tab of Domain Create. For more information on domain settings, see “Setting Up Domains” on page 83.

When you select Check GL, Check Sub-Account, Check Cost Center, or Check Project, you define the combinations of GL elements the system validates when you post a transaction. By not selecting any of these options, you allow all combinations of all elements. The GL elements must be active for this domain. For example, you must have active projects configured for the domain when you select Check Project.

For every GL mask combination you select in the domain, you must define the data combinations allowed in GL Mask Maintain (25.3.9). Otherwise, you cannot post transactions containing combinations of these chart of account elements. For example, if you select the Account and Sub-Account field in the domain, you must define all valid account and sub-account combinations in GL Mask Maintain. If you select the fields in the domain but do not define any account and sub-account combinations in the GL mask, you cannot post a transaction that contains an account and sub-account combination.

You can deactivate the GL mask components at the domain level, but you must remove the records in GL Mask Maintain first.

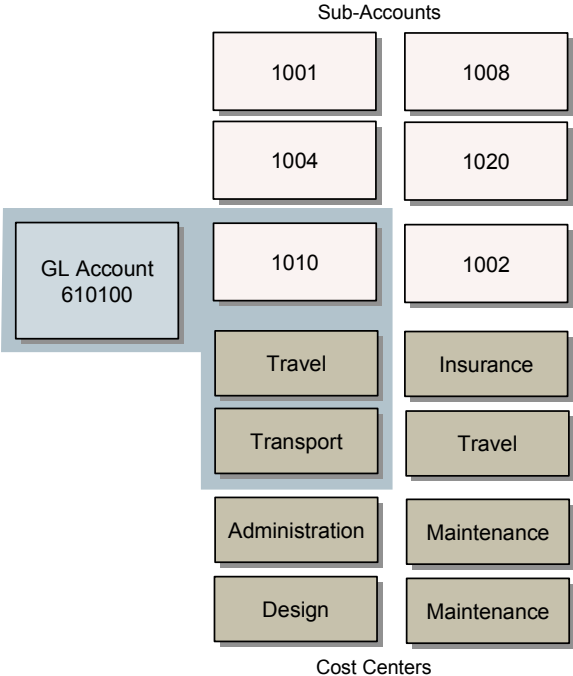
The GL mask refines these combinations, and lets you identify the individual GL accounts, sub-accounts, cost centers, and projects that are affected by posting. Again, the accounts you identify must be valid and active for this domain.

You can combine multiple elements with a single account. For example, you can configure a combination of GL account 610100 with sub-account 1010 and the cost centers Travel and Transport. When you post to the GL account 610100, the system also uses the sub-account 1010 and the cost centers Travel and Transport for analysis. The mask ensures that you cannot post a transaction to this account using any sub-account, cost center, or project other than those specified in the mask.

Mask combinations are synchronized with the analysis you define for the account. 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 mask.

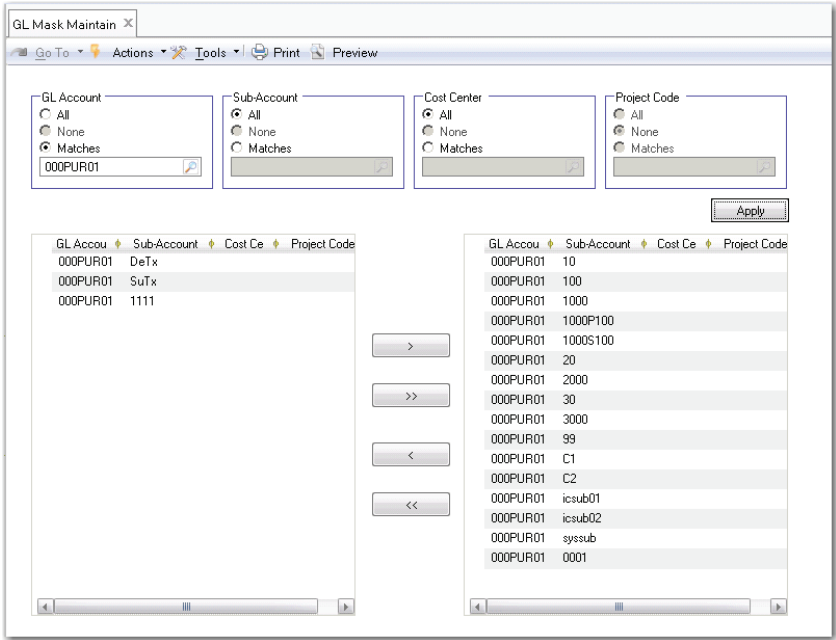
When you have defined Both as the analysis type, and At Least One or None as the analysis limitation, the cost center and project analysis for this account does not have to match the mask combination exactly. Instead, the system checks the mask for at least one of the elements in the combination. If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

Fig. 5.40
General Ledger
Mask



Important GL Mask Maintain is enabled only when you have selected one or more Check elements on the General tab of the Domain function. See “General Tab” on page 103.

Fig. 5.41
GL Mask Maintain



Use the lookups in each row of the grid in the left list to select combinations of accounts or projects. Click the Apply button to load the element into the left-hand list.

When you have defined the combination, use the arrow buttons to copy the combination to the right-hand list.

Use the Copy All button to copy all combinations to the right-hand list.

Field Descriptions

All. Select to enable mask combinations with all GL accounts/sub-accounts/cost centers/projects.

None. Select to disable all GL accounts/sub-accounts/cost centers/projects for mask combinations.

Matches. Select to specify GL accounts/sub-accounts/cost centers/projects for mask combinations.

Note When you make updates in this program, you should close the function before trying to post transactions and verify that the combinations are validated correctly.

GL Implementation Considerations

Before any transactions can be posted, the Verify GL Accounts field in Domain/Account Control (36.9.24) must be selected. When selected, this option ensures that your operational account setup has been validated for transaction posting.

Often, other modules are implemented before General Ledger. Activities in these modules create unposted transactions. Before entering GL account balances during GL implementation, you should delete unposted transactions from other modules so they do not post and overstate GL balances. With the Delete field cleared, run GL Transaction Delete/Archive (36.23.2) to print a report identifying transactions to be deleted. Review the report, adjust the selection criteria as needed, then select Delete and run the program again.

Important GL Transaction Delete/Archive can be used only before implementing GL. Once any transactions have been posted (either IC, FA, SO, or WO), any additional transactions of that type can no longer be deleted. The first time a transaction posts successfully, the system selects a read-only field in GL Op Transaction Control (36.9.13). GL Transaction Delete/Archive does not let you delete any transactions for a selected type.

Fig. 5.42
GL Op Transaction
Control (36.9.13)

Transaction
cannot be
deleted when
associated
field is
selected.

After archiving/deleting transaction records, use Op Acct Structure Validation (36.9.20) to report on the account, sub-account, cost center, and project combinations defined in the following programs.

- Product Line Maint (1.2.1)
- Purchasing Account Maint (1.2.5)
- Work Order Account Maint (1.2.9)
- Inventory Account Maint (1.2.13)
- Sales Account Maint (1.2.17)
- Inventory Movement Code Maint (1.1.9)
- Site Maint (1.1.13)
- Inbound Account Maint (1.2.21.1)
- Outbound Accrual Account Maint (1.2.21.13)
- Outbound Expense Account Maint (1.2.21.16)
- Price List Maint (1.10.1.1)
- Logistics Charge Code Maint (2.15.1)
- Logistics Accounting Control (2.15.24)
- Trailer Code Maint (2.19.13)
- Mirror Table Maint (3.20.1)
- Inventory Control (3.24)
- Purchase Approvals Maint (5.1.1)
- Purchasing Control (5.24)
- Department Maint (14.1)
- Repetitive Control (18.22.24)
- Class Maintenance (32.1.17)
- Fixed Asset Maintenance (32.3)
- Domain/Account Control (36.9.24)

This program prints a report of any invalid combinations it finds, and lets you identify account combinations that have been invalidated, for example, because of inactive elements.

Validations are based on tables and fields delivered with the standard product. If your environment includes custom tables or fields, you can use Account Table/Field Maintenance (36.9.21) to add custom information before running the validation procedure.

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 SAF codes 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,. 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 automatically retrieve key data from operational transactions performed in manufacturing, sales and purchase orders, and inventory control; see “System SAF Concepts” on page 198. These concepts can be used without additional setup. User-defined SAF analysis can augment the operational reporting or be used only with financial transactions. For these concepts, you must define the values; see “User-Defined SAF Concepts” on page 203.

SAF analysis is managed through a combination of three elements (Figure 5.43):

- SAF concepts identify the type of analysis required. See “System SAF Concepts” on page 198 and “User-Defined SAF Concepts” on page 203.
- SAF codes define the analysis details. Associate the codes with an existing concept. See “Creating SAF Codes” on page 207.
- SAF structures contain a selection of concepts in a logical sequence. You associate the structure with a GL account, cost center, or project. See “Creating SAF Structures” on page 209.

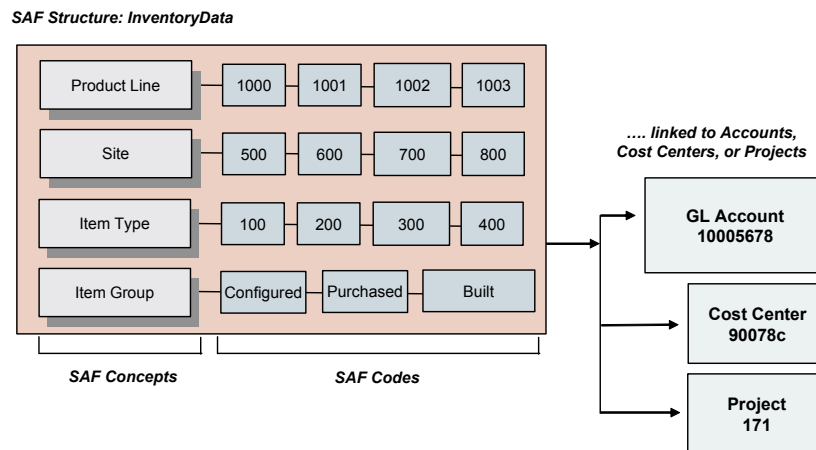


Fig. 5.43
Supplementary
Analysis Fields
(SAFs) Structure

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 210 for details.

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. Using SAFs in budgets is described in Chapter 12, “Budgeting,” on page 815.

System SAF Concepts

Seven SAF concepts are predefined and provided with the system. They 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 provided:

Product Line. This concept captures values created in Product Line Maintenance (1.2.1) and associated with items involved in operational transactions.

Site. This concept captures values created in Site Maintenance (1.1.13) and associated with items involved in operational transactions.

Item Type. This concept captures generalized code values created in Generalized Codes Maintenance (36.2.13) and associated with items in Item Master Maintenance (1.4.1) when those items are used in operational transactions.

Item Group. This concept captures generalized code values created in Generalized Codes Maintenance (36.2.13) and associated with items in Item Master Maintenance (1.4.1) when those items are used in operational transactions.

Region. This concept captures generalized code values created in Generalized Codes Maintenance (36.2.13) and associated with customers in Customer Data Maintenance (2.1.1) when those customers are referenced on operational transactions.

Customer Type. This concept captures codes created in Customer Type Create (27.20.4.1) and associated with customers in Customer Create (27.20.1.1) when those customers are referenced on operational transactions.

Supplier Type. This concept captures codes created in Supplier Type Create (28.20.4.1) and associated with suppliers in Supplier Create (28.20.1.1) 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 will fail 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.

Table 5.14
System Concepts
and 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
Work Order (WO)	Customer Type
	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 SAF Codes for System Concepts

SAF codes for system concepts are automatically updated based on data captured when the operational transactions occurs. Unlike user-defined concepts and codes, you do not have to create the codes for system concepts ahead of time. For example, when an invoice is posted for a

sales order line item with an item type of 10001 and the Item Type concept is active, the system automatically creates a code value of 10001—if it does not already exist—and records it as part of the transaction.

You do not have to do any setup maintenance when you create new operational codes; the system handles this for you so you can continue to analyze the system concepts using the new data.

Example of System SAF Code 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 assign every SAF concept a default SAF code when you set up the SAF structure; when the system uses the default value, it means that the code was blank in the originating transaction. You might want to assign default codes 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 an 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 SAF codes 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:

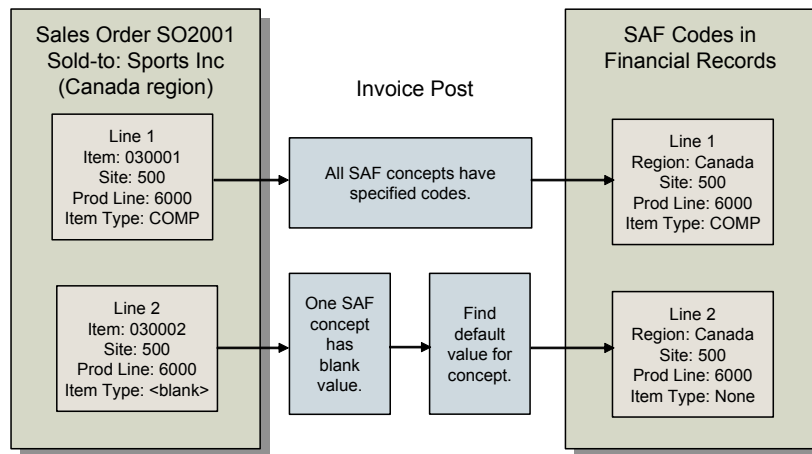
Site is site 500 from the sales order line.

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.

Fig. 5.44
Retrieving SAF
Codes for System
Concepts



The retrieval process for system concepts is automatic, and requires no user input. However, you must supply the default values for active concepts that do not have a value.

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 Accounting Control (36.9.3). 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.

To use system concepts for operational transactions, you must have access to individual transaction details. Before creating inventory transactions, you must, therefore, clear the Summarized Journal option.

User-Defined SAF Concepts

You create user-defined SAF concepts (25.3.7.1) based on your business requirements, and unlike system SAF concepts, they do not automatically retrieve code values from transactions. Instead, you manually create both the concept and the SAF codes it uses and then select the code or define defaults.

Figure 5.45 shows the process map for creating user-defined SAFs.

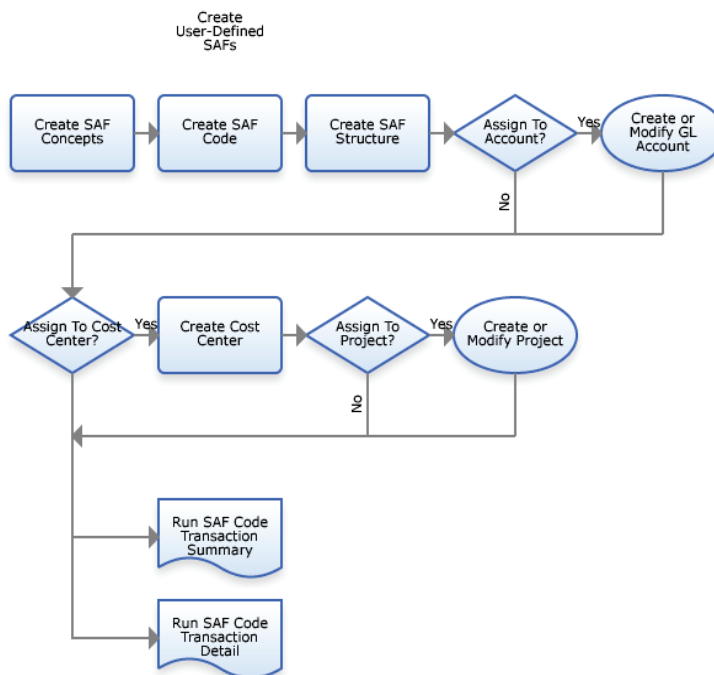


Fig. 5.45
User-Defined SAFs
Process Map

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 codes in the following way:

- 1 Create the following SAF concepts and codes.

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

- 2 Add these concepts and codes to an SAF structure called VEH COSTS.

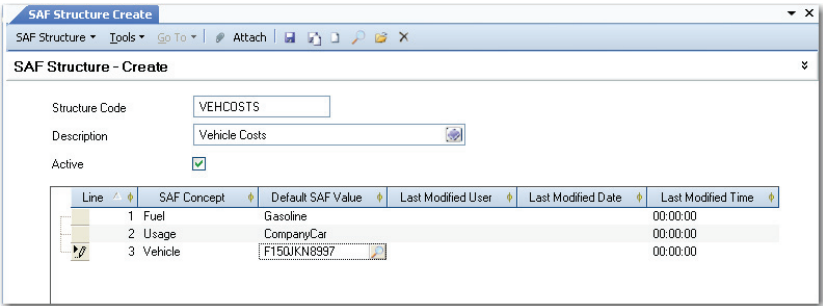


Fig. 5.46
Adding User-Defined SAF Concepts to an SAF Structure

- 3 Link the structure to GL cost accounts for company vehicle insurance and company vehicle maintenance.

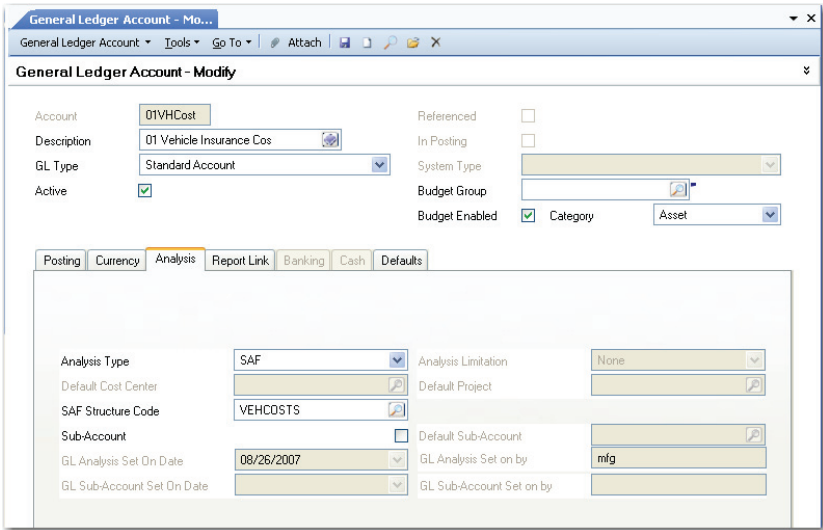


Fig. 5.47
Linking an SAF Structure to a GL Account

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 the 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 codes display; you can change them as needed.

Fig. 5.48
SAF Analysis in a
Supplier Invoice

GL Account	Sub-Acc. Code	Cost Ce	Description	Curr	Debit BC	Credit BC
CIREC			Insurance 06/07 AC	USD	0.00	450.00
01VEHINS			Insurance 06/07 AC	USD	450.00	0.00

SAF Concept Code	SAF Code
Make and Lic.	F150JKN8997
Vehicle Type	Truck
Fuel Type	Diesel

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

Creating SAF Concepts

Use the SAF Concept activities (25.3.7.1) to create, view, modify, and delete SAF concepts. Changing concepts has the following restrictions:

- 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.

Fig. 5.49
SAF Concept
Create

Field Descriptions

SAF Concept Code. Enter a code (maximum 20 characters) that identifies an SAF concept.

SAF Concept Description. Enter a brief description (maximum 40 characters) of the concept code. This field is mandatory; the description cannot be blank.

You can optionally enter descriptions in more than one language. See “Using the Translation Option” on page 48.

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. The effect of this field is described in “Active and Inactive Records” on page 68.

Creating SAF Codes

Use the SAF Code activities (25.3.7.2) to create the values that you assign to an SAF concept. They 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 an SAF code of the vehicle registration number.

Every SAF concept must have at least one default SAF code—defined in the SAF structure where it is used—and you can link any number of codes to the same concept.

You build SAF analysis for an account by creating an SAF code for each type of transaction that updates the account.

Note SAF codes are created automatically by the system for system SAF concepts based on database records and transaction history. You build the list of SAF codes for user-defined SAF concepts manually. For system SAF concepts, you need to define only a default that is used when no value is found for a specific transaction.

Fig. 5.50
SAF Code Create

Field Descriptions

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

SAF Description. Enter a brief description (maximum 40 characters) of the SAF code. You can optionally enter descriptions in more than one language. See “Using the Translation Option” on page 48.

SAF Concept Code. Specify an SAF concept to associate with the SAF code.

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

Active. Indicate if this is an active SAF code. The effect of this field is described in “Active and Inactive Records” on page 68.

Creating SAF Structures

Use the SAF Structure activities (25.3.7.4) to 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 an 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, values are retrieved automatically.
- 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, 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 described in “SAF Defaulting” on page 210. Other defaults are optional, but the one associated with the structure is required and used when more specific defaults have not been defined.

After an SAF structure has been used in a transaction, you cannot delete any of the associated SAF concepts.

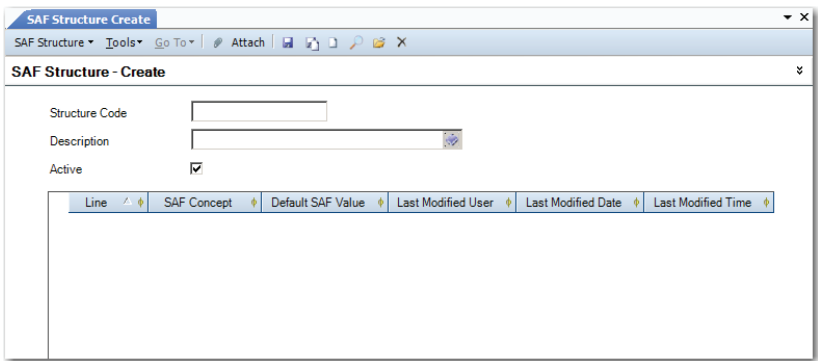


Fig. 5.51
SAF Structure
Create

Field Descriptions

Structure Code. 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. See “Using the Translation Option” on page 48.

Active. Indicate if this is an active SAF structure. The effect of this field is described in “Active and Inactive Records” on page 68.

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 once the structure has been linked to an account, sub-account, or cost center.

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

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

Last Modified Date/Time and User. These read-only fields display the ID of the user who last updated this record and the date and time of update.

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 retrieve codes from operational transaction records; see “System SAF Concepts” on page 198. 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 “Example of System SAF Code Usage” on page 201 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

Table 5.15 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 programs such as Journal Entry. 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.

Table 5.15
SAF Defaulting
Sequence

Transaction Type	Defaulting Sequence
Non-Invoice Operational and Journal Entries	Cost center or project GL account SAF structure
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

SAF Reporting and Related Views

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

- SAF Code Transactions Detail
- SAF Code Transactions Summary

For more information on these reports, see “Analytical Transaction Reports” on page 893.

The Transactions by SAF related view (25.15.4.4) gives an on-screen summary of transactions filtered by SAF code.

SAF Code	Account	BC Debit	BC Credit	Posting Dat	GL Cal	GL Pd	Sub-Acc	Cost Ce	Project
1000	1500	0.00	114.50	08/22/2007	2007	08			
Grand Summaries		Sum = 0	Sum = 114.5						

Fig. 5.52
Transactions by
SAF

Setting Up GL Correction Control

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 in GL Correction Control (25.13.24). 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.

Table 5.16
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 Table 5.17, which shows the transaction for the original issue of 10 and the correction of –1.

Table 5.17
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 Table 5.18, which uses the transaction for the original issue of 10 and the correction of -1.

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

Table 5.18
Correction Posting
for Negative
Receipt

Configuring Transactions in GL Correction Control

If you want to implement correction transactions, you can select the specific transactions you want to be affected using fields in GL Correction Control 25.13.24).

To optimize the correction process, transactions are grouped into three sets based on similar function. The sets of transactions are sales order, inventory control, and work order.

Sales Order Corrections

GL correction transactions for sales orders are enabled by selecting the GL Correction field in the Sales Orders/Invoices frame of GL Correction Control.

When this is selected, correction type transactions are produced for invoices in two cases:

- Invoices generated as a result of normal (positive quantity) sales order shipments when the net effect of a GL distribution line is to reduce a customer’s AR liability, such as a discount
- Invoices generated as a result of sales orders for a total negative amount, such as credit notes for customer returns

Table 5.19 illustrates the GL postings for discounts when the correction feature is not activated during a normal (positive quantity) sales order shipment.

Table 5.19
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

Table 5.20 illustrates the GL postings for discounts when the correction feature is activated during a normal (positive quantity) sales order shipment.

Table 5.20
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

Table 5.21 illustrates the GL postings when the correction feature is not activated during a sales order return.

Table 5.21
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

Table 5.22 illustrates the GL postings when the correction feature is activated during a sales order return.

Table 5.22
Invoice Posting for
Return as
Correction

Account	Description	Debit	Credit
1200	AR	–396.00	
2400	Tax		–36.00
3000	Sales		–400.00

Account	Description	Debit	Credit
3900	Discount		40.00
	Total	-396.00	-396.00

GL Summarization

The Sales Orders/Invoices frame in GL Correction Control also includes the GL Summarization field. Use it to activate summarization of transactions during invoice post.

- When this field is cleared, negative and positive lines for the same entity, account, sub-account, cost center, and project create separate GL transactions.
- When this field is selected, positive and negative GL postings to the same entity, account, sub-account, cost center, and project are netted to produce a single GL posting instead of two.

Summarizing the transactions can make the reconciliation process less complex.

Note Summarization of transactions prevents SAF analysis on those transactions.

Table 5.23 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.

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

Table 5.23
GL Postings with
Summarization
Deactivated

Table 5.24 shows the same posting when summarization is activated. This creates a single positive line (\$150.00).

Account	Description	Debit	Credit
1200	AR	150.00	
3000	Sales		150.00

Table 5.24
GL Postings with
Summarization
Active

Inventory Corrections

The following table lists the choices in the Inventory GL Correction frame of GL Correction Control and the transactions they represent.

Table 5.25
Inventory
Transaction Groups

Field Name	Transaction	Code
Cost Adjustment	Cost Adjustment	CST-ADJ
Consignment Transfer	Consigned Material Transfer Issue	CN-ISSTR
	Consigned Material Receipt	CN-RCTTR
Customer Consignment	Consigned Material Adjustment	CN-ADJ
	Consigned Material Shipment	CN-SHIP
	Consigned Material Usage	CN-USE
	Consigned Material Cycle/Physical Count	CN-CNT
DO Shipment	Distribution Order Change	ISS-DO
	Goods in Transit Issue	RCT-GIT
DO Receipt	Distribution Order Receipt	RCT-DO
	Goods in Transit Issue	ISS-GIT
Inventory Adjustment	Cycle Count Adjustment	CYC-CNT
	Cycle Count Recount	CYC-RCNT
	Physical Inventory Update	TAG-CNT
Issue Unplanned	Issue Unplanned	ISS-UNP
PO Receipt	PO Receipt	RCT-PO
	Purchase Order Receipt, Average Cost	RCT-AVG
Receipt Unplanned	Receipt Unplanned	RCT-UNP
Return to Stock	Inventory Return to Stock	RCT-SOR
	Inventory Sales Order Return	RCT-RS
Return to Supplier	Purchase Order Return to Supplier	ISS-PRV
	Inventory Return to Supplier	ISS-RV
SO Shipment	Sales Order Shipment	ISS-SO
	Configured Product Issue	ISS-FAS
	Configured Product Receipt	RCT-FAS
	Inventory Receipt	RCT-CNFG
	Issue Correction Invoice	ISS-COR

Field Name	Transaction	Code
Supplier Consignment	Consigned Material Adjustment	CN-ADJ
	Consigned Material Receipt	CN-RCT
	Consigned Material Issue/Backflush	CN-ISS
Transfer	Inventory Transfer	ISS-TR
	Cost Transfer	CST-TR
	Inventory Receipt	RCT-TR
WIP Adjustment	Work-in-Process Adjustment	WIP-ADJ
WO Close	Work Order Close	WO-CLOSE
	Mixed Variance	MIX-VAR
	Method Change Variance	MTHD-CHG
	Material Variance	MATL-VAR
	Floor Stock	FLR-STK
WO Issue/Receipt	Work Order Issue	ISS-WO
	Work Order Receipt	RCT-WO
	Work Order Reject	RJCT-WO

Work Order Corrections

The following table lists the choices in the Work Order GL Correction frame of GL Correction Control and the transactions they represent.

Field Name	Transactions	Code
Cumulative WO Close	Advanced Repetitive Accounting Close	CLOSE
	WIP Material Scrap Usage Variance	MIV-WIP
	Component Material Usage Variance	MUV-CMP
	Burden Usage Variance	RBUV
	Setup Burden Usage Variance	RLUV
	Labor Usage Variance	SBUB
	Setup Labor Usage Variance	SLUV
	Transfer	TRANSFER
	Accounting Close Post	WO-CLOSE
	Floorstock	FLOORSTK
Downtime	Non-productive Labor	DOWN
	Downtime	DOWNTIME

Table 5.26
Work Order
Transaction Groups

Field Name	Transactions	Code
Expense	Expense	EXPENSE
Labor	Advanced Repetitive Labor/Material Usage	BACKFLSH
	Direct Labor Posted	LABOR
	Setup	SETUP
	Operation Close	OP-CLOSE
	Labor Variance	VAR-POST
Rework	Rework	REWORK
Scrap	Scrap	SCRAP
Subcontract	Subcontract	SUBCNT
WIP Adjustment	WIP Adjustment Input Queue	WIPADJ-I
	WIP Adjustment Output Queue	WIPADJ-O
	WIP Adjustment Reject Queue	WIPADJ-R

AP and AR Corrections

The Accounts Payable and Accounts Receivable fields in the AP and AR Corrections frame of GL Correction Control (25.13.24) determine whether you can define some specific daybook types in Daybook Create (25.8.1.1):

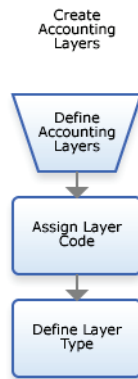
- You can create daybooks of type Supplier Invoice Corrections and Supplier Credit Note Corrections only when Accounts Payable is selected.
- You can create daybooks of type Customer Invoice Corrections and Customer Credit Note Corrections only when Accounts Receivable is selected.

Accounting 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.

Figure 5.53 shows the process map for creating accounting layers.

Fig. 5.53
Create Accounting
Layer Process Map



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.

Fig. 5.54
Accounting Layers

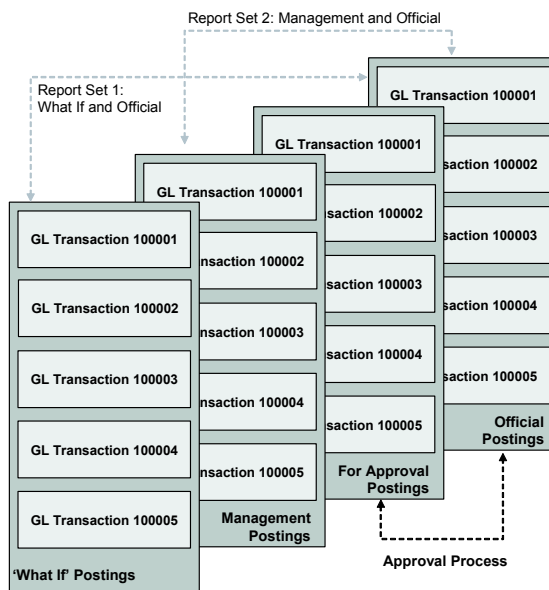


Figure 5.54 shows a series of transactions that were posted to the transient layer in order to test a GL simulation scenario (what if postings). By running a set of GL reports and selecting the daybooks that contain the transient layer simulations and the relevant official layer postings, the user obtains 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.

Creating GL Layers

Use the GL Layer activities (25.8.14) to create, view, modify, and delete GL layers of all three types.

Fig. 5.55
GL Layer Create

Field Description

Layer Code. 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. See “Using the Translation Option” on page 48.

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

Active. Indicate if this is an active layer. The effect of this field is described in “Active and Inactive Records” on page 68.

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.

Figure 5.56 shows the process map for creating daybooks.

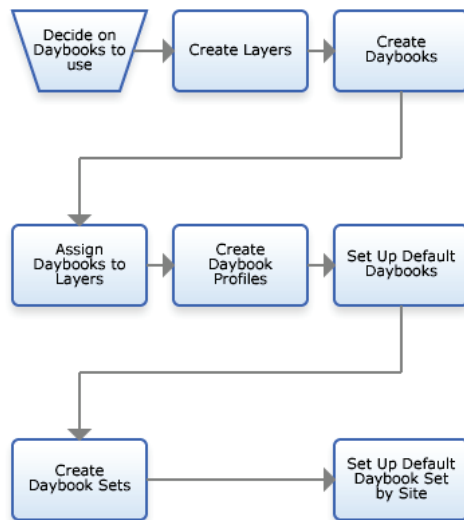


Fig. 5.56
Set Up Daybooks
Process Map

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:

- *Financial daybooks* accept postings that originate from financial functions, such as the general ledger, AR, and AP. See page 229.
- *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. See page 231.

- *External daybooks* can be used with an interface to external systems, such as payroll systems. See page 241.

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.

Defining Daybooks

Use the Daybook (25.8.1) activities to create, view, modify, and delete 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 separate postings based on their source.

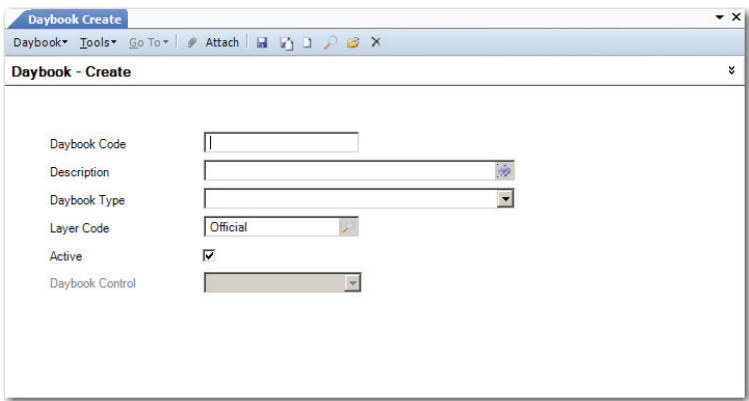
The image shows a software window titled "Daybook Create". It has a menu bar with "Daybook", "Tools", "Go To", "Attach", and several icons. Below the menu bar is a title bar "Daybook - Create". The main area contains a form with the following fields: "Daybook Code" (text input), "Description" (text input with a translation icon), "Daybook Type" (drop-down menu), "Layer Code" (text input with a translation icon, showing "Official"), "Active" (checkbox, checked), and "Daybook Control" (drop-down menu).

Fig. 5.57
Daybook Create

Field Descriptions

Daybook Code. Enter a daybook code (maximum eight characters).

Description. Enter a brief description (maximum 24 characters) of the daybook. You can optionally enter descriptions in more than one language. See “Using the Translation Option” on page 48.

Daybook Type. Select a daybook type from the drop-down list. See Table 5.28 on page 229 for a list of types.

Layer Code. Select an accounting layer: official, management, or transient. See “Transactions and Related Daybooks” on page 228 for information on the layers with which each daybook type can be associated.

Active. Indicate if this is an active daybook. The effect of this field is described in “Active and Inactive Records” on page 68.

Daybook Control. Choose the type of daybook control from the drop-down list:

- Financial, which contains postings originating in the financial modules. See “Financial Daybooks” on page 229.
- Operational, which contains postings from operational functions. See “Operational Daybooks” on page 231.
- External, which contains postings originating from external, third-party systems; for example, payroll applications. See “External Daybooks” on page 241.

Daybook control types are used to clearly separate postings based on their source.

Table 5.27 indicates which transaction types can be posted to each daybook control type.

Table 5.27
Transactions and
Related Daybooks

Transactions	Daybook
Banking Entries	Financial, External
Cash Entries	Financial, External
Consolidation	Financial, External
Customer Adjustments	Financial, Operational
Customer Credit Note Corrections	Financial, Operational
Customer Credit Notes	Financial, Operational
Customer Invoices	Financial, Operational
Customer Invoices Corrections	Financial, Operational
Customer Payments	Financial
Finance Charge	Financial
Journal Entries	Financial, Operational, External
Matching Daybook	Financial
Revaluation Customer Payments	Financial
Revaluation Customer	Financial
Revaluation GL	Financial
Revaluation Intercompany	Financial
Revaluation Supplier Payments	Financial
Revaluation Suppliers	Financial
Revaluation Tax	Financial
Reversing Entries	Financial
Supplier Adjustments	Financial
Supplier Credit Note Corrections	Financial

Transactions	Daybook
Supplier Credit Note	Financial, Operational
Supplier Invoice Corrections	Financial
Supplier Invoices	Financial, Operational
Supplier Payments	Financial
Year-End Closing	Financial

Financial Daybooks

Table 5.28 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 225.

Certain daybook types are linked by default to particular layers, as indicated in Layer Type column.

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

Table 5.28
Daybook Types

Daybook Type	Comment	Layer Type
Customer	Use customer daybooks to record the following types of transaction: • Adjustments • Credit Notes • Credit Note Corrections • Invoices • Invoice Corrections • Payments Note You can create daybooks of type Customer Credit Note Corrections and Customer Invoice Corrections only when Accounts Receivable is selected in GL Correction Control.	Official only
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 Invoices” on page 599 for more information about Unmatched Invoices accounts and daybooks.	Official (for receiver matching and financial matching) and transient layers (for financial matching only)
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 to create recurring transactions that automatically reverse. This is typically done for accrual postings, and provisions for various reserves.	All layers

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 Note You can create daybooks of type Supplier Credit Note Corrections and Supplier Invoice Corrections only when Accounts Payable is selected in GL Correction Control.	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.

Operational Daybooks

Operational daybooks control GL postings that originate from programs in the Fixed Assets and operational modules such as Inventory Control, Sales Orders/Invoices, and Work Orders.

Depending on the operational function, daybook controls are set up in two ways:

- Use *default daybooks* to group fixed assets, inventory control, work order, and certain non-invoice sales order transactions. You can control the granularity of daybook assignments by defining default daybooks based on transaction type, document type, or entity. If your business does not require this level of control, you can simply assign all operational transactions to a system daybook. See “Defining Default Daybooks” on page 232.

- Use *daybook sets* to control which daybooks are assigned to specific kinds of AR-related transactions created when sales order invoices are posted. Separate menu programs let you define daybook sets for the entire domain or for specified sites. Select the method your company uses with the Use Daybook by Site option in Sales Order Accounting Control (36.9.6). If you use the Sales Orders/Invoices module, you must define at least one daybook set to serve as the default. See “Defining Daybook Sets” on page 236.

Note To make a daybook available for operational transactions, set Daybook Control to Operational in Daybook Create. Otherwise, it cannot be referenced in the default or daybook set programs. Modify operational daybooks using Daybook Modify.

Defining Default Daybooks

Use Default Daybook Maintenance (25.8.4) to control the assignment of the following types of operational GL transactions to daybooks:

- FA: Fixed Assets
- IC: Inventory Control
- SO: Sales Orders (non-invoice transactions only; invoice daybooks are controlled by daybook sets)
- WO: Work Orders

When creating a transaction, the system searches for a daybook starting with an exact match on the lowest level of the hierarchy (matching transaction type-document type and entity) to the highest level (system daybook).

Important At a minimum, you must create at least a system daybook record, which has transaction type, document type, and entity range blank. This is the daybook used when the system cannot find a matching record based on a combination of transaction type, document type, and entity.

When creating an operational transaction, the system uses the specified daybook to generate a GL reference. See “Operational Accounting Controls” on page 251.

Note In addition to the daybook-assigned number, the system also assigns two more reference numbers to each transaction. One is a transaction sequence number; the other is an operational transaction ID consisting of the transaction type (FA, IC, SO, WO), the date, and a system-maintained sequence. These numbers are used as cross-references by reporting functions to allow you to drill down from the general ledger all the way to the original operational transaction.

Default Daybook Maintenance

Default Daybook Maintenance: Go To Actions

Transaction Type: IC Inventory Control

Document Type: RCT-UNP Unplanned Receipt

From Entity: To Entity:

Daybook: []

Fig. 5.58
Default Daybook
Maintenance
(25.8.4)

Field Descriptions

Transaction Type. Specify a valid GL transaction type or leave blank to define the system daybook.

FA: Fixed Assets

IC: Inventory Control

SO: Sales Orders (non-invoice transactions created only by Revenue Recognition)

WO: Work Orders

Document Type. Specify the GL document type assigned to this daybook. You can enter a value only when Transaction Type is not blank. If you leave this field blank, the GL transaction is assigned to a transaction type daybook. To define the system daybook, leave both fields blank.

The system assigns GL transactions for the specified transaction type and a corresponding document type to this daybook. Table 5.29 lists valid transaction type/document type combinations.

