

Industry-specific

QAD SOLUTIONS

Manufacturing Applications

User Guide European Accounting



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MFG/PRO eB2 and eB2.1
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This guide describes the features of European Accounting, which is an integrated module of MFG/PRO that adds new financial features and modifies existing standard MFG/PRO functions to offer support for various legal and common business accounting practices found in a number of European countries. While European Accounting was developed primarily in response to the individual requirements of specific countries within Europe, many of its features have been extended so they are now of a more general use.

▶ See Chapter 13, “Country-Specific Issues,” for details.

Some features do, however, remain country-specific and control settings make it possible to activate these country-specific features.

This guide describes European Accounting for MFG/PRO eB and eB2.1; European Accounting is also available for previous versions of MFG/PRO, including 9.0 and eB.

Documentation for MFG/PRO

The following books are available for MFG/PRO eB2 and eB2.1:

- *User Guide: MFG/PRO eB2.1 New Features* includes information about all changes included in the eB2.1 release. For details on other functions, refer to the *MFG/PRO eB2 User Guides*.
- *User Guide: Kanban* includes updated information on the Lean Manufacturing features included in this release. It replaces the Kanban chapter in *User Guide Volume 3: Manufacturing*.
- For instructions on navigating and using the QAD Desktop interface, see *User Guide: QAD Desktop*.
- For instructions on navigating the MFG/PRO Windows and character environments, refer to *MFG/PRO eB2 User Guide Volume 1: Introduction*.
- For software installation instructions, refer to the appropriate installation guide for your system.
- For information on installing the optional audit trails and electronic signatures features provided in the Enhanced Controls module, see *Installation Guide: Enhanced Controls*.
- For conversion information, refer to the appropriate conversion guide for your system.

- For technical details about MFG/PRO, refer to the MFG/PRO eB2 or eB2.1 *Entity Diagrams* and *Database Definitions*.
- For information on using features that let MFG/PRO work with external applications, see the *External Interface Guides*. Each book in this set describes a separate interface such as the Sales and Use Tax application program interface (API) and Q/LinQ, the tool set for building and using data exchange tools.
- For technical details about Q/LinQ APIs, refer to *Technical Reference: Q/LinQ*.
- For information on QXtend Inbound, part of the QAD interoperability framework, see *Technical Reference: QXtend Inbound*.
- To view documents online in PDF format, see the *Documents on CD* and *Supplemental Documents on CD*. The CD-ROM media includes complete instructions for loading the documents on a Windows network server and making them accessible to client computers.

Note MFG/PRO installation guides are not included on a CD. Printed copies are packaged with your software. Electronic copies of the latest versions are available on the QAD Web site.

Online Help

European Accounting adds to the standard MFG/PRO help system. Help is available for most fields found on a screen. Procedure help is available for most programs that update the database. Most inquiries, reports, and browses do not have procedure help.

For information on using the help system in the different MFG/PRO environments, refer to *User Guide Volume 1: Introduction* and *User Guide: QAD Desktop*.

QAD Web Site

The QAD 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 MFG/PRO users with a QAD Web account, product documentation is available for viewing or downloading at:

<http://support.qad.com>

You can register for a QAD Web account by accessing the Web site and clicking the Accounts link at the top of the screen. 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. A link for downloading this program is also available on the QAD Web site.
- HTML. You can view user documentation through your Web browser. The documents include search tools for easily locating topics of interest.

Features also include an online solution database to help MFG/PRO users answer questions about setting up and using the product. Additionally, the QAD Web site has information about training classes and other services that can help you learn about MFG/PRO.

Conventions

Menu and Book References

This book describes European Accounting for both MFG/PRO eB2 and eB2.1. Most of the features of European Accounting are identical between the two MFG/PRO releases.

In cases where menu numbers have changed, the first reference is the number in MFG/PRO eB2 followed by the menu reference in MFG/PRO eB2.1, as in the following example:

User Maintenance (36.3.18, 36.3.1 in MFG/PRO eB2.1)
 System/Account Control (36.1); Domain/Account Control in
 MFG/PRO eB2.1

Screen Navigation

MFG/PRO is available in several interfaces: Desktop (Web browser), Windows, and character. To standardize presentation, the documentation uses the following conventions:

- MFG/PRO screen captures show the Desktop interface.
- References to keyboard commands are generic. For example, choose Go refers to:
 - The forward arrow in Desktop
 - F2 in the Windows interface
 - F1 in the character interface

In the character and Windows interfaces, the Progress status line at the bottom of a program window lists the main UI-specific keyboard commands used in that program. In Desktop, alternate commands are listed in the right-click context menu.

For complete keyboard command summaries for each MFG/PRO interface, refer to the appropriate chapters of *User Guide: QAD Desktop* and *User Guide Volume 1: Introduction*.

Typographical

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> .
indented command line	A long command that you enter as one line, although it appears in the text as two lines.

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If you see:	It means:
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.



Chapter 1

Introduction

Welcome to European Accounting: an integrated module of MFG/PRO adding new and enhanced functionality to MFG/PRO Financials to support various legal and accounting practices used in several European countries. This chapter covers the following topics:

What Is European Accounting? **8**

MFG/PRO eB2 and eB2.1 **11**

European Accounting Restrictions **12**

What Is European Accounting?

European Accounting provides support for various legal requirements and common accounting practices found in the following European countries:

- Austria
- Belgium
- France
- Germany
- Italy
- Luxembourg
- The Netherlands
- Poland
- Spain
- United Kingdom

▶ These modules are all described briefly in the following sections.

European Accounting consists of three main parts:

- **Financial Enhancements.** This main module consists of a large number of enhancements to standard MFG/PRO financials. These apply especially to accounting practices used throughout Europe.
- **Intrastat versions.** In 1993, with the changes to custom regulations in the European Union (EU), the Intrastat regulations regarding reporting trade data became effective. Specific regulations apply for each country in the EU. European Accounting enhances the standard QAD Intrastat logic to let you deliver the required reports in the format specified by specific countries.
- **Bank format drivers.** European Accounting adds special bank format drivers to tailor the Accounts Receivable (AR) and Accounts Payable (AP) functionality to country-specific electronic formats or preprinted forms. A number of standard bank format drivers are provided.

Financial Enhancements

European Accounting offers numerous enhancements to MFG/PRO's standard financial modules, including:

- Added functionality for creditor payments, draft management, and direct debit for Europe is provided. This is set up in a flexible way, with bank format drivers that perform the translation from the common AR and AP payment logic to specific bank formats.
- A new report writer function enhances support for *Journals* (or *Daybooks*, as they are also known). These reports group GL transactions by document type and transaction type, with debit/credit columns and document references.
- Improved GL descriptions provide a reference to the documents that originated the transaction.
- Addition of GL transaction matching functionality lets you match debit transactions in the General Ledger to their corresponding credit transactions on an account-by-account basis.
- Additional logic links MFG/PRO country codes to the Intrastat country code and the Value Added Tax (VAT) prefix.
- AP and AR VAT lists are provided for specific countries.
- Logic has been added for unapplied and non-AR drafts.
- Functions let you reconcile drafts and payments.
- Improved Cash Book Maintenance supports the reconciliation of AR payments and drafts and the deletion of cash book lines.
- You can enter petty cash transactions in Cash Book Maintenance, together with the associated tax entries.
- An improved flow of drafts supports entering and maintaining approved drafts, submitting and discounting proposed and approved drafts to the bank, and reconciling drafts. A separate function to close drafts is also supported.
- Correction invoices can be created.
- VAT registers are supported.
- Suspended VAT logic lets you set the tax date on sales invoices according to the payment date of those invoices.

- Withholding tax functionality lets a customer withhold tax when paying suppliers and then declare the tax part of the supplier payment to the authorities on that supplier's behalf.
- Support is provided for Project Realization Management (PRM), an extension of the MFG/PRO Service/Support Management module controlling the handling of project activities.
- Support is provided for *Documento di Trasporto*, shipper documents to accompany the movement of goods in functions not currently supported by standard MFG/PRO global shipping features.
- Vouchers can be booked to a *waiting expenses* account, so that vouchers can be entered and VAT deducted before the final distribution is known.
- A credit terms discount account can be specified per tax class.
- Various Italian-specific features are supported.
- Ability to void AR checks offers similar functionality to that already found in standard MFG/PRO for AP checks.
- New Spanish-specific reports show all AR or AP transactions exceeding a user-specified amount.

▶ See “Italian Features” on page 328 for details.

▶ See “Spanish Features” on page 339 for details.

Intrastat

The completion of the single European market on December 31, 1992, resulted in important changes regarding VAT. All custom formalities and document checking at borders within the European Union were abolished from January 1, 1993. However, trade statistics are of vital importance for governments and business corporations. Therefore, Intrastat was introduced as the new system for collecting foreign trade statistics on the movement of tangible goods between countries of the EU.

The standard MFG/PRO Intrastat functions do not include the country-specific reports and the capability to calculate the required statistical values. For European Accounting, the following Intrastat country versions are available:

- United Kingdom
- Germany
- France

- Spain
- Italy
- Belgium (Dutch and French versions)
- The Netherlands
- Austria

Bank Format Drivers

In different countries, different payment methods are used for AR and AP. European Accounting has added functionality for selecting invoices and vouchers. The selected invoices and vouchers can be processed and translated into specific formats. The transfer to printed forms or electronic media is done with *bank format drivers*.

▶ See Chapter 7, “Banks and Payment Methods,” for a detailed description of the available methods.

MFG/PRO eB2 and eB2.1

Most of the features of European Accounting are identical between the two MFG/PRO releases that this book applies to. However, a few underlying MFG/PRO functions have changed. The most significant change in MFG/PRO eB2.1 is the introduction of the concept of domain. With domains, users can manage the data from multiple business operations having different operational requirements and settings within one database. Each domain can have its own base currency and control settings.

Two changes that affect European Accounting functions are:

- System/Account Control (36.1) has been renamed Domain/Account Control in MFG/PRO eB2.1 to indicate that these setting apply to each domain, rather than the entire system.
- In MFG/PRO eB2.1, currencies apply to the entire database, but currency accounts are domain specific. These accounts are set up in Currency Account Maintenance (26.7) rather than Currency Maintenance (26.1).

In MFG/PRO eB2.1, the only table unique to European Accounting that contains data that applies across databases is the Bank Account Format Master (bkfm_mstr).

All of the examples of European Accounting screens reflect the menu system of MFG/PRO eB2.

European Accounting Restrictions

European Accounting has limited support for multiple database processing. It also does not currently work with Trade Management.

Setup and Basic Data

Before you can start using European Accounting, you must first configure it. This chapter describes how to do this.

<i>European Accounting Control</i>	14
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European Accounting Control

Use European Accounting Control (25.23) to enable various European Accounting features.

Fig. 2.1
European
Accounting Control
(25.23)

The screenshot shows the 'European Accounting Control' window with the following settings:

- Use Waiting Expenses Vouchers:
- Use Correction Invoices:
- Display Cash Book Balance:
- Use Suspended VAT:
- AR Default Bank: MT
- AR Default Method Of Payment: PV
- Manual Draft Method Of Payment: []
- Use Source GL Description:
- Print Shipper Number On Invoices:
- Use GL Transaction Matching:
- Withholding Tax Type: WITHHOLD
- Submit/Discount Proposed Drafts:
- Separate Submission/Discounting:
- Tax Comment Type: IV
- Account: 1042 [] [] []
- Initialize:

▶ See “Waiting-Expenses Vouchers” on page 119.

Use Waiting Expenses Vouchers. Indicate whether to use waiting expenses voucher logic.

No: The Waiting Expense field in Voucher Maintenance (28.1.1) defaults to No and cannot be modified. When a voucher is identified as unconfirmed, it does not create a GL distribution. However, this has two disadvantages: the AP balance is not up-to-date and you cannot collect the VAT due on the voucher.

Yes: The Waiting Expense field in Voucher Maintenance defaults to Yes and you can modify it. This lets you enter the voucher as confirmed. The amount (VAT excluded) is booked to the Waiting Expenses account specified in European Accounting Control.

Waiting Expenses Account. Enter the GL account, sub-account, and cost center codes used to track waiting expenses transactions. AP vouchers marked as waiting expenses (by setting the Waiting Expense field in Voucher Maintenance to Yes) are booked to this account.

▶ See Chapter 12, “Correction Invoices,” on page 317.

Use Correction Invoices. Indicate whether to use correction invoices.

No: Deactivate the correction invoices function.

Yes: Allow the use of correction invoices. Correction invoices are corrections on existing posted invoices.

Display Cash Book Balance. Indicate whether to use your actual Cash Book account balance as the beginning balance in Cash Book Maintenance (31.13).

▶ See “Cash Book Maintenance” on page 136.

No: Deactivate the calculation of the account balance to decrease processing time. The system searches for the previous bank statement and uses its ending balance.

Yes: Calculate the beginning account balance in Cash Book Maintenance.

Use Suspended VAT. Indicate whether to use suspended VAT logic.

▶ See “Suspended VAT” on page 224 for details.

No: VAT is due when the invoice is first created.

Yes: VAT is due on payment of an invoice, rather than when that invoice is first created.

When suspended VAT is used, define a Suspended VAT account for each tax code set up in Tax Rate Maintenance (2.13.13.1). Tax amounts are posted to this account rather than the AR Tax account. When invoices or DR/CR memos with suspended VAT are paid, the tax amounts are transferred to the AR Tax account for each tax rate concerned.

Manual Draft Method of Payment. Enter the method of payment used when AR drafts are manually created.

▶ See Chapter 7, “Banks and Payment Methods,” on page 147 for details.

This must be a valid payment method associated with the bank in Bank Maintenance.

AR Default Bank. Enter the default bank code used to process all electronic payment transactions received from new customers. This bank defaults to Customer Maintenance (2.3.1) when new customers are created.

▶ See “Customers” on page 22.

AR Default Method of Payment. Enter the default AR payment method used when new customers are added in Customer Maintenance.

This must be a valid payment method associated with the customer bank in Bank Maintenance.

Use Source GL Description. Indicate whether a secondary (source) GL description line can be entered for GL transactions.

▶ See “Secondary GL Descriptions” on page 38.

No: Use the standard single-line description for GL transactions.

Yes: Allow the entry of a source GL description line against any GL transaction. This lets you enter a more detailed description of a GL transaction than is possible with the standard single description line. This secondary GL description displays on various reports.

For manual transactions, you can enter this secondary GL description yourself. For standard GL transactions created automatically in the background from subledgers such as shipments, the secondary GL description line can be linked to the system using GL Transaction Description Maintenance (25.4.1).

Initialize. Indicate if you want to set up default descriptions for existing menu items:

No: You must manually create secondary GL descriptions in GL Transaction Description Maintenance (25.4.1).

Yes: A secondary description for each function is set up based on the menu description and used automatically by the system. You can modify these as needed.

Initializing the descriptions streamlines setup activities.

The system sets this to No after completing the initialization. You can initialize descriptions more than once. The second time you set this to Yes, descriptions will be created for any menus that have been changed or added in Menu System Maintenance (36.4.4).

Print Shipper on Invoices. Indicate whether to print shipper numbers on formal printed invoices.

No: Shipper numbers are for internal purposes only and are not printed on invoices.

Yes: Print shipper numbers on invoices.

Withholding Tax Type. Specify the tax type to be used in determining the tax rates to be applied to withholding tax calculations.

Use GL Transaction Matching. Indicate whether to use GL transaction matching.

No: Disable GL transaction matching.

Yes: The system lets you match debit transactions in the General Ledger to their corresponding credit transactions or vice versa.

▶ See “Printing Shippers on Invoices” on page 312.

▶ See page 233 for details.

▶ See “GL Transaction Matching” on page 44 for details.

Submit/Discount Proposed Drafts. Indicate whether to allow the submission and discounting of proposed drafts.

No: You can only submit and discount customer-approved drafts.

Yes: You can submit and discount proposed drafts as well as customer-approved drafts using Single Draft Bank Submission (27.6.6.9) and Multiple Draft Bank Submission (27.6.6.10).

▶ See “Additional Functionality for Drafts” on page 64 for details.

Separate Submission/Discounting. Indicate whether to allow the separate submission and discounting of a draft.

No: A draft cannot be separately submitted and discounted; the submission and discounting are performed together.

Yes: You can submit and separately discount a draft using Single Draft Bank Submission (27.6.6.9) and Multiple Draft Bank Submission (26.6.6.10). An additional screen displays that lets you choose whether to submit, discount, or both.

▶ See “Separate Submission and Discounting” on page 91 for details.

Note Separate GL entries are created for the submission and the discount, even when they are performed at the same time.

Tax Comment Type. Identify the comment type that is used to store external tax comments for zero percent tax rates. This field is validated against generalized codes for `cd_type`, if they are set up.

European VAT invoice rules require that when a zero percent tax class is used on an invoice between two companies in the same or a different EC country, associated text must print on the invoice explaining the reason for the zero rate. A zero percent tax rate might indicate a tax exempt item, such as some medical devices, real estate services, day care, or postal services.

Set up this text in Master Comment Maintenance (2.1.12) using the comment type specified in this field. Then associate these comments with the tax rate in Tax Rate Maintenance (2.13.13.1). These comments are then included in the tax analysis sections on external documents printed by the following functions:

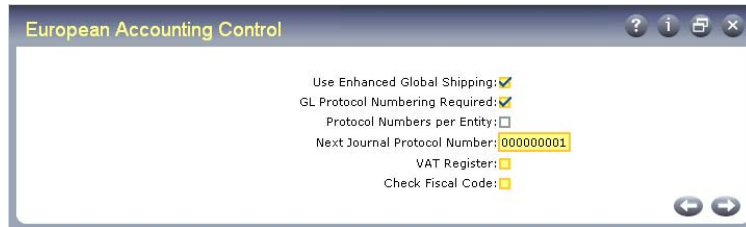
- Pending Invoice Register (7.13.2)
- Invoice Print (7.13.3)
- Invoice Post (7.13.4)
- Invoice History Report (7.13.8)
- Closed Invoice Reprint (7.13.12)

- ERS Invoice Print (28.10.5)

Note The TX comment type is used to indicate internal comments associated with a tax rate.

A second frame with various control settings displays once you have made your entries in the first.

Fig. 2.2
European Accounting Control, Second Frame



▶ See Chapter 11, “Shipping Documents,” on page 301.

Use Enhanced Global Shipping. Indicate whether to enable the creation of shippers in those functions where shipping documents are not supported in standard MFG/PRO.

In many European countries, a legal shipping document must accompany all goods movement. Set this field to Yes to enable the creation of shipping documents in the following functions:

- Work Order Component Issue (16.10)
- Repetitive Labor Transaction (18.14)
- Backflush Transaction (18.22.13)
- Rework Transaction (18.22.17)
- Repetitive Picklist Transfer (18.22.3.6 and 18.3.6)
- Call Activity Recording (11.1.1.13)
- RMA Maintenance (11.7.1.1)
- RMA Shipments (11.7.1.16)
- RTS Shipments (11.7.3.16)
- Material Order Maintenance (10.7.1)
- Material Order Shipments (10.7.6)

Shippers are typically required when moving inventory between two different physical locations and can be used for both inbound and outbound goods movement. If an issue transaction results in the physical movement of goods (for example, when the issuing site is different from the destination site), a shipper can be created.

◆ See *User Guide Volume 2A: Distribution* for details on shippers.

Note To create a shipper, the necessary shipping and inventory groups must already be set up to use standard shipping functionality.

GL Protocol Numbering Required. Indicate whether to activate protocol numbering for GL transactions. This field is Italian-specific. In Italy, all GL transactions must be assigned numbers known as protocol numbers. Protocol numbers must be numbered sequentially without gaps in the numbering sequence.

◆ See “Numbering of GL Transactions” on page 332.

No: Deactivate protocol numbering.

Yes: Protocol numbering is required on all GL transactions. The system automatically assigns the next protocol number in sequence to the relevant transaction.

Protocol Number Per Entity. When protocol numbering is required, indicate whether to use a separate range of protocol numbers for each GL entity. This field is Italian-specific.

No: Use one set of protocol numbers for all GL entities in the database (in the domain in MFG/PRO eB2.1).

Yes: Use a separate range of protocol numbers for each GL entity.

Protocol numbers are sequential numbers assigned to GL transactions.

Next Journal Protocol Number. When protocol numbering is required, this field displays the next protocol number in the sequence, which will be assigned automatically to the next transaction created. No gaps are permitted in the sequence. Once the system uses this number, it automatically increments the value of this field by one. This field is Italian-specific.

VAT Register. Indicate whether to enable VAT registers.

No: Disable VAT registers.

◆ See “VAT Registers” on page 210.

Yes: Enable VAT registers. The system prompts you to enter the VAT register on appropriate sales and purchase transactions.

VAT registers let you group accounting transactions for VAT reporting. They also let you determine specific ranges of invoice, credit note, voucher, and correction note numbers used with transactions. These number ranges are defined using standard Number Range Management functionality and can be shared among VAT registers.

VAT registers are linked to transactions based on the tax class and site involved in the transaction and validated accordingly. Any one transaction can only involve lines in the same VAT register.

VAT registers and operation codes are set up for customers and suppliers for use in sales and purchase transactions. You can change them for individual transactions.

When this field is Yes, VAT registers can be specified in the following programs:

Customer Maintenance (2.1.1)	Supplier Maintenance (2.3.1)
VAT Register Maintenance (2.13.7.1)	VAT Register Browse (2.13.7.2)
VAT Register Report (2.13.7.3)	Blanket Order Maintenance (5.3.1)
Blanket Order Release to PO (5.3.6)	Scheduled Order Maintenance (5.5.1.13)
Purchase Order Maintenance (5.7)	PO Shipper Receipt (5.5.5.11)
Purchase Order Receipts (5.13.1)	Purchase Order Returns (5.13.7)
Sales Quote Maintenance (7.12.1)	Sales Quote Release to Order (7.12.10)
Sales Order Maintenance (7.1.1)	Pending Invoice Maintenance (7.13.1)
Invoice Print (7.13.3)	Invoice Post (7.13.4)
Pre-Shipper/Shipper Confirm (7.9.5)	Schedule Order Maintenance (7.3.13)
Call Activity Recording (11.1.1.13)	Call Invoice Recording (11.1.1.15)
Contract Quote Maintenance (11.5.1.1)	Contract Maintenance (11.5.13.1)
Billing Release to Invoice (11.5.18.13)	RMA Maintenance (11.7.1.1)
RMA Shipments (11.7.1.16)	RTS Maintenance (11.7.3.1)
RTS Shipments (11.7.3.16)	Waiting Expenses Voucher Maint (28.1.2)
Recurring Voucher Maintenance (28.8.1)	Recurring Voucher Release (28.8.4)
ERS Processor (28.10.13)	Project Maintenance (10.1.1)
Invoice Generation (10.9.13)	EMT Processing
EDI Processing	

◆ See “Withholding Tax” on page 337.

Check Fiscal Code. Enter Yes to validate the fiscal code specified for Italian withholding tax; otherwise, enter No.

This field is used to support an Italian validation feature related to withholding taxes. When a Withholding Tax Type is specified in European Accounting Control, an additional frame displays in Supplier Maintenance for specification of withholding tax data. The fiscal code is a 16-character field. The last character of the code is a check digit.

When Check Fiscal Code is Yes, the system validates the fiscal code based on a specific algorithm. If the validation results in the check digit value, the code is accepted; otherwise, an error displays.

Country Codes

European Accounting adds the following two fields to Country Code Maintenance (2.14.1):

- Intrastat Code
- VAT Prefix

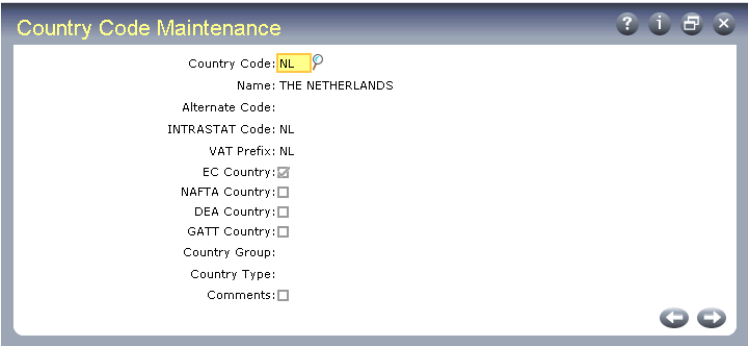


Fig. 2.3 Country Code Maintenance (2.14.1)

Intrastat Code. Specify the Intrastat code for this country as used in the Intrastat reports.

VAT Prefix. Specify the VAT prefix for this particular country. It must be a valid VAT prefix. It is used as the default prefix for all addresses entered for this country.

Changed Address Information

European Accounting enhances address information.

Bank account validations, additional numerical VAT code validations for Italy and Belgium, and an Intrastat division field for Germany have all been added.

Changed address information can be found in the MFG/PRO address functions listed in Table 2.1.

Table 2.1
Changed Address
Information

Menu	Description	Bank Account Validations	Additional VAT Code Validations	Intrastat Division
2.1.1	Customer Maintenance	✓	✓	
2.1.13	Customer Ship-To Maintenance		✓	
2.3.1	Supplier Maintenance	✓	✓	
2.3.13	Supplier Remit-To Maintenance	✓		
2.12	Company Address Maintenance	✓		✓

Customers

European Accounting has added the following new fields to Customer Maintenance (2.1.1):

- VAT Register and Operation Code
- Suspended VAT
- Bank
- Payment Method
- Bank account validations

The display of some of these fields depends on settings in European Accounting Control (25.23).

When VAT Register is Yes in European Accounting Control, a new pop-up displays in the first frame of Customer Maintenance, illustrated in Figure 2.4.

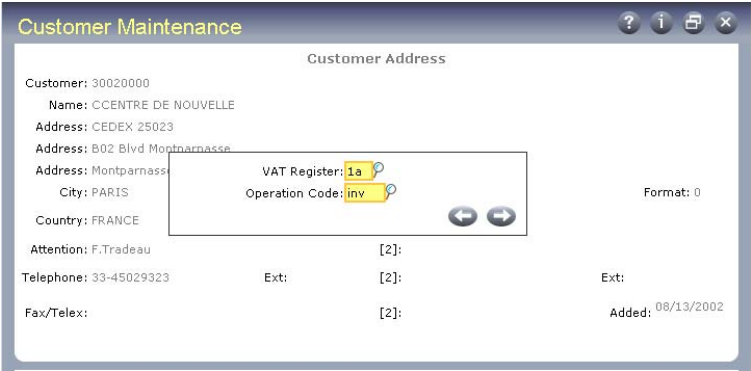


Fig. 2.4 Customer Maintenance (2.1.1), VAT Register

VAT Register. Specify the default VAT register to be used for this customer.

▶ See “VAT Registers” on page 210.

Operation Code. Specify the default operation code associated with this customer. This is used with VAT register reports to provide a clear description of transactions reported on VAT reports.

When Use Suspended VAT is Yes in European Accounting Control, a further pop-up displays, illustrated in Figure 2.5.

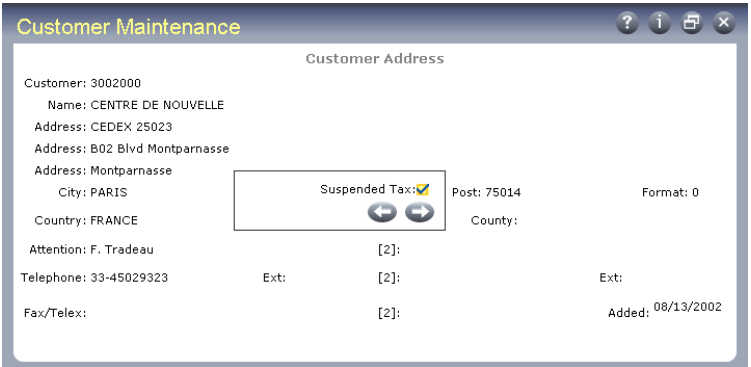


Fig. 2.5 Customer Maintenance, Suspended VAT

Suspended VAT. Indicate whether to use suspended VAT logic. This allows the tax date on sales invoices to be set according to the payment date of those invoices.

▶ See “Suspended VAT” on page 224 for details.

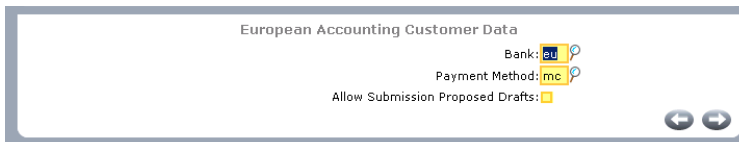
No: VAT is due when invoices are first created.

Yes: Use suspended VAT logic. When VAT is suspended, the tax date is not set until an invoice is paid.

▶ See page 147.

Next, a European Accounting specific frame displays for entering a default bank and payment method for this customer.

Fig. 2.6
Customer
Maintenance,
European
Accounting
Customer Data



▶ See “AR Default Bank” on page 15.

Bank. Enter the code identifying a bank for processing electronic banking transactions for the payment of your invoices by this customer.

Bank codes identify specific bank accounts and their attributes. Define bank codes in Bank Maintenance (27.6.1).

The bank code accesses the correct GL entity and accounts when your customer posts payments for your invoices.

This field defaults from European Accounting Control.

Payment Method. Specify the default payment method to be used by this customer in the payment of invoices.

The payment method you enter must be a valid payment method associated with the specified bank.

This field defaults from European Accounting Control.

Allow Submission Proposed Drafts. Indicate whether this customer lets you submit proposed drafts to the bank.

No: Proposed drafts cannot be submitted to the customer’s bank without the customer’s prior approval.

Yes: Proposed drafts for the customer can be submitted directly to the customer’s bank for payment.

▶ See page 155 for details.

On the next screen, European Accounting adds a bank account validation code. The validation codes must have been previously defined using Bank Account Format Maintenance (36.2.16.1).

The screenshot shows a software window titled "Customer Maintenance". It is divided into two main sections: "Customer Address" and "Bank Accounts".

Customer Address Section:

- Customer: 3002000
- Name: CENTRE DE NOUVELLE
- Address: CEDEX 25023
- Address: B02 Blvd Montparnasse
- Address: Montparnasse
- City: PARIS
- State: (blank)
- Post: 75014
- Format: 0
- Country: FRANCE
- FR (Country Code)
- County: (blank)
- Attention: F. Tradeau
- [2]: (blank)
- Telephone: 33-45029323
- Ext: [2]: (blank)
- Ext: (blank)
- Fax/Telex: [2]: (blank)
- Added: 08/13/2002

Bank Accounts Section:

Bank	Acct Type	Val	EDI	Branch	Bank Account	Begin Date	End Date
BANK-FR	All				97000970009700970097000	08/13/2002	

Fig. 2.7
Customer
Maintenance, Bank
Accounts

Validation. Specify the code representing the validation to be applied to the customer bank account.

Some payment methods require certain formats of bank accounts. The following standard bank account validations are provided:

- The 11 check, standard for bank accounts in the Netherlands.
- The 12 check, used in Belgium.
- AT, Austrian bank account validation.
- DE, German bank account validation. Bank account and Bankleitzahl must be defined.
- ES, Spanish bank account validation.
- FR, French bank account validation.
- IT, Italian bank account validation. A third-party bank must be available.

Suppliers

European Accounting has added the following new fields to Supplier Maintenance (2.3.1):

- Payment Method
- VAT Register, Operation Code, and Site
- Withholding tax data

▶ See “Defining Additional Supplier SWIFT Data” on page 169 for details.

- PO Receipts and Expensed Items Receipts accounts
- Bank account validations
- SWIFT data for use with banks that use the SWIFT protocol

Payment Methods

Using Supplier Maintenance, you can define the default payment method for vouchers received from a supplier.

Fig. 2.8
Supplier Maintenance (2.3.1), Payment Method

The screenshot shows the 'Supplier Maintenance' window with two main sections: 'Supplier Address' and 'Supplier Data'.

Supplier Address:

- Supplier: 5001000 Temporary:
- Name: METAL SUPPLY COMPANY
- Address: 720 EAST COLLEGE AVENUE
- Address: BUILDING B-2
- Address:
- City: LOS ANGELES State: CA Post: 90293 Format: 0
- Country: UNITED STATES USA County:
- Attention: MR. RICHARD AVERY [2]:
- Telephone: 213-923-0393 Ext: [2]:
- Fax/Telex: 213-923-0022 [2]:
- Ext: Added: 08/13/2002

Supplier Data:

- Bank: AA
- Currency: USD
- Purchase Contact: [Yellow field]
- AP Contact: [Yellow field]
- Promotion Group: [Yellow field]
- Payment Method: MC
- Language: [Yellow field]
- Misc Creditor:

Payment Method. Enter the default payment method to be used for payment of this supplier’s vouchers. The payment method must be a valid payment method associated with the specified bank.

Vat Registers

▶ See “VAT Registers” on page 210.

When VAT Register is Yes in European Accounting Control, a new pop-up displays in the first frame of Supplier Maintenance so you can specify a VAT register for the supplier and set its associated operation type and site.

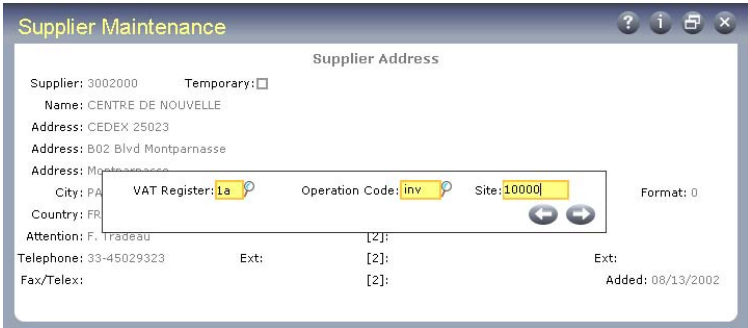


Fig. 2.9 Supplier Maintenance, VAT Registers

VAT Register. Specify the default VAT register to be used for this supplier.

Operation Code. Specify the default operation code associated with this supplier. This is used with VAT register reports to provide a clear description of transactions reported on VAT reports.

Site. Enter the default site code for this supplier. Site is used in conjunction with VAT registers to determine the range of voucher numbers for use with the supplier.

When this field is blank, the system searches for a VAT register defined for a blank site when processing the relevant transactions. When a site is defined, the system searches for the equivalent VAT register associated with the specified site or a blank site.

In the next frame, you must enter the appropriate credit terms. Since credit terms on vouchers are mandatory in European Accounting, this field must also be filled in for the supplier.

PO Receipts by Supplier

Within a multinational environment, you need to be able to distinguish between PO receipts received from regular suppliers and those received from any intercompany suppliers. Standard MFG/PRO does not support such functionality since the PO Receipts account is linked to the product lines for inventory items, and defined for expenses in System/Account Control (36.1). In MFG/PRO eB2.1, it is defined per domain in Domain/Account Control (36.1).

European Accounting adds a new frame to Supplier Maintenance for defining and viewing both PO Receipts accounts and Expensed Item Receipts accounts by supplier.

Fig. 2.10
Supplier
Maintenance,
Accounts

Supplier Maintenance

Supplier Address

Supplier: 5001000 Temporary:

Name: METAL SUPPLY COMPANY

Address: 720 EAST COLLEGE AVENUE
Address: BUILDING B-2

Address:

City: LOS ANGELES State: CA Post: 90293 Format: 0

Country: UNITED STATES USA County:

Attention: MR. RICHARD AVERY [2]:

Telephone: 213-923-0393 Ext: [2]:

Fax/Telex: 213-923-0022 [2]:

Added: 08/13/2002

Accounts

PO Receipts Acct: 2201

Expensed Items Receipts Account: 2202

You can leave these two accounts blank, or set them to a valid combination of account, sub-account, and cost center. Accounts defined for a supplier take precedence over:

- The PO Receipts account, sub-account, or cost center defined for the product line of inventory items
- The Expensed Item Receipts account, sub-account, and cost center defined in System/Account Control for non-inventory items (in Domain/Account Control in MFG/PRO eB2.1)

All MFG/PRO functions that generate GL transactions for either PO Receipts accounts or Expensed Item Receipts accounts have been modified to support this functionality. If no entries are found for a particular supplier, then standard MFG/PRO logic is used to determine the accounts to be used.

Withholding Tax

When a withholding tax type has been specified in European Accounting Control, a frame displays so you can enter data for transactions of that type.

▶ See “Withholding Tax” on page 233.



Fig. 2.11
Supplier Maintenance, Withholding Tax Data

In this frame, you can enter the fiscal address code of the relevant supplier and indicate if the supplier is an individual rather than a company.

Bank Account Validations

Bank account validations have been added in the Bank Accounts frame.

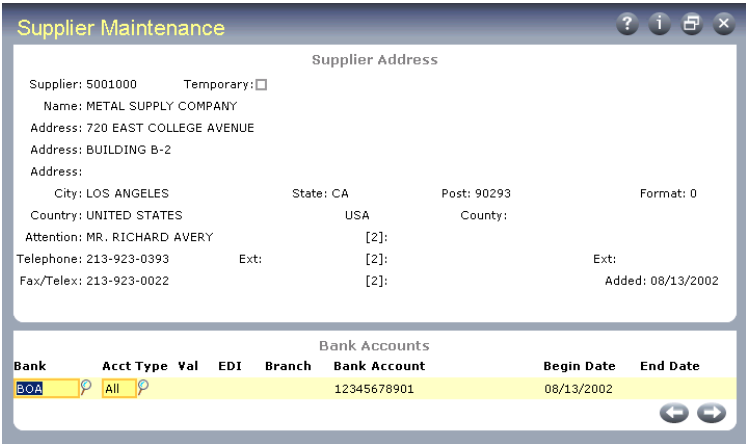


Fig. 2.12
Supplier Maintenance, Bank Accounts

If you want to perform payments to this supplier using the SWIFT format, an additional frame displays where you must enter this supplier’s SWIFT information.

▶ See “Defining Additional Supplier SWIFT Data” on page 169 for details.

Currencies

European Accounting has a different setup for currencies from that used in standard MFG/PRO. If you want to use the SWIFT standards to perform your international payments, you must use currency codes defined according to the ISO standards. These ISO currencies are entered in Generalized Codes Maintenance (36.2.13), using the field name `cu_iso_curr`.

Next each MFG/PRO currency is translated into its equivalent ISO currency. This translation only has to be entered when the MFG/PRO currency code is different from the standard ISO currency code. This can be done using Currency Maintenance (26.1).

Fig. 2.13
Currency
Maintenance (26.1)

The screenshot shows a window titled "Currency Maintenance". The fields are as follows:

Currency:	eur
Description:	European Euro
Rounding Method:	2
Active:	<input checked="" type="checkbox"/>
ISO Currency:	

ISO Currency. Specify the ISO code related to the MFG/PRO currency code.

Purchase Gain/Loss Account by Product Line

Poland, as well as other countries, requires that all variances affecting item cost are recorded against the item product line. Standard MFG/PRO records a purchase gain/loss when the exchange rate changes between the point of goods receipt and vouchering. This variance is then posted to the Unrealized Exchange Gain or Unrealized Exchange Loss account, defined for a currency in Currency Maintenance (26.1) or Currency Account Maintenance (26.7) in MFG/PRO eB2.1. All such variances are combined with other unrealized gains and losses for the currency concerned.

European Accounting adds Purchase Gain/Loss Maintenance (26.10), which lets you define a Purchase Gain and a Purchase Loss account, sub-account, and cost center by currency or by a combination of product line and currency.

The screenshot shows a software window titled "Purchase Gain/Loss Maintenance". The window contains a form with the following fields and values:

- Currency: EUR
- Euros
- Product Line: 1000
- Home Product
- Purchase Gain Account: 3006
- Purchase Loss Account: 3007

There are also empty fields for sub-accounts and cost centers, and navigation buttons at the bottom right.

Fig. 2.14
Purchase Gain/Loss
Maintenance
(26.10)

Enter a valid currency code defined in Currency Maintenance (26.1). You can enter a product line code or you can leave this field blank, but you must enter a Purchase Gain account, sub-account, and cost center combination and also a Purchase Loss account, sub-account, and cost center combination. These entries are validated in exactly the same way as accounts are validated in standard MFG/PRO maintenance functions. 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 Voucher Maintenance (28.1.1) as follows. When the exchange rate changes between receipt of the purchase order and update in Voucher Maintenance, the resulting difference is posted to one of the following:

- The Purchase Gain or Purchase Loss account defined in Purchase Gain/Loss Maintenance (26.10) for the combination of the voucher 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 Maintenance (26.10) for the voucher currency (needed when the item being vouchered is a memo item), if this record exists
- If this is not available, the Unrealized Exchange Gain or Unrealized Exchange Loss account defined for the voucher currency in Currency Maintenance or Currency Account Maintenance in MFG/PRO eB2.1

You can use Purchase Gain/Loss Inquiry (26.11) to display details about accounts defined in Purchase Gain/Loss Maintenance.

Fig. 2.15
Purchase Gain/Loss
Inquiry (26.11)

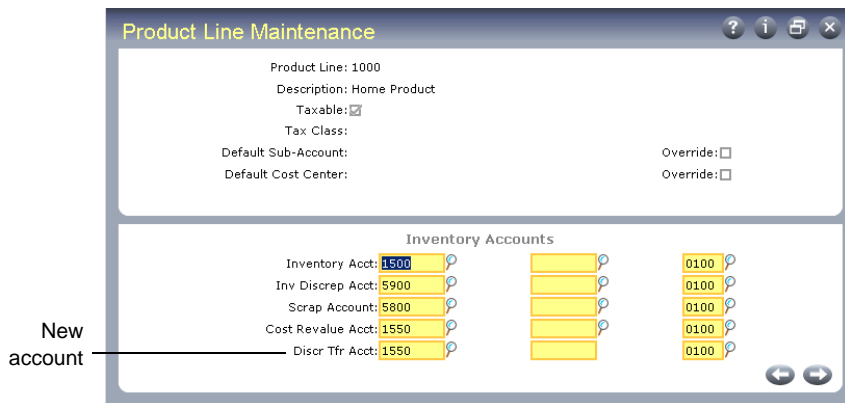


Product Lines

In MFG/PRO, all inventory activity occurs at a primary site and entity, which is the site where the order is processed. However, it is possible to ship, receive, or issue the inventory from a different site. This other site may have different costs from the primary site. When this happens, a variance occurs, since the original site may have expected to pay more or less for the item. In standard MFG/PRO, this variance is posted to the Transfer Variance account determined by the site in Site Maintenance (1.1.13).

European Accounting changes this so that the account used is determined by the product line instead of by site by adding a new Discrepancy Transfer account to Product Line Maintenance (1.2.1). The account associated with a site is not used in European Accounting.

Fig. 2.16
Product Line
Maintenance
(1.2.1),
Discrepancy
Transfer Account



Credit Terms

European Accounting adds an additional option to MFG/PRO standard credit terms functionality, enabling you to force due dates or discount dates on specific days in a month. Two new fields are added to Credit Terms Maintenance (2.19.1) to let you do this. Both these fields have the label 30 Days. When the 30 Days field is activated, the Date From fields are always assumed to be 2 in the calculation of due dates and discount days, even when Date From has a different setting.

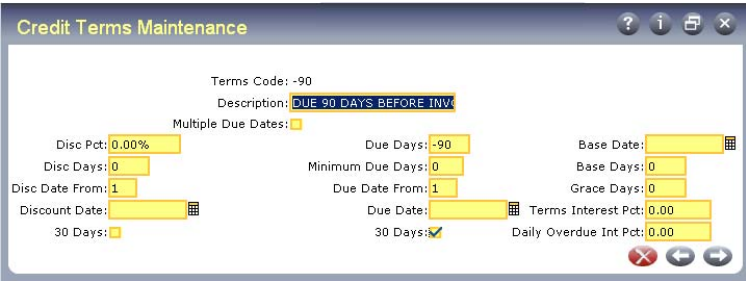


Fig. 2.17
Credit Terms Maintenance (2.19.1), 30-Days Fields

The following examples demonstrates how this feature works.

Set the Discount Days field to 45 days and Due Days to 60 days, and in both cases set the Date From fields to 2, indicating that discount and due days start from the end of the month invoiced. Then enter an invoice with an invoice date of April 6, 2004. With standard MFG/PRO this leads to the following calculations.

Discount Date:

$$\text{April 30, 2004} + 45 \text{ days} = \text{June 14, 2004}$$

Due Date:

$$\text{April 30, 2004} + 60 \text{ days} = \text{June 29, 2004}$$

However, the same calculations for an invoice date of March 6, 2004, in standard MFG/PRO would produce the following calculations.

Discount Date:

$$\text{March 31, 2004} + 45 \text{ days} = \text{May 15, 2004}$$

Due Date:

March 31, 2004 + 60 days = May 30, 2004

These examples show that the settings 45 and 60 days lead to different day numbers in the month. European Accounting makes it possible to always have these discount and due dates result in fixed day numbers by enabling the 30 Days field.

When 30 Days is set to Yes, the calculations for an invoice date of April 6, 2004, now product the following result.

Discount Date:

April 30, 2004 + 1 month + 15 days = June 15, 2004

Due Date:

April 30, 2004 + 2 months = June 30, 2004

The calculation for an invoice date of March 6, 2004, produces similar results.

Discount Date:

March 31, 2004 + 1 month + 15 days = May 15, 2004

Due Date:

March 31, 2004 + 2 months = May 31, 2004

Table 2.2 lists the MFG/PRO menu options that support this European Accounting functionality.

Table 2.2
Functions
Supporting
30-Days
Calculation

Menu Option	Description
2.19.1	Credit Terms Maintenance
2.19.3	Credit Terms Report
5.9.4	Purchase Order Commitment Report
7.9.5	Pre-Shipper/Shipper Confirm
7.13.4	Invoice Post
27.1	DR/CR Memo Maintenance
27.8	Customer Credit Inquiry
27.9	Customer Credit Report
27.10	Customer Credit Review/Update

Menu Option	Description
27.14	Customer Account Statement Print
28.1.1	Voucher Maintenance
28.1.2	Waiting Expenses Voucher Maintenance
28.8.4	Recurring Voucher Inquiry
28.9.4.1	Payment Selection–Automatic
28.9.10	Payment–Manual Checks
28.17	AP Aging by Due Date Report
28.18	AP Aging as of Effective Date

General Ledger

Standard MFG/PRO General Ledger functionality has been modified in various places, and new functionality added, to satisfy the requirements of a number of European countries. For example, European Accounting now supports the Italian requirement that accounts must be formally closed. In addition, modifications have been made to some of MFG/PRO's existing reports, and new reports have also been added. Again this has been done to satisfy the legal and business requirements of some European countries.

This chapter discusses the various enhancements that European Accounting has made to the General Ledger. The following topics are covered:

<i>Journals</i>	38
<i>Secondary GL Descriptions</i>	38
<i>Improved GL Descriptions</i>	39
<i>Year-End Close</i>	41
<i>GL Transaction Matching</i>	44
<i>Improvements in Reports</i>	57

Journals

▶ See Chapter 9, “Journals,” for details.

European Accounting supports the creation of journals using its Journal Report Writer feature.

Journals are reports in which GL transactions are grouped by document and transaction types with separate debit and credit columns for various entries. The Journal Report Writer offers great flexibility in the creation of these journals.

Secondary GL Descriptions

The MFG/PRO standard transaction maintenance programs have been modified by European Accounting to let you specify a second description line for GL transactions.

▶ See “Use Source GL Description” on page 15.

This feature was added originally in response to the Italian requirement that a plain, easy-to-understand description must be provided for all GL transactions. This feature has been extended to allow this extra GL description line to be entered for any GL transaction, provided the Use Source GL Description field in European Accounting Control (25.23) is Yes. These additional descriptions are then printed on certain reports.

For manual GL transactions, you can enter this second GL description yourself when entering the transactions.

Fig. 3.1
Standard Transaction Maint (25.13.1), Second GL Description Line

The screenshot shows the 'Standard Transaction Maint' window for 'Quality Products Company'. The window title is 'Standard Transaction Maint' and it has standard window controls (help, info, print, close). The main area contains the following fields:

- GL Reference: JL020813000006
- Type:
- Effective:
- Period:
- Currency:
- Control:
- Total:
- Daybook:
- Entry Number:
- Correction:

At the bottom of the window, there is a field for 'GL Extended Description' with the value 'Petty Cash Transfer' highlighted in yellow. Navigation arrows are visible at the bottom right of the window.

For standard GL transactions that are created automatically in the background by various programs such as shipments, the second GL description line can be linked to MFG/PRO’s menu system. When you post, for example, an invoice in Invoice Post (7.13.4), you can assign the GL description for this action by linking the source GL description to

Invoice Post using GL Transaction Description Maintenance (25.4.1). You specify the MFG/PRO menu number and specific menu selection, a language, and the GL description, which can be up to 32 characters.

You can initialize these descriptions to be the same as the menu descriptions. In this case, the secondary description for a transaction generated from Invoice Post is the same as the program description—Invoice Post. Initializing these settings streamlines the data entry process.

▶ See “Initialize” on page 16.

Improved GL Descriptions

In versions of European Accounting predating MFG/PRO Version 8.6E, the value of the primary General Ledger description was modified by some transactions when the relevant unposted GL transaction was created to include additional information on the source of that transaction. European Accounting has been updated so that many reports now automatically include all the necessary information, such as address codes and document numbers.

However, Unposted Transaction Inquiry (25.13.13) and Transaction by Reference Inquiry (25.13.19) do not contain this information. The Det Desc field has been added to both these inquiries, and when set to Yes, an improved GL description is created in place of the standard GL description. This description is printed in both these inquiries. For these two inquiries, Table 3.1 shows the transaction types for which these improved descriptions are created. It also gives an explanation of the description that is created for each document type.

Table 3.1
Transaction Types

Trans Type	Document Type		Explanation
AP	CK	Check	Address Document-type Document-reference
	CV	Check Void	Check Void Document-reference
	VO	Voucher	Address Document-type Document-reference
	A	Unapplied Payment App	Address Document-type Document-reference
AR	A	Payment Application	Address Document-type Document-reference
	D	Draft	Address Document-type Document-reference
	F	Finance Charge	Address Document-type Document-reference
	I	Invoice	Address Document-type Document-reference
	M	Memo	Address Document-type Document-reference
	B	Bank Charges	Bank Charges Document-reference
	P	Payment	Address Document-type Subdocument-reference
IC	All Types	All Types	Either: Transaction-type Transaction-reference Transaction-number or: GL description
SO	I	Posted Invoice	Address Document-type Document-reference
	IV	Posted Invoice Tax	Address Document-type Document-reference

For example, an AP voucher could have an improved GL description of:

1041 VO 10033

While an AR memo might have an improved GL description of:

2172 M 1999499

Figure 3.2 shows a normal GL description as it might appear in Unposted Transaction Inquiry (25.13.13).

The screenshot shows a window titled "Unposted Transaction Inquiry". At the top, there are fields for "GL Reference" (AR02081300039), "Batch" (2342), "Cur" (EUR), "Unb Only" (checkbox), "Det Desc" (checkbox), and "Output" (terminal). Below this is a summary table with columns: "GL Reference", "Batch", "Eff Date Entered", "User ID", and "Total Corr". The data row shows: "AR020813000392", "2342", "08/13/02", "08/13/02 evg", and "0.00 no". The main table has columns: "Line", "Account", "Project", "Enty Description", and "Amount Cu". The data rows are: "1 1200", "1000 AR Memo", "90.91 EU"; and "2 3000", "1000 Sales", "-90.91 EU".

GL Reference	Batch	Cur	Unb Only	Det Desc	Output
AR02081300039	2342	EUR	<input type="checkbox"/>	<input type="checkbox"/>	terminal

GL Reference	Batch	Eff Date Entered	User ID	Total Corr
AR020813000392	2342	08/13/02	08/13/02 evg	0.00 no

Line	Account	Project	Enty Description	Amount Cu
1	1200	1000	AR Memo	90.91 EU
2	3000	1000	Sales	-90.91 EU

Fig. 3.2 Unposted Transaction Inquiry (25.13.13), Standard Description

Figure 3.3 shows an improved GL description for this same transaction.

The screenshot shows a window titled "Unposted Transaction Inquiry". At the top, there are fields for "GL Reference" (AR02081300039), "Batch" (2342), "Cur" (EUR), "Unb Only" (checkbox), "Det Desc" (checkbox checked), and "Output" (terminal). Below this is a summary table with columns: "GL Reference", "Batch", "Eff Date Entered", "User ID", and "Total Corr". The data row shows: "AR020813000392", "2342", "08/13/02", "08/13/02 evg", and "0.00 no". The main table has columns: "Line", "Account", "Project", "Enty Description", and "Amount Cu". The data rows are: "1 1200", "00010000 M 165", "1000 AR Memo", "90.91 EU"; and "2 3000", "00010000 M 165", "1000 Sales", "-90.91 EU".

GL Reference	Batch	Cur	Unb Only	Det Desc	Output
AR02081300039	2342	EUR	<input type="checkbox"/>	<input checked="" type="checkbox"/>	terminal

GL Reference	Batch	Eff Date Entered	User ID	Total Corr
AR020813000392	2342	08/13/02	08/13/02 evg	0.00 no

Line	Account	Project	Enty Description	Amount Cu
1	1200 00010000 M 165	1000	AR Memo	90.91 EU
2	3000 00010000 M 165	1000	Sales	-90.91 EU

Fig. 3.3 Unposted Transaction Inquiry, Improved Description

Year-End Close

Standard MFG/PRO functionality does not support the formal closing of accounts at year end, which is a legal requirement in Italy. European Accounting enhances MFG/PRO's standard Transaction Year-End Close (25.13.12) function so that you can create transactions to formally close

GL accounts at year end. Any differences are posted to the Retained Earnings account in the balance sheet. Optionally, the balance sheet accounts can be closed, and the opening balance on the balance sheet accounts for the new year can be set to the closing balance at the end of the prior year.

MFG/PRO's standard Transaction Year-End Close closes a GL fiscal year to all further GL transactions. The year end can only be closed after all period-end processing has completed and the necessary financial statements have been printed and audited. You must run Transaction Year-End Close before printing any financial statements for the new fiscal year to ensure the printed balance sheets or trial balances for the new year are correct. Once closed, a GL calendar year cannot be reopened, so it is advisable to back up your database prior to running Transaction Year-End Close.

Creating Year-End Close and Open Transactions

European Accounting enhances the standard functionality offered by Transaction Year-End Close to support the formal closing of GL transactions for income and expense accounts, the closing of balance sheet accounts, and the creation of opening entries for balance sheet accounts. Two new GL transactions are created to achieve this:

- A GL transaction with an effective date of the last day of the fiscal year that formally closes all balance sheet accounts. Any differences found are posted to the Year End Closing Balance account specified in General Ledger Control.

Note This transaction is created only when the Create Opening Trans At Year End field is Yes in General Ledger Control (25.24).

- A GL transaction with an effective date of the first day of the next year that reinstates the balances on all balance sheet accounts, debiting or crediting the Brought Forward Balance account specified in General Ledger Control.

Note This transaction is created only when the Create Opening Trans At Year End field is Yes in General Ledger Control.

Note The year-end closing and opening feature assumes that your fiscal year has more than one period. If this is not the case, you should not use this functionality.

General Ledger Control

European Accounting adds an additional screen to MFG/PRO's standard General Ledger Control (25.24) to support setting up company control variables relating to year-end functionality.

Fig. 3.4
General Ledger
Control (25.24),
European
Accounting Frame

Make entries into the relevant fields:

Year End Closing Balance Account, Sub-Account, Cost Center.

Enter the GL account code used to store the accumulated balance of the whole year for balance sheet accounts. When a fiscal year is closed using Transaction Year-End Close (25.13.12) and Close Balance Sheet is Yes, the year-end balance for balance sheet accounts is calculated and posted to this account.

Year End Closing Balance Description. Specify the GL description, as it will appear on the relevant reports and inquiries, in the year-end closing records created by Transaction Year-End Close.

Create Opening Trans At Year End. Indicate whether Transaction Year-End Close creates opening balance transactions for the balance sheet accounts for the start of the next year.

No: Keep the balance sheet open.

Yes: Create opening balance transactions for the start of the next fiscal year. Valid entries must be made in the Year End Closing Balance account, sub-account, and cost center and the equivalent Brought Forward Balance account, sub-account, and cost center.

Brought Forward Balance Account, Sub-Account, Cost Center. Enter the GL account code for the new financial year. The accumulated balance of the balance sheet accounts from the previous year is forwarded as the opening balance for the next fiscal year.

When a fiscal year is closed using Transaction Year-End Close and Create Opening Transaction at Year End is Yes, the year-end balance for balance sheet accounts is posted to the Year End Closing Balance account. Balances are reinstated in the new financial year from the Brought Forward Balance account.

Brought Forward Balance Description. Enter the GL description, as it will appear on the relevant reports and inquiries, in the opening balance records created by Transaction Year-End Close.

Year End Project Code Summarization Level. Enter a code that determines the level of detail used by Transaction Year-End Close when creating year-end GL transactions for balance sheet accounts. Valid values are:

1. Create detailed year-end GL transactions by entity, account, sub-account, cost center, and project code.
2. Create year-end GL transactions summarized by entity, account, sub-account, and cost center, without considering project detail.

GL Transaction Matching

Transaction matching functionality lets you match debit transactions in the General Ledger to their corresponding credit transactions on an account-by-account basis.

Figure 3.5 illustrates the steps required to set up and use GL transaction matching.