Table 5.29Valid Transaction
Type/Document
Type Combinations

Transaction Type	Document Type	Description
FA	FA	Fixed Assets
IC	CN-ADJ	Consignment Inventory Adjustment
	CN-CNT	Consignment Inventory Count
	CN-ISS	Consignment Inventory Issue
	CN-ISSSTR	Consignment Inventory Transfer (Issue)
	CN-RCT	Consignment Inventory Receipt
	CN-RCTTR	Consignment Inventory Transfer (Receipt)
	CN-SHIP	Consignment Inventory Transfer (Customer)
	CN-USE	Consignment Inventory Usage
	CST-ADJ	Cost Adjustment
	CST-TR	Cost Transfer
	CYC-CNT	Cycle Count Adjustment
	CYC-ERR	Cycle Count Error
	CYC-RCNT	Cycle Count Recount
	FLR-STK	Floor Stock
	ISS-CHL	Change Inventory Detail
	ISS-DO	Distribution Order Issue
	ISS-FAS	Final Assembly Issue
	ISS-GIT	Goods in Transit Issue
	ISS-PRV	Purchase Order Return to Supplier
	ISS-RV	Inventory Return to Supplier
	ISS-SO	Sales Order Shipment
	ISS-TR	Inventory Transfer
	ISS-UNP	Unplanned Issue
	ISS-WO	Work Order Issue
	MATL-VAR	Material Variance
	MIX-VAR	Mix Variance
	MTHD CHG	Method Change Variance
	RCT-AVG	PO Receipt - Average Cost Item
	RCT-CHL	Change Inventory Detail
	RCT-CNFG	Inventory Receipt Configured Products

Table 5.29 — Valid Transaction Type/Document Type Combinations (Page 1 of 3)

Transaction Type	Document Type	Description
	RCT-DO	Distribution Order Receipt
	RCT-FAS	Final Assembly Work Order
	RCT-GIT	Goods in Transit Receipt
	RCT-LBR	Inventory Receipt Labor
	RCT-PO	Purchase Order Receipt
	RCT-RS	Inventory Return to Stock
	RCT-SOR	Inventory Sales Order Return
	RCT-TR	Inventory Transfer
	RCT-UNP	Unplanned Receipt
	RCT-WO	Work Order Receipt
	RJCT-WO	Work Order Reject
	TAG-CNT	Physical Inventory Update
	WIP-ADJ	WIP Material Cost Revalue
	WO-CLOSE	Work Order Accounting Close
WO	BACKFLSH	Advanced Repetitive Labor/Material Usage
	CLOSE	Advanced Repetitive Accounting Close
	DOWN	Non-Productive Labor Posted
	DOWNTIME	Downtime
	EXPENSE	Customer Service Expense
	FLOORSTK	Floor Stock
	LABOR	Direct Labor Posted
	MUV-CMP	Component Material Usage Variance Posted
	MUV-WIP	WIP Material Scrap Usage Variance Posted
	OP-CLOSE	Operation Close
	RBUV	Run Burden Usage Variance Posted
	REWORK	Work Order Rework
	RLUV	Run Labor Usage Variance Posted
	SBUV	Setup Burden Usage Variance Posted
	SCRAP	Scrap Account Posted
	SETUP	Work Order Setup
	SLUV	Setup Labor Usage Variance Posted

Table 5.29 — Valid Transaction Type/Document Type Combinations (Page 2 of 3)

Transaction Type	Document Type	Description
	SUBCNT	Subcontract
	SUV	Setup Usage Variance Posted
	TRANSFER	Work Order Transfer
	VAR-POST	Labor Variance Posted
	WIPADJ-I	WIP Adjustment, Input Queue
	WIPADJ-O	WIP Adjustment, Output Queue
	WIPADJ-R	WIP Adjustment, Reject Queue
	WO-CLOSE	Work Order Accounting Close Post
	RCT-RS	Inventory Return to Stock

Table 5.29 — *Valid Transaction Type/Document Type Combinations* (Page 3 of 3)

From/To Entity. Optionally enter a range of entity codes to associate with the specified daybook for this transaction type.

Note Leave this range blank for the system daybook.

Define entity codes in Entity Create.

Daybook. Specify the daybook code for an active daybook created using Daybook Create.

All GL transactions created with the specified GL transaction type and GL document type are assigned to this daybook.

Defining Daybook Sets

Each sales order is associated with a daybook set assigned to the bill-to customer address. Individual daybooks in the set are used to record invoices, credit notes, intercompany transactions, and, when correction invoices are used, associated correction documents. The system also uses daybooks to generate GL reference numbers for these transactions.

See “Setting Up GL Correction Control” on page 213 for details about enabling correction transactions.

Depending on your company’s business requirements, you can define daybook sets either for the entire domain or for individual sites. For example, the site-based method supports the requirement to use a different invoice sequence for each shipping site.

The Use Daybook Set by Site option in Sales Order Accounting Control (36.9.6) determines how daybook sets are defined.

- When that field is selected, use Daybook Set by Site Maintenance (25.8.9) to define sets that apply only to a specified shipping site.
- Otherwise, use Daybook Set Maintenance (25.8.7) to define sets for all orders created in the domain.

Note Regardless of which method you use, you must define at least one daybook set. This is needed as the default for new customer records.

Before defining daybook sets, you must define the individual daybooks in Daybook Create (25.8.1.1). They must have Daybook Control set to Operational to be available in the daybook set maintenance programs.

All daybook sets require daybooks to be specified for invoices and credit notes, as well as an intercompany daybook used when a transaction involves more than one entity. Additionally, when Use Correction Invoices is selected in Sales Order Accounting Control, each daybook set must also specify daybooks for correction invoices and correction credit notes.

After creating daybook sets, assign one to each customer address in Customer Data Maintenance (2.1.1). The system determines the default value for new customer records as follows:

- When you define database sets by site, Customer Data Maintenance looks for the first active daybook set that matches the default customer site. If one has not been defined, it uses the first active daybook set with a blank site. If no definitions have been set up by site, you must create at least one with blank site before you can complete Customer Data Maintenance records.
- Otherwise, the customer value defaults from the Default Daybook Set field in Sales Order Accounting Control.

Note That field is not available when Use Daybook Set by Site is selected.

The customer record determines the default daybook set for new orders. You can update the daybook set in the following programs:

- Sales Order Maintenance (7.1.1)
- Customer Scheduled Order Maintenance (7.3.13)

- Sales Order Shipments (7.9.15)
- Sales Quote Maintenance (7.12.1)
- Pending Invoice Maintenance (7.13.1)
- Call Activity Recording (11.1.1.13)
- Call Invoice Recording (11.1.1.15)
- RMA Maintenance (11.7.1.1)
- RMA Receipts (11.7.1.13)
- RMA Shipments (11.7.1.16)

Note These programs verify that the updated value has been defined and, when you use daybook sets by site, matches the order header site.

Fig. 5.59
Daybook Sets by
Site Maintenance
(28.5.10)

Daybook Set by Site Maintenance...

Daybook Set by Site Maintenance: Go To Actions

Daybook Set: CVC Site: 10000 Active: ☐ Copy From Site:

Invoice Daybook: DI Daybook for Invoices
Credit Notes Daybook: DCN Debtor Cr Notes
Intercompany Daybook: matJL

Correction Invoices (positive): DI Daybook for Invoices
Correction Invoices (negative): CNC-S1 Daybook for Invoices
Correction Credit Notes Positive: DI Daybook for Invoices
Correction Credit Notes (negative): CNC-S1 Daybook for Invoices
Adjustment Daybook: ADJ-1

Site and Copy From Site fields are not included in Daybook Set Maintenance.

Fields display only when correction invoices are used.

Field Descriptions

Daybook Set. Enter a code (maximum eight characters) to identify a daybook set.

Description. Enter an optional description (maximum 40 characters) of this daybook set.

Site. In Daybook Set by Site Maintenance only, enter the site that uses this daybook set. This field does not display in Daybook Set Maintenance.

Leave blank to define the default daybook set that is used when site-specific records do not apply. When you are using daybook sets by site, this is the default for new customer records unless a daybook set has been defined for the customer site.

Active. Specify whether this daybook set is currently available to other functions. By default, new daybook sets are active.

If a set is inactive, you cannot specify it in Customer Data Maintenance (2.1.1) or Sales Order Accounting Control (36.9.6), or use it in any of the order transaction processing programs. Additionally, the invoice post process verifies that the order daybook set is active before allowing the invoice to be posted.

If you change the way you set up daybook sets after implementation, the system automatically deactivates some records. For example, if you clear Use Daybook Set by Site after site-specific records have been created, the system clears the Active field on all records that include a site value. See “Changing the Use Daybook by Site Setting” on page 240.

Note You cannot clear this field for the daybook set currently defined as the Sales Order Accounting Control default.

Copy from Site. When you are defining daybook sets by site, optionally save data-entry time by entering the site code associated with an existing daybook set. The system creates a new daybook set record for the new site based on the existing daybook set by site definition.

Daybooks. Specify the daybook code associated with each type of transaction. Codes must be defined in Daybook Create with Daybook Control set to Operational; they also must be active. Additionally, the current date must be within the specified effective date range for the associated Number Range Maintenance sequence. The required value of Daybook Type in the definition depends on the transaction.

Field	Required Daybook Type
Invoice Daybook	Customer Invoices

Field	Required Daybook Type
Credit Notes Daybook	Depends on the settings of Use Correction Invoices in Sales Order Accounting Control and GL Correction in the Sales Orders/Invoice frame of GL Correction Control: • When Use Correction Invoices is cleared and GL Corrections is selected, the system does not use this daybook during processing. However, to validate correctly, the specified daybook must be of type Customer Invoice Corrections. • Otherwise, Customer Credit Note.
Intercompany Daybook	Journal Entries
Correction Invoices (positive)	Customer Invoices
Correction Invoices (negative)	Depends on the setting of GL Correction in the Sales Orders/Invoice frame of GL Correction Control: • Selected: Customer Invoice Corrections • Cleared: Customer Credit Note
Correction Credit Notes (positive)	Customer Credit Notes
Correction Credit Notes (negative)	Depends on the setting of GL Correction in the Sales Orders/Invoice frame of GL Correction Control: • Selected: Customer Credit Note Corrections • Cleared: Customer Invoices
Adjustment Daybook	Customer Adjustment

Changing the Use Daybook by Site Setting

Although it is not recommended, it is possible to change the way you assign daybook sets after you have implemented your system. However, you should keep in mind the effects of doing this.

System behavior and user requirements depend on the direction of the change:

- If you disable the daybook set by site feature, the system makes existing site-specific daybook sets inactive. You can continue to use records that do not specify a site when you create new orders.

However, order-entry, shipping, and invoice programs validate the daybook set field. The next time you access an existing order with a site-specific daybook set, you must update that field manually before completing a transaction.

- If you enable the feature, the system makes inactive all daybook sets except the default specified in Sales Order Accounting Control (36.9.6). You can continue to use that value in customer records and transactions, but you must define site-specific records in Daybook Set by Site Maintenance (25.8.10). You also must update existing orders to reference an active daybook set.

External Daybooks

External daybooks are designed as an interface to external systems, such as payroll systems.

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.

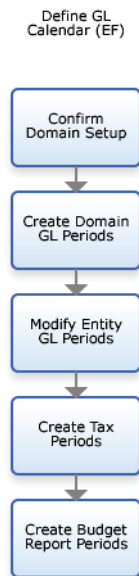
External daybook transactions have a daybook type of Journal Entries. For external daybooks, sequence numbers are generated by the external transaction. However, Record Number Maintain (36.16.21) still generates a number series, which is unused. The system also validates duplicates when numbers are passed from an external application. Record Number Maintain is used if a number is not passed from the external system.

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.

Figure 5.60 shows the process map for defining the GL calendar.

Fig. 5.60
Set Up GL Periods
Process Map



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 the Domain GL Period function 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.

- The Entity GL Period function lets you apply GL period settings to individual entities and lets you lock, unlock, report, and undo reporting for GL periods per entity. When you lock a GL period for one entity, it remains open for other entities in the same domain. Using the Entity GL Period function, 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.

You can manage period posting activity by defining lower and upper limit dates to specify the number of days before and after each report period during which transactions can be posted.

Note You cannot delete a GL period if it 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:

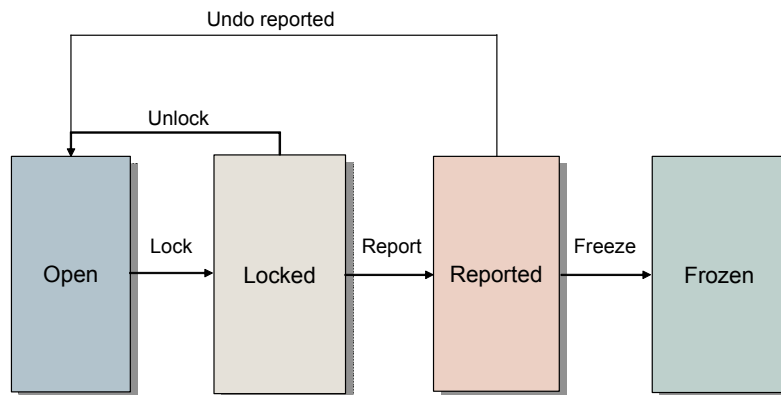
- Use Tax Period Create (25.4.5.1) to define entity-based calendars for tax reporting periods. When defined, closing a tax period prevents additional tax transactions from being posted. Tax periods and reporting are described in the Global Tax Management chapter in *User Guide: QAD Financials B*.
- Use Budget Report Period Create (25.4.5.1) to define periods used within the budgeting area. Budget periods are described in detail in “Budget Report Periods” on page 819.

Closing Periods at Month End

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.

Fig. 5.61
Month-End GL
Period Flow



Year-End Closing

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. See “Year-End Transactions” on page 482.

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.

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.

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.

Defining a Domain GL Calendar Year

Use the Domain GL Period activities (25.4.1) to create, modify, or view the domain-level GL calendar year. When you choose Create, the following screen displays. You can create a new year based on an existing one. This is typically used unless you have changed your legal GL calendar year requirements.

Fig. 5.62
Domain GL Period
Create

The screenshot shows a window titled "Domain GL Period Create". It contains a "New Year" text box with the value "2008". Below this is a section titled "How to Create" with two radio button options: "Copy From GL Calendar Year" (which is selected) and "Create Manually". The "Copy From GL Calendar Year" option has a dropdown menu next to it showing "2008". At the bottom right of the window are "Save" and "Cancel" buttons.

Field Descriptions

New Year. This field displays the new GL calendar year to create. The default value is the latest GL calendar year, incremented by one.

Copy from GL Calendar Year. Select to use an existing year as a template for the new year, and specify the year.

Create Manually. Select to create a new year by manually specifying the periods.

Defining the GL calendar year displays the Domain GL Period Create screen (25.4.1.1), in which you define period dates and attributes.

GL Pd	Start Date	End Date	Lower Limit Date	Upper Limit Date	GL Period Type	Last Modified User	L
01	01/01/2009	01/31/2009	01/01/2009	01/31/2009	Normal		
02	02/01/2009	02/28/2009	02/01/2009	02/28/2009	Normal		
03	03/01/2009	03/31/2009	03/01/2009	03/31/2009	Normal		
04	04/01/2009	04/30/2009	04/01/2009	04/30/2009	Normal		
05	05/01/2009	05/31/2009	05/01/2009	05/31/2009	Normal		
06	06/01/2009	06/30/2009	06/01/2009	06/30/2009	Normal		
07	07/01/2009	07/31/2009	07/01/2009	07/31/2009	Normal		
08	08/01/2009	08/31/2009	08/01/2009	08/31/2009	Normal		
09	09/01/2009	09/30/2009	09/01/2009	09/30/2009	Normal		
10	10/01/2009	10/31/2009	10/01/2009	10/31/2009	Normal		
11	11/01/2009	11/30/2009	11/01/2009	11/30/2009	Normal		
12	12/01/2009	12/31/2009	12/01/2009	12/31/2009	Normal		

Fig. 5.63

Domain GL Period Create

Field Descriptions

- GL Calendar Year.** This field displays the new GL calendar year.
- GL Pd.** Specify a period number. By default, periods are numbered 1 to 12. It is possible to create a maximum of 99 GL periods for a GL calendar year.
- Start Date.** Click the down arrow to select a period start date. This is the official start date of the calendar period.
- End Date.** Click the down arrow to select a period end date. This is the official end date of the calendar period.
- Lower Limit Date.** Click the down arrow to select the lower limit posting date for this period. This date defines how many days before the start of the period that you can post transactions for that period.

Upper Limit Date. Click the down arrow to select the upper limit posting date for this period. This date defines how many days after the end of the period that you can enter/post transactions for that period.

The other fields cannot be modified; domain-level periods are always of type normal.

Modifying Entity GL Periods

Use the Entity GL Period activities (25.4.2) to manage the GL periods for a specific entity. The changes you make in this function do not affect the other entities in a domain.

You can:

- Lock periods to prevent further transactions or unlock them. You can lock and unlock application areas separately, so that the period can be open to sales transactions, but closed to inventory transactions.
- Report the period, closing it to further updates, and also undo the reporting if additional changes are needed.
- Delete a GL period if the period is open and no outstanding transactions exist for it.

Using Entity GL Period Create, you can also create entity-specific GL periods with a type of Correction or Year-End Closing. Normal GL period types are view-only.

Fig. 5.64
Entity GL Period
Modify

GL Pd	Start Date	End Date	Status	GL Period Type	AP	GL	Sales	Inventory	Closing Date	Checked/Reported
01	01/01/2017	03/31/2017	Open	Normal	☒	☒	☒	☒		☐
02	04/01/2017	06/30/2017	Open	Normal	☒	☒	☒	☒		☐
03	07/01/2017	09/30/2017	Open	Normal	☒	☒	☒	☒		☐
04	10/01/2017	12/31/2017	Open	Normal	☒	☒	☒	☒		☐

Field Descriptions

Start Date. Click the down arrow to modify the GL period start date. This is the official start date of the calendar period.

End Date. Click the down arrow to modify the GL period end date. This is the official end date of the calendar period.

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.

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.

GL. Select to enable the creation of GL and Fixed Asset transactions for this period. When GL is cleared, all other areas are also cleared.

AP. Select to enable posting of AP transactions during this period.

Sales. Select to enable posting of AR transactions during this period.

Inventory. 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.

Closing Date. The closing date is generated automatically by the system.

Checked/Reported. This read-only field indicates that the GL period has been checked and reported.

Mark. This field displays a system-defined period mark for the period, if one has been defined.

Domain. This field displays the domain for which the GL calendar year was created.

Entity. This field displays the current entity.

Last Modified Date/Time/User. These system-maintained fields display the ID of the user who last updated this record, and the date and time of update.

Period Marks

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.

Defining Operational Defaults

Operational Accounting Controls

As part of initial system implementation, you should set up values in the various control programs on the Operational Acct Controls menu (36.9). The settings in each control program affect operations within a specific business area. Typically these settings represent a subset of all the settings that affect the related business area. These control settings have been separated because they have a financial effect on all modules, and should be defined only by a financial analyst with security access to this function.

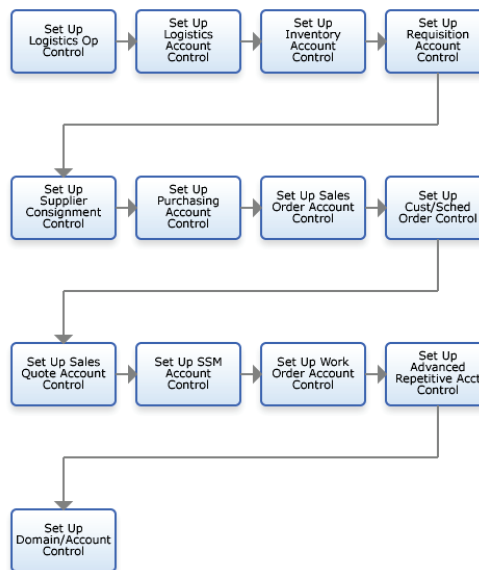
This separation facilitates the segregation of responsibility so that financial personnel can manage the settings that reflect financial and accounting decisions. The financial organization and the project team are usually responsible for entering the data in Domain/Account Control (36.9.24)—a special control program that defines most of the default GL accounts used throughout the operational functions.

Module Control Settings

This section briefly describes each module control program. Figure 5.65 shows the process map for setting up operational accounting controls.

Figure 5.65 shows the process map for the setup of operational accounting controls.

Fig. 5.65
Operational
Accounting
Controls Process
Map



Logistics Operational Accounting Control (36.9.1) affects the operation of Logistics Accounting. This is an optional module described in *User Guide: QAD Master Data*. You define a number of default GL accounts in this program.

Inventory Accounting Control (36.9.2) determines costing impacts of inventory transactions, and how GL transactions are created. A Transfer Clearing Account is also defined here. Inventory Control is described in *User Guide: QAD Master Data*.

Requisition Accounting Control (36.9.3) determines financial approval limits and related settings for creating requisitions with the Global Requisition System, described in *User Guide: QAD Purchasing*.

Supplier Consignment Accounting Control (36.9.4) contains settings that affect inventory costing in the supplier consignment work flow, described in *User Guide: QAD Purchasing*.

Purchasing Accounting Control (36.9.5) contains settings that affect the financial impact of purchasing activities, included default accounts for PO Interest Applied. Purchasing is described in *User Guide: QAD Purchasing*.

Sales Order Accounting Control (36.9.6) contains settings that determine the financial impact of the sales order and invoicing flow, including credit management, the default daybook set, trailer codes, how sales person commission is calculated, and whether price lists are required. Sales and invoicing are described in *User Guide: QAD Sales*.

Customer Scheduled Orders/Shipper Accounting Control (36.9.7) contains settings that determine invoicing defaults for shipments using containers and shippers. The Customer Scheduled Orders module is described in *User Guide: QAD Scheduled Order Management*. Containers and shippers are described in *User Guide: QAD Sales*.

Sales Quote Accounting Control (36.9.9) contains settings that determine the address printed on the quote, whether price lists are required, and how freight is calculated. Sales quotes are described in *User Guide: QAD Sales*.

SSM Accounting Control (36.9.10) contains settings that affect the financial aspects of service contracts, contact billing, and call processing. SSM is described in *User Guide: QAD Service/Support Management*.

Work Order Accounting Control (36.9.11) contains settings that affect the financial impact of work order completion. Work orders are described in *User Guide: QAD Manufacturing*.

Advanced Repetitive Accounting Control (36.9.12) contains the default account for WIP transfers. Repetitive functions are described in *User Guide: QAD Manufacturing*.

GL Transaction Control (36.9.13) contains one field you can modify that controls whether an audit history is kept when changes are made in Unposted GL Transaction Correction (25.13). It also displays fields indicating whether transactions in various business areas—inventory, work orders, sales orders, and fixed assets—have been posted.

Domain/Account Control

Domain/Account Control (36.9.24) is a key program that affects processing throughout the system. It is critical to set up this control program correctly, because the system automatically propagates this data to other tables as data records are created.

Example When you designate a domain account for work in process, this account becomes the default account for each product line you create. The product line account becomes the default account for work order accounts defined in Work Order Account Maintenance (1.2.9). The work order account defaults to the specific work orders and is updated when inventory transactions are posted to the general ledger.

Domain/Account Control has two sections.

- General settings for the domain, most of which are read only here, except for the GL audit trail
- Multiple frames that display default accounts, sub-accounts, and cost centers used by various programs in the system

General Domain Information

Most of the fields in the first frame of Domain/Account Control display information defined for the domain in Domain Create (36.1.1.1).

Fig. 5.66
Domain/Account
Control (36.9.24),
General Settings

Domain/Account Control

Domain/Account Control: Go To ACTIONS

Verify GL Accounts: ☒

Base Currency: USD

Entity: 1000

Default Domain Language: US

Audit Trail: ☒

Field Descriptions

Verify GL Accounts. This system-maintained field determines whether the system validates general ledger (GL) accounts and effective dates for transactions created in modules other than General Ledger. Accounts are verified in the GL module regardless of the value in this field.

This field is cleared in a newly created domain. After implementing the GL and defining default accounts throughout the system, you can run Operational Account Structure Validation (36.9.20). This program validates the initial setup and selects Verify GL Accounts if no problems are encountered.

When this field is selected, the system validates the following:

- Each account, sub-account, cost center, and project code entered for a transaction are defined in the appropriate GL setup function with the Active field selected.
- The components of the account number are valid in combination with each other, based on the GL masks specified in the GL setup functions.
- The transaction effective date is within an open GL calendar period.

Base Currency. This field displays the base currency of the domain, defined in Domain Create. Each entity in the domain uses the same base currency. The base currency is the default currency used for financial reports. Financial statements, such as balance sheets and income statements, always print amounts in the base currency. Other reports may specify base or some other currency.

Entity. This field displays the entity that has been marked as Primary in Domain Create. The primary entity defaults to each new site created in a domain. See “Setting Up Domains” on page 83.

Default Domain Language. The system displays the default language specified for the domain in Domain Create. The system selects descriptions in this language to display in operational functions when multiple language descriptions exist.

Audit Trail. Select this field to have the system store audit detail information for a subset of critical master tables. Review these details with Master Data Audit Detail Report (36.17.2). If cleared, you can still retrieve summary-level audit information with Master Data Audit Report (36.17.1).

Auditing of changes to unposted GL transactions is based on a similar field in GL Transaction Control.

See *User Guide: QAD System Administration* for information on auditing.

Setting Default GL Accounts

The second section of Domain/Account Control (36.9.24) defines default GL accounts, sub-accounts, and cost centers that are accessed by many operational maintenance functions.

Each account is identified by an account code, a sub-account code, and a cost center code. Sub-accounts and cost centers are optional depending on how the account is defined.

These accounts determine defaults when you add static data such as tax rates, product lines, and departments. Later, they appear as defaults on some transactions, such as sales and purchasing.

Note A few accounts in Domain/Account Control are updated directly, such as Sales Freight Accrued and Applied. These accounts typically cannot be modified in the transactions that reference them.

Since these are only default accounts, none of the static data or transactions that reference them are changed when these accounts are modified in Domain/Account Control.

Follow these guidelines for system accounts.

- Know how the system uses them. Many are used in transactions that the software creates automatically.
- Assign every account a value, even though it may never be used. This ensures that transactions cannot be created with a blank account number.

Table 5.30 lists all of the accounts set up in Domain/Account Control. The Type column indicates how the account is used. The Updated By column indicates transactions that update the account.

If you are using either of the optional consignment modules—Customer Consignment Inventory or Supplier Consignment Inventory—you can also define consignment accounts. See *User Guide: QAD Sales* and *User Guide: QAD Purchasing* for information on these modules.

Table 5.30
Default Domain
Accounts

	Account	GL Type	System Type	Updated in
Sales Accounts	Sales	Standard		Invoice Post
	Sales Discount	Standard		Invoice Post
	Sales Invoice Tax	Tax		Invoice Post
	Sales Tax Credit Note	Tax		Invoice Post
	Sales Tax Absorbed	Tax		Tax Rate Maintenance
	Sales Invoice Suspended Tax Account	Tax		Invoice Post
	Sales Credit Note Suspended Tax Account	Tax		Invoice Post
	Sales Returns	Standard		Inventory Receipt–Sales Order Return
	COGS Material	Standard		SO Shipment
	COGS Labor	Standard		SO Shipment
	COGS Burden (Variable)	Standard		SO Shipment
	COGS Overhead (Fixed)	Standard		SO Shipment
	COGS Subcontract	Standard		SO Shipment
	Sales Freight Accrued	Standard		Invoice Post
	Sales Freight Applied	Standard		Invoice Post
	Terms Late Interest	Standard		Invoice Post
Accounts Payable	AP Tax Invoice	Tax		Supplier Invoice
	AP Tax Credit Note	Tax		Supplier Invoice
	AP Tax Retained	Tax		Supplier Invoice
	AP Invoice Delayed Tax	Tax		Supplier Invoice
	AP Credit Note Delayed Tax	Tax		Supplier Invoice
	Expensed Item Receipts	System	PO Receipts	Supplier Invoice
	Expensed Item Usage Variance	Standard		Supplier Invoice
	Expensed Item Rate Variance	Standard		Supplier Invoice

Table 5.30 — Default Domain Accounts — (Page 1 of 3)

	Account	GL Type	System Type	Updated in
Department	Cost of Production	Standard		Non-Prod Labor, SFC Transfer
	Labor (Absorbed)	Standard		SFC, Repetitive, WO Close
	Burden (Absorbed)	Standard		SFC, Repetitive, WO Close
Product Line	Inventory	Inventory Control		Inventory Transactions
	PO Receipts (Accrued AP)	System	PO Receipts	PO Receipt, Supplier Invoice
	Purchases	Standard		PO Receipt (Non-Inventory)
	Overhead Appl	Standard		PO Receipt
	Scrap	Standard		WO Receipt
	Work-in-Process	WIP Control		WO, Backflush, Repetitive
	Inventory Discrepancy	Standard		Inventory Counts
	Cost Revalue	Standard		GL Cost Change
	Floor Stock	Inventory Control		WO Close
Variances	PO Price Variance	Standard		PO Receipt
	AP Usage Variance	Standard		Supplier Invoice
	AP Rate Variance	Standard		Supplier Invoice
	Method Variance	Standard		WO Close
	Transfer Variance	Standard		Multisite Transaction
	Material Usage Variance	Standard		WO Close
	Material Rate Variance	Standard		WO Issue, WO Close
	Labor Usage Variance	Standard		SFC, Repetitive, WO Receipt
	Labor Rate Variance	Standard		SFC, Repetitive
	Burden Usage Variance	Standard		SFC, Repetitive, WO Receipt
	Burden Rate Variance	Standard		SFC, Repetitive
	Subcontract Usage Variance	Standard		WO Close
	Subcontract Rate Variance	Standard		WO Close
	Mixed Variance	Standard		WO Close for joint orders (co-products, by-products)

Table 5.30 — Default Domain Accounts — (Page 2 of 3)

	Account	GL Type	System Type	Updated in
Service	Service Labor	Standard		Call and Project Activity Recording
	Service Overhead	Standard		Call Activity Recording
	Service Expense	Standard		Call and Project Activity Recording
	Expense Due	Standard		Invoice Post
	Service Returns	Standard		Call Activity Recording
	Deferred Revenue	Standard		Contract Maintenance
	Accrued Revenue	Standard		Contract Maintenance
Consignment	SO Consigned In-Transit	Inventory Control		SO Shipment
	SO Consigned Inventory	Inventory Control		Inventory Transactions
	SO Consigned Offset	Inventory Control		AR Deferral
	PO Consigned Inventory	Inventory Control		Inventory Transactions
	PO Consigned Offset	Inventory Control		AP Deferral

Table 5.30 — *Default Domain Accounts* — (Page 3 of 3)

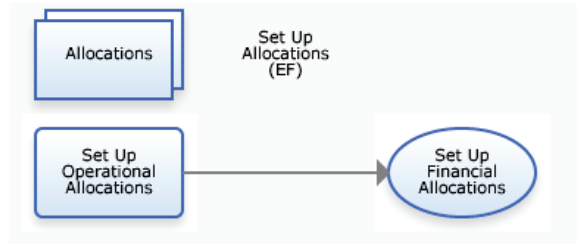
Setting Up Allocations

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.

Figure 5.67 shows the process map for allocation setup.

Fig. 5.67
Set Up Allocations
Process Map



Operational Allocation Codes

To simplify data entry in operational transactions, use Operational Allocation Code Maintenance (25.3.23) 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.

Fig. 5.68
Operational
Allocation Code
Maintenance
(25.3.23)

The screenshot shows the 'Op Allocation Code Maintenance' window. The title bar reads 'Op Allocation Code Maintenance...'. Below the title bar, there is a navigation bar with 'Op Allocation Code Maintenance: Go To -' and 'ACTIONS -'. The main content area displays the following information:

Allocation Code: Rent
Description: Rent Allocation to Depts

Account	Sub-Acct	CC	Project	Percent
8300		0100		50.000

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.

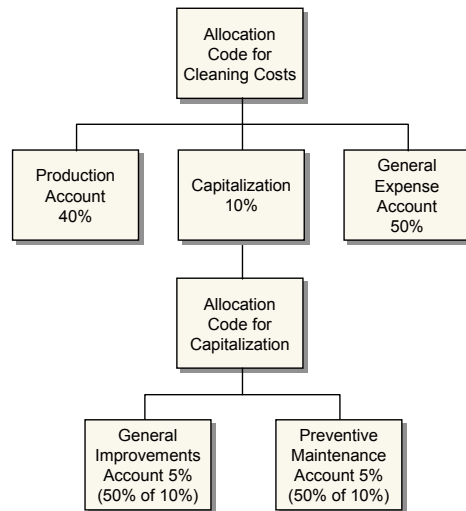


Fig. 5.69
Allocation Code Examples

Financial Allocations

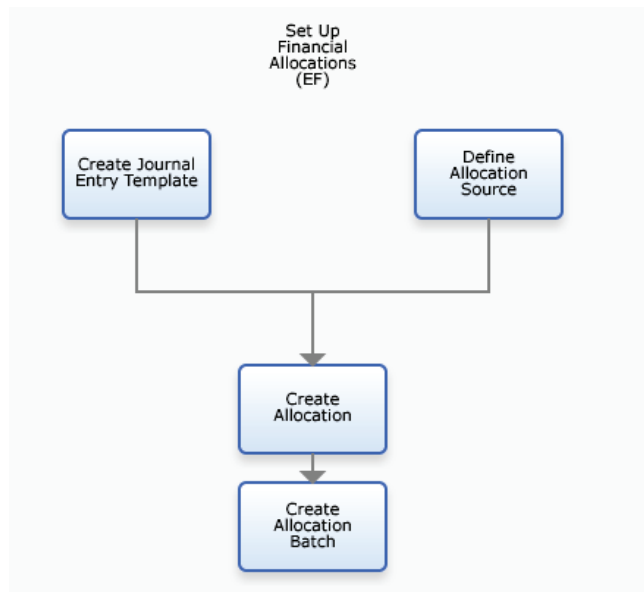
Allocation is the process of distributing costs and revenues to the appropriate accounts, sub-accounts, cost centers, and projects. Use the GL Allocation activities (25.3.22) to identify types of cost and automatically distribute them to the correct cost targets.

Configure allocations using the following sequence of steps:

- Define the allocation structure. Allocation structures consist of a source, a target, and the transfer algorithm between them.
- Group allocations into batches.
- Configure recursive allocations to reuse a previous allocation run as input for the next.
- Interrupt and restart the execution of a batch.
- Validate the results of the allocation run before final posting.

Figure 5.56 shows the process map for the set up of financial allocations.

Fig. 5.70
Set Up Financial
Allocations Process
Map



Cost Types

The allocation function recognizes direct and indirect types of cost.

A direct cost can be traced directly to the source. For example, when a department purchases office furniture for its own use, the cost is a direct cost. Direct costs can be further subdivided into:

- Assignable costs are charged directly to the account or sub-account without allocation.

- Shared costs cannot be directly assigned to a cost objective, but are charged instead to an intermediate cost pool.

An indirect cost cannot be traced directly to one source. For example, a company electricity bill covers the electricity usage for all company departments. Initially the bill is allocated to an overhead cost center, and later re-allocated over all the departments. You use allocation to distribute indirect costs to the various direct activities that benefited. For this, you must define a cost allocation plan.

Cost Allocation

The cost allocation process has three steps:

- 1 Classify Costs.** Cost classification is the process of labeling direct and indirect costs relative to the cost allocation process.
- 2 Pool Costs.** Cost pooling is the process of accumulating costs into pools for allocation. You must pool similar allocatable costs, which you can then combine to simplify the allocation process.
Cost items can be individually allocated or all cost items in the pool can be totaled and the total allocated. The decision depends on the reporting requirements and the level of budget control.
- 3 Allocation.** You can allocate a cost if the goods or services involved are chargeable or assignable to a cost objective in accordance with relative benefits received. This measure of benefit is used to define the allocation algorithm.

Allocation Structure

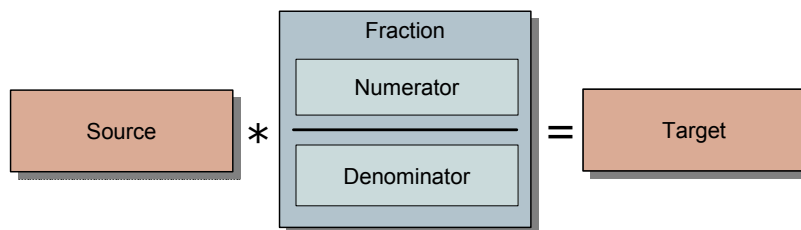
An allocation consists of the following elements:

Source. This is the base amount for the allocation.

Fraction. This is a factor applied to the source amount to calculate the amount to be posted to the target.

Target. This consists of the COA elements, such as account, sub-account or cost center, to which the fraction is to be posted.

Fig. 5.71
Allocation
Structure



Allocation Sources

Constant Value

The source is a value that is entered in the allocation definition, but which can still be changed during execution of the allocation batch. The value can be entered in the base currency or as a combination of base currency and quantity.

Standard Charge

Standard charges are calculated as the multiplication of a quantity and a unit price. Both values are entered in the allocation definition, but can still be changed when the allocation is executed. The per-unit cost for electricity is an example of a standard cost.

WBS Topic

Work Breakdown Structure (WBS) topics are used in budgets to provide analysis for budget costs, and are also used in allocations as a source type. WBS topics are combinations of COA elements, such as GL accounts, cost centers, or projects.

The allocation source is calculated as the total of all postings on all the COA elements. The budget daemon calculates the values posted on all WBS topics and maintains up-to-date values before an allocation run. When using WBS topics as source, you can select whether to apply the balance, debit value, or credit value.

Example The WBS topic Housing Cost is defined in a budget and linked to the GL accounts 610100, 610200, 610300. The total of postings on those accounts is used to calculate the source value.

For more information on budgeting and WBS topics, see “Setting Up Budgets” on page 818.

Fractions

Constant Factor

The fraction can be a constant multiplier that is entered in the allocation definition and which can also be reviewed and changed during the execution of the allocation batch.

Real Fraction

The fraction can be a real fraction defined by its numerator and denominator. Both the numerator and denominator are WBS topics from which the value or quantity is retrieved.

When the allocation is run, the source value is multiplied by the constant value and the real fraction.

Proportional Fraction

A proportional fraction uses multiple fractions. Only the denominator is specified to calculate the fractions. The denominator is a WBS topic.

The numerators are implicitly defined based on the denominator. There are as many numerators (and, thus, fractions) as composing elements in the denominator.

Allocation Targets

You must define a posting template to specify how the amounts calculated by applying the fractions to the source amounts are to be posted.

Creating GL Allocations

Use GL Allocation Create to set up your allocation structure.

Fig. 5.72
GL Allocation
Create

Field Descriptions

Source Type. Select an allocation source type from the following:

Constant 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. Both values are entered in the allocation definition, but can be modified before executing the allocation batch.

WBS Topic: The source amount is calculated by totaling the postings of the COA elements that comprise the topic.

Source WBS. This field is available when you select WBS topic as the source type. Specify a WBS topic from a Budget definition that has the Used for Allocation field selected. If this field is not selected when the topic is defined, it cannot be used in the allocation definition.

You do not need to enter budget data at this stage. The Allocation function uses only the WBS structure and the COA links. See “Budgeting” on page 815.

From Layers. This field is available when you select WBS topic as the source type. Select the layer from which postings should be taken to calculate the source amount for the allocation.

From Amt. This field is available when you select a WBS topic as the source type. Select from Balance, Credit, or Debit.

This field determines whether only credit activity, debit activity, or both (the balance) are used to calculate the source amount.

Amt By. This field is available when you select WBS Topic as the source type. Specify the time period taken into account when the posting totals are calculated.

- Select GL Period to specify the period entered at the moment of the allocation run.
- Select YTD to specify the period from the start of the accounting year to the current date.

Value Of. This field is available when you select WBS topic as the source type. Select from the following drop-down options:

Both: A base currency amount and a quantity are taken from the source and are allocated to the target.

BC Amount: Only a base currency amount is taken from the source and allocated to the target. The target posting does not include quantity fields.

Quantity: The target receives a base currency amount that is calculated by multiplying the source quantity by the fraction. The target posting does not include quantity fields.

Quantity. This field displays the quantity value when you use a Constant Value or Standard Charge source type. This field is unavailable if the Source Type field is set to WBS Topic.

BC Price. This field is available when you select Standard Charge as the source type. Specify a price in base currency.

BC Amount. Specify a base currency amount to be allocated. This field is available only when you select Constant Value as the source type.

When the source type is Standard Charge, this field displays the calculation of quantity multiplied by base currency price.

Fraction Type. Select a fraction type from the drop-down list:

Constant Fraction: The fraction is a constant that you specify in the Constant Fraction field.

Real Fraction: Specify a numerator and denominator.

Proportional Fraction: Only the denominator has to be specified. The numerators are derived from the denominator definition.

Numerator WBS, From Amt, Amt By, Value Of. Use these fields to define the fraction numerator. The fields are available only when you select a fraction of type Real Fraction.

Denominator WBS, From Amt, Amt By, Value Of. Use these fields to define the fraction denominator. The fields are available only when you select a Real or Proportional Fraction.

Daybook Code. Specify a daybook for the allocation posting.

Layer Code. This field displays the layer to which the daybook is assigned.

Template Code. Specify a daybook template for the target posting. For constant factor and real fractions, the template also defines how the amount to be posted is prorated over the different posting lines of the template.

In the following example of a housing allocation cost, the amount to be posted is prorated as:

Administration: 30%

Management: 20%

EDP: 30%

Sales: 20%

The Proportional Allocation tab displays the calculated amounts. This tab contains additional data for the allocation engine when calculating the proportional fractions.

The journal entry for this allocation displays the final prorated amounts.

The screenshot shows the 'Journal Entry - Modify' window. At the top, there's a title bar and a menu bar. Below that, the 'Journal Entry - Modify' section contains several input fields and checkboxes. The 'Year' is set to 2007, 'Posting Date' is 06/11/2007, and 'Daybook Code' is Tran001. The 'Description' is 'Allocation Housing Cost'. There are checkboxes for 'Non Financial Origin', 'Save As Template', 'Replacement', and 'Reversal'. Below these fields, there's a table with columns: GL Account, SubAccount Code, Description, Curr, BC Debit, and BC Credit. The table has three rows, each representing a different cost center (Adm, Mnrgt, and another Adm). The first row shows a debit of 30.00 and a credit of 0.00. The second row shows a debit of 20.00 and a credit of 0.00. The third row shows a debit of 30.00 and a credit of 0.00. At the bottom, there's a 'Currency View' section with a dropdown for 'Base Currency' and a 'Balance USD' field showing 100.00. There are 'Save' and 'Close' buttons at the bottom right.

GL Account	SubAccount Code	Description	Curr	BC Debit	BC Credit
610400		Allocation Housing Cost	USD	30.00	0.00
	Adm				
610400		Allocation Housing Cost	USD	20.00	0.00
	Mnrgt				
610400		Allocation Housing Cost	USD	30.00	0.00
	Adm				

Fig. 5.73
Journal Entry for
Allocations

Structured Reports

Reports that run on a report structure have their content selected and grouped according to that structure, and not based on the list of GL accounts.

The Balance Sheet and Income Statement are generated as GL reports based on predefined report structures. Report structures reuse part of the budget setup functionality and are based on work breakdown structures.

Use Trial Balance and Trial Balance by Currency to print trial balances for selected GL accounts during selected time frames. Print the reports to the screen or to hard copy, and you can apply a range of filters to each report.

The Multi-Column Balance Sheet Report (25.15.5.6) lets you include up to a maximum of 15 data and calculation columns in the report. This lets you view monthly or quarterly comparisons for actuals and budgets, and calculate variances and percentage variances for each period.

The Multi-Column Income Statement Report (25.15.5.7) also provides up to 15 columns of reporting, in which you define the From and To Dates and the content criteria for the Income Statement.

See “Structured Reports” on page 905 for more information on how to set up and run structured reports.