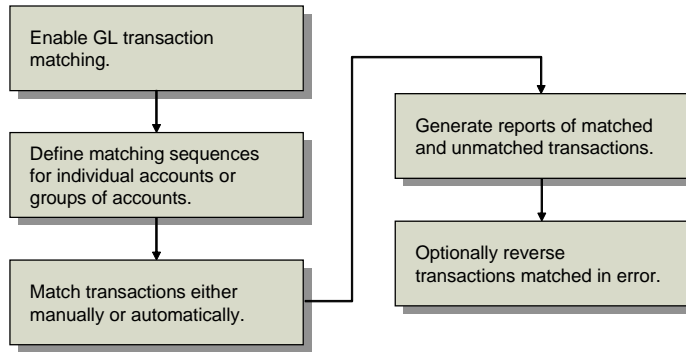


Fig. 3.5
Transaction Matching Work Flow

Table 3.2 lists the functions on the General Ledger Matching Menu added to support GL transaction matching.

Menu Number	Description	Program
25.13.23.1	Manual Matching	eultmt01.p
25.13.23.3	Automatic Matching	eultmt02.p
25.13.23.5	Automatic Matching Reversal	eultrm01.p
25.13.23.7	Manual Matching Reversal	eultrm02.p
25.13.23.13	Non-matched Transactions Report	gltrrp.p
25.13.23.15	Matched Transactions Report	eultrp01.p
25.13.23.22	Matching Initialization	eultini.p
25.13.23.23	Matching Defaults	euldfmt.p

Table 3.2
General Ledger Matching Menu (25.13.23)

Setting Up Transaction Matching

To be able to use transaction matching, Use GL Transaction Matching in European Accounting Control (25.23) must be set to Yes.

▶ See “Use GL Transaction Matching” on page 16.

Once you have done this, you must define how the system should match credit and debit accounts. You can do this in two ways:

- Define a matching sequence for each account using Account Code Maintenance (25.3.13).
- Set up default matching sequences for groups of accounts in Matching Defaults (25.13.23.23).

◆ See “Initializing Converted Transactions” on page 54.

Note If you have converted from an earlier version of MFG/PRO without transaction matching, you may need to initialize existing records.

Matching is performed based on a set of predefined algorithms, described in Table 3.3.

Table 3.3
Matching
Algorithm Rules

Algorithm	Transaction Type	Document Type	Action
Algorithm 1	Any	Any	Used to identify manual matching.
Algorithm 2	Any	Any	Sorts transactions on customer or supplier address and matches all transactions where the appropriate accounts are in balance.
Algorithm 3	AP	VO	Searches for the voucher, its associated receiver, inventory transaction history record, and finally the receiver’s GL transaction. Vouchers and receivers that belong to the same account are matched.
Algorithm 4	AP	CK	Searches the check lines and then their associated vouchers. Provided the GL transactions for the voucher belong to the same account, the checks and vouchers are matched with each other.
Algorithm 5	AP		Matches the GL entries for Check Cancellation with the associated entries in Check Creation.
Algorithm 6	AR	P (payments) or D (drafts)	Searches for the associated GL transactions for the invoices or memos and matches them against each other, provided they are both for the same account.
Algorithm 7	AR	D (draft)	Matches the GL entries for Draft Submission with the associated entries in Draft Creation, or matches the GL entries for Draft Reconciliation with the associated entries in Draft Submission.
Algorithm 8	RV		Searches for all reversing transactions and matches them to the original transactions.

Updating Individual Accounts

Use Account Code Maintenance (25.3.13) to specify matching sequences for individual accounts.

The screenshot shows the 'Account Code Maintenance' window for account 1040. The window title is 'Account Code Maintenance'. The account details are as follows:

- Account: 1040
- Description: Cash
- Type: A
- Currency: EUR

The 'Format Position' is 11110. Below this, a tree structure shows the account hierarchy:

11110	Cash-USA	Level 5
11100	Cash	Level 4
11000	Current Assets	Level 3
10100		Level 2
10000	Assets	Level 1

At the bottom of the window, there are several fields:

- Sub-Module Entries Only:
- Statistical Account:
- Active:
- Curr Translation Index:
- Matching Sequence:

Fig. 3.6
Account Code
Maintenance
(25.3.13)

Matching Sequence. Enter a matching sequence number. Leave blank to indicate that General Ledger transaction matching is not required for this account.

Matching Sequence determines the algorithm the system uses when matching accounts. Eight algorithms are possible, numbered 1 to 8. Number 1 is used when only manual matching is allowed. Numbers 2 to 8 each represent a different algorithm. By entering these numbers, manual matching is automatically included. Multiple algorithms can be entered per account, separated by a comma. The algorithms are processed in the order specified here.

▶ See Table 3.3 on page 46 for details on these algorithms.

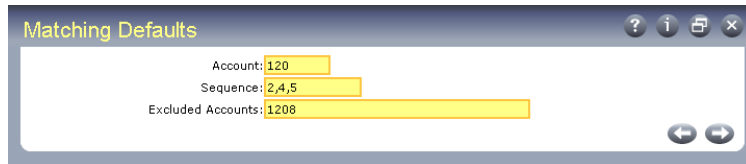
Setting Up Default Sequences

Use Matching Defaults (25.13.23.23) to quickly set up accounts for GL transaction matching. This function assumes that GL accounts are grouped in a tree structure.

Example Accounts 1201 to 1209 belong to the same group. Matching Defaults lets you define the matching algorithms used for all of the accounts in this group by entering the first few characters of the account code, such as 120. All accounts with a code that starts with 120 will now be set to use the same matching algorithms.

Note You can exclude one or more accounts from this range if needed.

Fig. 3.7
Matching Defaults
(25.13.23.23)



For example, you could specify that all accounts starting with 120 are to have the same sequence, with the exception of account 1208.

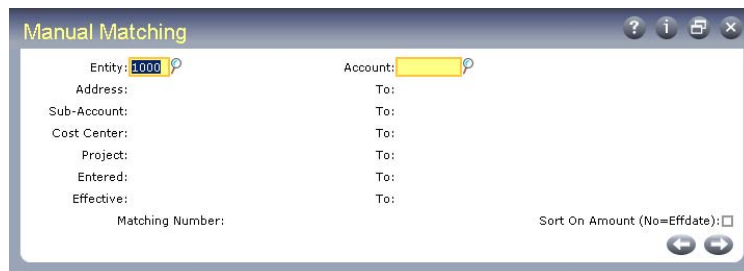
Matching Transactions

Once GL transaction matching has been activated and the accounts to be matched have been defined, transaction matching can be performed. You can do this either manually using Manual Matching (25.13.23.1) or automatically using Automatic Matching (25.13.23.3).

Manual Matching

Use Manual Matching (25.13.23.1) to manually match each transaction for a selected account. First enter the selection criteria to identify the range of accounts to be matched and the dates of the transactions you want to cover.

Fig. 3.8
Manual Matching
(25.13.23.1)



First, you must enter the entity code and the account code for the transactions to be matched. The selected account must have matching enabled in Account Code Maintenance.

Transactions can be identified and selected for manual matching by a combination of customer (for AR accounts) or supplier (for AP accounts) address, sub-account, cost center, project, entered date, effective date, and matching number. You can choose to display and sort the selected transactions in one of two ways: descending order of amount or effective date sequence.

Once you have entered the selection criteria, the system searches the defined accounts and lists any unmatched, open transactions.

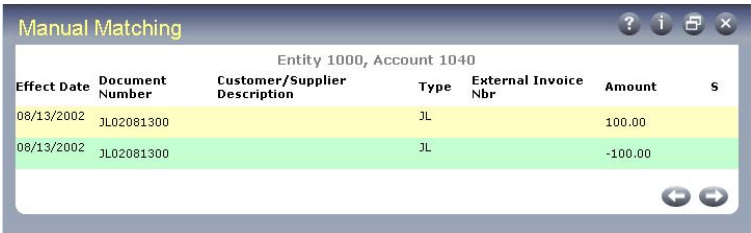


Fig. 3.9
Manual Matching,
Open Transactions

This list shows the effective date of the unmatched transactions, the number of the document that created each transaction, the customer or supplier code together with its relevant description, and the type of document. For AP vouchers, the external invoice number associated with the transaction is also shown.

The information displayed varies depending on the type of information being processed, as shown in Table 3.4.

Transaction Type	Document Number	Description/Address	Invoice
AP Voucher	GL document number (voucher number, 8 positions)	Supplier code and name	Voucher's external invoice number
AP Check	GL document number (document number, 10 positions)	Supplier code, payment method and name	No entry
Other AP documents	GL document number (16 positions)	Supplier code and name	No entry

Table 3.4
Open Transactions

Transaction Type	Document Number	Description/Address	Invoice
IC documents of type RCT-PO or ISS-PRV	Lot number (tr_lot, 8 positions)	AP receiver number (if one exists) or transaction number and customer/supplier name	No entry
Sales Invoice	GL document number (invoice number, 8 positions)	Customer code and name	No entry
AR Payments	GL document number (check number, 8 positions)	Customer code and name	No entry
Other AR documents	GL document number (AR reference, 8 positions)	Customer code and name	No entry
JL and RV documents	Project code (8 positions)	GL description	No entry
Other transactions	GL document number (16 positions)	GL description	No entry

Select the transaction you want to match. The amount of the selected transaction is subtracted from the balance displayed at the bottom of the screen.

When this balance is zero, you can press Go to match the selected transactions. If you try and match transactions when the balance is not zero, an error displays. In this case, press Go to return to the first record to be chosen, as in the following example.

S	Effect Date	Document Number	Customer/Supplier Description	Type	External Invoice Nbr	Amount
	12/10/2002	378	ci15223	AR M		1,000.00
	12/10/2002	379	ci15223	AR M		-100.00
	12/12/2002	380	ci15223	AR M		2,000.00
	09/13/2002	350	3002000 -CENTRE DE NOI	AR M		117.50
	09/13/2002	30300021	3002000 -CENTRE DE NOI	AR D		-117.50
	09/13/2002	JL02091300		JL		-100.00
	09/13/2002	IV284	sfcust1 SFCUST1	SO I		207.50
	09/13/2002	IV285	sfcust1 SFCUST1	SO I		207.50
	09/13/2002	IV286	sfcust1 SFCUST1	SO I		207.50
	09/13/2002	ci100018	sfcust1 SFCUST1	SO I		-83.00
	09/13/2002	IV287	sfcust1 SFCUST1	SO I		622.50
	09/13/2002	IV288	sfcust1 SFCUST1	SO I		1,390.00
	09/13/2002	IV289	sfcust1 SFCUST1	SO I		532.50

Fig. 3.10 Manual Matching, Balance Not Set to Zero

Once you have successfully matched your transactions, a matching number is automatically assigned to the transactions just matched.

Entity: 1000 Account: 1200

Address: To:
Sub-Account: To:
Cost Center: To:
Project: To:
Entered: To:
Effective: To:

Matching Number: 1

Sort On Amount (No=Effdate):

Fig. 3.11 Manual Matching, Matching Number

Automatic Matching

Use Automatic Matching (25.13.23.3) to match transactions for specified accounts automatically. As with Manual Matching, you must first enter the selection criteria to identify the range of accounts to be matched and the dates of the transactions you want to cover.

Fig. 3.12
Automatic
Matching
(25.13.23.3)

Transactions can be identified and selected for automatic matching by a combination of account, company address, sub-account, cost center, project, entered date, and effective date.

You can also specify if the resulting list of unmatched transactions shows totals per account split by their respective transactions (Detail) or if it show a summarized total (Summary).

After defining the selection criteria, the system automatically selects any unmatched, open transactions for the specified accounts. Transactions are matched according to the algorithms (numbers 2 through 8) defined for the selected accounts in Account Code Maintenance (25.3.13). If multiple algorithms were specified in Account Code Maintenance, they are processed in the order specified.

For each algorithm, the system searches through all non-matched transactions for the defined entity, account, sub-account, address, cost center, and project up to and including the specified effective date. It then matches those non-matched transactions to transactions in the General Ledger according to the rules defined for the relevant algorithm.

Reversing Matched Transactions

If you match a transaction by mistake, you can reverse it manually using Manual Matching Reversal (25.13.23.7) or automatically using Automatic Matching Reversal (25.13.23.5). To use either of these two functions, the total of the transactions that you want to reverse must be zero.

Using Manual Matching Reversal, you reverse matched transactions one account at a time. If you know the original matching number assigned by the matching process simply enter that number to reverse that particular transaction.

Fig. 3.13
Manual Matching
Reversal
(25.13.23.7)

If you need to reverse a number of matched transactions, use Automatic Matching Reversal.

Fig. 3.14
Automatic
Matching Reversal
(25.13.23.5)

Consolidating Matched Transactions

In standard MFG/PRO, historical transactions are grouped together in one consolidation transaction using Transaction Consolidation (25.13.11). Where GL transaction matching has been enabled, only those transactions that have been matched can be consolidated. The consolidating transaction itself is assigned a matching number.

If considerable time gap exists between the original transaction and its matching one, two matched transactions may not be included in the same consolidation process. In this situation, the transaction that is matched, but is not part of the current consolidation process, is assigned the same matching number as the consolidation transaction. This ensures no matching data is lost.

GL Transaction Matching Reports

You can use Matched Transactions Report (25.13.23.15) to list all the matched transactions that meet the specified criteria. Use Non-Matched Transactions Report (25.13.23.13) to display non-matched transactions.

Various existing reports and inquiries have also been modified to display GL matching transaction data:

- Account Code Report (25.3.15)
- Account Balance Detail (25.15.2)
- Transaction by Account Inquiry (25.13.18)
- Transaction Register (25.13.21)
- Journal Report Print (25.10.3)

The matching number assigned to a matching process is shown on all these reports and the options to Include Matched and Include Non-Matched transactions have also been added.

Initializing Converted Transactions

GL transaction matching was not available before MFG/PRO 9.0. If you are converting from an older MFG/PRO system and want to use matching functionality, all your existing transactions initially show as unmatched, although in reality many of them have been closed. To let you match historical transactions easily, you can create an initialization transaction using Matching Initialization (25.13.23.22).

Fig. 3.15
Matching
Initialization
(25.13.23.22)

This initialization gathers all posted transactions between the specified date range for an account that is to be subject to GL transaction matching, matches any which can be matched, and then creates a closing and an opening transaction. This is comparable with the year-end closing and

opening transactions created on an annual basis by European Accounting. Unlike the year-end transactions, however, these initialization transactions are created only once. The closing balance transaction is automatically assigned a matching number. The same matching number is also assigned to all historical transactions, matching all the old transactions in one process.

However, you might still receive new incoming transactions that need to be matched to old transactions. These transactions, known as *consuming transactions*, can be manually matched against the opening transaction from the initialization until the whole of the opening balance has been consumed. This is the only situation where it is possible to match two transactions that do not match identically. It is not possible to match consuming transactions automatically.

The initialization transaction is allocated a JL reference, a matching number, and a daybook of type MT, while the consuming transactions are allocated a matching number but no JL reference.

Note Once consuming transactions have been matched, it is not possible to reverse them.

The following tables show the steps to follow to create consuming transactions for two historical GL transactions, and then to finally match those transactions against the consuming balance.

Table 3.5 shows the initial situation when historical GL transactions still exist.

Amt	Ref	Rvs Ln	Ln	Match No.	Cons	Booking GL Ref	Book Line	Amt to Cons
3.750	JL97230190093		1		No			
4.250	JL98121200392		3		No			

Table 3.5
Matching
Initialization: Step 1

In step 2 of the process, the initialization function is run.

Table 3.6
Matching
Initialization: Step 2

Amt	Ref	Rvs Ln	Ln	Match No.	Cons	Booking GL Ref	Book Line	Amt to Cons
3.750	JL97230190093		1	1	No			
4.250	JL98121200392		3	1	No			
-8.000	JL99180800003		1	1	No			
8.000	JL99180800003		2		Yes			8.000

In step 3, manual GL matching is used to book 3.750 to the Consume Balance.

Table 3.7
Matching
Initialization: Step 3

Amt	Ref	Rvs Ln	Ln	Match No.	Cons	Booking GL Ref	Book Line	Amt to Cons
3.750	JL97230190093		1	1	No			
4.250	JL98121200392		3	1	No			
-8.000	JL99180800003		1	1	No			
8.000	JL99180800003		2		Yes			4.250
-3.750	JL99270800007		4	2		JL99180800003	2	

Finally, in step 4, the final entry is booked to the Consume Balance entry.

Table 3.8
Matching
Initialization: Step 4

Amt	Ref	Rvs Ln	Ln	Match No.	Cons	Booking GL Ref	Book Line	Amt to Cons
3.750	JL97230190093		1	1	No			
4.250	JL98121200392		3	1	No			
-8.000	JL99180800003		1	1	No			
8.000	JL99180800003		2		No			0
-3.750	JL99270800007		4	2		JL99180800003	2	
-4.250	JL99010900012		6	3		JL99180800003	2	

Improvements in Reports

European Accounting has enhanced some of the existing MFG/PRO reports. These are listed in Table 3.9 with a brief description of their European Accounting enhancements.

Menu	Description	Modification
25.15.2	Account Balance Detail	Ability to use standard GL transaction description or show a combination of address code, batch, and document number. Also includes an option to show the source GL description.
25.17.13	Custom Report Print	Technical change for performance improvement.

Table 3.9
Enhanced Reports

Accounts Receivable

Many of the enhancements added to MFG/PRO by European Accounting affect Accounts Receivable. These enhancements are discussed in this chapter. The following topics are covered:

DR/CR Memos **60**

Customer Account Inquiry **63**

Additional Functionality for Drafts **64**

Accounts Receivable Payments **107**

DR/CR Memos

European Accounting has enhanced standard MFG/PRO debit/credit memos by adding the following functionality:

- Bank and payment method have been added to support electronic banking.
- Settlement can be made by correction invoices.
- Tax distribution lines can be entered manually.
- The logic for 30 days of the credit terms has been implemented.
- VAT registers can be used.
- Operation type can be set when VAT registers are activated.
- Suspended VAT logic can be invoked when Use Suspended VAT in European Accounting Control is Yes.

DR/CR Memo Maintenance

New functionality has been added to DR/CR Memo Maintenance (27.1) to detail the bank and payment method used.

Fig. 4.1
DR/CR Memo
Maintenance
(27.1), Bank and
Payment Method

The screenshot shows the 'DR/CR Memo Maintenance' window with the following data:

Batch: 1001	Control: 0.000	Total: 1,200.000
Reference: 1000000	Bill To: 1009000	
Currency: USD Type: M	Bank: GE	PM: df
Memo Control: 1,200.00	Amt: 1,200.00	Date: 03/17/1992
Sales Amt: 1,200.00		Effective: 03/17/1992
Cr Terms: 60	Slspn 1:	Comm1: 0.00%
Disc Date: 03/17/1992	Slspn 2:	Comm2: 0.00%
Due Date: 05/16/1992	Slspn 3:	Comm3: 0.00%
Expt Date:	Slspn 4:	Comm4: 0.00%
Remark: Opening Balance	Dun Level: 0	Daybook:
Printed: <input type="checkbox"/>	Account: 1200	Entity: 1000
		Sold-To: 1009000
		Ship-To: 1009000
		Batch: 1001
		Contested: <input type="checkbox"/>
		Ship-From:

When the bill-to address is entered, the bank and payment method of this bill-to are copied immediately to this debit/credit memo.

Bank. Enter the bank to be used in electronic banking for collecting this debit/credit memo.

Your customer must make payments at this bank. Bank defaults from the Bill-To address.

Payment Method. Specify the payment method to be used in electronic banking to collect this debit/credit memo.

Payment method defaults from the Bill-To address.

When VAT Register is Yes in European Accounting Control, a new pop-up displays when you press Go. Here you can specify a VAT register for the transaction and set the operation type. This description of the AR transaction can be linked to the relevant sales order at sales order creation, and can be printed on various reports.

▶ See “VAT Registers” on page 210.

The screenshot shows the 'DR/CR Memo Maintenance' window. At the top, it displays 'Batch: 2448', 'Control: 0.000', and 'Total: 0.000'. Below this, the 'Reference: 229' is shown, along with 'Bill To: 3002000' and 'CENTRE DE NOUVELLE'. The 'Currency: EUR' and 'Type: M' are also visible. The 'Bank: eu' and 'PM: mc' are set, with the 'Date: 08/26/2002' and 'Effective: 08/26/2002'. A pop-up window is open over the 'VAT Register:' and 'Operation Code:' fields, both of which are highlighted in yellow. The 'VAT Register:' field has a search icon, and the 'Operation Code:' field has a search icon and two arrow buttons. Other fields include 'Memo Control: 0.00', 'Sales Amt: 0.00', 'Cr Terms: 2/40PROX', 'Disc Date: 08/31/2002', 'Due Date: 10/10/2002', 'Expt Date:', 'Remark:', 'Printed: ', 'Account: 1200', 'Tax Date: 08/26/2002', 'Daybook: xcb1', 'Entity: 1000', 'Sold-To: 3002000', 'Ship-To: 3002000', 'Batch: 2448', 'Contested: ', and 'Ship-From: 10000'.

Fig. 4.2
DR/CR Memo Maintenance, VAT Registers

When Use Suspended VAT is Yes in European Accounting Control the following pop-up displays when you press Go. Here you can specify if Suspended VAT is to be used for this memo.

▶ See “Suspended VAT” on page 224 for details.

Fig. 4.3
DR/CR Memo
Maintenance,
Suspended VAT

Batch: 2354 Control: 0.000 Total: 0.000

Reference: 169 Bill To: 3002000 CENTRE DE NOUVELLE
 Currency: EUR Type: M Bank: eu PM: mc Date: 08/15/2002 Effective: 08/15/2002
 Memo Control: 0.00 Suspended Tax: Tax Date: 08/15/2002
 Sales Amt: 0.00 Daybook: xcb1

Cr Terms: 2/40PROX Slpspn 1: Comm1: 0.00% Entity: 1000
 Disc Date: 08/31/2002 Slpspn 2: Comm2: 0.00% Sold-To: 3002000
 Due Date: 10/10/2002 Slpspn 3: Comm3: 0.00% Ship-To: 3002000
 Expt Date: Slpspn 4: Comm4: 0.00% Batch: 2354
 Remark: Dun Level: 0 Contested:
 Printed: Account: 1200 Ship-From: 10000

Suspended VAT. Enter Yes or No to determine the due date of VAT. If set to No, VAT is due when the invoice is originally created; if set to Yes, VAT is due on invoice payment.

DR/CR Memo Inquiry

The bank and payment method for a debit/credit memo have been added to DR/CR Memo Inquiry (27.2).

Fig. 4.4
DR/CR Memo
Inquiry (27.1),
Display of Bank
and Payment
Method

Reference: 169 Bill To: 3002000 Open Only:
 Currency: EUR CENTRE DE NOUVELLE
 Reporting Currency: EUR Output: terminal

Reference: 169 Type: Memo Sales Order:
 Bank: eu Payment Method: mc Amount: 1,000.00
 Date: 08/15/2002 Credit Terms: 2/40PROX Amount Open: 1,000.00
 Effective: 08/15/2002 Entity: 1000
 Exch Rate: 1.00000 Account: 1200 Currency: EUR
 Printed: Dun Level: 0 Batch: 2354
 Contested: Remark: Sold-To: 3002000
 Bill To: 3002000 CENTRE DE NOUVELLE

Distribution						
Enty	Account	Sub-Acct	CC	Project	Amount	Description
1000	3000				1,000.00	Sales

Customer Account Inquiry

Customer Account Inquiry (27.13) has been enhanced by European Accounting to let you:

- Include or exclude drafts in the inquiry.
- Include or exclude closed items in the inquiry.
- Sort the inquiry by ascending or descending date order.
- Display the status of a draft in a separate column (labeled D).
- Display the number of days by which an invoice was overdue, rather than the number of days the invoice was open.
- Display the Computed Balance total, Approved Drafts total, and Proposed Drafts total.
- Display overall total—total of approved drafts plus customer invoices.
- Display an additional column (labeled S) showing contested or unapplied drafts.

Date	Ref	T	Due	C	D	S	Amount	Open Amount	Check Bank Slip Days
081502	169	M	101002				1,000.00	1,000.00	
081502	171	M	101002				68.00	68.00	
081502	172	M	101002				32.00	32.00	
							Computed Balance	1,100.00	
							Proposed Drafts	0.00	

Fig. 4.5
Customer Account
Inquiry (27.13)

Include Drafts. Indicate whether to display a separate Approved Drafts total in the report or include drafts in the Computed Balance total and Open Balance fields.

No: Display the Approved Drafts total separately.

Yes: Include the Approved Drafts total in the Computed Balance.

Ascending. Indicate if you want to sort the inquiry on ascending date order (Yes) or descending date order (No).

Open Only. Specify whether you want to see all items (No) or only the open items (Yes).

The inquiry can show up to four totals. Two of these totals—Computed Balance and Proposed Drafts—are always shown. The Approved Drafts total is shown only when the Include Drafts field is No. When the Include Drafts field is Yes, the drafts total is included in the Computed Balance total. In addition an overall total is also shown, which is the sum of the proposed drafts and customer invoices.

European Accounting adds three columns to this screen, labeled C, S, and D. The column labeled C shows the first letter of the currency code.

The column labeled S indicates if any of the drafts are either unapplied or contested:

* indicates the AR memo is marked as contested.

U indicates the AR memo concerns an unapplied draft.

This column remains blank for all other types of AR memos.

The column labeled D shows the status of drafts, which can be any of the following:

- A (Approved)
- R (Reconciled)
- S (Submitted)
- P (Proposed)
- C (Closed)
- V (Voided)
- D (Discounted)

Additional Functionality for Drafts

European Accounting has added a large number of enhancements for the handling of drafts letting you:

- Create unapplied or non-AR distribution lines for drafts.
- Apply unapplied drafts using an additional function, Unapplied Draft Application (27.6.6.14), and report on such drafts with Unapplied Draft Register (27.6.6.13).

- Create approved drafts using an additional maintenance program, Approved Draft Maintenance (27.6.6.8).
- Submit multiple drafts to the bank.
- View submitted drafts with Draft Bank Submission Register (27.6.6.11).
- Reconcile drafts once they have been received by the bank.
- Close and subsequent reopen closed drafts.
- Use a special function, Italian RIBA Reversal (27.6.6.20), to support Italian drafts (RIBA).
- Submit and discount drafts separately or as one step.
- Submit and discount proposed drafts.
- Pay proposed drafts.
- Reconcile drafts from a bank statement using Cash Book Maintenance (31.13).

▶ See Chapter 6, “Cash Management,” for details.

A new menu is available in European Accounting that accommodates all the draft functionality.

Menu Number	Description	Program
27.6.4.1	AR Payment Selection–Automatic	euparau.p
27.6.4.2	AR Payment Selection–Manual	euparma.p
27.6.4.3	AR Payment Selection Mass Update	euparup.p
27.6.4.4	AR Payment Selection Register	euparrp.p
27.6.4.6	AR Payment Autom Checks/Drafts	euparac.p
27.6.4.8	AR Payment Selection Inquiry	eupariq.p
27.6.4.9	Creation of Duplicate Media	euprcopy.p
27.6.4.23	Payment Selection Delete/Archive	euparde.p
27.6.5.1	AR Payment Manual Checks	arpamt.p
27.6.5.2	AR Payment Inquiry	arpaiq.p
27.6.5.3	AR Payment Register	arparp.p
27.6.5.4	AR Payment Submission Register	eupaprp2.p
27.6.5.7	AR Payment Bank Reconciliation	earrcmt.p
27.6.5.14	Unapplied Payment Application	euarpm.p
27.6.5.15	Payment Application Register	arparp01.p

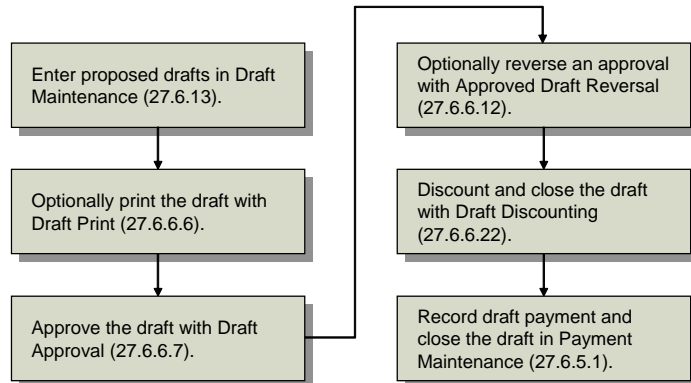
Table 4.1
Draft Menu
(27.6.6)

Menu Number	Description	Program
27.6.5.16	Check Void Maintenance	arvcmt.p
27.6.5.18	Check Status Report	arcrrp.p
27.6.6.1	Proposed Draft Maintenance	dmdmmt.p
27.6.6.2	Draft Inquiry	dmdmiq.p
27.6.6.3	Draft Report	dmdmrp.p
27.6.6.4	Draft Summary Register	dmdmrp01.p
27.6.6.6	Draft Print	dmdmprt.p
27.6.6.7	Draft Approval	dmdmap.p
27.6.6.8	Approved Draft Maintenance	eudmapmt.p
27.6.6.9	Single Draft Bank Submission	dmdisc.p
27.6.6.10	Multiple Draft Bank Submission	eudmdim.p
27.6.6.11	Draft Bank Submission Register	eudmprp2.p
27.6.6.12	Draft Reversal	dmaprv.p
27.6.6.13	Unapplied Draft Register	euarudrp.p
27.6.6.14	Unapplied Draft Application	eudmun.p
27.6.6.17	Draft Bank Reconciliation	eudmrcmt.p
27.6.6.20	Italian RIBA Reversal	eudmrba.p
27.6.6.22	Draft Closing	eudmclos.p
27.6.6.23	Draft Re-Open	eudmopen.p

Flow of Drafts

The standard MFG/PRO draft flow is shown in Figure 4.6.

Fig. 4.6
Flow of Drafts in
standard MFG/PRO



This flow is, however, rather basic, and has been significantly enhanced by European Accounting.

There are two possible draft flows in European Accounting, depending on whether or not the submission of proposed drafts has been enabled. In the standard (default) draft flow in European Accounting—and also in standard MFG/PRO—only approved drafts can be submitted to the bank. However, in the European Accounting enhanced flow, proposed drafts can also be submitted. A setting in European Accounting Control (25.23) determines which logic is used while working with drafts.

Standard EA Draft Flow

Figure 4.7 shows the standard draft flow in European Accounting.

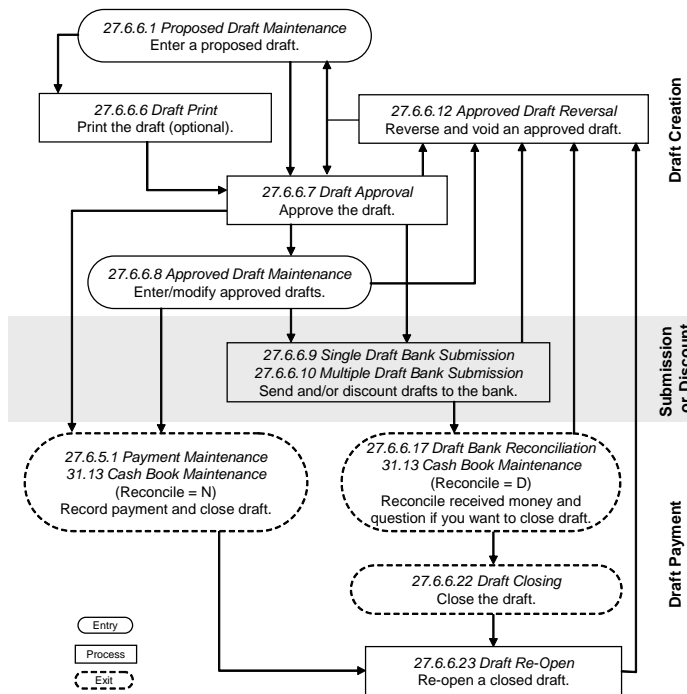


Fig. 4.7
Standard Flow of Drafts in European Accounting

In this flow, European Accounting enhances MFG/PRO’s draft handling facilities by letting you track both the submission of a draft to the bank and the reconciliation of that draft. It also lets you enter approved drafts

directly and determine when to close drafts. Drafts that have been previously closed can be re-opened, if necessary, using the European Accounting function Draft Re-Open (27.6.6.23).

In addition, you can submit and discount drafts separately, rather than combining the submission and discounting into one operation as is the case in standard MFG/PRO; combined submission and discounting remains the default behavior in European Accounting. This is controlled by the setting of the Separate Submission/Discounting field in European Accounting Control (25.23).

The usual process of handling drafts using European Accounting's standard draft flow can be summarized as follows:

- Use Approved Draft Maintenance (27.6.6.8) to record the draft when it is first received. Then use one of the following two options:
 - Option 1, Simplified Process. Use either AR Payment Manual Check (27.6.5.1) or Cash Book Maintenance (31.13) when the payment of the draft is confirmed by the bank. This option could be used, for example, when a draft's due date is in the past.
 - Option 2, Typical Process. Use Single Draft Bank Submission (27.6.6.9) to submit or discount the draft followed by either Draft Bank Reconciliation (27.6.6.17) or Cash Book Maintenance (31.13) when payment is confirmed by the bank.

EA Flow with Submission of Proposed Drafts

Figure 4.8 shows European Accounting's enhanced flow of drafts when the submission of proposed drafts has been enabled.

Note For clarity, links to draft close, re-open, and void functions are not shown.

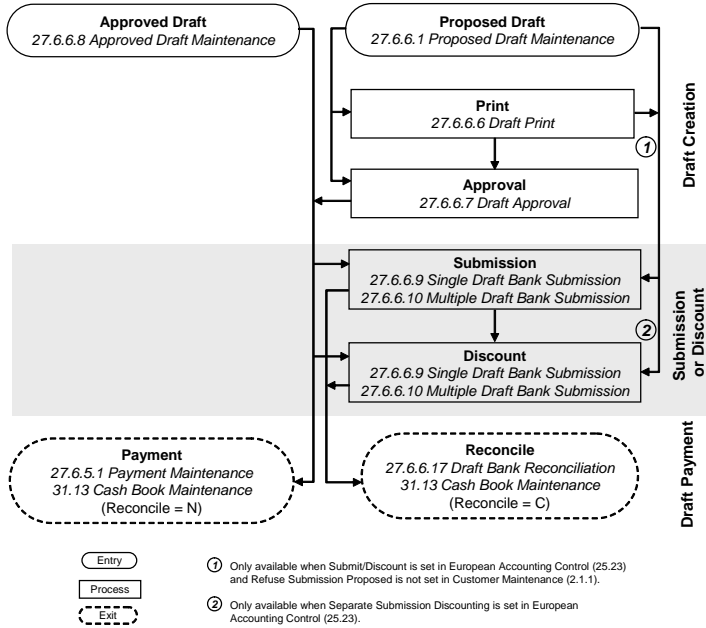


Fig. 4.8
Enhanced Flow of Drafts in European Accounting

Table 4.2 shows the effects of European Accounting’s standard draft flow on the General Ledger.

Function	Account Debit	Account Credit
Proposal		
Proposed Draft Maintenance (27.6.6.1)	No GL transactions	
Approval		
Draft Approval (27.6.6.7) Approved Draft Maintenance (27.6.6.8)	Drafts Receivable account of bank can be changed for specific draft in both transactions.	Normal Distribution Line: Accounts Receivable account of AR memo referred to in distribution line. Unapplied/non-AR distribution line: Account entered in distribution line of draft.

Table 4.2
GL Effect of European Accounting Standard Draft Flow

Function	Account Debit	Account Credit
Submission		
Single Draft Bank Submission (27.6.6.9) Multiple Draft Bank Submission (27.6.6.10)	Payment in Process account of payment method (26.13) or, if blank, the Payment in Process account of the bank. Can be changed at submission time.	Drafts Receivable account (27.6.6.8).
Discounting		
Single Draft Bank Submission (27.6.6.9) Multiple Draft Bank Submission (27.6.6.10)	Discounted Drafts account of Bank. Can be changed for specific draft in 27.6.6.8. Discount Charges account of bank. Can be changed for specific draft in 27.6.6.9/27.6.6.10.	Drafts Receivable account (27.6.6.8) if draft has not yet been submitted, or Payment in Process account, if draft has already been submitted to bank.
Reconciliation or Direct Payment		
Draft Bank Reconciliation (27.6.6.17) AR Payment Manual Checks (27.6.5.1)	Cash account of bank.	When submitted/discounted the credit account of the transaction of the submission/discount. When not submitted, the Drafts Receivable account.

Note When drafts are submitted and discounted separately, this has an additional effect on the General Ledger. This is shown as the Discounting stage in Table 4.2, and occurs immediately after the Submission stage.

Choosing the Correct Flow

Whether a company should follow European Accounting's simplified or typical draft flow process or whether drafts can be generated automatically depends on the nature of your business. To choose the best solution for your needs, consider the following questions:

- Are the drafts issued by your company or by your customers?
- Are there rules for automatically generating the drafts; for example, due date?
- Do you submit/discount the drafts, or do you send them directly to the bank when the due date is reached?

- Do you want to use Cash Book Maintenance or other functions to fully track all transactions through the bank account including Draft Payments in Process (these drafts have been sent to the bank but have not yet been cleared in the bank account)?

If any customer will not approve drafts, set the Submit/Discount Proposed Drafts field in European Accounting Control to Yes. When this field is Yes and some of your customers refuse to pay unapproved drafts, set the Refuse Submission Proposed Drafts field in Customer Maintenance (2.1.1) for these particular customers.

If drafts can be generated automatically, use the AR Automatic Payment functions (27.6.4) to generate the drafts. This can be used even if drafts are sent by the customer.

If you want to track draft payments in process, you should submit the drafts rather than use the direct payment functions.

▶ See Chapter 7, “Banks and Payment Methods,” for details.

Simplified Process

In European Accounting’s simplified draft process, drafts are received from the customer and are sent to the bank when their due date is reached. Reconciliation is not necessary but can be used if required.

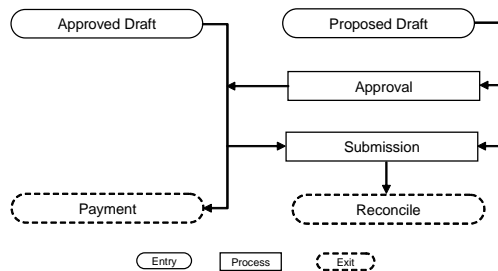


Fig. 4.9
Simplified Flow of Drafts

Figure 4.9 illustrates these steps:

- Create an approved or proposed draft.
- Send the draft to the bank. If the draft was created as proposed, either approve or submit it.
- When the bank notifies the payment, either use Payment Maintenance or Draft Bank Reconciliation, depending on whether the draft has been submitted or not.

Typical Process

In European Accounting's typical draft process, drafts can be approved or proposed and can be sent by the customer or issued by your company. The drafts are submitted to the bank, and reconciled from bank statements.

Fig. 4.10
Typical Flow of Drafts

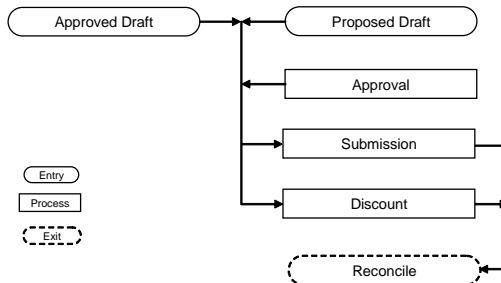


Figure 4.10 illustrates these steps:

- Create an approved or proposed draft, depending on its status. If sent by the customer, the draft is considered to be approved if it is signed.
- A few days before the due date, send the draft to the bank. Use the submission program to record this transaction.
- When payment is shown in your bank statement, use Draft Bank Reconciliation to record the payment. The multi-entry mode can be used to preselect the drafts; for example, by due date.

Automatic Draft Creation

Drafts can be created automatically using the AR Automatic Payment functions (27.6.4). They can either be sent to the customer for approval, or they can be received from the customer having been generated using a known algorithm.

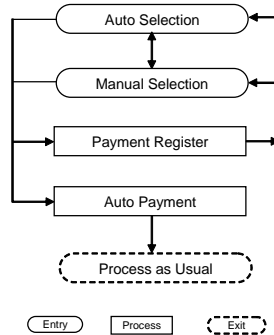


Fig. 4.11
Automatic Draft
Creation

Figure 4.11 illustrates these steps:

- Use Payment Selection Automatic (27.6.4.1) and Payment Selection Manual (27.6.4.2) to select the AR memos to include in the drafts.
- Use Payment Register (27.6.4.4) to check the selection and grouping.
- Use AR Automatic Payment (27.6.4.6) to automatically generate the draft. Specify if the draft has been sent by the customer or issued by the company, and if it is confirmed or not.

Note The grouping method can be used to generate one draft per customer, one draft per customer and due date, or one draft per invoice. The last option is used for drafts printed at the bottom of an invoice, such as the French *Traite*.

Draft Creation

Draft creation differs in the standard and the enhanced European Accounting draft flows. The setting of the Submit/Discount Proposed Drafts field in European Accounting Control (25.23) determines which draft flow is used. The difference between the two is that in European Accounting's standard flow (as is also the case for standard MFG/PRO), drafts must be approved before they can be submitted. In its enhanced flow, it is also possible to submit proposed drafts.

Note The later stages in the flow of drafts are similar or identical in both European Accounting's standard and enhanced draft handling logic. It is the initial steps that contain significant differences.

Standard European Accounting Draft Flow

The following sections detail the standard (default) flow of drafts in European Accounting through the initial draft creation stages—proposal and approval. Drafts follow this flow when the Submit/Discount Proposed Drafts field in European Accounting Control (25.23) is No (the default) to prohibit the submission and discounting of proposed drafts.

Proposed Drafts

In European Accounting, Proposed Draft Maintenance (27.6.6.1) replaces the draft maintenance function found in standard MFG/PRO. European Accounting has made a number of changes to this function:

- The function has been renamed Proposed Draft Maintenance, because European Accounting also lets you create approved drafts directly, which is not possible under standard MFG/PRO.
- The payment method has been added to the header frame.
- The reference number is determined by the payment method.
- Unapplied or non-AR distribution lines can be added.

Fig. 4.12
Proposed Draft
Maintenance,
Payment Method

Reference: 10294012	Bill To: 3002000	
	CENTRE DE NOUVELLE	
Date:	Bank:	Pmt Meth: MD
Due Date:	Currency: EUR	Amount:
Expect Pay Date:	Printed: <input type="checkbox"/>	Total:
Remark:		
Customer Bank:		Sent by: Supplier

Since the reference is determined by the payment method and the payment method can only be entered after a reference is assigned, European Accounting first assigns a temporary reference if you leave the reference blank. When the payment method is set, then the final reference is assigned.

After the header is entered, the distribution lines display. You can now leave the reference blank for a distribution line, indicating unapplied or non-AR distribution lines. In this case, the pop-up displayed in Figure 4.13 displays.

Fig. 4.13
Proposed Draft Maintenance, Unapplied or Non-AR Distribution Line

Type. Enter U or N to specify if the line is of type Unapplied or Non-AR. Unapplied lines can be applied using Unapplied Draft Application (27.6.6.14).

Unapp Ref. Specify the unapplied reference. This is used to differentiate between different unapplied amounts. You should always enter an unapplied reference.

Account, Sub-Account, Cost Center. Specify the account used to track the unapplied or non-AR amount.

Entity. Specify the entity to which the draft applies.

You can have only one unapplied or non-AR distribution line for each proposed draft.

Creation of Approved Drafts

in European Accounting, you can create approved drafts directly. This is not possible in standard MFG/PRO where you must first create a proposed draft that can be approved later.

Approved Draft Maintenance (27.6.6.8) lets you create approved drafts in European Accounting. First, as when creating proposed drafts in standard MFG/PRO, you are requested to enter a batch number and control amount. This process is the same as standard MFG/PRO and is not discussed in detail here.

Fig. 4.14
Approved Draft
Maintenance
(26.6.6.8)

Next, a frame containing the draft data displays.

Fig. 4.15
Approved Draft
Maintenance,
Header Frame

Reference. Leave this blank and the system assigns a temporary draft number. This temporary number is replaced by the actual number when the bank and payment methods are entered on the draft since the payment method determines the number in European Accounting.

Payment Method. Specify the payment method used for the draft.

When either a reference has been entered or a temporary number has been assigned by leaving the Reference field blank, the bill-to address can be updated. The bill-to address determines the default bank to be assigned to this draft.

Approved Draft Maintenance

Batch: 2357 Control: 1,000.000 Total: 0.000

Reference: Bill To: 3002000
CENTRE DE NOUVELLE

Date: Effective Date:
Currency: EUR Entity:
Bank: eu Pmt Meth: Account:
Total of Invoices: Disc Acct:
Due Date: Remark:
Expect Pay Date: Daybook:
Unref Amount: Amount:
Customer Bank: Sent by: Supplier

Fig. 4.16
Approved Draft
Maintenance,
Update Bill-To

When you have entered the Bill-To address, you can then update the other fields with the required draft data.

Approved Draft Maintenance

Batch: 2357 Control: 1,000.000 Total: 0.000

Reference: 300015 Bill To: 3002000
Approved CENTRE DE NOUVELLE
Date: 08/15/2002 Effective Date: 08/15/2002
Currency: EUR Entity: 1000
Bank: EU Pmt Meth: md Account:
Total of Invoices: 0.00 Disc Acct: 3910
Due Date: 12/31/2002 Remark:
Expect Pay Date: Daybook: xcb1
Unref Amount: 0.00 Amount: 0.00
Customer Bank: Sent by: Customer

Fig. 4.17
Approved Draft
Maintenance,
Update Other Draft
Data

Date. The date of the draft.

Due Date. The due date of the draft. You have to make an entry into this field.

Expect Pay Date. The expected payment date of the draft.

Effective Date. The effective date for the GL transaction related to this draft.

Currency. The draft currency.

Amount. The amount of the draft. An entry of zero is not allowed.

Bank. The bank of the draft. This bank defaults to the bank of the bill-to address.

Payment Method. Enter the payment method of the draft. This payment method defaults from the Manual Draft Method of Payment specified in European Accounting Control (25.23).

Entity. The entity for the GL booking of this draft.

Account. The account number defaults from the Drafts Reconciliation account specified in Bank Maintenance (26.13).

Remark. Any comments that are related to this draft.

Daybook. The daybook associated with this draft.

Total of Invoices. For display purposes only. The total amount of the distribution lines.

Unreferenced Amount. For display purposes only. The total amount of the unapplied and non-AR distributed lines

Once you have entered all the header data for the draft, you are then requested to enter the distribution lines.

Fig. 4.18
Approved Draft
Maintenance,
Creation of
Distribution Lines

The screenshot shows a software window titled "Approved Draft Maintenance". The window contains the following information:

Batch: 2357 Control: 1,000.000 Total: 0.000

Reference: 300015 Bill To: 3002000
Approved CENTRE DE NOUVELLE
Date: 08/15/2002 Effective Date: 08/15/2002
Currency: EUR Entity: 1000
Bank: EU Pmt Meth: md Account: 1300
Total of Invoices: 0.00 Disc Acct: 3910
Due Date: 12/31/2002 Remark:
Expect Pay Date: Daybook: xcb1
Unref Amount: 0.00 Amount: 1,000.00
Customer Bank: BANK-FR 97000970009700970097000 Sent by: Customer

Reference	Open Amount	Amount	Discount
169	1,000.00	1,000.00	0.00

Reference. Specify the reference of the open AR invoice, memo, or financial charge that will be paid by this draft. Leave the reference blank to create a non-AR or unapplied draft.

Open Amount. Specify the amount of the reference, non-AR, or unapplied payment. For an unapplied payment or when you have entered a reference, this amount is deducted from the accounts receivable account.

Amount. The amount of the draft.

Discount. The discount amount taken.

If you leave the reference blank, a pop-up displays where you can enter an unapplied or non-AR distribution line. This pop-up is the same as the one discussed in Proposed Draft Maintenance.

▶ See Figure 4.13 on page 75.

Enhanced European Accounting Draft Flow

In the standard European Accounting draft flow described in the previous sections—and also in standard MFG/PRO—drafts can only be submitted to the bank or discounted after they have been approved. However, under European Accounting’s enhanced draft flow, the submission and discounting of unapproved drafts directly to the bank is also supported. This is common business practice in France.

This functionality is enabled by setting the Submit/Discount Proposed Drafts field in European Accounting Control (25.23) to Yes.

▶ See page 17.

Note Only the initial stages in European Accounting’s enhanced draft flow are different from those in European Accounting’s standard draft flow.

When the submission of proposed drafts has been enabled, two different types of proposed drafts can be created for direct submission to the bank:

▶ See “Standard European Accounting Draft Flow” on page 74.

Customer-initiated drafts. Known in France as *Billet à Ordre Relevé* (BOR), customer-initiated drafts are opened by the customer and sent to the supplier’s bank for payment. The acceptance of such drafts is implicit since they originate from the customer and, therefore, they are typically entered into the system as approved drafts.

Supplier-initiated drafts. Known in France as *Lettre de Change Relevé* (LCR), supplier-initiated drafts are opened by the supplier, based on a customer’s outstanding invoices, and are sent directly to that customer’s bank for payment. Customers can approve these drafts for payment but in reality rarely take the time to do so.

♦ See “Allow Submission Proposed Drafts” on page 24.

Customers who do not want to allow you to submit proposed drafts to their bank without their prior approval can refuse to allow you to do so, even if the submission of proposed drafts has been globally enabled. This is controlled by the setting of the Allow Submission Proposed Drafts field in Customer Maintenance (2.1.1).

Proposed Draft Creation

You can select the range of invoices or memos for which you want to create drafts using AR Payment Selection–Automatic (27.6.4.1). Alternatively, you can use AR Payment Selection–Manual (27.6.4.2) to select specified invoices or memos. Both these functions have been modified to support the submission and discounting of proposed drafts directly to the bank.

Use AR Payment Selection–Automatic (27.6.4.1) to set the default customer bank to be used for the payment of proposed drafts. This defaults to the first bank record associated with the customer that meets these criteria:

- The account is set to All.
- The due date of the draft being created lies within that bank’s effective date range.

If you use AR Payment Selection–Manual (27.6.4.2) to manually select invoices or memos for drafts, an additional frame displays if the Bank Account Needed field in Bank Maintenance of the bank associated with the payment method has been set to Yes and the payment method is one that supports drafts. This frame shows the default bank—if previously set—that will be used for draft submissions to a particular customer. You can enter a different bank, provided it is valid for that particular customer and the draft due date lies within the bank date range.

Reference	Bill To	Cur	Amount Open	Receive Amount	Disc to Take	Bk	PM
171	3002000	EUR	68.00			aa	mc
172	3002000	EUR	32.00			aa	mc
175	3002000	EUR	125.00			eu	mc

Reference	Cur	Amount Open	Receive Amount	Discount	Bk	PM	Bank
175		125.00	122.50	2.50	eu	mc	BANK-FR

Fig. 4.19
AR Payment
Selection–Manual
(27.6.4.2)

If the customer's default bank has not been previously set, you must enter a valid bank here when the Bank Account Needed field is Yes for the payment method.

Once you have selected those invoices or memos for which you want to create drafts, you can then create the drafts themselves. You can use AR Payment Autom Checks/Drafts (27.6.4.6) to do this. Two extra fields have been added to this function to control the default type of draft that will be created.

Fig. 4.20
AR Payment
Autom Checks/
Drafts (27.6.4.6)

Sent By. Indicate the type of draft to be created by default.

Supplier: Supplier-initiated drafts will be created by default.

Customer: Customer-initiated drafts will be created by default.

Approved. The default for this field is determined by the value of Sent By.

- When customer-initiated drafts are to be created, Approved defaults to Yes, to indicate that approved drafts will be created. This is because, although customer-initiated drafts have not been officially approved, they are treated as though they have been since they originate from the customer.
- When supplier-initiated drafts are to be created, the value in this field defaults to No to indicate that proposed drafts will be created.

The Due setting of the appropriate bank driver controls the way in which these drafts are created as shown in Table 4.3.

Table 4.3
Effect of Due
Setting

Due Setting	Drafts Created
1	One draft per customer
2	Separate drafts per due date
3	One draft per invoice

When the relevant bank accounts are different and the Due setting is either 1 or 2, the creation of drafts may need to be split by customer bank, such that one draft is created per customer, per due date, per customer bank record.

Draft Maintenance

Once a proposed draft has been created, you can change its type and/or the associated customer bank account using:

- Proposed Draft Maintenance (27.6.6.1)
- Approved Draft Maintenance (27.6.6.8)

You can also use these functions instead of AR Payment Autom Checks/ Drafts (27.6.4.6) to create drafts manually. The same two fields have been added to both functions to let you specify the type of the proposed draft and the customer bank and bank account to be used for the payment of the appropriate drafts.

Proposed Draft Maintenance

Reference: 300018 Bill To: 3002000
 Proposed CENTRE DE NOUVELLE
 Date: 08/26/2002 Bank: EU Pmt Meth: md
 Due Date: 08/27/2002 Currency: EUR Amount: 1.00
 Expect Pay Date: Printed: Total: 0.00
 Remark:
 Customer Bank: BANK-FR 97000970009700970097000 Sent by: Supplier

Fig. 4.21
Proposed Draft
Maintenance
(27.6.6.1)

Approved Draft Maintenance

Batch: 2449 Control: 0.000 Total: 0.000

Reference: 300019 Bill To: 3002000
 Approved CENTRE DE NOUVELLE
 Date: 08/26/2002 Effective Date: 08/26/2002
 Currency: EUR Entity: 1000
 Bank: EU Pmt Meth: md Account: 1300
 Total of Invoices: 0.00 Disc Acct: 3910
 Due Date: 08/27/2002 Remark:
 Expect Pay Date: Daybook: xcb1
 Unref Amount: 0.00 Amount: 1.00
 Customer Bank: BANK-FR 97000970009700970097000 Sent by: Customer

Fig. 4.22
Approved Draft
Maintenance
(27.6.6.8)

Cust Bank Acct. The customer's bank to which the draft is to be submitted. By default, this is the default bank account set for that customer in AR Payment Selection–Automatic. You can enter any other valid bank here, provided its effective date range covers the draft's due date. Alternatively, you can set this field to blank, if the Bank Account Needed field for the draft's particular payment method has been set to No.

Note The actual bank account itself is shown in the unlabeled field immediately following the Cust Bank Acct field.

Sent By. Identifies the draft type. An entry of Supplier indicates that the draft is a supplier-initiated one, while an entry of Customer indicates it is customer-initiated. The default setting is Supplier for Proposed Draft Maintenance (27.6.6.1) and Customer for Approved Draft Maintenance (27.6.6.8).

Draft Approval

Even when the submission of proposed drafts has been enabled and is permitted by a certain customer, it is still possible that a customer might approve a proposed draft prior to its submission to the bank. If this is the case, you can approve such drafts using Draft Approval (27.6.6.7).

The Cust Bank Acct and Sent By fields added to Proposed Draft Maintenance (27.6.6.1) and Approved Draft Maintenance (27.6.6.8) (shown in Figure 4.22) have been added to this function too. The values of these fields should have been set when the draft was created but can be changed here if necessary.

Fig. 4.23
Draft Approval
(27.6.6.7)

Draft Approval

Batch: 2359 Control: 0.000 Total: 0.000

Reference: 300014 Bill To: 3002000
CENTRE DE NOUVELLE

Date: 08/15/2002 Effective Date: 08/15/2002
Entity: 1000

Currency: EUR Account: 1300

Amount: 1,000.00 Disc Acct: 3910

Total of Invoices: 0.00 Remark:

Due Date: 12/31/2002 Daybook: xcb1

Expect Pay Date:

Unref Amount: 1,000.00

Customer Bank: BANK-FR 97000970009700970097000

Sent by: Supplier

Additional information must be provided for those bank drivers that create a bank submission file during multiple bank submission; currently only one such driver exists.

Draft Bank Submission

Two functions are available to submit drafts to a bank:

- Single Draft Bank Submission (27.6.6.9)
- Multiple Draft Bank Submission (27.6.6.10)

Both functions have been enhanced to permit the submission of proposed drafts directly to the bank, and they can be used regardless of the setting of Submit/Discount Proposed Drafts in European Accounting Control (25.23). However, if you submit proposed drafts using either of these

functions, you can only do so successfully if the Submit/Discount Proposed Drafts field in European Accounting Control is Yes. In addition, the Allow Submission Proposed Drafts field in Customer Maintenance (2.1.1) for the specified customer must be Yes. Otherwise, an error message displays.

By default, when using either Single Draft Bank Submission (27.6.6.9) or Multiple Draft Bank Submission (27.6.6.10), proposed and approved drafts are submitted and discounted in the same operation. However, if the Separate Submission/Discounting field in European Accounting Control (25.23) is Yes, all types of drafts can be submitted and later discounted in separate operations. This is a common occurrence in France.

The GL entries that are generated when a draft is submitted and the resulting draft status differ depending on whether the draft is approved or proposed, and on the submission/discounting combination selected.

▶ See “Separate Submission and Discounting” on page 91 for further details.

In addition, three methods are also available for reconciling drafts.

▶ See “Draft Bank Reconciliation” on page 96 for details.