Setting Up Business Relations

The following topics describe how to set up base data used by addresses, how to define business relations, and how to set up the various types of addresses that reference business relations.

<i>Overview</i>	272
<i>Setting Up Base Address Data</i>	276
<i>Creating Business Relations</i>	289
<i>Setting Up Codes for Customers and Suppliers</i>	302
<i>Setting Up Bank File Formats</i>	329
<i>Setting Up Customers</i>	331
<i>Customer Opening Balance</i>	365
<i>Setting Up Suppliers</i>	367
<i>Supplier Opening Balance</i>	380
<i>Creating Employees</i>	383

Overview

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.

Business relation codes are defined at the database level. This lets you maintain all address data in one function, and then reference it in other functions that require address data, such as customer and supplier records. When the business relationship address data is modified, all other codes that reference that address are also updated automatically, reducing time and duplicate maintenance effort.

Each business relation code identifies a set of up to six system-defined address types that can be associated with different types of records in the system, from customers and suppliers to end users and docks. Some address types are used only in financial functions. These include reminder and remittance types. Others are used only in operational functions. These include ship-to, dock, and end user. The headoffice address is used in both financial and operational functions. See “Address Type” on page 286 for details.

The creation of operational address types is described in *User Guide: QAD Master Data*.

Segregation of Duties

Since important financial information, such as accounts and credit limits, is associated with customers, end users, and suppliers, these records are created and maintained within the Accounts Payable and Accounts Receivable modules. Employees are associated with entities and defined with other corporate setup data. This supports segregation of duties requirements mandated by many regulatory bodies.

However, customers and suppliers are also used in operational functions such as manufacturing, sales, and purchasing. End users and employees are used in the Service/Support Management (SSM) module. End users are referenced on calls, contracts, and service returns; employees are set up as service engineers who respond to calls.

Typically, financial staff do not have the expertise to define the data related to these operational functions. For this reason, additional operational data can be set up in supplementary maintenance functions:

- Customer Data Maintenance (2.1.1)
- Supplier Data Maintenance (2.3.1)
- End User Data Maintenance (11.9.1)
- Engineer Maintenance (11.13.1)

To facilitate the collaboration required when defining new customers, suppliers, end users, and employees, e-mail notifications are sent to specific user roles when new records are created:

- CustomerNotify for customers
- SupplierNotify for suppliers
- EndUserNotify for end users
- EmployeeNotify for employees

The members of these roles are then responsible for ensuring that the supplemental information required for operations is added. See *User Guide: QAD Security and Controls* for details about setting up role membership.

Important New customer and supplier records cannot be referenced in operational functions until this additional data has been specified. Adding operational data marks the record as complete.

This is not true of end-user and engineer records; they do not need to be completed before being referenced in SSM functions.

The following table lists all of the records in the system that reference business relations for address data.

Table 6.1
Records
Referencing
Business Relations

Record	Created	Related Data	Type	E-Mail
Bank	GL Account Create (25.3.13.1)	N/A	Headoffice	No
Carrier	Carrier Maintenance (2.17.1)	N/A	Headoffice	No
Company Address	Company Address Maintenance (2.12)	N/A	Headoffice	No
Customer	Customer Create (27.20.1.1)	Customer Data Maintenance (2.1.1)	Headoffice	Yes
Dock	Dock Maintenance (7.3.1)	N/A	Dock	No
Employee	Employee Create (36.1.7.1)	Engineer Maintenance (11.13.1)	Headoffice	Yes
End User	End User Create (27.20.3.1)	End User Data Maintenance (11.9.1)	Enduser	Yes
Entity	Entity Create (36.1.1.2.1)	N/A	Headoffice	No
Fixed Asset Location	Fixed Asset Location Maintenance (32.1.13)	N/A	Headoffice	No
Salesperson	Salesperson Maintenance (2.5.1)	N/A	Headoffice	No
Ship-To	Customer Ship-To Create (27.20.2.1)	N/A	Ship-To	No
Supplier	Supplier Create (28.20.1.1)	Supplier Data Maintenance (2.3.1)	Headoffice	Yes

Customers and suppliers are associated with shared sets, which in turn can be associated with one or more domains. This lets you maintain customers and suppliers for multiple domains in a single location.

Entity Addresses

When you create the entity that represents your business, you reference the headoffice address of a business relation for address and tax details. This address must be defined first and then referenced in the Entity Create activity. This activity is described in “Setting Up Entities” on page 101.

However, typically a single business operation can require many different addresses. For example, you could have separate addresses for any of the following:

- Address where suppliers send invoices for payment.
- Address where suppliers deliver items on purchase orders.
- Address printed on formal documents sent to customers, such as sales quotes, sales order acknowledgements, and invoices.
- Addresses for sites and locations where inventory is stored. Site and location addresses are used for calculating taxes and generating Intrastat records.

These types of addresses are set up in Company Address Maintenance (2.12). The address details are supplied by specifying the related business relation. The headoffice address is always the one that supplies the address details for company addresses.

These company addresses are referenced during inventory movements and in the following functions:

- Physical Address field in Location Maintenance (1.1.18)
- Ship-To field in Purchasing Control (5.24)
- Declarant field in Declarant Maintenance (29.22.1.20)
- Bill-To field in Purchasing Accounting Control (36.9.5)
- Company Address field in Sales Order Accounting Control (36.9.6)
- Company Address field in Sales Quote Accounting Control (36.9.9)
- Company Address field in SSM Accounting Control (36.9.10)

Company Address Maintenance is described in *User Guide: QAD Master Data*.

E-Mail Notification

If you have set up e-mail notification, the system sends notifying e-mails to recipients with the relevant roles when customer, supplier, employee, or end-user records are created.

The system notifies users of an event if they have the appropriate role and have been assigned access to the same domain as the record being created. Users receive a separate e-mail notification for each event for which they have the relevant role.

Setting up and configuring e-mail is described in *User Guide: QAD System Administration*.

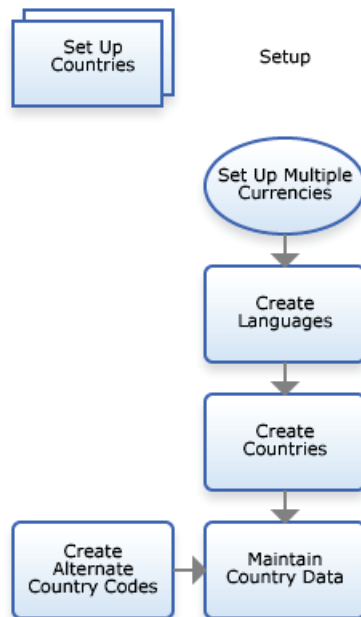
Setting Up Base Address Data

To ensure consistency of data entry, you must define a number of codes required by all addresses, including:

- Languages
- Countries
- States/provinces
- Counties

Figure 6.1 shows the process map for the setup of country and language data.

Fig. 6.1
Set Up Countries
Process Map



Other optional setup includes:

- Defining implementation-specific address types in addition to the ones that are supplied with the system
- Defining corporate codes for grouping business relations for reporting
- Setting up autonumbering sequences for business relations, customers and ship-tos, end users, suppliers, and employees

Figure 6.2 shows the process map for optional address setup.

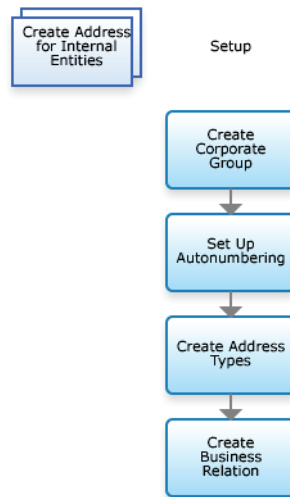


Fig. 6.2
Optional Setup
Process Map

In addition, for customers and suppliers, codes are needed for managing invoice processing. These include invoice status codes and credit terms.

You can then define business relations and set up customers and suppliers and other similar address types.

Note Before completing the setup of customers and suppliers, you must have already defined accounts and account profiles. Profiles are described in more detail in “Setting Up Profiles” on page 97.

Language

A base set of language codes is supplied with the system. These language codes correspond to the codes used with UI translation files provided by QAD. System-defined languages cannot be changed or deleted.

Languages are used in multiple places in the system:

- A default database language is defined in System Maintain (36.24.3.1). This language provides a default for printed reports when translated strings cannot be found in the language associated with a customer or supplier. This language is used as the default language for displaying translatable strings for system-level operational data.
- A language code is associated with each business domain, and is the default language to use for displaying translatable strings for domain-level data. See “Using the Translation Option” on page 48 for details.
- Languages are associated with business relations. Each address associated with a business relation can have its own language. The language associated with the specific address type—headoffice, ship-to, end user—is used to select comments in the appropriate language in operational functions, such as sales, purchasing, and service/support.
- Languages are associated with users and determine the language for displaying menus, labels, messages, and other user interface elements.

Before defining business relations, you can define additional language codes if necessary. However, since languages are used to select the appropriate translated strings to display on the user interface and in reports, generally it is not a good practice to create new languages. The ones supplied with the system are associated with translated data strings, and if you define new languages, appropriate translations will not be found.

Translation Option

Many data setup functions provide a language translation option for description fields. For example, when you define an account, you typically use a cryptic, possibly numeric code and specify a description that indicates the account’s use; for example, Account: 001SOVA, Description: Sales Order Variance Account.

Since accounts belong to the accounts shared set and can be used in multiple domains, you may have users with different languages that need to see these descriptions in their own language. You can supply your own

translation using the Translation Option associated with the Description field. The correct descriptions will then display based on the user's language.

See “Using the Translation Option” on page 48.

Installed Languages

Loading translated language data sets the Installed field to Yes for a language. Language load can be completed in two ways:

- Execute Load Translations (36.24.4).
- Execute System Synchronize (36.24.3.2) with Languages selected.

Note The US language is always set to installed, since English data is always supplied.

More details about loading and updating language translations can be found in *User Guide: QAD System Administration*.

The Installed field is controlled by the system and cannot be set from the user interface. Only installed languages can be associated with a user in User Maintenance (36.3.1). When a user logs in, the system checks the language code associated with the user record and displays UI elements in that language. Requiring the language associated with a user to be installed prevents a user from logging in and not seeing the correct menus and labels.

Using the Language Function

Use the Language activities (36.4.1) to view all records, create new ones, modify user-defined records, or delete user-defined records. System-defined records cannot be deleted.

Fig. 6.3
Language Modify

Field Descriptions

Language Code. Enter a code (maximum two characters) that identifies a language. This field is mandatory; the code cannot be blank.

Description. Enter a brief description (maximum 24 characters) of the language code. This field is mandatory; the description cannot be blank.

You can optionally enter descriptions in more than one language. See “Using the Translation Option” on page 48.

System Language. This field indicates if the record is supplied with the system or has been added after installation. You cannot delete system-defined records.

Active. Indicate if this is an active record.

The effect of this field is described in “Active and Inactive Records” on page 68.

Installed Language. This read-only field indicates translated labels for this language have been loaded and are available in the system. This field is set either by executing Load Translations (36.24.4) or System Synchronize (36.24.3.2). Only installed languages can be associated with users in User Maintenance (36.3.1)

See *User Guide: QAD System Administration* for details on language loading and system synchronize.

Country

Use the Country activities (36.1.3.1) to create, modify, view, and delete country codes. These codes identify countries and are specified when business relations are defined. Country codes apply to all entities and domains in a database.

Additional attributes of countries can be defined in Country Code Data Maintenance (2.14.1). These attributes are used in operational functions, such as Regulatory Attributes. See *User Guide: QAD Master Data* for details on Country Code Data Maintenance and the QAD Regulatory Attributes module.

The country code associated with an address is used to determine the number and date formats displayed on reports. Internal reports use the country of the user; external reports the country of the sold-to or destination customer or supplier address.

A default set of ISO country codes is supplied with the system.

Fig. 6.4
Country Create

Field Descriptions

Country Code. Enter a code (maximum three characters) that identifies a country. This field is mandatory; the code cannot be blank.

Using the ISO coding structure is recommended because this standard is often required for international communication between banks.

Description. Enter a brief description (maximum 28 characters) of the country. This field is mandatory; the description cannot be blank.

You can optionally enter descriptions in more than one language. See “Using the Translation Option” on page 48.

EU Member. Indicate if the country belongs to the European Union.

This information is used by the system to determine when a transaction relates to an intra-EU inventory movement, and what type of transaction it is. These transaction types display in various tax reports.

If Use Intrastat in Intrastat Control (2.22.24) is enabled, the system automatically creates Intrastat history records for these transactions.

See *User Guide: QAD Financials B* for information on Intrastat.

Postal Format. This field determines where postal codes display on printed addresses. It defaults to the Business Relation function when addresses are added for the country. Valid values are:

After: Postal code prints after the city and state.

Before: Postal code prints before the city and state.

This code affects only addresses printed on documents meant to be mailed, such as invoices, purchase orders, mailing labels, statements, checks, and reminder letters.

Active. Indicate if this is an active record.

The effect of this field is described in “Active and Inactive Records” on page 68.

Tax Format. Specify the format for tax identification and tax declaration numbers associated with this country. This format is used to validate the tax IDs specified in the State Tax ID field in the Tax Information tab of the business relation, customer, and supplier functions when the address references an EU member country.

European VAT registration numbers follow strict formats dictated by regulatory authorities, and vary from country to country. You can find lists of valid formats on Web sites such as the following:

<http://www.kd85.com/euvat.html>

You can right-click to add multiple rows to this grid; some EU countries such as the Czech Republic allow multiple formats.

Use the following characters to build the format:

- 9 is 0–9 only.
- ! is any letter.
- A-Z are treated literally.

Example For tax IDs in Italy, the first two characters must be IT followed by exactly 11 numbers (0-9). To specify the format for Italy, enter IT99999999999.

For Austria, the tax format is the letters AT followed by 9 letters or numbers. To validate for this format you need to create validation rows as follows:

AT9999999999

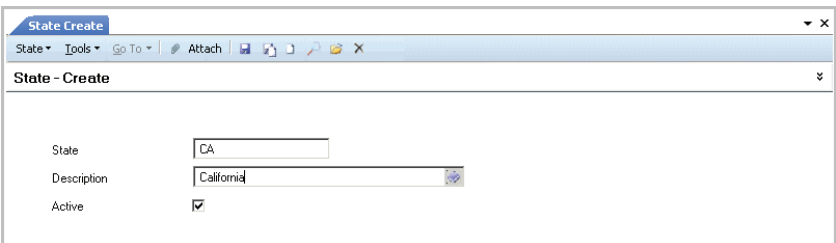
AT!!!!!!!!!!

State

Most countries are subdivided in smaller jurisdictional areas. The names of these areas are defined in the State function and specified when creating business relations.

Note You can also use the State function to define provinces or other types of legal reporting units.

Use the State activities (36.1.3.2) to create, view, and modify state records. You can also delete a record that is not referenced in the system.



The screenshot shows a software window titled "State Create". It has a menu bar with "State", "Tools", "Go To", "Attach", and several icons. Below the menu bar is a title bar "State - Create". The main area contains three fields: "State" with the value "CA", "Description" with the value "California", and "Active" with a checked checkbox.

Fig. 6.5
State Create

Field Descriptions

State. Enter a code (maximum four characters) that identifies a state. This field is mandatory; the code cannot be blank.

Description. Enter a brief description (maximum 40 characters) of the state. This field is mandatory; the description cannot be blank.

You can optionally enter descriptions in more than one language. See “Using the Translation Option” on page 48.

Active. Indicate if this is an active record.

The effect of this field is described in “Active and Inactive Records” on page 68.

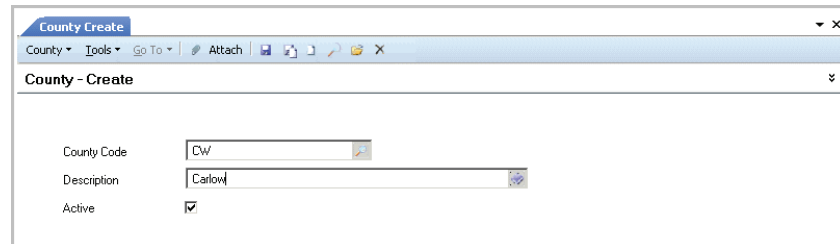
County

Some countries, states, or provinces are subdivided into smaller jurisdictions called counties. Define official county names and specify them when setting up business relations.

Note You can also use the County function to define any smaller regional unit relevant to your country’s jurisdictional organization.

Use the County activities (36.1.3.3) to create, modify, and view county codes. You can also delete a record that is not referred to in the system. You can use the Excel Integration option (36.1.3.3.5) to export records to or load records from an Excel spreadsheet.

Fig. 6.6
County Create



The screenshot shows a software window titled "County Create". The window has a menu bar with "County", "Tools", "Go To", "Attach", and several icons. Below the menu bar is a title bar that says "County - Create". The main area of the window contains three input fields: "County Code" with the value "CW", "Description" with the value "Carlow", and "Active" with a checked checkbox. Each field has a small icon to its right, likely for opening a selection dialog.

Field Descriptions

County Code. Enter a code (maximum three characters) that identifies a county. This field is mandatory; the code cannot be blank.

Description. Enter a brief description (maximum 40 characters) of the county. This field is mandatory; the description cannot be blank.

You can optionally enter descriptions in more than one language. See “Using the Translation Option” on page 48.

Active. Indicate if this is an active record.
The effect of this field is described in “Active and Inactive Records” on page 68.

Corporate Group

Use the Corporate Group activities (36.1.4.2) to create, view, and modify corporate groups. You can also delete a record that is not referred to in the system.
A corporate group is a logical grouping of business relations used for reporting.

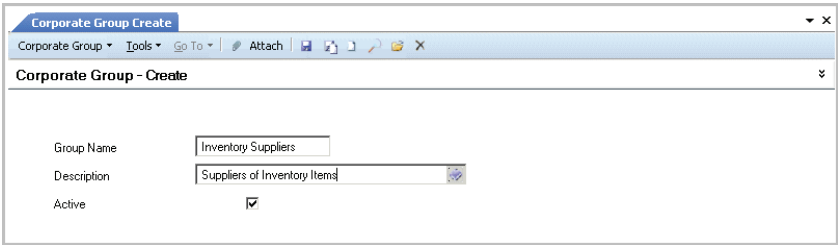


Fig. 6.7
Corporate Group
Create

Field Descriptions

Group Name. Specify a code (maximum 20 characters) that identifies a corporate group. This field is mandatory; the code cannot be blank.

Description. Enter a brief description (maximum 40 characters) of the corporate groups. This field is mandatory; the description cannot be blank.

You can optionally enter descriptions in more than one language. See “Using the Translation Option” on page 48.

Active. Indicate if this is an active record.
The effect of this field is described in “Active and Inactive Records” on page 68.

Address Type

Each business relation can have multiple associated addresses, identified by an address type. Some types are predefined and supplied with the system. The predefined types affect business processing related to addresses.

You can also define your own address types. Any new address types you create can be referenced only in financial functions for reporting and filtering in browses; they are not used in other operational areas.

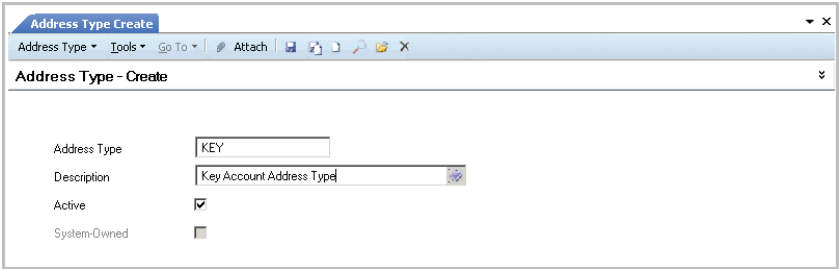
Use the Address Type (36.1.4.1) activities to view all address types, create your own, modify the ones you have created, or delete user-defined types. System-defined types cannot be deleted.

The following table lists the types included with the system.

Table 6.2
System Address
Types

Address Type	Description
Ship-To	Address for receipt of goods and services. This address type is automatically associated with addresses created in the Ship-To Create activity. A business relation can have multiple ship-to addresses.
Dock	Specific location within a ship-to address for receipt of goods. Docks are associated with customers or customer ship-to addresses and used in shipping functions. When you create a dock in Dock Maintenance (7.3.3), you must select a dock address type. A business relation can have multiple dock addresses.
Enduser	Address associated with a customer where service for purchased items is delivered. This address type is automatically associated with addresses you create in End User Create. End users are referenced in the optional Service/Support Management module. You define additional SSM data in End User Data Maintenance (11.9.1). A business relation can have multiple enduser addresses.
Headoffice	Main address of a business organization, and the only address type that is required. You select this address type for records related to your own company, such as your entity address and site, location, salesperson, and employee addresses, as well as for external organizations, such as customers, suppliers, banks, and carriers. Each business relation must have one and only one headoffice address.

Address Type	Description
Reminder	Address where reminder letters are sent, if this is different than the headoffice address. Each business relation can have only one reminder address. This address type is used only in AR financial functions.
Remittance	Address where payments are sent if it differs from the headoffice. Each business relation can have only one remittance address. This address type is used only in AP financial functions.



Address Type Create

Address Type

Tools

Go To

Attach

Address Type - Create

Address Type

KEY

Description

Key Account Address Type

Active

☒

System-Owned

☐

Fig. 6.8

Address Type Create

Field Descriptions

Address Type. Enter a code (maximum 20 characters) that identifies an address type. This field is mandatory; the code cannot be blank.

Description. Enter a brief description (maximum 40 characters) of the address type. This field is mandatory; the description cannot be blank. You can optionally enter descriptions in more than one language. See “Using the Translation Option” on page 48.

Active. Indicate if this is an active record. The effect of this field is described in “Active and Inactive Records” on page 68.

System Defined. This field indicates if this record is supplied with the system or has been added after installation. It cannot be modified. You cannot delete system-defined records.

Autonumbering Sequences

You can set up sequence numbers to be used to automatically generate numbers for:

- Business relations
- Customers and customer ship-tos
- End users
- Suppliers
- Employees

When you leave the code field blank in the activities that create these records, the system supplies a number based on the defined autonumber sequence.

These sequences are all defined in a similar way. However, the scope of the sequence differs for the various types of records:

- Business relation autonumbers are database wide.
- Supplier and customer autonumbers apply at the shared set level.
- End-user autonumbers apply to both a shared set and domain, and both a shared set and domain code must be specified.
- Employee autonumbers apply to each domain, and a domain code must be specified.

Fig. 6.9
Autonumber
Business Relation
Create

Field Descriptions

Type. This field cannot be updated. It automatically displays the type of component that this autonumbering sequence applies to.

Domain. This field applies to numbering sequences for end users and employees. You can set up a separate sequence for each domain by specifying a domain code.

Shared Set. This field applies to customers, suppliers, and end users. Specify the shared set that this numbering sequence applies to.

Next Number. Specify the next number in the sequence. The system will assign this number to the next record created, and will automatically increment the number for each subsequent record.

The number you define must be greater than the number previously defined in the Next Number field.

If you enter a number that has already been assigned to a record, the system displays an error message.

Length. Specify the maximum allowed length for the generated number. The system uses this value to determine the number of leading zeros to add, when required, and to validate automatically generated numbers to ensure they do not become too long.

Suppress Leading Zeros. Select the field to prevent the system from adding leading zeros to generated numbers that are less than the maximum length.

Active. Select the field to enable autonumbering for the relevant function—business relations, customers, suppliers, or employees.

Creating Business Relations

Use the Business Relation activities (36.1.4.3) to create, view, modify, and delete business relation records. You can also use the Excel Integration option to export records to or load records from an Excel spreadsheet.

Business relations can be saved in draft format when Draft Instances is selected in System/User Settings, Change System Setting. When you save a record in draft format, none of the system validations are executed. You can then return later to complete the record by choosing the Business Relation Browse Drafts activity (36.1.4.3.6) and selecting the record you want to finish from the list. See “Saving and Browsing Drafts” on page 33 for details on drafts.

Fig. 6.10
Business Relation
Create

Field Descriptions

Business Relation. Enter a code (maximum 20 characters) to identify the business relation. You can use numerical or alphanumeric codes. To simplify searches, you should adopt a convention that is easily understood.

If you leave the Business Relation field blank, the system automatically generates a number for the record based on the sequence defined in Business Relation Autonumber Create. See “Autonumbering Sequences” on page 288.

Name. Specify the full name (maximum 36 characters) of the business relation. This field sets the default name for linked addresses such as customers and suppliers. Name defaults from the Business Relation field.

Search Name. Specify an alternate name (maximum 28 characters) for finding the business relation. This can be useful for sorting and filtering. Search Name defaults from the Business Relation field.

Second Name. Optionally, enter an extended name (maximum 36 characters) when the Name field is not large enough to contain all information.

Third Name. If needed, enter a third name, required for some regional reports.

Group Name. Specify a corporate group to associate with the business relation for reporting. Click the Go To button to create a corporate group. See “Corporate Group” on page 285.

Active. Indicate if this is an active record.

The effect of this field is described in “Active and Inactive Records” on page 68.

Address Information Tab

A business relation must have a single address of the headoffice type. To add an address, right-click in the Address Information tab and choose Insert a New Row. The Business Relation Address Information screen displays.

Fig. 6.11
Business Relation
Address, Address
Information

Field Descriptions

Name. Specify the full name (maximum 36 characters) of this particular address. Name defaults from the value specified for the business relation. It cannot be modified for the headoffice type.

Search Name. Specify an alternate name (maximum 28 characters) for finding this address. Search Name defaults from the value specified for the business relation. It cannot be modified for the headoffice type.

The name is useful since some address types in the business relation may operate under their own name. For example, a ship-to address for this business relation may have a unique name.

Address Type. Choose an address type from the drop-down list. This field is mandatory.

A set of address types is supplied with the system. You can create new address types using Address Type Create. See Table 6.2 on page 286 for a list of system-supplied address types.

For each business relation, you must create an address with the headoffice address type. Other types of business relation addresses can be created as needed. However, you cannot create any other types until you have created the headoffice address.

It is common for affiliated addresses to operate under different names. For example, a customer ship-to address may have a name that is distinct from the customer address.

The only address types that can be created directly in the business relation are headoffice, dock, reminder, and remittance; you cannot create or delete ship-to and end-user addresses. You must use the Customer Ship-To and End User functions. This prevents ship-to and end-user addresses from being created that are not linked to customer ship-to and end-user records.

Temporary. If the type of this address is ship-to or dock, indicate if the address is temporary. This field is for reference and can be useful for sorting and filtering records.

Ship-to records created in operational functions such as Sales Order Maintenance (7.1.1) are automatically marked as temporary. You can change the setting here if necessary.

Address. Enter up to three lines of address details. Each line can be up to 36 characters. You must enter data in Address Line 1 at a minimum.

Zip. Enter the postal code or US zip code (maximum 10 characters) associated with this address.

Postal codes print on all address reports and documents, based on the setting in the Format field. Some reports can be selected for ranges of postal codes, letting you print reports for specific regions as identified by the postal code. The postal code is also part of the tax zone for the address.

City. Enter the city (maximum 20 characters) for this address. This field is mandatory. City can be used to select a tax zone.

State. Select a valid state or province code for this address. Description displays next to the code. The state is used to select a tax zone.

County Code. Select a valid county code that identifies the county for this address. Description displays next to the code. The county is used to select a tax zone.

Country Code. Select a valid country code that identifies the country where this address is located. Description displays next to the code. This field is mandatory and is used to determine tax defaults.

Format. This field determines where postal codes display on printed addresses. It defaults from the value for the same field defined for the country. Valid values are:

After: Postal code prints after the city and state.

Before: Postal code prints before the city and state.

Language Code. Enter a valid code identifying the language used by this address. The customer ship-to language defaults to sales documents, such as quotes, sales orders, invoices, and service return material authorizations.

You can select orders for printing by range of language codes. This lets you use preprinted forms in different languages. Some financial documents can also be printed in the language of the customer.

Language defaults from the language specified in the General tab, but each address can have a different language if necessary.

Telephone. Enter the telephone number (maximum 40 characters) for calling this business relation address.

Fax. Enter the fax or telex number (maximum 40 characters) to use when sending documents to this address.

E-Mail. Specify the e-mail address associated with this business relation.

Internet. Specify the Web site of this business relation.

Tax Information Tab

Use the Tax Information tab to enter details that determine how taxes are calculated for this address. Tax codes must be set up using functions on the Global Tax Management (29) menu before specifying them here.

You can modify tax data for customers and suppliers. This is important in cases where a customer and a supplier are both linked to the same business relation, but the tax details of the customer must be different than those of the supplier.

See *User Guide: QAD Financials B* for information on Global Tax Management.

Fig. 6.12
Business Relation,
Address, Tax
Information Tab

Field Descriptions

Taxable Address. Select this field if business activities for this address are normally subject to tax. The taxable status of the address defaults to transactions where the address is used.

Note A taxable status does not necessarily mean a tax amount is calculated. You can use tax types and zero-percent tax rates to report tax exemptions.

Tax Is Included. Indicate if line item prices for this address normally include tax. The value of Tax Is Included defaults to the header of transactions created for this address.

Clear: Tax is calculated and added to line item prices.

Select: The prices include tax. During line item entry, the system retrieves the item price, reverse-calculates the tax amount, and displays the item price exclusive of tax.

Federal Tax. Enter the tax ID assigned to this address by the federal or national government.

Tax ID prints on tax reports and other selected documents, such as orders and invoices, where it is legally required.

If Tax Report is selected on the General tab, the Federal tax ID must be unique; otherwise, related business relations can share an ID.

State Tax. For reference and documentation purposes, enter either a state or provincial tax identification number or a VAT registration number. If the country specified for the address is an EU member, the ID is validated based on the tax format associated with the country. See “Tax Format” on page 282.

Miscellaneous Tax 1, 2, 3. For reference and documentation purposes, enter any other tax identification numbers that are useful.

Tax in City. This setting determines whether the address is in the city limits for taxation purposes. It is used only with the Sales and Use Tax Interface for US and Canadian tax processing. See *Technical Reference: QAD Sales and Use Tax Interface*.

Tax Zone. Enter the tax zone for this address, defined in Tax Zone Maintenance (29.2.1). A value is required. The system searches for a default based on the country, state or province, county, city, and postal code of the current address.

If a default is not found, the tax zone specified in Global Tax Management Control (29.24) displays. This normally indicates an error condition and a warning displays when this zone defaults.

The system uses tax zones to help identify the tax environment for transactions involving this address.

Tax Class. Enter a tax class previously defined in Tax Class Maintenance (29.1.5). Tax classes group addresses taxed at specific rates or that are tax-exempt and help determine the default tax environment (set of tax types) for related transactions.

The value of Tax Class defaults to the header of transactions created for this address.

Tax Usage. Enter a tax usage code previously defined in Tax Usage Maintenance (29.1.9). Tax usage codes identify the normal use of items sold to this address.

Tax usage codes, along with tax class and tax date, determine which tax rates apply. Tax rates 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.

The value of Tax Usage defaults to the header of transactions created for this address.

Contact Persons Tab

The Contact Persons tab lets you define detailed information for specific people associated with an address. All fields are optional, except for Name and Language.

You can create as many contacts as you need, and associate them with specific address types for the business relation. You can designate one primary and one secondary contact.

Errors display if you try to designate more than one primary or secondary contact. You must clear the field from the current primary or secondary contact before you can select the field on a different record.

To add a contact, right-click in the Contact Persons grid and choose Insert a New Row. The Contact screen displays.

The screenshot shows a software window titled "Business Relation - Create - Address Info - Contact". Inside the window, there is a form with the following fields and values:

- Title: Mr.
- Name: Pierre Cordon
- Initials: PUC
- Function: Regional Manager
- Gender: Male
- Language Code: fr
- Telephone: 33 2 99 51 98 65 x 4
- Mobile Phone: (empty)
- Fax: 33 2 99 51 98 64
- E-Mail: Pierre@SportsWorld.com

At the bottom of the form, there are two checkboxes: "Primary Contact" (which is checked) and "Secondary Contact" (which is unchecked). Below these checkboxes are "OK" and "Close" buttons.

Fig. 6.13
Business Relation,
Address Contacts

Most fields you associate with a contact are the same as the fields specified in the Address tab for the business relation, with the following exceptions:

- Telephone and Fax fields are a maximum of 20 characters.
- You can specify additional information related to title, gender, and function.

Only one primary contact per address type is allowed. The primary contact corresponds to the Attention 1 field and the secondary contact corresponds to the Attention 2 field in operational addresses.

Primary and secondary contacts are used in call processing in the optional Service/Support Management module. The primary contact displays by default in the Caller field of Call Maintenance when you create new calls for an end user.

When a business relation is associated with an entity, the primary contact is also used in several customer-facing reports. The primary contact name, function, and telephone are used as part of the signature section of reminder letters.

General Tab

Use the General tab to define general information about this business relation.

Fig. 6.14
Business Relation,
General Tab

Address Info		General		Defaults	
Language Code	us			Tax Report	☐
Domain Restricted	☐			Name Control	
Internal Entity	☐			Last Filing	☐
Intercompany Code					
Intercompany	☐				
Customer/Supplier Compensation Allowed	☐				

Field Descriptions

Intercompany. Indicate if the business relation identifies an entity that is a member of a group of entities that trade with each other. When selected, you can enter an intercompany code in the Intercompany Code field.

Note Intercompany transactions are not the same as cross-company transactions, which are always posted to the cross-company accounts associated with the domain. Intercompany transactions are typically recorded for entities that are not defined in your current database.

If the business relation is identified as an internal entity, the Intercompany field is automatically selected and you cannot change it.

Internal Entity. Indicate if the business relation identifies one of your entities within this database. Only records marked as internal display for selection as the address for a new entity.

If this is an internal entity, you can also update the Tax Report, Name Control, and Last Filing fields, which are used for filing 1099-MISC reports in the US.

For internal entities, the Intercompany field defaults to selected, and cannot be changed. You must specify an intercompany code to be referenced in intercompany and cross-company transactions.

You should ensure that you specify a correct primary contact for the headoffice address of an internal entity since it is printed in some AR functions such as Reminder Letters and Customer Statements.

Customer/Supplier Compensation Allowed. Indicate how open items should be managed during payment processing when a customer and supplier are both associated with this business relation.

By selecting this field, you enable open item adjustment and the netting of credits and debits for customers and suppliers using the same business relation. See “Open Item Adjustment” on page 425.

Intercompany Code. When Intercompany is selected, you must enter an intercompany code. This code is linked to GL accounts and GL transactions for this business relation when an intercompany transaction is created. This in turn lets you identify transactions that can be eliminated during consolidation.

Typically you should enter an intercompany code that is the same as the entity code. This field is not validated, so you must plan your intercompany codes carefully.

The code entered here must match the intercompany code entered for GL accounts in order to generate intercompany reports.

The intercompany code must be unique for this business relation.

Tax Report. For an internal company, indicate whether to use this address for 1099 tax reporting. In the United States, the Internal Revenue Service requires companies to submit an annual 1099 form on payments to certain suppliers. Only company addresses are used for 1099 tax reporting.

Clear: This address is not used for 1099-MISC reports.

Select: This is the payer address to appear on 1099-MISC reports.

When this field is selected, you must supply values for name, first line of the street address, city, state, zip code, telephone number, and federal tax ID for the headoffice address. A warning displays when Name Control is blank.

More than one company address record can use the same federal tax ID, but only one of those records can have Tax Report selected. More than one company address record can have Tax Report selected, but only when the federal tax ID is different for each record.

Business Relation Name. For an internal company, enter the IRS magnetic media control code assigned to this company.

In the United States, this code is assigned by the IRS and must be included on all 1099 magnetic media. This code is generally listed on your IRS mailing label and contains some combination of the first few letters of your company name.

When Tax Report is selected, a warning displays when this field is blank.

Last Filing. For an internal company, indicate whether this is the last time your company is filing a 1099-MISC under its current taxpayer ID number.

Select only if your company is going out of business or merging with another company.

Language Code. Enter the code identifying the language used by this business relation. Language defaults from the database language defined in System Maintain (36.24.3.1).

The code specified here sets the default for each address created for the business relation, but can be changed as needed.

The customer ship-to language defaults to sales documents, such as quotes, sales orders, invoices, and service return material authorizations.

You can select orders for printing by range of language codes. This lets you use preprinted forms in different languages.

Master comments are also stored by language. When you update comments during order entry, the system searches for comments stored in the document's language. This lets you quickly access text, such as customs documentation or item descriptions, in the correct language.

Domain Restricted. Indicate if access to this business relation is restricted by domain. A restricted business relation can only be viewed, modified, and reported on in the domain in which it was created. If, for example, the database is organized by domain per country, you can use this restriction to ensure that users cannot accidentally or deliberately use a business relation that belongs to another domain and country.

The value for this field defaults from the Business Relations by Domain field in System Maintain (36.24.3.1). See *User Guide: QAD System Administration*.

Defaults Tab

Use the Defaults tab to specify default values for concepts within an SAF structure. 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. See “SAF Defaulting” on page 210.

Fig. 6.15
Business Relation,
Defaults Tab

SAF Concept Code	SAF Code	Last Modified User	Last Modified Date	Last Modified Time

Field Descriptions

SAF Concept Code. Specify an SAF concept code.

SAF Code. Specify an SAF code.

Setting Up Codes for Customers and Suppliers

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 status codes manage the stages of invoice processing.
- Credit terms manage the calculation of due dates.
- Payment formats create files for electronic delivery to customer and supplier banks.

Figure 6.16 shows the process map for the general data required by customers and supplier.

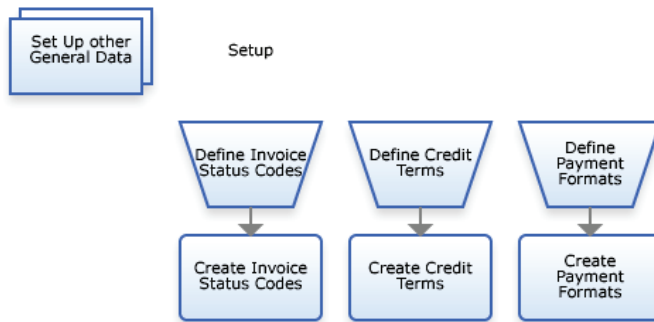


Fig. 6.16
General Data
Process Map

Invoice Status Code

Use the Invoice Status Code activities (36.1.11) to create, modify, view, and delete codes used 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 status codes are primarily used with suppliers. You approve supplier invoices and release them for payment by modifying the invoice status code applied to the invoice. You also control when and how postings occur by specifying an invoice status code with a different allocation status.

See “Allocating, Approving, and Releasing for Payment” on page 628.

The allocation status is typically changed after receiver matching, and you can specify the status the system should use after matching by linking two codes 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.

The following figure shows two status codes: one before matching, and one after. The first code references the second.

Fig. 6.17
Linked Status
Codes

The figure displays two instances of the 'Invoice Status - Create' window. The left window is for a status code named 'ToMatch'. Its fields are: Invoice Status Code (ToMatch), Description (To be Matched with Receiver), Lock Payment (checked), Invoice Approved (unchecked), Allocation Status (No Allocation), Receiver Matching (checked), Status After Match (Matched), and Active (checked). The right window is for a status code named 'Matched'. Its fields are: Invoice Status Code (Matched), Description (Matched Invoice), Lock Payment (checked), Invoice Approved (unchecked), Allocation Status (Allocation), Receiver Matching (checked), Status After Match (empty), and Active (checked).

Note When you define linked status codes; you should work backwards. Define the after matching codes first so they are available when you create the before matching codes. Alternatively, you can use the Go To function to create a second code while you are creating the first.

Sample Invoice Status Codes

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.

Table 6.3
Sample Invoice
Status Codes

Status Code	Description	Lock	Invoice Approved	Allocation Status	Match	Status After
Registered	New Invoice	Yes	No	No Allocation	No	N/A
Registered (PO)	New Invoice	Yes	No	No Allocation	Yes	Complete (PO)
Approved	Approved: Invoice is Valid	Yes	Yes	No Allocation	No	N/A
Approved (PO)	Approved: Invoice is Valid	Yes	Yes	No Allocation	Yes	Complete (PO)
Released	Released for Payment	No	Yes	No Allocation	No	N/A
Released (PO)	Released for Payment	No	Yes	No Allocation	Yes	Complete (PO)

Status Code	Description	Lock	Invoice Approved	Allocation Status	Match	Status After
Posting Prepared	Detailed Posting Prepared	No	Yes	Transient Allocation	No	N/A
Complete	Posting Complete	No	Yes	Allocation	No	N/A
Complete (PO)	Posting Complete	No	Yes	Allocation	Yes	N/A
Hold	On Payment Hold	Yes	Yes	Allocation	No	N/A
Initial	Initiate receiver matching from Initial Invoice	Yes	N/A	No Allocation	Yes	Complete (P/O)

These sample codes 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 status are needed.

Different sets of codes 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 codes for POs have Receiver Matching selected, and specify a code to be assigned—Complete (PO)—when the matching is done. Since you need to define the Complete (PO) code before the others, this type of table is helpful in designing the codes you want to use.

The Hold status code 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 code is used for filtering in reports and determining how invoices are included in finance charge calculations. Invoice status codes do not have a blocking effect on customer invoices and do not form part of the credit checking process.

Creating Invoice Status Codes

Fig. 6.18
Invoice Status Code
Create

Field Descriptions

Invoice Status Code. Enter a code (maximum 20 characters) 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 (maximum 40 characters) of the invoice status. This field is mandatory; the description cannot be blank.

You can optionally enter descriptions in more than one language. See “Using the Translation Option” on page 48.

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 Approve 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:

- Posting to the temporary Unmatched Supplier Invoices account
- 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. In the Matching Posting tab of the supplier invoice, the official daybook will default, but you can select a transient one if you want. This setting can simplify setup in some situations by avoiding having to have two different codes.

Initial Status. Select this field when you are creating an invoice status code to be used for initial invoices. Invoice status codes 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. See “Using Invoice Status Codes” on page 658.

Note You cannot modify this field if the status code has been referenced in the Status after Match field of another code. You also cannot delete a status code that is referenced by another status code.

Status after Match. When No Allocation and Receiver Matching are selected, specify the invoice status code 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 code you specify in this field must have Allocation selected and Receiver Matching set to Yes.

Do not Increment Reminder Count. Select this field to create an invoice status code that prevents reminder levels on customer reminder letters from incrementing. You can use these status codes to create invoices that remain at the same reminder level for each print run.

Active. Indicate if this is an active record.

The effect of this field is described in “Active and Inactive Records” on page 68.

Credit Terms

Credit terms are used to calculate invoice due dates and to apply settlement discounts on early payments. Use credit terms also to define staged payments, which allow multiple payments to be made in stages based on invoice percentages. Credit terms are linked to customers and suppliers, and default when an invoice is created. You can modify these defaults on the invoice.

Types of Credit Terms

Two types of credit terms can be defined:

- Normal, for specifying the due date and any settlement discount that may be given for early payment

- Staged, indicating that multiple payments are made in stages based on invoice percentages:
 - A first amount (x percent) will be paid on due date MMDDYYYY.
 - A second amount (y percent) will be paid on due date MMDDYYYY.
 - A third amount (z percent) will be paid on due date MMDDYYYY.

One credit terms code can contain a combination of types. For example, a long-term construction contract may specify a series of staged payments, with discounts for early payment to be applied to each stage. You can create a credit terms code that defines the stages and the discounts within one structure.

Note When you create a staged credit terms code, the codes that apply to each stage must be of type Normal.

Aging analysis functions take into account the individual amounts and due dates, and show each amount in a separate due column. Payment selection functions also account for the individual amounts and due dates, and select for payment only the part that is actually due.

When staged terms apply to the invoice, the Staged button is enabled in the Supplier Invoice activity.

Fig. 6.19
Supplier Invoice

Supplier Invoice - Create

Supplier Code: egger2 10000 Customer Reference: Staged

Posting: 2007 / 3 / QADAPInv / 23 Due Date: 03/28/2007 TC Invoice Amount: 117.50 US

General Addresses Financial Info Tax SI Posting Matching Posting Matching

Credit Terms: 30/60/90 Due Date: 03/28/2007 Staged

Discount Due Date:

☐ BLWI Group Payment Reference:

Validation Bank Number Own Bank Number Payment Format Payment Ins

Clicking the Staged button displays the various components of the staged credit terms and lets you modify the percentage applied to each.

Fig. 6.20
Staged Credit
Terms in Invoice

Due Date	%	TC Amount	Disc Date	Credit Terms	Descriptic
03/28/2007	40.00	47.00	03/28/2007	30D	30 days from
03/28/2007	30.00	35.25	03/28/2007	60D	2 months
03/28/2007	30.00	35.25	03/28/2007	90D	3 months lat

When a staged credit terms code applies, the system calculates and displays default values, which you can modify as needed.

Each line contains a due date, a percentage, and an amount. When the percentage is entered, the amount is calculated as the percentage of the invoice total. If you modify the amounts, the system verifies that the sum of all amounts entered equals the invoice total or an error displays.

Each due date on the grid must be unique.

When a payment selection is created, you can select invoices based on due date. For invoices with a multi-stage credit terms code, only the due part of the invoice is selected in the payment selection.

Creating Credit Terms

Use the Credit Terms activities (36.1.10) to create, view, modify, or delete a credit terms code. Only credit terms that are not referred to elsewhere in the system can be deleted.

The screenshot shows the 'Credit Terms Create' window. At the top, there's a menu bar with 'Credit Terms', 'Tools', 'Go To', 'Attach', and some icons. Below the menu bar is the title 'Credit Terms - Create'. The main area contains several input fields: 'Credit Terms Code' (a text box), 'Description' (a text box with a small icon on the right), 'Payment Type' (a dropdown menu set to 'Normal'), and 'Active' (a checked checkbox). Below these fields are three tabs: 'Normal', 'Discount', and 'Staged'. The 'Normal' tab is selected. Inside the 'Normal' tab, there are two columns of fields. The left column has 'Period Type' (a dropdown set to 'Days'), 'No of Periods' (a text box with '0'), 'Supplementary Days' (a text box with '0'), and 'Min Due Days' (a text box with '0'). The right column has 'Base Date' (a dropdown), 'Base Days' (a text box with '0'), 'Grace Days' (a text box with '0'), 'Terms Interest Percentage' (a text box with '0.00'), and 'Daily Overdue Int Percentage' (a text box with '0.00').

Fig. 6.21
Credit Terms
Create

Field Descriptions

Credit Terms Code. Specify a code (maximum of eight characters) that identifies this credit term. You cannot modify existing credit term codes. This field is mandatory; the code cannot be blank.

Description. Enter a brief description (maximum 40 characters) of the credit term. This field is mandatory; the description cannot be blank. You can optionally enter descriptions in more than one language. See “Using the Translation Option” on page 48.

Payment Type. Select the type of payment: Normal or Staged.

The payment type determines which tabs can be used to configure the credit terms code. Normal and Discount are used with normal payment type; Staged is used with the Staged payment type.

Active. Indicate if this is an active record.

The effect of this field is described in “Active and Inactive Records” on page 68.

Normal Tab

Use the Normal tab to define settings that determine invoice due dates for Normal credit terms.

Field Descriptions

Period Type. Choose the period type from the drop-down list that is used as the base for due date calculation. Calculations can be based on days, weeks, fortnights, months.

In each case, the system calculates the due date starting from the invoice date, and adds the number of periods (for example, weeks or months) indicated in the next field.

Days: The system calculates the due/discount date by starting from the invoice date and adding the number of days indicated in the No of Periods field.

Months: The system calculates the due/discount date by starting from the invoice date, going to the end of the invoice month, adding the number of calendar months indicated in the No of Periods field, then adding the number of days specified in the Supplementary Days field.

Fortnight: If the invoice date is prior to 15th of the month, the system uses 15th of the month as the starting point for discount/due date calculations. If the invoice date is after 15th, the system uses the end of the invoice month as the starting point in its calculations. Finally, if the invoice date falls on 15th or last day of month, the invoice date is used as the starting point.

Week: The system uses the date of the Saturday after the invoice date as the starting point for discount/due date calculations or the invoice date if it is Saturday. You can use this calculation so that the payment due date always falls on a Saturday of the following month, depending on the invoice date.

No of Periods. Indicate the number of periods to take into account when calculating the due date.

Supplementary Days. Specify the number of days that should be added to the normal calculation date. This value applies only when you select the period type Month.

Min Due Days. Specify the minimum number of days in which the payment must be made. This prevents creating invoices with unreasonable due dates. If an invoice is created near the end of the month and a due date is set for the end of the month, it is not reasonable to expect it to be paid. If the number of days between the invoice creation date and the end of month is less than the minimum number of due days, the payment due date is moved to the next period.

Example An invoice is created on October 31 with credit terms specifying payment at the end of the month, with due days of 10, and minimum due days of 15. Using these terms, the due date is calculated as November 10 (October 31 + 10). Next, the system compares the minimum due days (15) to the difference between the due date and the invoice date (November 11 – October 31). The difference is less than the minimum due days, so the due date is moved to the next period. In this case, the original due date of November 10 is changed to December 10.

Base Date. Specify a base date to be used as the start date for the due date calculation, instead of the invoice creation date. Do this in situations where goods are shipped in advance of a negotiated invoice date but payment is made relative to the invoice date.

The system uses the later of the invoice date and base date as the starting point for the due date calculation and the earlier of the base date and invoice date as the starting point for the early payment discount date calculation.

Base Days. Specify the number of calendar days by which the due date and early payment discount date are extended. When the system calculates due or discount dates, it appends Base Days to the calculated date.

Grace Days. Specify the number of days to be added to the financial due date of an invoice, after which interest charges are calculated.

Terms Interest Percentage. Specify a percentage to be used to calculate an amount to be added to the item list price. This percentage is based on the number of days to pay that are defined in the credit terms. When terms interest is used, it accrues the estimated inflation increase in sales and purchases.

Terms interest is typically used in hyperinflation environments to calculate an advance estimate of the currency gain/loss in the hyperinflationary currency.

- For purchasing, GL terms interest entries are created at PO receipt and update interest accrued and applied accounts specified in Purchasing Accounting Control (36.9.5).
- For sales, GL terms interest entries are created at invoice post, and update accrued and applied interest accounts set in Sales Order Accounting Control (36.9.6).

Daily Overdue Int Percentage. Specify an interest percentage to be charged per day for overdue payments. This option is used in specific accounting environments only.

Discount Tab

Use the Discount tab to define the data that determines settlement discounts on early payments for Normal credit terms.

Fig. 6.22
Credit Terms,
Discount Tab

Normal Discount Staged	
Discount Percentage	0.00
Period Type	Days
No of Periods	0
Supplementary Days	0

Field Descriptions

Discount Percentage. Specify a discount percentage to be applied for prompt payments with this credit terms code. The default percentage is zero, and you must specify the actual discount percentage in this

field, and not the payment percentage. For example, to apply a discount of 2% on settlement of the payment, you enter 2 as the value, and not 98.

Period Type. Choose the period type from the drop-down list: days, weeks, fortnights, months.

No of Periods. Enter the number of periods to take into account when calculating the due date.

Supplementary Days. Specify the number of days that should be added to the normal calculation date. This value applies only when you select the period type Month.

Staged Payments Tab

Staged payments consist of a series of normal credit terms, staggered over time periods. Enter a credit term code and percentage of payment for each stage of the payment. The description of the credit terms code is displayed for reference. The payment percentages must total 100%.

Each credit term code that you enter for a stage must be unique and of type Normal.

Example For a staged credit term code consisting of three stages, create the following codes for each of the stages: PC001, PC002, and PC003. Create a separate code for the staged payment: SP1.

Normal	Discount	Staged
Credit Terms	Percentage	Description
30D	20.00	30 days from the date of the invoice
60D	40.00	2 months
90D	40.00	3 months later

Fig. 6.23
Credit Terms,
Staged Tab

Payment Formats

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 Maintenance.

Preconfigured formats are available on the QAD Support Web site 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 Format Import” on page 324.

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. See “Linking Payment Formats to Bank Accounts” on page 326.

Manual or paper payments and electronic payments are treated differently in the system, and require different formats.

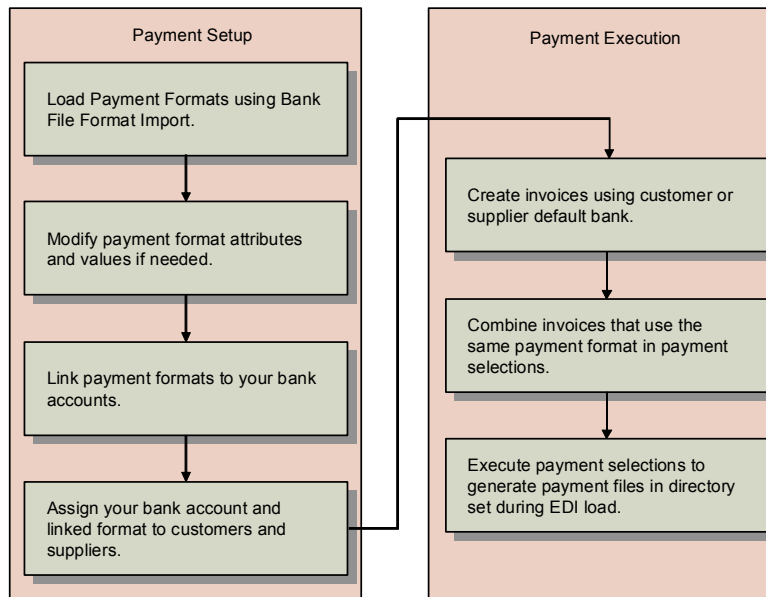
The system lets you change the default bank account and payment format within a supplier payment selection, provided the status of the selection is initial, and the bank account and linked format have already been configured. See “Changing Bank Accounts on a Payment Selection” on page 713.

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 figure illustrates the general flow. This figure assumes that you have already created bank account validations and defined your entity banks. See “Bank Account Formats” on page 760 and “Entity Bank Accounts” on page 760.

Fig. 6.24
Setting Up Payment
Data



- 1 Load the payment formats you need using Bank File Format Import. This function imports predefined file formats for electronic bank files.

Note You can also use Payment Format Excel Integration to create a template and load data. See “Integrating with Microsoft Excel” on page 61 for details. However, this is typically not required, since Bank File Format Import provides this data for you.

- 2 Typically, no changes are needed to these formats, but if necessary attributes and values can be changed. See “Payment Format Maintenance” on page 319.
- 3 Link the payment formats to your entity bank account using Bank Payment Format Link (25.11.2). See “Linking Payment Formats to Bank Accounts” on page 326.
- 4 Associate your bank account and the correct linked format with the customer and supplier bank account numbers specified on the Banking tab of the Customer or Supplier function. See “Associating Your Bank with Customers or Suppliers” on page 328.

- 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. These activities are described in “Customer Payments” on page 532 and “Processing Payables” on page 688.

Payment Format Maintenance

Use Payment Format Maintenance (25.11.1) to view and modify payment formats, their attributes, and attribute values. You can also create a new format by adding a new row in the grid and specifying its attributes. You must ensure that these attributes match the requirements of the banking system to which you will send the payment.

For electronic payment formats, most users will use Bank File Format Import 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. See “Bank File Format Import” on page 324.

Once you have used a payment format in a payment, you cannot subsequently modify the format code, but 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. See “Changing Bank Accounts on a Payment Selection” on page 713.

Fig. 6.25
Payment Format
Maintenance

The screenshot shows the 'Payment Format Maintenance' window. It contains a table with the following columns: Format Name, Module, Payment Ty, Active, Payment Instrument, and Invoices per check. Below this is a section for 'Attribute Name', 'Description', 'Data Type', 'Input Option', 'Level', and 'Mandatory'. The table lists several attributes including 'reason', 'Attribute Valu', '1Goods', '2Service', 'costs', 'goods type', and 'commerz numb'. Each attribute has a corresponding description, data type, input option, level, and mandatory status. The window also includes a 'Payment Format - Maintain' header and a 'Payment Format' dropdown menu.

Format Name	Module	Payment Ty	Active	Payment Instrument	Invoices per check
DMTEST	Accounts Receivabl	Both	☒	Check	0
DTAUSZ	Accounts Payable	Both	☒	Electronic Transfer	0

Attribute Name	Description	Data Type	Input Option	Level	Mandatory
reason	Reason for paymen	Text	Selectable	Payment	☒
Attribute Valu	Description	Active	Default	Type	Group Code
1Goods	Sales of goods	☒	☒	DTAUSZ	1 11.
2Service	Sales of services	☒	☐	DTAUSZ	1 11.
costs	Cost Benif/Our	Text	Selectable	Payment	☒
goods type	Goods type	Text	Both	Invoice	☒
commerz numb	Commerz ID numb	Integer	Selectable	Header	☒

Format Name	Module	Payment Ty	Active	Payment Instrument	Invoices per check
EURCheque	Accounts Payable	Both	☒	Check	0
LSTest	Accounts Payable	Both	☒	Electronic Transfer	0

Field Descriptions

Format Name. Enter a name for 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 (in the Banking tab of Account Create) is the same as the validation specified for the customer or supplier bank (in the Banking tab of Customer Create or Supplier Create), 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, only formats marked as foreign or both can be used.

See “Bank Account Formats” on page 760.

Active. Indicate if this is an active record.

Currency. Specify a currency for the payment format.

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 532 and “Processing Payables” on page 688 for descriptions of these instruments.

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.

Type Description. Enter a brief description (maximum 40 characters) of the payment format.

TP Site, TP Address, Subsystem. These fields display information used in the EDI eCommerce load program.

Payment 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 create a new attribute by selecting the format row in the grid and adding a child row to the 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. This is described in “Changing Payment Attributes on a Selection” on page 713.

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. These 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 Create screen. See “Supplier Payment Selections” on page 703 and “Customer Payment Selections” on page 562.

Payment-level attributes. These 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. These attributes are used to provide invoice information in the payment file. These attributes can be modified during the creation of the invoice.

Fig. 6.26
Payment Attributes

Format Name	Module	Payment Ty	Active	Payment Instru	Invoices per check
DMTEST	Accounts Receivabl	Both	☒	Check	0
DTAUSZ	Accounts Payable	Both	☒	Electronic Transfe	0
Attribute Name	Description	Data Type	Input Option	Level	Mandatory
reason	Reason for paymen	Text	Selectable	Payment	☒
Attribute Value	Description	Default	Type	Group Code	Active
1Goods	Sales of goods	☒	DTAUSZ	1	☒
2Service	Sales of services	☐	DTAUSZ	1	☒
Attribute Name	Description	Data Type	Input Option	Level	Mandatory
costs	Cost Benif/Our	Text	Selectable	Payment	☒
goods type	Goods type	Text	Both	Invoice	☒
commerz number	Commerz ID numb	Integer	Selectable	Header	☒

Field Descriptions

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.

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 Code. This field is an internal reference ID for a set of attributes.

Last Modified User/Date/Time. 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.

Payment Attribute Values

Assign values to an attribute by selecting the attribute row in the grid and adding a child row to the attribute.

Field Descriptions

Attribute Value. Enter a text or numerical value for the attribute, depending on the attribute data type. When you enter multiple values, you must select one when creating the payment.

Description. Enter a brief description (maximum 40 characters).

Active. Indicate if this is an active record.

The effect of this field is described in “Active and Inactive Records” on page 68.

Default. Select this value as the default value to be displayed in the payment create screen.

Last Modified User/Date/Time. These read-only fields display the ID of the user who last updated this record and the date and time of update.

Bank File Format Import

Use Bank File Format Import 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 Format Maintenance. You can then link this format to the bank account you intend to use for electronic payments.

The format definition files are usually delivered by the bank in zipped XML format. You unzip the files to a server directory and then load the files into the system using the Import function.

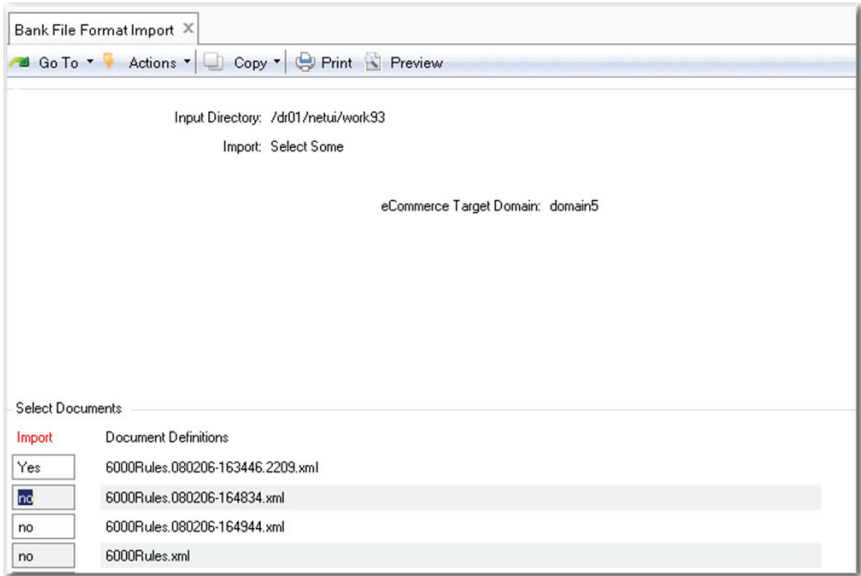


Fig. 6.27
Bank File Format
Import

Field Descriptions

Input Directory. Specify the input directory from which to load the XML definition files. This is the same server directory in which the original bank files were stored.

Import. Choose from the following selection options:

Select All. All the format files in the directory are imported, and a payment format is created for each one.

Select Some. Select one or multiple files to import. The system displays the Select Documents frame, which is a list of the format files available in the input directory.

You can use the keyboard arrow keys to scroll through the list of available import files before selecting. Press the space bar or use the Enter key to select a file. Press F1 or F4 to exit this selection screen.

eCommerce Target Domain. This read-only field indicates the eCommerce domain into which the trading partner information is loaded. eCommerce domains are associated with one or many QAD domains and are described in *User Guide: QAD EDI eCommerce*.

The system prompts you to confirm that all information is correct. Choose No to cancel the import.

Note You cannot overwrite existing format files of the same name.

When the import is completed, review the log file in the import directory for errors or warnings. For example, the function directory may not exist, or a user-defined function may not compile correctly. This log file is named:

```
library-import-<today's date>-(nn).log
```

and is stored in the input directory.

Optionally, for outbound definitions, verify the destination directory and file name counter in Transmission Group Maintenance (35.13.13). These fields define where exported files are written and which eCommerce NRM sequence is used to generate file names.

Note The Transmission Group name matches the Trading Partner ID and also maps to the bank format name.

Linking Payment Formats to Bank Accounts

Use Bank Payment Format Link (25.11.2) 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.

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. See “Supplier Payment Selections” on page 703.

Once you select a format, the system loads the format details into the grid as read-only fields.

Fig. 6.28
Bank Payment
Format Link

Payment Format	Active	Next Pre-Printed No	Extension	Validation	Bank File Format	AR/AP
Default AR PayForm	☒			XX		Accounts Receiva
Check Form 1	☒	0		XX		Accounts Payable
AR Attrib	☒	0		XX		Accounts Receiva
AP Draft	☒	0		XX	Draft	Accounts Payable
AP Transfer	☒	0		XX		Accounts Payable
AR Draft	☒	0		XX		Accounts Receiva
AP Check	☒	0		XX		Accounts Payable
FR-VCDM-AP	☒	0		XX		Accounts Payable

Field Descriptions

Own Bank Number. Select the account number of the bank account to which you want to link a payment format.

Entity Code. 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.

Payment Format. Specify a payment format to link to the bank account.

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. See “Printing and Voiding Supplier Checks” on page 725.

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 Format Maintain. See “Setting Up Bank File Formats” on page 329.

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.

Note Customer payment selections for direct debits are automatically defined as automatic payments. See “Customer Payment Selections” on page 562.

Payment Type. This field displays the payment type for this format: Domestic, Foreign, or Both. See “Payment Format Maintenance” on page 319.

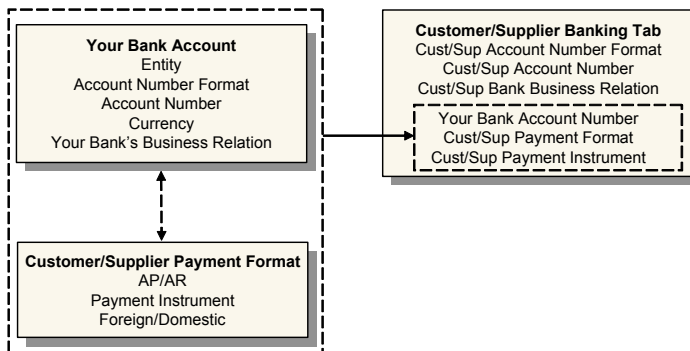
Bank Account. Specify the GL account of type bank to which you want to link this payment format. The lookup displays the bank account number, and retrieves only GL accounts for which an account number has been defined.

Last Modified User/Date/Time. These read-only fields display the ID of the user who last updated this record and the date and time of update.

Associating Your Bank with Customers or Suppliers

You set up the relationships between your entity bank account and customer and supplier accounts on the Banking tab of the customer and supplier definitions. See “Banking Tab” on page 343.

Fig. 6.29
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. The business relation you specify for the customer or supplier in the Banking grid is that of the customer or supplier's bank.

Once you have completed the setup, the system automatically loads the account and format details when you create a customer or supplier payment.

The Financial Info tab 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. Create a new line in the grid 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 tab of the supplier definition. See "Changing Bank Accounts on a Payment Selection" on page 713.

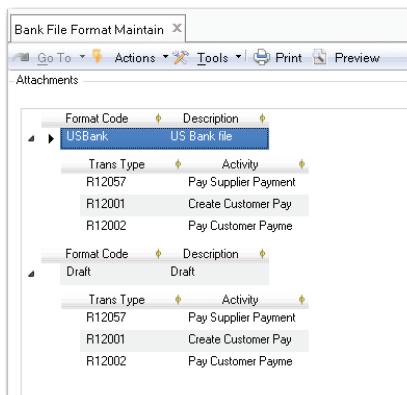
Setting Up Bank File Formats

Use Bank File Format Maintenance to view and configure bank payment formats for use with automatic payments from bank payment files. The transactions within bank payment 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.

See "Processing Bank Payment Files" on page 765.

Fig. 6.30
Bank File Format
Maintain



Format Code. This field displays the format code. For new formats, right-click the grid to insert a new line.

Description. This field displays the format description. For new formats, enter a brief description (maximum 20 characters).

Transaction Type. This field displays the transaction code provided by the bank. For new transaction codes, right-click the format code line and insert a child row.

Activity. This field displays the activity that is mapped to the transaction code. For new transaction codes, choose an activity from the drop-down list:

- Create Customer Payment
- Pay Customer Payment
- Pay Supplier Payment
- Bounce Customer Payment
- Bounce Supplier Payment
- Create Banking Entry
- Other

Setting Up Customers

Customers represent the companies that purchase your goods and services. They are referenced on sales quotations, sales orders, invoices, and in accounts receivable. They are also used for service and support documents, such as calls, contracts, and return material authorizations (RMAs).

Customers are created and all financial related data, such as credit limits and accounts, are defined by designated users with access to financial functions. After a customer has been created and set up by an authorized role, additional operational data, such as the default inventory site for sales transactions, can be associated with the record in Customer Data Maintenance (2.1.1). See *User Guide: QAD Master Data* for details.

Figure 6.31 shows the process map for creating customer data.

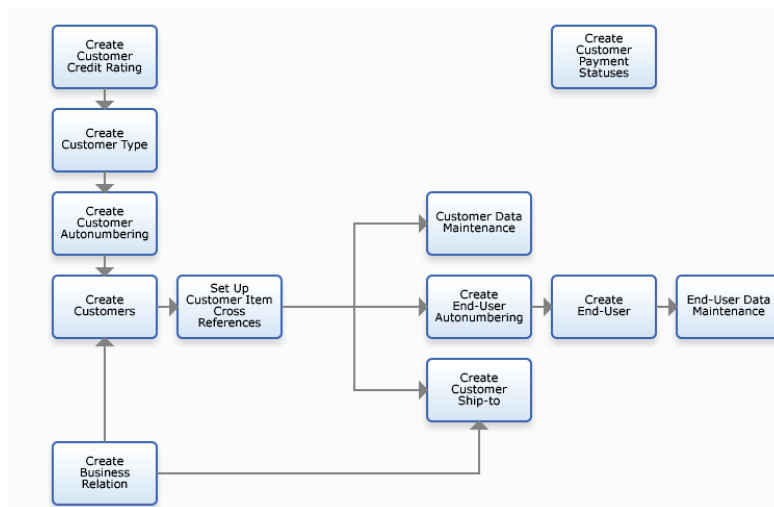


Fig. 6.31
Create Customer
Process Map

Note The customer cannot be used in operational functions until this data is set up.

Values associated with customer addresses determine default values in functions that reference customers, as well as determining how customer transactions are processed. For example, Credit Hold determines whether orders for a customer are automatically put on credit hold.

A sales order or sales quotation can reference up to three customer addresses. These addresses can reference the same business relation or different business relations.

- *Sold-to customer.* The customer placing the order.
- *Bill-to customer.* The customer paying the invoice. A single bill-to is assigned when the customer is set up. If no bill-to is assigned, the sold-to customer code is used as the bill-to.
- *Ship-to customer.* The customer receiving the order. Ship-to customer IDs are set up in the Customer Ship-To function. Each customer can have multiple ship-to addresses.

Sales order header information, such as default credit terms and currency, is determined by the bill-to customer. Other fields default from the sold-to customer, unless a customer record was entered for the ship-to address for the order. These include language, taxable status, and other tax defaults.

During order entry, the bill-to address defaults from the sold-to, unless a different bill-to address is assigned to the sold-to customer. The ship-to address also defaults from the sold-to address. If alternate ship-to addresses are defined, they can be selected as needed.

Before setting up customers, you must first define customer type codes and credit rating codes, described next. Customers also require GL profiles for defining:

- Control accounts for invoices
- Control accounts for credit notes
- Customer bank accounts
- Sales accounts

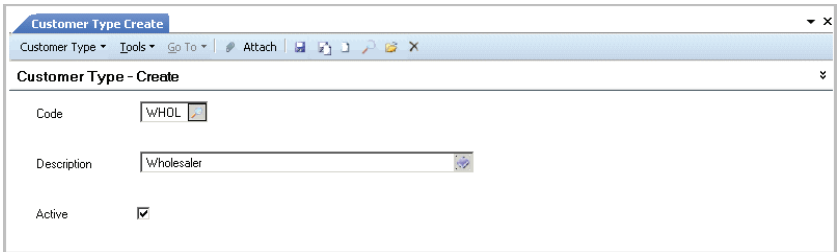
You must set up the accounts and profiles before defining customers.

See Chapter 5, “Setting Up General Ledger,” on page 131.

Customer Type

Use the Customer Type activities (27.20.4) to create, modify, view and delete codes for grouping customers. You can use customer type to select groups of customers for reporting, in particular for sales analysis reports. Customer types are system-wide data and apply to all domains and entities.

You can also define GL sales accounts by customer type, channel, product line, and site in Sales Account Maintenance (1.2.17). This lets you separately track sales and cost of sales amounts for different types of customers.



The screenshot shows a software window titled "Customer Type Create". The window has a menu bar with "Customer Type", "Tools", "Go To", "Attach", and several icons. Below the menu bar is a section titled "Customer Type - Create". This section contains three fields: "Code" with the value "WHOL", "Description" with the value "Wholesaler", and "Active" with a checked checkbox.

Fig. 6.32
Customer Type
Create

Field Descriptions

Type. Enter a code (maximum four characters) that identifies a customer type. This field is mandatory; the code cannot be blank.

Description. Enter a brief description (maximum 40 characters) of the customer type. This field is mandatory; the description cannot be blank.

You can optionally enter descriptions in more than one language. See “Using the Translation Option” on page 48.

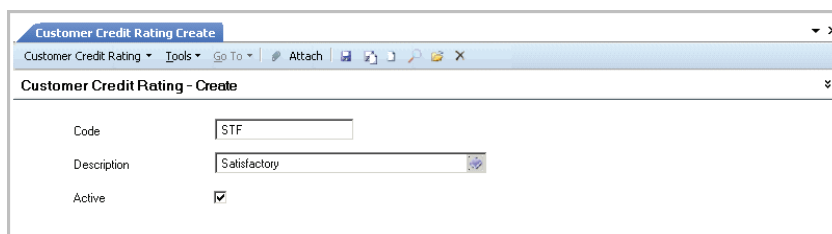
Active. Indicate if this is an active record.

The effect of this field is described in “Active and Inactive Records” on page 68.

Customer Credit Rating

Use the Customer Credit Rating activities (27.20.5) to create, modify, delete, and view codes for ranking customers by creditworthiness. You can use customer credit rating to select groups of customers for reporting. Customer credit rating codes are system-wide data and apply to all domains and entities.

Fig. 6.33
Customer Credit
Rating Create



Code	STF
Description	Satisfactory
Active	☒

Field Descriptions

Code. Enter a code (maximum eight characters) that identifies a customer credit rating. This field is mandatory; the code cannot be blank.

Description. Enter a brief description (maximum 40 characters) of the rating. This field is mandatory; the description cannot be blank.

You can optionally enter descriptions in more than one language. See “Using the Translation Option” on page 48.

Active. Indicate if this is an active record.

The effect of this field is described in “Active and Inactive Records” on page 68.

Customer Bank Account Numbers

You can use Bank Number Import (27.20.1.9) to load bank numbers using Excel Integration. You can also export the data to Excel for update or review.

Note This same function is available for suppliers; the description here applies to both customers and suppliers.

For a description of how to import data from Excel, see “Integrating with Microsoft Excel” on page 61.

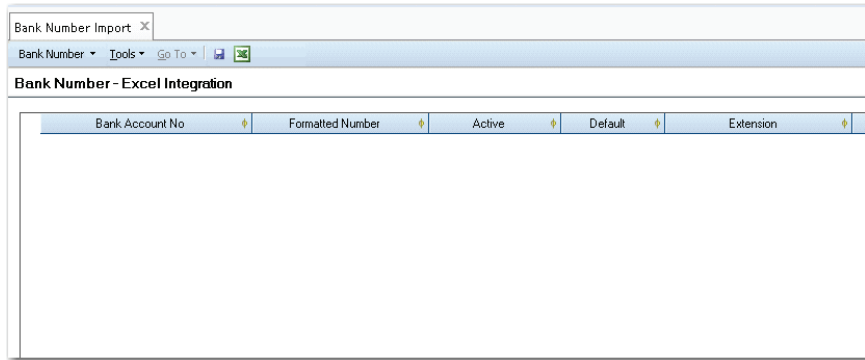


Fig. 6.34
Customer Bank
Number Import

Field Descriptions

- Bank Account Number.* Specify the bank account number.
- Formatted Number.* This field displays the formatted bank account number. See “Bank Account Formats” on page 760.
- Active.* Indicate if this is an active record.
- Default.* Specify the default bank account number.
- Extension.* Specify the bank extension number.
- Validation.* Indicate if the account number must be validated.
- SWIFT Code.* Specify the SWIFT code.
- Type.* Specify the parent type: Customer, Supplier, or GL.
- Branch.* Specify the branch associated with the bank.
- Parent Object Code.* Specify a customer, supplier, or GL code.
- Business Relation Code.* Specify the bank business relation code.
- Curr.* Specify the currency code of the bank account.
- Entity Code.* Indicate for which entity the bank number can be used.

Own Bank Number. Specify the number of your bank to be associated with this customer or supplier bank.

Payment Format. Specify the code set up in Payment Format Maintain associated with your bank account number.

Payment Instrument. Specify the payment instrument associated with the payment format associated with your bank account.

Referenced. This field indicates if the account is already referenced within the system.

Bank Account Format. Specify the code set up in Bank Account Format Create for validating this bank account number.

Last Modified Date/Time and User. These read-only fields display the ID of the user who last updated this record and the date and time of update.

Creating Customers

Use the Customer activities (27.20.1) to create, view, modify, or delete a customer. Account profile details cannot be modified if transactions already exist. A record can be deleted only if it is not referred to in the system. Instead, you can mark the record inactive.

Customers can be saved in draft format when Draft Instances is selected in System/User Settings, Change System Setting. When you save a record in draft format, none of the system validations are executed. You can then return later to complete the record by choosing the Customer Browse Drafts (27.20.1.7) activity and selecting the record you want to finish from the list. See “Saving and Browsing Drafts” on page 33 for details on drafts.

The Customer function supports these additional activities:

- Use Customer Maintain Credit Limit (27.20.1.6) to adjust the customer credit information. This displays exactly the same tab that displays in Customer Create. See “Credit Limit Tab” on page 346.

- Use Customer Activity Dashboard (27.18.1) to view all customer credit-related information, including open items and payments, for one or multiple entities. From this view, you can drill down to the details of the invoices and credit notes. See “Credit Reporting and Views” on page 573 for details.
- Use Excel Integration (27.20.1.5) to export customer records to or load records from an Excel spreadsheet. See “Integrating with Microsoft Excel” on page 61 for details.
- Use Customer Bank Number Import (27.20.1.9) to import data related to customer banks.

After creating a customer here, specify additional operational data in Customer Data Maintenance (2.1.1). An e-mail is automatically sent to the members of the CustomerNotify role responsible for creating this data when a new customer is created.

Fig. 6.35
Customer Create

The screenshot shows a web-based form titled "Customer Create". At the top, there is a navigation bar with "Customer" and "Tools" menus, and a "Go To" button. Below this is a sub-header "Customer - Create". The form contains several input fields and checkboxes. The "Customer Code" field is set to "52046-B". The "Business Relation" field is set to "52046-A". The "Active" checkbox is checked. The "Bill-To Customer" field is empty. Below these fields is a tabbed interface with tabs for "Business Relation", "Accounting", "Payment", "Banking", "Defaults", "Credit Limit", "Tax Info", and "Comments". The "Business Relation" tab is selected, showing a form with the following fields: "Name" (Sports World Distribution Center), "Address" (10000 Third Street), "Zip/City" (93013 Summerland), "Country Code" (US United States of America), "State" (CA California), "County" (empty), "Telephone" (805-708-8887), "Fax" (empty), "E-Mail" (info@sportsworld.com), and "Internet" (www.sportsworld.com).

Field Descriptions

Customer Code. Specify a code (maximum eight characters) that identifies a customer. If the code you specify matches an existing supplier code, a warning message displays. You can choose to ignore

the warning, and create the record. However, when a supplier and customer share the same code, they must reference the same business relation.

If you leave the Customer Code field blank, the system automatically generates a number for the record based on the sequence defined in Customer Autonumber Create. See “Autonumbering Sequences” on page 288.

Business Relation. Choose a business relation code to associate with this customer. Address and contact details default from the headoffice address type of the business relation; you cannot modify the details here. After you have created a customer, you cannot modify the associated business relation.

Note You can create a new business relation for the customer if necessary by clicking the Go To icon next to this field.

Active. Indicate if this is an active record. When you mark a record as inactive, all of the transactions that can be blocked in Blocked Transaction Maintenance (2.23.1) can no longer be completed. For example, you cannot create a new sales quote or order for the customer.

The effect of this field is described in “Active and Inactive Records” on page 68.

See *User Guide: QAD Master Data* for details about blocked transactions.

Bill-To Customer. Enter an optional code that identifies another customer that receives the bills for this customer.

Business Relation Tab

The Business Relation tab displays the address information defined for the associated business relation. You cannot modify this data here. See “Address Information Tab” on page 291 for details about these fields.

Accounting Tab

Use the Accounting tab to set up control accounts and other accounting information.

The screenshot shows the 'Accounting' tab of a 'Customer Create' window. The tab bar at the top includes 'Business Relation', 'Accounting' (which is highlighted), 'Payment', 'Banking', 'Defaults', 'Credit Limit', 'Tax Info', and 'Comments'. The main area contains several fields, each with a selection icon to its right:

- Control GL Profile (Invoice)
- Control GL Profile (Credit Note)
- Control GL Profile (Pre-payment)
- Sales Account GL Profile
- Finance Charge Profile
- Sub-Account Profile
- Currency Code: USD
- Customer Type

Fig. 6.36
Customer Create,
Accounting Tab

Field Descriptions

Control GL Profile (Invoice). Specify the valid, active GL profile of type Customer Account used to determine the accounts receivable GL control account for invoices. This field is required.

Control GL Profile (Credit Note). Specify the valid, active GL profile of type Customer Account used to determine the accounts receivable GL control account for credit notes. This field is required.

Control GL Profile (Prepayment). Specify the valid, active GL profile of type Customer Account used to determine the accounts receivable GL control account for prepayments. This field is required.

All functions that create prepayments use the GL account linked to this profile, including Banking Entry, Open Item Adjustment, Customer Payment Create, Supplier Payment Create, and Supplier Payment Selection.

Sales Account GL Profile. Specify the valid GL profile of type Sales Account used to determine the account for sales. This field is required.

Finance Charge Profile. Specify the valid, active GL profile of type Sales Account used to determine the account for finance charge postings. This field is required when the Finance Charge field in the Payment tab is selected.

When finance charges are calculated, amounts are posted to accounts in this profile.

Sub-Account Profile. Optionally specify a default sub-account profile. If the account specified by the Control GL Profile (Invoice) of the customer requires a sub-account, the value used is either:

- The sub-account found in this profile, if specified
- The default sub-account associated with the GL control account

Currency Code. Specify the currency code for this customer. Currency defaults from the current domain base currency, but can be modified.

Customer Type. Enter an optional code classifying customers by type. For example, you might classify customers as type RET for retail customers and WHSL for wholesalers. You can use customer type to select groups of customers for reporting, in particular for sales analysis reports.

You can also define GL sales accounts by customer type, channel, product line, and site in Sales Account Maintenance. This lets you separately track sales and cost of sales amounts for different types of customers.

Define type codes in Customer Type Create, described on page 333.

Payment Tab

Use the Payment tab to enter details on how payments from this customer are managed.

Fig. 6.37
Customer Create,
Payment Tab

Field Descriptions

Credit Terms. Specify the default credit terms for this customer. This field is required. See “Credit Terms” on page 308 for details.

Invoice Status Code. Specify the default invoice status for invoices for this customer. This field is required.

Generally, you specify a status that indicates invoices are uncontested. A contested invoice is typically a special condition. See “Invoice Status Code” on page 303 for details.

Payment Group. Specify a payment group in which you want to include this customer.

Invoice by Authorization. Indicate how invoice totals should be calculated and displayed for this customer.

Clear: Invoice totals are calculated by line. This is the typical method for calculating totals, unless the customer is using AR Self-Billing.

Select: Invoice totals are calculated by authorization number. The printed invoice includes the price and amount for each authorization line, as well as the total for all authorization lines. The extended price for each invoice line item is not displayed.

This field is important for customers using the AR Self-Billing module and ensures that rounding errors do not occur between the AR amount calculated by Self-Bill Payment Application and the invoice amount. Rounding errors can prevent invoices from being closed or create unapplied payments.

Select this option if this customer typically pays invoices for items on scheduled orders using authorization numbers. When the self-payment is applied by authorization number, the amounts match exactly.

The value you specify in this field sets the default for the same field in Scheduled Order Maintenance (7.3.13). It can be changed for individual orders as needed. See *User Guide: QAD Financials B* for details on self-billing.

Finance Charge. Select this field to make this customer's accounts liable for finance charges. If the customer has past due balances, finance charges are levied.

Clear this field to disable finance charge calculation for this customer. See "Finance Charges on Overdue Payments" on page 585 for more information on how finance charges are calculated.

Note You can use invoice status codes to keep individual customer invoices from being included in finance charges.

Statement Cycle. Specify a value to indicate how often you normally print AR statements for this customer.

The system checks the value of this field when generating statements for customers with Print Statement selected. You can select statements to print on a regular basis for each customer based on their cycle code.

BLWI Group. Specify the default group associated with this customer for Belgian-Luxembourgian BLWI reporting. The default code is 999.

Print Reminder. Indicate if reminders are typically printed for this customer to report past due balances.

Clear: The customer's balance is not reviewed when Reminder Letter is executed, regardless of the selection criteria.

Select: When you generate reminder letters with the appropriate selection criteria, this customer’s accounts are reviewed. If the customer has past due balances, a reminder letter is printed.

Note Customers are included in Customer Reminder Overview, an internal report, regardless of this setting.

See “Reminding Customers of Outstanding Balances” on page 581 for more details on reminder letters.