Together, submitting and reconciling drafts replace the standard Draft Discounting functionality found in MFG/PRO. When a draft is submitted, the Payment in Process account is used. The Discount Charges account is used when a draft is discounted. When the draft is reconciled, the Cash account of the bank is then updated.

Single Draft Bank Submission

To submit a single draft to a bank, you must first enter the batch number and batch total.

Fig. 4.24
Single Draft Bank Submission (27.6.6.9)

Next, you must enter the reference of the draft you want to submit.

Fig. 4.25
Single Draft Bank Submission, Reference to be Submitted

When you have chosen the correct draft, you are then able to enter the relevant data. The type of draft you are submitting and the submission/ discounting combination selected determine which options can be set.

Fig. 4.26
Single Draft Bank Submission, Submission Details

Effective. The effective date for the submission.

Description. The GL description.

Bank. The bank of the submission.

Pmt Meth. The payment method of the submission.

Cash Account. This defaults to the Payment in Process account for the payment method selected. However, if no PIP account has been defined, then the amount entered is debited directly from the bank's Cash account. In Figure 4.26, the bank is EU, payment method is MD, module is AR, and the PIP account is 2110.

Disc Chrgs Acct. Account to be used for any discount charges. This defaults from the bank associated with this transaction.

Bank Clearing Acct. This defaults from the Drafts Receivable account set for the bank associated with this transaction.

Two additional fields display if you set the Separate Submission/Discounting field in European Accounting Control (25.23) to Yes, letting you control the separate submission and discounting of the drafts.

▶ See page 91 for further details.

The screenshot shows a window titled "Single Draft Bank Submission" with the following information:

Batch: 2360	Control: 1,000.000	Total: 0.000
-------------	--------------------	--------------

Reference: 300014	Bill To: 3002000	
	CENTRE DE NOUVELLE	
Effective: 08/15/2002	Description: Discount of Dft 300014	
Bank: EU	Pmt Meth: md	Due Date: 12/31/2002
		Entity: 1000
Amount: 1,000.00	Open Amount: 1,000.00	EUR
Daybook: xcb1	Close: <input type="checkbox"/>	Currency: EUR
Cash Account: 2116		Amount: 0.00
Disc Chgs Acct:		Amount: 0.00
Bank Clearing Acct:		Amount: 0.00

Submit:
Discount:

Fig. 4.27
Single Draft Bank Submission, Submit and Discount Options

When you have entered the necessary information for the operations you want to perform, a list of the GL transactions that will be created is shown in Figure 4.28.

Fig. 4.28
Single Draft Bank
Submission,
Display of Created
GL Lines

The screenshot shows a window titled "Single Draft Bank Submission" with the following details:

- Batch: 2360 Control: 1,000.000 Total: 0.000
- Reference: 300014 Bill To: 3002000 CENTRE DE NOUVELLE
- Effective: 08/15/2002 Description: Discount of Dft 300014
- Bank: EU Pmt Meth: md Due Date: 12/31/2002 Entity: 1000
- Amount: 1,000.00 Open Amount: 1,000.00 EUR
- Daybook: xcb1 Close: Currency: EUR
- Cash Account: 2116 Amount: 1,000.00
- Disc Chgs Acct: Amount: 0.00
- Bank Clearing Acct: 1300 Amount: 1,000.00

GL Reference	Line	Account	Sub-Acct	CC	Enty	Amount

Are transactions correct? ← →

You must then verify if all the transactions are correct. If you respond Yes, the transactions are completed The GL entries differ depending on the type of submission/discounting operation performed, as does the resulting status of the draft.

Example Table 4.4 shows the GL transactions created for an approved draft for the amount of 117.50 submitted and discounted in European Accounting’s default manner using one combined submission and discounting operation when the Separate Submission/Discounting field in European Accounting Control (25.23) is No.

Note In this example, the draft discount charge is 17.50.

Table 4.4
GL Transactions
Approved Draft

Accounts	Debit	Credit
Draft PIP Account	100.00	
Disc Charges Account	17.50	
Drafts Receivable		117.50

The draft now has a status of Submitted.

However, if you submitted a proposed draft under the same circumstances, additional GL entries would be generated before the above GL entries could be made. Since the creation of a proposed draft does not have any GL effect, a proposed draft must effectively be approved at the same time it is submitted in order to ensure the correct GL entries are created. To achieve this, the values of any invoices receivable or memos payable must first be moved to the appropriate Drafts account prior to the generation of the above GL entries.

Accounts	Debit	Credit
Drafts Receivable (draft amount)	117.50 Proposed drafts only	
Accounts Receivable (draft amount)		117.50 Proposed drafts only
Draft PIP (cash amount)	117.50	
Drafts Receivable		117.50

Table 4.5
GL Transactions
Proposed Draft

However, if the Separate Submission/Discounting field in European Accounting Control (25.23) is Yes, different GL entries to those shown in these tables would be generated.

▶ See “Separate Submission and Discounting” on page 91 for further details.

Multiple Draft Bank Submission

Multiple Draft Bank Submission (27.6.6.10) lets you submit a range of drafts.

By default, the selected approved or proposed drafts are submitted and discounted in a single operation. However, this function has also been additionally enhanced in the same way as Single Draft Bank Submission (27.6.6.9) in that drafts can be separately submitted and discounted when the Separate Submission/Discounting field in European Accounting Control (25.23) is Yes.

For multiple draft bank submissions you must first enter the batch number and batch total. In addition, the range of drafts to be selected has to be set by specifying the criteria including bank, payment method, due date, and currency.

Fig. 4.29
Multiple Draft
Bank Submission
(27.6.6.10)

Bank. The bank of the submission.

PM. The payment method of the submission.

Effective Date. The effective date for the submission.

Amount to Select. The total amounts of the drafts currently being processed.

Due Date From, To. Due date range is used to select only those drafts whose due dates lie within the specified range.

Total Selected. Total amount of all selected drafts when Submit field is Yes.

Currency. Currency in which the amount of each draft has to be displayed.

Select All. Indicate whether to select all drafts by default when the selection list displays.

No: The list displays with none of the drafts selected. You must select the individual drafts from the list that you want to submit.

Yes: Each draft in the list is automatically selected for submission in this batch run. You can change the selection for individual drafts before pressing Go to complete the action.

A list of all drafts meeting the criteria displays.

S	Check	Check Amount	Chk Date	Bill-To	Supplier Name	Discount
▶	300011	1,050.00	08/02/2002	l0qj	L0qj customer	0.00
▶	300010	1,100.00	08/02/2002	l0qj	L0qj customer	0.00
▶	300015	1,000.00	12/31/2002	3002000	CENTRE DE NOU	0.00
▶	300014	1,000.00	12/31/2002	3002000	CENTRE DE NOU	0.00
▶	300016	100.00	12/31/2002	3002000	CENTRE DE NOU	0.00
▶	300013	100.00	01/01/2003	patrick	Patrick de Jon	0.00
▶	300001	30.00	01/01/2003	xas4c-2	XAS4cust-2	0.00
▶	300002	25.00	01/01/2003	xas4c-2	XAS4cust-2	0.00

Fig. 4.30
Multiple Draft
Bank Submission,
Selected Drafts

Amounts of all selected drafts will be totaled. This total is displayed in the Total Selected field.

When all the information is correct, a list of all submitted drafts is sent to the specified output device. This information includes draft number, bill-to, due date, and amount.

The GL entries that are generated and the resulting status of the drafts differ depending on the submission/discounting combinations selected for each draft and whether the draft is approved or proposed. This is discussed in the section on Single Draft Bank Submission.

In addition, European Accounting has further enhanced Multiple Draft Bank Submission (27.6.6.10) by adding a new bank driver that lets you produce an electronic bank submission file for the electronic submission of drafts to the bank.

Separate Submission and Discounting

By default, both proposed and approved drafts are submitted and discounted in one combined operation. However, European Accounting extends draft functionality by permitting all types of drafts to be submitted and/or discounted separately using either Single Draft Bank Submission (27.6.6.9) or Multiple Draft Bank Submission (27.6.6.10). The Separate Submission/Discounting setting in European Accounting Control (25.23) determines which behavior is enabled.

▶ See “Single Draft Bank Submission” on page 85.

▶ See Chapter 7, “Banks and Payment Methods,” for full details on bank drivers.

▶ See “Separate Submission/Discounting” on page 17.

To accommodate this enhanced functionality, a new status, D (Discounted), has been added for Draft transactions.

The GL entries generated as a result are different depending on which option you select, as is illustrated in the following sections.

Submit and Discount Together

If the separate submission and discounting of drafts has been enabled, setting both the Submit and Discount fields in Single Draft Bank Submission (27.6.6.9) to Yes will combine the submission and discounting operations into one. However, while this may appear to be effectively the same operation as is carried out by default (when the Separate Submission/Discounting field in European Accounting Control is No), this is not actually the case. Different GL entries will be created from those that are generated when this field is No, and the resulting status of the draft will also be different.

Fig. 4.31
Single Draft Bank
Submission,
Submit and
Discount Together

The screenshot shows a window titled "Single Draft Bank Submission" with the following data:

Batch: 2360			Control: 1,000.000			Total: 0.000		
Reference: 300014			Bill To: 3002000					
			CENTRE DE NOUVELLE					
Effective: 08/15/2002			Description: Discount of Dft 300014					
Bank: EU	Pmt Meth: md		Due Date: 12/31/2002		Entity: 1000			
Amount: 1,000.00			Open Amount: 1,000.00		EUR			
Daybook: xcb1			Close: <input type="checkbox"/>		Currency: EUR			
	Cash Account: 2116				Amount: 0.00			
	Disc Chgs Acct:				Amount: 0.00			
	Bank Clearing Acct:				Amount: 0.00			
						Submit: <input checked="" type="checkbox"/>		
						Discount: <input checked="" type="checkbox"/>		

In this situation you can enter the appropriate:

- Cash account and amount
- Discount Charges account and amount
- Bank Clearing account and amount

Example Choosing to submit and discount together a draft for 117.50 generates the GL entries shown in Table 4.6. Since the creation of a proposed draft does not have any GL effect, a proposed draft must effectively be approved at the same time it is submitted in order to ensure the correct GL entries are created. Thus, submitting and discounting a proposed draft generates more GL entries than submitting and discounting an approved draft.

Accounts	Debit	Credit
Drafts Receivable	117.50 Proposed drafts only	
Accounts Receivable (draft amount)		117.50 Proposed drafts only
Discounted Drafts (cash amount)	100.00	
Discounted Charges account (discount amount)	17.50	
Drafts Receivable		117.50

Table 4.6
GL Transactions,
Submit and
Discount

The draft status is now Discounted.

Multiple Draft Bank Submission (27.6.6.10) has been enhanced in a similar way and creates the same GL entries as are shown above when submitting and discounting drafts together using that function.

The GL entries that would be generated for a draft of the same amount when the separate submission/discounting of drafts is not permitted are given elsewhere in this chapter.

▶ See “Single Draft Bank Submission” on page 85 for details.

Submit Alone

When the separate submission and discounting of drafts has been enabled, setting the Submit field in Single Draft Bank Submission (27.6.6.9) to Yes, but the Discount field to No, causes the selected draft to be submitted but not discounted.

Fig. 4.32
Single Draft Bank
Submission,
Submit Alone

In this case, you enter the appropriate:

- Cash account and amount
- Bank Clearing account and amount

For a draft of 117.50 this would generate the GL entries shown in Table 4.7. You should note that as the creation of a proposed draft does not have any GL effect, a proposed draft must effectively be approved at the same time it is submitted in order to ensure the correct GL entries are created. Thus, submitting and discounting a proposed draft generates more GL entries than submitting and discounting an approved draft.

Table 4.7
GL Transactions,
Submit Only

Accounts	Debit	Credit
Drafts Receivable (draft amount)	117.50	
	Proposed drafts only	
Accounts Receivable (draft amount)		117.50
		Proposed drafts only
Draft PIP (cash amount)	117.50	
Drafts Receivable		117.50

The draft status is now Submitted. Multiple Draft Bank Submission (27.6.6.10) has been enhanced in a similar way and will create the same GL entries as are shown above when submitting drafts using that function.

Discount Alone

When the separate submission and discounting of drafts has been enabled, setting the Submit field in Single Draft Bank Submission (27.6.6.9) to No, but the Discount field to Yes, applies the appropriate discount to a previously submitted draft or to a draft which has not been submitted prior to discounting.

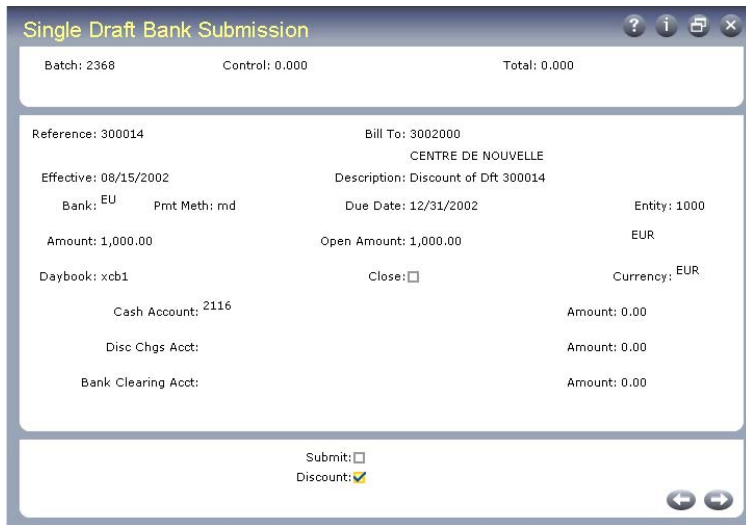


Fig. 4.33 Single Draft Bank Submission, Discount Alone

In this case you can only enter the appropriate Discount Charges account and amount.

For a draft of 11.50 with a discount charge of 17.50, this would generate the GL entries in Table 4.8.

Accounts	Debit	Credit
Discount Charges (discount amount)	17.50	
Discounted Drafts	100.00	
Draft PIP (cash amount)		117.50

Table 4.8 GL Transactions Discount Only

The draft status is now Discounted. Multiple Draft Bank Submission (27.6.6.10) has been enhanced in a similar way and will create the same GL entries as are shown above when discounting drafts using that function.

Draft Bank Reconciliation

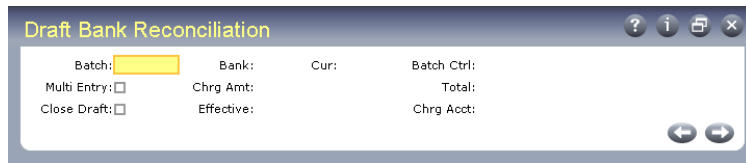
Three methods are available to reconcile drafts; these operate the same regardless of the setting of the Submit/Discount Proposed Drafts field in European Accounting Control (25.23). Two of these methods—single and multiple draft bank reconciliation—are both started from Draft Bank Reconciliation (27.6.6.17) and are described here.

▶ See Chapter 6, “Cash Management,” for details.

The other method is available in Cash Book Maintenance (31.13) and lets you enter a charge account and charge amount for the relevant batch when reconciling a draft.

If using either Single or Multi Draft Bank Reconciliation, you must first enter a batch number or leave that field blank.

Fig. 4.34
Draft Bank Reconciliation (27.6.6.17)

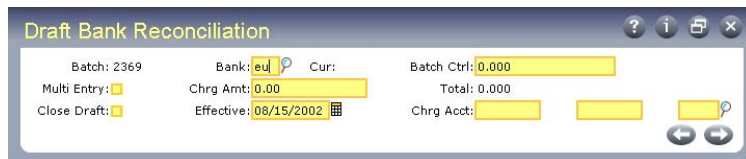


Next, enter the bank, batch control, single/multi-entry, effective date, close drafts, charge account, charge cost center and charge amount. Total is a display-only field and displays the sum of all reconciled drafts in this batch.

The following formula applies for batch control, total, and charge amount:

$$\text{Batch control} = \text{Total} + \text{Charge Amount}$$

Fig. 4.35
Draft Bank Reconciliation (27.6.6.17)



Bank. The bank for the submission.

Batch Control. Control total for the batch. Should be equal to the total when exiting this function.

Multi Entry. Enter Yes or No to determine if you are reconciling more than one draft. If you enter Yes then a list of drafts to be reconciled can be selected. If multi-entry is No, then only one draft can be selected to be reconciled.

Effective. The effective date for the reconciliation.

Total. Total of all selected drafts to be reconciled minus the charge amount. Should be equal to the batch control when exiting this function.

Chrg Acct. Overall charge account, sub-account, and cost center for this batch.

Chrg Amt. Overall charge amount for this batch.

Close Draft. Enter Yes or No. When set to Yes, the Cash account for each draft (shown currently as the Payment in Process account) is the Cash account of the bank, and the draft is then closed. If set to No, the Payment in Process account is used for each draft.

Single Draft Bank Reconciliation

If the Multi Entry field in Draft Bank Reconciliation (27.6.6.17) is No, the single draft reconciliation update screen appears.

Draft	Amount	Account	Date	Bill To	Name

Fig. 4.36
Draft Bank
Reconciliation,
Single Draft Mode

When you select a draft, its details are then displayed.

The amount of the draft cannot be changed. It is only used to accept this draft for reconciliation. This amount will be added in the total field.

Multiple Draft Bank Reconciliation

If the Multi Entry field in Draft Bank Reconciliation (27.6.6.17) is Yes, the multiple draft reconciliation selection screen appears.

Several from/to draft ranges can be entered. These ranges must not overlap. In addition you can also select drafts using a range of Due Dates and Expected Payment Dates.

Fig. 4.37
Draft Bank Reconciliation, Multiple Draft Selection

When all the ranges have been entered, you can then choose to display all the drafts to be reconciled.

Fig. 4.38
Draft Bank Reconciliation, Display All Drafts Option

If you answer Yes to this question, the drafts to be reconciled are displayed, letting you verify that the drafts selected for reconciliation are the ones you expected.

Batch	Bank	Cur	Batch Ctrl
2885	eu	EUR	1,000,000
Multi Entry:	Chrg Amt:		Total:
<input checked="" type="checkbox"/>	0.00		1,000,000
Close Draft:	Effective:	Chrg Acct:	
<input type="checkbox"/>	01/14/2003		

Multi-Entry Draft Selection
Sel Draft Draft Amount Account Date Bill To Name
* 300033 500.00 1300 01/14/2003 00010004
* 300034 500.00 1300 01/14/2003 00010004

Fig. 4.39
Draft Bank Reconciliation, Drafts to be Reconciled

Once you have verified that the information is correct, all the selected drafts can then be reconciled. The GL entries that are created differ depending on whether the drafts to be reconciled were submitted separately, discounted separately, or submitted and discounted together in one operation.

Draft Closing

Using either of the Draft Submission functions—Single Draft Bank Submission (27.6.6.9) and Multiple Draft Bank Submission (27.6.6.10)—or Draft Reconciliation (27.6.6.17), you can choose if you want to close a draft automatically or not. If the draft has not yet been closed, Draft Closing (27.6.6.22) gives you the opportunity to do so, for one or more drafts simultaneously.

Due Date:	To:
	08/15/2002
Close Date:	Close:
08/15/2002	<input checked="" type="checkbox"/>
Output:	

Fig. 4.40
Draft Closing (27.6.6.22)

Due Date From, To. Due date range is used to select only those drafts with a due date within this interval.

Close Date. The close date of all drafts being closed in this run will be set to this date.

Close. Specify Yes to close all selected drafts. Specify No to generate a report of drafts that would be selected for closure.

When you press Go, a list of drafts and associated details displays. You can toggle the value in the Close column as needed; an asterisk (*) indicates the draft will be closed.

Draft Re-Open

Sometimes drafts have to be reversed, even after they have been closed. To facilitate this, European Accounting has introduced the function Draft Re-Open (27.6.6.23). Use this function to re-open previously closed drafts. Once a closed draft has been re-opened, it can then be reversed using the standard MFG/PRO Draft Reversal function.

Fig. 4.41
Draft Re-Open
(27.6.6.23)

First you must enter the reference number of the draft you want to re-open.

Fig. 4.42
Draft Re-Open,
Verification of
Draft

When the draft reference has been entered, the draft data is shown for verification and you are prompted if all information is correct. When you respond Yes, the draft is re-opened.

Draft Reversal

Drafts can be reversed when they are approved, submitted, or reconciled. Previously closed drafts can also be reversed, providing they are first re-opened using Draft Re-Open (27.6.6.23).

▶ See “Draft Re-Open” on page 100.

The various flows are depicted in Figure 4.43.

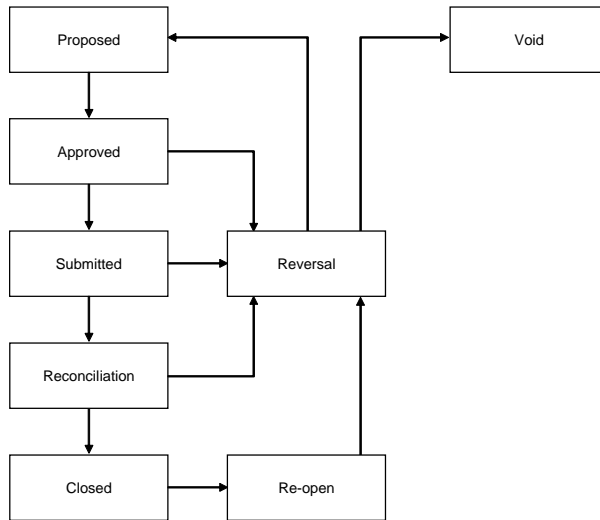


Fig. 4.43
Reversing Drafts

Depending on the status of the draft, different GL transactions are made.

Use Draft Reversal (27.6.6.12) to reverse drafts. European Accounting has added new features to this function. You can now book bank charges due to the reversal and you can create a financial charge for the customer. This charges the costs associated with reversing the draft to your customer.

Fig. 4.44
Draft Reversal
(27.6.6.12)

Draft Reversal

Reference: 300014 Bill To: 3002000
 Submit CENTRE DE NOUVELLE

Effective Date: 08/15/2002 Date: 08/15/2002

Due Date: 12/31/2002 Expect Pay Date:
 Amount: 1,000.00 EUR

Void the Draft:

Financial Charge: Bank Charge:

Charge Amount:
 Currency:
 Charge Date:
 Effective Date:
 Charge Account:
 Bank Account:
 Charge Account:

Remark:
 Charges: Remark:

First, enter the reference of the draft you want to reverse. Next, the appropriate draft information is shown and you can then set the effective date for the reversal. Then you are prompted if you want to void the draft. Voiding means that the draft is discarded, in which case a new draft must be created for the connected memos. The memos will be re-opened.

Next, you can create financial charges, in case you are able to pass your bank charges associated with the draft reversal to your customer. This will create a financial charge memo that can be handled in the usual way, including GL transactions.

Note The bank charge is for reference only.

Once drafts have been reversed, they are stored as unpaid drafts. European Accounting adds functionality to allow unpaid drafts to be included on dunning letters.

If you reverse drafts that were closed previously, you cannot reapprove them. Instead you must create new drafts.

Unapplied Drafts

In European Accounting, drafts can be made without having an invoice available. In order to do this, you can create an unapplied distribution line for a draft as in Accounts Payable. When the appropriate invoice then becomes available, the draft can be applied to this invoice using the separate function Unapplied Draft Application (27.6.6.14). This works in a similar way to the standard MFG/PRO Unapplied Payment Application (28.9) in Accounts Payable.

Entering Unapplied Drafts

You can create unapplied drafts using either Proposed Draft Maintenance (27.6.6.1) or Approved Draft Maintenance (27.6.6.8).

Unapplied Draft Register

To check the available unapplied drafts and the applications made to them, Unapplied Draft Register (27.6.6.13) provides an overview of the drafts and the invoices/memos against which they have been applied. You can select a customer for whom you want to see the unapplied drafts and their application.

Fig. 4.45
Unapplied Draft Register (27.6.6.13)

Depending on the selection criteria, a report will be produced. The last part of this report shows the totals per currency.

Application of Unapplied Drafts

Unapplied Draft Application (27.6.6.14) lets you apply unapplied drafts to invoices/memos.

Fig. 4.46
Unapplied Drafts Application (27.6.6.14)

The screenshot shows the 'Unapplied Draft Application' window. At the top, it displays 'Batch: 2377', 'Control: 0.000', and 'Total: 0.000'. Below this is a form with the following fields:

- Reference: (input field)
- Draft: (input field)
- Unapplied Ref: (input field)
- Date: (input field)
- Effective: (input field)
- Account: (input field)
- Entity: (input field)
- Bill To: (input field)
- Batch: (input field)
- Currency: (input field)
- Remark: (input field)
- Amount of Chec: (input field)
- Type: (input field)
- Open Amount: (input field)
- Amount to Apply: (input field)
- Daybook: (input field)
- Unapplied: (input field)

You can enter the customer and the unapplied draft. The unapplied reference is used to find the unique unapplied draft. Next you can enter the date of reconciliation (default is today) and the effective date of the transaction (default is today).

This information is used for the next frame, in which you can select invoices/memos to be reconciled against the unapplied draft.

Fig. 4.47
Unapplied Drafts Application, Entering Memos

The screenshot shows the 'Unapplied Draft Application' window with the following data populated:

- Batch: 2377, Control: 0.000, Total: 0.000
- Reference: 183, Draft: 300014, Unapplied Ref: unapply, Date: 08/15/2002, Effective: 08/15/2002, Account: 1200, Entity: 1000
- Bill To: 3002000, Batch: 2377, Currency: EUR, Remark: (empty)
- Amount of Chec: 1,000.00, Type: A, Open Amount: 1,000.00, Amount to Apply: 1,000.00, Daybook: DB-4, Unapplied: 1,000.00

Below the form is a table with the following columns:

Reference	T	Account	Sub-Acct	CC	Amount to Apply
(input field)					

Amount to Apply. Specify the total amount to apply.

Open Amount. Specify the amount of the draft that has not yet been reconciled.

You can only apply invoices in base currency or in one non-base currency, but only if the draft was also in this non-base currency. You must also apply unapplied drafts completely; they cannot be applied with two different applications.

After this, the invoices/memos receive an applied amount equal to the amount entered here, and the draft is booked in GL with the appropriate accounts.

Reporting Drafts

European Accounting has enhanced various inquiries and reports relating to drafts:

- Draft Inquiry (27.6.6.2)
- Draft Report (27.6.6.3)
- Draft Summary Register (27.6.6.4)

Draft Inquiry

Draft Inquiry (27.6.6.2) has been modified to show the payment method used for a draft and any unapplied or non-AR distribution lines. In addition, when the facility to submit proposed drafts to the bank has been enabled, this inquiry also shows the customer bank record associated with that draft, the bank account number to be used when proposed drafts are presented to the bank, and the draft type (customer or supplier-initiated).

Fig. 4.48
Draft Inquiry
(27.6.6.2)

Reference	Bill To	Open Only	Cur	Output
300014	CENTRE DE NOUVELLE	<input checked="" type="checkbox"/>	EUR	terminal

Draft				
Reference: 300014	Remark:	Submit		
Date: 08/15/2002	Currency: EUR	Amount: 1,000.00		
Due Date: 12/31/2002	Entity: 1000	Total: 1,000.00		
Expect Pay Date:	Bank: EU	PM: md	Approved: <input checked="" type="checkbox"/>	
Effective Date: 08/15/2002	Account: 1300			
	Discount Account: 3910			
Customer Bank: BANK-FR	9700097000970097000	Sent by: Supplier		

Attached Invoices				
Reference	Due Date	Amount	Discount Amount	Cur
U: unapply	12/31/2002	1,000.00	0.00	EUR

Draft Report

Bank payment method criteria have been added to Draft Report (27.6.6.3) in the same way as they have been to Draft Inquiry. More status information is also given in this report than in standard MFG/PRO.

When the facility to submit unapproved drafts to the bank had been enabled, this report also shows the customer bank record associated with that draft, the bank account number, and the draft type (supplier or customer initiated). The selection screen lets you enter a status of D to generate a report showing only those drafts with a status of Discounted.

Draft Summary Register

Draft Summary Register (27.6.6.4) has also been enhanced with the addition of bank, payment method, and status criteria. When the submission and discounting of proposed drafts is enabled, you can enter a status of D to create an overview of those drafts that have a status of Discounted.

The screenshot shows a window titled "Draft Summary Register" with the following fields:

- Reference: [Yellow field]
- Bill To: [Yellow field]
- Batch: [Yellow field]
- Due Date: [Yellow field]
- Effective Date: [Yellow field]
- Entity: [Yellow field]
- Bank: [Yellow field]
- Payment Method: [Yellow field]
- Status: [Yellow field]
- Currency: [Yellow field]
- To: [Yellow field]
- To: [Yellow field]
- To: [Yellow field]
- To: [Yellow field]
- To: [Yellow field]
- To: [Yellow field]

Proposed, Approved, Submit, Discounted, Reconciled, Closed, Void
(Blank for All)

Output:
Batch ID: [Yellow field]

Fig. 4.49
Draft Summary
Register (27.6.6.4)

A Draft Summary Register report (27.6.6.4) can be created based on the selection criteria specified. When the submission/discounting of unapproved drafts is enabled, the resulting output can include details on the customer bank record associated with that draft, the bank account number, and the type of the draft (supplier or customer initiated).

Accounts Receivable Payments

The payment logic used in Accounts Receivable has been changed by European Accounting:

- The payment logic is located in a new Manual Payment Menu (27.6.5).
- Payment method has been added.
- Auto apply function has been improved.
- New register for unapplied payments has been added.
- Payment in Process account can now be used for payments submitted to the bank.
- New register for submitted payments has been added.
- New option to reconcile payments at the bank has been added.
- Payment of invoices with Suspended VAT is allowed.
- Reversal of AR checks is now allowed.
- Additional check status report has been added.

In European Accounting, all AR payment functions are now located on one menu: Manual Payment Menu (27.6.5).

Table 4.9
Manual Payment
Menu (27.6.5)

Menu Number	Description	Program name
27.6.5.1	AR Payment Manual Checks	arpamt.p
27.6.5.2	AR Payment Inquiry	arpaiq.p
27.6.5.3	AR Payment Register	arparp.p
27.6.5.4	AR Payment Submission Register	eupaprp2.p
27.6.5.7	AR Payment Bank Reconciliation	euarrcmt.p
27.6.5.14	Unapplied Payment Application	euarpamt.p
27.6.5.15	Payment Application Register	arparp01.p
27.6.5.16	Check Void Maintenance	arvcmt.p
27.6.5.18	Check Status Report	arcrrp.p

Manual Payments and Payment Methods

In European Accounting, the reference of the AR payment is determined by the payment method. Payment methods are also used for automatic payments. Manual payments can be entered using AR Payment Manual Checks (27.6.5.1), which replaces the standard MFG/PRO Payment Maintenance (26.6.4) function.

When a manual payment is entered, the payment method is also required. Because the reference can only be determined after the payment method is entered, a temporary reference must first be assigned.

Fig. 4.50
AR Payment
Manual Checks
(27.6.5.1)

'. On the right side, there are fields for 'Bill To: 3002000', 'Type:', 'Amount:', 'Batch:', 'Daybook:', 'Account:', 'Discount Account:', and 'Entity:'. There are also navigation arrows at the bottom right."/>

When you have entered the Bill-To information, you can enter new fields.

The screenshot shows the 'AR Payment Manual Checks' window with the following data:

Batch: 2379	Control: 0.000	Total: 0.000
Check: 10294190	Bill To: 3002000	CENTRE DE NOUVELLE
Currency: EUR	Type:	
Check Control:	Amount:	
Date:	Batch:	
Effective:	Daybook:	
Bank: eu	PM: mc	Account:
Remark:	Discount Account:	
Auto Apply: <input type="checkbox"/>	Entity:	

Fig. 4.51
AR Payment
Manual Checks
(27.6.5.1)

The payment method has been added to this frame. You can also use automatic application from the distribution line frame, instead of only at the start when you answer Yes to Auto Apply. This lets you apply the payment method to several ranges of memos, and also to update the result of the automatic selection directly.

When you have entered the information, the final check number is assigned—if you have left the check number blank—based on the payment method.

The screenshot shows the 'AR Payment Manual Checks' window with the following data:

Batch: 2379	Control: 0.000	Total: 0.000
Check: 00100012	Bill To: 3002000	CENTRE DE NOUVELLE
Currency: EUR	Type: P	
Check Control: 0.00	Amount: 0.00	
Date: 08/15/2002	Batch: 2379	
Effective: 08/15/2002	Daybook: xcb1	
Bank: EU	PM: mc	Account: 2110
Euro Bank	Discount Account: 3910	
Remark:	Entity: 1000	
Auto Apply: <input checked="" type="checkbox"/>		

Fig. 4.52
AR Payment
Manual Checks
(27.6.5.1)

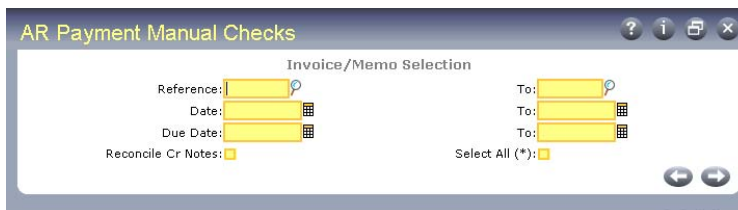
In the distribution line frame, a new message has been added showing that you can do automatic application. The specific combination of keys you use to do this depends on the UI you are using.

Fig. 4.53
AR Payment
Manual Checks,
Payment
Application



When you press the keyboard combination used for automatic application in your specific environment, you can enter a range of memos or invoices to which the payment should be applied.

Fig. 4.54
AR Payment
Manual Checks,
Invoice/Memo
Selection



Payment Submission to the Bank

AR Payment Submission Register (27.6.5.4) lists AR payments—normally checks you have received and have to send to the bank—that should be submitted to the bank. When a payment is listed on this report, it is automatically marked as submitted and will not appear again on subsequent runs of this report.

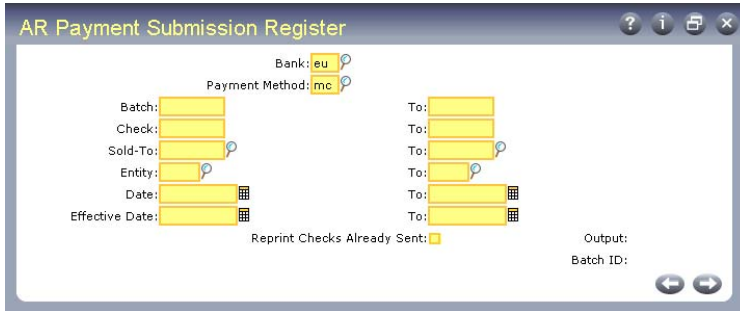


Fig. 4.55
AR Payment Submission Register (27.6.5.4)

Bank Reconciliation of AR Payments

When you want to reconcile AR payments without using Cash Book Maintenance, you can use AR Payment Bank Reconciliation (27.6.5.7). You must first enter a batch number.

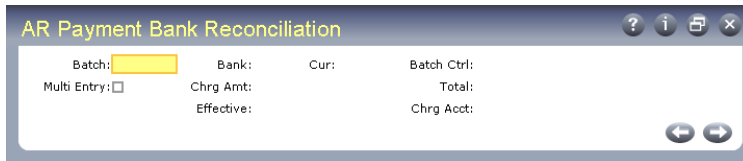


Fig. 4.56
AR Payment Bank Reconciliation (27.6.5.7)

You can choose between multi-entry and single entry. In single entry, you can enter check numbers.

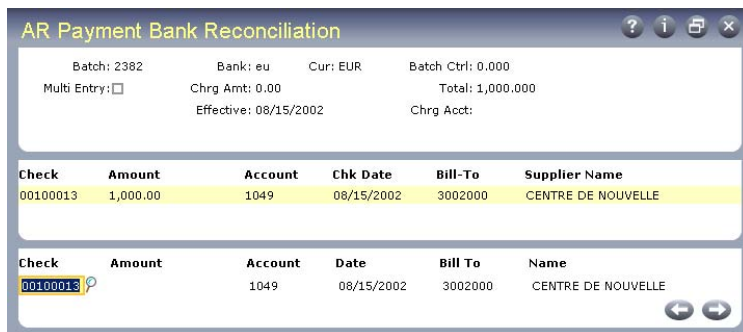


Fig. 4.57
AR Payment Bank Reconciliation, Single Line Entry

In multi-entry, you can enter ranges of checks. The actual processing resembles the reconciliation of drafts and the cash book functionality for reconciling payments.

▶ See Chapter 6, “Cash Management,” for more details.

Fig. 4.58
AR Payment Bank
Reconciliation,
Multi-Line Entry

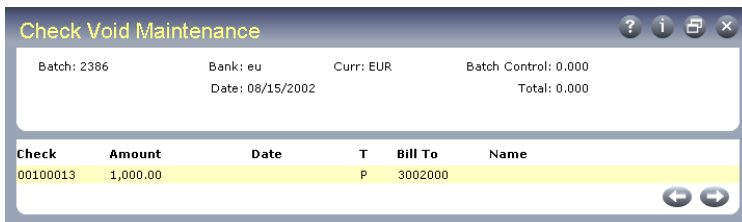


AR Check Void Maintenance

Standard MFG/PRO already lets you void, rather than simply delete, AP checks using AP Check Void Maintenance (28.9.15). European Accounting has added similar functionality to Accounts Receivable allowing the reversal of AR checks. Using the new AR Check Void Maintenance (27.6.5.16), you can reverse AR checks without actually deleting all record of them from your system. This has the advantage of preserving an audit trail, which would not be the case if you simply deleted these checks.

As with AP Check Void Maintenance (28.9.15), when you use AR Check Void Maintenance (27.6.5.16) you must first specify the number of the check you want to void.

Fig. 4.59
AR Check Void
Maintenance
(27.6.5.16)



If you confirm the transaction when prompted, the system voids the selected check and reverses all GL transactions relating to the original payment. The corresponding amount on the associated invoice is automatically restored to open.

AR Check Status Report

Standard MFG/PRO already lets you review the status of all AP checks. European Accounting has added similar functionality to Accounts Receivable with the AR Check Status Report (27.6.5.18).

Fig. 4.60
AR Check Status
Report (27.6.5.18)

You can choose if the report output by this function should show checks with a current status of:

- Cancel, to indicate they have been presented for payment
- Void, to indicate they are invalid
- Open, to indicate they are still valid but have not yet been presented to your bank for payment

The report output by this function shows all checks that currently have the selected status.

Accounts Payable

The Accounts Payable functionality of MFG/PRO has been modified by European Accounting. This chapter describes those changes. The following topics are covered:

Accounts Payable Features **116**

Voucher Maintenance **116**

VAT Invoices for Evaluated Receipts Settlement **126**

Manual Payments **127**

Unapplied AP Payments **129**

Supplier Activity Inquiry **132**

Accounts Payable Features

European Accounting enhances MFG/PRO's standard Accounts Payable (AP) module in the following areas:

- Creation of Intrastat data in vouchers without an attached PO
 - Waiting-expenses vouchers
 - Check number with 8 positions instead of the standard 6 positions
 - Assignment of voucher references based on the VAT register
 - Additional operation type description when VAT registers are enabled
 - Support for withholding tax
 - VAT invoice for Evaluated Receipts Settlement (ERS)
 - Automatic payment functionality
 - Unapplied AP payments
 - Improved supplier activity inquiry
 - Additional reports
 - Ability to define PO Receipts accounts and Expensed Item Receipts accounts by supplier
- ▶ See “Define Operation Codes” on page 217 for details.
- ▶ See Chapter 7 for details.
- ▶ See “Suppliers” on page 25.

Unless indicated otherwise in this list, these enhancements are described in the remainder of this chapter.

Voucher Maintenance

European Accounting has added extra features to Voucher Maintenance (28.1.1):

- Vouchers can now be marked as waiting expenses.
 - VAT registers are supported.
 - Mirror accounting functionality can be used for vouchers that are not linked to purchase orders.
 - Invoice and Credit Terms fields are mandatory.
 - Payment method has replaced check form.
 - You can now enter VAT-only vouchers.
- ▶ See “Waiting-Expenses Vouchers” on page 119.
- ▶ See “Manual Payments” on page 127.

- You can create Intrastat data for vouchers without an attached purchase order. In standard MFG/PRO, you must create a manual Intrastat record.

Figure 5.1 illustrates Voucher Maintenance.

Fig. 5.1
Voucher
Maintenance
(28.1.1)

PM. Specify the payment method that should be used for paying this voucher. Payment method defaults from the supplier.

The combination of bank and payment method determines the check number to be assigned when paying this voucher.

Note Payment method replaces the Check Form field in standard MFG/PRO.

Invoice. This is a standard MFG/PRO field; however, in European Accounting, you must enter this invoice number. Used by European Accounting payment procedures.

Terms. Standard MFG/PRO field for the document credit terms code. In European Accounting, you must enter an existing credit terms code.

▶ See Chapter 10, “Intrastat,” for details.

Imp/Exp. When you have no PO attached, the Imp/Exp field in the lower screen becomes updateable. Set this field to Yes if you want to create Intrastat data. The data created is then handled by the Intrastat functions in a similar way as the data for sales orders.

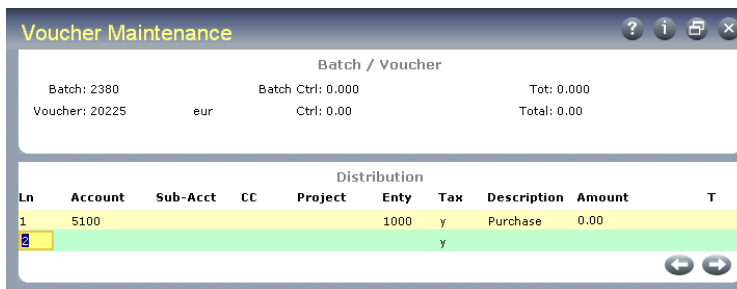
▶ See “Waiting-Expenses Vouchers” on page 119.

Waiting Expenses. Enter Yes if this voucher is to be marked for waiting expenses; otherwise, enter No.

Due Date. Standard MFG/PRO field. With a new voucher, European Accounting lets you modify the calculated due date at once.

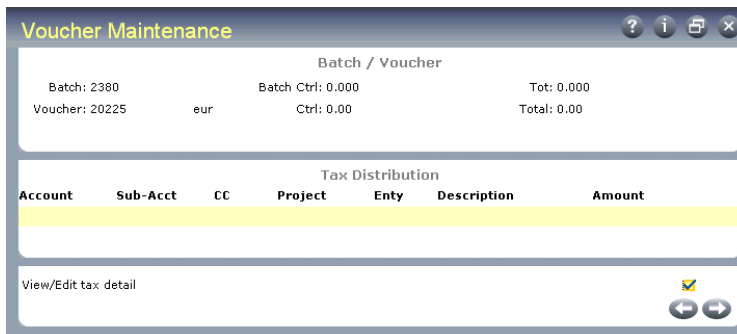
European Accounting also lets you add VAT-only vouchers.

Fig. 5.2
Voucher Maintenance, VAT-Only Vouchers



First enter a zero value distribution line. Standard MFG/PRO does not let you do this.

Fig. 5.3
Voucher Maintenance, Zero Value Distribution Line



When the system prompts to view or edit the tax detail, respond Yes. You can then enter details for the transaction amount, the taxable base, the tax amount, and the amount of recoverable tax; these last two typically have the same value.

The screenshot shows a window titled "Voucher Maintenance" with a standard Windows-style title bar. The main content area is divided into three sections:

- Batch / Voucher:** Displays "Batch: 2380", "Batch Ctrl: 0.000", "Tot: 0.000", "Voucher: 20225", "eur", "Ctrl: 0.00", and "Total: 0.00".
- Tax Distribution:** A table with columns: Account, Sub-Acct, CC, Project, Enty, Description, and Amount. The table is currently empty.
- View/Edit tax detail:** A button with a checkmark icon and navigation arrows.

Fig. 5.4
Voucher
Maintenance, Tax
Details

These VAT-only vouchers now appear on tax reports. The taxable base must be entered if this information is required for VAT-only vouchers on tax reports.

Note You can only edit the tax details if the Updateable field is Yes for this tax rate in Tax Rate Maintenance (2.13.13.1).

Waiting-Expenses Vouchers

European Accounting has added an important feature to Voucher Maintenance (28.1.1) letting you mark vouchers as waiting expenses.

Normally, under standard MFG/PRO, you can mark vouchers as not confirmed, which allows the voucher to be entered without GL distribution. However, this has two disadvantages:

- The AP balance is not up to date.
- You cannot collect the VAT due on the voucher.

Only confirmed vouchers can be marked as waiting expenses; it is not possible to do this for unconfirmed vouchers.

In order to use the waiting-expenses voucher feature, you must first activate the appropriate logic in European Accounting Control (25.23). The amount (VAT excluded) is booked to the Waiting Expenses account, which is also entered in European Accounting Control.

▶ See "Use Waiting Expenses Vouchers" on page 14.

You must enter the name of an employee who must approve the voucher and make the final distribution. The hold amount of the voucher is set to the whole amount. Separate inquiries and a report are available to obtain information about the status of waiting-expenses vouchers.

You can enter a VAT code at the distribution line. This results in the creation of a tax distribution line that you can collect in the normal way. With separate functions, you can make the final distribution, counter booking the Waiting Expenses account.

In addition to modifying Voucher Maintenance, European Accounting adds the functions listed in Table 5.1 to support waiting expenses.

Table 5.1
New Programs for
Waiting Expense
Vouchers

Menu Number	Description	Program
28.1.2	Waiting Expenses Voucher Maint.	euvonmt.p
28.1.3	Waiting Exp. Voucher by Emp. Inq	euapveiq.p
28.1.4	Waiting Exp. Voucher Inq.	euapvoiq.p
28.1.5	Waiting Exp. Voucher Report	euvorp01.p
28.1.6	Voucher Hold by Employee Inq.	euapheiq.p

Creating a Waiting-Expenses Voucher

Create a waiting-expenses voucher in Voucher Maintenance (28.1.1) by setting the Waiting Expenses field to Yes.

Fig. 5.5
Voucher
Maintenance,
Waiting Expenses

The screenshot shows the 'Voucher Maintenance' window with the following data:

- Batch: 2382, Control: 0.000, Total: 0.000
- Voucher: 20226, Order: Order
- Control: 0.000, Effective: 08/19/2002, ERS:
- Total: 0.000, Tax Date: 08/19/2002
- Supplier: 5001000, METAL SUPPLY COMPA, 720 EAST COLLEGE AV
- VAT Reg: METAL SUPPLY COMPA, LOS ANGELES, CA
- Remit-To: 5001000, METAL SUPPLY COMPA
- Ship-To: 10000000, Quality Products, Inc.
- Currency: eur, Bank: eu, PM: MC
- Invoice: we, Account: 2100
- Date: 08/19/2002, Discount Account: 5200
- Terms: 30, Entity: 1000
- Disc Date: , Imp/Exp:
- Due Date: , Supplier Bank: BOA
- Expected: , Type: , Remark:
- Separate Ck:
- Waiting Expenses:

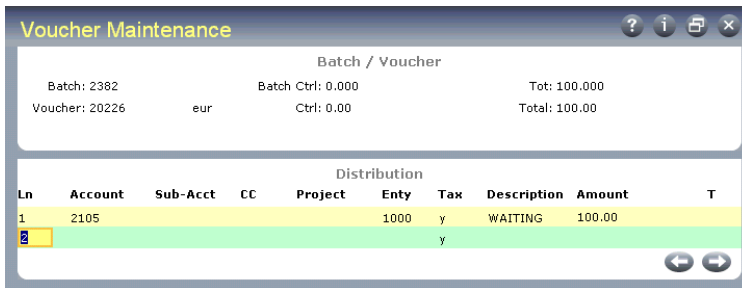
Waiting Expenses. Indicate whether to create a waiting-expenses voucher.

No: Create a standard voucher.

Yes: Create a waiting-expenses voucher. Designating a voucher as waiting expenses lets you enter a confirmed voucher. The amount of the voucher (VAT excluded) is booked to the Waiting Expenses account specified in European Accounting Control.

This field can be updated only when new vouchers are entered and Use Waiting Expenses Vouchers is Yes in European Accounting Control. To update an existing waiting-expenses voucher, use Waiting Expenses Voucher Maintenance (28.1.2).

When the Waiting Expenses field is Yes, the first GL-distribution line is booked to the Waiting Expenses account.



The screenshot shows the 'Voucher Maintenance' window. At the top, it displays 'Batch / Voucher' information: Batch: 2382, Voucher: 20226, Batch Ctrl: 0.000, Ctrl: 0.00, Tot: 100.000, Total: 100.00. Below this is a 'Distribution' table with the following data:

Ln	Account	Sub-Acct	CC	Project	Enty	Tax	Description	Amount	T
1	2105				1000	y	WAITING	100.00	
2						y			

Fig. 5.6
Voucher Maintenance, Waiting Expenses Account

You can enter a VAT code and create tax distribution lines; then specify the user assigned to the voucher.



The screenshot shows the 'Voucher Maintenance' window. At the top, it displays 'Batch / Voucher' information: Batch: 2383, Voucher: 20226, Batch Ctrl: 0.000, Ctrl: 117.50, Tot: 117.500, Total: 117.50. Below this, it shows 'Hold Amount: 117.50', 'Confirmed: ', and 'Assigned-To: 2550'.

Fig. 5.7
Waiting Expenses Voucher, Assigned User

Hold Amt. The hold amount is updated automatically.

Assigned To. Enter a code identifying the person responsible for approving this voucher. This field is validated against codes set up in Employee Maintenance.

When Enter Vouchers Confirmed is Yes in Accounts Payable Control (28.24), this field cannot be blank. In addition, an approver is required if this voucher has been marked as waiting expenses.

Waiting Expenses Vouchers by Employee Inquiry

Use Waiting Expense Voucher by Employee Inquiry (28.1.3) in European Accounting to display waiting-expenses vouchers by the assigned employee. You can select vouchers by employee and supplier.

Fig. 5.8
Waiting Expenses
Voucher by
Employee Inquiry
(28.1.3)

Employee		Supplier		Curr	Reporting	Currency	Output
2550							page
Due Date	Supplier	Reference	Invoice	Cur	Amount	Base	Amount Employee
09/03/02	00000001	20107	tt	usd	500.00		454.55
09/06/02	00000001	20116	ff	usd	200.00		181.82
09/07/02	00000001	20121	fff	usd	400.00		363.64
09/30/02	5001000	20226	we				117.50
11/01/02	00000001	20084	inv	usd	2,000.00		1,818.18
11/01/02	00000001	20085	inv	usd	100.00		90.91
11/03/02	00000001	20106	ff	usd	500.00		454.55
Total:							3,481.15

Curr Reporting. Specify the currency in which the amount should be displayed in the report.

Currency. Specify the currency for selecting vouchers. Base indicates the base currency of the current domain.

The inquiry lists waiting-expenses vouchers with due date, supplier, reference, currency code, and amount. The amount is shown in both the voucher currency and the inquiry currency.

If you do not want to use waiting-expenses vouchers functionality, you can use the Voucher Hold by Employee Inquiry (28.1.6), which shows those vouchers on hold rather than waiting-expenses vouchers.

Waiting Expenses Voucher Inquiry

Waiting Expenses Voucher Inquiry (28.1.4) provides a more detailed inquiry for waiting-expenses vouchers.

Fig. 5.9
Waiting Expenses
Voucher Inquiry
(28.1.4)

Select vouchers by voucher reference, supplier ID, PO number, supplier invoice, type, and assigned employee. Specify the reporting currency and the currency for selecting vouchers.

Details of the voucher are shown in the middle frame. The voucher distribution lines are shown in the lower frame. Only waiting-expenses vouchers with hold amounts greater than zero are shown.

Waiting Expenses Voucher Report

The Waiting Expenses Voucher Report (28.1.5) lists all vouchers that are marked as waiting expenses.

Fig. 5.10
Waiting Expenses
Voucher Report
(28.1.5)

This report is nearly identical to that output by Voucher Register (28.3). An Assigned To selection has been added and the Open Only option has been removed, but otherwise the functionality is the same.

Final Distribution of Waiting Expenses Vouchers

A voucher marked as Waiting Expenses can be updated in Voucher Maintenance (28.1.1). However, to make the final distribution you must use the European Accounting function Waiting Expenses Voucher Maint (28.1.2).

When you enter this function, you must specify a batch and control amount, as in Voucher Maintenance. Next, you can enter the voucher reference you want to update. A special lookup is available that has a column for Waiting Expenses. You can only select vouchers that have a Yes in the Waiting Expenses column.

When you have entered a correct voucher reference, you are prompted to remove the waiting expenses mark for the voucher. If you answer No to this question, you cannot proceed. You must always apply the waiting-expenses vouchers entirely.

Waiting Expenses Voucher Maint.

Batch: 2383 Control: 0.000 Total: 117.500

Voucher: 20226 Order

Control: 117.50 Effective: 08/19/2002 ERS Vo:

Amount: 117.50 Tax Date: 08/19/2002

Supplier: 5001000

Address:

Ship-To: 10000000

Currency: eur Bank: eu PM: MC

Invoice: we Account: 2100

Date: 08/19/2002 Discount Account: 5200

Cr Terms: 30 Entity: 1000

Disc Date: 08/19/2002 Imp/Exp: Remark:

Due Date: 09/30/2002 Supplier Bank: BOA Separate Chec:

Expect: Type: Waiting Expenses:

Remove the waiting expenses mark for this voucher

Fig. 5.11
Waiting Expenses
Voucher
Maintenance
(28.1.2)

Next, you can update the effective date of the voucher. By default, this date is set to the current date and is validated according to the GL calendar. This determines the effective date of the GL booking from the Waiting Expenses account to the Expenses account. After completing your entries in Waiting Expenses Voucher Maint, the effective date of the voucher is reset to the original date. This is done in order to keep the Aging by Effective reports valid.

Next, you enter purchase orders. Then the distribution frame is shown. The system automatically makes a counter booking for the Waiting Expenses account. You can now make the final distribution.

Fig. 5.12
Waiting Expenses
Voucher
Maintenance,
Distribution

Waiting Expenses Voucher Maint.

Batch / Voucher

Batch: 2383 Batch Ctrl: 0.000 Tot: 135.000
 Ref: 20226 eur Ctrl: 117.50 Amount: 17.50

Ln	Account	Sub-Acct	CC	Project	Enty	Tax	Description	Amount	T
1	2105				1000	y	WAITING	100.00	
2	1400				1000	n	AP Tax R	17.50	T
3	2105				1000	y	Accounts	-100.00	
4						n			

VAT Invoices for Evaluated Receipts Settlement

European Accounting enhances MFG/PRO’s standard Evaluated Receipts Settlement (ERS) functionality by letting you create a self-billing VAT invoice for submission to the supplier using ERS Invoice Print (28.10.5).

Fig. 5.13
ERS Invoice Print
(28.10.5)

ERS Invoice Print

Supplier: [] To: []
 Invoice: [] To: []
 Invoice Date: / / To: / /
 GL Reference: [] To: []
 Receiver: [] To: []
 Work Order: [] To: []
 Site: [] To: []

Print Duplicates: No
 Form Code:

Message: [] Output: []
 Batch ID: []

The format and the composition of the ERS invoice makes it acceptable for UK VAT purposes.

ERS Invoice Print

D2 PO AP SUPPLIER Self-Bill Invoice
 European Union Invoice: RI297
 VAT Reg. Number: Invoice Date: 09/12/02 (P)
 Tax Date: 09/12/02

Bill To: xg1c1 Ship To: xg1c1
 SITE XGLC1 SITE XGLC1
 GREAT BRITAIN GREAT BRITAIN
 VAT Reg. Number:
 PO Number: P1179001 Credit Terms: 30
 Due Date: 10/31/02

Item Number	UM	Invoice Qty	Tax	Curr Amt	Ext Price
d2poaptest	EA	25.0	no	5.00	125.00
				Goods Total:	125.00
				Total Tax:	0.00

Tax Rate Goods Value

 0.00 125.00

Currency: EUR Total: 125.00

Browse or type search string and press [RETURN]:

Use cursor and page keys to navigate, F4 to exit. [Line 37].

Fig. 5.14
 Example of ERS
 Invoice

Manual Payments

AP payments have been enhanced in European Accounting as follows.

- Payment methods that allow many different payment methods to be used with the same bank have been introduced.

Important You must enter a payment method.

- When you leave the check number blank, a new check number is assigned according to the payment method.
- You can create unapplied distribution lines.

▶ See Chapter 7 for details.

▶ See Chapter 6 for details.

The modification to Payment–Manual Checks (28.9.10) can be seen in the check header shown in Figure 5.15.

Fig. 5.15
Payment—Manual
Checks (28.9.10)

Payment Method. Enter a valid payment method for module AP for the bank of the check. The default payment method is determined by European Accounting Control.

Check. If you leave the check number blank, European Accounting assigns a new check number based on the number sequence associated with the payment method just entered.

Payment Inquiry (28.9.11) has also been changed by European Accounting to add payment method as a selection criterion.