Print Statement. Indicate if statements should be printed for this customer. When this field is selected, a statement is printed for this customer using the frequency specified in Statement Cycle.

Clear: A statement for this customer is never generated, regardless of the selection criteria used in Customer Summary Statement Print.

Select: Statements are included for this customer.

Banking Tab

Use the Banking tab to set up the process for payments from this customer. The details you enter here—your own bank account, the customer’s bank account number, and the formats required for processing different types of payment from this customer—are automatically retrieved for customer payments and payment selections.

See also “Associating Your Bank with Customers or Suppliers” on page 328.

Business Relation					
Accounting		Payment	Banking	Defaults	Credit Limit
Tax Info		Comments			
Default	Bank Format	Customer Bank Number	Own Bank Number	Payment Format	
☐	XX	B55custbk	B55bkac	Default AR PayFormat	
☐	XX	8374852	555666	AR Check	
☐	XX	B56DM	555666	AR Check	
☐		Default	123487	Default AR PayFormat	
☒	XX	draft	123487	AR Draft	
☐		1231902	123487	Check Form 1	

Fig. 6.38
Customer Create,
Banking Tab

Field Descriptions

Right-click to insert a new row to add banking information for this customer.

Default. Indicate if this is the default bank account number for the customer. You can set up multiple accounts for each customer, with one default account.

Bank Format. Choose the validation method to be used for the customer bank account number from those defined in Bank Account Format Maintain. When you select a bank number format, the system creates one or more child rows in which you define the individual segments to be validated. Click the plus sign (+) next to the row to see the child rows.

You can also type the number directly in the Bank Account Number field if you want.

See “Bank Account Formats” on page 760 for details.

Customer Bank Number. Specify the customer’s bank account number directly in this field or enter the validated segments in the Value fields of the child rows. The number you enter in the child field is automatically copied to the parent row when you click away from the child row.

Own Bank Number. Specify your own bank account number, which is the account number for the entity in which you are currently working. You can retrieve only bank accounts to which payment formats have been linked using Bank Payment Format Link. If multiple formats are linked to one bank account, each displays in the lookup results as a separate row. This ensures that you can select the correct format for different types of payments from this customer.

Payment Format. Displays the payment format linked to your bank account. See “Payment Format Maintenance” on page 319.

Payment Instrument. This field displays the payment instrument linked to the payment format.

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

Active. Indicate if this is an active record.

Business Relation Code. This field displays the business relation linked to the customer.

Branch. Enter the branch number for the bank, if necessary. Many banking systems use branch numbers as identification codes in transactions.

Currency. This field displays the currency defined for the payment format associated with your bank account.

Entity Code. This field indicates the entity to which your own bank account is linked.

Bank GL Account. This field displays the account code of the bank account linked to the own bank account and payment format combination.

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.

Defaults Tab

Use the Defaults tab to specify default values for concepts within an SAF structure. 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. See “SAF Defaulting” on page 210.

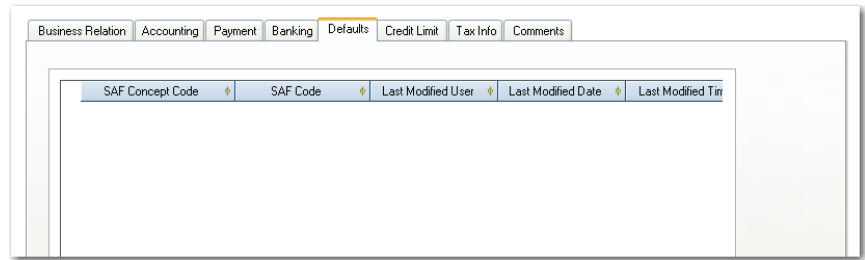


Fig. 6.39
Customer Create,
Defaults Tab

Field Descriptions

SAF Concept Code. Specify an SAF concept code.

SAF Code. Specify an SAF code.

Last Modified Date/Time and 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.

Credit Limit Tab

Use the Credit Limit tab to apply credit limits to customers. Managing customer credit is discussed in more detail in “Managing Customer Credit” on page 570.

The maintenance of credit data is also available as a separate activity, Customer Maintain Credit Limit, which displays exactly the same tab as the one in the Customer Create and Modify activities. You must have access to the Customer Maintain Credit Limit activity in order to use the tab in Customer Create and Maintain.

Note The Credit Limit tab is read-only in Modify mode. This prevents a customer credit limit from being raised or lowered when there is already activity in the system for this customer. You can, however, manually override this restriction using Customer Maintain Credit Limit.

Fig. 6.40
Customer Create,
Credit Limit Tab

Business Relation Accounting Payment Banking Defaults Credit Limit Tax Info Comments			
Currency Code	USD	Reminder Count Reset	
Apply Fixed Ceiling	☒	Fixed Credit Limit	1,000,000.00
Apply % of Turnover	☐	Percentage of Turnover	0.00
Maximum Days Overdue	☐	Maximum Number of Days	0
Credit Hold on Overrun	☐	Credit Hold	☐
		Credit Rating	A2
Credit Check			
Include Sales Orders	☒	Balance of Sales Orders	0.00
Include Open Items	☒	Balance of Open Items	37,830.44
Include Drafts	☐	Balance Of Drafts	0.00
Calculate before Order Entry	☒	Calculate after Order Entry	☒
Calculate before Invoice Entry	☐	Calculate after Invoice Entry	☐
Warning Ceiling %	0.00	Override Allowed	☒
High Credit	40,735.72	Override Allowed	☐
Last Credit Update		High Credit Date	08/03/2008
		Last Credit Review	
		Last Sale Date	07/02/2008
		Last Payment Date	08/13/2008

Field Descriptions

Currency Code. The default currency code defined in the Accounting tab displays. All the amounts you specify on the Credit Limit tab are displayed in this currency. When a customer account uses a different currency than the default, the open balance is converted using the default accounting exchange rate.

Reset Reminder Count. Click to reset the reminder level for all invoices for this customer. The reminder level on the invoice indicates the level of reminder letter that is sent to the customer when the invoice is overdue.

Use the following fields to indicate how you want to calculate the credit limit.

Apply Fixed Ceiling. When selected, you can enter a currency amount—in the customer's default currency—in the Fixed Credit Limit field. This represents the maximum open balance over all entities that use the customer shared set.

Fixed Credit Limit. When Apply Fixed Ceiling is selected, specify the currency amount that determines the maximum credit extended to this customer.

Note This credit limit is stored at the shared set, and not entity level.

Apply % of Turnover. When selected, you can enter a percentage in the Percentage of Turnover field.

Turnover is the total sales over the 12 months preceding the current month over all the entities in the customer shared set.

Percentage of Turnover. When Apply % of Turnover is selected, specify a percentage value. The system applies this percentage to the last year turnover and displays the result in the Credit on Turnover field. The amount is recalculated when you change the percentage.

Credit on Turnover. Displays the turnover limit amount, which is calculated by applying the percentage specified to the turnover amount.

Maximum Days Overdue. When selected, you can enter a value in the Maximum Number of Days field.

Maximum Number of Days. When Maximum Days Overdue is selected, specify the number of days that any invoice for this customer can be overdue before the system disallows any further credit. During credit checking, the system looks for any invoice that is overdue more than this number of days. If such an invoice is found, additional credit is refused, regardless of the size of the invoice.

Credit Rating. Enter an optional code rating the customer's creditworthiness. Set up codes in Customer Credit Rating Create (27.20.5).

Credit rating is for reference only. It displays on the Customer Credit View and can help you evaluate customer credit issues.

Credit Agency Reference. If relevant, enter the credit agency reference number assigned to this customer. This field is for reference only. It displays on the Customer Activity Dashboard to help you investigate customer credit issues.

If your company does not use reference numbers as tracking identifiers, record any other company identifier you use for credit investigations.

One common credit agency is Dun & Bradstreet, a provider of business-to-business credit and business-related information for both publicly and privately held companies. The D&B number is a distinctive nine-digit number used as an identifier in electronic data interchange (EDI) and global electronic commerce transactions.

Customers doing business with your company using EDI can submit their D&B number as part of the registration and transaction processes. This number eliminates errors in electronic transactions and serves as a consistent trading partner identifier in business transactions.

Credit Hold on Overrun. Select this field and the system will put the customer on credit hold if any of the credit limits are violated when new orders for this customer are created.

Credit Hold. Select to put this customer on hold. The system displays a warning when you create or modify any AR transactions or any orders for a customer on hold.

Whether orders for this customer are also put on hold depends on settings in Sales Order Accounting Control (36.9.6). If you want to put all existing orders on hold, you can use Sales Order Auto Credit Hold (7.1.17). See *User Guide: QAD Sales* for details on sales orders.

Specify what document types to include when calculating the customer's current credit amount. You must select at least one of these options when you have enabled Apply Fixed Ceiling or Apply % of Turnover.

- Select Include Orders to include the balance of open orders in the system.
- Select Include Open Items to include the balance of unpaid invoices.

The current balance is calculated and displayed in the fields next to the options.

Specify when to perform credit checks and whether users can override the system results.

- Select Calculate before Order Entry to perform the credit check before a new order is entered.
- Select Calculate after Order Entry to perform the credit check when saving a new or modified order and include the new order amount in the total.
- Select Calculate before Invoice Entry to perform the credit check before a new customer invoice is entered.
- Select Calculate after Invoice Entry to perform the credit check when saving a new or modified invoice and include the new invoice amount in the total.

When you have enabled credit calculation before and after order entry, the calculation is done at the beginning and end of the following programs, except where noted.

- Sales Quote Maintenance
- Sales Quote Release to Order
- Sales Order Maintenance
- Pending Invoice Maintenance
- Customer Scheduled Order Maintenance (only before)
- EDI PO Load

- RMA Maintenance
- Material Order Maintenance (only before)
- Call Maintenance (only before)
- Contract Quote Maintenance
- Contract Maintenance

Specify whether to allow users to enter transactions for a customer when the customer's credit limit is exceeded. You define this using two Override Allowed fields: one for order entry and one for customer invoice entry.

When the fields are selected, the system displays a warning if a transaction causes a customer's credit limit to be exceeded, and the user can continue entering or saving the transaction. When the field is cleared, the system displays an error message and the user cannot continue processing the transaction.

The Override Allowed field for order entry is always selected and is read-only. If a credit violation occurs when you create an order, the system displays a warning message and you can proceed with the transaction.

When you deselect the Override Allowed field for Check before Customer Invoice Entry, the system displays a warning message if there is a credit violation, but does not prevent you from continuing with the invoice creation. When you deselect the field for Check before Customer Invoice Entry, the system prevents you from saving an invoice for this customer if there is a credit violation. Deselect this field for both Before and After options to prevent a credit limit overrun for invoices.

Specify a warning ceiling percentage.

Warning Ceiling in %. Select to generate a warning message when the specified percentage of the credit limit has been reached.

Example An organization includes open orders and unpaid invoices in the credit check for a customer. A customer credit limit is set at \$100,000. A warning ceiling of 75% displays a warning when a transaction causes the sum of open orders plus unpaid invoices to exceed \$75,000. The transaction can be completed.

If warning ceiling is 0%, no warnings are displayed.

The following fields are used to store and display additional credit information for reference:

High Credit. This field displays the highest amount of credit you have ever extended to this customer. This is the largest AR balance they have had open at one time.

This field is calculated and updated by various programs that create AR transactions, including Invoice Post and Print, Open Item Adjustment, Bank Entry, Customer Payment, Customer Opening Balance, and Customer Invoice. It helps determine customer creditworthiness.

High Date. This field displays the date the highest credit amount was extended to this customer.

Last Credit Review. Enter the date when the customer's credit status was last reviewed.

Last Credit Update. Enter the date when the customer's credit status was last updated.

Last Sale Date. The system displays the date an invoice was last posted for this customer. This date is updated by Invoice Post and Print (7.13.4).

Last Payment Date. The system automatically updates this date when transactions are posted in Banking Entry, Petty Cash, and Customer Payments.

Tax Info Tab

Tax values default to documents created for the customer and can be modified during transaction processing.

The value for the Taxable Customer field defaults from the Taxable field in Global Tax Management Control (29.24). The values for the Tax Is Included and Tax in City fields default from the business relation.

Note If the Taxable field in Global Tax Management Control is set to No, the Taxable Customer field defaults to No in all new customer records in the current domain and in all other domains that use the same customer shared set.

You can modify the default details as needed. See “Tax Information Tab” on page 294 for a description of the fields.

Fig. 6.41
Customer Create,
Tax Info Tab

The screenshot shows the 'Tax Info' tab of the 'Customer Create' window. The tab is highlighted in blue. The form contains the following fields:

- Taxable Customer**: A checkbox, currently unchecked.
- Tax Is Included**: A checkbox, currently unchecked.
- Federal Tax**: A text input field.
- State Tax**: A text input field.
- Miscellaneous Tax 1**: A text input field.
- Miscellaneous Tax 2**: A text input field.
- Miscellaneous Tax 3**: A text input field.
- Tax in City**: A checkbox, currently checked.
- Tax Zone**: A dropdown menu showing 'USA'.
- Tax Class**: A dropdown menu.
- Tax Usage**: A dropdown menu.

Comments Tab

The Comments tab lets you enter free-form text related to this customer that is saved with the customer record. Comments display in the Customer Activity Dashboard.

Creating Customer Ship-To Addresses

Use the Customer Ship-To activities (27.20.2) to create, view, modify, or delete customer ship-to records.

You can use Customer Ship-To Create (27.20.2.1) in multiple ways:

- Create an entirely new ship-to and specify the address, tax, and contact details in this function. To do this, clear all the link-to-address fields, and enter a code in the Ship-To Code field (or leave blank for a system-generated number). The new address is create as a ship-to address type for the customer’s business relation.
- Indicate that another customer—of the same or different business relation—is the ship-to address of a specified customer; in this case, the same code and address information is used. A customer can be the ship-to address of only one other customer, and the address used is the headoffice address.

- Indicate a customer's end user is also a ship-to address. In this case also, the same code and address information is used.
- Specify a new ship-to code and associate it with an existing address with the ship-to type defined for a customer's business relation. In this case, the existing address is shared by multiple codes; if you change the address, it is changed for all codes referencing it.

Example Business Relation BR1 has two associated customers, C1 and C2. The two customers use a central receiving address, so share a ship-to address. You create ship-to S1 for customer C1. You can now associate the same address with C2 by specifying C2 for the customer code, selecting Link to Ship-To, clicking the Ship-To Address button, and choosing the S1 address from the lookup. If you update any of the address details, they are updated for both codes that reference the address.

Temporary ship-to address records can be created during the execution of the following operational programs:

- Sales Quote Maintenance (7.12.1)
- Sales Quote Copy from Order (7.12.5)
- Sales Quote Copy from Quote (7.12.6)
- Sales Order Maintenance (7.1.1)
- Pending Invoice Maintenance (7.13.1)
- S/RO Maintenance (7.23.1)
- RMA Maintenance (11.7.1.1).
- Material Order Maintenance (11.11.1)

This is possible only when the user executing the operational program also has permission to execute the Customer Ship-To Create activity.

Fig. 6.42
Customer Ship-To
Create

Field Descriptions

Customer Code. Enter the code that identifies the customer this ship-to record is associated with.

Ship-To Code. If you are not linking to another customer or to an end user, specify a new code. This code is automatically created with an address type of ship-to. If you leave Ship-To Code blank, the system automatically generates a number for the record based on the sequence defined in Customer Autonumber Create. See “Autonumbering Sequences” on page 288.

If you select Link to Another Customer or Link to End User, the Ship-To Code field is filled with the value you specify for the customer or end user. These addresses will be added as ship-tos for the customer specified in Customer Code.

Link to Another Customer. Select this field if you want to specify another customer as the ship-to of this customer. You can then select an existing customer from the lookup. The customer code you select is displayed in the Ship-To Code field, and the customer’s headoffice address is displayed in the Address Information fields.

The Maintain and Create buttons in the Address Information area are unavailable. You can use the View button to see tax and contact details.

Link to End User. Select this field if you want to specify an end-user address as the ship-to of this customer. You can then select an existing end user from the lookup. The end-user code you select is displayed in the Ship-To Code field, and the end user's headoffice address is displayed in the Address Information fields.

The Maintain and Create buttons in the Address Information area are unavailable. You can use the View button to see tax and contact details.

Link to Ship-to Address. Select this field if you want create a new code that shares address information with another existing ship-to address for the specified customer code. Click the Ship-To Address button to display all ship-to addresses for the customer. After you select the address you require from the lookup, you can modify details.

All fields in the Address Information frame are read-only. Which buttons are active depends on your previous input:

Click View to view address details. When you specify another customer or end user as the ship-to, the address is display only.

Click Maintain to modify an existing ship-to type address. The Customer Ship-To Modify Address Information screen is the same as the business relation screen, and also contains tabs for contact information and tax information. This button is active when you select an address using the Link to Ship-to Address option.

Click Create to display the Customer Ship-To Create Address Information screen, which lets you create a new address to use as the ship-to address. This button is active when none of the link-to check boxes is selected.

When you create a new ship-to address using the Create activity or modify an address using the Modify activity, the customer's business relation is updated with the new ship-to address details.

Fig. 6.43
Customer Ship-To
Create Address
Information

The fields in the Customer Ship-To Create Address Information screen have the same layout and restrictions as those in the Business Relation Address Information tab. See “Address Information Tab” on page 291.

Creating a New Ship-To Code and Address

To create a new ship-to code and new address:

- 1 Specify the customer code.
- 2 Clear all the Link to fields.
- 3 Specify the ship-to code in the Ship-To Code field, or leave blank for a system-generated number.
- 4 Click the Create button in the Address Information tab.
- 5 Specify the new ship-to address in the fields provided.
- 6 Click Save.

The ship-to address is saved in the business relation for the customer.

Using Another Customer or End-User Address as the Ship-To

You can use the Link to Another Customer and Link to End User Address check boxes to associate another customer or an end user of the current customer as the ship-to. This works the same for both fields; linking to a customer is described here. Address details from the headoffice of the business relation associated with the customer or end user are referenced.

- 1 Specify the customer code.
- 2 Leave the Ship-To Code field blank.
- 3 Select the Link to Another Customer field. This enables the field to the right of the check box.

The screenshot shows a web form titled "Customer Ship-To - Create". It has two main input fields on the left: "Customer Code" with the value "52046-C2" and a small lookup icon to its right, and "Ship-To Code" which is currently empty. To the right of these fields are three checkboxes: "Link To Another Customer" (checked), "Link To End User Address" (unchecked), and "Link To Ship-to Address" (unchecked). Next to the "Link To Ship-to Address" checkbox is a button labeled "Ship-to Address".

- 4 Click the lookup button in the newly enabled field and select the customer address you want to use.

The customer code displays in the Ship-To Code field and the address details of the headoffice of the customer's business relation display in the Address Information area. The address cannot be modified; tax and contact details can be viewed by clicking the View button.

Fig. 6.44
Ship-To Using
Another Customer

- 5 Click Save.

Setting an Existing Address as the Ship-To

- 1 Specify the customer code.
- 2 Specify the ship-to code or leave blank for a system-supplied number.
- 3 Select the Link to Ship-To Address field.

- 4 Click the Ship-To Address button. This displays all ship-to addresses for that customer code.
- 5 Select the address you want to use.
Note A business relation ship-to address can be linked to only one ship-to code for the same customer.
- 6 Click Maintain to update address details if necessary.
- 7 Click Save to save your changes.

Deleting a Ship-To

A number of restrictions relate to deleting a ship-to address. You cannot delete a ship-to address if it is referenced as the ship-to customer on a sales order, material order, sales quote, scheduled order, invoice, service repair order (SRO), or SSM return material authorization (RMA).

When you delete a ship-to record in Customer Ship-To Delete, the associated business relation ship-to address is also deleted provided it is not referenced on another address in any domain.

Creating End Users

Use the Customer End User (27.20.3) activities to create, view, modify, or delete end-user records. End users are used in the Service/Support Management module to identify the address that owns items requiring service. End users are specified on calls, return material authorizations, and contracts.

End-user addresses must be of type enduser.

After creating end users here, specify additional SSM data in End User Data Maintenance (11.9.1). An e-mail is automatically sent to the members of the EndUserNotify role responsible for creating this data when a new end user is created.

The system can automatically create end-user records based on settings in Service Management Control (11.24) when an invoice is posted for an item being recorded in the SSM installed base. See *User Guide: QAD Service/Support Management* for details.

End users can also be created during the execution of the following SSM programs:

- Contract Quote Maintenance (11.5.1.1)
- Contract Maintenance (11.5.13.1)
- Call Quote Maintenance (11.1.1.7)
- Call Maintenance (11.1.1.1)
- RMA Maintenance (11.7.1.1)

This is possible only when the user executing this SSM program also has permission to execute the End User Create activity (27.20.3.1).

You can use End User Create in multiple ways:

- Create an entirely new end user and specify the address, tax, and contact details in this function. To do this, clear all the link-to-address fields, and enter a code in the End User Code field (or leave blank for a system-generated number). The new address is create as an enduser address type for the customer's business relation.
- Indicate that the customer is also an end user.
- Specify an existing ship-to address of a customer as an end user. In this case, the end-user code is the same as the ship-to code and the address details cannot be modified here.
- Specify a new end-user code and associate it with an existing address with the enduser type defined for a customer's business relation. In this case, the existing address is shared by multiple customers; if you change the address, it is changed for all codes referencing it.

Example Business Relation BR1 has two associated customers, C1 and C2. The two customers purchase items used at a central office, so share an end-user address. You create end user EU1 for customer C1. You can now associate the same address with C2 by specifying C2 for the customer code, selecting Link to End User, clicking the End User Address button, and choosing the EU1 address from the lookup. If you update any of the address details, they are updated for both codes that reference the address.

Fig. 6.45
Customer End User
Create

Field Descriptions

Customer Code. Enter the code that identifies the customer this end-user record is associated with.

End User Code. If you are not linking to another customer or to a ship-to address, specify a new code. This code is automatically created with an address type of end user. If you leave the End User field blank, the system automatically generates a number for the record based on the sequence defined in End User Autonumber Create. See “Autonumbering Sequences” on page 288.

If you select Link to Customer or Link to Ship-To Address, the End User Code field is filled with the value you specify for the customer or ship-to. These addresses will be added as end users for the customer specified in Customer Code.

Link to Customer. Select this field if you want to define the customer entered in the first field as an end user. In this case, the end-user code is set to the customer code and cannot be modified. All address details are filled in based on the headoffice address of the customer and cannot be changed. The Maintain and Create buttons are disabled. You can use the View button to see the details.

Link to Ship-To Address. Select this field if you want to enter a ship-to associated with the customer and define the ship-to as an end user. When selected, a lookup for existing ship-tos is enabled beside the Link to Ship-To Address field. You can enter or select the ship-to. All address details come from the selected ship-to address. The Maintain and Create buttons are disabled. You can use the View button to see the details.

Link to End User Address. Select this field if you want create a new end-user code that shares address information with another existing end-user address for the specified customer code. Click the End User Address button to display all end-user addresses for the customer. After you select the address you require from the lookup, the Modify and View buttons are enabled and you can modify details.

All fields in the Address Information frame are read-only. Use the buttons as follows:

Click View to view address details. When you define the customer as an end user or select an existing ship-to as an end user, the address is display only.

Click Maintain to modify an existing enduser type address. The Customer End User Modify Address Information screen is the same as the business relation screen, and also contains tabs for contact information and tax information. This button is active when you select an address using the Link to End User Address option.

Click Create to display the Customer End User Create Address Information screen, which lets you create a new address for the ship-to end user. This button is active when none of the link-to check boxes is selected.

When you create a new end-user address using End User Create (27.20.3.1), the customer's business relation is updated with the new end-user address.

Fig. 6.46
Customer End
User, Address
Information

The fields in the Customer End User, Create Address Information screen have the same layout and restrictions as those in the Business Relation Address Information tab. See “Address Information Tab” on page 291.

End-user contact information is used extensively in the Service/Support Management module when recording calls. You should ensure that the end user has a primary contact if SSM is being used.

Creating a New End-User Code and Address

To create a new end-user code and address:

- 1 Specify the customer code.
- 2 Clear the Link to Customer, Link to Ship-To Address, and Link to End User Address fields.
- 3 Specify the end-user code in the End User Code field or leave blank for a system-generated number.
- 4 Click the Create button in the Address Information tab.

- 5 Specify the new end-user address in the fields provided.
- 6 Click Save.
The end-user address is saved in the business relation for the customer.

Setting a Ship-To Address as an End User

- 1 Specify the customer code.
- 2 Leave End User Code blank.
- 3 Clear the Link to Customer and Link to End User Address fields.
- 4 Select the Link to Ship-To Address field.
A lookup for existing ship-tos is enabled beside the Link to Ship-To Address field.
- 5 Enter or select the ship-to. All address details come from the selected ship-to address.
The ship-to code displays in the End User Code field and the address details of the headoffice of the customer's business relation display in the Address Information area. The address cannot be modified; tax and contact details can be viewed by clicking the View button.
- 6 Click Save.

Setting an Existing Address as an End User

- 1 Specify the customer code.
- 2 Specify the end-user code or leave blank for a system-supplied number.
- 3 Clear the Link to Customer and Link to Ship-To Address fields.
- 4 Select the Link to End User Address field.
- 5 Click the End User Address button. This displays all end-user addresses for the business relation associated with the customer code.
- 6 Select the address you want to use.

Note A business relation end-user address can be linked to only one end-user address for the same customer.

- 7 Click Maintain to update address details if necessary.
- 8 Click Save.

Deleting an End User

The system enforces a number of restrictions on deleting an end-user address. You cannot delete an end-user address if it is referenced on a material order, return material authorization (RMA), or call, contract, or invoice.

Note When you delete an end-user record in Customer End User Delete (27.20.3.4), the associated business relation end-user address will also be deleted provided it is not referenced by another address in any other domain.

Customer Opening Balance

Use Customer Opening Balance Create (27.1.10) to manually 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) for a specific customer in detail from an external system to your QAD application.

Create 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.

Opening balances can be created manually or by using Excel integration. For more information, see “Integrating with Microsoft Excel” on page 61.

Use the Export to Excel for Maintenance option to create a template for open items. You should ensure that all the values you enter in the Excel spreadsheet are valid for this customer.

Fig. 6.47
Customer Opening
Balance Create

Customer Code	Business Relation Code	Invoice Type	Sub-Account Code	Daybook Code
10000	10000-#92bmg	Invoice		

Field Descriptions

Posting Year/Period. Specify an accounting year and period for the opening balance.

GL Transfer Account. Specify a GL account for the posting. This must be a manual account of type Standard.

Posting Date. Specify the date the posting is effective.

Enter the item details in the grid. These details are identical to those for customer invoices and credit notes, except for the tax and posting information.

You can use the Calculate BC/MC button to convert the transaction currency amounts to the base currency and management currency using the default exchange rate.

See “Supplier Opening Balance” on page 380 for a detailed description of the fields in the grid.

Setting Up Suppliers

Use the Supplier function (28.20.1) to set up codes representing the companies you purchase goods and services from. Suppliers are used in purchasing, accounts payable, Service and Support Management, and other functions.

Supplier addresses, like customer addresses, determine default field values and affect how supplier transactions are processed in the system. Remit-to addresses are used when payments created in accounts payable must be sent to an address other than the supplier address. Each supplier can have only one remit-to address. Remit-to addresses are defined in the business relation with an address type of remittance.

Figure 6.48 shows the process map for creating supplier data.

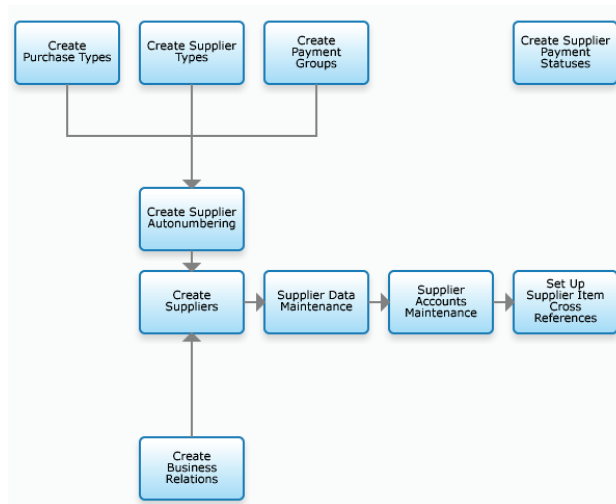


Fig. 6.48
Create Suppliers
Process Map

Before setting up suppliers, you must first define payment formats, payment groups, bank account numbers, and supplier types. These topics are described next.

Note If you plan to generate 1099 tax reports in the United States, you must also set up purchase type codes.

Suppliers also require GL profiles for defining:

- Control accounts for invoices
- Control accounts for credit notes
- Supplier bank accounts
- Purchases accounts

You must set up the accounts and profiles before defining suppliers.

Supplier Type

Use the Supplier Type activities (28.20.2) to create, view, modify, and delete codes for grouping suppliers. You can use supplier type to select groups of suppliers for reporting.

You can also define GL purchasing accounts by product line, site, and supplier type in Purchasing Account Maintenance (1.2.5). This lets you separately track purchase costs for different types of suppliers.

Fig. 6.49
Supplier Type
Create

The screenshot shows a software window titled "Supplier Type - Create". It features a menu bar with "Supplier Type" and "Tools", and a toolbar with icons for navigation and actions. The main form area contains three fields: "Code" (text box with "10"), "Description" (text box with "Floor Stock Supplier"), and "Active" (checkbox that is checked).

Field Descriptions

Code. Enter a code (maximum four characters) that identifies a supplier type. This field is mandatory; the code cannot be blank.

Description. Enter a brief description (maximum 40 characters) of the supplier type. This field is mandatory; the description cannot be blank.

You can optionally enter descriptions in more than one language. See “Using the Translation Option” on page 48.

Active. Indicate if this is an active record.

The effect of this field is described in “Active and Inactive Records” on page 68.

Purchase Type

Use the Purchase Type activities (28.20.3) to create, view, modify, and delete codes for grouping supplier invoices 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.

Fig. 6.50
Purchase Type
Create

Field Descriptions

Purchase Type. Enter a code (maximum four characters) that identifies a purchase type.

Description. Enter a brief description (maximum 40 characters) of the purchase type. You can optionally enter descriptions in more than one language. See “Using the Translation Option” on page 48.

Active. Indicate if this is an active record.

The effect of this field is described in “Active and Inactive Records” on page 68.

Payment Group

You use payment groups to link multiple suppliers together and to use as filter criteria when making supplier payment selections. Payment groups are linked to suppliers, and let you search for invoices from multiple suppliers when you create the payment selection. You link a payment group with a supplier on the Payment tab of Supplier Create (28.20.1.1).

Use the Supplier Payment Group activities (28.9.1.3) to create, view, modify, and delete payment groups. You can delete only groups that are not referenced in the system.

Fig. 6.51
Supplier Payment
Group Create

Field Descriptions

Payment Group. Enter a code (maximum 20 characters) that identifies a payment group.

Description. Enter a brief description (maximum 40 characters) of the payment group.

You can optionally enter descriptions in more than one language. See “Using the Translation Option” on page 48.

Active. Indicate if this is an active record.

Creating Suppliers

Use the Supplier activities (28.20.1) to create, view, modify, or delete a supplier. Account profile details cannot be modified if transactions already exist. A record can be deleted only if it is not referred to in the system. Otherwise, you can mark the record inactive.

Suppliers can be saved in draft format when Draft Instances is selected in System/User Settings, Change System Setting. When you save a record in draft format, none of the system validations are executed. You can then return later to complete the record by choosing the Supplier Browse Drafts activity and selecting the record you want to finish from the list. See “Saving and Browsing Drafts” on page 33 for details on drafts.

The Supplier function supports these additional activities:

- Use Supplier Activity Dashboard (28.18.1) to view all supplier payment and invoice information, including open items and payments, for one or multiple entities. From this view, you can drill down to the details of the invoices and credit notes. See “Supplier Activity Dashboard” on page 726 for details.
- Use Excel Integration (28.20.1.5) to export supplier records to or load records from an Excel spreadsheet. See “Integrating with Microsoft Excel” on page 61 for details.
- Use Supplier Bank Number Import (28.20.1.7) to import data related to customer banks. This function is exactly the same as Customer Bank Number Import. See “Customer Bank Account Numbers” on page 334.

After creating a supplier here, specify additional operational data in Supplier Data Maintenance (2.3.1). An e-mail is automatically sent to the members of the SupplierNotify role responsible for creating this data when a new supplier is created.

Fig. 6.52
Supplier Create

The screenshot displays the 'Supplier - Create' window. At the top, there's a menu bar with 'Supplier', 'Tools', 'Go to', 'Attach', and various icons. Below the menu bar, the title 'Supplier - Create' is visible. The main area contains several input fields: 'Supplier Code' with the value '52046-U', 'Business Relation' with '52046-A', and an 'Active' checkbox which is checked. Below these fields is a tabbed interface with tabs for 'Business Relation', 'Accounting', 'Payment', 'Banking', 'Defaults', and 'Tax Info'. The 'Business Relation' tab is active, showing fields for 'Name' (Sports World Distribution Center), 'Address' (10000 Third Street), 'Zip/City' (93013 Summerland), 'Country Code' (US USA), 'State' (CA California), and 'County'. Below these fields are fields for 'Telephone' (805-708-8887), 'Fax', 'E-Mail' (info@sportsworld.com), and 'Internet' (www.sportsworld.com).

Field Descriptions

Supplier Code. Specify a code (maximum eight characters) that identifies a supplier. If the code you specify matches an existing customer code, a warning message displays. You can choose to ignore the warning, and create the record. However, when a supplier and customer share the same code, they must reference the same business relation.

If you leave the Supplier Code field blank, the system automatically generates a number for the record based on the sequence defined in Supplier Autonumber Create. See “Autonumbering Sequences” on page 288.

Note If you plan to send 1099 US tax reporting forms to this supplier, do not use the apostrophe (’), asterisk (*), or other special characters on the recipient name line. These characters are not allowed on the 1099 form.

Business Relation. Choose a business relation code to associate with this supplier. Address and contact details come from the headoffice address type of the business relation. After you have created a supplier, you cannot modify the associated business relation.

Note You can create a new business relation for the customer if necessary by clicking the Go To icon next to this field.

Active. Indicate if this is an active record. When you mark a record as inactive, all of the transactions that can be blocked in Blocked Transaction Maintenance (2.23.1) can no longer be completed. For example, you cannot create a new purchase requisition or purchase order for the supplier.

The effect of this field is described in “Active and Inactive Records” on page 68.

See *User Guide: QAD Master Data* for details about blocked transactions.

Business Relation Tab

The Business Relation tab displays the address information defined for the associated business relation. You cannot modify this data here. See “Address Information Tab” on page 291 for details about these fields.

Accounting Tab

Use the Accounting tab to set up control accounts, tax details, and other accounting information.

Fig. 6.53
Supplier Create,
Accounting Tab

The screenshot displays the 'Accounting' tab within the 'Supplier Create' window. The tab contains the following fields and their values:

Field	Value
Control GL Profile (Invoice)	2100-st92bmfg
Control GL Profile (Credit Note)	2100-st92bmfg
Control GL Profile (Pre-payment)	2100-st92bmfg
Purchases Account GL Profile	000PUR01-st92bmfg
Sub-Account Profile	9999 Sub(pr)
Credit Agency Reference	
Chamber of Commerce Number	
TID Notice	
External Customer Number	
Currency Code	USD
Supplier Type	10
Purchase Type	

Field Descriptions

Control GL Profile (Invoice). Specify a valid, active GL profile of type Supplier Account that identifies the accounts payable control account for invoices. This is a required field.

Control GL Profile (Credit Note). Specify a valid, active GL profile of type Supplier Account that identifies the accounts payable control GL account for credit notes. This is a required field.

Control GL Profile (Prepayment). Specify a valid, active GL profile of type Supplier Account used to determine the accounts payable GL control account for prepayments. This field is required.

All functions that create prepayments use the GL account linked to this profile, including Banking Entry, Open Item Adjustment, Customer Payment Create, Supplier Payment Create, and Supplier Payment Selection.

Purchases Account GL Profile. Specify valid, active GL profile of type Purchases Account used to determine the account for purchases. This field is required.

When an purchase order is created for this supplier for a non-inventory item, the default account used is determined by the Purchases Account Profile value, the default cost center defined for this account, and the sub-account found in the Sub-Account Profile.

Sub-Account Profile. Optionally specify a default sub-account profile. If the account specified by the Purchases GL Profile of the supplier requires a sub-account, the value used is either:

- The sub-account found in this profile, if specified
- The default sub-account associated with the GL control account

Credit Agency Reference. If relevant, enter the credit agency reference number assigned to this supplier. This field is for reference only. It displays on the Supplier Performance Report to help you investigate customer credit issues.

If your company does not use reference numbers as tracking identifiers, record any other identifier you use for credit investigations.

One common credit agency is Dun & Bradstreet, a provider of business-to-business credit and business-related information for both publicly and privately held companies. The D&B number is a distinctive nine-digit number used as an identifier in electronic data interchange (EDI) and global electronic commerce transactions.

Suppliers doing business with your company using EDI can submit their D&B number as part of the registration and transaction processes. This number eliminates errors in electronic transactions and serves as a consistent trading partner.

Chamber of Commerce Number. Enter an optional registration number assigned to this address code, typically, the Chamber of Commerce registration number.

This field is for reference only, and appears on various reports and inquiries.

TID Notice. Optionally, enter the number of times the US Internal Revenue Service has notified you that this supplier's tax ID number is invalid.

External Customer Number. Enter the external customer number (maximum 10 characters) associated with this supplier.

This number applies to some check print requirements, and follows the name and address of the supplier.

Currency Code. Specify the default currency code for this supplier. Currency defaults from the domain base currency.

Supplier Type. Enter an optional code classifying suppliers by type. For example, you might classify suppliers as type RAW for raw material suppliers and SUB for subcontractors.

You can use supplier type to select groups of suppliers for reporting, in particular for supplier and accounts payable reports. If you are in the US and submit 1099 tax reports, you can select suppliers by type.

You can also define purchasing accounts by product line, site, and supplier type.

Purchase Type. Specify a code for grouping supplier invoices 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.

This field is optional when Tax Report is selected, indicating that you are submitting 1099 tax forms in the United States.

Payment Tab

Fig. 6.54
Supplier Create,
Payment Tab

The screenshot displays the 'Payment' tab within the 'Supplier Create' window. The tab is divided into several sections. On the left, there are two rows of fields: 'Credit Terms' with a value of '2-10/30' and 'Invoice Status Code' with a value of 'DMSTAT'. Below these are two checkboxes: 'Individual Payments' (unchecked) and 'Send Remittance' (checked). On the right side of the tab, there are two more rows of fields: 'Payment Group' with a value of 'Group 1' and 'BLW1 Group' (empty). Each field has a small icon to its right, likely for a dropdown or help function. The tab is part of a larger window with other tabs visible at the top: 'Business Relation', 'Accounting', 'Payment' (selected), 'Banking', 'Defaults', 'Tax Info', and 'Comments'.

Field Descriptions

Credit Terms. Specify the default credit terms for this supplier. This field is required. The credit terms determines the due date calculated for the supplier invoices. See “Credit Terms” on page 308.

Invoice Status Code. Specify the default invoice status for determining the approval, payment, and allocation status of invoices for this supplier. This field is required. See “Invoice Status Code” on page 303 for details.

Payment Group. Specify the payment group. A payment group can be used as a filter criterion when making a payment selection.

BLWI Group. Specify the default group associated with this supplier for Belgian-Luxembourgian BLWI reporting. The default code is 999.

Send Remittance. When you select this field, the system automatically prints a Supplier Remittance Report when a payment for this supplier is executed. See “Supplier Payment Selection Execute” on page 719. This report is addressed to the Remittance address defined for the supplier’s business relation.

Individual Payments. Indicate whether each invoice gets an individual payment line in payment files.

Banking Tab

Use the Banking tab to set up the accounts and payment formats for this supplier. The details you enter here are automatically retrieved for supplier payments and selections.

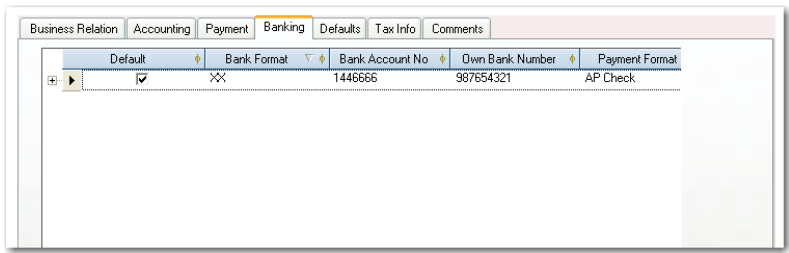


Fig. 6.55
Supplier Create,
Banking Tab

Insert new rows for bank account and payment format details.

This tab is exactly the same as the banking tab for customers. See “Banking Tab” on page 343.

Defaults Tab

Use the Defaults tab to set default values for SAF analysis for this supplier. See “Supplementary Analysis Fields” on page 196 for details.

Fig. 6.56
Supplier Create,
Defaults Tab

The screenshot shows a software window titled 'Supplier Create' with several tabs: 'Business Relation', 'Accounting', 'Payment', 'Banking', 'Defaults' (which is selected and highlighted in orange), 'Tax Info', and 'Comments'. Below the tabs, there is a table with five columns, each containing a field name and a small upward-pointing arrow icon. The columns are: 'SAF Concept Code', 'SAF Code', 'Last Modified User', 'Last Modified Date', and 'Last Modified Time'. The table area below the header is currently empty.

Field Descriptions

SAF Concept Code. Specify an SAF concept code.

SAF Code. Specify an SAF code.

Last Modified Date/Time and User. These read-only fields display the ID of the user who last updated this record and the date and time of update.

Tax Info Tab

Tax values default to documents created for the supplier and can be modified during transaction processing. The values for the Taxable Supplier, Tax Is Included, and Tax in City fields default from the Business Relation.

You can modify the default details as needed. See “Tax Information Tab” on page 294 for a description of the fields.

Fig. 6.57
Supplier Create,
Tax Info Tab

Tax Report. Select this field to authorize generation of a supplier tax activity (1099) report to this supplier. The 1099-MISC Report references this field.

Select: The system reviews all payments to this supplier over the time period specified. If the sum of these payments is greater than the minimum 1099 amount specified, this supplier is included on the 1099 report listing the supplier name, address, and tax ID, along with a detailed or summarized list of payment amounts.