Fig. 5.16
Payment Inquiry
(28.9.11)

Check	Bk	PM	Supplier	Batch	Open	Cur	Output
00200052					no		page
Bank: eu		Check: 00200052		Amount: 100.00		Status:	
Date: 08/19/02		Account: 2110		Type: MN		Pmt Meth: mc	
Effective: 08/19/02		Discount Acct: 5200		Currency: EUR		1.0	
Supplier: 5001000		Batch: 2389		Entity: 1000			
Remark:		Due:					
Voucher	Type	Account	Project	Amount	Discount	Amount	
Unapplied		2100		100.00		0.00	

Unapplied AP Payments

In European Accounting, you can make payments without having a voucher available. In order to do this, you can create an unapplied distribution line for a check, just as you can in Accounts Receivable. When the voucher then becomes available, you can apply the payment to this particular voucher using a separate function, Unapplied Payment Application (28.9.20).

This function works in a similar way to AR Unapplied Payment Application (27.6.5.14).

Entering Unapplied Payments

You can create unapplied payments in Payment–Manual Checks (28.9.10).

When you leave the voucher number blank in the distribution line, standard MFG/PRO automatically marks the line as Non-AP and displays an N in the T (Type) field. However, European Accounting enhances this functionality, and lets you enter the type yourself. You can choose between N for Non-AP and U for Unapplied.

Fig. 5.17
Payment–Manual
Checks (28.9.10),
Type Field

If you enter U for the type, you can enter the unapplied reference. You should always enter a reference when voucher type is U.

Fig. 5.18
Payment—Manual Checks, Unapplied Reference

Payment Register (28.9.12) has also been modified by the addition of a new option: Unapplied Only.

Fig. 5.19
Payment Register (28.9.12)

Unapplied Only. Specify whether the report should display only unapplied AP payments or all payments in the selected range.

No: Include all payments. A list of all transactions is displayed including closed amounts and payment history.

Yes: Include only unapplied AP payments.

Application of Unapplied Payments

Unapplied Payment Application (28.9.20) lets you apply unapplied payments to vouchers.

The screenshot shows the 'Unapplied Payment Application' window. At the top, it displays 'Batch: Control: 0.00' and 'Total: 0.00'. Below this, there are several fields for data entry:

- Reference: Supplier: 5001000 METAL SUPPLY COMPANY
- Bank: eu Check: 00200052
- Batch: Amount of Check:
- Unapplied Ref: eur321 (highlighted in yellow) Type: Amount:
- Date: Currency: Entity:
- Effective: Amount to Apply:
- Account: Unapplied:

Navigation arrows are visible at the bottom right of the window.

Fig. 5.20
Unapplied Payment
Application
(28.9.20)

You can enter the supplier followed by that supplier's bank. The unapplied reference is used to find the unique unapplied check. Next you can enter the date of reconciliation (default today) and the effective date of the transaction (default today).

This information is used for the next frame, in which you can select vouchers to be reconciled against the unapplied amount. You can only apply vouchers in either base currency or in one non-base currency.

The screenshot shows the 'Unapplied Payment Application' window with more detailed data. At the top, it displays 'Batch: 2390', 'Control: 0.00', and 'Total: 0.00'. Below this, there are several fields for data entry:

- Reference: 0000010A Supplier: 5001000 METAL SUPPLY COMPANY
- Bank: eu Check: 00200052
- Batch: 2390 Amount of Check: 100.00
- Unapplied Ref: eur321 Type: A Amount: 100.00
- Date: 08/19/2002 Currency: EUR Entity: 1000
- Effective: 08/19/2002 Amount to Apply: 100.00
- Account: 2100 Unapplied: 100.00

At the bottom, there is a table for selecting vouchers:

Voucher	T	Account	Sub-Acct	CC	Amount to Apply
<input type="text"/>					

Navigation arrows are visible at the bottom right of the window.

Fig. 5.21
Unapplied Payments
Application,
Vouchers

Any unapplied payments can be applied over multiple applications if required.

After this, the vouchers have an applied amount equal to the amount entered here, and the check is booked in GL with the appropriate accounts, sub-accounts, and cost centers.

You can only delete an application if all of its associated applications are deleted first. By deleting the application of the check against a voucher, the voucher is automatically re-opened and the amount applied on that check is restored. Any corrective GL bookings needed as a result of this action are also performed.

Unapplied Payment Report

Use Unapplied Payment Report (28.9.21) to review the available unapplied checks and the applications made to these checks. You can select checks by range of supplier, supplier type, and entity. Set the Only Unapplied field to Yes to review only checks that have not yet been applied.

Fig. 5.22
Unapplied Payment
Report (28.9.21)

The screenshot shows a software dialog box titled "Unapplied Payment Report". It features a search interface with the following fields and values:

- Supplier: 5001000
- Supplier Type: (empty)
- Entity: (empty)
- To: 5001000
- To: (empty)
- Only Unapplied:
- Output: printer
- Batch ID: (empty)

Standard window controls (help, info, print, close) are in the top right, and navigation arrows are in the bottom right.

Supplier Activity Inquiry

European Accounting replaces the standard MFG/PRO Supplier Activity Inquiry (28.13) with an inquiry that offers additional functionality.

This inquiry now lets you:

- Display supplier activity in ascending or descending date order.
- Calculate the balance when a currency is entered that is different from the base currency.
- Display additional status information such as voided checks.
- Include or exclude unpaid drafts from the inquiry.

apvniq.p 2+		28.13 Supplier Activity Inquiry				08/19/02	
Supplier: 5001000 METAL SUPPLY COMPANY		Balance: 17.50					
Open Only: No		Currency:					
Ascending: No		Reporting Currency:					
		Incl Unpaid Draft: Yes		Output: page			
Date	Reference	T Invoice	Due	Cur	Amount	Amount	Open
081902	20226	V we	093002		117.50	117.50	Hold 2550
081902	eu00200052	C			-100.00	-100.00	
Balance Calc						17.50	
Unpaid Drafts						0.00	

Fig. 5.23
Supplier Activity
Inquiry (28.13)

Ascending. Enter Yes to sort the inquiry by ascending date order; enter No to sort in descending date order.

Incl Unpaid Draft. Indicate whether to include unpaid supplier draft payments in the inquiry.

No: The inquiry does not select any unpaid draft payments with draft due dates later than the current date. A total amount for unpaid drafts is not calculated.

Yes: The total of all outstanding draft amounts for drafts with due dates later than the current date is calculated and displayed.

Note Not all information fits in this screen; you must scroll to the right to see the complete list of check numbers associated with a voucher.

Cash Management

This chapter describes the new functionality European Accounting adds to standard MFG/PRO Cash Management functions. European Accounting enhances Cash Book Maintenance (31.13), modifies the layout of Cash Statement of Account Print (31.14), and adds a new Cash Book ReOpen (31.16) function. The following topics are covered in this chapter:

Cash Book Maintenance **136**

Cash Statement of Account **144**

Cash Book ReOpen **145**

Bank Slip Numbers in AR and AP Reports **145**

Cash Book Maintenance

European Accounting has added significant new functionality to Cash Book Maintenance (31.13):

- The balance of a statement can be calculated from the ending balance of the previous statement.
- You can delete cash book lines.
- You now see the references related to cash book lines.
- For Accounts Receivable (AR), you can reconcile payments—both single and ranges—and drafts.
- You can now enter petty cash transactions, together with the associated tax entries.
- Several Accounts Payable (AP) and AR reports have been enhanced to show the bank slip numbers of the relevant AP and AR payments.

The terminology used for the cash book is also different from that used in standard MFG/PRO. In European Accounting, the term *beginning balance* is used instead of *book balance*.

Much of this chapter looks in detail at the enhancements added to Cash Book Maintenance (31.13) by comparing the standard MFG/PRO function with the new enhanced flow.

Calculating Beginning Balance from Previous Statement

Standard MFG/PRO calculates the beginning balance of a bank statement automatically based on the account balance in the General Ledger (GL) for the bank.

This standard MFG/PRO approach has two disadvantages:

- You might enter several bank statements before you post the transactions, in which case the balance is not equal to the GL balance.
- The calculation of the GL balance for a date near the end of a month can take considerable processing when there are many transactions, and the response time can become unacceptable.

European Accounting lets you calculate the beginning balance of a bank statement yourself by looking at the ending balance of the previous bank statement. This can be done much faster than the standard MFG/PRO calculation, and has the additional advantage that it lets you enter several bank statements at the same time.

The Display Cash Book Balance setting in European Accounting Control (25.23) determines how the beginning balance of a bank statement is calculated.

▶ See “Display Cash Book Balance” on page 15.

Entering the Bank Statement Header

The screenshot shows a window titled "Cash Book Maintenance" with the following data:

Bank: eu	Year: 2002	Statement: 0001	7658	EUR
Euro Bank				
Status:	(NU = Not Used, UB = Unbalanced, C = Closed)			
Effective:	08/15/2002			
Begin Bal:	0.00	Bank Balance:	325	
Batch Ctrl:	0.00	Total:	0.00	

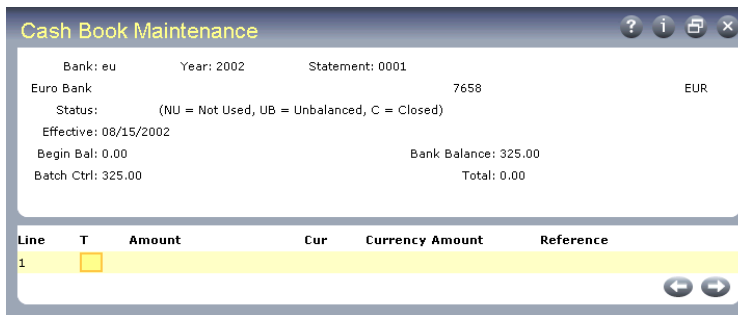
Fig. 6.1
Cash Book Maintenance (31.13), Bank Statement Header

Statement. Specify the bank statement number. European Accounting automatically suggests the new bank statement number based on the last available bank statement number for the bank and year. You can overwrite this number.

Begin Bal. Depending on the setting for Display Cash Book Balance in European Accounting Control, the proposed beginning balance is either calculated from the GL or determined by the end balance of the previous bank statement number for this bank.

After you enter the bank statement header, the cash book lines display.

Fig. 6.2
Cash Book
Maintenance, Lines



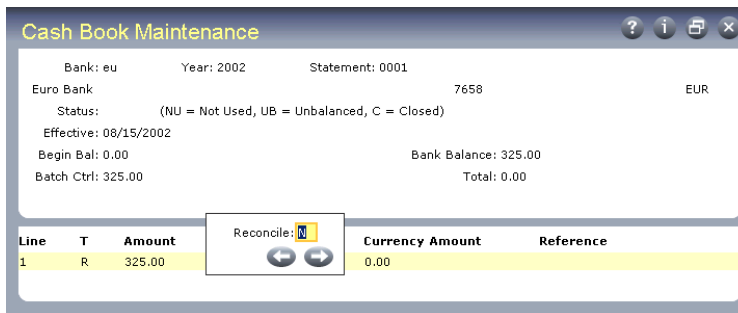
Enter the line number. Next, you are prompted for the line type. At this point, European Accounting adds functionality that lets you delete the line. Lines of type R (Accounts Receivable) or type P (Accounts Payable) can only be deleted if the related GL transactions have not yet been posted.

A new Reference field has also been added. For a line of type G, the related GL reference is displayed. In the case of P or R lines, the voucher references or AR memo references are shown.

Accounts Receivable Lines

When you enter a line of type R (Accounts Receivable), you first enter the total amount and currency, as in standard MFG/PRO. Next, a new pop-up displays.

Fig. 6.3
Cash Book
Maintenance,
Reconcile R-Line



You have three choices:

- N (None). Create a new AR payment, as in standard MFG/PRO.

- P (Payment). Reconcile an already existing AR payment. This results in a GL entry in which the Payment in Process account is counter-booked.
- D (Draft). Reconcile an already existing approved draft. This results in a GL entry.

▶ See the following sections for details.

Reconciling AR Payments

Reconciling payments means that payments already created in MFG/PRO from, for instance, the automatic payments functionality (direct debit) can be marked as being received on the bank statement. The payment date is entered for the AR payment and a GL entry is created for the Payment in Process account and the Cash account.

The flow starts with a header frame.

Fig. 6.4
Cash Book Maintenance, Header Frame for Reconciling AR Payments

Multi Entry. Indicate whether AR payments are reconciled one at a time or in a group.

No: Check numbers and amounts are entered and verified one at a time.

Yes: A range of check numbers is entered. The system displays matching checks for verification.

Chrg Acct. Specify the account, sub-account, and cost center for bank charges.

Chrg Amt. Enter the amount of any bank charges that apply to this transaction. This amount is booked to the charge account specified and is included in the total, displayed above the charge amount.

Example You have a \$200 receipt with a \$15 bank charge. This means you physically receive \$185 in your bank account, so the line total should be \$185. The \$15 charge amount is included in the total, but with a negative sign.

Multi-Line Entry

When you enter Yes for Multi Entry, the following screen displays.

Fig. 6.5
Cash Book Maintenance, Multi-Line Entry, Check Selection



Specify a range of check numbers in the Check and To Check fields. Checks are selected that:

- Are marked for the bank of the bank statement
- Fit within the number range specified
- Match the currency of the bank
- Have a blank payment date

Press End to continue. You are prompted to display the checks to be reconciled.

Fig. 6.6
Cash Book Maintenance, Display Checks to Reconcile



If you enter Yes, checks matching the criteria display. By default, all are marked for processing. You can deselect individual checks as needed.



Fig. 6.7
Cash Book Maintenance, Selecting Individual Checks

When you finish making your entries, press End to leave the screen. If the totals do not match, you are prompted to accept, edit, or cancel.

Single-Line Entry

When you enter No for Multi Entry in the header frame, the following screen displays.



Fig. 6.8
Cash Book Maintenance, Single-Line Entry

You can enter specific check numbers and the amount of the check. Press End to leave when you complete your entries.

Reconciling Drafts

▶ See “Reconciling AR Payments” on page 139.

Reconciling drafts resembles reconciling payments. You can choose multi-line entry or single-line entry. Since this is similar to reconciling payments, only the major flow is shown here.

Fig. 6.9
Cash Book Maintenance, Draft Reconciliation, Header

Cash Book Maintenance

Statement:	Bank: eu	Cur: EUR	Batch Ctrl: 125.000
Multi Entry: <input checked="" type="checkbox"/>	Chrg Amt: 0.00		Total: 0.000
Close Draft: <input type="checkbox"/>	Effective: 08/15/2002	Chrg Acct:	

When you select multi-line entry, you can enter a range of drafts to be reconciled and indicate if they should be selected for reconciliation by default.

Fig. 6.10
Cash Book Maintenance, Multi-Entry Draft Selection

Cash Book Maintenance

Statement:	Bank: eu	Cur: EUR	Batch Ctrl: 0.000
Multi Entry: <input checked="" type="checkbox"/>	Chrg Amt: 0.00		Total: 0.000
Close Draft: <input type="checkbox"/>	Effective: 08/15/2002	Chrg Acct:	

Draft Selection

From Drafts: To:

Due Date: To:

Expect Pay Date: To:

Select All:

You can then verify the selected drafts.

Fig. 6.11
Cash Book Maintenance, Multi-Entry Draft Reconciliation

Cash Book Maintenance

Statement:	Bank: eu	Cur: EUR	Batch Ctrl: 0.000
Multi Entry: <input checked="" type="checkbox"/>	Chrg Amt: 0.00		Total: 1,370.000
Close Draft: <input type="checkbox"/>	Effective: 08/15/2002	Chrg Acct:	

Multi-Entry Draft Selection						
Sel	Draft	Draft Amount	Account	Date	Bill To	Name
▶ *	300008	70.00	1300	08/02/2002	xas4c-4	XAS4cust 4
▶ *	300017	125.00	1300	08/15/2002	3002000	CENTRE DE NOUVELLE
▶ *	300021	1,175.00	1300	08/27/2002	3002000	CENTRE DE NOUVELLE

Accounts Payable Type Lines

Processing a line of type P (Accounts Payable) is nearly the same as in standard MFG/PRO. There are two changes:

- The check number is 8 positions wide.
- Multi-entry has been enhanced to exclude any check numbers in the range that are not assigned to the specified bank, that are cancelled, or that are in a different currency.

General Ledger Type Lines

Processing a line of type G (General Ledger) is nearly the same as with standard MFG/PRO; the only differences are:

- A second description line can be entered when the Use Secondary GL Description field in European Accounting Control is set to Yes.
- Petty cash transactions can be entered, together with the associated tax entries.

An example of the second GL description line is shown in Figure 6.12. These descriptions display on certain reports.

The screenshot shows a software window titled "Cash Book Maintenance" for "Quality Products Company". The window contains several input fields for transaction details: GL Reference, Currency, Daybook, MEMO, Control, Entry Number, Type, Effective, Total, and Period. A "Correction" checkbox is also present. Below these fields, a yellow-highlighted box displays "Source GL Description: March Petty Cash". Navigation arrows are visible at the bottom right of the window.

Fig. 6.12
Cash Book
Maintenance, GL
Second Description

An additional frame lets you enter petty cash transactions for GL lines in the cash book, together with the associated tax entries, in much the same way as you can for standard transactions using Standard Transactions with GTM (25.13.5).

Fig. 6.13
Cash Book
Maintenance, GL
Line Petty Cash
Transactions

Line	T	Amount	Transaction Type	Reference
1	r	325.00		00100011
2	g	-100.00		

(S)standard Transactions or (T) Standard Transactions with GTM

Select from the following transaction types:

- S adds standard transactions.
- T adds transactions that include GTM tax entries.

The appropriate GL maintenance program is then run based on the selection you made.

Cash Statement of Account

This function has been modified to support additional information:

- Bank account numbers of 26 positions are supported.
- The ending balance is calculated.
- The detail lines are displayed including:
 - G-Lines: The related GL entries
 - P-Lines: The check details
 - R-Lines: The payment details

Cash Book ReOpen

Cash Book ReOpen (31.16) is a useful utility added by European Accounting that lets you re-open a closed cash book statement.

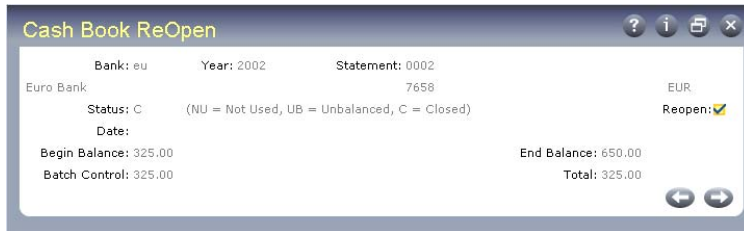


Fig. 6.14
Cash Book ReOpen
(31.16)

Enter the bank, year, and bank statement number. You are then prompted to re-open the cash book statement.

Bank Slip Numbers in AR and AP Reports

Using Cash Book Maintenance (31.13), AR payments can be entered and AR and AP payments and drafts can be reconciled. European Accounting enhances a number of AR and AP reports and inquiries to give improved visibility into the source of the transactions shown on those reports. This is done by showing the bank slip numbers of those transactions, as they were entered into Cash Book Maintenance.

The following functions have all been enhanced in this way:

- DR/CR Memo Inquiry (27.2)
- Customer Account Inquiry (27.13)
- Voucher Inquiry (28.2)
- Supplier Activity Inquiry (28.13)

For example, if a DR/CR memo was paid using a payment entered in Cash Book Maintenance, the appropriate bank slip number associated with that payment displays in DR/CR Memo Inquiry.

Fig. 6.15
 DR/CR Memo
 Inquiry (27.2),
 Bank Slip Number

DR/CR Memo Inquiry ? i [print] x

Reference: Bill To: Open Only:

Currency: L0qj customer Output: terminal

Reporting Currency: ← →

Reference: 110	Type: Memo	Sales Order:
Bank: eu	Payment Method: ac	Amount: 1,100.00
Date: 08/02/2002	Credit Terms: l0qj	Amount Open: 0.00
Effective: 08/02/2002	Entity: 1000	Currency: EUR
Exch Rate: 1.000	Account: 1200	Batch: 2180
Printed: <input type="checkbox"/>	Dun Level: 0	Sold-To: l0qj
Contested: <input type="checkbox"/>	Remark:	
Bill To: l0qj	L0qj customer	

Payments				
Date	Reference	Amount	Discount	Slip
08/02/2002	l0qj 00400000	1,050.00	50.00	00000001

Banks and Payment Methods

An important feature of European Accounting is that it lets you create AR and AP automatic payments in several European formats. European Accounting lets you select open vouchers or invoices and convert that selection into printed payments or payments on electronic media. The transfer into printed forms or electronic media is done with *bank format drivers*. Several bank format drivers are available.

The following topics are covered:

<i>Overview of Payment Methods</i>	148
<i>Setting Up Automatic Payments</i>	151
<i>Automatic AR Payments</i>	171
<i>Automatic AP Payments</i>	186
<i>Payment Selection Logic</i>	201
<i>Automatic Payments Examples</i>	204

Overview of Payment Methods

Payment methods in European Accounting accommodate the many different country-specific bank requirements for payment formats. Payments can be made by printing forms or by means of electronic data communication using diskettes.

European Accounting adds payment methods for both Accounts Receivable (AR) and Accounts Payable (AP). To support payment methods and automatic payments, European Accounting has changed and added fields to Bank Maintenance (26.13, 27.6.1, and 28.9.1).

Payment Methods

Both a bank and a payment method are required for automatic payments. Supported payment methods are associated with a bank, as well as additional data such as the bank format driver to use and the number range of the checks or AR payments that are created.

For AP, payment methods replace the standard MFG/PRO check form. The payment method specifies the way a customer is going to pay an invoice or the way you are going to pay a supplier. Default payment methods are associated with customers and suppliers and are used for new AR invoices and memos and AP vouchers.

Many payment methods require certain formats of bank accounts. Therefore, European Accounting has added bank account validation to the following functions:

- Customer Maintenance (2.1.1)
- Supplier Maintenance (2.3.1)
- Company Address Maintenance (2.1.2)
- Bank Maintenance (26.13, 27.6.1, 28.9.1)

To support the validation of bank account formats, you must predefine the formats in Bank Account Format Maintenance (36.2.16.1).

The payment method lets you specify the currencies of the vouchers or AR memos that can be selected. Multiple currencies can be specified, separated by commas. This is useful when dual currencies are supported during transition to the euro.

If the currency of the payment method is left blank, then all currencies are allowed. This, however, is possible only when the currency of the bank is base currency.

If the currency of the voucher or AR memo does not comply with the currency validation of the payment method, no planned payment is created.

Payment Selections

To make payments, you create payment selections. This can be done automatically, based on characteristics of the invoices or vouchers such as the due date, customer or supplier, or reference. It can also be done manually by adding AR memos or vouchers to the selection.

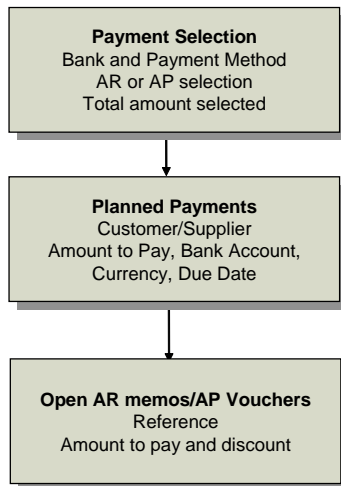
Two new payment menus are available:

- For AR payments (direct debit and drafts), use functions on the AR Automatic Payments Menu (27.6.4). ▶ See Table 7.3 on page 171.
- For AP payments, use functions on the AP Automatic Payments Menu (28.9.4). ▶ See Table 7.6 on page 186.

A payment selection is connected to a bank and payment method and contains a number of *planned* payments. Within a payment selection, you can also select open vouchers or AR memos that are marked to be paid with another bank or payment method. This way, you can choose to use a different payment method than the suggested one.

Payment selections are stored in separate database tables that have the structure shown in Figure 7.1.

Fig. 7.1
Structure of
Payment Selections



You can print a report of the planned payments and have that report approved. Finally, you can execute the payment selection and create actual payments or drafts. With the payment selection logic, you can create AR payments, AR approved drafts, AR proposed drafts, and AP checks.

The payments or drafts are immediately effective. You can choose to use a Payment in Process GL account. Each payment method connected to a bank can have a separate Payment in Process account. When the payment selection is executed, media are created also. Media can be a preprinted form or an electronic data file. A data file can be transferred to the bank to have the payment executed. A separate function is available to create duplicate media if the original media are lost; for example, because of printer failure. This separate function should be password protected.

The objective of the payment selection logic is to create media that can be processed by the bank. Therefore, a number of validations have been added by European Accounting to check:

- Format of customer/supplier bank account
- Payment methods
- Currency
- Payment or demand for payment does not exceed the relevant balance

Validation checks are added to ensure that you do not demand payment from a customer that exceeds the due balance, or pay a supplier a sum that exceeds the balance you owe. When all open vouchers are paid or all open AR memos are collected, the existence of credit notes could result in the actual balance of the customer or supplier becoming negative.

To prevent this, the selection process calculates the new balance and checks whether this balance becomes negative. In the case of credit notes, you can choose to reconcile them with debit notes. If you choose not to reconcile them, then an equal amount of debit notes is left open, up to a balance of zero.

Special options let you deactivate these validations.

▶ See “Payment Selection Logic” on page 201 for details on how European Accounting ensures you do not pay or demand more than the balance due.

Setting Up Automatic Payments

Executing automatic payments in AR and AP depends on the association of payment methods with banks. Figure 7.2 illustrates the general steps required before you can begin using automatic payments.

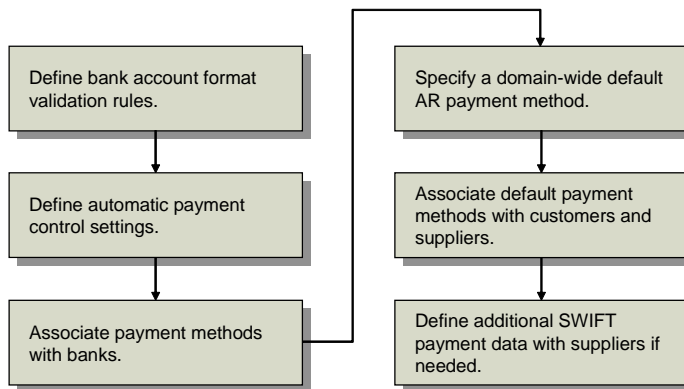


Fig. 7.2
Automatic Payment Setup Work Flow

To set up the data required for automatic payments, you must:

- 1 Define bank account validation rules in Bank Account Format Maintenance (36.2.16.1).
- 2 Define settings in Automatic Payment Control (28.9.4.24) that determine where payment files are placed and which bank format driver programs are installed on your system. Associate validations with each bank driver.
- 3 Define payment methods for each bank in Bank Maintenance indicating the bank format driver, PIP account, and other associated data.
- 4 Specify database-wide (domain-wide in MFG/PRO eB2.1) default AR payment methods in European Accounting Control.
- 5 Associate default payment methods with customers and suppliers in Customer Maintenance (2.1.1) and Supplier Maintenance (2.3.1).
- 6 If you are using bank drivers that use the SWIFT protocol, define additional SWIFT-related data for suppliers.

Bank Format Drivers

Each automatic method of payment must use a bank format driver. A number of commonly used bank format drivers are available; these are listed in Table 7.1. In addition, generic drivers are supplied that let you generate a paper report that can be used to make manual payments. Default information is loaded during system installation; however, the actual payment method codes are user defined and not shown in the table.

Table 7.1
Bank Format
Drivers

File Name	Module	Country	Description	Name
euqapca1.p	AP	South Africa	AP inland payments	CATS
euqappm1.p	AP	Austria	AP inland payments	PAYMUL
euqbpb3.p	AP	Belgium	Inland Payments	Isabelle
euqbpsw3.p	AP	Belgium	Foreign (SWIFT) Payments version 3	Format128

Table 7.1 — *Bank Format Drivers* — (Page 1 of 3)

File Name	Module	Country	Description	Name
euqdpde1.p	AP	Germany	Foreign (SWIFT) Payment, format Deutsche Bank	DTAZV
euqdpdi1.p	AP	Germany	Inland Payments, format Deutsche Bank (support of Euro)	DTAUS
euqdrdi1.p	AR Direct Debit	Germany	Direct Debit, Lastschriftverfahren, format Deutsche Bank (Euro supported)	DTAUS
euqed321.p	AR Drafts	Spain	Drafts to file	C32
euqed581.p	AR Drafts	Spain	Drafts to file, Euro supported	C58
euqedpa1.p	AR Drafts	Spain	Paper Drafts, version 1	
euqedpa2.p	AR Drafts	Spain	Paper Drafts, version 2	
euqep341.p	AP	Spain	AP inland payments	C34
euqeppc1.p	AP	Spain	AP Paper Checks, version 1	
euqeppc2.p	AP	Spain	AP Paper Checks, version 2	
euqfdet3.p	AR Drafts	France	AR Drafts to file ETEBAC3	ETEBAC3
euqfdff1.p	AR Drafts	France	AR Drafts on file. Now obsolete with the introduction of the ETEBAC3 Draft driver	
euqfpbor.p	AP	France	AP inland drafts	BOR
euqfpet3.p	AP	France	Inland payments ETEBAC3	ETEBAC3
euqfppf1.p	AP	France	Foreign payments ETECOM.WIN 1.70	ETECOM
euqfpfp1.p	AP	France	Checks preprinted Form	
euqfret3.p	AR Direct Debit	France	AR Direct Debit ETEBAC3	ETEBAC3
euqidif1.p	AR Drafts	Italy	RIBA drafts	RIBA
euqipse1.p	AP	Italy	Inland payments: Setif format	SETIF
euqlpab1.p	AP	Luxembourg	Foreign payments ABBL/BGL Multi-line	ABBL
euqnpab2.p	AP	Netherlands	Foreign payments, format ABN-AMRO BTL 91	BTL91
euqnpcl3.p	AP	Netherlands	Inland payments BankGiroCentrale Clieop 03 (support of Euro)	ClieOp03

Table 7.1 — Bank Format Drivers — (Page 2 of 3)

File Name	Module	Country	Description	Name
euqnpin2.p	AP	Netherlands	Foreign payments ING bank	ING2
euqnpra1.p	AP	Netherlands	Foreign payments Rabo bank	SWIFT-MT100
euqnrc13.p	AR Direct Debit	Netherlands	Direct Debit format BankGiroCentrale Clieop 03 (support of Euro)	ClieOp03
euqpap1.p	AP	United Kingdom	Printed check format APACS	APACS
euqpb1.p	AP	United Kingdom	BACS bank format driver	BACS
euqpcf1.p	AP	USA	AP Check form 1	
euqpcf2.p	AP	USA	AP Check forms 2 and 3	
euqpcf5.p	AP	USA	AP check forms 5,6, and 7	
euqzpb1.p	AP	Sweden	Foreign payments: Bankgirot	
euqzpb1.p	AP	Sweden	Inland payments: Bankgirot	
euqzph1.p	AP	Sweden	AP foreign payments, Handelsbanken via Bankgirot	
euqzpn1.p	AP	Sweden	Foreign payments: Nordbanken	
euqzpt1.p	AP	Sweden	Foreign payments Handelsbanken	
euqdx1.p	AR Drafts	All	Generic bank format driver that creates a simple paper report for AR drafts; use to make manual payments from the paper report	
euqpx1.p	AP	All	Generic bank format driver that creates a simple paper report for AP	
euqrx1.p	AR Direct Debit	All	Generic bank format driver that creates a simple paper report for AR direct debits	

Table 7.1 — *Bank Format Drivers* — (Page 3 of 3)

Creating Custom Bank Format Drivers

If necessary, you can create your own bank format drivers. To do this, follow these basic steps.

- 1 Create a copy of an existing driver that has a similar function: AP payment, AR debit, or AR drafts. Use this as a framework for your new program so that it has the correct structure and heading information.
- 2 Add the new custom code to manage your specific requirements.
- 3 Compile and test the driver.
- 4 Use Bank Driver Addition Utility (36.2.16.25) to create a `bdp_det` record for the driver, so that European Accounting recognizes it as a valid driver. This utility also creates a label master term for the bank driver description.
- 5 Set the Installed field to Yes for the driver in Automatic Payment Control (28.9.4.24).

Defining Bank Account Format Validations

Bank accounts in Europe can vary from country to country. For example, Italian bank accounts are divided into three parts:

- The code representing the bank, known as *ABI*
- The code representing the subsidiary of the bank, known as *CAB*
- The account number at the subsidiary of the bank

In Germany two separate bank accounts are requested, a number representing the bank (*Bankleitzahl*) and the actual account number at the bank (*Kontonummer*).

Belgium and the Netherlands each have their own bank account standards, as do France and Spain.

Therefore, there is no standardization or uniformity from country to country within Europe.

European Accounting addresses these country-specific requirements by letting you define the various different rules for validating each country's bank accounts. Once set up, these validations are used to ensure that any bank account details you enter adhere to the correct format.

Define these validations in Bank Account Format Maintenance (36.2.16.1). You define specific segments of a bank account number that are linked to predefined bank account format validation codes.

Note A number of validations are loaded with the system; you can define additional ones or modify these as needed.

Define the length of each segment, its label (in the user language), whether the segment of the account code is mandatory, and whether it should be prefixed by leading zeros.

When you create new formats, records for the format and segment description fields are automatically created in Language Detail Maintenance (36.4.3). You can modify these records to create additional records for each of your supported languages.

The formatting specified here is enforced when the bank account validation code is associated with a customer, supplier, or company bank account.

Fig. 7.3
Bank Account
Format
Maintenance
(36.2.16.1)

The screenshot shows a window titled "Bank Account Format Maintenance" with a subtitle "Validation: FR French Bank Accounts". It contains two tables. The first table lists four validation segments for French bank accounts, and the second table shows a single segment for the USA.

Seq	Label	Length	Mandatory	Leading Zeros
1	Bank Code (Banque)	5	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
2	Branch Code (Agence)	5	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
3	Bank Account (Compte)	11	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4	Check Digits (Clef RIB)	2	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Seq	Label	Length	Mandatory	Leading Zeros
USA		1	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Validation. Enter the bank account format validation code (2 characters maximum) that you want to create or update.

Label. Enter the description for the bank account format validation code in the user's language. A language detail record is automatically created for this label.

Seq. Enter the sequence number of the individual bank account segment for this bank account format validation. The sequence number determines the order in which the system prompts the user for the various segments of a bank account number.

Label. Enter the description of the segment of the bank account. A language detail record is automatically created for this label.

Length. Enter the required length of this segment of the bank account number. This determines the number of characters that users must enter.

Mandatory. Indicate whether this segment is a mandatory component of the bank account number.

No: The bank account segment is optional.

Yes: This bank account segment data is required.

Leading Zeros. Specify whether leading zeros are used to pad this segment of the account code to its full length, as defined in the length field.

Bank Account Validation Report

Use Bank Account Format Report (36.2.16.2) to list all the bank account validations that have been defined.



Fig. 7.4
Bank Account
Format Report
(36.2.16.2)

Sample output from this report is shown Figure 7.5.

Fig. 7.5
Sample Output,
Bank Account
Format Report
(36.2.16.2)

Seq Label	Length	Mandatory	Leading Zeros
Validation: 11 Dutch 11 Check			
1 Bank Account	10	yes	yes
Validation: 12 Belgian 12 Check			
1 Bank Account	12	yes	yes
Validation: AT Austrian Bank format			
1 Bank Code (Leitzahl)	5	yes	yes
2 Bank Account (Konto)	11	yes	yes
Validation: DE German Bank Format			
1 Bank Code (Leitzahl)	8	yes	yes
2 Bank Account (Konto)	10	yes	yes
Validation: ES Spanish 11 check			
1 Bank Code (Entidad)	5	yes	yes
2 Branch Code (Oficina)	4	yes	yes
3 Check Digits (Control)	2	yes	yes
4 Bank Account (Cuenta)	10	yes	yes

Defining Automatic Payment Control Settings

To be able to execute payment selections, define settings in Automatic Payment Control (28.9.4.24). Three directory names need to be specified:

- AR payment file directory
- AR drafts file directory
- AP payment file directory

These directory names determine where the system puts payment files created by AR or AP payment selections. The company address is used as the address of the supplying party on printed or electronic payment media.

▶ See Table 7.1 on page 152.

Next you must activate the bank format drivers that you intend to use. Only predefined bank format drivers can be associated with the payment methods defined for any particular bank. You can also define the bank account validations for each bank format driver and the permitted currencies.

If the bank format you select supports SWIFT (the Society for Worldwide Interbank Financial Telecommunication) or other formats such as external payment formats in the Netherlands (ABN-AMRO BTL 91), Belgium, and Germany, additional fields display. The data needed for

external payments is often required by national banks or statistical offices. The selection screen for ABN-AMRO SWIFT is only shown when payment methods are defined in your system using the ABN-AMRO SWIFT bank format driver.

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

Fig. 7.6
Automatic Payment
Control (28.9.4.24)

AR Payment File Directory. Specify the name of the directory where the system should put the AR payment files created by AR Payment Automatic Checks/Drafts (27.6.4.6). This directory name should end with a slash or backslash.

AR Drafts File Directory. Specify the directory name where the system should put the AR draft payment files created by AR Payment Automatic Checks/Drafts (27.6.4.6). This directory name should end with a slash or backslash.

AP Payment File Directory. Specify the directory name where the system should put the AP payment files created by Payment–Automatic Checks (28.9.4.6). This directory name should end with a slash or backslash.

Address. Specify the code for your company address for the file header of SWIFT or for use on payment media and electronic media.

The next screen lets you indicate which bank drivers you want to use in your implementation.

Fig. 7.7
Automatic Payment
Control, Bank
Drivers

Driver	Description	F	A	S	Currency	Validations	M	Dr	Inst
euqapca1.p	CATS (SA domestic AP	1	1	0	ZAR		AP	0	<input checked="" type="checkbox"/>
euqappm1.p	Austrian 'PAYMUL' Pa	1	1	0			AP	0	<input checked="" type="checkbox"/>
euqbpb3.p	Isabelle (BE domesti	1	1	0	EUR	12	AP	0	<input checked="" type="checkbox"/>
euqbpb3.p	Format 128 (BE forei	1	1	1			AP	0	<input checked="" type="checkbox"/>
euqdpde1.p	DTAZV (DE foreign AP	1	1	1			AP	0	<input checked="" type="checkbox"/>
euqdpdi1.p	DTAUS (DE domestic A	1	1	0	EUR	DE	AP	0	<input checked="" type="checkbox"/>
euqdrdi1.p	DTAUS (DE Direct Deb	1	1	0	EUR	DE	AR	0	<input checked="" type="checkbox"/>
euqed321.p	C32 (ES Drafts)	1	1	0	EUR	ES	AR	1	<input checked="" type="checkbox"/>
euqed581.p	C58 (ES Drafts)	1	1	0	EUR	ES	AR	1	<input checked="" type="checkbox"/>
euqedpa1.p	Spanish Drafts(1)	0	1	0	ESP		AR	1	<input checked="" type="checkbox"/>
euqedpa2.p	Spanish Drafts(2)	0	1	0	ESP	ES	AR	1	<input checked="" type="checkbox"/>

The system displays header information associated with the bank driver program indicating its various properties. In Figure 7.7, some columns are only 1 character. In these fields, 1 indicates true; 0 indicates false.

The display fields are listed in Table 7.2.

Table 7.2
Bank Driver
Properties

Term	Property	Description
F	File	Indicates if this driver creates output to a file
A	Account	Indicates if this driver requires the existence of a bank account
S	SWIFT	Indicates if this driver uses the SWIFT protocol
M	Module	Indicates the module associated with this driver, either AP or AR
DR	Draft	Indicates if this driver is used with drafts

The following fields can be updated.

See Table 7.1 on page 152.

Driver. Select the name of the bank driver program to be referenced in bank formats.

Currency. Enter the comma-separated list of valid currencies supported by this bank driver program. Leave blank if any currency is supported by the driver.

This list defaults to Bank Maintenance when this driver is associated with a payment method.

Only transactions with currencies associated with the payment method can be selected for payment.

Validations. Enter the comma-separated list of bank account format validations supported by this bank driver.

Customers or suppliers with bank accounts that do not comply with the bank account format validations specified here cannot have their invoices selected for payment by any payment method that uses this bank driver.

A number of validations are provided:

11	11 check
12	12 check
AT	Austrian bank account validation
DE	German bank account validation
ES	Spanish bank account validation
FR	French bank account validation
IT	Italian bank account validation

Define additional bank account format validations in Bank Account Format Maintenance.

▶ See “Defining Bank Account Format Validations” on page 155.

Installed. Indicate whether this bank driver program is installed and available for use with payment methods defined in Bank Maintenance.

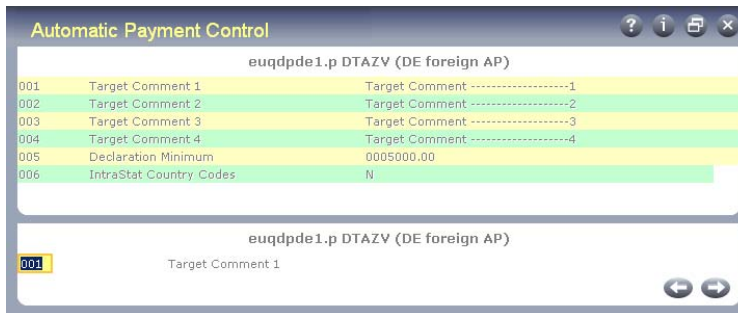
No: Prevent the use of this bank driver program.

Yes: Let this bank driver program be attached to new payment methods in Bank Maintenance.

Only drivers with Installed set to Yes display in the lookup on the Driver field in Bank Maintenance.

If the bank format supports SWIFT payments, additional prompts display.

Fig. 7.8
Automatic Payment
Control, Swift Data



Target Message. Specify the default value for the Target Message field that displays when making a SWIFT payment file.

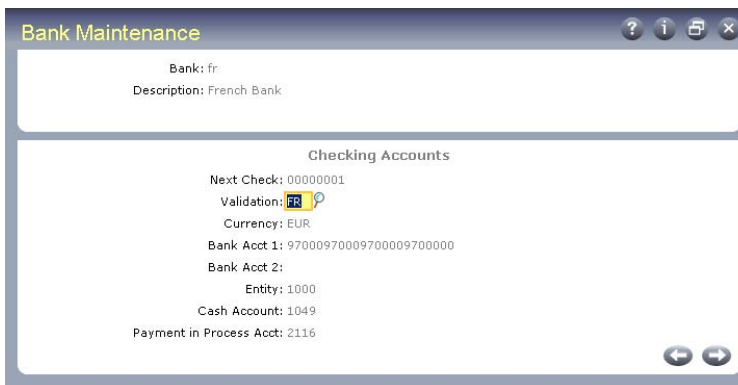
Financial Institution Message. Specify the default value for the Financial Institution Message field that displays when making a SWIFT payment file.

Defining Payment Methods

You use standard MFG/PRO Bank Maintenance (26.13) to define banks and associated GL accounts, currency, entity, and the next check number. Figure 7.9 illustrates standard Bank Maintenance.

Note Bank Maintenance is also located on menus 27.6.1 and 28.9.1. Only 26.13 is described here.

Fig. 7.9
Standard Bank
Maintenance
(26.13)



European Accounting adds new fields and frames to this function to support the definition of payment methods. The European Accounting version of the second Bank Maintenance screen is shown in Figure 7.10. A new bank account validation field has been added to this frame.

Important For European Accounting, the bank code must have two positions.

Bank Account 1		
001	Bank Code (Banque)	97000
002	Branch Code (Agence)	97000
003	Bank Account (Compte)	97000097000

Fig. 7.10
European
Accounting Bank
Maintenance
(26.13)

Validation. Specify the code representing the validation rule for this account. Bank account validations are defined in Bank Account Format Maintenance (36.2.16.1).

When you press Go, a new screen lists the bank's available payment methods.

▶ See “Defining Bank Account Format Validations” on page 155.

Fig. 7.11
Bank Maintenance,
Payment Methods

The screenshot shows a window titled "Bank Maintenance" with a search bar containing "Bank: fr" and "Description: French Bank". Below this is a table with the following data:

Pa	M	Mnl P	From	To	Next	Program	Description	
FA	AR	<input type="checkbox"/>	1	00000001	10000000	00000013	euqfdet3.p	ETEBAC 3 Drafts (FR)
FB	AP	<input checked="" type="checkbox"/>	1	10000001	20000000	10000001	euqfpet3.p	French inland payment
FC	AP	<input checked="" type="checkbox"/>	1	20000001	30000000	20000002	euqffp1.p	French AP Checks
FD	AR	<input type="checkbox"/>	1	30000001	40000000	30000001	euqfret3.p	French Direct Debet
mc	ar	<input checked="" type="checkbox"/>	1	50000001	60000000	50000012		Manual Check
MD	AR	<input checked="" type="checkbox"/>	1	40000001	50000000	40000006		Manual Draft

Below the table is a form with the same headers: Pa, M, Mnl P, From, To, Next, Program, Description. The "Mnl P" checkbox is currently unchecked.

A payment method identifies a bank format driver that transforms the payments into paper output or files. The payment method also determines the numbering of the related payments based on assigned numbering ranges. These ranges cannot overlap with other ranges in the same module (AP or AR). Separate Payment in Process accounts can be defined. Special validations can be added regarding the bank accounts used with this driver.

▶ See “Manual Payment Settings” on page 167.

Note If you do not plan to use automatic payments, you must still set up payment methods for your manual payments.

Payment Method. Enter an alphanumeric code (maximum 2 characters) that identifies the method of payment for this bank.

Module. Enter the module for this method of payment, either AR (Accounts Receivable) or AP (Accounts Payable).

Manual. Indicate whether to use this payment method for manual payments. Drivers can always be used for automatic payments.

No: This payment method is for automatic payments only.

Yes: This payment method can be used for AR and AP manual payment functions, as well as payments in Cash Book Maintenance (31.13).

Payment Grouping. Enter 1, 2, or 3 to determine how payments are to be grouped.

1: Not by due date; only one total payment is created per bill-to.

2: Sort by bill-to and due date; one payment is created by due date.

3: Make individual payments for each separate document.

From. Specify the first check or AR reference number to be used when creating AP checks or AR payments. Numbering ranges cannot overlap with other ranges in the same module (AP or AR).

To. Specify the last check or AR reference number to be used when creating AP checks or AR payments.

Next. This field displays the next number to be used when a new AR reference or AP check number is generated using this payment method. This number is automatically incremented by the system. When a new payment method is added, this number is initially set to the From number.

Program. Specify the program name of the bank format driver. Leave this field blank to indicate a manual payment method.

▶ See Table 7.1 on page 152 for a list of valid programs.

Press Go to display information about the specified bank driver. This lets you ensure that the driver is available on your system and that it is the correct version. This screen displays information similar to that found in Automatic Payment Control.

The screenshot shows a window titled "Bank Maintenance" with a blue header. Below the header, it displays "Bank: fr" and "Description: French Bank". A section titled "Bank Driver Information" contains the following details:

- Program: euqfpet3.p
- Date: 09/01/2002
- Format: French inland payments (ETEBAC3)
- Country:
- Output Type: File
- Version: 3
- Remarks:
- L_CONTINUE:

At the bottom of the window, there is a table with the following data:

FB	AP	<input checked="" type="checkbox"/>	1	10000001	20000000	10000001	euqfpet3.p	French inland paymen
----	----	-------------------------------------	---	----------	----------	----------	------------	----------------------

Fig. 7.12
Bank Maintenance,
Bank Driver
Information

A final frame displays for input of data associated with the bank account validations for this payment method. Many of the fields in this screen display values associated with the bank driver and cannot be updated.

Fig. 7.13
Bank Maintenance,
Payment Method
Validations

The screenshot shows the 'Bank Maintenance' window for a bank with format 'fr' and description 'French Bank'. It contains a table of payment method validations and several configuration options.

Pa	M	Mnl	P	From	To	Next	Program	Description
FA	AR	<input type="checkbox"/>	1	00000001	10000000	00000013	euqfdet3.p	ETEBAC 3 Drafts (FR)
FB	AP	<input checked="" type="checkbox"/>	1	10000001	20000000	10000001	euqfpet3.p	French inland paymen
FC	AP	<input checked="" type="checkbox"/>	1	20000001	30000000	20000002	euqfpp1.p	French AP Checks
FD	AR	<input type="checkbox"/>	1	30000001	40000000	30000001	euqfret3.p	French Direct Debet
mc	ar	<input checked="" type="checkbox"/>	1	50000001	60000000	50000012		Manual Check
MD	AR	<input checked="" type="checkbox"/>	1	40000001	50000000	40000006		Manual Draft

Configuration options below the table:

- Currency List: EUR
- Bank Account Mandatory:
- Accepted Bank Account Validations: FR
- Reconcile Credit Notes:
- PIP Account: [Three empty input fields]
- Draft:
- Allow Payment > Balance:
- SWIFT Protocol:
- Output to file:

Currency List. For banks in the base currency, enter a comma-delimited list of currencies that can be used with this bank format driver. Leave blank for multiple currencies.

Foreign currency banks only allow payments in the currency of that bank.

Bank Account Mandatory. This display-only field is determined by the bank format driver selected.

Accepted Bank Account Validations. This display-only field is determined by the bank format driver program that has been selected.

Reconcile Credit Notes. Indicate whether credit notes should be automatically reconciled by payment selection functions.

No: Credit notes are not reconciled.

Yes: Credit notes are reconciled, regardless of their effective date.

If Allow Payment > Balance is Yes, then the balance of the customer/supplier is paid up to the balance of the credit notes.

PIP Account. Specify the GL account, sub-account, and cost center codes used to create GL postings for payments or checks associated with this payment method.

Draft. This display-only field is determined by the bank format driver program that has been selected and indicates if this payment method can be used for drafts.

Allow Payment > Balance. Specify if the payment selection functions should allow payments that are beyond the balance of the customer or supplier. Entering Yes could cause the customer or supplier balance to be negative when credit notes are available and all debit notes are paid.

SWIFT Protocol. This display-only field is determined by the bank format driver that has been selected. If Yes, this bank format driver uses the SWIFT protocol. In that case, an additional pop-up displays when the payment driver is executed where you can review or change the additional SWIFT data.

Output to File. This display-only field is determined by the bank format driver selected.

Manual Payment Settings

If you want to have payment methods for manual payments that cannot be used in the automatic payment programs, you can set them up with a blank program name like the following examples.

Note Any payment method with Manual set to Yes can be used for manual payments, even when a bank driver program is specified.

Manual AR Payments

Module: AR	Grouping: 1
Manual: Yes	Program: Blank
Draft: No	File: No

Manual AP Payments, Checks

Module: AP	Grouping: 1
Manual: Yes	Program: Blank
Draft: No	File: No

Manual AR Payments, Drafts

Module: AR	Grouping: 1
Manual: Yes	Program: Blank
Draft: Yes	File: No

Enter the accounts, sub-accounts, and cost centers associated with the bank. Enter any value you choose for numbering ranges.

Associating Payment Methods with Customers and Suppliers

Associate payment methods with customers and suppliers.

▶ See “AR Default Method of Payment” on page 15.

Two default AR payment methods are specified in European Accounting Control. One is for manual drafts. The other—AR Default Method of Payment—sets the default for new customer records created in the system.

Customer Maintenance

▶ See “Customers” on page 22 for details.

Enter the default method of payment for a customer using Customer Maintenance (2.1.1). The customer bank and payment method are used by default on new invoices and AR memos for this customer created in:

- Invoice Post (7.13.4)
- CR/DR Memo Maintenance (27.1)

You can modify them in AR functions as needed.

In addition to a default payment method, bank validation has been added in Customer Maintenance.

Supplier Maintenance

▶ See “Suppliers” on page 25.

Enter the default method of payment for a supplier using Supplier Maintenance (2.3.1). This payment method is used by default on new AP vouchers for this customer. You can modify it in AP functions as needed.

Bank validation has also been added to Supplier Maintenance in the same way as Customer Maintenance.

Defining Additional Supplier SWIFT Data

To made automatic payments using SWIFT, you must enter additional information for the supplier using Supplier Maintenance.

The screenshot shows a software window titled "Supplier Maintenance" with a sub-header "Supplier Address". The form contains the following fields:

- Supplier: CENTRE DE NOUVELLE
- Bank Account: 97000970009700970097000
- Country: FRANCE

Below this is a section titled "SWIFT Info" with the following fields:

- Execution: 00
- Charge Allocation: 00
- Order Code: 01
- Description: (empty text box)

At the bottom is a section titled "SWIFT Code" with the following fields:

- Name:
- Address:
- City:
- Country Code:

Fig. 7.14
Supplier
Maintenance
(2.3.1), SWIFT
Data

Execution. Specify the standardized SWIFT payment code.

Charge Allocation. Enter a code that determines who is charged the costs associated with the SWIFT transaction.

Order Code. A currency translation code. Typically, an additional code needed for currency flows across borders.

Description. An optional field that is used for reference purposes.

In the second frame, you must enter a financial institution address. If the appropriate details of this address are not completed here, you are presented with the same frame and prompted to enter this information the first time you enter a voucher using Voucher Maintenance for this particular supplier using this payment method.

Fig. 7.15
Supplier
Maintenance,
Financial
Institution Address

The screenshot shows a window titled "Supplier Maintenance" with a tab labeled "Supplier Address". The window is divided into three sections:

- Supplier Address:** Supplier: CENTRE DE NOUVELLE FRANCE; Bank Account: 970009700097009700097000
- SWIFT Info:** Execution: 00 Normal payment; Charge Allocation: 00 Normal; Order Code: 01 Pay to the beneficiary only; Description:
- Financial Institution Address:** SWIFT Code: BANK-FR; Name: Banque de France; Address: 1 Quai des Oeuvres; City: Paris; Country Code: FR

SWIFT Code. The SWIFT code for your supplier.

Name. The name of the bank to which SWIFT payments are to be made.

Address. First and second lines of the bank's address.

City. The city where the bank to which SWIFT payments are to be made is located.

Country Code. The code for the country where the bank receiving SWIFT payments is located.

You will also be prompted to enter additional information when using Payment–Automatic Checks (28.9.4.6) if any of the payments you make using this function are made using SWIFT.

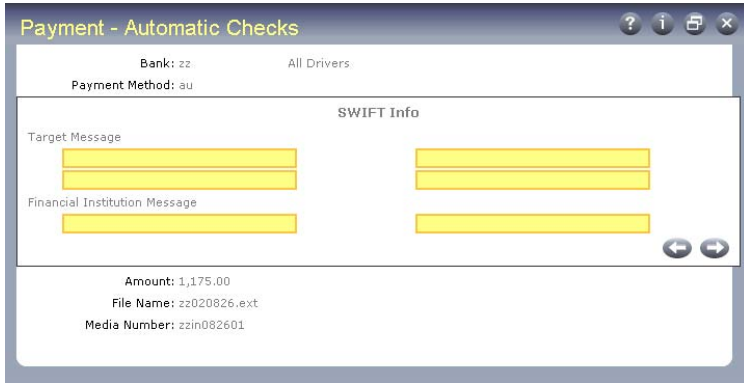


Fig. 7.16
Payment–
Automatic Checks
(28.9.4.6), SWIFT
Data

Target Message. Specify the target message to be used when making a SWIFT payment. It defaults from data associated with the bank driver program in Automatic Payment Control.

Financial Institution Message. Specify the financial institution message used when making a SWIFT payment. It defaults from data associated with the bank driver program in Automatic Payment Control.

Automatic AR Payments

The programs for generating payment selections for Accounts Receivable are located on the AR Automatic Payment Menu (27.6.4).

Menu Number	Menu Description	Program
27.6.4.1	AR Payment Selection–Automatic	euparau.p
27.6.4.2	AR Payment Selection–Manual	euparma.p
27.6.4.3	AR Payment Selection Mass Update	euparup.p
27.6.4.4	AR Payment Selection Register	euparrp.p
27.6.4.6	AR Payment Autom Checks/Drafts	euparac.p
27.6.4.8	AR Payment Selection Inquiry	eupariq.p
27.6.4.9	Creation of Duplicate Media	euprcopy.p
27.6.4.23	Payment Selection Delete/Archive	euparde.p

Table 7.3
AR Automatic
Payment Menu
(27.6.4)

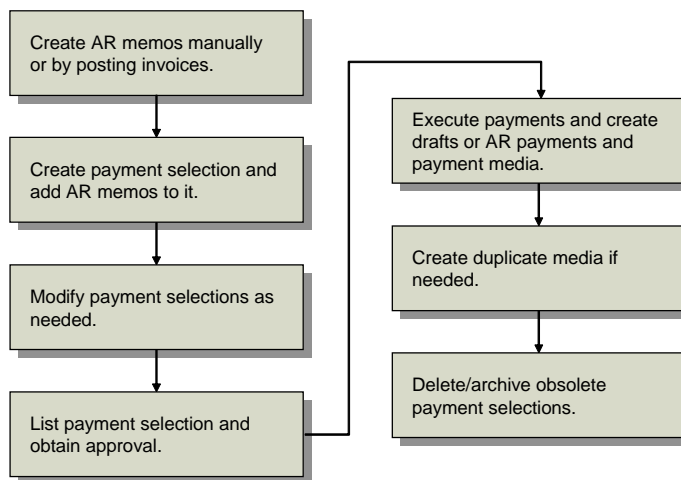
You can create checks and drafts automatically and you can also perform *direct debits*, where you send an order to the bank to transfer an amount of money from your customer's bank account directly to your bank account.

Important A legal arrangement must exist between you and your customer first.

Flow of Automatic AR Payments

Figure 7.17 shows the flow of automatic AR payments.

Fig. 7.17
Flow of Automatic
AR Payments



▶ See “Customer Maintenance” on page 168.

The bank and payment method associated with a customer are automatically assigned when AR memos are created in the following functions:

- Invoice Post (7.13.4)
- DR/CR Memo Maintenance (27.1)

The bank or payment method can be changed on the created AR invoice or memo.

When AR payments or AR drafts are created, the payment method is also specified. Based on the payment method, the payment or draft reference number is then created.

Table 7.4 shows how the bank and payment method are derived for manual AR payments.

Document/Data	Default Bank	Default Payment Method
Customer Maint (2.1.1)	European Accounting Control (25.23)	European Accounting Control (25.23)
AR Memo/Invoice (27.1)	Customer Maint (2.1.1)	Customer Maint (2.1.1)
AR Payment Manual Check (27.6.5.1)	Customer Maint (2.1.1)	European Accounting Control (25.23)
Proposed Draft Maintenance (27.6.6.1)	Customer Maint (2.1.1)	European Accounting Control (25.23)
Approved Draft Maintenance (27.6.6.8)	Customer Maint (2.1.1)	European Accounting Control (25.23)

Table 7.4
Default Bank and Payment Methods for AR Manual Payments

Marking Debit/Credit Memos

Debit/Credit memos can be marked for payment using a payment method. When an invoice is posted, the default bank and method of payment for the customer are copied to the DR/CR memo. You can modify the bank and method of payment using DR/CR Memo Maintenance (27.1).

Fig. 7.18
Debit/Credit Memo Maintenance (27.1), Bank and Payment Method

The bank and payment method are used as defaults when the payment selection is created. You can, however, decide to use a different bank and payment selection for the final payment.

Creating Payment Selections

Payment selections can be created automatically or manually. These two methods are described in the following sections.

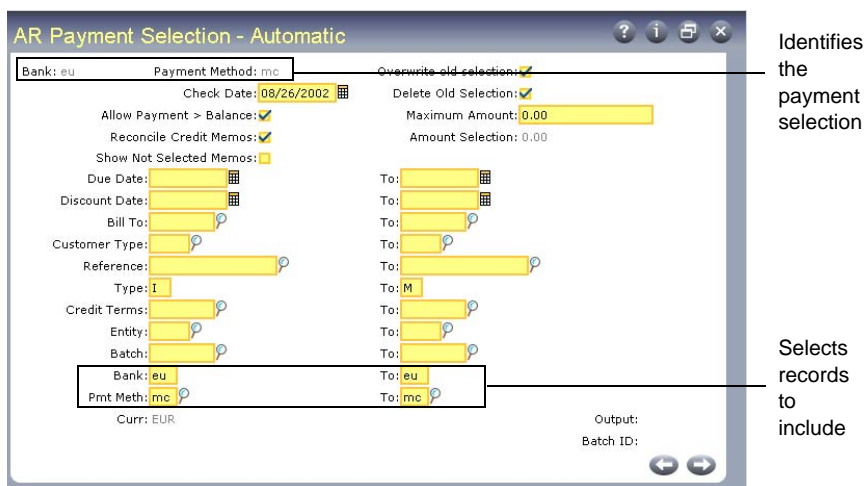
Additional details about how the various options effect the creation of payments are discussed in:

- “Payment Selection Logic” on page 201
- “Automatic Payments Examples” on page 204

Automatic Selection

Use AR Payment Selection–Automatic (27.6.4.1) to create AR payment selections automatically.

Fig. 7.19
AR Payment Selection–Automatic (27.6.4.1)



Note The payment selection is defined by the bank and payment method at the top of the screen. You can also specify a bank and payment method for selecting documents to include in the payment.

The remainder of the screen lets you specify various options and the selection criteria for choosing the DR/CR memos to include in this payment selection. Memos can be selected by due date, discount date, bill-to address, customer type, reference, type (I or M), credit terms, entity, batch number, bank, and payment method.

You can select documents by two dates. Due date indicate when the receivable should be paid. Discount date indicates the last date when the customer can receive a discount for early payment.

When you enter a discount date range, the system selects open receivable only when the discount date falls within the range and the customer qualifies for a discount. The receivables must meet the following specific conditions:

- The document's discount date is within the range you specify.
- The discount percentage associated with the credit terms is not zero.
- The check date is not later than the document's discount date.

If you enter both a discount date range and a due date range, the system selects receivables that meet either condition.

Overwrite Old Selection. Indicate whether to overwrite the old selection.

No: Keep any existing planned payments.

Yes: Overwrite the old selection. Any available planned payments that are within the current selection are replaced; newly selected payments are added.

This field operates in conjunction with Delete Old Selection.

Delete Old Selection. Enter Yes to delete all planned payments already available; otherwise, enter No to retain them.

Check Date. The check date for the planned payments. This date is used to determine the discount amount.

Maximum Amount. A maximum amount to select for payment by this payment selection. When you leave this amount empty, no maximum amount is taken.

Allow Payment > Balance. Indicate whether to permit payments that exceed the current balance.

No: Prohibit payments that exceed the current balance.

Yes: Allow payments exceeding the current balance.

This could be the case when the Reconcile Credit Memos field is No.

▶ See "Effect of Overwrite and Delete" on page 177.

Reconcile Credit Memos. Indicate if you want to reconcile open credit amounts with selected debit amounts. If you choose to not reconcile and the Allow Payment > Balance field is Yes, planned payments are created up to the customer balance. Amounts collected cannot exceed the customer balance.

Note When the payment group associated with the payment method is By Document (type 3), this option is not updatable.

Show Not Selected Memos. Indicate whether to include open memos not selected for payment in the report generated by this function.

No: Exclude open memos not selected for payment.

Yes: Include these memos.

By default, this field is No; if you set it to Yes, the reason that memos were not selected displays on the report.

Amount Selection. The system displays the amount already selected in the payment selection in base currency, if any.

Curr. If the currency selection in the payment method is blank, indicating multi-currency, you can enter a comma-separated list of currencies for selecting documents. Otherwise, this field displays the currency associated with the bank format driver and cannot be updated.

When the automatic selection is activated, planned payments are created for the selected DR/CR memos and a report is generated. When open DR/CR memos that comply with the selection rules are not selected, the reason for this is printed on the report.

When the selection is executed, all memos that conform to the selection criteria are processed. For each memo, the system checks if the:

- Memo is already part of a different payment selection that is not yet processed. A memo can only be part of one unprocessed payment selection at the time.
- Memo is negative (credit memo). If this is the case and Reconcile Credit Memos is No, this memo is skipped.
- Payment method (bank account validation) complies with the bank accounts used.

- Entity of the memo is the same as the entity of the bank account. If this is not the case, then the memo cannot be selected.
- Total amount selected to pay does not exceed the customer balance, unless the option to allow payment greater than balance is Yes.

Payment Grouping

The way the actual payments or drafts for the selected memos are created depends on the payment group setting of the payment method. This setting has three options:

▶ See “Payment Grouping” on page 164.

- 1 Not by due date; only one total payment per bill-to is created for all selected open memos in this payment selection
- 2 Selected open memos are sorted by bill-to and due date; one payment is created by due date of the selected memos.
- 3 Payment is made for each individual open memo. This also means that for selected credit memos a negative payment (check) is created.

Important Option 3 might cause problems with electronic payment media, which normally cannot handle negative amounts.

The system next determines if the current memo is already part of this payment selection. When it is not, a new planned payment is created. If it is included, the Overwrite Old Selection field determines if the payment is skipped or overwritten.

With the automatic payment selection, the system marks DR/CR memos based on the selection rules you supply.

Effect of Overwrite and Delete

The settings of Overwrite Old Selection and Delete Old Selection interact when regenerating payment selections. To illustrate the possible combinations and their different effects, consider the following example.

Two invoices are currently selected for payment, based on their bank and payment method:

- Invoice 1 (IN1) is selected for bank AA and payment method P1.
- Invoice 2 (IN2) is selected for bank AA and payment method P2.

Table 7.5 list the outcomes if you regenerate the selection for bank AA and payment method P1 using various combinations of overwrite and delete and the following selection criteria:

From Bank: AA

To Bank: AA

From Payment Method: P1

To Payment Method: P2

Table 7.5
Effect of Overwrite and Delete on Payment Selection

Overwrite	Delete	Selected AA/P1	Selected AA/P2	Comment
No	No	IN1	IN2	No change. If IN2 matches selection criteria, a warning displays.
No	Yes	IN1 or none	IN2	When IN1 is within the criteria, there is no net change: IN1 is deselected and immediately reselected. When IN1 is outside the criteria, no planned payment will exist for AA P1. If IN2 is within the selection criteria, a warning displays.
Yes	No	IN1, IN2		When IN2 is within the selection criteria, both IN1 and IN2 are selected for AA P1 and there is no selection for AA P2.
Yes	Yes			Outcome depends on how the invoices match the selection criteria: <ul style="list-style-type: none"> • If IN1 and IN2 are within the criteria, both vouchers are selected for AA P1, no selection for AA P2. • If only IN1 is within the criteria, selections are unchanged. • If only IN2 is within the criteria, IN1 is no longer selected for any payment, IN2 is now selected for AA P1 • If both vouchers are outside the criteria, IN1 is no longer selected for any payment; IN2 is still selected for AA P2.

Manual Selection

Use AR Payment Selection–Manual (27.6.4.2) to manually add new planned AR payments to an existing payment selection or change existing planned AR payments.

Reference	Bill To	Cur	Amount Open	Receive Amount	Disc to Take	Bk	PM
148	l0qj	EUR	10.00			eu	mc
150	l0qj	EUR	15.00			eu	mc
154	xvt7a	EUR	115.00			eu	mc
155	xvt7a	EUR	230.00			eu	mc
156	xvt7a	EUR	20.00			eu	mc
157	xvt7b	EUR	58.75			eu	mc
158	xvt7b	EUR	117.50			eu	mc

Reference	Cur	Amount Open	Receive Amount	Discount	Bk	PM	Bank
3002000		1,000.00	980.00	20.00	eu	mc	BANK-FR

Fig. 7.20
AR Payment
Selection–Manual
(27.6.4.2)

Three data entry screens are available:

- In the top frame, you can enter selection criteria for DR/CR memos, including reference number and bill-to address, and specify if you want to handle planned payments only.
- The middle frame (which is read-only) shows active payment selections or open DR/CR memos that comply with the selection criteria entered in the top frame, depending on the setting of To Pay Only.
- The lower frame lets you select DR/CR memos and add or change planned payments.

The top frame has the following fields.

Ref. Enter the reference number of the open DR/CR Memos to select for payment. Leave blank for all references.

Bill-To. Enter the bill-to address of the open DR/CR memos to select for payment. Leave blank for all references.

To Pay Only. Indicate whether to display all DR/CR memos matching the selection criteria or only those selected for payment.

No: Display all open DR/CR memos matching the range criteria for date, bank, and payment method.

Yes: Display only those DR/CR memos already selected for payment.

Date. Enter the date used in calculating the discount to apply to the DR/CR memo for early settlement.

Bank. Enter a code that identifies the bank account for the selected DR/CR memos or planned payments. This field depends on the setting of To Pay Only.

- When To Pay Only is Yes, this is the bank of the payment selection.
- When To Pay Only is No, this is the bank of the DR/CR memos.

Payment Method. Enter the method of payment for the selected DR/CR memos or planned payments. This field depends on the setting of To Pay Only.

- When To Pay Only is Yes, this is the payment method of the payment selection.
- When To Pay Only is No, this is the payment method of the DR/CR memos.

This must be a valid payment method associated with the bank in Bank Maintenance.

The middle frame is read-only. In the lower frame, you can update one of the selected references by modifying the amount to receive and the discount amount. You can also change the bank and payment method if necessary.

Modifying Payment Selections

You can modify payment selections in both of the programs where you create them:

- Use AR Payment Selection–Automatic (27.6.4.1) to add automatic selected payments or create a new payment selection instead of using an existing one, when the Delete Old Selection option is chosen.
- Use AR Payment Selection–Manual (27.6.4.2) to manually change planned payments or add new planned payments to an existing payment selection.

▶ See the previous sections for a discussion on the first two methods of payment.

You can also use AR Payment Selection Mass Update (27.6.4.3) to change the bank, payment method, and due date of a group of planned payments.

Fig. 7.21
AR Payment
Selection Mass
Update (27.6.4.3)

The changes are listed in a report.

Select payments to update by due date, bill-to, customer type, reference, AR type, credit terms, entity, batch number, currency, bank, and payment method. Then specify a new bank, payment method, and due date to replace the original values for all AR transactions matching the selection criteria. Leave new bank, new payment method, or new due date blank to leave the existing values unchanged.

Specify a report currency for the output generated by this function. Set Display Only to Yes to generate a report of transactions that would be changed without updating the database.

▶ See “Reporting Payment Selections” on page 182.

Reporting Payment Selections

Use AR Payment Selection Register (27.6.4.4) to list payment selections. You can use this report to verify the payment selection before processing it.

Fig. 7.22
AR Payment
Selection Register
(27.6.4.4)

Select payments to report by bill-to address, currency, bank, and payment method. Specify a check date for calculating exchange rates.

Executing Payment Selections

Use AR Payment Automatic Checks/Drafts (27.6.4.6) to convert a payment selection into actual payments or drafts (approved or proposed) and generate payment media, either a report or file.

Figure 7.23 illustrates generating payments for checks. When you are generating payments for drafts, an additional field displays so you can indicate if the draft is approved.

Fig. 7.23
AR Payment
Automatic
Checks/Drafts
(27.6.4.6)

Bank. Enter a code that identifies the bank account for the payment selection.

Payment Method. Enter the payment method used when the payment selection is converted into an actual payment or a draft.

Company Address. Enter the company address used in any payment file and payment specification produced as part of this payment run.

Address defaults from the address code defined for the entity in Entity Code Maintenance associated with the bank making the payment

Daybook. Enter a code that identifies the daybook to which related GL transactions should be assigned.

You can enter any existing daybook code or leave blank if no daybooks have been defined.

Note When unapproved drafts are created, no GL transactions are created.

The default daybook is determined by the payment method. If the payment method creates drafts, the default daybook is related to transaction type AR and document type D (Draft); otherwise, transaction type AR and document type P (Payment) are used.

Sent By. This field indicates the origin of the draft. Valid entries are Supplier (the default), to indicate the draft is a supplier-initiated one, or Customer to indicate it is customer initiated.

Approved. If the payment method is marked for the creation of drafts, indicate whether to create approved drafts. The default is determined by the setting of Sent By.

No: Create proposed drafts. The default when Sent By is Supplier.

Yes: Create approved drafts. The default when Sent By is Customer. It is assumed that drafts originating from the customer are approved.

Start Check. The next available number based on the numbering range of the payment method is suggested. As checks are printed the system automatically increments to the next available number.

Before starting to print checks, verify that the number of the first check loaded in the printer matches the starting check number displayed here. If it does not, adjust the start check number manually.

Check Date. Enter the date printed on the check. The default is the system date.

Effective Date. Enter the GL effective date for this AR transaction. The default is the system date.

The effective date determines when this transaction affects GL balances.

If Verify GL Accounts is Yes in System/Account Control (Domain/Account Control in MFG/PRO eB2.1), the system checks that the transaction effective date is within an open fiscal period.

Amount. The system displays the amount of the payment selection in base currency.

File Name. Specify the name of the payment file if the bank driver creates files. The file is placed in the AR Payment File Directory or AR Draft File Directory specified in Automatic Payment Control.

Media Number. Enter the media number for this payment selection. The media number is used for electronic payment methods.

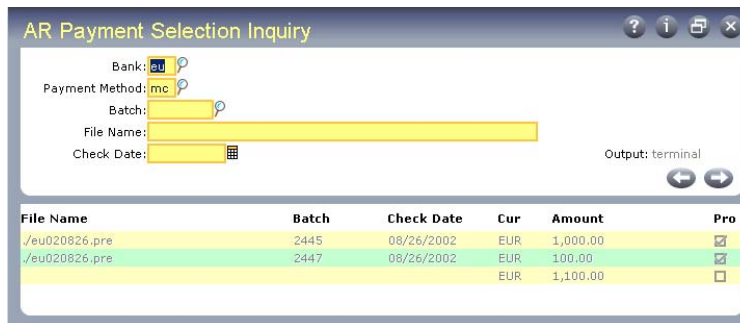
▶ See “Defining Automatic Payment Control Settings” on page 158.

When the selection is activated, additional frames can appear, determined by the bank format driver. A report listing the created payments is always printed.

Payment Selection Inquiry

Use AR Payment Selection Inquiry (27.6.4.8) to list active and processed payment selections.

Fig. 7.24
AR Payment Selection Inquiry (27.6.4.8)



Select payments to view by bank, payment method, batch, file name, or check date. The column labeled Pro indicates if the payment has been processed.

Creating Duplicate Media

Use Creation of Duplicate Media (27.6.4.9) to create new (duplicate) payment media for already processed payment selections in the event payment media is lost or damaged.



Fig. 7.25
Creation of
Duplicate Media
(27.6.4.9)

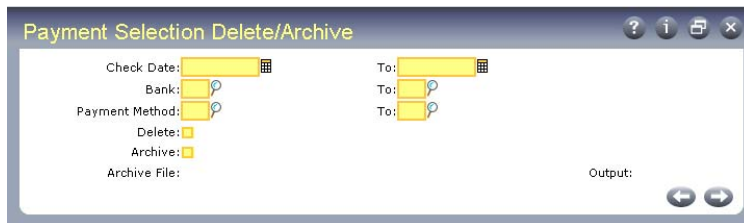
No financial or subledger transactions are performed.

Select the payment to duplicate by batch number. The system displays the bank and payment method associated with this batch and its creation date and time. When you press Go, you are prompted to confirm the duplicate media creation.

Deleting and Archiving Payment Selections

Use Payment Selection Delete/Archive (27.6.4.23) to delete and archive payment selections when online history is no longer needed. The program is similar to other MFG/PRO delete and archive functions.

Fig. 7.26
Payment Selection
Delete/Archive
(27.6.4.23)



Automatic AP Payments

The programs for generating payment selections for AP checks are located on the AP Automatic Payment Menu (28.9.4).

Table 7.6
AP Automatic
Payment Menu
(28.9.4)

Menu Number	Menu Description	Program Name
28.9.4.1	Payment Selection–Automatic	eupapau.p
28.9.4.2	Payment Selection–Manual	eupapma.p
28.9.4.3	Payment Selection Mass Update	eupapup.p
28.9.4.4	Payment Selection Register	eupareg.p
28.9.4.6	Payment–Automatic Checks	eupapac.p
28.9.4.8	Creation of Duplicate Media	euppcopy.p
28.9.4.16	AP Payment Selection Inquiry	eupapiq.p
28.9.4.17	AP Payment Selection Report	eupmarp.p
28.9.4.18	AP Planned Payment Report	eupapr.p
28.9.4.23	Payment Selection Delete/Archive	eupapde.p

Flow of Automatic AP Payments

Figure 7.27 shows the flow of automatic AP payments.

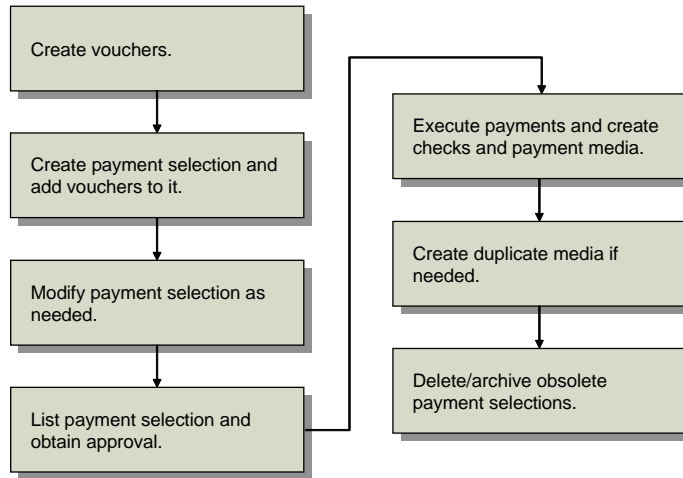


Fig. 7.27
Flow of Automatic AP Payments

The bank and payment method associated with a supplier supply defaults when vouchers are created but can be changed if needed. When AP checks are created, the payment method is also specified. Based on the payment method, the payment reference number is then created.

Table 7.7 shows how the bank and payment method are derived for manual AP payments.

Document/Data	Default Bank	Default Payment Method
Supplier Maint (2.3.1)	Accounts Payable Control (28.24)	Accounts Payable Control (28.24)
Voucher Maintenance (28.1.1)	Supplier Maintenance (2.3.1)	Supplier Maint (2.3.1)
Payment–Manual Checks (28.9.10)	Accounts Payable Control (28.24)	European Accounting Control (25.23)
Unapplied Payment Application (28.9.20)	Accounts Payable Control (28.24)	N/A

Table 7.7
Default Bank and Payment Methods for AP Manual Payments

Marking Vouchers

▶ See “Supplier Maintenance” on page 168.

Each voucher can be associated with a payment method. When a voucher is entered in Voucher Maintenance (28.1.1), the default bank and method of payment associated with the supplier are copied to the voucher and can be updated as needed.

Fig. 7.28
Voucher Maintenance (28.1.1), Bank and Payment Method

The bank and payment method are used as the defaults when the payment selection is created. You can, however, decide to use a different bank and payment selection for the actual payment.

Creating Payment Selection

Payment selections can be created automatically or manually. These two methods are described in the following sections.

Additional details about how the various options effect the creation of payments are discussed in:

- “Payment Selection Logic” on page 201
- “Automatic Payments Examples” on page 204

Automatic Selection

Use AP Payment Selection–Automatic (28.9.4.1) to create payment selections automatically.

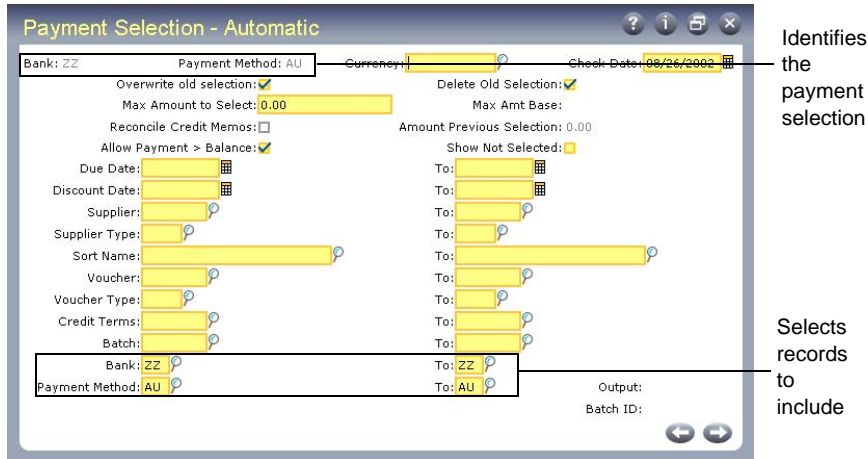


Fig. 7.29
AP Payment Selection–Automatic (28.9.4.1)

The payment selection is defined by the bank and payment method at the top of the screen. By default, the first available payment selection that has not yet been processed is suggested. You can also specify a bank and payment method for selecting documents to include in the payment.

The remainder of the screen lets you specify various options and the selection criteria for choosing the vouchers to include in this payment selection. Vouchers can be selected by due date, discount date, supplier, supplier type, supplier sort name, voucher number, voucher type, credit terms, batch number, bank, and payment method.

Currency. If the currency selection in the payment method is blank, indicating multi-currency, you can enter a comma-separated list of currencies for selecting documents. Otherwise, this field displays the currency associated with the bank format driver and cannot be updated.

Check Date. Specify the check date for the planned payments. This date is used to determine the discount amount.

Overwrite Old Selection. Indicate whether to overwrite the old selection.

No: Keep any existing planned payments.

Yes: Overwrite the old selection. Any available planned payments that are within the current selection are replaced; newly selected payments are added.

▶ See “Effect of Overwrite and Delete” on page 192.

This field operates in conjunction with Delete Old Selection.

Delete Old Selection. Enter Yes to delete all planned payments already available; otherwise, enter No to retain them.

Max Amount to Select. Specify the maximum amount to select for payment by this payment selection in the currency of the bank account. When you leave this amount blank, no maximum amount is taken.

Max Amt Base. The system displays the maximum amount translated to base currency.

Reconcile Credit Memos. Indicate if you want to reconcile open credit amounts with selected debit amounts. If you choose to not reconcile and the Allow Payment > Balance field is Yes, planned payments are created up to the supplier balance. (Amounts paid cannot exceed the supplier balance.)

Note When the payment group associated with the payment method is By Document (type 3), this option is not updatable.

Amount Selection. The system displays the amount already selected in the payment selection in base currency, if any.

Allow Payment > Balance. Indicate whether to permit payments that exceed the supplier’s current balance.

No: Prohibit payments that exceed the current balance.

Yes: Allow payments exceeding the current balance.

This could be the case when the Reconcile Credit Memos field is No.

Show Not Selected. Indicate whether to include open vouchers not selected for payment in the report generated by this function.

No: Exclude open vouchers not selected for payment.

Yes: Include these vouchers.

By default, this field is No; if you set it to Yes, the reason vouchers were not selected displays on the report.

When the automatic selection is activated, planned payments are created for the selected vouchers and a report is generated. When open vouchers that comply with the selection rules are not selected, the reason for this is printed on the report.

When the selection is executed, all vouchers that conform to the selection criteria are processed. For each voucher, the system checks if the:

- Voucher is already part of a different payment selection that is not yet processed. A voucher can only be part of one unprocessed payment selection at a time.
- Voucher is negative (credit memo). If this is the case and Reconcile Credit Vouchers is No, this voucher is skipped.
- Payment method (bank account validation) complies with the bank accounts used.
- Entity of the voucher is the same as the entity of the bank account. If this is not the case, then the voucher cannot be selected.

Note This is only true when the Multi-Entity Payments field is No in Accounts Payable Control. When Multi-Entity Payments is Yes, all vouchers matching the selection criteria are paid by the assigned bank.

- Total amount to pay does not exceed the supplier balance unless the option to allow payment greater than balance is Yes.

Payment Grouping

The way the actual payments for the selected vouchers are created depends on the payment group setting of the payment method. This setting has three options:

- 1 Not by due date; only one total payment per remit-to or supplier is created for all selected open vouchers in this payment selection.
- 2 Selected open vouchers are sorted by remit-to or supplier and due date; one payment is created by due date of the selected vouchers
- 3 Payment is made for each individual open voucher. This also means that for selected credit vouchers a negative payment (check) is created.

Important Option 3 might cause problems with electronic payment media, which normally cannot handle negative amounts.

The system next determines if the current voucher is already part of this payment selection. When it is not, a new planned payment is created. If it is included, the Overwrite Old Selection field determines if the payment is skipped or overwritten.

With the automatic payment selection, the system marks vouchers based on the selection rules you supply.

Effect of Overwrite and Delete

The settings of Overwrite Old Selection and Delete Old Selection interact when regenerating payment selections. To illustrate the possible combinations and their different effects, consider the following example.

Two vouchers are currently selected for payment, based on their bank and payment method:

- Voucher 1 (VO1) is selected for bank AA and payment method P1.
- Voucher 2 (VO2) is selected for bank AA and payment method P2.

Table 7.8 list the outcomes if you regenerate the selection for bank AA and payment method P1 using various combinations of overwrite and delete and the following selection criteria:

From Bank: AA
 To Bank: AA
 From Payment Method: P1
 To Payment Method: P2

Table 7.8
 Effect of Overwrite and Delete on Payment Selection

Overwrite	Delete	Selected AA/P1	Selected AA/P2	Comment
No	No	VO1	VO2	No change. If VO2 matches selection criteria, a warning displays.
No	Yes	VO1 or none	VO2	When VO1 is within the criteria, there is no net change: VO1 is deselected and immediately reselected. When VO1 is outside the criteria, no planned payment will exist for AA P1. If VO2 is within the selection criteria, a warning displays.

Overwrite	Delete	Selected AA/P1	Selected AA/P2	Comment
Yes	No	VO1, VO2		When VO2 is within the selection criteria, both VO1 and VO2 are selected for AA P1 and there is no selection for AA P2.
Yes	Yes			Outcome depends on how the vouchers match the selection criteria: <ul style="list-style-type: none"> • If VO1 and VO2 are within the criteria, both vouchers are selected for AA P1, no selection for AA P2. • If only VO1 is within the criteria, selections are unchanged. • If only VO2 is within the criteria, VO1 is no longer selected for any payment, VO2 is now selected for AA P1 • If both vouchers are outside the criteria, VO1 is no longer selected for any payment; VO2 is still selected for AA P2.

Manual Selection

Use AP Payment Selection–Manual (28.9.4.2) to manually add new planned AP payments to an existing payment selection or change existing planned AP payments.



Fig. 7.30 Payment Selection–Manual (28.9.4.2)

Three data entry screens are available:

- In the top frame, you can enter selection criteria for vouchers, including reference number and supplier address, and specify if you want to update planned payments only.

- The middle frame (which is read-only) shows the active payment selection or open vouchers that comply with the selection criteria entered in the top frame, based on the setting of To Pay Only.
- The lower frame lets you select vouchers and add or change planned payments.

The top frame has the following fields.

Reference. Enter the reference number of the open vouchers to select for payment. Leave blank for all references.

Supplier. Enter the supplier associated with open vouchers to select for payment. Leave blank for all suppliers.

Bank. Enter a code that identifies the bank account for the selected vouchers or planned payments. This field depends on the setting of To Pay Only.

- When To Pay Only is Yes, this is the bank of the payment selection.
- When To Pay Only is No, this is the bank of the vouchers.

Payment Method. Enter the method of payment for the selected vouchers or planned payments. This field depends on the setting of To Pay Only.

- When To Pay Only is Yes, this is the payment method of the payment selection.
- When To Pay Only is No, this is the payment method of the vouchers.

This must be a valid payment method associated with the bank in Bank Maintenance.

To Pay Only. Indicate whether to display all vouchers matching the selection criteria or only those selected for payment.

No: Display all open vouchers matching the range criteria for date, bank, and payment method.

Yes: Display only those vouchers already selected for payment.

Check. Enter the date to use for determining discounts.

The middle frame is read only. In the lower frame, you can update one of the selected references by modifying the amount to pay and the discount amount. You can also change the bank and payment method if necessary.

Modifying Payment Selections

You can modify payment selections in both of the programs where you create them:

- Use AP Payment Selection–Automatic (28.9.4.1) to add automatically selected payments or create a new payment selection instead of an existing one when the Delete Old Selection option is chosen.
- Use AP Payment Selection–Manual (28.9.4.2) to manually change planned payments or add new planned payments to an existing payment selection.

▶ See the previous sections for details on the first two methods.

You can also use AP Payment Selection Mass Update (28.9.4.3) to change the bank, payment method, and due date of a group of planned payments.

Fig. 7.31
Payment Selection
Mass Update
(28.9.4.3)

The changes are listed in a report.

Select payments to update by due date, supplier, supplier type, voucher number, voucher type, credit terms, batch number, currency, bank, and payment method. Then specify a new bank, new payment method, and new due date to replace the original values for all vouchers matching the selection criteria. Leave new bank, payment method, or due date blank to leave the existing values unchanged.

Specify a report currency for the output generated by this function. Set Display Only to Yes to generate a report of transactions that would be changed without updating the database.

Payment Selection Register

Use AP Payment Selection Register (28.9.4.4) to list payment selections. You can use this report to verify the payment selection before processing it.

Fig. 7.32
Payment Selection Register (28.9.4.4)

The screenshot shows a software window titled "Payment Selection Register". The window contains the following fields and values:

- Bank: zz
- All Drivers
- Payment Method: au
- Account: 123456
- Curr:
- PIP Account: 1040
- Effective Date: 08/26/2002 (with a calendar icon)
- Print GL Details:
- Amount: 1,175.00

At the bottom right of the window, there are two navigation arrows (left and right).

Enter the bank and payment method of the payment selection. The account of the bank and the currency and PIP account of the payment method display. Specify an effective date for the payment transaction and indicate if you want to include detailed transaction information in the report. After you enter these fields, an additional frame displays for specifying the output destination.

Executing Payment Selections

Use AP Payment–Automatic Checks (28.9.4.6) to convert a payment selection into actual payments and generate payment media, either a report or file.

After completing the fields, you are prompted whether you want to test the printer output. You can print a sample or void check to verify the printer alignment.

Note To successfully print a sample check, you must run Payment Register before you execute this program.

The screenshot shows a window titled "Payment - Automatic Checks" with the following fields and values:

- Bank: zz (All Drivers)
- Payment Method: au
- Company Address: 10000
- Account: 123456
- Curr:
- Daybook: xcb1
-
- Start Check: 02000001 (PiP Account: 1040)
- Check Date: 08/26/2002
- Effective Date: 08/26/2002
- Amount: 1,175.00
- File Name: z2020826.ext
- Media Number: zzin082601

Fig. 7.33
Payment–
Automatic Checks
(27.6.4.6)

Bank. Enter a code that identifies the bank account for the payment selection.

Payment Method. Enter the payment method used when the payment selection is converted into an actual payment.

Company Address. Enter the company address used in any payment file and payment specification produced as part of this payment run. Address defaults from the address code defined for the entity in Entity Code Maintenance associated with the bank making the payment.

Curr. The system displays the currency of the payment selection.

Daybook. Enter a code that identifies the daybook to which related GL transactions should be assigned. This defaults to the daybook belonging to transaction type AP and document type CK.

You can enter any existing daybook code or leave blank if no daybooks have been defined.

Start Check. The next available number based on the numbering range of the payment method is suggested. As checks are printed, the system automatically increments to the next available number.

Before starting to print checks, verify that the number of the first check loaded in the printer matches the starting check number displayed here. If it does not, adjust the start check number manually.

Check Date. Enter the date printed on the check. The default is the system date.

This date is used to calculate discounts and exchange rates. The check date is compared to the discount date on the voucher to see if you qualify for any early payment terms discount. If it is before the discount date, the system decreases the check amount by the discount amount.

Effective Date. Enter the GL effective date for this AP transaction. The default is the system date.

The effective date determines when this transaction affects GL balances.

If Verify GL Accounts is Yes in System/Account Control (Domain/Account Control in MFG/PRO eB2.1), the system checks that the transaction effective date is within an open fiscal period.

Amount. The system displays the amount of the payment selection in base currency.

▶ See “AP Payment File Directory” on page 159.

File Name. Specify the name of the payment file if the bank driver creates files. The file is placed in the AP Payment File Directory specified in Automatic Payment Control.

Media Number. Enter the media number for this payment selection. The media number is used for electronic payment methods.

When the selection is activated, additional frames can appear, determined by the bank format driver. In Figure 7.34 with a UK driver, additional details are required for the production of the electronic file.

Fig. 7.34
Payment—
Automatic Checks,
Additional Bank
Format Driver
Prompts

Payment - Automatic Checks


Payment Specification Output: spec1

Central Bank: 000
 Format: 0 (0=NB/Axess Windows, 1=NB/File, 2=Bankgirot)
 7 Digit Acct: 0
 UNB/USE/UHB:
 Norbanken ID:
 Agreement Number:
 Giro Protector:

A report listing the created payments is always printed.

Payment Selection Inquiry

Use AP Payment Selection Inquiry (28.9.4.16) to list processed and active payment selections.



File Name	Batch	Check Date	Cur	Amount	Pro
./zz020826.ext	2402	08/26/2002	EUR	1,175.00	<input checked="" type="checkbox"/>
			EUR	1,175.00	<input type="checkbox"/>

Fig. 7.35
AP Payment
Selection Inquiry
(28.9.4.16)

Select payments to view by bank, payment method, batch, file name, or check date. The column labeled Pro indicates if the payment has been processed.

AP Payment Selection Report

You can also print a duplicate of the report for an already processed payment selection using AP Payment Selection Report (28.9.4.17).



Fig. 7.36
AP Payment
Selection Report
(28.9.4.17)

Select payments to print by bank, payment method, check date, and sequence number. The sequence is the internal number of the payment selection.

Creating Duplicate Media

Use Creation of Duplicate Media (28.9.4.8) to create new (duplicate) payment media for already processed payment selections in the event payment media are lost or damaged.

Fig. 7.37
Creation of Duplicate Media
(28.9.4.8)

Creation of Duplicate Media

Batch: 2402
Bank: ZZ
Payment Method: AU
Create Date: 08/26/2002
Create Time: 11:42

File Name:
/zz020826.ext

Output:

Continue with procedure

No financial or subledger transactions are performed.

Select the payment to duplicate by batch number. The system displays the bank and payment method associated with this batch and its creation date and time. When you press Go, you are prompted to confirm the duplicate media creation.

Deleting and Archiving Payment Selections

Use Payment Selection Delete/Archive (28.9.4.23) to delete and archive payment selections when online history is no longer needed. The program is similar to other MFG/PRO delete and archive functions.

Fig. 7.38
Payment Selection Delete/Archive
(28.9.4.23)

Payment Selection Delete/Archive

Check Date: [] To: []
Bank: [] To: []
Payment Method: [] To: []
Delete:
Archive:
Archive File: []

Output:

Payment Selection Logic

European Accounting lets you make automatic selections for AP and AR payments. This logic is more complicated than it might first appear and the following sections give full details on the payment selection logic used by European Accounting.

Goals

The European Accounting selection logic is based on the following assumptions:

- You do not want to pay (or have paid) more than the current balance.
- You see amounts that are contested (AR) or on hold (AP) not as open amounts, so the balance should be corrected for this.
- You have the option to reconcile (have credits matched with debits).
- Whenever you reconcile, you want to reconcile all credits as soon as possible, meaning that even when you select a payment range of due dates, you also want to reconcile with credits those that are outside this range.

Selection Logic

To explain these rules, consider the following example for accounts payable.

Supplier X has a supplier balance of \$200. The details of this balance are given in Table 7.9.

Voucher Ref	Due Date	Amount	Status
VO96001	May 1, 2004	USD 100	
VO96002	May 15, 2004	USD 200	
VO96003	May 23, 2004	USD -250	
VO96004	May 27, 2004	USD 50	
VO96005	June 12, 2004	USD 100	Hold amount USD 100
	Total Balance	USD 200	

Table 7.9
Sample Selection
Logic

You want to select payments for vouchers up to the due date of May 20, 2004. What would you need to do?

Note The relevant payments are marked in bold in Table 7.9.

First you would not want to pay the supplier so much that afterwards you need to get money back from the supplier. In this example, two vouchers for a total of \$300 could be paid, but as the balance is only \$200, initially you would not want to pay more than \$200.

The next issue to consider is that the amount due on June 12, 2004, is set on hold. This means that you do not want to pay this voucher for some reason. You might contest it, or have other reasons that you do not accept the claim of the supplier. You should never include amounts put on hold in the supplier balance. In this example you should not pay more than \$100, the balance of \$200 minus the hold amount of \$100.

Looking at the credit amounts, you can see that you want to use them as soon as possible. If you can reconcile them (if you had chosen to do so), it should not matter what the credit memo due date is. In this example, it is possible to argue that you should use \$250 right away to pay the open vouchers. Next to this credit amount, you could pay up to the balance of the supplier, which is \$100, corrected to take account of the amounts on hold. As a total you could now allocate \$350 as a maximum in debit vouchers.

So you are now permitted to spend \$350 on paying the selected vouchers VO96001 and VO96002. You do so by reconciling the credit voucher VO96003 and paying an additional \$50.

The new payment would be:

Payment:	\$50	
Allocation:	VO96001	\$100
	VO96002	\$200
	VO96003	\$ -250

European Accounting first calculates the corrected supplier balance. This corrected supplier balance is the actual balance minus the amounts set on hold in all of the supplier's open vouchers and minus all other planned payments that are not yet processed for this supplier. This prevents you from paying too much.

Both for the determination of the hold amounts and the not yet processed payments, European Accounting looks at all vouchers of the supplier, not only those lying within the selection range of the payment selection.

Note This example assumes that you have no other active planned payments. Since European Accounting lets you split payments between banks and payment methods, you might have a payment for another payment method.

If you have chosen to reconcile the credit amounts, European Accounting next determines the total amount of open credit vouchers. All open credit vouchers for that supplier are processed, regardless of the selected range within the payment selection.

Now it is possible to calculate the maximum amount that can be allocated to the open vouchers in the selected range of vouchers of the payment selection.

$$\begin{aligned} \text{Maximum amount available to allocate} &= \text{Supplier balance} - \\ &(\text{total amount on hold}) - \\ &(\text{total planned payments that are not yet processed}) - \\ &(\text{total amount of credit notes, when you choose to reconcile}) \end{aligned}$$

When you choose to reconcile, the amount is:

$$\text{Maximum amount available to allocate} = 200 - 100 - 0 - (-250) = 350$$

In this example, if you had chosen not to reconcile, the amount would have been:

$$\text{Maximum amount available to allocate} = 200 - 100 - 0 = 100$$

When European Accounting knows the maximum amount available to allocate, all open debit vouchers are processed within the range of the payment selection and vouchers are marked for payment based on due date order up to the maximum amount available to allocate. You add all these vouchers to one planned payment.

When European Accounting reaches the maximum amount available to allocate, or there are no more vouchers left within the range of the payment selection, then all that supplier's open credit vouchers are processed in order of due date. This is only the case once you have decided to reconcile the credit notes. European Accounting adds the vouchers to the planned payment—decreasing the amount to pay—up to

the total of the debit vouchers previously selected to pay. Planned payment cannot become negative, unless you specify this as a selection criterion, so you cannot collect money from a supplier with a check.

Another complexity is that you may get discounts for paying early. This means that a registered voucher for \$100 could be paid with a payment of \$97: a \$3 discount. What counts as the maximum amount available to allocate is the net amount you have to pay, in this case \$97.

When making automatic payment selections, you have two basic options:

- **Allow Payment Greater Than Balance:** Should the system disallow payments beyond the balance of the customer or the supplier?
- **Reconcile Credit Memos:** Should credit memos or credit vouchers automatically be reconciled?

Together with the other selection criteria, the selection logic can become quite complex. Some examples are shown in the next section.

Automatic Payments Examples

Example 1

Create a new customer cust1 with the following entries:

- 1 Date = 12/01/04 with amount = 100
- 2 Date = 12/02/04 with amount = 200
- 3 Date = 12/03/04 with amount = -400
- 4 Date = 12/04/04 with amount = 200
- 5 Date = 12/31/04 with amount = 800

Positive Customer Balance = 900

Table 7.10
Example 1

Range	Reconcile	Allow Payment > Balance	Resulting Selected Entries for Payment
Scenario 1			
12.01.04 – 12.01.04	No	No	100
12.01.04 – 12.02.04	No	No	100, 200

Range	Reconcile	Allow Payment > Balance	Resulting Selected Entries for Payment
12.01.04 – 12.03.04	No	No	100, 200
12.01.04 – 12.04.04	No	No	100, 200, 400
12.01.04 – 12.15.04	No	No	100, 200, 400
12.01.04 – 12.31.04	No	No	100, 200, 400, 200
Scenario 2			
12.01.04 – 12.01.04	Yes	No	100, –100
12.01.04 – 12.02.04	Yes	No	100, 200, –300
12.01.04 – 12.03.04	Yes	No	100, 200, –300
12.01.04 – 12.04.04	Yes	No	100, 200, –400, 200
12.01.04 – 12.15.04	Yes	No	100, 200, –400, 200
12.01.04 – 12.31.04	Yes	No	100, 200, –400, 200, 800
Scenario 3			
12.01.04 – 12.01.04	No	Yes	100
12.01.04 – 12.02.04	No	Yes	100, 200
12.01.04 – 12.03.04	No	Yes	100, 200
12.01.04 – 12.04.04	No	Yes	100, 200, 200
12.01.04 – 12.15.04	No	Yes	100, 200, 200
12.01.04 – 12.31.04	No	Yes	100, 200, 200, 800
Scenario 4			
12.01.04 – 12.01.04	Yes	Yes	100
12.01.04 – 12.02.04	Yes	Yes	100, 200
12.01.04 – 12.03.04	Yes	Yes	100, 200, –300
12.01.04 – 12.04.04	Yes	Yes	100, 200, 200, –400
12.01.04 – 12.15.04	Yes	Yes	100, 200, 200, –400
12.01.04 – 12.31.04	Yes	Yes	100, 200, 200, 800, –400

Example 2

Create a new customer cust2 with the following entries:

- 1 Date = 12/01/04 with amount = 100
- 2 Date = 12/02/04 with amount = 200
- 3 Date = 12/03/04 with amount = –400

- 4 Date = 12/04/04 with amount = 200
- 5 Date = 12/15/04 with amount = -1000
- 6 Date = 12/31/04 with amount = 800

Negative Customer Balance = -100

Table 7.11
Example 2

Range	Reconcile	Allow Payment > Balance	Resulting Selected Entries for Payment
Scenario 1			
12.01.04 – 12.01.04	No	No	No Record
12.01.04 – 12.02.04	No	No	No Record
12.01.04 – 12.03.04	No	No	No Record
12.01.04 – 12.04.04	No	No	No Record
12.01.04 – 12.15.04	No	No	No Record
12.01.04 – 12.31.04	No	No	No Record
Scenario 2			
12.01.04 – 12.01.04	Yes	No	100, -100
12.01.04 – 12.02.04	Yes	No	100, 200, -300
12.01.04 – 12.03.04	Yes	No	100, 200, -300
12.01.04 – 12.04.04	Yes	No	100, 200, 200, -400, -100
12.01.04 – 12.15.04	Yes	No	100, 200, 200, -400, -100
12.01.04 – 12.31.04	Yes	No	100, 200, 200, 800, -400, -900
Scenario 3			
12.01.04 – 12.01.04	No	Yes	100
12.01.04 – 12.02.04	No	Yes	100, 200
12.01.04 – 12.03.04	No	Yes	100, 200
12.01.04 – 12.04.04	No	Yes	100, 200, 200
12.01.04 – 12.15.04	No	Yes	100, 200, 200
12.01.04 – 12.31.04	No	Yes	100, 200, 200, 800
Scenario 4			
12.01.04 – 12.01.04	Yes	Yes	100
12.01.04 – 12.02.04	Yes	Yes	100, 200
12.01.04 – 12.03.04	Yes	Yes	100, 200, -300
12.01.04 – 12.04.04	Yes	Yes	100, 200, 200, -400

Range	Reconcile	Allow Payment > Balance	Resulting Selected Entries for Payment
12.01.04 – 12.15.04	Yes	Yes	100, 200, 200, -400, -100
12.01.04 – 12.31.04	Yes	Yes	100, 200, 200, 800, -400, -900

Value Added Tax and Other Taxes

This chapter describes enhancements and reports for Value Added Tax (VAT) and other taxes added by European Accounting. The following topics are covered:

VAT Registers **210**

Suspended VAT **224**

VAT on Petty Cash Transactions **225**

AP and AR VAT List **228**

Separate Discount Account per Tax Rate **229**

Withholding Tax **233**

Taxable Details for Address Data **249**

Project Realization Management **250**

VAT Registers

VAT registers let you group accounting transactions for VAT reporting. They also enable you to determine specific ranges of invoice, credit note, voucher, and correction note numbers to be used with transactions. These number ranges are defined using MFG/PRO's standard Number Range Management functionality.

A VAT register can be defined for a blank site or for a specific site, and number ranges can be shared among VAT registers. This means that while each separate VAT register can have a separate range of invoice and credit note numbers, all VAT registers can share the same range of voucher numbers.

VAT registers are linked to transactions based on the tax class of the transaction and the site involved in the transaction, and are validated accordingly. Any one transaction can only involve lines within the same VAT register. Thus, only taxable lines involving tax codes with the same VAT register code can be entered at any one time. For transactions with a mixture of taxable and non-taxable lines, the validation applies only to the taxable lines. For transactions that consist solely of non-taxable lines, no validation applies. Since non-taxable lines do not have a tax code, they cannot be associated with a VAT register.

Default VAT registers and operation codes are set up for customers and suppliers for use in sales and purchase transactions. You can change them for individual transactions.

VAT register functionality was originally developed for Italy, where VAT registers are a legal requirement, but is now available as a generic function.

▶ See "VAT Register" on page 19.

Setting the VAT Register field in European Accounting Control (25.23)t to Yes enables VAT registers. VAT registers can then be used with the following MFG/PRO functions:

Customer Maintenance (2.1.1)	Supplier Maintenance (2.3.1)
VAT Register Maintenance (2.13.7.1)	VAT Register Browse (2.13.7.2)
VAT Register Report (2.13.7.3)	Blanket Order Maintenance (5.3.1)
Blanket Order Release to PO (5.3.6)	Scheduled Order Maintenance (5.5.1.13)
Purchase Order Maintenance (5.7)	PO Shipper Receipt (5.5.5.11)
Purchase Order Receipts (5.13.1)	Purchase Order Returns (5.13.7)

Sales Quote Maintenance (7.12.1)	Sales Quote Release to Order (7.12.10)
Sales Order Maintenance (7.1.1)	Pending Invoice Maintenance (7.13.1)
Invoice Print (7.13.3)	Invoice Post (7.13.4)
Pre-Shipper/Shipper Confirm (7.9.5)	Schedule Order Maintenance (7.3.13)
Call Activity Recording (11.1.1.13)	Call Invoice Recording (11.1.1.15)
Contract Quote Maintenance (11.5.1.1)	Contract Maintenance (11.5.13.1)
Billing Release to Invoice (11.5.18.13)	RMA Maintenance (11.7.1.1)
RMA Shipments (11.7.1.16)	RTS Maintenance (11.7.3.1)
RTS Shipments (11.7.3.16)	Waiting Expenses Voucher Maint (28.1.2)
Recurring Voucher Maintenance (28.8.1)	Recurring Voucher Release (28.8.4)
ERS Processor (28.10.13)	Project Maintenance (10.1.1)
Invoice Generation (10.9.13)	EMT Processing
EDI Processing	

Table 8.1 lists the functions added to support VAT registers.

Menu Number	Description	Program
2.13.7.1	VAT Register Maintenance	euvtrgmt.p
2.13.7.2	VAT Register Browse	txbr014.p
2.13.7.3	VAT Register Report	euvtrgrp.p
2.13.11	Operation Type Maintenance	euoptymt.p
2.13.12	Operation Type Inquiry	euoptyiq.p
2.13.15.4	AP Italian VAT List Menu	
2.13.15.4.1	Italian AP VAT Register	euaprgrp.p
2.13.15.4.2	It. EC Purchases VAT Register	euapr3rp.p
2.13.15.5	AR Italian VAT List Menu	
2.13.15.5.1	Italian AR VAT Register	euarrgrp.p
2.13.15.5.2	EC Sales linked to EC Purchases	euapr2rp.p

Table 8.1
VAT Register Menu
(2.13.7)

Data Setup

To print VAT registers, you must set up certain data first:

- Enable VAT registers in European Accounting Control.
- Set VAT register defaults in Accounts Receivable Control (28.24).
- Define VAT registers in VAT Register Maintenance (2.13.7.1).

◆ See page 19.

- Define operation types in Operation Type Maintenance (2.13.11).
- Associate VAT registers with tax codes in Tax Rate Maintenance (2.13.13.1).
- Associate VAT registers and operation types with customers and suppliers.

Note All other standard GTM setup is also required, including associating tax classes, tax types, and tax usage codes with customer, supplier, and item records.

Define Option in Accounts Receivable Control

Define the setting you want for Use VAT Register Number Sequence.

Fig. 8.1
Accounts
Receivable Control
(27.24)

The screenshot shows the 'Accounts Receivable Control' window with the following settings:

- Next Batch: 00002435
- Next Memo: 00000216
- Next Journal: 000481
- AR Summarization Level: 1
- Drafts Receivable Account: 1300
- Exchange Tolerance: 5.00%
- External Memo References Allowed:
- Use VAT Register Number Sequence:

Use VAT Register Number Sequence. Indicate whether the numbering sequences associated with VAT registers should be used when assigning numbers for DR/CR memo invoices and credit notes associated with a particular VAT register.

No: Use standard MFG/PRO functionality to assign numbers to DR/CR memo invoices and credit notes associated with a VAT register.

Yes: Use the VAT numbering sequence range specified in VAT Register Maintenance to number documents associated with a VAT register.

Define VAT Registers

Use VAT Register Maintenance (2.13.7.1) to define new VAT registers and maintain existing ones.

Four sequence numbers can be associated with each VAT register for assigning numbers for invoices, credit notes, vouchers, and correction invoices. These can be defined directly in VAT Register Maintenance, which calls the standard MFG/PRO Number Range Maintenance (36.2.21.1) program. The system automatically assigns the next number in the sequence to the relevant document when that document is created.

Fig. 8.2
VAT Register
Maintenance
(2.13.7.1)

VAT registers can be selected through both the VAT register and the site codes. Generally the Site field is left blank, but you can set up the same VAT register code for different sites. This is particularly useful for companies that have several logistical sites belonging to the same fiscal entity.

VAT Register. Enter a code (2 characters maximum) identifying the VAT register you want to maintain.

Site. Enter a site to associate with this VAT register. Leave Site blank to associate the VAT register with all sites.

Active. Indicate whether this VAT register is active.

No (the default): The VAT register is inactive. Any attempt to process transactions against an inactive VAT register displays an error

Yes: The VAT register is active. Transactions can be processed against this VAT register.

EC VAT Register. Indicate whether this VAT register can be used for sales or purchases made in countries belonging to the European Community.

No: EC transactions are invalid for this VAT register.

Yes: This VAT register is valid for EC transactions.

Header for Purchase VAT Register. Enter a description of the Purchase VAT Register. This description displays on various reports.

Next Page Nbr. Enter the starting page number printed on the AP VAT Register Report. The default is 1. Subsequent pages in the report are numbered sequentially from this number.

Header for Sales VAT Register. Enter a description of the Sales VAT Register. This description displays on various reports.

Next Page Nbr. Enter the starting page number printed on the AR VAT Register Report. The default is 1. Subsequent pages in the report are numbered sequentially from this number.

Invoice Sequence ID. Enter a sequence ID (up to 8 characters) used to assign numbers to all invoices associated with this VAT register. You can assign an existing numbering sequence or create a new one.

Credit Note Sequence ID. Enter a sequence ID (up to 8 characters) used to assign numbers to all credit notes associated with this VAT register.

Voucher Sequence ID. Enter a sequence ID (up to 8 characters) used to assign numbers to all vouchers associated with this VAT register.

Correction Invoice Sequence ID. Enter a sequencing ID (up to 8 characters) used to assign numbers to all correction invoices associated with this VAT register.

Use VAT Register Browse (2.13.7.2) to display details about available VAT registers, including details on their associated sites, sequence IDs, and other relevant information.

Setting Sequence Numbers

The standard MFG/PRO number range management functions control the numbering sequences used by VAT registers. See *User Guide Volume 9: Manager Functions* for a discussion of Number Range Maintenance (36.2.21.1). VAT Register Maintenance displays the same frames and fields that display when you use standard Number Range Maintenance (36.2.21.1).

VAT Register Maintenance

Sequence Master

Sequence ID: t1c0
 Description: [Redacted]
 Target Dataset: [Redacted]
 Internal:
 Allow Discarding:
 Allow Voiding:
 Effective Date: 08/22/2002
 Expiration Date: [Redacted]

Fig. 8.3
 VAT Register
 Maintenance,
 Sequence Master

Gaps are permitted in the numbering sequence when Allow Discarding is set to Yes for the sequence. By default, this field is No, meaning that the numbering sequence cannot contain gaps.

When defining new VAT registers, you can create your own numbering sequences to use with them. An additional frame displays in VAT Register Maintenance (2.13.7.1) where you can specify the numbering sequence for that particular VAT register.

VAT Register Maintenance

Sequence Master

Sequence ID: t1c0
 Description:
 Target Dataset:
 Internal:
 Allow Discarding:
 Allow Voiding:
 Effective Date: 08/22/2002
 Expiration Date:

Segment List			
Nbr	Type	Settings	Control
1	FIXED	t1c	
2	INT	00000,99999,00000,00000	

Fig. 8.4
 VAT Register
 Maintenance,
 Segment List
 Frame

Sequence numbers can be any mixture of up to eight letters and digits. By default, sequence numbers consist of two elements. The first two characters are the fixed part of the number. The following defaults have been set up:

- IV, Invoices
- CR, Correction Invoices
- VO, Vouchers
- CN, Credit Notes

The remaining characters (up to six by default) make up the integer element of the sequence number. This element is incremented by 1 automatically each time a number from the sequence range is allocated. You can omit the fixed element of the number. In that case, the integer element alone can be up to eight characters long.

In the final screen, you can specify the range of numbers covered by a particular numbering sequence. By default, the number assigned to the next voucher, invoice, credit note, or correction invoice consists of the next available number within the relevant numbering sequence.

▶ See page 212.

Note For DR/CR memos, invoice and credit note sequences are used only when Use VAT Register Number Sequence is Yes in Accounts Receivable Control. If this field is not enabled, the system assigns numbers to these documents using standard MFG/PRO functionality.