Clear: The 1099-MISC Report excludes this supplier regardless of selection criteria.

When this field is selected, the headoffice address of the associated business relation must have values for name, first line of the street address, city, state, zip code, telephone number, and federal tax ID. In addition, a default purchase type must be specified.

Details about 1099 reporting are included in the chapter on Global Tax Management in *User Guide: QAD Financials B*.

Comments Tab

The Comments tab lets you enter free-form text related to this supplier that is saved with the supplier record. Comments display on the Supplier Activity Dashboard.

Supplier Opening Balance

Use Supplier Opening Balance Create (28.1.15) to manually create open items (invoices, credit notes, or adjustments) in the purchases sub-ledger and 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.

Create 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 Supplier Control and credits the GL Transfer account.
- For credit notes, debits GL Transfer and credits Supplier 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.

Opening balances can be created manually or by using Excel integration. For more information, see “Integrating with Microsoft Excel” on page 61.

Use the Export to Excel for Maintenance option to create a template for open items. You should ensure that all the values you enter in the Excel spreadsheet are valid for this supplier.

Supplier Code	Business Relation Code	Invoice Type	Sub-Account Code	Daybook Code	Invoice Voucher	Invoice Date
CKC-sup1	CKC-111	Invoice		QADAPInv		2000 07/20/20

Fig. 6.58
Supplier Opening
Balance Create

Field Descriptions

Posting Year/Period. Specify an accounting year and period for the opening balance.

GL Transfer Account. Specify a GL account for the posting. This must be a manual account of type Standard.

Posting Date. Specify the date the posting is effective.

You can use the Calculate BC/MC button to convert the transaction currency amounts to the base currency and management currency using the default exchange rate.

The following fields display in the grid:

Supplier Code. Specify a supplier code.

Business Relation Code. The business relation code of the supplier displays.

Invoice Type. Select the invoice type from Invoice, Credit Note, Adjustment, Invoice Correction, Credit Note Correction.

Sub-Account Code. Specify the sub-account code for this supplier, if necessary.

Daybook Code. Specify a daybook code for the open item.

Invoice Voucher. Enter the invoice number.

Invoice Date. Specify the invoice creation date.

Invoice Tax Point Date. Specify the tax point date.

Invoice Reference. Enter the invoice reference text, if required.

Invoice Description. Enter the invoice description. This field is mandatory.

Posting Text. Enter reference text for this opening balance posting.

Posting Type. Specify credit or debit as the posting type.

TC Invoice Amount. Enter the invoice amount in transaction currency.

Currency Code. Enter the transaction currency code, if this is different from the base currency.

BC Invoice Amount. Specify the invoice amount in base currency, if this is different from the transaction currency. Click Calculate BC/MC to fill in this amount based on the value specified for TC Invoice Amount.

Base Currency Code. This field displays the base currency.

MC Invoice Amount. Enter the invoice amount in the management currency, if required. Click Calculate BC/MC to fill in this amount based on the value specified for TC Invoice Amount.

Management Currency Code. This field displays the management currency code.

Payment Instrument. This field displays the payment instrument.

Payment Reference Number. Enter an invoice reference number if required.

Bank Number. Enter the bank account number defined for this supplier. This number should match the bank account number you defined for this supplier on the supplier Banking tab.

Bank Number Extension. Enter the bank number extension, if required.

Credit Terms. The credit terms assigned to the supplier display; you can change them if required.

Invoice Due Date. Enter the invoice due date. Due date is calculated based on the credit terms.

Invoice Due Date (Discount). Enter the date when a discount is to be applied to the invoice. This field defaults to today's date.

Cost Center. Specify a cost center, if required.

Project. Specify a project code, if required.

Invoice Status Code. Select an invoice status code with allocation selected. If you want the opening balance approved, select a code that requires approval or is locked for payment.

Creating Employees

Use the Employee activities (37.1.7) to create, view, modify, or delete an employee. A record can be deleted only if it is not referred to in the system. Otherwise, you can mark the record inactive.

Figure 6.59 shows the process map for creating employee data.

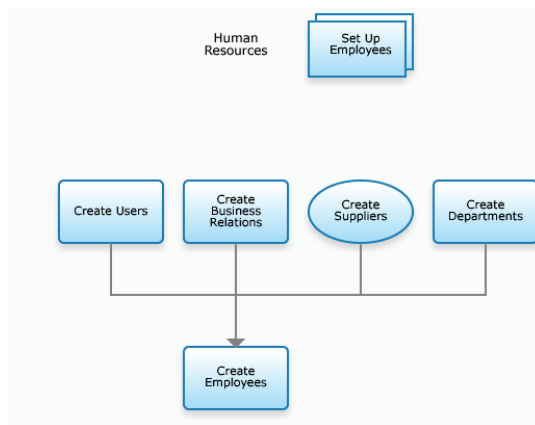


Fig. 6.59
Set Up Employees
Process Map

Employees are associated with entities. They are referenced when defining engineers in the Service/Support Management module and also for labor recording for work orders and repetitive schedules. If you define employees as engineers, an e-mail can be automatically sent to the members of the EmployeeNotify role responsible for creating engineer data when a new employee is created.

Only active employees can be selected in these operational functions.

Fig. 6.60
Employee Create

The screenshot shows the 'Employee Create' window. At the top, there's a title bar 'Employee Create' and a menu bar with 'Employee', 'Tools', 'Go To', 'Attach', and several icons. Below the menu bar is a tabbed interface with 'Employee' and 'Business Relation' tabs. The 'Employee' tab is active, displaying the following fields:

- Employee Code:** 524
- Active:** ☒
- Name:** Supplier for AP Payments test
- External Employee:** ☐
- Supplier Code:** [empty field with a magnifying glass icon]
- Registration Currency:** [empty field with a magnifying glass icon]
- Start Date:** 07/15/2007 (dropdown menu)
- End Date:** [empty field with a dropdown arrow]
- User:** ☒
- Login:** jww (with a magnifying glass icon)
- Job Title:** AP Clerk
- Department Code:** 520 (with a magnifying glass icon)
- Default Project:** [empty field with a magnifying glass icon]

Field Descriptions

Employee Code. Specify a code (maximum eight characters) that identifies an employee. The code cannot match any other employee in the current entity or any other entities in the current domain. The employee is associated with the entity that is active in your current session.

If you leave the Employee Code field blank, the system automatically generates a number for the record based on the sequence defined in Employee Autonumber Create. See “Autonumbering Sequences” on page 288.

Name. This field displays a value only after you select a business relation code to associate with this employee in the Business Relation tab. Address and contact details come from the headoffice address type of the business relation, including the value for name. After you have created an employee, you cannot modify the associated business relation.

Active. Indicate if this is an active record.

The effect of this field is described in “Active and Inactive Records” on page 68.

External Employee. Select this field if the employee is a contractor or not employed directly by your organization.

Supplier Code. Specify a supplier code to associate with this employee for the payment of expense claims.

Registration Currency. Specify the currency that should be used when expenses for this employee are paid. This field is available only when a supplier code is specified.

Start Date. Specify the date this employee was hired. This field is for reference and filtering report data.

End Date. Specify the date when this employee terminated employment at your company. This field is for reference and filtering report data. Generally, when you enter an end date, you should also clear the Active field to indicate that this employee is no longer active.

User. Indicate if this employee is also defined as a valid user in User Maintenance (36.3.1).

Login. If this employee is also a user, enter the associated login ID specified in User Maintenance. This field is available only when the User field is selected.

Job Title. Enter an optional job title for this employee. This field is for reference only and useful in sorting browses. Job titles can also be useful on shop floor reports.

Department Code. Specify the department in which this employee normally works.

Department codes, defined in Department Maintenance (14.1), identify major groupings of manufacturing work centers, at your own site or at sites belonging to outside suppliers.

Employees are not restricted to reporting labor at only work centers in their own department. This field is a default useful for reviewing employees by department.

Default Project Code. Optionally enter a code identifying the GL project normally assigned to this employee.

The employee project defaults in Shop Floor Control functions when non-productive labor is reported. It can be changed manually as needed.

If this employee is defined as a service engineer in the Service/Support Management module, the default project is also used when expenses are recorded for a call in Call Activity Recording (11.1.1.13). In this context, the service expense is considered a form of non-productive labor.

Business Relation Tab

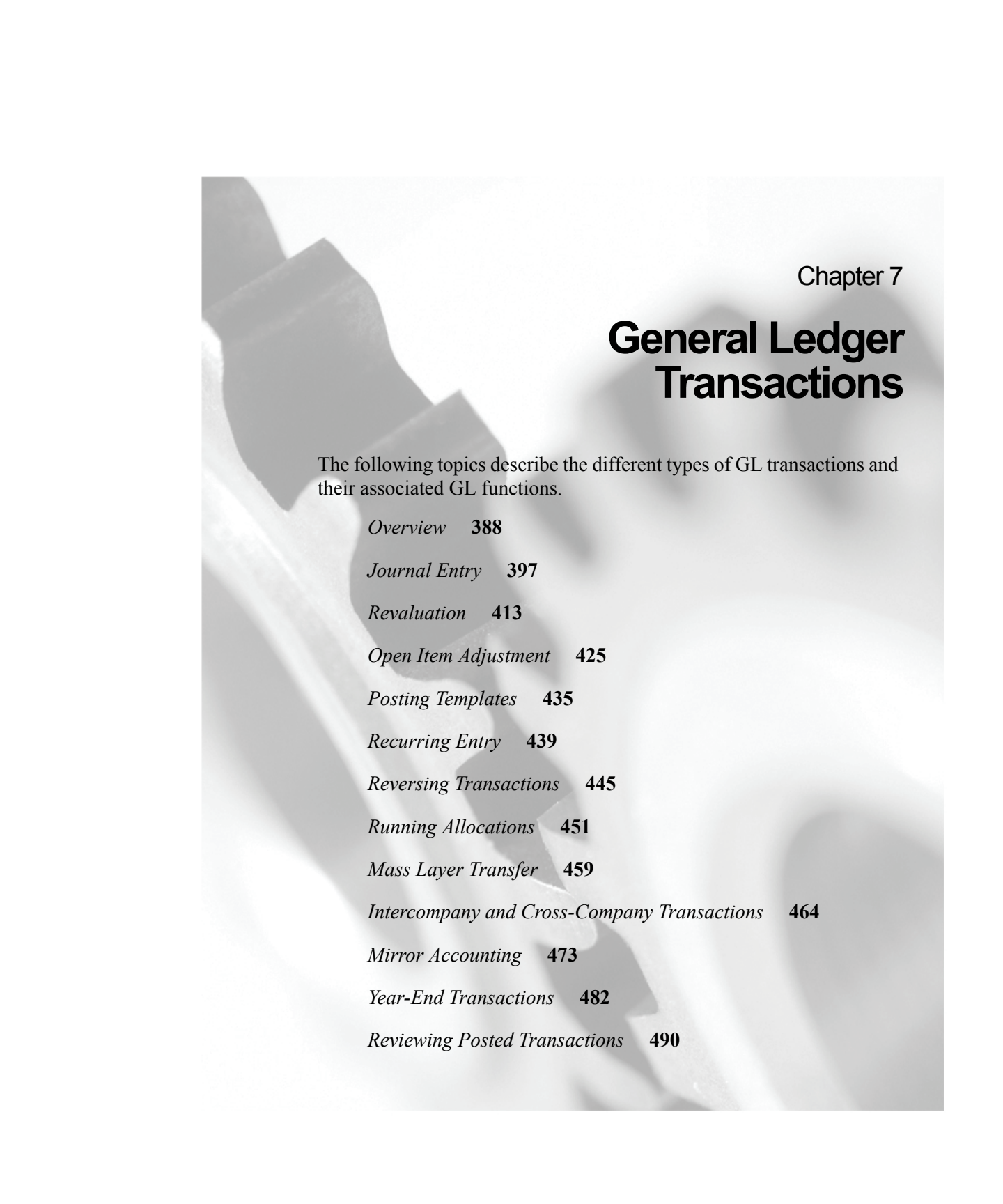
Use the Business Relation tab to specify the business relation code associated with this employee. All address details default from the headoffice address type of the business relation. You cannot modify this data here. See “Address Information Tab” on page 291 for details about these fields.

The system fills in the Name field based on the business relation after you save the record.

Fig. 6.61
Employee Create,
Business Relation
Tab

The screenshot displays the 'Business Relation' tab within the 'Employee Create' window. The 'Business Relation' dropdown is set to 'Supplier for AP Pay'. The 'Name' field contains 'Supplier for AP Payments test'. The 'Address' field contains 'Luchthavenlei 7A'. The 'Zip/City' field is split, with 'B-2100' on the left and 'Antwerp - Deurne' on the right. The 'Country Code' field contains 'BE' and a small flag icon, with 'Belgium' displayed next to it. The 'Telephone', 'Fax', 'E-Mail', and 'Internet' fields are empty.

Business Relation	Supplier for AP Pay	
Name	Supplier for AP Payments test	
Address	Luchthavenlei 7A	
Zip/City	B-2100	Antwerp - Deurne
Country Code	BE	Belgium
Telephone		
Fax		
E-Mail		
Internet		



Chapter 7

General Ledger Transactions

The following topics describe the different types of GL transactions and their associated GL functions.

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Overview

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. See “Journal Entry” on page 397.

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.

GL Transaction Activities

This section summarizes the activities you can use in managing GL transactions.

Figure 7.1 shows the process map for GL transaction activities.



Fig. 7.1
GL Transactions
Process Maps

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 the Journal Entry activities (25.13.1) to create, view, modify, delete, and reverse journal entries. See “Journal Entry” on page 397.

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, within the GL period in which they are posted. Revaluation enables you to identify the results from variances in exchange rates. See “Revaluation” on page 413.

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 Adjustment” on page 425.

You can correct errors in GL transactions by reversing 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. See “Reversing Transactions” on page 445.

Posting Templates

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. See “Posting Templates” on page 435.

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. See “Posting Templates” on page 435.

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, as with all other GL transactions, can also be adjusted at any stage before posting. See “Recurring Entry” on page 439.

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.

See “Recurring Entry” on page 439.

Allocations

Costs and revenues must be correctly sourced in the chart of accounts. Allocation 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. You can create allocations as templates. See “Running Allocations” on page 451.

Layer Transfer

Unfinalized transactions are generally posted to daybooks in a transient layer for review or for simulation purposes. Mass layer transfer 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. See “Mass Layer Transfer” on page 459.

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. See “Intercompany and Cross-Company Transactions” on page 464.

Mirror Accounting

Mirror accounting 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. See “Mirror Accounting” on page 473.

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 Transactions” on page 482.

Reviewing Posted Transactions

The system contains a wide range of reports and views that let you analyze GL transaction activity.

See “Reviewing Posted Transactions” on page 490.

Posting Transactions from Other Modules

In a production system, most GL transactions originate from operational transactions, such as manufacturing, purchasing, and inventory movements. The system collects most operational transactions in an unposted transaction table. You can review the transactions to ensure that amounts, accounts, and dates are correct. Once the transactions are verified, you must post them to update GL account balances.

Operational transactions fall into four areas:

- Inventory Control (IC)
- Work Order (WO)
- Fixed Assets (FA)
- A limited number of sales order (SO) transactions

Note Invoicing sales orders using Invoice Post and Print (7.13.4) directly updates the GL.

Figure 7.2 illustrates the process flow for operational transactions.

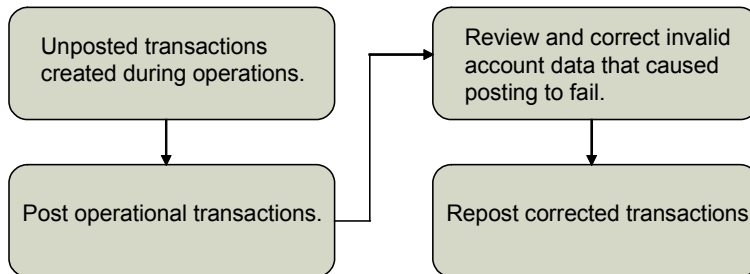


Fig. 7.2
Operational
Transaction Flow

Note Before operational transactions can be posted, you must set the Verify GL Accounts field in Domain/Account Control (36.9.24) to Yes. Before setting the Verify GL Accounts field, you can run the Operational Account Status Validation report to determine if any issues exist with combinations of accounts, sub-accounts, cost centers, and projects. See “Domain/Account Control” on page 253.

Creating Operational Transactions

Unposted operational GL transactions—composed of multiple lines representing debits and credits to individual accounts—are created by operational processing functions outside the GL module. They are identified with a 14-character operational reference number in the following format:

```
<transaction type><yr><mm><dd><transaction number>
```

Example At the same time PO Receipts (5.13.1) generates an RCT-PO inventory transaction, it also creates an unposted GL transaction with an IC prefix. A typical operational reference would be IC0605210037—the 37th inventory movement transaction created on May 21, 2006.

Important The use of daybooks is mandatory and you must create at least one daybook of type Journal Entries.

Additionally, based on the daybook associated with the transaction type, the system assigns a GL reference number used to identify the transaction after it is posted to the general ledger:

```
<Year>/<DaybookCode><SequenceNumber>
```

Default Daybook Maintenance (25.8.4) records associated with the operational transaction functions must reference active daybooks. If you attempt to post a transaction that references an inactive daybook, the system displays an error, and the transaction is not posted.

Important As part of daybook setup, you must define at least one record in Default Daybook Maintenance to represent the system daybook in operational transactions.

Use Unposted Transaction Inquiry (25.13.13) or Unposted Transaction Register (25.13.14) to view operational transaction records before they have been posted. In the register program, you can select Unbalanced Only to limit the output to records that failed to post correctly.

Note The system assigns an operational SO reference number to transactions created in Invoice Post and Print (7.13.4). However, the posting process for invoices is not part of the same process flow as other operational transactions. Only Revenue Recognition (11.5.18.21) in the Service/Support Management (SSM) module creates SO-type transactions that are posted as part of the SO transaction process. See *User Guide: QAD Sales* for information on invoice post.

Posting Transactions

To apply unposted transaction amounts to the GL, use Operational Transaction Post (25.13.7). You can select transactions for posting by entity, date, or the daybook assigned based on records in Default Daybook Maintenance (25.8.4). The system verifies that all transactions contain valid combinations of active account, sub-account, cost center, and project code; the effective posting date must also be within a valid GL period. Transactions must also be balanced, with debits equaling credits. Otherwise, an error message displays and the transaction is not posted.

Note If the criteria ranges select multiple transactions, only those with one or more posting lines that contain invalid account information fail the posting process. Transactions with valid values on all lines are posted.

Both numeric identifiers generated during the creation process are retained as part of the history record. GL reporting functions display both numbers:

- The posted GL number is labeled GL Reference; it displays the whole GL reference.
- The operational reference number—including the two-character transaction type—is labeled Reference ID.

General ledger transaction reports, views, and browses list the following details for operational transactions:

- Reference ID
- Transaction Type
- Doc Type
- Address

These fields can be filtered when generating reports.

Split Data

If allocation codes have been set up to split specified percentages of the transaction amount among multiple accounts, the system creates a separate posting line for each account combination.

Operational transactions are created in pairs that are balanced. A single GL reference can contain multiple lines and, when posted, separate transactions are created for each daybook.

For transactions that span multiple entities, operational programs create separate transactions for each entity, as needed. The system automatically generates a reference to link the cross-company transactions during the posting process.

Currency and Exchange Rate

IC and WO transactions use the inventory exchange rate type, if it is defined. FA and SO transactions normally use the existing accounting exchange rate type. If no inventory exchange rate is in effect at the time of PO receipt, then the accounting exchange rate type is used by default.

See “Inventory Exchange Rate” on page 123 for more information.

Correcting Account Errors

Use Unposted GL Transaction Correction (25.13.16) to modify invalid account data for transactions that fail validation. To be accessible in this program, transactions must have failed transaction post. You can update the following fields:

- Account
- Sub-Account
- Cost Center
- Project

In addition to updating the unposted transaction table, this program also modifies the fields in operational transaction history to ensure that the history reflects the same values as the actual GL posting. Any errors you locate and correct using Unposted GL Transaction Correction will also

exist in Inventory Transaction History, which will now contain references to account data that no longer exists. Re-run Operational Transaction Post to update Inventory Transaction History with the account data changes.

You can edit a line of an operational GL transaction only if it contains an account error. For example, if while updating invalid data, you notice an incorrect—but valid—account in one of the posting lines, you cannot change it. You cannot modify transaction dates or amounts either. In these cases, you must create a second operational transaction to reverse the original amount, correct the account data, and run the post program again.

Changes made in this program can be audited by setting GL Transaction Audit Trail to Yes in GL Op Transaction Control (36.9.13). Audit records indicate the field name, old value, new value, user ID, and date and time associated with the change. These records can be archived and deleted using Audit Detail Delete/Archive (36.23.1). See *User Guide: QAD System Administration* for details.

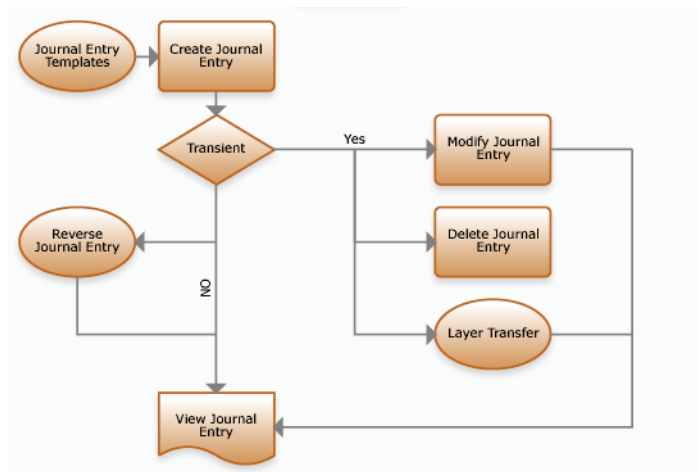
Journal Entry

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 the Journal Entry activities (25.13.1) to create, view, modify, delete, and reverse journal entries. You can use Journal Entry Create (25.13.1.1) only to manually record transactions for financial daybooks. However, Journal Entry View (25.13.1.3) lets you view transactions posted to operational and external daybooks, in addition to financial daybooks. See “Using Daybooks” on page 225 for more information.

Note You can only modify or delete journal entries posted to a transient layer. See “Transient Layer” on page 222.

Fig. 7.3
Journal Entry
Process Flow



You can also use the following activities within Journal Entry:

- Journal entries can be saved in draft format when Draft Instances is selected in System/User Settings, Change System Setting. When you save a record in draft format, none of the system validations are executed. You can then return later to complete the record by choosing the Journal Entry Browse Drafts activity and selecting the record you want to finish from the list. See “Saving and Browsing Drafts” on page 33 for details on drafts.

See *User Guide: QAD System Administration* for more information on system and user settings.

- Using the Excel integration feature, you can export data into Excel spreadsheets for analysis or reporting. You can also create new data within Excel and import it to the system database, where it is validated before being saved.

See “Integrating with Microsoft Excel” on page 61 for details.

Fig. 7.4
Journal Entry
Create

Field Descriptions

Year. Specify the GL calendar year and GL period for the journal entry.

Daybook Code. Specify a daybook for the entry. The daybook must be of type Journal Entries. The read-only, system-generated voucher number displays next to the code.

Description. Enter a brief description (maximum 40 characters) of the journal entry. The description defaults to each entry line.

Original Posting Reference. This field displays the original posting reference in cases where a posting has been reversed or replaced.

Posting Date. Specify the date for the postings. The posting date for journal entries must occur within the GL calendar year and period.

Layer Type. This read-only field displays the layer type associated with the daybook.

Template Code. Specify a template code, if you are using a posting template, or enter a code to save the current posting structure as a posting template.

See “Posting Templates” on page 435 for details.

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.

Note The sequence number is generated only if the Additional GL Numbering check box is activated for the entity. See “Additional GL Numbering Tab” on page 106 for details.

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 code.

For more information on templates, see “Posting Templates” on page 435.

Replacement. Select the 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.

Note Use Journal Entry Replacement View to view a list of the replacement journal entries in the system.

Reversal. Select the field if the journal entry is a reversal posting to balance out a previous, incorrect posting.

Note You cannot reverse and replace a journal entry at the same time. You may select only one of the Replacement and Reversal fields for a journal entry.

Posting Lines

Define the transaction posting lines in the grid. A posting line can be composed of multiple sub-levels containing additional posting information.

The level 1 posting line contains fields for the GL account, sub-account, cost center, journal entry description, base currency, and debit and credit amounts in the base currency.

The posting grid can automatically display additional level 2 posting lines and fields, depending on how the GL accounts used in the transaction are defined, such as fields for:

- Transaction currency
- Quantity
- Intercompany
- Cost center analysis
- Project analysis
- SAF analysis
- Open items
- Tax account details

If the posting line contains additional level 2 posting lines, a line expander (+) appears to the left of the line:

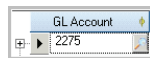


Fig. 7.5
Posting Line with
Expander

Click on the line expander to view the level 2 posting lines.

If the GL account you use does not have analysis and the transaction you enter is in the base currency, the posting contains only a single line and no level 2 posting lines.

Fig. 7.6
Journal Entry,
Multiple Level 2
Posting Lines

Journal Entry - Create

Year: 2007 06 Posting Date: 06/19/2007

Daybook Code: QADJE 000000007 Layer Type: OFFICIAL Save As Template: ☐

Description: Template Code: Replacement: ☐

Original Posting Reference: Sequence Number: 000000000 Reversal: ☐

GL Account	Sub-Account C	Cost Ce	Description	Curr	BC Debit	BC Credit
128899	20	0100		USD	0.00	0.00
Sub-Account Code: 20						
Cost Center Code: 0100 Structure:						
Project Code: PRQJ0001 Description: Structure:						
GL Account	Sub-Account C	Cost Ce	Description	Curr	BC Debit	BC Credit

Currency View: Base Currency Balance USD 0.00 0.00

Save and Create Save Close

Field Descriptions

GL Account. Specify a GL account code.

Description. This field displays a brief description of the posting line. This defaults from the header.

Currency. Specify the transaction currency code. If a currency has been defined for the GL account, the system loads it by default. If no currency is defined for the account, the system uses the domain base currency. The default accounting exchange rate is applied for multi-currency transactions.

See “Currency” on page 403 for details on entering values in a non-base currency.

For details on currencies and exchange rates, see “Currencies” on page 117 and “Exchange Rates” on page 120.

Debit. Enter the debit amount for the transaction. The credit amount is set to zero when you enter a debit amount. The amount is displayed in the domain base currency.

Credit. Enter the credit amount for the transaction. The debit amount is set to zero when you enter a credit amount. The amount is displayed in the domain base currency.

Currency View. Choose Base Currency or Transaction Currency from the drop-down list to view the posting amounts in either currency.

Balance. This read-only field displays the balance of debit and credit amounts for the posting.

Note For more information on defining GL account values, see “Creating GL Accounts” on page 142.

Currency

For accounts that are not denominated in a unique currency, you can record journal entries in either the base currency (BC) of the domain or in a non-base, transaction currency (TC). For accounts denominated in a specific currency, you enter amounts using the transaction currency and the system converts the amounts to the base currency.

The system displays a level 2 posting line with fields for entering the transaction currency when:

- You specify a GL account that is denominated in a non-base currency.
- You modify the default base currency value in the Currency field in the level 1 posting line to a non-base currency (for accounts that accept postings in all system currencies).

The level 2 posting line for the transactions currency contains the following fields:

- TC Debit
- TC Credit
- BC Debit
- BC Credit
- Exchange Rate (TC/BC)
- Scale Factor (TC/BC)

The system uses the accounting exchange rate to convert between the transaction currency and base currency, and calculates the base currency amount as:

$$BC \text{ Amount} = TC \text{ Amount} * \text{Exchange rate (TC/BC)} * \text{Scale Factor (TC/BC)}$$

Note On level 1 of a currency posting line, the system displays either the transaction amounts or base currency amounts, depending on the setting in the Currency View field at the bottom of the screen.

If the Exchange Rate field is displayed in the posting line, you can modify the exchange rate there. If you modify the exchange rate, the new value is used in the base currency calculation.

See “Setting Up Multiple Currencies” on page 111 for more information on currencies and exchange rates.

Fig. 7.7
Journal Entry,
Currency Grid

The screenshot shows the 'Journal Entry Create' window. At the top, there's a menu bar with 'Journal Entry', 'Tools', 'Go To', and 'Attach'. Below it is a toolbar with various icons. The main area is titled 'Journal Entry - Create'. It contains several input fields: Year (2007), Daybook Code (QADJE), Description, Original Posting Reference, Posting Date (06/19/2007), Layer Type (OFFICIAL), Template Code, and Sequence Number (000000000). There are also checkboxes for 'Save As Template', 'Replacement', and 'Reversal'. Below these fields is a table with columns: GL Account, Sub-Account C, Cost Ce, Description, Curr, BC Debit, and BC Credit. The table has two rows. The first row shows GL Account 129988, Sub-Account C, Cost Ce, Description, Curr GBP, BC Debit 3,181.17, and BC Credit 0.00. The second row shows TC Debit 2,000.00, TC Credit 0.00, Exchange Rate 1.5905837442, Scale Factor 1.000000000, BC Debit 3,181.17, and BC Credit 0.00. At the bottom of the window, there's a 'Currency View' section with a dropdown menu set to 'Base Currency', a 'Balance USD' field showing 3,181.17, and another field showing 0.00. There are also buttons for 'Save and Create', 'Save', and 'Close'.

Field Descriptions

TC Debit. Enter the debit amount in the transaction currency. The credit amount is set to zero when you enter a debit amount.

TC Credit. Enter the credit amount in the transaction currency. The debit amount is set to zero when you enter a credit amount.

Exchange Rate. The system displays the default exchange rate for the currencies defined for the shared set. Edit the rate if necessary. See “Exchange Rates” on page 120 for more information on exchange rates.

Scaling Factor. This field displays the scaling factor for the exchange rate. The scaling factor is used for currencies that have a very small value relative to other currencies.

BC Debit/Credit. The system displays the debit or credit amount calculated in the base currency.

Quantity

The Quantity grid is displayed when the account specified in the posting is defined with a quantity value and unit of measure. The quantity value is the number of units specified. The unit of measure is the type of unit, which you can define as inches, pounds, work hours, days, or any item for which you want to include details in the transaction. See “GL Account Unit of Measure” on page 169.

Fig. 7.8
Journal Entry,
Quantity Grid

Journal Entry Create

Journal Entry Tools Go To Attach

Journal Entry - Create

Year: 2007 06 Posting Date: 06/19/2007

Daybook Code: QADJE 000000007 Layer Type: OFFICIAL Save As Template: ☐

Description: Template Code: Replacement: ☐

Original Posting Reference: Sequence Number: 000000000 Reversal: ☐

GL Account	Sub-Account C	Cost Ce	Description	Curr	BC Debit	BC Credit
111666		1000		USD	20,000.00	0.00
Quantity: 500.00 UM: HOURS Cost Center Code: 1000 Structure:						
GL Account	Sub-Account C	Cost Ce	Description	Curr	BC Debit	BC Credit

Currency View Base Currency Balance USD 20,000.00 0.00

Field Descriptions

Quantity. Enter a positive or negative quantity amount.

UM. This field displays the unit of measure defined for the account.

Intercompany

The Intercompany grid is displayed when the account specified in the posting was defined as an intercompany account, enabling you to perform intercompany 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. Cross-company transactions span more than one entity.

Note When viewing journal entries for which there are cross-company postings, you can view the cross-company postings by right-clicking the posting line and selecting the Cross Company Posting option.

Intercompany and cross-company accounting is described in more detail in “Intercompany and Cross-Company Transactions” on page 464.

Fig. 7.9
Journal Entry,
Intercompany Grid

Field Descriptions

Intercompany Code. The intercompany code defined for the account displays. Specify a different intercompany code if necessary. See “Intercompany Transactions” on page 465.

Cross-Company Code. 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. See “Cross-Company Transactions” on page 466.

Cost Center

The Cost Center grid is displayed when the account specified in the posting is defined with cost center analysis.

See “Cost Centers” on page 160 for information on defining cost center analysis on an account.

Fig. 7.10
Journal Entry, Cost
Center Grid

Journal Entry Create

Journal Entry Tools Go To Attach

Journal Entry - Create

Year: 2007 06 Posting Date: 06/19/2007

Daybook Code: QADJE 000000007 Layer Type: OFFICIAL Save As Template: ☐

Description: Template Code: Replacement: ☐

Original Posting Reference: Sequence Number: 000000000 Reversal: ☐

GL Account	Sub-Account C	Cost Ce	Description	Curr	BC Debit	BC Credit
909900		C100		USD	0.00	0.00
Cost Center Code		Structure				
C100						
GL Account	Sub-Account C	Cost Ce	Description	Curr	BC Debit	BC Credit

Currency View: Base Currency Balance USD 0.00 0.00

Save and Create Save Close

Field Descriptions

Cost Center Code. The cost center code defined for the account displays. Specify a different cost center if necessary.

Structure. If an SAF structure is associated with the cost center defined for the account, it displays.

See “Supplementary Analysis Fields” on page 196 for more information on SAF analysis.

Project

The Project grid is displayed when the account specified in the posting is defined with project analysis. See “Projects” on page 162 for information on defining project analysis on an account.

The screenshot shows the 'Journal Entry Create' window. At the top, there's a title bar 'Journal Entry Create' and a menu bar with 'Journal Entry', 'Tools', 'Go To', 'Attach', and various icons. Below the menu bar is a section 'Journal Entry - Create'. This section contains several input fields: 'Year' (2007), 'Month' (06), 'Posting Date' (06/19/2007), 'Daybook Code' (QADJE), 'Layer Type' (OFFICIAL), 'Description' (empty), 'Template Code' (empty), 'Original Posting Reference' (empty), and 'Sequence Number' (00000000). There are also checkboxes for 'Save As Template', 'Replacement', and 'Reversal'. Below these fields is a table with columns: 'GL Account', 'Sub-Account C', 'Cost Ce', 'Description', 'Curr', 'BC Debit', and 'BC Credit'. The first row shows '898899' under 'GL Account', 'USD' under 'Curr', '4,000.00' under 'BC Debit', and '0.00' under 'BC Credit'. Below this table is a section for 'Project Code', 'Description', and 'Structure'. The 'Project Code' is 'Engineer' and the 'Description' is 'Engineering'. Below this is another table with the same columns as the first one. At the bottom of the window, there's a 'Currency View' section with 'Base Currency' and 'Balance USD' (4,000.00 and 0.00). There are also buttons for 'Save and Create', 'Save', and 'Close'.

Fig. 7.11
Journal Entry,
Project Grid

Field Descriptions

Project Code. This field displays the project defined for the account. You can specify a different project if necessary.

Description. This field displays a brief description (maximum 24 characters) of the project.

Structure. If an SAF structure is associated with the project defined for the account, it displays. See “Supplementary Analysis Fields” on page 196 for more information on SAF analysis.

SAF

The SAF grid displays when the account, cost center, or project specified in the posting is defined with SAF analysis. 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 Entry Create can only display a single SAF structure on a posting line. If a posting line contains more than one set of SAFs, you will 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. See “Supplementary Analysis Fields” on page 196 for more information on setting up SAFs.

See “Defaults Tab” on page 158 for information on defining SAF analysis on an account, and “Supplementary Analysis Fields” on page 196 for detailed information on SAF analysis.

Fig. 7.12
Journal Entry, SAF
Grid

The screenshot shows the 'Journal Entry Create' window. The top section contains fields for Year (2007), Posting Date (06/19/2007), Daybook Code (QADJE), Layer Type (OFFICIAL), Description, Template Code, Original Posting Reference, Sequence Number (000000000), and checkboxes for Save As Template, Replacement, and Reversal. Below this is a table with columns: GL Account, Sub-Account C, Cost Ce, Description, Curr, BC Debit, and BC Credit. The first row shows 'safact' with a BC Debit of 8,000.00 and BC Credit of 0.00. Below the table is a section for SAF codes, including Sub-Account Code, SAF Concept Code, and SAF Code. The SAF Code section shows 'Nissan' and 'Gasoline' under the 'Brand' and 'Fuel' categories respectively. At the bottom, there is a 'Currency View' section with 'Base Currency' set to 'USD' and a 'Balance USD' of 8,000.00. The bottom right corner has buttons for 'Save and Create', 'Save', and 'Close'.

GL Account	Sub-Account C	Cost Ce	Description	Curr	BC Debit	BC Credit
safact				USD	8,000.00	0.00

Sub-Account Code	SAF Concept Code	SAF Code
Brand		Nissan
Fuel		Gasoline

GL Account	Sub-Account C	Cost Ce	Description	Curr	BC Debit	BC Credit

Currency View: Base Currency: USD, Balance USD: 8,000.00, 0.00

Buttons: Save and Create, Save, Close

Field Descriptions

SAF Concept Code. This field displays the SAF concept code defined for analysis on the account.

SAF Code. This field displays the SAF code assigned to the SAF concept. Every SAF concept will have at least one default SAF code.

GL Open Item

The Open Item grid displays when the account specified in the posting is defined as an open item account.

When you post to GL accounts of type Open Items, you can create a new GL open item or change the value of an existing GL open item. GL open items are typically used for posting accruals, for example, insurance costs for an entire year, broken down into monthly values. You can create a new open item or use the Allocation Key field to link to and update an existing open item posting.

For more information on GL Open Item accounts, see “GL Accounts” on page 139.

The screenshot shows the 'Journal Entry Create' window. At the top, there's a toolbar with icons for Journal Entry, Tools, Go To, Attach, and various document icons. Below the toolbar, the window title is 'Journal Entry - Create'. The main area contains several input fields: Year (2007), Daybook Code (QADJE), Description (Unpaid Invoices), Original Posting Reference, Posting Date (06/19/2007), Layer Type (OFFICIAL), Template Code, and Sequence Number (000000000). There are also checkboxes for 'Save As Template', 'Replacement', and 'Reversal'. Below these fields is a table with columns: GL Account, Sub-Account C, Cost Ce, Description, Curr, BC Debit, and BC Credit. The table shows a single row for GL Account 0007011 with a balance of 1,000.00 USD. Below the table, there are buttons for 'Allocation', 'Allocation Key', and 'Open Item Posting'. The 'Open Item Posting' button is highlighted, and it shows 'New Open Item' with 'O15' as the Allocation Key and '2007/6/QADJE/7' as the Open Item Posting. At the bottom, there's a 'Currency View' section with 'Base Currency' and 'Balance USD' (1,000.00 and 0.00). The bottom right has buttons for 'Save and Create', 'Save', and 'Close'.

Fig. 7.13
Journal Entry, Open
Item Grid

Field Descriptions

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.

Allocation Key. Specify an allocation key for a new open item. This key subsequently identifies the GL open item in browses.

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 original posting reference for the open item.

Tax Details

The Tax Details grid displays when the account specified in the posting is defined as a tax account. The posting line includes the following fields:

- Type
- Tax Zone From/To
- Tax Usage, Tax Environment, Tax Class

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. See *User Guide: QAD Financials B* for more information on Global Tax Management.

Journal Entry Create

Journal Entry ▾ Tools ▾ Go To ▾ Attach ▾

Journal Entry - Create

Year: 2007 06 Posting Date: 06/19/2007

Daybook Code: QADJE 000000007 Layer Type: OFFICIAL Save As Template: ☐

Description: Template Code: Replacement: ☐

Original Posting Reference: Sequence Number: 000000000 Reversal: ☐

GL Account	Sub-Account C	Cost Ce	Description	Curr	BC Debit	BC Credit
000SLSTX				USD	0.00	0.00

Tax Class	Tax Usage	From Tax Zone	To Tax Zone	Tax Env	Tax Date	Tax Trans Type
AST	U01	40000	50001	USA-USA	06/19/2007	

GL Account Sub-Account C Cost Ce Description Curr BC Debit BC Credit

Currency View: Base Currency Balance USD 0.00 0.00

Fig. 7.14
Journal Entry, Tax
Details Grid

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 revalue 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 will never need 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 the transaction currency revaluation result, relative to the management currency of the parent organization

Fig. 7.15
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.

Fig. 7.16
Revaluation
Process Flow



Accounts Subject to Revaluation

Revaluation affects the following account types:

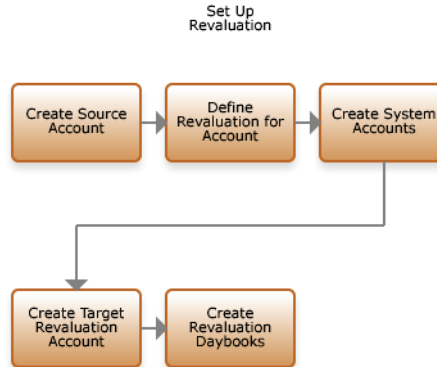
- Customer and supplier control accounts
Open items denominated in a foreign currency are subject to revaluation until paid.
- Customer and supplier payment accounts
The effect of revaluation on customer and supplier payment accounts depends on the payment instrument. If the payment instrument is direct 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.

Setting Up Revaluation

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.

Figure 7.17 shows the process map for revaluation setup.

Fig. 7.17
Revaluation Setup
Process Map.



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 in a shared set, and you can configure only one set of revaluation accounts in each shared set. The system uses the same set of accounts for both transaction currency and management currency revaluation.

See “System Accounts” on page 140 for details on creating unrealized and realized loss/gain accounts.

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	Revaluation GL Account
200	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. Select the Reverse P&L Revaluations field on the General tab of the Entity screen to enable this option for all standard GL accounts in an entity.

Typically, revaluation of profit and loss GL account is not required. However, it may be necessary in hyperinflationary regions where organizations restate their profit and loss using, for example, an average exchange rate for the quarter. See “Setting Up Entities” on page 101.

Revaluation Methods and Rates

You define the revaluation methods and rates for a source GL account in the Currency tab of Account Create (25.3.13.1). The tab lets you define both methods and rates for the revaluation of both transaction currencies and for the management currency.

Four options are available for the revaluation method:

None: No revaluation is performed.

Actual: The accounting exchange rate for that date is used; this is the most common option.

Revaluation: 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.

Own Method: This option accommodates situations where different revaluation rules apply for particular types of assets.