Fig. 8.5
VAT Register Maintenance, Integer Segment Editor Frame

The screenshot shows the 'VAT Register Maintenance' window. The 'Sequence Master' section contains the following fields:

- Sequence ID: t1c0
- Description:
- Target Dataset:
- Internal:
- Allow Discarding:
- Allow Voiding:
- Effective Date: 08/22/2002
- Expiration Date:

The 'Segment List' section contains a table with the following data:

Nbr	Type	Settings	Control
1	FIXED	t1c	
2	INT	00000,99999,00000,00000	

The 'Integer Segment Editor' section contains the following fields:

- New Seg Nbr: 2
- Minimum Value: 0
- Maximum Value: 99999
- Initial Value: 0
- Reset Value: 0

New Seg Nbr. Enter the segment number to define.

Minimum Value. Enter the minimum value that can be assigned to the integer element of the segment number.

Maximum Value. Enter the maximum value that can be assigned to the integer element of the segment number.

Initial Value. Enter the initial value of the integer element of the segment number.

Reset Value. Enter the number to which the integer element of the segment number is to be reset once the sequence reaches the end of the specified range.

Assign Registers to Tax Codes

VAT registers must be linked to a tax code before they can be used. Standard Global Tax Management features have been enhanced to let you do this. A new field, VAT Register, has been added to Tax Rate Maintenance (2.13.13.1).

The screenshot shows the 'Tax Rate Maintenance' window with the following fields and values:

- Tax Type: VAT
- Tax Code: 55
- Item Tax Class: S
- Description: Standard VAT
- Tax Usage:
- Effective Date: 08/16/2001
- Tax Rate: 17.50%
- Tax-By-Line:
- Tax Base: [Empty]
- Min: 0.00
- Max Amt: 999,999,999,999.99
- Percent Recoverable: 100.00%
- Expiration Date: [Empty]
- Tax Method: 01
- Accrue Tax at Receipt:
- Update Tax Allowed:
- Accrue Tax at Usage:
- Allow Tax Included:
- Discount Tax at Invoice:
- EC Sales List:
- Discount Tax at Payment:
- EC Process Work:
- Tax Reason: [Empty]
- Sales Tax Account: 2400
- Sales Tax Absorbed: 5950
- AP Tax Account: 1400
- AP Tax Retained: 2450
- Suspended Tax Account: 000000AP
- AR Discount Account: [Empty]
- AP Discount Account: 5200
- VAT Register: tti

Fig. 8.6
Tax Rate
Maintenance
(2.13.13.1)

Define Operation Codes

For AR and AP, European Accounting introduces *operation types*. Operation type codes can only be used when VAT registers have been enabled by setting the VAT Register field in European Accounting Control to Yes.

Introduced originally to fulfill the Italian requirement that clear descriptions must be supplied for all accounting transactions, operation types describe the transactions carried out in AP and AR. At the transaction level, you link an operation type to an AR memo or AP voucher.

Examples of operation types are:

- Our Invoice
- Your Invoice
- Our Credit Note
- Your Credit Note
- Our Debit Note

Operation type codes and VAT registers are defined on the header of sales quotes, sales orders, pending invoices, and other functions that ultimately lead to the creation of an invoice. Operation types display on various VAT reports; for example, when VAT registers are printed.

Use Operation Type Maintenance (2.13.11) to define operation types.

Fig. 8.7
Operation Type
Maintenance
(2.13.11)

Operation Code. Enter a code (up to 8 characters) identifying the type of operation.

Description. Enter a brief description of the operation type.

Group. Enter a 2-character code used to categorize different operation types. The VAT register displays subtotals by VAT register and group of operation types.

Associate VAT Registers with Customers and Suppliers

European Accounting lets you add VAT registers to customers and suppliers for use in sales and purchase transactions. A pop-up has been added to the standard Customer Maintenance (2.1.1) to let you enter a VAT register and its associated operation code for a specific customer.

Customer Maintenance

Customer Address

Customer: 3002000
 Name: CENTRE DE NOUVELLE
 Address: CEDEX 25023
 Address: B02 Blvd Montparnasse
 Address: Montparnasse
 City: PARIS
 Country: FRANCE
 Attention: F. Tradeau [2]:
 Telephone: 33-45029323 Ext: [2]:
 Fax/Telex: [2]:
 Added: 08/13/2002

VAT Register: 1a
 Operation Code: inv

Format: 0

Customer Data

Taxable: Class:
 Price Table: Discount Tbl: SIC:
 Fixed Price: Partial OK:

Fig. 8.8
Customer
Maintenance
(2.1.1)

Supplier Maintenance (2.3.1) has been enhanced like Customer Maintenance, but in addition to being able to specify a VAT register and operation, you are also prompted to specify a site for a supplier.

Supplier Maintenance

Supplier Address

Supplier: 3002000 Temporary:
 Name: CENTRE DE NOUVELLE
 Address: CEDEX 25023
 Address: B02 Blvd Montparnasse
 Address: Montparnasse
 City: PA
 Country: FR
 Attention: F. Tradeau [2]:
 Telephone: 33-45029323 Ext: [2]:
 Fax/Telex: [2]:
 Added: 08/13/2002

VAT Register: 1a
 Operation Code: inv
 Site: 10000

Format: 0

Supplier Terms Data

Cr Terms: Taxable: Tax ID: TID Notice:
 Disc Pct: 0.00% Prepayment Balance: 0.00
 CoC Number: Debtor Number:
 Partial OK: Tax Report:
 Payment Hold: Pay Specification:
 DB Number:

Fig. 8.9
Supplier
Maintenance
(2.3.1)

You can leave this field blank, in which case the system will search for a VAT register defined for a blank site when processing the relevant transactions. If you do enter a site, the system searches for a VAT register associated with that site code; if not available, it uses the matching register with a blank site.

Sales and Purchase Transactions

Once VAT registers have been set up for the relevant customers and suppliers, you can link transactions to particular VAT registers.

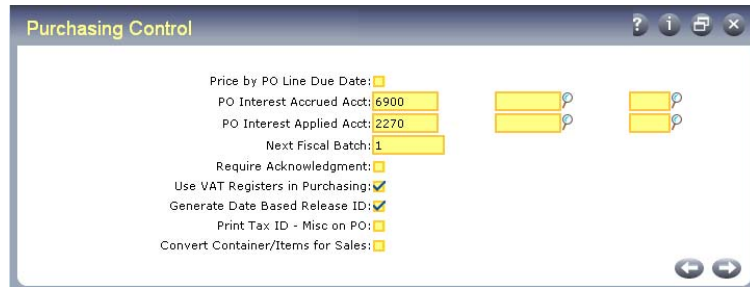
Purchases

MFG/PRO’s standard documents associated with purchase transactions have been enhanced to handle VAT registers. The following sections describe creating vouchers, but similar features are available for other purchase documents such as purchase orders.

Purchasing Control

The Use VAT Registers in Purchasing field in Purchasing Control (5.24) determines if tax rates are validated against VAT registers in purchase transactions, such as Purchase Order Maintenance (5.7).

Fig. 8.10
Purchasing Control
(5.24)



Voucher Maintenance

Vouchers can be linked to a particular VAT register during voucher line registration. When registering a voucher, a temporary number is initially assigned to that voucher by the system until it has been linked to a VAT register. A final number can only be assigned once the voucher has been

linked to a particular VAT register. A pop-up displays when you enter header details showing the default VAT register and its associated operation code and site for use with that voucher. This defaults from the voucher's associated purchase order, or purchase orders if the voucher is linked to more than one.

Note If a voucher is linked to more than one purchase order, they must all reference the same VAT register.

Alternatively, if no purchase order is available, the VAT register, operation code, and site default from the relevant supplier records. You can change these defaults as needed.

Fig. 8.11
Voucher
Maintenance
(28.1.1)

After the registration of the voucher header, the system assigns the selected VAT register to the voucher. During the registration of a voucher's distribution lines, the system checks the consistency of the VAT registers. It will display an error message if you attempt to record a voucher line with a tax code linked to a different VAT register. This tax code is determined based on the tax types defined within the tax environment, tax usage, and tax class for each voucher distribution line.

At the end of registering a voucher, the system determines the final voucher number based on the VAT register you have linked to the voucher. This number is the next available number taken from the numbering sequence specified in VAT Register Maintenance (2.13.7.1).

Fig. 8.12
Final Voucher
Number

Note If you disabled VAT register functionality on purchase transactions in Purchasing Control, the system does not validate the VAT registers of any purchase order being linked to a voucher. It simply checks that the tax rates for each voucher line, as entered in the receiver matcher frame, lie in the same VAT register.

Sales

MFG/PRO's standard documents associated with sales transactions have been enhanced to handle VAT register functionality. The following section describes creating sales orders, but similar features are available for other sales documents, such as sales quotes, material orders, and return material authorizations.

VAT registers and operation types assigned to documents created early in the sales cycle, such as sales quotes, are automatically transferred to sales documents for the same transaction later in the sales cycle, such as invoices. For example, VAT registers and operation types assigned using Sales Quote Maintenance (7.12.1) are transferred automatically to the associated sales order and from there, to the relevant invoice.

Sales Orders

Sales Orders can be linked to a particular VAT register. When using Sales Order Maintenance (7.1.1) to create a sales order, a pop-up displays when you enter the order header information. This shows the default VAT register and operation code set up for use with the relevant customer.

The screenshot shows the 'Sales Order Maintenance' window with the following details:

- Order: SO251
- Sold-To: 3002000
- Bill To: 3002000
- Ship-To: 3002000

The 'Sold-To' and 'Ship-To' sections both show the address: CENTRE DE NOUVELLE, CEDEX 25023, B02 Blvd Montparnasse, PARIS, FRANCE. The 'Ship-To' section also includes the zip code 75014.

A pop-up window is displayed over the 'Sold-To' section, showing the 'VAT Register' set to 'La' and the 'Operation Code' set to 'INV'. There are navigation arrows below the pop-up.

The bottom section of the window contains various order parameters:

- Order Date: 08/26/2002
- Line Pricing:
- Confirmed:
- Required Date:
- Manual:
- Currency: EUR
- Language:
- Promise Date:
- Site: 10000
- Taxable:
- Due Date: 08/27/2002
- Channel:
- Fixed Price:
- Perform Date:
- Project:
- Credit Terms: 2/40PROX
- Pricing Date:
- Entered By: evg
- Original Invoice:
- Purchase Order:
- Credit Terms Interest %: 0.00
- Remarks:
- Reprice:

Fig. 8.13
Sales Order
Maintenance
(7.1.1)

You can change the defaults as needed, provided that they are valid for the particular combination of customer and site. The system checks to ensure the VAT register selected is active and that numbers remain available within its numbering sequence range. This VAT register is then assigned to the sales order. When you enter order lines, the system checks the consistency of the VAT registers and displays an error message if you attempt to record an order line with a tax code linked to a different VAT register. This is determined based upon the tax types defined within the tax environment, tax usage, and tax class for each order line.

If the total value of a sales order is positive, the system generates an invoice. If the total value of a sales order is negative, the system generates a credit note. The system automatically transfers the operation code and VAT register shown on the sales order to the invoice or credit note. The system also generates an invoice or credit note number automatically, based on the selected VAT register.

VAT Register Reports

You can run a report showing details of all VAT registers using VAT Register Report (2.13.7.3).

Suspended VAT

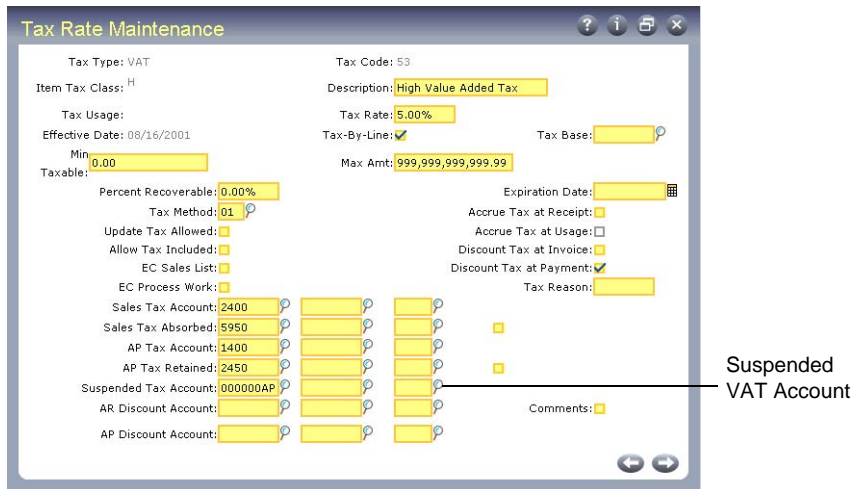
▶ See “Use Suspended VAT” on page 15.

European Accounting allows the tax date on sales invoices to be set according to the payment date of those invoices. If you set the Use Suspended VAT field in European Accounting Control (25.23) to No, then VAT is due when the invoice is first opened, as in standard MFG/PRO. However, if you set this field to Yes, VAT is due on payment of an invoice, rather than when that invoice is first opened.

When Suspended VAT is enabled, you can use the Suspended VAT Account field in Tax Rate Maintenance (2.13.13.1) to define the appropriate Suspended VAT account for each tax code.

You can define multiple suspended VAT accounts per tax environment, and multiple tax codes for a transaction: tax rates included on any one invoice or DR/CR memo do not have to share the same Suspended VAT account.

Fig. 8.14
Tax Rate Maintenance
(2.13.13.1)



When Use Suspended VAT is Yes in European Accounting Control, you can specify which customers require the use of suspended VAT. The setting of the Suspended VAT field for a customer determines the default value used during sales quote, sales order, and invoice processing.

When an invoice is processed for a sales order that is marked for suspended VAT, the tax record is marked as being suspended, indicating that the tax date is unknown. In such cases, the tax amount is posted to the Suspended VAT account defined for the appropriate tax code, rather than the Sales Tax account.

On the first full or partial payment of an invoice, that invoice is no longer marked for suspended VAT. The tax date on the invoice is then set to the effective date of the last invoice payment. Any tax value associated with the invoice is transferred from the Suspended VAT account to the Sales Tax account for the appropriate tax code.

Typically, invoices with suspended VAT are excluded from tax reports, but a separate Suspended VAT Report (2.13.15.20) is available. As soon as such invoices are fully or partially paid, they appear on tax reports with the tax date set to the effective date of the last payment against the invoice.

VAT on Petty Cash Transactions

European Accounting provides an additional feature that lets you create GL journal transactions for petty cash transactions that include VAT. This function, Standard Transaction with GTM (25.13.5), is a modified version of Standard Transaction Maintenance (25.13.1) that allows tax to be calculated for selected journal lines. Standard Transaction with GTM creates GTM records that can then be reported using European Accounting VAT reports.

Fig. 8.15
Standard
Transaction with
GTM (25.13.5)

The header screen for this function is virtually identical to that of Standard Transaction Maintenance, except you can enter some tax defaults. The Type can be either Voucher (default) or Memo. This setting determines whether the created tax records should be reported on AP or AR tax reports. The From and To Zones are used to determine the tax environment used in tax calculations.

Fig. 8.16
Standard
Transaction with
GTM, Tax Defaults

Next the standard GTM tax detail frame found in many other functions, such as Voucher Maintenance, appears. For entry of petty cash transactions, it is often more useful to have defined tax rates that allow Tax Included. This means that you simply enter the gross expense and the system determines the VAT and adjusts the posting to the expense account accordingly.

This same frame appears for each of the lines marked as taxable using the default information entered at the header.

Standard Transaction with GTM

Quality Products Company

GL Reference: JLO20822000001 Type: JL Effective: 08/22/2002 Period: 8/2002

Currency: EUR Control: 0.00 Total: 0.00

Daybook: System Entry Number: Correction:

VOUCHER

Line	Account	Project	Enty	Tax Description	Curr	Amount
1	5100		1000	<input type="checkbox"/>	EUR	100.00

View/Edit tax detail

Fig. 8.17
Standard
Transaction with
GTM, Expenses
Information

In this example, a gross expense of 100 euros was entered to account 5100. The entry was marked as taxable. The system then prompts you to view/edit the tax detail record created. If you answer Yes to this question, the tax details can be modified; for example, to correct rounding differences. Otherwise, the GTM records are created and the tax lines cannot be modified. If modification is needed to the created tax lines, the corresponding expense line must be deleted and re-entered, and the tax lines calculated again.

The system automatically calculates that the amount of VAT at 17.5% included within the gross expense of 100 is 14.89 and creates two new lines to the journal. These tax lines are marked with an asterisk. The first line adjusts the gross expense down to the net amount, and the second line is the VAT. These lines cannot be modified.

The balancing entry to the journal is entered as a non-taxable line that updates the Petty Cash or other appropriate GL account.

Fig. 8.18
GTM Records

Reference:		Number:	Transaction Type: 55		Reporting Currency:		Output: page
Reference	Tax Type	Tax Date	Tax Environment		Tax Amount	Tax Code	
Number	TaxClass	Curr	Ship-From Zone	Taxable Amount	Entity		
TranType	TaxUsage	Tax In	Ship-To Zone	Non-Taxable	Susp.	VAT	
JL020809	XVT7A	08/09/02	xvt7A		24.00	48	
000001	H1	EUR			120.00	1000	
55		no				no	
JL020809	XVT7A	08/09/02	xvt7A		8.80	49	
000001	L1	EUR			88.00	1000	
55		no				no	
JL020809	XVT7B	08/09/02	xvt7b		10.28	50	
000002	H1	EUR			58.75	1000	
55		no				no	
JL020809	SPTAX	08/09/02	SP		-20.00	52	
000004	NEW	EUR			-100.00	1000	
55		no				no	
JL020809	SPTAX	08/09/02	SP		20.00	52	
000004	NEW	EUR			100.00	1000	
55		no				no	
JL020809	SPTAX	08/09/02	SP		40.00	52	
000004	NEW	EUR			166.67	1000	
55		yes			-6.67	no	
JL020809	SPTAX	08/09/02	SP		20.00	52	
000005	NEW	EUR			100.00	1000	
55		no				no	
JL020809	SPTAX	08/09/02	SP		40.00	52	
000005	NEW	EUR			200.00	1000	
55		no				no	

VAT on petty cash transactions can be seen on the following reports:

- AR Tax by Transaction Report (2.13.15.13)
- AR Tax by Tax Rate Report (2.13.15.14)
- AP Tax by Transaction Report (2.13.15.16)
- AP Tax by Tax Rate Report (2.13.15.17)

Note The GL reference is split between the Reference and the Number fields.

AP and AR VAT List

Under GTM in MFG/PRO, a VAT class is not identified by a single code; instead it is identified by a combination of tax type, tax class, tax usage, and effective date. However, for reporting purposes, many European countries—for example, Belgium—still have a legal requirement to report per VAT class, where the class reported is a single unique code that uniquely identifies that particular VAT class.

Following the introduction of GTM, European Accounting has added the following reports to ensure the reporting requirements of countries that expect a VAT class to be identified by a single code can still be satisfied:

- AP VAT List (28.17.8)
- AR VAT List (27.22.1)

Both reports print tax details based on the unique tax code assigned to a tax rate in Tax Rate Maintenance (2.13.13.1). Both reports have a Tax Code field as a selection criterion, as shown in Figure 8.19 for AR VAT List (27.22.1).

Fig. 8.19
AR VAT List
(27.22.1)

Tax Code. The unique tax code identifying a specific VAT class.

The outputs from both reports show this tax code in the individual transaction lines. The tax totals per tax code are also calculated by both reports.

Each tax code shown here is a unique code that can only have one tax rate assigned to it.

Separate Discount Account per Tax Rate

European Accounting has enhanced MFG/PRO with the addition of separate discount accounts for different tax rates. Standard MFG/PRO has only one Discount account, which is defined in System/Account Control (36.1); Domain/Account Control in MFG/PRO eB2.1. In countries such

as Germany where discounting is traditionally done at payment rather than upon invoicing, holding all discounts amounts in the same GL account—regardless of their tax rate—makes it difficult to verify that the correct amount of VAT has been booked.

Tax Rate Maintenance (2.13.13.1) has been modified by European Accounting to let you define separate AR and AP discount accounts. Discounts can then be booked into these discount accounts based on the tax rate for the appropriate vouchers (for AP accounts) or DR/CR memos (for AR accounts).

Discounts for early settlement of invoices are applied at payment time, rather than at invoicing, when the Discount Tax at Payment field in Tax Rate Maintenance is Yes.

When a customer takes advantage of a discount due upon invoice payment or you take advantage of a discount offered by a supplier, a VAT correction must be made to the appropriate VAT account. Also, the discounted amount, less the VAT component, must be posted to the discount account.

Example An early settlement discount of 2% of the sale is available on invoice payment.

Invoice Amount:	100.00
VAT Rate:	17.5%
VAT Due:	17.50
Total Invoice Amount:	117.50
Early Settlement Discount Rate:	2%
Early Settlement Amount:	2.35
VAT Component of Discount:	0.35
Corrected VAT Amount owing to early settlement	7.15

In this example, if the customer takes advantage of the early settlement discount of 2.35 offered upon payment of this particular invoice, a correction to the relevant VAT account is needed. A deduction of 0.35—the VAT component of the discount—must be posted to the appropriate VAT account for the relevant tax code. The sum of 2.00 must be booked to the discount account.

If, as is the case for standard MFG/PRO, all discounted amounts are booked to the same discount account regardless of their associated tax code, it becomes difficult to determine that the correct amount of VAT has been booked. To properly calculate the VAT booked, the discount amount for the tax percentage needs to be deducted from the sales amount. This would be a time-consuming calculation if all discount amounts had to be booked to a single discount account. Posting discount amounts to different discount accounts based on their tax rate simplifies this calculation.

If you choose not to define a Discount account for a tax rate, discount amounts continue to be posted to the Discount account specified in System/Account Control (Domain/Account Control in MFG/PRO eB2.1), as is already the case in standard MFG/PRO.

The screenshot shows the 'Tax Rate Maintenance' window with the following fields and values:

- Tax Type: vat
- Item Tax Class: vat
- Tax Usage:
- Effective Date: 02/02/2005
- Min Taxable: 0.00
- Percent Recoverable: 100.00%
- Tax Method: 01
- Update Tax Allowed:
- Allow Tax Included:
- EC Sales List:
- EC Process Work:
- Sales Tax Account: vatacct
- Sales Tax Absorbed: 5950
- AP Tax Account: 1400
- AP Tax Retained: 2450
- Suspended Tax Account: vatsusp
- AR Discount Account: [blank]
- AP Discount Account: 5200
- Tax Code: 71
- Description: [blank]
- Tax Rate: 19.60%
- Tax-By-Line:
- Max Amt: 999,999,999,999.99
- Expiration Date: [blank]
- Accrue Tax at Receipt:
- Accrue Tax at Usage:
- Discount Tax at Invoice:
- Discount Tax at Payment:
- Tax Reason: [blank]
- Comments:

A box highlights the 'AR Discount Account' and 'AP Discount Account' fields, with a label 'Discount Accounts' pointing to them.

Fig. 8.20
Tax Rate
Maintenance
(2.13.13.1),
Discount Tax
Fields

After you define the appropriate header information, you can enter the AP and AR Discount accounts, sub-accounts, and cost centers to be used for posting any discounts associated with this unique tax code. A blank entry in any of these fields causes their values to default to the values entered for the Discount account, sub-account, or cost center in System/Account Control (Domain/Account Control in MFG/PRO eB2.1).

If an existing tax rate is subsequently copied to a new tax rate, the discount account information is automatically included. You can modify this in Tax Rate Maintenance if necessary.

Additional functionality has also been added to the following AP and AR payment programs to ensure the correct discount account for the relevant tax code can be used when posting discounts:

- AR Payment Autom Checks/Drafts (27.6.4.6)
- AR Payment Manual Checks (27.6.5.1)
- Unapplied Payment Application (27.6.5.14)
- Check Void Maintenance (27.6.5.16)
- Approved Draft Maintenance (27.6.6.8)
- Unapplied Draft Application (27.6.6.14)
- Payment–Automatic Checks (28.9.4.6)
- Payment–Manual Checks (28.9.10)
- Unapplied Payment Application (28.9.20)
- Check Void Maintenance (28.9.15)

When making payments using any of these functions, the tax rate for each voucher or DR/CR memo is checked, the appropriate discount is taken, and that discount is automatically posted to the correct AP or AR Discount account. Where multiple tax rates are used on a voucher or DR/CR memo, the discount is split among the discount accounts defined for the tax rates concerned. These GL accounts override the value of the discount account that is normally specified in the header section of these functions. The normal discount account is still displayed and available for update, but may well be overridden because until the user has specified which vouchers or DR/CR memos will be paid, it is not possible to identify which tax rates and associated discount accounts should be used.

If no tax information is attached to a voucher or DR/CR memo, the standard Discount account as set in System/Account Control (Domain/Account Control in MFG/PRO eB2.1) is used for posting the discount amount.

If the voucher or DR/CR memo has only one tax rate attached to it, then the AR or AP Discount account defined for that tax rate is used for posting the discount amount. If no AP or AR Discount account has been defined for that tax rate, then the standard Discount account, as specified in System/Account Control (Domain/Account Control in MFG/PRO eB2.1), is used.

However, if the voucher or DR/CR memo has multiple tax rates attached to it, the discount amount is split and posted proportionally to each of the AR or AP discount accounts defined for those tax rates.

Any of the AR or AP payment selection that produce GL detail also show discount amounts for the correct GL discount accounts as defined in Tax Rate Maintenance.

If an AP check is voided, all the GL transactions for the discount amounts are reversed automatically.

Withholding Tax

European Accounting supports withholding tax functionality that lets you withhold tax when paying suppliers and then declare the tax part of the supplier payment to the authorities on that supplier's behalf. Introduced in response to Italian requirements, this feature has been extended to make it of more general use. It is typically used when dealing with sole traders or small companies that provide services rather than goods. The rate at which withholding tax is calculated differs depending on the type of service provided.

A separate GL account is used for booking retained withholding tax amounts. The withholding tax liability is not created until a voucher that is subject to withholding tax is paid. At that point, withholding tax is retained from the total invoice amount and is credited to this separate account. If a partial payment is made, the system calculates the withholding tax liability based on the proportion of the voucher that is being paid.

The Withholding Tax account is then debited with the retained amount once the withholding tax is declared to the authorities. This is normally recorded using a manually entered GL transaction.

Table 8.2 lists the functions added to support withholding tax.

Menu Number	Description	Program
2.13.15.4.7	Withholding Tax Payment	euwhpmt.p
2.13.15.4.8	Withholding Tax Report	euwhtrp3.p
2.13.15.4.10	Withholding Tax Certificate Rpt	euwhtrp1.p

Table 8.2
Withholding Tax
Functions

Menu Number	Description	Program
2.13.15.4.11	Compensation to Third Party Rpt	euwhtrp2.p
2.13.15.4.12	Withholding Tax Rsn Code Browse	txbr016.p
2.13.15.4.23	Withholding Tax Delete/Archive	euwhtxup.p

Setting up Withholding Tax

Withholding tax is not paid at a single standard rate. Instead, the amount of withholding tax due varies depending on the type of service provided. For example, in Italy certain professional fees may be subject to a withholding tax of 20% for Italian residents, but of 30% for non-Italian residents.

You use standard MFG/PRO GTM functionality to define both the withholding tax rates and the accounts that track the withholding tax liability.

There are three tasks for setting up withholding tax:

- 1 Create a special withholding tax type in Tax Rate Maintenance (2.13.13.1).
- 2 Specify the withholding tax type in European Accounting Control.
- 3 Enable withholding tax for specific suppliers in Supplier Maintenance (2.3.1) and specify tax data.

◆ See “Withholding Tax Type” on page 16.

Creating a Withholding Tax Type

This tax type is defined in Tax Type Maintenance (2.13.1.1) and cannot be included in the definition of any tax environments.

You must then set the different tax rates or taxable base percentages to be used for withholding tax transactions. These depend on the type of service associated with a transaction. Every withholding tax transaction must have a *reason code* (or *causale*) associated with it to identify that transaction’s service type. Use Tax Rate Maintenance (2.13.13.1) to set and maintain the necessary withholding tax details.

Fig. 8.21
Tax Rate
Maintenance
(2.13.13.1)

While this is a standard MFG/PRO function, the following fields are used in a non-standard way for handling withholding tax.

Tax Type. Specify the tax type for withholding tax transactions, as defined in European Accounting Control (25.23). This must not be the same as any tax type for any tax environment as defined in Tax Environment Maintenance (2.13.5.1).

Tax Usage. You can use this field to store the tax code from the list of *Codici Tributo* for this type of service. This information is published by the Italian Tax Authorities.

Tax Code. Specify the reason code indicating the transaction's service type. Every withholding tax transaction must have a reason code assigned to it. Many of the tax codes listed as *Codici Tributo* may have a number of different reason codes or *causale*.

Percent Recoverable. Specify the percentage of any voucher distribution line amount that is subject to withholding tax. This will be 100% if the whole transaction is subject to withholding tax.

Tax Rate. Specify the percentage at which withholding tax is to be calculated for this transaction.

AP Tax Account, Sub-Account, Cost Center. Specify the account to be used for booking the retained withholding tax.

Update Suppliers

A new field, **Withhold Tax**, has been added to **Supplier Maintenance (2.3.1)**. It must be set to **Yes** when a supplier is eligible for withholding tax.

Fig. 8.22
Supplier
Maintenance
(2.3.1)

The screenshot shows a window titled "Supplier Maintenance" with two main sections:

Supplier Address

Supplier: 3002000 Temporary:

Name: CENTRE DE NOUVELLE

Address: CEDEX 25023

Address: B02 Blvd Montparnasse

Address: Montparnasse

City: PARIS State: Post: 75014 Format: 0

Country: FRANCE FR County:

Attention: F. Tradeau [2]:

Telephone: 33-45029323 Ext: [2]: Ext:

Fax/Telex: [2]: Added: 08/13/2002

Withholding Tax Data

Withhold Tax:

Reason Code:

Fiscal Code: Foreign Fiscal Code:

Birth Date: Birth City:

Navigation arrows are visible at the bottom right of the window.

When this field is set to **Yes**, a **Withholding Tax Data** frame displays. Here you can enter the fiscal address code of the relevant supplier plus specify if the supplier is an individual rather than a company. For individuals, you can enter additional personal details that might be relevant, such as the person's place of birth.

The screenshot shows a software window titled "Supplier Maintenance" with a standard Windows-style title bar (minimize, maximize, close buttons). The window is divided into two main sections:

- Supplier Address:** This section contains the following fields:
 - Supplier: 3002000 Temporary:
 - Name: CENTRE DE NOUVELLE
 - Address: CEDEX 25023
 - Address: B02 Blvd Montparnasse
 - Address: Montparnasse
 - City: PARIS State: FR Post: 75014 Format: 0
 - Country: FRANCE County:
 - Attention: F. Tradeau [2]:
 - Telephone: 33-45029323 Ext: [2]:
 - Fax/Telex: [2]: Added: 08/13/2002
- Withholding Tax Data:** This section contains the following fields:
 - Withhold Tax:
 - Reason Code: high
 - Fiscal Code: [text input]
 - Foreign Fiscal Code: [text input]
 - Birth Date: [calendar icon]
 - Birth City: [text input]

Fig. 8.23
Supplier
Maintenance,
Withholding Tax
Data

Withhold Tax. Enter Yes to indicate the supplier is subject to withholding tax rules; otherwise, enter No.

Reason Code. Specify the reason code, linked to the withholding tax rate, indicating the type of service provided by this supplier. This field is validated against the reason codes (tax codes) defined in Tax Rate Maintenance (2.13.13.1), and is used as the default for any vouchers recorded for this supplier using Voucher Maintenance (28.1.1).

Fiscal Code. The individual's fiscal code.

Foreign Fiscal Code. The foreign fiscal code, if appropriate.

Birth Date. The person's date of birth.

Birth City. The person's birth town or city.

Processing Withholding Tax

Voucher Maintenance

Withholding tax data is created using Voucher Maintenance (28.1.1). Withholding tax data is recorded only for vouchers without purchase orders and is not collected for either waiting-expenses vouchers or recurring vouchers. When you enter a voucher from a supplier who is

subject to withholding tax, you are prompted to indicate if each distribution line on that voucher represents a *fee* item or a reimbursed *expense*. Withholding tax can be charged for fee items but not for expenses.

Fig. 8.24
Voucher Maintenance (28.1.1), Fee Item

Voucher Maintenance

Batch / Voucher

Batch: 2396 Batch Ctrl: 0.000 Tot: 1,000.000
 Voucher: 20232 EUR Ctrl: 0.00 Total: 1,000.00

Distribution

Ln	Account	Sub-Acct	CC	Project	Enty	Tax	Description	Amount	T
1	5100				1000	y	Purchase	1,000.00	

Withholding Tax

Fee Or Expense: **FEE** Withholding Tax Reason Code:

For each distribution line in the voucher that is marked as a fee, you are then prompted to enter a reason code to show the nature of the service provided for that particular entry. You must enter either a valid reason code defined in Tax Rate Maintenance (2.13.13.1) or leave the field blank. By default, it is set to the reason code defined for that particular supplier in Supplier Maintenance (2.3.1).

Fig. 8.25
Voucher Maintenance, Reason Code

Voucher Maintenance

Batch / Voucher

Batch: 2396 Batch Ctrl: 0.000 Tot: 1,000.000
 Voucher: 20232 EUR Ctrl: 0.00 Total: 1,000.00

Distribution

Ln	Account	Sub-Acct	CC	Project	Enty	Tax	Description	Amount	T
1	5100				1000	y	Purchase	1,000.00	

Withholding Tax

Fee Or Expense:FEE Withholding Tax Reason Code: **high**

Leaving the field blank indicates that a specific line is not subject to withholding tax. If it is left blank for the first distribution line in a voucher, you can turn off withholding tax for the entire voucher.

For lines marked as an expense, you are not prompted to enter a reason code since withholding tax is never recorded for reimbursed expenses. However, it may sometimes be necessary to show reimbursed expense amounts on certain reports.

Voucher Maintenance

Batch / Voucher

Batch: 2396 Batch Ctrl: 0.000 Tot: 1,100.000
 Voucher: 20232 EUR Ctrl: 0.00 Total: 1,100.00

Distribution

Ln	Account	Sub-Acct	CC	Project	Enty	Tax	Description	Amount	T
1	5100				1000	y	Purchase	1,000.00	

WTX_FRAME

Fee Or Expense: Withholding Tax Reason Code:

Fig. 8.26
Voucher
Maintenance,
Expense Item

Note The withholding tax liability is not created until a voucher is paid.

Voucher Payment

When you pay a voucher that is subject to withholding tax, the withholding tax amount is subtracted from the amount paid to the supplier and this amount is credited to the Withholding Tax account. Multiple entries can exist per voucher and you can make partial payments against each voucher. The system calculates your withholding tax liability by prorating it against the total payment due for that voucher.

Several standard MFG/PRO functions have been enhanced to support withholding tax voucher payments:

- Payment Selection–Automatic (28.9.4.1)
- Payment Selection–Manual (28.9.4.2)
- Payment Selection Register (28.9.4.4)
- Payment–Automatic Checks (28.9.4.6)
- Payment–Manual Checks (28.9.10)
- Payment Inquiry (28.9.11)
- Payment Register (28.9.12)
- Check Void Maintenance (28.9.15)

Manual Payment

When you enter a check for payment manually using Payment–Manual Checks (28.9.10), the setting of the Withholding Tax field determines whether the amount of withholding tax due is calculated automatically or you calculate it yourself manually.

Fig. 8.27
Payment –Manual
Checks (28.9.10)

The screenshot shows a software window titled "Payment - Manual Checks". At the top, it displays "Batch:" and "Total: 0.000". Below this, there are several input fields arranged in a grid:

- Bank: FR
- Payment Method: FB
- Automatic Withholding Tax: (Yes)
- Check:
- Control:
- Total:
- Draft:
- Currency:
- Batch:
- Supplier:
- Daybook:
- Date:
- Account:
- Effective:
- Discount Account:
- Due Date:
- Remark:

Navigation arrows are visible at the bottom right of the window.

Automatic Withholding Tax. Enter Yes if you want the system to calculate the withholding tax liability for you automatically, or No if you want to calculate it yourself manually.

Typically withholding tax is calculated automatically, but if you set this field to No you can record multiple payment lines against each voucher, together with the GL accounts to which each amount relates.

Calculating Withholding Tax Automatically

When you choose to calculate withholding tax automatically, the system calculates the amount of withholding tax that is to be excluded from a payment.

Payment - Manual Checks

Batch: 2397 Ctrl: 0.000 Total: 0.000

Bank: FR Payment Method: FC Automatic Withholding Tax:

Check: 20000001 Control: 0.00 Total: 0.00

Draft: Currency: EUR Batch: 2397

Supplier: 3002000 CENTRE DE NOUVELLE Status:

Date: 08/22/2002 Account: 1049 Daybook: xcb1

Effective: 08/22/2002 Discount Account: 5200

Due Date: Remark:

Voucher: 20232 Amount to Apply: 1,292.50

Type: VO Cash Amount: 1,292.50

Account: 2100 Discount Amount: 0.00

Add Link

Adding new record
Withholding tax: 200.00

Fig. 8.28
Payment –Manual Checks, Automatic Withholding Tax

The values you enter into the Amount to Apply and Cash Amount fields are not the amount of the actual physical payment; instead, they show the amount of the voucher that will be settled by this payment. Figure 8.28 is for a voucher of 1295.50 euro that will be settled with a payment of 1095.50 euro. This check represents the payment of this voucher with 1095.50 euro in cash less the withholding tax portion of the voucher, which in this case has been calculated as 200.00 euros.

This example represents a full payment of a voucher. You can, however, make a partial payment by paying less than the total due. In this case the amount of withholding tax due is prorated accordingly and split between the various reason codes on the voucher and their associated GL accounts.

The following GL entries (all in euros) would be created for the voucher in Figure 8.28:

	Debit	Credit
Withholding Tax		200.00
Accounts Payable	1295.50	
Payment in Process/Cash		1095.50

Calculating Withholding Tax Manually

If you choose to calculate withholding tax manually, you must enter all the accounts to be affected by the transaction together with their associated amounts, with the exception of the Payment in Process or Cash accounts that are credited with the total of these entries. In Figure 8.29, the full value of the voucher created in earlier sections (1295.50 euros) is cleared from Accounts Payable.

Fig. 8.29
Payment –Manual Checks, Amount to be Debited from Accounts Payable

Next, enter the amount of withholding tax as a negative amount (in Figure 8.30, –200.00). The total of these two lines (1295.50 in this example) is the total amount payable for that voucher in this payment.

The screenshot shows a window titled "Payment - Manual Checks" with the following data:

Batch: 2397	Ctrl: 0.000	Total: 0.000
Bank: FR	Payment Method: FC	Automatic Withholding Tax: <input checked="" type="checkbox"/>
Check: 20000001		
Control: 0.00	Total: 0.00	
Draft: <input type="checkbox"/>	Currency: EUR	Batch: 2397
Supplier: 3002000	CENTRE DE NOUVELLE	Status:
		Daybook: xcb1
Date: 08/22/2002	Account: 1049	
Effective: 08/22/2002	Discount Account: 5200	
Due Date:	Remark:	
Voucher: 20232	Amount to Apply: 1,292.50	
Type: VO	Cash Amount: 1,292.50	
Account: 2100	Discount Amount: 0.00	

Fig. 8.30
Payment –Manual Checks, Withholding Tax Amount

The system recognizes the account above as a Withholding Tax liability account because it is defined as the AP Tax account for a tax rate for the withholding tax type. The system prorates the amount across any reason codes recorded on the voucher and deducts the amount of each expense line paid from the total paid.

You can also record amounts on other accounts such as INPS or *Ritenuta Previdenziale*. These are types of pension contributions, a proportion of which some professionals can charge to certain customers. These are also recorded in the GL transaction created for the payment.

Automatic Payment

The automatic payment selection functions, such as Payment Selection–Automatic (28.9.4.1), that have been enhanced to support withholding tax payments do not permit you to select an amount for payment on a voucher that exceeds the total voucher amount less the withholding tax liability. As with automatic payments, manual payment selection lets you make partial payments of a voucher, in which case the withholding tax amount due is prorated and split between the various reason codes on the voucher and their associated GL accounts.

Payment selection reports highlight when the amount payable for a voucher has been reduced because of withholding tax amounts.

The GL transactions created for automatic payments of withholding tax amounts are the same as those created when calculating withholding tax automatically for manual payment.

▶ See “Calculating Withholding Tax Automatically” on page 241.

Note It is not possible to deal with INPS or *Ritenuta Previdenziale* using automatic payments.

Voucher Inquiry

Voucher Inquiry (28.2) shows the payments made against selected vouchers. Continuing with our example voucher, this would show multiple lines for a single payment of 225.00 euros. Recording the withholding tax in this way makes it easier for you to see how a voucher can be fully paid with an amount that appears to be less than the total amount of that voucher.

Fig. 8.31
Voucher Inquiry
(28.2)

apvoiq.p h+		28.2 Voucher Inquiry		08/22/02	
Voucher: 20232	Supplier: 3002000	PO Number:			
Invoice: 20232	Type:	Open Only: No			
Currency: Base	Reporting Currency: EUR	Output: page			
Reference: 20232	Invoice: 20232				
Date: 08/22/02	Credit Terms: interest	Type:	Amount: 1,292.50		
Effective: 08/22/02		Amount Open: 0.00			
Account: 2100					
Exch Rate: 1.0	Entity: 1000	Currency: EUR			
Supplier: 3002000	PO Number:	Batch: 2396			
Confirmed: Yes	Confirmed By: evg	Recur Voucher:			
Pmt Meth: FB	Hold Amount: 0.00	ERS Vo: No			
Distribution					
Ln	Account	Project	Enty		Amount
	Description				
1	5100		1000		1,000.00
	Purchases (expenses)				
2	8300		1000		100.00
	Rent				
3	1400		1000		192.50
	AP Tax Recoverable				
Payments					
Date	Reference	Amount	Discount	Amount Cur	Account Sub-Acct
	CC Slip				
08/22/02	FR20000001	1,292.50		0.00 EUR	2100
08/22/02	FR20000001	-200.00		0.00 EUR	1400

Settling Withheld Tax

Once a withholding tax liability has been created by the payment of the appropriate vouchers, the actual tax that you have withheld must be settled with the tax authorities. Withholding Tax Payment (2.13.15.4.7) lets you identify withholding tax transactions and mark those that are due for payment.

Fig. 8.32
Withholding Tax
Payment
(2.13.15.4.7)

Select transactions by range of reference, supplier address, reason code, withholding tax per cent, and date paid.

Selection Order. Enter Voucher or Payment Date to control the order in which vouchers meeting the selection criteria are to be displayed.

Maximum to Withhold. Specify the maximum of amount of withholding tax to be withheld.

Withholding Tax Payment Date. Specify the effective date on which the withholding tax liability is settled and, optionally, the associated GL transaction is created.

Select All. Enter Yes or No to determine if all the vouchers meeting the selection criteria should be selected automatically in the Payment Selection screen (Figure 8.33).

Update GL. Enter Yes or No. Determines if GL transactions are to be created automatically once withholding tax liabilities are settled.

Entity. Only vouchers for the selected entity will be processed. GL transactions are created for one entity at a time.

Daybook. Only to be entered if daybooks are in use, in which case the name you enter must be that of a valid daybook. By default this is determined for each GL transaction by the system based upon the transaction type (JL) and the entity selected for the transaction. You only need to enter a different one if you need to separate withholding tax transactions from other types of JL transactions.

Credit Account. This defaults to the Sales Cash account specified in System/Account Control (Domain/Account Control in MFG/PRO eB2.1). You may enter any valid account, sub-account, and cost center of your choice.

GL Description. Enter the description to be used for each GL transaction line generated by the process.

Undo Previous Selection. Enter Yes reverse a withholding tax payment previously made; otherwise, enter No.

The setting of the Update GL field determines if you want a GL transaction to be created when the withholding tax liability is settled. The creation of such an entry is optional since you may offset withholding tax liabilities against other tax items, such as advance corporation tax, or you may pay it together with other taxes. If you do let the system generate a GL transaction, it is type JL.

In Italy, withheld tax falls due for settlement to the authorities on the 15th of the month following the creation of the withholding tax liability. By entering the first and last days of the previous month in the Date Paid field, all the relevant withholding tax vouchers in that period will be identified. Alternatively, use one of the other selection criteria to create a list of withholding vouchers due for payment.

Once you have made your entries, a list of vouchers with associated withholding tax that is due for settlement is then displayed. You can choose whether you want to settle your withholding tax liability for each voucher.

FINAL_SELECTION							
Sel	Ref	Supplier	Reason	Wh Tax%	Account	Withhold Tax	Pay Date
▶*	20232	3002000	high	20.0%	1400	2,00.00	08/22/2002

Fig. 8.33
Withholding Tax
Payment, Selecting
Vouchers for
Payment

The withholding tax for the voucher distribution lines marked with an asterisk is now due for settlement. Simply deselect if you do not want to pay at this time, or alternatively mark as paid.

You can also mark as unpaid any items erroneously marked as paid.

Withholding Tax Reports

Three withholding tax reports are available:

- Withholding Tax Report (2.13.15.4.8) is a generic report showing the vouchers that are subject to withholding tax.
- Withholding Tax Certificate (2.13.15.4.10) is an Italian-specific report certifying the amount of withholding tax paid to the authorities on a supplier's behalf on an annual basis.
- Compensation to Third Party Report (2.13.15.4.11) is an Italian-specific report listing the amounts of withholding tax due for settlement to the authorities in the selected month.

▶ See “Withholding Tax” on page 337 for details on these two Italian reports.

The output from these reports shows the address information of the company that is responsible for settling the withholding tax liability with the tax authorities. This address information is taken from that entered in Company Address Maintenance (2.12) for the primary entity code as defined in System/Account Control (Domain/Account Control in MFG/PRO eB2.1).

Use Withholding Tax Report (2.13.15.4.8) to create a generic report showing the selected supplier's withholding tax vouchers.

Fig. 8.34
Withholding Tax
Report
(2.13.15.4.8)

Show Expected Tax Amount. Indicate if withholding tax amounts expected against voucher lines and amounts where payment has not yet been made to the supplier should be included in the report.

Exclude Settled. Indicate if amounts already settled to the tax authorities should be included in the report. If set to Yes, only items for which a withholding tax liability currently exists are shown on the report.

Reporting Currency. Withholding tax amounts are stored in base currency but this option allows the reporting of withholding tax amounts in a currency other than the base currency.

The resulting output from this report lists the appropriate withholding tax vouchers together with their fees (and associated reason codes), expenses, the withholding tax rate, the withholding tax amounts, and the total amounts paid to the supplier. It also shows the taxable IRPEF (*Imposte Reddito Persona Fisica* or income tax); that is, the taxable amount of IRPEF subject to withholding tax.

Deleting and Archiving Withholding Tax Data

Withholding Tax Delete/Archive (2.13.15.4.23) lets you delete withholding tax records from your database and archive data. Archived records can be reloaded using MFG/PRO's standard Archive File Reload (36.16.5).

Fig. 8.35
Withholding Tax
Delete/Archive
(2.13.15.4.23)

Withholding tax records can only be deleted or archived after the appropriate withholding tax amounts have been settled with the tax authorities using **Withholding Tax Payment (2.13.15.4.7)** and you have sent the supplier a withholding tax certificate that shows those transactions.

Taxable Details for Address Data

In standard MFG/PRO, the default value of the Taxable field for all address data is No, which means that tax details do not need to be entered when any temporary shipping addresses are added to your database. However, the majority of users manually set this field to Yes when entering address data to ensure that the relevant tax details must also be added.

European Accounting has enhanced Global Tax Management Control (2.13.24) to let you control whether or not tax details should be entered by default when new address data is added to your database. A new Default Taxable field lets you specify the default setting of the Taxable field in all functions where address data can be added.

Fig. 8.36
Global Tax Management Control (2.13.24), Default Taxable Field

The screenshot shows the 'Global Tax Management Control' window with the following settings:

- Tax Zone: usa
- Tax Environment: usa
- Country Code: usa
- Rounding Method: 2
- Tax Method: 01
- Tax-By-Line:
- Accrue Tax at Receipt:
- Accrue Tax at Usage:
- Discount Tax at Invoice:
- Discount Tax at Payment:
- Update Tax Allowed:
- Update History Allowed:
- Keep Tax History:
- Validate VAT Registration:
- Print VAT Registration:
- Display Detail on Reports:
- Display Taxable/Non-Taxable on Trailer:
- Default Taxable:

Last Tax Code: 73

Default Taxable. Indicate the default setting for the Taxable field for new address records. When set to Yes, any temporary shipping addresses added to the system from sales order functions are taxable by default and their tax details must be entered into the system.

If you set this field to Yes, the Taxable field in the following functions defaults to Yes:

- Customer Maintenance (2.1.1)
- Ship-To Maintenance (2.1.13)
- End User Maintenance (11.9.1)
- Company Address Maintenance (2.12)
- Supplier Maintenance (2.3.1)
- Remit-To Supplier Maintenance (2.3.13)

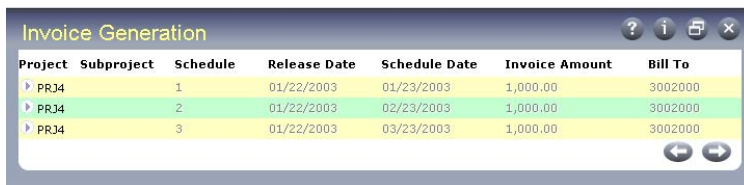
Project Realization Management

The Project Realization Management (PRM) module includes invoicing functionality that has been enhanced to add support for European Accounting's bank and payment methods, suspended VAT, VAT registers, and operation codes.

Creation of Invoices

Within PRM, prepayments and pending invoices can be created. A PRM prepayment is equivalent to MFG/PRO's existing DR/CR memos.

Invoices in PRM are generated for a project invoice schedule, which can be created and maintained using Invoice Schedule Maintenance (10.9.1). In Invoice Generation (10.9.13), you can then select the invoice schedules (one at a time) for which either a DR/CR memo (prepayment invoice) or a pending invoice must be generated.



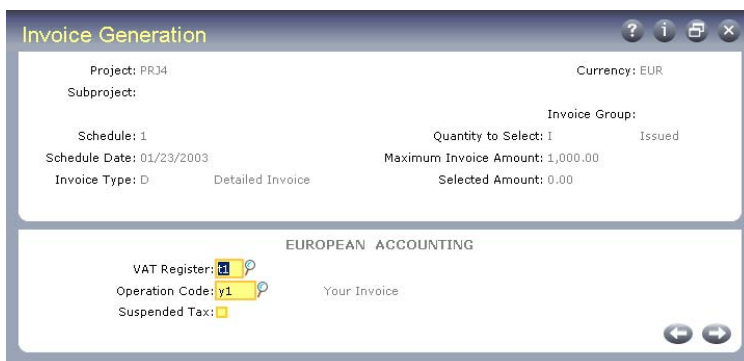
Project	Subproject	Schedule	Release Date	Schedule Date	Invoice Amount	Bill To
PRJ4		1	01/22/2003	01/23/2003	1,000.00	3002000
PRJ4		2	01/22/2003	02/23/2003	1,000.00	3002000
PRJ4		3	01/22/2003	03/23/2003	1,000.00	3002000

Fig. 8.37
Invoice Generation
(10.9.13)

An additional European Accounting frame has been added to this function. This frame appears when all the relevant invoice details have been selected. The frame is slightly different for the two types of invoices: details on both versions of the frame are described.

Pending Invoices

When generating a pending invoice, the following version of the European Accounting frame displays.



Project: PRJ4 Currency: EUR

Subproject:

Schedule: 1 Invoice Group:

Schedule Date: 01/23/2003 Quantity to Select: I Issued

Invoice Type: D Detailed Invoice Maximum Invoice Amount: 1,000.00

Selected Amount: 0.00

EUROPEAN ACCOUNTING

VAT Register:

Operation Code: y1 Your Invoice

Suspended Tax:

Fig. 8.38
Invoice Generation,
European
Accounting Frame

VAT Register. Specify the VAT register to be used for this invoice. This must be a valid VAT register for the project site and for the project tax rate. Invoices for a project can have only one tax rate, which is determined at the project level.

Operation Code. Specify the operation code associated with this invoice. This is used with VAT register reports to provide a clear description of transactions reported.

Suspended VAT. Enter Yes if suspended VAT functionality is to apply to this invoice; otherwise, enter No.

Settings in European Accounting Control (25.23) control which (if any) of these three fields display. The VAT Register and the Operation Code fields display only if VAT Register is Yes in European Accounting Control. The Suspended VAT field displays only if Use Suspended VAT is Yes in European Accounting Control. If neither suspended VAT nor VAT registers have been enabled, then this additional European Accounting frame does not display in Invoice Generation.

Values held in these three fields default from the VAT register, operation code, and suspended VAT setting for the relevant bill-to address.

The bank and payment method to be associated with the relevant payment are assigned automatically during invoice processing.

DR/CR Memos

When generating a DR/CR memo (prepayment invoice), the following version of the European Accounting frame displays.

Fig. 8.39
Invoice Generation,
European
Accounting Frame
for DR/CR Memos

The screenshot shows a software window titled "Invoice Generation". Inside the window, there is a section titled "EUROPEAN ACCOUNTING". Below this title, several fields are displayed with their values: "Bank: au", "Pmt Meth: mc", "VAT Register: t1", "Operation Code: y1", and "Suspended Tax: [empty]". To the right of these fields, the text "Your Invoice" is visible. At the bottom right of the frame, there are two circular navigation arrows.

The fields are the same as those described for pending invoices with the exception that two additional fields, Bank and Payment Method, are shown. These two fields always display. Enter the bank and payment method to be used when processing this DR/CR memo. However, as for pending invoices, the VAT Register and Operation Code fields only display if VAT Registers and Suspended VAT have been enabled.

The values in all these fields default from the relevant settings for the bill-to address.

Journals

Standard MFG/PRO provides only limited reporting facilities from the General Ledger. In earlier versions of MFG/PRO, European Accounting added the ability to create extra reports, known as *Journals* (or *Daybooks*), to the General Ledger functionality.

Developed initially to satisfy the reporting requirements of France and other countries, these have been extended to make them of more general usage. Journals let you group GL transactions in such a way as to either satisfy legal reporting requirements, or to be consistent with common business practices found throughout Europe. They group GL transactions by document types and transaction types with separate debit and credit columns as their final entries.

This chapter looks at European Accounting's Journal Report Writer feature that extends this journal functionality still further, letting you create journal reports that consist of a combination of transactions from one or more daybooks. The following topics are covered:

Journal Report Writer **256**

Setting Up Data **257**

Creating Journals **259**

Printing Journals **275**

Journal Report Writer

The functions on the European Accounting Journal Report Writer Menu (25.10) let you group GL transactions from various daybooks and report selected elements of data from those groupings in either detailed or summarized form.

Note This feature replaces the journal reports accessed from menu 25.9 in versions of European Accounting that worked with MFG/PRO before Version 8.6.

The Journal Report Writer functions let you generate all the journals previously available, as well as offering improved flexibility and efficiency. Using Journal Report Maintenance (25.10.1), you can define any journals you want, including, but not limited to, those journals supported in previous versions of European Accounting.

▶ See “Creating Journals” on page 259.

Journal Report Maintenance lets you select fields from a predefined list for inclusion within your journal report. It also lets you specify sorting criteria and assign initial values to various ranges of data. See “Report Definitions” on page 267 for full details on defining the journals provided in earlier versions of European Accounting.

▶ See “Printing Journals” on page 275.

Once you have defined your journal, use Journal Report Print (25.10.3) to generate and print it.

Each entry is one line long, with one exception. For account-driven reports, each entry can be two lines long, based on options selected when they are defined. In this case, the account code and account description print on one line and the rest of the details on the next line. The Total Journal Summary or the GL Book Reports are reports of this type.

Journals can be one of the following types:

- Reference
- Account
- Document

The fields that can be included in a journal vary slightly depending on the journal type.

Note To use journals created with Journal Report Writer, you cannot enable any of the summarized journal features in MFG/PRO. This feature should be switched off wherever it can be enabled, such as in Accounts Payable Control (28.24).

Table 9.1 lists the Journal Report Writer functions.

Menu Number	Description	Program
25.10.1	Journal Report Maintenance	euglrpmt.p
25.10.3	Journal Report Print	euglrp21.p

Table 9.1
Journal Report
Writer Functions

Setting Up Data

Information from existing daybooks is included within your journal reports. Relevant daybooks must be set up using Daybook Maintenance (25.8.1) before you can create these journal reports. Transactions are grouped within daybooks using the transaction and document type of the relevant GL entries. The transaction type indicates the source of the transaction, while the document type indicates the type of the source document from which the GL transaction originated.

Table 9.2 lists valid transaction types.

Code	Description
AP	Accounts Payable (vouchers, payments, check void)
AR	Accounts Receivable (memos, finance charges, payments)
CS	GL Transaction Summarization
FA	Fixed Assets
FX	GL Foreign Exchange Revaluation
IC	Inventory Control (issues/shipments, receipts, returns, count updates)
JL	GL Standard Transaction Maintenance
RA	GL Retroactive Transaction Maintenance
RV	GL Reversing Transaction Maintenance
SO	Sales Order/Invoices (invoices)
WO	Work Orders (shop floor labor reports)
XC	Transaction Consolidation (among domains)
XX	Transaction Import (in consolidation database)

Table 9.2
Transaction Types

Code	Description
XY	GL Imported Transaction Revaluation
YA	GL Year-End Adjustment Transaction
YR	GL Year-End Close Transaction

Examples of document types are:

- A (Payment Application)
- I (Invoice)
- M (Memo)
- F (Financial Charge)
- P (Payment)
- VO (Voucher)
- CK (Check)

Any combination of document and transaction types can be listed on your journal reports depending on how your daybooks are set up. You must create default daybook codes for each transaction type/document type combination that you want included within a specific kind of report.

Table 9.3 shows a suggested default daybook structure for journals, although you can have any structure you want. A blank document type indicates that all document types not specified in other daybooks will be included. The System daybook includes all transactions not defined by the other default daybooks.

Table 9.3
Example Daybook
Structure for
Journals

Daybook	Trans Type	Doc Type	Description
DB-1	AP	CK	AP Check
DB-2	AP	VO	AP Voucher
DB-3	AP		AP Blank Type
DB-4	AR	A	AR Payment Application
DB-5	AR	D	AR Bankers Draft
DB-6	AR	F	AR Financial Charge
DB-7	AR	I	AR Invoice
DB-8	AR	M	AR DR/CR Memo
DB-9	AR	P	AR Payment
DB-10	AR		AR Blank Type

Daybook	Trans Type	Doc Type	Description
DB-11	SO	I	Sales Invoices
DB-12	SO		Sales Transactions (other)
DB-13	IC		Inventory Transactions
DB-14	JL		Journal Transactions
DB-15	RV		Reversing Transactions
DB-16	WO		Work Order Transactions
DB-17	YA		Year End Adjustments
SYSTEM			System daybook (default)

Use Default Daybook Maintenance (25.8.4) to set up these default daybook codes.

Creating Journals

You define journals using Journal Report Maintenance (25.10.1). Journals are identified by a user-defined report code, which you are prompted to enter when you initially define a journal. Entering an existing report code in the Report Code field displays the data and descriptions previously defined for that report, which you can modify as needed. You can also base a new report on an existing one, tailoring the parameters as necessary for your new report before saving it with a new report code.

Figure 9.1 illustrates creating a Financial Journal by Account.

Specify the journal report characteristics by entering appropriate values or modifying the existing ones in the relevant fields.

Fig. 9.1
Journal Report
Maintenance
(25.10.1)

Report Code. Specify the unique code identifying this journal report.

Copy Code. Specify the code of an existing report that you want to use as the base for a new report. Use the Up/Down arrow keys to select one from available records. The definitions for that report are then copied, letting you tailor the entries as necessary.

Description. Enter a unique description for this report. Description cannot be blank and cannot duplicate an existing description.

Report Type. Specify the type of report: Account, Reference, or Document. Fields that can be included within a journal vary slightly depending on the journal type. Account code, sub-account, cost center, and the Summary/Detail field can only be included for account-type journals. Reference can only be included in reference-type journals, Document Number in document-type journals.

Report Title. Specify the name of the report.

Financial Year. Specify the financial year, defined in the GL calendar, for which GL transactions are to be printed. A journal cannot span financial years.

Period. Specify the range of periods within the specified financial year for which GL transactions are to be reported. This range must have been defined in the GL calendar. When left blank, details on all periods in the relevant financial year are included in the report.

Effective Date. Specify the range of effective dates for which GL transactions are to be reported. By default, this is the start date of the first period and the end date of the last period. This range must lie entirely within the specified period.

Account, Sub-Account, Cost Center. Specify the range of account, sub-account, and cost center codes to be included in the report. If left blank, all codes are included.

Note The name and effect of this field depends on the type of journal you are creating. For a Reference journal, select the range of GL references to be included; for a Document journal, select the range of document numbers to be included.

This cost center range can only be specified if the report type is Account and the Use Cost Centers field in General Ledger Control (25.24) is Yes.

Entity. Specify the range of entities to be included in the report. When left blank, all entities are taken into account.

Bank Code. Enter the bank code of the bank with transactions you want to display on this report. When you enter a bank code, all GL entries created for that bank using Cash Book Maintenance (31.1) are included in the report.

Leave blank to include transactions created for any bank.

Starting Page Number. Specify the number to be printed on the first page of the report. This defaults to 1.

Summary/Detail. Specify the level of detail to display in this report. Detail (the default): Print the details of each transaction selected on this report.

Summary: Print transaction totals and subtotals only.

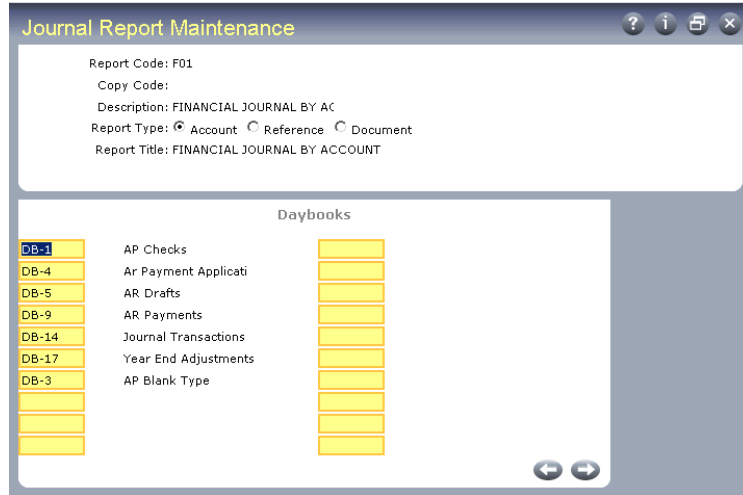
Note This option is only effective for account-type reports.

Display Currency Value. Indicate if the currency and currency amount should be shown in parentheses below the total value of each individual GL entry, when the currency of a transaction differs from the base currency.

Note The fields available for selection in Figure 9.2 vary slightly depending on the type of the report.

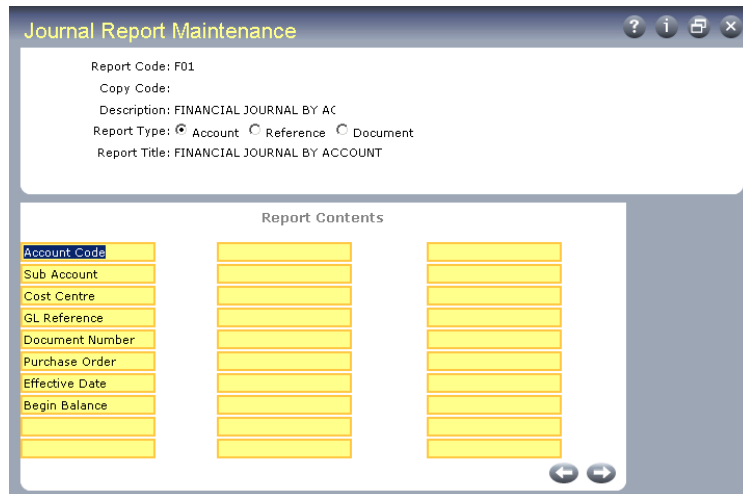
Once you have completed your entries in the first screen, another frame displays where you can select the daybooks (already defined) that you want to include in the report.

Fig. 9.2
Journal Report Maintenance, Daybooks



The next frame illustrated in Figure 9.3 lets you select the data elements from a predefined list of fields that you want extracted from the relevant daybooks for inclusion in your report. You can also specify the order in which these fields should be printed in the final report.

Fig. 9.3
Journal Report Maintenance, Report Contents



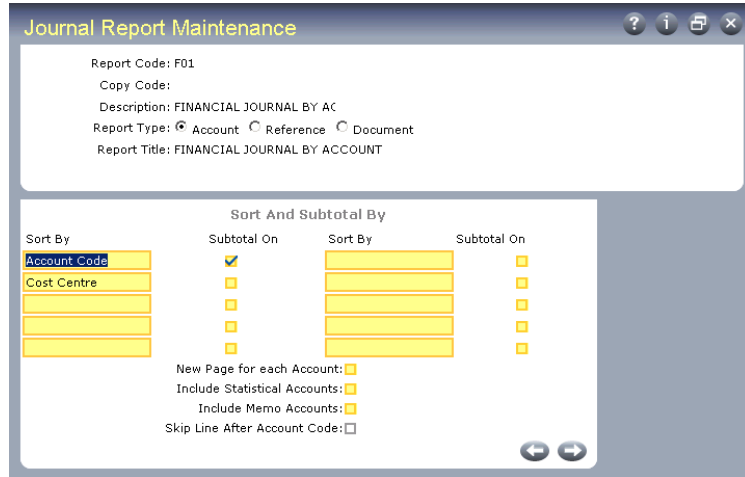
The report contents can include up to a maximum of 30 fields from the following list:

- Account code
- Account description
- Address
- Batch
- Bank code
- Bank slip
- Beginning balance
- Check number
- Cost center
- Cum. balance
- Daybook code
- Daybook description
- Daybook sequence (Number)
- Description
- Document number
- Document type
- Effective Date
- Entity
- Entry date
- GL reference
- Invoice number
- Journal
- Line number
- Period
- Project
- Purchase order
- Reversing transaction
- Sales order
- Sub-account
- Transaction type

Note You cannot include duplicate fields in the same report.

Finally, you select sort criteria that determine the position of certain fields within the printed report. The ordering of the other fields—except for those that appear in the Sort criteria—is determined by the order in which they are selected in the Report Contents frame (Figure 9.3). The exception to this is the credit, debit, and total value fields, which are always printed as the final columns for all types of report. These three fields are included automatically in your report; you cannot select them.

Fig. 9.4
Journal Report Maintenance, Sort and Subtotal By



The following fields are available:

▶ See “Total Journal Summary” on page 265 for more details.

Sort By. Define the fields on which the journal report can be sorted. Select up to a maximum of 10 fields from the following:

- | | |
|-----------------|----------------|
| Account Code | Bank Code |
| Bank Slip | Cost Center |
| Daybook Code | Daybook Number |
| Document Number | Effective Date |
| Entity | GL Reference |
| Journal | Line Number |
| Period | Project |
| Sub-Account | |

Sorting is carried out using the following hierarchy when the journal report is generated:

- Entity
- Daybook code
- Account code/GL reference/document number. (For account-type report, this can be any of the listed fields; however, the recommended field is Account Code/GL Reference/Document reference).

- Any other sort field (determined by the order in which the field was originally selected)

Thus, for example, if a report is to be sorted by entity, then entity is the first sort field, while if the report is also to be sorted by daybook code, daybook code is the second sort field.

Subtotal On. Indicate if subtotals are to be calculated for the specified data category.

This following options are effective for account-type reports only.

New page for each Account. Indicate whether to print the details of each account code on a separate page.

No: The details for different accounts are separated only by a line return.

Yes: After the information relating to one account is printed, the printer advances to the top of the next page before printing the next account.

Include Statistical Accounts. Enter Yes to include statistical accounts for the report; otherwise, enter No.

Include Memo Accounts. Enter Yes include memo accounts in the report; otherwise, enter No to exclude them.

Skip line after Account Codes. Indicate whether to skip a line in the report after each account code and account description.

No: Each entry prints on one line.

Yes: Skip a line after each account code and account description, placing each individual entry in the report on two lines instead.

The Account Code and Account Description fields must be selected for inclusion in the report and they must be the first two fields of each entry.

Total Journal Summary

The Total Journal Summary Report is a special report that is slightly different from the other reports you can create using Journal Report Maintenance. It lists the starting balance of an account and summarizes all the entries by journal type per period to calculate the end balance.

Unlike the majority of other journal reports, individual entries in this report can be two-lines long if both the description and the account code fields are selected and the Skip Line After Account Code field is Yes in Journal Report Maintenance. When these criteria are met, the account code and the description are printed on one line; all the remaining data for each particular entry on the next.

To create a Total Journal Summary, select the following values in the Report Contents frame of Journal Report Maintenance:

- Account (type)
- Beginning Balance
- Journal
- Period
- Cum Balance

To create a detailed version of this report, you must also set the Summary/Detail field in Journal Report Maintenance to Detail. This version of the report shows the opening balances and debit and credit totals per financial period for each account for the entire date range covered by the report. This information is shown separately for each account. The final end balance is calculated from this data and is shown at the end of the report.

The column labeled Per represents the period. The column Journal indicates the grouping to which a particular journal belongs. Table 9.4 shows available journal grouping.

Table 9.4
Journal Groupings

Journal	GL Transactions
Purchases	Document type VO
Sales	Document type I or M
Stocks	Transaction type IC
Production	Transaction type WO
OD	Transaction types JL and RV
Financial	Other

You can translate the labels for these six groups into any language of your choice. Use Language Detail Maintenance (36.4.3) to enter the text for each label. For example, if you want to set up the journal labels in the

German language, specify the GE language code and then enter the journal labels in German. Then, when you print the journals using Journal Report Print (25.10.3), the labels will appear in the report in the appropriate language.

You can also output a summarized version of this report by setting the Summary/Detail field in Journal Report Maintenance to Summary. If you do this, you get a list with account, beginning balances, and the total amount of transactions per type.

Report Definitions

Table 9.5 lists the fields that must be set in Journal Report Maintenance to create the journals supported in previous versions of European Accounting. All of these reports are predefined using the report codes shown in Table 9.5. You can alter these reports if you want.

Table 9.5
Report Definitions

Financial Journal By Account F01 previously 25.9.1.13	
Report Content List	Account Code, Sub-Account, Cost Center, GL Reference, Bank Code, Document Type, Document Number, Address, Effective Date
Daybook Code List	DB-1, DB-4, DB-5, DB-9, DB-14
Sort Order	
Database Field	Subtotal By
Account code	Yes
Cost Center	No
Purchase Journal By Reference P01 previously 25.9.2.1	
Report Content List	GL Reference, Document Number, Account Code, Sub-Account, Cost Center, Purchase Order, Effective Date
Daybook Code List	DB-2, DB-3
Sort Order	
Database Field	Subtotal By
Line number	No
GL reference	Yes

Purchase Journal By Document P02 previously 25.9.2.2	
Report Content List	Document Number, GL Reference, Account Code, Sub-Account, Cost Center, Purchase Order, Effective Date
Daybook Code List	DB-2, DB-3
Sort Order	
Database Field	Subtotal By
Document number	Yes
GL reference	No
Line number	No
Purchase Journal By Account P03 previously 25.9.2.3	
Report Content List	Account Code, Sub-Account, Cost Center, GL Reference, Document Number, Purchase Order, Effective Date
Daybook Code List	DB-2, DB-3
Sort Order	
Database Field	Subtotal By
Account code	Yes
Cost Center	No
Invoice Journal By Reference I01 previously 25.9.3.1	
Report Content List	GL Reference, Document Number, Account Code, Sub-Account, Cost Center, Sales Order, Address, Effective Date
Daybook Code List	DB-11, DB-12
Sort Order	
Database Field	Subtotal By
GL reference	Yes
Line number	No

Invoice Journal By Document I02 previously 25.9.3.2	
Report Content List	Document Number, GL Reference, Account Code, Sub-Account, Cost Center, Sales Order, Address, Effective Date
Daybook Code List	DB-11, DB-12
Sort Order	
Document number	Yes
GL reference	No
Line number	No
Invoice Journal By Account I03 previously 25.9.3.3	
Report Content List	Account Code, Sub-Account, Cost Center, GL Reference, Document Number, Sales Order, Address, Effective Date
Daybook Code List	DB-11, DB-12
Sort Order	
Database Field	Subtotal By
Account code	Yes
Cost Center	No
Sales Journal By Reference S01 previously 25.9.3.5	
Report Content List	GL Reference, Document Number, Account Code, Sub-Account, Cost Center, Sales Order, Address, Effective Date
Daybook Code List	DB-8, DB-11, DB-12
Sort Order	
Database Field	Subtotal By
GL reference	Yes
Line number	No

Sales Journal By Document S02 previously 25.9.3.6	
Report Content List	Document Number, GL Reference, Account Code, Sub-Account, Cost Center, Sales Order, Address, Effective Date
Daybook Code List	DB-8, DB-11, DB-12
Sort Order	
Database Field	Subtotal By
Document number	Yes
GL reference	No
Line number	No
Sales Journal By Account S03 previously 25.9.3.7	
Report Content List	Account Code, Sub-Account, Cost Center, GL Reference, Document Number, Sales Order, Address, Effective Date
Daybook Code List	DB-11, DB-12
Sort Order	
Database Field	Subtotal By
Account code	Yes
Cost Center	No
Memo Journal By Reference M01 previously 25.9.3.9	
Report Content List	GL Reference, Document Number, Account Code, Sub-Account, Cost Center, Sales Order, Address, Effective Date
Daybook Code List	DB-8
Sort Order	
Database Field	Subtotal By
GL reference	Yes
Line number	No

Memo Journal By Document M02 previously 25.9.3.10	
Report Content List	Document Number, GL Reference, Account Code, Sub-Account, Cost Center, Sales Order, Address, Effective Date
Daybook Code List	DB-8
Sort Order	
Database Field	Subtotal By
Document number	Yes
GL reference	No
Line number	No
Memo Journal By Account M03 previously 25.9.3.11	
Report Content List	Account Code, Sub-Account, Cost Center, GL Reference, Document Number, Sales Order, Address, Effective Date
Daybook Code List	DB-8
Sort Order	
Database Field	Subtotal By
Account code	Yes
Cost Center	No
IC Journal By Reference IC1 previously 25.9.4.1	
Report Content List	GL Reference, Account Code, Sub-Account, Cost Center, GL Description, Effective Date
Daybook Code List	DB-13
Sort Order	
Database Field	Subtotal By
GL reference	Yes
Line number	No

IC Journal By Account IC2 previously 25.9.4.2	
Report Content List	Account Code, Sub-Account, Cost Center, GL Reference, GL Description, Effective Date
Daybook Code List	DB-13
Sort Order	
Database Field	Subtotal By
Account code	Yes
Cost center	No
WO Journal By Reference W01 previously 25.9.4.4	
Report Content List	GL Reference, Account Code, Sub-Account, Cost Center, GL Description, Effective Date
Daybook Code List	DB-16
Sort Order	
Database Field	Subtotal By
GL Reference	Yes
Line number	No
WO Journal By Account W02 previously 25.9.4.5	
Report Content List	Account Code, Sub-Account, Cost Center, GL Reference, GL Description, Effective Date
Daybook Code List	DB-16
Sort Order	
Database Field	Subtotal By
Account code	Yes
Cost Center	No
JL Journal By Reference JL1 previously 25.9.5.1	
Report Content List	GL Reference, Account Code, Sub-Account, Cost Center, GL Description, Effective Date
Daybook Code List	DB-14
Sort Order	
Database Field	Subtotal By
GL reference	Yes
Line number	No

JL Journal By Account JL2 previously 25.9.5.2	
Report Content List	Account Code, Sub-Account, Cost Center, GL Reference, GL Description, Effective Date
Daybook Code List	DB-14
Sort Order	
Database Field	Subtotal By
Account code	Yes
Cost center	No
RV Journal By Reference RV1 previously 25.9.5.4	
Report Content List	GL Reference, Account Code, Sub-Account, Cost Center, GL Description, Effective Date
Daybook Code List	DB-15
Sort Order	
Database Field	Subtotal By
GL Reference	Yes
Line number	No
RV Journal By Account RV2 previously 25.9.5.5	
Report Content List	Account Code, Sub-Account, Cost Center, GL Reference, GL Description, Effective Date
Daybook Code List	DB-15
Sort Order	
Database Field	Subtotal By
Account code	Yes
Cost Center	No

GL Book G01 previously 25.9.7	
Report Content List	Account Code, Account Description, Cost Center, Effective Date, GL Reference, Document Type, Document, GL Description, Address, Begin Balance. Cum. Balance
Daybook Code List	
Sort Order	
Database Field	Subtotal By
Account code	Yes
Effective date	Yes
GL reference	No
Line number	No
Additional	Skip line after account code = yes, Report selection list should have Begin balance, account code and account description. This is a two-line report.
GL Book by Account G02 previously 25.9.8	
Report Content List	Account Code, Account Description, Cost Center, GL Reference, Document Number, Bank Code, Address, Effective Date, Begin Balance, Cum. Balance
Daybook Code List	
Sort Order	
Database Field	Subtotal By
Account code	Yes
GL Reference	No
Line number	No
Additional	Report selection list should have beginning balance.

Total Journal Summary T01 previously 25.9.13	
Report Content List	Account Code, Account Description, Begin Balance, Period, Journal, Cum. Balance
Daybook Code List	
Sort Order	
Database Field	Subtotal By
Account code	Yes
Period	Yes
Journal	No
Additional	Summary = yes, Display currency value = no, Report selection list should have Journal, Begin balance, Period.

Printing Journals

Use Journal Report Print (25.10.3) to print journal reports using the criteria entered in Journal Report Maintenance (25.10.1).

After you specify the report code of the report you want to print, its details display. You can make any last-minute changes you may require to those fields before printing the report. Such changes are effective only for this particular print; they are not stored for future use. You must use Journal Report Maintenance to make permanent changes to your journals.

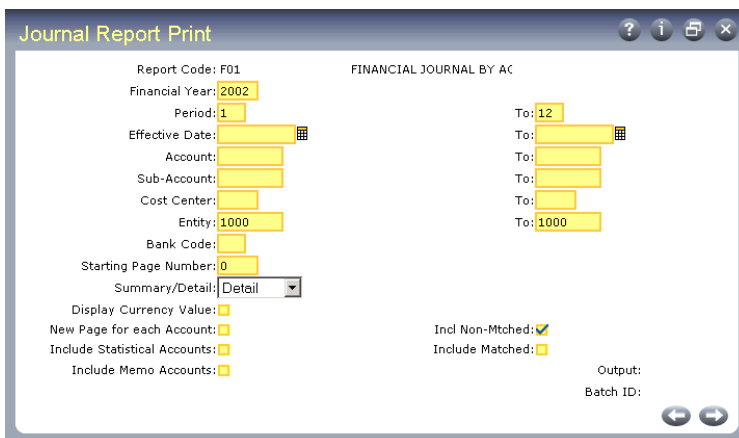


Fig. 9.5
Journal Report Print (25.10.3)

Account type journals can be printed in either summarized or detailed form. The detailed format shows all individual GL transaction entries, while the summarized format shows a condensed version of the report in which only a summarized version of the account is printed.

For the detailed format of the majority of journal reports, the balance column shows the difference between the credit totals for the account, reference, or document, depending on the journal type. It also displays the currency value of any transactions reported in a currency other than the base currency, and the relevant currency code for each transaction, provided the Display Currency field in Journal Report Maintenance is Yes. The difference between debit and credit is shown—when this is anything other than zero—but foreign amounts are not shown.

However, for the Total Journal Summary and the two GL Book Reports, the balance column is used slightly differently.

▶ See “Total Journal Summary” on page 265 for details on the balance column in this report.

The GL Book Reports list, for each account, the starting balance, the selected period, and all the transactions against each account within that period. This information is then used to calculate an ending balance for that period. A beginning balance column against each transaction shows a *running balance*. For the first transaction, this is the starting opening balance plus the first transaction. For the next transaction, this is the balance from the first transaction followed by the next transaction.

The GL Book and GL Book by Account are the only two reports that calculate a running balance.

Intrastat

The completion of the single European market on December 31, 1992, resulted in important changes concerning value added tax (VAT). All custom formalities and documentation checking at the borders within European Community (EC) countries were abolished January 1, 1993. However, statistics are of interest for government departments and for business, since they are important sources of information for developing economic policy, identifying markets, and determining market penetration by competition. Thus Intrastat has developed as the new system for collecting foreign trade statistics in the movement of tangible goods between EC countries.

Note It does not cover the supply of intangible goods (services).

This chapter describes the enhancements added to MFG/PRO's standard Intrastat functions by European Accounting.

The following topics are covered:

Intrastat Data **278**

Setting Up Intrastat **280**

Entering Transactions **288**

Intrastat in IC, DO, and VO **291**

Reporting from Intrastat **297**

Intrastat Data

All traders have to supply an Intrastat Report each month. The information to be shown on the Intrastat Report varies from country to country, but the basic information is split into header and item data and includes:

- Header:
 - Trader detail (VAT number, name, address)
 - Period (month, year)
 - Flow indications (importation, exportation)
 - Total numbers of pages
- Item Data:
 - Origin country
 - Destination country
 - Port of arrival or departure
 - Port of transshipment
 - Commodity code
 - Net mass in kilograms
 - Supplementary units (if required, depending on the commodity code)

The format of the Intrastat Report and the medium (plain paper, preprinted forms, computer disk/tape) must comply with local requirements. As each country has its own separate specification, reports must be created for each individual country.

European Accounting uses the standard MFG/PRO Intrastat logic, but adds functionality to it and also modifies the screen flow. The following changes are applied by European Accounting:

Calculation of statistical values. The Intrastat reports should report the values of the goods at the border, meaning that costs such as insurance and transport should be added. European Accounting introduces a formula that determines the addition of costs (both percentages and amounts related to the quantity or weight).

Use of declarants. A declarant is a combination of entities that make a shared declaration.

Intrastat report drivers. The layout of the reports is done with report drivers. Report drivers are available for the major European countries. Some versions also allow electronic declarations to be made.

Modification of update. The update of the Intrastat data is moved to the end of the transaction. In the statistical value calculation, you can use trailer code elements as part of the key. This also means that you can only calculate this value after the trailer is entered. Also some screen modifications have been implemented.

Additional supported transactions. In standard MFG/PRO, collecting Intrastat data automatically is only implemented for a few transaction types (SO, PO, RMA, RTS). European Accounting expands this to intersite transfers (IS), distribution orders (DO), and vouchers without purchase orders (VO).

European Accounting adds the following new functions to the Intrastat Setup menu:

- Statistical Value Menu (2.22.1.19)
- Declarant Maintenance (2.22.1.20)
- Declarant Browse (2.22.1.21)

Table 10.1 lists the programs added on the Statistical Value Menu.

Menu Number	Description	Program
2.22.1.19.1	Stat. Value Calc. Maintenance	euininmt.p
2.22.1.19.2	Stat. Value Calc. Browse	iebr004.p
2.22.1.19.5	Intrastat Transport Maintenance	euinshmt.p
2.22.1.19.6	Intrastat Transport Browse	iebr003.p
2.22.1.19.13	Stat. Procedure Maintenance	iespmt.p
2.22.1.19.14	Stat. Procedure Browse	iespiq.p
2.22.1.19.17	Intrastat Exchange Rate Maintenance	ieexrmt.p
2.22.1.19.18	Intrastat Exchange Rate Browse	mabr007.p

Table 10.1
Statistical Value
Menu (2.22.1.19)

The changes to Country Code Maintenance have already been described.

▶ See “Country Codes” on page 21.

Setting Up Intrastat

The MFG/PRO standard version of Intrastat is activated in Intrastat Control (2.22.24).

Fig. 10.1
Intrastat Control
(2.22.24)

The screenshot shows the 'Intrastat Control' window with the following settings:

- Use Intrastat:
- Imp/Exp Default:
- Intrastat Net Weight UM: KG
- Intrastat Net Weight Minimum: 0.00
- Flow Indicator - Arrivals: a
- Flow Indicator - Dispatches: d
- Reference Date Logic: 1
- Include Memo Items:
- Declarant: 10000
- Agent: (empty)
- Commodity Code: 3000
- Mode of Transport: m
- Terms of Delivery: fob
- Nature of Transaction: sa
- Active IntraStat Type List: 1,2,4,5,6,7,8
- Correction F: d
- Correction F: a
- Branch ID: (empty)
- Branch ID: (empty)
- Statistical Procedure: sp1
- Port of Arrival/Dispatch: 001
- Port of Transshipment: 001

Legend: 1=SO, 2=PO, 4=DO, 5=IC, 6=VO, 7=POR, 8=SOR

European Accounting adds one new setting to this control program. Use the Active Intrastat Type List field to specify the type of transaction or document where the system will prompt for data or give users the opportunity to edit Intrastat data. You can use this list to suppress the display of frames for document types that do not require Intrastat reports.

Valid entries are 1, 2, 4, 5, 6, 7, and 8.

Enter the numbers, in a comma-separated list, that correspond to the type of transaction or document for which you want to enable the creation and modification of Intrastat data:

- 1 Sales Orders
- 2 Purchase Orders
- 4 Distribution Orders
- 5 Intersite Transfers
- 6 Vouchers
- 7 Purchase Order Returns
- 8 Sales Order Returns

You must supply a declarant and a corresponding commodity code. The Agent and Intrastat Net Weight Minimum in this screen are not used; with European Accounting, they can be associated with declarants, defined in Declarant Maintenance.

Declarants

Use Declarant Maintenance (2.22.1.20) to specify the company addresses involved in Intrastat reporting.

A *declarant* is a company address for which transactions are reported for a country and a number of entities. The declarant is linked to sites and entities using Site Maintenance (1.1.13). Intrastat declarations must be made for declarants. An agent (for example, a transporter) can optionally perform the declaration for the declarant.

Several programs that format the reports for the Intrastat movements are supplied with European Accounting. These programs are used to create Intrastat reports for a particular declarant and control the layout of the report. Specify the name of the program used for an individual declarant in the Program field. Available reports (program names) are shown in Table 10.2.

Program Name	Country	Output Options
iehbf01.p	Belgium in French	Paper or flat ASCII file
iehbn01.p	Belgium in Dutch	Paper or flat ASCII file
iehfr01.p	France	Paper or flat ASCII file
iehge01.p	Germany	Paper or flat ASCII file
iehit01.p	Italy	ASCII file only
iehlu01.p	Luxembourg	Paper, flat ASCII file, EDI
iehnl01.p	The Netherlands	Paper or flat ASCII file
iehsp01.p	Spain	Paper only
iehuk02.p	The United Kingdom	EDI format
iehau01.p	Austria	Paper, flat ASCII file, EDI

Table 10.2
Available Intrastat
Reports

Some fields are country-specific. Declaration Region and Affiliation are used for German declarants. An additional validation code must be entered for declarants in Austria.

Figure 10.2 illustrates Declarant Maintenance (2.22.1.20).

Fig. 10.2
Declarant
Maintenance
(2.22.1.20)

The screenshot shows a window titled "Declarant Maintenance" with the following fields and values:

- Declarant: 10000
- Country: fr
- Branch ID:
- Agent:
- Currency: eur
- Program: iehfr01.p
- Intrastat Net Weight Minimum: 0.00
- Declaration Region:
- Affiliation:
- Modified Date: 08/08/2002
- Validation Code:

Declarant. Enter a code identifying the company address of the declarant for which transactions are reported. This address must already exist in Company Address Maintenance (2.12).

Country. Specify the country for which you declare Intrastat. This country must be defined in Country Maintenance (2.14.1) as an EC country (a member of the European Union).

Branch ID. Specify the office of declaration (used for some countries), indicating the office to which the declaration is to be sent.

Agent. If an agent (third party) is making the declaration on your behalf, enter an address code identifying that agent.

Currency. Specify the currency of the report.

Program. Enter the Intrastat report driver program used to produce reports for this Intrastat declarant.

Intrastat Net Minimum Weight. Enter the minimum weight in KG for each reported consolidated line. All weight figures will be rounded to this weight for Intrastat reports.

Declaration Region. Specify the region of the statistical office that receives the Intrastat declaration. This is used in Germany.

Affiliation. For German declarants, specify the degree to which the declaration company and the foreign customer/supplier are affiliated. The possible values of this code are:

1. The companies are more than 50% affiliated.

▶ See Table 10.2 on page 281.

2. The companies are less than 50% affiliated.

Modified Date. The system displays the last date on which the report was run. This field cannot be updated and is set to Static by Intrastat reporting modules.

Validation Code. For Austrian declarants, enter a code, supplied by the government to the declaring company, used to validate that the Intrastat declaration is being submitted by the declarant indicated in the electronic file.

Display defined declarants with Declarant Browse (2.22.1.21).

Site Maintenance

Use Site Maintenance (1.1.13) to store the address code of the declarant who will make Intrastat declarations for inventory movements into and out of specific sites. Define the declarant first with Declarant Maintenance (2.22.1.20).

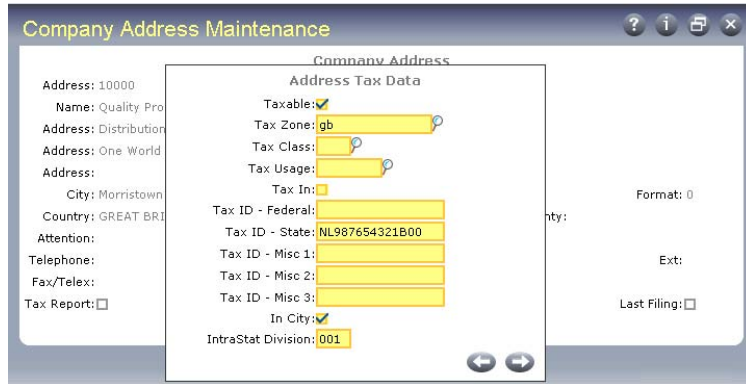
Fig. 10.3
Site Maintenance
(1.1.13)

Declarant. The address code of the declarant who will make the declaration for this site.

Company Address Maintenance

Use Company Address Maintenance (2.12) to store the Intrastat Division code. This code, used for Intrastat declarations, indicates whether an address represents the company in its own right or if it is a division of a company.

Fig. 10.4
Company Address
Maintenance (2.12)



Intrastat Division. Specify code used to differentiate between companies and their divisions.

Intrastat Transport Maintenance

Intrastat uses a code to denote the method of transport or ship via. Use Intrastat Transport Maintenance (2.22.1.19.5) to link ship via codes to Intrastat transport modes.

Ship via identifies the method of transport for order shipments, such as the carrier, and the mode of transport, such as air, sea, or ground. Codes identifying transport modes are defined in Mode of Transport Maintenance (2.22.1.13).

For each ship via, you can specify whether the entry of a port is mandatory on Intrastat transactions referencing that code.

Fig. 10.5
Intrastat Transport
Maintenance
(2.22.1.19.5)



Ship Via. Specify a standard MFG/PRO ship via code set up in Generalized Codes Maintenance for field so_shipvia.

Trans Mode. Enter a one-character code that identifies the Intrastat mode of transport associated with this ship via code.

This field is validated against codes set up in Mode of Transport Maintenance.

Description. Enter a brief description (up to 24 characters) for this ship via code. This description displays on various reports.

Port Mandatory. Enter Yes if a port must be specified; otherwise, enter No. If set to Yes, you must specify the port in Intrastat transactions.

Use Intrastat Transport Browse (2.22.1.19.6) to display transport methods.

Statistical Value Calculation

Use Statistical Value Calculation Maintenance (2.22.1.19.1) to set up parameters for calculating the statistical value of goods at the border for Intrastat reporting. This value should include transportation costs up to the border, insurance, and so on.

Enter the additional charges associated with the particular combination of method of delivery (FOB point), transport mode, ship via, transaction type, country of dispatch, and destination country. The charges can be calculated as a percentage of the total value of the shipment, a fixed amount for each kilogram in weight, or as a fixed amount per unit contained in the shipment. A minimum amount for the charges can be entered.

The values entered are used in the calculation of the statistical value. If an exact match cannot be found, Intrastat searches for a partial match in the following order:

- 1 FOB point, transport mode, ship via, transaction type, country of dispatch, country of destination
- 2 FOB point, transport mode, ship via, transaction type
- 3 FOB point, transport mode, ship via
- 4 FOB point, transport mode
- 5 FOB point
- 6 Everything blank

When searching for partial matches, Intrastat looks for matching fields where the other fields are blank.

Fig. 10.6
Statistical Value
Calculation
Maintenance
(2.22.1.19.1)

The screenshot shows a window titled "Stat. Value Calc. Maintenance" with the following fields and values:

- Terms of Delivery: fob
- Trans Mode: m
- Ship Via: Amsterdam
- Flow Indicator: (blank)
- Dispatch Country: (blank)
- Declarant Country: (blank)
- Intra Cost Pct: 10.0%
- Per Kilo: 4.00
- Added Value Per Unit: 1.00
- Min Intrastat Cost: 3.00

Terms of Delivery. Enter the Intrastat terms of delivery (FOB point) used to calculate the statistical value of the relevant goods at the border for Intrastat purposes.

Trans Mode. Enter a one-character code that identifies the mode of transport used to carry the goods to the border. This field is validated against codes set up in Mode of Transport Maintenance.

Ship Via. Enter a code that identifies the method of transport for shipping goods to this customer. This field is validated against codes set up in Intrastat Transport Maintenance.

Flow Indicator. Enter the code used in your country to indicate Intrastat arrival or departure transactions. This field is validated against codes set up in Flow Indicator Maintenance (2.22.1.1).

Dispatch Country. Enter the code associated with the country where this shipment originated. This field is validated against codes set up in Country Code Maintenance.

Destination Country. Enter a code that identifies the destination country for this shipment. This field is validated against codes set up in Country Code Maintenance.

Intra Cost Pct. Enter a percentage value to add to or subtract from the total value of the invoice to determine the statistical charge. The default is 0 (zero).

When a value other than zero is entered, the statistical value of the goods is calculated as a percentage value.

Per Kilo. Enter the amount to add to or subtract from the total value of the invoice for each KG in weight sent or received in this shipment. The default is 0 (zero).

This amount is calculated in the base currency.

When a value other than zero is entered, the statistical value of the goods is calculated as a fixed amount per KG.

Added Value Per Unit. Enter the amount to add to or subtract from the total value of the invoice for each unit contained within this shipment. The default is 0 (zero).

This amount is calculated in the base currency.

When a value other than zero is entered, the statistical value of the goods is calculated as a fixed amount per unit.

Min Intrastat Cost. Enter the minimum amount for the statistical charges. Use transport and insurance costs to help determine what this amount should be.

Use Statistical Value Calculation Browse (2.22.19.2) to display the information entered in Statistical Value Calculation Maintenance.

Intrastat Exchange Rate Maintenance

Use Intrastat Exchange Rate Maintenance (2.22.1.19.17) to define exchange rates specifically for the purpose of Intrastat reporting.

In some countries, the authorities publish exchange rates that must be used for Intrastat purposes. These may differ from the exchange rates used for normal transaction processing. The exchange rates entered here will be used for Intrastat declarations, in place of the normal exchange rates. If no Intrastat exchange rate exists, the normal transaction exchange rate are used.

Intrastat exchange rates can be modified anytime before the final edition of an Intrastat declaration has been printed. After that, the exchange rates shown on the declaration are fixed.

Intrastat Exchange Rate Maintenance is almost identical to Exchange Rate Maintenance (26.4). The main difference is that the exchange rates entered have an exchange rate type of INSTAT.

Intrastat Exchange Rate Maintenance consists of two frames. Use the first frame to set up the two currencies of the exchange rate relationship. Use the second frame to define the exchange rates and their effective dates for the currency exchange rate relationship.

Fig. 10.7
Intrastat Exchange Rate Maintenance (2.22.1.19.17)

The screenshot shows the 'IntraStat Exchange Rate Maint.' window. At the top, it displays 'Cur 1: gbp British Pound' and 'Cur 2: eur Euros'. Below this is a table with the following data:

Start	End Date	GBP Units	EUR Units
01/01/2002	01/01/2003	2.0	3.0
01/02/2003			

Entering Transactions

Transactions can be entered in the standard manner and can be marked for Import/Export.

Fig. 10.8
Import/Export Field in Sales Order Maintenance

The screenshot shows the 'Sales Order Maintenance' window. It displays order details: 'Order: S0230', 'Sold-To: 3002000', 'Bill To: 3002000', and 'Ship-To: 3002000'. Below this, there are sections for 'Sold-To' and 'Ship-To' with the following address information:

Sold-To: CENTRE DE NOUVELLE, CEDEX 25023, B02 Blvd Montparnasse, PARIS 75014, FRANCE.

Ship-To: CENTRE DE NOUVELLE, CEDEX 25023, B02 Blvd Montparnasse, PARIS 75014, FRANCE.

At the bottom, there are several fields and checkboxes:

- Salesperson 1: [Field]
- Multiple:
- Commission 1: 0.00%
- Freight List: [Field]
- Frt Min Wgt: 0
- Freight Terms: [Field]
- Calculate Freight:
- Display Weights:
- Consignment:
- Consume Forecast:
- Detail Allocations: [Field]
- Allocate Days: 1
- Comments: [Field]
- Import/Export:

The update of the Intrastat (export) data has been moved after the sales order trailer. This way, data from the sales order trailer such as ship via can be used in the calculation of statistical values. The terms of delivery are copied (first four positions) from the FOB of the trailer.

Sales Order Maintenance

Order: SO230 Sold-To: 3002000 Bill To: 3002000 Ship-To: 3002000

Non-Taxable: 0.00	Currency: EUR	Line Total: 198.02
Taxable: 198.02	0.00%	Disc Amt: 0.00
Tax Date:	Taxable Service 11	: 0.00
Containers: 0.00	Taxable Freight 21	: 0.00
Line Charges: 0.00	Freight 20	: 0.00
		Total Tax: 34.65
View/Edit Tax Detail: <input type="checkbox"/>		Total: 232.67

Terms of Delivery: fof	Port of Arrival/Dispatch: 001
Nature of Transaction: sa	Statistical Procedure: sp1
Country of Dest/Disp: FR	Port of Transshipment: 001
Mode of Transport: m	Include Memo Items: <input type="checkbox"/>

Fig. 10.9
Update of Intrastat Data Moved after the Trailer

If you choose to view the details, the frame in Figure 10.10 is shown.

Sales Order Maintenance

Order: SO230 Sold-To: 3002000 Bill To: 3002000 Ship-To: 3002000

Order Line: 1
Item Number: 100A Finished Good A

Country Code: usa	Country of Destination/Dispatch: FR
Intrastat Item: <input type="checkbox"/>	Country of Origin: <input type="checkbox"/>
Commodity Code: 3000	Statistical Procedure: sp1
Terms of Delivery: fob	Port of Arrival/Dispatch: 001
Nature of Transaction: sa	Region of Origin/Dest: NJ
Mode of Transport: m	Port of Transshipment: 001
Ship Via:	

Fig. 10.10
Intrastat Detail

This frame has been enhanced to display the countries between which the goods flow. It is the same for all transactions.

Transactions are first stored in a temporary table and can be reviewed using Order Intrastat Data Maintenance (2.22.11).

Fig. 10.11
Order Intrastat Data Maintenance (2.22.11)

Order Intrastat Data Maintenance

Order Type: SO Sales Orders
Order: so231

Order Line: 1
Item Number: 100A Finished Good A

Country Code: NL Country of Destination/Dispatch: FR
Intrastat Item: Country of Origin:
Commodity Code: 3000 Statistical Procedure: sp1
Terms of Delivery: fob Port of Arrival/Dispatch: 001
Nature of Transaction: sa Region of Origin/Dest: eur
Mode of Transport: m Port of Transshipment: 001
Ship Via:

When, for example, sales orders are posted or purchase order receivers are created, the Intrastat data is copied to Intrastat History and can be reviewed using MFG/PRO's standard Intrastat Maintenance (2.22.13).

Fig. 10.12
Intrastat Maintenance (2.22.13)

Intrastat Maintenance

Transaction ID:

Reference Date: 08/14/2002 Invoice Value: 250.00 Curr: EUR
Flow Indicator: a Statistical Value: 375.00 Curr: EUR
Commodity Code: 3000
Terms of Delivery: fob Net Weight: 0.00 UM: KG
Nature of Transaction: sa Supply Units: 0.00 UM: kg
Country of Dest/Disp: nl Reference: PO P1164 1 R1279
Mode of Transport: m Voucher: Inv Date:
Country of Origin: Address: xit1s Site: 10000
Statistical Procedure: sp1 Item Number: 1-BB
Port of Arr/Disp: Quantity: 100.00 UM: EA
VAT Reg Nbr:
Region of Origin/Dest: xit
Port of Transshipment: 001
Tax Registration: NL Ship Via:

Intrastat in IC, DO, and VO

In standard MFG/PRO, the automatic creation of Intrastat data has not been implemented in all functions. European Accounting has added this functionality to:

- Intersite transfers
- Vouchers without purchase orders
- Distribution orders

Distribution orders follow a flow similar to sales and purchase orders. On creation of the order, Intrastat intermediary data is created; at issue/receipt of the distribution order, the data is posted to history, from where it is reported. This flow of data is shown Figure 10.13.

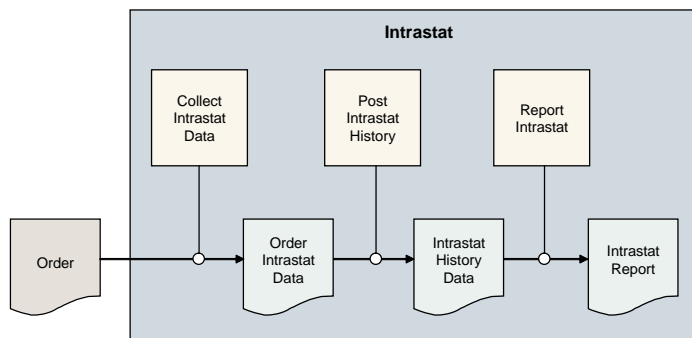


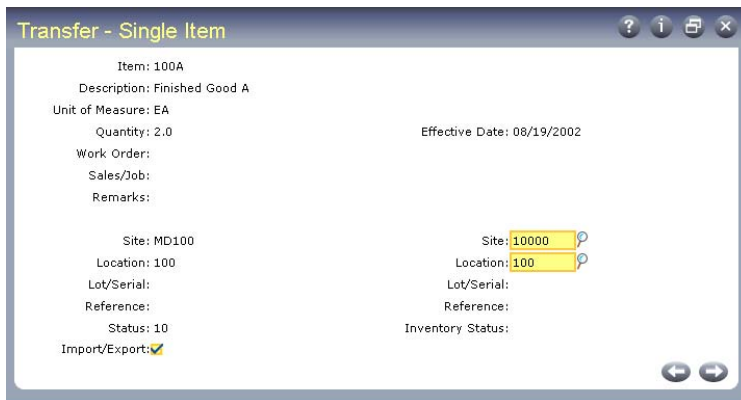
Fig. 10.13
Flow of Intrastat Data

In the cases of vouchers without POs and intersite transfers, a predefined point for posting does not exist. You must use functions introduced by European Accounting to manually post Intrastat data for these two transaction types.

Intrastat in Intersite Transfers

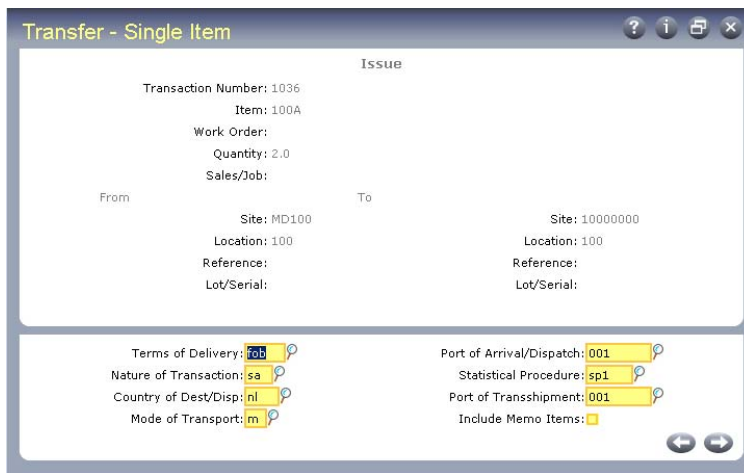
Using functions on the Inventory Transfer Menu (3.4), you can create records for moving goods from one site to another. If these sites are in different countries belonging to the European Union, these transactions must be reported for Intrastat. European Accounting has added the ability to create Intrastat data to the functions on the Inventory Transfer Menu. This is illustrated in Figure 10.14 for Transfer–Single Item (3.4.1); the other functions work in a similar manner.

Fig. 10.14
Transfer–Single
Item (3.4.1)



When you enter the transfer data for sites in different EU countries and set the Import/Export field to Yes, Intrastat data can be created. Figure 10.15 illustrates the screen that displays, one for issues and one for receipts.

Fig. 10.15
Transfer–Single
Item, Creation of
Intrastat Data for
Issue



The resulting Intrastat record can then be reviewed. The transaction number or the order number as used in the intersite transfer are used to group the Intrastat data.

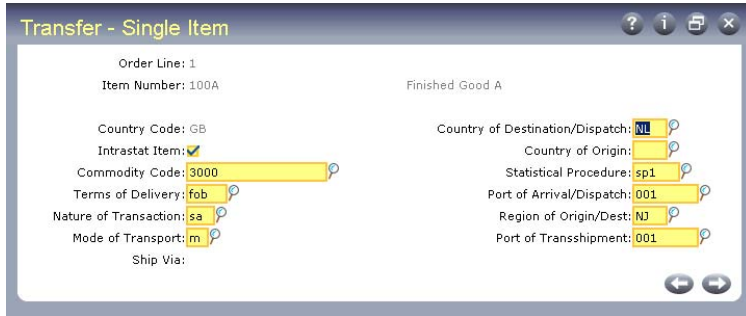


Fig. 10.16
Transfer–Single
Item, Intrastat Data

The created Intrastat data must be posted before it can be reported.

▶ See “Manual
Intrastat Post” on
page 295.

Intrastat in Distribution Orders

When recording movement of goods using the DRP functionality, European Accounting adds functionality to let you create Intrastat data automatically. This is done when you create a distribution order using either Distribution Order Maintenance (12.17.14) or Distribution Order Workbench (12.17.13).

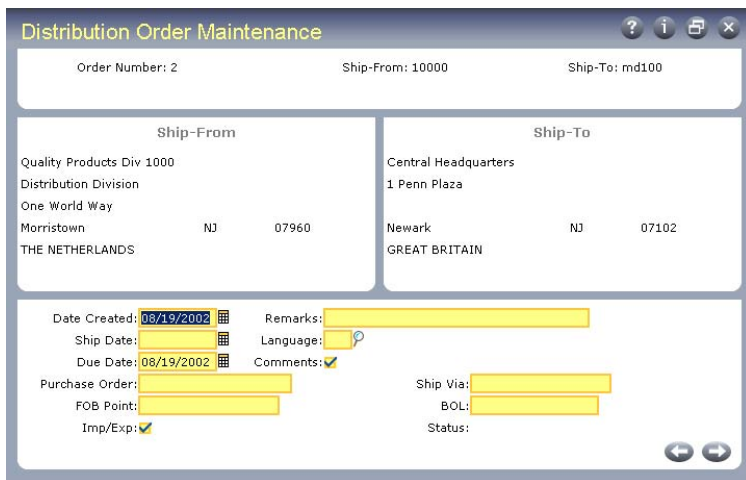


Fig. 10.17
Distribution Order
Maintenance
(12.17.14)

Fig. 10.18
Distribution Order
Workbench
(12.17.13)

The screenshot shows the 'Distribution Order Workbench' window with the following data:

- Order Number: 2
- Ship-From: 10000
- Ship-To: md100
- Date Created: 08/19/2002
- Ship Date: 08/19/2002
- Due Date: 08/19/2002
- Remarks: [Redacted]
- Language: [Redacted]
- Comments: [Redacted]
- Purchase Order: [Redacted]
- Ship Via: [Redacted]
- FOB Point: [Redacted]
- Bill of Lading: [Redacted]
- Category: [Redacted]
- Target Weight: 75,000.0 lb
- Max Load Weight: 75,000.0
- Target Cube: [Redacted]
- Max Load Volume: 0.0
- Imp/Exp:

The Imp/Exp field, added to both of these screens, makes it possible to indicate when a distribution order must create Intrastat data. If you want order Intrastat data records to be created automatically during intersite transfer, you must set this Imp/Exp field to Yes. Otherwise, these records are not created.

The Intrastat data in distribution orders follows the same logic as used for sales orders:

- At creation of the distribution order, Intrastat data is created.
- At goods issue, the *export* data is posted.
- At distribution receipt, the *import* data is posted.

Intrastat in Vouchers without PO

When creating a voucher without an attached purchase order, you can create Intrastat data. European Accounting has added the Imp/Exp field to the first screen of Voucher Maintenance (28.1.1). When you set this field to Yes, the voucher can be used to create Intrastat data. When a voucher without a PO contains Intrastat data, a PO cannot be attached to that voucher.

Fig. 10.19
Voucher
Maintenance
(28.1.1)

In the distribution screen, the Intrastat data can be created. For each distribution line that is not a tax line, a separate Intrastat record is created. These Intrastat records must be posted to Intrastat history before they can be reported.

▶ See “Manual Intrastat Post” on page 295.

Manual Intrastat Post

European Accounting has added two menu-level functions that let you manually post order Intrastat records of type IC (transfer) and VO (voucher). These functions both operate the same way:

- Use Manual Post IC Transactions (2.22.9.1) to select an import/export detail of type IC.
- Use Manual Post VO Transactions (2.22.9.2) to select an import/export detail of type VO.

Set the Post Intrastat field to Yes to post the current import/export details to Intrastat History. You will be prompted to confirm. Figure 10.20 illustrates Manual Post IC Transactions.

Fig. 10.20
Manual Post
Intrastat IC
Transactions
(2.22.9.1)

The screenshot shows a window titled "Manual Post IC Transactions". It contains the following data:

Reference: IC	Inventory Control	Show Extrastat: <input checked="" type="checkbox"/>
Order Number: [redacted]		Post Intrastat: <input type="checkbox"/>
Order Line: 1	1018	

Item Number: 100A	Finished Good A
Tax Registration: GB	Country of Dest/Disp: NL
Extrastat Item: <input checked="" type="checkbox"/>	Country of Origin:
Commodity Code: 3000	
Terms of Delivery: fob	Statistical Procedure: sp1
Nature of Transaction: sa	Port of Arrival/Dispatch: 001
Mode of Transport: m	Region of Origin/Dest: NJ
	Port of Transshipment: 001

On confirming this posting, an Intrastat History record is created using the data supplied by the import/export detail. If the Show Intrastat field is also Yes, the Intrastat History record is displayed as shown in Figure 10.21.

Fig. 10.21
Manual Post
Intrastat IC
Transactions,
Intrastat History
Record

The screenshot shows the same window as Figure 10.20, but with updated data for Order Line 2:

Reference: IC	Inventory Control	Show Extrastat: <input checked="" type="checkbox"/>
Order Number: [redacted]		Post Intrastat: <input checked="" type="checkbox"/>
Order Line: 2	1019	

Item Number: 100A	Finished Good A
Tax Registration: usa	Country of Dest/Disp: GB
Extrastat Item: <input checked="" type="checkbox"/>	Country of Origin:
Commodity Code: 3000	
Terms of Delivery: fob	Statistical Procedure: sp1
Nature of Transaction: sa	Port of Arrival/Dispatch: 001
Mode of Transport: m	Region of Origin/Dest: NJ
	Port of Transshipment: 001

At the bottom of the window, there is a checkbox labeled "Confirm IntraStat post" which is checked.

When the Intrastat posting has been completed successfully, the import/export detail is deleted and the next import/export detail is displayed.

Reporting from Intrastat

Use Intrastat Declaration Print (2.22.19) to make Intrastat declarations. Begin by entering the declarant and the period to be covered by this declaration. You can choose if you want to print Intrastat reports for verification first by setting Last Edition to No. Set Last Edition to Yes before printing the final report. You can have additional audit information printed.

Note You cannot use this program to print Intrastat information that has been printed with Last Edition set to Yes. Use Intrastat Declaration Reprint (2.22.20) to do this.

For some countries, you can make Intrastat declarations electronically. To do this, set the To File field to Yes. Ensure the Intrastat program you are using to create your declaration supports electronic declarations. When making an electronic declaration, you can still print a paper copy of the report for your records.

The screenshot shows the 'Intrastat Declaration Print' window with the following fields and values:

- Declarant: 10000000 Quality Products, Inc.
- Entity:
- Declaration Country: NL
- Period: 07 2002 To: 07 2002
- Start: 07/01/2002 To: 07/31/2002
- On Paper:
- To File:
- Declaration Number: (IT)
- Change Of Activity: (IT)
- File Name: INTHANDL_98
- Last Edition: Audit:
- Transmission Type: LIVE (UK)
- Media: (UK)
- Declaration ID:
- Output:
- Batch ID:

Fig. 10.22
Intrastat
Declaration Print
(2.22.19)

Declarant. Enter the Intrastat declarant for which the report is produced. The system displays the entity and country associated with the declarant.

Period/To. Specify the GL period range for this report, in the format from month/year to month/year. The system displays the actual start and end date for the periods.

On Paper. Enter Yes to print the report on paper; otherwise, enter No.

To File. Enter Yes or No to determine if the report should be printed to file. You can send a report to file and on paper at the same time. You can only set this field when the Intrastat program supports this.

Declaration Number. Enter the declaration number printed on the report. This must be entered for Italy.

Change of Activity. For Italian reports, specify whether the company discontinued trading at any point or whether the VAT status of the company has changed during the year. This code is typically required when a company ceased trading for any reason.

0: No change

1: A change occurred during the year

Filename. Specify the output file name if the report is being sent to file. You can change the file name.

Last Edition. Indicate whether this is the last edition (final version) of this report.

No: Subsequent reports will be printed.

Yes: This is the final version. All transactions included in the report are designated as reported and will be excluded from the next Intrastat report.

When Audit is No, you cannot set this field to Yes.

Audit. Indicate whether to create an audit trail.

No: Print the report without an audit trail.

Yes: Print an audit trail showing additional information such as Intrastat number and references.