When you select the Revaluation method in the TC Revaluation Method or MC Revaluation Method field, ensure that a revaluation 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, you manually enter a rate in the posting lines. See “Exchange Rate Type” on page 119 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 MC revaluation methods as Own Method, on the Currency tab of the target GL account. Typically, you use Own Method as the revaluation method when you want to keep historical records of revaluation for different GAAP reporting purposes.

See “Currency Tab” on page 148 for more information on the revaluation fields for GL account setup.

The screenshot shows the 'Account Create' window with the 'Currency' tab selected. The 'TC Revaluation Method' is set to 'None', 'MC Revaluation Method' is set to 'Own Method', and 'Consolidation Method' is set to 'Current Exchange Rate'. The 'Revaluation GL' field is set to '4455'. The 'Currency Code' field is empty. The 'Base Currency Only' checkbox is unchecked. The 'TC Revaluation Rate Type' and 'MC Revaluation Rate Type' fields are empty. The 'Consolidation Rate Type' field is empty. The 'Save and Create', 'Save', and 'Close' buttons are at the bottom right.

Fig. 7.18
Revaluation
Settings on a
Supplier Control
Account

Table 7.1 describes the revaluation parameters and values for transaction currencies.

TC Revaluation Method	TC Revaluation Rate Type	Description
None	Revaluation is not applicable, and the TC Revaluation Rate field is unavailable.	The account is not revalued.
Actual Rate	Revaluation is not applicable, and the TC Revaluation Rate field is unavailable.	The system uses the accounting exchange rates that are valid at month-end.
Revaluation	Revaluation is not applicable, and the TC Revaluation Rate field is unavailable.	The system uses the revaluation exchange rate type.
Own Method	Any exchange rate with a user-defined exchange rate type.	The system uses the exchange rates of the user-defined type in the TC Revaluation Rate field.

Table 7.1
Revaluation
Parameters for
Transaction
Currency

Revaluation Postings

You must define revaluation daybooks for each account type that is being revalued, and the daybook type must match the account type. Table 7.2 lists the revaluation daybook types and corresponding GL accounts.

Table 7.2
Revaluation
Daybooks

Daybooks	GL Account Types
Revaluation Customer Payments	Customer Payment Account
Revaluation Customers	Customer Control Account
Revaluation GL	Bank, Cash, and Standard GL Accounts
Revaluation Intercompany	Cross-Company Control Accounts
Revaluation Suppliers	Supplier Control Account
Revaluation Supplier Payments	Supplier Payment Account
Revaluation Tax	Tax Account

Note The Revaluation Tax daybook is typically used by organizations with an accounting exchange rate that does not match that used by the local tax authority.

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
GL Revaluation	
	Unrealized

For AR accounts:

Debit	Credit
Revaluation	
	Customer Realized/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 cannot create revaluation postings that occur in correction periods, or create a reverse posting to occur in a correction period.

Example The last GL period of the calendar year is 2006/12, and the correction periods are 2006/13 and 2006/14. The revaluation is processed in the same period (2006/12), and reversal postings are processed in 2007/1.

You can modify or delete revaluations only when all revaluation areas have an initial status. In this case, you can modify only the revaluation header or scope, and can delete entire rows in the Simulation tab of the Revaluation screen, but not modify the row data.

Simulating Revaluation

The Revaluation Simulate activity (25.21.1.1) identifies the revaluations to be run for the GL periods and revaluation areas specified.

The Revaluation Scope settings let 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. The account types you select are displayed in the Revaluation Area column of the simulation grid when you click Apply to begin the simulation.

The simulation results are displayed in a hierarchical grid. You can drill down for more detail on individual items. The results are grouped by revaluation area, and by transaction currency or by transaction currency/sub-account combination if you defined sub-account analysis for the system accounts.

The results display the following information:

- The original debit and credit amounts in TC, BC, and MC
- The revaluated debit and credit amounts in TC, BC, and MC
- The revaluation differences to be posted
- Analytical information, if you defined analysis on the accounts

When you have completed the fields, click Save to save the revaluation.

Fig. 7.19
Revaluation
Simulate

Revaluation - Simulate

Revaluation

Number: 000000002

GL Calendar Year: 2007 06

Revaluation Date: 06/30/2007

Description:

Layer Code: Official

Revaluation Scope

Supplier Open Items ☐

Supplier Payments ☐

Customer Open Items ☐

Customer Payments ☒

Balance Sheet Accounts ☒

Profit and Loss Accounts ☒

Apply

Simulation Exchange Rates

Revaluation Area	Status	Daybook Code TC Revaluation	GL Cal Year TC Revaluation	Voucher TC Revaluation	
Balance Sheet Account	Initial		0000	0000	
GL Type	TC Rev Method	MC Rev Method	TC Debit	BC Debit	BC Rev Debit
Standard Account	Own Method	None	0.00	0.00	0.00
Standard Account	Own Method	None	0.00	0.00	0.00
Standard Account	Own Method	None	700.00	507.25	466.05
Standard Account	Own Method	None	100.00	12.79	12.61

Field Descriptions

Number. This field displays a system-generated sequence number for the revaluation.

GL Calendar Year/GL Period. Specify the GL calendar year and period in which to revalue transactions.

Revaluation Date. This read-only field indicates the last day of the GL period.

Description. Enter a brief description (maximum 24 characters) of the revaluation.

Layer Code. Select the official or management layer from which to revalue transactions.

Revaluation Scope. Select the types of account to check for balances that are subject to revaluation.

Exchange Rate Tab

The Exchange Rate tab on the Simulate screen displays a read-only list of the exchange rates used in the revaluation.

Simulation		Exchange Rates					
Rev Rate Date	Rev Rate	Scale Fact	Rate Type	From Curr	To Curr	Li	
02/28/2007	151.3000000000	1.0000000000	ACCOUNTING	USD	SPP		
02/28/2007	32.4400000000	1.0000000000	ACCOUNTING	BEF	USD		
02/28/2007	1.9650000000	1.0000000000	ACCOUNTING	EUR	DM		
02/28/2007	6.8540000000	1.0000000000	ACCOUNTING	EUR	FFR		
02/28/2007	1.1045000000	1.0000000000	ACCOUNTING	EUR	USD		
02/28/2007	0.5200000000	1.0000000000	ACCOUNTING	USD	AUD		
02/28/2007	1.3800000000	1.0000000000	ACCOUNTING	USD	CND		
02/28/2007	0.6287000000	1.0000000000	ACCOUNTING	USD	GBP		
02/28/2007	1765.0000000000	1.0000000000	ACCOUNTING	USD	LIR		

Fig. 7.20
Revaluation
Simulate, Exchange
Rate Tab

Posting Revaluations

Use the Revaluation Post activity (25.21.1.5) to post the revaluation differences to the relevant accounts.

Select revaluations for posting using the GL calendar year and GL period, revaluation number, layer, and revaluation scope items as search criteria. Click Add to add revaluations that match the criteria to the Posting grid.

Fig. 7.21
Revaluation Post

Revaluation Post

Revaluation Tools Go To Attach

Revaluation - Post

Revaluation

GL Calendar Year: 2007 GL Period: 06
 Number: All
 Layer Code:

Revaluation Scope

Supplier Open Items ☐
 Supplier Payments ☐
 Customer Open Items ☐
 Customer Payments ☐
 Balance Sheet Accounts ☒
 Profit and Loss Accounts ☐

Action

Clear
 Set Selected
 All
 Add
 Undo
 Undo All

Posting Exchange Rates

Drag a column header here to group by that column.

Selected	Layer Code	GL Pd	GL Cal Year	Rev Desc	Rev Number	Rev Date	Rev Area
☒	Official	06	2007		000000002	06/30/2007	Balance Sheet Ac

Intercompany Code	MC Rate Type	Cost Center	Curr	Sub-Acct	Account	Business I
			CND		1000	
			HKD		1000	
			CND		129988	
			HKD		129988	

Save Close

Field Descriptions

GL Calendar Year/Period. Specify a GL calendar year and GL period in which to search for revaluation transactions.

Number. Specify a revaluation object number that identifies a simulation.

Layer Code. Specify a layer to search for revaluation simulations.

Revaluation Scope. Select the types of account to include in the revaluation object search.

Set Selected. Use the drop-down list to include or exclude selected revaluations in the posting grid.

Use the Clear, Add, Undo, and Undo All buttons to clear the posting grid, and to add or remove revaluations from the grid.

Click Save to generate the revaluation and reversal postings.

Open Item Adjustment

Use Open Item Adjustment Create (25.13.5) to reconcile unpaid or incorrectly paid invoices and credit notes. In addition, you can record prepayments and adjustments, change the value of an existing open item, or create a new open item. All open item adjustments are recorded in the official layer.

Figure 7.22 shows the process map for open item adjustment activities.

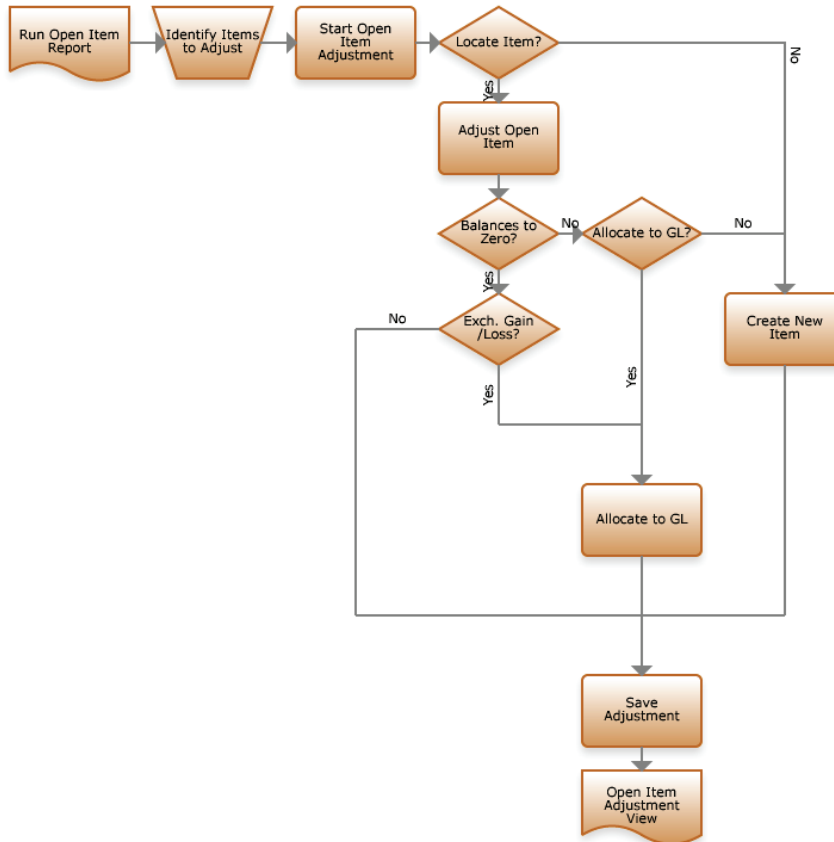


Fig. 7.22
Open Item
Adjustment Process
Map

You can link invoices to credit notes using:

- Customer Invoice Create (27.1.1.1) and Supplier Invoice Create (28.1.1.1)

- Customer Payment Selection Create (27.6.4.6) and Supplier Payment Selection Create (28.9.4.1)

Use open item adjustment if you have not linked and reduced or netted invoices and credit notes using the above options.

Open item adjustment 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 check box is selected in the business relation, customer and supplier open items belonging to the same business relation can be adjusted directly against each other. See “Creating Business Relations” on page 289.

Often, organizations are billed for services they have not yet benefitted from; for example, rent is often paid in advance. You can use Open Item Adjustment to record prepayments for revenue received or expenses paid in advance. You can also create adjustments for prepayment open items created in the Banking Entry or in Supplier Payment Selection.

The Open Item Adjustment screen is composed of three parts:

- The header, which contains posting parameters: GL calendar year, GL period, daybook, voucher, and layer
- The search criteria for locating open items
- The Open Items grid listing open item transactions, for which you can specify new balances

Initially, the Open Item grid is empty and you must locate open items using the search criteria. After entering selection criteria, click Apply and the grid displays all open items that match the criteria.

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.

The New Item option lets you reopen invoices that were incorrectly matched and allocate the differences to other invoices. In addition, if you cannot find an item to adjust, you can create a new open item for the customer or supplier. See “New Item” on page 431.

The Allocate GL option lets you create a journal entry in which completed adjustments are represented as read-only posting lines in control accounts. See “Allocate GL” on page 432.

Fig. 7.23
Open Item
Adjustment Create

Open Item Adjustment Create

Go To
Actions
Tools
Print
Preview

Attachments

Posting Info

Posting Year/GL Period: 2009 1
Posting Date: 01/27/2009
Daybook Code: SADJ 1
Layer: OFFICIALayer

New Item Allocate GL

BC Balance: 0.00 DR

Search for Invoices/Payments

Customer/Supplier: 5000
Business Relation:
Invoice Reference:
Year/Daybook/Voucher:
Group Name:
Amount: 0.00
Operator/Margin: = 0.00

Include Customers:
Include Suppliers:
Include Closed Items:
Start From Year:
All Entities:
Only Over Allocated Items:

Search

Drag a column header here to group by that column.

Entity	Business Relation	Invoice Type	Open Balance TC	Open	Curr	Full	New Balance
1000	5000	Invoice	150.00 CR	USD			
1000	5000	Invoice	150.00 CR	USD			
1000	5000	Invoice	120.00 CR	USD			
1000	5000	Invoice	531.25 CR	USD			
1000	5000	Invoice	531.25 CR	USD			
1000	5000	Adjustment	293.00 CR	USD			
1000	5000	Invoice	120.00 CR	USD			

Field Descriptions

Posting Year/Period/Date. Specify a GL calendar year, GL period, and posting date for the adjustment posting.

Daybook/Voucher. Specify a daybook. You must specify a type of either SA (Supplier Adjustment) or CA (Customer Adjustment).

The Voucher field is a read-only display of the system-generated voucher number.

Layer. This read-only field indicates that the adjustment is to be posted to the official layer.

Search Criteria for Invoices/Payments

Use the search criteria to locate outstanding open items.

Fig. 7.24
Search Criteria for
Invoices/Payments

The screenshot shows a software window titled "Search Criteria for Invoices/Payments". At the top, there are two tabs: "New Item" and "Allocate GL". The "New Item" tab is selected. Below the tabs, there's a header area with "BC Balance" set to "0.00 DR" and a "<<" button. The main area contains several input fields and checkboxes. On the left, there are fields for "Business Relation", "Customer/Supplier", "Invoice Reference", "Year/Daybook/Voucher", "Amount" (with a value of 0.00), and "Operator/Margin". On the right, there are checkboxes for "Include Customers", "Include Suppliers", "Include Closed Items", "Start From Year" (with a value of 2007), and "All Entities". An "Apply" button is located at the bottom right of the dialog.

Field Descriptions

Search for Invoices/Payments

Customer/Supplier. Specify a customer or supplier. Depending on whether you selected the Include Customers field or Include Suppliers field, the lookup results display customers or suppliers.

Business Relation. Specify a business relation. Select one or both of the Include Customers and Include Suppliers fields to refine the search criteria.

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.

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.

Include Closed Items. Select to include open items that have previously been closed. Use this field in combination with the Start from Year 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. Specify a GL calendar year from which to search for closed open items.

All Entities. Select to display open items from all entities in the database. When you adjust an open item from another entity, you create a cross-company posting. See “Intercompany and Cross-Company Transactions” on page 464 for more information.

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.

Amount. Specify an amount and a currency for the open item.

Operator/Margin. 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.

Click Search to display the results.

Adjusting Open Items

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.

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.

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 the Allocate GL screen, you allocate \$1500 in US dollars, and not in the base currency (providing 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.

Click Apply to apply the adjustment.

Fig. 7.25
Open Item
Adjustment, Search
Results Grid

Business Relation	Invoice Reference	Invoice Date	TC Invoice Balance	Dr/Cr	Invoice C	TC New Balance
00010000-st92bnfmg	2007/AR Finan/00000	02/07/2007	1,000.00	DR	USD	1,000.00 00
00010000-st92bnfmg	2007/CN/0000000001	01/08/2007	100.00	CR	USD	100.00 00
00010000-st92bnfmg	2006/AR Finan/00000	11/14/2006	54.00	DR	USD	54.00 00
00010000-st92bnfmg	2006/AR Finan/00000	11/14/2006	345.00	DR	USD	345.00 00
00010000-st92bnfmg	2006/AR Finan/00000	11/14/2006	120.00	DR	USD	120.00 00
00010000-st92bnfmg	2006/AR Finan/00000	11/14/2006	2.00	DR	USD	2.00 00
00010000-st92bnfmg	2006/AR Finan/00000	11/22/2006	123.00	DR	USD	123.00 00

Save and Create Save Close

BC Balance. This field displays the new account balance when you apply the adjustments.

New Item

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 Adjustment screen.

Origin	Customer
Business Relation	Miko
Customer/Supplier	Miko
Invoice Type	Adjustment
Description	
Sub-Account	1000
Project	
Cost Center	
Invoice Date	03/02/2007
Due Date	03/02/2007
Discount Due Date	03/02/2007
TC Adjustment Amount	1,890.00 EUR DR
Exchange Rate	1.104500000
Rate Scale	1.0000000
BC Adjustment Amount	2,087.50 USD
Invoice Status Code	DMSTAT

Fig. 7.26
Open Item
Adjustment, New
Item

Field Descriptions

Origin. This read-only field indicates the type of new item—either Customer or Supplier.

Business Relation. Specify the business relation for which the open item applies.

Customer/Supplier. Specify the customer or supplier for which the open item applies.

Invoice Type. Select Adjustment or Prepayment to indicate the type of open item.

Description. Enter a brief description (maximum 24 characters) of the open item.

Sub-Account/Project/Cost Center. Specify an sub-account, cost center, or project to add analysis to the customer or supplier control account used for the adjustment posting.

Invoice Date. Specify an invoice date. This is normally prior to the posting date and within the same GL period.

Due Date. Specify a due date for the invoice.

Discount Due Date. Specify a discount due date for payments that are subject to discount.

TC Amount Adjustment. Enter the adjustment amount in the transaction currency.

Exchange Rate. This field displays the accounting exchange rate when the transaction currency is different from the base currency. You can modify this value.

Scale Factor. This field displays the scaling factor for the exchange rate.

BC Amount Adjustment. This field displays the adjustment amount in the base currency.

Invoice Status Code. 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.

Allocate GL

Click Allocate GL to post the adjustment balance to a customer or supplier control account, or to a standard GL account. The Allocate GL option creates a journal entry in which completed adjustments are made in control accounts. 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 GL for the remainder of the balance.

Example

A customer has been invoiced for \$1000 and the invoice remains open.

twbr2	2006/TWCI/00000000	10/10/2006	1,000.00	DR	USD	☐

Fig. 7.27
Open Item Line

A payment of \$700 from the customer is netted against the open balance, and the value is entered in the TC New Balance field.

2006/TWCI/00000000	10/10/2006	1,000.00	DR	USD	☐	700.00

Fig. 7.28
Adjusted Open Item

The user then clicks the Allocate GL button in the main Open Item Adjustment screen. The Allocate GL screen opens with the balance remaining on the invoice (\$300) displayed in the top right. The user can then allocate this value to a control account.

Open Item Adjustment - Create

Open Item Adjustment - Create

BC Balance 300.00 CR

GL Account	Code	Code	Description	Curr	BC Debit	BC Credit

Currency View Base Currency Balance USD 0.00 0.00

OK Close

Fig. 7.29
Allocate GL

Field Descriptions

GL Account. Specify the account to which you want to assign the adjustment balance

Description. This field displays the year, period, journal type, and adjustment type.

Curr. This field displays the transaction currency. Specify a different currency if required.

Debit TC/Credit TC. Net the adjustment to zero by entering the netting amount as a credit or debit to the account.

Currency View. Choose to view the transaction balance in the base or transaction currency.

Balance CUR. This field displays the account balance and the adjustment balance.

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, it is likely that exchange gains or losses will 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 Adjustment, exchange gains and losses can occur.

The Allocate GL option in Open Item Adjustment 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.

Viewing Open Item Adjustments

Use Open Item Adjustment View to browse existing open item adjustments. The view displays read-only details of the adjusted items and postings.

Type	Invoice Number	Supplier/Customer	TC	TC Orig Balance	TC Movement
Supplier Invoice M	2008/SI/000000009	Supp001	USD	-52.30	52.30
Customer Invoice	2008/CI/000000028	ANQUI	USD	11.00	-11.00
New Supplier Invoi	2008/SADJ/000000007	Supp001	USD	0.00	-42.40

Fig. 7.30
Open Item
Adjustment View

Posting Templates

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.

Figure 7.31 shows the process map for posting template activities.

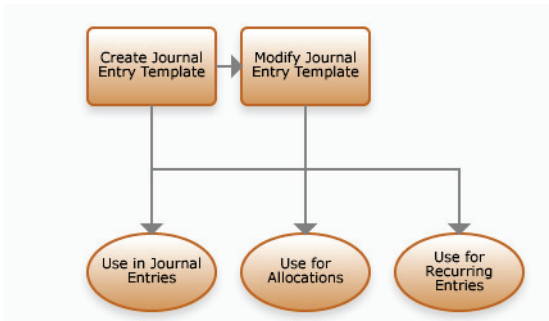


Fig. 7.31
Posting Templates
Process Map

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.

Creating a Posting Template

Create posting templates from existing journal entry posting lines by selecting the Save as Template option on the Journal Entry screen, entering a code that identifies the template, and clicking Save.

If you use a daybook linked to a transient layer, you can review the template details before posting the transactions to the official layer. When you have verified the template, you can then change the daybook type to official.

The screenshot shows the 'Journal Entry' window with the following fields and values:

- Year: 2007 06
- Posting Date: 06/19/2007
- Daybook Code: QADJE 000000010
- Layer Type: OFFICIAL
- Template Code: TemplGL01
- Sequence Number: 000000000
- Save As Template: ☒
- Replacement: ☐
- Reversal: ☐

GL Account	Sub-Account C	Cost Ce	Description	Curr	BC Debit	BC Credit
1049				EUR	88.36	0.00
1106				EUR	0.00	88.36

At the bottom, the 'Currency View' is set to 'Base Currency' and the 'Balance USD' is 88.36 (debit) and 0.00 (credit). Buttons for 'Save' and 'Close' are at the bottom right.

Fig. 7.32
Saving a Journal
Entry as a Posting
Template

Click the lookup in the Template Code field to select and load a template for use in a journal entry.

The system records the number of times each template has been used.

Note You cannot select a template with a daybook type different than that of the current posting. For this reason, the Daybook Type filter is read-only.

Using a Posting Template

Use the following procedure to create a journal entry using a posting template:

- 1 Click the Template Code lookup and select a template.
The Posting Template Apply screen is displayed.
- 2 Complete the fields as described below.

Fig. 7.33
Posting Template
Apply

The screenshot shows a 'Posting Template - Create' window. It has a list of fields on the left and their corresponding input areas on the right. The fields are: Template Code (TemplGL01), Posting Text, Description, Clear All (checkbox), TC Amount (0.00), Quantity (0.00), Sub-Account Code, Project, Cost Center Code, SAF Concept Code, SAF Code, and Append (checkbox). The 'OK' and 'Close' buttons are at the bottom right.

Field Descriptions

Template Code. This read-only field displays the template code.

Posting Text. Enter the journal entry description. Leave this field blank to load the description saved in the template.

Posting Line Text. Enter the posting line description. You can also edit this text in the posting grid. Leave this field blank to load the description saved in the template.

Clear All. Select to delete all existing currency amounts. You can enter new currency amounts in the posting grid.

Note You can use the base currency and one other currency only when saving posting details in a template. When you save a posting that uses two non-base currencies, the Clear All field is automatically set, and the amount, quantity, and currency details are cleared from the template.

TC Amount. Specify the transaction currency amount. Leave this field blank to load the amounts saved in the template.

Quantity. Specify the quantity of units for this transaction, if the account is defined to accept units of measure. Quantities are not saved in posting templates, and this value defaults to zero.

See “GL Account Unit of Measure” on page 169 for details.

Sub-Account. This field displays a sub-account code if one is used in the template.

Project. This field displays a project code if one is used in the template.

Cost Center. This field displays a cost center code if one is used in the template.

SAF Concept Code. This field displays an SAF concept code if one is used in the template.

SAF Code. This field displays an SAF code if one is used in the template.

Append. Select to retain the original posting lines and append the template posting lines. If you do not select Append, the original posting lines are removed.

Recurring Entry

Use the Recurring Entry activities (25.13.4) to create, view, modify, and delete recurring entries, and to process recurring entry postings.

Recurring entries are transactions that are repeated regularly, such as monthly rent payments.

Figure 7.34 shows the process map for recurring entries.

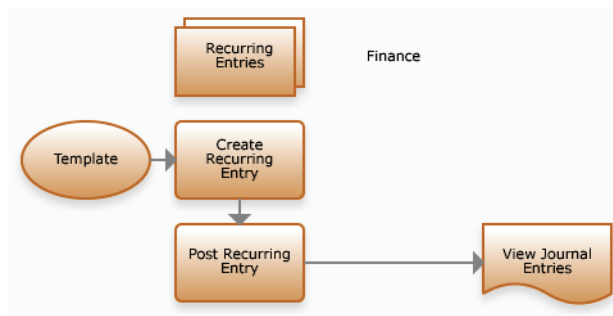


Fig. 7.34
Recurring Entry
Process Map

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 Recurring Entry Post. If the template was recorded in the official layer, the postings step is not required.

Example An organization pays \$12000 a year to rent an office, and 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 Matching Posting tab of the Supplier Invoice screen. The daybook used must be of type Matching Daybook.

Matching Daybook			
Rent Prepayment Acct		Accounts Payable	
12000			12000

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.

Journal Entries Daybook			
Rent Expense Acct		Rent Prepayment Acct	
1000			1000

Recurring Entry - Create

Code: Recur1

Active: ☒

Template Code: TempRecur2 Frequency: Monthly Start Date: 06/19/2007

Daybook Code: QADJE Update Type: Allowed End Date: 06/19/2008

BC Amount: 1,200.00

Reverse in Next GL Period: ☐

Apply

Code	Status	Posting Date	Reversing Date	BC Amount	GL Pd	GL Cal Year	Last
Recur1	Waiting	06/19/2007		1,200.00	06	2007	
Recur1	Waiting	07/19/2007		1,200.00	07	2007	
Recur1	Waiting	08/19/2007		1,200.00	08	2007	
Recur1	Waiting	09/19/2007		1,200.00	09	2007	
Recur1	Waiting	10/19/2007		1,200.00	10	2007	
Recur1	Waiting	11/19/2007		1,200.00	11	2007	
Recur1	Waiting	12/19/2007		1,200.00	12	2007	
Recur1	Waiting	01/19/2008		1,200.00	01	2008	
Recur1	Waiting	02/19/2008		1,200.00	02	2008	

Save and Create Save Close

Fig. 7.35
Recurring Entry
Create

Field Descriptions

Code. Enter a code (maximum 20 characters) to identify the recurring entry.

Active. Indicate if this is an active record. The effect of this field is described in “Active and Inactive Records” on page 68.

Template Code. Specify a posting template to use as the basis of the recurring entry.

Daybook Code. Specify the daybook code to which the recurring entry will be posted.

BC Amount. Enter the base currency amount of the recurring entry.

Frequency. Select a posting frequency from the following options:

Manually. You must run the posting manually at intervals. Use this option when the intervals required are irregular.

Monthly

GL Period

Quarterly

Weekly

Note The GL Period option is the same as Monthly if your GL periods correspond exactly to calendar months.

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. Posting details with this status are displayed in green.

Forbidden: You cannot update posting details marked as Forbidden. Posting details with this status are displayed in black.

Mandatory: You must update posting details marked as Mandatory. Posting details with this status are displayed in blue.

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 at the predefined intervals for an indefinite timespan.

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.

Click the Apply button to generate recurring entries based on the information you specified in the header.

If you do not specify an end date, the grid displays one instance of the entry only.

Entry Grid

You can modify the recurring entry details before posting the transactions. However, you cannot modify the status, which is assigned by the system.

Field Descriptions

Code. Edit the recurring entry code, if required.

Status. This field displays Waiting, Posted, or Deleted as the recurring entry status.

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 Pd. Specify the GL period in which to post the transactions.

GL Cal Year. Specify the GL calendar year in which to post the transactions.

Last Modified Date/Time and 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.

Posting Recurring Entries

Use Recurring Entry Post (25.13.4.5) to post recurring entries to the official layer, and update the accounts specified in the posting template.

When selecting recurring entries to post, you must specify an end date as a search criterion. Refine the search further using the 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.

Fig. 7.36
Recurring Entry
Post

Recurring Entry Post

Recurring Entry Tools Go To Attach

Template Code: Recur01 Frequency: Monthly End Date: 06/19/2008

Daybook Code: QADJE Update Type: Allowed Code: Recur1

Apply

Drag a column header here to group by that column.

Code	GL Cal Year	GL Pd	Posting Date	Daybook Code	Reversing Date	Template Code	Frequency
Recur1	2007	06	06/19/2007	QADJE		Recur01	Monthly
Recur1	2007	07	07/19/2007	QADJE		Recur01	Monthly
Recur1	2007	08	08/19/2007	QADJE		Recur01	Monthly
Recur1	2007	09	09/19/2007	QADJE		Recur01	Monthly
Recur1	2007	10	10/19/2007	QADJE		Recur01	Monthly
Recur1	2007	11	11/19/2007	QADJE		Recur01	Monthly
Recur1	2007	12	12/19/2007	QADJE		Recur01	Monthly
Recur1	2008	01	01/19/2008	QADJE		Recur01	Monthly
Recur1	2008	02	02/19/2008	QADJE		Recur01	Monthly
Recur1	2008	03	03/19/2008	QADJE		Recur01	Monthly
Recur1	2008	04	04/19/2008	QADJE		Recur01	Monthly
Recur1	2008	05	05/19/2008	QADJE		Recur01	Monthly
Recur1	2008	06	06/19/2008	QADJE		Recur01	Monthly

Ok Close

Field Descriptions

Template Code. Specify the template code for the recurring entry you want to post.

Daybook Code. Specify the daybook code of the recurring entry.

Frequency. Choose a type of frequency to filter the recurring entries in this period.

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. Posting details with this status are displayed in green.

Forbidden: You cannot update posting details marked as Forbidden. Posting details with this status are displayed in black.

Mandatory: You must update posting details marked as Mandatory. Posting details with this status are displayed in blue.

End Date. Specify an end date for the recurring entries.

Code. Specify the code that identifies the recurring entries you want to post.

Click Apply to display all recurring entries that match the search criteria. Click OK to post the recurring entry transactions.

Reversing Transactions

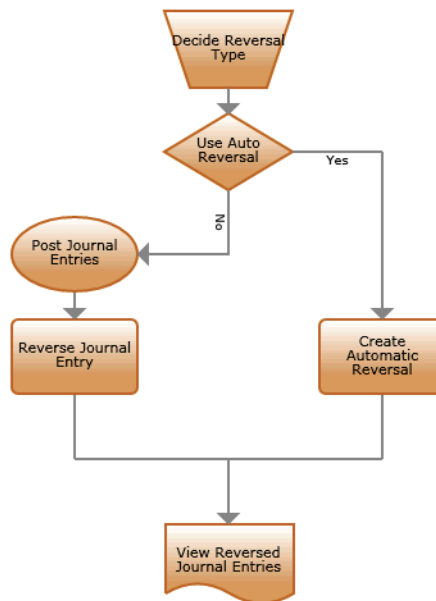
Use the Reverse Transactions activity to reverse activity on existing journal entries. Reversing journal entries are made on the first day of a new GL period to reverse the effects of adjusting entries made on the last day of the previous GL period, without changing the period or amount.

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.

Figure 7.37 shows the process map for reversing entries.

Fig. 7.37
Reversing Entries
Process Map



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.

You can reverse a journal entry in two ways: manually or automatically.

Manual Reversal

Use the Reverse option in Journal Entry (25.13.1.5) to manually select entries for reversal. The initial reversing screen displays a summary of the entry details. Reversals are usually processed on the first day of the GL period that follows the original posting period. The year, period, and posting date, therefore, default to these values.

Journal Entry Browse for Re... Journal Entry - Reverse

Journal Entry - Tools Go To Attach

Journal Entry - Reverse

Year 2007 06 Posting Date 06/19/2007

Daybook Code QADJE 000000009 Layer Type OFFICIAL Save As Template

Journal Entry - Reverse

Year 2007 07 Posting Date 07/01/2007 Correction

Daybook Code QADJE 000000000 Layer Type OFFICIAL Save As Template

Description

Original Posting Reference 2007/QADJE/000000009 Sequence Number 000000000

OK Close

Currency View Base Currency Balance USD 12.79 12.79

Save Close

Fig. 7.38
Journal Entry
Reverse

Click OK to accept these settings and to display the main Journal Entry Reverse screen.

Fig. 7.39
Journal Entry
Reverse

Journal Entry - Reverse

Year: 2007 07 Posting Date: 07/01/2007

Daybook Code: QADJE 000000011 Layer Type: OFFICIAL Save As Template: ☐

Description: Template Code: Replacement: ☐

Original Posting Reference: 2007/QADJE/000000009 Sequence Number: 000000000 Reversal: ☒

GL Account	Sub-Account C	Cost Ce	Description	Curr	BC Debit	BC Credit
129988				HKD	0.00	12.79
1000				HKD	12.79	0.00

Currency View: Base Currency Balance USD 12.79 12.79

Save Close

The Journal Entry Reverse screen displays the amended posting date, and reversed credit and debit amounts. Click Save to save the reversals.

Correction Journal Entry Reversal

In certain countries, particularly in Eastern Europe, 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 in the Journal Entry Reverse subscreen.

Journal Entry - Reverse

Journal Entry - Reverse

Year

2007 04

Daybook Code

QADJE 000000000

Description

Test Reversal

Original Posting Reference

2007/QADJE/000000005

Posting Date

04/01/2007

Layer Type

OFFICIAL

Template Code

Sequence Number

000000000

Correction

☒

Save As Template

☐

OK

Close

Fig. 7.40
Journal Entry
Reverse Subscreen

When you reverse a journal entry as a correction, the postings are netted out and the balance is zero.

GL Account	Code	Code	Description	Curr	BC Debit	BC Credit
1000			Test Reversal	USD	-1,000.00	0.00
000000AR			Test Reversal	USD	0.00	-1,000.00

Fig. 7.41
Correction Reversal
Postings

Table 7.3 shows the difference in the GL posting lines between a reversing posting and a reversing correction posting.

GL Account	Debit	Credit
Original Posting		
GL1	100	
GL2		70
GL3		30
Reversing Posting		
GL1		100
GL2	70	
GL3	30	
Reversing Correction		
GL1	-100	
GL2		-70
GL3		-30

Table 7.3
Reversal and
Correction Postings

Automatic Reversal

Reversing Journal Create (25.13.1.14) 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 a posting in Reversing Journal Create (25.13.1.14), both the original and reversing journal entries are created.

Fig. 7.42
Reversing Journal
Create

Reversal posting date

Reversal posting date

Reversing Journal Create is based on Journal Entry Create and contains many of the same fields. However, the following two fields are exclusive to reversing journal entries:

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 will occur even if the posting GL period is not yet open.

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.

Example

A company uses temporary workers during December 2008, and the cost estimate is \$18,000. The actual invoice will not be received until January 2009. In order to correctly reflect the costs for 2008, the cost for temporary staff must be included in the year 2008 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 2008 will now correctly reflect the cost of temporary staff.

Modifying Reversing Journal Entries

Use Journal Entry Modify (25.13.1.2) to change details in the automatic reversing journal entry. The system automatically copies any change you make to the original journal entry to the reversing journal entry.

Deleting Reversing Journal Entries

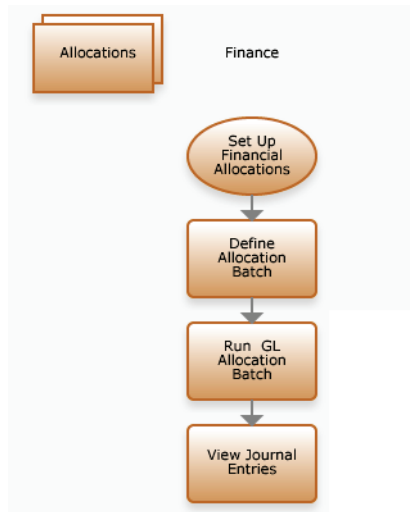
You cannot delete a reversing journal entry directly. You must delete the originating journal entry using Journal Entry Delete (25.13.1.4). Both the original and reversing journal entry are then deleted.

Running Allocations

Allocation is the process of distributing costs and revenues to the appropriate accounts, sub-accounts, cost centers, and projects. Use the Allocation function to identify types of cost and automatically distribute them to the correct cost targets.

Figure 7.43 shows the process map for running allocations.

Fig. 7.43
Allocations Process
Map



The GL Allocation Batch Create (25.3.22.6) and Allocation Batch Run Execute (25.13.9) activities let you create and run batches of allocations that you have previously defined. See “Financial Allocations” on page 261 for information on how to set up allocations.

The Budget daemon should be active when allocations are run because the allocation functionality uses the same tables. The Budget daemon ensures that the most current values are available for an allocation run. See *User Guide: QAD System Administration* for information about daemons and their administration.

Defining Allocation Batches

Use GL Allocation Batch Run Execute (25.13.9) to run multiple allocations simultaneously. This activity also runs allocations in sequence, using the result of one allocation as the source of the next. An allocation batch can contain one or multiple allocation codes.

Fig. 7.44
GL Allocation
Batch Modify

Field Descriptions

Allocation Batch Code. Enter a code (maximum 20 characters) that identifies the allocation batch.

Description. Enter a brief description (maximum 40 characters) of the allocation batch.

Active. Indicate if this is an active record. The effect of this field is described in “Active and Inactive Records” on page 68.

JE Group. Enter a code to identify the journal entry (JE) group.

JE groups are transaction groups that contain allocations.

The system runs all of the allocations in the JE group. This ensures that when an allocation batch run is interrupted, the system does not stop the batch run until all allocations in the current group have been run.

You must assign the same daybook to all allocations in a JE group. The result of a JE group run is always a single journal entry.

Alloc Code. Specify an allocation code to include in the JE group.

See “Financial Allocations” on page 261 for information on how to set up allocations.

Last Modified Date/Time and 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.

GL Allocation Batch Run

By default, the system runs all selected lines in the GL Allocation Batch Run Execute screen, except when a batch has already run for the same target period. The system also keeps a log file of previously run allocations.

An allocation batch is run correctly if the figures it uses from the Budget module are valid. These figures are calculated by the Budget daemon. The system checks for unprocessed daemon records before running each allocation in the batch, and displays a warning when unprocessed records exist.

When an allocation batch is interrupted, you can restart the batch for the same GL period. All allocations already run are deselected to ensure that they are not re-run.

The result of an allocation is immediately posted. By using a transient layer daybook as target—the recommended approach—you can review the allocation postings, and correct or delete them as necessary. You then assign them to the official or management layer.

Fig. 7.45
Allocation Batch
Run Execute

Sequence	JE Group	Execute	Processed	Allocation Code	Source Type	Proportional COA Code	Proportional COA Element
1	rent	☐	☐	rentgeh	Constant Value		

Field Descriptions

Allocation Batch. Specify the allocation batch to run.

Processing Status. This field displays the status the current allocation batch.

Source GL Period. Select the source data from this period only or cumulative data from the start of the GL calendar year up to the end of this period.

Target GL Period, Posting Date. Specify the target period and posting date.

Number Of Groups. Specify the number of JE groups selected for execution.

To Be Processed. This field displays the number of JE groups still to process.

Processed. This field displays the number of JE groups already processed.

Click Search to display the allocation batch details in the grid. When you have executed the allocation batch run, use Journal Entry View to view the resulting posting.

The screenshot shows the 'Journal Entry - View' window. At the top, there's a toolbar with 'Journal Entry', 'Tools', 'Go To', 'Attach', and various icons. Below the toolbar, the window title is 'Journal Entry - View'. The main area contains several input fields for metadata: Year (2007, 04), Posting Date (04/30/2007), External (checkbox), Daybook Code (QADJE), Layer Type (OFFICIAL), Save As Template (checkbox), Description (Allocations Exp 2007/3), Template Code, Replacement (checkbox), Original Posting Reference, Sequence Number (000000000), and Reversal (checkbox). Below these fields is a grid with columns: GL Account, Code, Code, Description, Curr, BC Debit, and BC Credit. The grid contains two rows: 111555 GEN Allocation Expenses USD 0.00 64,000.00 and 111555 A1 Allocation Expenses USD 64,000.00 0.00. At the bottom, there's a 'Currency View' section with 'Base Currency' selected, 'Balance USD', and two input fields showing '64,000.00'. 'Save' and 'Close' buttons are at the bottom right.

GL Account	Code	Code	Description	Curr	BC Debit	BC Credit
111555	GEN		Allocation Expenses	USD	0.00	64,000.00
111555	A1		Allocation Expenses	USD	64,000.00	0.00

Fig. 7.46
Allocation Batch
Journal Entry

Proportional Fraction Allocation Example

In this example, machine hours are posted to the cost center to which the machines belong.

You define an allocation that distributes the costs to the relevant cost centers. The amounts are distributed based on the number of machine hours recorded against GL account 111666 for each of the cost centers A1, A2, and A3.

GL account 111666 is a standard GL account used to record quantities in the form of hours.

Allocation Definition

In this example, the source is taken from the budget structure where the machine hour costs are accumulated. The example uses a proportional fraction type. The fractions are calculated using the structure Hours per Department, which totals the machine hours per cost center.

The posting structure is defined by the template Alloc. The target posting is in a transient layer and can be reviewed before final posting.

Fig. 7.47
Allocation
Definition

The screenshot displays the 'Allocation - View' window with the 'Proportional Allocation' tab selected. The window is divided into two main sections: 'General' and 'Proportional Allocation'. The 'General' section contains fields for 'Allocation Code' (PropAlloc), 'Description' (Proportional Allocation), 'Source Type' (WBS Topic), 'Source WBS' (general CC), 'From Layers' (Official), 'From Amt' (Balance), 'Amt By' (GL Period), 'Value Of' (BC Amount), 'Quantity' (0.00), 'BC Price' (0.00), 'BC Amount' (0.00), 'Fraction Type' (Proportional Fract), 'Constant Fraction' (0.00), 'Numerator WBS', 'From Amt' (Hours per dep), 'Denominator WBS', 'From Amt', 'Daybook Code' (JL), 'Layer Code' (Official), and 'Template Code' (Alloc). The 'Proportional Allocation' section is currently empty. At the bottom right, there are 'Save' and 'Close' buttons.