Do not set this field to Yes if the Last Edition field is also set to Yes.

Transmission Type. For declarants located in the United Kingdom, indicate if the file produced has live data. Normally this is set to Live. Specify Test to produce a test file for submission to UK Customs & Excise to validate that your Intrastat file has been produced in the correct format.

Media. For declarants located in the United Kingdom, specify the format of PC-media used to deliver Intrastat data to UK Customs and Excise. Valid entries are:

- DISK
- E-MAIL
- TAPE

Shipping Documents

European Accounting extends MFG/PRO's standard shipping document facilities to additional stock issue and transfer functions, letting you create and print shipping documents, or *shippers*, to accompany transfers of stock performed using any of these functions. In addition, you can specify if you want to show the relevant shipper numbers on invoices. A new Shipper Report displays information relating to selected shippers, such as shipper number, shipment date, quantity shipped, and destination address.

This chapter details the new functionality. The following topics are covered.

Stock Transfer Functions **302**

Setting Up Data **304**

Creating Shippers **308**

Printing Shippers on Invoices **312**

Shipper Report **314**

Stock Transfer Functions

▶ See “Documento di Trasporto” on page 329 for details.

Shipping documents were originally introduced to support Italy’s *Documento di Trasporto*. Formerly known in Italy as the *Bolle d’Accompagnamento Merci*, or *Bolla*, this shipping or transport document is designed to accompany any movement of goods.

MFG/PRO’s standard Global Shipping functionality already lets you create shipping documents to accompany movements of goods initiated from the following functions:

- All transfer functions, for example, Transfer–Single Item (3.4.1)
- Issues–Unplanned (3.7)

▶ See “Unplanned Issues and Receipts” on page 303.

This functionality has been extended by European Accounting to let you enter the default account, sub-account, and cost centers to be used when processing unplanned issues or unplanned receipts.

- Purchase Order Returns (5.13.7)

▶ See “Use Enhanced Global Shipping” on page 18,

European Accounting extends shipper functionality to let you create shipping documents from the following additional functions, when the Use Enhanced Global Shipping field in European Accounting Control (25.23) is Yes:

- Material Order Maintenance (10.7.1)
- Material Order Shipments (10.7.6)
- Call Activity Recording (11.1.1.13)
- RMA Maintenance (11.7.1.1)
- RMA Shipments (11.7.1.16)
- RTS Shipments (11.7.3.16)
- Work Order Component Issue (16.10)
- Repetitive Labor Transaction (18.14)
- Repetitive Picklist Transfer (18.22.3.6 and 18.3.6)
- Backflush Transaction (18.22.13)
- Rework Transaction (18.22.17)

Shippers are typically required when moving inventory between two different physical locations and can be used for both inbound and outbound movement of goods. MFG/PRO supports shippers for purchase order and scheduled order receipts, and allows the recording of a supplier's shipper or packing slip for purchase order receipts.

If an issue transaction results in the physical movement of goods, a frame prompting for shipper information displays, provided the necessary shipping and inventory groups have already been set up using MFG/PRO's standard Global Shipping functions.

It is also possible to create shipper documents when moving inventory between two locations at the same site. The location transfer functions have been enhanced to let you do this, provided addresses have been predefined for the two locations.

A valid shipping group with the locations defined as the source and destination addresses must also be set up, with an inventory movement code representing the ISS-TR transaction.

▶ See "Setting Up Data" on page 304 for details on the shipping and inventory groups that must be defined for each of the above functions.

▶ See "Location Address Codes" on page 308.

Unplanned Issues and Receipts

European Accounting adds a new frame to MFG/PRO's standard Inventory Movement Code Maint (1.1.9) letting you enter the default GL account, sub-account, and cost center to be used when processing unplanned issues or unplanned receipts. If you enter an inventory movement code with a transaction type of either RCT-UNP (unplanned receipts) or ISS-UNP (unplanned issues), this new frame displays.

The screenshot shows a software window titled "Inventory Movement Code Maint". The window contains the following information:

- Inventory Movement Code: scrap
- Description: Scrap Finished Item
- Transaction Type: ISS-UNP

Below this information is a section titled "Account Details" with three input fields. The first field is labeled "Account:" and contains the value "5800". The other two fields are empty. There are navigation arrows at the bottom right of the window.

Fig. 11.1
Inventory
Movement Code
Maintenance
(1.1.9), Account
Details

For unplanned receipts, enter the relevant GL credit account, sub-account, and cost center combination; for unplanned issues, enter the appropriate GL debit account, sub-account, and cost center combination.

Setting Up Data

To be able to use shippers successfully, you must first enter some basic data using standard MFG/PRO standard shipping functions:

- Shipping groups, using Shipping Group Maintenance (2.18.1)
- Inventory Movement Codes, using Inventory Movement Code Maint (1.1.9)
- Physical address codes for locations, using Location Maintenance (1.1.18)

▶ See “Location Address Codes” on page 308.

Table 11.1 details the various shipping groups and associated inventory movement codes that must be set up if you intend to use shippers. The Transaction column shows the transaction to be performed by the relevant function. When this transaction is performed, the system checks for the existence of the shipping group defined in the Shipping Group column. If this is found, the system next checks that this shipping group has been set up with an inventory movement code that represents the transaction shown in the Inventory Movement Code column. Only when all these criteria are met can shippers be created using the functions listed. Otherwise, shipper documents are not created.

▶ See “Creating Shippers” on page 308.

If the relevant shipping groups with the necessary inventory movement codes exist, then the shipping information frame automatically displays when performing a transaction using one of the functions listed in Table 11.1.

Table 11.1
Inventory Movement Codes in Shipping Groups

Work Order Component Issue (16.10)	
Transaction	A work order component issue where the site issuing the component is not the same as the work order site.
Shipping Group	Source address must be the same as the site code for the issuing site, and the destination address must be the same as the work order site.
Inventory Movement Code	ISS-WO

Table 11.1 — *Inventory Movement Codes in Shipping Groups* (Page 1 of 4)

Repetitive Labor Transaction (18.14)	
Transaction	A backflush where the site issuing the component is not the same as the order site.
Shipping Group	Source address must be the same as the site code for the issuing site, and the destination address must be the same as the order site.
Inventory Movement Code	ISS-WO
Backflush Transactions (18.22.13)	
Transaction	A backflush where the site issuing the component is not the same as the order site.
Shipping Group	Source address must be the same as the site code for the issuing site, and the destination address must be the same as the order site.
Inventory Movement Code	ISS-WO
Rework Transaction (18.22.17)	
Transaction	A backflush issue where the site issuing the component is not the same as the order site.
Shipping Group	Source address must be the same as the site code for the issuing site, and the destination address must be the same as the order site.
Inventory Movement Code	ISS-WO
Repetitive Picklist Transfer (18.22.3.6 and 18.8.6)	
Transaction	A picklist transfer.
Shipping Group	Source address can either be the same as the site code for the issuing site, or it can be the address of the issuing location. Destination address can either be the same as the order site or it can be that of the WIP location.
Inventory Movement Code	ISS-TR

Table 11.1 — *Inventory Movement Codes in Shipping Groups* (Page 2 of 4)

Call Activity Recording (11.1.1.13)	
Transaction	Any component issue recorded using Call Activity Recording.
Shipping Group	Source address must be the same as the site code for the issuing site, and the destination address must be the same as the end user address.
Inventory Movement Code	ISS-WO
RMA Maintenance (11.7.1.1)	
Transaction	Any RMA maintenance issues processed within RMA Maintenance.
Shipping Group	Source address must be the same as the site code for the issuing site, and the destination address must be the same as the end user address for the particular RMA item involved in the transaction.
Inventory Movement Code	ISS-SO
RMA Shipments (11.7.1.16)	
Transaction	Any component issue performed using RMA Shipments.
Shipping Group	Source address must be the same as the site code for the issuing site, and the destination address must be the same as the end user address for the particular RMA item involved in the transaction.
Inventory Movement Code	ISS-SO

Table 11.1 — *Inventory Movement Codes in Shipping Groups* (Page 3 of 4)

RTS Shipments (11.7.3.16)	
Transaction	Any processing of supplier returns using RTS Shipments.
Shipping Group	<p>If the Inv Issue field is Yes, the system checks for a shipping group whose source address is the same as the site code for the issuing site, and has a destination address that is the same as the supplier address.</p> <p>If the Inv Issue field is No, the system checks for a shipping group whose source address is either the same as the site code for the issuing site, or the address code of the issuing location, and a destination address that is either the same as the supplier address or the address code for the location at the supplier site.</p>
Inventory Movement Coder	PCT-PO
Material Order Maintenance (10.7.1)	
Transaction	Any component issue recorded in Material Order Maintenance when the Ship Immed field in Engineer Orders Control is Yes.
Shipping Group	Source address must either be the same as the site code for the issuing site, or the address of the issuing location. Destination address must be the same as the engineer site or the address of the engineer location.
Inventory Movement Code	ISS-TR
Material Order Shipments (10.7.6)	
Transaction	Any component issue performed using Material Order Shipments.
Shipping Group	Source address must either be the same as the site code for the issuing site, or the address of the issuing location. Destination address must be the same as the engineer site or the address of the engineer location.
Inventory Movement Code	ISS-WO

Table 11.1 — *Inventory Movement Codes in Shipping Groups* (Page 4 of 4)

Location Address Codes

To be able to report inventory movement between two physical locations, you must know the address of the MFG/PRO location. European Accounting adds a frame to Location Maintenance (1.1.18) to let you specify an address.

Fig. 11.2
Location Maintenance (1.1.18), Physical Address

The screenshot shows a window titled "Location Maintenance" with the following fields and values:

- Site: 10000
- Location: 100
- Description: Raw Material/Assemblies
- Inventory Status: 10
- Project: Blank
- Date Created: 06/27/2001
- Permanent:
- Type:
 - Single Item:
 - Single Lot/Ref:
- Capacity: 0.0
- Reserved Locations:
- Transfer Ownership:
- UM:

At the bottom of the window, there is a field labeled "Physical Address:" with the value "10000" entered and highlighted in yellow.

Physical Address. Enter the address code that represents the physical address of the location. This field is required.

You must enter an existing address defined in one of the address maintenance functions.

Creating Shippers

Whenever any issue of goods is performed between two different physical locations, the enhanced functionality calls standard MFG/PRO Global Shipping functions to determine if a shipping document is needed for a particular movement of goods.

If a shipper is needed and the necessary shipping and inventory groups are set up, then the Shipping Information frame displays so you can create a shipping document for that shipment.

Note The correct generation of shipping documents is not guaranteed for the transfer of more than one item unless all the items have the same source address and are being transferred to the same destination.

▶ See “Stock Transfer Functions” on page 302 for further information on when shippers are needed.

The following example shows how to create a shipping document for an unplanned issue of goods using Transfer–Single Item (3.4.1); the procedure is similar for all functions that support the creation of shippers.

Transfer - Single Item

Item: 100B
 Description: Finished Good B
 Unit of Measure: EA
 Quantity: 3.0
 Effective Date: 08/13/2002
 Work Order:
 Sales/Job:
 Remarks:

Site: MD400
 Location: 100
 Lot/Serial:
 Reference:
 Status: 10
 Import/Export:

Site: MD400
 Location: 200
 Lot/Serial:
 Reference:
 Inventory Status: 10

Is all information correct

Fig. 11.3
Transfer–Single
Item (3.4.1)

In this case, a transfer is being performed from one location to another at the same site. However, these two locations have been defined with different addresses, and these addresses exist within a shipping group together with an inventory movement code for transaction type ISS-TR. The system recognizes that this transaction should produce a shipper and displays the Shipping Information frame.

Transfer - Single Item

Shipping Information

Ship-From: MD400
 Number: SH20
 Ship-To/Dock: MD4000
 Central Mfg Site

Shipping Group: transfer
 Inventory Movement Code: ISS-TR
 Inv Transfers

Carrier: 50000000
 Multi:
 Document Format: GEN
 Ship Via:
 FOB Point:
 Mode of Transport:
 Carrier Shipment Ref: SH20
 Vehicle ID:
 Consolidate Ship: optional
 Language:
 Comments:

Fig. 11.4
Transfer–Single
Item, Shipping
Information Frame

Enter the appropriate values for your transaction. This is the same frame that displays with other standard MFG/PRO functions that support shippers, such as sales orders and customer schedules. The shipper number is generated from the shipper sequence as defined in the shipping group, and the inventory movement code defaults from there, but may be changed if necessary to another valid code. All of the other fields are required where such information is needed on the physical shipper document.

The system then allows the shipper to be printed.

Inventory movement codes are required when the Require Inventory Movement Codes field is Yes in Container/Shipper Control (7.9.24). European Accounting prompts for inventory movement codes in Issues–Unplanned (3.7) and Receipts–Unplanned (3.9) in order to determine the default debit or credit account for such transactions. This prompt appears after the entry of quantity, site, and location information.

Fig. 11.5
Issues–Unplanned
(3.7), Inventory
Movement Code

You can enter any valid inventory movement code used to determine the appropriate credit (unplanned receipts) or debit (unplanned issues) GL account, sub-account, and cost center for the transaction. By default, the accounts defined in Inventory Movement Code Maint (1.1.9) for this inventory movement code are used. However, if none are defined, these values default to the product line's Cost of Production or Sales accounts as in standard MFG/PRO.

Issues - Unplanned

Item Number: 100B Lot/Serial Control: UM: EA
 Description: Finished Good B

Quantity: 3.0 Site: MD400
 Unit of Measure: EA Location: 100
 Conversion: 1.0000 Lot/Serial:
 Reference:
 Multi Entry: Total Qty: 3.0
 Unit Cost: 9,90099 Total Cost:

Order: [Yellow Field]
 Line: 0
 Sales/Job: [Yellow Field]
 Address: MD4000 [Yellow Field]
 Remarks: [Yellow Field]
 Effective Date: 01/17/2003 [Yellow Field]
 Dr Acct: 5800 [Yellow Field] [Yellow Field] [Yellow Field] Scrap
 Cr Acct: [Yellow Field]

Fig. 11.6
 Issues–Unplanned,
 Account, Sub-
 Account, and Cost
 Center

In this case, because the Address field has been filled with a valid address from an existing shipping group, the Shipping Information Frame displays and you can generate and print a shipper.

Issues - Unplanned

Shipping Information

Ship-From: MD400 Central Mfg Site
 Number: SH20
 Ship-To/Dock: MD4000

Shipping Group: transfer
 Inventory Movement Code: ISS-TR Inv Transfers

Carrier: 50000000 [Yellow Field] Multi: Document Format: GEN [Yellow Field]
 Ship Via: [Yellow Field] Consolidate Ship: optional [Yellow Field]
 FOB Point: [Yellow Field] Language: [Yellow Field]
 Mode of Transport: [Yellow Field]
 Carrier Shipment Ref: SH20 [Yellow Field]
 Vehicle ID: [Yellow Field] Comments: [Yellow Field]

Fig. 11.7
 Issues–Unplanned,
 Shipping
 Information Frame

Non-Inventory Items

Shipper documents created using Transfer–Single Item (3.4.1) can include non-inventory items (memo items) as well as items already listed in inventory. If you enter an item number for which no inventory is currently defined, the system outputs a warning to alert you to the fact that you are attempting to move a non-inventory item.

Fig. 11.8
Transfer—Single
Item (3.4.1), Memo
Item

If you choose to proceed with this transaction, you are prompted to enter the necessary information needed to allow a shipper to be generated. Then the Shipping Information frame displays and a shipper can be generated and printed.

Printing Shippers on Invoices

▶ See “Print Shipper on Invoices” on page 16.

European Accounting enhances standard MFG/PRO functionality to allow shipper numbers to be shown on their associated invoices. The Print Shipper on Invoices field in European Accounting Control (25.23) lets you specify if you want shipper numbers recorded on invoices or not.

If you set this field to Yes, when you print an invoice using the standard MFG/PRO Invoice Print (7.13.3) function, the shipper number is shown on the resulting invoice. An example is shown in Figure 11.9.

Fig. 11.9
Invoice with
Shipper Number

Quality Products Inc.				I N V O I C E		
Manufacturing Division						
One World Way				Invoice: IIT06042 Revision: 0		
Consolidated Business Plaza				Invoice Date: 01/31/04 Page: 1		
San Diego, 92130				Print Date: 01/31/04		
Belgium						
Bill To: 01000013				Sold To: 01000013		
QAD Netherlands BV				QAD Netherlands BV		
Fultonbaan 20				Fultonbaan 20		
Plettenberg West				Plettenberg West		
Nieuwegein				Nieuwegein		
Netherlands				Netherlands		
Our VAT Reg: nl 123456789B12				Your VAT Reg: DE 123456789		
Sales Order: S010316				Ship Date: 01/31/04		
Order Date: 01/15/04 Purchase Order:						
Salesperson(s):				Ship-To: 01000013		
Credit Terms: 10EOM				Ship Via:		
10 DAYS EOM2%				BOL:		
Resale:				FOB Point: EXW		
Remarks:						
Item Number	UM	Shipped	Backorder	Tax	Price	Ext Price
22-100	EA	1.0	0.0	no	20.00	20.00
CORD.POWER.USA						
Shipper No: 00000131 Date: 01/31/04						

Non-Taxable: 3,391.50				Currency: NGL		Line Total: 3.570.00
Taxable: 0.00				5.00% Discount: (178.50)
Tax Date: 01/31/04				Service 10 :		0.00
				Freight 20 :		0.00
				Special 30 :		0.00
0	0.000%	0.000%	0.000%	Total Tax:	0.00	
3391.50		0.00	0.00	Total:	3,391.50	
0.00		0.00			0.00	

Shipper Report

Shipper Report (7.9.16) is added by European Accounting letting you create a report detailing various information from shipper documents. You specify which shippers you want included on the report.

You can include shippers:

- For which invoices have been generated
- For which invoices have not yet been generated
- That have yet to be printed
- That are still unconfirmed

You can set any of these options or any combination of these with the exception of Unprinted Only. This option cannot be enabled with any other option.

Fig. 11.10
Shipper Report
(7.9.16)

Select shippers to report by range of ship-from address, ship-to/dock address, number, inventory movement code, or ship date. Depending on the sort by option, each report can be sorted by inventory movement code, shipment date, or shipper number.

Include Invoiced Shippers. Indicate whether to include details of shippers associated with shipments for which invoices have already been created in this report.

No: Include only uninvoiced shippers.

Yes: Include details of invoiced shippers.

Include Uninvoiced Shippers. Indicate whether to include details of shippers associated with shipments that do not have an associated invoice in this report.

No: Exclude details of uninvoiced shippers.

Yes: Include details of uninvoiced shippers.

Unprinted only. Indicate whether to include details of unprinted shippers in this report.

No: Exclude details.

Yes: Include details of unprinted shippers.

Confirmed. Indicate whether to exclude the details of unconfirmed shippers from this report.

No: Include details of all shippers (confirmed and unconfirmed).

Yes: Include details of confirmed shippers only.

Sort Option. Specify the sorting sequence used for ordering the information contained within the report.

1: Sort by inventory movement code

2: Sort by ship date

3 (the default): Sort by shipper number

Correction Invoices

In standard MFG/PRO, it is not possible to keep track of the link between an original invoice and any correction invoices associated with it. European Accounting has been enhanced to let you create and track such invoices.

Originally added in response to requirements found in Poland, the correction invoice feature has been extended to make it of general use. You can create a correction sales invoice for an original invoice, keep track of the relationship between the original invoices and the correction invoices, and print correction invoices on which the original amounts, the corrected amounts, and the differences between the two are all shown. This chapter covers the following topics:

Enabling Correction Invoices **318**

Sales Order Control **318**

Creating Correction Sales Orders **319**

Shipping Correction Sales Orders **321**

Printing Correction Invoices **322**

Correction Invoice Link Report **323**

Invoice History Report **324**

Archiving Correction Invoices **325**

Enabling Correction Invoices

▶ See “Use Correction Invoices” on page 14.

Correction invoices can only be created when the Use Correction Invoices field in European Accounting Control (25.23) has been set to Yes.

The functions in Table 12.1 have been added to support correction invoices.

Table 12.1
New Functions

Menu Number	Description	Program
7.13.6	Correction Invoice Link Report	socilkrp.p
7.13.22	Archive Correction Invoices	eucrup.p

The standard MFG/PRO functions in Table 12.2 have been modified to support correction invoices.

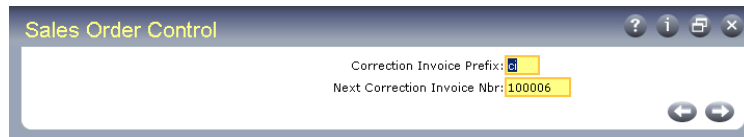
Table 12.2
Modified Functions

Menu Number	Description	Program
7.1.1	Sales Order Maintenance	sosomt.p
7.1.24	Sales Order Control	sosopm.p
7.9.15	Sales Order Shipments	sosois.p
7.13.3	Invoice Print	sosorp10.p
7.13.8	Invoice History Report	soivrp09.p

Sales Order Control

Correction invoices have a separate invoice numbering scheme. Two fields have been added to Sales Order Control (7.1.24) to control this numbering.

Fig. 12.1
Sales Order Control
(7.1.24)



Correction Invoice Prefix . Enter the prefix used in the generation of correction invoice numbers. The combination of Correction Invoice Prefix and Next Correction Invoice Number must not exceed 8 characters.

Next Correction Invoice Number. Enter the next correction invoice number available for assignment to correction invoices. This is the numeric portion of the invoice number.

Creating Correction Sales Orders

Using European Accounting's correction invoice feature, you can create a correction sales order for an original invoice by entering the correct amounts rather than by entering the difference between the original invoice and the correct amount. You can also keep track of the relationship between the original invoices and their correction invoices.

A correction for a posted invoice can be created in Sales Order Maintenance (7.1.1) by entering a correction sales order. After entering the sales order number, you can then enter the invoice number of the existing invoice that is going to be corrected with this sales order. The data from the original invoice is then copied into the correction sales order, where the correct amounts can be entered.

If you leave the Original Invoice field blank, you can enter a normal sales order in exactly the same way as you would using standard MFG/PRO.

Fig. 12.2
Sales Order
Maintenance
(7.1.1)

Three fields have been added for correction invoices.

Original Invoice. Specify the invoice number of the posted invoice that is to be corrected with this sales order.

Original Order. Specify the sales order number related to the original invoice for which this correction is made. This defaults from the order associated with the invoice.

Correction Reason. Specify a code indicating the reason for this correction. Correction invoices must have a reason type of Corrinv. Reason codes are maintained in Reason Codes Maintenance (36.2.17).

You can make corrections to the invoice details and the trailer amounts. To correct data in the invoice details, you have to select the original line in the sales order detail frame. After this, the original line is displayed and the correction line can be updated.

Fig. 12.3
Sales Order Maintenance, Corrected Sales Order Line

The screenshot shows the 'Sales Order Maintenance' window with the following details:

- Order: SO240, Sold-To: corinv1, Ln Format S/M:Single, Org: ci100000
- CORRECTED SALES ORDER LINE**

Ln	Item Number	Qty Ordered	UM	List Price	Discount	Net Price
1	corinv	3.0	EA	9.00	0.0	9.00
- Original Invoice Line**

Ln	Item Number	Qty Invoiced	UM	List Price	Discount	Price
1	corinv	2.0	EA	9.00	0.0	9.00
- Order Details:**
 - Cost: 0.00, Confirmed: , Credit Terms Int: 0.00
 - Lot/Serial: Required: 08/16/2002, Ship Type:
 - Qty Allocated: 2.0, Promised: UM Conversion: 1.0000
 - Qty Picked: 0.0, Due Date: 08/16/2002, Consume Fcst:
 - Qty Shipped: 0.0, Perform Date: 08/16/2002, Detail Alloc:
 - Qty to Invoice: 0.0, Pricing Date: 08/15/2002, Taxable: \$
 - Salesperson 1: Multiple: , Freight List:
 - Commission 1: 0.00%, Category: Fixed Price: , Comments:

The quantity, list price, discount, lot/serial number, site, and location can all be corrected by entering the correct values in the corresponding fields. In the background, the system will calculate the differences between the original invoice and the corrections.

In the trailer of the sales order, the original values of the posted invoice are displayed as well. You must enter the difference between the original amounts and the corrected amounts. For example, if the freight charge in the original invoice is 150 and it should have been 155, then you enter a value of 5 here.

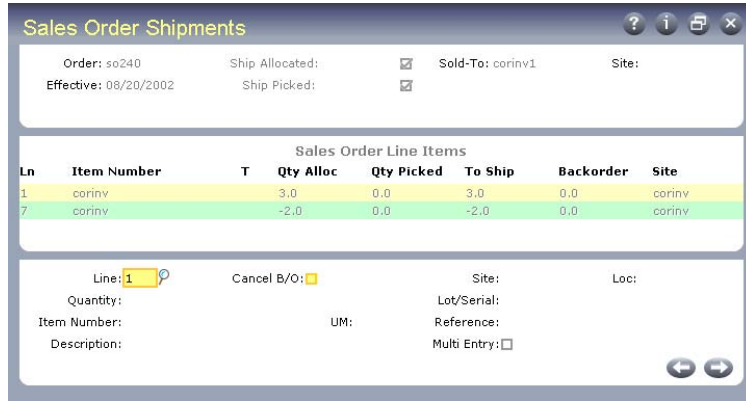
After the correction sales order has been entered, it should be processed like a normal sales order, except that it must be fully shipped before it can be printed and posted.

Shipping Correction Sales Orders

A correction sales order must be fully shipped before it can be printed and posted. To ship a correction sales order, use Sales Order Shipments (7.9.15), which has been enhanced for correction invoices. Although standard MFG/PRO does not generate a shipper in this function, European Accounting does generate a shipper document. This is in case the correction results in an actual issue or return of goods when the quantity has been corrected. MFG/PRO's standard Global Shipping functionality is used to generate this shipper. You must ensure a shipping group has been defined for the ship-from and ship-to addresses and an inventory movement code with transaction type ISS-COR has been linked to that shipping group.

You cannot partially ship correction sales orders and, therefore, cannot update the quantities in Sales Order Shipments.

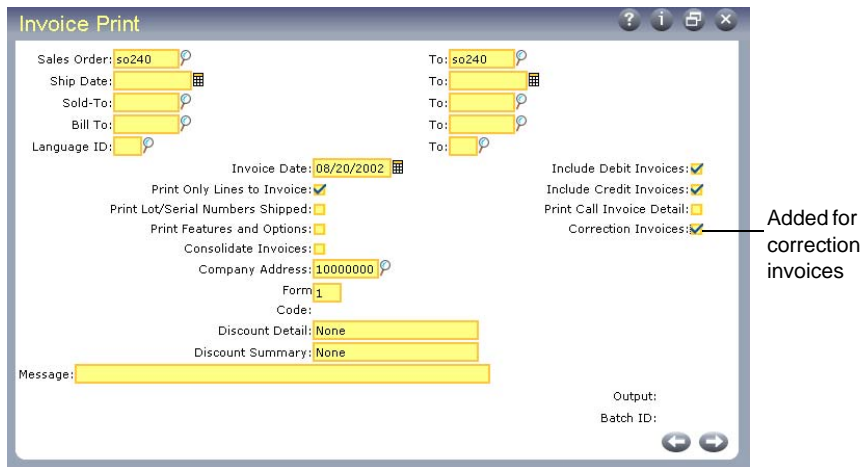
Fig. 12.4
Sales Order Shipments (7.9.15)



Printing Correction Invoices

The correction invoice can be printed using MFG/PRO's standard Invoice Print (7.13.3). A new field, Correction Invoices, has been added to this function. This field lets you indicate if you want to print correction invoices or standard invoices.

Fig. 12.5
Invoice Print (7.13.3)



Correction Invoices. Indicate whether to print correction invoices only.

No: Print standard sales invoices.

Yes: Print correction invoices only.

When this field is Yes, the correction invoice displays three sections:

- Before Correction: the original value
- After Correction: the corrected values
- Correction: the difference between the original and the corrected values

These three sections are displayed for line items as well as for the trailer amounts.

The same field has been added to Closed Invoice Reprint (7.13.12) to allow correction invoices to be printed from that function.

Correction Invoice Link Report

European Accounting has also added a new report for correction invoices, the Correction Invoice Link Report (7.13.6). This report displays the relationship between original invoices and their associated correction invoices. You can select a range of invoice numbers for which you want to see the correction invoices. The report can also be used to display the original invoices when you enter the selected range of correction invoices. This selection depends on the setting of the Sort by Original Invoice Number field.

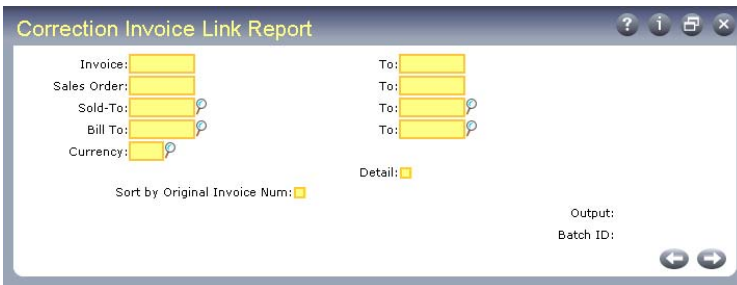


Fig. 12.6
Correction Invoice
Link Report
(7.13.6)

Select invoices to report by range of invoice number, sales order number, sold-to address, bill-to address, and transaction currency.

Detail. Indicate the level of detail relating to invoices to display on this report.

No: Print a summarized report showing only the numbers of the original invoices and the numbers of their associated correction invoices.

Yes: Print a detailed report showing full details of the original invoices and the corrections made on the associated correction invoices.

Detail reports are normally used as audit trails or when investigating sources of errors. Summarized reports are useful when you only need to review totals.

Sort by Original Invoice Number. Indicate whether to sort invoices by the original invoice number or correction invoice number.

No: Display the original invoices associated with the specified range of correction invoice numbers.

Yes: Display the correction invoices for the specified range of original invoice numbers.

Invoice History Report

MFG/PRO's standard Invoice History Report (7.13.8) has been enhanced to support correction invoices. A new field, Correction Invoices, has been added, which indicates whether correction invoices only or standard invoices should be printed in the report.

Fig. 12.7
Invoice History
Report (7.13.8)

Similarly a new column, Cor, has been added to Invoice History Browse (7.13.7) to indicate whether the displayed invoice is a correction invoice.

Archiving Correction Invoices

In order to archive correction invoice data and to delete correction invoices from the system, a specific archive/delete function has been created: Archive Correction Invoices (7.13.22).

The function is quite similar to MFG/PRO's standard Invoice History Delete/Archive (7.13.23). The main difference is that Archive Correction Invoices also deletes the data that maintains the link between the original invoice and its corrections.

Fig. 12.8
Archive Correction
Invoices (7.13.22)

Corrected Invoice. Enter a range of invoice numbers to select records to be archived or deleted.

Correction Invoice Number. Enter a range of invoice numbers of correction invoices to archive or delete.

Original Invoice. Range of invoice numbers of initial invoice numbers to report.

The Original Invoice is the initial invoice—the very first one. It can never be a correction invoice. The Correction Invoice is the invoice that corrects a Corrected Invoice.

The generated archive file can be reloaded into the system using standard MFG/PRO archive load functionality.

Country-Specific Issues

Many of the features added by European Accounting were added as a result of requirements of a particular country. While many of these have been extended to make them of more general use and are documented elsewhere in the guide, some of the features remain country-specific. These country-specific features are described in this chapter.

The following topics are covered in this chapter:

<i>Italian Features</i>	328
<i>Spanish Features</i>	339
<i>Belgian Features</i>	342
<i>French Features</i>	343
<i>Dutch Features</i>	344
<i>UK Features</i>	344
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Italian Features

Italian financial legislation is the most complex among the countries supported by European Accounting, and can be counted among the most complex legislation found anywhere in the world. To be able to support customers in Italy, European Accounting adds the following functionality to MFG/PRO:

- Documento di Trasporto

This is a shipping document commonly used to accompany goods movements in Italy. Previously known as the *Bolle d'Accompagnamento Merci (Bolla)*, this used to be a legal requirement in Italy. Renamed the Documento di Trasporto when it ceased to be a legal requirement, it is still common business practice in Italy. European Accounting extends MFG/PRO's standard shipper functionality to satisfy the Italian shipping document requirements.

- Bank Management

In Italy, bank accounts are 26 positions long, of which the first ten positions are used for the bank and subsidiary of that bank. In financial transfers you have to know the physical address of the bank of your suppliers or customers.

- VAT Registers

VAT registers are requested by the Italian fiscal administration. These registers must display all relevant information to confirm the VAT declaration of the company and prove that there has been no fraud. Vouchers and Invoices must be numbered sequentially. This functionality has now been extended for general use within European Accounting as a whole, but was originally introduced to support Italy's specific requirements.

- Payment Methods

For Italy, specific payment methods like the RIBA are supported.

- Enhanced Transaction Descriptions

In Italy all administration has to be clear and traceable, which means you must be able to supply clear descriptions for all transactions. European Accounting lets you add descriptions for transactions carried out in the General Ledger (GL), Accounts Receivable (AR), and Accounts Payable (AP) modules by adding an operation code to the transaction.

- Numbering of GL Transactions

Italian companies are required to keep a book register showing all accounting transactions for a specific period. GL transactions must be sequentially numbered without any gaps in the sequence.

- Withholding tax

Italian companies must withhold the tax due on various payments for services provided by sole traders. European Accounting has been enhanced in order to meet the legal requirements for withholding tax declaration in Italy.

Documento di Trasporto

In Italy, before September 27, 1996, companies were legally required to have all goods movements between two physical different locations accompanied by a so-called *Bolle d'Accompagnamento Merci (Bolla)*. The reasoning behind this was that in all public places one had to account for anything that was transported anywhere, unless the item was a personal item. These rules not only applied to business, but also everyday transactions. For example, when collecting a suit from the dry-cleaner, you would also have received a Bolla, because the suit might not have belonged to you. The Bolla stated what you were moving, at what time, and where it was moved to.

Bollas had to be printed on preprinted and prenumbered standard forms. These preprinted forms had to be ordered from certified printers, but had various layouts. Companies could devise their own layout for Bollas.

On invoices, the Bolla had to be referenced and invoiced separately. This created a direct link between the shipment and the invoice. On one Bolla it was possible to combine several sales orders, providing the ship-to address was the same. A consolidated invoice could then be made that made it possible to link the Bolla to one invoice.

Once the Bolla ceased to be a legal requirement, it was renamed the Documento di Trasporto, and it is still common business practice to supply these for goods movements in Italy. One reason for this is that new legislation is pending in this area but its contents are not yet known. A simplified version of the Bolla could well be required in the future. Another reason for the ongoing use of such documents is that it lets you verify that what is received or shipped is in line with the invoice.

▶ See Chapter 11, “Shipping Documents,” for details.

MFG/PRO’s standard shipper functionality has been extended to satisfy the Italian shipping document requirements.

VAT and Other Taxes

Several enhancements have been added to European Accounting to support Italy’s VAT and tax requirements:

- VAT Registers
- AP Italian VAT Lists
- AR Italian VAT Lists

VAT Registers

VAT registers are required by the Italian fiscal administration, and must display all the relevant information needed to confirm a company’s VAT declaration is correct, and to prove there has been no fraud.

▶ See “VAT Registers” on page 210 for details.

While initially introduced into European Accounting in response to the Italian VAT requirements, this feature has now been extended to be of more general usage.

AP Italian VAT Lists

AP Italian VAT List Menu (2.13.15.4) offers several AP VAT lists specifically for Italy. Table 13.1 lists the options.

Table 13.1
Italian AP VAT List Menu

Menu Number	Description	Program
2.13.15.4.1	Italian AP VAT Register	euaprgrp.p
2.13.15.4.2	It. EC Purchases VAT Register	euapr3rp.p
2.13.15.4.7	Withholding Tax Payment	euwhpmt.p
2.13.15.4.8	Withholding Tax Report	euwhtrp3.p
2.13.15.4.10	Withholding Tax Certificate Rpt	euwhtrp1.p
2.13.15.4.11	Compensation to Third Party Rpt	euwhtrp2.p
2.13.15.4.12	Withholding Tax Rsn Code Browse	txbr016.p
2.13.15.4.23	Withholding Tax Delete/Archive	euwhtxup.p

AR Italian VAT Lists

AR Italian VAT List Menu (2.13.15.5) offers several AR VAT lists specifically for Italy. Table 13.2 lists the options.

Menu Number	Description	Program
2.13.15.5.1	Italian AR VAT Register	euarrgrp.p
2.13.15.5.2	EC Sales linked to EC Purchases	euapr2rp.p
2.13.15.5.3	Italian Suspended VAT Register	euarsvrp.p

Table 13.2
AR Italian VAT
List Menu

Payment Methods

For Italy, some specific payment methods are available in European Accounting. Only RIBA drafts are discussed in detail. An additional function is available for this payment method, Italian RIBA Reversal (27.6.6.20). Using this function you can reverse RIBA drafts based on a file received from the bank.

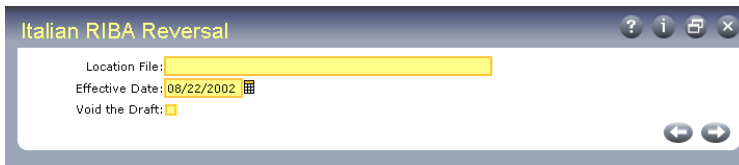


Fig. 13.1
Italian RIBA
Reversal
(27.6.6.20)

Location File. Specify the name of the file containing the reversal data. The file has to be located in the search path of MFG/PRO (PROPATH).

Effective. Specify the effective date for the reversal. This date has to be in an open GL period.

Void the Draft. Void the draft or reset the status of the draft to proposed.

▶ See “Draft Reversal” on page 101.

When you have entered this data, you are asked if you want an audit trail printed and processing begins.

Additional Descriptions

In Italy, it is very important that the administration is clear and traceable; this means that you have to be able to supply clear descriptions detailing the nature of each business transaction. These must be in easy-to-follow Italian. MFG/PRO often gives only very cryptic descriptions, but European Accounting adds functionality so that you can supply suitable descriptions.

▶ See “Define Operation Codes” on page 217 for details.

European Accounting has added operation type codes for transactions carried out in the Accounts Receivable and Accounts Payable modules to let you provide the required details.

▶ See “Secondary GL Descriptions” on page 38 for details

A second GL description line has been introduced for General Ledger transactions.

Numbering of GL Transactions

In Italy, not only do companies need to be able to provide detailed descriptions of all accounting transactions, but they must also keep a booking register recording all these transactions over a certain period. GL transactions must be assigned a number, which must be numbered sequentially with no gaps in the sequence. These are known as *protocol numbers*. Not all accounting transactions should appear, however. Stock-related bookings or end-of-month fictive bookings should not be numbered. To mark bookings that should not be numbered, the account types S and M are used.

▶ See “GL Protocol Numbering Required” on page 19.

The protocol number is maintained by the system. If you want to use protocol numbers, you must set the GL Protocol Numbering Required field in European Accounting Control to Yes. None of the functions described in the remainder of this section can be used if this field is No. If you attempt to do so, the message GL Protocol Numbering is not active displays. GL protocol numbers can optionally be assigned at the entity level by setting Protocol Numbers per Entity in European Accounting Control to Yes.

Adding Protocol Numbers

Use GL Numbering Create (25.13.8.1) to add the protocol numbers to the GL entries. If Protocol Numbers per Entity has been activated in European Accounting Control, you can also add the protocol numbers by entity.

Set Final Print No to Test to list the report to review it, before making final assignments of protocol numbers to GL entries. This report should only be run for closed periods.

Fig. 13.2
GL Numbering
Create (25.13.8.1)

Effective. Enter the range of effective dates to report and add numbers to.

Entity. Enter the range of entities to report and add numbers to. This field displays only if Protocol Numbers per Entity is enabled.

Print Address. Enter Yes if the address of the related customer or supplier should be printed; otherwise, enter No.

Print Source GL Desc. Enter Yes if the second GL description should be printed, if one has been created; otherwise, enter No. This second description is determined by the menu option of the program that created the transaction. You can enter these descriptions in GL Transaction Description Maintenance (25.4.1).

Form Code. The layout of the report is defined and printed in a separate subprogram, eugtrpXX.p, where XX is the value entered in the Form Code field.

Example

01 for GL numbering report: eugtrp01.p

02 for Libro Giornale: eugtrp02.p

Final Print (No = test). Enter Yes if this is the final print. The protocol numbers are assigned permanently if it is the final print. Enter No to generate a report without assigning the protocol numbers permanently.

Reprint. Enter Yes to include previously printed transactions; otherwise, enter No.

If Yes, an additional frame displays for input of the range of protocol numbers and print dates to be included.

Only previously printed transactions within this range are reprinted. If there is any discrepancy between the print date and protocol number ranges, no report is created.

Fig. 13.3
GL Numbering
Create, Reprint Yes

Protocol Number. Enter the range of protocol numbers to report. An entry of 0 is not allowed.

Print Date. Enter the range of dates to be covered by the report.

When the GL Numbering Create report is activated for a range of effective dates, a check is made for the existence of any non-posted GL transactions with an effective date before the end of the selection period. In this case, a warning is given and no protocol numbers are assigned.

Next, a check is made to determine if transactions without assigned protocol numbers exist before the effective date range. If this is the case, a warning message displays.

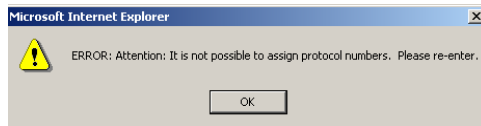


Fig. 13.4
Warning Message

If you receive this message, you must first assign protocol numbers to the previous periods before proceeding.

Reporting GL Numbering

A report and inquiry are also available giving details on transactions with protocol numbers and effective dates within a specified range. Use GL Numbering Report (25.13.8.3) to select records to report by range of entity (if Protocol Numbers per Entity is enabled), range of protocol number, and effective date.

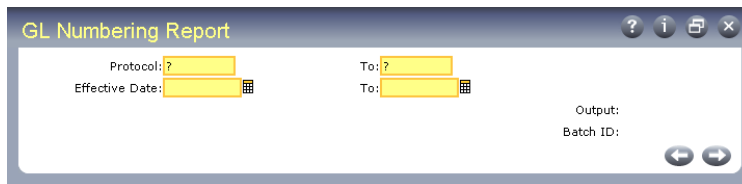


Fig. 13.5
GL Numbering
Report (25.13.8.3)

Entity. The range of entities to report and add numbers to (only visible if Protocol Numbers per Entity has been activated).

Protocol. The range of protocol numbers to be printed in the report.

Effective Date. The range of effective dates to report.

Fig. 13.6
GL Numbering
Inquiry (25.13.8.4)

Eff Date	Pr Nbr	GL Reference	Description	Prt Date	Batch	Doc
08/13/02	000000001	AP020813000269	Test Accts Pay	08/22/02	2266	20173
08/16/02	000000001	JL020816000004		08/16/02		JL0208
08/13/02	000000002	AP020813000270	AP Voucher	08/22/02	2267	20174
08/16/02	000000002	JL020816000005		08/16/02		JL0208
12/01/99	000000003	JL020715000001		07/25/02		JL0207
12/01/99	000000003	JL020715000002		07/25/02		JL0207
12/01/99	000000003	JL020715000003		07/25/02		JL0207
08/13/02	000000003	AP020813000271	AP Voucher	08/22/02	2268	20175
08/16/02	000000003	JL020816000006		08/16/02		JL0208
12/31/99	000000004	YR020716000001	Year-End Closing	07/25/02		
12/31/99	000000004	YR020716000002	Year-End Closing	07/25/02		
12/31/99	000000004	YR020716000003	Year-End Closing	07/25/02		

Entity. The range of entities to report and add numbers to (only visible if Protocol Numbers per Entity has been activated).

Protocol. The range of protocol numbers to be displayed.

Initializing GL Protocol Numbers

A special procedure is also available to let you initialize or convert protocol numbers from an existing database.

Fig. 13.7
GL Number
Initialization
(36.25.68)

Select posted GL transactions and create / update GL Numbering records

Effective Date: To:

Print Date:

Update:

Assign Protocol Numbers:

Output:
Batch ID:

Entity. The range of entities to be covered.

Note This field only displays when Protocol Numbers per Entity is Yes in European Accounting Control.

Effective Date. The range of effective dates to be covered.

Print Date. The print date to assign to the transactions. This must be a valid date; you cannot leave the field blank.

Update. Enter Yes or No. If set to Yes, then all changes are stored in the database; if set to No then a report is created but the changes are not stored in the database.

Assign Protocol Numbers. Enter Yes or No. If set to Yes, protocol numbers are assigned, starting with the next value available from European Accounting Control. If set to No, the protocol numbers are set to zero.

Withholding Tax

In Italy under certain circumstances, you are required to withhold a certain percentage of the tax due on payments to various suppliers. These are typically sole traders who supply services rather than goods. You are then responsible for settling the withheld tax on your supplier's behalf. The rate at which withholding tax is calculated is determined by the type of service given by your supplier. A *reason code* is allocated to each type of service. This determines the withholding tax liability for a particular type of service.

The ability to handle withholding tax obligations has been added to standard MFG/PRO.

▶ See "Withholding Tax" on page 233 for details.

However, two reports remain Italian specific:

- Compensation to Third Parties Report (*Compensi a terzi RPT*) lists the vouchers that are subject to withholding tax on a per-supplier basis.
- Withholding Tax Certificate Report (*Certificazione RDA*) is a year-end declaration of the amount of tax you have withheld per supplier.

Both reports are used in the preparation of the official 770 report that must be submitted to the tax authority. This report is preprinted and is filled in by hand.

Both the Compensation to Third Party Report and the Withholding Tax Certificate Report are created using data held in the relevant supplier's withholding tax table. This data is updated automatically using information entered in Voucher Maintenance (28.1.1) and voucher payment functions.

Compensation to Third Party Report

This report lists the amounts of withholding tax due for payment to the authorities in the selected month. You select the range of suppliers to be covered by the report.

Use Compensation to Third-Party Rpt (2.13.15.4.11) to create this report.

Fig. 13.8
Compensation to
Third-Party Report
(2.13.15.4.11)

Supplier. The range of suppliers to be covered by the report.

Year. The year to be covered.

Month. The month to be covered.

Only Withholding Tax to Pay. Enter Yes or No. If you enter Yes only those withholding tax amounts that you are about to pay are included in the report. If you enter No all withholding tax liabilities from the specified period are shown.

Reporting Currency. The currency in which the report will be printed. By default this is the base currency.

Once you have made your entries you can create your report.

Withholding Tax Certificate

You must send a withholding tax certificate to each of your suppliers on an annual basis. This shows the amount of withholding tax you have paid to the tax authorities on each supplier's behalf in that year. Using Withholding Tax Certificate Rpt (2.13.15.4.10), you can list the details of withholding tax certificates sent to a specified range of suppliers in any given year.

Fig. 13.9
Withholding Tax
Certificate Rpt
(2.13.15.4.10)

Supplier. The range of suppliers to be covered by the report.

Year. The year to be covered.

New Page for Each Supplier. Enter Yes or No to determine if the details for each supplier should start on a new page.

Re-Print Certificate. Enter Yes or No. By default a certificate's entries will not be shown on a subsequent report once they have appeared on one. You can change this by setting this field to Yes.

Reporting Currency. The currency in which the report will be printed. By default this is the base currency.

Once you have made your entries you can print your report.

Spanish Features

Enhancements have been made to European Accounting for Spain in the following areas:

- AR/AP transactions exceeding a given amount
- AP VAT list
- Spanish RDE by Invoice Report
- Several Spanish bank format payment drivers
- Intrastat Report

AR/AP Transactions Exceeding a Given Amount

In Spain, all AR and AP transactions that exceed a given amount must be reported. Two reports are available for this, AR Transactions > Given Amount (27.22.13) and AP Transactions > Given Amount (28.17.16)

Fig. 13.10
AR Transactions >
Given Amount
(27.22.13)

Select transactions to report by range of reference number, batch ID, bill-to address, entity, transaction date, and GL effective date.

Taxable Only. Enter Yes or No. Specifies if only taxable entries should be shown.

Currency. The currency of the transactions that should be reported. Leave blank to report all currencies (when total in base exceeds the amount entered). When a specific currency is entered, only that currency is reported.

Display Amounts >. The amount above which transactions should be reported.

The report shows for each VAT ID the total base and tax amounts (regardless of tax class).

AP Transactions > Given Amount is similar.

Fig. 13.11
AP Transaction >
Given Amount
(28.17.16)

Select transactions by range of reference number, batch number, supplier, entity, voucher date, or effective date.

Taxable Only. Enter Yes or No. Indicates if only the taxable entries will be shown, or if all entries will be shown.

Currency. The currency of the transactions that should be reported. Leave blank to report all currencies, all currencies are reported (when total in base exceeds the amount entered). When another currency is requested, only that currency is reported

Display Amounts >. The amount above which transactions should be reported.

For each tax ID, the total amount (VAT included) is displayed.

AP VAT List

A special AP VAT report, Spanish VAT by Transaction (28.17.17), is supplied that conforms to Spanish standards.

Fig. 13.12
Spanish VAT by
Transaction
(28.17.17)

Select transactions by range of reference number, batch number, supplier, entity, voucher date, or effective date.

Currency. The currency of the transactions that should be reported. Base stands for base currency. Leave blank to report all currencies. When another currency is requested, only that currency is reported.

Spanish RDE by Invoice

A specific report, Spanish RDE by Invoice (27.22.14), has been added to European Accounting to report RDE amounts per invoice.

Fig. 13.13
Spanish RDE by
Invoice (27.22.14)

RDE Tax Type. The tax type used for RDE.

Belgian Features

Several features have been incorporated into European Accounting that are particularly important for Belgium:

▶ These issues have been discussed in earlier chapters of this guide, with the exception of the IBLC Report. This is discussed below.

- Journals (daybooks)
- IBLC Report for foreign currency transactions
- Payment bank format drivers for Belgium
- Intrastat report for Belgium, both in Dutch and French
- Two new reports, AP VAT List Report (28.17.18) and AR VAT List Report (27.22.1), allowing the identification of a tax rate by a single code for reporting purposes

IBLC Reports

Belgium's IBLC reports have to be supplied to the Institut Belgo-Luxembourgeois Du Change and contain foreign currency transactions. Two reports have been added to European Accounting to let you output these reports.

For Accounts Receivable, the AR IBLC Report (27.22.23) is available.

Fig. 13.14
AR IBLC Report
(27.22.23)

For Accounts Payable, the AP IBLC Report (28.17.19) is available.

Fig. 13.15
AP IBLC Report
(28.17.19)

French Features

Many enhancements that have been incorporated into European Accounting were originally added to meet France's requirements:

- Improved draft flow and draft functionality
- GL transaction matching (*Lettrage*)
- Option to have separate GL references per document
- Journals (daybooks)
- Intrastat reports
- Several bank format drivers
- VAT reports

Dutch Features

The following enhancements have been added specifically for the Netherlands:

- Intrastat reports, both on file (IRIS) and on paper
- Extrastat declarations, both on file (IRIS) and on paper
- Bank format drivers, both direct debit as AP payments

UK Features

The following enhancements are available specifically for the United Kingdom:

- Intrastat Report
- Bank format drivers, also with support for preprinted AP checks

German Features

The following enhancements are available specifically for Germany:

- Intrastat Report
- Bank format drivers, both internal and external payments

Polish Features

Standard MFG/PRO does not provide any functionality to keep track of the link between an original invoice and any invoices created for the correction of the original one. This is a legal requirement in Poland and to support this requirement the following functionality has been added to European Accounting:

- Ability to create a correction sales order for an original invoice by entering the correct amounts rather than by entering the difference between the original invoice and the correct amount
- Ability to keep track of the relationship between original invoices and correction invoices
- Printing of a correction invoice on which the original amounts, the corrected amounts and the differences are displayed

- Ability to include or exclude correction invoices from several standard reports
- Display of the link between an original invoice and its correction invoice

While this functionality was originally added to European Accounting in response to legal requirements in Poland, it is now available as a generic feature.

▶ See Chapter 12, “Correction Invoices,” for full details.

Glossary

Bank Format Driver. A program that performs the translation from the common AR and AP payment logic into country-specific electronic formats or preprinted forms. Various bank format drivers are supported by European Accounting.

Bankslip. The term by which bank statements are referred to within European Accounting.

Beginning Balance. The opening balance of a particular General Ledger account or bank account at the beginning of a specified time period.

Billet à Ordre Relevé (BOR). A French customer-initiated draft that is opened by a customer and sent directly to the supplier's bank for payment.

Bolla. The Italian Bolle d'Accompagnamento Merci. A shipping document that used to be a legal requirement in Italy for all goods movements. Now known as the *Documento di Trasporto*.

Bolle d'Accompagnamento Merci. See *Bolla*.

Correction Invoice. A document containing corrected information for an invoice that has already been posted.

Daily Code. A code related to a French law governing drafts submitted to the government.

Daybooks. See *Journal*.

Declarant. A company address for which transactions are reported for a country and a number of entities. Intrastat declarations are made for declarants.

Direct Debit. An electronic order to a bank telling them to transfer the amount specified from a customer's bank account directly to your account. Customers have to authorize you to do so.

Documento di Trasporto. An Italian shipping document. Previously known as the Bolle d'Accompagnamento Merci (or Bolla), it used to be a legal requirement in Italy. Renamed the Documento di Trasporto when it ceased to be a legal requirement, it remains common business practice in Italy to supply such documents to accompany the movement of goods.

EEC. European Economic Community.

Entity. An independent unit for financial reporting purposes. An entity generates a separate balance sheet and income statement, plans budgets, and is assessed for taxes. All GL transactions are posted by entity.

The primary entity is the default entity for GL transactions. There is no limit to the number of entities in a database.

GTM. Global Tax Management.

IBLC. Institut Belgo-Luxembourgeois du Change.

Intrastat. System used for collecting foreign trade statistics on the movement of tangible goods between countries in the European Economic Community (EEC).

ISO Currency Codes. A predefined set of three-character currency codes specified by the International Organization for Standardization, which must be used in order to process electronic payments using the SWIFT protocol.

Journal. Journals are used to group General Ledger transactions together, either to satisfy legal reporting requirements or to organize GL reporting in a manner consistent with common business practices. Transactions can be grouped within journals by transaction type and by transaction-document type.

Journal Report Writer. Journal Report Writer lets you group together GL transactions from various journals and report selected elements of data from those groupings in either detailed or summarized form.

Lettre de Change Relevé (LCR). A French supplier-initiated draft opened by a supplier based on a customer's outstanding invoices, and sent directly to that customer's bank for payment.

Operation Types. Operation types describe AP and AR transactions in clear, easy-to-understand language. These descriptions can be linked to sales orders, sales quotes, and pending invoices and will appear on various reports and when VAT registers are printed.

Payment Method. Payment methods determine the way in which a customer is going to pay your invoice, or the method you are to use to pay one of your suppliers. A payment method must be specified if payment is to be made electronically. Multiple payment methods can be defined for each bank.

Protocol Number. An Italian feature. A number that must be assigned to all GL transactions in Italy to conform to Italian legal requirements. Protocol numbers must be sequential, and no gaps are permitted in the sequencing.

RIBA. RICEvuta BAncaria. An Italian payment method similar to a draft.

Secondary GL Descriptions. A second GL description line for GL transactions, providing a clear, easy-to-understand description of that transaction. These descriptions appear on certain reports.

Sequence Numbers. When defining VAT registers you can create your own numbering sequences to be used in the numbering of invoices, vouchers, correction invoices and credit notes. These sequence numbers can be up to eight characters in length, and consist of a fixed element (specified by you) and an integer element (incremented by one automatically each time a number from that range is allocated).

Shippers. Documents used to issue goods, which identify the items, contained within a particular shipment. Shippers are typically required when moving inventory between two different physical locations. They can be used for both inbound and outbound movement of goods. They can also be used when moving inventory between two locations in the same site.

SIA Code. The Societa Interbancaria per l'Automazione operates the interbank network RNI (Rete Nazionale Interbancaria) and the automated clearing house (ACH) of Italy.

Suspended VAT. A method by which VAT liabilities are suspended until the date on which invoices are paid. In such circumstances, the due date for the VAT is not set until the

associated invoice has been paid. This occurs in Italy, typically with government institutions, where the customer may often take more than 12 months to pay an invoice.

SWIFT. Society for Worldwide Interbank Financial Telecommunications. This is a network allowing world-wide payments to be made between banks.

Transport Documents. See *Shippers*.

Unapplied Payments. Payments such as deposits and prepayments that do not apply to specific customer invoices, memos, or finance charges.

VAT Registers. VAT registers provide a means of grouping together various accounting transactions for VAT reporting purposes. They enable you to assign numbering ranges for

invoices, vouchers, correction invoices and credit notes. Certain countries, such as Italy, have very strict rules governing the numbering of vouchers, invoices, and other formal documents and do not allow any gaps to appear in the sequences. Using VAT registers, you can force the use of unbroken sequences in these numbering ranges.

Waiting-Expenses Vouchers. Vouchers that can be entered, and their VAT collected, before their final distribution is known. Waiting expenses are initially booked to the Waiting Expenses account, which is counter booked once the final distribution is known.

YA. The transaction type assigned to year-end transactions, allowing year-end adjustments to be easily identified.

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