The Proportional Allocation tab displays the list of cost centers for which a proportional fraction must be calculated.

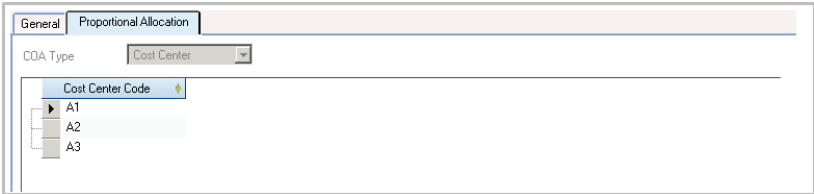


Fig. 7.48
Proportional
Allocation Tab

Within the Levels tab in the Budget function (25.5.1.3), the cost center level (level 2) is used for proportional allocation.

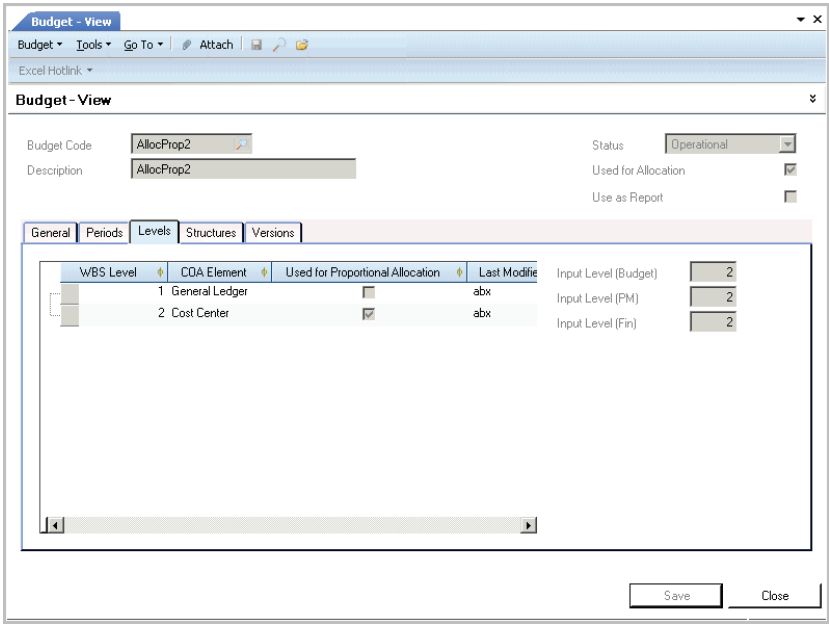


Fig. 7.49
Budget View

The budget structure on which the allocation is based is defined in the Structures tab in the Budget function. GL account 111666 is linked to the structure.

Fig. 7.50
Budget Modify,
Topic Details

Budget - View

Budget Code: AllocProp2 Status: Operational

Description: AllocProp2 Used for Allocation: ☒ Use as Report: ☐

General | Periods | Levels | Structures | Versions

Versions: Initial Version (2007/3) Auto Roll-Up: ☐

Topic	TC Amt (01)	Qty (01)	Forecast Cost (01)	Forecast Qty (01)	Class
GL mach hours	0.00	0.00	0.00	0.00	0
Hours per dep	0.00	0.00	0.00	0.00	0

COA Link for General Ledger List: 111666 Total Actual 0.00 Total Commitment 0.00

Save Close

You can now run the allocation batch using Allocation Batch Run Execute (25.13.9).

As indicated by the posting template, GL account 666111 is debited with transaction postings for each cost center. A temporary account is credited. The cost center driving the allocation is referenced in each posting line.

Note The COA level marked as Used for Proportional Allocation in the budget Levels tab must be used within the posting template. The allocation will not run if the system does not find a matching level.

You can view the resulting allocation postings in Journal Entry View (25.13.1.3).

Fig. 7.51
Journal Entry View

Journal Entry - View

Journal Entry - View

Year200703Posting Date03/09/2007

Daybook CodeJL000000015Layer TypeOFFICIALSave As Template

Descriptionmachine hours of the monthTemplate CodeReplacement

Original Posting ReferenceSequence Number000000000Reversal

GL Account	Sub-Account C	Cost Ce	Description	Curr	BC Debit	BC Credit
111666		A1	machine hours of th	USD	100.00	0.00
111666		A2	machine hours of th	USD	120.00	0.00
111666		A3	machine hours of th	USD	130.00	0.00
00000WIP			machine hours of th	USD	0.00	350.00

Currency ViewBase Currency

Balance USD350.00350.00

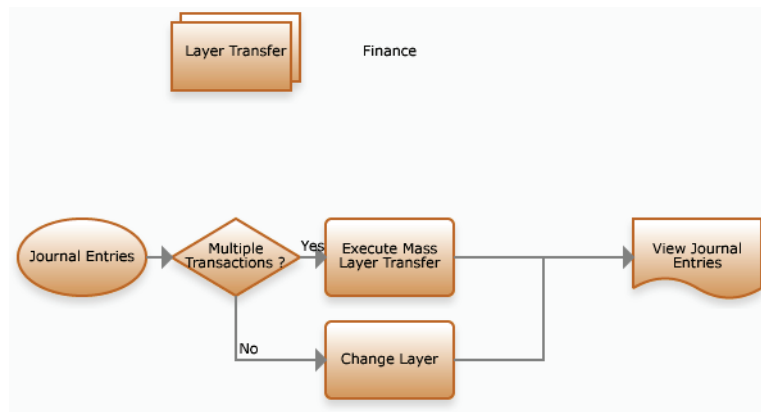
SaveClose

Mass Layer Transfer

Mass Layer Transfer Execute (25.13.11) lets you transfer batches of postings from the transient layer to the management or official layers. 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 Mass Layer Transfer Execute. See “Accounting Layers” on page 220 for more information.

Figure 7.52 shows the process map for mass layer transfer.

Fig. 7.52
Mass Layer
Transfer Process
Map



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.

When you click the Add button, the system populates the grid in the Mass Layer Transfer screen 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.

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

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 Mass Layer Transfer to move the postings to a specific management layer for final consolidation.

Select	Voucher	Description	Target Daybook Code	Year	GL Period	Daybook Code	Layer Code
☒	000000005		JL	2007	06	Tran001	TRANSIENTLayer

Fig. 7.53
Mass Layer
Transfer

Field Descriptions

Transient Layer Code. Specify the layer code that identifies the transient layer to transfer postings from.

Daybook Code. Specify the daybook in the transient layer from which to transfer postings.

Year/GL Period From. Specify the GL calendar year and the first GL period from which postings will be transferred. This field is mandatory.

Year/GL Period To. Specify the GL calendar year and the last GL period from which postings will be transferred. This field is mandatory.

Posting Date From. Specify the first date in a range to search for postings to transfer.

Posting Date To. Specify the last posting date in the range to search for postings to transfer.

Description. Enter a brief description (maximum 40 characters) of the postings to be transferred.

Target Daybook Code. Select the daybook to which to transfer the postings. The target daybook must be of the same GL type as the source daybook.

Target Layer Code. This field displays the layer associated with the daybook to which to transfer the postings.

Click Add to retrieve journal entries that match the criteria.

Grid Field Definitions

Select. Select the field to indicate the transactions you want to transfer.

Clear the field for transactions that you want to remain in the transient layer.

Voucher. This field displays the numeric identifier assigned to the posting. When the daybook of the journal entry is changed (after transfer), the voucher is cleared.

Description. This field displays a description of the posting line.

Daybook Code. This field displays a code that identifies the daybook in the transient layer to which the transaction is currently posted.

Target Daybook Code. This field displays the target daybook for the transaction transfer.

Layer Code. This field displays the target layer for the transaction transfer.

Year. This field displays the GL calendar year that the system associates with the transferred transactions.

GL Period. This field displays the GL period that the system associates with the transferred transactions.

Click Transfer to begin the transfer of your selected postings to the target layer.

Note A progress indicator shows the status of the transfer. Once started, you cannot cancel the transfer.

The screenshot shows the 'Mass Layer Transfer Execute' window. It contains several input fields for configuration: Transient Layer Code (TRANSIENTLayer), Daybook Code (Tran001), Year/GL Period From (2007, 06), Year/GL Period To (2007, 06), Posting Date From, Posting Date To, Description, Target Daybook Code (JL), and Target Layer Code (OFFICIAL). Below these fields is a table with columns: Select, Voucher, Description, Target Daybook Code, Year, GL Period, Daybook Code, and Layer Code. The table contains one row with the following values: [checked], 000000005, JL, 2007, 06, Tran001, and TRANSIENTLayer. At the bottom of the window, there is a 'Save Progress' button, a progress bar showing '0 of 1', and 'Transfer' and 'Close' buttons.

Select	Voucher	Description	Target Daybook Code	Year	GL Period	Daybook Code	Layer Code
☒	000000005		JL	2007	06	Tran001	TRANSIENTLayer

Fig. 7.54
Mass Layer
Transfer Progress
Indicator

Intercompany and Cross-Company Transactions

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 will 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 Fixed Intercompany field in the Business Relation to ensure that the intercompany business relation cannot be overwritten when posting transactions to accounts for the entity. See “Creating Business Relations” on page 289 for more information on assigning intercompany codes to business relations.

To identify GL accounts used in intercompany transactions, select the Intercompany Account field in Account Create. This makes the Default Intercompany field available. Use this field to assign the intercompany code defined in the business relation of the intercompany entity. See “Posting Tab” on page 146 for information on defining intercompany accounts.

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 Account Create 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.

Figure 7.55 shows the process map for intercompany transactions.

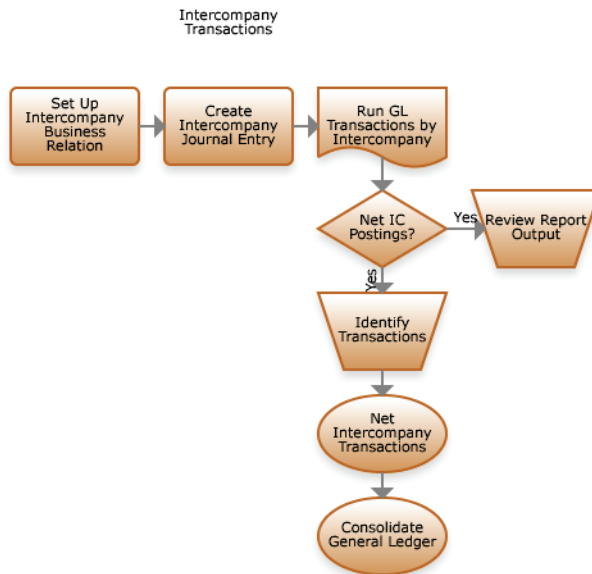


Fig. 7.55
Intercompany Transactions Process Map

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.

Fig. 7.56
Customer Invoice
Using
Intercompany Code

GL Account	Code	Code	Description	Curr	BC Debit	BC Credit
1111JC			Financial Services	USD	1,000.00	0.00
Intercompany Code Cross-Company Code						
DSS						
GL Account	Code	Code	Description	Curr	BC Debit	BC Credit
3000	0001		Financial Services	USD	0.00	1,000.00

Intercompany Reporting

The GL Transactions report includes Intercompany as a selection criterion, which you can use to identify intercompany transactions to be eliminated before consolidation. You can net intercompany transactions using open item adjustment. See “Open Item Adjustment” on page 425.

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 in the Cross-Company tab in Domain Create (36.1.1.1.1). See “Setting Up Domains” on page 83 for more details.

Note 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.

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.

Figure 7.57 shows the process map for cross-company transactions.

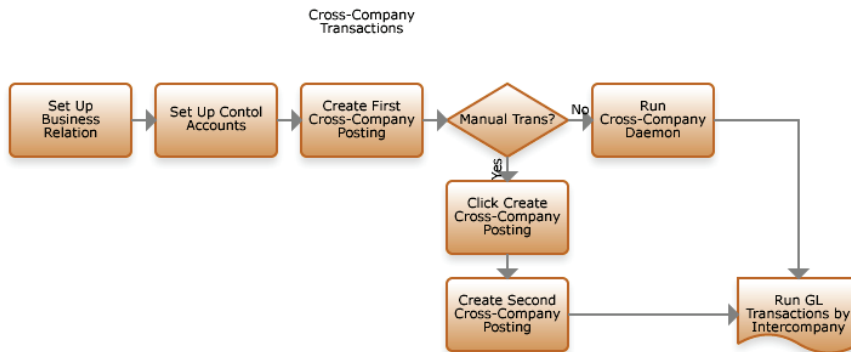


Fig. 7.57
Cross-Company
Transactions
Process Map

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.

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.

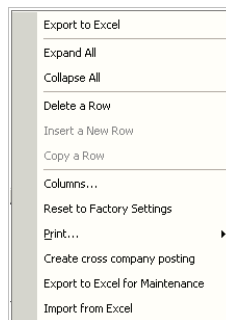
Entity 1000 uses a journal entries template to record the charges that entity 2000 and other entities in the organization have incurred.

Fig. 7.58
Journal Entry in
Entity 1000

GL Account	Sub-Account C	Cost Ce	Description	Curr	BC Debit	BC Credit
000000AP				USD	0.00	1,000.00
4099				USD	0.00	1,000.00

Right-click in the posting grid and select Create cross-company posting.

Fig. 7.59
Right-Click Menu
for Cross-Company
Posting



The Journal Entry screen in entity 2000 automatically opens with the corresponding posting for that entity. Complete the posting lines to balance the transaction and click OK to post the child transaction. This action returns you to the parent transaction screen.

The appropriate cross-company account in the target entity 2000 is populated using the definitions in the domain setup, and the intercompany code is stored in the record.

Journal Entry - Create

Year: 2007 06 Posting Date: 06/20/2007

Daybook Code: JL 000000023 Layer Type: OFFICIAL Save As Template: ☐

Description: Template Code: Replacement: ☐

Original Posting Reference: Sequence Number: 000000000 Reversal: ☐

GL Account	Sub-Account C	Cost Ce	Description	Curr	BC Debit	BC Credit
000000AP				USD	0.00	1,000.00
4099				USD	0.00	1,000.00

Journal Entry - Create

Year: 2007 06 Posting Date: 06/20/2007

Daybook Code: 000000000 Layer Type: Save As Template: ☐

Description: Template Code: Replacement: ☐

Original Posting Reference: Sequence Number: 000000000 Reversal: ☐

GL Account	Sub-Account C	Cost Ce	Description	Curr	BC Debit	BC Credit
4099				USD	1,000.00	0.00

Intercompany Code: Cross-Company Code: 1000

GL Account	Sub-Account C	Cost Ce	Description	Curr	BC Debit	BC Credit

Fig. 7.60
Postings for
Entities 1000 and
2000

You are now in the original entity and the transaction is balanced. Click Save to post the parent transaction.

Generate a GL Transactions by Intercompany Code Report (25.15.1.5) 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.

Note When viewing journal entries for which there are cross-company postings, you can view the cross-company posting by right-clicking the posting line and selecting the Cross Company Posting option.

Automatic Cross-Company Postings

For automatic cross-company transactions, the Cross-Company daemon creates the balancing transaction. You are not prompted to create the child transaction, and the processing occurs in the background.

Automatic postings are processed by the Cross-Company daemon. For more information on system daemons, see *User Guide: QAD System Administration*.

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 the operational modules 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 Invoice Post and Print (7.13.4) 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.

Invoice Post and Print 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 receipts 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 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

Entity Y		Entity Z	
Inventory Acct	Cross-Comp Inv	Cross-Comp Inv	Inventory Acct
2000	2000	2000	2000

Cross-Company Fixed Assets Transactions

Cross-company postings in Fixed Assets 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. See *User Guide: QAD Financials B* for details on Fixed Assets.

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.

Figure 7.61 shows the process map for mirror accounting.

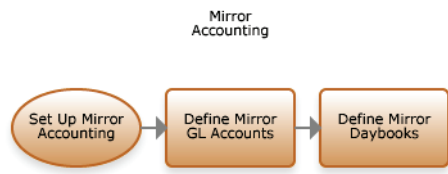


Fig. 7.61
Mirror Accounting
Process Map

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

- 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 management layer, and can also select either journal entry or matching as the daybook type. This 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 “Splitting Mirror Transactions” on page 478.

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 set to Yes in Inventory Accounting Control (36.9.2), 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.
- When Create GL Transactions is set to No in Inventory Accounting 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. See “Setting Up Entities” on page 101. When you enable mirror accounting for the domain, it is activated for each entity by default.
- 2 Define your source and mirror daybooks. See “Defining Source and Mirror Daybooks” on page 476.
- 3 Define your source and mirror accounts, and define the settings for split transactions, if required. See “Defining Source and Mirror Accounts” on page 478.

Figure 7.62 shows the process map for mirror accounting setup.

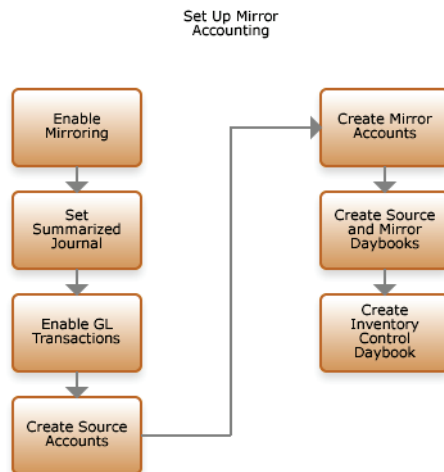


Fig. 7.62
Mirror Accounting
Setup Process Map

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

Defining Source and Mirror Daybooks

Use Mirroring Daybook Create (3.20.6.1) to create, modify, delete, and view source and mirror 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, 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.
- 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.

Fig. 7.63
Mirroring Daybook
Create

Field Descriptions

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.

Defining Source and Mirror Accounts

Use Mirroring GL Account (3.20.7.1) to create, modify, delete, and view mirror account configurations. Use this function also to define mirroring analysis and transaction splitting options.

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.

Splitting Mirror Transactions

When you split mirror transactions, you define the daybooks into which the transactions will 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	Source Account 2	Mirror 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 1	Mirror Account 2

When splitting transactions, you must specify the daybook in which each split transaction will 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.

Fig. 7.64
Mirroring GL
Account Create

Field Descriptions

Source 1 Account. Specify the first 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 Account. Specify a mirror account for the source account.

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 Account/Mirror 2 Account. Specify the second source and mirror accounts for the transaction.

Account Split Types. Choose a method for splitting transactions:

None. Mirror transactions are not split.

Separated. The mirror transaction is split, and the sub-transactions use separate source and mirror accounts.

Mixed. The mirror transaction is split, and the sub-transactions use a mix of source and mirror accounts.

Transaction 1 Daybook. Specify the daybook for the first split transaction.

Transaction 2 Daybook. Specify the daybook for the second split transaction.

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	

Mirror Accounting Report

The Mirror Accounting Report (25.15.1.16) 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.

Year-End Transactions

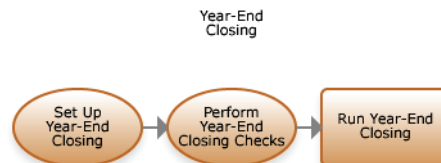
The Year-End Closing activities (25.21.4) let you run a process to automatically create closing postings, and to close the GL calendar year to new transactions.

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.

Figure 7.65 shows the process map for year-end closing.

Fig. 7.65
Year-End Closing
Process Map



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 management currencies, and for a single entity at a time. The postings can optionally include sub-accounts, but no other account analysis.

Set Up Year-End Closing

Before running year-end closing, you must set up the GL accounts and daybooks used by the process.

Figure 7.66 shows the process map for year-end closing setup.

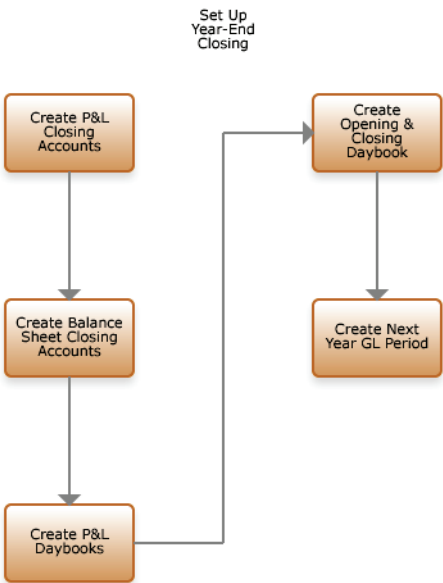


Fig. 7.66
Year-End Closing
Setup Process Map

Table 7.4 lists the accounts required by the year-end closing process.

Table 7.4
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 • 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

Table 7.5 lists the daybooks required by the year-end closing process.

Table 7.5
Daybooks for Year-
End Closing

Daybooks Required	Restrictions
P&L to retained earnings daybook	• Daybook of type Journal Entries • Official layer
P&L closing daybook	• Daybook of type Year-End Closing • Official layer
Balance sheet closing and opening daybook	

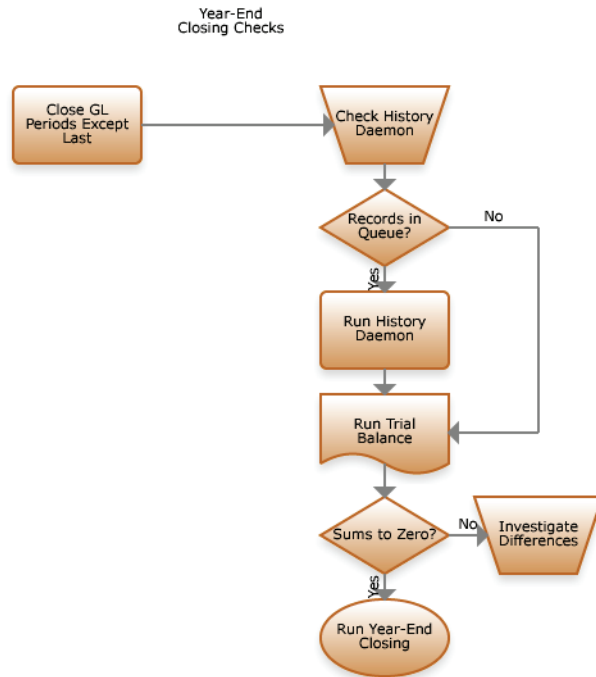
Note You must also create a record for the subsequent GL calendar year, with at least one GL period.

Year-End Closing Checks

When you run the year-end closing process, the system performs a number of checks.

Figure 7.67 shows the process map for year-end closing checks.

Fig. 7.67
Year-End Closing
Checks Process
Map



You can create year-end adjustment 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.
- All of the GL periods for the specified year and entity are closed, except for the last one, which must be open.
- 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. See “Structured Reports” on page 905.
- The profit and loss balance has already been set to zero, in cases where you choose to close the GL calendar year manually.

If any of the checks fail, the system displays an error message and stops the year-end closing process. If all the checks are passed, the system displays a message indicating you can register the year-end closing. You can cancel the process or continue.

Running Year-End Closing

When you have completed the setup, run the year-end closing process.

Fig. 7.68
Year-End Closing
Execute

Field Descriptions

GL Calendar Year. Specify the GL calendar year for which you want to run the year-end closing process.

Auto-Transfer Profit/Loss 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.

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 will not include sub-accounts in the postings.

Profit/Loss 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 Profit/Loss to BS field.

Balance Sheet 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 Profit/Loss to BS field.

Automated Profit/Loss Transfer Daybook. Specify the daybook to use for the posting that transfers the total balance on the profit and loss accounts to the balance sheet.

The daybook must be associated with the official layer, and be of type Journal Entries.

This daybook is required only if you have selected the Auto-Transfer Profit/Loss to BS field.

Closing Profit/Loss Daybook. Specify the daybook to use for the posting in which the individual profit and loss accounts are set to zero.

The daybook must be associated with the official layer, and be of type Year-End Closing.

Closing Balance Daybook. Specify the daybook to use for the postings in which the individual balance sheet postings are closed and re-opened.

The daybook must be associated with the official layer, and be of type Year-End Closing.

Profit/Loss 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 Profit/Loss to BS field.

This field is unavailable if the Include Sub-Accounts field is cleared.

Balance Sheet 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 Profit/Loss to BS field is selected.

This field is unavailable if the Include Sub-Accounts field is cleared.

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.

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.

GL Periods Frozen

The year-end closing process sets the status of all GL periods for the year to Frozen, and marks the periods as reported.

Note Period 00 of the new GL calendar year is set to Locked and not Frozen.

Validation Reports

Validate the year-end closing by manually running closing reports on every period. Table 7.6 lists the reports to be generated.

Table 7.6
Mandatory Year-
End Closing
Reports

Report	Reference
Numbering Completeness	See “Numbering Completeness (25.21.2.1)” on page 895.
Posting Balance Check	See “Posting Balance Validation (25.21.2.3)” on page 895.
AR vs Control GL Check	See “AR vs Control GL Check (25.21.2.5)” on page 895.
AP vs Control GL Check	See “AP vs Control GL Check (25.21.2.6)” on page 895.

The following table lists optional year-end reports.

Table 7.7
Optional Year-End
Closing Reports

Report	Reference
Unmarked GL Postings Check	See “Unmarked GL Postings Validation (25.21.2.7)” on page 895.
Management Currency Check	See “Management Currency Validation (25.21.2.8)” on page 895.
Pending Transient Layer Postings	See “Pending Transient Layer Postings (25.21.2.10)” on page 895.
Open Item GL Validation	See “Open Item GL Validation (25.21.2.4)” on page 895.
Pending Allocations	See “Pending Allocations (25.21.2.11)” on page 896.
Pending Recurring Entries	See “Pending Recurring Entries (25.21.2.12)” on page 896.

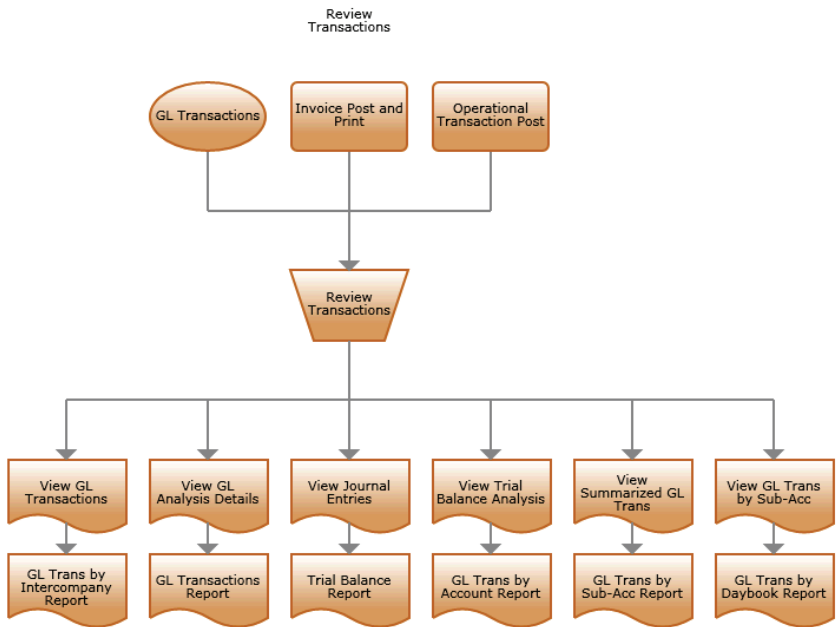
Reviewing Posted Transactions

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.

Figure 7.69 shows the options available for viewing and reporting GL transaction data.

Fig. 7.69
Review
Transactions
Process Map



Refer to the sections listed in Table 7.8 for more information on GL reports and views.

Table 7.8
General Ledger
Reports and Views

Report	Reference
GL Transactions Reports	See “GL Transaction Activity Reports” on page 890.
GL Transactions Views	See “GL Transaction Activity Views” on page 892.
Analytical Transactions Reports	See “Analytical Transaction Reports” on page 893.
Analytical Transactions Views	See “Analytical Transaction Views” on page 894.
Closing Reports	See “GL Closing Reports” on page 894.
Structured Reports, such as Balance Sheets and Income Statements	See “Executing Structured Reports” on page 912.

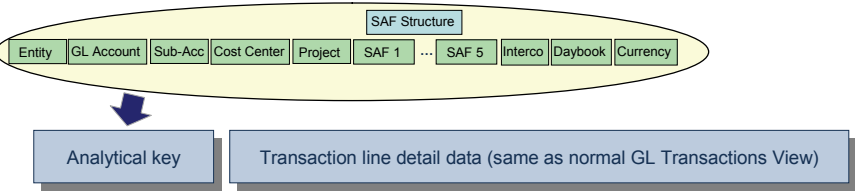
Two useful and detailed views, GL Transactions View Extended and Trial Balance View, are described in the following sections.

GL Transactions View Extended

The GL Transactions View Extended (25.15.2.10) lets you view GL transactions across all analytical levels (sub-accounts, cost centers, projects, and SAFs, in addition to intercompany, daybook, and currency).

Use the filter options to display the data you require, and the view sums all GL transactions that meet the search criteria. Table 7.9 lists the filters and columns for the GL Transactions View Extended.

Fig. 7.70
Filtering



In the grid containing the view search results, you can right-click to display related views. See “GL Transactions View Extended Right-Click Options” on page 494.

Fig. 7.71
GL Transactions
View Extended
(25.15.2.10)

GL Account	Sub-Account Code	Cost Center Code	BC Debit	BC Credit	Posting Date	Daybook Code	Voucher	Description	TC Debit	TC Credit
000000AP	10		0.00	2.40	02/24/2009	QADAPPAY	000000021	Check 2009/000000032	0.00	2.40
000000AP	10		0.00	3.00	02/24/2009	QADAPPAY	000000023	Check 2009/000000033	0.00	3.00
000AP001	10	0100	24.00	0.00	02/24/2009	QADAPPAY	000000021	Check 2009/000000032	24.00	0.00
000AP001	10	0100	30.00	0.00	02/24/2009	QADAPPAY	000000023	Check 2009/000000033	30.00	0.00
1066			250.00	0.00	02/24/2009	CustPayD	000000013	Check 2009/000000030	500.00	0.00
2110	10	0100	0.00	21.60	02/24/2009	QADAPPAY	000000021	Check 2009/000000032	0.00	21.60

Table 7.9
Filters and
Columns for GL
Transactions View
Extended

Table 7.9 lists the GL Transactions View Extended columns and filters:

Columns	Filters
Active GL Account	Account Description
Balance Sheet Account	Batch Number
Batch Number	BC Balance
Cost Center	TC Credit

Columns	Filters
Currency	TC Debit
Daybook Code	Cost Center
Daybook Type	Cost Center Description
Entity Code	Creator
GL Account	Currency
GL Category	Daybook Code
GL Type	Daybook Type
Intercompany Code	Description
Layer Code	Daybook Description
Layer Type	Entity
Only Transactions with SAFs	GL Account
Posting Date	GL Description
Posting Description	GL Type
Project	Intercompany Code
SAFs 1 - 5	Is Reversal
SAF Concepts 1 - 5	Layer Code
SAF Structure	Layer Type
Sub-Account Code	Line Text
System Date	MC Balance
TC Credit	MC Credit
TC Debit	MC Debit
Voucher	Posting Date
Year/GL Period	Posting Description
BC Balance	Project
MC Balance	Project Description
TC Balance	SAFs 1 - 5
	SAF Concepts 1 - 5
	SAF Structure
	Sub-Account Code
	Sub-Account Description
	System Date
	TC Balance
	TC Credit

Columns**Filters**

TC Debit

Third Party

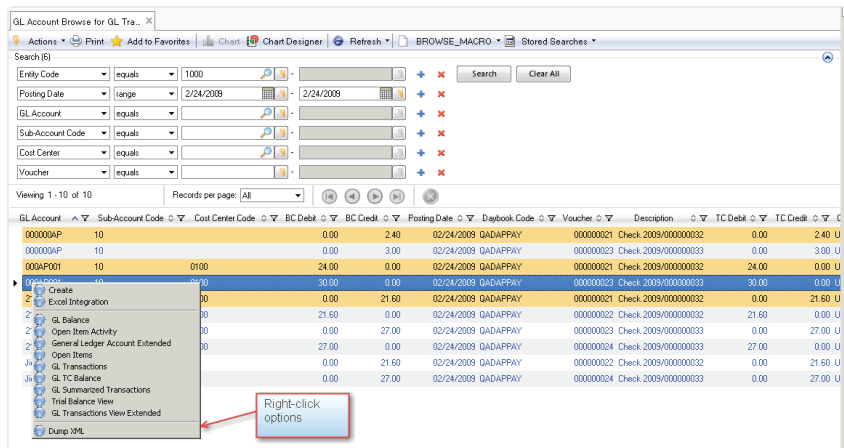
Voucher

Year/GL Period

GL Transactions View Extended Right-Click Options

Figure 7.72 shows the related views that are available as right-click options from GL Transactions View Extended.

Fig. 7.72
Right-Click
Options



The following right-click options are available:

- **Create**
Opens GL Account Create (25.3.13.1).
- **Excel Integration**
Opens GL Account Excel Integration (25.3.13.5).
- **GL Balance**
Opens the GL Account Browse for GL Balance.
- **Open Item Activity**
Displays detailed information on activities for GL open item accounts.
- **General Ledger Account Extended**

Displays extended details of GL accounts, including the posting sign (debit/credit), posting type, analysis, revaluation settings, shared sets, and budget groups.

- Open Items

Displays and sums all transactions on GL open item accounts that meet the search criteria.

- GL Transactions

Opens the GL Account Browse for GL Transactions.

- GL TC Balance

Displays the actual balance in transaction currency for all GL accounts that meet the selection criteria.

- GL Summarized Transactions

Displays summarized posting history for the accounts specified in the selection criteria.

- Trial Balance View

See “Trial Balance View” on page 496.

- GL Transactions View Extended

- Dump XML

Lets you dump the selected rows in XML format.

Figure 7.73 shows the GL Account Browse for GL Balance.

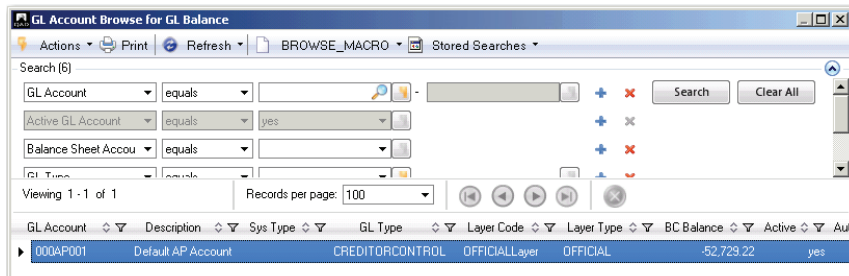


Fig. 7.73
GL Account
Browse for GL
Balance

Figure 7.74 shows the GL Account Browse for GL Transactions.

Fig. 7.74
GL Account
Browse for GL
Transactions

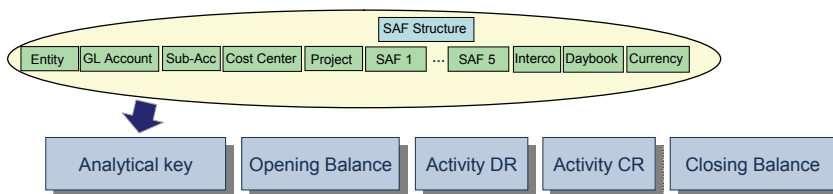
GL Account	Posting Date	Daybook Code	Voucher	BC Debit	BC Credit	Sub-Account Code	Cost Center Code	Project
000AP001	02/23/2009	QADAPINV	000000024	0.00	30.00	10	0100	
000AP001	02/24/2009	QADAPPAY	000000023	30.00	0.00	10	0100	
000AP001	02/24/2009	QADAPPAY	000000021	24.00	0.00	10	0100	
000AP001	02/23/2009	QADAPINV	000000023	0.00	24.00	10	0100	
000AP001	07/17/2008	CA	000000032	50.00	0.00	10	0100	
000AP001	07/16/2008	SI	000000084	0.00	50.00	10	0100	

Trial Balance View

The Trial Balance View (25.15.2.9) 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.

As shown in Figure 7.75, the Trial Balance View contains some additional filtering options relative to GL Transactions View Extended.

Fig. 7.75
Filtering



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 2008/11, the YTD balance includes all transactions from January 2008 until the end of October 2008.

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:

$$(Opening\ Balance\ BC + Period\ Debit\ BC) - Period\ Credit\ BC$$

GL Account	GL Description	Sub-Account	Cost Center	Opening Balance BC	Period Debit BC	Period Credit BC	BC Balance	Sal Structure	SAF 1	SAF 2	SAF 3
000000AP	Accounts Payable	10		77.10	0.00	0.00	77.10				
000000AP	Accounts Payable	10		130.00	0.00	0.00	130.00				
000000AP	Accounts Payable	10		186.58	0.00	0.00	186.58				
000000AP	Accounts Payable	10		20.00	0.00	0.00	20.00				
000000AP	Accounts Payable	10		600.00	0.00	0.00	600.00				
000000AP	Accounts Payable	10		48.00	0.00	0.00	48.00				

Fig. 7.76
Trial Balance View
(25.15.2.9)

Table 7.10 lists the columns and filters in the Trial Balance View.

Columns	Filters
Active GL Account	Balance Sheet Account
Balance Sheet Account	Base Currency
Cost Center	BC Balance
Currency	Cost Center Analysis
Daybook Code	Cost Center Code
Daybook Type	Cost Center Description
Entity Code	Currency
GL Account	Daybook Code
GL Category	Daybook Type
GL Type	Entity Code

Table 7.10
Trial Balance View
Filters and
Columns

Columns	Filters
Intercompany Code	Fixed IC
Layer Code	GL Account
Layer Type	GL Category
Only Balances with SAFs	GL Description
Project	GL Type
SAFs 1 - 5	Intercompany Code
SAF Concepts 1 - 5	Layer Code
SAF Structure	Layer Type
Sub-Account Code	MC Balance
Summarize Cost Center	Opening Balance BC
Summarize Currency	Opening Balance MC
Summarize Daybook	Opening Balance TC
Summarize Entity	Period Credit BC
Summarize Project	Period Credit MC
Summarize SAF	Period Credit TC
Summarize Intercompany Code	Period Debit BC
Summarize Sub-Account	Period Debit MC
Year/GL Period	Period Debit TC
	Project Analysis
	Project
	Project Description
	SAF Analysis
	SAFs 1 - 5
	SAF Concepts 1 - 5
	SAF Structure
	Sub-Account Analysis
	Sub-Account
	Sub-Account Description
	TC Balance

Trial Balance View Right-Click Options

The Trial Balance View has the same right-click options as GL Transactions View Extended. See “GL Transactions View Extended Right-Click Options” on page 494.

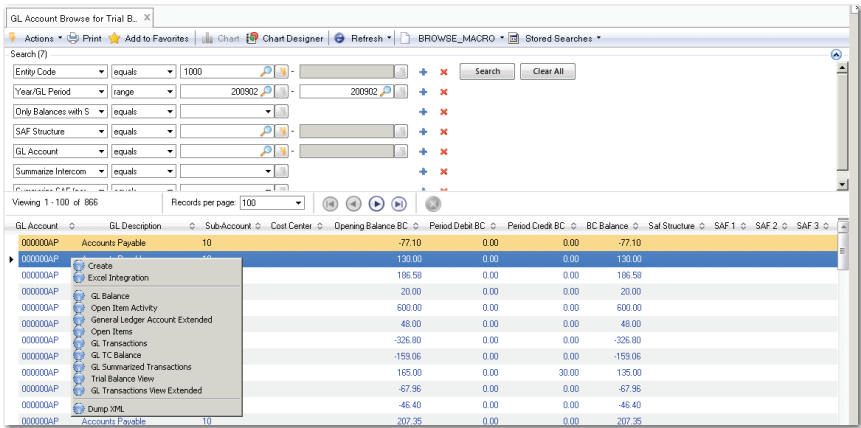


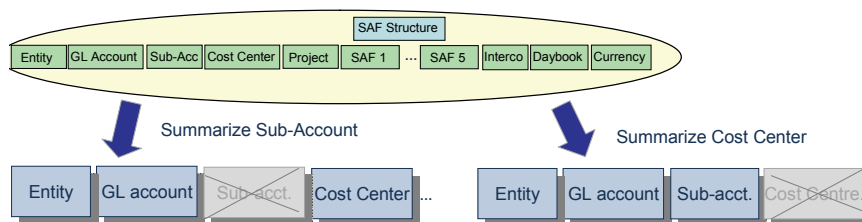
Fig. 7.77
Right-Click
Options

Trial Balance View Summarize Filters

The Trial Balance View contains a number of summarization filters, such as Summarize Sub-Account, Summarize Cost Center, Summarize Project, Summarize SAFs, and Summarize Daybook.

The summarization filters determine the level of analytical information that the search results will display. The results are summarized to exclude the level of analytical detail that you have selected to summarize on. Using the example in Figure 7.78, if you select Summarize Sub-Account, the detail lines will display data for entities, GL accounts, and cost centers only.

Fig. 7.78
Summarize Filters



Example

A company has two cost centers (CC1 and CC2) and three projects (Prj1, Prj2, and Prj3). At the end of last month, the following cost data is returned:

Cost Center	Project	Cost
CC1	Prj1	10000
CC2	Prj1	20000
CC1	Prj2	25000
CC2	Prj3	4300
CC2	Prj3	2100

To view the cost-control performance of each cost center, and to ignore project information, select Summarize Projects. The results are as follows:

Cost Center	Project	Cost
CC1		35000
CC2		26400

Similarly, you can see the performance by project by choosing Summarize Cost Centers. The results are as follows:

Cost Center	Project	Cost
	Prj1	30000
	Prj2	25000
	Prj3	6400

If you want to see the total performance on cost control, select Summarize Cost Centers and Summarize Projects. The results are as follows:

Cost Center	Project	Cost
		61400

SAFs

When filtering on SAF codes, all positions of a SAF structure (GL SAF, cost center SAF, and project SAF) are searched. The system searches using the SAF codes provided, and their corresponding SAF concepts; for example, SAF 1 and SAF Concept 1.

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